

## AWARENESS AND PREFERENCE TOWARDS DIGITAL PAYMENT.

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### ABSTRACT:

Now, we are in the digital age, it allowed the customer to browse and buy the products at 24x7 at the palm of their hands, without moving their legs. The internet contains various number of information's via search engine. Today's Majority of the customers prefers Digital platform and feels it is very simple and safe. Social networks, blogs, apps, mobile technology and free internet provide by the sim card distributors helps the consumer to accommodate in digital marketing. The Government of India encourages startups by providing unique schemes to encourage Indians to clinch a cashless economy. The smart phone availability at a less price with incredible computing and processing, the data security and fraud transactions are restricted and controlled through authentication and biometrics. It is essential to measure and monitor the progress of Digital Payments. This paper aims to a study on need for awareness and preference towards digital payment.

**Keywords:** Digital Payment, Cashless economy, Payment wallets, Convenience, Economy,

### INTRODUCTION

India is fast becoming country of mobiles and internet. With the trend of E-payment shopping fast catching up in cities, Indian e-trailers (popular e-commerce portals) have grown up to provide the option of 'Cash on Delivery' to lure more customers as till date majority of Indians still don't own a credit or debit card. However, with time, there has been an increase in people taking up to different digital payment platforms or mobile wallets that have made it easy to carry out E-payment shopping payments, E-payment utility bill payments, mobile recharge E-payment, DTH recharge E-payment, E-payment bus / movie ticket booking, etc. The government is working hard to make India a cashless economy. Studying consumer awareness and preference towards Digital Payment is an essential task in

this complete world. India is making a major step forward for online and card based payment / transaction to move towards a cashless economy. India has one of the highest cash to GDP ratio in the world. A cashless economy is a situation in which the financial transactions are made by digital currency. Cashless economy means the cashless transaction. Too much of transactions are made through cashless than 5 % of total payments happen through electronic. This helps the marketers understand and be able to find choices of consumers' buying decisions. Digital marketing has seen a significant development in India. Current era of digitization can be considered to be the best period for a retailer and for consumer. People who were lack of computer knowledge are now forced to use digital platform to buy the products including vegetable to electronic items. Today's Majority of the customers prefer Digital platform and feels it is very simple and safe. Social networks, blogs, Apps, mobile technology and free internet provided by the sim card distributors helps the consumer to accommodate in digital marketing. The aim of the study is to examine the consumer behaviour in digital era.

India has witnessed digital payments through PPP [Public Private Partnership], the members of PPP are Credit Card Companies, Banks, Financial Institutions, Academic Institutes, Telecom Companies and payment providers. They have developed a system which enables B2B, B2C, C2C, B2G etc. Payments using their mobile phone, without help of credit or debit cards. This also results into financial inclusion of those who currently do not have access. Even small merchants are able to use this system through micro payments. In rural India many people are unable to have their bank accounts due to various reasons like travel distance, their unsuitability by banks and so on. However, small amount of money they can spare suggesting their capacity for banking services if provided.

**Definition of Digital Payments:** The Payment and Settlement Act, 2007 has defined Digital Payments is an —electronic funds transfer means any transfer of funds which is initiated by a person by way of instruction, authorization or order to a bank to debit or credit an account maintained with that bank through electronic means and includes point of sale transfers, automated teller machine transactions, direct deposits or withdrawal of funds, transfers initiated by telephone, internet and, card payment.

**Digital Payment in India:** The pace of move to digital payments has significantly increased with the strong move towards cashless economy in India. In 2016 after demonetization decision taken by Government of India, digital payment concept has been increased a proportion. The shift wouldn't have been possible without several factors that affect the growth and creation of digitalization including an ever-increasing mobile phone penetration, low cost of service delivery, banks discouraging customers to visit branches, unorganized support the digital economy and demonetization. Due to the wide spread of internet-based shopping and banking; digital payment system grew fast in India. With technology development, many digital payment companies have been established to increase, improve and offer secure e-payment transactions.

### **OBJECTIVES OF THE STUDY**

- (1) To find out the awareness and perception and preference of the users towards digital payment.
- (2) To study the benefits that emerge to the customers from the using the digital payment mechanisms.

### **METHODOLOGY**

This study is a descriptive research and is based on secondary data. The secondary data was collected from various published sources like reports, magazines, journals, newspapers and the like etc.

### **HYPOTHESIS**

- $H_0$  There is no significant difference between awareness and use of Digital Payment.
- $H_1$  There is significant difference between awareness and use of Digital Payment.

### **SCOPE**

This research focuses on digital payment service users In India in general. The scope of the research will describe the relationship between digital payment services on safety & security, transaction speed, convenience, recharge, ticket booking, shopping, booking hotels,

insurance premium and transfer of funds. This can directly influence on the customer satisfaction level and intention to use in further.

### LITERATURE REVIEW

**Rathore H. M. (2016)**, the number of smartphone users has increased radically. "India will exceed 10 billion smartphone users, topping the US as the world's second largest smartphone market by the end of 2020 due to increasing penetration of affordable smart mobile devices in the country," the US-based research firm said in a report. A report by Credit issue mentions that the mobile payments market in India, which was at \$200 billion in 2017, will expand to \$1 trillion by the year 2022, which shows a 5X growth. Digital Payment will be able to generate real revenue in Indian financial system, positively for-customers, banks, mobile-operators, financial institutions.

**Shamsher Singh**, New Delhi, in his paper on "Study of consumer perception of digital payment mode" opined that the last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst, which leads to exponential growth in use of digital payment. It was found that there was no significant difference in perceived response on the basis of gender age, profession and annual income. 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.

**Dr. M. Kavitha, Dr. K. Sampath Kumar**, in their paper on "A Study on Digital Payments System with Perspective of Customer's Adoption" discussed that demonetization resulted in tremendous growth in digitalpayment system. With the government initiative such as Digital India and increased use of mobile thetransformation towards digital payments benefits is more transparent in transactions which empower the country's economy. Payment gateways have emerged as the most significant contributor in pushing Cashless and electronic payments through use of 3G and 4G. The study examines the effect of adopting digital

payments and its impact on consumers of the banking sector of India. The results indicate that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive of cash less country.

### LIMITATIONS

The first limitation was found in the data secondary collection process; data collection may appear to be insufficient to cover such a large area. Due to time limits of time and access to large secondary materials samples, this study could only utilize a representative secondary data to draw out the results.

A second limitation was encountered in the selecting of research methods. This study is researching on need for awareness and preference towards digital payment.

### DIGITAL PAYMENT MODE

- 1) **Banking Cards:** Banking cards offer consumers more security, convenience, and control than any other payment method. The wide variety of cards available including credit, debit and prepaid cards offers enormous suppleness. These cards provide 2 aspect authentications for secure payments i.e. secure PIN and OTP. Visa Card, MasterCard and RuPay are some of the example of Bank card payment systems. Payment cards give people the power to purchase items in stores, on the Internet, through mail-order catalogues and over the telephone.
- 2) **Unstructured Supplementary Service Data (USSD):** USSD banking or \*99# Banking is an Innovative mobile banking based digital payment mode. This service allows mobile banking transactions using basic feature mobile phone and no need to have a smartphone or internet connection to use USSD banking. It is useful to check mobile balance, and other service for many financial and non-financial operations such as sending money, changing MPIN and getting MMID. \*99# service has been launched to take the banking services to every common man across the country.
- 3) **Aadhar Enabled Payment System (AEPS):** AEPS is a bank run model which allows online Interoperable financial transaction at POS (Point of Sale / Micro ATM) through the

Business Correspondent (BC)/Bank Mitra of any bank using the Aadhaar authentication. Customer needs only his or her Aadhaar number to pay to any business. Aadhaar enabled Services provides transactions like Balance Enquiry, Cash Withdrawal, Cash Deposit, and Aadhaar to Aadhaar Funds Transfer.

4) **Unified Payments Interface (UPI):** is an arrangement that stimulates' multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the Peer to Peer collect request which can be scheduled and paid as per Requirement and convenience. Each Bank provides its own UPI App for Android, Windows and iOS mobile platform(s). It allows a customer to pay directly from a bank account to different merchants, both online and offline, without the disturbance of typing credit card details, IFSCcode, or net banking/wallet passwords.

5) **Mobile Wallet:** A mobile wallet is a way to carry cash in digital format. Today, mobile wallet is one of the successful business ideas for start-ups. As the process of mobile wallet linking the credit card or debit card information in mobile device to mobile wallet application or we can transfer money online to mobile wallet. Instead of using physical plastic card to make purchases, People can pay with their smartphone, tablet, or smart watch. An individual's account is required to be linked to the digital wallet to load money in it. Most banks have their e-wallets and some private companies. e.g. Paytm, Free charge, Mobikwik, Oxigen, mRupee, Airtel Money, JioMoney, SBI Buddy, itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, Speed Pay etc. provides this facility to customers.

6) **Bank Per Paid Cards:** Unlike a debit card, a prepaid card is not linked to a bank account. Generally, when consumer use a prepaid card, are spending money that have already loaded onto the card. Prepaid cards are simply a plastic alternative to carrying money around and are often called everyday cards. Prepaid cards can also be used to shop online.

7) **Point of Sale (POS):** A point of sale is the place where sales are done. Point of sale system is a combination of software and hardware that allows merchants to take transactions and shorten key day-to-day business operations. On a macro level, a POS may be a mall, a

market or a city. On micro level, retailers consider a POS to be the place where a customer finishes a transaction, such as a checkout counter. It is also known as a point of purchase.

8) **Internet Banking:** Internet banking also known as online banking, e-banking or virtual banking, is an electronic payment process that allows customers of a bank or other financial organization to conduct a range of financial transactions through the financial institution's website. It references to systems that enables bank customers to access accounts and general information on bank products and services through a personal devices and other kind of intelligent devices.

9) **Mobile Banking:** Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct diverse types of financial transactions remotely using a mobile device such as a mobile smart phones, phone or tablet. It uses software, usually called an app provided by the banks or financial institution for the purpose. Each Bank provides its own mobile banking App for Android, Windows and iOS mobile platform(s).

10) **Micro ATM:** Micro ATM is a device that is used by a Business Workpeople (BC) to deliver basic banking services. The platform will enable Business Workpeople (who could be a local kirana shop owner and will act as micro ATM) to conduct instant transactions. The micro platform will enable function through low cost devices (micro ATMs) that will be connected to banks across the country.

## CONCLUSION

The study it is found that people are aware of Digital payment and are more comfortable using them. Though risk and security are still the constraints to avoid use of such; convenience, transparency & record of transactions is an advantage of these digital payment. The whole world of the consumer markets in the hands of an individual consumer in the form of mobile or through laptop. The digital marketing offers the consumers and gave platform to make perfect choices. The various digital platforms were attracted by the customer like Face book, Google search engines, Twitter and number of marketing blogs. Nowadays the consumers are having more number of choices to select and buy the products using digital platform.

In this research, the people are aware of the digital purchase and they mentioned positive response towards the purchase of the products using digital mode. Most preferred mode of transaction is net-banking and people don't believe in changing the password/PIN regularly. People are of opinion that innovation & stability in digital payment system will create ease to access for next generation. Because of Risk and Security related issues, People are still little reluctant to use such payment wallets but the basic advantage derived from it is more dominant than its disadvantages. People believe that such payment wallets will definitely help the economy to become cash-less and improve the workability of one's Country. Though security and risk go hand in hand but one cannot deny the fact that advancement in technology will improve the world around and we cannot stay backward as a Country. Thus the future of a Country depends upon how the people in that Country adopt change and maintain a pace which helps them to move forward and compete with the existing world.

Hence  $H_0$  Hypothesis is proved. The descriptive research needs to be carried out to achieve the research objective. The effect of these factors was measured on the criterion variable (effect) consumer adaptation. Digital payment are growing in INDIA as the consumers are relying upon the digital life style to make things convenient and faster and the consumers are embracing digital-Payment with open arms.

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