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Digital Payment A Way Forward for Urban Dwellers

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Abstract

A Digital payment, sometimes called an electronic payment is the transfer of value from one account to another using a digital medium. Digital payment has provided opportunity for India to empower its people and make them to use it and overcome the outdated banking system. Digital payments have changed people's financial behaviour. Now days online becomes daily part of our lives, mainly because it is so convenient. It offers payments satisfaction, convenience, time savings, safety, availability of various vendors and services to the customer. Majority of the vendors prefer G-pay. Students and homemaker also using digital payment service. Applying frequencies and percentages this paper found that usage of online features of digital payments by the respondents and vendor preference on digital payment also offers that customer prefers to digital payment.

Keywords: Digital Payment, Online Banks, Vendors, Cashless Transaction, Digital Wallet

Introduction

The 'Digital India' is the Indian Government's flagship programme with a vision to convert India into a digitally empowered country. "Faceless, Paperless, Cashless" is one of supported function of Digital India. A Digital payment, sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone POS (point of sales) or computer, a digital channel Communications such as mobile wireless data or SWIFT (society for the Worldwide Interbank Financial Telecommunication).

Michael Aldrich (22 August 1941- 19 May 2014) was an English inventor and entrepreneur in 1979 he invented online shopping to enable online transaction processing between consumers and businesses, or between one business and another, a technique known later as e-commerce.

The mid-1990s saw the Introduction of Online Payments. The Stanford federal Credit Union is credited as the first Organisation to offer their clients an online payments system, having first done so in 1994.

In 1996, Industrial Credit and Investment Corporation of India (ICICI) introduced online banking services in India, by using electronic banking at its branches. Later in 1999, banks such as HDFC, IndusInd, and Citi launched online banking facilities.

There are various types and modes of digital payments. Some of these induce the use of debit/credit cards, internet banking, mobile wallets, digital payments Interface (UPI) Service, Unstructured supplementary Service Data (USSD), Bank prepaid cards, mobile banking, etc.

The people those who are using Digital payment always try to recommend their friends and family members for Digital payment. The convenience of Digital payment is the main attraction of the customers. Unique Digital payment system also offers easy and safe transaction from individuals. In the era of internet technology, Wi-Fi services and smart phone gadgets provides so much facility for the customers to do transaction from anywhere.

One of the most significant advantages of Digital payment is the seamless experience they provide to customers. Reduced dependency on cash, fast transfer speed, and the easy of transacting make only online payments a preferred option.

Review of Literature

Akhila Pai (2018) argued that India is a vast developed country in every field including economy, marketing, trading, agriculture etc. Here will allow for digital marketing. The History of digital marketing in India can be traced had to 1995, till 2000, only 0.5% of population used e-net boom and evolution of digital marketing commenced. Our government introduced an (e-RUPI scheme which is a cashless & contactless digital payment instrument). It includes e-payment can be used through mobile apps and it proves a way for easy to transactions. Start-up companies gets a huge positive response using e-payment methods. Through the help of smartphones everything can be achievement easily. It greatly paves way for the concept that “one has everything they want from where they are and independent of time”. But still there should be some awareness to be created on using these e-payment apps for betterment.

Sunny Gupta and Kumar Dinesh (2020) discussed about the effective methods of digital payments. without any exceptions the digital transactions have taken the world under. most of the research have proved that effective digital payment system has speed up the liquidity flow of an economy. The now days the digital transactions are the easy way of being agile and gives better services. The technology helps to know the statement of transactions and assurance to the consumer. The study clearly states that the use of digital transaction has highly increased and accepted in India. The study also focuses on the advantages

and challenges which is faced by consumer while adopting digital Payments.

Kavitha and Sampath Kumar (2019) The study analyses the effect of adopting digital payments in the consumer of the banking sector. The objective is to analyse the impact of consumer’s education and income status on usage of digital payment. It has also been noted that age plays a significant role. Age has a positive correlation with the use of digital payments. Moreover, more educated people are expected to have more favourable attitudes towards adoption innovations. The limitation of the study is that only 183 samples from Hyderabad city have been taken as sample. The results indicate that the deployment technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less county.

Praiseye and Florence John (2018) This paper analyses the factors that influence the behaviour of users. The Impact of demographic factors such s age, gender, marital status and income. It has been inferred from the study that majority of the users have been affected by poor internet connectivity and difficulty in using mobile wallets for small billings like 2 digit payments. It has been concluded that users might require more financial literacy.

Joshi Mrunal (2017) found that in previous two years (2015-2016, 2016-2017) but especially in 2017-2018, these is remarkable growth in digital payment in both volume and value.

According to Khalid Haliyana and Sahi Mahdi Alaa (2021) digital payments financial inclusion massesa significant potential to change the lives of millions of underdeveloped countries.

Ghosh and Gourab (2021) opined that now a day’s digital payment is widely used because it’s easy to access and people are less tends use liquidity.

Ranjith et.al (2021) revealed that smartphones and e-net have greatly influence people’s day to day life. People was e-marketing for buying goods or services also for making e-payment for buying them. It leads to the usage of digital payment and payment apps cashless transaction are encouraged because it provides feasibility, friskiness etc. e-banking achieves a rapid growth in recent days. The reason for this digitalization includes the adaption of new innovations among people. They accept and more

along with e-digitalization for betterment of their lives. Here it also includes the shortcomings of these digital payments and come out with a new upheaval.

Objectives

- To know the Customers opinion and preference towards digital payment services.
- To study the customer satisfaction level towards e-payment.
- To find out the problems faced by the customers to online transaction.
- To give suggestions based on the result.

Methodology

The design of research for the Present Study is descriptive in nature. As the study has adapted Primary data collection method and confined to Karumathampatti only. The data was gathered in the month of April to May 2022 from the Digital payment users of Karumathampatti from Coimbatore district, Tamilnadu. 45 household peoples were selected using sample random sampling method through a pre tested interview schedule.

Results and Discussion

Table 1: Socio-Economic Profile of the Respondents

Sl. no: A	Gender	Frequency	Percentage
1.	Male	23	51.1
2.	Female	22	48.9
Age			
B.	Age	Frequency	Percentage
1.	Less than 30	23	51.1
2.	30 to 35	5	11.1
	More than 35	17	37.8
Marital Status			
C.	Marital status	Frequency	Percentage
1.	Married	60.0	60.0
2.	Unmarried	40.0	40.0
Educational Qualification			
D.	Qualification	Frequency	Percentage
1.	School level	15	33.3

2.	Under graduate	19	42.2
3.	Post graduate	11	24.4
	Total	45	100.0

Source: Primary Data 2022

Table: 1 shows the socio-economic characteristics of the respondents. It is clear from the table that 51.1 percent of the respondents are male and 48.9 percent were female. It was evident from the table that majority of the respondents belongs to the age group of less than 30. Among the total respondents about 60 percent were married and nearly 42.2 percent of the respondents were under graduate.

Table 2: Vendor Preference on Digital Payment and Offers that Customer Prefers to Digital Payment

Adoption of Digital Payment			
Sl.no: A	Vendors	Frequency	Percentage
1.	Cards	9	20.0
2.	UPI	9	20.0
3.	G pay	25	55.6
4.	Phone pay	2	4.4
Offers Preference of The Customer			
B.	Offers	Frequency	Percentage
1.	Gift voucher	16	35.6
2.	Promotion code	3	6.7
3.	Discounts	6	13.3
4.	Cash back offer	20	44.4
	Total	45	100.0

Table 2 shows the vendor preference on digital payment and offers preferred by the customer to digital payment. Majority of the vendors preferred GPay. (55.6%) Above the vendors preferred cards and UPI. Most of the customers preferred cash back offers. Customers preferred promotion code the least and other offers like gift voucher and discounts.

Table 3: Satisfaction Level towards the Digital Payment

Level of Satisfaction						
Sl. No.	Factors	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
1.	Convenience	28 (62.2)	16 (35.6)	1 (2.2)	0 (0.0)	0 (0.0)
2.	Safe and security	21 (46.7)	24 (53.3)	0 (0.0)	0 (0.0)	0 (0.0)
3.	Trust worthiness	26 (57.8)	13 (28.9)	6 (13.3)	0 (0.0)	0 (0.0)
4.	Time saving	39 86.7	5 (11.1)	1 (2.2)	0 (0.0)	0 (0.0)

Source: Primary Data 2022

Table 3 Potrays the satisfaction level of the respondents towards the digital payment. About 62 percent of the respondents were highly satisfied with the convenience of the digital payment, Majority of the respondents were satisfied with the safe and security of the digital payment, nearly 58 percent of the respondents were highly satisfied with the trust worthiness of the digital payment.

Table 4: Usage of Online Features of Digital Payment by the Respondents

Online Features			
Sl. No	Statement	Frequency	%
1.	Transfer funds	42	93.3
2.	Download account statement	19	42.2
3.	Credit card payments	20	44.4
4.	Bill payments	44	97.8
5.	Loan details	13	28.9
6.	Credit online FD/RD	3	6.7
7.	Mutual funds	6	13.3
8.	Cheque/stop payment	7	15.6
9.	De-mat account	0	0.0
10.	Others	0	0.0
Total		45	100.0

Source: Primary Data 2022

Table 4 represents the usage of online features by the respondents. Among the total respondents, a maximum of 97.8 percent of the respondents used for paying bills. About 94 percent of the respondents used for transferring funds. None of the respondents used De-mat accounts. Respondents also used the online features of digital payment like credit card payment, account statement, loan details, etc.,

Table 5: Problems faced and Risk in using Digital Payment by the Respondents

Problems on Online Banking			
Sl.No: A	Problems	Frequency	%
1.	Yes	36	80.0
2.	No	9	20.0
Major Barriers			
B.	Barriers	Frequency	%
1.	Don't trust the bank security	6	13.3
2.	Don't have a security computer	4	8.9
3.	Technology difficult	8	17.8
4.	Inconvenient	27	60.0
Risk When Using Digital Payment			
C.	Risk	Frequency	%
1.	Network issue	28	62.2
2.	Poor mechanism	13	28.9
3.	ATM quality	2	4.4
4.	Insufficient agent	2	4.4
Total		45	100.0

Source: Primary Data 2022

Table 5 portray the problems faced, major barriers and risk while using digital payment. Majority of the respondents faced problems while using digital payment. From the table it is observed that 60 percent of the Customer were in convenient in Using digital payment. more than 60 percent of the respondents stated that Network issue was the Prime concerned of the Customer.

Conclusion

The present study concludes the Digital user's perceptions on digital payment varies from individual to individual. Now a days online becomes daily part

of our lives, mainly because it is convenient. Also, it offers payment satisfaction, convenience, time savings, safety, availability of various vendors and service to the consumer. Most of the respondents were satisfied with the usage of the digital payments. The current trend is towards digital payment. At the time of demonetization digital transaction have been accessed by people during the covid digital payment id highly used by the people due to protocol and it helped the home makers also to learn about the digital transaction. Most of the people have network issue but also, they find easy to use it.

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