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DIGITAL PAYMENT METHODS IN INDIA: A STUDY OF PROBLEMS AND PROSPECTS

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Abstract
Digital payment refers to paying for goods and services online with the help of electronic mediums. This is called as cashless economy which avoids use of money in physical form. These digital transactions help to reduce the cost of making transactions and also speedup the process involving one transaction cycle. It reduces the risk of handling cash. The record of digital payment can also be maintained easily. Digital transactions also help government as transactions can be tracked easily which will help to reduce black money and thus help in growth of economy.
Keywords: Cashless economy, digital transaction, banking regulatory mechanism, Digital payment.

Introduction

India is moving forward on the way of most significant digital revolution and digital payment system will be an important landmark in the regime of cashless economy in the coming years. Digital payment system is an electronic medium that allow consumers to make electronic commerce transaction for their purchase and also financial transactions. The development of the digital payment in India is anticipated to be driven by digital payment services provides, effective banking regulatory mechanism and experience of consumers and there are also growth enhancing factor for digital payment in India. Digital payment refers to paying for goods and services online with the help of electronic mediums. This is called as cashless economy which avoids use of money in physical form. These digital transactions help to reduce the cost of making transactions and also speedup the process involving one transaction cycle. It reduces the risk of handling cash. The record of digital payment can also be maintained easily. Digital transactions also help government as transactions can be tracked easily which will help to reduce black money and thus help in growth of economy. The government is taking initiatives to move the country towards a cash-less economy and increase the use of digital transactions. The main motto of the Indian government is to make the Indian economy 'Cashless, Faceless, Paperless'. The different apps are available that allow users to make payments online. These are very convenient to use and provides flexibility to the users as they allow users to make payments anytime and from anywhere. Some of the apps used for online payments are: Phone Pe, Google Pay and Paytm.

REVIEW OF LITERATURE

SINGH, (2017) in his study stated that there was significant difference between education of consumers and adoption of digital payment. The perception of consumers for digital payment had positive and significant effect on adoption of digital payment among consumers.

RATHORE, (2016) stated that digital payment using wallet was highly convenient for consumers in purchasing products through online without physical movements across places.

K, KARAMJEET, DR P, ASHUTOSH(2016) explained in their research paper titled "E-Payment System on E-Commerce in India" the different types of cashless transactions methods including their functionality and processing. They have revealed that it is quite difficult, but not impossible, to suggest that which payment system is best. Some systems are quite similar, and differ only in some minor details. Thus there are number of factors that affect the usage of ecommerce payment systems.

T, HOCK-HAN, O. HWAY-BOON (2016) in their book named "Cashless Payment and Economic Growth" examined the effect of adopting cashless payment in five European Union (EU) countries, namely, Austria, Belgium, France, Germany, and Portugal, for the period of 2000-2012. The adoption of one type of cashless payment will affect another type of cashless payment in the short run. The impact of adopting cashless payment on economic growth can only be significantly observed in the long run. Hence, any policy that promotes cashless payment will not affect the economy immediately.

ROUIBHA, (2015) showed that poor security, lack of trust, fear of failure, high charge and poor familiarity were the major constraints that affected e-payments. Besides, security features of internet, banking facilities, privacy and quality of services were also affecting adoption of e-payments.
Dr. S. SUBRAMANIAN (2014) has analyzed in his research paper titled "paper free payment systems in India-an analytical study" that electronic payment systems have been proving to be effective in India during the period of study. Furthermore, this study also revealed that all electronic modes of payments have attained a vast growth compared to the physical paper- based payments like cheques or drafts etc.

STATEMENT OF THE PROBLEM

India is in the second position in the world in population. Still Indian economy is developing economy in the world. So the government of India taking some initiative to develop our economy, our honourable prime minister introduces the digital India for adopting the technology and maintains all transactions should be digital transactions in our country. In order to accelerate the execution of the concept of digital economy there are number of digital payment systems introduced. These digital payment systems can make changes in the standard of living of people. In India, many cashless payments systems were launched such as E-Payments, online payments IMPS, NEFT and mobile wallets. This study will specifically help to understand the growing popularities and problems of E-payment apps in Trivandrum District.

1.2 SIGNIFICANCE OF THE STUDY

The purpose of this study to find out the perception of users towards e-payment apps. This would help to gain better understanding of the various e-payment apps and analysis and observe the mind set of people about while using e-payment apps. Transaction costs, making the payment and time consumption will be reducing. Cashless transaction is convenient for shopping, payment of bills and scheduling of financial transactions managed from home, office or wherever with a smart phone. It also reduces expenditure of printing of currency notes and its transportation. Hence there is a need to study the growing trends in E-Payment apps.

1.3 SCOPE OF THE STUDY

The study focuses on the 100 respondents who are using E-Payment apps for buying products and services in Trivandrum district. It attempts to analyse the problems and challenges faced by the consumers in using different E-payment apps.

OBJECTIVES OF THE STUDY

1 To study the perception of users towards e-payment apps.
2 To evaluate the e-payment practices among users.
3 To understand the factors which influence the users for using various e-payment apps.

HYPOTHESIS

H0: There is no significant difference between Gender of the respondents and overall satisfaction of E-payment apps and services.
H1: There is significant difference between Gender of the respondents and overall satisfaction of E-payment apps and services.
H0: There is no significant difference between income of respondents and the opinion about Applications using for online purchasing
H1: There is significant difference between income of respondents and the opinion about applications using for online purchasing.
H0: There is no goodness of fit between respondent'spreference towards online payment APPS
H1: There is goodness of fit between respondent's preference towards online payment APPS

Research Methodology

Primary data was collected from 100 respondents on the basis of purposive Snowball sampling technique by using structured questionnaire. The questionnaire was pre-tested by distributing it among 20 respondents and was accordingly modified before collecting the data.Secondary data required for the study was collected from the following sources: -Books ,Magazines, Journals from digital library,

Periodicals and Internet publications.The collected data was tabulated and analysed with the help of statistical tools. For analysis mathematical tool, percentage was used and for presentation pie charts, bar charts and column charts were used for the study.

Analysis and Interpretation

HO: There is no significance difference between income of respondents and the opinion about applications using for online purchasing

H1: There is significance difference between income of respondents and the opinion about applications using for online purchasing.

CONTIGENCY TABLE

Income	PAYTM	GOOGLE PAY	PHONEPE	BHIM	OTHERS	Total
UPTO RS. 5000	10	8	5	2	1	26
5000-10000	3	10	7	1	2	23
10000-15000	7	17	8	2	2	36
ABOVE 20000	2	9	3	0	1	15
Total	22	44	23	5	6	100

OBSERVATION TABLE

OBSERVED VALUE	EXPECTED VALUE	CHI CONTRIBUTION
10	5.72	3.203
8	11.44	1.034
5	5.98	0.161
2	1.3	0.377
1	1.56	0.201
3	5.06	0.839
10	10.12	0.001
7	5.29	0.533
1	1.15	0.029
2	1.38	0.279
7	7.92	0.107
17	15.84	0.085
8	8.28	0.009
2	1.8	0.022
2	2.16	0.012
2	3.3	0.512
9	6.6	0.873
3	3.45	0.059
0	0.75	0.75
1	0.9	0.011

TEST STATISTIC

Chi-square	9.106
Df	12
Table value	21.03
Significance level	0.05
Inference	Accept the Null hypothesis

Inference

It can be seen from the above table that the Pearson Chi Square value is 9.106 and the Table value (21.03) are not statistically significant at 5% level. It indicates that there exists no significant difference between is no significance difference between income of respondents and the opinion about applications using for online purchasing

HO: There is no significant difference between Gender of respondents and overall satisfaction of E-payment apps and services.

H1: There is significant difference between Gender of respondents and overall satisfaction of E-payment APP service.

CONTINGENCY TABLE

Gender	Very satisfied	Satisfied	Neutral	Unsatisfied	total
Male	16	12	8	7	43
Female	20	18	10	9	57
Total	36	30	18	16	100

OBSERVATION TABLE

Observed value	expected value	Chi contribution
16	15.48	0.017
12	12.9	0.063
8	7.74	0.009
7	6.88	0.002
20	20.52	0.013
18	17.1	0.047
10	10.26	0.007
9	9.12	0.002

Test statistics

Chi-square	0.16
Df	3
Table value	7.81
Significance level	0.05
Inference	Accept the Null hypothesis

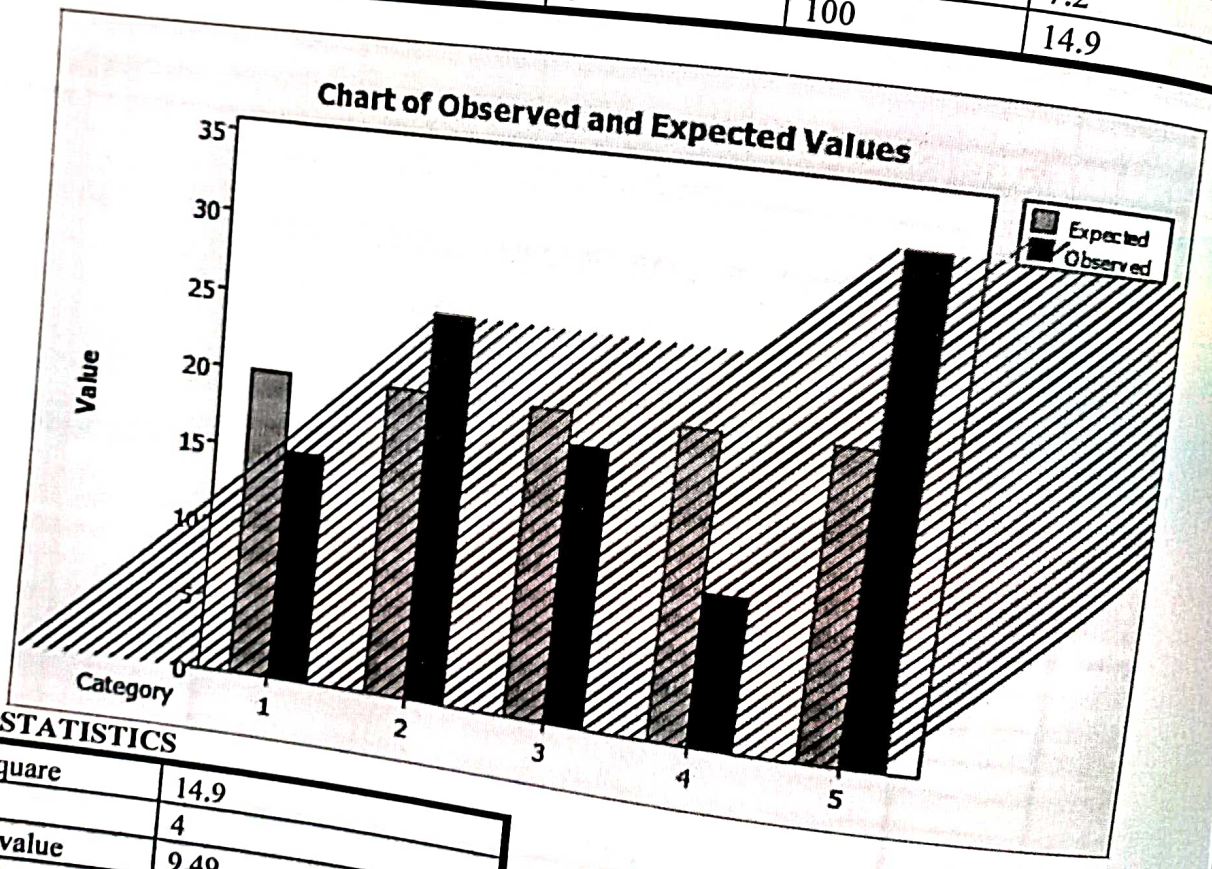
Inference

It can be seen from the above table that the Pearson Chi Square value is 7.81 and the Table value (7.81) are not statistically significant at 5% level. It indicates that there exists no significant difference between is no significance difference between Gender of respondents and overall satisfaction of E-payment APP service.

HO: There is no goodness of fit between respondents preference towards online payment APPS

H1: There is goodness of fit between respondents preference towards online payment APPS

Category	Observed value	Test proportion	Expected value	Chi contribution
TIME SAVING	15	0.2	20	1.25
EASY OF USE	25	0.2	20	1.25
SECURITY	18	0.2	20	0.2
CASH BACK AND REWADRS	10	0.2	20	5
ALL OF THE ABOVE	32	0.2	20	7.2
Total	100	1	100	14.9



TEST STATISTICS

Chi-square	14.9
Df	4
Table value	9.49
Significance level	0.05
Inference	Accept the Null hypothesis

Inference

It can be seen from the above table that the Pearson Chi Square value is 14.9 and the Table value (9.49) are statistically significant at 5% level. It indicates that there exists no significant difference between is goodness of fit between respondents preference towards online payment APPS
The study is based on the topic "growing popularity and problems of e- payment apps among users .it shows the popularity and problems of while using e-payment apps during in this pandemic period. For the study 100 respondent have been selected randomly. The study is to examine the growing popularities and problems of e-payment apps among users in Trivandrum District. The findings, suggestions and conclusions are given below:

FINDINGS

Fifty four percent of the total respondents are most likely to use e payment apps under the age group 18-25. Of the total number of respondents,57 percent are female. Out of the total respondent's 37 percent are graduate.
Thirty six percent of the respondents earns monthly income of RS.10000-RS.15000.
Among the total respondents, Eighty Three percent of them used e- payments apps while purchasing products and services.
Out of the total respondents forty four percent are using google pay application for making online payments.
Thirty percent of the total respondent uses the e-payment apps weekly.
Sixty eight percent of total respondents are fully aware about the functionality of e- payment apps.
Thirty two percent of the respondents prefer the e-payment apps due to time savings, ease of use and security and cash back and rewards.
Of the total respondents, 68 percent of them feel a sense of security towards e-payment apps.
Fifty percent of the respondents frequently faces technical issues while making payments through e-payment apps.
Among the total respondents, 55 percent had never lost money through the e-payment services.
Of the total respondent 88 percentage received refund on lost money.
Sixty percent of the respondents had reduced traditional transaction payment system over e-payment apps.
Ninety percent of the respondents are satisfied with the speed of transaction of e- payment apps.
Forty five percent of the total respondents are using e-payment apps as an alternative while comparing with other sort of physical payment method.
Out of the total respondent 29 percent are preferring the e-payment apps for online shopping.
Out of the total respondents42 percent are faced security of payment as an obstacle.
Among the total respondents, 36 percent are very satisfied with the e-payment app and services.
Out of the total respondents,41 percent of them extremely likely recommends the e-payment apps to others.
Among the total respondents, 40 percent acquired information through social media.
Twenty seven percent of the respondents are highly convenient and safe in using e-payment apps.
Forty nine percent of the respondents have a positive view on modern technology.

SUGGESTIONS

The following suggestions are proposed based on the findings:
The e payment users would preferably like to stick with one or two apps only instead of sharing their bank details in various other platform.
It would be better to continuously updating e- payment apps and adding innovative solutions
It would be made sure that all smartphone, tablet, laptop etc. are coming with pre-installed and secured payment application and biometric readers.
The e-payment users are trust the transfer process positively, so it is safer to carry all your cards with as it avoids the user to physically carry the credit card.
It is better to ensure more safety in e-payment apps.

CONCLUSION

It has been concluded that half of users have moderate level of perception towards e payment apps. The superiority, efficiency, safe and secured, convenient, cost and time savings, user friendly, easiness and protection of privacy of digital payment have positive and significant influence on the rate of adoption of digital payment of users. Therefore, digital payment system should be strengthened to improve safety and security of financial transactions of users and it must be simplified and make it user friendly. In addition, digital payment system should minimize risk associated with transactions of consumers and it must adopt appropriate measures to overcome undue delay in its processes. The use of these apps for making online payments has made a huge growth in few years. The number of users using these apps is increasing significantly day by day. The wallet facility of these apps attracts a lot of users. There are three most popular payment Apps used in India namely, Google Pay, Phonepe and Paytm, Google Pay is highly preferred for making high value transactions as it makes payment directly from the bank account as compared to other apps. More security features need to be added to increase the user-base further in future.

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