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Customer Awareness on Innovative Digital Payment Systems in Banking Sectors in Dharmapuri District

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Abstract *Merchants and customers alike are looking for alternatives to traditional payment methods, and huge tech companies, fintechs, challenger banks, and other non-bank entrants are disrupting the industry by providing better user experiences at lower rates. With the continuous displacement of cash and checks, exacerbated by consumers' adoption of digital purchasing and their desire to minimise contact with physical infrastructure and items, the payments ecosystem will face even more disruption. The main aim of this paper is to analyse the customer's awareness towards innovations that deliver the digital payment system in banking sector with special reference to Dharmapuri District. This study is focused on the digital payment system of public (State Bank of India bank and Canara bank) and private (ICICI Bank and HDFC Bank) banking sectors in Dharmapuri District. By using the convenience sample method, 200 respondents were selected for this study. Percentage analysis, Weighted Average and Chi-Square test were used to analyse the collected primary data. Secondary data were collected from RBI Annual reports, bulletins, journals and magazines. The study concluded that most of the customers were not aware of the innovative digital payment system.*

Keywords *Digital Payments, Customer Awareness and Perception*

INTRODUCTION

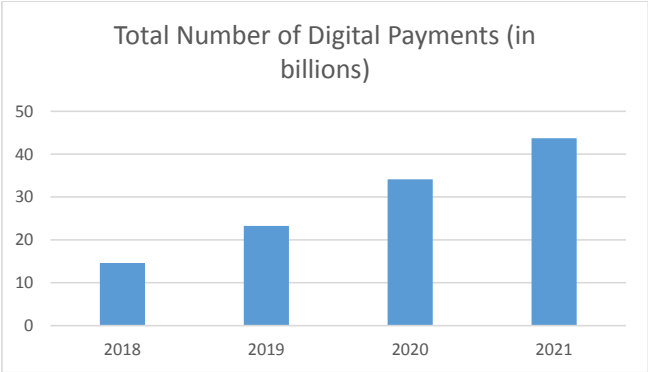
Dharmapuri district was formed in 1964 when the previous Salem district was divided into Salem and Dharmapuri. Between 11 "47" and 12 "33" north latitude, and 77 "28" and 76"45' east longitude, the district is located. Dharmapuri had a population of 1506843 people in 2011, with 774303 males and 732540 females. Dharmapuri's average literacy rate in 2011 was 68.5 percent, up from 60.31 percent in 2001.

Digital payment is a type of payment that is done using electronic means. Both the payer and the payee utilise digital channels to send and receive money in digital payments. Electronic payment is another name for it. The digital payments do not need hard cash (currency notes). Online transactions are used to accomplish all digital payment transactions. It's a quick and simple way to make a payment. The government wants to build a "digitally empowered" economy that is "Faceless, Paperless, and Cashless" as part of its "Digital India" push. There are many different types of digital payments and procedures. Debit/credit cards, online banking, mobile wallets, digital payment apps, Unified Payments Interface (UPI) service, Unstructured Supplementary Service Data (USSD), bank prepaid cards, and mobile banking are just a few examples. Digital payment options are frequently simple to use, more convenient, and allow customers to make payments from any location and at any time. These are a viable alternative to standard payment methods. People gradually began to accept digital payments after demonetization, and even small-time merchants and business owners began to take digital payments. Table 1 shows the total number of digital payments across India from financial year 2018 to 2021(in billions).

Table 1: Total Number of Digital Payments in India

Sr. No.	Year	Total No. of Digital Payments (in Billions)
1.	2018	14.59
2.	2019	23.26
3.	2020	34.12
4.	2021	43.71

Sources: https://www.statista.com/



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REVIEW OF LITERATURE

Martina Franciska and Sahayaselvi (2017), in their research on "An Overview on Digital Payments". The purpose of this research is to learn about the many sorts of digital payment transactions that ordinary people utilise in their day-to-day lives. This research relies heavily on secondary data. As a result, a total of 4018 billion was transacted using mobile banking in 2015-2016, compared to 60 billion in 2012-13. Mobile networks, the Internet, and electricity are all boosting the reach of digital payments to more rural locations. As a result, it is safe to assume that the future transaction system will be cashless. Shah and Dipsinh Zala (2018), "A study of Awareness and Perception about Digital Payments among Women in Gujarat", has made an attempt to understand women's perception and awareness regarding digital payment. The Chi-square analysis confirmed this, since there was a substantial variation in women's perceptions based on their age and education. Women are aware of digital payment, according to the report. Because the majority of respondents find digital payment systems to be simple, convenient, and time-saving, it may undoubtedly assist women in managing their personal and professional lives more successfully and efficiently. Panhwer et al. (2020), in their article titled on "Awareness and Reason towards Slow Adoption of E-Payment System: Study of Hyderabad". The goal of the study was to learn more about customers' knowledge and awareness of the E-Payment system, as well as the reasons for its delayed acceptance in Hyderabad. Users' acceptance of an E-Payment system is influenced by perceived usefulness, perceived ease of use, facilitating conditions, and system legitimacy, according to the research structure. This study reveals that the majority of individuals are aware of the E-Payment system since they use it and are satisfied with it. Using the UTAUT and TAM models, this study concludes that perceived ease of use, perceived usefulness, system credibility, and conducive factors are the primary causes for E-Payment system delayed acceptance. Ghosh (2021), in her research "Adoption of Digital Payment System by Consumer: A Review of Literature" has reviewed from various papers and suggested that digital payment is far more convenient compare to traditional medium of paper currency. This way of payment is available 24 hours a day, 7 days a week, from anywhere. Anybody with an internet connection can do such a transaction, and they do not need to queue or visit a bank. The authors analysed the results and interpreted them using various tests based on the information they gathered. The majority of the study suggests that individuals are adopting and accepting digital payment systems because they are easier to use, because they receive benefits or cash back, because they save time and because it is a faster way of transaction, and so on.

STATEMENT OF THE PROBLEM

Payment systems are rapidly being recognised as a means of attaining financial inclusion and ensuring that economic benefits reach the bottom of the pyramid, in addition to being the lifeblood of an economy. In light of the foregoing, India has adopted a distinct law for Payment and Settlement Systems, allowing for a more orderly development of the country's payment ecosystem. Cash is widely used because it is thought to give anonymity, flexibility, convenience, and speed in making payments; payment finality, with no danger of default; and a high level of liquidity and acceptability. Thus, the present study is need to analysis the awareness and perception of customers towards the innovative digital payment system in Dharmapuri District.

OBJECTIVES OF THE STUDY

- To study the demographical profile of the selected respondents.
- To analyse the customer's awareness towards innovative digital payment systems of banking sectors in Dharmapuri District.
- To examine the customer's perception towards innovative digital payment systems of banking sectors in Dharmapuri District.

HYPOTHESIS OF THE STUDY

The following hypotheses have been examined:

Ho1: There is no significant difference between the demographical profile of the customer and awareness of digital payments systems of banking sectors in Dharmapuri District.

Ho2: There is no significant difference between demographical profile of the customer and perception on digital payments systems of banking sectors in Dharmapuri District.

RESEARCH DESIGN

Type of Research: Descriptive research method is used for this study.

Data Collection: Primary data was collected through a structured questionnaire that was distributed in various places of Dharmapuri District. On the bases of number of branches, 2 public (State Bank of India bank and Canara bank) and 2 private (ICICI Bank and HDFC Bank) banks in Dharmapuri District were selected for this study. The questionnaire incorporated various parameters that were

framed to understand the awareness and perception about digital payment systems in Dharmapuri District. The primary data collected from three taluks of Dharmapuri district viz., Dharmapuri, Harur and Pappireddipatti. The secondary data is collected from various sources such as research papers, magazines, journals, websites and newspapers.

Sample Size and Technique: The sample size consists of 200 respondents. Convenience sampling technique was used for this study.

ANALYSIS AND INTERPRETATION

Demographical Profile of the Customer (Percentage Analysis)

The present study confines the Demographical profile of 200 respondents are gender, age, educational qualification, monthly income, occupation and Area of Residence. Parameters, frequency and their percentage of different variables are tabulated as under in Table 2.

Table 2: Demographical Profile of the Customer

Sr. No.	Variables	Parameters	Frequency	Percentage (%)
1.	Gender	Male	116	58.0
		Female	84	42.0
		Total	200	100
2.	Age	21-30	24	12.0
		31-40	82	41.0
		41-50	66	33.0
		Above 50	28	14.0
		Total	200	100
3.	Education	Illiterate	04	2.0
		Primary level	19	9.5
		High school	24	12
		Graduate	116	58.0
		Post graduate & Profession	37	18.5
		Total	200	100
4.	Monthly Income	Up to 10000	57	28.5
		10000-20000	92	46.0
		20000-30000	32	16.0
		30000-40000	15	7.5
		Above 40000	04	2.0
		Total	200	100
5.	Occupation	Agriculture	19	9.5
		Government Employee	15	7.5
		Private Employee	98	49.0
		Business	38	19.0
		Unemployed	17	8.5
		House wife	13	6.5
		Total	200	100
6.	Area of Residence	Rural	72	36.0
		Urban	128	64.0
		Total	200	100

Sources: Primary Data.

The above Table 2 reveals that Male respondents (58.0%) are higher than Female respondents. Majority of the respondents are in the Age group of 31-40 (41.0%). Most of the respondents are Graduated (58.0%) as compared to other educational groups. Majority of the respondent's family monthly Income fall under Rs. 10,000-Rs. 20,000 (46.0%). Majority of the respondents are working as a private employee (49.0%). Majority of the respondent's Area of Residence is urban area (64.0%).

Customer's Awareness on Innovative Digital Payment Systems (Weighted Average Method)

Table 3: Customer's Awareness on Innovative Digital Payment Systems

Digital Payments	Fully Aware	Party Aware	Not Aware	Total Score	Mean/ Rank
Banking Cardsz	114 (342)	42 (84)	44(44)	470	2.35 - III
USSD	61(183)	41(82)	98(98)	363	1.815 - IX
AEPS	34(102)	54(108)	112(112)	322	1.61- X
UPI	95(285)	63(126)	42(42)	453	2.265 - VI
Mobile wallets	105(315)	47(94)	48(48)	457	2.285 - V
Banks Pre paid cards	97(291)	74(148)	29(29)	468	2.340 - IV
Point of sale	68(204)	58(116)	74(74)	394	1.97 -VIII
Internet Banking	147(441)	43(86)	10(10)	537	2.685 - II
Mobile Banking	160(480)	27(54)	13(13)	547	2.735 - I
Micro ATMs	78(234)	47(94)	75(75)	403	2.015 -VII

Sources: Primary Data.

Table 3 shows that majority of the respondents having high level of awareness on Mobile Banking (mean score 2.735). Followed by Internet banking (mean score 2.685), Banking cards (mean score 2.350), Banks Prepaid cards (mean score 2.340) and Mobile wallets (mean score 2.285) are getting subsequent mean scores in level of Awareness on Innovative Digital Payment Systems in Dharmapuri District.

Customer's Perception on Innovative Digital Payment Systems (Weigthed Average Method)

Table 4 showed that the scores are given by the customers on different statements to ascertain the level of perception of the customers on Innovative Digital Payment Systems.

Table 4: Customer's Perception on Innovative Digital Payment Systems

Factors	Highly Satisfied	Satisfied	No Opinoin	Dis satisfied	Highly Dis satisfied	Total Score	Mean/ Rank
Expenses control	240 (48)	288 (72)	75 (25)	70 (35)	20 (20)	693 (200)	3.465 V
Reduced risk of loss and theft	340 (68)	264 (66)	48 (16)	58 (29)	21 (21)	731 (200)	3.655 III
Low commissions	290 (58)	200 (50)	84 (28)	68 (34)	30 (30)	672 (200)	3.360 VI
User-friendly	330 (66)	228 (57)	96 (32)	52 (26)	19 (19)	725 (200)	3.625 IV
Convenient	380 (76)	236 (59)	60 (20)	48 (24)	21 (21)	745 (200)	3.725 II
Time saving	390 (78)	248 (62)	45 (15)	50 (25)	20 (20)	753 (200)	3.765 I

Sources: Computed Data.

Table 4 showed that 'Time saving' got high mean and first rank in customers level of perception on Innovative Digital Payment Systems. 'Low Commissions' got least mean and last rank in customer's level of perception on Innovative Digital Payment Systems.

Relationship between the Demographical Profile of the Customer and Awareness of Digital Payments Systems

Table 5 shows the results of chi-square test with regard to demographical profile of the customer and awareness of digital payments systems.

Table 5: Result of Chi-Square Test (P-Value)

Socio-Economic Factors	Chi Square Value	Ho	Result
Age	0.178 > 0.05	Accepted	Not Sig.
Gender	0.414 > 0.05	Accepted	Not Sig.
Education	0.241 > 0.05	Accepted	Not Sig.
Monthly Income	0.024 < 0.05	Rejected	Sig.
Occupation	0.219 > 0.05	Accepted	Not Sig.
Area of Residence	0.324 > 0.05	Accepted	Not Sig.

Sources: Computed Data.

As per the result of Chi-Square test, Table 5 explains that there is no significant relationship between Age, Gender, Education, Occupation and Area of Residence of the customers and awareness of digital payments systems in Dharmapuri District. But there is a significant relationship between Monthly Income of the customers and awareness of digital payments systems in Dharmapuri District.

Relationship between Demographical Profile of the Customer and Perception on Digital Payments Systems of Banking Sectors

Table 6: Result of Chi-Square Test (P- Value)

Socio-Economic Factors	Chi Square Value	Ho	Result
Age	0.214 > 0.05	Accepted	Not Sig.
Gender	0.406 > 0.05	Accepted	Not Sig.
Education	0.017 < 0.05	Rejected	Sig.
Monthly Income	0.242 > 0.05	Accepted	Not Sig.
Occupation	0.323 > 0.05	Accepted	Not Sig.
Area of Residence	0.470 > 0.05	Accepted	Not Sig.

Sources: Computed Data.

As per the result of Chi-Square test, Table 6 explains that there is no significant relationship between Age, Gender,

Monthly Income, Occupation and Area of Residence of the customers and perception of digital payments systems in Dharmapuri District. But there is a significant relationship between Education of the customers and perception of digital payments systems in Dharmapuri District.

SUGGESTIONS

Bankers should conduct training programmes to their customers for getting awareness about the innovative digital banking systems.

Bank employees need to provide proper guidelines to the customers for using the digital payments.

CONCLUSION

Technology has made our life much easy than before. Digital payment system is one of the innovations in the field of commerce, finance and banking. Present study has made an attempt to understand the perception and awareness regarding digital payment. The study revealed that most of the respondents are not aware of new innovative digital payment systems in banking sector in Dharmapuri District.

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