



A Study on Exploring the Significance of E-Payment System in India

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ABSTRACT

The Digital payment system is now became the essential part of banking transaction. The Digitalization is need of country because it is important to develop the financial sector as per the modern age requirement and to face the competitions with developing countries. The digital payment system is a part of the mission from this cashless transaction will made all over the India and the progress black money or money laundering can be reduce. It is also important that development of techniques influences the traditional system and there also have to face some problems while newly adaption. . Today India is using most common electronic payment systems include Debit Cards, Credit Cards, but the use of Electronic Fund Transfer, Internet Banking, Unified Payment System (UPI), e-commerce payment system, internet banking, payment system etc.. are not in popular use. Therefore it is important to know the problems of digital payment system and its progress in India.

I. INTRODUCTION

- The traditional system is replacing by the digital system. The traditional payment systems are Cheques , withdrawals, drafts, money orders, letters of credits, travel cheques etc. why Payment systems also turning into electronic payment system using computer and internet there are several reasons of adaption . The most common reason is that the traditional system has some leakages and inefficiency and that's overcome by the digital payment system
- It is also important that development of techniques influences the traditional system and there also have to face some problems while newly adaption. In India ICICI bank stated the online banking services and Digi bank is also ahead in digitalization of transaction digital services provides to customer. SBI is a public sector bank which is enriched of digitalization. In 2011 SBI launched green Channel to promote digital system and save environment.

II. REVIEW OF LITERATURE

• **Nitsure (2014)**, in his paper observed that the problem being faced by developing countries like India in the adoption of E-banking initiatives due to low dissemination of Information Technology. The paper highlighted the problems such as security concerns, rules, regulation and management. In India there is a major risk of the emergence of a digital split as the poor are excluded from the internet and so from the financial system.

• **Pardha saradhi Madasu (2015)** , to assess and report the progress made by the

RBI in moving towards the 'Cashless' economy. India did not have a place in the top 16 non-cash markets of the world but China had. In comparison with the credit cards, there had been an increase in the usage of debit cards at ATMs. Noncash services like Immediate Payment Services or M-Wallet had not made any significant impact.

• **Dr. Shilpa Bhimrao Gaonkar (2018)**, To explore various payment instruments available to the people, and its benefits. Study revealed that various new instruments are emerging. Benefits of going cashless increased transparency, efficiency and convenience, easier tracking, etc

III. STATEMENT OF PROBLEM

E-payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Study was focused on the acceptance of mobile wallets and discovered young customers to be happier and more interested in mobile wallets. Electronic commerce activities are fast developing, whose traditional way of trade has brought about a fundamental shift from passive previous consumers to active status, not only through the Internet, to the quick product information needed, but can also easily turn any of the merchants. Therefore, customer perception and loyalty to e-business is much more. Still 90% of the transactions are cash based. So, there is a need to widen the scope of digital payment. Innovation, incentive, customer convenience and legal framework are the four factors 3 which contribute to strengthen the E-payment system.

IV. OBJECTIVE OF THE STUDY

1. To study the concept of Digital payment system and cashless transactions.
2. To know the Impact of Digital payment system
3. To know the advantages of cashless transactions
4. To know the opportunities and challenges of e- payment system in India
5. To know the problems of digital payment system

V. RESEARCH METHODOLOGY

Research is categorized in several ways. Some of these ways depends on the significance of the research, the methods of data collection and how that data will be analyzed and used. Most of the Data's are primary data that I collected from students.

Source of data:

- ✦ Primary Data
- ✦ Secondary Data

VI. LIMITATION OF THE STUDY

1. Service Fees: Many a time while using e-payment services we are liable to pay service fees or a convenience fee which adds to our expense.
2. Risk of Theft: There have been many incidents in which cybercriminals have manipulated people and money has been looted.
3. Technical Problems: As it is an online service, it may go down due to technical issues and people who get 100% reliable on this service for their payments may face an issue.
4. Remote Areas: Remote areas still rely on cash. You might find it difficult in making payments on the go while traveling to some remote areas.

VII. ANALYSIS & INTERPRETATION

The chapter is divided into two parts into first part the percentage analysis was carried out the sample respondents. The second part deals with the ranking scores for each category of the respondent are provided to obtain the level of satisfaction towards various factors over the study.

- Table showing no. of respondents paying through E Payment.

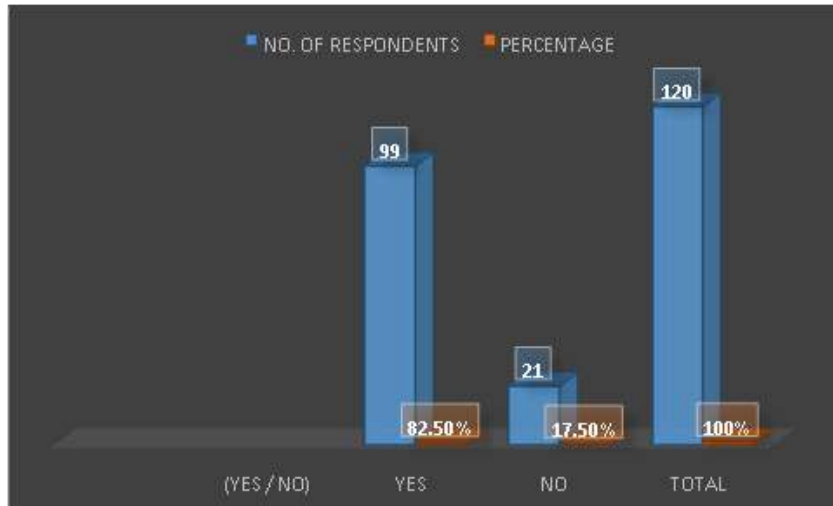
E PAYMENT USAGE (YES / NO)	NO. OF RESPONDENTS	PERCENTAGE
YES	99	82.5%
NO	21	17.5%
TOTAL	120	100%

SOURCE: Primary Data

INTERPRETATION

The above table showing that 82.5% of the respondents are using e payment and remaining respondent are not paying through e payment system.

Hence about 82% of people who respond are using E Payment .



• This table shows about the thoughts of the respondents on online payment system.

BASIS	NO. OF RESPONDENTS	PERCENTAGE
FAST & SECURE	63	52.5%
THEFT ALERT	43	35.8%
PERSONAL DETAIL RISK	14	11.7%
TOTAL	120	100%

SOURCE: Primary Data

INTERPRETATION

The above table showing that 52.5% of respondents are saying that it is FAST&SECURE, 35.8% are saying about its THEFT ALERT and remaining 11.7% of the respondents are saying about its PERSONAL DETAIL RISK.

Hence the table states that, most of the respondents are showing interest on e payment system.



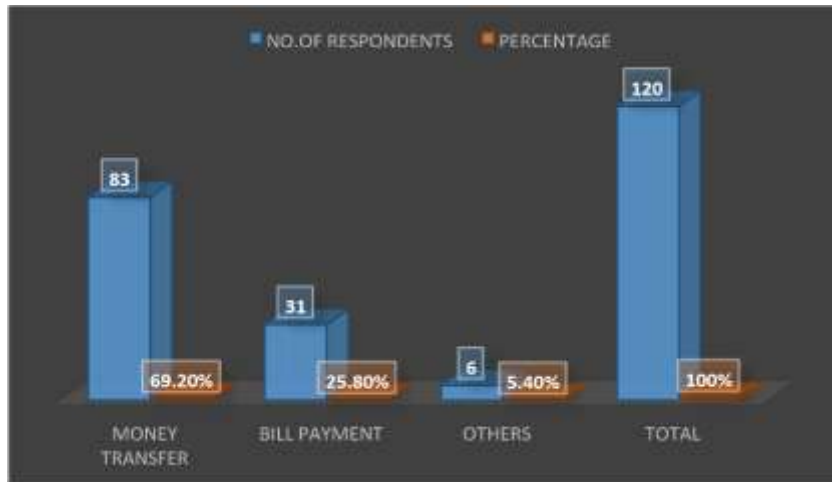
□ This table shows the purpose of using online payment system.

PURPOSE	NO.OF RESPONDENTS	PERCENTAGE
MONEY TRANSFER	83	69.2%
BILL PAYMENT	31	25.8%
OTHERS	6	5.4%
TOTAL	120	100%

SOURCE: Primary Data

INTERPRETATION

Majority of the response is for money transfer that is 69.2%, for bill payment 25.8% of respondents are using and remaining 5.4% of the respondents are using it for other purpose.



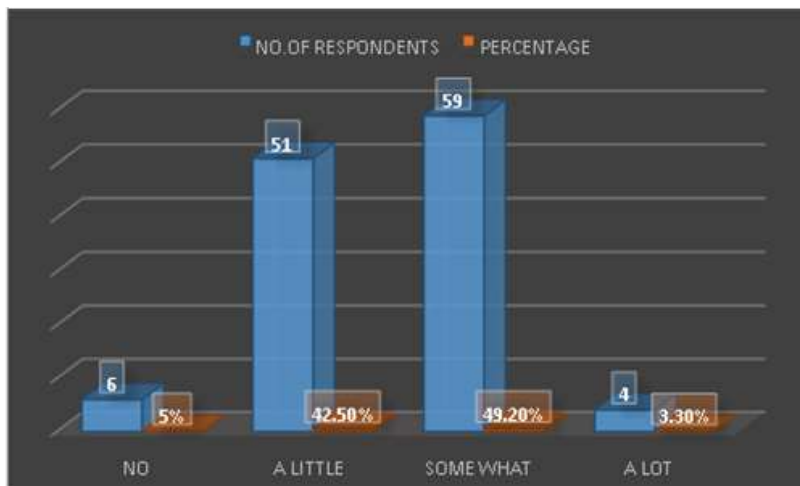
□ This table shows the trustworthiness of the security provided by the online banking services.

TRUST	NO.OF RESPONDENTS	PERCENTAGE
NO	6	5%
A LITTLE	51	42.5%
SOME WHAT	59	49.2%
A LOT	4	3.3%
TOTAL	120	100%

SOURCE: Primary Data

INTERPRETATION

The above table is stating that 49.2% of the respondents are trusting the security system of banking service some what , 42.5% of the respondents are trusting little bit, 5% of respondents are not trusting and 3.3% of people are trusting a lot/fully satisfied.



VIII. SUGGESTION

Based on the above major findings of the study the following suggestion are offered for greater level of satisfaction.

- Standardize Browser And Device Support
- Educate Consumers

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- Integrate More Banks
 - Synergize with Credit Card Companies
 - Avoid Redirects
 - Leverage Blockchain
 - Make Digital Payment Easier
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IX. CONCLUSION

Electronic transfer funds have been around for many years and the economy has greatly benefited from this technological advance. An electronic payment system such as credit cards has facilitated monetary transactions and even provides a way to finance everyday purchases through credit. Because of this, bitcoins are gaining popularity but there are still many questions and considerations of a virtual economy. However, the risk of identity thefts, market euphoria, and privacy issues will always exist. As history has showed us, new technology can cause irrational exuberance that only leads to overvalued securities and ultimately end in a financial collapse. Nonetheless, new financial technology is not yet perfected and can be very costly. But with new innovations and proper usage, financial technology can be the key to successfully managing one's money.