



## A STUDY ON CONSUMER'S PERCEPTION IN NEW PAYMENT METHODS POST COVID-19

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### ABSTRACT

*Covid-19 started in 2019 and spread in almost all countries of the world. Due to this pandemic, many changes are observed in various fields like commerce, education, trade, services, politics etc. One of the important changes observed by almost all economies are in the forms of payment and trade. This pandemic and social distancing has brought digital financial services into effect. It helps government to disburse funds quickly and even firms and households to access online payments. In India, digital payment space has witnessed a steady growth right from Demonetization in 2016 to detrimental impact of Covid-19. In recent time's government have pushed to digitalize Indian economy through its several initiatives like IMPS, NEFT, UPI, BHIM, NPCI etc. therefore this new ecosystem of digital payment will grow rapidly in the era of post covid-19. However challenges like network congestions, poor internet, cash preference, low rate of financial inclusion, safety and security are causing youths to stick to traditional payment system and preventing from digital payment, which needs to be addressed to bring new normal in payment methods. The objective of this paper is to identify the impact of covid-19 on payment methods and shift from cash to digital modes. This paper analyzed primary data collected from respondents of Palghar district and Mumbai to study adoption /non-adoption of mobile wallet system during current pandemic situation and also on the basis of demographics characteristics of respondent. Correlation and ANOVA are used to analyse the data.*

**KEYWORDS:** Covid-19, Pandemic, Mobile Wallets, NPCI, digital payment, financial inclusion,

### INTRODUCTION

Digital payment is an emerging concept that involves financial transaction between two or more people using online or digital platform instead of physical money. It can be done via mobile or computers across globe and 24\*7. During the pandemic of COVID-19 whole world was forced to shut down all its business through worldwide lockdown by almost all nations to safeguard health and lives of normal people, but it has also hit all individuals economically. However business has started preparing for new normal, enabling them to become more successful post COVID-19 pandemic world. Post the current situation, there will be the possibility that people will minimize contact with physical currency and embrace more digital payment options. The hybrid payment solutions can be brought in by the industry players. RBI too has a vision of getting digital payments deep rooted in the near future.

We hypothesize that recent habits created by using contactless technology will persist, even after the virus wanes. Between February and March 2021 contactless transaction grew twice as fast as non-contactless transaction in the grocery and drugs store categories (according to a consumer poll conducted by MasterCard). More than 80% viewed contactless as a cleaner

way to pay and would continue to use contactless payments post pandemic.

An individual can make digital payment either by installing mobile banking application or by any third party app such as Amazon Pay, Google Pay, PhonePe, PayTM and several others where both the parties, payer as well as payee need to link their bank account with payment application in order to place transaction or deposit amount on digital wallet of installed application. al payments helps public in making their dues clear even from distant places or helping their peer members in need. Digital payment does not take into consideration the location or place of payer or payee.

### DIGITAL PAYMENT METHODS IN INDIA

Indian economy is transforming into digitally empowered and knowledge based economy through digital India program. It has led to the growth of various mode of payments like USSD, AEPS, UPI, MOBILE WALLETS, POS, INTERNET AND MOBILE BANKING.

- A) CARDS: Banking cards like debit card, credit card, cash, travel and few more offers card holders with security convenience and control. These cards are of RuPay, Visa and Master Cards which also offers great



flexibility in digital payment modes. With OTP and PIN security, these cards are widely accepted from trust point of view.

- B) USSD: This service is available on basic feature mobile without internet connectivity. It helps the underbanked society to be included in the main stream banking services. Customer needs to dial \*99# on mobile through displayed screen to transact. It provides services like balance inquiry, transfer of funds and mini statement. Presently 51 banks are providing USSD services and it can be accessed in 12 different Indian languages.
- C) AEPS: AEPS offers services like balance inquiry cash withdrawal, cash deposits, Aadhar to Aadhar fund transfer and payments. It is a bank led model allowing interoperable financial transaction at POS.
- D) UPI: It merges various banking facilities like fund routing, merchant payments, Peer to Peer transfer etc. Mobile number is required to be linked with the bank account for availing this facility. This facility can be availed only through smart phones having internet access. Each bank provides its own UPI app for various mobile platforms.
- E) Mobile Wallets: mobile wallets allow customers to make payments through mobile phones or tablet or any smartphone. Applications like Paytm, Mobikwik, Airtel money etc are offering mobile wallets services in which mobile phone provides easy way to carry cash in the form of digital wallets.
- F) PoS: PoS transaction requires a card and biometric for executing the payment for goods and services
- G) Internet or online banking: An electronic payment system which provides a banking website to its customers to undertake financial transaction. It offers services like NEFT, RTGS, ECS and IMPS.
- H) Mobile banking: various banks provides this services to its customers to utilize banking services remotely through mobile device. Banks provide customized applications to its customers for availing mobile banking facility.

### DIFFERENT MOBILE PAYMENT APPS

**GooglePay:** This application was launched by Google Incorporation in the year 2015. It is most commonly used digital payment application on android or iOS operating system. One can transfer money or pay utility bills either directly from their bank account or by UPI id in Google Pay app. This app offers dual security to its users through their fingerprints to avoid any kind of lost or theft. It can be used by small shopkeepers, wholesalers, or even large business organizations. As of date this application has more than 120 million users.

**Paytm:** This is an Indian origin digital payment service, third party mobile and computer based application. It was launched in the year 2010 as private firm. It has specialization in e-

commerce, financial technology and digital wallets. It offers services in 11 different languages of India. As of date this application has more than 350 million users.

**PhonePe:** This is another Indian based payment application launched in the year 2015 as a private multilingual mobile and computer based application. It is UPI based app where a user is required to link his or her bank account and generate a UPI id to make any kind of transaction. It has more than 280 million customers. In 2020 it has launched ATM services for its customers.

### LITERATURE REVIEW

**Singal Rashi (2021),** "Impact and importance of digital payment in India". According to her paper banks come across various opportunities through digital form of services, which it can provide to its customers. She mentioned that RBI and Indian government has brought up noticeable acceptance of non-financial system to deferred payments. Further activities such as demonetization and GST has contributed to economic expansion with spreading effects of computerized instalments

**Jain, Sarupria and Kothari (2020):** "The impact of covid\_19 on e-wallet's payment in Indian economy" analyzed that covid-19 has resulted into great boost to Indian economy in sectors like food beverages, medicine and others. Digital payment has seen growth from 5% to 40% from demonetization; even government has been taking continuous efforts for economy's growth

**Thirupathi, Vinayagamoorthi and mathiraj (2019):** "Effect of cashless payment methods: a case study perspective analysis" has analyzed that several banks and financial institutions are getting interlinked with a digital payment system. This linkage helps government to attain economic prosperity and growth since after demonetization. They also analyzed that in 2019 nearly 30% of India's population had access to internet which was earlier only 5%. Even now banks and financial institution are offering discounts to their customers to increase and inculcate the habit of digital payments

**Vally Suma and Divya Hema (2018):** "Digital payments in India with perspective of consumer adoption" analyzed that digital payments services were boosted after demonetization and it also gave rise to usage of BHIM and UPI applications with full transparency. They conducted primary research for 13 people from Hyderabad region and analyzed the data through Chi-square. They found that a digital payment has raised banking performances and making it competent to achieve cash less economy. They also analyzed that generating awareness is required by banks through various measures.

### OBJECTIVES OF RESEARCH

The objectives of this study are as follows:

- 1) To study the impact of Covid-19 on payment methods.
- 2) To know the usage of digital payment system.
- 3) To highlight the issues of digital payment systems.



## RESEARCH METHODOLOGY

Our study is based on primary data collected from 379 respondents of Palghar district of Maharashtra. Data was collected via google forms through a well-structured questionnaire. Correlation and ANOVA were used on collected

data to analyze it and derive necessary conclusion for our set objectives. Microsoft excel was used for statistical testing.

### 1) Demographic profile of the respondents.

TABLE 1

Variable	Characteristics	Frequency	Percentage
Gender	Male	180	47.49
	Female	199	52.51
Age group	Below 20	99	26.17
	20-30	251	66.36
	30-40	4	1
	40-50	11	2.8
	50-60	14	3.7
Education	Primary	67	18
	Plus 2	18	5
	Degree	241	64
	P.G	16	3.7
	Professional	17	4.3
	Technical	20	5
Profession	Student	283	74
	Daily wage	11	3
	Private job	77	20
	Govt. job	8	3
Monthly income	Below 20000	322	85
	20000-50000	28	7
	50000-70000	11	3
	Above 70000	18	5

### 2) Correlation

In Table 2 we have shown that the correlation analysis of digital payment is positively related to different variables like age,

education, profession and monthly income. There is a high correlation of digital payment with profession and monthly income than other variables

TABLE 2:

	AGE	EDUCATION	PROFESSION	MONTHLY INCOME	DIGITAL PAYMENT
AGE	1				
EDUCATION	-0.206	1			
PROFESSION	0.540	0.013	1		
MONTHLY INCOME	0.030	0.190	-0.079	1	
DIGITAL PAYMENT	0.045	0.099	0.013	0.150	1

### 3) Analysis of Variance

ANOVA is carried out to test the variance in the study. In Table 3 we have computed ANOVA on the basis of gender and it is being observed that there is no significant difference of

respondents perception towards digital payments on the basis of gender especially in the times of Covid-19



**TABLE 3:  
ANOVA ON THE BASIS OF GENDER**

ANOVA VARIATION SOURCES	SS	df	MS	F	P-VALUE	F-CRIT
INTER GROUPS	0.076	3	0.076	0.626	0.430	3.932
INTRA GROUPS	12.82	375	0.122			
<b>TOTAL</b>	<b>12.896</b>	<b>378</b>				

In the above table it is observed that F value is very less than the critical value of F and the P value is above 0.05 which shows

that there is no significant difference between male and female on digital payment perception during Covid-19 times.

**TABLE 4  
ANOVA ON THE BASIS OF AGE**

ANOVA VARIATION SOURCES	SS	df	MS	F	P-VALUE	F-CRIT
INTER GROUPS	0.670	15	0.168	0.399	0.240	2.460
INTRA GROUPS	12.227	363	0.120			
<b>TOTAL</b>	<b>12.897</b>	<b>378</b>				

Even in Table 4 it is been observed that F value is less than the critical value of F and the P value is well above 0.05. Hence we can conclude that there is no significant difference between

various age groups and digital payments perception during Covid-19 times.

**Table 5  
ANOVA ON THE BASIS OF EDUCATION**

ANOVA VARIATION SOURCES	SS	df	MS	F	P-VALUE	F-CRIT
INTER GROUPS	0.060	18	0.212	0.809	0.118	2.305
INTRA GROUPS	11.840	360	0.120			
<b>TOTAL</b>	<b>12.90</b>	<b>378</b>				

Again in Table 5 it is seen that value of F is less than critical value of F and value of P is above 0. which shows that there is no significant difference between educational groups and digital payments perceptions during covid-19 times.



**Table 6**  
**ANOVA ON THE BASIS OF PROFESSION**

ANOVA						
VARIATION SOURCES	SS	DF	MS	F	P-VALUE	F-CRIT
INTER GROUPS	0.380	11	0.126	01.040	0.380	2.70
INTRA GROUPS	12.520	367	0.121			
TOTAL	12.9	378				

In Table 6 again it is observed that F value is less than the critical value of F and the P value is well above 0.05, thus we can infer that there is no significant difference between various

professional groups and digital payments perception of consumers during Covid-19 times.

**Table7**  
**ANOVA ON THE BASIS OF MONTHLY INCOME**

ANOVA						
VARIATION SOURCES	SS	df	MS	F	P-VALUE	F-CRIT
INTER GROUPS	0.370	11	0.123	1.013	0.390	2.692
INTRA GROUPS	12.530	367	0.121			
TOTAL	12.90	378				

Even in Table 7 it is been observed that the value of F is much less than the critical value of F and value of P is well above 0.05, thus showing that there is no significant difference between monthly income groups and digital payments perception of consumers during Covid-19 times

Indeed the factors like digital India movement and easy accessibility of internet has played significant role in digital revolution of payment methods in the times of Covid-19 pandemic.

## CONCLUSION

This study was an attempt to analyze the impact of Covid-19 pandemic on the usage of digital payments methods. We have collected sample data from Palghar district of Maharashtra which is one of the sub-urban district. Our study has tried to show and analyze the relationship between various demographic features of sample and their digital payment methods usage and adoption. Statistical tools like correlation and ANOVA are employed to analyze the cause and effect relationship between various variables and digital payment methods usage. The study has shown that during the times of Covid-19 people are rescuing to digital payment methods irrespective of various demographic features like age, gender, education, profession and monthly income. Around 65% of the respondents are of age 20-30 and around 75% are students with monthly income below 20000. It counts to around 85% of the respondents. Our research has observed that during Covid-19 times consumers are compelled to rescue to digital payment methods even for maintains the safety norms and precautions.

## SUGGESTIONS

The technology has changed today's consumer behavior and even pattern of purchasing and payment methods. Now people are taking advantage of digital platforms to develop and grow. The digital revolution has triggered the style of communication, purchase, bills payments, and exchange of information. It has brought about the habitual use of browsing and online payments and even developing trust and faith and loyalty towards payment platforms. At the same time companies are also benefitted through advancement of technology for online tracking of consumer's preferences, feedbacks, attitude towards products and even their search patterns. The key recommendations from our study are that incorporating feedback and gauging public perception can further catalyze digitization.

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