A STUDY ON CONSUMERS PERCEPTION TOWARDS DIGITAL PAYMENT MODE

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ABSTRACT

India is moving forward on the way of the most significant digital revolution and digital payment system is an important landmark in the regime of cashless economy. Digital payment system is an electronic medium that allows consumers to make electronic commerce transactions for their purchase and also financial transactions. The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. The consumer perception of digital payment has a significant and positive impact on adoption of Cashless payments. The findings reveal that digital transactions are accepted in India and usage is increasing year by year. The structured questionnaire was used as research tool for understanding consumer perception of digital payment. Primary data was collected from 100 respondents in Hyderabad.

Keywords: *Digital Transactions, Consumer's Perception, Safety and security of Transaction*

1. INTRODUCTION:

Digital payment system is an electronic medium that allows consumers to make electronic commerce transactions for their purchase. The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment

India is moving forward on the way of the most significant digital revolution and digital payment system will be an important landmark in the regime of cashless economy in the coming years. Digital payment system is an electronic medium that allows consumers to make electronic commerce transactions for their purchase and also financial transactions. Digital payment system has remarkable momentum particularly after demonetization in India. The Government of India is taking various steps for efficient utilization of digital payment platforms to wipe out corruption and black money from the Indian economic system. Presently, around 60 per cent of the transactions in India are taken

place through digital platforms. Though digital payment is generally accepted by public, there are few criticisms about processing of digital payment system. To popularize and speed up of adoption of digital payment, there are many number of digital payment systems are launched in India.

1.1OBJECTIVES:

- To identify the consumers perception on cashless transactions in digital economy
- To identify the factors influencing consumers towards cashless transactions
- To examine the impact of digital payment mode on transaction related factors like convenience, security and cost
- The study on impact of demographic factors on adoption digital payment mode

1.2 RESEARCH METHODOLOGY:

The current study is based on primary data collected from 100 respondents by means of circulating well-structured questionnaire and by face to face interviews.The study was conducted based on the convenient sampling technique. The data collected was analyzed by Chi-Square analysis using SPSS 23.0.For presentation purpose bar chart is used.

The secondary data for the study was compiled from websites, journals, magazines, census reports and books

1.3 LIMITATIONS OF THE STUDY:

A good report tells the results of the study. But every project has its own limitations. These can be in terms of:

- The size of the sample of the investigation is limited in its nature, which puts a limitation on the generalizations on the result of present study.
- The findings of the study are based on the information supplied by the respondents, which might have their own limitations.
- The study being confined to Hyderabad.
- This study is confined only to digital 'PAYMENTS '

2. LITERATURE REVIEW:

➢   India is the second-largest smartphone market in the world after China. The smartphones and other facilities with strong back up of Internet providers like Reliance Jio have boosted usage of the digital wallets, electronic payments. Mobile connectivity and internet are very important for online payments. As of November 2019, the active internet users in India are 504 million (Digital in India 2019 by IAMAI and Nielsen). Financial service institutions and other firms have tried a lot in increasing online payments and governments have also increased efforts to make increased penetration of internet. The penetration in rural India is also increasing substantially). The digital payment market is   estimated   to   be $ 69,168   millionin

2020(statistica.com). This is contributed by the technological developments happening in this filed and emergence of digital Wallets.

➢   Digital wallet is a software application that helps users to digitally store money, payment credentials, and more. Consumers can use this software to implement varioustypes of cashless transactions (McKinsey, May 2015). This is very much used for digital payment. The major deterrent for India's growth in this sector is the reach and quality of internet. India was ranked 128 out of 140 countries in terms of internet download speed as per the research done by The Hindu (December 2019). This must be improved for digital payment to be more successful.

➢   Digitalization is playing an important role in every field of business, from purchase to payments (Yuvaraj & Eveline 2018). Kumar and Chaubey (2017) have found from their study that process of digitization is happening very slowly and peopleare adopting it as there is no other choice. With the advanced technology and availability of the internet, consumers find convenience in online banking facilities and other mobile applications. It has made consumers more convenient to do their transactions anywhere and at any time. Although consumers fear for their privacy and security in transacting online, developments in technology in the form of big data, internet of things helps us to move towards a cashless economy. The importance of awareness creation by suing digital marketing and social media was discussed by Andrew Stephen in 2015.

➢   The speed of adoption was discussed by some researchers. D. Sudhir Babu, P. Lakshmi Narayanamma (2018) found that electronic payments help in buying products faster. Gokilavani et al (2018) found a significant difference in the socio- economic status of consumers and their perception towards digital payments in his study on perception of customers towards Digital Payments. Customer perception plays a major role in the adoption of digital payment. Service providers for digital payments should also take proper care to avoid undue delays in processing payments.

3. OVERVIEW
3.1 MEANING:
Digital payments are technically defined as any payments made using digital instruments. In digital payment, the payer and the payee, both use electronic modes to send and receive money. No hard cash is used. It is, however, not mandatory in some cases for the payee to participate digitally in order for the transaction to be fulfilled. The most common form of digital payment method is found on all e-commerce websites. You can pay on these platforms using any of the methods such as Debit card, credit card, net banking,or payment wallet.

3.2 DIGITAL PAYMENT MODES IN INDIA:

The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. "Faceless, Paperless, Cashless" is one of professed role of Digital India.As part of promoting cashless transactions and converting India into less-cash society, various modes of digital payments are available.

3.3Types of Digital Payments

➢ Banking Cards.

➢ USSD (Unstructured Supplementary Service Data)

➢ UPI (United Payment Interface)

➢ AEPS (Aadhaar enabled Payment System)

➢ Mobile wallets.

➢ Point of Sale Machines (PoS)

➢ Mobile Banking.

➢ Internet Banking.

**4. DATA ANALYSIS AND INTERPRETATION:**

Analysis and interpretation plays the most important role in any research process. It helps to extract pertinent findings from the collected data by applying statistical techniques in discovering additional findings. It converts raw data into meaningful data by bridging the gap between primary and secondary data. Analysis is done with an attempt to organize and summarize data in order to enhance the effect of results in such a way that enables to relate critical points with study's objective

**4.1 CHART 1**: **OCCUPATION V/S DIGITAL PAYMENT**
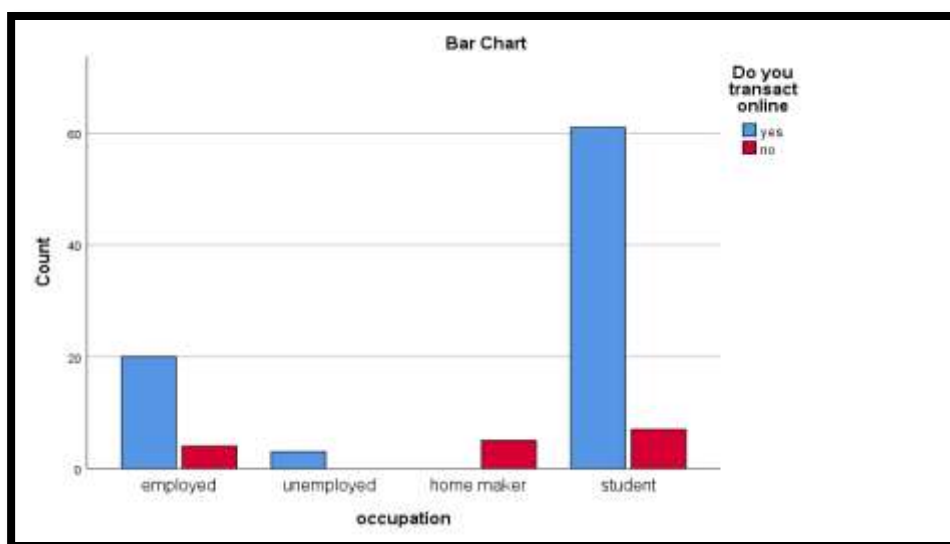
INTERPRETATION:

• The table indicates that out of total respondents the majority of 61% respondents who fall under student transact online followed by employed with 20% and unemployed 3%. Homemakers has shown least interest in transacting online.

• Out of 100 respondents 84% use digital payment modes whereas 16% don't use.

• From the above table it is inferred that Pearson chi square value is 0.00 which is less than 0.05 thus null hypothesis is accepted, therefore there is no relationship between Occupation and usage of digital payment mode.

4.2 CHART 2: OCCUPATION V/S USAGE:
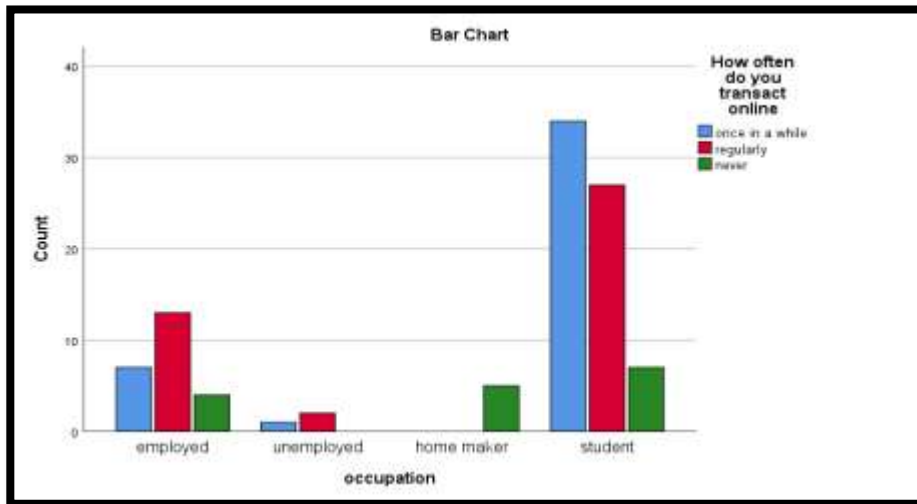
INTERPRETATION:

• The table indicates that out of total respondents of student category 34% transact once in a while, followed by 27% transact regularly and 7% don't use digital payment mode.

• When it comes too employed 7% transact once in a while, 13% transact do it regularly and 4% doesn't use digital payment mode.

• When it comes too unemployed 1% transact once in a while, 2% transact do it regularly

**4.3 CHART 3: OCCUPATION V/S TYPE OF ONLINE PAYMENT MODE**
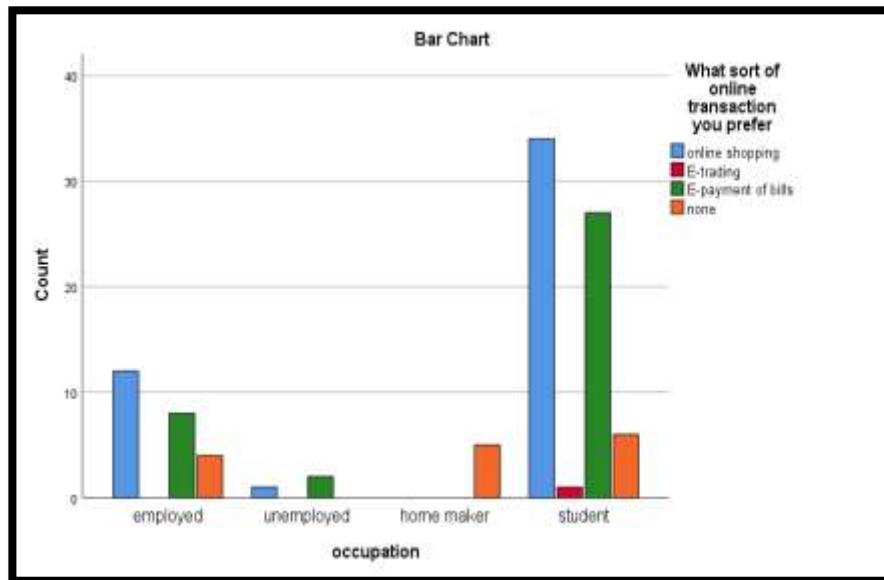
INTERPRETATION:

• Out of total respondents majority of them around 47% prefers online shopping followed by 37% E-payment of bills, 1% E-trading and rest 15% don't use any of the above.

• The table indicates that mostly student's shows interest towards online shopping followed by employed and unemployed.

• From the above table it is inferred that Pearson chi square value is 0.00 which is less than 0.05 thus null hypothesis is accepted, therefore there is no relationship between Occupation and type of digital payment mode

4.4 CHART 4: OCCUPATION V/S LITERACY
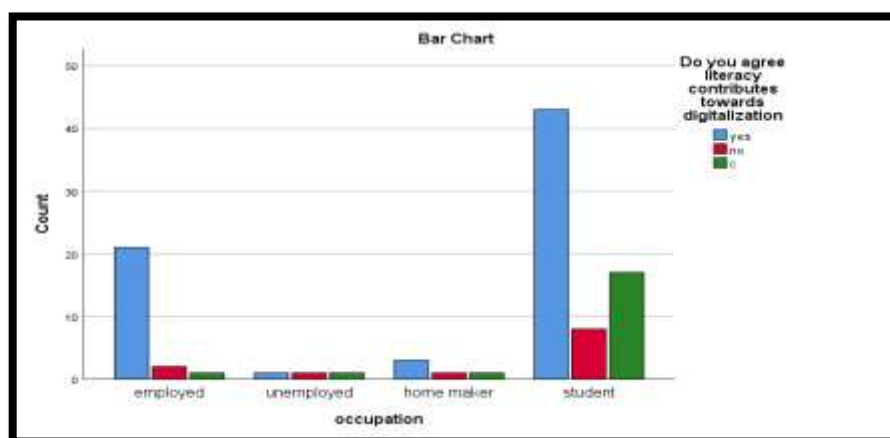
INTERPRETATION:

•   The table indicates that majority of respondent's i.e. 68% believe that literacy contributes towards digitalization followed by 12% says no and 20% opted maybe.

•   From the above table it is inferred that Pearson chi square value is 0.242 which is more than 0.05 thus alternative hypothesis is accepted, therefore there is relationship between Occupation and literacy.

•   Therefore literacy contributes towards Digitalization.

4.5 CHART 5: OCCUPATION V/S MOST COMFORTABLE MODE OF DIGITAL PAYMENT
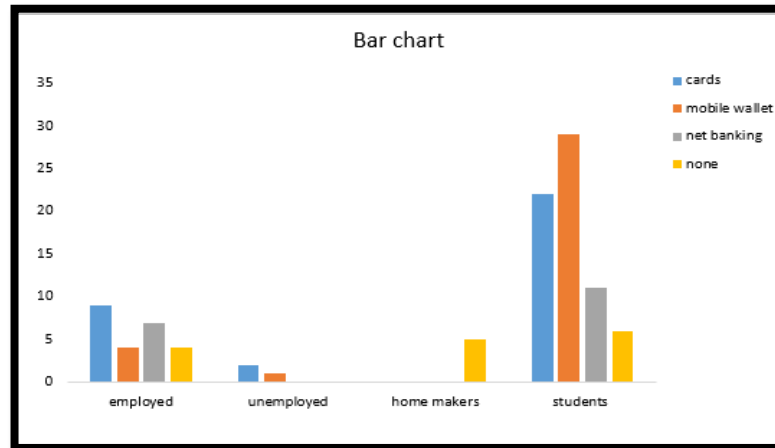
INTERPRETATION:

•   The table indicates majority of respondents around 34% uses Mobile Wallet has most comfortable mode of the payment, around 33% prefers cards followed by 1% using other mode of Digital payment and 16% doesn't use any Digital payment mode.

•   When it comes to only employed 9% prefer cards followed by 4% mobile wallet, 7% net banking, and 4% doesn't use any digital mode.

•   When it comes to only unemployed 2% prefer cards followed by 1% mobile wallet, 0% net banking and 5% doesn't use any digital mode.
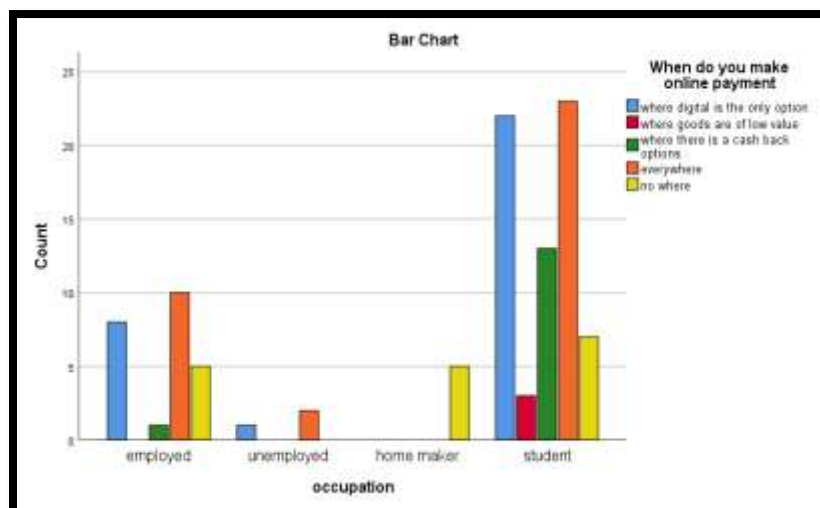
4.6 CHART 6: OCCUPATION V/S RIGHT TIME FOR INDIA TO GO DIGITAL
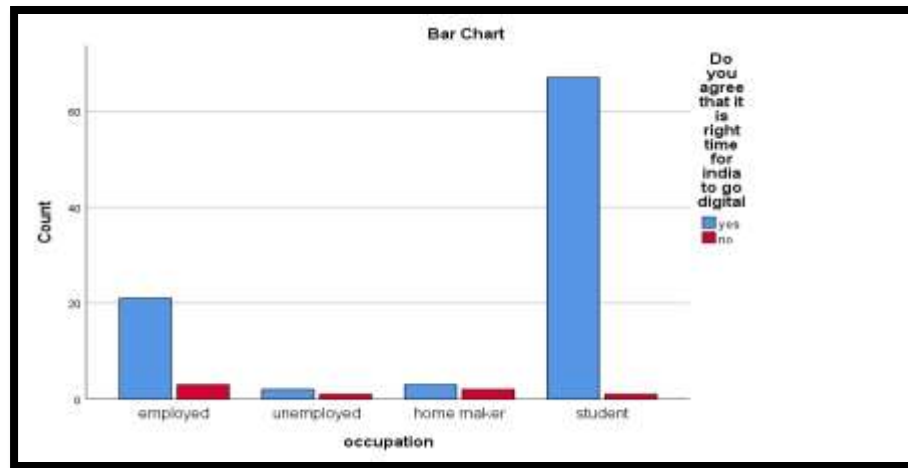
INTERPRETATION:

•   The table indicates that it is 93% out of total repondents says that it is right time for india to go digital wheras remaining 7% says No.

•   The chi square value is 0.001 which is less than 0.05 , thus Occupation Doesn't have its impact on India to go Digital
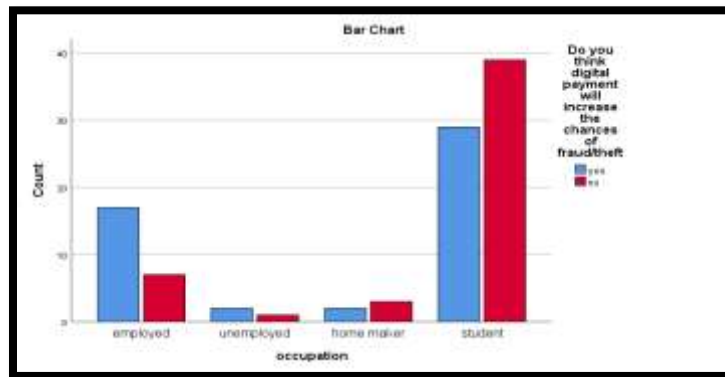
4.7 CHART 7: OCCUPATION V/S PREFERENCE

INTERPRETATION:

•   The table indicates that 35% of consumers prefer to pay online everywhere

•   Whereas 31% opt Online payment when Digital is the only option

•   14% respondents use Digital mode when there is cash back Option.

•   3% respondents pay online when goods are of low value.

**4.8 CHART 8: OCCUPATION V/S INCREASE IN CHANCES OF FRAUD/THEFT**

INTERPRETATION:

• The table indicates that out of 24% employed 17% believes that Digitalization will increase the chances of theft/ fraud and 7% says no.

• Further, among 3% of unemployed 2% believes that Digitalization will increase the chances of theft/ fraud and 1% says no

• When it comes to House wifes 2% says that it will increase fraud/theft whereas, 3% doesn't held digitalization responsible it.

4.9 CHART 9: OCCUPATION V/S GOVERNMENT STRATEGIES
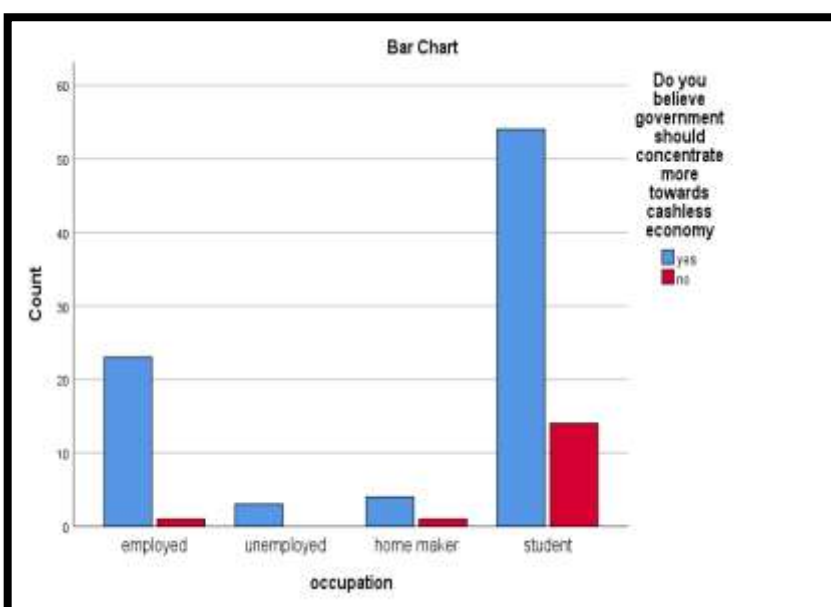
INTERPRETATION:

•   The table indicates that out of 100 respondents 84% says that Government should concentrate more towards Digitalization.

•   When we consider only employed, 23% believes government must support and rest says No

•   54% out of 68% of total students says that government must invest to guide India towards Digitalization.

4.10 CHART 10: OCCUPATION V/S INFORMATION
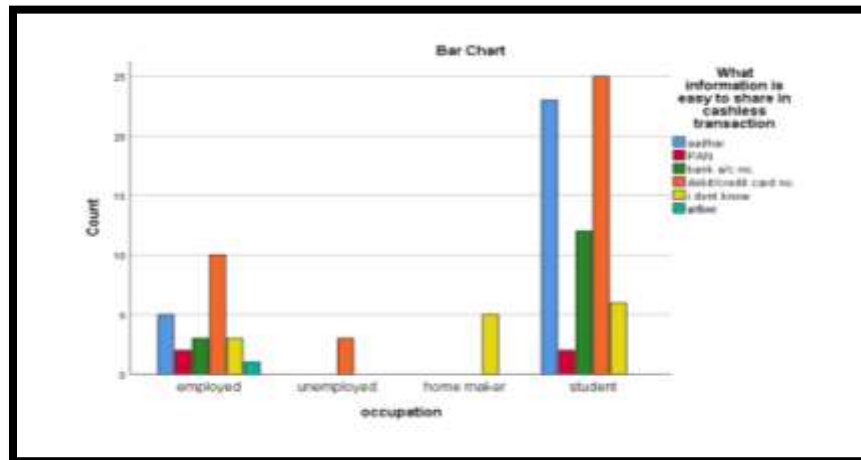
INTERPRETATION:

• The table indicates majority of respondents around 38% says Debit/Credit card details can be shared easily followed by 28% Aadhaar, 15% bank details, 4% PAN details.

• 14% respondents doesn't have any idea

• From the above table it is inferred that Pearson chi square value is 0.00 which is less than 0.05 thus null hypothesis is accepted, therefore there is no relationship between Occupation and information to be shared.

5. FINDINGS & CONCLUSION:

5.1 FINDINGS:

•   Majority of respondents that is 84% use digital payment mode

•   68% respondents believes that literacy contributes towards digitalization

•   Mobile wallets and debit/credit cards are considered to be most comfortable mode of digital payment.

- 93% of respondent says that it is right time for India to go digital
- Most of them believes that digitalization would increase the chances of fraud/theft.
- 84% of respondents says Government should concentrate more towards Digitalization for the development of economy
- Aadhaar and debit/credit card details can be shared easily in case of digital payment
- Privacy and security, lack of technical knowledge and internet issues are the major factors influencing Digital payment mode.

5.2 SUGGESTIONS:

- As privacy and security is the major factor influencing digital payment mode Government should concentrate more towards providing high level security to user's personnel information and Accounts.
- By educating people especially in rural area about various digital payment mode and explain its advantages regardless of how many diverse changes are bought, latter step to digitize per say or enhance economy is to inculcate the nature of imparting and accepting knowledge among people of electronic and technological literacy.
- Literates who doesn't transact online must be motivated.
- To convert all the online transactions offline to reduce the data consumption and protection against hackers
- Internet facilities must be provided in rural areas

5.3 CONCLUSIONS:

Digital payments not only helps individual to payments or receive money it also performs multiple functions such as giving reminder about dues of any kind of payments to be made, it gives various offers to the user and its saves a lot of time, as per the initiative taken by the government of India to make a digital India and due to the increase in smartphone selling and availability of internet at a high speed and at an affordable price this is one of the core factors for consumers to adopt the digital payment system as everything can be done at our finger tips and we don't need to go anywhere to use it. In the near future there will b more increment in the usage of digital payment system and definitely the digital India mission will be highly successful.

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