

A STUDY OF CONSUMER PREFERENCES ON CASHLESS PAYMENT IN DELHI-NCR

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Abstract

The purpose of this study is to assess the current state of the modalities used in India for digital payments. This study investigates numerous important aspects in India's digital payment systems, which has been widely recognized as a success story in the making. It also includes determining the impact of demographic characteristics and positive elements on digital payment systems, such as service quality, reliability, satisfaction, and security. India, Delhi NCR. To collect data in an online format, a Google form questionnaire was used. The researcher gathered primary data from people. Summary of the findings indicate that most of the respondents are supporting the cashless payment methods. The research contributes to a precise depiction of findings and, based on it, a conclusion.

INTRODUCTION

All the disruptions, it is said, are creating opportunities, and Prime Minister Narendra Modi's announcement to make money on democracy on November 8, 2016, was one such disruption. Making money opens up a huge opportunity for the development of digital payments in India, and digital wallet businesses are jumping on the bandwagon to expand their market share. For Indian customers, monetization has provided a unique platform for the acceptance of digital payments as an alternative to cash. It follows the monetization of a maximum of Rs. 500 and 1000, the Prime Minister Mr. Narendra Modi has pushed for widespread acceptance of non-monetary transactions as part of the government's reforms (86 percent of the revenue stream). Monetization has led to an unprecedented increase in digital payments. Digital wallet companies had already collected a large amount of revenue by February this year. All of these factors promote the ideal environment for the development of digital payments in India. Investment, as emphasized in the report of the Finance Ministry Committee on Digital Payments released in December 2016, is one of India's biggest concerns. About 53% of Indians have had access to official financial services since 2014. According to the report of the State Bank of India's 2015-16 Fiscal Sustainability Report, 'the share of electronic services in full performance increased from 74.6 percent to 84.4 percent, accounting for more than 95.2%. While the operations of RTGS and CCIL banks do most of this, the share of electronic payments and mobile payments is growing rapidly.

DIGITAL PAYMENT MODES OF INDIA

In India, there are a variety of digital payment options. These are the following:

Online or portable wallets: These are electronic wallets that can be accessed online or via smartphone apps. Money can be charged to the app via debit or credit cards, as well as net-banking. After declaration and confirmation of KYC, the buyer's wallet limit is Rs. 20,000 per month, while the seller's wallet limit is Rs. 50,000 per month.

Prepaid credit cards: are those that have been pre-loaded with money from an individual's bank account. Customers can make purchases using monies available on the card rather than borrowed credit from the bank, comparable to a gift card. Can be recharged in the same way that a cell phone can, up to a certain limit.

Debit / RuPay Cards: These are welcome. These are linked to a personal bank account. It can be used in stores, ATMs, online wallets, small ATMs, and ecommerce shopping. Debit cards surpass credit cards in India.

AEPS: Aadhaar Powered Payment System allows bank-to-POS bank transactions via Aadhaar 12-digit ID number. Balance inquiries, withdrawals, deposits, and transfers of Aadhaar fund to Aadhaar are all available through AEPS.

Unstructured Supplementary Service Data: Data-based mobile banking is called USSD. It is connected to a merchant bank account and can be used to make payments up to Rs. 5,000 per day per consumer using a mobile phone in the GSM network.

Cashless payment options have a number of drawbacks. In the Delhi-NCR area

With the increased use of cashless methods of payment in Delhi and other parts of the country, it remains a source of concern for those members of the public who still prefer hard physical cash methods of payment. While consumers are becoming more accepting of cashless methods such as debit cards, credit cards, e wallets, and so on, the idea of a completely cashless economy is still a long way off, if not impossible, but the idea of going completely cashless is still a long way off.

Security and privacy

Data and cybersecurity risks of cashless payments aren't effectively controlled, which is a growing concern for many consumers (by a central bank). Cyberthreats from both organised technology-fuelled robbers and rogue actors in nation-states are on the rise in today's climate. They seem to be constantly devising new ways to attack digital systems, resulting in data breaches and personal information identity theft—and non-cash solutions, particularly credit and debit cards, may be particularly vulnerable. On the other hand, people are concerned about their privacy because every transaction leaves a digital trail, whereas currency is more anonymous—you don't need personal information to use a dollar bill. That can be off-putting to customers who are concerned about their financial institution recording their activities.

Feelings of helplessness

Many of the concerns about shifting away from cash revolve around consumers' perceptions of losing control over their finances. Whether it's the ability to physically carry money in their wallet or concerns about putting their trust in the systems of private firms or governments, cash provides a sense of comfort and security that other options cannot equal. While non-cash payments are the norm for many transactions—and may continue to be so for many years—cash will almost certainly always have a role. The fact that 80 billion cash withdrawals are made at ATMs each year, but non-cash payments account for around ten times that amount, emphasises this point to preserve.

OBJECTIVES

- Determine whether customers are aware of digital payment choices and how they feel about them.
- Determine customer opinions of digital payment options and the impact of demographic factors on their uptake.
- To look at the benefits that clients receive from using digital payment systems.
- To look into the impact of merchant and customer-related issues on cashless transactions in India, such as merchant enthusiasm, lack of technical awareness, and customer apprehension about providing financial information.
- For a variety of reasons, examine the customer's transaction pattern and type.
- To find out what factors drive people to use cashless transactions.

LITERATURE REVIEW

Through an in-depth research of the relevant literature, the review of this material will give a paper that depicts the elements that have an impact on customers' online purchase intentions. Following a thorough study of the literature, 100 articles are found to be relevant. The elements that influence customers' online purchasing intents, as investigated in these selected papers, are categorized and sorted into relevant categories based on their similarities. To review the literature, see the links below. In his study, Bagheli. A (2018) highlights trends in implementing digital payment system in India. The report also discusses, in terms of democratization, how people are starting to use digital platforms for marketing. The government's desire to keep our economy afloat is under constant scrutiny, as well as how consumers will adapt to this system. A systematic questionnaire was used to collect data and determine the future of India's digital payment system.

In his study of the adoption of digital payment systems during monetization, Shivathanu B. (2019) focused on how people use or adopt digital payment systems during monetization. It is based on a conceptual framework of sample size of 766 participants. The data was tested.

Ravi (2017) found that rural areas make up two-thirds of the population of India, and play an important role in economic development. With the growth of IT and communications, rural areas are expected to have a share of Indian internet users by 2020. Digital bags should be used in rural areas so that people understand the importance of using them and the benefits they will receive. The Indian government has also taken steps to educate rural communities about the use of digital. Compared to other nations, India has been slow to implement technology,

but in the case of digital wallets, our country is reaching out to the rest of the world to become a moneyless society.

Breshkovsky (2016) looked at how the internet and e-commerce opened the door to digital payment systems, how people accepted new payment systems and how they would benefit from them, and whether there were any interruptions in their use. . When e-commerce was first introduced, it was a new way of doing business; similarly, digital payment is a new way of doing business that will soon integrate with e-commerce and become the backbone of the industry. Because consumers are more concerned about security, the future of these digital wallets will be determined by the security and privacy offered by companies. Any good and bad will determine the future of digital wallets. It's not just limited.

In their research, Sanghita Roy and Dr. Indrajit Sinha (2014) addressed how there has been a significant increase in the use of digitalized payment in India. However, about 90% of transactions are still conducted using paper cash. In this study, they employed the TAM (Technology Acceptance Model) to identify the variables that are bolstering the e-payment system. These aspects include innovation, incentives, regulatory framework, and customer convenience.

Pushpa S. Abbgeri and Rajeshwari M. Shettar (2018) discussed that the Digital India flagship program has encouraged a large number of people to start using digital wallets, which they have started using due to the cash flow and the many discounts available. Following the launch of the digital India flagship system, dozens of wallet businesses are flooding the market, as do other payment methods such as UPI and NEFT. People were accepting the efforts of the government and the RBI because they were using the same methods.

In their study, Pandey and Rathore (2018) looked at the influence of digital payment systems. It was critical for people to accept modern payment methods as a result of modernization and globalization. The research is based on secondary sources

In his research, Singh (2017) showed how demo monetization increased the popularity of digital payments and wallets in India. People find it useful to use it instead of money because internet usage has soared and the number of smart phone users has increased. He also revealed in the report how many digital wallet companies were competing to enter and expand the Indian market because it was a great opportunity for them to do so. It was also expected that India would become a cash-strapped economy in the future, with people using digital payment methods for digital purposes. This study uses ANOVA to show that there is a relationship between variables.

Dennehy & Samson (2015) look at how digital payments have grown in the 21st century. The main goal was to find out where the digital payment system would be in the future. Many books have been consulted to confirm the views of the people.

RESEARCH METHODOLOGY

We will investigate the relationship between mobile device users' opinions, interests, and satisfaction in this study. In addition, the effects of gender and age of customers on their perceptions, preferences, and satisfaction with mobile phones will be investigated in this study. The impact of perception, popularity, and satisfaction on the use of a portable wallet will also be investigated.

RESEARCH DESIGN

For this study, a descriptive research design was adopted. Descriptive research studies are ones that aim to describe the features of a single person or a group of people. A descriptive research is one in which data is gathered while the environment remains unchanged (i.e., nothing is manipulated). The following is the outline of a systematic study that includes structured and specified steps in a specific order:

Questionnaires, observations, and talks will all be utilised to collect information. Adequate precautions against bias and unreliability are established when designing the data gathering procedure, with Convenience Sample being employed as the sampling strategy.

The questions are written in a simple, straightforward manner.

Data Collection

Primary data collection: survey data collected and questionnaires

Secondary data collection: data collected by sector profile, journals, and website reports

Data Analysis

Data Updated and interpreted using google form to query wherever necessary.

Appropriate pie chart diagrams are used to analyze the data.

SAMPLING PROCEDURE

Sampling is the component of practise that deals with the selection of individual observations in order to get some insight into a problem, particularly for the sake of doing research. Each observation counts one or more properties of an observable entity that can be used to identify objects or people.

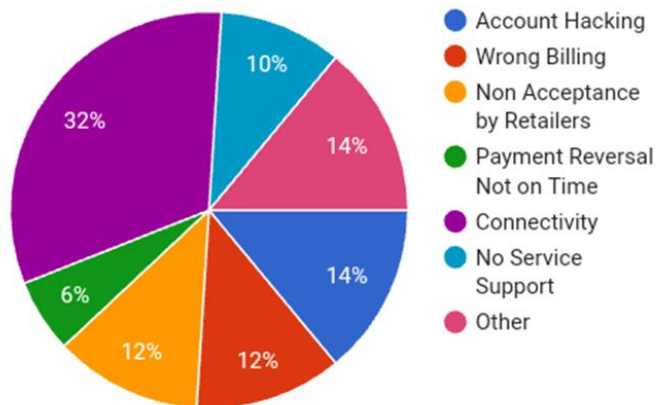
SAMPLE SIZE- The study's sample size was set at 50 people.

SAMPLE APPROACH- Convenience Sampling is the sampling technique utilise

RESULT ANALYSIS

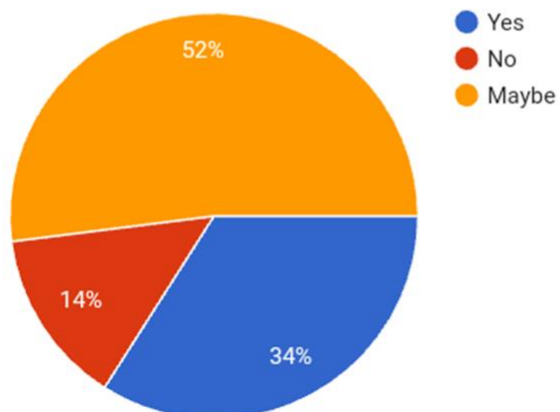
1.What problem did you face
in online payment?

50 responses



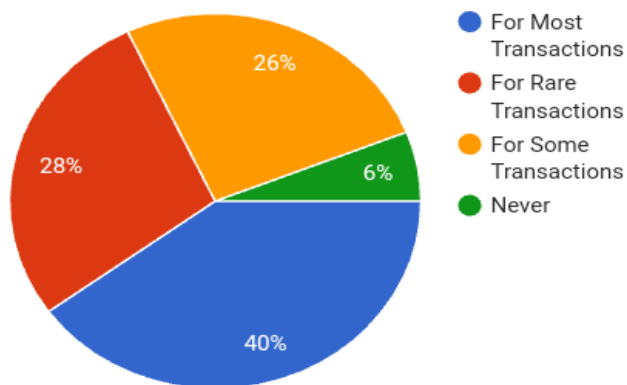
2.Do you used any cashless
methods?

50 responses



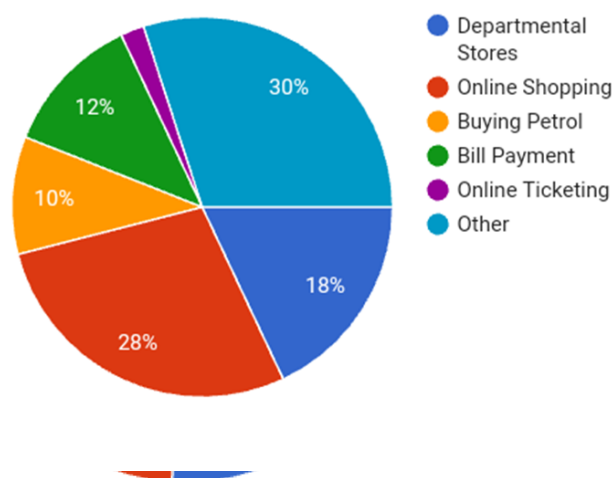
3. For which transactions do you use cashless payment methods?

50 responses



5. For Which of the following did you use cashless payment methods?

50 responses



FINDINGS AND SUGGESTIONS

Findings

- Majority of Respondents(32%) are facing connectivity issues in cashless payment method.
- Majority(34%) are using cashless payment methods.
- Majority(40%) are using cashless payment methods for their most transactions.
- Majority(40%) are switching to cashless payment methods because it is convenience in nature.
- Majority(30%) are using cashless payment methods for other purpose but comparatively they use the methods for online shopping.
- It is found that respondents gave a neutral opinion about the adoption of cashless will improve our economy in the world.
- It is found that adoption of cashless payment methods will know about the day-to-day transactions.

Suggestions

Based on the findings, the following recommendations have been made, which, if implemented, will make the cashless system's goal more effective.

- It is necessary to guarantee that ATMs function properly. There will be a set number of ATMs. Certain banks should supervise them, and they should outsource instructors or trainers to them. each ATM, in order to assure proper operation.
- The government should encourage cashless transactions by giving zero-cost options. costs for cashless transfers, bank account setup, and transaction facilitation free of charge with debit and credit cards.
- If local businesses and traders are motivated to encourage customers to use cashless means, they can play a significant part in establishing a cashless rural India. Small company owners must be provided incentives to trade in cashless modes in order to achieve this.
- In terms of the illiteracy problem, banks, academic institutions, and financial agencies should hold special training sessions and orientations to promote financial literacy, including knowledge of cashless transactions
- The regulating system must be strictly implemented, and the agencies that use it must be staffed with people who can quickly spot weaknesses that lead to insecurity.

- It is suggested that consumers be given additional usage videos in order to increase their use of online payment method.
- Furthermore, with the growth of technology in today's society, research studies should not only focus on traditional payment systems, but also on online payment systems. As a result, future researchers will find it easier to learn more about this particular research topic.

CONCLUSIONS

In the Delhi-NCR area, this study looked into the preference of young consumers using mobile wallets as a cashless payment option. It also intends to learn about users' preferences for using mobile wallets for cashless transactions, as well as their satisfaction with the service. Using mobile wallets, users can better understand the issues they have when using their phones. wallets. As the number of mobile wallets grows, they will play a larger part in daily life. People are relying on a digital lifestyle to make things happen, as evidenced by the widespread usage of smartphones. It's easy and quick. The internet is how the respondents learn about mobile wallets. Paytm is the mobile wallet of choice for most people. The smart phone are used for bill payment and online recharging through mobile wallet. People consider mild cashless benefits such as easier tracking of cash, aiding in the prevention of money laundering and corruption, control of black money, and lower banking costs. The responders who are in favour of going cashless for all transactions believe that going cashless will bring transparency to all transactions. It is necessary to guarantee that ATMs function properly. Certain banks should manage a certain number of ATMs and outsource instructors or trainers to each ATM to ensure correct operation.

The use of digital wallets for online purchases is quickly growing. Customers' mindsets have increasingly shifted from purchasing with cash to paying with digital wallets. The vast majority of respondents believe that trust is critical in the use of digital wallets. Digital wallets are becoming increasingly popular among the younger generation, who believe they are more comfortable, time-saving, and convenient. It is analysed that majority of respondents are facing problem in connectivity.

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