



# A CASE STUDY ON IDENTIFYING THE BARRIERS TO TRANSACTIONS ON DIGITAL PAYMENTS SYSTEM IN INDIA

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**Abstract:** The objective of this article is to know people's digital awareness and how to overcome the barriers by using it to transfer money. Once upon a time if we wanted to transfer money net banking, mobile banking etc. methods were used. Also, we used to have to go the bank to send money and wait for hours. During the Stone Age, humans used barter to buy goods and carry on business. Depending on the changing times, new ways and new methods have emerged in the money transfer process. At present, in India, UPI (Unified Payments Interface) cash transactions are widely used by people. As the economy developed well, India will be at the top of the developed countries. In addition, the continuity of digital transactions will help eliminate black money. Rather than going to banks, first the ATM centers came to right, then net banking and mobile banking etc. came to transfer money. Currently, e-wallets are used to transfer money over computers and mobile devices. In mobile wallets like payphone, google pay, paytm, CRED applications have become more popular to carry out digital transactions. A new technology called digital rupee has been introduced to transfer money in our country. In this research document, we identified the intent and barriers to digital transactions for individuals.

**Index Terms – Digital Payments, e- wallets, phone pay, paytm, economy.**

## I. INTRODUCTION

Technology is changing new methods day by day. With the changing times, technology is widely used in many fields like education, medicine, agriculture, business, food, transportation, advertisement and industries etc. Banks are using new technology gives to bring them closer to the public through paperless and cashless transactions.

As part of this initiative, a digital transaction service known as the Unified Payments Interface (UPI) has been implemented in our country. In this context, the UPI is used for sending or receiving money from one account holder to another account holder. This requires a valid bank account to use this service. To do this digital transaction, we have to install the UPI-related application on their smartphone and have a virtual payment ID. Through this UPI based app, a user can send or receive payments from one person to another person without using any account number or IFSC code. This saves user wastage cost and time.

Following COVID-19, there has been a shift in people's minds and increased interest in digital payments and they have rapidly spread from small shops to retailers, wholesalers and major industries.

## II. OBJECTIVE

The main objective of the research paper to assess conditions, advantages & dis-advantages regarding digital payment system among the people. The following are objectives

- 1) To understand about digital payment system.
- 2) To create awareness about the digital payment system.
- 3) To know about draw backs & hurdles while using digital payment system.
- 4) To assess the requirements of people regarding digital payments.

### III. COLLECTION OF DATA

The data was collected from 314 respondents. A survey has been conducted based on digital payments system, by sending questionnaire to the respondents. We have used stratified random sampling method for collecting the information. After collecting the data, we have analyzed the awareness & usage of digital transactions of the people.

### IV. DATA ANALYSIS AND INTERPRETATION

#### 4.1 Frequency Analysis

Table 4.1: Frequency Analysis on Gender & Employment Status

S.No.	Particulars	Frequency	Percentage
1	Gender		
	Male	164	52 %
	Female	151	48 %
2	Age		
	Below 21 years	208	67 %
	21 - 30 years	79	25 %
	31 - 40 years	20	6 %
	Above 40 years	7	2 %
3	Area		
	Rural	182	58 %
	Urban	132	42 %
4	Education		
	SSC	7	2 %
	Intermediate	62	20%
	Graduation	195	60 %
	Post-graduation	45	14 %
	Ph. D.	5	2 %
5	Qualification		
	Student	211	66.7 %
	Self-employee	55	18%
	Employee	47	15%
	Retired employee	1	0.3 %

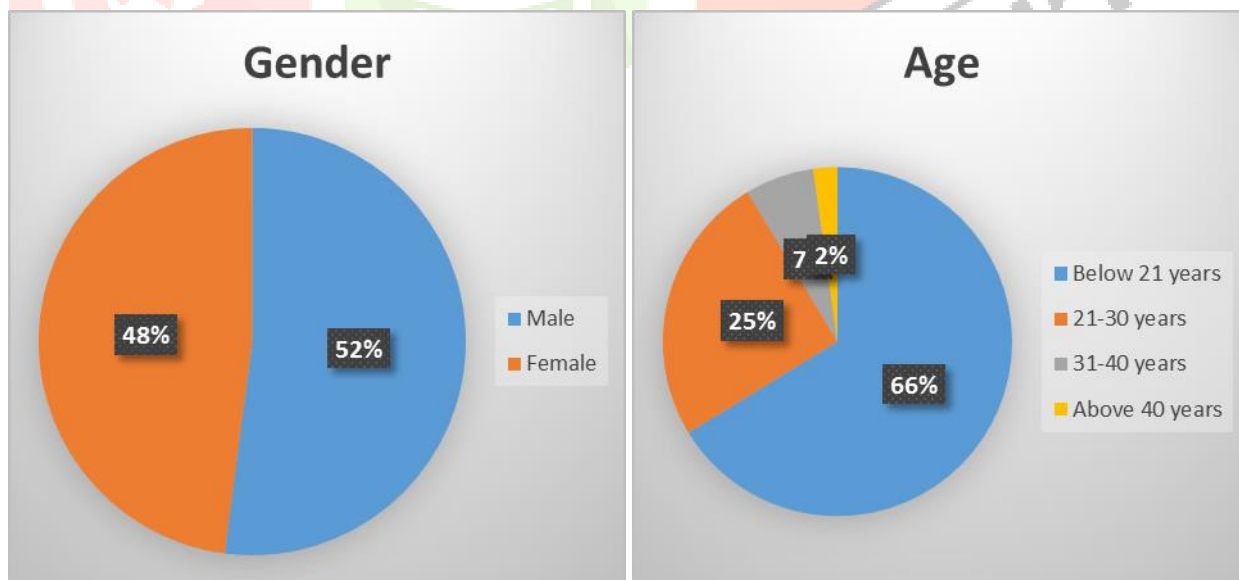
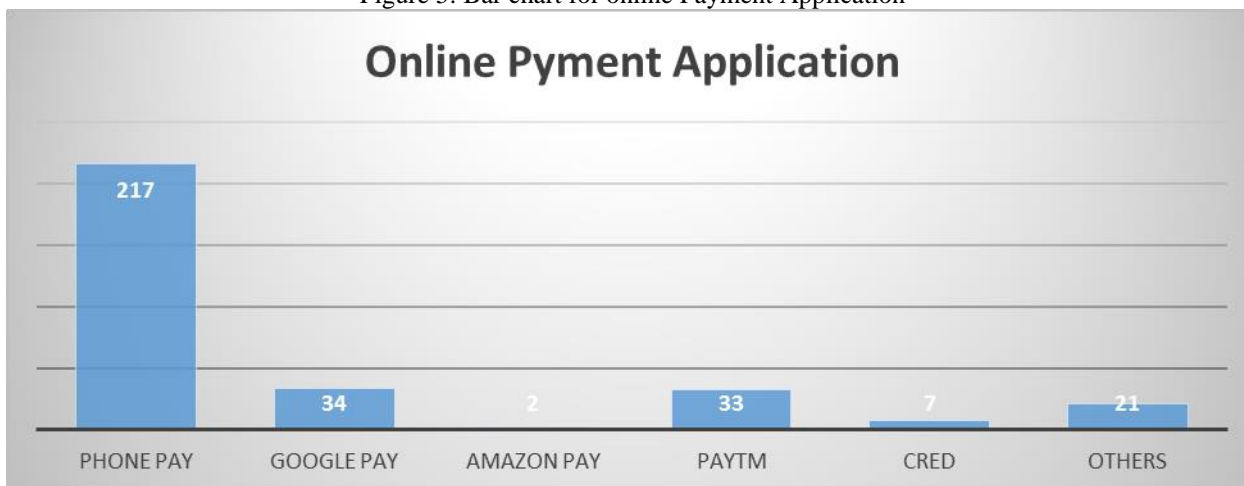


Table 2: Frequency Analysis for Online payment application

Particulars	Frequency	Percentage
Phone pay	217	69 %
Google pay	34	11%
Amazon pay	2	0.7 %
Paytm	33	11 %
CRED	7	2%
Others	21	0.30%

Figure 5: Bar chart for online Payment Application



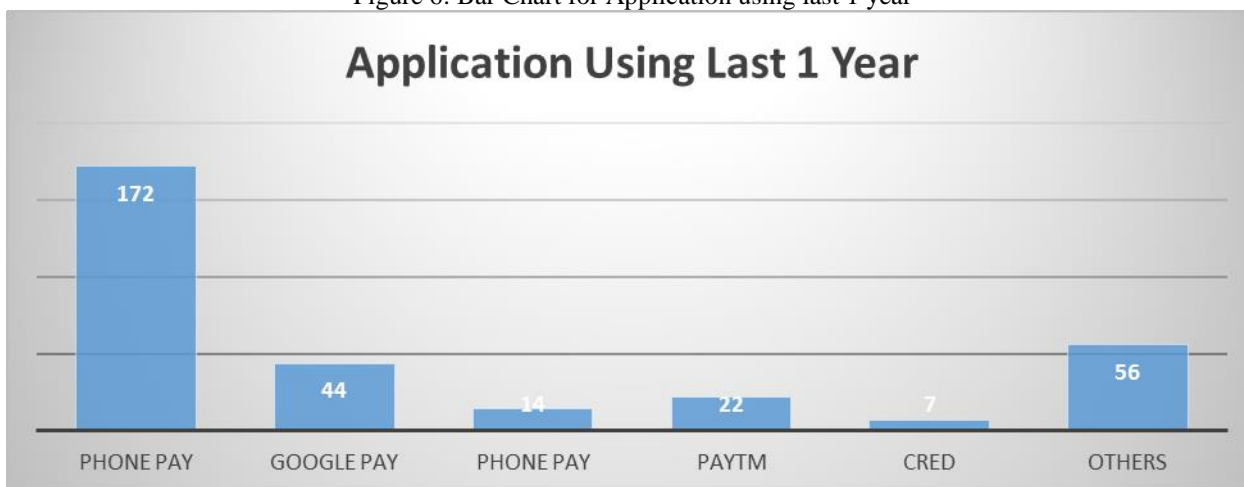
Interpretation:

From the figure 5, it shows that the sample was 314 in that total 217 respondents are phone pay users with 69 %, and 34 respondents are Google pay users with 11%, similarly 2 respondents are Amazon users with 0.7%, also 33 respondents are Paytm users with 11%, and 7 respondents are CRED users with 7%, similarly 21 respondents are other users with 0.3 %. It shows that most of the respondents are using phone pay online payment application for making digital transactions.

Table 3: Frequency Analysis for Application using Last 1 year

Particulars	Frequency	Percentage
Phone pay	172	55%
Google pay	44	14%
Phone pay	14	4%
Paytm	22	7%
CRED	7	2%
Others	56	18%

Figure 6: Bar Chart for Application using last 1 year



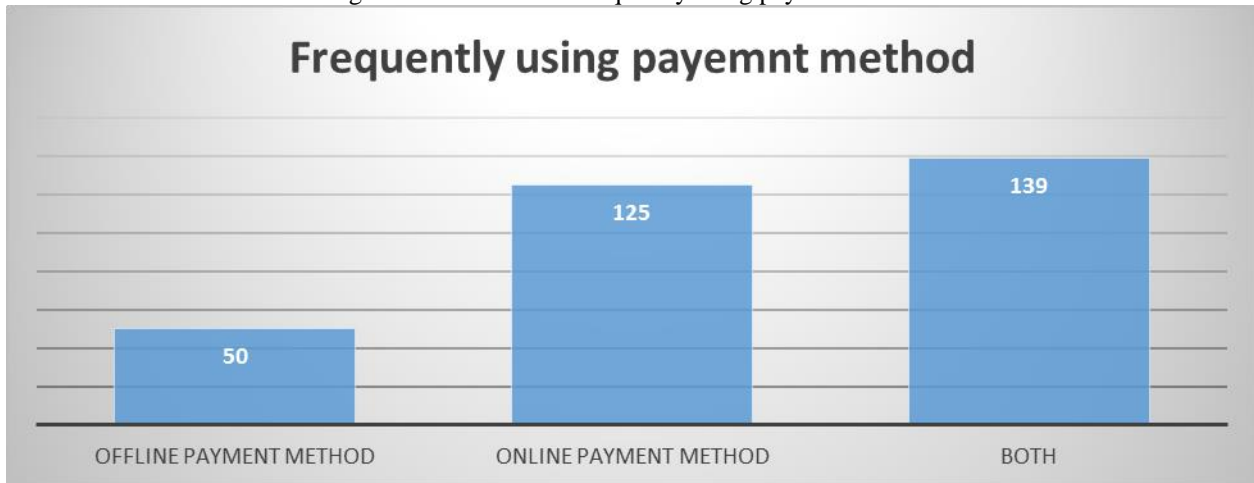
Interpretation:

From the figure 6, last one year using application are out of 314 sample phone pay are using 172 (55%) respondents, Google pay are using 44 (14%) respondents, Amazon pay are using 14 (4%) respondents, paytm are using 22 (7%). CRED are using 7 (2%) respondents and others are using 56 (18%) respondents. It clearly says that the usage of phone pay application is having more no. of respondents, since last 1 year period for making digital transactions.

Table 4: Frequency Analysis for payment method using frequently

Particulars	Frequency	Percentage
a) Offline payment method	50	15%
b) Online payment method	125	40%
c) Both	139	45%

Figure 7: Bar Chart for frequently using payment method



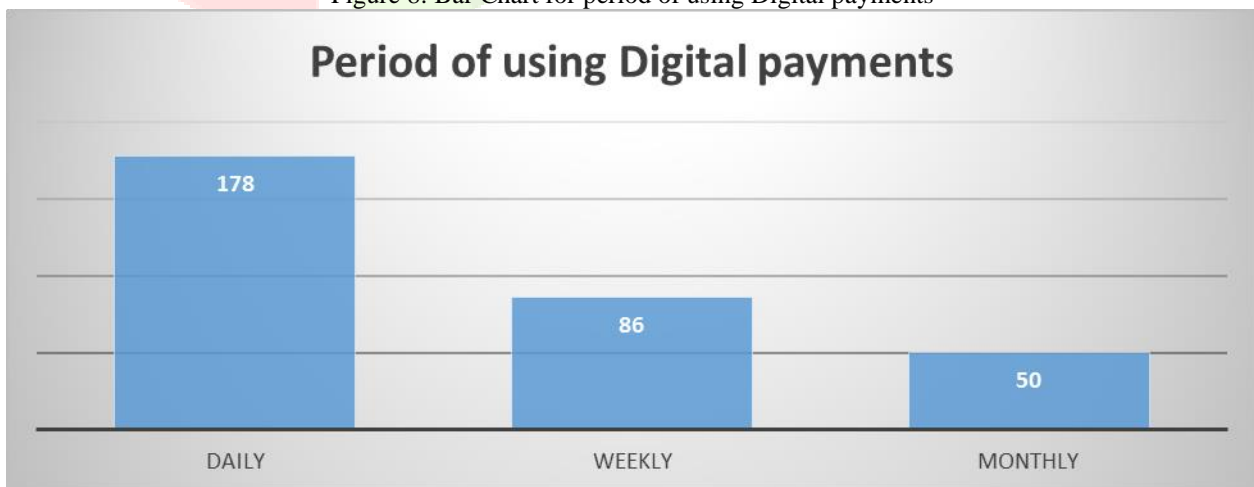
Interpretation:

From the figure 7, frequently using payment method out of 314 offline payment are using 50 (15%) respondents, online payments are using 125 (40%) respondents, both payment methods are using 139 (45%) respondents. It clearly says that more no. of respondents are using online payments method for making digital transactions.

Table 5: Frequency Analysis for period of using Digital payments

Particulars	Frequency	Percentage
Daily	178	57%
Weekly	86	27%
Monthly	50	16%

Figure 8: Bar Chart for period of using Digital payments



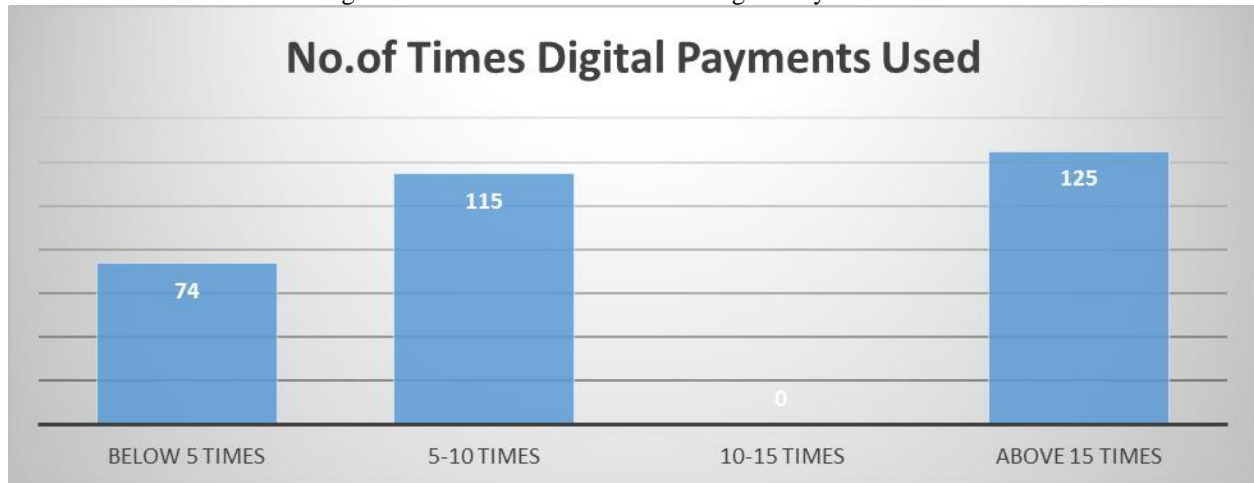
Interpretation:

From the figure 8, period of using digital methods out of 314 daily payments are using 178 (57 %) respondents, weekly payments are using 86 (27 %) respondents, monthly payments are using 50 (16%) respondents. It shows that more no. of respondents are using daily payments method for making digital transactions.

Table 6: Frequency Analysis for No. of times the Digital payments used

Particulars	Frequency	Percentage
Below 5 times	74	23%
5-10 times	115	37%
10-15 times	0	0
Above 15 times	125	40%

Figure 9: Bar Chart for no. of times Digital Payments used

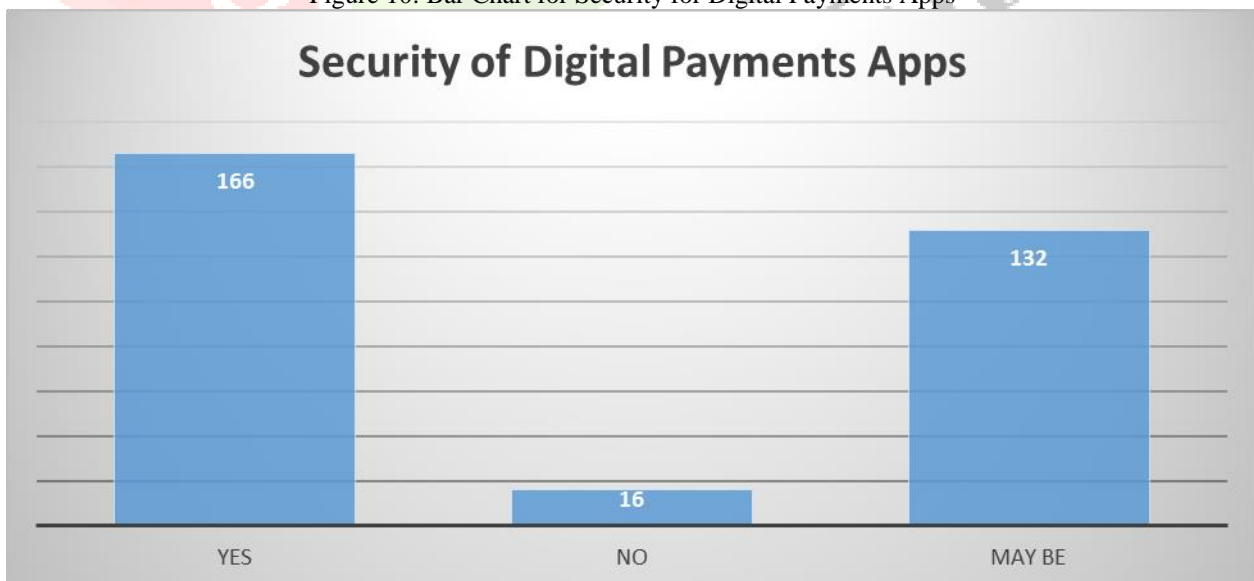
**Interpretation:**

From the figure 9, no. of times digital payments used are out of 314 below 5 times are using 74 (23%) respondents, 5-10 times are using 115 (37%) respondents, above 15 times are using 125 (40%) respondents. It shows that more no. of respondents are using above 15 times payments for making digital transactions.

Table 7: Frequency Analysis for Security of Digital Payments Apps

Particulars	Frequency	Percentage
Below 5 times	74	23%
5-10 times	115	37%
10-15 times	0	0
Above 15 times	125	40%

Figure 10: Bar Chart for Security for Digital Payments Apps

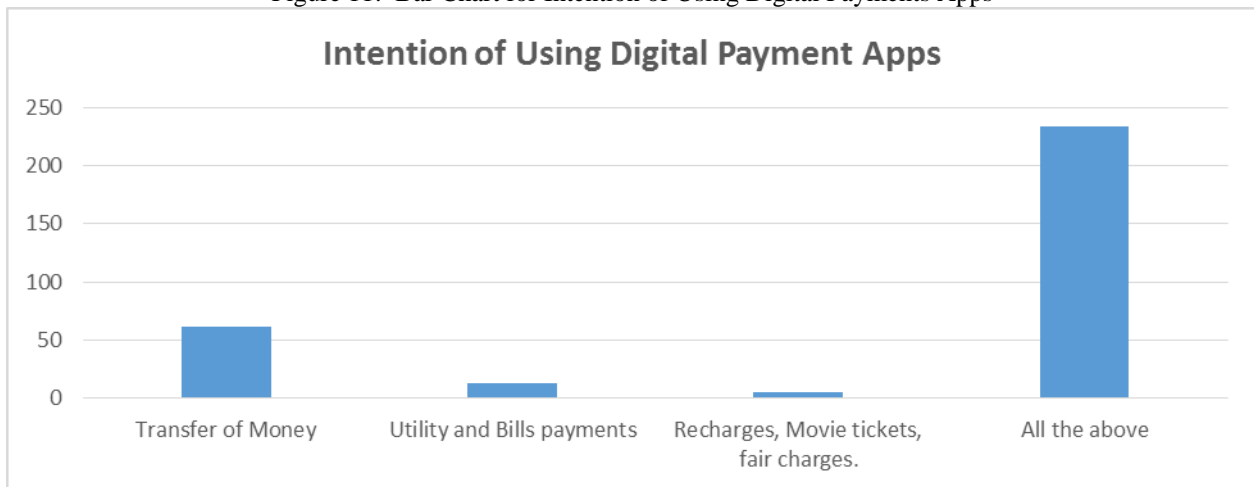
**Interpretation:**

From the figure 10, security of digital payments out of 314 total 166 (23%) respondents are says yes, 16 (37%) respondents are says no and 132 (40%) respondents are says maybe. It clearly shows that more no. of respondents are feeling secure payments for making digital transactions.

Table 8: Frequency Analysis for Intention of Using Digital Payments Apps

Particulars	Frequency	Percentage
Transfer of Money	62	20%
Utility and Bills payments	13	4%
Recharges, Movie tickets, fair charges.	5	2%
All the above	234	74%

Figure 11: Bar Chart for Intention of Using Digital Payments Apps

**Interpretation:**

From the figure 11, intension of using digital payments out of 314, transferring money are using 62 (20%) respondents, utility bill payments are using 13 (4%) respondents, recharging & movie tickets are using 5 (2%) respondents, all methods are using 234 (74%) respondents. It clearly shows that more no. of respondents are using all the methods for making digital transactions.

Table 9: Frequency Analysis for Purpose of Digital Payments Apps

Particulars	Frequency	Percentage
User friendly	37	12%
Secured	27	9%
Time saving	49	16%
All the above	201	63%

Figure 12: Bar Chart for Security for Purpose of Digital Payments Apps

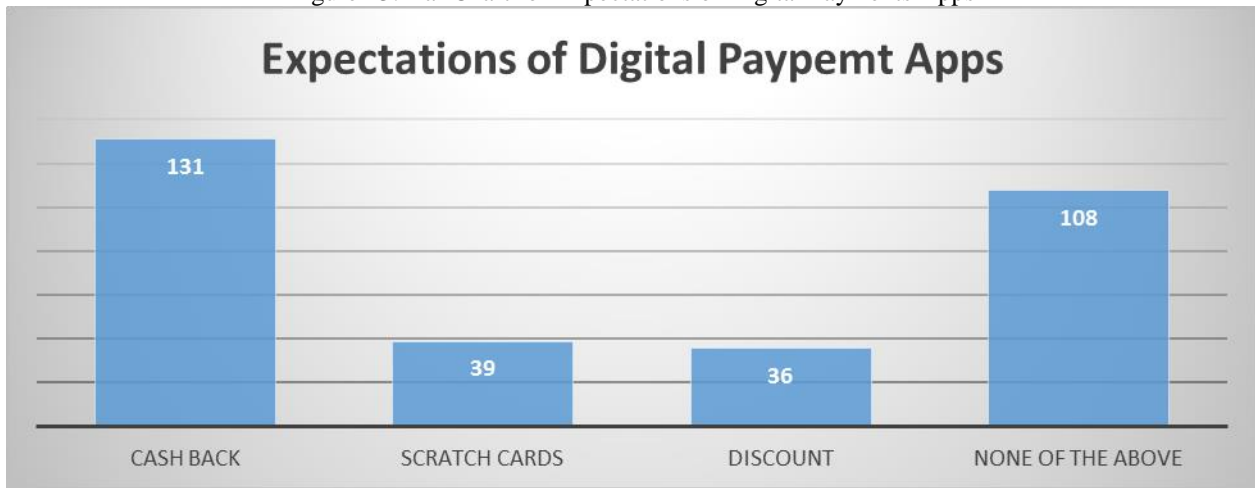
**Interpretation:**

From the figure 12, desire of digital payments out of 314 user friendly purpose are using 37 (12%) respondents, security purpose are using 27 (9%) respondents, time saving purpose are using 49 (16%) respondents, all methods are using 234 (74%) respondents. It clearly shows that more no. of respondents are using all the methods for making digital transactions.

Table 10: Frequency Analysis for Expectations of Digital Payments Apps

Particulars	Frequency	Percentage
Cash back	131	42%
Scratch Cards	39	12%
Discount	36	12%

Figure 13: Bar Chart for Expectations of Digital Payments Apps



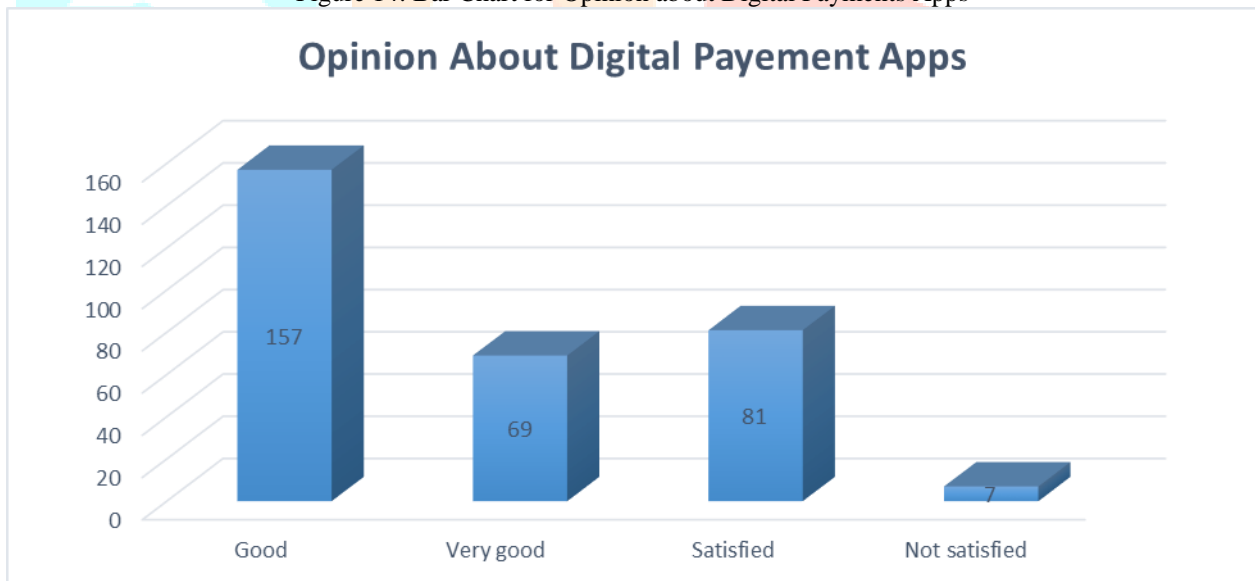
**Interpretation:**

From the figure 13, expectation of digital payments out of 314 for cash back are using 131 (42%) respondents, scratch card are using 39 (12%) respondents, discount are using 36 (12%) respondents. It shows that more no. of respondents are using cash back purpose for making digital transactions.

Table 11: Frequency Analysis for Opinion about Digital Payments Apps

Particulars	Frequency	Percentage
Good	157	50%
Very good	69	22%
Satisfied	81	25%
Not satisfied	7	3%

Figure 14: Bar Chart for Opinion about Digital Payments Apps



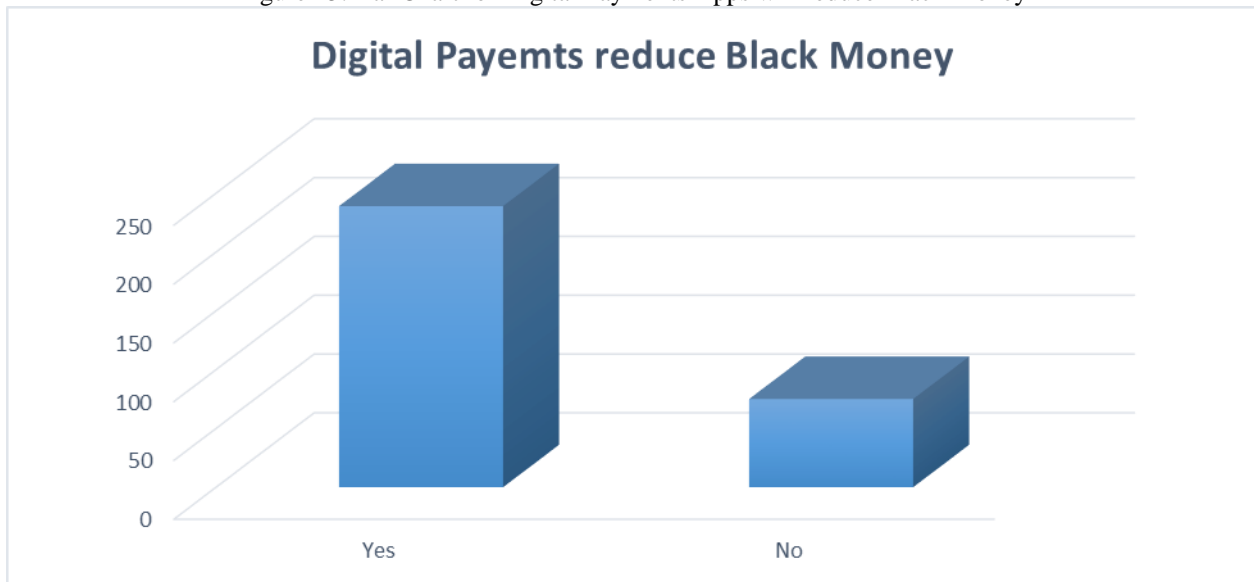
**Interpretation:**

From the figure 14, opinion of digital payments out of 314 told that good are 157 (42%) respondents, very good are 69 (22%) respondents, satisfied are 81 (25%) respondents, not satisfied are 7 (3%) respondents. It shows that more no. of respondents having good opinion for making digital transactions.

Table 12: Frequency Analysis for Digital Payments Apps will reduce Black Money

Particulars	Frequency	Percentage
Yes	239	76%
No	75	24%

Figure 15: Bar Chart for Digital Payments Apps will reduce Black Money

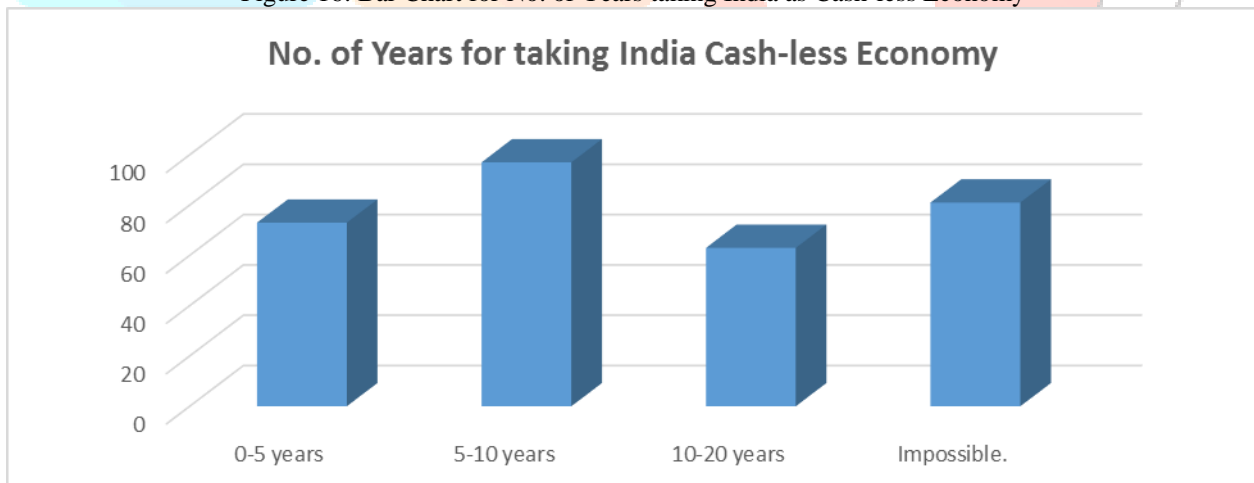
**Interpretation:**

From the figure 15, out of 314 respondents 239(42%) respondents told that black money will reduce, 75 (24%) respondents told that not reduce black money by using digital payments. It shows that more no. of respondents saying that digital transactions will reduce black money.

Table 13: Frequency Analysis for No. of Years taking India as Cash-less Economy

Particulars	Frequency	Percentage
0-5 years	73	23%
5-10 years	97	31%
10-20 years	63	20%
Impossible.	81	26%

Figure 16: Bar Chart for No. of Years taking India as Cash-less Economy

**V. STATISTICAL ANALYSIS****5.1 Frequency Analysis**

We are interested in determining whether the factors of digital payments system are significant or not by using ANOVA (Analysis of Variance) one-way technique in this research paper.

$H_0$ : There is no significance difference between factors due to digital payments system of the respondents.

$H_1$ : There is a significance difference factors due to digital payments system of the respondents.

**5.2 Interpretation of ANOVA**

The table-15 shows that the summary of single factor ANOVA with the p value. Since the p value is 0.878 which is greater than 0.05. Hence we conclude that the null hypothesis is accepted and there is no significance difference between factors due to digital payments system of the respondents.



Table-14 Variation between groups &amp; within groups

		Sum of Squares	Df	Mean Square	F	Sig.
Intention	Between Groups	.035	1	.035	.024	.878
	Within Groups	465.000	312	1.490		
	Total	465.035	313			
Purpose	Between Groups	.133	1	.133	.121	.728
	Within Groups	344.020	312	1.103		
	Total	344.153	313			
Expectation	Between Groups	1.778	1	1.778	1.008	.316
	Within Groups	550.595	312	1.765		
	Total	552.373	313			
Opinion	Between Groups	.024	1	.024	.030	.863
	Within Groups	253.734	312	.813		
	Total	253.758	313			

Table-15 ANOVA one –way for factors

		N	Mean	S.D	S.E	95% Confidence Interval for Mean		Min	Max
						Lower Bound	Upper Bound		
Intention	Male	164	3.30	1.204	.094	3.11	3.48	1	4
	Female	150	3.32	1.239	.101	3.12	3.52	1	4
	Total	314	3.31	1.219	.069	3.17	3.44	1	4
Purpose	Male	164	3.30	1.058	.083	3.14	3.46	1	4
	Female	150	3.34	1.042	.085	3.17	3.51	1	4
	Total	314	3.32	1.049	.059	3.20	3.43	1	4
Expectation	Male	164	2.46	1.363	.106	2.25	2.67	1	4
	Female	150	2.31	1.290	.105	2.10	2.51	1	4
	Total	314	2.39	1.328	.075	2.24	2.53	1	4
Opinion	Male	164	1.81	.890	.070	1.67	1.95	1	4
	Female	150	1.79	.914	.075	1.65	1.94	1	4
	Total	314	1.80	.900	.051	1.70	1.90	1	4

## VI. CONCLUSION

In this research document, we discovered that these intent, purpose, expectation and opinion factors do not depend on the digital payment system. Based on this survey, out of 100 percentage, 15% use offline payments, 40 % use online payments and 45% use both methods.

It will take some time for India to go completely cashless. Fully cashless transactions are possible only with government support and public support. It is the responsibility of government to make people aware of cashless transactions. Moreover, if various programs are done for them to create awareness among the people, they can achieve it even faster.

There are some difficulties in achieving cashless transactions. Illiteracy and lack of digital awareness among people is a big problem. The biggest problem facing cashless transaction is lack of proper network facility particularly in rural regions and the old age people do not know how to use it.

If the government will give incentives like discounts and cash back offers and remove the fear of getting loss while sending money due to digital transactions leads to increase cash less economy.

Increasing cashless transactions can eliminate black money in India. Cashless transactions ensure transparency and honesty in money transfers.

By removing the hurdles faced by the people for digital transactions, curbing black money, it will help to grow economy. Because of various digital apps like phone pay, google pay, paytm and e-wallets provided by private companies have brought a lot of encouragement to middle class traders in India.

Currently from snacks vendors, greengrocers, retailers to large industries, everyone is doing cashless transactions through UPI payments and growing their business.

Middle class traders and small traders are using cashless transactions to grow their business. Another big problem is the security of money while sending money in digital transactions, some people fear whether the money will reach the right sender or not? Similarly ensuring that hacking doesn't happen builds public confidence in digital transactions.

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