



Evolving Payment Technologies: Impact On Traditional Banking And Consumer Behaviour

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Abstract: The world entering into a drastic growth equipped with advanced technology and systems. In the banking sector, fintech is now playing a crucial role in providing supportive services and smoothen operations of the banking platform. Study about the evolved payment technology that impacted the traditional way of banking and the changes in consumer behaviour. A quantitative approach followed using a questionnaire collection of data. The study size is 359 which includes diversified respondents like i.e. govt employees, pvt employees, business mans, households, and students. The sampling method adopted is purposive sampling. the dependent variables are experienced good rather brick and mortar bank, spending increased due to evolved payment technology; the independent variables are time saved, relief from the physical handle of cash, variety of options provide by payment technology partner, continuous innovation by payment technology partner, satisfaction level, smoothen day-to-day operation due to evolved payment technology. the analysis discloses 80% are aware of fintech and 20% are not aware. 99% are having bank A/c and 1% only not having bank A/c the recommendation are financial institutions concentrate online services, strengthen cyber security systems, R&D to conduct more innovation, and make it easier for all age categories. The various suggestions implemented to achieve the competitive level in finance sector in India.

Keywords: Smoothen operation, Relief, Satisfaction level, Experienced good, Variety options, Time.

I. Introduction

Today's world moves towards bringing various advanced technologies to make work easier and make it accurate with the help of technology. Many countries also focus on technology advancement to compete with the global countries not only that each country wants to make their country full of automation of the country's process like manufacturing, service, and other sector. In this banking is one of the sectors the financial institution that deals with monetary-related activities. In past decades like in the years 1900- 1990 there is not much involvement in technology. After 1991 LPG Introduction created competition among the countries to perform well in advancement and many countries started to innovate new technologies to adopt in various sectors particularly focusing on the banking sector. The innovative solution has been coded technology named a CORE BANKING SOLUTION (centrally oriented real-time exchange). Many initiatives, research, and development were done by the RBI to introduce the various online transaction systems. Fintech is seen as disruptive; it also facilitates collaboration with traditional banks. AI-powered customer service tools to improve their products and customer experience. As of January 2022, there was no widely recognized "e-rupee" in the sense of a digital currency issued by the Reserve Bank of India (RBI). However, the world of digital currencies and central bank digital currencies (CBDCs) is rapidly developing and evolving. Some other evolved technologies are, IMPS, NEFT, Internet banking, Mobile banking, ATM deposit and withdrawal, Card transactions, cheque truncation systems, e-bank guarantee, etc... One notable impact is the shift towards digital payments, with mobile wallets, contactless cards, and peer-to-peer payment platforms gaining widespread adoption. In this study not only includes evolved technology it consists of how that impacted traditional bank and changes in behaviour as per current situations and support to economy.

II. Literature Review:

A literature review is a kind of academic writing that shows the author's understanding and familiarity with the academic literature on a subject when it is presented in the right context.

Anggar Riskinanto, Bayu Kelana, Deliar Rifda Hilmawan (2017) E- E-payment is a type of fintech solution that has a different generation of users. The adoption by different categories of people is studied. The responses 532 application users. The finding shows only that the perceived users have an ease of using the e-payments. **Yao Meifang, Di He, Zheng Xianrong, Xu Xiaobo (2018)** The paper study about impact of traditional banks because of evolution of advanced payment technology. The results show that in my country, third-party payments have a positive relationship with the value creation capacity of the traditional financial market, and this relationship seems to be stable and frozen for a long time. **Ainsworth Anthony Bailey, Iryna Pentina, Aditya Shankar Mishra & Mohammed Slim Ben Mimoun (2020)** Mobile payment (MP) represents an opportunity for brick-and-mortar retailers to improve the customer experience in the United States. In the early stages, it helps investigate the impact of trends on US Millennial Consumers and Mobile Phone Adoption Data in the US This study involves the risk of paying for phone numbers, trust, and social norms for continued adoption patterns. Among 357 US Millennials on trust and relationships Both culture and AttMP influence MP use intentions. **S Fatonah, A Yula and F W Wibo (2018)** Electronic payments are not offered as a replacement for cash, but as a better alternative to cash and business transactions. Electronic payment can be understood as a payment that uses electronic media and does not involve cash. 16 Electronic payment e-payment is an important aspect of e-commerce. This study to focus existing literature in e-commerce to detail electronic payment methods used by past researchers identified gap on research to make recommend future research. **R Ali, J Barrdear, R Clews, J Southgate (2014)** Today's electronic payment rely on trust third party to process payment. Recent development seen creations of digital currencies such as Bitcoins provide new currency unauthentic payment method. The decentralise payment system. bank deposit financial assets today exist digital document. **Sathya R and Anitha D (2018)** Every electronic-banking has positive and negative impact on the user. Identifying the customer experience to both traditional bank and electronic payments and issues. **N M Boustani (2020)** Author analysed different condition requirement for survival of bank sector in context of constant of fintech startup of world mainly in Lebanon. The authors describe emergence position of fintech past developing research model.

III. Scope Of Study:

This study weighted that the evolved payment technology impacted and its need for the old gen banks to implement way to sustain market in finance domine. The users of payment technology partner like NPCI Rozarpay Bill desk Bharath pe and customer having a banking partner includes public private and foreign banks. i.e. PNB bank of Baroda bank of Maharashtra IOB CUB Karur Vysya bank HDFC bank IDFC first bank HSBC bank and Deutsche bank. The company are select based on year of existence. The study fill the gap which factor influence traditional way banking and payment technology partner to adopt to effective innovative to customer to retain. Finally this study opens the people aware of payment technology and which factor make them to choose payment technology rather brick and mortar bank.

IV. Objectives Of Study:

The following are study objective:

- To analyse the demographic profile of the respondents.
- To check the old banks are adopting new technology recently evolved.
- To determine fintech company involvement and support to bank.
- To examine relationship association and difference between the demographic variables to the smoothen operation-experienced good-satisfaction level.
- To evaluate use of new evolved payment system by different age citizens.
- To inspect the change mind set-consumer behaviour because of advance payment systems.

V. Research Methodology:

The respondents from bank account users, the money-transacted person. Online and offline payment are categorised into young, adult users and senior citizens. The respondents sub-categorised student, employee, business people, household in TN.

5.1 Sampling Techniques and Tools:

The sample collected 359 from students, employees, businessmen, and households. The respondents for the study are collected by using purposive sampling. Questionnaire given to respondents in the form of hard copy. The SPSS 16 software used for analyse. The various analysis is done i.e. frequency, correlation, chi-square, regression, ANOVA analysis. The variables taken are independent variables like experienced good rather brick and mortar bank, spending increased; dependent variables like time saved, variety options, smoothen operation, satisfaction level, continuous innovation, relief from physical cash.

VI. Findings:

Table 1

Reliability Statistics	
Cronbach's Alpha	N of Items
0.852	33

Source: Primary Data. Processed by SPSS

16

From table 1, denotes that here the Cronbach's Alpha is 0.852, which comes under excellent internal consistency of the data. So, the data are very much reliable and Questionnaires are valid and data valid.

6.1 Frequency Analysis:

Table 2
Frequency of Demographic Variables

Age	Frequency	Percent	Employment status	Frequency	Percent
Below 18	17	4.7	Govt Employee	17	4.7
18 to 25	161	44.8	PVT employee	149	41.5
26 to 35	99	27.6	Businessman	23	6.4
36 to 50	56	15.6	Students	155	43.2
50 above	26	7.2	Others	15	4.2
Total	359	100	Total	359	100
Education Qualification	Frequency	Percent	Monthly Income	Frequency	Percent
Below 12th	37	10.3	Below 10000	146	40.7
12th(HSC)	47	13.1	10000 to 25000	65	18.1
UG	162	45.1	26000 to 50000	101	28.1
PG	76	21.2	50000 to 100000	32	8.9
PHD	35	9.7	Above 100000	15	4.2
Others	2	0.6	Total	359	100
Total	359	100	Location	Frequency	Percent
Gender	Frequency	Percent	Urban	153	42.6
Male	225	62.7	Semi-urban	116	32.3
Female	134	37.3	Rural	90	25.1
Total	359	100	Total	359	100

Source: Primary Data. Processed by SPSS 16

From the above table 2, denotes that most of the respondents age category of 18-25 year old, the qualification most of them are UG, as per the Gender most of them are male, the employment status most are student followed by Private employee, income most are in range of below 10,000 followed by 26,000-50,000, the location most of them are in Urban.

6.2 Correlation Analysis:

H₀: There is no significant relationship age and

H₀₁: smoothen operation

H₀₂: Experienced good

H₀₃: Satisfaction level

Table 3**Age towards smoothen operation, experienced good, and satisfaction level**

Particulars	Measure	Age	Smoothen	Experienced good	Satisfaction level
Age	Pearson's Correlation	1	-0.137	-0.027	0.056
Smoothen	Pearson's Correlation	-0.137	1	0.427**	0.203**
Experienced good	Pearson's Correlation	-0.027	0.427**	1	0.485**
Satisfaction level	Pearson's Correlation	0.056	0.203**	0.485**	1
**Correlation between Independent Variables					

Source : Primary Data. Processed by SPSS 16

From analysis the age to satisfaction level and experienced good significance is greater than 0.05 so null hypothesis accepted therefore, no relationship between age to the satisfaction level and experienced good to evolved payment technology. The age and smoothen day to day operation significance is less than 0.05 null hypothesis is rejected. a relationship between age and smoothen day to day operation.

6.3 Chi-square Analysis:

H₀: There no significant association between demographic variable towards smoothen operation.

Table 4**Demographic variables towards smoothen operation**

SI.No	Variable	Value	Significance	Decision
1	Age	54.688	0.0000	Rejected
2	Gender	6.811	0.146	Accepted
3	Employment status	49.395	0.0000	Rejected

Source : Primary Data. Processed by SPSS 16

There is association between age and employment status towards smoothen operation. The significance value is greater than 0.05. The null hypothesis is accepted. Therefore, no association between gender towards smoothen operation.

6.4 Regression Analysis:

H₀: there is no Significant influence of variety options, smoothen operation and satisfaction level on payment technology rather brick and mortar bank.

Table 5

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.793	0.29		-2.736	0.007
	payment technology partner provides various options in their platform	0.452	0.049	0.431	9.197	0.000
	Current technology smoothen day to day operation	0.447	0.063	0.281	7.053	0.000
	satisfaction level increased due to use payment technology	0.232	0.057	0.189	4.084	0.000

a) Dependent Variable: good experience in use of payment technology rather that brick and mortar bank

Source: Primary Data. Processed by SPSS 16

R	R Square
.685	0.47

The R square value is 0.47 that is 47% independent variable influence the dependent variable. The significance value is less than 0.05 null hypothesis rejected. Therefore, there is influence of use payment technology rather brick and mortar bank by variety options, smoothen operation, and satisfaction level by use of payment technology platform.

6.5 ANOVA Analysis:

H₀: There no significant difference between experienced good towards satisfaction level and smoothen operation.

Table 6
Experienced good towards satisfaction level and smoothen operation

Particulars	F	Sig.	Decision
satisfaction level increased due to use payment technology	42.196	0.000	Rejected
Current technology smoothen day to day operation	28.612	0.000	Rejected

Source: Primary Data. Processed by SPSS 16

The significance value is less than 0.05 reject null hypothesis. Therefore, a significance difference between experienced good towards smoothen operation and satisfaction level.

VII. Conclusion:

The study explicit most of payment technology users in the age category of below 20 to 40 year old. They are easily adopted the technology. The senior citizens age above 50 are struggle to adopt the evolved technology. The users of money transactions are prefer to make payment in online they regret to visit the bank branches so, that the brick and mortar bank is influenced due to evolved technology. The payment technology is used by people but they don't aware that the fintech companies they licenced by RBI to be the payment partner with their application platform. The bank may concentrate on their online services strengthen their relationship with their existing customer and to acquire new customer. The individual is feeling free because of the digitalisation of money. As per the study many individuals are facing security related issue because of unauthorised access by someone and data threaten. so, bank and payment organisations strengthen their cyber security to safe guard. The respondents most of them need further innovation in financial sector like banks and payment technology.

The physical cash handle has been reduced. The behaviour of the consumers is changed like spending is increased, branch visit is reduced, paper less transaction, addicted to click and pay model, prefer to easy tracking and retrieval of data. The government and financial institutions are need to make R&D in an effective manner to make further innovation. Much time saved due to evolved payment technology. the senior citizens and some businessmen are accepted and revealed they are influenced and forced to use payment technologies to sustain in their field. The evolved payment technology that reduces time, energy and cost. individual literacy increased due to the payment and online banking technology. The evolved payment technology heavily affected the brick and mortar bank but it took towards the traditional bank to new generation digitalized bank. The consumer behaviour was drastically changing their habits and their approach are also be changed because to the evolved technology.

VIII. Reference:

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