

“Customers Perception Towards Online Payment System In Tumkur District Of Karnataka”

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Abstract:

Technology has started to play a significant role in the development of newer payment and settlement methods. Today, innovative products such as e-banking and e-payments have been introduced for this purpose. Internet banking has been the predominant mode of e-banking in India, with the Internet itself offering itself as a new delivery mechanism for banks in reaching out to customers. Electronic business models are replacing the conventional banking system and almost all banks are rethinking business process designs and customer relationship management strategies. Online banking which provides various online electronic channels for using banking services like ATM, credit card, debit card, internet banking, mobile banking, electronic fund transfer, electronic clearing services etc. but as per Indian e-banking scenario ATM is most recognized than other e-channels. However, Internet banking is one of the best alternatives to traditional banking. The studies focus on the perception of consumers towards the online payment system.

Keywords: E-banking, online banking, E-channel services, Cashless Transactions, Consumer Perception, Digital Payments, Digital Wallets, Transaction Speed, Security System, Social Impact

1. INTRODUCTION:

Each country has a economic gadget of its own that serves as backbone of its whole development. A financial machine is a fixed of institutional preparations via which economic surplus inside the financial system is mobilized from surplus gadgets and transferred to deficit spenders. The monetary device of any u . s . a . includes banking and non banking financial institutes, these institutes are imparting diverse forms of financial services to the clients. within the economic services, economic clearing and fund switch provider is most crucial service than different offerings. fee structures enhance economic intelligibility, stimulating enterprise boom and intake .The success of the banking machine has depends upon the efficient and high-quality of clearing device of the industry. If we forget the worldwide this device has changing notably with technological improvements. previous couple of years obtrusive that, records and communication era (ICT) have end up a mean for development of economic gadget international. In India, maximum of banks and financial establishments are imparting ICT based totally economic services and products to enhance their commercial enterprise performance and pace of services e.g. called e-banking, internet banking, electronic fund transfer, electronic clearing, cell banking and many others.

The Reserve bank of India (RBI) has played a extensive role in developing the price and settlement structures in the nation from its established order. The emergence of e-commerce has created new economic necessities that during many instances can not be efficiently fulfilled via the traditional payment systems. To recognizing these desires the RBI has implemented financial institution computerization challenge in India and imparting ICT based networking facilities to the banks and financial establishments in India. on account that 1991 the RBI has started 'BANKNET' it is network for banking institutes apart from financial institution net The 'INFINET'- Indian financial network is a satellite tv for pc primarily based huge area network the usage of VSAT (Very Small Aperture Terminal) technology installation in June 1999. The Centralized finances management machine (CFMS) facilitates centralized balance viewing of and budget transfer among personal accounts of a member bank maintained with the financial institution at extraordinary locations. In Indian banking device ATM additionally supplying higher alternative to traditional fee gadget it may be used for price of utility payments, price range transfer between bills, deposit of cheques and coins into accounts, balance enquiry and several other banking transactions. apart from those centers RBI has enhancing the price gadget by using introducing MICR era, ECS, EFT, NEFT, Card based Clearing and RTGS etc.

2. REVEIEW OF LITERATURE:

Easwar and Kumar (2004) asserts inside the studies titled,” credit cards: on a increase trajectory” that the belief of proudly owning credit card has modified and they may be regarded as being convenient replacement to wearing cash and additionally availing credit for brief duration. but in the context of home united states, India ranks at the bottom in terms of usage of credit score playing cards, when as compared to China, Taiwan and Malaysia.

Safeena et al (2010) determines the patron’s angle on net banking adoption. finding indicates that perceived usefulness, perceived ease of use, patron focus and perceived chance are the essential determinants of on line banking adoption and have robust and fantastic effect on customers to accept online banking device.

Bahl, Sarita, (2012) determined that security and privacy issues are the big issue in e-banking. If security and privacy issues resolved, the future of electronic banking can be very prosperous.

Chibueze., et al (2013) shows that electronic banking has improved returns on the equity of Nigeria banks.

Kaur, Jasveen and Kaur, Baljit, (2013) suggests that there's no significant difference in centers figuring out the clients' usage of internet banking services of Public-zone, private- sector and overseas Banks in India.

Dr. Swati Kulkarni, Dr. Aparna J Varma, (2021), attempted to discover the taking into account customers with appreciate to on line bills and the safety of these payments. This have a look at targets to recognize the frequency of virtual bills and elements affecting or challenges faced by using customers while the use of virtual fee modes which could have an effect on purchaser notion.

Vandana & Pradepta (2021) this have a look at tried to research the motives ensuing to sustainability of digital payments over the duration of 2011-12: Q1- 2020-21: Q1. Empirical evidence famous that national profits and monetary shocks (demonetisation and pandemic) have sizeable fine on sustainability of digital fee transactions both in value and volume phrases, whereas mobile payments are substitutes and subsequently negatively influences digital payments. Insights from the outcomes characterize impact on development within the route of growing need for monetary exposure with the aid of way of economic literacy and growing economic increase using high quality shocks to enhance digital payments in India.

3. DIGITAL PAYMENT MODES IN INDIA:

There are several digital payment methods available in India. These are:

Online or mobile wallets: These are used through the internet and smartphone apps. Money can be stored in the app by top-up with debit or credit cards or via internet banking. Consumer wallet limit is Rs. 20,000 per month and merchant wallet limit is Rs. 50,000 per month on self-declaration and Rs. 100,000 after KYC verification.

Prepaid Credit Cards: Preloaded into an individual's bank account. It's similar to a gift card; customers can make purchases using the funds available on the card - and not on credit borrowed from the bank. Can be recharged like charging a mobile phone up to the prescribed limit.

Bank cards: include both credit and debit cards that provide security, convenience and flexibility to their customers. It ensures the security of the transaction through two-factor authentication - secure PIN and OTP.

UPI: Unified Payments Interface (UPI) is a system that feeds multiple bank accounts into a single mobile app (any participating bank), bringing together multiple banking functions and seamless routing of merchant payments under one roof. It also caters to the requirement of "Peer to Peer" collection which can be scheduled and paid as per requirement and convenience. Each bank provides its own UPI application for Android, Windows and iOS mobile platforms.

AEPS: Aadhaar Enabled Payment System (AEPS) is a bank-led model that enables online interoperable financial transactions at PoS (Point of Sale / Micro ATM) through the Business Correspondent (BC)/Bank Mitra of any bank using Aadhaar authentication.

Point of Sale: Point of Sale (PoS) is where the sale takes place. At the macro level, a PoS can be a business center, a marketplace, or a city. At a micro level, retailers consider PoS as the area where a customer completes a transaction, such as a checkout. It is also known as a shopping place.

Internet Banking: Internet banking, also known as online banking, electronic banking, or virtual banking, is an electronic payment system that allows customers of a bank or other financial institution to conduct a variety of financial transactions through the financial institution's website. It includes National Electronic Funds Transfer (NEFT), Real Time Settlement (RTGS), Electronic Clearing System (ECS) and Instant Payment Service (IMPS).

India is on the path of a great digital revolution. The future economy will be driven by cashless transactions which will only be possible through digitalization of payment mechanism at various places like smart phone, internet banking, card transactions etc. The aim of this study is to find out how the respondents accept digital payments

4. STATEMENT OF THE PROBLEM:

Online payment could be very much utilized in current years because of convenience, fast transactions, saving time, appealing income promotional gives, and so forth, no matter these factors, there are numerous transactional and non-transactional issues involved along with internet user being uncomfortable often and so forth. which act as deterrents. but, the destiny for online payment appears bright and promising. this is particularly real in the context of purchasers in small cities, wherein on line payment continues to be new, and customers are less acquainted and regularly more skeptical in the direction of it. consequently, this examine targets to study the patron pleasure toward on line buying.

5. OBJECTIVES OF THE STUDY:

1. To identify the influencing factors for online payment system.
2. To analyze the most preferable products for shopping through online payment system.
3. To find out the practical difficulties faced by customers.

4. To offer suggestions to improve the system of online payment system.

6. HYPOTHESIS:

- 1) There is no significant difference between demographic factors and perception of consumers on digital payment system
- 2) There is no significant difference is perceived by the respondents for various features of digital payment on the basis of education of the respondents.

7. METHODOLOGY OF THE STUDY:

The study uses both primary and secondary data. Secondary data was collected from various published sources. Primary data was collected through a structured survey. The survey was created online and the link was sent to respondents in Tumkur using sampling. There were 120 respondents who were contacted via e-mail. Statistical tests which used for the study were standard deviation, frequency,

8. DATA ANALYSIS AND DISCUSSION:

AGE-WISE AND YEAR OF USING ONLINE PAYMENT SYSTEM

The following table showing the Age and year of using the online payment system

Table-1 AGE-WISE AND YEAR OF USING ONLINE PAYMENT SYSTEM

S.No	Age	Year of using the online payment system				Total
		Below1 year	1to2years	3to5years	above5years	
1	below20years	4	5	7	2	18
2	20-30years	6	15	12	11	44
3	30-40year	8	8	17	6	39
4	above40years	3	6	4	6	19
Total		21	34	40	25	120

Source: Primary Data

Table 1 shows that 18 participants are under 20 years old, 7 of them have been using online payments for 3 to 5 years, and 45 of them have been using online payments for 1 to 2 years. 4 participants have been using online payments for less than 1 year. 2 respondents have been using online payments for more than 5 years. Out of 44 participants – 12 participants aged 20-30 used online payment, 6 participants used online payment within below one year, and 23 participants could not use online payment money. Out of 39 participants – 16 participants aged 30-40 used online payment and 23 participants could not use online payment. Out of 19 participants - 40 years and older, 9 participants use online payment and 10 participants could not use. The survey shows that 46% of respondents actively involved in online payment regularly.

TABLE-2 AGE-WISE AND METHOD OF ONLINE PAYMENT SYSTEM

S.No	AGE	Method of online payment system				Total
		Credit Card	Debit Card	Internet	Others	
1	below20years	6	5	3	4	18
2	20-30years	4	20	14	6	44
3	30-40year	6	12	15	5	38
4	above40years	8	8	3	1	20
Total		24	45	35	16	120

The table 2 reveals that 18 respondents' Age smart beneath two decades six respondents use in credit card in online payment at the same time as five respondents use in debit card in on-line payment. while 3 respondents use in internet in on-line fee at the same time as 4 use in other offerings in on line payment. 44 respondents' Age smart 20- 30 years 20 respondents use in debit card in online payment whilst 14 respondents use in net in online charge. even as 4 respondents use in credit card in on-line payment even as 6 use in different offerings in on-line payment. 38 respondents' Age smart 30- 40 years 15 respondents use in internet, at the same time as 12 respondents use in debit card in on-line payment even as 6 respondents use in credit score card in on line charge. even as 5 respondents use in other offerings in on line payment. Age clever above 40 years 8 respondents use in credit card, while 8 respondents use in debit card in on-line charge while 3 respondents use in net in online price. even as 1 respondents use in different offerings in on-line

payment. This survey shows that majority respondents use debit cards and online payment wallets platforms for online payments.

HENTRY GARRET RANKING METHOD OF ONLINE PAYMENT SYSTEM

Factor	Total	Average Score	Rank
Poor availability of internet services	4944	49.44	5
Lack of awareness on such services	5249	52.49	4
Lack of consistency on the service available	5707	57.07	2
Unwillingness to adopt technology	5832	58.32	1
Follower of traditional banking method	5668	56.68	3

Source: Primary data

From the above table shows that 1st rank is unwillingness to adopt the technology, 2nd ranking is lack of consistency on the service available, 3rd rank is follower of traditional banking methodology, 4th rank is Lack of awareness on such services, and finally the 5th rank is Poor availability of internet services.

9. FINDINGS:

- Payment by scanning QR code, UPI, card and mobile banking are few types of DPS that are massively used by large population.
- Some respondents felt that digital payment systems have slow performance and often experience inconvenience. Some respondents felt that money lost as well and there is no proper complaint mechanism.
- Most of the respondents were of the opinion that digital payment systems save time and energy when traveling because they do not have to stand in queues at banks or pay utility bills.
- People were tensed about losing their personal data when they had to enter password and OTP while paying online.

10. SUGGESTIONS:

- Online payment is the new fashion in buying products through online. Using the internet can provide them with many opportunities to improve their career. Awareness of the majority of respondents about online payment.
- The price of online payment is reasonable. This can prevent most people and students from using online payment. To reduce these rates, internet connections can be provided at workplaces.
- Correct delivery plays a vital role in improving online payment services.

11. CONCLUSION:

Present study has made an attempt to understand customer perception regarding digital payment. It was found that demographic factor except education does not have much impact on the adoption of the digital payment.

Technology has undoubtedly made our lives easier. One of the technological innovations in banking, finance and commerce is online payments. Online payments (e-payments) represent a technological breakthrough that allows us to conduct financial transactions electronically, avoiding long queues and other hassles. Online payments give individuals greater freedom to pay taxes, licences, fees, fines and purchases at non-conventional locations and at any time of the day, 365 days a year. After analyzing and comparing different modes of electronic payment systems, it turns out that it is quite difficult, if not impossible, to propose which payment system is the best. Some systems are very similar and differ only in some minor details. Thus, there are a number of factors that influence the use of e-commerce payment systems. Among all these, the most important is the user base. Additionally, the success of e-commerce payment systems also depends on consumer preferences, ease of use, price, industry agreement, authorization, security, authentication, non-repudiation, availability and reliability, and anonymity and public policy. A reliable and cashless payment system offers immunity from theft of paper and electronic money and acceptance of electronic payment solutions or systems for various reasons.

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