

# A Literature Study Of Consumer Perception Towards Digital Payment Mode In India

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## ABSTRACT

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 digitisation, 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 analyse 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.

**Practical Implications:** The study will help future researchers for formulating conceptual models and deriving more stimulating insights into the topic.

**Keywords:** Digital Transactions, Consumer, Perception, Security and Safety of Transactions

## INTRODUCTION

The digitalization of the payment mechanism is a milestone in the era of Faceless, Paperless, and Cashless economy of Digital India. Digital India, favourable regulatory environment, new payment service, and improved customer experience are considered as the major drivers for the growth of Indian digital payment systems. Digital India program has created a platform for a knowledge-based electronic transformation in governance for its citizen by engaging both central and state government. The three major areas focused by this program are a) Infrastructure as utility to every citizen b) Governance and services on Demand c) Digital Empowerment of citizen. This initiative has considered as a significant intervention in digital financial inclusion which has brought the unbanked population of the country under the mainstream economy. The other key actors that backed one of boost to digital transactions are the Pradhan Matri Jan Dhan Yogna

(PMJDY), Unified Payment Interface (UPI) and the demonetization policy implemented in 2016. The PMJDY is a flagship program launched by the Government of India to promote financial inclusion. This initiative made sure that all the citizen is having a bank account and these accounts are the default channel (Direct Benefit Transfer) for any government payments to the accountholders.

Demonetization has helped digitization to grow. Factors like mobile connectivity, infrastructure, electronic delivery, technology, information technology etc have helped digitization to grow in India. Advantages are ease of use, faster transactions, reduced pollution of environment, more satisfied customers, and social upheaval. Lack of education, adaptation of technology, less support from government, costs of implementation, safety issues, infrastructure problems and lack of training are challenges for

digitization. Better systems, security, and collaboration from all concerned can hasten the process of digitization {Shallu et al (2019)}

Demonetization has triggered the widespread use of digital transactions; however, studies show that UPI has gained more traction in the long run by popularizing the digital payment methods. It has been observed that UPI overtook all the digital financial transaction instruments by increasing the volume of transaction by 450% at the end of the financial year 2018-2019. According to the industry experts the affordability of smartphones and internet data too have accelerated the widespread acceptability among the customers from different strata of the society.

Information and Communication Technology sector is also playing a significant role in the development of the society and digitization of the economy. The economy is also called as a digital economy or internet economy. Digitalization is found everywhere from manufacturing, purchase to payments. With the advancement of the internet, online banking facilities and other mobile applications have made consumers more convenient to do their transactions anywhere and at any time. Adoption of cashless/ digital transaction comes with its own benefits. A customer who use digital payment can pay directly from his bank account, track and maintain his transactions, receive cash back offers and rewards and collect any kind of payments remotely. The same holds good for a merchant as well. There are various methods of online payments that are being used by the customers like credit or debit cards, Unified payment interface, mobile wallets etc to name a few. But acceptance of these digital payments methods depends on consumer perception. Although with the developments in technology in the form of big data, internet of things, etc. are getting its momentum, cashless economy has its drawback too. The identity theft and other cybercrimes, technologically unprepared

population, poor internet connectivity, lack of exposure on digital payments, unwillingness to adopt digital medium for economic transactions etc create a major hinderance for the country to go for a cashless economy.

This paper is an attempt to study the perception about online payments and gain insights into the various challenges in this. (using literature study)

### **IMPORTANCE OF THE STUDY**

This study is an attempt to identify the thinking of consumers with respect to online payments and about the safety of these payments. Though, a lot of research has been done on consumer perception towards credit card payments, very less has been done on other modes of payment and the challenges faced by the consumers for digital payments. This study aims to understand the frequency of Digital payments and factors affecting, or challenges faced by the consumers while using digital payment modes these may affect consumer perception.

### **OBJECTIVES**

- a. To understand concept and the different modes of digital payment
- b. To understanding consumers' perceptions with respect to online and digital payments and safety of these transactions

### **SCOPE OF THE STUDY**

The literature reviews taken for the study are primarily from India. The studies varied from usage studies to behavioural studies. These were analysed for the main results. This is mainly restricted to studies of digitisation in payment.

### **RESEARCH METHODOLOGY**

“The study is exploratory in nature. It uses literature reviews and secondary information for the findings. The direction of the study is towards giving secondary data information for future researchers to

work. As there is no primary data the reliability depends on the secondary data collected.”

### **Drawbacks of the Study**

The paper is a literature study and is preliminary in nature. It is not an in-depth Digital Payment can be defined as any payment made using digital instrument/mode which involves a payer and payee. As a part of making the country Digital India the government initiated various digital payment methods like as follows to facilitate the cashless transaction:

**Banking Cards** - involves both Credit and debit cards which provide security, convenience, and flexibility for their customers. It ensures security of the transaction through a two-factor authentication -secure PIN and OTP.

**Aadhaar Enabled Payment System (AEPS)** – This uses the banking system to help in payments using online method. The customer should have an Aadhaar Card linked with a/c which will be used for transaction authentication. Micro ATM and biometrics are the other requisites for this operation.

**Unified Payment Interface (UPI)** – “Merges multiple bank accounts into a single mobile application.” The prerequisites for this payment system are a smart phone and internet connectivity with a mobile PIN.

**Mobile Wallets** – Facilitates a way to carry cash in digital wallets by linking debit/credit information in the mobile device to mobile wallet application. Some of the popular digital wallets are Paytm, Airtel Money, SBI Buddy, etc.

**Point of Sale** – It is considered as the time and place where a retail transaction is completed.

**Internet Banking** – It enables the customers to do the banking transactions over online. There are different methods like National Electronic Fund Transfer (NEFT) which are used.

study and is not exhaustive in terms of the literature. It does not use any quantitative data. The paper identifies main thrust areas from literature and projects them.

### **Digital Payment and Methods**

**Banking using Mobile** – This enables the customer to conduct different types of financial transactions remotely using a mobile phone or tablet. Each bank has its own apps for mobile banking.

**Micro ATMs** – These are card swiping machines used by business correspondents of banks to provide basic banking services to customers who are far away from branches. This creates a platform for the rural population to get the benefit of financial inclusion through easy access of micro banking services.

## **LITERATURE REVIEW**

India is the second-largest smartphone market in the world after China. The smartphones and other facilities with strong back up of Internet providers like Reliance Jio have boosted usage of the digital wallets, electronic payments. Mobile connectivity and internet are very important for online payments. As of November 2019, the active internet users in India are 504 million (Digital in India 2019 by IAMAI and Nielsen). Financial service institutions and other firms have tried a lot in increasing online payments and governments have also increased efforts to make increased penetration of internet. The penetration in rural India is also increasing substantially). The digital payment market is estimated to be \$ 69,168 million in 2020(statistica.com). This is contributed by the technological developments happening in this field and emergence of digital wallets.

Digital wallet is a software application that helps users to digitally store money, payment credentials, and more. Consumers can use this software to implement various

types of cashless transactions (McKinsey, May 2015). This is very much used for digital payment. The major deterrent for India's growth in this sector is the reach and quality of internet. India was ranked 128 out of 140 countries in terms of internet download speed as per the research done by The Hindu (December 2019). This must be improved for digital payment to be more successful.

Though digital payment has reduced in different key sectors affected by COVID-19, a lot of other sectors have seen an increase of utilisation like online retail stores, gaming industry, utility payment etc (PWC Report, 2020).

Usage of mobile payment has increased over the years for payment. Indians are moving from cash to cashless economy slowly. Podile and Rajesh (2017) in their paper entitled "Public Perception on Cashless Transactions in India" were of the view that majority of the customers in the country have adopted the electronic payment system for their transactions. Sumathy and Vipin (2017) identified that the major drivers that accelerated the growth of Indian Digital Payment Systems are found to be favourable regulatory environment, the emergence of next generation payment service providers and enhanced customer experience.

To understand the awareness level of a cashless economy, a study was done by Garg and Panchal (2017) in which benefits, and challenges of a cashless economy were studied. The conclusion showed the preference of people towards cashless economy because they feel it helps to fight against illegal activities, corruption, etc. This theory is supported by Das and Agarwal (2010) in their article on "Cashless Payment System in India- A Roadmap". The country needs to move away from cash-based towards a cashless (electronic) payment system. A cashless economy will help in reducing currency management costs, track transactions, check tax avoidance / fraud etc. and

enhance financial inclusion and integrate the parallel economy with mainstream.

Report by ETBFSI (2019) gave insights about digital payments. The report gave insights about customer demand which has increased more than 100% in the last few months. Credit and debit cards were used maximum and digital payment was done mainly in food sector, financial services, and tourism. The maximum usage was found in Bengaluru and wallets usage in cities have also increased.

Digitalization is playing an important role in every field of business, from purchase to payments (Yuvaraj & Eveline 2018). Kumar and Chaubey (2017) have found from their study that process of digitization is happening very slowly and people are adopting it as there is no other choice.

With the advanced technology and availability of the internet, consumers find convenience in online banking facilities and other mobile applications. It has made consumers more convenient to do their transactions anywhere and at any time. Although consumers fear for their privacy and security in transacting online, developments in technology in the form of big data, internet of things helps us to move towards a cashless economy. The importance of awareness creation by using digital marketing and social media was discussed by Andrew Stephen in 2015.

The speed of adoption was discussed by some researchers. D. Sudhir Babu, P. Lakshmi Narayanamma (2018) found that electronic payments help in buying products faster. Gokilavani et al (2018) found a significant difference in the socio-economic status of consumers and their perception towards digital payments in his study on perception of customers towards Digital Payments. Customer perception plays a major role in the adoption of digital payment. Service providers for digital payments should also take proper care to avoid undue delays in processing payments.

All these points are also supported by other studies. A study on technology by Reiss,

D.G in 2018 found that improvement in Information and communication technology and reduction in cost of providing internet will make digital payment more widespread. This was also mentioned with the added observations of ease of use and convenience by (Kotecha P.S. in 2018), (Neha Mehta, Sweety Shah ,2020), (Vinitha. K, Vasantha Shanmugam,2017) (Alaknanda Lonar et al, 2018) and (Anoushka Sharma et. al. (2015). Teoh et al (2013) in his study of Malaysian respondents who used e-payment also found that the most favourable factors affecting e-payments were ease of use and self-efficacy. But they found that there was a negative relationship between trust and security. Ardiansah et al (2019) found a positive relationship between purchase intention and ease of use. D.N.V. Krishna Reddy, Dr.M. Sudhir Reddy (2015) found that digital medium provides ease of use and safety and security in payments. These issues were also discussed by Akhila Pai (2018)

Along with ease of use, social factors and perception of brands are also found to be important for influencing customer adoption of digital payment (Chua Chang Jin et al, 2020). This was also supported by the research done by Andrew T Stephen (2015). The loyalty factor was also discussed by Dr.S. Manikandan and J. Mary Jayakodi (2017). Brijesh Sivathanu (2018) mentioned in his article mentioned the importance of how customers want to behave and resistance to new innovations on the usage of digital payment. Junadi, Sfenrianto (2015) studied the main factors which influenced the reason behind digital payment in Indonesia and found 5 major factors, namely, culture, perceived safety, expectation of performance, expectation with respect to effort and impact of society. Gokilavani, R, Kumar Venkatesh. D, Durgarani. M, Mahalakshmi R (2018) also studied the different factors affecting rate of adoption of digital payment. The importance of digital payment in banking was stressed by 2 papers. Roy, SK (2017)

analyses internet banking acceptance and found that acceptance of technology and risk management are the reasons for customer acceptance. Priyanka Philip (2020) found that internet banking improves the operating efficiency of the bank. Lin W-R et al (2020) talked about the importance of online banking, need to maintain its efficiency and reducing costs so that customers will be happy, and banks can retain them.

Importance of demographics and factors influencing consumer adoption was given by Satadruti Chakraborty , Dipa Mitra (2018) (M. Kavitha and K Sampath Kumar,2018). The importance of demographic factors like education level was also stressed upon by the study by Shamsher Singh and Ravish Rana in the year 2017 who also talked about importance of internet penetration and usage of smartphone. The importance of age and education in influencing digital payments was also studied by Vally & Divya in 2018. Dr.K. Kamatchi Eswaran (2019) found that only education has an impact of adoption of digital payment.

A contradicting view was given by Singh and Rana (2017) whose study showed that the demographic factors do not really show any impact on the implementation of digital payment mode. Another angle was given by Vaishnav Kameswaran, Srihari Hulikal Muralidhar in 2019 whose study found how visually impaired customers used cash and digital systems for payment in metropolitan India.

Other studies also investigated these factors. Factors determining digital payment and how this payment influence how consumers purchase was found out from a study in Nigeria which also found factors like digital literacy, financial inclusion, service with respect to internet and infrastructure as the important elements for adoption of digital payment in Nigeria. (Oyelami, L.O et al,2020). Another study found out a positive relationship between benefits and trust whereas there was a negative relationship



between risk and trust. This trust influenced customer intention to use digital payment. (Jungkun Park et al,2018). Efficiency, safety, convenience, savings in cost and time, ease of use and privacy of consumers have positive and high impact on the rate of adoption of digital payment of consumers.(R. Gokilavani,2018) (Cherinet Boke Chakiso, 2019). The importance of economic and other benefits along with safety factor in influencing digital wallet payment was put forward by Sushil Punwatkar and Dr. Manoj Verghese (2018). Trust, safety and how much the system helps the user are also found to be factors which help the digital transactions in gulf countries (Wassan Abdullah Alkhowaiter, Aug 2020). Vaidya et al (2020) also talked about the importance of convenience in digital payment along with connectivity issues and more penetration of smartphones.

The importance of third-party payments which have a high positive relationship with the ability of finance companies to create value for the customers was studied by Yao Meifang et al,2018. This factor was also highlighted by the study on the kind of advantages delivered by banking using mobile by Sampaio C.H. et al, 2017. The importance of mobile wallets was studied by several researchers. Ramesh Sardar (2016) study found out that mobile wallets contributed to the development of cashless electronic payments. The author investigated the inter-operability of the mobile wallets so that customers can benefit from easy and fast transactions The importance of social influence and risk of using mobile wallets were found to be some of the factors for usage of wallets for payment (Madan.K, Yadav. R,2016). Cost was found to be the important factor for adopting digital wallet (P. Tiwari, V. Garg, and A. Singhal ,2019). Personal factors, technical factors and environment influence mobile payment (Maris Karsen,2019). Expectations with respect to performance and other technical factors are more relevant than social or individual

motivation factors for the acceptance of mobile payment systems in India (Gupta, K. and Arora, N. ,2019). Usage intention, usage of new methods and price discounts etc influence mobile wallets usage among consumers and government owned platforms like BHIM was found to be safer. (Neelu Tiwari, Naveen Kumar Singh, 2019). A study by Dr. Mamta Brahmabhatt (2018) found that preference of the wallets was high in the city and the customers there were aware of government initiatives. The role of government and that of government owned platform was also specified by Prof. Pushpa S. Abbigeri, Dr. Rajeshwari M. Shettar (2018). Hendy Mustiko Aji et al (2020) also studied impact of government support on usage of mobile wallets and they found out that these effects of this support vary between countries. An analysis using unified theory of acceptance and use of technology model with personality difference as main factor with customer related sub factors found that expectation from the system, usage intention and problem solving are the main thrust areas for consumer adoption of mobile payment( Pushp Patil et al, October 2020) (E.Slade et al,2015). Pushp P. Pati et al also talked about usage of theory of acceptance model and unified theory of acceptance and use of technology model (2018)

J. Sobana Shanthini Dr. J. Immanuel Nallathmbi (2018) found that usage of cashless transactions like debit and credit cards was frequent, but security was the main challenge in adoption. Lavanya R (2019) also spoke about digital banking services and government initiatives and their role in usage of digital payments in her article. Prasanth et al (2019) found that although plastic money is used a lot due to its convenience, safety and trust are the main deterrents in using them. Financial knowledge, non-acceptance, Infrastructure problems and economy problems were found to be most important challenges of adoption of digital payment in rural sector. Improving these measures and trust are the

solutions suggested by government of India. (Renu Singh, Garima Malik, 2019). Another study found out factors like costs, safety of transactions, acceptability of digital payment methods and ability to handle the transactions are found to be the main challenges in adoption of electronic payment in India (Masudul Hasan Adil, Neeraj R. Hatekar, 2020). If a bank invests on information technology then that will help in consumer usage of digital payment and their online presence. (Santiago Carbó-Valverde et al, 2020). Deepak Gupta, Asha (2020) also found from a study 384 respondents in Haryana that most respondents face difficulty in digital transactions due to poor infrastructure, poor online literacy, and connectivity) The support of government, mechanism of addressing consumer concerns and knowledge of consumers are very important in consumer adoption of digital payments. Fintech plays an important role here. (Ankita Das, Debabrata Das, May 2020)

The security issues were also studied by several papers. Ardiansah et al (2019) found that purchase intention is having a weak association with security. Privacy is perceived as biggest risk in security of mobile payment which in turn affect the usage (Vess Johnson et al, 2017). However, the risk involved with security issues is the major problem to the success of the digital payments. This literature is supported by Hem Shweta Rathore (2016) in a study on "Adoption of digital wallet by consumers", in Mumbai. Maryam Barkhordari et al (2017) analysed features having impact on trust in digital payments in Iran. The study found using structural equation modelling that ways of transaction using technology and access to safety guidelines affect security whereas guidelines of safety and safety measures influence trust. Good trust helps in easy digital payment adoption. Hassan et al (2020) studied the security aspect of digital payment and defined factors like integrity, authorization etc as

areas of protection. They also found that safety issues in digital payment is more complex than normal security issues.

There is an important role of small retailers in making cashless transactions popular. The study among 117 retailers in UP found that ease of transactions and safety issues were the deterrents from using digital mode. (Subho Chattopadhyay, 2018). Reduced knowledge, less market, trust, safety issues and not having enough communications of benefits were found to be most important challenges for adoption of digital payments in retailers (Francisco Liébana Cabanillas, 2016). Similar study among retailers in Pune city also found that high percentage of them allowed usage of digital payment with similar problems of knowledge, trust, and connectivity issues (Upendra Lele, 2019). Vendors do not adopt digital payment much. A study of vendors found that factors which influence behaviour of respondents are important for mobile payment. (Sumerta, 2018); (Madan, 2016); (Tan, 2016); (Yadav, 2015);. Ligon E et al (2019) found in their study that supply-side factors like infrastructure, price, and ability to use are not the deterrents for a smaller number of people adopting digital payment. This was found out using a study on more than 1000 small level businessmen in Jaipur and they found that factors like willingness to use digital mode and taxes are the main deterrents. Another reason for not using these methods are lack of safety and other security issues. T.M. Praveen (2020) in his article talked about Artificial Intelligence, Internet of things, and other technologies have enhanced the digital payment industry. Use of digital identity using biometrics is also becoming highly relevant. Near field communications and remote payments using mobile is picking up. The future belongs to technology and scanning through mobile cameras will be enough to facilitate payments. Technology with a human interface is going to be the new future. Use of bitcoin collection supervision system using blockchain

technology was studied by P. Chen, B. Jiang and C. Wang(2017).The study found that this system can effectively manage transactions using digital medium with more security and also can do it efficiently. Avital, M., Hedman, J., & Albinsson, L. (2017) in their study analysed the use of blockchain technology in creating a digital legal tender which can act as an instrument for value exchange. The role of authentication of mobile devices and through that safety of transactions of customers was discussed by Yoo,

S. (2017). The importance of blockchain technology for safety purposes for the internet users was also studied by Paul J.Taylor et al in their article published in 2019. Companies can use crypto currencies for payment purpose which might help in speedy transactions thereby maintaining relationships with existing customers and acquiring new customers. (Achilleas Boukis, 2019)

Bitcoin will play a major role as a virtual currency in future. There is a need to have stringent rules and regulations for this concept and a framework is vital. Respondents of the surveys in India are however increasingly demonstrating their acceptance of mobile-based payment methods, compared to their global counterparts. A high percentage of respondents like to pay through either cash or debit card, the two of which are closely placed in terms of their preferences, at 66% and 67%, respectively, and this behaviour could pose a serious challenge to players in the digital payment industry. A cashless society is influenced by lot of parameters. The government has a role to play to help customers adapt to cashless transactions. Especially this is true in the wake of the pandemic in the world. In India, one of the primary factors is the impact of government on consumers towards cashless transactions. Both private and public banks also promote and help their customers towards cashless transactions by offering mobile banking and net banking facilities. Consumers can monitor, transact,

make payments, recharge, booking, etc., done with the help of mobile wallets. Different deals, discounts provided, the cashback and other kinds of incentives help in attracting consumers to transactions without using cash.

Another factor which has contributed to the emergence and development of digital payment is crypto currency. It is important for analysing the role of crypto currency in digital transactions and one paper which discussed this in detail in terms of importance is Agarwal et al (2018).

Agarwal et al (2018) discussed role of crypto currency in money supply. They believed cashless economy and digital economy really helped people in transactions. Research study suggested the importance of digital modes of money transactions. The study gave the importance of creation of reliable Crypto-Currencies by National Governments. It is important to develop confidence in customer's mind through transactional efficiency in money market. Thus, Government involvement to generate the Crypto-Currency has become very important and critical for tomorrow's normal economic and business conditions in the economy

The close relationship has been observed between the money supply, Gross Domestic Product, and price level over the period. Milton Friedman and others have expressed that supply of money gives a fair picture of the economy in coming time and the level of prices and inflation in the long run.

Decisions on Monetary Policy by Central banks are based on the money supply. Though for last few decades, the relationships between various measures of the money supply and variables such as GDP growth and inflation have been observed to be quite unstable. The reasons have been largely due to the free flow of currency across borders with online means of movements of funds/savings.



### SUMMARY OF FINDINGS

The review of literature gives the following findings based on selected works. The summary provides insights into perception of consumers with respect to digital payments.

1. Demonetization, Digital India, and other schemes have helped digitization and digital payment to grow over the last decade.
2. Advantages and Disadvantages of digital payment- Convenience, Cost savings and ease of use can be considered as few of the biggest advantages whereas reach, infrastructure and safety issues are biggest drawbacks. Efficiency, safety, convenience, savings in cost and time, ease of use and privacy of consumers have positive and high impact on the rate of adoption of digital payment of consumers (R. Gokilavani, 2018) (Cherinet Boke Chakiso, 2019).
3. Security Concerns-Privacy and Security issues were found to be deterrents in adoption of digital payments Ardiansah et al (2019) (Vess Johnson et al, 2017).
4. Importance of demographic variables like age which influence consumer adoption was given by Satadruti Chakraborty, Dipa Mitra (2018) (M. Kavitha and K Sampath Kumar, 2018).
5. Third Party Payments: Yao Meifang et al (2018) and Sampaio C.H. et al (2017) studied the influence of third-party payments and advantages delivered by mobile banking like convenience of transactions.
6. Features of digital payment: Main features were ease of use and convenience by (Kotecha P.S. in 2018), (Neha Mehta, Sweetty Shah, 2020), (Vinitha. K, Vasantha Shanmugam, 2017) (Alaknanda Lonar et al, 2018) and (Anoushka Sharma et. al. (2015).
7. Importance of bitcoin system using blockchain technology- Studied by P. Chen, B. Jiang, and C. Wang (2017) who found the importance of bitcoin technology in ensuring safety in transactions.
8. Challenges : Factors like costs, safety of transactions, acceptability of digital payment methods and ability to handle the transactions are found to be the main challenges in adoption of electronic payment in India (Masudul Hasan Adil, Neeraj R. Hatekar, 2020) . Also, retailers must use digital payment more.
9. Usage of mobile wallets: Cost was found to be the important factor for adopting digital wallet (P. Tiwari, V. Garg, and A. Singhal, 2019). Personal factors, technical factors and environment were found to influence mobile payment (Maris Karsen, 2019).

### RESULTS AND DISCUSSION

Literature study finds that still apprehension towards digital payment due to security concerns, but convenience is drawing the consumers of this medium. Articles also mentioned different benefits as reasons for using digital payment. Still there are a lot of people who are not using this due to lack of awareness and other reasons. If the security concerns are addressed and more awareness is created especially in villages, more people will adopt digital payment which will make the process easier and faster. There are a lot of independent variables like innovation resistance, behavioural intention which are already considered for the study but there could be a lot more. So, there is scope for further studies with these which will make the study more robust. This is going to be one of the areas for future research. Also, future research can focus on using structured interviews, observation, and projective techniques to gain new insights into consumer perception. If secondary data is collected, then content analysis can be used. New methodologies of data collection and data analysis will help in gaining new insights into the topic. The importance of digital payment and its benefits like ease of use are highlighted in the paper. Along with this the importance of social factors and demographics are discussed. Security issues and reach are

found to be the main problems in digital payment whereas there is need for digital payment to be made more accessible among retailers and distributors. Technology like blockchain and bitcoin along with artificial intelligence are going to play a huge role in overall development of digital payment in India. The role of government and other private organisations is also very important for making digitisation more widespread among villages and rural areas. It is also important to remove safety problems in the area and create more awareness among people to make it more popular as it is important method of payment due to its convenience. Good amount of primary research can be done by taking variables highlighted in the findings which can make future research more robust.

Government should invest more on reach of internet and technology. More awareness must be created among the public about the use of digital payment. Internet speed must be increased. Private players in internet should also help in improving reach of internet. Banking should encourage more usage of credit and debit cards. Mobile wallets must be encouraged. Safety issues of usage of internet must be addressed. Technology can play a role here. Retailers and distributors must be encouraged to use digitisation more. More studies must be conducted in these areas. Overall investment is required in this field.

## CONCLUSION

Transformations that take place in the digital world have impacted in every phase of human life. Smartphones and internet facilities had made life simpler by a click of a button. This ultimately increases the needs and expectations of the consumers. In the current scenario with the increasing use of cashless payments has almost substituted the physical cash transactions. Though there are few limitations especially when it comes to privacy and security

concern, but it depends on how consumers, banks, and other agencies use and handle the information. Therefore, the study tries to find out consumer thinking about the digital payments. The literature review reveals that majority of the consumers prefer credit/debit card and they are comfortable using digital transactions. Security is found to be the most difficult factor which prevents its usage. It was also inferred from the study that consumer has enough awareness of the information security in cashless transactions. Cashless transactions are to be encouraged as it provides convenience and agility. Even internet banking has become very popular for transactions. Modern technology and automation are going to take the transactions more user friendly in the future. The studies also mention that digitisation is connected to self-efficacy and is the need of the hour as consumers want to shop more and want to pay through online media and be innovative. There are challenges of connectivity and infrastructure, but the society is moving towards internet of things and artificial intelligence. So, consumers must be able to adapt to these innovations, new additions and techniques and move forward. The study is quite relevant in this era where technology and digitisation are essential for better consumer service. This study will help future researchers to formulate adequate primary data collection and analysis which will ensure better results. The future research can take a leaf out of these challenges and come out with new innovative directions.

The study is important for the industry as it highlights positive and negative factors and highlights importance of technology and safety issues. Very less studies have been conducted in the role of digital payment among the retailers. Also, less studies are there in the role of technology in digital payment. There is need for more studies in these areas which future researchers can concentrate. There can be more studies by using primary data collection and analysis

with the help of confirmatory factor analysis.

The need of the hour is that banking industry, mobile wallet companies, governments and companies must work together to make digital payment more accessible and thereby more successful.

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