A Study on Adoption of Digital Payment System In Coimbatore District

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Abstract- *With the popularity of mobile devices and new technologies and digitalization, digital payment takes place of plastic cards and currency Digital payment methods play significant role in the current scenario. In the context of technological innovations, the adoption process is also influenced by one or several factors that are incorporated in the new product. Consumer adoption is the process which determines whether to adopt the technological innovation or not. This process is influenced by the characteristics, such as personality traits and demographic or socioeconomic factors of the users.*

Digital payments are the trend of the day. In a mixed economy like ours, this is a great boon for all the users around the world. Digital payment system is completely changing the traditional system of making and receiving payment throughout the world. It saves time, energy and resources. In this study, the customer awareness and factors influence to access the digital payment apps had been made to know the technological access behaviour of the users.

I. INTRODUCTION

A smart phone has become a necessary component of living in the modern world. As smart phones have grown more accessible, their use has drastically expanded. A smart phone offers a wide range of additional services in addition to the fundamental communication capabilities. Its storage and payment operations are exactly the same as those of a conventional leather wallet, with the exception that they are carried out digitally and involve a larger number of parties on a digital platform.

How do potential customers learn about new products - try them and adopt or reject them? The user loyalty process later follows the user-adoption process, which is the concern of the established producer. Digital payment system, especially mobile payment has enabled the effortless transfer of money through virtual or digital method. It enforces faceless, paperless and cashless money transactions.

Digital payment doesn't involve the use of hard cash or currencies. The users of Smart phone have been increased randomly and this has paved the way for digital transactions. Thus, it promotes contact and quick transaction at anytime from anywhere in the world. Digital payment apps as Google pay, Paytm, PhonePe, and Amazon pay has been taken for this study.

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II. REVIEW OF LITERATURE

Gourab Ghosh (2021) This literature on digital payments emphasizes how information and communication technology (ICT) is revolutionizing payment systems around the world. In addition, government programs like Digital India, rising smartphone usage, and reasonably priced internet connection have all contributed to the expansion of digital payment systems in India since demonetization. With the potential to establish a cashless economy, especially in India, the overall uptake of digital payment systems is anticipated to increase dramatically.

Alaa Mahdi Sahi and Saleh F. A. Khatib (2021) This literature on the adoption of digital payments identifies a number of factors that impact the growth, acceptance, and use of digital payment systems, especially when considering internet and mobile technologies. Even with the quick growth of e-commerce and the increasing number of studies, the sector does not yet have a thorough review that summarizes the body of research, particularly when it comes to the intricate role that social, cultural, and security factors play in adoption. Numerous determinants, including customer satisfaction, privacy concerns, cultural orientations, and innovation, have been the subject of prior research;

nevertheless, these aspects are frequently not integrated into a single, coherent framework.

Mukhamad Najiba and Farah Fahmab (2020) This research on SMEs' adoption of digital payment systems, especially in developing nations like Indonesia, highlights a number of important variables that affect the process. Although the Technology Acceptance Model (TAM) has been widely used to evaluate technology adoption, research shows that, in contrast to large firms, SMEs in Indonesia have particular difficulties when it comes to implementing digital payment systems. Prior research has concentrated on industrialized nations; however, the spread of digital payment systems in Indonesia and other developing countries reveals distinct dynamics. According to the literature, knowing these contextual elements is essential for forecasting how many Indonesian SMEs will use digital payments in the future and for creating plans to boost their competitiveness in an increasingly digital market.

Piyush Kumar and Dr. Dhani Shanker Chaubey(2017) The literature on India's adoption of digital payments emphasizes how demonetization caused a dramatic change in consumer behavior, forcing a move away from cash-based transactions and toward digital payment methods. After demonetization, however, the scarcity of currency served as a driving force behind the rapid uptake of digital payment systems like Paytm, which offered a much-needed reprieve from cash shortages. The literature indicates that although digital payments have contributed to reducing black money and enhancing transaction transparency, the Indian sociological and cultural environment had a major impact on the adoption rate, with the government's encouragement further propelling this shift.

STATEMENT OF THE PROBLEM

The impact of technology and demonetization made people to use digital payment. The people still prefer for credit card facilities because of security issues but the whole world moves on digital and which facilitates easy cashless transaction with more comfort.

It is important to study and understand the users' adoption behavior, awareness and factors that influence the adoption of digital system among the users. In order to achieve the aim and objective of this research study, the research questions that would be explored in this study.

OBJECTIVES OF THE STUDY

The Objective of the study is to determine the customer intention to adopt digital payment system in Coimbatore. The Specific Objectives are listed below:

- To study the impact of digital payments on daily transactions.
- To Explore factors influencing digital payment adoption.

NEED FOR THE STUDY

The study helps in analyzing the role of emerging technologies like blockchain, AI, and biometrics in digital payments. It examines innovations like UPI, QR codes, and mobile wallets \that make transactions more seamless.Digital payments provide banking access to the unbanked population, especially in rural areas.

Digital payments drive economic growth by improving transaction efficiency and reducing cash dependency. Businesses, especially small and medium enterprises benefit from lower transaction costs and enhanced customer convenience.Governments can track financial transactions better, reducing tax evasion and fraud.They enable secure, convenient, and low-cost financial services, fostering financial literacy and inclusion.

SCOPE OF THE STUDY

To study the concept of digital payments, including various methods such as mobile wallets, UPI, debit/credit cards, and online banking. The study examines the key factors that drive people to adopt digital payments, such as convenience, security, cashback offers, and ease of use. It also looks at how demographics, education, and income levels impact adoption rates.

To identifies these barriers and their impact on users. The research analyzes how digital payments benefit businesses by improving transaction speed, reducing cash handling costs, and increasing financial transparency. It also explores the broader impact on the economy, including financial inclusion and digital growth.

LIMITATION OF THE STUDY

- The study may be limited to specific regions, and the findings might not fully represent the adoption of digital payments in other areas with different technological or social economic conditions.
- The study's sample size might be small or lack diversity, leading to biased results that may not reflect the broader population's behavior regarding digital payment adoption.

- Variations in access to smartphones, the internet, or digital literacy could influence how different groups adopt digital payment methods, limiting the general of the study's findings.
- Participants might be hesitant to share personal information due to privacy and security concerns, affecting the accuracy and completeness of the data collected for the study.

SOURCE OF DATA

- Primary data
- Secondary data

PRIMARY DATA

Primary data is a type of data that is collected by researchers directly from main sources through interviews, surveys, experiments, etc. Primary data are usually collected from the source where the data originally originates from and are regarded as the best kind of data in research.

SECONDARY DATA

Secondary data is research data that has previously been gathered and can be accessed by researchers. The term contrasts with primary data, which is data collected directly from its source.

AREA OF THE STUDY

The area of the study is Coimbatore city. Coimbatore, popularly known as Manchester of South India, is situated in western Part of the state Tamil Nadu. Coimbatore is a significant centre for the manufacture of software, engineering, automotive parts, and textiles. Numerous IT parks located around the city have attracted many top IT firms, including TCS, Accenture, Wipro, and Cognizant, to the region.

SAMPLING TECHNIQUE

Convenience sampling technique is used here. When population elements are selected for inclusion in the sample based on the case of access, if can be called as convenience sampling.

SAMPLE SIZE

The respondents are selected based on Convenience sampling technique.110 respondents are taken as sampling data.

STATISTICAL TOOLS

- Simple Percentage Analysis
- Chi square
- Anova

III. RESEARCH FINDINGS

SIMPLE PERCENTAGE ANALYSIS

INTERROGATIONS	RESPONSE	FREQUENCY	PERCENTAGE
Age Group	Below 18	8	7.3%
	19-25	67	60.9%
	26-35	29	26.4%
	36-45	2	1.8%
	46-60	3	2.7%
	Above 60	1	0.9%
	Total	**110**	**100%**
Location	Urban	54	49.1%
	Rural	49	44.5%
	Suburban	7	6.4%
	Total	**110**	**100%**
Usage Of Digital Payment	Daily	54	49.1%
	Weekly	20	18.2%
	Monthly	22	20%
	Rarely	6	5.5%
	Never	8	7.3%
	Total	**110**	**100%**
Preferred Digital Payment Method	UPI (Google Pay, PhonePe)	70	63.6%
	Credit/Debit Cards	18	16.4%
	Mobile Wallets	18	16.4%

	(Paytm)		
	Internet Banking	4	3.6%
	Cryptocurrency	0	0%
	Total	**110**	**100%**
Biggest Issues Faced In Digital Payment	Risk Of Fraud	28	25.5%
	Technical Issues & Transaction Failures	43	39.1%
	Lack Of Merchant Acceptance	23	20.9%
	Hidden Charges & Fees	13	11.8%
	Difficulty In Use & Lack Of Awareness	3	2.7%
	Total	**110**	**100%**
Digital Payment Affected By Internet Availability	Yes, I Need A Stable Internet Connection To Make Transaction	60	54.5%
	No, I Can Use Offline Payment Modes (NFC, Stored Balance)	33	30%
	Sometimes, When I Face Network Issues	17	15.5%
	Total	**110**	**100%**

Source: Primary Data

CHI-SQUARE TESTS

AGE AND USAGE OF DIGITAL PAYMENT

	Value	df	Asymp. Sig. (2-sided)

Pearson Chi-Square	30.653[a]	20	.060
Likelihood Ratio	25.145	20	.196
Linear-by-Linear Association	1.097	1	.295
N of Valid Cases	110		

ANOVA

TRANSACTION SPEED AND MODE OF USE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.389	3	.796	1.015	.389
Within Groups	82.382	105	.785		
Total	84.771	108			

IV. FINDINGS

- Majority (60.9%) of the respondents are the age group of 19-25.
- Majority (49.1%) of the respondents are urban.
- Majority (49.1%) of the respondents are daily usage of digital payment.
- Majority (63.6%) of the respondents are UPI(google pay, phonepe, paytm) digital payment preferred.
- Majority (39.1%) of the respondents are technical issues & transaction failures biggest issues faced in digital payment
- Majority (54.5%) of the respondents are yes,SI need a stable internet connection to make transaction.

V. SUGGESTIONS

An investigation of the existing state of digital transactions in the area and the variables affecting locals' and companies' acceptance of them are the goals of a study on the adoption of digital payment systems in the Coimbatore District. The study would concentrate on determining the degree of knowledge and application of several digital payment systems, including internet banking, mobile wallets, and UPI. It would examine how demographics like age, income, and education affect adoption as well as assessing obstacles like change aversion, security worries, and technological hurdles.

The study would also evaluate the contribution of government programs like Digital India to the shift to cashless transactions.Through a combination of surveys, interviews, and data analysis, the study would reveal insights into the challenges and opportunities for Coimbatore's digital payment

adoption to advance, offering insightful suggestions for financial institutions, businesses, and policymakers to strengthen the region's digital economy.

VI. CONCLUSION

In conclusion, the study on Coimbatore District's adoption of digital payment systems shows how digital transactions are becoming more and more popular due to factors like convenience, raised awareness, and government support for programs like Digital India. But issues like security worries, technological limitations, and change aversion in some demographic groups continue to be major roadblocks. To further increase adoption rates, the study highlights the necessity of focused awareness campaigns, better infrastructure, and increased confidence in digital platforms. All things considered, Coimbatore has the potential to completely adopt digital payments with sustained efforts from the public and commercial sectors, promoting a more efficient and inclusive economy in the area.

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