A STUDY ON FACOTRS INLUENCING THE UTILIZATION OF DIGITAL PAYMENT METHODS WITH SPECIAL REFERENCE TO EMPLOYEES OF IT SECTOR IN COIMBATORE CITY

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ABSTRACT:

The goal of the research People in India are now more aware of the advantages of digital payments as a result of the government's Demonetisation strategy. People are still unaware of the range of services it offers, though. The usage of digital payment should be increased automatically by reducing security risks, identity theft, and payment delays. Aside from the problems, digital payments are praised for their accessibility, convenience, and simplicity of usage. The demands of young people must be taken into account by digital payment service providers as the youth population swiftly adopts new technology.

Key Words: Digital Payment, IT sector, Consumer Adoption.

INTRODUCTION:

A smart phone has become a necessary component of living in the modern world. As smart phones have grown more accessible, their use has drastically expanded. A smart phone offers a wide range of additional services in addition to the fundamental communication capabilities. Its storage and payment operations are exactly the same as those of a conventional leather wallet, with the exception that they are carried out digitally and involve a larger number of parties on a digital platform.

HISTORY OF DIGITAL PAYMENT:

The first time that customers could pay for goods and services without being present during the transaction process was in 1871, when Western Union introduced the electronic fund transfer (EFT) in the U.S., marking the beginning of electronic payment. Since then, payment methods have changed significantly, with the Bank of America introducing the first contemporary credit card in 1958. However, the America Advanced Projects Agency Network was not introduced until the 1960s. The Platform paved the ground for the development of the modern internet and the subsequent advancement of payment methods.

DIGITAL PAYMENT IN INDIA:

At 1996, the Industrial Credit and Investment Corporation of India started to provide customers online banking services at its retail offices, becoming one of the first online payment systems in the nation. Indian digital payment history A more dependable payment and settlement infrastructure in India began to be built in 2008 thanks to the National Payments Corporation of India. Since then, numerous different goods and services have been created, including many more as well as India's distinctive digital identity system Aadhaar in 2010.

DIGITAL PAYMENTMODES IN INDIA:

- USSD (Unstructured Supplementary Service Data)
- UPI (United Payment Interface Service Data)
- AEPS (Aadhaar Enabled Payment System)
- Mobile wallets
- Point of Sale Machines (PoS)
- Mobile Banking
- Internet Banking

CONTRIBUTION OF IT SECTOR TO INDIA'S GROWTH:

Information technology-based services are essential for organisations to increase productivity, improve business operations, and grow effectively and affordably in today competitive world. Not only has the IT industry influenced India's economic success, but it has also made the government more accessible and participatory. Because of improvements

in information technology, access to government-related services and information is now easier and less expensive. IT has improved government service management and delivery in areas such as health care, education information, consumer rights and services, and so on. Our economy must have a thriving IT sector in order to create millions of new jobs and see exponential growth. The exponential rise of Indian IT companies over the last two decades has played a significant influence in shaping how the world views India. The Government of India's liberalisation initiatives, such as lowering trade barriers and eliminating import levies on technology products, have played an important role in the expansion of the IT industry. The pandemic has recently taken a heavy toll on economies. However, technology was a great enabler for us. With most activities and enterprises migrating online, the IT industry has extended its unwavering support.

REVIEW OF THE LITERATURE:

Mahesh & Bhat (2022), stated that, "According to the survey, India's digital payment market has achieved significant success since the National Payment Corporation of India (NPCI) implemented UPI in 2016. Government regulation, regulator intent, societal behaviour, more Smartphone usage, cheaper internet costs, and other factors all had a big impact on the digital payment industry's growth by providing secure, faster, cost-effective, and secure payment solutions. The PESTEL approach is used in this study to evaluate the digital payment sector in India, allowing us to see the market from all angles".

Ranjith *et al.* (2021), analysed that, "Most transactions in the world are becoming digital, and India is no exception. Several studies have shown that an effective payment system increases an economy's liquidity flow. The study aims to better understand consumers' impressions of online and digital payments, as well as the security of these transactions in this age of connected devices. This study assists marketers in understanding consumers' attitudes regarding cashless transactions. The study is qualitative in nature and employs literature studies to examine the concept of digital transactions. The reviews dive into the different benefits and drawbacks of adopting digital transactions. The study identifies the benefits and obstacles that consumers face while using digital payment. The findings will aid future academics in developing conceptual models and gaining more fascinating insights about the subject".

Rashi (2021), argued that, "Digital Banking is a new paradigm that offers substantial advantages to banks in terms of expanding benefit and efficiency, as well as to its customers in terms of payment simplicity and 24*7 access to banking administrations. People no longer wait in enormous lines at banks, hoping that their turn will be called to withdraw cash or store money. Individuals can now go to the bank without having to wait in huge lines and without having to worry about the financial hours. Previously, while digital payment was available, people were unwilling to modify their trade habits; now, with demonetization, they are no longer able to do so. Expanding web utilisation, diverse entry, and government effort, for example, Digital India, are acting as impetus, prompting substantial growth in the use of digital payment. This research study focuses on the use and significance of digital payment systems in India."

Babulal (2019), described that, "India is on its way to becoming cashless. The Indian government launched the Digital India Campaign to lessen the Indian economy's reliance on cash and to prevent money laundering. Various payment methods are emerging and evolving in order to make India cashless and to increase trends in using digital payment systems. Because India is a developing country with the majority of its population living in rural areas, and because computer literacy is barely 6.5%, the topic of implementing a digital payment system arises. The study paper focuses on the challenges of India's digital payment system and the effects of the system on its population and economic system. The article also attempts to illustrate the future extent of the digital payment system."

STATEMENT OF THE PROBLEM:

Digital payments are becoming more compatible for the Indian economy guided by smart phone pivotal internet utilization. India presently has around Rs. 12.98 lakh crore unique active mobile wallet users in 2023. Out of all the transactions through digital payments the higher percentage is done by Indian Youth. Though lot of research work has been conducted on the use of digital payments, minuscule amount of research has been done on Socio economic condition, problems and factors influencing the consumer on adoption of Digital payments. This research study is an attempt in this direction to know the Socio economic, problems and factors influencing the consumer on adoption of Digital payments.

OBJECTIVES OF THE STUDY:

- To study the Socio-economic conditions of Digital Payment users in IT sectors.
- To analyse the factors influencing the consumers to adoption of Digital payments in IT Sector.
- To identify the problems faced by users of Digital payment in IT Sector.

DATA SOURCES AND METHODOLOGY:

The study aims to understand, A Study on Consumer Adoption of Digital Payments with Special Reference to Employees of IT Sector in Coimbatore City. Hence the study is both Analytical and Descriptive in nature. There are 7,000 employees working in IT Sector in Coimbatore City. Based on the cost and time constraint the data was collected only from 70 employees from the IT Sector using Stratified Random Sampling. The present study is based on Primary Data and it was collected from the IT sector employees through Interview Schedule. Statistical tools like Percentage, Garrett Ranking Technique and Likert Scale were used to analyse the data.The study covers the consumer adoption of digital payments with special reference to employees of IT sector in Coimbatore City.

RESULT AND DISCUSSION:

The term "Socio-Demographic" refers to a group defined by its sociology and demographic characteristics. Demographic characteristics can refer to Age, Gender, Religion, Education, Marital Status, and Type of Family. Age is an important demographic variable, which identifies the independent (i.e., economically active population) and dependent (i.e., economically inactive population).

Table 1: Socio-economic Conditions of IT sector Employees

Variable	Category	Respondents of IT Sector	Percentage
Age	Below 20 Years	0	0
	20-30 Years	68	97
	30-40 Years	2	3
	Above 40 Years	0	0
Marital Status	Married	9	13
	Unmarried	60	86
	Divorced	1	1
	Widow	0	0

Community	BC	31	44
	MBC	18	26
	SC/ST	4	6
	OC	17	24
Religion	Hindu	57	81
	Muslim	7	10
	Christian	6	9

i. Age:

For the purposes of this study, the respondents' ages have been divided into four groups: those under 20 years old, those between 20 and 30, those between 30 and 40, and those above 40. The age range of the majority of responses (97%) is 20 to 30 years old, followed by 30 to 40 years old (9%).

Community:

The respondents' community is divided into four categories. From this group, the bulk of respondents (44%) fall into the BC category, followed by the MBC (26%) and OC (24%) categories, and only 6% of respondents fall into the SC/ST category.

ii. Religion:

Religion is a specific form of belief and worship. Hinduism, Islam, Christianity, Buddhism, Jainism, and Confucianism are the main faiths practised in India. The three sorts of faiths are used in our investigation. In our poll, Hindus made up the bulk of respondents (81%), followed by Muslims (10%) and Christians (9%).

iii. Marital Status:

The specific selection that indicates a person's relationship is their Marital Status. The marital statuses of married, single, divorced, and widowed are some instances. In this case study, 86 percent of respondents were single, 13 percent were married, and 1 percent of respondents were divorced.

Table 2: Factor Influencing the Consumers to adoptions of Digital Payment

Variable	**Category**	**Respondents of IT Sector**	**Percentage**

Information about digital payment	Social media	36	52
	Friends	24	34
	Magazines/ Television	10	14
Considerations of digital payment	Alternative	36	52
	Substitute	10	14
	Supportive	24	34
Awareness of digital payment	Yes	63	90
	No	7	10
Usage period of digital payment	Below 2 years	46	66
	2-4 years	23	33
	Above 4 years	1	1
Amount loaded in Digital payment per month	5000-10,000	49	70
	10,000- 15,000	15	21
	Above 15,000	6	9
Amount spent through digital payment per month	Below 2500	29	41
	2500-5000	30	43
	Above 5000	11	16
Frequency of using digital payment services	Occasionally	19	27
	Only when needed	37	53
	Impulsive	2	3
	When offer hits	4	6
	Monthly	5	7
	Others	3	4
Payment method used to add money in digital payment	Credit Card	13	19
	Net Banking	25	36
	Debit Card	30	43
	E-Wallet Account	1	1
	Others	1	1

i. Information about digital payment

The respondents learned about digital payments in a variety of ways, including through social media (52%), friends (34%) and magazines/TV (14%). thoughts on electronic payments.

ii. Considerations of digital payment

In accordance with the study's guidelines, respondents were asked to indicate whether they preferred alternative, substitute, or supporting payment methods. Of the respondents,

(52%) viewed digital payments as alternatives, followed by (34%) as supportive, and (14%) as substitutes.

iii. Awareness of digital payment

Almost (90%) all of the respondents have used different online payment methods and are familiar with digital payments. Because they were not aware of digital payment systems and (10%) of the respondents had never utilised any online payment methods.

iv. Usage period of digital payment

Three categories—Below 2 Years, 2 to 4 Years, and Above 4 Years—were used to categorise the length of time that digital payments were used. Most of the respondents (66%) have been using digital payments for less than two years. This is followed by 2 to 4 years (33%) and more than 4 years (1%).

v. Amount loaded in Digital payment per month

Three categories—Rs. 5,000–Rs. 10,000; Rs. 10,000–Rs. 15,000; and Above Rs. 15,000—represent the monthly amount loaded in digital payments. The category has been divided into subcategories because each person's goals may be different. Accordingly, the results were Rs. 5,000–Rs. 10,000 (70%), Rs. 10,000–Rs. 15,000 (21%), and Above Rs. 15,000 (9%).

vi. Amount spent through digital payment per month

Depending on their income, each person's spending habits. As a result, the survey divides spending into three categories: less Rs. 2,500 (41%), between Rs. 2,500 and Rs. 5,000 (43%) and above Rs. 5,000 (16%).

vii. Frequency of using digital payment services

Six broad categories were created based on how frequently respondents used digital payment systems. The majority of respondents (53%), who use digital payment services mostly only when necessary, are also the least likely to use them impulsively (3%), for offers (6%), on a monthly basis (7%) or for other reasons (4%).

viii. Payment method used to add money in digital payment

The respondents were asked to list the various payment methods they had previously used, including cash, checks, credit/debit cards, and net banking. The amount of the digital payment service must be put into it beforehand using a variety of payment methods, including a credit card, net banking account, debit card, e-wallet account, and other methods. According to the results, 43% of respondents used debit cards, 36% used net banking, 15% used credit cards, 1% used e-wallets, and 1% used other methods.

Table 3: Weighted Average Score:

Factors Influencing to use Digital Payment Services:

S.NO	Variables	Extremely Influencing	Very Influencing	Somewhat Influencing	Slightly Influencing	Not Influencing	Weighted Average Score
1	Accessibility	25	23	7	6	2	4
2	Convenience in buying products	10	23	25	3	2	4
3	Security and privacy	9	22	24	7	1	3
4	Technology adoption	20	17	16	9	1	4
5	Budgeting	16	17	14	11	5	3
6	Availability /acceptance of the services at different stores	8	20	17	11	7	3
7	Digital Payment substitute the Physical Payment	16	29	15	3	0	4

	System						
8	Confidentiality of Bank details	12	16	23	11	1	3
9	24*7 customer service	12	18	13	18	2	3

With a focus on IT Employees, the weighted average approach was used to study the variables influencing digital payment users in Coimbatore City to utilise the digital payment gateway. On a five-point scale, the sample respondents were asked to rate the factors that influenced them to utilise digital payments. The table displays the weighted average analysis.

INFLUENCE LEVEL TOWARDS DIGITAL PAYMENT SERVICE

The average value found in the table above is typically 3 or 4, which denotes loose or moderate influence, respectively. Therefore, noted that the majority of respondents were very strongly influenced by factors like accessibility, ease of purchasing products, technology adoption, and the replacement of physical payment systems with digital payments. They were also somewhat influenced by security and privacy, budgeting, the availability of services at various stores, the confidentiality of bank information, and 24-hour customer service.

GARRETT RANKING TECHNIQUE:

Some of the issues that users of digital payments encounter have been noted by the study. The respondents were asked to rank the elements that contribute to problems with digital payment services, such as complex and time-consuming processes, identity theft, security lapses, potential for loopholes, not supporting all forms of payment, and other issues. Garrett's ranking technique was applied to identify the biggest issue with digital payments. According to this method, respondents were asked to rate the issues, and the results of this ranking were then transformed into a score value using the following formula:

$$\text{Percentage position} = \frac{100 \times (R_{ij} - 0.50)}{N_j}$$

Here, R_{ij} = Rank given for the i^{th} variable by j^{th} respondents.

N_{ij} = Number of variable ranked by j^{th} respondents.

Table 4: Garrett Ranking Technique:

S NO	PROBLEMS FACED THROUGH DIGITAL PAYMENT	GARRETT SCORE	RANK
1	Time consuming	3275	2
2	Lengthy procedure	2969	6
3	Identity theft	3056	3
4	Security breaches	3484	1
5	Chances of loopholes	2894	7
6	Not supported for all payments	3021	4
7	Low Internet Bandwidth	3010	5

Source: Primary Data

The issue that the respondents encountered when using digital payments is clearly analysed in the table above. Because security breaches are regarded as a major issue by the majority of respondents, they are ranked first, followed by time consumption (2nd), identity theft (3rd), not supporting all payment methods (4th), low internet bandwidth (5th), lengthy procedures (6th), and chances of loopholes (7th), which is the lowest ranking.

CONCLUSION:

Due to the government's Demonetisation programme, more individuals in India are aware of using digital payments. People are still unaware of the range of services it offers, though. Reducing the risks of fraud, identity theft, and payment delays will enhance the usage of digital payments. Apart from these problems, digital payments have been praised for their

accessibility, convenience, and ease of use. Young people quickly adopt new technology, thus digital payment service providers must take this into account.

SUGGESTIONS

- People need to be connected with a formal banking institution in order to mobilize funds, seek credit facility and reduce leakages.

- The present status of digital payment and settlement systems is a result of so many innovations, and integration of varied technologies.
- Over the years, several payment systems were 199 consolidated into a nation-wide uniform and standard infrastructure for payment industry.
- High transaction costs, huge amount of transaction limits, delay in transaction settlements, fixed operating hours, etc., are the bygone matters.
- The present payment systems are embodied with the features like real time payment service, round the clock services, immediate settlements, instant clearances, unified interface, multiple authentication and authorization credentials, standard security protocols, varied payment instruments, services, secure and robust platforms, biometric authentication, etc.,.

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