A STUDY ON CONSUMER ADOPTION OF DIGITAL PAYMENTS 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 vital organization to increase productivity, make business process flow easily, and grow efficiently and economically in this competitive world. The IT industry has not only impacted the economic growth of India, but it also made the government more accessible and component. Information technology

has made access to government-related services and information easier and inexpensive. IT has made the management and delivery of government services like health care services, education information, consumer rights, and services, etc. seamless with enhanced transparency. The IT industry is essential for our economy to prosper exponentially and to generate millions of job opportunities. The exponential growth of the IT companies in India for the past two decades has played an important role changing how the world views India. The libereralization policies such as reducing the trade barriers and eradicating the import duties on technology products by the Government of India are instrumental in the evolution of the IT industry. In recent times, economies have been hit hard by the pandemic. But the technology stood by our side as a true enabler. The IT industry has extended its unrelenting support, with most activities and businesses moving online.

REVIEW OF THE LITERATURE:

Mahesh & Bhat (2022), According to the study, India's digital payment segment has seen tremendous success since the implementation of UPI by the National Payment Corporation of India (NPCI) in 2016. The government's Direct Benefit Transfer (DBT) program enabled the country to achieve financial inclusion of all citizens having access to banking services. Government legislation, regulator intent, social behavior, increased Smartphone usage, lower internet costs, and others significantly impacted the growth of the digital payment industry by ensuring secure, faster, cost-effective, and secure payment solutions. This study examines the digital payment industry in India using the PESTEL methodology, which allows us to see the industry from all sides.

Ranjith *et al.* (2021),Digital transactions are taking over most of the transactions in the world and India is no exception. Various studies have proved that efficient payment system will speed up the liquidity flow of an economy. In the era of digitization, transactions using technology is the best way of being agile and giving better service to consumers. The study is about understanding consumers 'perceptions with respect to online and digital payments and safety of these transactions in this world of connected technologies. It is important for marketers to know the perception of consumers towards cashless methods of transactions and this study helps in this. The study is qualitative in nature and uses literature reviews to analyses the concept of digital transactions. The reviews delve insights into the various challenges and advantages of using digital transactions. The findings reveal that digital transactions are accepted in India and usage is increasing year by year. The study finds

the advantages and challenges which is faced by consumers while adopting digital payment. The study will help future researchers for formulating conceptual models and deriving more stimulating insights into the topic.

Rashi (2021), Digital Banking is the new worldview that offers significant advantages to banks as far as expanding benefit and efficiency just as to its clients regarding simplicity of payments and admittance to the banking administrations 24*7. It is cultivated by utilizing condition of - the-workmanship innovation foundation to achieve changes in interior cycles and outside interfaces. Gone are the days when individuals used to remain in long queues of bank trusting that their turn will pull out cash or to store money in banks. Presently, individuals can approach bank without remaining in long queues according to their benefit without agonizing over the financial hours. On the prior, when digital payment present, individuals hesitant to change their exchange propensities yet after demonetization, they are left with no decision to do their exchanges with digital payment. Expanding utilization of web, versatile entrance and government activity, for example, Digital India are going about as an impetus which prompts dramatic development being used of digital payment. The shopper impression of digital payment has a critical and positive effect on appropriation of digital payment. Business banks give unrivaled customer administration as one of the greatest suppliers of banking and monetary administrations in our metropolitan and country hinterland. Steadfast customer base must be made through conveying Customer Delight. Yet, the essence of the issue is that to accomplish better execution, the Indian banks, both private and public, necessities to offer support quality. This research paper highlights the usage and importance of digital payment services in India.

Babulal (2019), India is going to became cashless. Indian government launched digital India Campaign to reduce dependency of Indian economy on cash and prevent from money laundering. To making cashless India and increasing trends in using digital payment system various Payment methods are emerging and developing. India is developing country and maximum area is rural and shocking is computer literacy is only 6.5% then question arises that implementation of digital payment system. The research paper is making focus on the problems of digital payment system in India and effects of the system in people and economic system of India. The research is paper also trying to explain the future scope 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

Source: Primary Data

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	Occasionally	19	27

digital payment services	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

Source: Primary Data

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 System	16	29	15	3	0	4
8	Confidentiality of Bank details	12	16	23	11	1	3
9	24*7 customer service	12	18	13	18	2	3

Source: Primary Data

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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