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The Digital Payments Revolution: A Retrospective of Consumer Attitudes

Mr. Pradeep Kushwaha*

Abstract

The ascent of digital payment technologies has fundamentally altered how consumers engage in financial transactions. This paper provides an extensive retrospective analysis of consumer sentiments regarding the digital payment revolution. Employing a combination of qualitative and quantitative research methods, this study tracks the evolution of consumer perceptions, preferences, and behaviors concerning digital payments over the past decade. Notable findings include insights into the factors influencing the adoption of digital payment methods, the impact of security and privacy concerns on consumer trust, and the importance of convenience and user experience in shaping consumer attitudes. Additionally, this paper investigates how demographic and cultural factors affect the acceptance of digital payments and offers recommendations for businesses and policymakers to better comprehend and address evolving consumer needs within the digital payment landscape. By shedding light on the historical trajectory of consumer attitudes, this research deepens our understanding of the digital payment realm and provides invaluable guidance to stakeholders striving to enhance the future of digital financial services. We hope to provide useful insights for businesses, policymakers, and researchers as they navigate a digital world that keeps changing how we think about buying things.

Key words: Online Payment, Digital Payment, Payment Methods, Credit Cards, Debit Cards, Digital Wallets, Mobile Payments, Cryptocurrency

* Researcher, Department of E.A.F.M., University of Rajasthan, Jaipur and Assistant professor (Department of E.A.F.M.), Govt. Commerce College Kota

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INTRODUCTION

In today's tech-driven world, how we buy things has drastically changed. One of the most noticeable changes is how we use digital payment methods like mobile wallets and online payments. These methods have not only revolutionized how we handle money but also how we feel about the entire shopping process. When we talk about "buying perception," we mean how people feel and what they think when they're shopping. It's a mix of their experiences, emotions, and attitudes when they make purchases. This includes how easy it is, how much they trust it, how secure they feel, and how user-friendly it is—all linked to using digital payments. This research paper dives deep into how digital payments affect the way people view shopping. We want to understand how these new ways of paying influence how people feel. From the super easy one-click payments to the importance of trust and security, there's a lot to explore in the world of digital payments. In the upcoming sections, we'll look at the main things that shape how people feel when they use digital payments. We'll see how convenience makes transactions smoother and why trust and security are crucial. We'll also explore the user experience and how it affects people's overall shopping perception. Additionally, we'll discuss incentives, privacy concerns, and how technology has made financial services more accessible. By navigating this complex world, our research aims to help us understand the relationship between technology and how people act when they shop.

Online payment methods have evolved significantly to provide convenience and security for digital transactions. Here are some common methods of online payment:

1. UPI 123PAY: Call Karo. Pay Karo: UPI 123PAY is a secure and convenient payment system designed for feature phone users. It enables them to leverage the Unified Payments Interface (UPI) payment service to perform a wide range of transactions. The system offers four technology alternatives, including:
   - IVR-based payments: Users can initiate a secured call to pre-defined IVR numbers (080 4516 3666 & 080 4516 3581 & 6366 200 200) from their feature phones. By following the on-boarding process, they can complete the necessary formalities and start making financial transactions without an internet connection.
   - App functionality: Feature phone users can access UPI services through dedicated apps installed on their devices.
   - Missed call-based approach: This method allows users to perform various transactions, such as fund transfers, bill payments, and more, by giving a missed call to the number displayed at the merchant‘s place.

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- Proximity sound-based payments: Leveraging innovative technology, this solution enables users to make payments by utilizing proximity sound signals.
- The IVR-based payment option supports multiple languages, ensuring customers can avail themselves of this service in their preferred language[1]. Notably, IDFC First Bank, City Union Bank, and NSDL Payments bank have already implemented IVR payments. These solutions are supported by Ultracash and Tonetag.

2. UPI LITE: UPI LITE is a novel payment solution that utilizes the reliable NPCI Common Library (CL) application to facilitate low-value transactions, which have been capped at ₹ 500. The solution operates on existing UPI ecosystem protocols for mobile phones to ensure uniformity, adherence, and system acceptance. UPI LITE experience aims to enable low-value transactions in a user-friendly manner without relying on a Remitter bank‘s core banking systems in real-time, while ensuring sufficient risk mitigation.
3. Credit Cards: Credit cards are one of the most widely used methods for online payments. Consumers enter their card details (card number, expiration date, and CVV) to complete transactions. Major credit card providers includeVisa, MasterCard, and American Express.
4. Debit Cards: Debit cards work similarly to credit cards but deduct funds directly from the user's bank account. They are commonly used for online shopping and payments.
5. Bank Transfers: Bank transfers involve transferring funds from one bank account to another electronically. This can be done through online banking platforms, and it's often used for larger transactions or bill payments.
6. Digital Wallets: Digital wallets, such as PayPal, Apple Pay, Google Pay, and Samsung Pay, store users' payment information securely. Users can make online purchases by selecting their preferred digital wallet and confirming the payment.
7. Mobile Payment Apps: Mobile payment apps like Venmo, Cash App, and Zelle allow users to send money to friends and family or make online purchases using their smartphones. These apps are popular for peer-to-peer payments.
8. Cryptocurrency: Cryptocurrencies like Bitcoin, Ethereum, and Litecoin can be used for online payments. Users provide their cryptocurrency wallet address to complete transactions.
9. Prepaid Cards: Prepaid cards, also known as gift cards or prepaid debit cards, are loaded with a specific amount of money. Users can redeem them for online purchases until the balance is exhausted.
10. Direct Debit: Direct debit is commonly used for recurring payments, such as utility bills or subscriptions. Users authorize a merchant to withdraw

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funds directly from their bank account on a regular basis.

11. Buy Now, Pay Later (BNPL): BNPL services like After pay and Klarna allow users to split their online purchases into smaller, interest-free paymentsover time.
12. NFC Payments: Near Field Communication (NFC) technology enables contactless payments using smartphones or NFC-enabled cards. Users simply tap their device or card on a compatible terminal to make a payment.
13. E-wallets: E-wallets are digital versions of physical wallets. Users can store money in their e-wallet accounts and use them for online transactions. Examples include Skrill and Neteller.
14. Online Payment Gateways: Online businesses often use payment gateways like Stripe, PayPal, or Square to process payments securely. These gateways integrate with e-commerce websites to facilitate transactions.

Data Base and Methodology

The present study based on secondary data which has been collected from various sources like: websites, Newspapers, articles, Journals etc.

Table 1: No of Digital payments

The below Table shows the data of digital payments from these type of Digital payment modes like: BHIM-UPI, IMPS, NACH, AePS, NETC, debit cards, credit cards, NEFT, RTGS, PPI and others.

Financial year	Total no. of digital Transactions (in crore)
2017-18	**2,071**
2018-19	**3,134**
2019-20	**4,572**
2020-21	**5,554**
2021- 22	**8,840**
2022-23	**9,192* (till 31st december)**

Source: RBI, NPCI and banks

Future scenario

No. Of digital transactions across India in FY 2020 and 2023, with forecasts unit 2027

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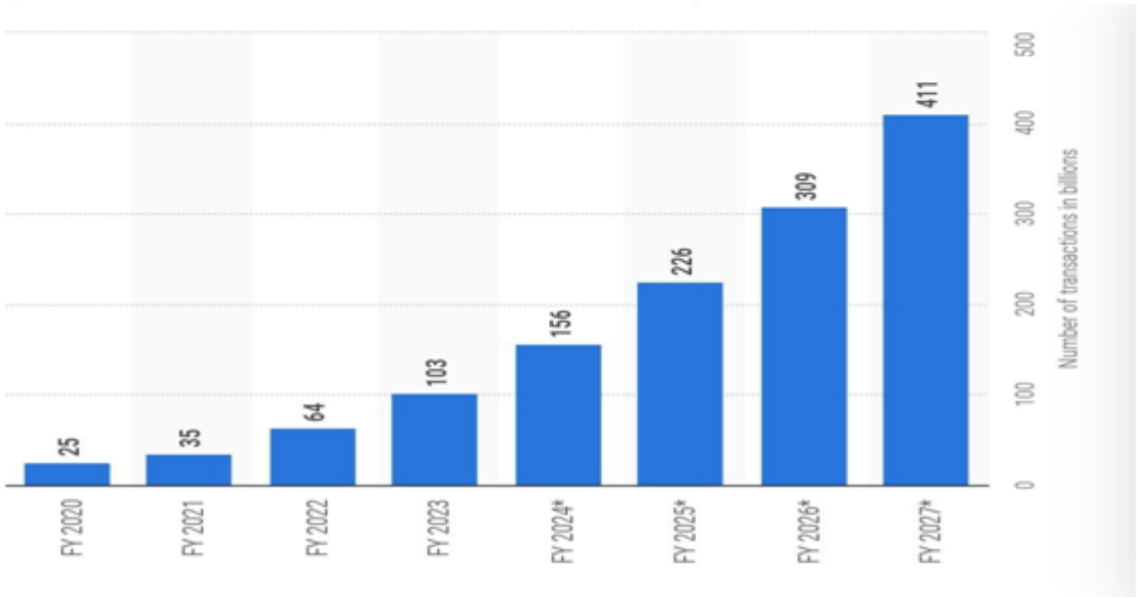
Characteristic	Number of transactions in billions
FY 2027*	411
FY 2026*	309
FY 2025*	226
FY 2024*	156
FY 2023	103
FY 2022	64
FY 2021	35
FY 2020	25



Source: Statista

Thus, it can be understood from the above table and graph that the number of digital transactions which was 25 billion in 2020 will reach 103 billion in 2023. And this number is expected to reach 411 billion in 2027. Thus, it can be said that people are giving immense preference to transacting through digital technology instead of cash.

Conclusion

In conclusion, the realm of online payment methods has undergone a remarkable transformation, redefining the way individuals and businesses engage in financial transactions in the digital age. This evolution has brought forth a multitude of options and technologies, each designed to offer convenience, security, and flexibility to users.

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In this digital era, where the lines between physical and digital commerce blur, the methods of online payment have become fundamental to everyday life. They not only enable the exchange of goods and services but also shape consumer expectations and influence how businesses operate. As we move forward, it is imperative for individuals, businesses, and policymakers to adapt to this ever-changing landscape, embracing the opportunities and challengesthat online payment methods present in our interconnected world.

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