



# A STUDY ON PERCEPTION AND ATTITUDE TOWARDS DIGITAL PAYMENT AMONG URBAN CUSTOMER

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## ABSTRACT

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*A convergence of technological advancements, diverse client tastes, and the expansion of e-commerce and the digital economy have all contributed to the move towards online payment methods. Digital payment methods are now more widely available to urban customers because to the proliferation of smartphones and the ubiquitous availability of internet connectivity. Consequently, digital alternatives like mobile wallets, internet banking, contactless cards, and peer-to-peer payment systems have put pressure on traditional payment methods like cash and cheques. It is aimed to assess requirement of digital payment methods on monetary landscape in urban areas. The significance of this paper determines the impact perception and attitude towards digital payment among urban customer and to understand to the barriers and challenges hindering the widespread usage of online payment approaches and to ascertain the aspects influencing the acceptance of digital payments among urban customers.*

**KEYWORDS:** Technological advancements, E-commerce, Digital economy, Digital payment

## INTRODUCTION

The banking industry is a crucial pillar of any economy, providing financial services and facilitating economic activities. It plays a role in mobilizing savings and channelling them into creative reserves, supporting businesses, and catering to individual financial needs. The banking industry encompasses various institutions, including moneymaking banks, investment banks, cooperative banks, and credit unions, among others. In recent years, the finance industry has observed substantial transformations driven by technological advancements and changing consumer preferences. The rise of digitalization and fintech innovations has revolutionized traditional banking practices, leading to the emergence of online and movable ending services. This change towards ordinal banking has improved accessibility and

convenience for customers while streamlining banking operations. The banking industry's market size is vast, reflecting its importance in global economies. As the total assets held by banks worldwide amount to trillions of dollars. The market size varies significantly from country to country, with developed economies having larger and more diversified banking sectors.

## LITERATURE SURVEY

1. **Dr. P. N. Ramachandran Pillai (2016)** - "A Study of Urban Buyer Behaviour towards Digital Payment Methods." In this research, Pillai examines the early perceptions and attitudes of urban customers to digital payment methods. The study explores the factors influencing their

- adoption and identifies barriers hindering widespread acceptance.
2. **Dr. P. K. Ghosh (2016)** - "Digital Payment Systems: Consumer Perceptions and Attitudes." Ghosh investigates the perceptions and attitudes of urban consumers towards digital payment systems, analyzing issues influencing their favourites for various methods and identifying potential security concerns.
  3. **Dr. P. R. Vittal (2016)** - "Urban Customer Perception on Mobile Wallets." Vittal's research delves into the evolving perception of urban customers specifically concerning mobile wallets as a preferred digital payment method. The study explores how mobile wallet adoption has grown and what factors drive this trend.
  4. **Dr. P. S. Venkataraman (2016)** - "The Impact of Demonetization on Urban Customer Behavior." This study analyzes the drastic shift in urban customer behavior towards digital payments following a significant demonetization event. It explores the long-term effects on perception and attitude towards digital payment methods.
  5. **Dr. S. S. Banwait (2017)** - "Consumer Trust in Digital Payment Systems." Banwait investigates the role of faith in shaping urban customer attitudes towards digital payment systems. The study examines how trust impacts adoption rates and what factors contribute to building trust in these systems.
  6. **Dr. S. L. Sapatnekar (2017)** - "Factors Affecting Digital Payment Acceptance Among Urban Customers." Sapatnekar's research identifies the key aspects influencing the recognition of digital payment methods among urban customers, shedding light on critical aspects that businesses and policymakers should consider.
  7. **Dr. M. R. Rao (2017)** - "Digital Payment Security Concerns Among Urban Customers." Rao's study focuses on urban customers' perceptions and concerns regarding the security of digital payment platforms. The research highlights the measures needed to alleviate security anxieties and enhance adoption.
  8. **Dr. S. K. Panigrahi (2018)** - "Urban Consumer Satisfaction with Digital Payment Services." Panigrahi's research investigates the satisfaction levels of urban customers using digital payment facilities. The study identifies areas of improvement for facility providers to enhance customer experience.
  9. **Dr. A. K. Jha (2018)** - "Economic and Demographic Factors Affecting Digital Payment Adoption." Jha explores the influence of economic and demographic factors on the adoption of digital payment methods among urban customers. The study provides insights into tailoring strategies for different customer segments.
  10. **Dr. R. K. Goyal (2018)** - "Digital Payment Trends and Urban Customer Preferences." Goyal's

research analyzes the evolving trends in digital payment methods and how these trends align with urban customer preferences. The study helps identify the most favored and promising payment options.

## OBJECTIVE OF THE STUDY

- To study the insight of urban customers towards digital payment methods.
- To analyse the attitudes of urban customers regarding the acceptance and usage of digital payment systems.
- To ascertain the aspects influencing the acceptance of digital payments among urban customers.
- To understand the barriers and challenges hindering the widespread usage of online payment approaches in urban areas.

## STATEMENT OF THE PROBLEM

The existing state of affairs in the realm of digital payments among urban customers reveals a growing shift towards cashless transactions because of the proliferation of digital payment platforms. Though, in spite of the tendency, there remain challenges in the widespread adoption and usage of digital payment methods. The problem under thought for this research is to explore the perception and attitudes of urban customers towards digital payment systems. Specifically, the study aims to understand the factors influencing customers' adoption of digital payments and to analyse the barriers that hinder their widespread usage.

## METHODOLOGY

Descriptive research is a survey method that focuses on describing and documenting the characteristics, behaviours, patterns, and trends of a particular phenomenon or subject of interest. The primary goal of descriptive research is to provide a detailed and accurate snapshot of the existing situation, without attempting to manipulate or control variables.

Descriptive Research is used in this research because it helps to analyse the perception and attitude towards digital payment among urban customers in views of cost saving, time saving, easy adaptability and various factors.

## SOURCES OF DATA COLLECTION

### Primary data

Primary data is the data that is collected by survey directly from main origins through interview. The primary data is acquired with specific set of objective to judge the attitude and perception towards digital payments among urban customers. The first-hand information were possessed from respondents of Bengaluru and responses was collected through forwarding structured questionnaire.

**SAMPLING DESIGN**

**Sampling Method**

Random sampling is used because the selection of units from the population is been executed randomly who uses digital payments applications and convenience sampling is positioned on availability and accessibility by forwarding questionnaire.

**Population and Sampling Units**

Research and survey activities has been done to the people of Bengaluru North in sequence to know the Perception and Attitude on Digital Payment among Urban Customer.

**Sampling Units**

Sampling units- Survey has been conducted for the people of Bengaluru North who were using digital payments for cashless transactions and easy payments for the money transactions.

**Sample Size**

Sample size is the amount of sampling units chosen from population of people who uses digital payments, here the sample size is 100.

As much we desire the respondents up to expectation is performed the quantity is appropriate According to its limitations 100 respondents are chosen as sample size for the study. The response was taken by 10-20 people daily the response of 100 people was covered within 7-8 days. Due time constraint, survey will be done only for 100 sample size.

**Statistical Design**

The data collected is represented in a tabular form and analysed using statistical tools such as percentage analysis. SPSS software is used to determine the relationship between two variables. The data is presented through percentage and bar chart analysis which helps to judge the level of consumer behaviour by indicating variables in accurate manner.

**DATA ANALYSIS AND INTERPRETATION**

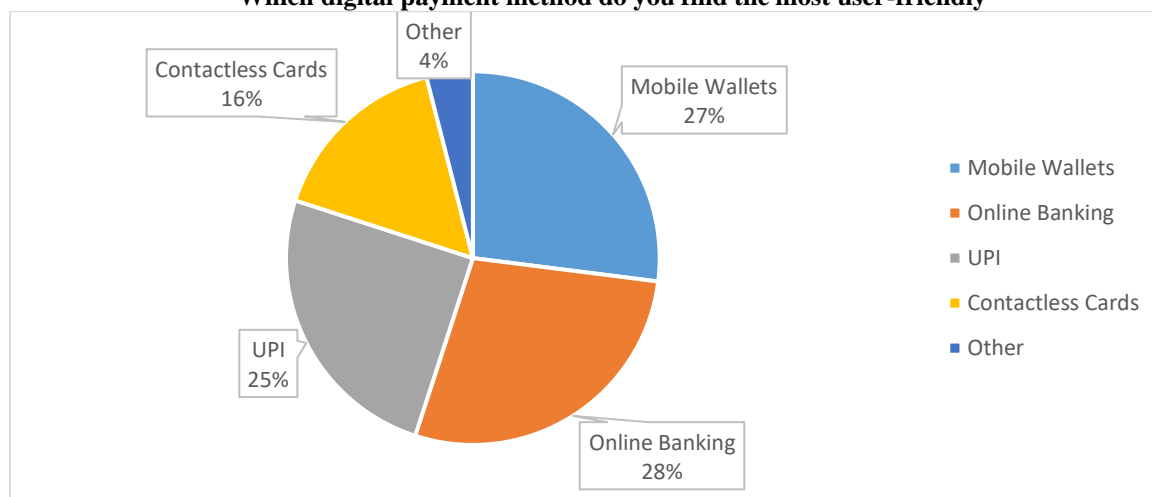
**Table 1**  
**Which digital payment method do you find the most user-friendly?**

Response	No. of Respondents	Percentage (%)
Mobile Wallets	27	27
Online Banking	28	28
UPI	25	25
Contactless Cards	16	16
Other	4	4
<b>Total</b>	<b>100</b>	<b>100</b>

**Analysis:** From the table above, it can be observed that Online Banking and Mobile Wallets are the most preferred methods, with 28% and 27% respondents

respectively. UPI is a close third at 25%. Contactless Cards and other methods have lesser preferences.

**Graph 1**  
**Which digital payment method do you find the most user-friendly?**



**Interpretation:** From the chart above, it suggests that majority of the respondents find traditional online banking and mobile wallets user-friendly. The

popularity of UPI is also evident, hinting at a diverse preference among digital payment users.

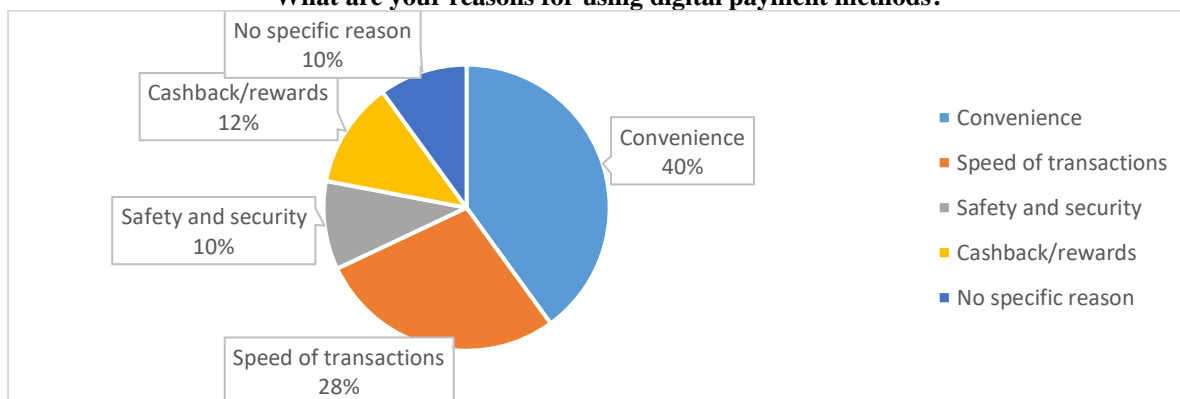
**Table No 2**  
**What are your reasons for using digital payment methods?**

Response	No of Respondents	Percentage
Convenience	40	40%
Speed of transactions	28	28%
Safety and security	10	10%
Cashback/rewards	12	12%
No specific reason	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, the primary reason people use digital payment methods is for convenience, with 40% of the respondents citing this reason. The speed of transactions came in second at 28%, followed by cashback/rewards at 12%, safety and security, and no specific reason both at 10%.

**Graph No 2**

**What are your reasons for using digital payment methods?**



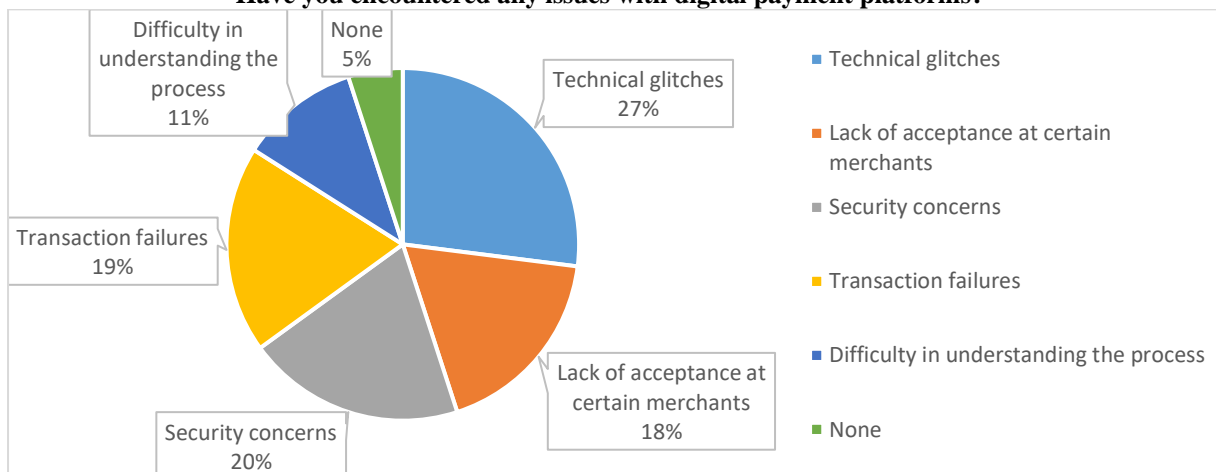
**Interpretation:** From the chart above, it's evident that users prioritize ease and quickness when opting for digital payment methods. While safety and security are crucial, it appears that immediate benefits like convenience, speed, and rewards play a more significant role in influencing their choice.

**Table No 3**  
**Have you encountered any issues with digital payment platforms?**

Response	No. of Respondents	Percentage (%)
Technical glitches	27	27%
Lack of acceptance at certain merchants	18	18%
Security concerns	20	20%
Transaction failures	19	19%
Difficulty in understanding the process	11	11%
None	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, the most common issue users encountered with digital payment platforms is "Technical glitches" at 27%. The least faced issue is "Difficulty in understanding the process" and those who faced no issues make up just 5% of respondents.

**Graph No 3**  
**Have you encountered any issues with digital payment platforms?**



**Interpretation:** From the chart above, it can be inferred that while many users face technical glitches, there is a substantial segment of users who have varied

issues ranging from security concerns to merchant acceptance. Only a small fraction finds the platforms entirely without issues.

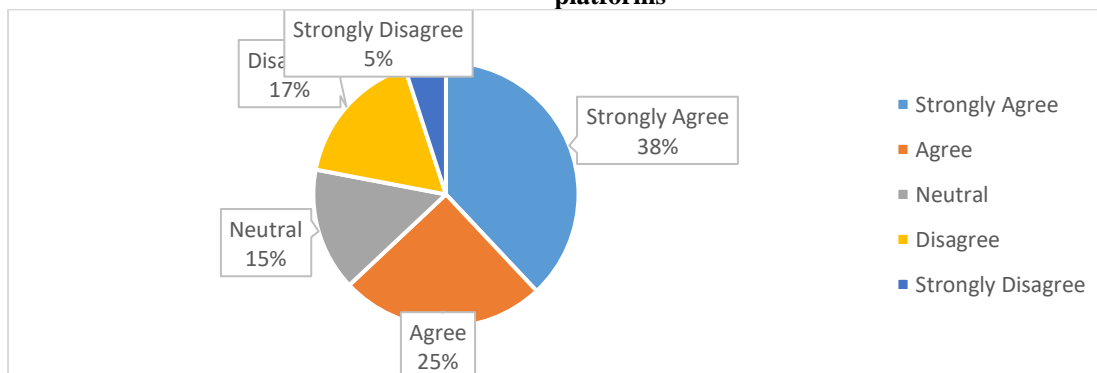
**Table No 4**  
**Has your purchasing behavior changed to avail discounts, cashback, or rewards on digital payment platforms?**

Response	No of Respondents	Percentage
Strongly Agree	38	38%
Agree	25	25%
Neutral	15	15%
Disagree	17	17%
Strongly Disagree	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, a significant number of respondents, 38%, strongly agreed that their purchasing behavior has changed due to discounts, cashback, or rewards on digital payment platforms.

This is closely followed by 25% who simply agreed, making a combined 63% of respondents who have been influenced by such incentives.

**Graph No 4**  
**Has your purchasing behavior changed to avail discounts, cashback, or rewards on digital payment platforms?**



**Interpretation:** From the chart above, it's evident that digital payment platforms' incentives play a pivotal role in shaping purchasing behaviors. With over half of the respondents (63%) showing a positive

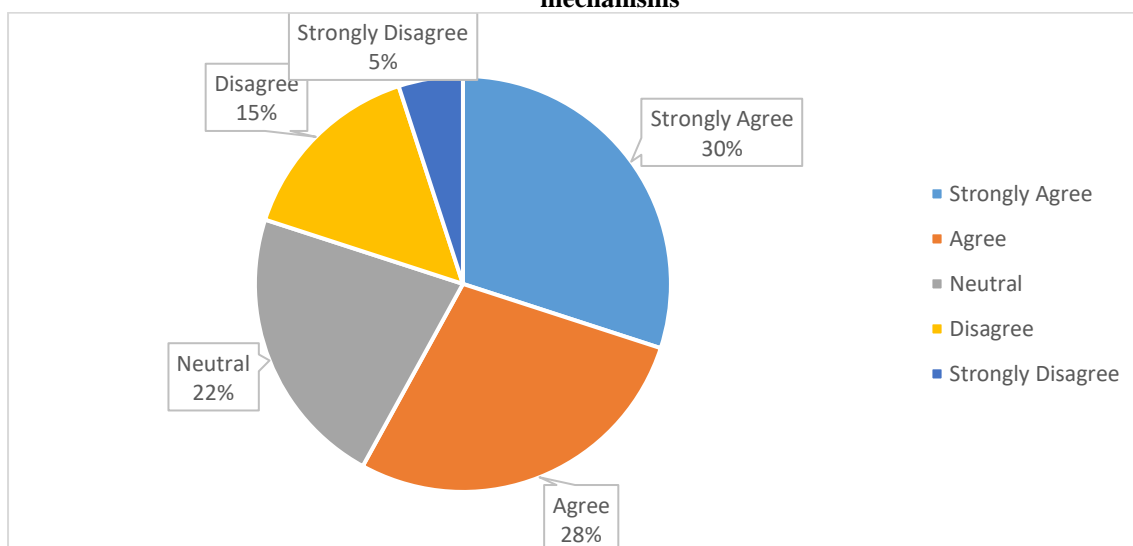
inclination towards changes in purchasing behavior due to such incentives, digital payment platforms' strategies seem effective.

**Table No 5**  
**Do you feel that digital payment platforms need to enhance their customer support and issue resolution mechanisms?**

Response	No of Respondents	Percentage
Strongly Agree	30	30%
Agree	28	28%
Neutral	22	22%
Disagree	15	15%
Strongly Disagree	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, it's evident that a significant majority (58%) of the respondents feel that digital payment platforms need improvements in customer support and issue resolution mechanisms. A neutral stance was adopted by 22%, whereas only 20% disagreed with the need for enhancement.

**Graph No 5**  
**Do you feel that digital payment platforms need to enhance their customer support and issue resolution mechanisms**



**Interpretation:** From the chart above, digital payment platforms might need to address concerns related to customer support and resolution mechanisms, as this seems to be a prominent sentiment among users. Addressing this could lead to increased trust and satisfaction among platform users.

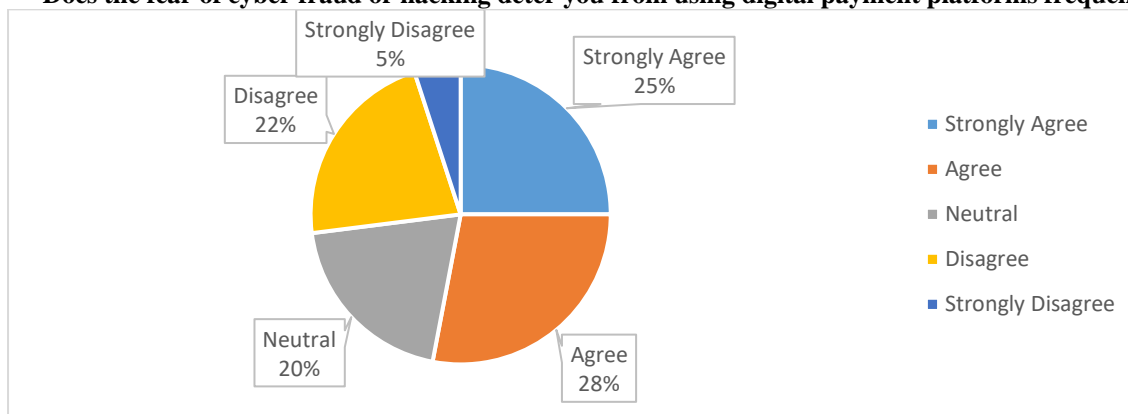
**Table No 6**  
**Does the fear of cyber fraud or hacking deter you from using digital payment platforms frequently?**

Response	No of Respondents	Percentage
Strongly Agree	25	25%
Agree	28	28%
Neutral	20	20%
Disagree	22	22%
Strongly Disagree	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, it is evident that the majority, which is 53% (combining Strongly Agree and Agree), express concerns over cyber fraud or hacking when considering the frequent use of digital payment platforms. However, 22% of the respondents disagree, suggesting they might have a higher level of trust or confidence in the security of these platforms.

**Graph No 6**

**Does the fear of cyber fraud or hacking deter you from using digital payment platforms frequently?**



**Interpretation:** From the chart above, one can deduce that while more than half the respondents harbor fears of cyber threats, a significant proportion (22%) doesn't share these concerns. It indicates a divided opinion on the perceived safety of digital payments.

**Table No 7**

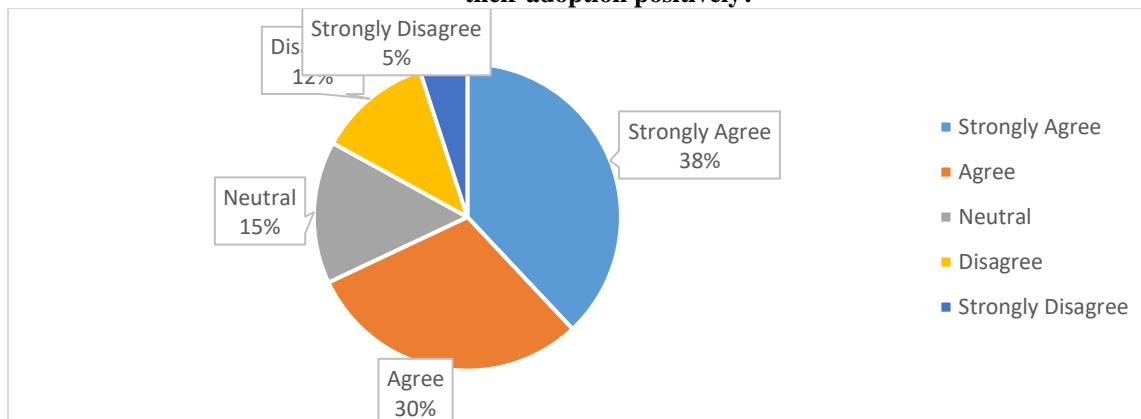
**Do you believe that governmental initiatives and policies in promoting digital payments have impacted their adoption positively?**

Response	No of Respondents	Percentage
Strongly Agree	38	38%
Agree	30	30%
Neutral	15	15%
Disagree	12	12%
Strongly Disagree	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, it is evident that a majority of the respondents (68%) either strongly agree or agree that governmental initiatives and policies have positively impacted the adoption of digital payments. However, a minority (17%) either disagrees or strongly disagrees, and 15% remain neutral.

**Graph No 7**

**Do you believe that governmental initiatives and policies in promoting digital payments have impacted their adoption positively?**



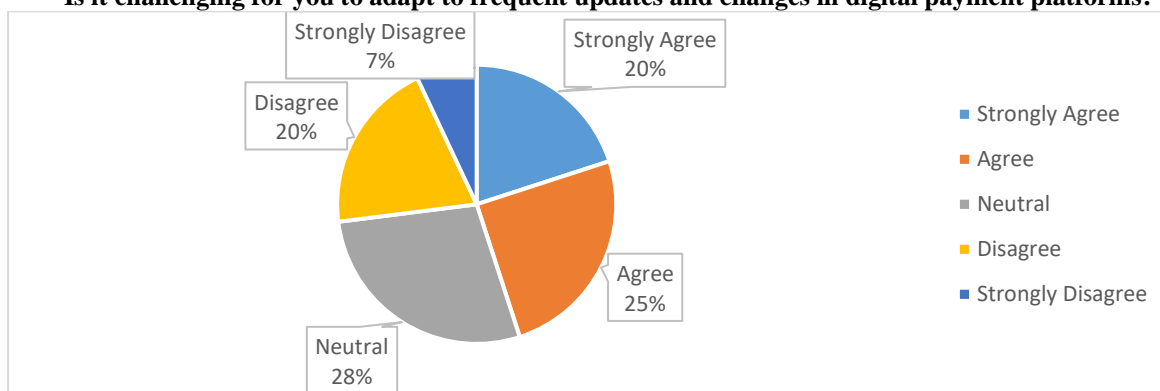
**Interpretation:** From the chart above, it can be inferred that governmental policies and initiatives play a significant role in influencing people's perception towards the adoption of digital payments, with a predominant inclination towards positive influence.

**Table No 8**  
**Is it challenging for you to adapt to frequent updates and changes in digital payment platforms?**

Response	No of Respondents	Percentage (%)
Strongly Agree	20	20%
Agree	25	25%
Neutral	28	28%
Disagree	20	20%
Strongly Disagree	7	7%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Analysis:** From the table above, it is evident that a majority (45%) of the respondents find it challenging to adapt to the frequent updates in digital payment platforms, with 28% remaining neutral on the issue.

**Graph No 8**  
**Is it challenging for you to adapt to frequent updates and changes in digital payment platforms?**



**Interpretation:** From the chart above, it can be inferred that there's a notable segment of the population that might benefit from platforms keeping changes minimal, ensuring stability, or providing clearer instructions for each update.

**HYPOTHESIS**

**Null Hypothesis (H0):**

There is no association between the level of Knowledge in digital payment platforms and the

perception that digital payment methods are more secure than traditional cash transactions.

**Alternative Hypothesis (H1):** There is an association between the level of Knowledge in digital payment platforms and the perception that digital payment methods are more secure than traditional cash transactions.

**This Hypothesis is tested using Correlation test.**

Correlations			Level of trust in digital payment platforms?	Perception that digital payment methods are more secure than traditional cash transactions?
Spearman's rho	Level of trust in digital payment platforms?	Correlation Coefficient	1.000	-.046
		Sig. (2-tailed)	.	.517
		N	200	200
	Perception that digital payment methods are more secure than traditional cash transactions?	Correlation Coefficient	-.046	1.000
		Sig. (2-tailed)	.517	.
		N	100	100



**Interpretation****P value = 0.517****Level of significance = 0.05****(LOS = 0.05 < P value 0.517)**

- Spearman correlation coefficient from the above table is seen that -0.046 which denotes it is negatively correlated.
- As level of significance is lesser than P value, Null hypothesis H<sub>0</sub> is accepted & alternate hypothesis H<sub>1</sub> is rejected.
- Therefore, there is no association between the purpose of using digital devices and the perception that digital payment methods are more secure than traditional cash transactions.
- There is no significant relationship between the level of Knowledge in digital payment platforms and the perception that digital payment methods are more secure than traditional cash transactions.

**FINDINGS AND SUGGESTIONS**

It was found that 28% of respondents use digital payment methods occasionally and the Convenience is the top reason for using digital payment platforms and the Technical glitches and Transaction are the main challenges faced on digital platforms and 38% have changed their purchasing behaviour to avail of platform benefits. The respondents believe the design and user experience of platforms significantly impact their use. The User-Friendly Features are 35% of respondents strongly agree that digital platforms are user-friendly and navigable, digital payment platforms should continue to focus on enhancing their UI/UX for greater customer satisfaction And the Education & On boarding are With 27% identifying themselves as Somewhat Knowledgeable, platforms could benefit from offering more educational resources or tutorials to help users understand the platform's features better though address Technical Glitches are Given that some of respondents experience technical glitches, platforms they should invest more in their technical infrastructure to ensure stability and reliability. Promote Security Believing that digital payments are more secure than cash, emphasizing the security features in marketing campaigns might appeal to an even broader audience so they should improvise to secure the Digital payments.

**CONCLUSION**

Urban customers' use of digital payments, in particular, shows a rising trend of trust and adaption. Younger age groups frequently accept digital payment choices, according to the study, indicating a shift away from traditional cash purchases. Notably, the value placed on convenience, security, and user-friendly interfaces suggests the route that digital platforms should take to advance further. Even if acceptance is broad, problems still exist. Technical issues and transactional mistakes are issues that need to be addressed right away. The need of promoting user

security and trust is also highlighted in the research. The usage of digital payment services is broad and isn't considerably skewed towards one gender, given the generally balanced gender distribution. According to the findings, even if many users see value in digital payments, platforms must engage their user bases more by providing ongoing training, improved on boarding for merchants, especially local suppliers, and working with governmental efforts. The future of digital payments is bright, but to preserve and expand their market share in a highly competitive environment, providers must put user experience, technological resilience, and security as a top priority.

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