Digital Payments is the Gateway to Technological Advancement

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Abstract:

Digital Payments Propelled by recent policy initiatives and is the gateway to technological advancement. In the present scenario India's digital payment system is promising success story. The country has seen a tremendous increase in the usage of digital payments. A digital payment, also known as an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone. Mode of digital payment commonly used by the citizens of the country are bank transfers, mobile money, and payment through credit, debit, Paytm, Phonepe, Google Pay, Amazon pay, JioMoney, Freecharge, Mobikwik, PayUMoney, digital wallets, UPI, BHIM and prepaid cards etc. This transformation towards digital payments methods benefits in more transparency in transactions which empowers the country's economy. Since the launch of IMPS by NPCI in 2010 until the release of UPI in 2016, the digital payment system has evolved several times. The study is an attempt to analyze how the various forms of digital payment evolved in the past and how COVID-19 impacted the digital payment systems in India. The study concludes that digital payments in India recorded a robust growth of 26.2 per cent in terms of volume during 2020-21 on top of the expansion of 44.2 per cent in the previous year. Lastly, it has been observed that after COVID-19 pandemic, people were concerned about health regulations and were afraid of cash transactions which made them switch to this mode, resulting in a rise in the usage of different modes of digital payment systems. The objective of this research paper is to study the positive impact that Digitalization of payment system. The present paper focuses on the analysis of the adoption level of these digital payment systems by customers. Primary data was collected from 50 respondents in Mysore. The collected data through the questionnaire were analyzed statistically by using percentage technique.

Keywords: Digital Payment System, Mobile wallet, Mode of digital payments, POS.

I INTRODUCTION

Digital payments are transactions that take place through online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic method to exchange money. The Government of India has been undertaking several measures to promote and encourage digital payments in the country. As part of the 'Digital India' campaign, the government has an aim to create a 'digitally empowered' economy that is 'Faceless, Paperless, and Cashless'. There are various types and methods of digital payments.

As part of its Digital India initiative, the Government of India has been pushing to create a cashless economy. The government has introduced digital payments in India. Digital payments occur via online medium and require no physical exchange of money. These payment systems have gained mainstream popularity, leading to the emergence of various modes of financial transactions. As a business owner, you should be well-informed about the different types of digital payment systems and use them to your advantage while conducting business.

Modes of Digital Payment:

1. **PhonePe** is another Indian-based payment service app that was released in 2015 as a privately owned multilingual mobile and PC software. PhonePe is a unified payment interface (UPI)-based software that requires a user to link their bank account and generate a UPI ID in order to complete any transaction.

2. **Paytm** is a third-party mobile and computer-based digital payment service with Indian origins. Paytm was founded in 2010 as a private business operating company. Aside from providing the ability to send and receive payments, the app also caters to a variety of client demands through its Paytm Money, Paytm Smart Retail, and Paytm Payments bank services. As of now, the application has over 350 million active users.

3. **BHIM** Bharat Interface for Money (BHIM) is a payment app that lets you make simple, easy, and quick transactions using the Unified Payments Interface (UPI). You can make direct bank payments to anyone on UPI by using their UPI ID or scanning their QR code with the BHIM app.

4. Google Pay is the most widely used digital payment app, and it's available on both Android and IOS devices. A person can either transfer money or pay their utility bills immediately from their bank account after installing the Google Pay application.

5. **Amazon Pay** offers a simple way to check out from your favorite online stores, and manage your payment methods on Amazon.com.

6. **PayUMoney** is a popular payment gateway that provides payment solutions for merchants and individuals. Founded in the year 2002

II REVIEW OF LITERATURE

Roy & Sinha (2014), stated that E- payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. **Slozko & Pello, (2015),** E-payment systems are important mechanisms used by individual and organizations as a secured and convenient way of making payments over the internet and at the same time a gateway to technological advancement in the field of world economy. **Joshi & Kumar (2020)** investigated the impact of digital India on the Indian economy in order to assess the challenges associated with digital India. **Ghosh (2021)** digital payment is far more convenient and time-saving as compared to traditional means of paper currency. He also emphasized that such payment transactions can be done round-the-clock by any individual.

III OBJECTIVES OF THE STUDY

1. To study Digital Payment system and the Status Quo among population in the present scenario.
2. To know the perception of digital payment methods among the population.

IV SIGNIFICANCE OF THE STUDY

This study is significant in various aspects. Firstly, on the basis of the findings of the study, the study is focusing on some conclusions and identifies the current perception of respondents towards the digital payment and this might be signal to the up gradation of technology which empowers the country economy order to minimize the paper currency.

V RESEARCH METHODOLOGY

The study Plans to apply Descriptive research study to investigate the demographic profile of the population and descriptive survey design for data collection. This design is considered the most appropriate and helpful in determining the perception and attitude of the respondents. However, the eligible population of the study included all the people who use the digital payments in the different areas. This study use to analyze the data by using simple percentage method.

PERSONAL INFORMATION

SL. NO.	PARTICULARS	CLASSIFICATION	F	%
1.	GENDER	Male	33	66%
		Female	17	34%
2.	AGE	16-25	6	12%
		26-35	12	24%
		36-45	12	24%
		45-Above	20	40%

Interpretation: The above table gives clear information about Gender says 66% male and 34% female respondents. The age of respondents between 16-25years are 12%, 26-45 ages are 24% and above 45 which is highest which is 40%.

Smart phone

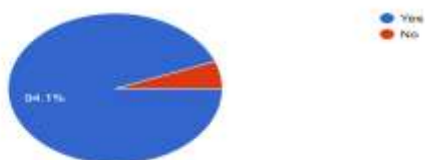| Sl.No.	Statement		Yes	No
1.	Have a smart phone	F	50	0
		%	100%	0%

Interpretation: From the above table and graph it shows that overall population have smart phone.

Using digital payment method

Sl.No.	Statement		Yes	No
1.	Ever used a digital payment method or mobile wallet	**F**	47	3
		%	94%	6%

ever used a digital payment method or mobile wallet

Interpretation: From the above table and graph it shows that 94% of the respondents uses digital payment method or mobile wallet.

Digital payments method have used at least once

Sl.No.	Statement	F	%
1.	Paytm	6	11.8 %
2	Phonepe	32	64.7 %
3	Amazon pay	0	0
4	JioMoney	0	0
5	Freecharge	0	0
6	Mobikwik	0	0
7	PayUMoney	0	0
8	Google Pay	12	23.5%

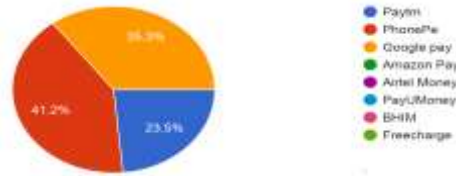digital payments method have you used at least once
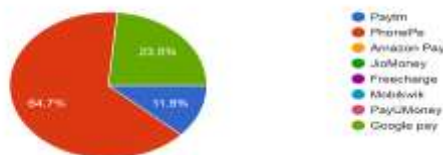
Interpretation: The above table and graph interpret that 64.7 % PhonePe, 23.5% Google Pay and 11.8 % Paytm used digital payment method.

Digital payment method is accepted by most merchants

Sl.No.	Statement	F	%
1.	Paytm	12	23.5 %
2	Phonepe	21	41.2%
3	Amazon pay	0	0
4	JioMoney	0	0
5	Freecharge	0	0
6	BHIM	0	0
7	PayUMoney	0	0
8	Google Pay	17	35.3%

Digital payment method is accepted by most merchants

Interpretation: The above table and graph interpret that 41.2% PhonePe, 35.3% Google Pay and 23.5 % Paytm most merchants accepted digital payment method.

Digital payment find easiest to use

Sl.No.	Statement	F	%
1.	Paytm	6	11.8 %
2	Phonepe	38	70.6%
3	Amazon pay	0	0
4	JioMoney	0	0
5	Freecharge	0	0
6	Mobikwik	0	0
7	Airtel Money	0	0
8	Google Pay	6	17.6%

Digital payment find easiest to use
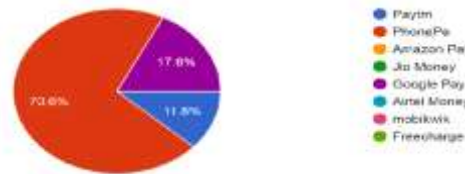
Interpretation: From the above table and graph, the respondents found that 70.6% PhonePe, 17.6% Google Pay and 11.8 % are the easiest method.

Digital payment is the best in terms of offers and discounts

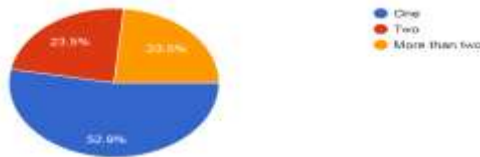| Sl.No.	Statement	F	%
1.	Paytm	12	23.5 %
2	Phonepe	15	29.4%
3	Amazon pay	6	11.8%
4	JioMoney	0	0
5	Freecharge	0	0
6	Mobikwik	0	0
7	Airtel Money	2	5.9%
8	Google Pay	15	29.4%

digital payment method is best in terms of offers and discounts
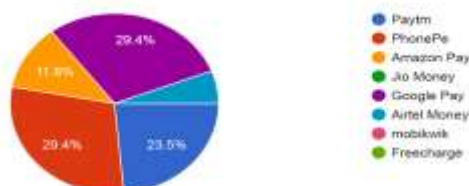
Interpretation: The above table and graph shows that the respondents found that 23.5 % of the Paytm, PhonePe, Google Pay, Amazon pay and Airtel Money are the best in terms of offers and discounts through digital payment.

Mobile wallet apps used

| Sl.No.	Statement	One	Two	More than two
		52.9%	23.5%	23.5%

Interpretation: The above table and graph shows that 52.9% of the respondents uses one app, 23.5% of the respondents uses two app and 23.5% of the respondents uses more than two app.

Method of payment used frequently during online purchase

Sl.No.	Statement	F	%
1.	Cash	6	11.8 %
2	Credit	0	0
3	Debit	6	11.8%
4	Mobile wallet	32	58.8%
5	Any other	6	11.8%

Method of payment used frequently during online purchase
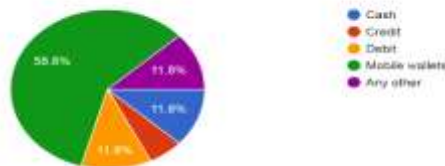
Interpretation: The above table and graph shows that 58.8% of the respondents prefer to use mobile wallet than using cash, credit, and debit or any other method.

Method of payment used frequently during offline / in store payment

Sl.No.	Statement	F	%
1.	Cash	18	35.3 %
2	Credit	0	0
3	Debit	3	5.9%
4	Mobile wallet	29	58.8%
5	Any other	0	0

Interpretation: The above table and graph shows that 58.8% of the respondents prefer to use mobile wallet frequently during in store payment than any other method.

Uses of UPI Payments

Sl.No.	Statement		Yes	No
1.	Uses of UPI Payments	F	38	12
		%	76.5%	23.5%
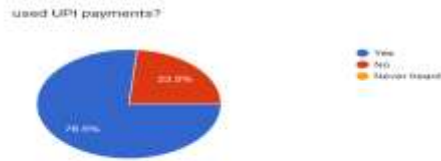
Interpretation: The above table and graph shows that 76.5**%** of the respondents prefer to use UPI payments while 23.5% were not agreed.

Medium introduced you to mobile wallets

Sl.No.	Statement	F	%
1.	Television	6	11.8 %
2	Friends	21	41.2%
3	Internet	17	35.3%
4	Company representatives	0	0
5	Any other	6	11.8 %

Interpretation: The above table and graph shows that 41.2% of the respondents said mobile wallets introduced by friends, 35.3% through Internet, 11.8 % through television and other sources.

IV FINDINGS

The study reveals that there is a significant and positive response from the respondents on the usage of digital payment by using different modes of mobile wallets. The impact of digital payment among consumers and organization gives an important policy towards enable the country to increase the cashless payment which results to adoption of advanced technology.

VII CONCLUSION

The study concludes the effect of adopting digital payments impact on consumers and the organization sector of India. The result put together gives us an important policy direction towards what can enable the country to increase cashless payments .The results indicate that the adoption of advanced technology for digital payments have improved the performance of banking sector and increase the economy of the country. The study gives emphasis to the percentage of awareness on maximum utilization of technology. Banks should take initiatives of internet connective and effective measures in creating awareness towards the effective usage of technology and security among the citizen.

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