

“REPERCUSSIONS OF COVID – 19 PANDEMIC ON DIGITAL PAYMENT SYSTEM IN SURAT CITY”

Ms. Janvi Pethani

Student

Bhagwan Mahavir College of Business Administration,

Veer Narmad South Gujarat University, Surat.

Email.id:- jp373974@gmail.com

Mrs. Rency Desai

Research scholar

Veer Narmad South Gujarat University, Surat.

Email.id:-renudesai90@gmail.com

Abstract

This project highlights the impact of covid -19 on digital payment systems. After the effect of covid – 19, the economy has started using more digital payment systems compared to pre covid – 19 eras. This occurred mainly because people were afraid of going outside. Most of the people were forced to move towards digitalization. The main objective of preparing this report is to study the adoption of digital payment system after the impact of covid – 19 in Surat city. For the research I have selected a certain number of users of digital payment systems residing in Surat city. The sample size collected to conduct this research is 201 users of the digital payment system of Surat city. It was concluded that customers have started adopting different modes of digital payment after covid – 19 pandemics. We can be sure that covid – 19 is already reinforcing existing trends towards increased digitization of payments.

Keywords: COVID – 19, Digital Payments, Benefits, UPI, Mobile Wallets, Contactless

INTRODUCTION

Covid-19 pandemic has adversely affected the entire economy, even the Indian economy as well very badly. From March 24th onwards, throughout the nation lockdown started. This affected almost all the sectors, all the offices, malls, temples, schools, colleges, hotels were shut down. People stopped going out from their living places. This has given a major effect on the digital payment system. Before Covid- 19, people preferred to use digital payment systems, but after the pandemic effect the number of users has increased drastically.

There are many digital payment modes available in India as well as throughout the world. The major payment modes are ATM/ Debit card, credit card, Google pay, phone pay, different banking apps, Paytm, NEFT, POS, IMPS, Mobile wallets, Internet banking and many more.

People prefer these different kinds of payment modes mainly because it is convenient, easy to use, saves time, no need of going to bank branches, cashless transactions, no fear of losing cash, 24x7 service, non-banking hours also one can get the banking facilities, flexibility. But these digital payment systems are not free from difficulties. The major issues of digital payment systems are highlighted as follows, fear of fraud, hidden charges, technical issues, connectivity problems, server problems, network issues, lack of knowledge, fear of data leakage, complicated instructions, non- availability of up-to-date information from the bank staffs, lack of trust and so on.

LITERATURE REVIEW

(M. Thangajesu Sathish, R. Sermakani & G. Sudha, May 2020): They conducted a study on the customer's attitude towards e-wallet payment systems. In this paper 125 respondents were surveyed through the questionnaire. The study indicated that people can adopt and use their mobile wallets for the payment transaction, fund transfer, purchasing groceries and paying bills etc. The study has discussed that trust is the main factor affecting users' satisfaction directly and it impacts on many users' intention to adopt mobile wallets.

(Dr. C. Revathy & Dr. P. Balaji, June 2020): They presented an empirical study aimed to investigate the significant predictors of behavioural intention on e-wallet usage amid of COVID-19 lockdown period. This study adopted empirical research design to an online survey method to gather the perception of e-wallet users in the study area. The sample size of 318 was finalized after the elimination of incomplete responses and responses not suitable for empirical investigation. The results indicate that perceived security, social influence, performance expectancy are the positive and significant predictors of e-wallet usage whereas effort expectancy does not have significant influence on e-wallet usage.

(Sudha.G., Sornaganesh.V., Thangajesu Sathish. M & Chellama A.V., August 2020): In this paper they described the various digital payment methods that are used in the pandemic situation. The objective of the study was to compare the buying behaviour before and during lockdown, also the effect of covid-19 on digital payments and analysed the problems faced by them while during online payment. It concluded that covid-19 is already reinforcing existing trends towards increased digitisation of payments.

(Dr. Sowmya Praveen & Dr. C.K. Hebbar, December 2020): Their research topic was “Impact of Covid-19 on Digital Payment System: With Special Reference to Women Customers of Mangalore City”. This paper highlighted the Impact of Covid-19 on digital payment systems. After the effect of Covid-19, the economy started using more of a digital payment system compared to pre Covid-19 era. For the study researcher has selected the women respondents who use different digital payment modes to do their financial transactions. The area selected for the study was in and around Mangalorecity. The sample size selected to conduct this research was 50 women respondents. The conclusion was, there are many digital payment modes available in India, but most of the customers prefer only few digital payment modes. Because they were not having enough information about all the available digital payment systems.

(Darshana Dave & Komal Mistry, October 2014): Conducted a comparative study on usage and satisfaction of customers from ATMs of a particular bank and concluded that more and more people are moving towards ATMs for their banking needs, it is still largely used as cash machines. Large number of customers still do not use other value-added services on offer at ATMs.

(Kalpesh N. Chopra, December 2014): This study was conducted with the objective of knowing the perception of male and female customers towards E-banking and to compare between male and female customers perception towards e-banking services. He used exploratory and descriptive research in his study. Primary data was collected with the help of pre tested questionnaires and secondary data is collected from various journals, articles, research papers, books and etc. A total 1050 customers were selected in the study. It concluded that requirements and demands are different between male and female customers. The study suggests that banks should be aware about demands and requirements of male and female customers and should make strategies to meet them.

(Sunita Bishnoi, June 2013): Studied on “An Empirical Study of Customers' Perception Regarding Automated Teller Machines in Delhi and Ncr”. The study has made an attempt to find out the perception of customers regarding various issues related to ATM/Debit cards. The study concludes that ATMs are a very convenient mode of electronic banking. The demographic relations among various issues are also highlighted in this study. To achieve the objectives a survey of 220 respondents who are using ATM services has been conducted and the collected data was analyzed with the help of SPSS by using appropriate statistical techniques.

OBJECTIVES

- To find out the effect of covid-19 on digital payments.
- To highlight the issues of digital payment systems.
- To study the benefits of digital payment systems.
- To study pre covid - 19 and post covid – 19 usages of digital payment system.

DATA & METHODOLOGY

Research methodology is a way to systematic solve the research problem. The research methodology in the present study deals with research design, data collection method, sampling method, survey and interpretation. The research is based on descriptive basis.

4.1 Data Source:

The study is based on primary source data collected through a structured online questionnaire. Convenience purposive sampling was implemented to collect data from the population of Surat city.

4.2 Data Analysis and Interpretation:

As the survey was conducted over 200 users of digital payment systems, the findings for the survey are as under:

DESCRIPTIVE OF DEMOGRAPHIC VARIABLE:

TABLE: 1 Gender of Respondents

Options	No. of Respondents	Percentage
Female	85	42.3%
Male	116	57.7%
Transgender	00	--
Prefer not to say	00	--

As per table no. 1 it can be interpreted that, male uses digital payment systems more as compared to other genders. Here, 116 respondents (57.7%) are male and 85 (42.3%) respondents are females. It can be said that both male and female uses digital payment systems in the era of Covid – 19 pandemic in Surat city.

TABLE: 2 Ages – Group

Options	No. of Respondents	Percentage
Below 18	05	2.5%
18 – 30	161	80.1%
31 – 40	26	12.5%
Above 40	09	4.5%

As per the study, it can be seen those 161 (80.1%) respondents i.e., between 18 – 30 ages are using digital payment systems more as compared to other ages. Below 18 there are 5 respondents who are using digital payment system, 26 (12.5%) respondents are between 31 – 40 age and last but not the least there are 09 respondents who are above 40 age and are using digital payment system.

TABLE: 3 Education Qualifications

	No. of Respondents	Percentage
SSC	05	2.5%
HSC	53	26.4%
Graduate	97	48.3%
Post Graduate	41	20.4%
Other	05	2.5%

As per the research it can be said that, graduate people are using digital payment system more. Here, there are 5 respondents who had just SSC passed who use digital payment system, and then 53 respondents are HSC passed out, 97 respondents are graduate and 41 respondents are post graduates. There were 5 respondents with other education qualification i.e., Ph.D., M.Phil. Etc. It can be concluded that educated people are using digital payment system more.

TABLE: 3 Occupations

	No. of Respondents	Percentage
Business Owner	31	15.4%
Self Employed	12	6%
Job	35	17.4%
Student	113	56.2%
House Wife	09	4.5%
Retired	01	0.5%

Here, 31 (15.4%) respondents are business owner, 12 (6%) respondents are self- employed, 35(17.4%) respondents are job doing, 113(56.2%) respondents are students, 09 (4.5%) respondents are housewife and 01 (0.5%) respondent is retired.

It can be said that every occupation people, even retired one has adopted digital payment systems.

Survey Questionnaire:

TABLE: 4 Duration of using Digital Payment System

Options	No. of Respondents	Percentage
Less than 1 year	46	22.9%
1 -5 years	133	66.2%
More than 5 years	15	10.9%

As per the survey, 22.9% of the respondents were using digital payments from less than 1 year, 66.2% of the respondents were using digital payments from 1-5 years, and 10.9% respondents were using it for more than 5 years.

This shows that the majority of the customers are preferring online payment systems and are using it from more than a year (i.e., 1-5 years) even before covid-19 pandemic.

TABLE: 5 The Benefits Of Using Digital Payment Systems To The Customers

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Contactless Transaction	145	44	12	00	00
Saves Time	96	88	15	2	00
24*7 Services	106	53	41	1	00
Ease to use	98	75	27	00	01
Flexibility	109	60	32	00	00
Cashless Transactions	101	67	31	2	00
Non – Banking hours also can get the benefit	108	74	18	00	01

As per the study, 145 respondents strongly agree that contactless transactions are best benefit of digital payment systems, 96 respondents strongly agree to time saving benefits, 106 respondents had strongly agreed with the benefit of 24*7 services, 98 respondent's digital payment systems strongly agree that it is easy to use, 109 respondents strongly agreed to the flexibility benefit, 101 respondents strongly agree to the cashless transactions, 108 respondents strongly agree to non – banking hours can also get benefit.

TABLE: 6 The Difficulties Faced By The Customers From Digital Payment Systems

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Server Problem	78	75	37	08	03
Lack to Knowledge	30	85	56	19	11
Technical Error	26	77	80	14	04
Fear of Fraud	42	86	53	15	05
Hidden Charges	51	60	66	18	06
Lack of Security	34	75	66	22	04
Lack of up-to-date information	34	66	68	25	08
Fear of losing money	29	86	58	21	07
Complicated Instructions	39	70	66	19	07

As per the study, 78 respondents strongly agree that server problem, 30 respondents strongly agree to lack to knowledge, respondents had strongly agreed with the difficulty of technical error, 42 respondents of digital payment system strongly agree about fear of fraud, 51 respondents strongly agreed to the hidden charges of digital payment system, 34 respondents strongly agree to the lack of security, 34 respondents strongly agree to difficulty of lack of up-to-date information, 29 respondents strongly agree to fear of losing money and 39 respondents strongly agree to difficulty of complicated instructions.

TABLE: 7 Comparisons of Various Transactions before & After Covid – 19

	Always		Very often		Occasionally		Rarely		Never	
	Before	After	Before	After	Before	After	Before	After	Before	After
Bill payment	107	137	55	40	25	16	10	06	04	02
Shopping	37	64	91	89	52	37	17	06	04	05
Recharge	86	93	62	62	45	39	04	05	04	02
Medicine	35	48	65	70	54	48	27	19	20	16
Money transfer	73	90	65	62	48	36	08	06	07	07
Other Transactions	43	56	74	71	56	60	22	06	06	08

As per the data given in table. no 7 it can be said that there is change in number of times a respondent is using digital payment system for different transactions. Covid – 19 has affected a lot in users and there transactions of digital payment systems. Bill payment is the main transaction that respondents used before Covid – 19 it was 107 and after the impact of Covid it came to 137 users. Respectively every transactions has increased in use after the impact of Covid – 19.

CONCLUSION OF THE STUDY

This study highlights the impacts of Covid – 19 on digital payment system. There are many digital payments available in India, but most of the customers prefer only few digital payment modes. So, from the study it can be concluded that customers have started adopting different modes of digital payment after Covid – 19 pandemic. We can be sure that Covid – 19 is already reinforcing existing trends towards increased digitization of payments. It can also be concluded that there are many factors that do influence customers to adopt digital payment system. Especially during this time of pandemic most of the customers prefer contactless transactions and payments which is also an important factor that influence more and more customers to adopt digital payment systems.

LIMITATION OF THE STUDY

1. It was not possible to carry out census survey because of large population and time limit.
2. Owing to small sample size, analysis may not be revealing the actual result as the opinion of large mass is not covered.
3. The Response may be biased because some of them might not be interested in providing correct information.

REFERENCES

- 1) (Dr. C. Revathy & Dr. P. Balaji, June 2020): Studied on “Determinants Of Behavioural Intention On E-Wallet Usage: An Empirical Examination In Amid Of Covid-19 Lockdown Period”.
- 2) (Kalpesh N. Chopra, December 2014): Studied on “Perception of Gender towards E-banking services in Surat City”.
- 3) (Sudha.G., Sornaganesh.V., Thangajesu Sathish. M & Chellama A.V., August 2020): Topic “Impact of Covid-19 Outbreak in Digital Payments”.
- 4) (Sunita Bishnoi, June 2013): Studied on “An Empirical Study Of Customers' Perception Regarding Automated Teller Machines In Delhi And Ncr”.
- 5) Bank Bazar: About Digital payments.
- 6) Dr. Sowmya Praveen & Dr. C.K. Hebbar, December 2020): Their research topic “Impact of Covid-19 on

Digital Payment System: With Special Reference to Women Customers of Mangalore City”.

- 7) Kaushik Roy, VP, and head of product management, Asia, ME, and Africa, ACI Worldwide: ACI Worldwide released a new report on digital payment systems.
- 8) Marketing Insider: Adoption process and factors influencing adoption process.