

# Digital Payment System – Innovative Practices of Banks and Perception of Customers

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**Abstract:** The term Digital Payment means making payment to other person with the help of internet or through electronic mode instead of paper money. In digital payment, banking sector plays a major role by providing digital instruments like debit cards, mobile banking, etc. In India major obstacle for the adoption of this digital payment system is slow internet connectivity and the charges over the digital transactions. This study makes an attempt to provide insights of the digital technology and innovative ways adopted by banks in their operations and also to understand the perception of customers toward Digital Payment System.

**Keywords:** Consumer perception, Digital payment.

## 1. Introduction

Digital Payment system provides several types of services through which bank customers can request information and carry out most retail banking activities such as balance reporting, inter account transfers, NEFT/EFT Transfers, bill-payments without leaving their homes or organisations. The Government is taking various steps for efficient utilization of digital payment platforms to eliminate corruption and black money from the Indian economic system.

## 2. Statement of the Problem

The Banking industry changed to technology based way of transactions that are available at any given point of time provided the person has network access to avail the services from the respective banks. This study makes an attempt to provide insights of the digital technology and innovative ways adopted by banks in their operations and to understand the perception of customers toward these services.

## 3. Objectives of the Study

1. To understand the concept of digital payment system.
2. To study the perception of customers towards digital payment system.

## 4. Hypothesis

1. H<sub>0</sub>: There is no significant association between gender and perception of customers towards Digital Payment System.
2. H<sub>0</sub>: There is no significant association between age and perception of customers towards Digital Payment System.
3. H<sub>0</sub>: There is no significant association between educational

qualification and perception of customers towards Digital Payment System.

4. H<sub>0</sub>: There is no significant association between occupation and perception of customers towards Digital Payment System.

## 5. Research Methodology

The study is based on primary data collected from 100 banking customers. Structured questionnaire was designed to collect the information from the respondents. The research and statistical tools employed in this study are,

- Frequency analysis
- Independent Sample T test
- One-way ANOVA

## 6. Data Analysis and Interpretation

Respondents are classified on the basis of their demographic factors such as gender, age, educational qualification and occupation. The classification of respondents on the basis of demographic factors is given below.

Table 1  
Demographic factors

Variable		Frequency	Percentage
Gender	Male	38	38
	Female	62	62
Age	20-30	27	27
	30-40	33	33
	40-50	24	24
	Above 50	16	16
Educational Qualification	Under Graduation	29	29
	Graduation	34	34
	Post Graduation	27	27
	Professional	10	10
Profession	Govt. job	31	31
	Privet job	39	39
	Business	17	17
	Professional	13	13

Perception of customers towards digital payment is analysed under four heads such as convenience, time security and ease of use. In order to find out respondent's perception frequency analysis has been carried. The result is presented in the following table.

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Table 2  
Perception of customers towards digital payment

Perception	Highly satisfied	Satisfied	neutral	Dissatisfied	Highly Dissatisfied
Convenience	18	35	13	25	9
Time	30	38	11	16	5
Security	15	39	17	22	7
Ease of use	23	32	15	21	9

Table 3  
Independent sample t test of gender and perception

Perception	Equal variances assumed	Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
	Equal variances assumed	2.543	.113	-3.161	.002	-1.67037	.52843
	Equal variances not assumed			-3.128	.002	-1.67037	.53395

## 7. Testing of Hypotheses

### A. Gender and Perception

To study whether there has any difference between the gender group and perception of customers towards Digital payment independent sample t test is done for which the following hypothesis is formulated.

$H_0$  There is no significant difference between gender and Perception of customers towards Digital payment.

The table shows the result of Levene's test for homogeneity of variance indicates that the p value is .002 which is less than the acceptance level of 0.05.

Hence the null hypothesis is rejected and it is concluded that there is significant association between gender and perception.

### B. Age group and Perception

To study whether there has any difference between the age group and perception of customers towards Digital payment one-way ANOVA is done for which the following hypothesis is formulated.

$H_0$  There is no significant difference between age and Perception of customers towards Digital payment.

Table 4  
One-way ANOVA Test on Age and Perception

	Sum of Squares	Mean Square	F	Sig.
Between Groups	42.745	14.248	1.303	.276
Within Groups	1597.095	10.939		
Total	1639.840			

The above table shows the output of the ANOVA analysis and whether there is a statistically significant difference between group means. The significance value is 0.276 which is above 0.05. Therefore, there is no significant difference between age group and Perception towards Digital payment Hence the null hypothesis is accepted and it is concluded that there is no significant association between age and perception

### C. Educational Qualification and Perception

To study whether there has any difference between the Educational qualification and perception of customers towards Digital payment one-way ANOVA is done for which the following hypothesis is formulated

$H_0$  There is no significant difference between Educational qualification and Perception of customers towards Digital payment.

Table 5  
One way ANOVA Test on Education and Perception

	Sum of Squares	Mean Square	F	Sig.
Between Groups	108.574	36.191	4.136	.008
Within Groups	1277.426	8.749		
Total	1386.000			

The above table shows the output of the ANOVA analysis and whether there is a statistically significant difference between group means. The significance value is 0.008 which is below 0.05. Therefore, there is significant difference between Educational qualification and Perception towards Digital payment Hence the null hypothesis is rejected and it is concluded that there is significant association between educational qualification and perception.

### D. Occupation and Perception

To study whether there has any difference between the occupation and perception of customers towards Digital payment one-way ANOVA is done for which the following hypothesis is formulated

$H_0$  There is no significant difference between occupation and Perception of customers towards Digital payment

Table 6  
One way ANOVA Test on Occupation and Perception

	Sum of Squares	Mean Square	F	Sig.
Between Groups	73.132	24.377	2.272	.083
Within Groups	1566.841	10.732		
Total	1639.973			

The above table shows the output of the ANOVA analysis and whether there is a statistically significant difference between group means. The significance value is 0.083 which is above 0.05. Therefore, there is no significant difference between occupation and Perception towards Digital payment Hence the null hypothesis is accepted and it is concluded that there is no significant association between occupation and perception.

### 8. Findings

- To study whether there has any difference between the gender group and perception towards digital payment an independent sample t test is done. It is found that there is significant difference between gender and Perception.
- Result of one-way ANOVA indicated that there is no significant difference between age group and perception of customers towards digital payment system
- Result of one-way ANOVA indicated that there is significant difference between Educational qualification and perception of customers towards digital payment system.
- The respondents with different occupation have similar Perception about Digital payment system.

### 9. Conclusion

Present study has made an attempt to understand customer perception regarding digital payment. It was found that

demographic factor such as gender and education have much impact on the adoption of the digital payment. There was no significant difference is perceived by the respondents on the basis of age and occupation. Result indicates that adoption of digital payment is influenced by the education level of the customer. Banks should organize awareness programs regarding Digital payment system this will help in developing confidence of the customers and overcome the misconceptions about the Digital Payment System.

### References

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