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IMPACT OF TRUST AND SECURITY IN DIGITAL PAYMENTS THROUGH DIGITAL PAYMENTS PLATFORMS WITH SPECIAL REFERENCE WITH COIMBATORE CITY

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1.1 INTRODUCTION

The digital payment landscape has undergone a profound transformation in recent years, driven by the confluence of technological advancements, increasing internet penetration, and government initiatives promoting digital transactions. The proliferation of smartphones, improvements in digital infrastructure, and advancements in payment technologies have enabled the growth of digital payments, providing users with a convenient, fast, and secure way to conduct financial transactions. Another important reason is the pandemic. Major changes in payment behavior were reinforced, such as reducing the use of paper money, shifting from the physical market to e-commerce, and switching to faster payments anywhere at any place.

This has led to the exploration or increased usage of innovative digital payments to ease the problems faced due to the pandemic. The pandemic has forced everyone to reduce the use of cash and turn to digital payment systems. It makes digital payments at any time through the Internet directly to manage the e-business environment. The global digital payment market is projected to reach $14.973 trillion by 2027, growing at a CAGR of 20.4%



1.2 STATEMENT OF THE PROBLEM

As the internet and communication technologies are getting developed, commercial transaction is becoming more electronic. This change also brings new approaches to a new payment mechanism. Digital payments have revolutionized the way people spend their money. The usage of digital payment platforms among people is increasing rapidly in Coimbatore district i.e., “Manchester of India”. Besides, the research studies have demonstrated that among the factors influencing consumer adoption of digital payment system, security and trust are the fundamental part of electronic transactions. Security in digital payment is a greater issue currently, thereby restricting the customers to trust the digital payment platforms as a payment device. Similarly, the lack of trust in digital payment platforms is a significant problem that can limit their adoption and usage.

1.3 OBJECTIVES OF THE STUDY

The following are the prime objectives of the study:

1 . To study the socio-economic profile of the digital payment users and to identify the factors considered in order of importance among users when using digital payment platforms:
2. To analyse the users usage behaviour of Digital payment platforms and the factors influencing the users to use the digital payment platforms in Coimbatore city
3. To examine the perception of perceived security and perceived trust among digital payment users in Coimbatore City.

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1.4 RESEARCH METHODOLOGY

i) Research Design

The study aims to describe the factors influencing the adoption of digital payment platforms. Hence, the present study uses descriptive research design.

ii) Period of the study

Data collection for the study has taken place over a period of 8 months, from June 2024 to January 2025.

iii) Area of the study

Coimbatore is a major city in Tamil Nadu with a growing economy, witnessing a rapid increase in digital payment adoption making it an ideal location to study digital payment adoption.

iv) Sampling size and sampling design

The Coimbatore city's population is approximately 16.01 lakhs. The population size is indefinite and hence, the sample size has been determined by applying the Cochran (1963:75) formula for an infinite population.

Sample Size

The sample size consists of **600 digital payment users in Coimbatore city.**

REVIEW OF LITERATURE

1. **Aayushi (2025)** in his research on "The Growth of Digital Payment System (UPI) In India" explored the growth trajectory of UPI, analyzed its adoption patterns, and socio-economic impact on both urban and rural segments.
2. **Abdul Kadir N. Arsiwala (2025)** conducted a study on "The Impact of Digital Payment Apps on Consumer Behaviour: A Study of North Maharashtra Region". The study examined the factors driving consumer adoption, such as trust, perceived usefulness, and ease of use, as well as the impact of digital payment apps on spending patterns.

DIFFERENT DIGITAL MODES OF PAYMENTS IN INDIA

1. Banking Cards
2. Unstructured Supplementary Service Data (USSD)
3. Point of Sale (PoS)
4. Mobile PoS
5. Aadhaar Enable Payment Service (AePS
6. BHIM Aadhaar Pay
7. NET Banking
8. National Electronic Fund Transfer (NEFT)
9. Real Time Gross Settlement (RTGS)
10. Unified Payment Interface (UPI)

ANALYSIS AND INTERPRETATION

Awareness of Digital Payment Platforms

Users may hear about digital payment platforms through various channels, including word of mouth, social media, financial institutions, online advertising etc., These channels can raise awareness and drive adoption of digital payment platforms. The table shows the various channel used among respondents towards digital payment platforms.

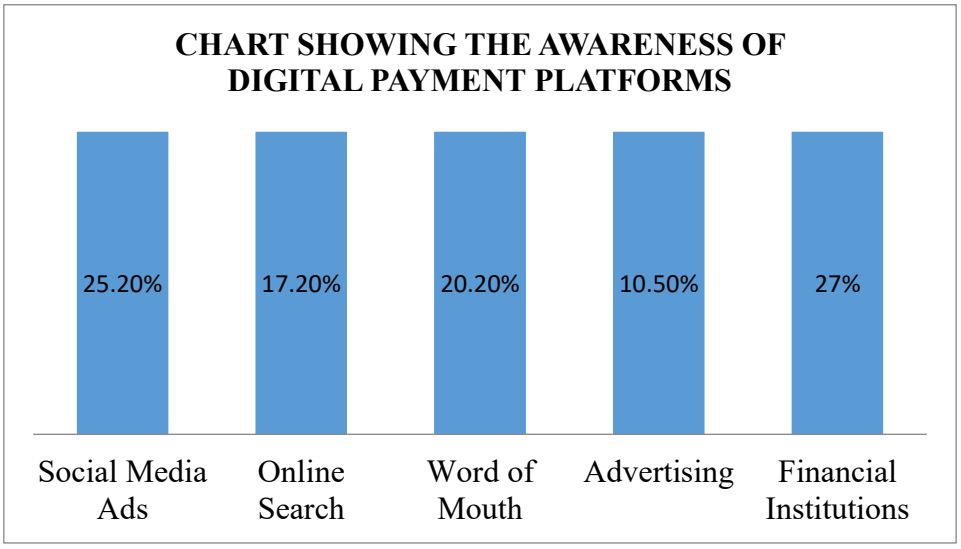
Table: Awareness of Digital Payment Platforms

Channels	Frequency	Percent
Social Media Ads	151	25.2
Online Search	103	17.2
Word of Mouth	121	20.2
Advertising	63	10.5
Financial Institutions	**162**	**27.0**
Total	**600**	**100.0**

(Source: computed

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FIGURE



It is inferred from the table that, 27 per cent of the respondents are aware of digital payment platforms through financial institutions, 25.2 per cent of the respondents are aware through social media ads, 20.2 per cent of the respondents are aware through word of mouth, 17.2 per cent of the respondents are aware through online search and remaining 10.5 per cent of the respondents are aware through advertising. **Hence, it is concluded that most (27 per cent) of the respondents are aware of digital payment platforms through financial institutions.**

FINDINGS

- Most (47 per cent) of the respondents are in the age group of 26 to 41 years.
- Majority (52.8 per cent) of the respondents are male.
- Most (43.8 per cent) of the respondents are graduates.
- Most (33.8 per cent) of the salaried employees are contributing more, in making digital payments.

CONCLUSION

- **"Digital payments are not just a trend, they're a transformation."**

The study highlights the significance of digital payment platforms in today's economy, with a focus on user perceptions, usage, trust, and security concerns. The findings reveal that users prioritize ease of use, security, and trust when adopting digital payment platforms. Specifically, the study shows that UPI payment methods are highly preferred, and users are increasingly adopting digital payments due to their convenience and accessibility. The study also identifies areas for improvement, particularly in building trust and confidence among users. The findings indicate that security concerns are a major reason for users switching between digital payment platforms, emphasizing the need for robust security measures.

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