



# “A STUDY ON CUSTOMERS PERCEPTION TOWARDS ELECTRONIC PAYMENT SYSTEM”

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## ABSTRACT

The central government's policies and demonetization campaign have spotlighted the war between cash payment and electronic payment. In the country like India where 90% of its population rely on conventional payment system i.e. physical cash and check rather than electronic payment, it is not so simple to consider and decide on the basis of cost and benefit of using E-payment system. The policies of the government and the increased use of technology are various factors that might directly or indirectly affect the use of electronic payment system. The factors like security, e-literacy, accessibility to internet etc. boosted the growth of electronic payment. . people should be educated towards cash less transactions services. Government tries to promote customers mind towards the risk factors. Cash less transaction helps to develop the Indian economy. Hence, each and every one should access and use the digital based transaction in the current scenario. As the increase in usage of technology provide a positive ground for the conduct of electronic transactions as it is ease of use, convenient, 24\*7 available but it faces a lot of problems on the ground of complexity in usage , lack of internet accessibility etc. but this constraints can be easily overcome with the help of technology hence electronic payment has a greater prospective in the current scenario

## **INTRODUCTION**

With the introduction of technology, the usage of internet and electronic media has been increased day by day. With its wide range of features like 24\*7 availability, ease of usage etc. electronic media has become a part of every person's life. Growth and acceptability of electric money, lead to various forms of systems, which improved the use of these systems through different devices one of the most significant ones, was EPS. EPS due to its unique capabilities not only has impact on the customers' attitudes to utilize this system in their usual living, but also has an effective proportion in growth of e-commerce as well Thus the role of electronic payment system became vital in the day to day affairs of human beings .Compared to the traditional payment system, it offers wide variety of advantages as it saves time, is available everywhere, is accessible to anyone and is of ease of use at any time. The central government's policies and demonetization campaign have spotlighted the war between cash and electronic payment. In the country like India where 90% of its population rely on conventional payment system i.e. physical cash and check rather than electronic payment, it is not so simple to consider and decide on the basis of cost and benefit of using E-payment system. One of the most interesting aspects of the phenomenon of these new payment systems is their conceptualization as a "payments space" – a term used by those involved in it (including participants in this convening). Development experts, industry analysts, entrepreneurs, potential or actual clients or others are beginning to construct the repeated interactions, financial transfers, and movements of people across borders as a regularized and "real" geography. Once they do so, that payments space can then function as "infrastructure" for various projects – here, for providing access to banking and financial services to the world's poor. Majority of people are still reluctant to deal with Electronic payment because of security and privacy concern .It has a positive impact on electronic trade and electronic services. However, there are various factors that might directly or indirectly affect the use of electronic payment system like security, e-literacy, accessibility to internet etc. and such factors might act as a constraint to the growth of electronic payment.

### **STATEMENT OF PROBLEM**

In India, too much of transactions are made through cash. Less than 5 percent of total payments happen through electronically. Illiterate people do not know how to use digital transactions. Financial literacy and awareness about cash less transactions is paramount in India to make the cashless economy. Nearly 26% of India has internet access, and there are only 200 million users of digital payment services. Banks and financial institutions offering discounts on purchase with credit/ debit cards and online wallets offering attractive deals for payments have made Indians comfortable with paperless transactions. There are number of facilitators which are leading to the growth of digital payment and transition from cash economy to less cash economy. These facilitators include penetration of internet connectivity on smart phones, non-banking financial institution facilitating digital payment, one touch payment, rise of financial technology sector and push by government either by giving incentives or tax breaks. These all factors are creating positive atmosphere for

growth of digital payment in India. Electronic payment is a form of direct payment and direct banking without having a physical presence. The growth of electronic payment has reduced operational and payment processing cost and boosted online commerce and online electronic services usage. In Cashless Economies, digital mode of payments such as Debit Cards/ATM, Credit Cards, Net Banking, Card-Swipe or Point of Sales (POS) machines and Digital Wallets, various Payment Apps like Paytm, BHIM App, etc. are using instead of cash for payment of various expenses or transactions done by the individual or an organization. Certain cashless transactions have become common in our daily lives, e.g. ATM cards and certain others, like E-Money are rapidly pervading our daily lives. What is popularly called 'e-money' is money in electronic form, that takes the form of a card which has money balance stored on it through electronic means. Once this money is recorded on a card it ceases to have association with any account but exists just as a claim on some financial institution. Apart from cards, 'e-money' can popularly be found as Network Money which involves only software that allows fund transfer between computers through the internet. Electronic transfer of funds in banks, digital forms of currency, phone wallets are all different types in which cashless transactions can be carried out today.. But its operations involve a wide variety of problems. It is subject to security threats like online frauds and cyber related crimes too exist in this regard. The awareness of e-literacy and the accessibility to the internet also affect the usage of electronic payment system. This study aims at understanding the various factors that could influence the usage of EPS and the various constraints faced by customers in implementing and using EPS.

## IMPORTANCE OF THE STUDY

Payment methods have both financial costs such as transaction fees, travels, security, insurance costs and non-financial costs such as payment tracking staff, receipt of security etc. Traditional methods have some sort of costs and electronic method also incurs cost. This study helps in unveiling the factors that could influence the customers when they are using the various electronic payment systems. In analyzing these factors, the level of awareness and the extend of day to day usage of electronic systems by customers can be found out , as it involves house hold payments, electronic commerce, electronic service payments etc. Convenience in shopping, payment of bills and scheduling of finical transactions managed from home, office or wherever with a smart phone, reduces expenditure in reducing need for printing of currency notes and its transportation reducing the black money and corruption, etc. This study also helps to the society the purpose of people understanding the positive and negative effect of electronic payment system and what are factors are affecting on the usage of electronic payment system. This study will also help to identify the constraints in the usage of electronic payment systems and suggests recommendations for its usage.

## OBJECTIVES:-

- 1) To investigate into the factors that contribute to the use of EPS.
- 2) To find out the most popular Electronic Payment Application, among different respondents.
- 3) To study the level of awareness and usage of electronic payment.
- 4) To find out the constraints that would affect the usage of EPS.

## SCOPE OF THE STUDY

The Indian payment system is rapidly transiting to more and more IT based systems. This change resulted to the emergence of electronic means for settlement of transactions. Electronic payments have pros and cons in respect of both the retailer and the buyer. The study is focused on the customer's perception towards usage of electronic payment system with special reference to Trivandrum locality. And try to find out what factors influence the usage of electronic payment system. It will also intend to check the level of awareness and extent of usage regarding electronic payments and to seek whether they have any constraints in using electronic payment.

## METHODOLOGY

### 1. RESEARCH DESIGN

The study is descriptive and analytical in nature.

### 2. TYPE OF DATA SOURCE

The study was conducted based on primary and secondary data.

**PRIMARY DATA:** The primary data was collected from 120 respondents form Trivandrum locality with the help of well drafted questionnaire.

**SECONDARY DATA:** Secondary data are collected through books, magazines, newspapers, journals, periodicals and internet publications.

### 3. SAMPLE DESIGN

a) **Sampling Technique:** This study uses one of the non- probabilistic methods of Sampling known as snow ball sampling.

b) **Sample Size:** The sample size consists of 120 respondents.

c) **Area of Study:** The area of study is restricted to respondents in Trivandrum city.

d) **Period of Study:** The study was conducted for a period of 3- 4 months.

#### 4. TOOLS FOR ANALYSIS

The analysis of data was conducted with the help of the software 'SPSS- Statistical Packages for Social Science' and 'Microsoft Excel'. The tools to analyses the data are simple percentage method and weighted mean method. The data has been presented with the help of tables, pie charts and bar diagrams.

#### REVIEW OF LITERATURE

**Vidyashree D.V , Harshitha J.S , Darshini A(2018) <sup>1</sup>**; analyzed peoples attitude towards digital money ,the data has been collected from 50 respondents in Bengaluru, and found that most of them are aware of electronic payments and they prefer to use the same but people are using a few services of digital money mostly for recharging the DTH and paying bills, money transfer etc., the awareness and practical usability of digital money is low, that should be increased by adding more value added services to it.

**Dr. K.A Rajanna (2018) <sup>2</sup>**; conducted a study to now the perception and awareness of customer towards cashless transaction, by studying 150 respondents from Chikkmagaluru district of the Karnataka. And came to know that Customers actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism, corruption, money lindies etc. But one of the biggest problem is the working of cash less transaction in India is cybercrime and illegal access. Customers are perceived the higher level of risk in the application of cash less transaction. Because large number population is still below literacy rate especially in rural area affect their electronic payment usage.

**Emrah Oney, Gizem Oksuzoglu Guven & Wajid Hussain Rizvi (2017)<sup>3</sup>**; made an investigation to find the determinants of electronic payment system usage. Data were collected from a sample of 329 students at Eastern Mediterranean University, The results have shown that both technical protection and personal past experience are important determinants of perceived security and trust. Simultaneously, a security statement is identified as a determinant of perceived security. Consumers find transaction procedures complex and timing consuming, thus this inconvenience might negatively affect their perception of security and trust. And found that perceived security and perceived trust have been found as important determinants of EPS use.

**S. Kowsalya, Swetha Krishnan, Mridhula, Sowmya A.M (2017)<sup>4</sup>**; made an investigation to Study the Perception of Customers towards E-Commerce and E-Payments. The data has been collected from 100 respondents, E-Payments provides greater freedom to individuals in paying their taxes, licenses, fees, fines and purchases at unconventional locations and at whichever time of the day, & 365 days of the year , and its usage are influenced by a number of factors Among all these user base or view is most important. Cashless payment system offers immunity against theft of paper and e-money, and adopting e-payment solutions or systems for different reasons. In addition to cost reduction, comparison was made to a number of other benefits, including improved customer service, improved working capital, increased operational efficiencies and, processing efficiencies and enhanced compliance to organizational policies and procedures.

**Shamsher Singh (2017)<sup>5</sup>**: This study is conducted to find the customer perception. The main objective of this study is to know the impact of demographic factor in adoption of digital payment mode. He used ALPHA and ANOVA to analyses the data. And compared various factors like education, marital status, gender, occupation, age etc. He concluded that the demographic factor expect education does not affect the implementation of digital payment mode. If a person has studied beyond matriculation and internet savvy, he or she will be inclined to use the digital payment mode. It was also found that in the areas/region where education level is high such as Delhi NCR and other metropolitan area, the possibility of acceptance of digital payment is much higher.

**Mamta, Prof. Hariom Tyagi, Dr. Abhishek Shukla (2016)<sup>6</sup>**; conducted a study on electronic payment systems. Online payments are theft of payments data, personal data and fraudulent rejection on the part of customers. Therefore, and until the use of electronic signatures is wide spread, we must use the technology available for the moment to guarantee a reasonable minimum level of security on the network. To maintain privacy, then they choose those payment methods which guarantee a higher level of privacy such as E-cash or Net Bill Checks. Those priority is security, they use, Smart Cards. Both consumers and service providers can benefit from e-payment systems leading to increase national competitiveness in the long run.

**Neda Popvska Kamnar (2014)<sup>7</sup>**: A study conducted to know the usage of electronic money and its impact on the monetary policy of the government. The main objective of this study is to know whether the digital money affect the traditional payment system. The findings of this study is that developing the ICT will improve the usage of digital money or e-money in the economy. He had concluded the topic by saying that, if the government have a better managing techniques, then the world will be driven by e-money. The policies of the government will increase the usage of electronic money and electronic transactions.

**Sanghita Roy, Dr. Indrajit Sinha, (2014)<sup>8</sup>**; conducted a study to find out the determinants of customer acceptance of electronic payment system. The data has been collected from 650 participants from Kolkata and west Bengal. The study analyzed various factors like Perceived Ease of Use, Perceived Usefulness, Perceived Credibility, Perceived Risk and Customer Attitude to continue using Electronic payment acceptance. Among the factors Perceived Ease of Use is found to be the most significant predictor. Conversely, customer attitude was found to have least significant effect on adoption of E-payment.

**Amir Abbas Jarollahi (2013)<sup>9</sup>**; conducted a study in Northern Cyprus Customers' Trust of Electronic Payment System Use, data was collected from 345 respondents, and demonstrated that there is a significant relationship between the defined dimensions of this study, those dimensions namely (transaction procedure, technical protection, security statement, perceived security, perceived trust, and extent of EPS use individually are related to each other. The result of mean score analysis has proved that a majority of people agree with all considered aspects of EPS in Northern Cyprus. Specifically, if perceived trust and security increases among customers, it will lead to higher EPS adoption. The respondents, think EPSs are efficient

enough systems for them to fulfill their payments and it provides an appropriate channel to follow up the payment process.

**Chou, Yuntsai, Lee, Chiwei, Chung, Jianru (2004)<sup>10</sup>**; Electronic cash (or digital cash) was invented early on in the development of e-commerce. However, the reality of e-cash business has proved less than exciting. Within the first few years, the issuers of e-cash either went bankrupt (Digicash), dropped the product (Cyber cash), or moved into another business (First Virtual). Observing the failure of the above e-cash mechanisms and the extensive adoption of the credit card on the Internet (95 percent of online payments are made by credit cards in the US). The authors probe the question of what payment schemes are adequate for the e-business environment and considered the impact in technological considerations, economic and social factors in the popularity of online payments.

From the above all studies it is found that the use of electronic cash over the period have improved and electronic payments were increased to a greater extent and various factors that would lead to the use are Perceived Ease of Use, Perceived Usefulness, Perceived Credibility, Perceived Risk, but the use of it could be influenced by various other factors too and the above studies could not made a detailed investigation regarding the constraints that could occur in the use of electronic payments, the above mentioned studies are providing an overview of the electronic payment system, by making a . Hence the proposed study is focused on understanding detail insights regarding the extent of awareness and to find out the most comfortable mode of carrying out electronic payment and the constraints faced by the customers in using payment over electronic media.

## LIMITATIONS OF THE STUDY

- Opinion of the respondents is not final, because the opinion or preference may differ from time to time depending on the situation.
- This study was conducted under the assumptions that the information given by the respondents is authentic.
- The area is confined to Trivandrum city. Hence, the results cannot be universally accepted.
- The population for the study is vast. Hence, the conclusions derived from the sample size of 120 customers and hence cannot be generalized.
- Chances of biased behavior from the respondents due to their busy schedule.
- The period of study is limited to 3- 4 months. Hence, the research could not be more detailed and the analysis and interpretation of data was a tedious task.

## ANALYSIS AND INTERPRETATION OF DATA

### INTRODUCTION

Data Analysis is an important stage in a project study. Data Analysis is the process of developing answers to questions through the examination and interpretation of data. In this portion, the data collected from different kind of persons are put into study for getting a better image. . Primary data necessary for the study have been collected by using structured questionnaire as shown in Appendix. The study is conducted to analyze various factors that lead the people to use electronic payment system and analyze the perception about the usage of electronic payment system. They are analyzed and processed with various descriptive statistics with the help of SPSS Software and presentation tools like diagrams, charts, etc. and used different tests like ANOVA in order to draw a meaningful conclusion.

### 1. ANNUAL INCOME

Income is a factor which determines the level of usage of electronic payments such as electronic fund transfer, household payment, electronic commerce, net banking, mobile recharge, online service payments etc. and for the purpose of the study it is categorized as those who have annual income below Rs.200000, between Rs.200000 and Rs.500000 and next category is those having income between Rs.500000 and Rs.1000000 and the final category consists of respondents with income above Rs.1000000.

TABLE 1  
ANNUAL INCOME

ANNUAL INCOME	Frequency	Percent
BELOW 200000	67	55.8
200000-500000	29	24.2
500000 - 1000000	15	12.5
ABOVE 1000000	9	7.5
Total	120	100.0

*Source: Primary Data*

From the table 1it was found that most of the respondents are having an annual income below Rs.200000, 55.8 percent of the respondents comes under this category. 24.2 percent of the respondents are having income between Rs.200000-500000 and 12.5 percent of the respondents having an annual income in between Rs.500000-1000000 and remaining 7.5 percent have an income above Rs.1000000.



## 2. OCCUPATIONAL STATUS

Occupational status is a fundamental measure of social standing that reflects the distribution of power, privilege, and prestige associated with positions in the occupational hierarchy, and is a key measure of socioeconomic status. For the purpose of study they are classified as employed, business, un employed, self-employed are the prominent categories in this regard.

TABLE 2  
OCCUPATIONAL STATUS

OCCUPATIONAL STATUS	Frequency	Percent
EMPLOYED	30	25.0
BUSINESS	16	13.3
UN EMPLOYED	72	60.0
SELF EMPLOYED	2	1.7
Total	120	100.0

Source: Primary Data

Table 2 depicts that most of the respondents are unemployed they constitute around 60% of the total respondents, 25% are employed, 13.3% are carrying business and remaining only 1.7% are self employed.

## 3. PREFERRED MODE OF ELECTRONIC PAYMENT

Electronic transaction can be done through various ways. The prominent modes of carrying out electronic transaction are credit or debit cards, mobile wallets, net banking, e- checks etc. Mobile wallets includes paypal, phonepe, Paytm etc. and net banking includes the various services offered by banks and e-checks.

TABLE 3  
PREFERRED MODE OF PAYMENT

modes	Frequency	Percent
credit/debit cards	72	60.0
mobile wallets	18	15.0
net banking	22	18.3
E- cheques	5	4.2
Others	3	2.5
Total	120	100.0

Source: Primary Data

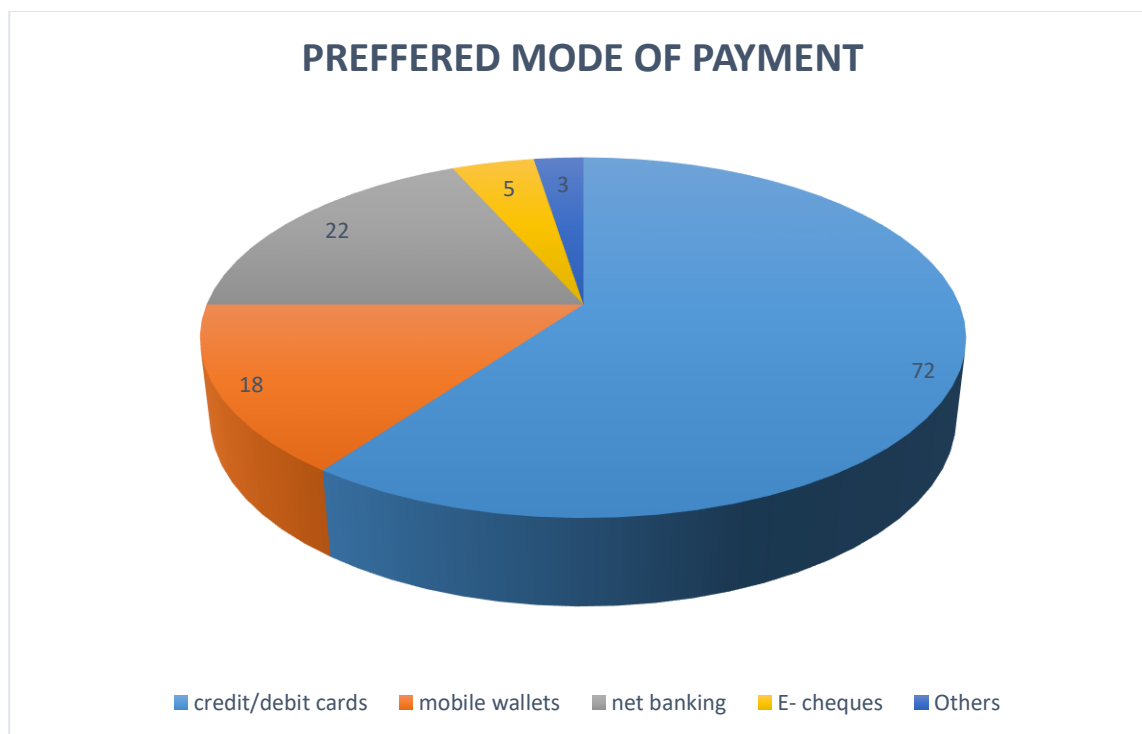


Figure 3

From the table 3, it clearly displays that debit/credit card were opted as the most comfortable mode by 60 percent of the total respondents, 18.3 percent of the opted for net banking ,15 percent of the respondents selected mobile wallets as the comfortable mode and remaining 2.5 percent choose others , they include crypto currency, bit coins etc.

Credit / debit cards were chosen by most of the respondents due to its simplicity and convenience.

#### 4. FACTORS INFLUENCE THE USAGE OF ELECTRONIC PAYMENT SYSTEM

For electronic payments to be successful the following factors should be considered for the payment methods which include reliability, cost, infrastructure, technology, customer information security and convenience of the payment method. There are a lot of factors that influence the usage of electronic payment system, the include privacy and security, convenience, compulsion, discount & offers, transaction fee, shortage of liquid cash, others. And the customers were asked to choose the factors the various factors that could insist the usage of electronic payment system usage. For choosing the factor it has given value 1 and for not choosing it has given 2. And the mean score so obtained are analyzed.

TABLE 4  
FACTORS INFLUENCE THE USAGE OF ELECTRONIC PAYMENT SYSTEM

VARIOUS FACTORS	YES	NO	MEAN
PRIVACY AND SECURITY	38	82	1.68
CONVINIENCE	92	28	1.23
COMPULSION	9	111	1.93
DISCOUNT AND OFFERS	40	80	1.67
TRANSACTION FEE	19	101	1.84
SHORTAGE OF LIQUID CASH	18	102	1.85
OTHERS	13	107	1.89

Source: Primary Data

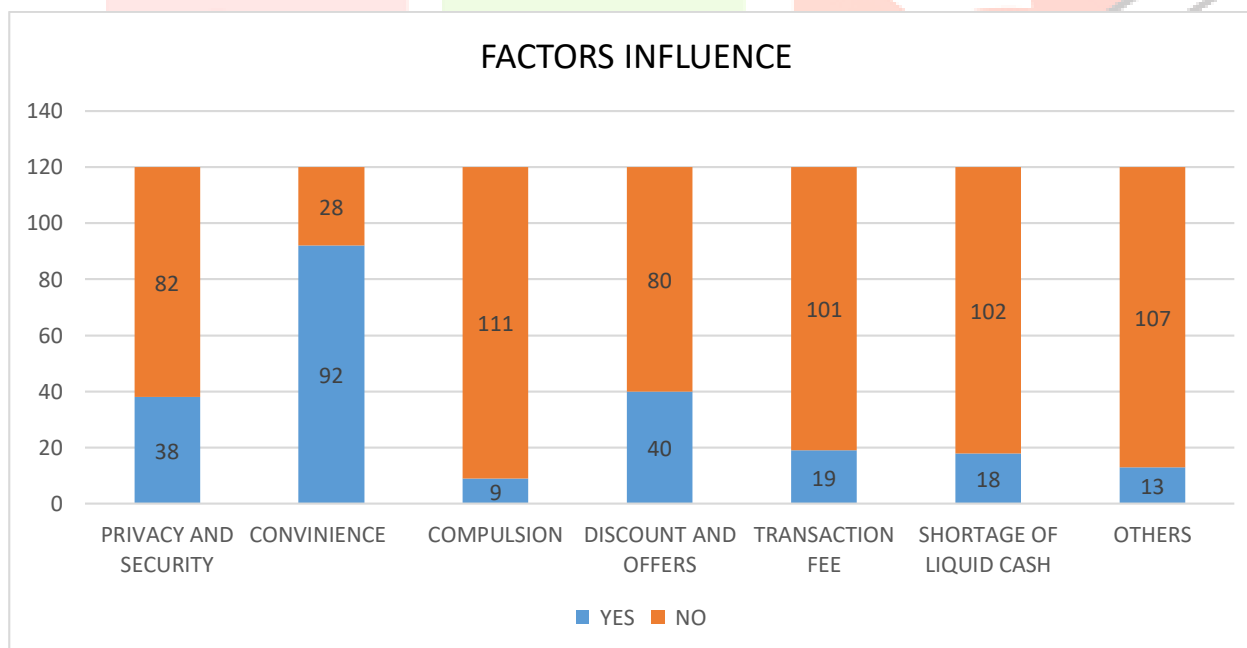


Figure 4

Table 4 depicts that among various factors most of the respondents choose convenience as an important factor in using electronic payment system it has a mean value of 1.23, discount and offers is the next factor as it has mean value of 1.67 and next one is privacy and security having a mean value of 1.68, followed by

transaction fee, shortage of liquid cash, others and so on. The least chosen factor is compulsion having a mean 1.93.

## 5. CONSTRAINTS IN USING ELECTRONIC PAYMENT SYSTEM

Online transactions are a daily activity for almost everyone today. With the introduction of the Internet, online transactions became easy. Most product and service companies made their web presence prominent and started interacting with their customers online. Online shopping became popular. With financial institutions working on similar lines, people around the world began to carry out financial transactions over the Internet. Credit and debit cards became commonplace and gave impetus to electronic payment systems. There are a lot of constraints that could reduce the usage electronic payment system the prominent factors identified are high transaction fees, internet availability, security threats, complexity are those factors. Apart from there are a various constraints for the purpose of study this four factors are short listed.

TABLE 5  
CONSTRAINTS IN USING ELECTRONIC PAYMENT SYSYTEM

CONSTRAINTS	YES	NO	MEAN
HIGH TRANSACTION FEES	41	79	1.66
INTERNET AVAILABILITY	53	67	1.56
SECURITY THREATS	65	55	1.46
COMPLEXITY	9	111	1.93

Source: Primary Data

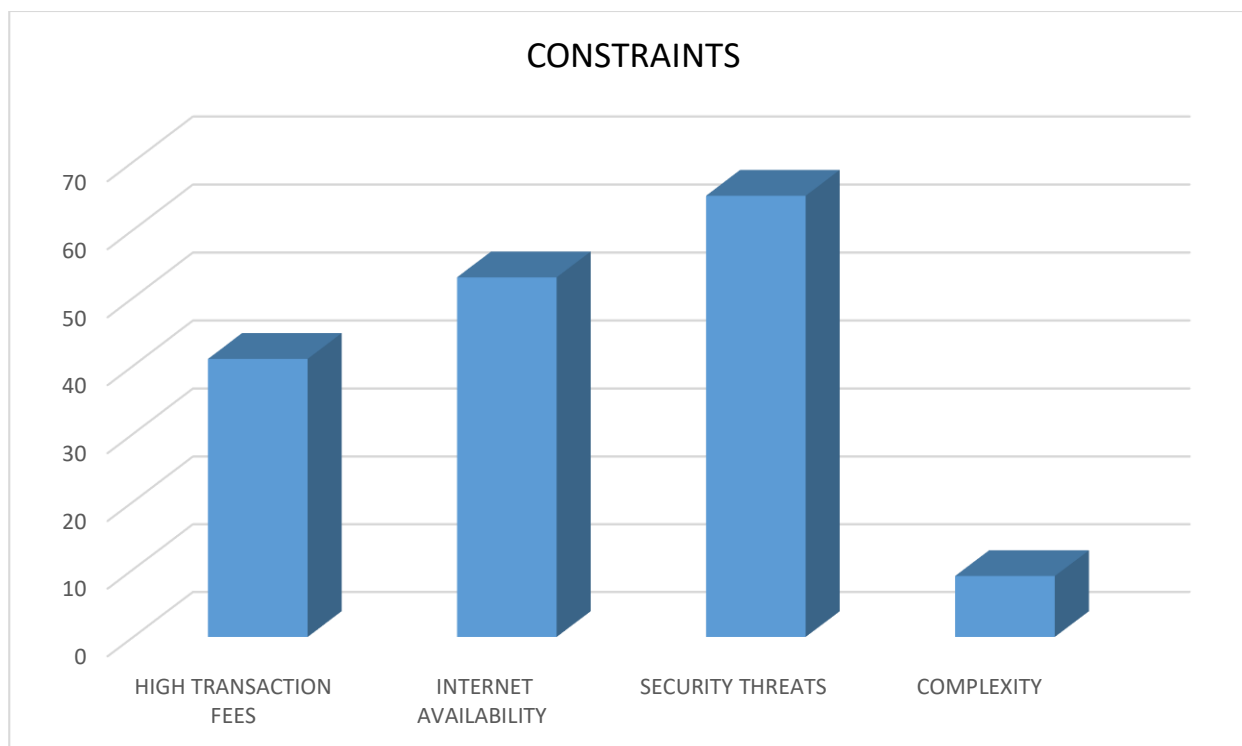


Figure5

Table 5 shows that out of 120 respondents 65 face the constraint of security threats, 53 of them face the constraint of lack of internet availability and 41 face the constraint of higher transaction fees 9 of them face the constraint of complexity in making transaction.

Most of the respondents select the constraint that security threat was the important constraint faced by them and next problem is lack of internet availability, then high transaction fees. Only least the respondents opted that complexity is a constraint that affect their usage of electronic payment system.

## 6. OPINION ON THE FOLLOWING STATEMENTS

The following table is put forward to the respondent to get the clear view of their extent of agree or disagree to the regarding the following statements. It analyses various factor like various terms and conditions in carrying out the transaction, awareness regarding the various threats, awareness regarding whether the website start with “https://” it shows whether the website have enough security to carry out the transaction, another aspect is the usage of one time password to secure the transaction. In five-scale rating, with the scales of strongly agree, agree, neutral, disagree, strongly disagree. And the mean score of the responses are find out for the purpose of analysis.

TABLE 6  
RESPONDENTS OPINION

STATEMENTS	MEAN
I read the terms and conditions before doing online transactions	3.52
I am aware of the threats in EPS	3.74
I check whether website starts with “https://”	3.03
I am aware of the privacy and security features Website	3.75
I think usage of OTP is a secure mechanism in digital payment	4.10

*Source: Primary Data*

Table 3.6 measures the various opinions of the respondents most of the respondents agree that they check OTP before each transaction, most of them are aware of the privacy and security features of the website and aware of the threats in using electronic payment, and they also read the various terms and conditions of using the website but only few of them check whether the website start with “https; //” even though it this feature of the website depicts the security of the transaction.

## 7. MOST PREFERRED ELECTRONIC WALLET

A digital wallet refers to an electronic device or online service that allows an individual to make electronic transactions. This can include purchasing items on-line with a computer or using a smartphone to purchase something at a store. An individual's bank account can also be linked to the digital wallet. There are a lot of electronic wallets that would assist or would integrate the various payments through electronic means. The shortlisted wallets are Google pay, Paytm, Phonepe, Bhim upi, Mobikwick and the respondents were asked to rank 1 for most preferred and so on.

Table 7

## MOST PREFERRED ELECTRONIC WALLETS

ELECTRONIC WALLET	MEAN SCORE	RANK
GOOGLE PAY	2.02	1
PAYTM	2.46	2
PHONEPE	2.5	3
BHIM UPI	3.83	4
MOBIKWICK	4.18	5

Source: Primary Data

From the table 7, the mean score of various ranks selected by the customers are analyzed and among the various electronic wallets most preferred is Google pay then Paytm followed by Phonepe and BHIM UPI, Mobikwick and so on.

## 8. FREQUENCY OF ELECTRONIC PAYMENT USAGE

The electronic payment system has grown increasingly over the last decades due to the growing spread of internet-based banking and shopping. As the world advances more with technology development, we can see the rise of electronic payment systems and payment processing devices. As these increase, improve, and provide ever more secure online payment transactions the percentage of check and cash transactions will decrease. Extent electronic payment usage may differ from people to people some may use it frequently, some others use them occasionally and some use it rarely. The table shown below depicts the frequency on using electronic payment system.

Table 8

## FREQUENCY OF USAGE

	Frequency	Percent
REGULARLY	49	40.8
OCCASIONALLY	50	41.7
RARELY	21	17.5
Total	120	100.0

Source: Primary Data

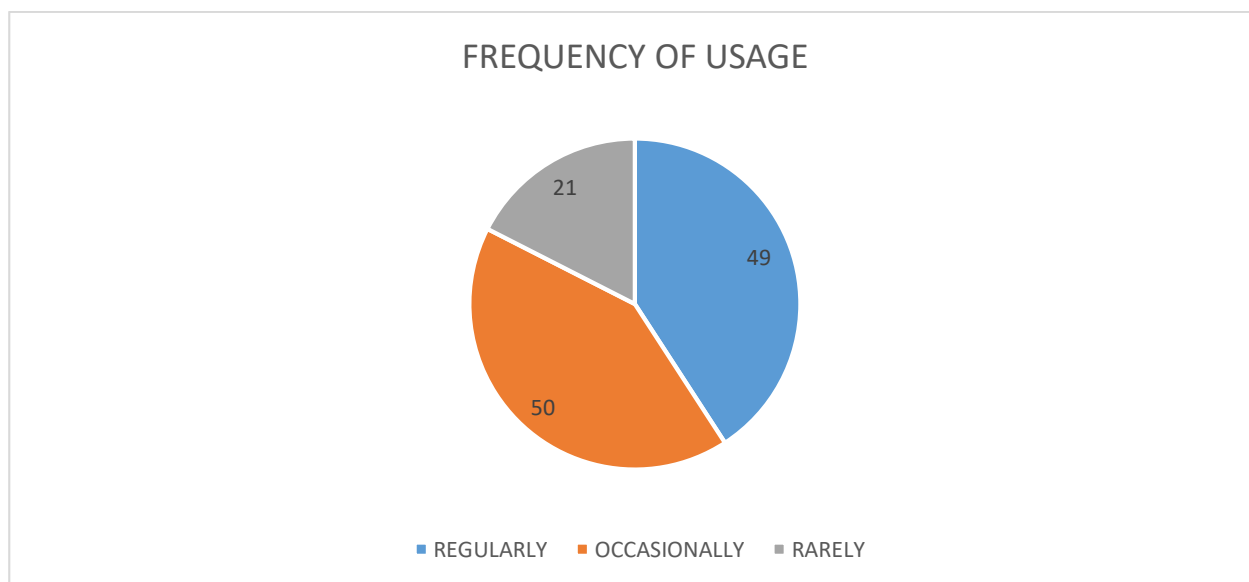


Figure 6

From the table 8, it clearly depicts most of the respondents carry out their transaction occasionally 50 of the total respondents, and 49 of them use it regularly and only 21 of them use it rarely.

From the table it is clearly found that only few respondents use it rarely except them the usage was increased with the introduction of electronic technology usage of electronic payment system has been increased drastically over the period of time.

## 9. COMMONLY USED PURPOSES OF ELECTRONIC PAYMENT.

Electronic payment system are helpful in carrying out Household payment, Electronic fund transfer, Electronic commerce, Mobile recharge, Online ticket booking are the most common uses of electronic payment. And the respondents were asked to rank it on the basis of the preference, and were asked to rank 1 for most preferred and so on.



Table 9

## PURPOSE OF USING ELECTRONIC PAYMENT SYSTEM

purposes	MEAN SCORE	RANK
Household payment	2.77	2
Electronic fund transfer	2.33	1
Electronic commerce	3.13	3
Mobile recharge	3.34	4
Online ticket booking	3.43	5

Source: Primary Data

From the table 9 it can be found that most of the respondents use electronic payment system for electronic fund transfer, then for household payment, followed by electronic commerce, then mobile recharge, and online ticket booking.

## 10. OPINION ON THE FOLLOWING STATEMENTS

The following table is put forward to the respondent to get the clear view of their extent of agree or disagree to the regarding the following statements, it analyze regarding the perceived trust of the respondents in using electronic payment system, opinion regarding the various temporary errors and the attitude regarding the various aspects in using the electronic payment system. The respondents were asked rate in five-scale rating, with the scales of strongly agree, agree, neutral, disagree, strongly disagree.

Table 10

## RESPONDENTS OPINION

Statement	Mean score
(a)I believe my personal information is not disclosed to any third party by EPS service provider.	3.56
(b)I believe that the payment amount or transaction data displayed on screen is always accurate	3.85

(c) I believe that payment services are available 24*7	4.19
(d) I feel that temporary errors frequently occur during EPS transaction	2.84

From the mean score it shows that most of the respondents think that electronic payment services are available 24 \* 7 and they agree that payment amount and transaction data displayed on the screen are always accurate and respondents agree that the data provided by them in making transaction will not be disclosed to third party and neutral opinion regarding the statement that that temporary errors frequently occur during EPS transaction.

## 11. DATA ENTERED IN EPS ARE SUFFICIENT TO AUTHENTICATE YOUR TRANSACTION

The term authentication refers to an electronic process that allows for the electronic identification of a natural or legal person. Additionally, authentication may also confirm the origin and integrity of data in electronic form, such as the issuance of a digital certificate to attest to the authenticity of a website. The overall purpose of authentication is to reduce the potential for fraud, especially in the event of an individual purposely misrepresenting their identity or through the unauthorized use of another person's credentials. For carrying out the electronic transaction we have to enter various kinds of information in making such transactions like personal information, credit/debit card information, net banking details, mobile wallet information etc. For some transaction it require huge volume of data and for some transaction it requires least data. The respondents were asked to state whether the data entered are sufficient.

Table 11

### DATA ARE SUFFICIENT TO AUTHENTICATE

	Frequency	Percent
YES	86	71.7
NO	34	28.3
Total	120	100.0

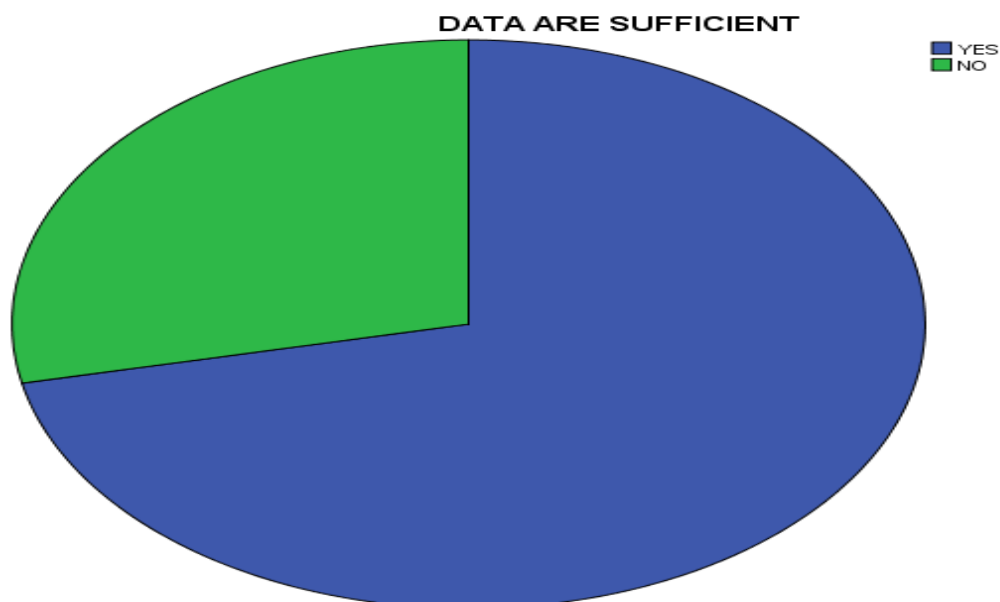


Figure 7

From table 11 states that 71.7 percent of the respondents agree that the data entered are sufficient to carry out electronic transaction and remaining 28.3 percent argue that data entered are not sufficient to carry out electronic transactions.

## 12.WHY DO YOU PREFER ELECTRONIC PAYMENT SYSTEM

Customers prefer electronic payment system because of many reasons Low transaction cost, 24\*7 availability, Ease of use, speed , discounts & offers, security are the major factors influence in the usage of electronic payment system compared to traditional modes it is very cheap, ease to use, fast, there are various kinds of discounts, rewards, offers, high level of security. The respondents were asked to choose most important factor that would influence in using electronic payment.

Table 12

### REASONS FOR USING ELECTRONIC PAYMENT SYSTEM

RESONS	Frequency	Percent
LOW TRANSACTION COST	8	6.7
24*7 AVAILABILITY	54	45.0
EASE OF USE	41	34.2
SPEED	6	5.0
DISCOUNT AND OFFERS	6	5.0
SECURITY	5	4.2
Total	120	100.0

Source: Primary Data

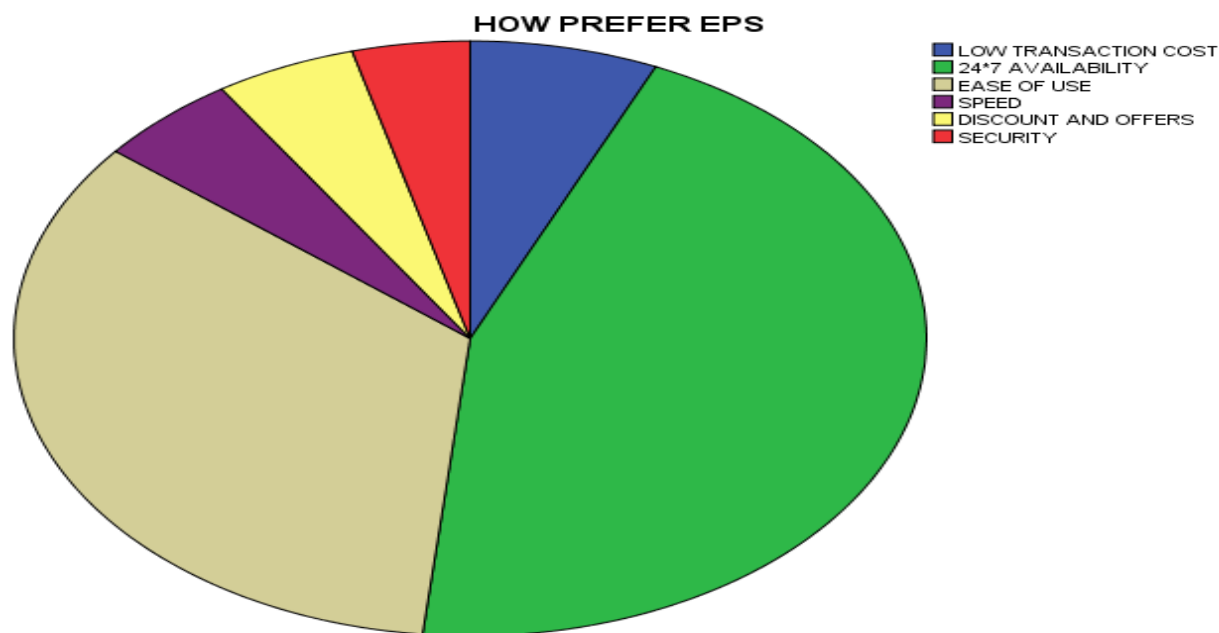


Figure 8

Table 12 depicts that of the respondents prefer electronic payment as it has 24\*7 availability 45 percent of the respondents chosen this and 34.2 percent of the respondents prefer because it is ease of use and 6.7 percent of the respondents prefer it because of low transaction cost And 5 percent of the respondents choose it because of its speed and various discount and offers. And finally 4.2 percent of the respondents prefer it because of the security it offers.

From this it is found that most of the respondents prefer electronic payment as it has 24 \*7 availability, and the next factor is its ease of use and the other factors follow it.

### 13.AWARENESS REGARDING THE REWARDS & OFFERS

The various kinds of electronic payment applications and wallets provide various kinds of rewards and offers like, discounts, reward points, gifts vouchers, cash discounts, scratch cards, rebates, cash backs, customized services, reference gifts. The degree of awareness regarding the various rewards and offers.

Table 13

#### AWARENESS ABOUT REGARDING REWARDS AND OFFERS

	Frequency	Percent
AWARE	33	27.5
SOMEWHAT AWARE	66	55.0
NOT AWARE AT ALL	21	17.5
Total	120	100.0

Source: Primary Data

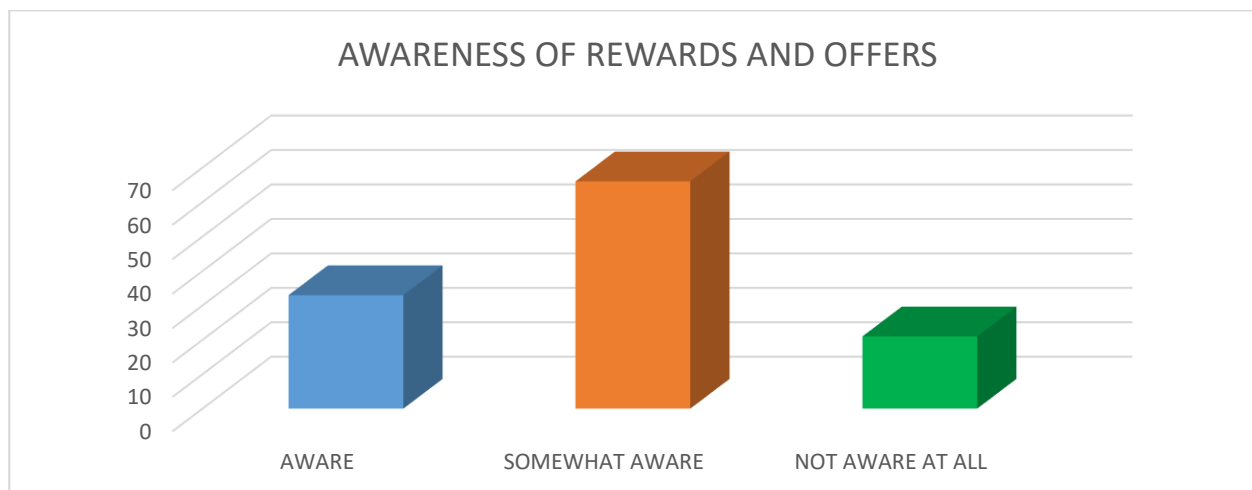


Figure 9

Table 13 shows that, out of the total respondents 66 have somewhat aware and 33 respondents have high degree of awareness regarding various rewards and offers and 21 respondents are not aware regarding it.

It shows that almost majority of the respondents have somewhat awareness regarding the various offers and reward provided by the service providers.

#### 14.DEVICE USED FOR CARRYING OUT ELECTRONIC PAYMENT TRANSACTIONS

The transactions are made through devices like smart phones, computer, and both and the respondents were asked to choose the device that they opt for making or carrying out the payment through electronic media.

Table 14  
DEVICE USED

	Frequency	Percent
SMARTPHONE	76	63.3
COMPUTER	13	10.8
BOTH	31	25.8
Total	120	100.0

Source: Primary Data

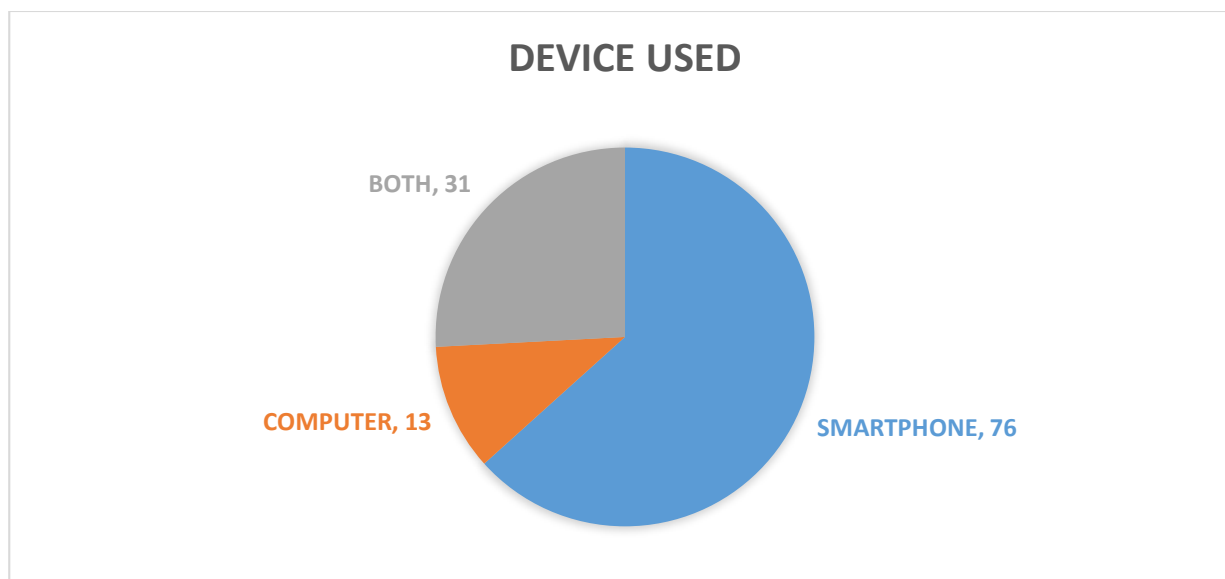


Figure 10

From the Table 3.14 it can be found 63.3 percent of the total respondents use smartphones to carry out electronic transactions and 25.8 percent of respondents choose both computer and smart phone and 10.8 percent use computer to carry such transaction. Since the usage of smartphones has been increased over the period of time most of the respondents that is around 89.2 percent use smartphones to carry their electronic transactions.

## 15. OPINION ON THE FOLLOWING STATEMENTS

The following table is put forward to the respondent to get the clear view of their extent of agree or disagree to the regarding the following statements. The respondents were asked rate in five-scale rating, with the scales of strongly agree, agree, neutral, disagree, strongly disagree.

Table 15  
RESPONDENTS OPINION

Statements	Mean score
I trust security mechanism In electronic payment system	3.62
I think EPS is user friendly	3.89
I understood the terms and conditions of using EPS	3.80
I must be aware about the usage of EPS	3.10

Source: Primary Data

From the table 3.15 it can be concluded that most of the respondents agree that electronic payment system are user friendly, and agree that they understood the terms and the conditions in using electronic payment system, and they agree that they trust the security mechanism in electronic payment system and neutrality in opinion that they have to be aware about the usage electronic payment system.

## 16. SMALL PAYMENT DONE USING EPS CAN BE USEFUL

E-commerce sites use electronic payment, where electronic payment refers to paperless monetary transactions. Electronic payment has revolutionized the business processing by reducing the paperwork, transaction costs, and labor cost. Being user friendly and less time-consuming than manual processing, it helps business organization to expand its market reach/expansion. Small payment refers of payments of smaller denomination, through the help electronic payment transaction the problem of paying back cash balance and transaction involving the currency with smaller denomination can be avoided. The respondents were asked to rate their response regarding the effectiveness of small payments through electronic media.

Table 15

### OPINION REGARDING SMALL APYMENTS

OPINION	Frequency	Percent
STRONGLY DISAGREE	3	2.5
DISAGREE	13	10.8
NEUTRAL	6	5.0
AGREE	70	58.3
STRONGLY AGREE	28	23.3
Total	120	100.0

Source: Primary Data

From the table 3.15 it is found that 70 of the respondents agree that small payments are effective in electronic payment system, 28 of them strongly agree, 6 of them have neutral attitude and 13 of the respondents disagree that small payments are not effective and finally 3 of them strongly disagree.

The mean score obtained is 3.89 hence most of the respondents are agree that the small payment over the internet are successful.

## 17. FEEDBACK SYSTEM IN EPS

Feedback system are used to check whether the transactions are effective and the whether it is useful or having any defaults or problems in making carrying out the transactions. Feedback system is also

helpful in identifying the various threats that the respondents may encounter in making the electronic transactions. This feedback system ensures proper control over the entire transaction process will ensures the proper conduct of the activities. Nowadays each electronic transaction collects the respondent's feedback to analyze whether they are satisfied or not.

Table 16

## FEEDBACK SYSTEM IN ELECTRONIC PAYMENT

OPINION	Frequency	Percent
UNSATISFACTORY	12	10.0
NEUTRAL	8	6.7
SATISFACTORY	79	65.8
HIGHLY SATISFACTORY	21	17.5
Total	120	100.0

Source: Primary Data

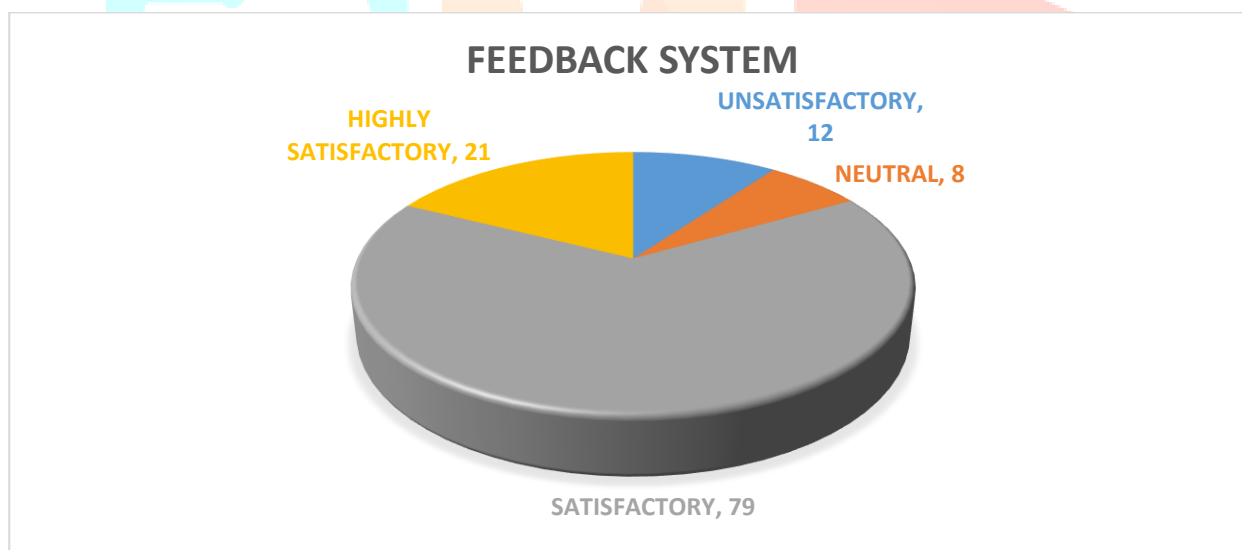


Figure 11

From the table 3.16 the mean score obtained is 3.91, hence most of the respondents are satisfactory with the feedback system in electronic payment system. As most of the electronic payment system are making them more and more competitive with the help of suitable feedback system.



## **FINDINGS OF THE STUDY**

1. From the study it is evident that most of the user of electronic payment are youth, as youth are more familiar to technology.
2. The study shows that most of the electronic payment users are male than female, as male are more adaptable to technology.
3. The respondents who are using the electronic payment technology are having education above graduate level.
4. Most of the respondents prefer the electronic transaction over credit / debit card as it is very easy to use and is user friendly, apart from it mobile wallets and net bank are the next preferred modes which are used in the conduct of electronic transaction.
5. The respondents prefer electronic payment system due to its convenience, and other major factor that insist the usage is the various discounts and offers offered by the service providers.
6. The major constraint faced by the respondents in adopting electronic payment are security threats and lack of internet availability and high transaction cost are other major constraints
7. Most of the respondents go through the terms and conditions prescribed before making the transaction.
8. Most of the respondents have somewhat aware of the threats that they might encounter in carrying out electronic transactions
9. The respondents have some awareness regarding the “https; //” to secure website and some them do not have awareness about this security feature.
10. It is clear that the respondents are aware and check the privacy and security feature of the website.
11. Around all of the respondents think that one time password will help to make the transaction secure digital payment.
12. The most preferred electronic payment wallet among the respondents are google pay and then Paytm and phonepe follows it.
13. It is found that the extent of usage of electronic transactions are mostly occasional, and a considerably high percent of respondents carry it regularly.
14. The most used purpose of carry out electronic transactions is electronic fund transfer, and another important use is for making household payments.
15. It clearly shows that most of the respondents feel that the information provided by them would not disclose to any other third party.
16. The respondents argued that most of the payment systems are effective and the data on the screen and the transaction data are always accurate.
17. They agree that such transactions are can be made at any time and at any place, as it is more and more user friendly.
18. The respondents argue that temporary errors may happen during transactions but they are not often but may occur rarely.

19. Most of the respondents agree that the data entered are sufficient to authenticate the transaction.
20. They major reason that insist to use the electronic transaction over the traditional payment are the benefit of 24\*7 availability, and next important reason is its ease of use.
21. The awareness regarding the rewards and offers offered by the various service providers are does not reach the respondents fully, they are somewhat aware of the rewards and offers offered to them.
22. Most of the respondents prefer the electronic transaction over smartphones and a majority of them use both computer and smartphone to carry out the same.
23. Most of the respondents trust the security mechanism in electronic payment systems
24. The respondents agree that payment over electronic media are user friendly and are ease of use.
25. And the respondents agree that the information regarding electronic payment is very important and we should need a proper understanding about the same.
26. It is noted that the respondents have a common opinion that carrying out of transactions in small denominations are very effective through electronic devices.
27. The feedback system are also effective and most of the respondents agree that feedback system in electronic transactions are effective.

### **SUGGESTIONS OF THE STUDY**

1. Popularize the usage of electronic payment by way of offering various discounts and offers and in turn reduce the complexity in making the transactions.
2. Ensure multi-layer security in each transactions by providing proper encryption and following the security protocols.
3. Ensure that after every transaction, whether the user has obtained the perceived use for carrying out the transaction.
4. Provide proper technical education and digital literacy to those who do not have access to such sort of information.
5. Ensure the application of bio metrics to provide more and more security oriented electronic transaction.
6. Popularize and make familiar with the customers various kinds of electronic services and electronic transactions which require online payment.
7. Build confidence in the mind of customers by providing adequate authentication and security features to the electronic transactions.
8. Introduce instant redressal and grievances mechanism in electronic transaction to ensure the effectiveness of control mechanisms.

## CONCLUSION

Modern financial system has gone through many changes in terms of payment processing system from traditional banking system, like ATM/ Debit card, Credit card, online payment, NEFT, RTGS etc. and the latest feather in the digital banking is E-wallet. Customers actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism, corruption, money lindies etc. But one of the biggest problem is the working of cash less transaction in India is cybercrime and illegal access. Therefore it's important to strengthen internet security from protection against online fraud. Customers are perceived the higher level of risk in the application of cash less transaction. Because large number population is still below literacy rate especially in rural area. Government should be educated towards cash less transactions services. Government tries to promote customers mind towards the risk factors. Cash less transaction helps to develop the Indian economy. Hence, each and every one should access and use the digital based transaction in the current scenario. As the increase in usage of technology provide a positive ground for the conduct of electronic transactions as it is ease of use, convenient, 24\*7 available but it faces a lot of problems on the ground of complexity in usage , lack of internet accessibility etc. but this constraints can be easily overcome with the help of technology. In the Indian scenario E-payment system, has shown tremendous growth, but still there has lot to be done to increase its usage. Still 90% of the transactions are cash based. So, there is a need to widen the scope of electronic payment by introducing innovative solutions within this regard.

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