

A STUDY ON THE PERCEPTION OF SELECT IT EMPLOYEES TOWARDS DIGITAL PAYMENT IN BENGALURU

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ABSTRACT

In contemporary society, the utilization of smartphones for monetary transactions and payments through app-based platforms has become ubiquitous. Over the past decade, India has witnessed a phenomenal growth in internet and mobile phone usage. Digital payments refer to electronic transactions conducted through internet banking, mobile banking, card payments, or at point-of-sale terminals for products and services. This study aims to shed light on the views and experiences of IT professionals regarding the use of digital payments, their level of satisfaction, and the influence of age on adoption. A structured questionnaire was employed as the research tool to examine consumer perceptions of digital payments, with primary data collected from 200 respondents who were categorized based on demographics such as age, income, occupation, and gender. The hypothesis was tested using the Chi-square test, as the data was categorical in nature, and the results revealed that, despite the challenges faced, IT sector employees are comfortable with digital payments and expect the government or banks to take steps to resolve any issues.

Keywords: Digital payments, electronic transactions, IT Sector

Introduction

A Digital payment refers to the transfer of funds between accounts using digital devices and communication protocols. This type of payment is becoming increasingly popular due to its convenience, speed, and security compared to traditional methods such as cash or checks.

With Digital payment, individuals and businesses can easily transfer funds from one account to another without the need for physical cash or checks. This can be done through a variety of digital means such as smartphones, computers, or point-of-sale systems. The transfer of funds is facilitated through communication channels such as mobile data or SWIFT, which allows for secure and efficient transactions.

Digital payments encompass a range of payment methods, including bank transfers, mobile money, credit cards, debit cards, prepaid cards, and electronic checks. Bank transfers allow for the transfer of funds between bank accounts, while mobile money enables payments through mobile devices. Credit, debit, and prepaid cards provide a convenient and secure way to make purchases and pay bills. Electronic checks are digital versions of traditional paper checks and offer similar functionality and security.

Digital Payment Methods:

The Indian government's Digital India initiative aims to empower the country's society and economy through digital means. One of its key objectives is to promote a "Faceless, Paperless, Cashless" society by encouraging the use of digital payment methods. To achieve this goal, a range of digital payment options have been made available, they are listed as under.

1. Banking Cards (Debit / Credit / Cash / Travel / Others)
2. Unstructured Supplementary Service Data (USSD)
3. Aadhaar Enabled Payment System (AEPS)
4. Unified Payments Interface (UPI)
5. Mobile Wallets
6. Banks Pre-Paid Cards
7. Point Of Sale
8. Internet Banking
9. Mobile Banking
10. Micro ATMs

Benefits of Digital Payments

Today Digital payments offer a variety of benefits to the Stakeholders like individuals, companies, governments, or international development organizations. The benefits of becoming digital include:

1. Faster, easier, more convenient
2. Economical and less transaction fee
3. Waivers, discounts and cashbacks
4. Digital record of transactions
5. One stop solution for paying bills
6. Helps keep black money under control

Review Of Literature:

Chanderprabha (2017) identifies that the Payment banks-fulsome for less cashless economy as well as for financial Inclusion This study investigates the economic influences and public sentiments that have prompted the government to plan towards a more inclusive banking system. The Central Bank of India has spurred competition among banks by authorizing a new type of bank, which offers payment, deposit, remittance, and internet banking services, but not lending. The paper endeavors to explore the potential benefits of Payment Banks on the Indian economy and its cashless initiative, as well as to bank the unbanked segment of the Indian population.

Naik , Firdous & Harika (2018) studied on role of payment banks in India – financial inclusion says that the study explores the framework of Payment Banks introduced by the RBI in 2014 for financial inclusion, which accept limited deposits and aim to reach unbanked and underbanked populations. It presents the framework, benefits, and challenges of Payment Banks, and focuses on their role in M-Banking for financial inclusion.

Rathod, Vidhyashree & Joseph (2017) studied concentrates on the transformation of the Indian economy towards a cashless system. The Reserve Bank of India has taken a crucial step in this direction by granting licenses to selected companies to establish Payment Banks. This move aims to provide financial access to underprivileged communities in remote areas. The objective of the paper is to assess the public's level of awareness regarding these IT-based banking services.

Damsgaard (2013) said that the framework for analysing digital payment as a multi sided platform The present study proposes a nascent blueprint for analysing digital payment systems and evaluating the tactics of dominant market players, including banks, mobile service providers, and merchants. An examination reveals the presence of three distinct, contactless payment systems introduced or proposed by various actors in the European marketplace. All these platforms strive to establish a strong presence by offering payment options to their existing clientele, while also expanding their current platform with additional contactless services. This transformation of traditional, single-purpose cards into multi-functional ones is an integral aspect of their strategies.

Jie, Shahrokh & Harry (2013) studied on the growth of m-payment services with the rise of smartphones. Although m-payment holds promise, the market is still developing due to a lack of agreement on standards and business models. The STOF framework is used to analyse m-payment from the perspective of banks, a key player in the ecosystem. The results indicate that the service domain is the most critical, followed by technology, organization, and finance domains. Bank representatives identify security as the most crucial issue.

Kabir, Saidin & Ahmi (2015) showed that e-payment systems are becoming a popular method of payment due to efficiency, convenience, and speed. Adoption of e-payment is growing in both developed and developing countries to simplify business transactions. The paper reviews past literature on e-payment adoption worldwide and identifies research gaps for future studies.

Thakur (2013) examined the widespread acceptance of mobile payments throughout India and the factors that influence consumers' intention to utilize mobile payment banks. The research explores the potential for full-scale adoption of mobile payments by the public in the country.

Roy & Sinha (1998) concentrated on the metamorphosis of the mobile payment services sector, which has undergone several failed attempts and holds a future of enticing but indefinite prospects, along with the likelihood of new technological innovations in payment banking services. This examination scrutinizes the present status of the mobile payment services sector through an in-depth examination of past research on mobile payments. Additionally, it delves into the various factors that shape the mobile payment services market and proposes future research directions in this ongoing, dynamic field.

Shivnami & Siwach (2017) aimed to improve digital payments in the banking sector. It covers opinions of public and private bank customers and finds that private bank customers see it as a new concept from the telecom industry, causing hesitation. Airtel Payment Banks currently offer high interest rates to attract customers and 60% believe it will aid financial inclusion and curb black money in rural areas.

Dahlberg and others (2008) focused on the transforming mobile payment services market, characterized by a past of many attempted but unsuccessful solutions and a future of exciting yet uncertain prospects with the potential for new technological advancements in payment banking services. This study examines the current state of the mobile payment services market through a comprehensive review of previous literature on mobile payments. It also analyses the various elements that influence the mobile payment services market and proposes avenues for future investigation in this continually evolving field.

Statement Of The Problem

Digital payment has made life much easier and more comfortable without any difficulties. It is more convenient for people to access payment banks since the work is done within a fraction of second. It meets the needs of the people at the specified time. It is less time consuming, reduces the risk and cost-effective payment bank is an easy mode for transaction. Still there are many risks that the people will face while using Digital Payment Methods. Hence, The study focuses on the IT sector employees who use digital payments and to know how frequently the IT sector prefer digital payment when compared to physical form.

Need For The Study

The study mainly focuses on which process does these IT sector people use digital payments whether for transaction purposes, shopping, payment of bills, discount and offers ,or for higher rate of interest they prefer these digital payments and also to find which income level of people use digital payments.

Objectives Of The Study

1. To understand the framework of digital payments.
2. To know the frequency of usage of digital payments by the IT sector employees.
3. To study the perception of digital payments on IT employees.

Hypothesis:

H0: There is no association between Age of the respondents and Digital Payments.

H1: There is an association between Age of the respondents and Digital Payments.

Type of Research: The Study is a descriptive study.

Data for the Study: The Study requires primary data and secondary data as the study is based on perception of Payments among IT Employees.

Research Instruments: Questionnaire is used to collect data from IT Employees.

Sampling Technique: Judgment Sampling

Sample Size: For the Study data required collected from the IT Employees and the sample size for the study is 200.

Limitations:

1. The study was confined to a sample size of 200 respondents.
2. The study is limited by the information and fact given by the respondents working in IT sector of different companies residing in the city of Bangalore.
3. The study cannot be generalized.

Data Analysis And Interpretation

GENDER	RESPONDENTS	Percentage
Male	58	58%
Female	42	42%

Total	100	100%
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(Source: Primary data)

Table 1: Table showing gender of the respondents.

The above table indicates that there are 58% of male and 42% of females who use payment banks. It indicates that male are the major users compared to females among the 200 respondents.

AGE GROUP	RESPONDENTS	Percentage
20 and below	03	3%
20 – 25	62	62%
25 – 35	18	18%
35 – 40	11	11%
40 and above	06	6%
Total	100	100%

(Source: Primary data)

Table 2: Table showing Age Group of the Respondents.

Interpretation: The above table shows that the age group of people using payment bank services 3% of people fall under the age group of 20 and below, 62% of people fall under the age group of 20-25 ,18% of people fall under the age of 25-35, 11% of people fall under the age group of 35-40, 6% of people fall under the age group of 40 and above, it is found that the age group of 20-25 are the people are the major users of digital payment services.

Income of the respondents	Respondents	Percentage
Less than 20000	34	34%
20000 – 30000	23	23%
30000 – 40000	22	22%
40000 – 50000	12	12%
More than 50000	9	9%
Total	100	100%

(Source: Primary data)

Table 3: Table showing the monthly income of the respondent

Interpretation: It is figured out that people who earn less than 20000 are the major users of digital payment services.

	Respondents	Percentage
Friends	94	47%
Family	44	22%
Advertisement	36	18%
Commercial website	26	13%
Total	200	100%

(Source: Primary data)

Table 4: Table showing how people are aware of digital payment services

Interpretation: Among 200 respondents, 47% of the respondents are aware of payment bank services by their friends, 22% of respondents are aware by family, 18% are aware by advertisement, 13% are aware by the commercial website therefore the graph clearly identifies that more number of respondents are aware of payment bank services through their friends.

Frequency level	Respondent	Percentage
Daily	50	25%
Weekly	76	38%
Monthly	60	30%
If required	08	4%
No account	06	3%
Total	200	100%

(Source: Primary data)

Table 5: Table showing how frequently respondents use digital payment services

Interpretation: Among 100 users 25% of them use digital payment services daily, 38% of them use it on weekly bases, 30% of them use it on monthly bases, 4% of them use the services whenever there is a requirement, 3% of them do not use payment bank services.

Respondents' preferences	Weighted average	Ranking
Convenient	5.81	1
Less time consumption	5.72	2
Account number is same as mobile number	5.36	3
Cash back and discount offers	4.77	4
Digitalization	4.31	5
Higher interest rate	4.27	6
Safe and secure	3.18	7
Reduce risk	2.31	8

(Source: Primary data)

Table 6: Table showing: Reasons for opting prefer digital payments (Ranking method)

Interpretation: The above table indicates the calculation done using weighted arithmetic means to know the preference of the respondents. Opinions were ranked and found that respondents had given high level response in rank High level rank (1 – 3) where many of the respondents highly prefer digital payments for convenient purpose, less time consumption, account number is same as mobile number Average ranking is given between (4-6), where respondents preferred digital payments for cash back and discount offers, digitalization, higher interest rate. Low rank was given between the (7 – 8) where respondents preferred safe and security, reducing

risk. High ranking is given to the respondent who prefer digital payments service for their convenient purpose and less time consuming people working at IT find time scarcity henceforth this is easy of transaction for them and account number is same as mobile number. Average ranking has been given to cash back and discount offers, digitalization, higher interest rate. They also expect a high return from their saving patterns. Respondents feel that payment banks reduce their risk in order to make payments, on other hand it is safe and secure when compared to real forms of cash. Liquidity is much safer.

Difficulties faced during process of transaction	Weighted average	Ranking
Unrelated advertisement	4.44	1
False deduction	4.36	2
Network issue	4.25	3
Long process to download	4.21	4
Security	4.01	5
Delay in payment	3.49	6
No response	3.21	7

(Source: Primary data)

Table 7: Table showing the difficulties faced during the process of digital payments

Interpretation: The above table indicates the calculation done using weighted arithmetic mean to know the problems faced during the process of the payment it was found the major difficulty faced by the respondent was unrelated advertisement on the page, false deduction were being made, network issue was the one among difficulties. Average level – long process to download this may be because of poor connectivity and security issues this is because account can be hacked by others so secrecy must be maintained. Low level – delay in payment and no responses due to incorrect password or number makes delay in payment and sometimes there are no proper information given to the customers.

Different kinds of payment apps	Respondents	Percentage
Paytm	15	7.5%
Amazon	25	12.5%
Google pay	72	36%
Jio payment	16	8%
Airtel payment	8	4%
Phone pay	56	28%
Kotak payment	2	1%
Mobile banking	2	1%
NEFT	4	2%

Total	200	100%
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(Source: Primary data)

Table 8: Table showing which kind of digital payments applications do the respondents prefer

Interpretation: The above table reveals the usage of digital payment applications (Apps).

Amount transacted on payment bank	Respondents	Percentage
10000 and below	61	61%
10000 – 20000	23	23%
20000 – 30000	6	6%
30000 – 40000	5	5%
40000 – 50000	1	1%
50000 and above	4	4%
Total	100	100%

(Source: Primary data)

Table 9: Table representing the amount being transacted by the respondent.

Interpretation: The above graph represents that 61% of the respondents transact 10000 and below, 23% of the respondents transact 10000 – 20000, 6% of the respondents transact 20000 – 30000, 5% of the respondents transact 30000 – 40000, 1% of the respondent transact 40000 – 50000, 4% of the respondents transact 50000 and above it is found that most of the respondents transact 10000 and below.

Chi-Square Tests

Pearson Chi-Square	30.688 ^a	16	.015
Likelihood Ratio	32.233	16	.009
Linear-by-Linear Association	1.093	1	.296
N of Valid Cases	200		

a. 20 cells (80.0%) have expected count less than 5. The minimum expected count is .06.

Interpretation: From the above table it can be analysed that the paired Chi-square test of the Age and Usage of digital Payments set there is an association between Age and Usage of digital Payment. Since the P value (.015) < 0.05 null hypothesis is rejected and alternative hypothesis is accepted.

Findings, Conclusion and Suggestions:

The study reveals that digital payments cannot be used without a traditional bank account and there is a limitation of amount on usage of payment banking but in future it may further extend based on the frequency of the usage of digital payments.

It is recommended that the digital payment system be reinforced with enhanced safety and security measures for financial transactions, made user-friendly through simplification, and have the risks associated with consumer transactions reduced. Furthermore, measures should be taken to eliminate any undue delays in its processes.

From the survey since the respondents are busy with their hectic work schedule, and they find no time for physical cash payment. Hence, there is a lot of frequency in the usage of digital transactions since the benefits of digital payment are convenience, easy transactions, less time-consuming cash back offers etc. which increases the frequency of usage of digital transactions among the respondents. Besides the benefits there are lot of

challenges for the growth of digital payment such as network issues, safety and security, false deduction, etc. overall the study identifies that despite the several challenges the IT sector employees are convenient in using digital payment and in return they are expecting the government or banks to take initiative in finding solutions to overcome the problems in usage of digital payments.

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