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Customer Perception on Digital Payment Platform

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Abstract

This paper examines the customer perception on digital payment platform in India, as India is moving towards digital payment system. 100 samples were chosen for study. This paper examines the various factors that were taken from the review of literature process. Awareness of different digital payment system. Preferred payment app, satisfaction with various digital payment system etc. Research was undertaken with the following questions: What is the level of adoption of digital payment system? How far customers feel comfortable with the use of digital payment system? What are the challenges faced by the public while using digital payment system? Based on these questions the following objectives of the study were formulated as follows: to study the customer adoption of digital payment systems and e-banking; to study the customers' perception of digital payment system; to find the factors influencing digital payment system adoption; to analyse the role of independent variables in improving the digital payment system. The findings of the study show that the customers are satisfied with the digital payment system.

Keywords: Digital; Payment; System; Customer; Adoption; E-banking etc.

INTRODUCTION

For quite some time, the world has been shifting towards digital. This adaptation occurred almost immediately after the lockdown, particularly in India.[1] Though the Indian government has aggressively promoted and spread online payments since demonetization in 2016. Increasing popularity of internet based banking and shopping, the electronic payment system has grown in recent decades.[2] As technology advances, the rise of electronic payment systems and payment processing devices is in greater height. The proportion of cash and cheque transactions and cash transactions will decrease as online payment transactions improve and become more secure.[3]

We've all heard a lot about the "war on cash," the push to make India and other countries "cashless economies," and the general trend among global policymakers to shift the world's economies to a digital and information enabled paradigm.[4] It is worth noting in this context that the emphasis on digital payments and commerce has implications for individuals, businesses, governments, and

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everyone else involved in the economy.[5] As a result, understanding what digital payments are, how they work, how they benefit the economy, and the issues that arise from using such modes of transaction and commercial dealings is critical.

Different methods of digital payments include Credit cards, Aadhaar enabled payment system (AEPS), USSD stands for unstructured supplementary service data, Unified payments interface (UPI), Wallets for mobile devices, Prepaid bank cards, PoS terminals, Internet banking, Micro ATMs etc.[6] Using digital payments has numerous advantages like Ease and convenience, Economic progress, Safety and efficient tracking, Waivers, discounts and cashbacks, Digital record of transactions, Helps keep black money under control, Economical and less transaction fee etc.[7]

Popular Digital Payments System Apps in India are UPI Payment Technology is used by Google Pay, Paytm, PhonePe, Pay nearby, BHIM, Pockets by ICICI Bank, Kotak 811, Axis Bank ASAP, Pay Zap from HDFC, National Common Mobility Card etc: RuPay Contactless Card (Visa also begins issuing NCMC).[8]

PROBLEM STATEMENT

Recently, the world has become increasingly digitised. The global digital payment market is expected to grow at a CAGR of 14.2 percent from USD 79.3 billion in 2020 to USD 154.1 billion by 2025. The use of mobile phones and the use of the Internet are two important factors that have contributed to this development.[9] The government's goal is to make India a digitally empowered society and knowledge economy. Digitalization will be a catalyst in the transformation of the Indian economy into a cashless economy. It has become inevitable for all of us to use digital platform for payment purpose.[10] Though public is using digital payment system, still the level of comfort is still a challenging one, This is due to several reasons like inadequate internet facility, high cost of smart phones, unaffordable to luxury smart phones, illiteracy levels, low penetration of digital system in regional languages, age factor accompanies with level of interest in using digital platform etc. We are the world's fourth largest cash user.[11] In India, the cash to GDP ratio is the highest, at 12.42 percent.[5] In India, the cash in circulation to private consumption ratio is 20%, and card transactions account for 4% of personal consumption expenditure. Because the majority of people are illiterate, poor, engage in small transactions, and have poor banking habits. All these have created challenges for the successful implementation of digital payment system.

Research Question

- What is the level of adoption of digital payment system?
- How far customers feel comfortable with the use of digital payment system?
- What are the challenges faced by the public while using digital payment system?

Study Objectives

- To study the customer adoption of digital payment systems and e-banking.
- To study the customers' perception of digital payment system.
- To find the factors influencing digital payment system adoption.
- To analyse the role of independent variables in improving the digital payment system.

REVIEW OF LITERATURE

M. Kavitha and K.Sampath Kumar (2018), Found that e-payment systems are important mechanisms used by individuals and organisations as a secure and convenient way of making payments over the internet, as well as a gateway to technological advancement in the field of global economy. Internet banking is influenced by its perceived reliability, perceived ease of use, and perceived usefulness. Experts should emphasise the benefits of internet banking services adoption, and awareness can be increased to attract consumers' attention to internet banking services. It has also been stated that the E-payment system in India has grown tremendously, but there is still much work to be done to increase its usage. Even so, cash is still used in 90% of transactions.

Vijai, C. (2019) has explained the concept of mobile wallets, functions of mobile wallets, types and benefits of mobile wallets, and wallet money usage endorsed by various companies, as well as various factors that influence consumers' decision to adopt mobile wallets and various risks and challenges faced by mobile wallet users. It also states that mobile wallet adoption among Indian consumers is still in its early stages, and that the success of mobile wallets is dependent on the marketing strategies of mobile wallet companies as well as Indian financial policymakers. This study was also founded on the technology acceptance model and the innovation

diffusion theory. They found that there is a significant relationship between perceived usage, perceived ease of use, and there is a relationship between perceived usage, perceived ease of use, and perceived security in predicting mobile wallet adoption.

Shamsher Singh (2017), Mobile phone payments have been in use for many years and are about to explode. In addition, consumers are increasingly using mobile devices to make payments. Technological advancements have enabled consumers to conduct transactions that are more convenient, accessible, and acceptable, consumers are increasingly turning to mobile payment apps. Brands that offer various benefits such as flexi payment digital wallets are giving consumers more convenience. The ease of purchasing products online without physically travelling from one location to another is a major factor in the adoption of digital wallets.

Dr. M. Somasundaram, Ph.D., D.Litt. (2020) has analysis determined that mobile payments have a brighter future. The illegal use of mobile phones, as well as the security of mobile phone payments, were major issues in the digital payment system. Payments made through a digital wallet are also found to provide additional convenience for consumers by providing flexible payment methods and increasing transaction speed. This study found that ease of use, expressiveness, and trust all have an impact on the acceptance of digital payments via wallets, and they are also motivators for accepting digital payments. It is also stated that electronic payment systems in India have grown significantly, and there are numerous opportunities to increase the use of digital payments. They also discovered that innovation, incentives, convenience, and legal provisions all contribute to the improvement of electronic payment systems. It revealed that the main barriers to electronic payments were poor security, a lack of trust, a fear of failure, high fees, and a lack of awareness. Furthermore, the characteristics of Internet security, banking services, confidentiality, and service quality influenced the adoption of electronic payments.

RESEARCH DESIGN

Descriptive research design was adopted by conducting survey among the customers who use a digital payment system are the target respondents. Convenience sampling technique with sample size of 100 respondents, Both primary and secondary data were used. Primary data was collected through questionnaire.

Table 1: Showing Group Statistics

Factor	Awareness	N	Mean	STD. Deviation	STD.Error Mean	SIG.
Digital payment system	Yes	93	2.10	0.25	0.03	0.472
	No	7	2.17	0.23	0.09	
UPI	Yes	93	3.35	0.54	0.06	0.677
	No	7	3.26	0.51	0.19	
Banking Cards	Yes	93	2.30	0.51	0.05	0.006
	N0	7	1.75	0.35	0.13	
e-Banking	Yes	93	2.37	0.42	0.04	0.870
	No	7	2.39	0.45	0.17	
E-Wallet	Yes	93	2.22	0.34	0.04	0.340
	No	7	2.36	0.63	0.24	

Table 2: Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean	
Pair 1	Name of your bank	2.50	105	1.287	.126
	DPSIF_Mean	1.4029	105	.62788	.06127
Pair 2	Name of your bank	2.50	105	1.287	.126
	ROUPI_Mean	1.7429	105	.92711	.09048
Pair 3	What is your preferred payment app for bills and utilities?	2.12	105	.906	.088
	ROUPI_Mean	1.7429	105	.92711	.09048

Table 3: Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Name of your bank & DPSIF_Mean	105	.200	.041
Pair 2	Name of your bank & ROUPI_Mean	105	.244	.012
Pair 3	What is your preferred payment app for bills and utilities? & ROUPI_Mean	105	.271	.005

Table 4: Paired Samples Test

	Paired Differences					t	Df	Sig. (2-tailed)
	Mean	STD. Deviation	STD. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Name of your bank - DPSIF_Mean	1.10183	1.31431	.12826	.84748	1.35618	8.590	104	.000
Pair 2 Name of your bank - ROUPI_Mean	.76190	1.39038	.13569	.49283	1.03098	5.615	104	.000
Pair 3 What is your preferred payment app for bills and utilities? - ROUPI_ Mean	.38095	1.10692	.10802	.16674	.59517	3.527	104	.001

INFERENCE

- Since P value is greater than 0.05, null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant awareness on digital payment system.
- Since P value is greater than 0.05, null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant awareness on UPI.
- Since P value is less than 0.05, Alternative hypothesis is accepted at 5% level of significance. Hence it is concluded that there exists a significant awareness on banking cards.
- Since P value is greater than 0.05, null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant awareness on e-banking.
- Since P value is greater than 0.05, null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant awareness on e-wallet.

Table 5: Showing Model Summary

Model	R	R Square	Adjusted R Square	STD. Error of the Estimate	Durbinwatson
1	0.369	0.136	0.127	0.232	1.813

Source: Primary data

- ***Predictors:*** (constant), e-banking
- ***Dependent variable:*** Digital payment system

INFERENCE

The above Regression table summarizes the model. It shows Durbin value of 1.813. Where R represents the multiple correlation coefficient with range lies between -1 and +1. Since R value is 0.369, it means there is a positive relationship with e-banking. R square represents the coefficient of determination and ranges between 0 and 1. Since r square value is 0.136 that is 14 percent of the variation in digital payment system percentage is enhanced by e-banking.

Table 6: Showing Anova

Model	Sum of Squares	Df	Mean Squares	F	Sig.
Regression	0.83	1	0.83	15.432	0.001
Residual	5.27	98	0.05	-	-
Total	6.10	99	-	-	-

Source: Primary Data

- Dependent variable: Digital payment system
- Predictors: (constant), e-banking

INFERENCE

From the above ANOVA table F value is significant (sig value is less than 0.05) it means dependent variable is not reliable.

Model	Unstandardize D Coefficients		Standard Coefficients	t	Sig.
(Constant)	1.593	0.133	–	12.018	0.001
E-Banking	0.217	0.055	0.369	3.928	0.001

Source: Primary data

- Dependent variable: Digital payment system

INFERENCE

The above regression model coefficient table shows the coefficient of e-banking that helps in analysing the customer perception and adoption of digital payment system. A low significance value of less than 0.05 is shown for e-banking.

FINDINGS

40% of the respondents are between the age group of 18 and 25 and use digital payment and 37.1 percent of them are students. Among them 81% are of using E-Banking. More than half of the respondents (55.2 percent) have a bank savings account. Almost all (92.4%) the respondents use digital payment. 35.2 percent prefer UPI as a payment method. 77 percent are very satisfied with the level of comfort In Using Digital Payment System. 68% of respondents rate the user-friendliness for digital agreeing payment as Very Satisfied. 65% of respondents who use Safety in digital payment agreed that they are highly satisfied. 69 percent of respondents in the Ease of Using E-Payment System in Digital Payment category are highly Satisfied. 63% of the respondents are highly satisfied with theaccuracy in dealing With E-Payment System In Digital Payment. 63% of them said that time Flexibility is the major reason for using digital payment system. 61% agree that accessibility reason for using digital payment system. More than half of the respondents (57%) are highly satisfied with the security of using digital payments. 59% are highly satisfied with their experience of digital payments. 43% believe that digital payments are simple and convenient. 44% of respondents who use Gpay for digital payments. 28% use a mobile app to pay their electricity bills in digital format. 68% use a debit card to make digital payments. 41% use E-Banking for digital payments. Nearly half of the respondents (46 percent) say there is a disadvantage to visiting a bank branch. 44.8% of respondents who use an e-banking site give it a 5 rating. 46% believe that digital payments save their time. 60% of respondents who belong to Consider E-wallet type against payment chosen alternative.

Objective	Hypotheses	Analysis	Findings
To investigate customer acceptance of digital payment systems and e-banking.	***Null Hypothesis (H0):*** There is no relationship in between the variables of customer adoption and perception in digital payment system.	Pearson correlation	The digital payment system and e-banking have a positive relationship.
To investigate the variations in customer perception of digital payment	***Null Hypothesis (H0):*** There is no significant difference between customer perception and adoption of digital payment systems.	One way ANOVA	There is no significant difference between customer perception and adoption of digital payment systems.
To assess customer knowledge of banking cards.	***Null Hypothesis (H0):*** There is no significant awareness on Banking cards.	Independent sample t-test	There is a lot of knowledge about banking cards.
To investigate the factors influencing digital payment.	***Null Hypothesis (H0):*** There is no probabilistic significance among the parameters of digital payment system.	Bayesian one sample analysis	The parameters of the digital payment system have no probabilistic significance.

SUGGESTIONS

While people have embraced digital and online payment methods, the country's technological infrastructure, such as 24/7 internet connectivity, networking, proper and secure operating systems, and so on, still needs to be developed.

Improved technological infrastructure and technological literacy are required to improve the digital payments scenario.

In India still having a lot of room for growth in terms of volume in digital payments transactions, more research can be done to identify the major reasons for lower penetration when compared to other world economies.

The government can assure the public that the operation of digital payment transactions is free of transaction costs, allowing customers of various transactions to make purchases online.

Customers must be able to comply with the terms and conditions of digital payment methods, immediately notify the issuer of the loss/theft of the Electronic Payment Instrument (EPI), and keep track of their balance, particularly after each transaction.

CONCLUSION

The study investigates the impact of digital payments one banking services. The combined result provides an important policy direction for what can enable the country to increase cashless payments. The findings indicate that the implementation of digital payment technology has improved the performance of the banking sector and has enabled the country to achieve its goal of becoming a cashless society. The study emphasises the percentage of people who are aware of how to use technology to its full potential. Banks should take effective measures to raise awareness about the proper use of technology and security.

Digital payments will become mandatory in the future, necessitating a change in people's habits to accept digital payments. The cashless transition is not only safer than cash transactions, but it also takes less time. It also aids in keeping track of all transactions. As of March 2016, India had over 100 million active mobile connections and over 22 million smartphone users. This figure will rise further as internet speeds improve. The reach of mobile networks, the Internet, and electricity is also extending to remote areas. As a result, it is without a doubt that the future transaction system will be cashless. Individuals benefit from digital payments in more ways than one. It also performs multiple functions such as sending reminders about payments that need to be made, providing various offers to the user, and saving a lot of time, as part of the government of India's initiative to create a digital India, and due to the increase in smartphone sales and availability of internet at a high speed and at an affordable price, this is one of the key factors for consumers to adopt the digital payment system as everything can be done online. In the near future, there will be an increase in the use of digital payment systems, and India will undoubtedly become more digital.

"*The More Cashless our Society Becomes, The Slippery our Moral Compass Becomes.*"

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