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A STUDY OF CONSUMER PERCEPTION TOWARDS DIGITAL TRANSACTIONS

***Ravi kant Sharma** (Research Scholar of Jiwaji University)
****Dr. Deepak Singh** (Principal, S.R.D. College, Morena {M.P})

ABSTRACT

Now a day we can see that the tremendous growth in use of internet banking and mobile phone in India. Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. The consumer perception of digital payment has a positive impact of adoption in digital payment. Digital payments refer to electronic consumer transactions, which include payments for goods and services that are made over the internet, mobile payments at point-of-sale (POS) via smartphone applications (apps), and peer-to-peer transfers between private users The finding of this research show useful decision makers to implement and develop in digital payment mode and help as to know how it affect user perception and intention .Digital payment emphasizes greatly in users and they understand how it adopt on banking service and innovative technology have been part of the coming life style.

Keywords: Digital payment, Digital Wallets, Cashless Transaction Consumer Perception

❖ INTRODUCTION

➢ ABOUT DIGITAL PAYMENTS

The Government of India has been taking several measures to promote and encourage digital payments in the country. As part of the 'Digital India' campaign, the government aims to create a 'digitally empowered' economy that is 'Faceless, Paperless, and Cashless'. There are various types and modes of digital payments. Some of these include the use of debit/credit cards, internet banking, mobile wallets, digital payment apps, Unified Payments Interface (UPI) service, Unstructured Supplementary Service Data (USSD), Bank prepaid cards, mobile banking, etc.

Digital payment methods are often easy to make, more convenient and provide customers the flexibility to make payments from anywhere and at any time. These are a good alternative to traditional methods of payment and speeded up transaction cycles. Post demonetization, people slowly started embracing digital payments and even small time merchants and shop owners started accepting payments through the digital mode.

- **WHAT IS A DIGITAL PAYMENT?**

Digital payment is a transaction that takes place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic mediums to exchange money.
Please note that digital payments can take place on the internet as well as on physical premises. For example, if you buy something from Amazon and pay for it via UPI, it qualifies as a digital payment. Similarly, if you purchase something from your local Kirana store and choose to pay via UPI instead of handing over cash that also is a digital payment.

To put it in simple words, a digital payment occurs when goods or services are purchased through the use of various electronic mediums. There is no use of cash or cheques in this type of payment method.

- **CASHLESS ECONOMY**

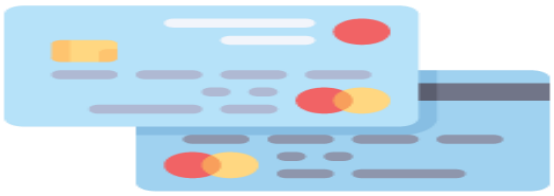
In a cashless economy, all transactions are carried out using different types of payment methods and this does not involve the physical use of money for the purchase of various goods and services.

- **What are the different methods of digital payments?**

After the launch of Cashless India, we currently have ten methods of digital payment available in India. Some methods have been in use for more than a decade, some have become recently popular, and others are relatively new.

1. **Banking Cards**

Indians widely use Banking cards, or debit/credit cards, or prepaid cards, as an alternative to cash payments. Andhra Bank launched the first credit card in India in 1981.



Cards are preferred because of multiple reasons, including, but not limited to, convenience, portability, safety, and security. This is the only mode of digital payment that is popular in online transactions and physical transactions alike. Nowadays, many apps are being launched with the sole purpose of managing card transactions like Cred, Square, etc.

2. **Unstructured Supplementary Service Data(USSD)**

USSD was launched for those sections of India's population which don't have access to proper banking and internet facilities. Under USSD, mobile banking transactions are possible without an internet connection by simply dialling *99# on any essential feature phone.

This number is operational across all Telecom Service Providers (TSPs) and allows customers to avail of services including interbank account to account fund transfer, balance inquiry, and availing mini statements. Around 51 leading banks offer USSD service in 12 different languages, including Hindi & English.

3. Aadhaar Enabled Payment System (AEPS)

AEPS is a bank-led model for digital payments that was initiated to leverage the presence and reach of Aadhar. Under this system, customers can use their Aadhaar-linked accounts to transfer money between two Aadhaar linked Bank Accounts. As of February 2020, AEPS had crossed more than 205 million as per NPCI data.

AEPS doesn't require any physical activity like visiting a branch, using debit or credit cards or making a signature on a document. This bank-led model allows digital payments at PoS (Point of Sale / Micro ATM) via a Business Correspondent (also known as Bank Mitra) using Aadhaar authentication. The AePS fees for Cash withdrawal at BC Points are around Rs.15.

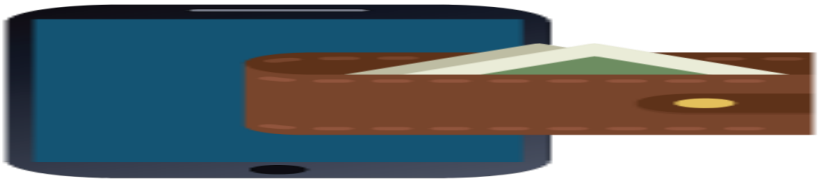
4. Unified Payments Interface (UPI)

UPI is a payment system that culminates numerous bank accounts into a single application, allowing the transfer of money easily between any two parties. As compared to NEFT, RTGS, and IMPS, UPI is far more well-defined and standardized across banks. You can use UPI to initiate a bank transfer from anywhere in just a few clicks.

The benefit of using UPI is that it allows you to pay directly from your bank account, without the need to type in the card or bank details. This method has become one of the most popular digital payment modes in 2020, with October witnessing over 2 billion transactions.

5. Mobile Wallets

Mobile Wallets, as the name suggests, is a type of wallet in which you can carry cash but in a digital format. Often customers link their bank accounts or banking cards to the wallet to facilitate secure digital transactions. Another way to use wallets is to add money to the Mobile Wallet and use the said balance to transfer money.



Nowadays, many banks have launched their wallets. Additionally, notable private companies have also established their presence in the Mobile Wallet space. Some popularly used ones include Paytm, Free charge, Mobikwik, mRupee, Vodafone M-Pesa, Airtel Money, Jio Money, SBI Buddy, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, etc.

6. Bank Prepaid Cards

A bank prepaid card is a pre-loaded debit card issued by a bank, usually single-use or reloadable for multiple uses. It is different from a standard debit card because the latter is always linked with your bank account and can be used numerous times. This may or may not apply to a prepaid bank card.

A prepaid card can be created by any customer who has a KYC-complied account by merely visiting the bank's website. Corporate gifts, reward cards, or single-use cards for gifting purposes are the most common uses of these cards.

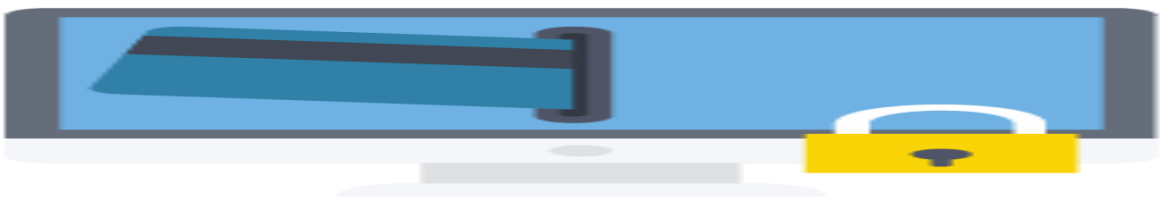
7. PoS Terminals

PoS (Point of Sale) are known as the location or segment where a sale happens. For a long time, PoS terminals were considered to be the checkout counters in malls and stores where the payment was made. The most common type of PoS machine is for Debit and Credit cards, where customers can make payment by simply swiping the card and entering the PIN.

With digitization and the increasing popularity of other online payment methods, new PoS methods have come into the picture. First is the contactless reader of a PoS machine, which can debit any amount up to Rs. 2000 by auto-authenticating it, without the need of a Card PIN.

8. Internet Banking

Internet Banking, also known as e-banking or online banking, allows the customers of a particular bank to make transactions and conduct other financial activities via the bank's website. E-banking requires a steady internet connection to make or receive payments and access a bank's website, which is called Internet Banking.



Today, most Indian banks have launched their internet banking services. It has become one of the most popular means of online transactions. Every payment gateway in India has a virtual banking option available. NEFT, RTGS, or IMPS are some of the top ways to make transactions via internet banking.

9. Mobile Banking

Mobile banking refers to the act of conducting transactions and other banking activities via mobile devices, typically through the bank's mobile app. Today, most banks have their mobile banking apps that can be used on handheld devices like mobile phones and tablets and sometimes on computers.

Mobile banking is known as the future of banking, thanks to its ease, convenience, and speed. Digital payment methods, such as IMPS, NEFT, RTGS, IMPS, investments, bank statements, bill payments, etc., are available on a single platform in mobile banking apps. Banks themselves encourage customers to go digital as it makes processes easier for them too.

10. Micro ATMs

Micro ATM is a device for Business Correspondents (BC) to deliver essential banking services to customers. These Correspondents, who could even be a local store owner, will serve as a 'micro ATM' to conduct instant transactions. They will use a device that will let you transfer money via your Aadhaar linked bank account by merely authenticating your fingerprint.

Essentially, Business Correspondents will serve as banks for the customers. Customers need to verify their authenticity using UID (Aadhaar). The essential services that will be supported by micro ATMs are withdrawal, deposit, money transfer, and balance inquiry. The only requirement for Micro ATMs is that you should link your bank account to Aadhaar.

❖ LITERATURE REVIEW

Easwar and Kumar (2004) asserts in the studies titled," Credit cards: on a growth trajectory" that the perception of owning credit card has changed and they are viewed as being convenient substitute to carrying cash and also availing credit for short period. But in the context of home country, India ranks at the bottom in terms of usage of credit cards, when compared to China, Taiwan and Malaysia.

Devlin (2007) "An Analysis of main and subsidiary credit card holding and spending." This study seeks to examine why most multiple credit cardholders have a "main" card (i.e. a card used more often than others) and "subsidiary" cards (i.e. cards used less often or only in an emergency) and the spending pattern associated with main and subsidiary cards. This study is a qualitative in nature, using a survey which contained open-ended questions to acquire data. Response was subject to content analysis to categories the reasons given for having a main and subsidiary card.

Hirschman (1979); Feinberg, 1986; Cole, 1998; Prelec and Loewenstein, 1998; Prelec and Simester, 2001; Soman, 2001; Raghubir and Srivastava, 2008) The present study found that credit card use does increase the volume and value of good purchased and that debit card use does also- but not to the same extent.

Soman (2003) where Soman asserts that the transparency of payment mode influence the quality of our mental accounting at the point of purchase This study extends and confirms the work of Prelec and Loewenstein (1998) (decoupling theory) and Somans (2003) (transparency theory). These theories in essence argue that the use of a card reduces transparency and thus decouples the mindfulness of the act.

❖ OBJECTIVES OF THE STUDY

- To assess the level of usage of plastic money and mobile wallet among the consumers.
- To assess the level of awareness about features of plastic money and mobile wallet among the consumers.
- To identify the factors for growth and use of Mobile wallet and plastic money services.
- To analyse the consumer's perception towards the usage of Mobile Wallet and Plastic Money Services.

❖ HYPOTHESES OF STUDY

H01:- There is no significant difference between levels of awareness towards digital payment systems with others.

H02:- There is no relationship between education of the respondents and attitude towards digital payment systems.

❖ RESEARCH METHODOLOGY

The main purpose of this research paper was to access the opinion of households respondents regarding cashless transactions and problems faced by using these transactions. The study was based on primary as well as secondary sources. Primary data have been collected from the respondents with the help of a questionnaire. Secondary data have collected from newspaper, journals, reports, internet sources and other published material. A sample of 100 respondents was taken from Gwalior Region of Madhya Pradesh. Useful responses of respondents were taken for making study more effective. Multi-stage sampling was used to obtain the required information from the respondents. For the analysis of the data Likert scale, mean, standard deviation, skewness and kurtosis were used to draw results.

The study was an analytical study based on primary research. The population included the entire Madhya Pradesh region. In order to conduct this research a sample of 100 investors were taken. The participants were convenient sample. The data was collected on a Likert type 1 to 7 point scale. For the purpose of research self-designed questionnaire was used. The Cronbach's alpha was reported to be 0.783. The demographic distribution is shown below:

Table No. 1

Gender	No. of Respondent	Percentage
Female	35	35
Male	65	65
Total	**100**	**100**

Table No. 2

Age	No. of Respondent	Percentage
less than 20	10	10
21-30	28	28
31-40	40	40
Above 40	22	22
Total	**100**	**100**

Table No. 3

Occupation	No. of Respondent	Percentage
Private Job	48	48
Business	20	20
Govt. Job	8	8
Self Employed	24	24
Total	**100**	**100**

Table No. 4

Graduation	No. of Respondent	Percentage
Under Graduate	18	18
Graduate	28	28
Post Graduate	54	54
Total	**100**	**100**

Table No. 5

Marital Status	No. of Respondent	Percentage
Married	38	38
Un-Married	62	62
Total	**100**	**100**

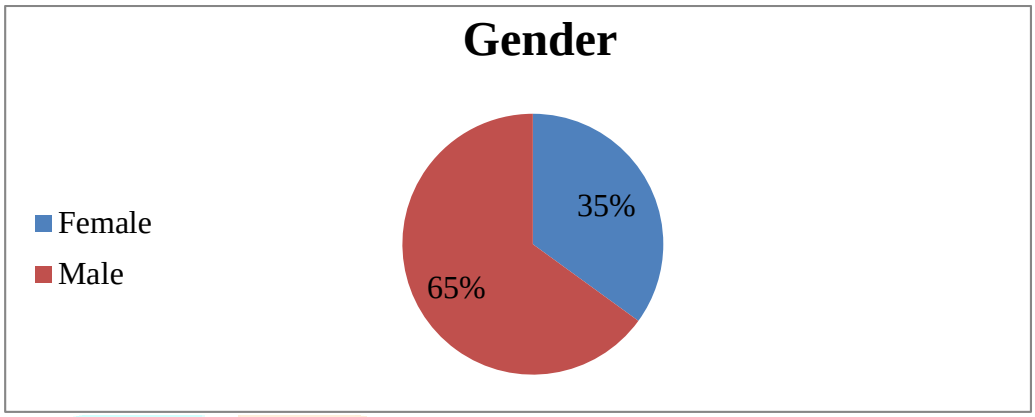
Graph interpretation of Demographic factor of thesis:

GENDER (SEX)

- Male
- Female

Table No. 6

Gender	No. of Respondent	Percentage
Female	35	35
Male	65	65
Total	**100**	**100**



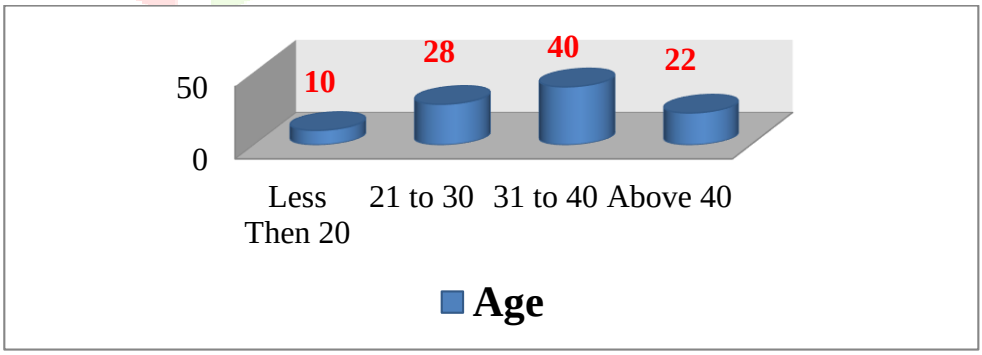
In This Study our total number of respondent was 100. The 65 Person was Male and remaining 35 people was female. From above, 65% of the respondents were males and 35% of the respondents were females.

AGE

- Less Than 20
- 21 to 30
- 31-40
- 40 Above

Table No. 7

Age	No. of Respondent	Percentage
less than 20	10	10
21-30	28	28
31-40	40	40
Above 40	22	22
Total	**100**	**100**



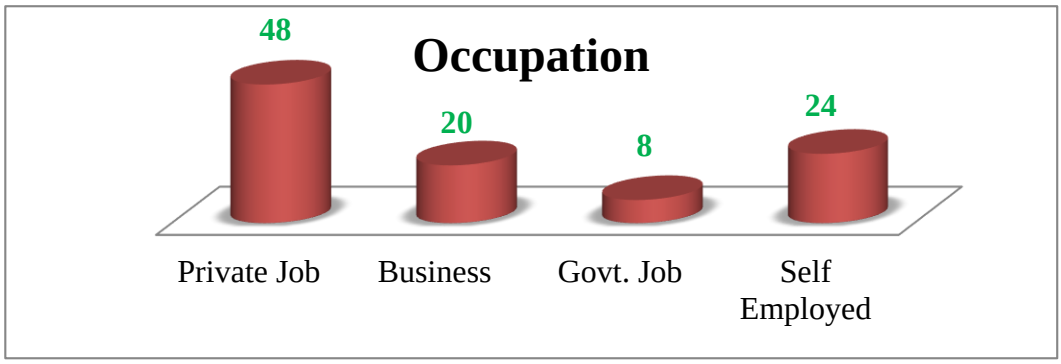
In this study we have divided age group in a four phases. First group was less than 20 and 10 percentage of total responded in group. Second group was age of 21 to 30 and 28 percentage of total responded in group. The third group was 31 to 40 year of age and 40 percentages of responded in group and last group was above 40 and only 22 percentage of total responded in this group.

OCCUPATION

- Private Job
- Businessmen
- Government job
- Self Employed

Table No. 8

Occupation	No. of Respondent	Percentage
Private Job	48	48
Business	20	20
Govt. Job	8	8
Self Employed	24	24
Total	**100**	**100**



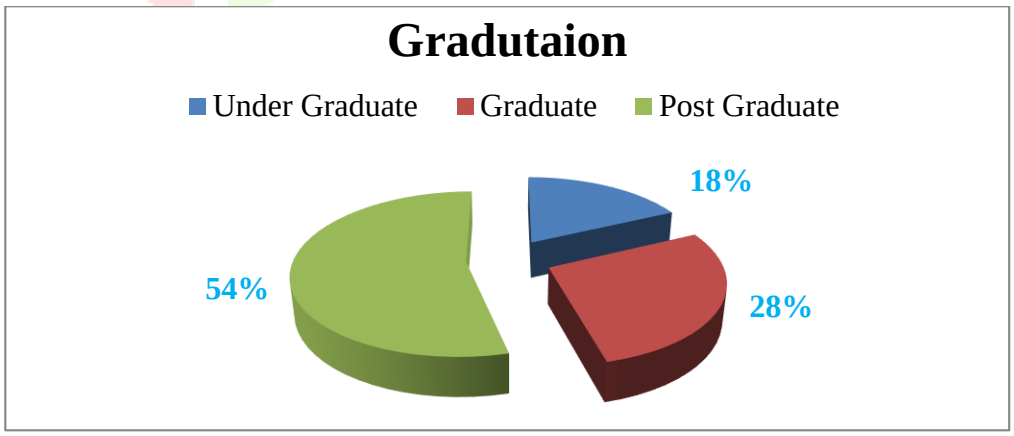
In this research one of the most important demographic factors was occupation. In this particular study our no. of respondent in private job was 48. Businessmen were 20 Respondent was in govt. job was 8 and last the self-employed respondent was 24 Respondents was those in Private Job are represented by a highest percentage of 48% followed by those of In Business were represented by 20%. And the rest who is belonging to Govt. job is lowest of 8 percentages and last is self-employed is 24 percentages.

GRADUATION

- Under Graduation
- Graduate
- Post Graduate

Table No.9

Graduation	No. of Respondent	Percentage
Under Graduate	18	18
Graduate	28	28
Post Graduate	54	54
Total	**100**	**100**



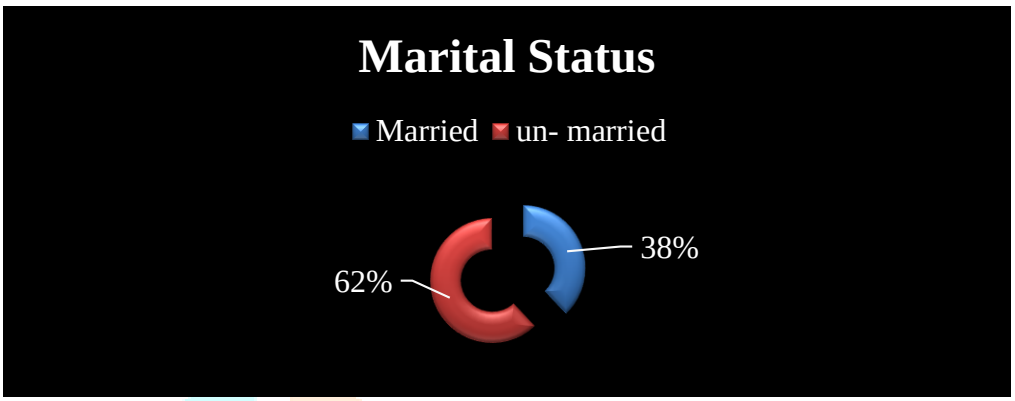
In This Study our total number of respondent was 100. In section of under graduation the total under graduate person was 54 and the graduate person was 18. As same the else remaining post graduate person of total respondent was 248.4 who was post graduate. 54% of the respondents attained degree level of education, 28% were graduate, and remain 18% attained the level of under graduation.

MARITAL STATUS

- Married
- Un-Married

Table No. 10

Marital Status	No. of Respondent	Percentage
Married	38	38
Un-Married	62	62
Total	**100**	**100**



In this research in demographic phase marital status is one of the most important factors. Total number of responded was 460 and 174.8of responded were married and 285.2 of responded was UN married. Findings showed that 38% of the respondents were married, and 62% of the respondents were Un- married.

- **Knowledge of Different Modes of Digital Payments**

From Table 11, the awareness about the different modes of digital payments among the respondents has analysed. The Likert Five Scale has been used to analyse to the responses.

Table No. 11

S. No.	Mode of payment	Mean	S.D.
1	Banking card	2.50	1.36
2	USSD	1.96	2.69
3	AEPS	1.82	2.23
4	Mobile wallets	1.36	2.36
5	Internet banking	2.63	2.66
6	Micro-ATM	5.11	3.21
7	NEFT	5.12	1.00
8	UPI	2.98	2.10
9	RTGS	3.26	2.01

As shown in Table that regarding knowledge about banking cards since the mean value Calculated on 5 points Likert scale is 2.5 with standard deviation as 1.3 it can be stated that the knowledge about banking cards is up to moderate extent and it varies between moderate to high extent. The value of mean regarding NEFT, RTGS is 5.1 and 3.2 respectively which indicates that there is high extent knowledge. The knowledge about UPI and internet banking is up to some extent and it varies from to some extent and not at all. Since the value of skewness is positive in both which indicates that responses are inclined towards the moderate extent.

- **Use of Different Modes of Payments for Cashless Payments**

Table No. 12

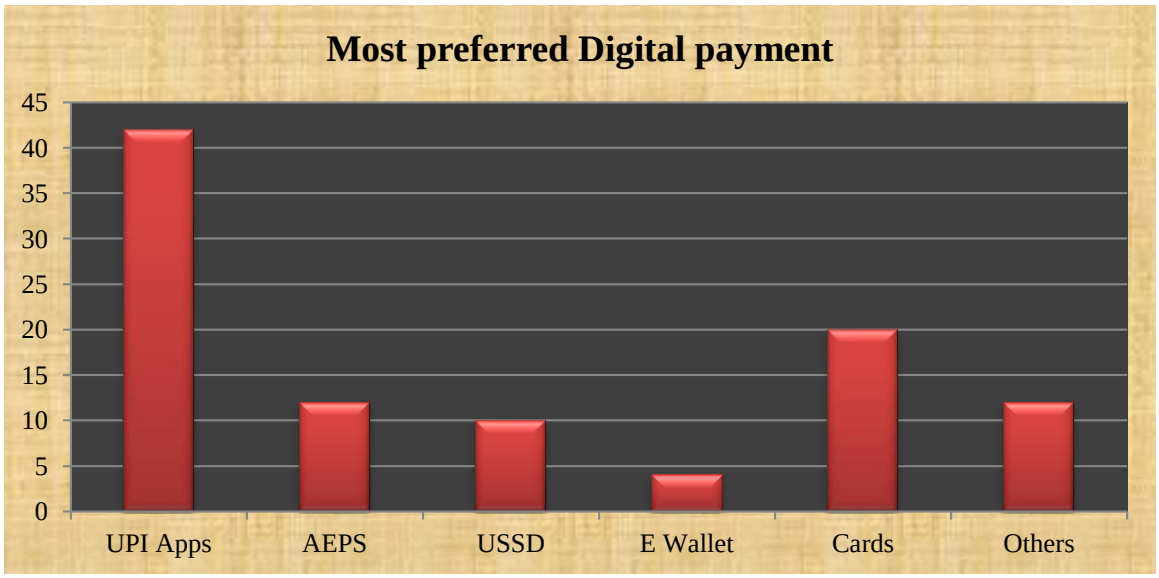
S. No.	Cashless Payment Mode	Mean	S.D.
1	Net Banking	3.6	1.1
2	Debit Card	4.2	1.6
3	Credit Card	2.4	1.5
4	E-Wallet	2.6	1.9
5	BHIM (Bharat Interface For Money)	1.9	1.8

Table no. 12 is showing that the responses of the respondents regarding their level of usage of cashless transactions. it can be analysed that mean score has been worked out of use of different modes of digital payment between 2.6 to 4.2 at five points likert scale with high standard deviation which means most of the respondents are using various modes of digital payments. The mean value regarding use of debit card is 4.2 with standard deviation which indicates respondents are using debit cards moderately.

- **Most preferred Digital payment used by respondent**

Table No. 13

S. No.	preferred Digital payment	Value
1	UPI apps	42
2	AEPS	12
3	USSD	10
4	E Wallet	4
5	Cards	20
6	Others	12



❖ CONCLUSION

It is concluded that 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. The study shows that people are highly aware about UPI Apps and latest modes of digital payments like USSD, AEPS, UPI, Mobile wallets and internet banking.

Now they are less interested in Card Payment, ATM, NEFT and RTGS... The study also reveals that the level of literacy and acquaintance with information and technology of people is not adequate to implement the cashless system. Face many problems while making the cashless transactions such as no security, poor network connectivity, less digital awareness, problems of illiteracy, problems in making small payments etc.

The respondents who are in favour to implement cashless to deal all the transactions, they consider cashless system will bring transparency in all the transactions. There is need to ensure proper functioning of the ATMs. A fixed numbers of ATMs should be supervised by certain Banks and should outsource instructors or trainers at each ATM, so that proper functioning can be ensure.

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