

Are Generation X Inching Towards Digital Transactions Post Pandemic?

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Abstract

The Covid 19 outbreak shook the entire world and brought lives to a standstill. People were left with no choice but to shift everything to online, and so the financial transactions. Growth of digital payments registered a stellar growth in 2020 as they require no personal contact and can be carried out staying indoors itself. Digital payment applications witnessed a rapid boom during the pandemic.

This study aims to find out the usage pattern of generation X towards Digital payments apps like Phonepe, Gpay, Paytm etc

Keywords Covid-19, Digital Payments, E-wallets, Payment Banks

Introduction

As the world transforms towards E-commerce, digital transactions witnessed stellar growth, which contributed to the innovation of technological advancements in digital payments, thus shrinking the world into one market. India, a country that holds nearly a fifth of the world's population, is steadily moving towards digital penetration in terms of payments. India's population is young, with the average age hovering around 29 years, and 65% of the population is below 35 years, which indicates that it has a majority of Millennials. This tech-savvy generation was quick to move towards digitalization, but the older generations like Generation X were lagging. But over the time, happenings like Demonetisation have changed it all. To add to it, the ongoing pandemic has forced even Generation X to become familiar with scan and pay, which was Greek and Latin to them previously.

Objective

- To Find out the perception of generation X towards Digital payment services.
- To Analyze the usage patterns of Digital payment apps among Middle-aged people.
- To Bring out the concerns of Generation X while using digital payment services.

Research Methodology

The research is based on primary data by using the questionnaire method. Secondary data was collected from various sources such as published articles, books and journals.

Review of Literature

Yang, M. et al. (2021) believed that education is a factor contributing to the younger generation adapting to newer technology quickly. It is

necessary to bridge the age gap by educating Generation X to using new technology

Sornaganesh et al. (2020) This article stated that Covid 19 has led to an increase in preference for digital transactions. This study also stated that there is a significant difference in the preferred mode of payment pre and post-pandemic.

Shams, G et al. (2020) This article attempted to study the mobile banking experience and expectations among Generation X, Y, and Z. Generation perceived mobile banking to be complicated, and they expect it to be more user-friendly.

On October 15, 2020, an article penned by Shephali Bhatt in the Economics times stated that many people's lives had been changed due to Covid 19 and Generation X was no exception. Many people started to learn how to do video conferencing and payments apps to pay for their online shopping and bills. Also, the digital Users in the age group of 55+ was in the range of 25% to 35%.

Journey of Digital Payments

The growth of E-Commerce is a global phenomenon and the major reason behind the emergence of digital payments. In the first decade of this century, people were becoming familiar with Debit and Credits cards. In the next decade, the Banking sector witnessed growth in its customer base and the need for technological advancements. Customers who were only used to debit and credit cards were introduced to the world of digital transactions. But lack of

technology and user-friendliness, along with security threats, was a major deterrent.

In 2016 Demonetization paved the way for the growth of Digital Transactions which gave life to Indian payment applications like Paytm and Phonepe. It also gave birth to Tez, a Google payment application.

Digital payments gained popularity in the recent past among the younger generation for various factors such as ease of use, time-saving, scratch cards, rewards, cashback etc. However, the older generation was still hesitant to switch, unlike their younger counterparts.

In 2020 Covid-19 outbreak changed our everyday lives. Generation X, who were traditionally hesitant and slower to adopt newer technology, have also started to adapt to digital payments due to the lockdown and to avoid the risk of physical contact. Digital Payments, including UPI and other E-Wallets, are increasingly becoming the most preferred payment option in recent months. Lack of user-friendliness and technology, which was a hindrance for Generation X in switching to Digital Payment, was addressed with smartphones replacing feature phones. Generation X, who were reluctant earlier, now made the switch as it became the need of the hour in this fast-paced world. The Digital Payment applications have also evolved and become more secure and user-friendly, which has made payment possible in just a click of a few buttons in order to cater to the various demographic groups.

Data Part

Table 1 Inferential Analysis on the usage pattern of payment applications and working status of the respondent

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.109 ^a	6	.909
Likelihood Ratio	2.147	6	.906
Linear-by-Linear Association	.357	1	.550
N of Valid Cases	51		

Source: Primary data compiled by the scholars

In Table 1, Chi-Square Test was used to analyze the significant influence on the usage pattern of payment applications and the working status of the respondent

The F value 0.909 is more than 0.05, which depicts that there is no significant influence on the usage pattern of payment applications and the working status of the

respondent

Since the usage pattern was found to remain the same among the majority of the respondents, the null hypothesis is accepted at a significant level of 95%.

The outcome of the above test indicates that digital payments is not restricted to a particular segment of society and that all people use digital payments owing to the ease of use.

Table 2 Chi-Square Analysis on the primary Payment apps and their security among the respondents

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.872 ^a	12	.866
Likelihood Ratio	6.808	12	.870
Linear-by-Linear Association	.090	1	.765
N of Valid Cases	51		

In Table 2, Chi-Square Test was used to analyze the significant influence on the primary payment application and the security of the application of the respondents.

The F value 0.866 is more than 0.05, which depicts that there is no significant

influence on the primary payment application and the security of the application of the respondents.

Since the majority of the respondents strongly agree that their primary payment application was safe and secure, the null hypothesis is accepted at a significant level of 95%.

Table 3 Correlation Analysis between Age and usage pattern of the respondents

Correlations			
		Age	Usage pattern of the apps
Age	Pearson Correlation	1	.266
	Sig. (2-tailed)		.059
	N	51	51
Usage pattern of the apps	Pearson Correlation	.266	1
	Sig. (2-tailed)	.059	
	N	51	51

In Table 3, Correlation Analysis was used between age and usage pattern of the respondents

The sig Value .059 is much higher than 0.05, which indicates that there is no significant relationship between the age and usage pattern of the respondents and the null hypothesis is accepted.

The outcome of this test shows that age is no barrier for using payment applications, and Generation X is not an exception to it and that people across all age groups use digital payments.

Findings

- One-third of the respondents belonged to the age group 50-60 years.
- More than half of the respondents are using digital payment applications.
- The majority of the respondents' primary payment application is Gpay.
- The majority of the participants agreed that ease of transaction motivated them to install digital payment applications.
- More than half of the respondents agreed that the Covid-19 pandemic made them install digital payment applications.
- More than half of the respondents strongly agreed that payments are encrypted
- More than half of the respondents agreed that card details are safe and secure
- More than half of the respondents strongly agreed that digital payment applications are user-friendly.
- The majority of the respondents agreed that round the clock availability of digital payments motivated them to use digital payment applications.
- More than one-third of the respondents used these payment applications to transfer money, and more than one-fourth of the respondents used payment applications for shopping.

Suggestions

From the study, it is suggested that more awareness and promotion should be done for digital payment applications to Generation X as the majority of the people became aware only through their friends and family. The banks can also introduce and encourage the customers to use digital payments. Digital payments applications can be made multilingual to remove the language barrier. The banks can encourage people to use digital payments rather than traditional payment methods and move towards paperless transactions.

Digital payment penetration among females should be improved so that more females will start using digital payments. A negligent segment of the population is still hesitant to switch to digital payments, so steps can be taken to convert them into users and to improve the market share. Many users are widely using the app only for money transfer and do not use the

other features like insurance or investing in gold, so awareness about the other features should be done among the users. They also are not aware of the discounts, coupons and referrals which are available in these payment applications, and so awareness about these should also be done to the users.

Conclusion

Digital India is now very much alive and credits to these payment apps. The youngsters have already quickly switched to digital payments, but now it is time for Generation X to switch to the digital world slowly. Every payment is digitalized, starting from toll gate to paying bills and taxes. This has made us more reliant on fintech, so it is important to strengthen the infrastructure for fintech. More awareness can also be created among the rural people through tutorial videos who comparatively have less awareness than their urban counterparts. With these, as a Nation, we can switch to Digital transactions and eliminate the need for traditional payment methods.

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