

# A Study on Digital Payments System & Consumer Perception: An Empirical Survey.

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## Abstract

Propelled by recent policy initiatives and technological developments, India's digital payment system is a promising success story in the making. In recent decades, the country has seen a significant increase in the use of digital payments. A digital payment, also known as an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone, POS, or computer, as well as a digital communication channel such as mobile wireless data or SWIFT. Mode of digital payment commonly used by the citizens of the country are bank transfers, mobile money, and payment cards i.e., credit, debit, and prepaid cards. Since the launch of IMPS by NPCI in 2010 until the release of UPI in 2016, the digital payment system has evolved several times. The study is an attempt to analyze how various forms of digital payment evolved in the past and how COVID-19 impacted the digital payment systems in India. The study concludes that digital payments in India recorded a robust growth of 26.2 per cent in terms of volume during 2020-21 on top of the expansion of 44.2 per cent in the previous year. Lastly, it has been observed that after COVID-19 pandemic, people were concerned about health regulations and were afraid of cash transactions which made them switch to this mode, resulting in a rise in the usage of different modes of digital payment systems.

**Keywords:** Digital Payment System, Pandemic, Cash Transactions, POS.

## INTRODUCTION

The consensus around the origin and the forms of ancient money has kept changing over the course of recorded history. But, what has not changed over the years is what money does; broadly, it facilitates trade in goods and services as medium of exchange and acts as a credible store of value. Modern day trade demands massive payments to be settled fast over long distances with minimum transaction cost. Evidently, to suit these needs the payment systems are being digitized globally. Cash, however, remains a crucial part of the trade. Therefore, the discourse on the current age payment system revolves around cash vs digital transactions. A digital payment, often known as an e-payment, is a method of making electronic payments between a payer and a payee. Both the payer and the payee use digital modes to complete the transaction. Right from barter system to paper money, there has been a huge evolution in the modes of payment in India. And now in the second decade of the millennium with the youth and coming generation, cashless i.e., digital payment mode is the new phase of payments. Before the evolution. The basic concept of traditional banking was that the users have to go the bank for the primary banking

requirement such as withdrawal or deposit of cash, funds transfer, verifying statement of accounts etc. It has been called as the original banks which was the method of past in the economy. They were the original commercial mediators to provide bank accounts. From the exterior they had the big buildings with pillars made by marbles but in the interior, it had an abundance of money in the box. This has been called "Bank". They were big athletes in the commercial markets. They converted the savings of the house into loans for business as an investment. Traditional Banking designed on IT acceptance. The Indian Banking Sector arose in the world of technology in the beginning of 1990s. In India public sector banks have been influenced by the banking sector, which occupied above 80% base of total asset.(Gupta & Gupta, 2020)

## Different Modes of Digital Payment (2010–2015):

**NEFT:** NEFT stands for National Electronic Funds Transfer. Started in November 2005, NEFT is an electronic funds transfer system set up and managed by the Reserve Bank of India. NEFT allows the online transfer of

funds from one NEFT-enabled bank account to another.

**RTGS:** Real-time gross settlements are a process that is used for high-value inter-bank transactions. These transactions typically require instant and full clearing and are generally done by the central bank of the country. RTGS reduces the overall risk as these settlements are made almost instantly throughout the day. It is not like National Electronic Funds Transfer (NEFT), in which settlements are made in batches. Hence, the charges involved in the real-time gross transfer of funds may incur higher costs for customers.

### **Factors that could influence the Digital Payment system:**

**Digital India Campaign:** With the commencement of the Digital India initiative in 2015, the Indian government pushed hard for the adoption of cashless transactions. It was a campaign to urge Indian businesspeople and citizens to embrace digital technology in their daily lives in order to boost the country's economy by facilitating paperless, anonymous, and cashless transactions. Various means of digital payment have been made available under the national payment corporation of India (NPCI) in order to encourage cashless transactions and convert the entire country into a cashless India, such as: (M. C. Joshi, 2017)

**Banking Cards:** Banking Cards provide consumers with increased security, convenience, flexibility, and control than with any other payment method. The wide variety of cards available—including credit, it also provides a great deal of flexibility. These cards provide 2 factors authentication for secure payments, e.g., secure PIN and OTP. RuPay, Visa, and Mastercard. Some examples of card payment systems are as follows:

**Mobile Wallets:** A mobile wallet is a way to carry cash in a digital format. You can link your credit card or debit card information on your mobile device to the mobile wallet app or You can transfer money online to a mobile wallet. Instead of using your physical plastic card to make purchases, you can pay with your smartphone, tablet, or smart watch. An individual's account. It is required to be linked

to the digital wallet to load money into it. The majority of banks have their own email, wallets and some private companies, e.g., Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, Itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, Speed-Pay etc.

**AADHAAR ENABLED PAYMENT SYSTEM:** Is a bank-led model which allows online interoperable financial transactions at PoS (Point of Sale/Micro ATM) through the Business Correspondent (BC)/Bank Mitra of any bank using Aadhaar authentication.

**Banks Prepaid Cards:** For Spending money, it is loaded into the prepaid card in advance. If you have "opted in" to your bank's overdraft program, you can cover your overdraft with a debit card linked to a bank account. This means that your bank may charge you a fee to cover the cost of a purchase or ATM withdrawal. Withdrawal that exceeds what you have in your account.

**The Unified Payments Interface (UPI)** is a system that powers multiple bank accounts. This single mobile application (of any participating bank) merges several banking features, Fund routing and merchant payments are combined under one hood. It also caters to the "peer to Peer" collects requests which can be scheduled and paid as per requirement and convenience. Each bank provides its own UPI App for Android, Windows, and iOS mobile platforms.

### **Effect of Demonetization**

Demonetization undoubtedly aided the adoption of digital payments. The country's demonetization on November 8, 2016, marked a watershed moment in the country's economy, with massive cash transactions taking place. Digital payments have changed everyone's way of life since demonetization, and the country's cashless economy is one among the key benefits of demonetization. Every disturbance, it is claimed, offers possibilities, and the announcement of demonetization was one such disruption. Demonetization provided a significant development opportunity for digital payments in India, and digital wallet businesses seized it with both hands to increase their market share For Indian

customers, demonetization has provided a different opportunity for the adoption of digital payment as an alternative to cash. **(Singh, Shamsher, Rana, 2017)**

The demonetization resulted in unprecedented growth in digital payments. By February of this year, digital wallet companies had grown by 271 percent. government and private sector companies such as Paytm, Freecharge, and Mobikwik have been aggressively pushing several digital payment applications, including the Aadhaar Payment app, the UPI app, and the National Payments Corporation of India (NPCI) developed the Bharat Interface for Money (BHIM) app. Digital transfers using apps have brought behavioral change and helped in the adoption of digital payment. This has resulted in the ease of money transfer in rural areas which was not touched earlier by the digital payment method. Many foreign investors now want to invest in the digital payment industry, which is a new attractive destination because of the scope of tremendous expansion in India. **(Manocha et al., 2019)**

According to another study, there was a significant increase in digital payment methods and transactions following demonetization. The effect they saw from the use of various mobile wallets like Paytm, Razorpay, Mobikwik, Freecharge, etc. just one day after demonetization. Various grocery startups saw an increase in sales of 40–50%. Furthermore, one of the studies showed that the liquidity state of the economy is highly affected in a positive manner as demonetization helped the country to go cashless while at the same time increasing transparency in the financial aspect of the economy. It was also observed that digital payment transactions through internet banking and mobile digital wallets saw a tremendous rise in value. Paytm wallet, for example, grew from 125 million wallet customers prior to demonetization to 185 million three months later. And it continued to grow, hitting 280 million users by November 2017. PWC India reported that post demonetization, the transactions through digital payment methods of NEFT and RTGS have seen a substantial rise, both in terms of volumes and values. The value of NEFT transactions increased from 8,808 billion INR to 14,182 billion INR. And

the value of RTGS increased from 78,179 billion INR to 1,02,348 billion INR. The transactions from E-wallets reportedly increased from 17 lakhs per day to 63 lakhs per day **(Dr. Swati Kulkarni, Dr. Aparna J Varma, 2021)**. It was also seen that in various metro cities, even small market merchants started keeping Point of Sales (POS) machines at their shops to accept payment digitally.

### **The New Digital System**

Even if people in India were aware of the new digital system, they were not digitally literate. People have to start utilizing the internet on a regular basis and become familiar with its functionalities in order to overcome this. And, once again, this was a watershed event, since Reliance Jio launched their sim at the same time in 2016, offering 1 GB of data per day. Digital literacy is a necessary ability for all Indian citizens to engage fully in the democratic process. For effective usage of digital activities, basic knowledge and competencies are required. The Indian telecom business, as well as people's internet usage patterns, were forever changed by Reliance. In the first month, Jio claimed that 16 million people had signed up. No other mobile network operator in the world has ever created a network as quickly as this one. Jio attracted 50 million users in 83 days by offering 1 GB of data per day. As a result of this increased accessibility, the use of social media, social networking sites, and digital payment has increased. People were more fearless when it came to using the internet. As a result, Jio played a key role in the growth of digital payments in India. **(Mishra Shivam Vyas, 2018)**

Jio triggered the widespread use of digital transactions, however, studies show that UPI has gained more traction in the long run by popularizing the digital payment methods. It has been observed that UPI overtook all the digital financial transaction instruments by increasing the volume of transaction by 450% at the end of the financial year 2018-2019. According to the industry experts the affordability of smartphones and internet data too have accelerated the widespread acceptability among the customers from different strata of the society. **(Dr. Swati Kulkarni, Dr. Aparna J Varma, 2021)**

## COVID-19

**CASHLESS AFTER PANDEMIC?** People Fear That Money Can Spread the Coronavirus because electronic payments seem to be more attractive. (Rooney, 2020) highlights the key points as: Seeing money as a coronavirus vehicle can change how consumers choose to pay in person. Critics say that the "psychological factor" of people who think money is "dirty" can spur more adoption of things like Apple Pay and Venmo. "People default to normal, unless something pushes you away," said Jodie Kelley, manager of the Electronic Transaction Association. "Wireless billing has been considered something new for consumers who know what they're up to."

(Ma et al., 2021) The Digital India mission, which urged Indian enterprises and individuals to use digital technology into their daily lives in order to enhance the country's economy through paperless, faceless, and cashless transactions, gave birth to the notion of digital payment in India in 2016. In the year 2020, when the coronavirus had a significant negative impact on the country, every second person began making essential payments through digital means, avoiding cash payments to protect themselves from any kind of contact with another person, whether from the city, town, or even villages. A person can make digital payments by using a mobile banking app or a third-party app like Amazon Pay or 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 the payment application in order to place a transaction or need to deposit an amount on their digital wallet of installed application

Since January 2020, there has been an increase in the number of digital payment transactions. It nearly doubled from January to February 2020, going from 436.43 crore transactions to 847.44 crore transactions. In addition, the percentage increase was dwindling. It was 49.05 percent from February to March 2020. From November 2020 to December 2020, the percentage decline is increased to 03.05 percent. The total number of transactions increased to 4764.28 crore in December. India received over 44 billion digital payments in fiscal year 2021. This was a huge increase

over the previous three years. Customers were instantly encouraged to use mobile's contactless payment possibilities by merchants. During the outbreak, contactless payments increased at 69 percent of stores, and 94 percent predict that trend will continue in the next 18 months. In-store or proximity mobile payments increased by 29% in 2020, as mobile becomes the preferred method of payment.

### Popular e-wallets used in India:

**G-pay** In the year 2015, Google Incorporation launched the application. Google Pay is the most widely used digital payment app, and it's available on both Android and iOS devices. A person can either transfer money or pay their utility bills immediately from their bank account. Or by having a UPI (Unified Payment Interface) ID, which can only be obtained after installing the Google Pay application. The app provides users with two levels of protection, including fingerprint security. It renders individuals stress-free in the event of identity theft or the loss of their secret credentials. It can be used by small businesses. Payments can be made or received by merchants, wholesalers, or even major corporations. As of today, the app has over 100 million users.

**PhonePe** PhonePe is another Indian-based payment service app that was released in 2015 as a privately owned multilingual mobile and PC software. The company's headquarters are located in Bangalore, Karnataka, India. PhonePe is a unified payment interface (UPI)-based software that requires a user to link their bank account and generate a UPI ID in order to complete any transaction or pay utility bills. The app, like Paytm, is available in 11 languages for Indian customers. As of today, PhonePe has over 280 million clients who use its services. The company offered an ATM service for its subscribers called "PhonePe ATM" in January of 2020. It creates more revenue.

**BHIM** Bharat Interface for Money (BHIM) is a payment app that lets you make simple, easy, and quick transactions using the Unified Payments Interface (UPI). You can make direct bank payments to anyone on UPI by using their UPI ID or scanning their QR code with the BHIM app. You can also request

money through the app using a UPI ID. Pioneered and developed by the National Payments Corporation of India (NPCI), BHIM has been conceived and launched by the Hon'ble Prime Minister of India, Narendra Modi, on December 30th, 2016 to bring financial inclusion to the nation and a digitally empowered society.

**Paytm** Paytm is a third-party mobile and computer-based digital payment service with Indian origins. Paytm was founded in 2010 as a private business operating company. E-commerce, financial technology, and digital wallets are among the application's specialties. It is a commonly used program that provides services in 11 distinct Indian languages, with the goal of being easily understood by all citizens of the country. Aside from providing the ability to send and receive payments, the app also caters to a variety of client demands through its Paytm Money, Paytm Smart Retail, and Paytm Payments bank services. As of now, the application has over 350 million active users.

## REVIEW OF LITERATURE

**(R. Joshi & Kumar, 2020)** investigated the impact of digital India on the Indian economy in order to assess the challenges associated with digital India. The study discovered that digitalization has resulted in increased innovation, ease of operation, economic growth, and new job prospects. It has aided in the establishment of systemic transparency and the free flow of funds across the economy.

**(M. C. Joshi, 2017)** examined the impact of demonetization on digital payments, as well as the differences in growth in various digital payment modes prior to, during, and after demonetization. They used a descriptive research approach to achieve the above goals, and the study's required data of retail digital payment data in NPCI was acquired from the Reserve Bank of India's website. They discovered in their research that the true impact of demonetization on digital payments was also realized after the move. Demonetization made it mandatory to utilize digital payments as an alternative to cash, and digital payments have continued to rise since then.

**(Agarwal et al., 2018)** examine how the unavailability of cash affects a consumer's spending behavior and choice of spending mechanism in a cash-based economy. They also use a difference-in-difference framework to estimate the magnitude and persistence of the use of digital payment channels post the announcement. They noted that the debit card data reveals an increase in usage post-demonetization among existing users, where transaction volume rose by almost 28 percent, and also that the transaction volume of new adopters rose by almost 400 percent. They also analyzed the impact of demonetization from the supply side on payment modes like traditional (debit card) and non-traditional (e-wallet) as well as from the demand side by collecting data from two retailers (one an e-grocer and the other a physical marketplace).

**(Ghosh, 2021)** reviewed various papers and noted that digital payment is far more convenient and time-saving as compared to traditional means of paper currency. He also emphasized that such payment transactions can be done round-the-clock by any individual who possesses an internet connection; they don't have to wait in lines to make transactions. The researcher suggests that people are using and accepting digital payment systems as it is a faster mode of payment that also offers rewards or cash back. The researcher also talked about the digital payment system post-demonetization and how the government took an initiative to make India a cashless country. The researcher noted that post-COVID-19, we are all making the most use of the digital payment system. All e-commerce, all online grocery, or other necessary online commerce do not accept cash. They all accept prepaid payment, which can be done through various digital payment systems.

**(Dr. Swati Kulkarni, Dr. Aparna J Varma, 2021)** attempted to identify the thinking of consumers with respect to online payments and the safety of these payments. This study aims to understand the frequency of digital payments and factors affecting or challenges faced by consumers while using digital payment modes that may affect consumer perception. The researchers also suggested that the study is exploratory in nature and relies on literature reviews and secondary information

for the findings. They also noted that there are various drawbacks to the study, as it is not an in-depth study, is not exhaustive in terms of the literature, and it does not use any quantitative data. The paper identifies the main thrust areas in literature and projects them.

**(Mate & Kapdi, 2021)** analyzed the importance of digital payments in the COVID-19 pandemic and also the perception of consumers with regards to the usage of digital payments in the COVID-19 pandemic. They collected primary data irrespective of their demographic characteristics. A total of 113 responses were obtained. Apart from this, the secondary data was obtained from the Government of India portal of digital payments, official reports and other web sources. They noted that when people were asked about the experience of the E-wallet during the COVID-19 period, they said it was convenient to use, safe, and easy to handle. They also noticed an increase in orders placed on ecommerce websites and apps for food, entertainment, and food during the COVID-19 outbreak, when people were encouraged to stay connected to the public sphere.

**(Ma et al., 2021)** From secondary research such as previously published articles, journals, and government-published sources, analyzed the impact of COVID-19 on *Digital Payment Services in Towns and Villages*. The researchers observed that there is an increasing trend year by year in the financial year share of digital payments, which was less than 5 per cent in an economy that increased to approximately 15 per cent in the financial year before the pandemic. In the year 2020, the share experienced a growth of between 15-20 per cent, which has further increased to near 20 per cent in the current year, which is the financial year 2021. It is being predicted that by the year 2023, the Indian economy will have approximately 25 percent of its share, which will translate into about \$1 trillion in the US. They found out that there was a use of digital payment services by Indian people, such as businessmen as well as households, but the wave of COVID-19 has increased the use of digital applications in the economy, especially at town and village level. The reason behind the findings was that every citizen is now conscious about their health and safety, hence preferring digital transactions

instead of cash payments.

**(Manocha et al., 2019)** After collecting secondary data from various research papers and articles, noted and mentioned in their research that the transactions from E-wallets reportedly increased from 17 lakhs per day to 63 lakhs per day. It was also seen that in various metro cities, even small market merchants started keeping Point of Sales (POS) machines at their shops to accept payment digitally. Furthermore, it is evident from past studies and statistics that there are some major challenges and limitations that must be essentially considered and addressed. Potential developments in this direction are becoming difficult due to the fact that the data considered for analysis is taken from the source of the Reserve Bank of India. The months contributing to the post-effect are from November, 2016 to February, 2018. The total data is for 30 months. In their research, they also revealed that demonetization made a significant difference in rising digital payments, but still, there is an essential need to improve the rate of online transactions and move to a cashless world. Cash transactions are still one of the dominant players among any other mode of digital payment transactions. To improve the rate of cashless transactions, the factors that are directly affecting the cashless economy need to be considered. Governments, financial intermediaries, and banks must initiate awareness campaigns and programs.

**(Singh, Shamsheer, Rana, 2017)** analyzed customer perception and the impact of demographic factors on the adoption of a digital mode of payment. For the study, they collected primary data from 150 respondents from different parts of Delhi. They found that demographic factors, except education, do not have much impact on the adoption of digital payments. ANOVA computation supported this finding as there was no significant difference perceived by the respondents on the basis of gender, age, profession, and annual income. It indicates that adoption of digital payment is influenced by the education level of the customer. If a person has studied beyond matriculation, he or she will be inclined to use the digital payment mode. It was also found that in areas where the education level is high, such as Delhi NCR



and other metropolitan areas, the possibility of acceptance of digital payment is much higher. The increased use of smartphones and internet penetration in such areas aided in the adoption of digital payment.

(Adharsh et al., 2018) found in the study of "Transformation towards E-wallet payments Systems pertaining to Indian Youth" that there are approximately 80.5 million users of digital wallets in India and the major group who uses the digital wallet services is the youth. The objective of the researcher is to analyze the impact of digital payments after demonetization on the daily expenses of students, for which they have conducted a survey by asking various questions to a sample size of 160 respondents. They found that approximately two-thirds of youth use mobile recharges and ticket bookings from online modes as it's less time-consuming and more convenient to make transactions. They also noted that various cash backs, freebies, loyalty points, or redemptions attract them to make digital payments and avail the best offers out of them.

### OBJECTIVES OF THE STUDY

- To examine digital payment system of India.
- To understand various modes of digital payment in Indian Banking Industry before after Pandemic.
- To understand the impact of user perception, trust in payment systems, and experience of online fraud on the choice of mode of payment

### RESEARCH METHODOLOGY

The present study is based on primary data collected from 200 respondents from different parts of India (Tier 1 to Tier 3 cities) as well as from secondary data collected from various articles, research papers and RBI's website. To study the consumers' perception about digital payment a questionnaire of 10 questions and 6 sub-questions were designed to collect data from respondents.

**Sampling unit:** This was to define the target population to be surveyed. The sampling unit for the research was the population using digital payment and the target unit was the

youth & young adults.

**Sample size:** The sample size decided in this research was 200.

**Sampling procedure:** For the collection of primary data a well-structured questionnaire was floated among different sects of population in different parts of India.

### Survey Data & Empirical Methodology

For the purpose of this study, primary data is collected using a structured questionnaire circulated online (Appendix 1). Following snowball sampling, the survey was shared on various social media platforms for better reach. The questionnaire was drafted in English and Hindi, to both expand and diversify the sample. It consists of 28 questions that are divided into seven sections viz. demographics, access to and usage of technology, awareness of different modes of digital payment, preference and perception on cash and digital payment systems, spending habits, experience related to fraud, and feedback on awareness campaigns.

Our study broadly aims to understand the impact of user perception, trust in payment systems, and experience of online fraud on the choice of mode of payment. For regression analysis, mode of payment is taken as the dependent variable and the independent variable is added to a baseline model according to the hypothesis being tested. Firstly, a baseline model is obtained for all five types of purchases—grocery, utilities, online shopping, durables, and gold. These transactions range from low to high value transactions. The responses recorded for different types of purchases have the following three alternatives:

- Always pay in cash,
- Always pay digitally, and
- Sometimes pay in cash and sometimes digitally.

Because the dependent variable is categorical and has more than two types, polynomial logistic regression is best suited for regression analysis. The polynomial logit model is an extension of the logit model, with more than two types, in no particular order. The maximum likelihood estimate is used to get the model's parameters.

### Profile of the Respondents

The demographic profile of respondents in **Table 1** shows the population who generally use digital payment. Maximum number of the respondents are male (51%), students (76%) or

are job holders (17.5%). This is the ideal profile of users of digital mode who are educated, employed or is either undergraduate or postgraduate.

**Table 1: Respondents demographic profile**

Variable	Characteristics	Frequency	Frequency Analysis
Age	16-20	122	61%
	21-30	59	29.50%
	Total	200	90.50%
Gender	Male	102	51%
	Female	98	49.00%
	Total	200	100.00%
Occupation	Self employed	0%	5%
	Business	4	2.00%
	Job holder	35	17.50%
	Student	152	76%
	Total	200	100%
City	Tier-1	42	21%
	Tier-2	107	53.50%
	Tier-3	51	25.50%
	Total	200	100.00%

Interpretation of the Table; the above table of demographic profile (gender) shows the different gender using digital payment. The chart shows that the number of male (51%) is greater than the number of female respondents (49%). The above table shows the percentage of respondents using digital payment system in which the major volume of respondents are in 16-20 categories (61%), the second most number of respondents are in 21-30 (29.5%) and the least number of respondents are in 31-40 (9.5%). The above data shows the

percentage of users (respondents) using digital payment system in different parts of India mainly divided in three categories: - Tier 1 (21%), Tier 2 (53.5%) and Tier 3 (25.5%).

Concluding the analysis of demographic profile, the points to be noted from the above table and figures is that the major chunk of respondents are students (youth) - 61%, in which the majority are male (51%), who belong to Tier 2 cities (53.5% of total respondents).



## Frequency analysis

**Table 2:** - Table showing consumer preference of different E-wallets

		G-pay	Paytm	Phone-pe	BHIM	Others	Total	Frequency analysis
Age	16 - 20	63	23	30	2	4	122	61
	21 - 30	21	23	14	0	1	59	29.5
	31 - 40	6	5	4	4	0	19	9.5
Total		90	51	48	6	5	200	100

**Table 2** shows that the youth (age bracket 16-20) benefit the most from digital payments. G-pay has also received the most responses (63 out of 122) of all the E-wallets. When it comes to other wallets, Paytm has the most

responses (23 out of 59) in the 21-30 age bracket, while G-pay has once again beaten other E-wallets in the 31-40 age range (6 out of 19 responses).

**Table 3:** - Table showing why respondents prefer to use above wallets

		Time saving	Convenient	Safe and Secure	Better ratings	Total	FA
Age	16 - 20	24	39	53	6	122	61
	21 - 30	10	27	21	1	59	29.5
	31 - 40	2	8	7	2	19	9.5
Total		36	74	81	9	200	100

\*F. A is abbreviation of Frequency analysis.

For the convenience of interpretation, the above table can be explained as: -the 16-20 age category: - 16-20 age bracket has the highest number of responses and it is the target group of our study. It can be noted from above

table that the mentioned category finds G-pay more time saving (24 out of 122 responded) as compared to other E-wallets also it can be noted that the youth find the preferred wallet to be convenient (39 out of 122), safe and secure (53 out of 122) with better ratings (6 out of 122) as compared to others.

**Table 4:** - Table showing how the respondents knew about their preferred wallets

		News article	Word of mouth	Online search	Social media	Total	FA
Age	16 - 20	8	53	23	38	122	61
	21 - 30	3	28	12	16	59	29.5
	31 - 40	4	11	3	1	19	9.5
Total		15	92	38	55	200	100

From **Table 4** it observed that in 16-20 age bracket 53 out of 122 respondents have heard

about their preferred wallet through word of mouth, 28 out 59 respondents in 21-30 category and 11 out of 19 in 31-40 category also concluded the same.



**Table 5:** - In the Table a ‘wordcloud’ based on the frequently occurring words in the feedback highlights that consumers favour the ‘convenience’ offered by digital payment options available.

## CONCLUSION

As governments, regulators and service provider’s work together to improve electronic payment systems and related infrastructure, it is advisable to study how end users perceive these choices. The main policy recommendation of the study is that a combination of feedback and public perception assessment can accelerate digitization. Through this research, it has been found out that the perception of digital payment tools affects an individual's payment behavior. Digital payments are not only driven by a positive outlook on digital payments, but also a negative outlook on cash. Contrary to popular and traditional belief, customers in India are said to be willing to reduce their online fraud experience because of the greater convenience that digital payment methods offer. The impact of fraud on digital payment options varies depending on the purpose of the transaction. Furthermore, we cannot ignore the role of demographic factors in better adoption of digital payments. The adoption of digital payments is expected to increase based on the general socio-economic development of the people.

Although the data collection comes from a geographically diverse group of respondents, it is still limited to a certain segment of the

population. Data was collected using random sampling therefore it only includes respondents willing to complete the survey online. This is one of the major limitations of the study. In addition, e-commerce and technology companies (more accepting of digital payments) have ramped up their offerings, filling the void left by the closure of physical stores. Various central banks around the world conduct payments log surveys to assess useful variables at the individual level and observe their impact on payment behavior. In the future, such surveys may be continued with a larger sample and in a more structured manner.

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