

PERCEPTION ON TRENDS IN DIGITAL PAYMENTS AND BANKING DURING THE PANDEMIC IN INDIA (An Empirical study in selected areas of Coimbatore district in Tamil Nadu)

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Digital payments in India has witnessed the highest growth in the pandemic. Post the induction of Digital India scheme payments done through electronic mode has started growing. Adequate infrastructure for digital payments were ensured by the both public sector banks and private sector banks, thanks to the forecasts of Reserve bank of India, the Apex bank which is controlling and regulating the banking sector in India. With all adequate and safe facilities available with the banks, the financial transactions took a makeshift and continued uninterruptedly with the help of various digital payment options. Pandemic has resulted in many variations in the existing business models and effect is a significant one. This paper tries to witness the changes in the perception of people towards digital payments during the pandemic.

Keywords: digitalization, digital payments, perception, banking system, satisfaction, etc.

Introduction:

Indian economy is a cash-based economy for decades. With the help of schemes like digital India and other government initiatives have changed towards electronic transactions. With the emerging technologies in banking sector many services offered by the banks become electronic. Easily any one can avail the facility remotely. It is further increased during the pandemic period. As visiting branches of banks for depositing money, withdrawing money and transferring money was not encouraged for the sack of security and convenience people started using the digital payment systems. Various options are available for the customers to use these kind of digital payment options. Banks and third parties are offering the digital payment options. It is convenient and easy for people to use it.

Item	Volume (Lakh)			Value (₹ Crore)		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
1	2	3	4	5	6	7
A. Settlement Systems						
CCIL Operated Systems	36	36	28	11,65,51,038	13,41,50,192	16,19,43,141
B. Payment Systems						
1. Large Value Credit Transfers – RTGS	1,366	1,507	1,592	13,56,88,187	13,11,56,475	10,55,99,849
Retail Segment						
2. Credit Transfers	1,18,481	2,06,506	3,17,852	2,60,90,471	2,85,62,857	3,35,22,150
2.1 AePS (Fund Transfers)	11	10	11	501	469	623
2.2 APBS	14,949	16,766	14,373	86,226	99,179	1,12,747
2.3 ECS Cr	54	18	0	13,235	5,145	0
2.4 IMPS	17,529	25,792	32,783	15,90,257	23,37,541	29,41,500
2.5 NACH Cr	8,834	11,290	16,450	7,29,673	10,43,212	12,32,714
2.6 NEFT	23,189	27,445	30,928	2,27,93,608	2,29,45,580	2,51,30,910
2.7 UPI	53,915	1,25,186	2,23,307	8,76,971	21,31,730	41,03,658
3. Debit Transfers and Direct Debits	4,914	7,525	10,456	5,24,556	7,19,708	8,72,552
3.1 BHIM Aadhaar Pay	68	91	161	815	1,303	2,580
3.2 ECS Dr	9	1	0	1,260	39	0
3.3 NACH Dr	4,830	7,340	9,630	5,22,461	7,18,166	8,68,906
3.4 NETC (Linked to Bank Account)	6	93	650	20	200	913
4. Card Payments	61,769	72,384	57,841	11,96,888	14,34,814	12,93,822
4.1 Credit Cards	17,626	21,773	17,641	6,03,413	7,30,895	6,30,414
4.2 Debit Cards	44,143	50,611	40,200	5,93,475	7,03,920	6,62,667
5. Prepaid Payment Instruments	46,072	53,318	49,392	2,13,323	2,15,558	1,97,695
6. Paper-based Instruments	11,238	10,414	6,704	82,46,065	78,24,822	56,27,189
Total – Retail Payments (2+3+4+5+6)	2,42,473	3,50,147	4,42,229	3,62,71,303	3,87,57,759	4,15,12,514
Total Payments (1+2+3+4+5+6)	2,43,839	3,51,654	4,43,821	17,19,59,490	16,99,14,234	14,71,12,363
Total Digital Payments (1+2+3+4+5)	2,32,602	3,41,240	4,37,118	16,37,13,425	16,20,89,413	14,14,85,173
Note: 1. RTGS system includes customer and inter-bank transactions only. 2. Settlements of CBLO, government securities and forex transactions are through the Clearing Corporation of India Ltd. (CCIL). Government Securities include outright trades and both legs of repo transactions and triparty repo transactions. With effect from November 5, 2018, CCIL discontinued CBLO and operationalised triparty repo under securities segment. 3. The figures for cards are for payment transactions at point of sale (PoS) terminals and online. 4. Figures in the columns might not add up to the total due to rounding off of numbers. Source: RBI.						

The above table shown in the Annual report of Reserve Bank of India is showing the significant growth of digital payments in India.

Review:

Teuta Veseli-Kurtishi et al. in their article titled Digitization of Banking Services and Its Impact on Customer Satisfaction: Case, Republic of North Macedonia analysed and found that banks are constantly educate the customers about digital technologies to improve satisfaction.

Malusare Lalita Babulal in her article titled “Digital Payments Methods in India: A study of Problems and Prospects”, focused on the problems of digital payment system in India and effects of the system in people and economic system of India. The article also tried to explain the future scope of the Digital payment system.

Research Objectives

- To know customers’ perception about the level of adaptability of digital payments
- To identify the factors that affect customers’ adoption of digitalization in banking sector.
- To find out the attitude of people towards adoption of digital payments in India.

Research Methodology

The study is in the nature of descriptive research design. As population is unknown the convenient random sampling method is adopted to collect data from 100 respondents with the help of a well-structured questionnaire.

Reliability Analysis:

Croanbach’s alpha test is used to measure the reliability and the values are ranged between 0.863 to 0.91. So, the minimum level is ensured and it is reliable.

Frequency Table

Frequency analysis of Statements attributing for perception are shown below. The data collected through questionnaire is processed in SPSS.

SDA = Strongly Disagree

DA = Disagree

N = Neutral

A = Agree

SA= Strongly Agree

Table 2: No need to carry cash

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	4	4.0	4.0	4.0
	N	1	1.0	1.0	5.0
	A	28	28.0	28.0	33.0
	SA	67	67.0	67.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (67 %) of the respondents are strongly agreeing to the statement of no need to carry cash when they are going for purchase.

Table 3: Quickly transfer money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	1	1.0	1.0	1.0
	DA	1	1.0	1.0	2.0
	N	4	4.0	4.0	6.0
	A	30	30.0	30.0	36.0
	SA	64	64.0	64.0	100.0
	Total	100	100.0	100.0	

The above table shows that, majority (64 %) of the respondents are strongly agreeing that money can be quickly transferred.

Table 4: Cashback offers are motivating me to go for digital payments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SAD	1	1.0	1.0	1.0
	DA	1	1.0	1.0	2.0
	N	5	5.0	5.0	7.0
	A	35	35.0	35.0	42.0
	SA	58	58.0	58.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (58 %) of the respondents are strongly agreeing that cashback offers are motivating them to go for digital payments.

Table 5: I can easily track the record of previous payments					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	2	2.0	2.0	2.0
	DA	2	2.0	2.0	4.0
	N	5	5.0	5.0	9.0
	A	45	45.0	45.0	54.0
	SA	46	46.0	46.0	100.0
	Total	100	100.0	100.0	

The above table shows that, most (46 %) of the respondents are strongly agreeing that they can easily track the record of previous payments.

Table 6: Discounts and offers I am getting in digital payment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	3	3.0	3.0	3.0
	DA	2	2.0	2.0	5.0
	N	2	2.0	2.0	7.0
	A	34	34.0	34.0	41.0
	SA	59	59.0	59.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (59 %) of the respondents are strongly agreeing that they are getting discounts and offers in digital payment.

Table 7: I believe it is safe to send money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	3	3.0	3.0	3.0
	DA	3	3.0	3.0	6.0
	N	3	3.0	3.0	9.0
	A	38	38.0	38.0	47.0
	SA	53	53.0	53.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (53 %) of the respondents are strongly agreeing that digital payments are safe to send money.

Table 8: It is very easy for me to use

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	3	3.0	3.0	3.0
	DA	2	2.0	2.0	5.0
	N	7	7.0	7.0	12.0
	A	36	36.0	36.0	48.0
	SA	52	52.0	52.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (52 %) of the respondents are strongly agreeing that usability of digital payment is very easy.

Table 9: The instructions for usage is very clear					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	3	3.0	3.0	3.0
	DA	5	5.0	5.0	8.0
	N	3	3.0	3.0	11.0
	A	10	10.0	10.0	21.0
	SA	79	79.0	79.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (79 %) of the respondents are strongly agreeing that they are getting clear instructions for usage of digital payments.

Table 10: Immediately I am getting SMS alerts after the transaction					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDA	5	5.0	5.0	5.0
	DA	2	2.0	2.0	7.0
	N	8	8.0	8.0	15.0
	A	32	32.0	32.0	47.0
	SA	53	53.0	53.0	100.0
	Total	100	100.0	100.0	

From the above table it is clear that, majority (53 %) of the respondents are strongly agreeing that they are getting SMS alerts instantly after completing a transaction.

Table 11: ANOVA

Hypothesis

There is no significant difference between perception factors and overall satisfaction towards digital payments.

		Sum of Squares	Df	Mean Square	F	Sig.
No need to carry cash	Between Groups	4.291	4	1.073	1.445	.225
	Within Groups	70.549	95	.743		
	Total	74.840	99			NS
Quickly transfer money	Between Groups	1.562	4	.390	.754	.558
	Within Groups	49.188	95	.518		
	Total	50.750	99			NS
Cashback offers are motivating me to go for digital payments	Between Groups	4.634	4	1.159	2.278	.067
	Within Groups	48.326	95	.509		
	Total	52.960	99			NS
I can easily track the record of previous payments	Between Groups	2.726	4	.681	1.001	.411
	Within Groups	64.664	95	.681		
	Total	67.390	99			NS
Discounts and offers I am getting in digital payment	Between Groups	4.959	4	1.240	1.643	.170
	Within Groups	71.681	95	.755		
	Total	76.640	99			NS
I believe it is safe to send money	Between Groups	2.065	4	.516	.608	.658
	Within Groups	80.685	95	.849		
	Total	82.750	99			NS
It is very easy for me to use	Between Groups	2.454	4	.614	.717	.582
	Within Groups	81.306	95	.856		
	Total	83.760	99			NS
The instructions for usage is very clear	Between Groups	5.276	4	1.319	1.373	.249
	Within Groups	91.234	95	.960		
	Total	96.510	99			NS
Immediately I am getting SMS alerts after the transaction	Between Groups	5.975	4	1.494	1.401	.239
	Within Groups	101.265	95	1.066		
	Total	107.240	99			NS

It can be observed from the Anovatable that there is a significant difference between perception factors like No need to carry cash, Quickly transfer money, Cashback

offers are motivating me to go for digital payments, I can easily track the record of previous payments, Discounts and offers I am getting in digital payment, I believe it is safe to send money, It is very easy for me to use, The instructions for usage is very clear, Immediately I am getting SMS alerts after the transaction and overall satisfaction towards digital payments.

Conclusion:

During the Pandemic, the digital payment transactions has increased rapidly. With the introduction of Unified Payment Interface by National Payments Corporation of India, which is facilitating peer to peer, Inter bank and person to merchant transactions contributed for the growth in transactions. Digital wallets like GPay, PayTm, PhonePe, Airtel Money, Jio Money and Amazon Pay also contributing significantly for the increase in number of transactions. As people are feeling convenience in handling these digital payments it will continue to grow in the country rapidly and will reach new heights in volume of transactions globally.

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