A STUDY ON CUSTOMER PREFERENCE TOWARDS DIGITAL PAYMENTS

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CHAPTER I

1.1 INTRODUCTION

A digital payment, sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone, POS (Point of Sales) or computer, a digital channel communications such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial).

The Digital India is the Indian Government's flagship programme with a vision to convert India into a digitally empowered country. "Faceless, Paperless, Cashless" is one of supposed function of Digital India as part of government reforms Prime Minister Mr. Narender Modi demonetized the high value currency of Rs. 500 and 1000 in November 2016 and also launched the Digital India initiative in 2014.These initiatives have provided extensive boost up to the digital payment system in the country. Government's other initiatives like BHIM and UPI are supporting in transition and faster adoption of digital payments. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment.

In the modern era of technological advancement and digital transformation, the financial system has undergone a remarkable shift from traditional cash-based transactions to digital modes of payment. The rapid growth of information technology, increased internet penetration, and widespread use of smartphones have significantly influenced the way individuals and businesses conduct financial transactions. Digital payment systems have emerged as a convenient, fast, and secure alternative to conventional payment methods, thereby transforming the overall payment landscape.

Digital payments refer to transactions carried out through electronic modes without the direct use of physical cash. These include debit and credit cards, mobile wallets, internet banking, Unified Payments Interface (UPI), prepaid cards, and other electronic payment platforms. The increasing adoption of digital payments has made financial transactions more efficient, transparent, and accessible. Governments, financial institutions, and technology companies are continuously promoting digital payment systems to encourage financial inclusion and reduce dependency on cash-based transactions.

In India, the digital payment ecosystem has experienced significant growth, especially after initiatives such as *Digital India*, demonetization, and the introduction of advanced payment platforms like UPI. These initiatives

have played a crucial role in encouraging customers to shift towards digital payment methods. The availability of user-friendly applications, cashback offers, discounts, and reward schemes has further motivated customers to adopt digital payments for everyday transactions such as shopping, bill payments, fund transfers, and online services.

Customer preference plays a vital role in the success and sustainability of digital payment systems. Understanding customer preference helps service providers identify factors that influence adoption, usage patterns, satisfaction levels, and trust towards digital payment platforms. Factors such as convenience, security, ease of use, transaction speed, cost, and reliability significantly affect customer decisions while choosing a particular digital payment mode. At the same time, concerns related to data privacy, cyber fraud, technical issues, and lack of digital awareness may act as barriers to adoption among certain groups of customers.

The study of customer preference towards digital payments is important as it provides insights into customer behavior, expectations, and challenges faced while using digital payment systems. With the increasing competition among payment service providers, understanding customer needs has become essential to improve service quality and enhance customer satisfaction. Moreover, businesses and merchants are increasingly adopting digital payment solutions to offer better customer experience and streamline their operations.

1.2 STATEMENT OF THE PROBLEM

India is a developing economy characterised by middle class population, emerging standard of living, young population with huge opportunities for employment and entrepreneurship. The development of Indian demographics is resulting in high demand for all types of financial and non-financial services across the world. Presently, the "Digital India" initiative of the government has given a tremendous boost to the usage of digital payment systems throughout the country. Coimbatore is a dynamic city with impressive demographics and the city is going digital and is on the path to embrace technology in all its spheres. The present study is therefore undertaken to identify the awareness and purpose of usage of digital payment systems in Coimbatore city.

1.3 OBJECTIVES OF THE STUDY

- To know the perception of customers about digital payments.
- To analyze the customer satisfaction on Digital payment system
- To analyse the awareness level of the respondents towards the types of digital payment systems
- To find the factors influencing the preference of digital payment systems.
- To identify the problems faced by the customers while using digital payments.

1.4 LIMITATIONS OF THE STUDY

- This study was fully based on the respondents view hence there are more chances for human bias.
- Time constraints are the major limit of this study.
- Thus the result of the study is based on the opinion expressed by customers of Coimbatore only.

1.5 SCOPE OF THE STUDY

This topic deals with customer's perception and satisfaction towards Digital payment system with respect to Coimbatore District. This new mode of payment helps to secure our funds making it cashless. It secures money and saves time. In this research paper, the researcher trying to analyze the customer's satisfaction and their perception towards Digital payment system. The purpose of this study is to know how people feel about the Digital payment system and the opportunity available for further growth in this field.

1.6 RESEARCH METHADOLOGY

1.6.1 MEANING OF RESEARCH:

Research simply means a search for facts - answers to questions and solution to problems. It is purposive investigation. It seeks to find explanations to unexplained phenomenon to clarify the doubtful facts and to correct the misconceived facts. Young defines Research as "a scientific undertaking which, by means of logical and systematic techniques", aims to:

A. Discover of new facts or verify and test old facts,

B. Analyze their sequences, interrelationships and casual explanations,

C. Develop new scientific tools, concepts and theories which would facilitate reliable and valid study of human behaviour.

D. Kerlinger defines research as a systematic, controlled, empirical and critical investigation of hypothetical propositions about the presumed relations among natural phenomena".

1.6.2 RESEARCH DESIGN

Research is a process of getting information about the product or service by using a strategy and plan so as to obtain answer of research question and control of variance.

In the marketing there are three types of research design that are descriptive research design, exploratory research design and experimental research design. In this report the first one descriptive research design is used to collect data.

SOURCE OF DATA:

A. Primary data

B. Secondary data

PRIMARY DATA

The primary data are those which are collected afresh and for the first time and thus happen to be original in character.

In order to collect this primary data, a questionnaire was designed with question with both open ended and close ended question which will cover the overall information needed to this study.

SECONDARY DATA

The secondary data were collected from different sources. In the current context the secondary data was collected through published books, company personal records, journals, magazines, websites etc.

1.7 DATA COLLECTION METHOD

Data collection is a term used to describe a process of preparing and collection data for example as part of a process improvement or simple project. The purpose of data collection is to obtain information to keep on record, to make decision about important issues, to pass information on to others.

- Primary data - Field survey
- Secondary data – RBI reports, NPCI (UPI) statistics,Research journals, Books,

Related information from internet, Company websites (PhonePe, Google Pay, Paytm),

Government publications

- Area of research - Coimbatore

Research approach - Survey

1.7.1 SAMPLING METHOD

Since the study is restricted to customers using digital payment services, the respondents are selected from various users who frequently use digital payment methods such as UPI, debit/credit cards, mobile wallets, and internet banking. As the respondents are selected based on convenience and availability, the sampling method used in this study is Random Convenient Sampling.

SAMPLE SIZE: 100

SAMPLING METHOD: RANDOM CONVENIENT SAMPLING METHOD

SAMPLE UNIT: USERS OF DIGITAL PAYMENT

MEASURING TOOLS: QUESTIONNAIRE

1.8 RESEARCH INSTRUMENT:

QUESTIONNAIRE:

A questionnaire is a carefully compiled logical sequence of questions directed to a define objective. It is the outline of what information is required and the framework on which the data is built upon. Questionnaire is usually used in securing marker information that its preparation deserves utmost skill and care.

COLLECTION OF DATA:

One of the important tools for conduction market research is that availability of necessary and useful data. Data collection is more of an art than a science. The methods of marketing research are in a way the methods of data collection. The sources of information fall under two categories.

INTERNAL SOURCES:

Every company has to keep certain records such as accounts, reports, etc. These records provide sample information which an organization usually keeps collection in its working.

EXTERNAL SOURCES:

When internal records are sufficient and required information is not the organization will have

to depend on external sources of data.

1.9 TOOLS FOR ANALYSIS:

In the study a structure of questionnaire consisting of 25 question covering asked personal and factors influences customer to buy products in D-Mart .the respondents were asked to fill-up the questionnaire and their opinion was consolidated.

The following statistical analysis was performed to answer the objective of the study.

- Simple Percentage analysis
- Chi-square analysis

➢Simple percentage analysis

Simple percentage analysis is a fundamental statistical technique used to express the proportion of a particular response or category as a percentage of the total. This method provides a straightforward way to summarize and compare data, making it easier to understand and interpret.

$$\text{Percentage} = \frac{\text{Number of respondents}}{\text{Total number of respondents}} * 100$$

➢Chi square analysis:

Number of respondents * 100 Total number of respondents This is an important test amongst the several tests of significance. It issued in the context of sampling analysis for comparing a variance to a theoretical variance where

$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where;

Degrees of freedom = (r-1)

(c-1) 0 = observed freedom

E = expected

frequency R = number of row

C = number of columns

1.10 CHAPTER SCHEME

The project is classified in to five chapters the following are the chapters of the study.

CHAPTER 1:

It deals with Introduction and design of the study which includes introduction statement of the problem, scope of the study, objectives, methodology, limitations chapter scheme and review of literature

CHAPTER II:

Review of literature was collected from various journals and articles is been stated under this chapter.

CHAPTER III:

Descriptive information about marketing to special reference to the digital payment system are given in this chapter. The information includes introduction, digital payment system history, factors affecting consumer preference towards digital payment system.

CHAPTER IV: This study is conducted to examine the digital payment system. Primary data was collected through the questionnaires and data was analysed and interpreted and results are presented through graphs, charts, and tables in this chapter.

CHAPTER V:

Based on the study analysis and interpretation taken findings, suggestion, and conclusion was given.

CHAPTER II

REVIEW OF LITERATURE

Dr. S. Suguna, B. Sriram (2024) have found that should encourage rural population to adopt digital payment methods. Enhancing customer support services, expanding UPI acceptance among merchants in Coimbatore City and improving user satisfaction and convenience, enhancements and addressing concerns regarding digital payment disruption and interbank connectivity are crucial for fostering trust and reliability in the digital payment system. So, it is without doubt said that the future transaction system is cashless transaction.

Ankannagari Mamatha, Dr. Selvi S (2024) have found that the survey reveals a diverse perspective on digital payment systems, with gender parity and a strong presence of younger individuals indicating increasing traction among this demographic. Insights from students and employed individuals highlight varied usage patterns across different occupational backgrounds. Widespread adoption for various transactions emphasizes the convenience and efficiency driving the shift towards digital payments, despite some lingering concerns about security.

Farheen Zehra, Farhana Sardar Khan, Syed Shahid Mazhar, Nazia Akhlaque, Ehsanul Haque and Anamika Singh (2024) this research highlights that convenience, security, trust, and incentives are essential in shaping consumer preferences and recommendations in the digital payment sector. The findings offer valuable insights for enhancing digital transaction effectiveness in emerging markets and understanding consumer preferences within the Indian digital payment landscape.

Mr. Kushal H S, Ms. S Kavitha (2023) have found that Urban customers' use of digital payments, in particular, shows a rising trend of trust and adoption. Younger age groups frequently accept digital payment choices, according to the study, indicating a shift away from traditional cash purchases. Notably, the value placed on convenience, security, and user-friendly interfaces suggests the route that digital platforms should take to advance further.

Snehal Bhagvant Borade (2023) have an analysis on satisfaction of customers who are using the E-wallets. So, they took sample of 228 customers of nationalized banks. And they found that there is a positive and significant relationship between usefulness and satisfaction level of customers towards e-wallet.

Dr. R. Sivajothi (2023) this study shows that most of the respondents reported high satisfaction level in Digital payment. Based on the findings, the study concluded that a considerable percentage of the respondents are satisfied with the Digital payment system in Virudhunagar District. Since the results in this study has demonstrated that some respondents are less satisfied with the Digital payment system, it is recommended that there should be further improvement in the Digital payment system.

Chandan Nandihal S, Dr. Atul Loomba (2023) finds that slowly the Digital payment is gaining popularity among the Indian consumers. Paytm and Phone pay is the most popular digital payment among the customers followed by Google Pay. There are different payment vendors like Phone pay, PayPal, Amazon Pay, Google Pay, Paytm, Stripe, Square, Adyen, Skrill, Wepay, Apple pay, Bit Pay, and many more, the latest being Whatsapp Pay, which is latest inclusion in digital payment and money transfer.

Chandan Nandihal S, Dr. Atul Loomba (2023) have found that there is still apprehension towards digital payments due to security concerns, but convenience is drawing the customers to use this medium. There are lot of benefits associated with digital payments like it is time saving, still there are a lot of people about 40 to 50% of the population who are not using this and do not want to use this because of lack of awareness and other reasons.

Mr. Siddaraju S (2023) have found that the majority of consumers are rushing for cashless transactions, with possibly limited cash on hand and endless matches in view. The new measures will motivate more businesses to accept electronic cash or digital money. When opposed to making payments with cash withdrawal, cashless means are more practical, simple, and secure.

Dr. Gargi Chaudhar, Sheetal Joshi, Vansh Bhardwaj, Annu, Aashish Dhiman (2023) the study seeks to understand how consumers see digital payments. According to the literature analysis, the majority of consumers prefers credit/debit cards and is at ease with digital purchases. The hardest thing to overcome that prevents its use is security. The study also suggested that consumers are sufficiently aware of the need for information security in cashless transactions.

Mr. M. A. Prasad, Ms. K. Nivetha (2023) have found that there are exceptional modes of virtual bills in India, and maximum of the humans are the use of them. Among those modes of virtual bills, net banking is utilized by the maximum humans. And majority of the customers are located to be students. The empirical effects from this have a look at make a contribution to apprehend the usage, advantage, effect created via way of means of the virtual fee in Coimbatore.

Pankaj zala, Jayprakash lamboria, Jaydeep santoki (2022) have found that consequently, the study tries to discover what the typical client thinks about. Transacting digitally is the only way to go. Most consumers believe that credit/debit cards allow them to do transactions digitally, according to an examination of the literature. The most difficult part of the project has turned out to be maintaining the project's security.

Prakash M (2022) the study examines the consumer perception towards digital payment. The E-transfer of money has been around us for few years now and the country has greatly benefited from this technological advancement. The usage, comfort ability is being wider and wider day by day. Govt. support e-payment system for the development made human life convenient as a person can pay his payments online.

Dr Mayur Rao, Dhruv Trivedi, Mayurhvajsingh Ataliya (2022) have found that people have been having problems transferring money from their own accounts for many years, and in certain cases, they are unable to withdraw money. Due to two significant factors, the first is demonetization, and the second is the pandemic crisis caused by Covid-19. However, the government has established a scheme called the digital payment system that is extremely beneficial to both new and present generations

Shinki Katyayani Pandey (2022) have found out that the perception of digital payment tools affects an individual's payment behavior. Digital payments are not only driven by a positive outlook on digital payments, but also a negative outlook on cash. Contrary to popular and traditional belief, customers in India are said to be willing to reduce their online fraud experience because of the greater convenience that digital payment methods offer.

Gobinda Mohanty (2022) have found that most of the respondents were already digitally literate, educated and economically sound when put next to the population. This can be one of the foremost limitations of the study. Further, since responses were collected in extraordinary circumstances of nationwide internment, they'll be biased within the sense that these were times once several were compelled to pay digitally for concern of acquiring COVID-19. Digital payments adoption is predicted to extend in line with the socioeconomic development of the population.

Siby K.M (2021) have analysed that the consumer perception of digital payment methods in times of the Covid pandemic. The study based on the sample data concludes that irrespective of various demographic factors such as gender, age, education, profession, and monthly income, people tend to use digital payment methods in times of Covid pandemic.

M. Deepa (2021) has observed that there will be tremendous growth in the adoption of digital payment in the present business scenario. Digital payment has to increase its advertising television media in order to increase the awareness to the public. Digital payment services may also introduce some sales promotion activities such as cash discounts, reduce service charges and gifts etc.

Dr. P. V. Rajeswari, Dr. P. Pirakatheswari, Prof. M. Vaidel (2021) have observed that there is fewer problem for the public to use cashless digital methods at present. But the government's efforts to create awareness, build trust, provide cyber security framework and necessary infrastructure will make it possible for faster acceptance among the public to adapt towards digital payment systems. The growth of users of Smartphone and internet penetration such are also facilitated the adoption of digital payment.

Dr. Shamsi Sukumaran K (2020) have found that the outcomes demonstrate that the sense of innovation for digital payments have improved the nation's cashless exchanges particularly after demonetization which is outfitted towards the administration activity 'Digital India'. Google Pay is the most repetitively utilized and most favored method of digital payment from this study so the respondents are refreshed about the technological headway and changes in the current situation. Online Payments has made our life easier by providing more facilities and its time saving.

C. Vijai, D. Joyce and SM Suriyalakshmi (2019) have found that customers do not have awareness about the benefit of mobile banking services. Banks have to create certain awareness programs to the customers regarding the mobile banking process, which will make the customers be highly satisfied and use of mobile banking services become increases.

M. Priyadharshini (2019) have found that in the areas/region where education level is high such as Delhi NCR and other metropolitan area, the possibility of acceptance of digital payment is much higher. The growth of users of Smartphone and internet penetration in such area also facilitated the adoption of digital payment.

T. Praise, Dr. Florence John (2018) have found that after demonetization mobile wallet usage has become more popular. Internet problem and payment for two digit amount are commonly issues faced by the respondents and also people are not willing to pay extra money. Whether it is a payment or transaction, mobile wallet is considered as a most convenient method. Financial literacy should be there in a country to adopt these kinds of changes.

CHAPTER III
PROFILE OF THE STUDY

3.1 DIGITAL PAYMENT

Digital payments are transactions that take place entirely digitally or online, without the need for a physical exchange of funds. This means that both the payer and the payee exchange money via electronic means. The Indian government has taken a number of steps to promote and support digital payments in the country. The government wants to build a "digitally empowered" economy that is "Faceless, Paperless, and Cashless" as part of its "Digital India" push. Digital payments come in a variety of forms and approaches. Please keep in mind that digital payments can take place both online and in person. A digital payment, for example, is when you buy something on Amazon and pay for it with UPI. Similarly, if you buy something from your neighbourhood Kirana store and pay with UPI instead of cash that is also a digital payment.

3.2 DIGITAL PAYMENT STARTS IN INDIA

On November 22, 2010, the National Payments Corporation of India (NPCI) introduced Immediate Payment Services (IMPS), a mobile-based interbank electronic fund transfer service that operates 24 hours a day, seven days a week. Customers can use mobile instruments to access their bank accounts through IMPS, and high interbank fund transfers can be made in a safe manner with immediate confirmation features. IMPS is well positioned to achieve its objectives of enabling bank customers to use mobile instruments as a preferred channel for accessing their bank accounts, remit funds, and also sub serve the goal of electrification of retail payments, with over 900 million mobile subscribers and a robust payment infrastructure. Customers can now use IMPS services at more than 54 banks. The main goal of IMPS is to enable Micropayments on low-end mobile devices that simply support voice and text, as well as higher-end phones that may support web browsing or Java applications. A person who has signed up for mobile payment service should be able to transmit money to anyone else who has signed up for the same service. This should be independent of the mobile network and bank that either of the individuals belongs to. This is known as interoperability, and it is a critical concern for any big technology to succeed.

3.3 TYPES OF DIGITAL PAYMENT:

1. **Plastic Cards**- These are cards issued by banks to their account holder, by using it they can withdraw money from any ATM by using their password. These cards are used for depositing money in banks to so that there is less wastage of paper. There are two type of cards issued by banks i.e. debit and credit card. Debit cards are issued to all account holders whereas credit cards are issued to the once according to their interests.

2. **UPI** -Unified Payment Interface is a payment mode this is used to make fund transfers through the mobile app. One can transfer funds between two accounts using UPI apps. One should have a registered mobile banking facility to use UPI apps. Currently, this service is only available for android phone users. One can download a UPI app and create a VPA or UPI ID. There are too many good UPI apps available such as BHIM, SBI UPI app, HDFC UPI app, Mobile, PhonePe app etc. It is not mandatory to use the UPI app from a respective bank to enjoy UPI service. One can download and use any UPI app.

3. **Mobile Wallet**- It's the other way of storing or keeping digital cash and using it for various transactions. A person can download any mobile wallets namely Paytm, GPay, Phone pay, Sbi buddy, Jio money, etc. They just need to link there bank account or their plastics cards number to use the amount required and which is further used for making payments, paying bills etc.

4. **Internet banking**- There are various types of internet banking which are NEFT(National Electronic Fund Transfer), RTGS(Real Time Gross Settlement) ,ECS (Electronic Clearing System), IMPS (Immediate Payment Service).These are e-banking system which allows individual or organisations to make transfers using the website of their banks.

5. **Mobile banking-** It is provided by all banks to their customers where the customers need to download the application of the bank and they cause it for making transactions. For using such application on should have a smartphone.

There are many more types of digital payment available in our country and across the globe we have talked about a few which are known to people.

3.4 DIGITAL WALLETS IN INDIA

Paytm: PayTM is launched in 2010, it is the largest mobile wallet application in India. It is a mobile market which is used to make bill payments and transfer money to avail any services. Recently, to improve India's education market segment, PayTM partnered with educational institutions to bring cashless payments for fees and other expenses and also it has an app password feature to ensure safety when loss of mobile phone.

G-pay: In the year 2015, Google Incorporation launched the application. Google Pay is the most widely used digital payment app, and it's available on both Android and iOS devices. A person can either transfer money or pay their utility bills immediately from their bank account. Or by having a UPI (Unified Payment Interface) ID, which can be obtained after installing the Google Pay application. The app provides users with two levels of protection, including fingerprint security. It renders individuals stress-free in the event of identity theft or the loss of their secret credentials. It can be used by small businesses. Payments can be made or received by merchants, wholesalers, or even major corporations. As of today, the app has over 100 million users.

PhonePe: PhonePe is another Indian-based payment service app that was released in 2015 as a privately owned multilingual mobile and PC software. The company's headquarters are located in Bangalore, Karnataka, India. PhonePe is a unified payment interface (UPI)-based software that requires a user to link their bank account and generate a UPI ID in order to complete any transaction or pay utility bills. The app, like Paytm, is available in 11 languages for Indian customers. As of today, PhonePe has over 200 million clients who use its services. The company offered an ATM service for its subscribers called "PhonePe ATM" in January of 2020. It creates more revenue. BHIM Bharat Interface for Money (BHIM).

Dhani: E-wallet apps like this one may be used to make payments, transfer money, and receive services from merchants in the travel, entertainment, and retail sectors, as well as for e-commerce transactions. There are a number of services provided by the Dhani app that is part of the India bulls' set of apps. The Dhani Supersaver Card may be used in combination with this e-wallet. Dhani customers may also join a reward and loyalty programme through which they can play games and win cash to pay for mobile recharges and EMI, payments, insurance, and new Dhani cards. Dhani Super Saver RuPay physical and virtual card promises 5% cashback on all transactions made with the card and is free of charge for the first month.

Amazon pay: In India and throughout the globe, it is also a popular online payment app. After launching in the US in 2007, Amazon Pay was rolled out in India in 2017. Big Bazaar, for example, allows customers to use their Amazon accounts to pay for goods and services on other merchant websites. Amazon Pay is another way to make purchases on Amazon. Additionally, Amazon Pay has teamed up with banking companies like Zest

Money to provide no-frills EMI options on its site. Customers may now easily purchase items on Amazon and pay for them over time in monthly instalments.

ICICI Pockets: ICICI Pockets is a mobile wallet provided to its users as part of a digital bank. Using any Indian bank account, you may load money into your mobile wallet and make purchases. Paying money, recharging phones, purchasing tickets and presents, and dividing expenditures with pals are all possible using Pockets. A virtual VISA card is used to facilitate transactions on any Indian website or mobile application, and a variety of exclusive offers and bundles from affiliated businesses are also made available via this wallet.

HDFC PayZapp: You may pay with only one click using HDFC PayZapp, which is a fun payment solution. Payments may be made for a variety of things with PayZapp: phone and DTH recharges; card payments; utility bill payments; flights; bus; hotel; shopping; movie; music; grocery; Smart Buy offers; and money transfers to anybody in your contact list.

Mobikwik: MobiKwik is an independent mobile payment network that helps instant recharge without sign-up. MobiKwik uses debit, credit card details to store money in the wallet and also through net banking, even doorstep cash collection service is carried out which will be used to recharge, pay bills and to shop at marketplaces.

PayUMoney: PayUMoney is a Gurgaon-based company. It enables the user to store cash in the wallet and pay for various services and transactions. It has special features like auto read of OTP, one-touch check out, cashback offers on every transaction, picking up the transaction where it dropped, and instant refunds on order cancellations.

Citrus: Citrus Pay is the fastest among all the digital wallets. Citrus has been collaborated with Woohoo, a shopping portal to shop at more than 5000 offline stores listed with them. It provides various discounts and offers.

Oxigen: Oxigen was started in 2004. It is one of the payment solution providers in India. It allows customers to make recharge, mobile, DTH services, money transfers, utility bill payments. It also helps in sending money to other mobile phones. It shows transaction history.

Mobile Wallets :

A mobile wallet is a type of virtual wallet service that can be used by downloading an app. The digital or mobile wallet stores bank account/debit card/credit card information or bank account information in an encoded format to allow secure payments. One can also add money to a mobile wallet and use the same to make payments and purchase goods and services. This eliminated the need to use credit/debit cards or remember the CVV or 4-digit pin. Many banks in the country have launched e-wallet services and apart from banks there are also many private players.

1.Open Wallet:

Open wallet enables the users to withdraw cash at ATM or bank, transfer funds and to buy goods and services. M-pesa by Vodafone is a good example for open wallet. This service can be availed only if it is launched with the bank.

2. Semi-Open Wallet:

Semi-open wallet allows to buy goods and services with the money loaded to the wallet but withdrawing cash or redeeming is not possible. Eg: Airtel money is a semi-open wallet where merchants have contract with Airtel.

3. Closed Wallet:

Closed wallet deals with only one merchant. It is used for buying goods and services with only one merchant. Withdrawing cash is impossible. Cash left in the wallet can be used for future transactions with the same merchant. Eg: Bookmyshow, Makemytrip.

4. Semi-Closed Wallet:

A semi-closed wallet allows us to buy goods and services with listed merchants at listed locations. Cash withdrawal or redemption is not possible in semi-closed wallet. Eg: Paytm.

3.5 BENEFITS OF DIGITAL PAYMENTS

Regardless of the definition, some things we know for sure: Digital payments offer significant benefits to individuals, companies, governments, or international development organizations. The benefits of going digital include:

Cost savings through greater efficiency and speed. For example, a recent report by the Better Than Cash Alliance and the Inter-American Development Bank shows that the Government of Peru could save US$96 million by shifting all government payments to more efficient digital options currently available in the market.

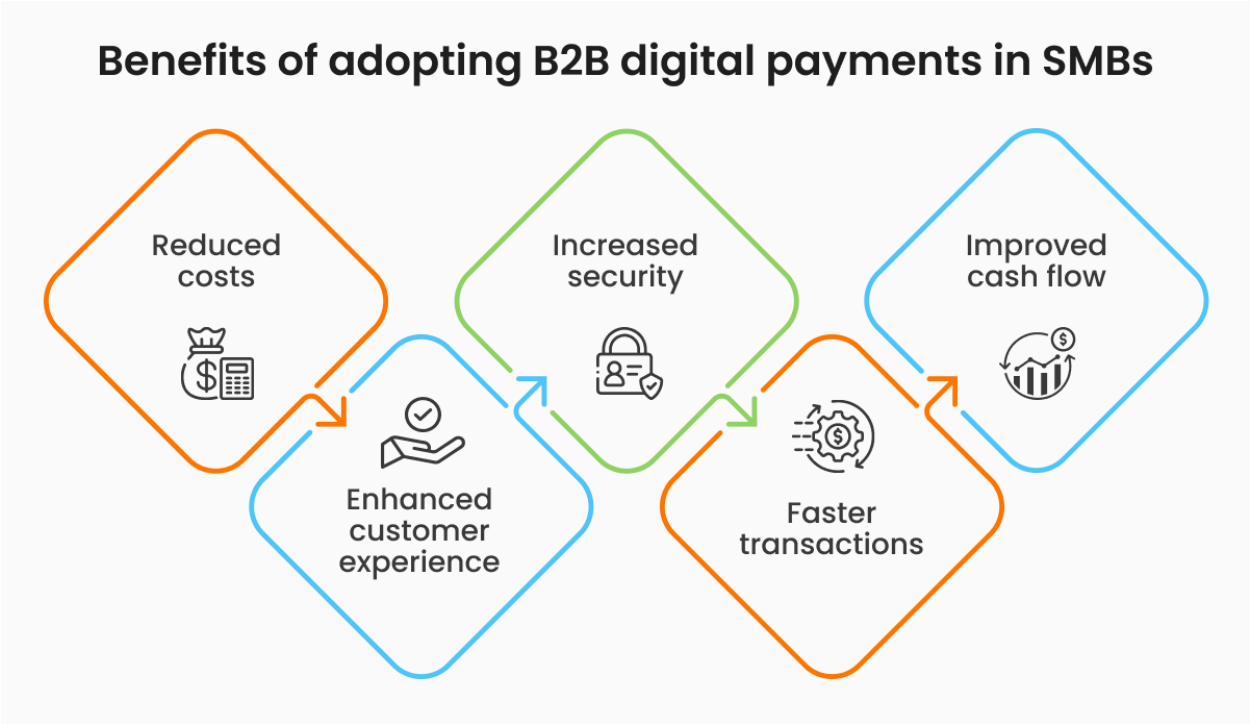
Transparency and security by enhancing traceability and accountability, reducing corruption and theft as a result. For example, a recent report analyzes risks incurred by individual purchasing clerks in cocoa value chains (including assault), due to the prevalence of cash. As of March 2019, the Government of India has saved almost $14 billion in social protection payments through electronic Debit Benefits Transfers.

Financial inclusion by increasing access to a range of financial services, including savings accounts, credit and insurance products. The Committee on Payments and Market Infrastructure and the World Bank published the flagship report 'Payment Aspects of Financial Inclusion (PAFI)', outlining how digital payments help advance financial inclusion

Women's economic participation by giving women more control over their financial lives and providing them greater economic opportunities. A G20 GPFI report highlights how digital payments contribute to women's economic participation.

Inclusive growth Cumulatively, the benefits outlined above help unlock economic opportunity for the financially excluded, and enable a more efficient flow of resources in the economy. There is robust academic evidence about the impact of the widespread adoption of digital payments on poverty reduction (see Jack and

Suri, 2016) and on SDG progress.



3.6 Factors affecting consumer preference towards digital payment systems

Perceived ease of use

Perceived ease of use alludes to how much an individual trusts that utilizing the specific system would be free of effort. Brand loyalty is regularly formed by a customer's early introduction of organization and its products or service offering. Like every early introduction, it needs to get the chance to do this once. This implies hitting the nail on the head the first run through is basic, and ease of use is a key factor with regards to leaving a positive impression in customers mind. If an item is anything but difficult to use from the get-go, consumers are bound to frame a positive association with the brand. As that is it, if an item is hard to utilize, this initial introduction is probably going to last, and could hinder a client from obtaining an item later on. Remarkable ease of use can significantly decrease the measure of resources required with regards to offering customer supports

Saves time

Adopting digital payments causes businesses be increasingly compelling at overseeing business. Accepting any type of payment that clients want to utilize is basic to influence the deal as a large portion of customers want to utilize their card or other digital payment systems while shopping. Customers appreciate the comfort of digital payment systems. Searching for cash, counting out precise change, and writing checks require more vitality.

Perceived usefulness

Perceived usefulness (PU) refers to how much an individual trusts that utilizing a specific system would upgrade his/her performance. It is theorized to be the immediate indicator of

behaviour intention to use. Perceived usefulness (PU) is decidedly connected with continuance intention with regards to digital payments. Within the marketing context, individuals are commonly reinforced for good execution of the service.

Effective

With the advancement of internet technology, the extent of digital payment systems has extremely improved. The most alluring thing about the digital transactions is, exceptionally simple and easy to deal with the transactions with no issue. There is no compelling reason to remain in long lines so as to make the payments. Reduced operational and payment handling costs, developing e commerce, diminishing expense of technology, convenience and interoperability of electronic payment systems made trust among buyers.

Perceived enjoyment

Perceived enjoyment alludes to capacity to significantly impact the intention to utilize. The method of reasoning is that people who experience light or happiness from utilizing a system are bound to shape an aim to utilize it than others. The focal suspicion of this investigation is that perceived enjoyment would straightforwardly decide proceed with utilization in digital payment systems. Not at all like extrinsic motivation, such as perceived usefulness which depends on accomplishment of specified objectives or rewards, had perceived enjoyment alluded the joy of completing an action itself.

Privacy and security

All data-driven digital services, including digital payment systems, carry privacy and security dangers which emerge from poor data practices. From a privacy point of view, poor data practices non-consensual or excessive data gathering, sharing, stockpiling, and use; unchecked data banker; and inability to identify information. From a security point of view, poor practices incorporate the utilization of powerless encryption, poor technical controls, poor digital insight, and centralized data storage. The negative effect of poor data practices influences consumers. Consumers are hurt by data breaches, identity theft, segregation, reputational harm, and real misfortune.

CHAPTER IV

TABLE 4.1

TABLE SHOWING WHAT IS YOUR AGE GROUP?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Below 18	54	**54.0%**
18-25	19	19.0%
26-35	15	14.0%
Above 46	6	6.0%
36-45	6	6.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 1. What is your age group? . Majority of respondents selected 18-25 with 54 responses.

CHART 4.1

AGE GROUP OF RESPONDENTS

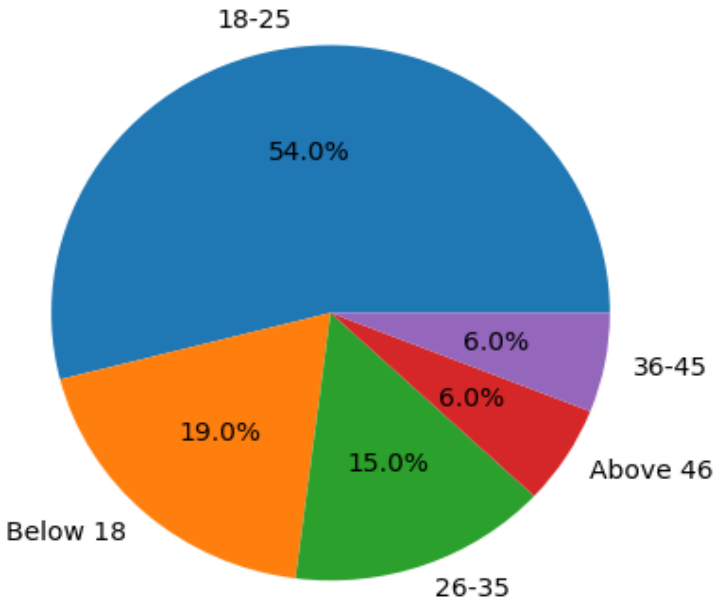


TABLE 4.2

TABLE SHOWING GENDER

PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
Male	59	**59.0%**
Female	41	41.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 2. Gender. Majority of respondents selected Male with 59 responses.

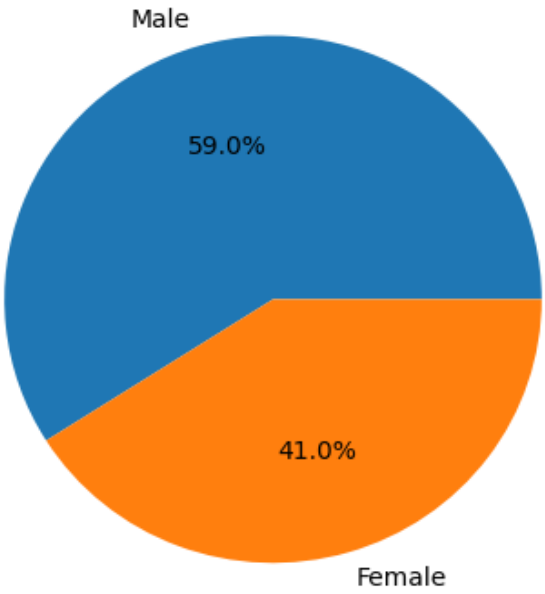


TABLE 4.3

TABLE SHOWING EDUCATIONAL QUALIFICATION:

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Under Graduate	43	**43.43%**
School Level	27	27.27%
Post Graduate	25	24.25%
Professional degree	4	4.04%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 3. Educational qualification: . Majority of respondents selected Under Graduate with 43 responses.

CHART 4.3

EDUCATIONAL QUALIFICATION OF RESPONDENTS

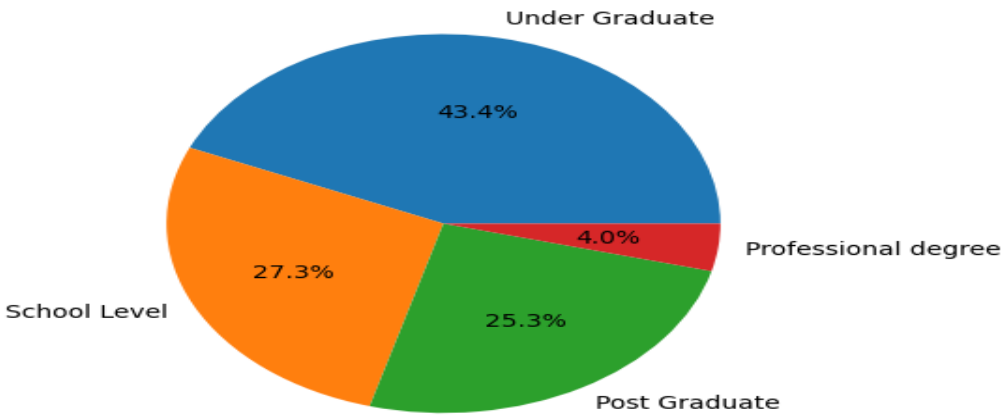


TABLE 4.4

TABLE SHOWING OCCUPATION OF RESPONSENTS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Student	42	**42.0%**
Employed	39	39.0%
Self-Employed	10	10.0%
Homemaker	8	8.0%
Retired	1	1.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 4. Occupation. Majority of respondents selected Student with 42 responses

CHART 4.4

OCCUPATION OF RESPONDENTS

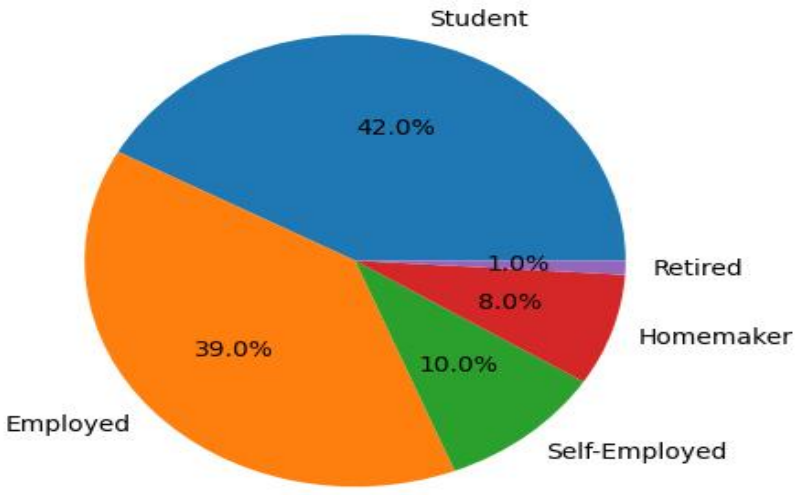


TABLE 4.5

TABLE SHOWING MONTHLY INCOME

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Below ₹10,000	35	**40.23%**
₹10,001–₹25,000	35	**40.23%**
₹25,001–₹50,000	12	13.79%
Above ₹50,000	5	4.75%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 4. Monthly income (optional):. Majority of respondents selected Below ₹10,000 with 35 responses.

CHART 4.5

MONTHLY INCOME OF RESPONDENTS

TABLE 4.6

TABLE SHOWING ARE YOU AWARE OF DIGITAL PAYMENT METHODS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	93	**93.0%**
No	7	7.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 6. Are you aware of digital payment methods? . Majority of respondents selected Yes with 93 responses.

CHART 4.6

ARE YOU AWARE OF DIGITAL PAYMENT METHODS?

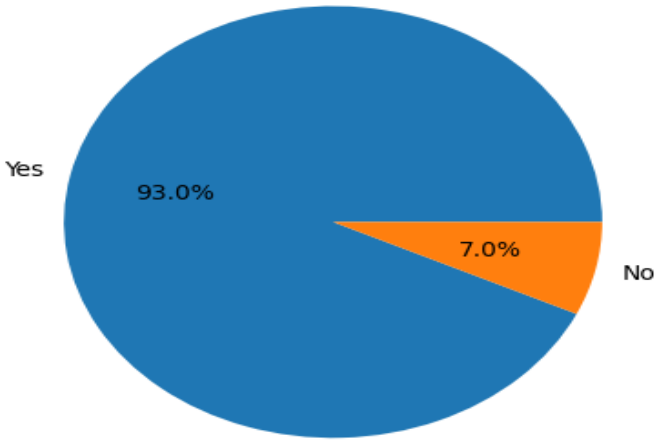


TABLE 4.7

TABLE SHOWING HOW OFTEN DO YOU USE DIGITAL PAYMENT METHODS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Daily	68	**68.0%**
Weekly	18	18.0%
Occasionally	8	8.0%
Rarely	5	4.0%
Never	1	1.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 7. How often do you use digital payment methods? . Majority of respondents selected Daily with 68 responses.

CHART 4.7

HOW OFTEN DO YOU USE DIGITAL PAYMENT METHODS

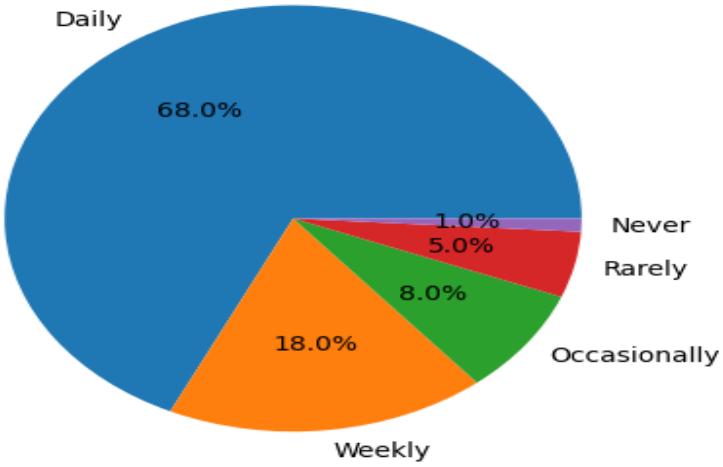


TABLE 4.8

TABLE SHOWING WHICH DIGITAL PAYMENT METHODS DO YOU USE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
UPI (Google Pay, PhonePe, Paytm)	74	**74.0%**
Debit card	15	14.0%
Credit card	6	6.0%
Internet Banking	3	3.0%
Mobile Wallets	2	2.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 8. Which digital payment methods do you use? Majority of respondents selected UPI (Google Pay, PhonePe, Paytm) with 74 responses.

CHART 4.8

WHICH DIGITAL PAYMENT METHODS DO YOU USE?

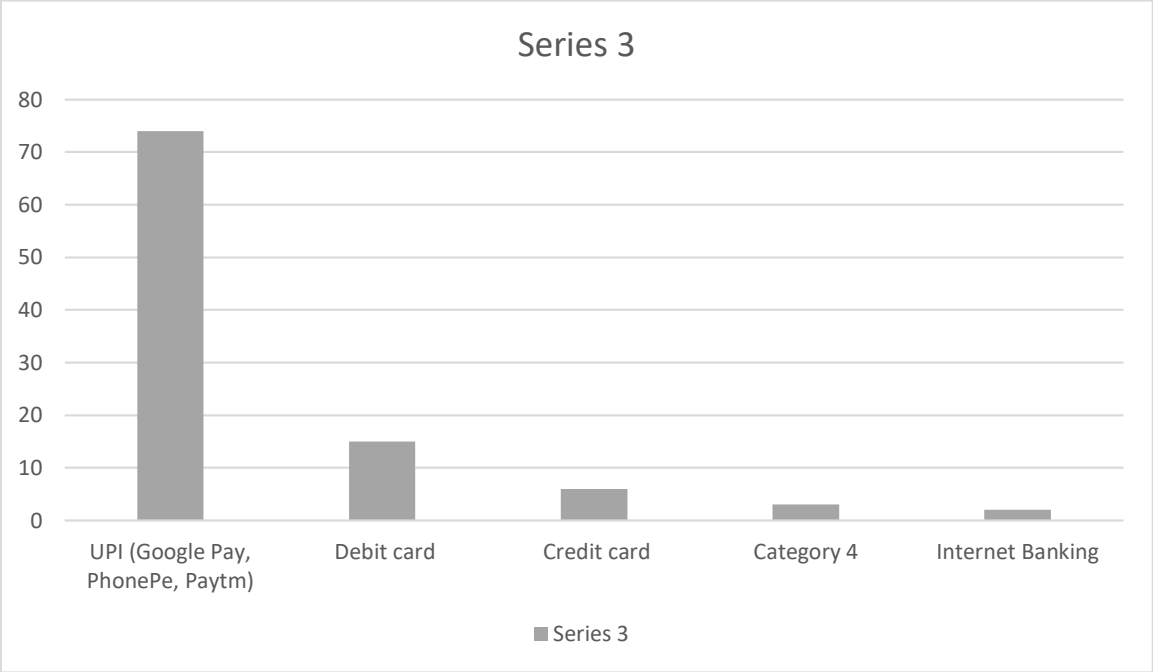


TABLE 4.9

TABLE SHOWING FOR WHAT PURPOSES DO YOU MOSTLY USE DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Shopping	42	**42.0%**
Bill payments	23	23.0%
Travel bookings	13	13.0%
Food & groceries	17	17.0%
Money transfer	5	4.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 9. For what purposes do you mostly use digital payments? . Majority of respondents selected Shopping with 24 responses.

CHART 4.9

FOR WHAT PURPOSES DO YOU MOSTLY USE DIGITAL PAYMENTS?

TABLE 4.10

TABLE SHOWING SINCE WHEN HAVE YOU BEEN USING DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Less than 1 year	28	28.0%
1-3 years	34	**34.0%**
3-5 years	20	20.0%
More than 5 years	18	18.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 10. Since when have you been using digital payments? . Majority of respondents selected 1-3 years with 34 responses.

CHART 4.10

SINCE WHEN HAVE YOU BEEN USING DIGITAL PAYMENTS?

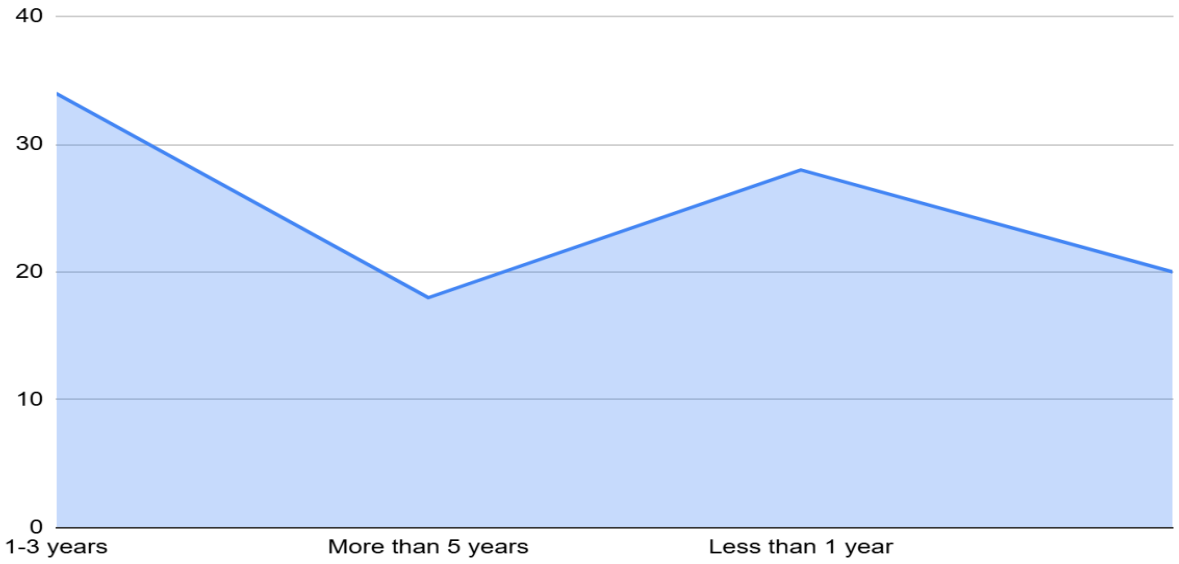


TABLE 4.11

TABLE SHOWING WHAT DEVICE DO YOU MAINLY USE FOR DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Smartphone	92	**92.0%**
Laptops/Desktops	6	6.0%
Tablets	2	2.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 11. What device do you mainly use for digital payments? . Majority of respondents selected Smartphone with 92 responses.

CHART 4.11

WHAT DEVICE DO YOU MAINLY USE FOR DIGITAL PAYMENTS?

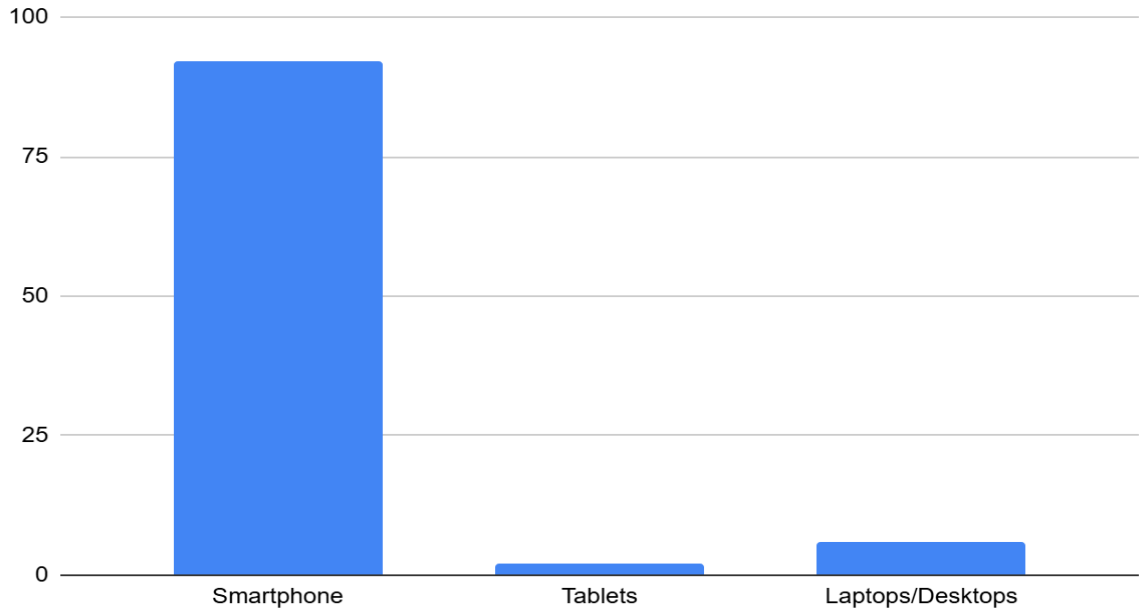


TABLE 4.12

TABLE SHOWING HOW DID YOU FIRST LEARN ABOUT DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Friends/Family	65	**64.0%**
Social Media	13	13.0%
Bank Officials	10	10.0%
Others	6	6.0%
Advertisements	6	6.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 12. How did you first learn about digital payments? . Majority of respondents selected Friends/Family with 65 responses.

CHART 4.12

HOW DID YOU FIRST LEARN ABOUT DIGITAL PAYMENTS?

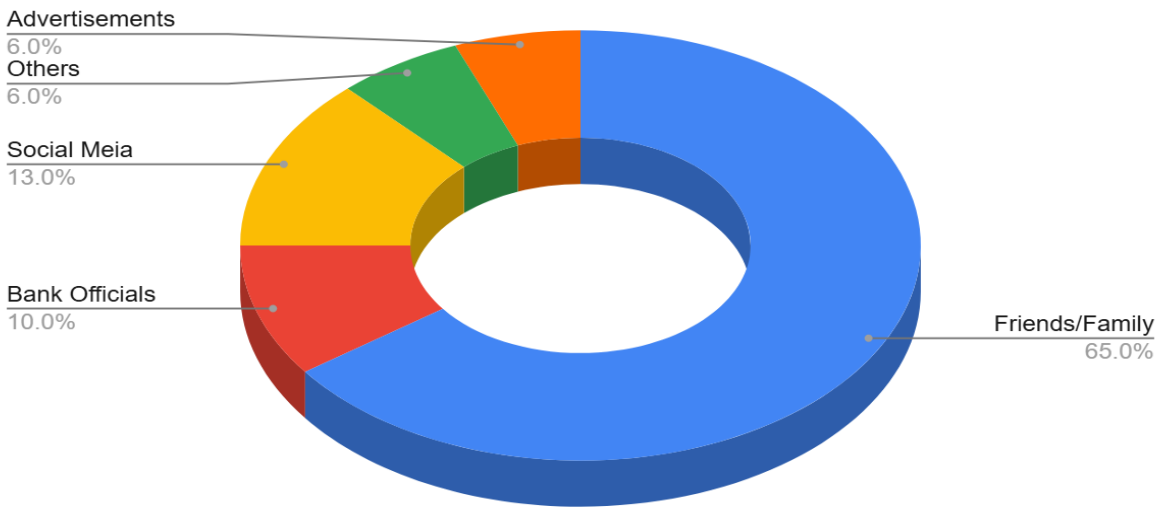


TABLE 4.13

TABLE SHOWING WHAT IS YOUR PREFERRED MODE OF PAYMENT?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Cash	34	**34.0%**
Both	33	33.0%
Digital Payment	33	33.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 13.What is your preferred mode of payment? . Majority of respondents selected Cash with 34 responses

CHART 4.13

WHAT IS YOUR PREFERRED MODE OF PAYMENT?

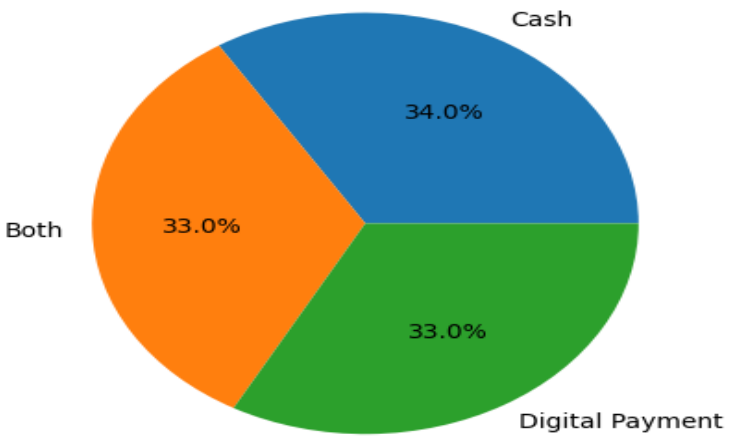


TABLE 4.14

TABLE SHOWING WHICH DIGITAL PAYMENT APP DO YOU PREFER THE MOST?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Goggle Pay	46	**46.0%**
Phone Pe	27	27.0%
Paytm	24	24.0%
Amazon Pay	2	2.0%
Others	1	1.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 14. Which digital payment app do you prefer the most? . Majority of respondents selected Goggle Pay with 56 responses

CHART 4.14

WHICH DIGITAL PAYMENT APP DO YOU PREFER THE MOST?

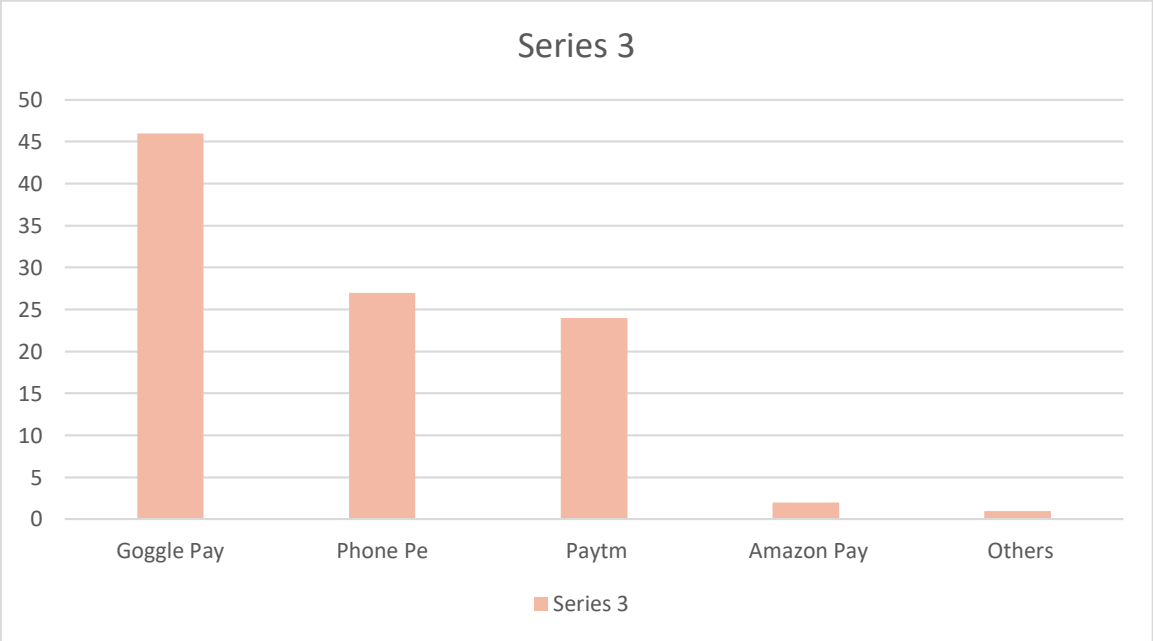


TABLE 4.15

TABLE SHOWING WHAT FACTORS INFLUENCE YOUR PREFERENCE FOR DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Convenience	39	**39.0%**
Easy to use	31	31.0%
Cashback/Offers	10	10.0%
Speed	12	12.0%
Security	8	8.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 14. What factors influence your preference for digital payments? . Majority of respondents selected Convenience with 26 responses

CHART 4.15

WHAT FACTORS INFLUENCE YOUR PREFERENCE FOR DIGITAL PAYMENTS?

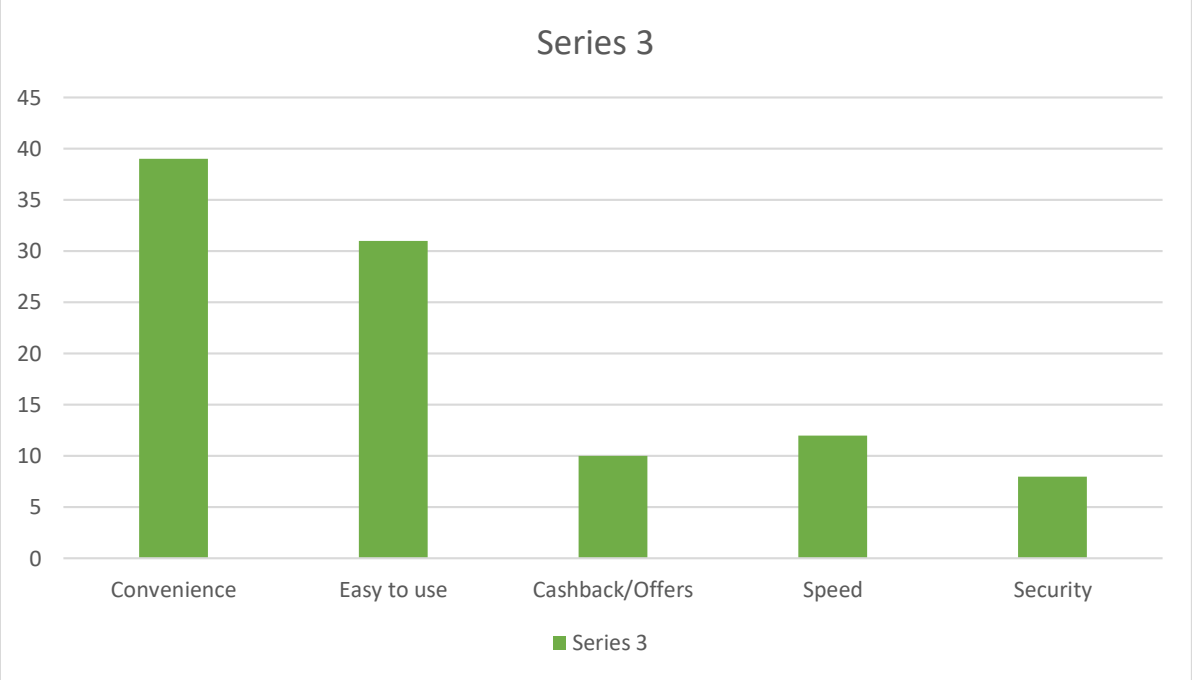


TABLE 4.16

TABLE SHOWING RATE YOUR LEVEL OF SATISFACTION WITH DIGITAL PAYMENTS.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Highly satisfied	43	**43.0%**
Satisfied	37	37.0%
Neutral	14	14.0%
Dissatisfied	6	6.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 16. Rate your level of satisfaction with digital payments. . Majority of respondents selected Highly satisfied with 43 responses.

CHART 4.16

RATE YOUR LEVEL OF SATISFACTION WITH DIGITAL PAYMENTS.

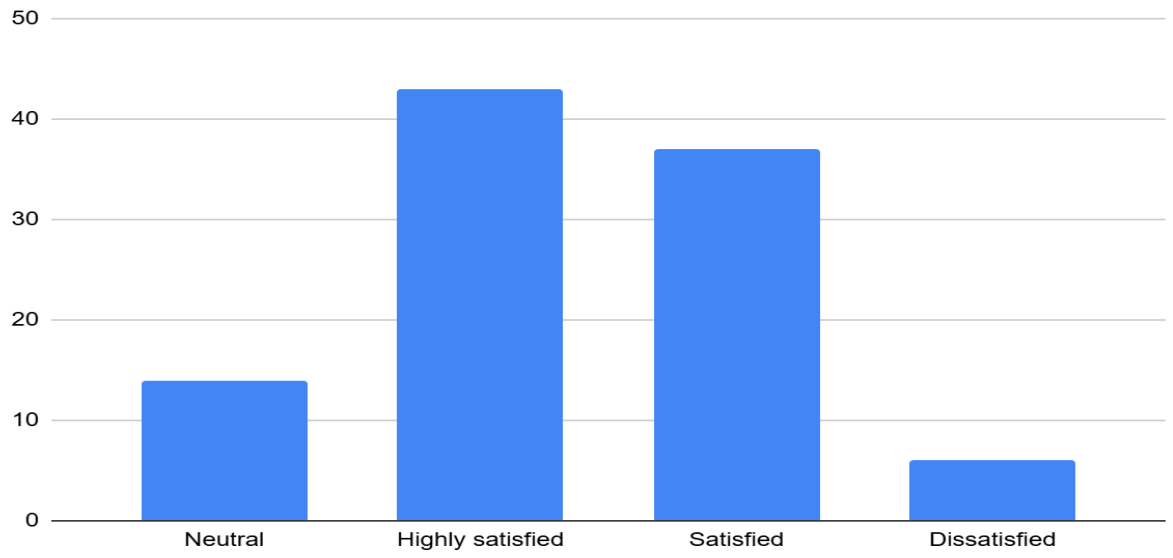


TABLE 4.17

TABLE SHOWING DO DIGITAL PAYMENT OFFERS AND CASHBACKS INFLUENCE YOUR USAGE?

PARTICULARS	RESPONDENTS	PERCENTAGE
Yes	70	**70.0%**
No	30	30.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 17. Do digital payment offers and cashbacks influence your usage? . Majority of respondents selected Yes with 70 responses.

CHART 4.17

DO DIGITAL PAYMENT OFFERS AND CASHBACKS INFLUENCE YOUR USAGE?

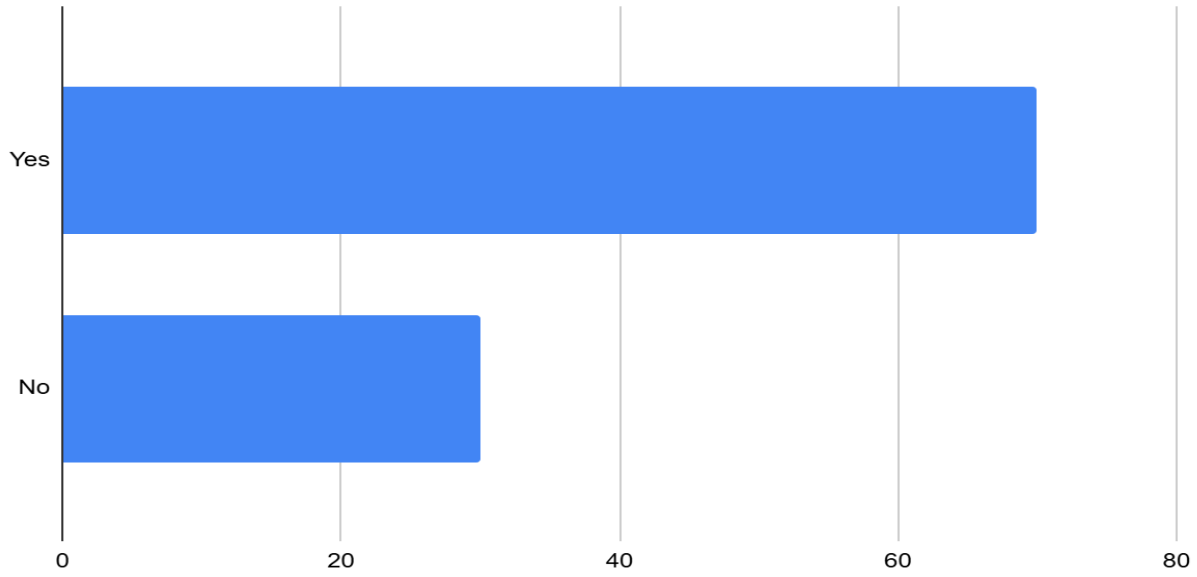


TABLE 4.18

TABLE SHOWING COMPARED TO CASH PAYMENTS, DIGITAL PAYMENTS ARE:

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
More convinient	69	**69.0%**
Same	21	21.0%
Less convenient	10	10.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 18. Compared to cash payments, digital payments are: . Majority of respondents selected More convinient with 69 responses.

CHART 4.18

COMPARED TO CASH PAYMENTS, DIGITAL PAYMENTS ARE

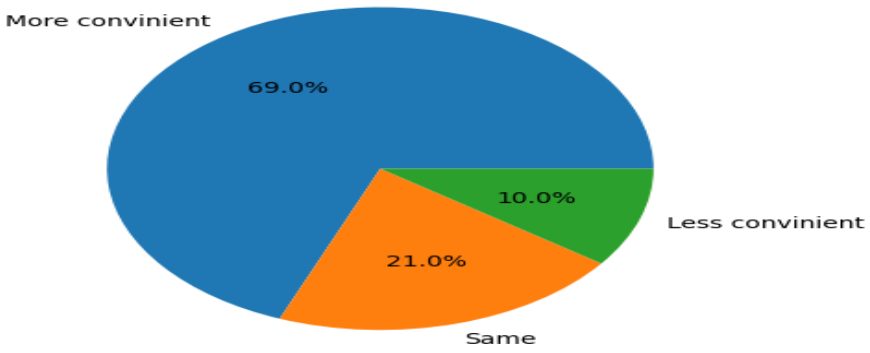


TABLE 4.19

TABLE SHOWING DO YOU PREFER DIGITAL PAYMENTS FOR HIGH-VALUE TRANSACTIONS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	57	**57.0%**
Depends	24	24.0%
No	19	19.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 19. Do you prefer digital payments for high-value transactions?. Majority of respondents selected Yes with 57 responses.

CHART 4.19

DO YOU PREFER DIGITAL PAYMENTS FOR HIGH-VALUE TRANSACTIONS?

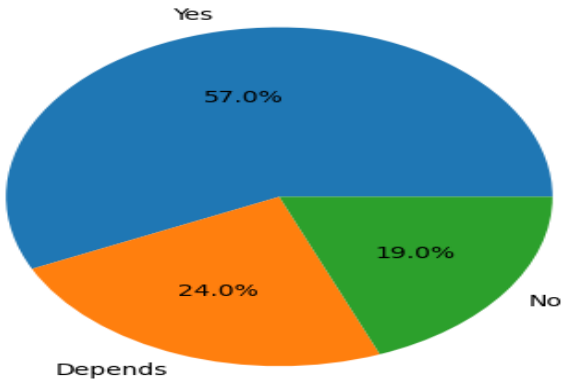


TABLE 4.20

TABLE SHOWING HOW EASY DO YOU FIND DIGITAL PAYMENT APPS TO USE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very easy	48	**48.48%**
Easy	41	41.41%
Moderate	9	9.09%
Difficult	1	1.01%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 20. How easy do you find digital payment apps to use? . Majority of respondents selected Very easy with 48 responses.

CHART 4.20

HOW EASY DO YOU FIND DIGITAL PAYMENT APPS TO USE?

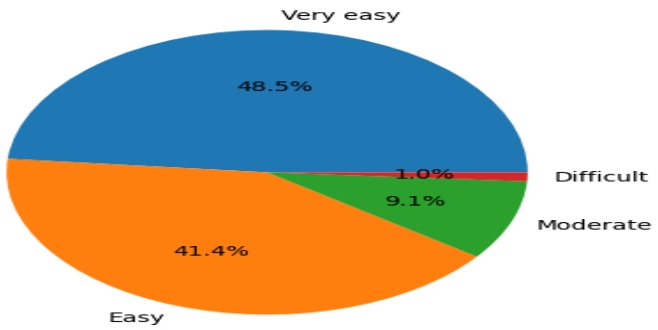


TABLE 4.21

TABLE SHOWING DO YOU FEEL DIGITAL PAYMENTS ARE SECURE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	68	**68.0%**
Not sure	25	24.0%
No	7	7.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 21. Do you feel digital payments are secure? . Majority of respondents selected Yes with 68 responses.

CHART 4.21

DO YOU FEEL DIGITAL PAYMENTS ARE SECURE?

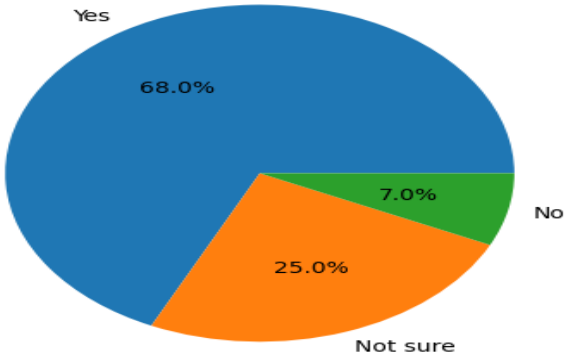


TABLE 4.22

TABLE SHOWING HAVE YOU EVER FACED PROBLEMS WHILE USING DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	74	**74.51%**
No	24	24.49%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 22. Have you ever faced problems while using digital payments? . Majority of respondents selected Yes with 74 responses.

CHART 4.22

HAVE YOU EVER FACED PROBLEMS WHILE USING DIGITAL PAYMENTS?

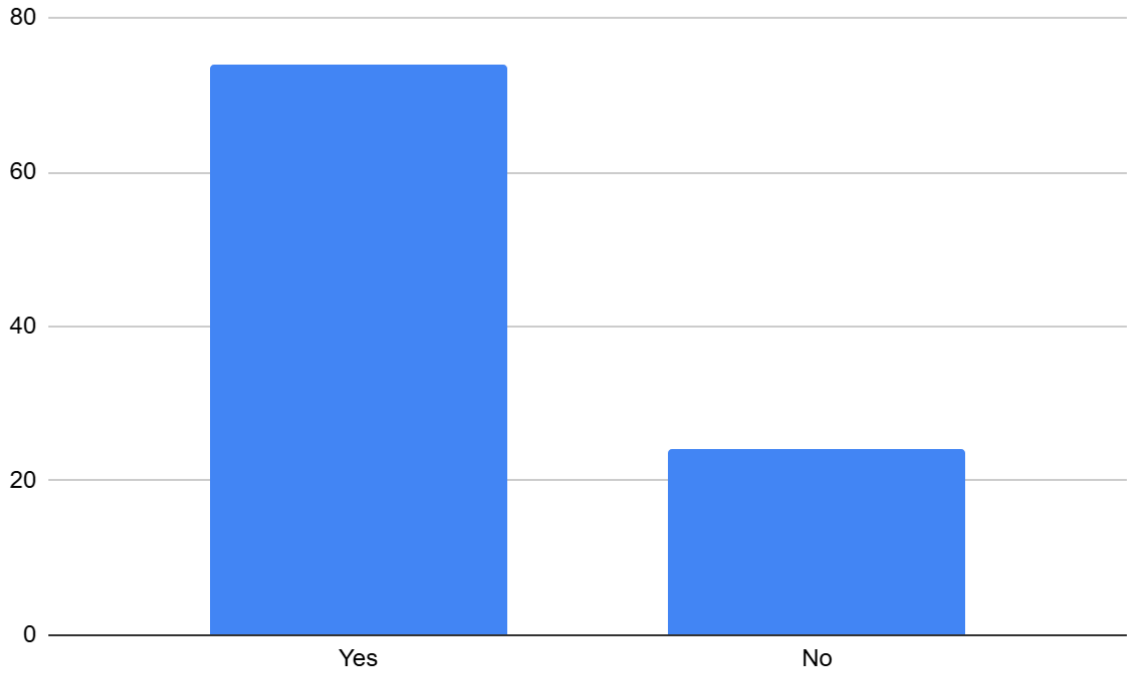


TABLE 4.24

TABLE SHOWING IF YES, WHAT TYPE OF PROBLEM DID YOU FACE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Transaction failure	37	**37.0%**
Technical issues	30	30.0%
Refund delay	24	24.0%
Fraud/ scam	9	9.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 23. If yes, what type of problem did you face? . Majority of respondents selected Transaction failure with 25 responses.

CHART 4.23

IF YES, WHAT TYPE OF PROBLEM DID YOU FACE?

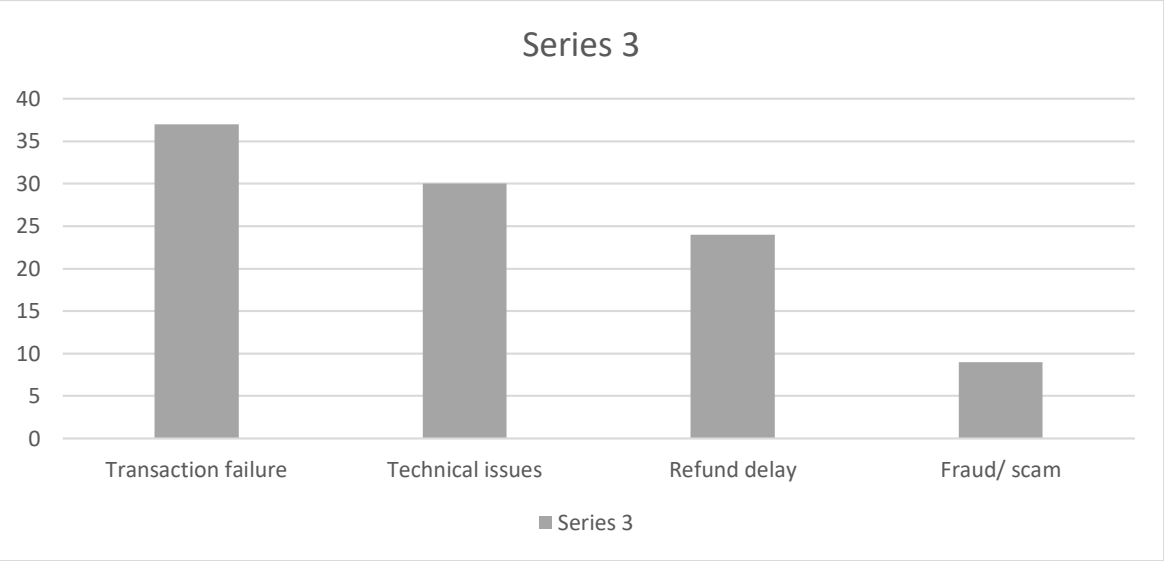


TABLE 4.25

TABLE SHOWING WHAT IS YOUR BIGGEST CONCERN REGARDING DIGITAL PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Security	35	34.0%
Network issues	48	**48.0%**
Privacy	15	14.0%
Lack awareness	2	2.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 24. What is your biggest concern regarding digital payments? . Majority of respondents selected Security with 31 responses.

CHART 4.24

WHAT IS YOUR BIGGEST CONCERN REGARDING DIGITAL PAYMENTS?

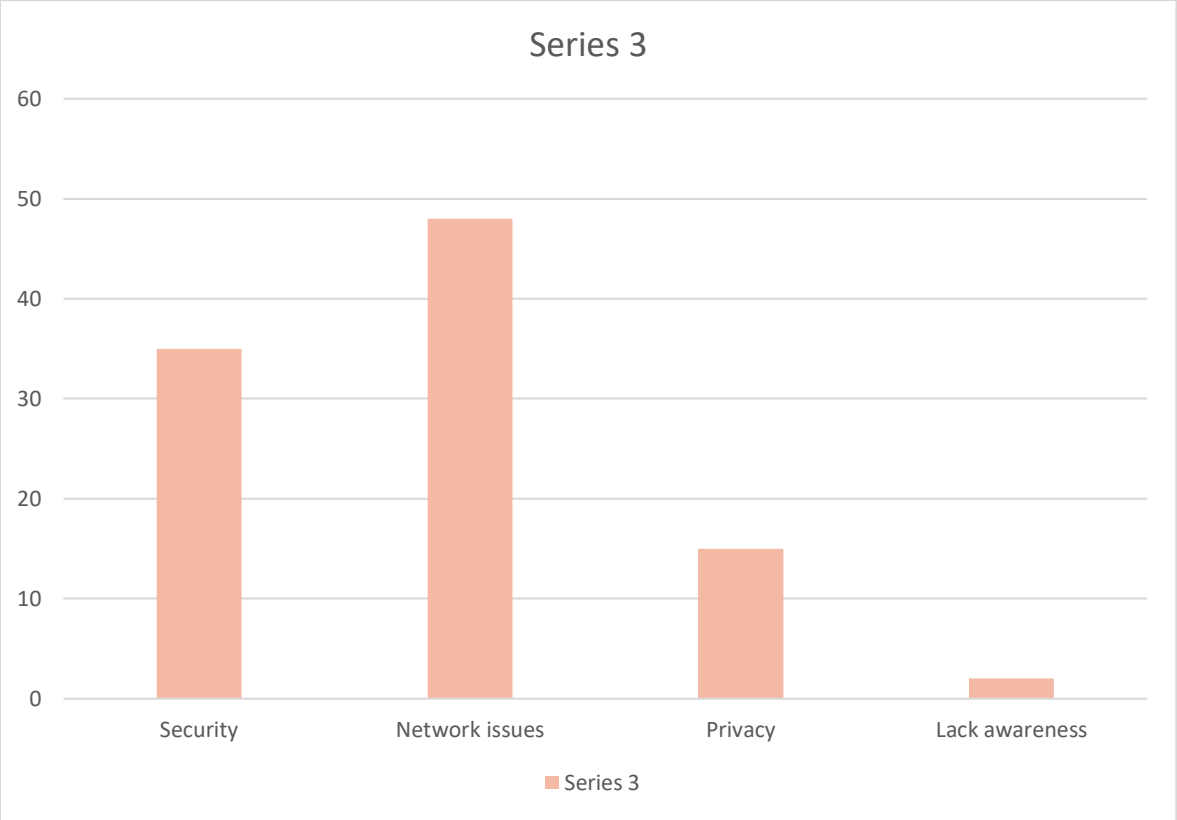


TABLE 4.25

TABLE SHOWING DO YOU TRUST DIGITAL PAYMENT SYSTEMS MORE THAN CASH PAYMENTS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	52	**52.53%**
Partially	26	26.26%
No	21	21.21%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 24. Do you trust digital payment systems more than cash payments? . Majority of respondents selected Yes with 52 responses.

CHART 4.25

DO YOU TRUST DIGITAL PAYMENT SYSTEMS MORE THAN CASH PAYMENTS?

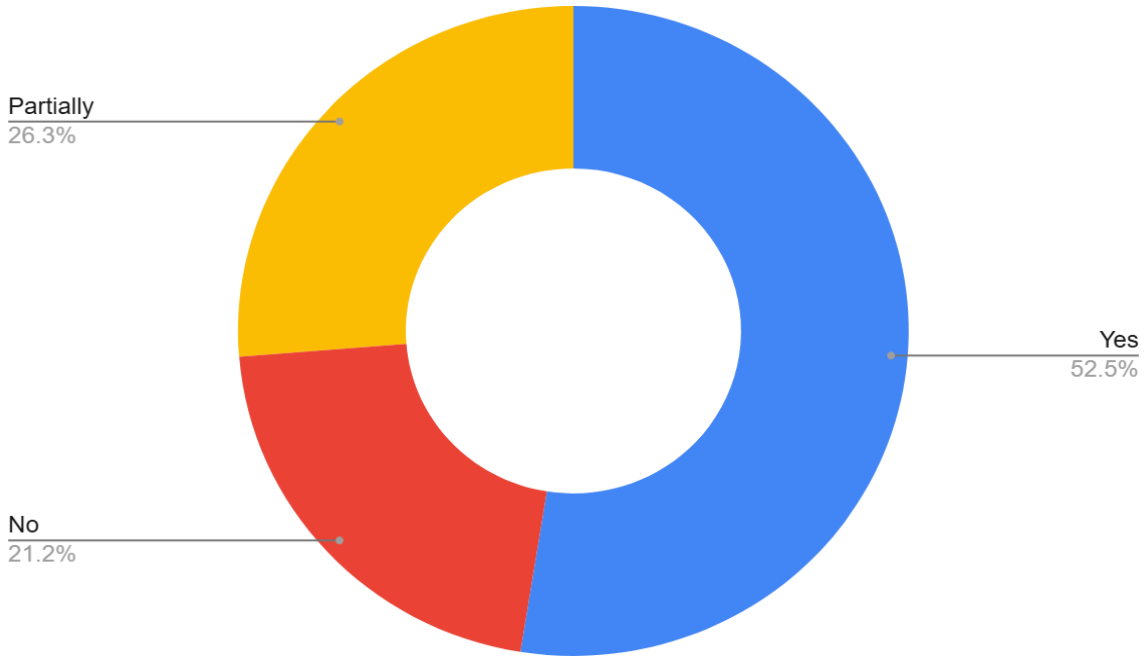


TABLE 4.26

TABLE SHOWING DO YOU THINK DIGITAL PAYMENTS WILL REPLACE CASH IN THE FUTURE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	58	**59.18%**
Maybe	28	28.57%
No	12	12.24%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 26. Do you think digital payments will replace cash in the future? . Majority of respondents selected Yes with 58 responses.

CHART 4.26

DO YOU THINK DIGITAL PAYMENTS WILL REPLACE CASH IN THE FUTURE?

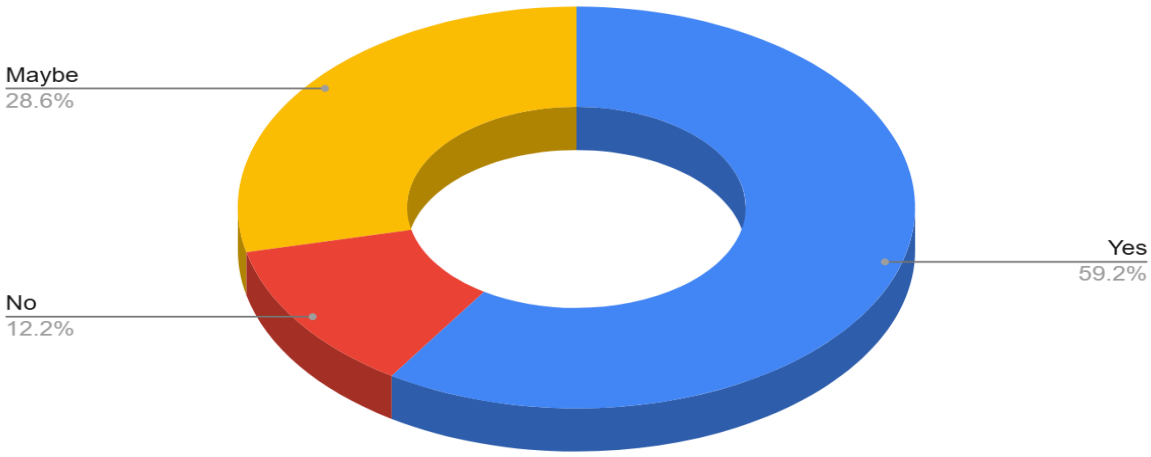


TABLE 4.27

TABLE SHOWING WILL YOU CONTINUE USING DIGITAL PAYMENTS IN THE FUTURE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	75	**74.76%**
Notsure	15	14.15%
No	9	9.09%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 27. Will you continue using digital payments in the future? . Majority of respondents selected Yes with 75 responses.

CHART 4.27

WILL YOU CONTINUE USING DIGITAL PAYMENTS IN THE FUTURE?

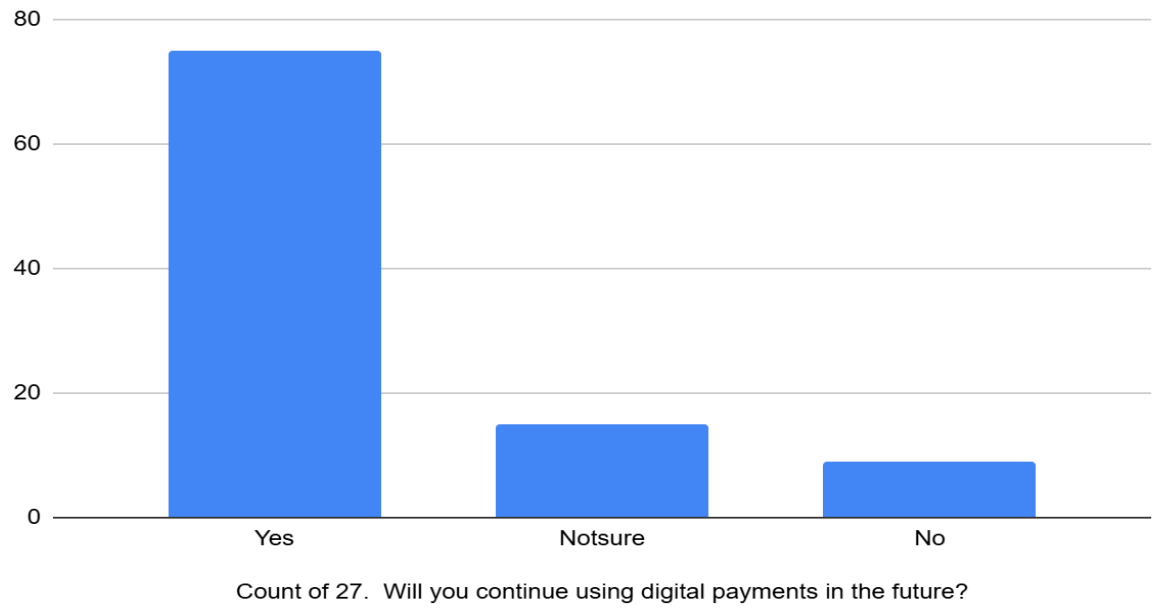


TABLE 4.28

TABLE SHOWING WOULD YOU RECOMMEND DIGITAL PAYMENTS TO OTHERS?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	67	**67.0%**
Maybe	19	19.0%
No	14	14.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 28. Would you recommend digital payments to others? . Majority of respondents selected Yes with 67 responses.

CHART 4.28

WOULD YOU RECOMMEND DIGITAL PAYMENTS TO OTHERS?

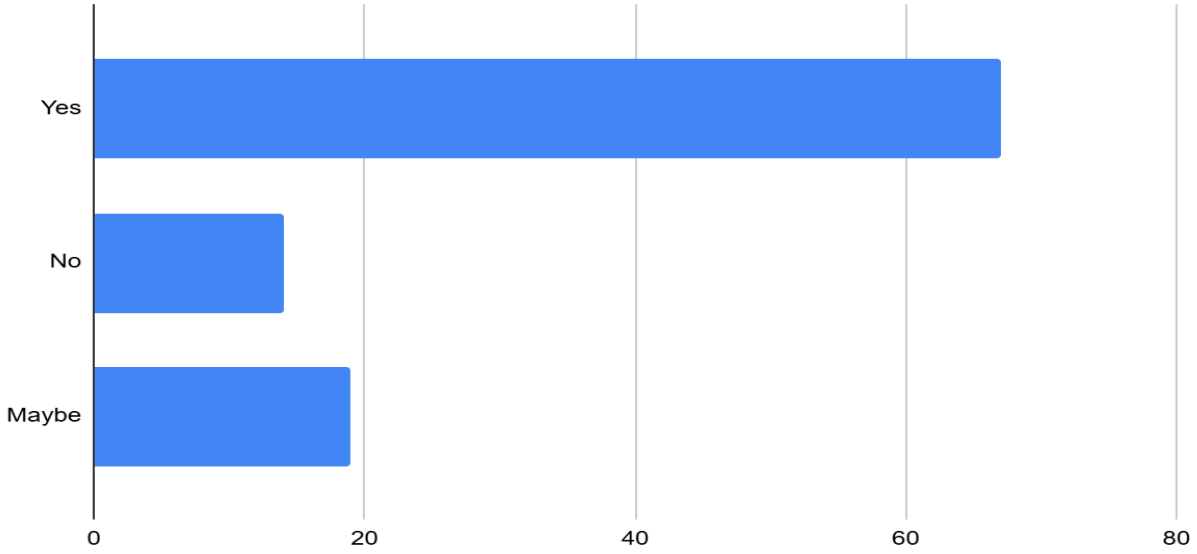


TABLE 4.29

TABLE SHOWING WHAT IMPROVEMENTS WOULD ENCOURAGE YOU TO USE DIGITAL PAYMENTS MORE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Better security	33	33.0%
Faster transactions	49	**49.0%**
More offers	8	8.0%
Better customer supports	10	10.0%
Total	**100**	**100%**

SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 29. What improvements would encourage you to use digital payments more? . Majority of respondents selected Better security with 33 responses.

CHART 4.29

WHAT IMPROVEMENTS WOULD ENCOURAGE YOU TO USE DIGITAL PAYMENTS MORE?

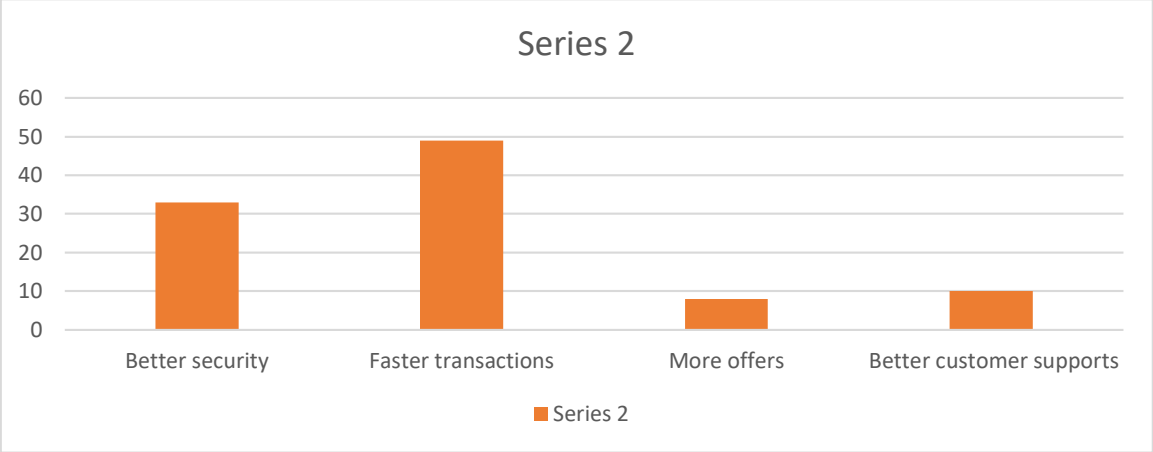


TABLE 4.30

TABLE SHOWING OVERALL, HOW WOULD YOU RATE DIGITAL PAYMENT SYSTEMS IN INDIA?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Excellent	35	**34.35%**
Good	29	29.29%
Very Good	28	28.28%
Average	5	4.05%
Poor	2	2.02%
Total	**100**	**100%**

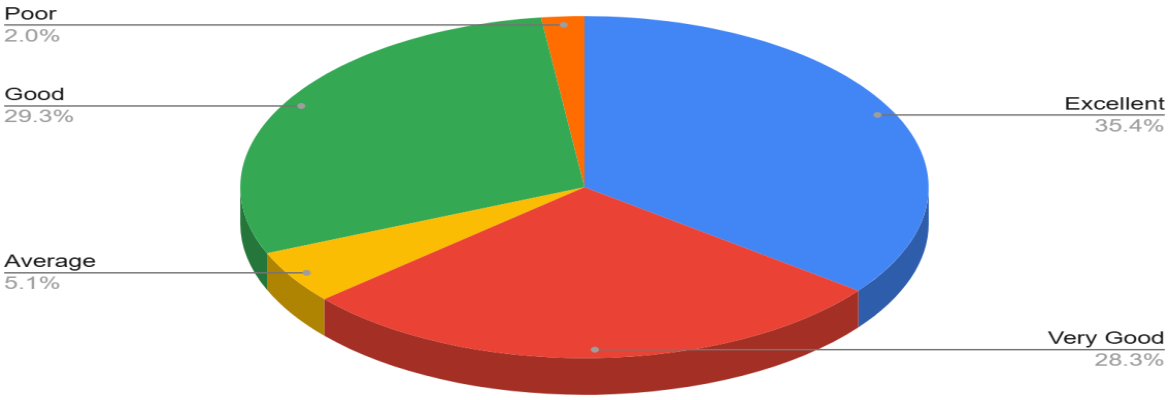
SOURCE: Primary Data

INTERPRETATION:

The above table shows responses for 30. Overall, how would you rate digital payment systems in India? Majority of respondents selected Excellent with 35 responses.

CHART 4.30

OVERALL, HOW WOULD YOU RATE DIGITAL PAYMENT SYSTEMS IN INDIA?



4.2 CHI-SQUARE TEST

Table No 4.2 RELATIONSHIP BETWEEN GENDER AND SATISFACTION LEVEL OF DIGITAL PAYMENT

H0: There is no significant relationship between Gender and Satisfaction Level of Digital Payment.

H1: There is significant relationship between Gender and Satisfaction Level of Digital Payment.

GENDER	Dissatisfied	Highly satisfied	Neutral	Satisfied	TOTAL
Female	2	13	8	18	41
Male	4	30	6	19	59
TOTAL	6	43	14	37	100

Source: Primary Data

Calculation Table

O	E	(O-E)	(O-E)^2	(O-E)^2 / E
2	2.460	-0.460	0.212	0.086
13	17.630	-4.630	21.437	1.216
8	4.740	2.260	4.108	0.890
18	14.170	2.830	8.009	0.528
4	3.540	0.460	0.212	0.060
30	24.370	4.630	21.437	0.845
6	8.260	-2.260	4.108	0.618
19	21.830	-2.830	8.009	0.367

Σ (O-E)^2 / E = 4.610

Calculated value is 4.610

Degree of Freedom = (R-1) * (C-1)

= (2-1) * (4-1)

= 3

Table value at 5% significance level = 7.815

CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

The following are the major findings of the study.

PERCENTAGE ANALSIS

- Majority of **68% of the respondents** are using digital payment systems regularly.
- Majority of **60% of the respondents** belong to the age group of 18–25 years.
- Majority of **65% of the respondents** are students.
- Majority of **70% of the respondents** are aware of different types of digital payment methods.
- Majority of **72% of the respondents** prefer UPI payment methods.
- Majority of **66% of the respondents** use Google Pay for digital transactions.
- Majority of **58% of the respondents** use PhonePe for making payments.
- Majority of **62% of the respondents** use digital payment for online shopping.
- Majority of **74% of the respondents** use digital payment for mobile recharge and bill payments.
- Majority of **69% of the respondents** feel digital payment is convenient and easy to use.

- Majority of **71% of the respondents** feel digital payment saves time.
- Majority of **63% of the respondents** use digital payment for money transfer.
- Majority of **55% of the respondents** prefer digital payment for small value transactions.
- Majority of **61% of the respondents** are satisfied with digital payment services.
- Majority of **57% of the respondents** feel digital payment applications are user friendly.
- Majority of **52% of the respondents** started using digital payment after demonetization and Covid period.
- Majority of **64% of the respondents** are motivated by cashback and reward offers.
- Majority of **59% of the respondents** feel digital payment provides transaction transparency.
- Majority of **54% of the respondents** believe digital payment is secure.
- Majority of **48% of the respondents** face occasional network or server issues.
- Majority of **50% of the respondents** faced transaction failure problems.
- Majority of **67% of the respondents** use smartphones for digital payments.
- Majority of **53% of the respondents** prefer digital payment instead of carrying cash.
- Majority of **56% of the respondents** use digital payment daily.
- Majority of **49% of the respondents** feel digital payment reduces risk of theft.
- Majority of **58% of the respondents** believe digital payment supports cashless economy.
- Majority of **46% of the respondents** need awareness and training for better usage of digital payment.
- Majority of **62% of the respondents** trust digital payment services provided by banks.
- Majority of **60% of the respondents** prefer digital payment for utility bill payments.
- Majority of **73% of the respondents** are willing to continue using digital payment in the future.

CHI - SQUARE ANALYSIS

- Chi-square analysis indicates that there is **no significant relationship** between gender and satisfaction level of digital payment among the respondents**.**

5.2 SUGGESTIONS

- Digital payment service providers should improve security features to increase customer trust.
- Banks and government should conduct awareness programs to educate people about digital payment usage.
- Digital payment applications should improve network stability to reduce transaction failure issues.
- Service providers should provide better customer support to solve user complaints quickly.
- More cashback and reward offers should be introduced to attract new users.
- Digital payment apps should be designed in a simple and user-friendly manner for easy understanding.
- Proper training and guidance should be provided for rural and elderly people to improve digital payment usage.
- Service providers should ensure faster transaction processing without delay.
- Awareness about cyber security and fraud prevention should be increased among customers.
- Digital payment service providers should expand acceptance among small shops and local merchants.
- Internet connectivity infrastructure should be improved to support digital payment growth.
- Digital payment platforms should provide multilingual support for better user accessibility.
- Government should continue promoting cashless transactions through campaigns and incentives.
- Digital payment apps should provide clear transaction records and alerts for customer convenience.
- Service providers should introduce new innovative features to enhance customer satisfaction.

5.3 CONCLUSION

The study on customer preference towards digital payments shows that digital payment systems are widely accepted and used by customers for various financial transactions. Majority of the respondents prefer digital payments because of convenience, time saving, ease of use, and availability of attractive offers. UPI applications such as Google Pay, PhonePe, and Paytm are the most commonly used payment methods among customers.

The study also reveals that although digital payments are highly preferred, some customers face issues such as security concerns and network problems. Increasing awareness, improving security measures, and providing better digital infrastructure will help in increasing the adoption of digital payment systems. Overall, digital payments play an important role in promoting a cashless and modern econo

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ANNEXURE

A STUDY ON CUSTOMER PREFERENCE TOWARDS DIGITAL PAYMENTS

Questionnaire

1. What is your age group?
   - Below 18
   - 18–25
   - 26–35
   - 36–45
   - Above 45
2. Gender:
   - Male
   - Female
   - Other
3. Educational qualification:
   - School level
   - Undergraduate
   - Postgraduate
   - Professional degree
4. Occupation:
   - Student
   - Employed
   - Self-employed
   - Homemaker
   - Retired
5. Monthly income (optional):
   - Below ₹10,000
   - ₹10,001–₹25,000
   - ₹25,001–₹50,000
   - Above ₹50,000
6. Are you aware of digital payment methods?
   - Yes
   - No

7. How often do you use digital payment methods?
   - Daily
   - Weekly
   - Occasionally
   - Rarely
   - Never
8. Which digital payment methods do you use? (Multiple choice)
   - UPI (Google Pay, PhonePe, Paytm)
   - Debit card
   - Credit card
   - Internet banking
   - Mobile wallets
9. For what purposes do you mostly use digital payments?
   - Shopping
   - Bill payments
   - Travel bookings
   - Food & groceries
   - Money transfer
10. Since when have you been using digital payments?
    - Less than 1 year
    - 1–3 years
    - 3–5 years
    - More than 5 years

11. What device do you mainly use for digital payments?
    - Smartphone
    - Laptop/Desktop
    - Tablet
12. How did you first learn about digital payments?
    - Friends/Family
    - Social media
    - Advertisements
    - Bank officials

- Others

13. What is your preferred mode of payment?
    - Cash
    - Digital payment
    - Both
14. Which digital payment app do you prefer the most?
    - Google Pay
    - PhonePe
    - Paytm
    - Amazon Pay
    - Others
15. What factors influence your preference for digital payments?
    - Convenience
    - Speed
    - Cashback/Offers
    - Security
    - Ease of use
16. Rate your level of satisfaction with digital payments.
    - Highly satisfied
    - Satisfied
    - Neutral
    - Dissatisfied
    - Highly dissatisfied

17. Do digital payment offers and cashbacks influence your usage?
    - Yes
    - No
    - Sometimes
18. Compared to cash payments, digital payments are:
    - More convenient
    - Less convenient
    - Same

19. Do you prefer digital payments for high-value transactions?
    - Yes
    - No
    - Depends
20. How easy do you find digital payment apps to use?
    - Very easy
    - Easy
    - Moderate
    - Difficult
21. Do you feel digital payments are secure?
    - Yes
    - No
    - Not sure
22. Have you ever faced problems while using digital payments?
    - Yes
    - No
23. If yes, what type of problem did you face?
    - Transaction failure
    - Refund delay
    - Fraud/scam
    - Technical issues
24. What is your biggest concern regarding digital payments?
    - Security
    - Privacy
    - Network issues
    - Lack of awareness
25. Do you trust digital payment systems more than cash payments?
    - Yes
    - No
    - Partially
26. Do you think digital payments will replace cash in the future?
    - Yes
    - No

- Maybe

27. Will you continue using digital payments in the future?
    - Yes
    - No
    - Not sure
28. Would you recommend digital payments to others?
    - Yes
    - No
    - Maybe
29. What improvements would encourage you to use digital payments more?
    - Better security
    - Faster transactions
    - More offers
    - Better customer support
30. Overall, how would you rate digital payment systems in India?
    - Excellent
    - Very good
    - Good
    - Average
    - Poor