

A Study On Digital Payment Systems And Consumer Perception In Kumbakonam (TK)

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Abstract: Digital payments are increasingly becoming popular worldwide, especially in underdeveloped and developing countries, despite the challenges these countries face regarding required infrastructure and digital literacy. The study analyse that the consumer perception of digital payment in Kumbakonam (TK) with the help of Chi-square test.

Keywords: Digital Payment Systems – Consumer Satisfaction – Digital literacy.

I. INTRODUCTION

Digital payments have become increasingly important in India in recent years, as the country has seen a rapid increase in the adoption of Smartphones and Internet access. The digital payment is equivalent to an electronic payment. Digital payments are increasingly becoming popular worldwide, especially in underdeveloped and developing countries, despite the challenges these countries face regarding required infrastructure and digital literacy. Digital payments have emerged as an important tool for Government to distribute the funds for social welfare schemes to their citizens directly in their accounts with zero corruption and delays. In modern era, everybody wants to use the online services. Online payment is when the customer or buyer makes the payment transactions for the goods and services purchased with the use of the Internet to be online. Also, helps on improving customer retention. Digital payments can contribute to economic empowerment by providing accessible, secure and affordable financial services.

II. CONTRIBUTION OF DIGITAL PAYMENT

A. MICRO AND SMALL ENTERPRISES

Digital payments can provide opportunities for business growth and enhanced security for micro, small and medium sized enterprises. However, there are concerns around exclusion, cost, privacy and fraud.

B. WOMEN

Digital payments can empower women, but there are gaps in subscriptions and ownership that need to be addressed. Strategies to drive adoption include promoting safety, control and confidence and developing relevant products.

C. DIGITAL REMITTANCES

Digital remittances can be important lifeline payments. However, many families continue to encounter challenges and roadblocks.

III. WORKING METHODOLOGY OF DIGITAL PAYMENT

A. THE PARTIES INVOLVED

Key players in digital payments systems include the merchant and the consumer, whose interactions initiate the digital payment process. Both parties require a bank account and online banking to engage in digital transactions.

B. BANK ACCOUNTS

For digital payments, merchants and consumers participate as customers, so they need to have bank accounts with online banking features. Bank accounts build up the foundation of conducting e-transactions by storing funds securely and endorsing transfers.

C. STEP-BY-STEP TRANSACTION

- ✓ The consumer starts payment transactions using UPI, Mobile Wallets or a similar option of his choice.
- ✓ The payment details are transmitted securely into the payment network.
- ✓ The payment network checks for the balance, funds are moved from the consumer's bank account to the payee's bank account.
- ✓ A confirmation is sent to both the buyer and seller to confirm that the transaction has been completed.

D. PAYMENT RAIL

Payment rail serve as the back-bone infrastructure that enables the transfer of funds between banks. Banking function as the path-ways through which transactions move, linking institutions and guaranteeing the smooth flow of funds. Payment rails exist in many formats such as automated clearing house, card networks and real time payment systems, each designed for transaction types and processing speeds.

Key advantages of Digital Payments

- ✓ Faster payments
- ✓ Convenience in the payment procedure
- ✓ Better payment security
- ✓ Improved efficiency
- ✓ Reduced costs
- ✓ Ease of use
- ✓ Low fees for transaction
- ✓ Boost revenue

OBJECTIVE OF THE STUDY

To identify the satisfactory level of digital payment.

IV. REVIEW OF LITERATURE

Shinki Katyayani Pandy (2022), the study titled on “ A Study on Digital Payment System & Consumer Perception: An Empirical Survey”. The study concluded that, a digital payment tool 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. The adoption of digital payments is expected to increase based on the general socio-economic development of the people.

Baig Faizan Mujib , Amale Vishal Bhima and Deshmukh Akshada Kailas (2023), their study titled “ A Study of digital payments tools and methods in India”. In this study concluded that, Digital payment system is not pure developed and spread all over the India. The social and infrastructure barriers are there influences to use of digital payment system. But now-a-days mobile banking are becoming famous in the India because it is easy to use and anytime can use. It is also required to improve the digital literacy among the people. There are also issues relating to the risk and security.

V. STATEMENT OF THE PROBLEM

E-payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Digital payments faces certain problems, such as an increase in frauds, limited access to customers in the hinterlands, stress on stake holder profitability and need to increase customer awareness. The study is related to “A Study on Digital Payment Systems and Consumer perception in Kumbakonam (TK)”.

VI. RESEARCH METHODOLOGY

The study is an empirical study based on primary data. Questionnaire was developed in Google Form for this purpose. The study represents the type of data used, selection of samples, tools of analysis. Selection of the sample is an important part of the research work. Hence, the researcher selects 41 respondents for the study.

VII. ANALYSIS AND INTERPRETATION

Factors	No. of Respondents	Percentage
1. Gender		
Male	7	17.1
Female	34	82.9
Total	41	100
2. Marital Status		
Married	12	29.3
Unmarried	29	70.7
Total	41	100
3. Income level		

Rs. 10,000 – Rs. 20,000	19	46.3
Rs. 20,000 – Rs. 30,000	10	24.4
Rs. 30,000 – Rs. 40,000	8	19.5
Above Rs. 40,000	4	9.8
Total	41	100
4. Occupation		
Government Employee	14	34.1
Private Employee	-	-
Business & Petty traders	-	-
Student	27	65.9
Others	-	-
Total	41	100

Sources: Primary Data

Table 1: Demographic Profile

From the above table shows the Demographic profile of the customers. 82.9% of respondents are Female, 29 respondents are unmarried, 46.3% of respondents are earning income level Rs. 10,000 to Rs. 20,000 and 65.9% of respondents are student.

Satisfaction Level	No. of respondents	Percentage
Disagree	1	2.4
Strongly Disagree	2	4.9
Neutral	8	19.5
Agree	23	56.1
Strongly Agree	7	17.1
Total	41	100.0

Sources: Primary Data

Table 2: Customer Satisfaction

From the above table indicate that 56.1% of respondents are agreed the digital payment is important for their day-to-day life.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.950 ^a	4	.093
Likelihood Ratio	7.423	4	.115

Linear-by-Linear Association	4.862	1	.027
N of Valid Cases	41		

Table 3: Chi-square Test

The above table shows that the gender of the respondent and satisfactory level of usage of digital payment is not statistically significant @ 5% level.

VIII. FINDINGS

- ✓ Majority of the respondents are considering the payment mode is Gpay/Phonepay.
- ✓ 49% of respondents are selecting the digital payment for their convenient purpose.

IX. CONCLUSION

As Government, regulators and service provider's work together to improve electronic payment systems and related infrastructure, it is advisable to study how end users perceive these choices. The study found that the perception of digital payment tools affects an individual's payment behavior. Digital payment system is not pure developed and spread all over the India. The social and infrastructure barriers are there influences to use of digital payment system. The study concluded that also required improving the digital literacy among the people.

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