

## **A STUDY ON IMPACT OF DIGITAL PAYMENTS DURING COVID 19 IN COCHIN CITY**

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**ABSTRACT:** - Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic mediums to exchange money. The Government of India has been undertaking several measures to promote and encourage digital payments in the country. As part of the 'Digital India' campaign, the government has an aim to create a 'digitally empowered' economy that is 'Faceless, Paperless, Cashless'. There are various types and methods of digital payments. This research aims to study the impact of digital payments during Covid 19 in Cochin City and also to analyze the attitude of people towards online payment during covid-19. Data collected through primary and secondary data.

**Key words** – Digital Payments, Covid 19, attitude of people towards online payment.

### **INTRODUCTION**

The term digital payment refers to a process of making some payment for certain sum of amount through using mobile application or website round the clock across globe. This involves direct transfer of money from debtors bank account to creditors bank account without having any physical transaction between parties. Government of every nation contributes its efforts in promoting digital payment services regularly which is backed by several benefits. The concept of digital payment services has taken birth in last decade but is now trending with faster pace especially in towns and villages of India after the happening of world wide pandemic that is Covid-19 which has taken all economies to face set back due to regulation of full lockdown. In India the concept of digital payment starts flourishing in year 2016 through launch of ' Digital India Mission' encouraging Indian businessman as well as country people adopting digital technology in their life. In order to strengthen the country's economy through paperless, faceless and cashless transactions. In year 2020 ,when country face huge negative impact due to corona virus every second person has started making payments for purchase their essentials through digital move by avoiding cash payments in order to safeguard themselves from any kind of contact with another person .An individual can make digital payments either by installing mobile banking application or by any third party app such as Amazon pay ,Google pay, Phone Pay Paytm and several others where both the parties such as payer as well as payee are required to link their bank account with payment application in order to place transaction or needs or needs to deposit amount on their digital wallet of installed application. In a country like India, where disparities are sometimes poles apart, ensuring financial equality become an issue of prime importance. One of the reasons of why our government started vocalizing cashless economy and Digital India was to improve the access to financial resources. There are multiple benefits that digital payments bring us. Ease and convenience, economic progress, safety and

efficient tracking. Handling and dealing in cash is cumbersome and tedious task. Along with risk of losing money there is a hassle of carrying cash everywhere you go and keeping it in safe. With digital payment one can keep their funds secured in online format effortlessly. Making payments through this application encourages people through avail some cash backs or shopping vouchers that motivated them to make more use of such digital payment service applications and make their payments. In covid-19 situation the advantage of making transactions through digital services is that it assists society in maintaining social distance and safeguards their life from any kind of contact with infection or viruses. Nowadays our mobile phone alone is enough to make and receive payments. Most digital payment channels provide regular updates, notifications and statements for a customer to track his funds. After the launch of cashless India, we currently have ten methods of digital payment available in India. It helps in making their dues clear even from distant places or helping third peer members where there in need, irrespective of banking time and location of payer as well as payee. It was very helpful for using digital payments of their utilities such as electricity payment, fuel, school and college fees, water charge, home rent and even helped a lot in having regular investments.

### **OBJECTIVES OF THE STUDY**

- To analyze the attitude of people towards online payment during covid-19.
- To know various factors which motivate the people towards online payment.
- To know the problems faced by users in online payment.
- To analyze the usage of digital Payments during Covid-19.

### **SCOPE OF THE STUDY**

The study is conducted to know the impact of Covid-19 on digital payment in Cochin City. Digital Payment service that cater the needs of people with digital technologies for managing the transfer and Payments. A questionnaire is provided to target people consist of 50 respondents of Ernakulam. The study focus on the factors motivating people towards digital payments and problems faced by them during digital Payments. The technique of random sampling was used to select the sample.

### **RESEARCH METHODOLOGY**

Research is defined as the manipulation of things, concepts or symbols for the purpose of generalizing to extend, correct or verify knowledge, whether that knowledge aids in the construction of theory or in the practice of an art.

Research methodology describes the methods of conducting the research study.

#### **Research Design**

Research design is the plan, structure and strategy of investigation conceived, so as to obtain answers to research questions. The study requires a descriptive style research design. A descriptive study refers to study which wants to portray the characteristics of a group of individual or situation. The number of respondents selected for the study is 50.

## **DATA COLLECTION METHOD**

### **SOURCE OF DATA**

Both primary and secondary data is collected for this study.

### **PRIMARY DATA**

Primary data are those collected for the first time and thus happens to be original in character.

### **SECONDARY DATA**

Secondary data are those have been collected by some other person for their purpose and published.

### **SAMPLING TECHNIQUE**

Convenient sampling technique is used for the study.

### **TOOLS FOR ANALYSIS AND INTERPRETATION**

The data under this study is collected through the questionnaire and presented in the form of tables, diagrams and graphs. This makes it easier to observe, analyze and final conclusion regarding the study.

### **LIMITATION OF THE STUDY**

- Time constraint. The stipulated time was insufficient to carry out a detailed study.
- The Sample size of the study is restricted to a few.
- This study is confined to a particular selected region, that is, Cochin City.
- The findings of this study is purely based on respondents answer, and they may be incorrect.

### **REVIEW OF LITERATURE**

**Singh .A et.al (2012)** in their study discussed how secure the internet network should be to make smooth transaction for all the parties and the merchants. The systems are made in such a way so that there is no fraudulent activity takes place people can use their card for transaction in a secure way so that no data is shared. People mostly do digital transactions for e-commerce but they find internet I not secure to do so. Therefore some strict protocol should be followed and managed to make transaction secure and the data is also protected.

**Nitsure (2014)** in his study highlighted the issues that were being faced or observed in developing country like India in using the e-payment system which was due to the low spread of internet and technology. The

paper focused on major issues such as security, rules, etc. IN a country like India there is a high risk where the poor's are given a chance to be informed about such facilities neither they are given any such information.

**Bezhovski (2016)** has examined how internet and e-commerce has opened the gateway for digital payment system with the increment in technology people are adopting the new means of payment system and how they will be benefited and is there any pitfall of using it. When e-commerce was launched it was a unique way of trading so the digital payment is also a unique way of transaction which will also emerge as the e-commerce and in near future it will become the backbone of ecommerce. The future of these digital wallets will depend on the security and privacy that are provided by the companies as people are highly security concerns any pros and cons will decide the future of digital wallets. It is not only restricted to make transactions but it be used for booking airlines, movie tickets. Many offers are provide for making bill payments or buying any goods using these platforms. As the smart phones has removed many devices from our daily live and have clubbed in one device only so it is expected that digital wallet will also do the same which will become substitute for many other things.

**Singh (2017)** in his study showed that how digital payment and digital wallet in India was get popularized due to demonetization. As there was a tremendous growth in the usage of internet and the no. of smart phone users were also increasing so people found it convenient to use as an alternative for cash. In this study he also pointed out that how different digital wallet companies were having competition to enter and expand the Indian market as it was the best opportunity for them to establish their company. It was also predicted that in future India will become a cashless economy and with digitalization people will surely adopt the digital mode of payment. ANOVA was used in this study to show that there is no significant variance in the consumer perception with respect to its demographic factors.

**Sanuja Shree et.al, (2019)** conducted an empirical study to examine the youth behavior towards mobile banking usage intention in Chennai city of Tamil Nadu. The researchers has adopted survey method and structured questionnaire to gather the perception of youth towards mobile banking usage intention. The result indicates that convenience factor, benefits factor, deliberation factor, safety factor and trust factor are the major key factors influencing the usage intention of the youth towards mobile banking in their day-today life.

**Bhawna Mukaria and Pranav Mishra (2019)** made an attempt to explore the factors affecting the e-wallet user's perception with respect to public sector and private mobile wallet providers in India. The researchers have adopted hypothetical research design and survey method to collect primary data in the form of structured questionnaire from 433 respondents. The Independent Sample t test has been applied by using IBM SPSS software. The results indicates that public sector e-wallet providers has lesser perception has compared to private sector players. There is a significant mean difference in the perception on problems, customer service and personal risk between public sector and private sector e-wallet providers in India.

## DATA ANALYSIS AND INTERPRETATION

The Impact of Digital Payments during covid 19 was the core area of the study. The study was conducted among the users of digital payments. The data for the study was collected from the respondents through questionnaire. This chapter is devote to analyse the data collected through the course of study and to draw the interpretation therefrom.

**Table 1**

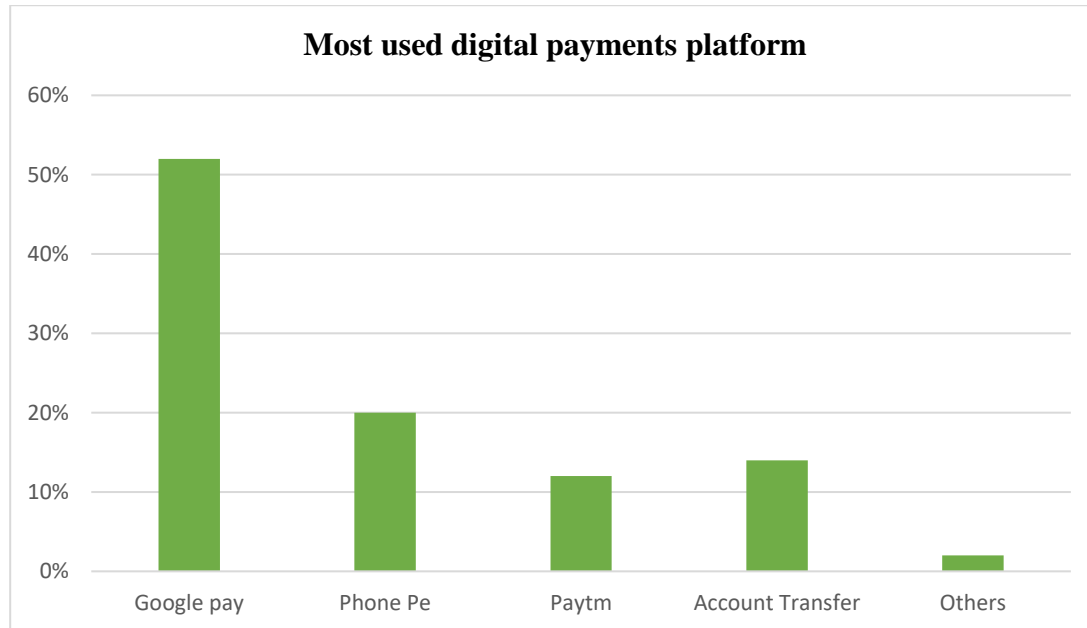
**Table showing most used digital payments platform**

Methods of digital Payments	No. of respondents	Percentage
Google pay	26	52%
Phone Pe	10	20%
Paytm	6	12%
Account Transfer	7	14%
Others	1	2%
<b>Total</b>	<b>50</b>	<b>100%</b>

Source : Primary data

**Figure 1**

**Graph shows most used digital payments platform**



Source: Primary data

### Interpretation :

From the above table we can infer that out of 50 respondents about 52% of them are Google pay users, 20% of them are using Phone Pe, 14% of them prefers account transfer, 6% Paytm and rest of them others.

**Table 2**

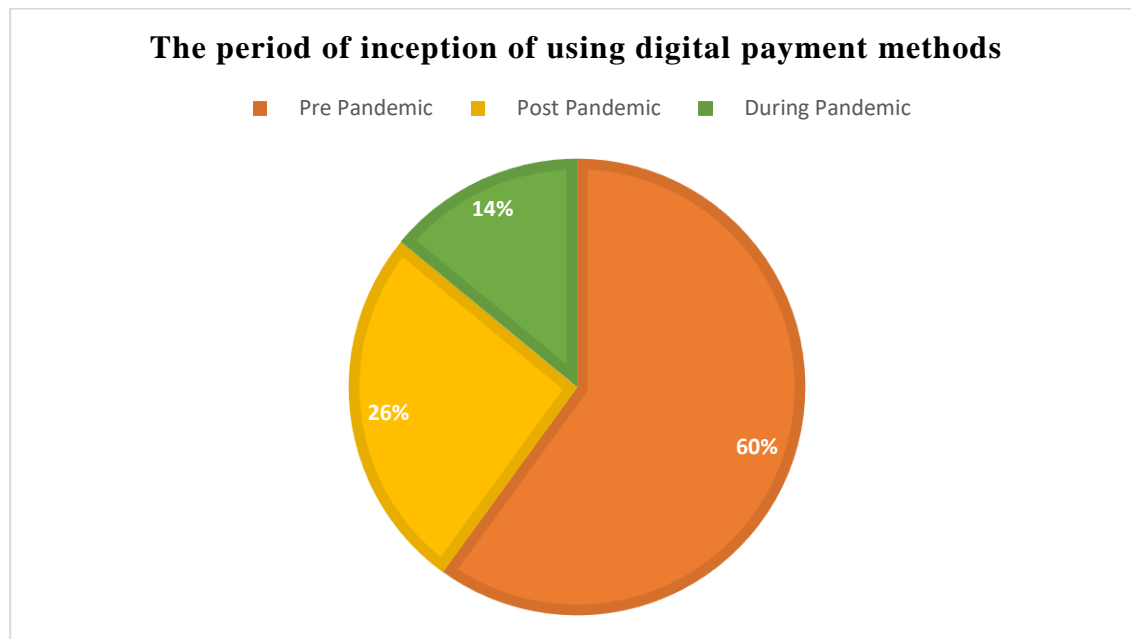
**Table showing period of inception of using digital payment methods**

Period	No. of respondents	Percentage
Pre Pandemic	30	60%
Post Pandemic	13	26%
During Pandemic	7	14%
<b>Total</b>	<b>50</b>	<b>100%</b>

Source: Primary data

**Figure 2**

**Graph showing the period of inception of using digital payment methods**



Source: Primary data

### Interpretation:

Table 2 and the figure 2 visualizes that majority of the respondents are digital payment users, 14% of respondents started using digital Payments during pandemic and 26% of them are post pandemic users.

**Table 3**

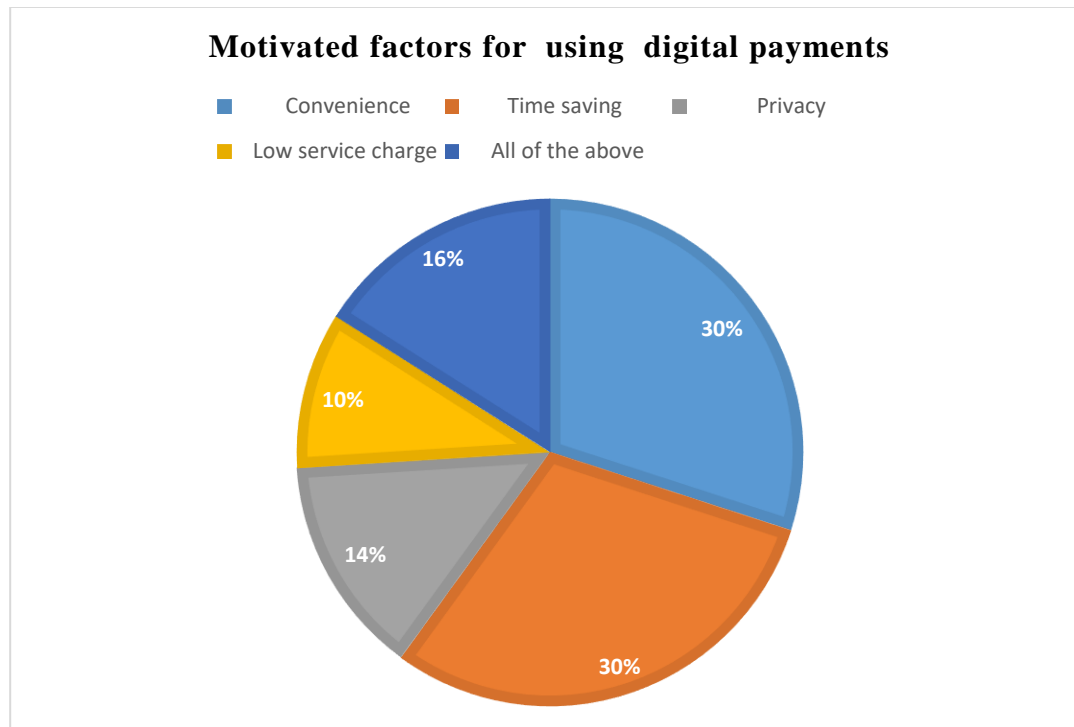
**Table showing motivated factors for using digital payments**

Factors	No. of respondents	Percentage
Convenience	15	30%
Time saving	15	30%
Privacy	7	14%
Low service charge	5	10%
All of the above	8	16%
<b>Total</b>	<b>50</b>	<b>100%</b>

Source: Primary data

**Figure 3**

**Graph shows the motivated factors for using digital payments**



Source: Primary data

### Interpretation:

The table 3 and figure 3 reveal that out of 50 respondents about 30% of them use it because of convenience and time saving factors, 16% users says all the factors, 14% and 10% says privacy and low service charge.

**Table 4**

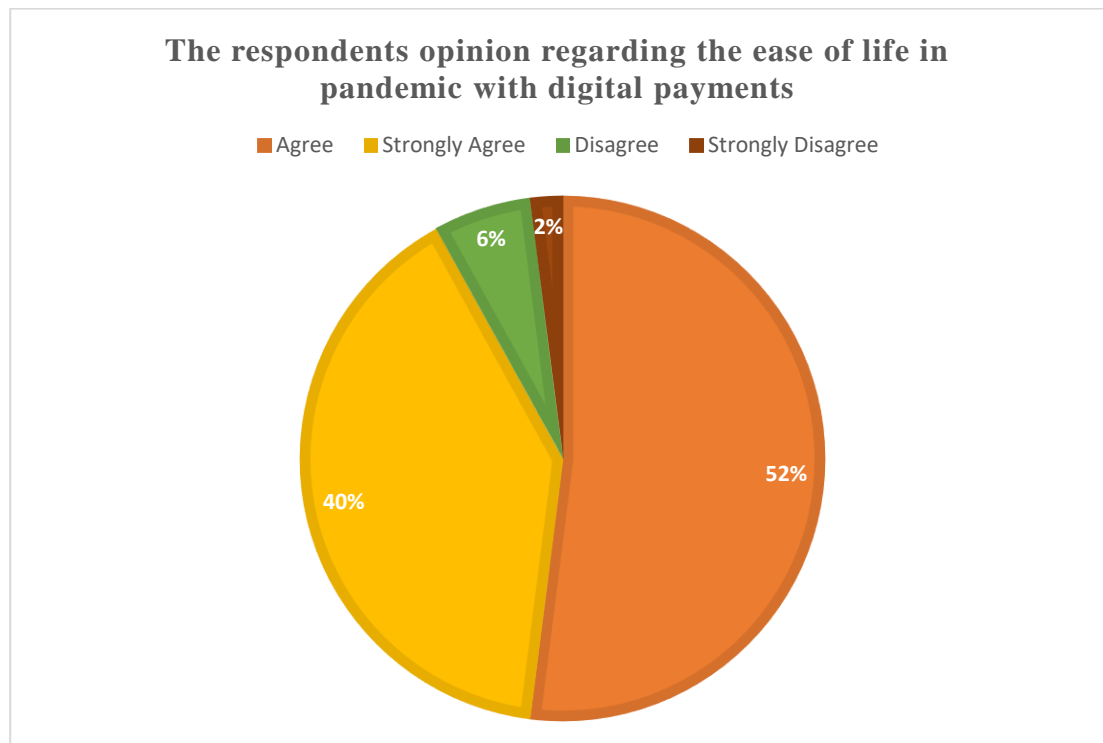
**Table showing respondents opinion regarding the ease of life in pandemic with digital payments**

Opinion	No. of respondents	Percentage
Agree	26	52%
Strongly Agree	20	40%
Disagree	3	6%
Strongly Disagree	1	2%
Total	<b>50</b>	<b>100%</b>

Source: Primary data

**Figure 4**

**Graph shows the respondents opinion regarding the ease of life in pandemic with digital payments**



Source: Primary data



### Interpretation

From the table and graph 4, we can infer that out of 50 respondents about 52% agree , 40% strongly agree and 6% and 2% disagree and strongly disagree.

**Table 5**

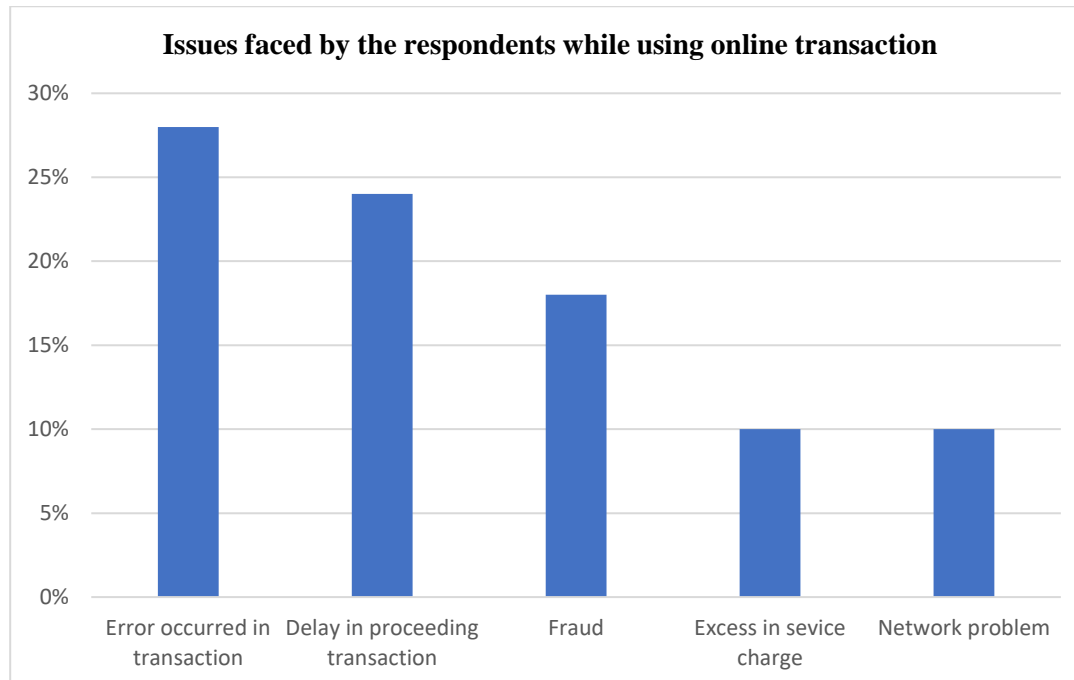
**Table showing issues faced by the respondents while using online transaction**

Particulars	No. of respondents	Percentage
Error occurred in transaction	14	28%
Delay in proceeding transaction	12	24%
Fraud	9	18%
Excess in sevice charge	5	10%
Network problem	10	10%
<b>Total</b>	<b>50</b>	<b>100%</b>

Source: Primary data

**Figure 5**

**Graph shows issues faced by the respondents while using online transaction**



Source: Primary data

### **Interpretation**

From the table and graph 5, we can derive that 28% of respondents had error occurred in transaction, 24% had delay in proceeding transaction, 20% faced network problem, 18% faced fraud and 10% got an excess service charge.

### **SUGGESTIONS**

- Many customers are still worried about using digital payments. This can be solved by educating the customers on the advantages of digital payments, more customers will be comfortable with the new form of payment. Therefore, it helps to attract new customers.
- Allow the customers to redeem rewards at the POS Terminals so that they can benefit even faster. Sachets users find bottles more attractive.
- Digital payment methods should be compatible across all platforms. If the digital payment system runs with the only special platform and some set of system and it does not run with others, then it became an inconvenience for customers.
- Provide rewards or loyalty points to the users for their payments, it attracts them to use it more. Eg: customer would opt to choose by digital wallet rather than cash if they know a particular mobile payment app rewards them with cashback or rewards.
- All the payment credentials must work in a safe, convenient and fast environment across any channel the customer wants to use and without the need for an account. Users dislike being redirected and providing more personal information than needed.

### **CONCLUSION**

Until 2019, digital payment adoption was slow and varied significantly by country. However, the uncertain longevity of the Covid - 19 crisis will lead to the public being habituated to digital payment platforms, almost by force. During lockdown digital payment platforms have also not just seen a surge in the number of transaction but the number of downloads of digital payment platforms have almost doubled. Customers were highly satisfied with the service of digital payment platforms during lockdown. It provides the high level of convenience to customers and it also increased their satisfaction level. A small portion of customers still preferred for convention payment methods, the 2 major reason for this was low internet connection and meagre digital literacy. Network issues, fraud, errors and delay in transaction etc. are the issues faced by the customers while using digital payment methods. But customers get benefited from digital payments through

scratch cards and rewards. People use digital payment platforms for their day - to - day activities and it is an integral part of a customers. The increasing use of digital payment platform services can be seen as clear indicator that the demand potential for digital payments will be rising on the coming years.

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