



USERS ATTITUDE TOWARDS DIGITAL PAYMENT SYSTEM POST COVID-19

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ABSTRACT:

Digital payments are essential in today's world and offer numerous benefits over cash, including ease of use, security, and transparency. In this pandemic scenario, the banking industry plays a crucial role in digital payment by providing digital instruments like debit cards, mobile banking, mobile wallets, etc. The global shift to digital payments may be accelerated by the epidemic. The causes of the increase of electronic payments. Payment systems continue to have a high level of public trust because they have demonstrated their sustainability and efficiency. However, the average transaction volumes decreased as a result of the lock-down and company closures. It is essential that the digital payments ecosystem develop quickly and support the Post-COVID age in order to aid in the recovery and help this new standard emerge. The article focuses on the value of digital payments in times of pandemic, the many digital payment methods available.

Key words: Digital payment, Attitude, transaction, payment methods

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INTRODUCTION:

The terms COVID-19 and demonetization have significantly influenced India's move towards a paperless economy. One provided the foundation for digital payments, and the other was the main driver of the ecosystem's expansion related to digital payments. Digital payments facilitate the sending and receiving of money, which stimulates the economy by facilitating the flow of money more easily. With the use of digital payment apps, people may transact around the clock and from any location in the world without breaking the bank. After the pandemic, households and businesspeople in India used digital payment services, but the

Covid-19 outbreak has expanded the use of digital apps in the economy, particularly at the town and village levels. Nowadays, the majority of small company owners, retailers, and even those who make their living as hawkers or handcart vendors sell their goods. Since everyone is now concerned about their health and safety, digital transactions are preferred over cash payments. Transacting via digital apps is far safer than exchanging cash in person, where multiple people touch notes in a circle. In cities and villages, people carry their digital wallet's QR code with them in stores or on their carts, making it simple to pay for the goods or services they have consumed. However, this encourages more



people to pay with their digital wallets or bank accounts instead of worrying about running out of cash while making any kind of purchase. Small company owners can save time and expand their reach by using digital payments, which also function as direct deposits into their bank accounts and eliminate the need for them to wait in queue at the bank's deposit counter.

DIGITAL PAYMENT

Digital payments are ones that take place without a physical money transaction online or through digital platforms. This shows that electronic methods are being used for the payment exchange between the payer and the payee. The Indian government has been putting several plans into action to promote and assist the usage of digital payments across the country. The government wants to establish a "digitally empowered" economy that is "Cashless, Paperless, and Faceless" as part of the "Digital India" programme. There are several formats and methods for digital payments. Please be advised that digital payments can be made online as well as at physical places. An example of a digital payment would be making an Amazon purchase and paying with UPI.

REVIEW OF LITERATURE

- Arjun Singh Rathore, Mr. Arpita Pandey 2018 April 6-7. The main topic of this paper was how digitalization will support the expansion of the Indian economy and the uptake of new technology for modernization and globalisation, both of which advance progress in our area. The Indian community is able to develop knowledge and comprehension thanks to all of the policies and initiatives implemented by the government of India, which have also made it clearer how digital payments are growing in importance. security and safety in regular transactions. Information gathered via secondary sources such as government documents and a variety of research publications.

- Sanghita Roy, Dr. Indrajit Sinha (2014) [4]. said that although the use of e-payment systems has grown significantly in India, more work has to be done to boost their adoption. 90% of transactions are still made using cash. Technology Acceptance Model applied in the research. The study revealed that the four key aspects that enhance the effectiveness of the electronic payment system are innovation, incentives, consumer convenience, and the regulatory framework. Roy and Sinha (2014) Given that the use of mobile wallets is expanding outside of major cities and becoming more common, the electronic payment system will provide enormous amounts of data about how people spend their money in these places. Discounts on digital wallets are being offered by the majority of online retailers.
- Nitsure (2014) In his article, he noted that the poor uptake of information technology is causing emerging nations like India to struggle with the implementation of E-banking programmes. The article emphasised issues with rules, legislation, security, and management. Since the impoverished are shut out of the banking system and the internet, there is a significant risk that a digital divide would develop in India.
- Balazs Vinnai, "It is critical for banks to consider new digital channels as part of an integrated strategy and evolve from first to second generation digital banking: switching digital from a supporting role, to the primary sales and communication channel for banks," states Vinnai, general manager of Misys' digital channels (April 25, 2016). "Reengineering processes around the customer is not easy, but in order for banks to stay relevant and competitive, they must embrace digital banking."

5309

NEED OF THE STUDY:



This study's primary goal is to comprehend how individuals are moving more and more towards digital payments and how those transactions will impact the banking industry and our economy. The purpose of this study is to ascertain how customers see digital payments. Every client has an own perspective on things.

SCOPE OF THE STUDY:

This study examines public understanding, preferences, and behaviour about the shift from a traditional to a digital payment system. People's life now have difficult limits due to COVID-19. The survey's geographic scope is limited to Tirunelveli.

OBJECTIVE OF THE STUDY

- To study the several digital payment methods used by the Indian banking sector prior to the pandemic.
- To understand the role of digital payment system during pandemics.
- To examine online payment methods.

RESEARCH METHODOLOGY

The nature of the current study is descriptive. The study's aim has been achieved by the application of the subsequent methodology: For the study, a sample of 150 respondents from the Thirunelveli area was selected. Convenient sampling is used to choose the respondents. Both primary and secondary data were employed in the investigation. The interview schedule was used to gather the data needed for the investigation. The study's secondary data was gathered from books, journals, periodicals, websites, and census records. Chi-square test, percentage, and ranking approach were employed for analysis. A chart is used in presentations.

DIGITAL PAYMENT METHODS IN INDIA

1. **Bank cards:** Bank cards include Prepaid, Debit, or Business or Commercial Credit Cards as alternatives to cash payments. Customers use Credit and Debit Cards for multiple reasons such as convenience, safety, mobility, etc.
2. **Unstructured Supplementary Service Data (USSD):** USSD is designed to include sections of Indian society that do not have access to proper banking

facilities. Customers can use USSD to execute mobile banking transactions without an internet-enabled smartphone. They can simply dial *99# using any phone to utilise banking services such as interbank fund transfers, balance inquiries, etc.

3. Aadhaar Enabled Payment System (AEPS):

The National Payments Corporation of India launched AEPS to leverage Aadhaar authentication for banking purposes. Customers can use their Aadhaar-enabled bank accounts to transfer funds without any physical activity. Customers can also use AEPS to initiate digital payments at PoS (Point of Sale) terminals and micro ATMs using biometric and Aadhaar Card information.

4. United Payments Interface (UPI):

UPI is a digital payments system that brings various bank accounts under a single application. This feature allows easy money transfers between parties with just a few clicks. Customers do not need a card or bank details, making it a popular digital payment method.

5. Mobile wallets:

Mobile wallets enable customers to carry cash digitally. Users can link their bank accounts to the wallet and enjoy secure digital transactions or use the balance to transfer money.

6. Internet and mobile banking:

Internet banking has allowed customers to avail themselves of modern banking and financial services via a bank's website. Similarly, MobileBanking enables users to access a bank's services via apps downloaded on mobile devices.

DIFFERENT DIGITAL PAYMENTS VOLUME GRAPH

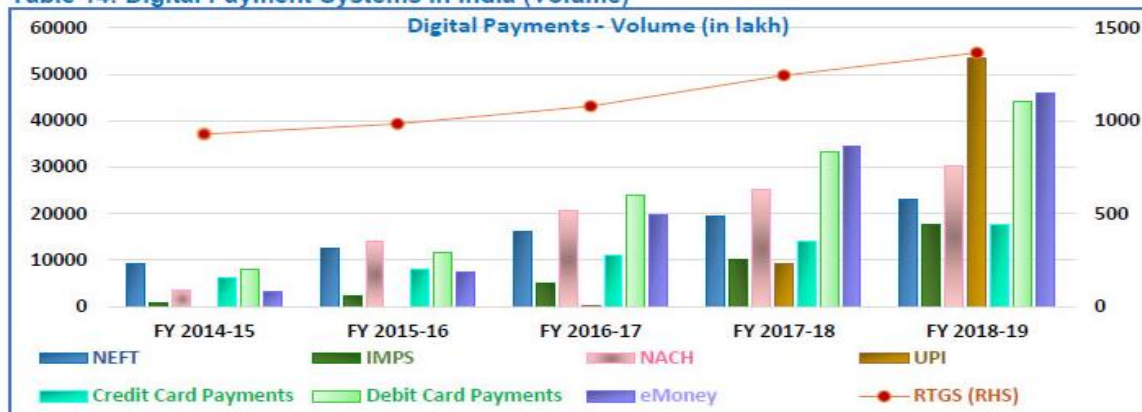
Domestic payments are becoming more widespread, fast, and convenient because to innovation. Customers now have additional alternatives, which makes using digital payments more comfortable for them. Globally, systems providing almost instantaneous person-to-person retail



payments are becoming more widespread. Due to the ease that digital payments provide, many of the nation's payment systems are

now operational around-the-clock, 365 days a year.

Table 14: Digital Payment Systems in India (Volume)

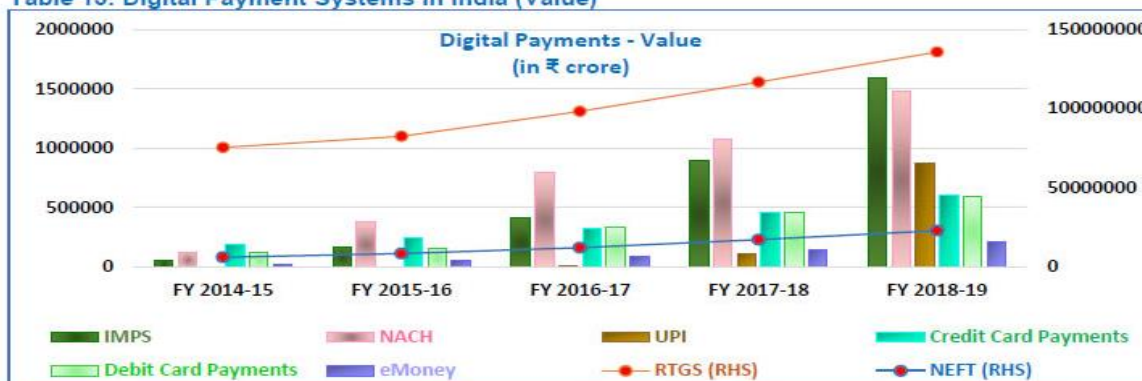


Source: RBI Data

Unified payments Interface (UPI) and Immediate Payment Systems (IMPS) are two rapid payment options available in India; the latter is what drives the number of retail purchases. In addition, India's payment systems environment is poised for significant expansion as NEFT, which drives the value of retail payments, gets operationalized on a 24x7x365 basis (with half-hourly settlements).

5311

Table 15: Digital Payment Systems in India (Value)



Source: RBI Data

DATA ANALYSIS AND INTERPRETATION

THE IMPACT OF COVID-19 ON USAGE OF DIGITAL PAYMENT

Opinion	Total respondents	Percentage of respondents
Maybe	69	46
No	21	14
Yes	60	40
Total	150	100

Source: Primary data

According to the results of study on the impact of COVID-19 and its resultant lockdowns, a majority of 46 per cent respondents reported that maybe the impact of COVID-19 on usage of digital payment. Some participants (14 per cent) have responded that they'd be willing to use digital



payments exclusively. Around 40 percentage of the participants were of the view that the impact of COVID-19 on digital payments usage would be more as pre-COVID-19 levels.

LEVEL OF CHANGES IN USAGE OF ATM TRANSACTION

Opinion	Total respondents	Percentage of respondents
Stayed the same	48	32
Decreased	9	6
Increased	93	62
Total	150	100

Source: Primary data

The above table reveals that out of 150 respondents, 62% of the respondents are said that the usage of ATM transactions are increased consistently due to pandemic; 32% of the respondents are said that the usage of ATM transaction are not having affected due to pandemic; and 6% of the respondents are said that there is a decrease in the ATM transactions due to pandemic.

5312

LEVEL OF CHANGES IN USAGE OF ONLINE BANKING

Opinion	Total respondents	Percentage of respondents
Stayed the same	108	72
Decreased	0	0
Increased	42	28
Total	150	100

Source: Primary data

The above table reveals that out of 150 respondents after pandemic 72% of the respondents are say that there is no changes in their usage of online banking; 28% of the respondents are said that there is an increased their usage of online banking. No respondents are said that there is decreased their usage of online banking due pandemic. This shows that majority of the respondents are said that there is no changes in their usage of online banking due to pandemic.

LEVEL OF CHANGES IN USAGE OF MOBILE WALLET

Opinion	Total respondents	Percentage of respondents
Stayed the same	90	60
Decreased	0	0
Increased	60	40
Total	150	100

Source: Primary data

The above table reveals that out of 150 respondents, after Pandemic 60% of the respondents are said that there is no change in their usage of Mobile wallet; 40% of the respondents are said that, there is an increase on their usage of Mobile wallet. No respondents are said that there is decreased on their usage of Mobile wallet due to pandemic. This shows that majority of the respondents are said that there is no changes in their usage of in their usage of Mobile wallet due to pandemic.



HYPOTHESES TESTING USING CHI-SQUARE ANALYSIS

Association between the gender and changes in usage of digital payment system

The following null hypothesis has framed:

Ho: "there is no association between the gender of the respondents and the level of changes in usage of digital payment system".

Gender	Increased	Stayed the same	Total
Male	48	42	90
Female	45	15	60
Total	93	57	150

Source: Primary data

$$\chi^2 = \sum(O-E)^2/E = 7.172$$

$$r = (r-1)(c-1) = (2-1)(2-1) = 1 * 1 = 1$$

$$\text{for } r = 1, \chi^2_{0.05} = 5.84$$

The calculated value of chi square is 7.172. The table value of chi square at 5% level is 5.84. As the calculated value of chi square is more than the table value, the null hypothesis is rejected. Hence, it is concluded that there is association between the gender of the respondents and the level of changes in usage of banking services and the gender of the respondents does play significant role in level of changes in the usage of digital payment system

5313

ASSOCIATION BETWEEN THE EDUCATIONAL QUALIFICATION AND THE LEVEL OF CHANGES IN USAGE OF DIGITAL PAYMENT SYSTEM:

The following null hypothesis has framed:

Ho: "there is no association between educational qualification and the level of changes in usage of digital payment system".

Educational qualification	Increased	Stayed the same	Total
School level	18	15	33
U. G Level	15	6	21
P. G Level	60	36	96
Total	93	57	150

Source: Primary data

$$\chi^2 = \sum(O-E)^2/E = 1.581$$

$$r = (r-1)(c-1) = (3-1)(2-1) = 2 * 1 = 2$$

$$\text{for } r = 2, \chi^2_{0.05} = 5.991$$

The calculated value of chi square is 1.581. The table value of chi square at 5% level is 5.991. As the calculated value of chi square is less than the table value, the null hypothesis is accepted. Hence, it is concluded that there is no association between the educational qualification of the respondents and the level of changes

in usage of digital payment system and the educational qualification of the respondents does not play any significant role in level of changes in the usage of digital payment system.



CONCLUSION

The report mentioned above leads us to conclude that COVID-19 changed payment methods from traditional to digital. Even though there have been some problems and individuals may find it difficult to trust digital payments, once certain measures are adopted, people will undoubtedly start using digital payments. People's reluctance to utilise cash for any kind of payment has contributed to COVID-19 and forced us to move closer to digitization. Concerns have been raised over the possibility of COVID19 spreading through monetary exchanges.

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