

# A STUDY ON DIGITAL PAYMENT SYSTEM IN INDIA

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## Abstract: -

India used to be predominantly a cash-based economy, but in recent years, the digital payments industry in India has seen a shift as a result of increased technology innovation and an emphasis on digitalization. Consumers take advantage of digital's convenience and speed payments. This does not imply that cash transactions are completely absent from economic contexts, but rather that the total amount of cash payments is kept to a bare minimum. An electronic payment system, also a cashless economy or environment is one in which a society has little or no currency and must rely on electronic channels such as debit cards, online banking, multifunctional ATMs, mobile payments, and electronic funds transfer internet banking to conduct transactions. A cashless environment does not imply a disregard for money; rather, it refers to a society in which people perform transactions on the internet. In today's economy, money is transferred electronically. The growth of e-payment culture, as well as the expansion of infrastructural facilities, are essential to attain the goal. In this project, the topics that are covered Overview of global payment system, India's digital payment system, varieties of digital payment systems in India, advantages and disadvantages, RBI initiative on digital payment and fraud in digital payment, and India's payment system moving ahead. A comparison of banking cards, UPI, NEFT, RTGS, IMPS, and mobile wallets is also included.

**Keywords:** Digital Banking, Internet Banking, Digital Payments, Mobile Payments, Digital Economy, Demonetization, Mobile Wallets.

## Introduction: -

People all across the world expect things to be done faster and more efficiently, thus technology in banking plays a critical role. Technology enables humans to complete even the most difficult tasks with ease. In the 1980s, technology was brought into the banking industry. Demonetization has created a major growth India has a lot of potential for digital payments, and digital wallet companies have taken use of it to grow their market share. Demonetization has given Indian customers a once-in-a-lifetime opportunity to accept digital payment as an alternative to cash. Over the last two decades, India's banking system has undergone substantial changes. Branch operations have evolved drastically since the introduction of digital media.

Even today, banks provide more services than only lending money and receiving deposits. With the development of mobile and online banking, the entire nature of the services provided by banks has transformed. Time and location are no longer barriers for using bank services, and the present generation strives to avoid visiting actual bank branches as much as possible. The bulk of banks have moved to digital operations and are continuously seeking to innovate to stay ahead of the competition. Apart from payment system advancements, digital technology also gave birth to the concepts of mobile wallets and payment banks. Since the barter economy was replaced with coins and paper currencies, the payments system has experienced a significant shift, slowly but steadily evolving towards a cashless mode. The internet has changed the way the world works, and payments are no exception. One such internet-era option is digital payment.

Following demonetization, it was revealed that the use of digital transactions, such as credit and debit card transactions, as well as mobile wallet transactions, has surged. Following demonetization, people began to embrace digital transactions, and small business merchants and shop owners began to accept digital payments as well. Thanks to the digital payment system, payments may now be done in a fraction of a second. This revolution did not occur in a single day; rather, it occurred over time. In India, the use of a digital payment system has increased the quantity of financial transactions. The goal of this study is to use secondary data to compare digital payment modalities in India.

We will look at digital transactions in a cashless economy and the drop in cash payments as a result of the rise of digital transactions in this research piece.

## Literature Review: -

This article will explain a cashless system, detail online banking operations in India, explore government efforts to promote the cashless system in India, and discuss cashless economy and electronic payment system issues. The purpose of this study is to investigate the major challenges that Indians face as they transition to a cashless society. To achieve the goals of this exploratory style of personal study, interviews will be conducted. Hasan and colleagues (Hasan et al., 2020). The goal of this research is to assess recent digital banking trends in India, as well as the challenges that banks confront in implementing them. The study is analytic in nature and is based on secondary data. The concept of digital banking is still developing in India's financial sector. It is projected to provide a plethora of opportunities as well as significant risks to India's basic banking character. As a result, the goal of this article is to analyse the benefits and drawbacks of going digital in the Indian banking sector, as well as proposed solutions to these problems. 2017 (Sharma & Piplani). The goal of this study is to examine the advantages of digitising payment processes. The goal of this study is to see how much different digital payment methods are accepted by clients. For primary data, 183 persons were polled in Hyderabad. The chi-square method was used to statistically analyse the data collected through the questionnaire. Suma Vally and Hema Divya (Suma Vally and Hema Divya, 2018). This research focuses on the Unified Payment Interface (UPI), a new generation payment system developed in India by the National Payment Corporation of India. The Unified Payment Interface (UPI) is a real-time, mobile-centric interbank payment system that has the potential to revolutionise and universalize digital payments in the digital era. The paper covers the growth of payments systems in India and investigates in depth the technology powering the Unified Payment Interface, focusing on its architecture and security systems, utilising empirical and theoretical literature analysis. In terms of price, consumer convenience, settlement timeframes, and security, UPI is a significant improvement over current payment systems, and it has gained universal support. (2017, Gochhwal). The purpose of the paper is to give mobile wallets, debit/credit cards, internet banking, mobile banking, digital payment apps, the Unified Payments Interface (UPI) service, and bank prepaid cards, among other sorts of digital payments. (2019, On & Environment). India has begun the process of becoming a digital nation. India's digital India plan aims to transform the country into a digitally empowered society. Faceless, paperless, and cashless is one of Digital India's stated goals. Digital payments, according to the Indian government, will create jobs, minimise risks connected with cash, such as robbery, corruption, and the storage of huge sums of money in cash, and increase transparency in operations and governance. This article looks at how the payment industry has evolved over time, from coins to paper money to plastic money to e-wallets. 2019 (Padmaja & Venkata Durga Rao). The Digital India project of the Indian government also emphasises the use of electronic payment methods. Technology has played an important role in the banking industry's growth and development. Following the digitalization of India's financial

sector, the concept of banking has changed dramatically. In India, commercial banks are aiding their customers in the development of a user-friendly E-Payment platform. The researcher looked at the relationship between seven variables to assess the adoption of e-payment systems in Madurai district: technological qualities, security, trust, social impact, internet connectivity, perceived ease of use, perceived utility, and intention to use. The study's findings show that Trust, Perceived Usefulness, and Perceived Ease of Use are statistically significant, showing that these variable influences e-payment intention positively. 2021) (M. Chandrasekaran). The study shows that demonetization and the associated decreased availability of currency notes caused the Indian population to transfer to digital platforms, and that the following change in currency note supply did not totally reverse this trend. This leads to the conclusion that effective policy reforms can shift consumer preferences, and the Indian economy can become less cash-based. Kumar and Puttanna (Kumar & Puttanna, 2018). This study looked into Indian public views on the establishment of a cashless economy. The study was conducted in the Delhi region, with data collected through a standardised questionnaire and assessed using a basic percentage approach. A cashless economy, according to the respondents, will help to reduce black money, counterfeit currency, terrorism, cash-related robberies, and increase our country's economic prosperity. Cyber fraud, a high rate of illiteracy, public perceptions, and a lack of transparency and efficiency in the digital payment system are all important roadblocks that could obstruct policy implementation. According to the survey, India's effort to a cashless economy is a great step in the right way. It adds to India's economic development and progress. Garg and Panchal (2017) While aggregate country-level data can show individuals' overall preferences, we use a novel online survey-based dataset to understand how factors such as 'perception' and 'faith' in digital payments, as well as online fraud experience, influence consumer payment behaviour. While age, gender, and wealth are major factors in influencing this decision, there is solid evidence that a person's perception of digital payment methods, as well as her belief in the wider payments framework and banking system in general, influences her use of these instruments. The extent to which previous online fraud experience deters depending on the transaction's objective, different types of digital payments are used. (Shree and colleagues, 2021). The goal of this article is to show the potential and challenges that have recently surfaced in the rural banking industry, with a focus on digitization, as well as to investigate the importance of digital literacy in today's financial climate. The goal of this research is to learn more about the digital technology and procedures utilised by banks in rural India, as well as how rural customers perceive and respond to these services. 2019 (Singh & Malik). The goal of this essay is to look at how digitalization is affecting the Indian economy, as well as the difficulties and opportunities that come with it. The study's approach entails an in-depth analysis of the data. evaluation of current literature and publications created by the Indian government The current research is based on secondary data from books, articles, journals, research papers, and the internet. Tigari (Tigari,

2018). "Digital" is the current buzzword in every sector. Banking, like other businesses, is undergoing a global shift toward digitization. In order to maintain a competitive edge and deliver the best service to their clients in all sectors, banks are heavily investing in digital operations. The decision to digitise by the banking industry is crucial. By mastering digitization, banks may be able to improve customer service. Customers are accommodated, and as a result, time is saved. As a result of digitalization, manual procedures, transactions, and exercises have all been transformed into digital services. As a result, the current study, which was based on secondary data sources, was done on the digital revolution in the Indian banking sector. 2020 (Shifa Fathima). This study will aid technology developers, managers, and mobile payment service providers in focusing on the quality elements of the technology as well as the value proposition. This is one of the few research that has looked into the technical aspects of mobile wallets. The study discovered that mobile wallet system and service quality had a substantial impact on perceived security. Users' perceptions of the usability and security of mobile wallets were found to have a significant impact on their intention to use them in the future. Routray and colleagues (Routray et al., 2019). The report also looked into the impact of rising food prices. Financial inclusion is influenced by the use of mobile phones and the internet. According to the study, government initiatives like the Pradhan Mantri Jan Dhan Yojana (PMJDY), Aadhar Enabled Payment Systems (AEPS), and Direct Benefits Transfer; Reserve Bank of India regulatory reforms like Immediate Payment Service (IMPS), Prepaid Payment Instruments, and differentiated banks; digital revolution, and active participation of private technology companies are facilitating a successful transition into a financially inclusive economy. (2019, Agrawal). This research will help academics analyse future FinTech trends and determine the best ways for India's E-payment sector to reach growth capability. It will also identify the scope of a future empirical study that may be done to produce an analytical conclusion regarding the various aspects that impact customers decisions to make digital payments. (Nigam et al., 2021)

### **Objectives of the study: -**

1. To compare between different methods of digital payment system in India.
2. To determine the issues faced in digital payment by people.
3. To identify the factors that influencing the growth of digital payment among the people.
4. To identify the most preferred mode of digital payment by the people in India.

**Scope of the study: -**

1. Digital payment system in India and the methods of digital payment in India
2. RBI's circular on this and their FAQs in this behalf
3. Scope for digital payment system in the foreseeable future – both globally and in India
4. Issues and challenges in this behalf.

**Methodology: -**

The information was gathered from both primary and secondary sources. Customers using Digital payment service following the epidemic in India provided primary data, which was obtained using a questionnaire based on customer satisfaction, customer behaviour, and customer response. A total of 60 people took part in the survey were chosen. A structured questionnaire containing closed-ended and open-ended items was created. The questionnaire's questions span all areas of study. Our target audience was a mix of students, office workers and business people, individuals on the go, housewives. Secondary data was gathered from a variety of sources, including scholarly journals and social media, newspapers and pages. The data acquired by the survey was interpreted using descriptive analysis questionnaire.

**Type of research: Quantitative Research:**

This research is a quantitative research study because it attempts to measure the use of digital payments for banking in India. The questionnaire has a structured format.

**Types of research design: Descriptive research design:**

Descriptive research design is best research design which best describes. This study can be concluded as based on the facts that is in this study, problem is clearly defined, hypothesis are framed, information needed is clearly defined.

**Population:**

For the purpose of this study the population chosen is the people from India.

**Sampling techniques:**

For the purpose of the study convenience sampling has been used. a **convenience sample** is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach.

**Sample Size:** For this study 60 people responses are taken.

**Sample Area:** The area of the research is India.

**Age Group:** From 18 onwards

**Data Collection Tool:** Questionnaire

**Concept Overview: -****How payment system evolves as technology advances: -**

Technology is increasingly affecting our lives in practically every manner possible, and this is no longer news. We literally live in a virtual world where 50% of what we used to do is now digitalized, mechanised, or impacted by technology.

**The pre-technology era:** Various forms of payments occurred before the digital age and the Renaissance, where precious metals and other assets were used to make payments in a barter system. This was a mechanism that only climes have. What was accepted as payment in Central Asia was not the same as what was accepted in Africa. Then came the coins, followed by the paper, and finally the mint notes, which were no longer differentiated by climate. Paper and mint notes are used as legal money in countries all over the world. The only difference is the local currency, but one thing remains constant: actual cash is used to make payments all around the world.



***The post-technology era:*** All of this changed when technology entered the picture, and the twenty-first century was defined by a wave of digital improvements that swept the globe. The financial sector was the hardest damaged by the technology revolution. The banks have changed dramatically. To reduce the length of lines in banking halls, automated teller machines (ATMs) and cards were introduced. You could transfer funds to friends and relatives using the same ATM cards without having to physically place cash in their hands. Without the typical cash-in-hand system, you may even pay your phone bills through the ATM. In the financial realm, terms like credit cards, debit cards, and any other smart card you can think of have become clichés.

That wasn't all, though. While certain sections of the world were still attempting to absorb and adjust to new financial trends assisted and abetted by technology, mobile payments erupted like a volcano, and the world accepted a cashless payment system. You may now send money to anyone, anywhere in the globe, from the comfort of your own home. You may now shop, pay bills, buy airtime, book aeroplane tickets, eat, go to the gym, and do so much more without ever having to hand over actual currency. Payments have never been so simple and enjoyable.

### **Digital Payment system in India: -**

As of March 2020, the overall transaction value of the Digital Payments system was around 4572 crores, exceeding the Government of India's objective of 4,000 crores. Swiping of Debit Cards at Points of Sale (Po's) climbed by 27% in March 2019 compared to the same month previous year, while swiping of Credit Cards increased by 22%. According to RBI statistics, ATM withdrawals grew by only 15%. Due to the shutdown on March 20, these figures fell by 15.47 percent and 12.23 percent, respectively. In order to achieve a "Cash-Lite" payment society, the RBI produced a Vision Document on "Payments and Settlements Systems in India: Vision 2019-2021," a three-year Road-Map to augment digital payments solutions among the masses where the system has yet to be reached. For future development, the RBI is also exploring implementing an Offline Digital Payments solution, which is a means of payment that does not require the use of the internet or a smartphone. Today, over 566 million people utilise the internet, with 627 million predicted by the end of 2019. Rural India, which had a 35 percent increase in digital penetration, was the driving force behind it. In India, the government is considering making QR code-based payment systems mandatory in all stores. The number of people using digital payment systems at least once a month has surpassed 100 million.



## Types of Digital Payment System in India: -

1. **Banks' Credit/Debit Card:** In India, this is the most popular and widely used method of digital payment options. You can receive a debit card as soon as you open an account with a bank in India. Depending on your preference or bank, the card may be a Visa, Mastercard, or RuPay card. Maestro, Diners Club, and Visa Electron are the other forms of debit or credit card providers in India. Customers pay no transaction fees when making payments with debit or credit cards. The merchant, however, is responsible for transaction fees, which vary depending on the transaction value and card type.
2. **Banks Prepaid Card:** A prepaid card issued by a bank is also known as a gift card or a pre-loaded debit card that can be used once or reloaded several times. Any KYC-compliant account holder can order a prepaid card from the Bank's official websites or establish one through the Bank's Net Banking services. Depending on the bank, the prepaid card can be Visa or RuPay enabled. Prepaid cards are commonly used for corporate gifts, reward cards, or any single-use gift card. Up to a specific amount, the Prepaid card can be used to withdraw money from an ATM or to make an online transaction at any Payment Gateway. In India, some of the most well-known banks that provide prepaid cards are:

- Axis Bank Prepaid Card
- HDFC Bank Prepaid card
- SBI Prepaid Card
- ICICI Bank Prepaid card
- YES Bank Prepaid card
- Kotak Bank Prepaid card

3. **Unified Payments Interface (UPI):** UPI, or Unified Payments Interface, is one of the most creative Digital Payments systems launched by the National Payments Corporation of India (NPCI) in India, and maybe the greatest payment solution in the world to date. According to NPCI data, there are 148 active UPI member banks that offer UPI to their customers, as well as more than 33 third-party UPI apps in the Play Store. By transaction value, UPI transactions hit Rs.2,06,462.31 in March 2020, surpassing debit card transactions for the fiscal year 2018-19. The graph below shows the year-over-year growth of UPI transaction volume. (At

the time of writing, March 2020).

4. **Offline Mode:** USSD is one of India's digital payment system's offline operations. By dialling \*99#, which operates on the Unstructured Supplementary Service Data mode, you can execute various banking functions (USSD). Balance inquiry, mini statement, and MMID Fund Transfer are among the services available through this mechanism. Only your mobile number and bank account number must be registered. Though the procedure appears to be novel, it has yet to have a significant impact on India's digital payment system.
5. **Aadhar Enabled Payment System (AEPS):** You can transfer money between two Aadhaar-connected Bank Accounts or withdraw money if your account is linked to your Aadhaar Card using this digital payment option. This process requires biometric authentication for every transaction it does. The Business Correspondence primarily employs this way of payment at CSP terminals for cash withdrawal and micro-ATM work. For cash withdrawals from BC Points, the AEPS fees are roughly Rs.15. Customers' fingerprint authentication can also be used by the retailer to obtain payment. The gadget can be connected to a mobile phone, and all banks have BHIM merchant apps that can be used to make payments using this device. If the transaction amount is less than Rs.2000, the merchant does not have to pay any transaction fees.
6. **Mobile Wallet:** Mobile wallets have grown in popularity in recent years, and they are now one of the most widely used digital payment methods in India. The rationale for this is that anyone may create a mobile wallet by just downloading and installing the application. In the Mobile Wallet, you can keep some money in a digital form. Many mobile wallet providers in India provide various types of rewards or payback programmes if you use your mobile wallet to make a purchase.
7. **Internet Banking:** Internet Banking was one of the first technologies to emerge in India during the early stages of the digital payment system. In India, all commercial banks and newly established Payment Banks have their own internet banking portal. Some banks have integrated so many features into their internet banking portals that you can perform all of your banking transactions through it. The following is a list of some of India's greatest internet banking portals.
  - ICICI Bank
  - State Bank of India
  - HDFC Bank
  - Kotak Mahindra Bank
  - DBS Bank

- CITI Bank
- Axis Bank
- YES Bank

8. **Mobile Banking:** Mobile Banking is India's greatest and most popular digital payment mode since it is the most convenient, easy to use, and integrated with all of the functions that we require in our daily banking. All digital payment modes, such as IMPS, NEFT, RTGS, UPI, Bill Payments, and others, are available on a single platform. Banks are also pushing their clients to adopt mobile banking services because it helps to develop a Digital Payments ecosystem in India while also reducing work strain on banks.

9. **Micro ATM:** At Customer Service Points, this is usually used by Business Correspondence (CSP). By just confirming your fingerprint to the device, you can withdraw money or deposit cash into your Aadhaar Linked Bank Account. You can transfer funds between any bank account, but you'll need your Aadhaar number to link the two accounts.

### Popular Apps for Digital Payments System in India

- **Google Pay:** Uses UPI Payment Technology. No Wallet Option, one of the most innovative Digital payment App in India.
- **Paytm:** Largest Mobile Wallet service provider in India. Offers UPI, Mobile wallet and Payment Bank with RuPay card for online Payment.
- **PhonePe:** Very popular mobile wallet providers in India, Offers UPI & Mobile Wallet service along with many other essential features.
- **Pay nearby:** Innovative digital payment App mainly provide digital payment solutions like Aadhaar Banking, AEPS, SMS Payments, money transfer, etc to the retailers. You can download the App [here](#).
- **BHIM:** Official UPI Payment Apps, offers by NPCI, all the Commercial Banks have integrated BHIM UPI API in their Mobile Banking Platform.
- **Pockets by ICICI Bank:** One of the most innovative Digital Bank cum Wallet service providers in India. Offers UPI, Zero Balance Bank Account, Visa Virtual Domestic Debit card as Digital Payments option.

- **Kotak 811:** Best Digital Bank in India, offers Visa Virtual Debit card with international Payment option, UPI, Mobile Banking, IMPS, NEFT, RTGS as Digital Fund transfer.
- **Axis Bank ASAP:** Similar services as Kotak 811. All types of Digital payments facilities with a Virtual Bank Account.
- **Payzapp from HDFC Bank:** Mobile wallet with Visa Domestic Virtual Debit Card. Offers online payment services like UPI, Debit card, mobile wallet, etc.
- **National Common Mobility Card:** RuPay Contactless Card (Visa also starts issuing NCMC) can be used for Public Transport across India, you can get NCMC from SBI and most of the commercial Banks in India.

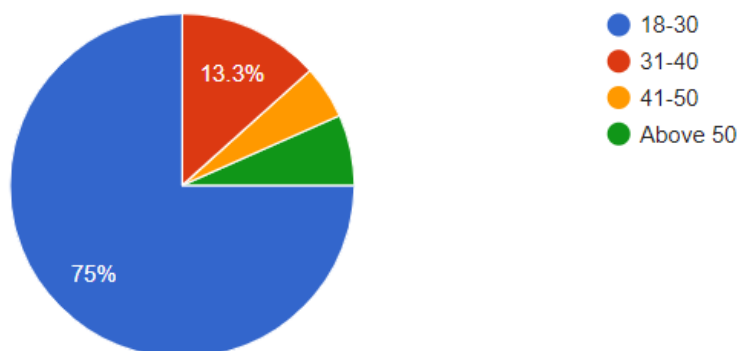
## Data Interpretation: -

### 1. Age:

Age Group	Frequency	Percentage %
18-30	45	75
31-40	8	13.3
41-50	4	5
Above 50	3	6.7
Total	60	100

Age-

60 responses



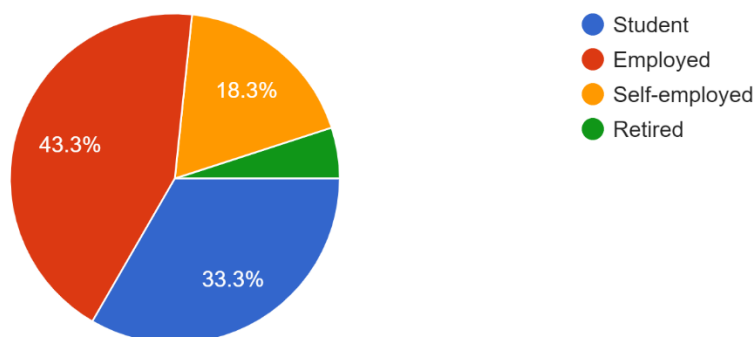
## Interpretation-

This shows that the most respondents are mainly in the age group which is between 18 to 30 years i.e., 75%. In this age, the career is in growing stage and they have started to take responsibilities. And percentage of other age group which is 31 to 40 years is 13.3%, 41 to 50 years is 5% and for the age of Above 50 years, the respondents are 6.7%.

## 2. Profession:

Profession	Frequency	Percentage %
Student	20	33.3
Employed	26	43.3
Self employed	11	18.3
Retired	3	5
Total	60	100

Profession-  
60 responses



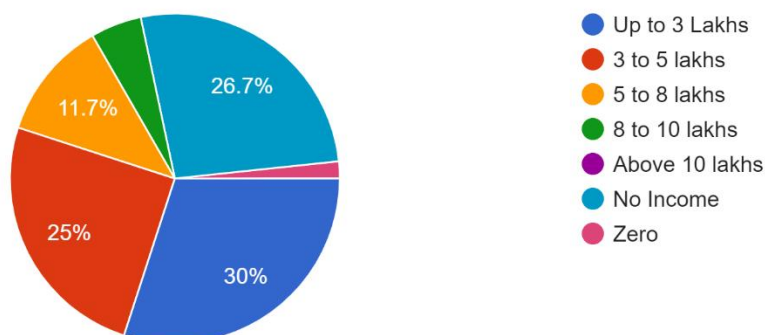
## Interpretation-

This shows that the most respondents are employed 43.3%. They are working under some private or public companies then other respondents are student 33.3%, other responders are self-employed 18.3% involve in their own business. Lastly retired people are 5% only.

### 3. Annual Income:

Annual Income	Frequency	Percentage %
Up to 3 lakhs	5	12
3,00,000-5,00,000	9	21
5,00,000-8,00,000	12	28
8,00,000-10,00,000	14	32
Above 10,00,000	3	7
Total	43	100

Annual Income-  
60 responses



#### Interpretation-

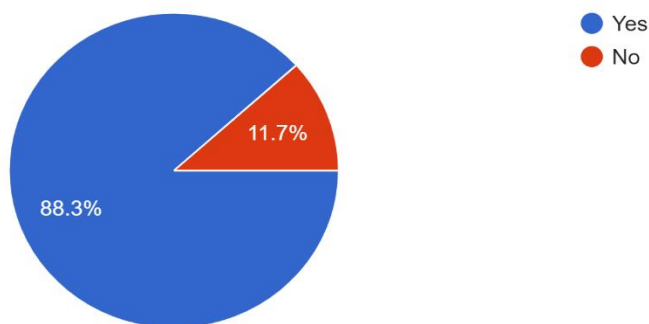
This pie chart shows that majority of as 30% of respondents are earning up to 3 lakhs 26.7% respondents have no income and other 25% respondents are earning between 3,00,000 to 5,00,000. Least number of respondents are 5% and 1.7% who earn between 8,00,000-10,00,000 p.a. and above 10,00,000 This shows that peoples are earning good enough.

#### 4. Do you prefer using Digital Payment?

Using Digital Payment	Frequency	Percentage %
Yes	53	88.3
No	7	11.7
Total	60	100

Do you use 'Digital Payment' system for money transactions?

60 responses



#### Interpretation:

This shows that most of the respondents are prefer to use Digital payment i.e.88.3%. Only 11.7% respondents don't prefer using digital payment. This shows most of the respondents has a literacy to use Digital payment platform.

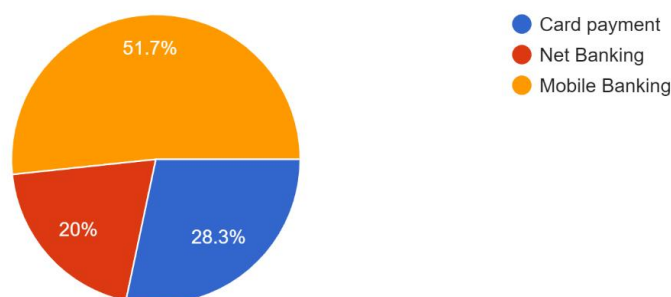


## 5. If so, which Mode of Digital Payment, you mostly use? How would you rank them?

Mode of Digital Payment	Rank
Card Payment	3
Net Banking	2
Mobile Banking	1

If so, which Mode of Digital Payment, you mostly use?

60 responses



### Interpretation:

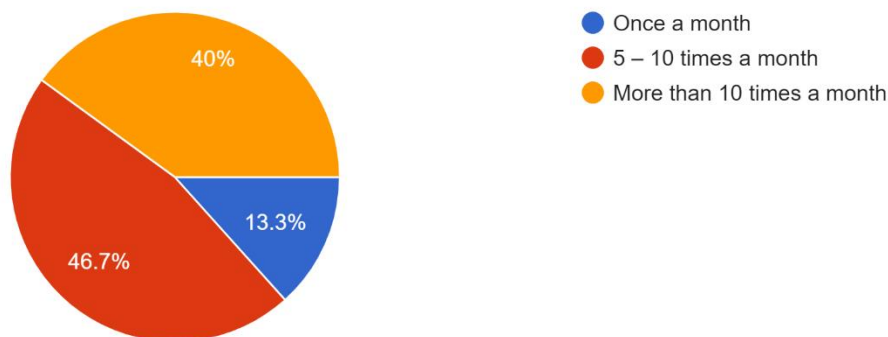
This shows that most of the respondents prefer using the Mobile Banking mostly as they have given it rank 1. Net banking on the rank 3 and Card Payment on the rank 2. Respondents prefer Mobile banking and Internet Banking more because of their easy availability and fast transaction

## 6. How frequently do you use digital payment method?

Frequency of Digital Payment	Frequency	Percentage %
Once a month	8	13.3
5-10 times	28	46.7
More than 10 times a month	24	40
Total	60	100

How frequently do you use digital payment method?

60 responses



### Interpretation:

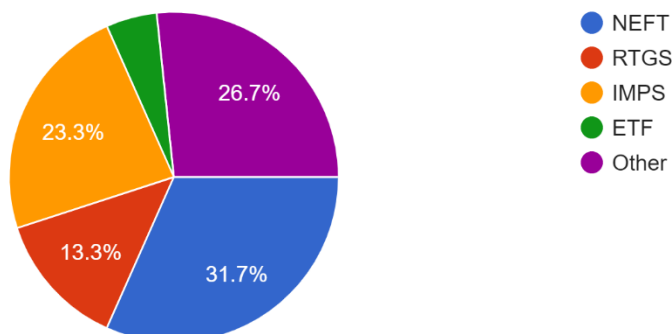
This shows that respondent's prefer using digital payment very frequently. 46.7% respondents are using digital payment 5 to 10 times and more than 10 times. Only 13.3% respondents use digital payment once in month. That means digital payment is very handy and used very frequently.

### 7. For Internet Banking, which platform you prefer the most?

Internet Banking	Frequency	Percentage %
NEFT	21	26
RTGS	23	28
IMPS	21	26
ECS	17	20
Total	82	100

For Internet Banking, which platform you prefer the most?

60 responses



### Interpretation-

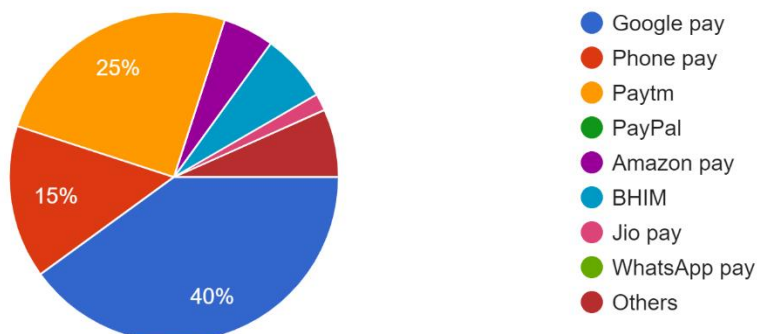
This shows that most of the respondents are prefer using NEFT i.e., 31.7% as an Internet banking. Even respondents are prefer using Other and IMPS with 26.7 & 23.3% each. Only 13.3% respondents prefer to use RTGS as an internet banking option.

### 8. For Mobile Banking, which service provider do you prefer the most?

Mobile Banking	Frequency	Percentage %
Google Pay	15	14
Phone Pay	19	15
Paytm	25	20
PayPal	18	14
Amazon Pay	18	14
BHIM	8	6
Jio Pay	17	14
WhatsApp Pay	4	3
Total	124	100

For Mobile Banking, which service provider do you prefer the most?

60 responses



### Interpretation:

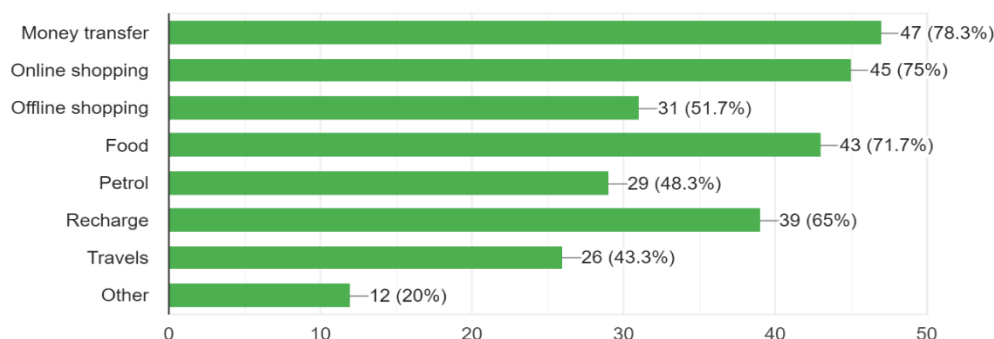
This shows that respondents mostly use the Google Pay as a Mobile banking. Then, Paytm is the mostly used App. Phone Pay, PayPal, Amazon pay are also used very frequently. Least app that is prefer by the respondents are BHIM and WhatsApp pay.

### 9. What are the purposes that you mostly use Digital Payment for?

Purposes for using Digital Payment	Frequency	Percentage %
Money Transfer	20	16
Online Shopping	28	22
Offline shopping	22	17
Food	12	9
Petrol	17	13
Recharge	16	13
Travel	11	9

What are the purposes that you mostly use Digital Payment for? (You can answer more than one option.)

60 responses



### Interpretation:

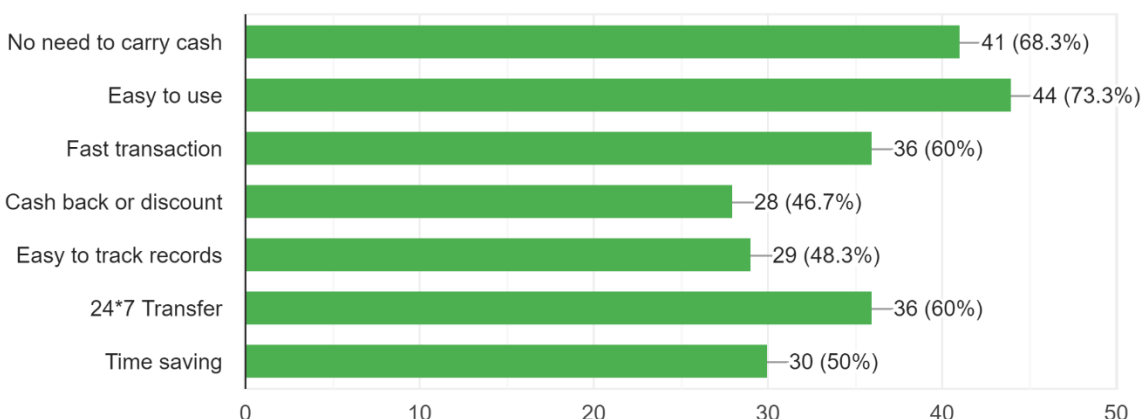
This shows that most of the respondents use digital payment for the purpose of Mobile Transfer. Then, the other purposes of using it Online Shopping, food and recharge. Least purposes that respondents do not prefer using digital payment are petrol and travel. Most of the respondents use digital payment for the purpose of Mobile Transfer because it makes it very convenient to pay and various discounts are available on digital payment.

### 10. What are the factors influence you to use Digital Payment?

Factors influence to use Digital Payment	Frequency	Percentage %
No need to carry cash	18	14
Easy to use	16	12
Fast transaction	23	18
Cash back or discount	18	14
Easy to track records	20	16
24*7 transfer	26	20
Time saving	6	4
Total	127	100

What are the factors influence you to use Digital Payment? (You can answer more than one option.)

60 responses



### Interpretation:

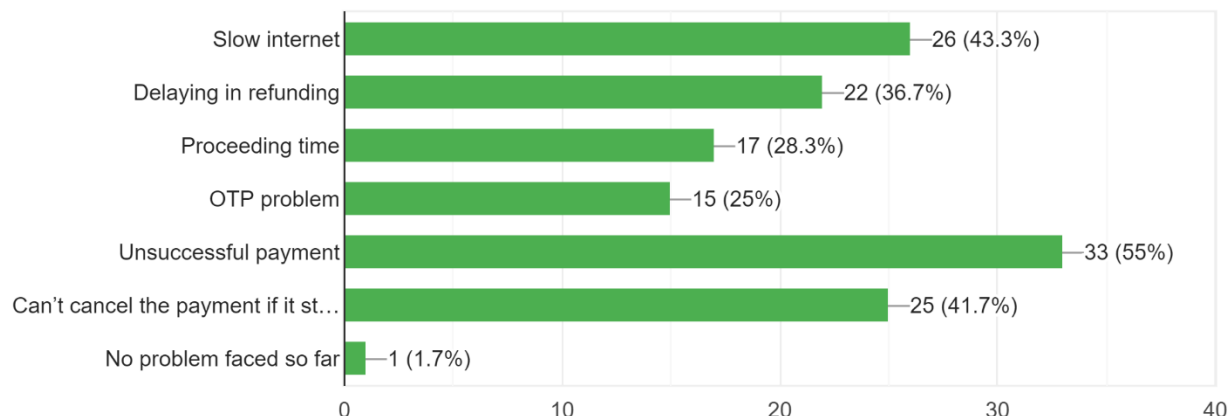
This shows that most of the respondents use Digital payment because it is easy to use and have fast transaction. Other factors that mostly influence them for using digital payments are no need to carry cash, fast transaction and 24\*7 Transfer etc. Least factor that influence them to use digital payment is Cash back or discount.

### 11. What are some issues, you face when using Digital Payment?

Issues faced in using Digital Payment	Frequency	Percentage %
Slow Internet	10	8
Delaying in refunding	26	21
Proceeding time	33	26
OTP problem	15	12
Unsuccessful Payment	23	18
Can't cancel Payment if it stuck	19	15
Total	126	100

What are some issues, you face when using Digital Payment? (You can answer more than one option.)

60 responses



### Interpretation:

This shows that most of the respondents faced the issue of Unsuccessful payment that has be taken in while making payment through digital platform. Other issues that are mostly faced by responses while using digital payment are Slow Internet, can't cancel the payment if it is stuck, Delaying refund etc. Least issue that has been faced by respondents while making payment through digital payment is OTP Problem.

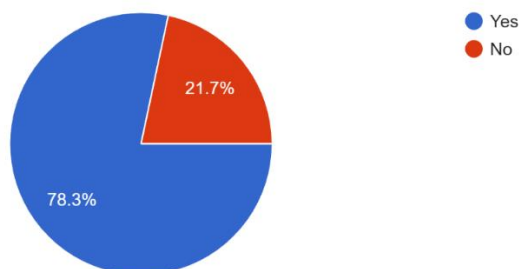
### 12. Do you think Digital Payment is safe at all?

Digital payment found safe	Frequency	Percentage %
Yes	41	95
No	2	5
Total	43	100



Do you think Digital Payment is safe at all?

60 responses



### Interpretation:

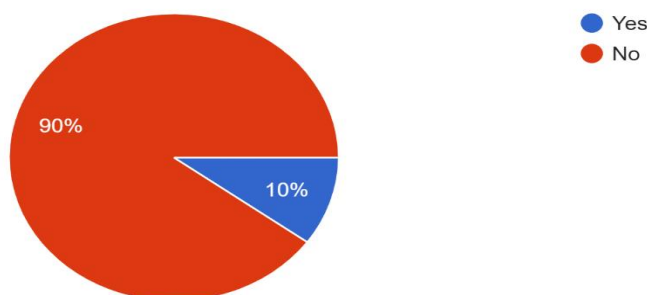
This shows that most of the respondents i.e., 78.3% felt that digital payment platforms are very safe for making the payments through it. Only 21.7% respondents felt that they don't find digital payment platform safe. There could be reasons for it, they must have faced issues and fraud related to digital payment platform.

### 13. Have you experienced any frauds in the digital payment method?

Experienced any frauds	Frequency	Percentage %
Yes	5	12
No	38	88
Total	43	100

Have you experienced any frauds in the digital payment?

60 responses



### Interpretation:

This shows that most of the respondents has not experienced any frauds in the digital payment methods. But still 10% of the respondents have experienced some type of frauds in digital payment methods.

### 14. If had experience fraud, then please explain in not more than 3 lines?

The most common fraud that has been faced by respondents are QR code fraud in which person asked them to scan the QR code and they immediately lost the money.

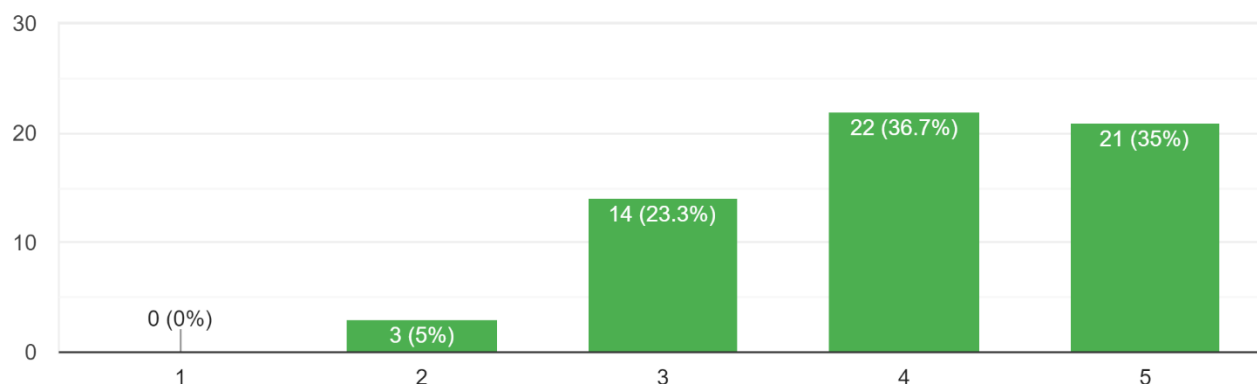
- The other frauds that faced by respondents were:
- Person called them by the name of bank manager and asked confidential information.
- Person asked them to click on pay to receive the money.

### 15. How would you Rate your experience in using Digital Payment?

Rate the experience	Frequency	Percentage %
Extremely Satisfied	23	53
Satisfied	15	35
Dissatisfied	3	7
Not at all satisfied	2	4
Total	43	100

### How would you Rate your experience in using Digital Payment?

60 responses



#### Interpretation:

This shows that most of the respondents are extremely satisfied and satisfied with the digital payment.

Only 3% respondents are dissatisfied and not at all satisfied by the digital payment methods. These respondents could be those who encounter with frauds and faced some issues while using the platform.

#### CONCLUSION: -

The digital payment system is rapidly growing in India. The peoples are using digital payment for online shopping, money transfer & other purposes. The reasons behind digital payments are easy to used, economical & most important thing is safe mode of financial transactions. The Government of India also play vital role for improvement in digital transactions.

This study examines to determine the issues faced in digital payment by people and to identify the factors that influencing the growth of digital payment among the people and to identify the most preferred mode

of digital payment by the people in India. The analysis said that there are many issues that has been faced by the peoples like unsuccessful payment and proceeding time but there are also many benefits of using digital payment and the factors that influencing the growth of digital payment among the people are it is very easy to track the records and it is available 24\*7 and it is very convenient for them. And the most preferred mode of digital payment by the people in India is Mobile Banking.

The UPI's success has been driven in part by its convenience and free usage, the largest share of recent growth has come from new entrants like Tez and Phone Pay, which uses the UPI payment, offering promotional cash for new customers.

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