



A STUDY ON CUSTOMERS' PERCEPTION TOWARDS DIGITAL PAYMENT SYSTEM WITH SPECIAL REFERENCE TO TIRUPPUR CITY

Dr. R. Mayilsamy

*Assistant Professor, Department of Commerce with Professional Accounting
Dr. N.G.P. Arts and Science College, Coimbatore*

Mr. Gokula Krishnan. D

*Student, Department of Commerce with Professional Accounting, Dr. N.G.P. Arts and Science College,
Coimbatore*

ABSTRACT

According to the study it appears that many people actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism, corruption, money laundering but one biggest problem in the working of cashless economy in India is cyber crime and illegal access to primary data. It was found that demographic factor expect education does not have much impact on the adoption of the digital payment. It indicates that adoption of digital payment is influenced by the educational level of the customer. The growth of users of smart phone and internet penetration in such area also facilitated the adoption of digital payment.

KEY POINTS: *Cashless economy, corruption, money laundering, cyber crime, digital payment.*

INTRODUCTION

The Government of India has been taking several measures to promote and encourage digital payments in the country. As part of the "Digital India" campaign, the Government aims to create a "Digitally Empowered" economy that is "Faceless, Paperless, Cashless". There are various types and modes of digital payments. Some of these include the use of Debit / Credit cards, Internet banking, Mobile wallets, Digital payment apps, Mobile banking, Aadhaar Enabled Payment System (AEPS), etc...

STATEMENT OF THE PROBLEM

The current scenario of Indian economy shows the tendency of movement from cash to digital transactions. There are so many efforts have been taken by the government in order to convert the face of Indian economy into a new one. Now a day every

transaction is going digital. In order to accelerate the execution of the concept of digital economy there are number of digital payment systems were introduced. These payment systems can make changes in the economic life of people. Literacy is also another factor affecting the awareness level especially towards the digital payment system.

SCOPE OF THE STUDY

The scope of the study is to know the level of satisfaction of customer with respect to various services of digital payment systems.. This study is aiming to know the best marketing strategy. It also aims to know the awareness about different digital payment applications . Customer satisfaction is dynamic, therefore it is necessary to study analysis and monitoring effective decisions can be taken in respect of services, security, flexibility, complexity and usage.

**OBJECTIVES**

- To make an overview regarding growth in digital transactions in India.
- To study the awareness level of digital payment system among the respondents.
- To study the perception level towards safety on digital payments.
- To understand the impact of demographic factors on adoption of digital mode of payment.

RESEARCH METHODOLOGY

SOURCE OF DATA: The study includes both primary and secondary data.

SAMPLE DESIGN: The sample design used to collect data from the respondents is convenient sampling.

AREA OF THE STUDY: Study is conducted in Tiruppur city only.

SAMPLE SIZE: The sample size which is taken for the study 120 Respondents only.

REVIEW OF LITERATURE

K.Suma Vally, Dr. K.Hema Divya (2018), "A study on Digital payments in India with perspective of Consumers adoption" the study examines the effect of adopting digital payments impact on customers of the banking sector of India. The result put together gives us an important policy direction towards what can enable the country to increase

cashless payments. The results indicate that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less country. The study gives emphasis to the percentage of awareness on maximum utilization of technology. Banks should take effective measures in creating awareness towards the effective usage of technology and security

Dr. Karminder Ghuman and CS Shruti Srivastava (2017) in their paper "Recharging: the Right Way?? A case study on e-payment giants: Freecharge & PayTM" has asked readers a strategic question that in the emerging internet based service provision industry, whether it is a better strategy to develop a unique positioning on the basis of single key service or it's better for an organization to offer multiple services, thereby reducing risk, increasing traction and thus increasing its valuation. Thus they have compared Paytm and Freecharge who are employing opposite strategies to find out which one is better.

PROFILE OF THE STUDY

A Digital Economy is an economy in which all types of transactions are carried out through digital means. It includes e-banking (mobile banking or banking through computers), debit and credit cards, card-swipe or point of sales (POS) machines and digital wallets.

ANALYSIS

TABLE SHOWING THAT HOW OFTEN THEY USE THE DIGITAL PAYMENT SYSTEM OF THE RESPONDENTS

S.NO.	FACTORS	NO.OF RESPONDENTS	PERCENTAGE
1.	Daily	16	13
2.	Weekly once	41	34
3.	Monthly	46	39
4.	Occasionally	17	14
	Total	120	100

(Source: Primary data)

INTERPRETATION

The above table shows out of total 120 respondents, 13% of the respondents are using the digital payment daily, 34% of the respondents are using the digital payment weekly once, 39% of the respondents are using the digital payment monthly,

14% of the respondents are using the digital payment occasionally.

- **Majority, 39% of the respondents are using the digital payment Monthly.**

**TABLE SHOWING THE PREFERENCE LEVEL OF DIGITAL PAYMENT SYSTEM TO THE RESPONDENTS**

S.NO.	FACTORS	RANK 1	RANK 2	RANK 3	RANK 4	RANK 5	TOTAL	RANK
1.	Fund transfer	65(5)	9(4)	15(3)	10(2)	21(1)	447	1
2.	Online shopping	11(5)	47(4)	22(3)	26(2)	14(1)	375	3
3.	Payment of mobile bills	24(5)	31(4)	54(3)	9(2)	2(1)	426	2
4.	Electricity bill payment	12(5)	29(4)	25(3)	46(2)	8(1)	351	4
5.	Booking movie tickets	8(5)	4(4)	4(3)	29(2)	75(1)	201	5

(Source: Primary data)

INTERPRETATION

The above table shows that out of 120 respondents Fund transfer has ranked 1st, Payment of mobile bills has ranked 2nd, Online shopping has ranked 3rd, Electricity bill payment has ranked 4th, Booking movie tickets has ranked 5th.

Fund transfer has ranked 1st.

FINDINGS

1. SIMPLE PERCENTAGE ANALYSIS

- 59% of the respondents are 18 Years – 27 Years
- 54% of the respondent are Female
- 61% of the respondent are Unmarried
- 55% of the respondents are Graduate
- 40% of the respondents are Employee
- 50% of the respondents annual income of the family is Upto Rs.250000
- 58% of the respondents are using the Digital Payment for 2 Years – 4 Years.
- 42% of the respondents prefer the Digital Payment System for Convenience.
- 53% of the respondents are using the Debit card.
- 39% of the respondents are using the digital payment Monthly.
- 47% of the respondents issue regarding the digital payment is Server Problem.
- 38% of the respondents use the digital payment to Reduces risk
- 82% of the respondents have installed malware or antivirus protection on their phone or laptop
- 47% of the respondents are changing passwords, PIN of debit/credit cards once in 6 months

2. RANKING ANALYSIS

- Fund transfer has ranked 1st.
- Price of using digital payment mode has ranked 1st.

3. LIKERT SCALE ANALYSIS

- Likert scale value is 4.15 which is Greater then the mid value (3), so the customers are satisfied with the Quality of Digital Payment System.
- Likert scale value is 4.54 which is equal to the mid value (3), so the customers are Highly satisfied with the Digital Payment Saves cost and time for my financial transactions.
- Likert scale value is 4.15 which is Greater then the mid value (3), so the customers are satisfied with the Digital Payment is convenient to me.
- Likert scale value is 2.95 which is equal to the mid value (3), so the customers are neutral with the Digital Payment is safe and secured.
- Likert scale value is 3.10 which is equal to then the mid value (3), so the customers are neutral with the Digital Payment is delay in its process.
- Likert scale value is 2.90 which is equal to the mid value (3), so the customers are neutral with the Digital Payment has low level of risk.

SUGGESTIONS

- The Digital payment system has to take necessary steps to overcome delay in processing of payments.
- To offer discounts/cash back offers to attract more number of customers.
- Server problem should be overcome in order to make quick transactions.
- Malpractice should be reduced to protect customers personal information safely.

CONCLUSION

From the above analysis it also appears that many people actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism, corruption, money laundering but one biggest problem in the working of cashless economy in India is cyber crime and illegal access to primary data.



It was found that demographic factor expect education does not have much impact on the adoption of the digital payment. It indicates that adoption of digital payment is influenced by the educational level of the customer. The growth of users of smart phone and internet penetration in such area also facilitated the adoption of digital payment.

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