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# A Study on Perception and Attitude on Digital Payment among Urban Customers

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**Abstract:** The demonetization resulted in tremendous growth in digital payments. Technology has also become one of the most important factors for bringing changes in the business environment as well. The usages of internet and mobile phones have also increased in the past years, and this has also helped in the boost of digital payments. The Slogan of "Faceless, Paperless, and Cashless" promoted by Digital India is the echo of e-commerce today. The project was on people understood digital payment mechanisms and to know which form of digital payment is used the most by them. The current study is focused towards understanding the perception of digital payments among the people and to establish the reasons as to why they use digital payments. It will also help ascertain the usage of digital payments. The continued growth in digital transactions since the rollout of demonetization in November 2016 in line with the government's sustained efforts to turn India into a digital economy.

**Keywords:** Digital payments, Cashless transactions.

## I. 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 communication 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 control India into a digital empowered country. "Faceless, Paperless, Cashless" is one of supposed function of Digital India as a part of government reforms Prime Minister Mr. Narendra Modi demonetized the high value Currency of Rs.500 and 1000 in November 2016 and also launched the digital India initiative in 2015. These initiatives have provided extensive boost up to the digital payments system in the country. Government's other initiatives like BHIM and UPI are supporting in transaction and faster adoption of digital payments. Electronics Consumer truncation made at point of sale (POS) for service and products either through internet banking or mobile banking using smart phone or card payments are called as digital payment.

## II. OBJECTIVES OF THE STUDY

- 1) A Study on perception and awareness among the urban population on digital payments.
- 2) Consumer Trust in Digital payment system.
- 3) The Impact of Demonetization on urban customer Behavior.
- 4) Digital payment trends and urban customer preferences.

## III. REVIEW OF LITERATURE:

Shamsher singh & Ravishrana (2016) A study of consumer perception of digital payment mode. The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment.

S. Fatmahan, A. Yulandari and F. W. Wibowo (2017) A Review of E-payment system in E-COMMERCE. The Era Information and communication Technology (ICT) and digital innovation lead to dynamic changes in the business environment, where business transaction continues to shift from cash-based transactions to electronic-based transactions. The e-payment system was not introduced to replace cash but as a better alternative to cash and trade barter.

Dr. P. S. Venkataraman (2016) - "The Impact of Demonetization on urban Customer Behavior". The study analyzes the drastic shift in urban customer behavior towards digital payments following a significant demonetization event. It explores the long-term effects on perception and attitude towards digital payment methods.

Dr.R.K.Goyal (2018)- "Digital Payment Trends and urban Customer preferences" Goyal's research analyzes the evolving trends in digital payment methods and how these trends align with urban customer preferences. The study helps identify the most favored and promising payment options.

#### IV. RESEARCH METHODOLOGY

Research design utilized in the study is descriptive. The research is conducted to review the customer's perception towards digital payments.

#### V. DATA ANALYSIS AND INTERPRETATION

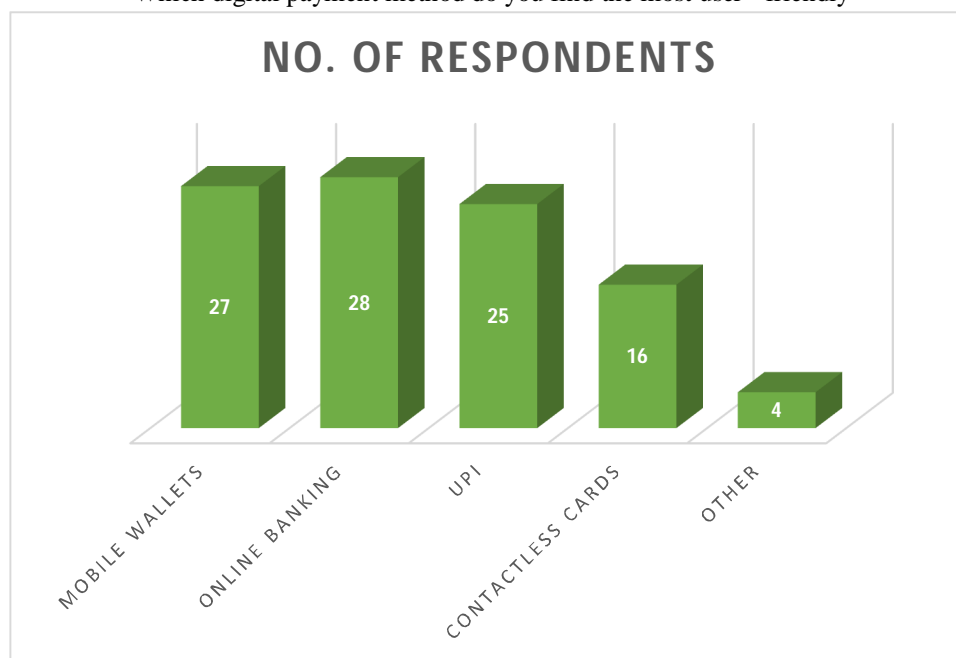
Table 1

Which digital payment method do you find the most user-friendly?

Response	No. of Respondents	Percentage (%)
Mobile Wallets	27	27
Online Banking	28	28
UPI	25	25
Contactless Cards	16	16
Other	4	4
Total	100	100

Graph 1

Which digital payment method do you find the most user- friendly



Interpretation: From the figure above, it suggests that majority of the respondents find traditional online banking and mobile wallets user-friendly. The popularity of

UPI is also evident, hinting at a diverse preference among digital payment users.

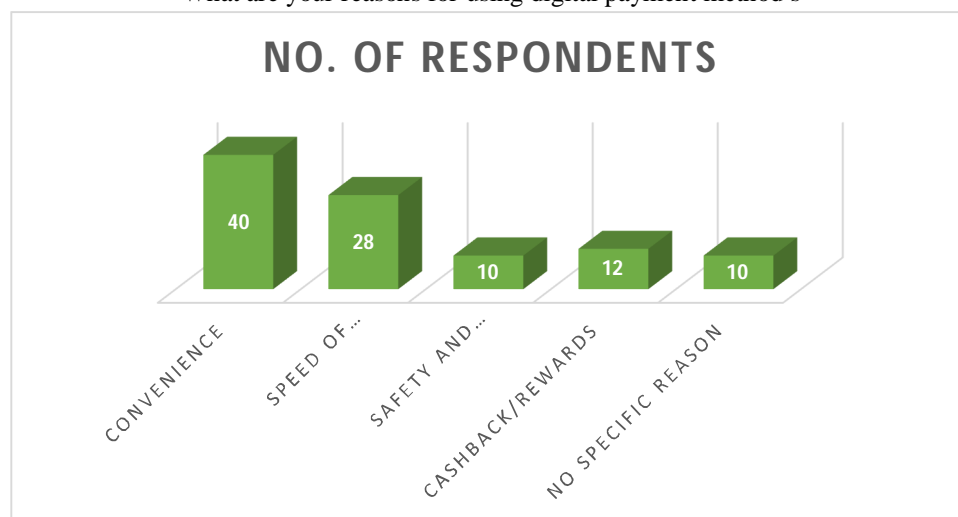
Table No 2

What are your reasons for using digital payment methods?

Response	No. of Respondents	Percentage
Convenience	40	40%
Speed of transactions	28	28%
Safety and security	10	10%
Cashback/rewards	12	12%
No specific reason	10	10%
Total	100	100

Graph No 2

What are your reasons for using digital payment method s



Interpretation: From the Figure above, the primary reason people use digital payment methods is for convenience, with 40% of the respondents citing this reason. The speed of transactions came in second at 28%, followed by cashback/rewards at 12%, safety and security, and no specific reason both at 10%. It's evident that users prioritize ease and quickness when opting for digital payment methods. While safety and security are crucial, it appears that immediate benefits like convenience, speed, and rewards play a significant role in influencing their choice.

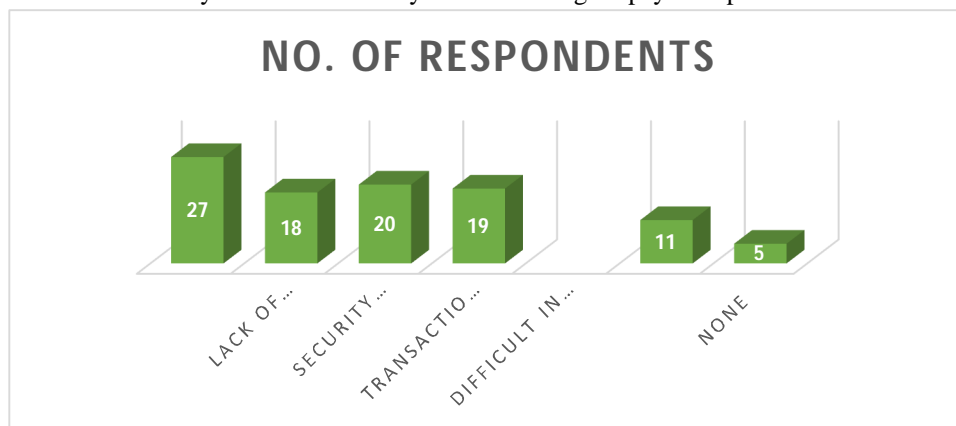
Table No 3

Have you encountered any issues with digital payments?

Response	No. of Respondents	Percentage (%)
Technical glitches	27	27%
Lack of acceptance at certain merchants	18	18%
Security concerns	20	20%
Transaction failures	19	19%
Difficult in understanding the process	11	11%
None	5	5%
Total	100	100%

Graph No 3

Have you encountered any issues with digital payment platforms?



Interpretation: From the figure above, the most common issue users encountered with digital payment platforms is “Technical glitches” at 27%. The least faced issues is “Difficulty in understanding the process” and those who faced no issues make up just 5% of respondents.

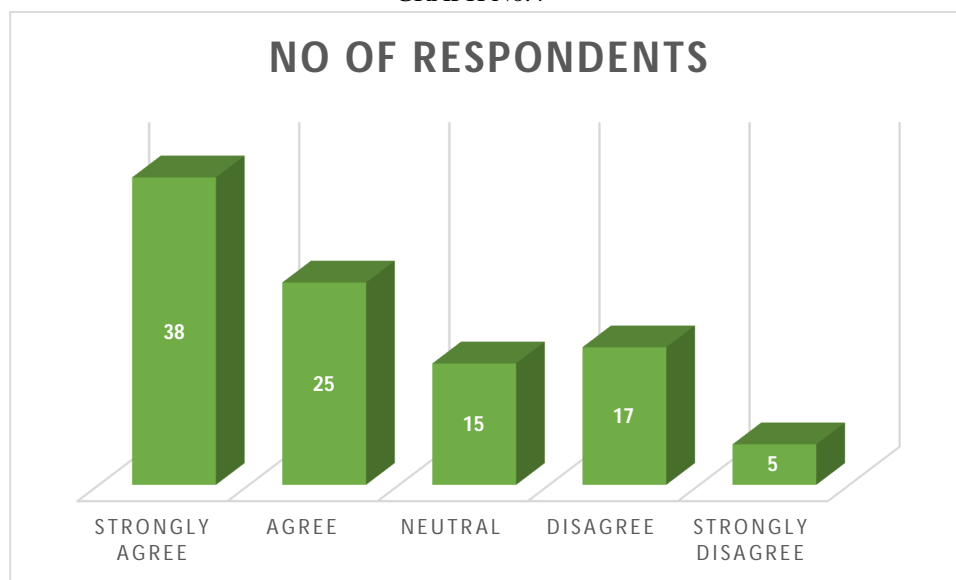
it can be inferred that while many users face technical glitches, there is a substantial segment of users who have varied issues ranging from security concerns to merchant acceptance. Only a small fraction finds the platforms entirely without issues.

Table No 4

Has your purchasing behavior changed to avail discounts, cashback, or rewards on digital payment platforms?

Response	No of Respondents	Percentage
Strongly Agree	38	38%
Agree	25	25%
Neutral	15	15%
Disagree	17	17%
Strongly Disagree	5	5%
Total	100	100%

GRAPH No.4





Interpretation: From the figure above, a significant number of respondents, 38%, strongly agreed that their purchasing behavior has changed due to discounts, cashback or rewards on digital payment platforms. This is closely followed by 25% who simply agreed, making a combined 63% of respondents who have been influenced by such incentives.

It's evident that digital payment platforms incentives play a pivotal role in shaping purchasing behaviors. With over half of the respondents (63%) showing a positive inclination towards changes in purchasing behavior due to such incentives, digital payment platforms strategies seem effective.

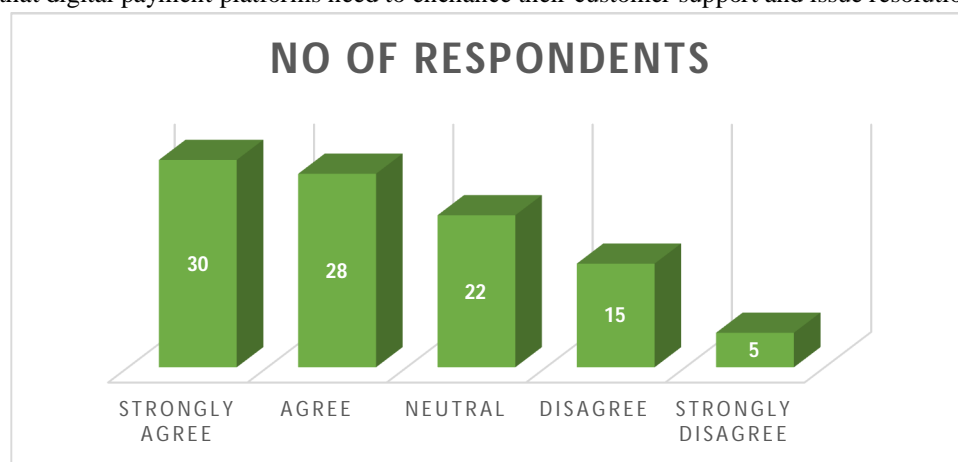
Table No 5

Do you feel that digital payment platforms need to enhance their customer support and issue resolution mechanisms?

Response	No of Respondents	Percentage
Strongly Agree	30	30%
Agree	28	28%
Neutral	22	22%
Disagree	15	15%
Strongly Disagree	5	5%
Total	100	100%

Graph No 5

Do you feel that digital payment platforms need to enhance their customer support and issue resolution mechanisms



Interpretation: From the figure above, it's evident that a significant majority (58%) of the respondents feel that digital payment platform need improvements in customer support and issue resolution mechanisms. A neutral stance was adopted by 22%, whereas only 20% disagreed with the need for enhancement digital payment platforms might need to address concerns related to customer support and resolution mechanisms, as this seems to be a prominent sentiment among users. Addressing this could lead to increased trust and satisfaction among platform users.

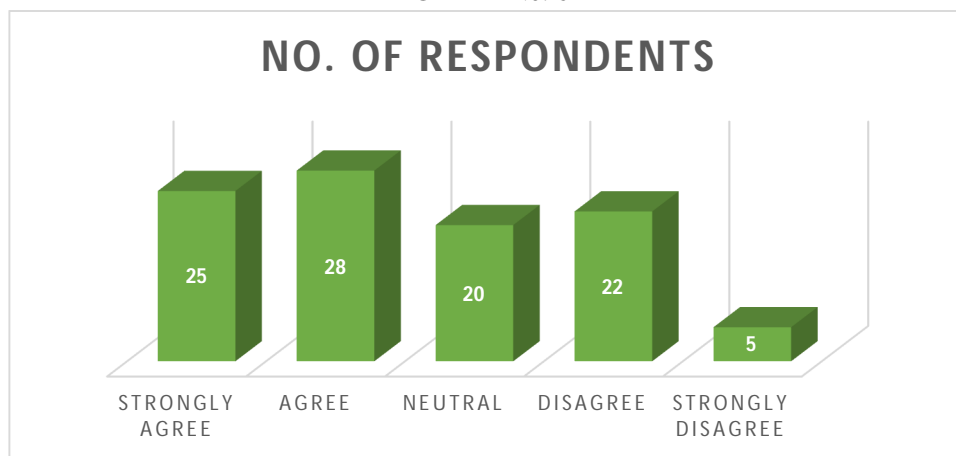
Table No 6

Does the fear of cyber fraud or hacking deter you from using digital payment platform frequently?

Response	No. of Respondents	Percentage
Strongly Agree	25	25%
Agree	28	28%
Neutral	20	20%
Disagree	22	22%
Strongly Disagree	5	5%
Total	100	100%

Does the fear of cyber fraud or hacking deter you from using digital payment platform frequently?

GRAPH NO. 6



Interpretation: From the figure above, it's evident that a significant majority (58%) of the respondents feel that digital payment platform need improvements in customer support and issue resolution mechanisms. A neutral stance was adopted by 22%, whereas only 20% disagreed with the need for enhancement one can deduce that while more than half the respondents harbor fears of cyber threats, a signification proportion(22%) doesn't share these concerns. It indicate a divided opinion on the perceived safety of digital payments.

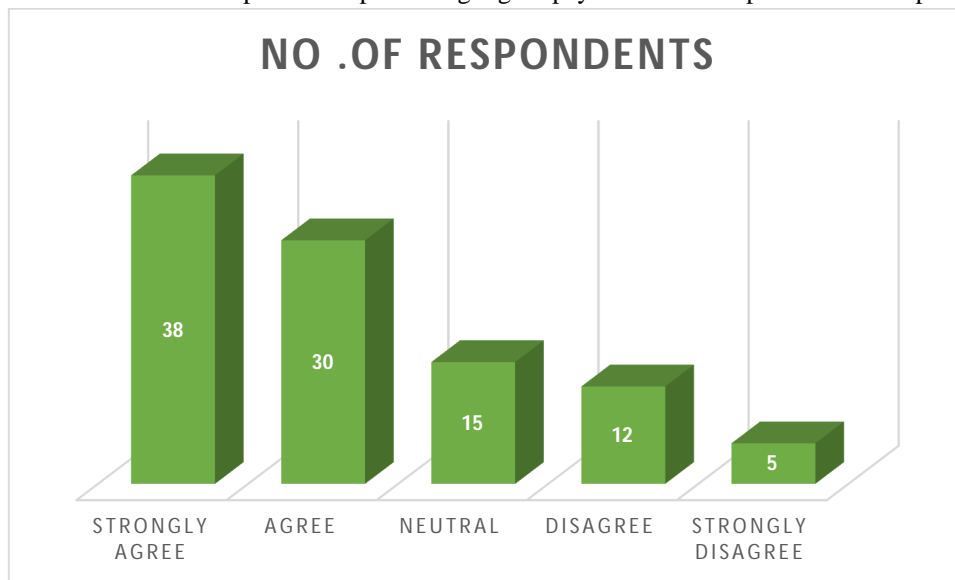
Table No 7

Do you believe that government initiatives and policies in promoting digital payments have impacted their adoption positively?

Response	No .of Respondents	Percentage
Strongly Agree	38	38%
Agree	30	30%
Neutral	15	15%
Disagree	12	12%
Strongly Disagree	5	5%
Total	100	100%

Graph No 7

Do you believe that government initiativess and policies in promoting digital payments have impacted their adoption positively



Interpretation: From the figure above, it is evident that a majority of the respondents (68%) either strongly agree or agree that government initiatives and policies have positively impacted the adoption of digital payments. However, a minority (17%) either disagrees or strongly disagrees, and 15% remain neutral.

it can be inferred that governmental policies and initiatives play a significant role in influencing people's perception towards the adoption of digital payments, with a predominant inclination towards positive influence.

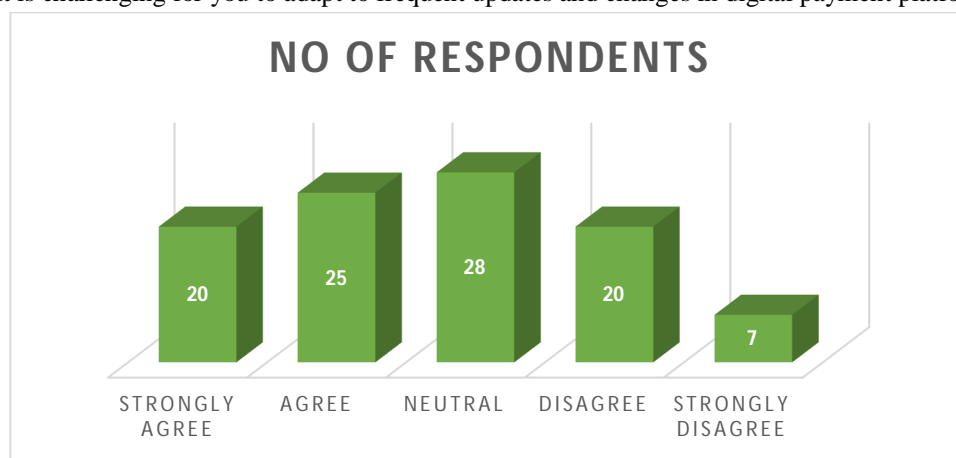
Table No 8

Is it challenging for you to adapt to frequent updates and changes in digital payment platforms?

Response	No of Respondents	Percentage
Strongly Agree	20	20%
Agree	25	25%
Neutral	28	28%
Disagree	20	20%
Strongly Disagree	7	7%
Total	100	100%

Graph No 8

Is it challenging for you to adapt to frequent updates and changes in digital payment platform



Interpretation: From the above figure, it is evident that a majority (45%) of the respondents find it challenging to adapt to the frequent updates in digital payment platforms, with 28% remaining neutral on the issue.

it can be inferred that there's a notable segment of the population that might benefit from platforms keeping changes minimal, ensuring stability, or providing clearer instructions for each update. Perception that digital payment methods are more secure than traditional cash transactions.

## VI. FINDINGS AND SUGGESTIONS:

It was found that 28% of respondents use digital payments methods occasionally and the convenience is the top reason for using digital payment platforms and the technical glitches and transaction are the main challenges faced on digital platforms and 38% have changed their purchasing behavior to avail of platform benefits. The respondents believe the design and user experience of platforms significantly impact their use. The user-friendly features are 35% of respondents strongly agree that digital payment platforms are user-friendly and navigable, digital payment platforms should continue to focus on enhancing their UI/UX for greater customer satisfaction and the education & on boarding are with 27% identifying themselves as somewhat knowledgeable, platforms could benefit from offering more educational resources or tutorials to help users understand the platform features better though address technical glitches are given that some of respondents experience technical glitches, platforms they should invest more in their technical infrastructure to ensure stability and reliability.





## VII. CONCLUSION

Urban customers use the digital payments, in particular, shows a rising trend of trust and adaption. 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. Even if acceptance is broad, problems still exist. Technical issues and transactional mistakes are issues that need to be addressed right way. The need of promoting user security and trust is also highlighted in the research. The usage of digital payments services is broad and isn't considerably skewed towards one gender, given the generally balanced gender distribution. According to the findings, even if many users see value in digital payments, platforms must engage their user bases more by providing ongoing training, improved on boarding for merchants, especially local suppliers, and working with governmental efforts. The future of digital payments is bright, but to preserve and expand their market share in a highly competitive environment, providers must put user experience, technological resilience, and security as atop priority.

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