



National Conference- "Business 4.0: Redefining the Future of Business"

A Comprehensive Review of Literature on Digital Payment Systems in India

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ABSTRACT:

Digital payments are financial transactions carried out electronically via various digital platforms. These transactions utilize devices such as smartphones, computers, or cards to transfer funds between accounts without relying on physical cash. The growing popularity of digital payments can be attributed to their effectiveness, quickness, and ease. The adoption and effects of digital payment systems in India are examined in this systematic review. The country's digital payment landscape have undergone a significant transformation, fueled by government initiatives like demonetization, the Digital India campaign, and the introduction of the Unified Payments Interface (UPI).

Key Word – Smart devices Electronic Payments, UPI

Introduction:-

Digital payments involve financial transactions carried out electronically through online platforms, mobile applications, or other digital methods, eliminating the need for physical cash or checks. These transactions encompass a wide range of activities, including online purchases, bank account transfers, digital money transfers between peers and wallet payments. In the current digital era, digital payments have become the preferred option due to its simplicity, quickness, and frequently higher level of security when compared to older payment methods.

Features of Digital Payments:-

- **Ease:**Digital payments are incredibly convenient since they do not require physical presence or the handling of cash, enabling users to conduct transactions at any time and from any location with an internet connection..
- **Fast:**Fast money transfers between parties are made possible by the fact that transactions utilising digital payment methods are typically executed far more quickly than those involving cheques or bank transfers.
- **Availability:**As long as they have access to the right infrastructure and technology, a wide range of users—including individuals, companies, and organizations—can utilise digital payment systems, regardless of where they are.
- **Safety:**To safeguard users' financial information and stop fraudulent transactions or unauthorised access, many digital payment systems include strong security features like encryption, authentication procedures, and fraud detection systems.
- **Affordability:**Since digital payments usually involve fewer transaction fees, less paperwork, and more efficient procedures, they are frequently more cost-effective than traditional methods, saving money for both customers and businesses.
- **Traceability:**For auditing, compliance, and dispute resolution purposes, users, financial institutions, and regulatory bodies can readily follow and monitor the transparent record of transactions created by digital payments.
- **Scalability:** These systems are scalable to satisfy the expanding needs of consumers and businesses because they are made to manage a large number of transactions at once.

Different Types of Payments:-

1.Mobile Bank:- Travelling banking refers to transporting undertakings and other exercises via travelling ploys, typically through the bank's travelling request App. These days, the majority of banks have travel banking apps that may be used with handheld devices like smartphones and tablets and with limited computer opportunities.

2.Internet Banking:- System where banking transactions are completed electronically Internet banking as known or named at another time or place e investment or digital payment, permits customers of a specific bank to use the bank's website to complete transactions and carry out other business-related activities. To generate fees and access a bank's website called System, where electronic banking transactions are carried out, a reliable internet connection is necessary.

3. Mobile Wallets:-As the name suggests, mobile wallets are a particular kind of wallet where you can transfer money in a mathematical pattern. In order to better secure digital endeavours, clients often link their investment cards or bank reports to their wallets. Another wallet usage behaviour is looking for services to add to the travel wallet and using the balance to send money. You can also look over the mathematical wallets guide to clear up any doubt and perform any essential assessments. Phonepe, Free Charge, G-Pay, Mobiwik, mRupee, Vodafone M-pesa, Airtel services, Jio services, SBI Friend, ICICI Pockets, and others are examples of often used secondhand ones.

4. Banking Debit/Credit Cards:-Investment cards, entry/credit cards, or prepaid cards are frequently used by Aboriginal Americans as their preferred method of payment. India's first charge card was introduced by Andhra Bank in 1981.

5.UPI:-The Newsgathering organisation is a technique that admits service transfers between entities and condenses numerous bank reports into a single request. In contrast to RTGS, IMPS, and NEFT, the Newsgathering organisation has a well-thought-out, consistent procedure that works for all banks. With only a few clicks, you can introduce a bank transfer anywhere with the help of a news gathering organisation.

2. REVIEW OF LITERATURE:

Jacob Kurian, 2022: The study titled "India Digital Payments and Their Impact on Consumers" aims to explore various aspects of digital payment adoption. The primary objectives include investigating the impact of respondents' age on digital payment usage, examining the influence of customer education on their engagement with digital payments, and analyzing the effect of income status on the adoption of digital payment systems.

The study employed a structured questionnaire for data collection. Both primary and secondary data were utilized in the research methodology, with analysis carried out using simple percentage methods and chi-square tests. The findings were based on a sample population from Bangalore.

The primary goal of the survey was to gather customer opinions about digital payments in the context of general banking. The results indicate that the implementation of digital payment technologies has significantly improved the performance of the banking sector and contributed toward achieving the vision of a cashless society.

Dr. Vatsal Patel, 2021: The study titled "Impact of COVID-19 on Digital Payments in India" focuses on understanding the changes brought about by the pandemic in the adoption and usage of digital payment systems. The objectives of the study include:

1. Understanding the importance of digital payments during the pandemic.
2. Examining various modes of online payments.
3. Comparing and analyzing current digital payment trends with pre-pandemic data.
4. Evaluating the usage patterns of digital payments.
5. Highlighting challenges and issues associated with digital payment systems.

The research follows a conclusive approach and employs secondary data for analysis. Key findings of the study reveal that the pandemic significantly increased the use of digital payments as a safety measure. Post-COVID-19, nearly every retail outlet adopted digital payment systems for both receiving and making payments. This shift encouraged customers and critical service providers to embrace digital transactions to ensure security and convenience. The digitization of the banking sector has proven instrumental in meeting the growing expectations of the population. Additionally, enterprises benefited from the flexibility of not being constrained by traditional banking hours.

Leebana Gracy I, 2024: The study focuses on understanding user experiences with digital payments. The objectives of the research include:

1. Examining the relationship between age and digital payment usage.
2. Analyzing factors influencing the adoption of digital payments.
3. Exploring the challenges faced by users.
4. Assessing awareness of digital payment applications.
5. Evaluating user satisfaction levels.

The study primarily relied on primary data collected from respondents across various demographics, including age, gender, and occupation. Secondary data sources, such as research articles, journals, and magazines, were also utilized. A sample size of 50 participants from Bangalore was selected for the study.

Gupta,A., & Jain, R. (2023): Emerging technologies like block chain, crypto currency, and artificial intelligence are expected to shape the future of digital payments, enhancing security, transparency, and convenience. While these technologies are in their infancy, they hold potential for transforming rural payment systems, including regions like Marathwada.

3. RESEARCH GAP:

From the review of biography it is clear that few studies are completed activity accompanying has connection with impact of digital fees on services, patterns of mathematical fee, impact of Covid-19 on mathematical payment. Still no studies have existed transported out accompanying has connection with reviews of article on digital fees.

4. RESEARCH OBJECTIVES:

The study's objectives are as follows:

1. To understand India's digital payment conceptual framework.
2. To review literature with regard to the impact of digital payments in India.

Scope:

Only material related to digital payments in India was included in the analysis. Through a review of the literature, the study addressed the effects of digital payments in India.

5. Research Methodology:

For the research paper, data was collected from secondary sources like Research paper, websites, and articles that are related to the research topic.

FINDING AND CONCLUSION:

Taking into consideration that digital payment systems offer significant advantages over traditional payment methods, they have fundamentally transformed the financial landscape. These benefits include enhanced convenience, faster transactions, and better security. Digital payments have also facilitated greater integration into the financial system, which has improved access to banking services for the unbanked and underbanked. However, the transition to digital payments is not without challenges. Issues such as cybersecurity threats, privacy concerns, and the digital divide must be addressed so that digital payment platforms can serve all demographics equally and safely. Technologists must collaborate to develop robust regulatory frameworks and innovative payment solutions that protect consumers and promote consumer adoption of digital payments. Overall, the ongoing evolution of digital payments presents an important opportunity to connect and optimize global economies, underlining the need for continuous innovation and regulatory oversight.

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