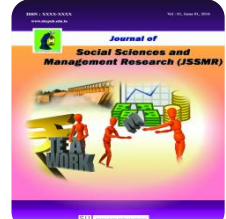




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**PERCEPTION OF CONSUMERS ON DIGITAL PAYMENT MODE**

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**Abstract:**

This article observes the psychological relation that customers have with payment approach in order to establish if and how these relations impact on payment mode choice and how the payment mode selected impacts on banking transactions. The customer awareness about digital payments has an important and optimistic impact on embracing of digital payments. Since demonetization, India has seen a tremendous growth in use of internet banking. Increasing use of internet, mobile diffusion and government program such as Digital India are acting as a channel which leads to exponential growth in use of digital payment. Early researchers compared cash, cheque and credit card payment modes and concluded that credit card use equates with increased spending. Whether the transformation is due to usage of credit card or the dearth of cash is not wholly ascertained.

**Keywords:**

Banking, Perception, digital payment.

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### **Introduction:**

Demonetization generated an occasion for digital payment in the sub-continent and the digital wallet enterprises grabbed this opportunity with both the hands to inflate their market share. Demonetization has presented a distinctive platform for embracing of digital payments, as a substitute to cash for Indian consumers. Acceptance of cashless transaction has been significantly pressed by Prime Minister Mr. Narendra Modi as part of government reforms after demonetization. There are enough initiators who are leading to the growth of digital payment and change from cash to cashless economy. Diffusion of internet connectivity on smart phones, non-banking financial institution facilitating digital payments, rise of financial technology sector and push by government either by giving incentives or tax breaks. These all reasons are generating positive atmosphere for growth of digital payment in India.

Digital wallets offer the customers the ease of payments without swiping their cards. Immediate money accessibility and renders

seamless motion is also a distinctive feature of these apps, for illustration the balance in your Paytm wallet can be transferred effortlessly to your bank account as and when you need. Advantages of doing transactions through e wallets: Digital wallets embrace the amount in the electric form so as to simplify the payment process where customers can make online payments without submitting any card details. When the payments are made through e wallets there is a strong safety concern, since the wallet does not permit the payment card particulars to the website. These computer-generated wallets allow users to lock their wallet. It is just one click pay without providing details every time and passwords. It lets user to link digital wallet to accounts by using mobile number and pay right away so that the customers have no issues to enter the details. Cash back and discounts are offered by digital wallet companies. They help in not carrying the physical wallet as they are very convenient.

### **Literature review**

The growth of Internet and its user base in recent years has been truly phenomenal.

Despite the phenomenal growth of the Internet over the past few years, the vast potential of conducting business over the Internet remains largely untapped. Literature analysis has made it amply clear that barriers to digital payments have been largely examined in terms of risk perception.

The notion of perceived risk was originally introduced by Bauer as a psychological, subjective construct to explicate phenomena's such as information seeking and brand loyalty. Perceived risk is defined as "the nature and amount of uncertainty or consequences experienced by the consumer in contemplating a particular purchase decision"<sup>3</sup>. Perceived risk is also defined as "the consumer's perception of the uncertainty and concomitant adverse consequences of buying a product or service"<sup>4</sup>

### **Research methodology**

This researcher has collected secondary data to draft this article. The data is collected from various sources like newspaper's, magazine's, websites, banking portals.

### **Need of Digital Payments**

Indians are becoming knowledgeable at digital payment, and most businesses are not wasting any time in figuring up their wallets. 2016's demonetization has kicked up the Cashless India. Whereas, India is mainly been a cash-obsessed nation, and when 99 percent of the economy was deprived of it, they had no option but to go digital. Digital payment solutions are becoming more relevant for the Indian economy driven by mobile-centric internet payments. India currently has around 85 million unique active mobile wallet users. Only 60 million prefer mobile banking nowadays. Getting digital payment exact in a diverse country like India is an uphill task. A huge chunk of customers are spending cash and have never used the internet. It will be the most perplexing task for digital payment players to enter them.

### **Digital Payment Modes in India**

There are numerous methods of digital payment available in India.

Prepaid credit cards:

Pre-loaded to customers' bank account. It is like a gift card. Customers can buy by the funds existing on the card and not on credit. Can be revived like a mobile phone recharge, up to a recommended limit.

Mobile wallets:

They are used via the internet and through smartphone apps. Currency can be deposited on the app via recharge by debit or credit cards or net-banking.

AEPS:

The Aadhaar Enabled Payment System uses the 12-digit unique Aadhaar identification number to allow bank-to-bank transactions at PoS. AEPS services include balance enquiry, cash withdrawal, cash deposit, and Aadhaar to Aadhaar fund transfers.

Debit/RuPay cards:

These are linked to Customers bank account which can be used at shops, ATMs, online wallets, micro-ATMs, and for e-commerce purchases. Debit cards have overtaken credit cards in India.

UPI:

The United Payments Interface (UPI) envisages being a system that powers multiple bank accounts onto a single mobile application platform (of any participating bank). Merges multiple banking features, ensures seamless fund routing, and merchant payments.

**Topmost digital wallets in India.**

1. Paytm<sup>1</sup>

Transfer money instantaneously to the bank from Paytm account Safe to store customer's CVV number. Paytm has launched an app password feature for Paytm Wallet in order to ensure the money is safe even if the customer lose or misplace his phone.

2. Mobikwik

Introduction of M-Wallet for easy storage and operation of money. Immediate recharge without sign-up. Encoded and highly secured transactions. User friendly mobile application

3. Citrus

Fastest among all the digital wallets. Citrus Pay wallet offers discounts.

4. PayUmoney

Auto read of OTP. Picking up the transaction where it dropped. Risk monitoring

5. Oxigen

Send money to other mobile phones  
Shows transaction history

### Conclusion

Present study has made an effort to understand customer perception regarding digital payment. The growing number of users of Smartphone and internet diffusion has eased the adoption of digital payment. Adopters of digital payments are led by most of the small business people, youth and Mobile savvy. The major source used for gathering information on digital payments by customers is searched through play store and search engines. Internet usage array in terms of normal time spent, place of accessing internet, main tasks accomplished and types of sites visited using Internet.

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