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A STUDY ON INDIA'S DIGITAL PAYMENTS AND THEIR IMPACT ON CONSUMERS

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ABSTRACT

The demonetization resulted in a massive increase in digital payments. Government initiatives such as Digital India, as well as growing use of mobile and internet, are paving the way for exponential development in the use of digital payment. This shift to digital payments results in increased transaction transparency, which strengthens the country's economy. Many developments have occurred in the payment system in recent days, such as the introduction of digital wallets, UPI, and BHIM apps to facilitate the transition to digital payments. The purpose of this research paper is to investigate the positive impact on consumers. The current article examines the amount of customer acceptance of different digital payment solutions. While demographic factors such as age, gender, and income are important in determining this choice, we find persuasive evidence that a person's view of digital payment methods is influenced by her belief in the overall payments framework and banking system in general. We discovered that the degree to which previous experience with online fraud discourages the use of digital payments varies depending on the objective of the transaction.

Keywords: Digital Payment, Demographic factors, Transparency, consumers.

INTRODUCTION

Mr. Narendra Modi, Prime Minister of India, demonetized the high-value currency of Rs. 500 and 1000 in November 2016. In 2015, the "Digital India" concept was established. The Indian government's main programme, "Digital India," aims to transform India into a digitally enabled nation. One of Digital India's ostensible functions is "Faceless, Paperless, Cashless." The flagship programme of the Indian government, "Digital India," aims to transform India into a digitally enabled nation. One of Digital India's ostensible functions is "Faceless, Paperless, Cashless." Various other measures have aided in the speedier adoption of digital payment systems. Other government programmes, such as BHIM and UPI, are assisting in the shift

and faster acceptance of digital payments. Electronics Digital payment refers to consumer transactions done at the point of sale (POS) for services and products via internet banking or mobile banking via smart phone or card payment. The digital payment system is divided into the following stages: 1. Registration 2. Billing 3. Payment options 4. Payment authorization. This payment method typically contains three electronic payment instruments: cash, check, and card. Following demonetization, the e-commerce sector has seen Cash on

Delivery gradually phased out in favour of various ways of payment such as Card on Delivery, Net Banking, Debit Card, Credit Card, and so on.

As part of encouraging cashless transactions and transforming India into less cash society, various modes of digital payments are available.

- Debit / Credit Card Suitable for: Online/offline merchant sale.
- RTGS / NEFT Suitable for: High value online transactions.
- IMPS Suitable for: Instant transfer.
- UPI Suitable for: Instant transfer.
- USSD Suitable for: Feature phones without Internet connectivity.
- E-WALLET Suitable for: Small-ticket transactions.

REVIEW OF LITERATURE

"It is critical for banks to take into account new digital streams as part of integrated strategy and keep evolving from the first to the second-generation e - banking: trying to switch digital from a supporting role to the primary sales and communication channel for banks," says Balazs Vinnai, general manager, Misys' Digital Channels (April 25, 2016). "It's not easy to reengineer processes to focused on the user, but banks must embrace digital banking to keep competitive and relevant."

Individuals and organisations use e-payment systems as a secure and convenient way to make payments via the internet while also acting as a gateway to technological innovation in the field of international commerce (Slozko & Pello, 2015).

Dr. Indrajit Sinha, Sanghita Roy, Sanghita Roy, Sanghita Roy, Sanghita Roy, Sanghita Roy, San noted that while India's e-payment system has seen great progress, there is still much work to be done to enhance its use. Cash still accounts for 90% of all transactions. The Technology Acceptance Model was employed in this investigation. They discovered that four aspects contribute to the E-payment system's strength: innovation, incentive, customer convenience, and regulatory framework.

In Kartikeya Bolar research paper "End-user Acceptance of Technology Interface In Transaction Based Environment," Kartikeya Bolar (2014) stated that technology creators and investors need information about customers' evaluations of their technology interface based on features and various quality dimensions in order to make strategic decisions in improving technology interfaces and competing on various quality dimensions.

In terms of their needs and preferences, today's consumers are quite picky when it comes to banking services. Banks must provide services that both satisfy and thrill clients in order to remain competitive. According to Liao and Cheung (2002), the most essential quality factors underlying e-perceived banking's utility are expectations of accuracy, security, network speed, user-friendliness, user involvement, and convenience.

OBJECTIVE OF THE STUDY

- To investigate the impact of respondent age on digital payments.
- Examine the effect of customer education on digital payment usage.
- To investigate the impact of a customer's income status on their use of digital

HYPOTHESIS

- H01: Customers' age has no significant impact on their use of digital payments.
- H02: Customers' education has no significant impact on their use of digital payments.
- H03: Customers' income has no substantial impact on their use of digital payments.

RESEARCH METHODOLOGY

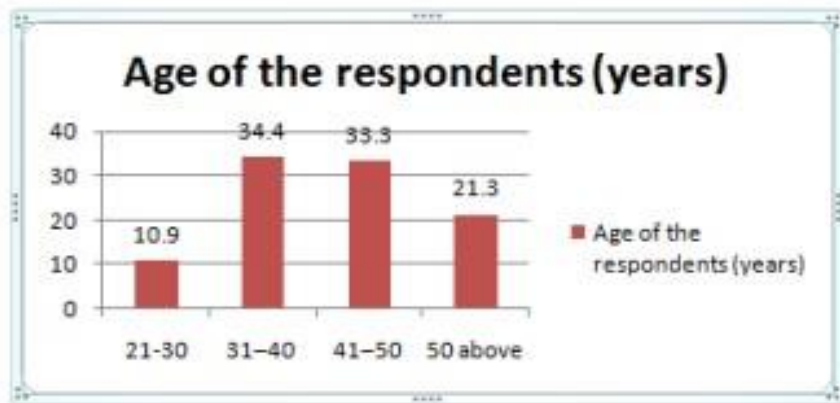
The study is being carried out to collect information on the use of digital payment systems in India. The research is being carried out in the Hyderabad region. Using convenience sampling, a sample size of 200 was chosen. For data collection, structured questionnaires are used. The simple percentage analysis and Chi square test were used to analyse the respondents' responses. Secondary data and information were gathered from many scholars and researchers, published e-books, publications published in various journals, and conference papers.

DATA ANALYSIS AND INTERPRETATION

Gender	N	%
Female	59	32.2
Male	124	67.8
Total	183	

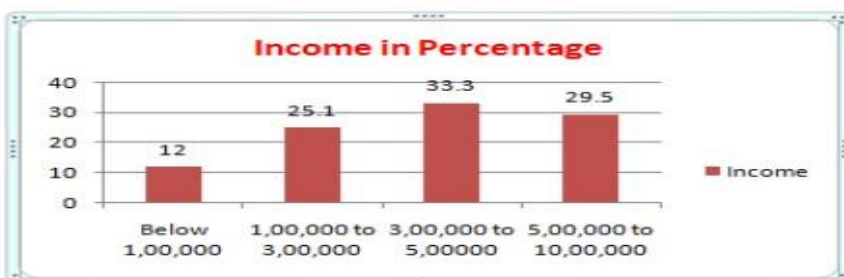
The majority of responders, 67.8 percent, were male, while only 32.2 percent were female. Previous research has found that gender makes no difference in the adoption of technology in the banking business.

Age of the respondents (years)	N	%
21-30	20	10.9
31-40	63	34.4
41-50	61	33.3
50 above	39	21.3
Total	183	100

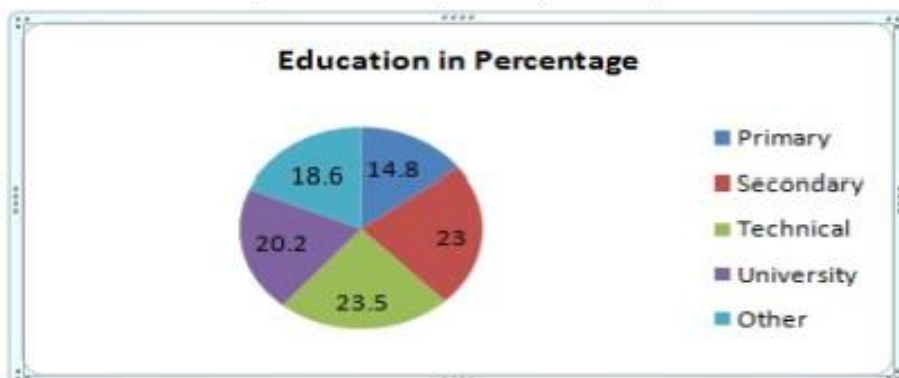


The Demographic Factors of Bank Customers are shown in the table above. It shows that 34.4 percent and 33.3 percent of respondents were between the ages of 31 and 40, and 41 and 50, respectively. Only 10.9 percent of respondents were under the age of 30, while 21.3 percent were above the age of 50.

Income	N	%
Below 1,00,000	22	12
1,00,000 to 3,00,000	46	25.1
3,00,000 to 5,00,000	61	33.3
5,00,000 to 10,00,000	54	29.5
Total	183	100



Education	N	%
Primary	27	14.8
Secondary	42	23
Technical	43	23.5
University	37	20.2
Other	34	18.6
Total	183	100



According to the above figure, 14.8 percent of respondents were primary school educated, while 23 percent and 23.5 percent had secondary and technical education, respectively. 20.2 percent had a university degree, while 18.6 percent had another type of schooling. Previous research has shown that education plays a role in technology adoption. According to the respondents of technical education in the study area, technological adoption will be extremely encouraging. Chi-square Analysis for Hypothesis Testing

H01: Customers' age has no significant impact on their use of digital payments.

Impact of age on technology adoption	Age (Years)					Chi-square	df	p-value
	21-30	31-40	41-50	> 45	Total			
Yes	4.37%	14.75%	13.66%	15.85%	48.63%	13.199*	3	0.004*
No	6.56%	19.67%	19.67%	5.46%	51.37%			
Total	10.93%	34.43%	33.33%	21.31%	100%			

From the above table it is observed that $p < 0.05$ age plays a significant role in digital payment acceptance and demonstrated that this is positively connected with age.

H02: Customers' education has no significant impact on their use of digital payments.

H03: Customers' income has no substantial impact on their use of digital payments.

Impact of education on Adoption of Banking technology	Education					Total	Chi-square	df	p-value
	Primary	Secondary	Technical	University	Other				
Yes	12.02%	12.57%	8.74%	8.20%	7.10%	48.63%	16.981*	4	0.002
No	2.73%	10.38%	14.75%	12.02%	11.48%	51.37%			

CONCLUSION

The study was based on both primary and secondary data. The primary data for the research aims was acquired only from Bangalore-based samples. Despite the fact that Bangalore is one of the country's most important cities and a commercial hub in south India, just samples taken from the city cannot be considered a thorough representation of the country's population. The survey's goal, however, was to check customers' opinions about digital payments in relation to the concept of general banking. As a result, even if Bangalore city cannot imitate other major financial hubs in the country, this may not pose a barrier to reaching the intended goal. Non-response error cannot be entirely out when using primary data

The influence of embracing digital payments on India's banking sector consumers is investigated in this study. The combined outcome provides a significant policy direction for the country in terms of increasing cashless payments. The findings show that deploying technology for digital payments has enhanced the banking sector's performance and made it possible to accomplish the goal of a cashless society. The number of people who are aware of how to use technology to its full potential is highlighted in the survey. Banks should take proactive steps to raise awareness about the proper use of technology and security.