



USER'S ADOPTION OF E-PAYMENT SYSTEM IN HARYANA

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ABSTRACT

In today's global financial transactions, electronic payment systems have emerged as the most preferred method of payment. This is because it is timely, convenient, and effective. The goal of the study is to determine the most popular e-payment mode and what drives people to use the system. 250 participants in the study filled out the questionnaire. The respondents were chosen using a combination of stratified random and judgmental sampling techniques. According to the study's findings, banking cards and mobile wallets are the two most popular modes of e-payment. There was a paucity of infrastructure, so few people voiced their displeasure. Certain areas of Haryana are reluctant to adopt a cashless system because of a lack of digital literacy, which prevents people from using coupons and earning cashback incentives, security concerns, poor internet connectivity, and other unfavourable attitudes. According to the study's findings, educational institutions and other organizations routinely offer digital literacy programs in order to inform individuals about cashless transactions, particularly those in the low-income sector who are totally dependent on cash.

KEYWORDS: cashless payment; online payment; digital payment; mobile payment; electronic payment

INTRODUCTION

Technology has revolutionized payments and done away with the need for actual cash transfers. Money isn't king anymore. The world is changing into a society that is more empowered by technology due to the swift uptake of e-payments. The Indian government has been implementing a number of initiatives to support and promote electronic payments there. The government wants to establish a "technology-driven" society that is "faceless, paperless, and cashless" as the cornerstone of the "Digital India" campaign (Kolte & Humbe, 2020). Moreover, Haryana is actively encouraging a cashless society. The state of Haryana is being fully digitalized by the administration. E-payments come in many different forms and configurations. Use of debit and credit cards, online banking, mobile wallets, and other methods are a few of them. UPI is quickly becoming the most widely used and fastest-growing form of payment in India. It was created by the National Payments Corporation of India and is based on IMPS technology. The biggest attraction of this system is how easy it is to transfer money. On November 8, 2016, the Indian government launched demonetization, a significant social engineering move. With immediate effect, two large denomination currencies worth Rs. 1000 and Rs. 500—which together made up almost 86 percent of India's real currency—were demonetized. Due to demonetization, e-payment systems have quickly emerged as a means of conducting business on a worldwide scale. They provide a quick and easy way to acquire or sell goods and services. E-payments provide benefits in terms of cost, convenience, and speed of transactions, but they also come with a variety of drawbacks, including infrastructure requirements, digital literacy requirements, and risks associated with data security and cyber theft. The current survey looks at the most popular payment methods and focuses on the various reasons that motivate people to make electronic payments.

REVIEW OF LITERATURE

"Paper-free Payment Systems in India—An Analytical Analysis," a study conducted by Subramanian in 2014, analyzed how electronic payment systems had proven to be advantageous in India over the course of the investigation. Also, this poll discovered that all electronic forms of payment have significantly increased as compared to conventional paper-based payments like checks and draughts. Kumar (2015) conducted research on "A Study of the Growth Trend of Cashless Transaction Systems." It became clear that in addition to explaining the Cashless Transaction System to users, they also needed to be made aware of its unique features. Visa and Mastercard routinely advertise their products, which increases awareness. Major delivery channels, including net banking, mobile account management, and others, have created a win-win situation for clients by providing outstanding comfort and a variety of options. Banks have employed innovation to reduce costs while boosting productivity, profitability, and customer service at the same time. In their research article titled "E-Payment System on E-Commerce in India," Kaur and Pathak (2016) provided a detailed description of the many types of cashless transaction mechanisms, along with information on how they



operate and are processed. They have found that, while difficult, recommending the best payment method is not impossible. Some systems are quite similar, with only minor differences. As a result, a number of variables affect how e-commerce payment methods are used. A study on mobile payment technologies was examined by Jeffus et al. in 2017. In the meantime, several technologies are competing for acceptance in the retail market. While each service has benefits and drawbacks, one seems to be gaining popularity in the market. They consider a variety of viewpoints before drawing a conclusion about the direction that mobile electronic payment will take. Ranjith et al. reviewed “A Literature Analysis of Consumer Perspective on Digital Payment Methods in India” in 2021. In this era of interconnected technology, the study aims to assess customers’ opinions about the security of online transactions and digital payments. The study is qualitative in character and analyses the idea of digital transactions through literature review. The results show that digital transactions are legal in India and that usage is rising annually. The study established the benefits and difficulties that consumers encounter when using digital payments. Pandey (2022) conducted a study on the digital payment system and consumer perception. The study looked at the evolution of various digital payment systems over time as well as how COVID-19 affected Indian digital payment systems. According to the data, in addition to the increase of 44.2% that occurred the year before, digital payments in India saw a significant increase of 26.2% in volume from 2020 to 21. Furthermore, it has been observed that during the COVID-19 epidemic, individuals shifted to this mode out of concern for health constraints and an aversion to cash transactions, which resulted in an increase in the usage of various digital payment systems.

RESEARCH OBJECTIVE

- To find out the most preferred mode of e-payment by the users.
- To find out the reasons which motivate users to use e-payment.

RESEARCH METHODOLOGY

The current study is based on primary data. A developed questionnaire was sent to several e-payments users in various districts of Haryana via emails and WhatsApp to collect primary data. The study’s methodology is empirical. 250 respondents entered their responses. The data was examined using SPSS version 21 software.

DEMOGRAPHIC DETAILS OF RESPONDENTS

The demographic statistics for the users are shown in the table below:

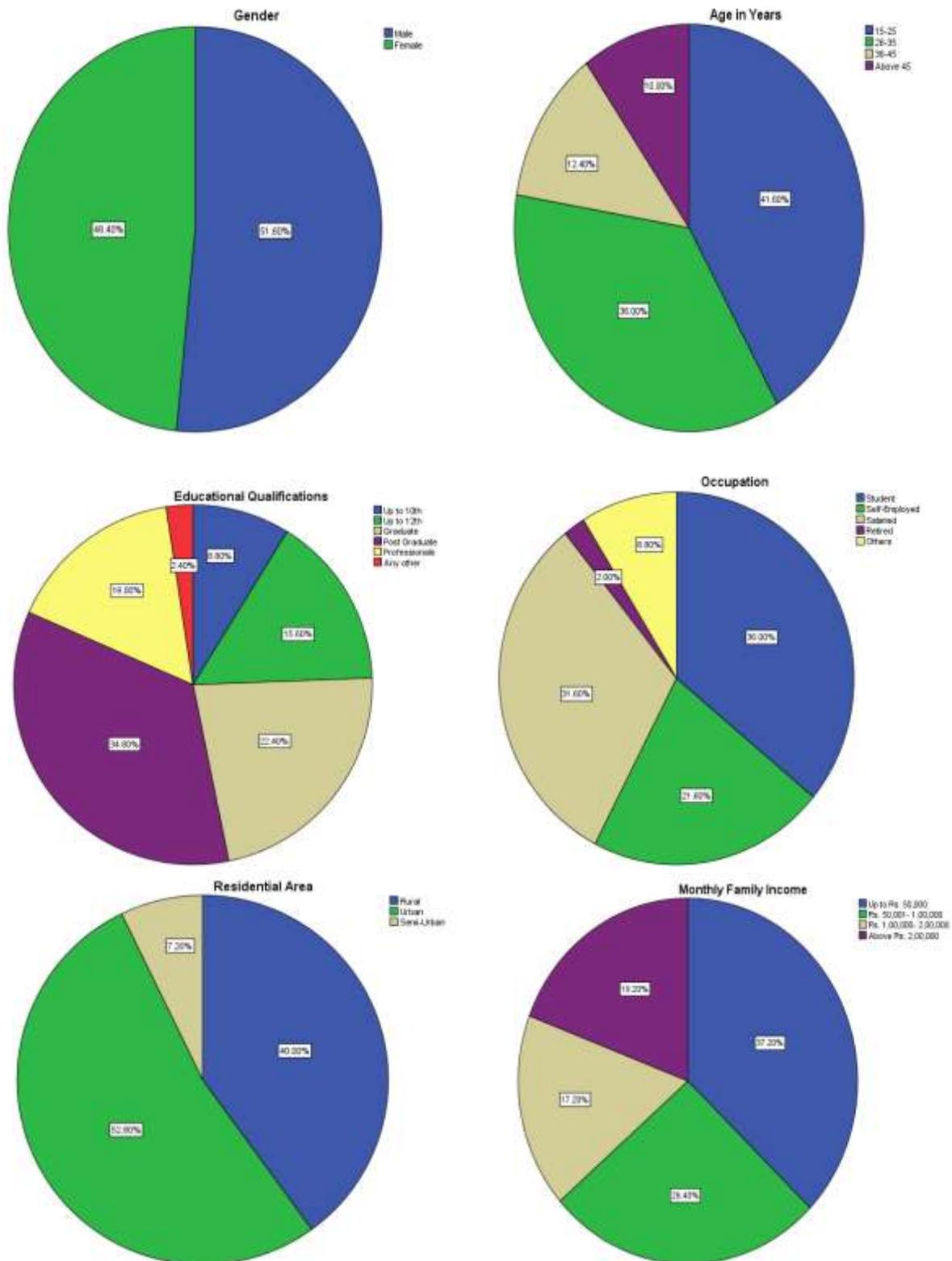
Table 1. Demographic Details of Respondents

Variable	Characteristics	Frequency	Percentage
Gender	Male	129	51.6
	Female	121	48.4
Age (Years)	15-25	104	41.6
	26-35	90	36.0
	36-45	31	12.4
	Above 45	25	10.0
Educational Qualifications	Up to 10th	22	8.80
	Up to 12th	39	15.6
	Graduate	56	22.4
	Post Graduate	87	34.8
	Professionals (CA, CS, Dr., etc.)	40	16.0
	Any other	6	2.40
Occupation	Student	90	36.0
	Self Employed	54	21.6
	Salaried	79	31.6
	Retired	5	2.0
	Others	22	8.80
Residential Area	Rural	100	40.0
	Urban	132	52.8
	Semi-Urban	18	7.20
Monthly Family Income	Up to Rs. 50,000	93	37.2
	Rs. 50,001 - 1,00,000	66	26.4
	Rs. 1,00,000 - 2,00,000	43	17.2
	Above Rs. 2,00,000	48	19.2

Source: Compiled from Primary Data



Figure 1. Demographic Details of Respondents



Source: Compiled from Primary Data



Table 1. reveals the demographic details of the respondents. 48.4 percent of users were female, while 51.6% were male. 41.6% of users are between the ages of 15- 25, 36% are between the ages of 26-35, 12.4% are between the ages of 36-45, and 10% are above 45. 8.80% of users had completed the 10th grade, 15.6% had completed the 12th grade, 22.4% had graduated, 34.8% had completed a postgraduate degree, 16% of users were professionals, and 2.4% had fallen into another category. In terms of residential location, 40% of users reside in rural areas, 52.8% in urban areas, and 7.2% in semi-urban areas. In terms of monthly family income, 37.2% of users fall under the Rs. 50,000, 26.4% fall between Rs. 50,001 and Rs. 1,000, 17.2% fall between Rs. 1,00,001 and Rs. 2,000, and the remaining 19.2% fall over the Rs. 2,00,000.

ANALYSIS OF VARIOUS MODE OF E-PAYMENT

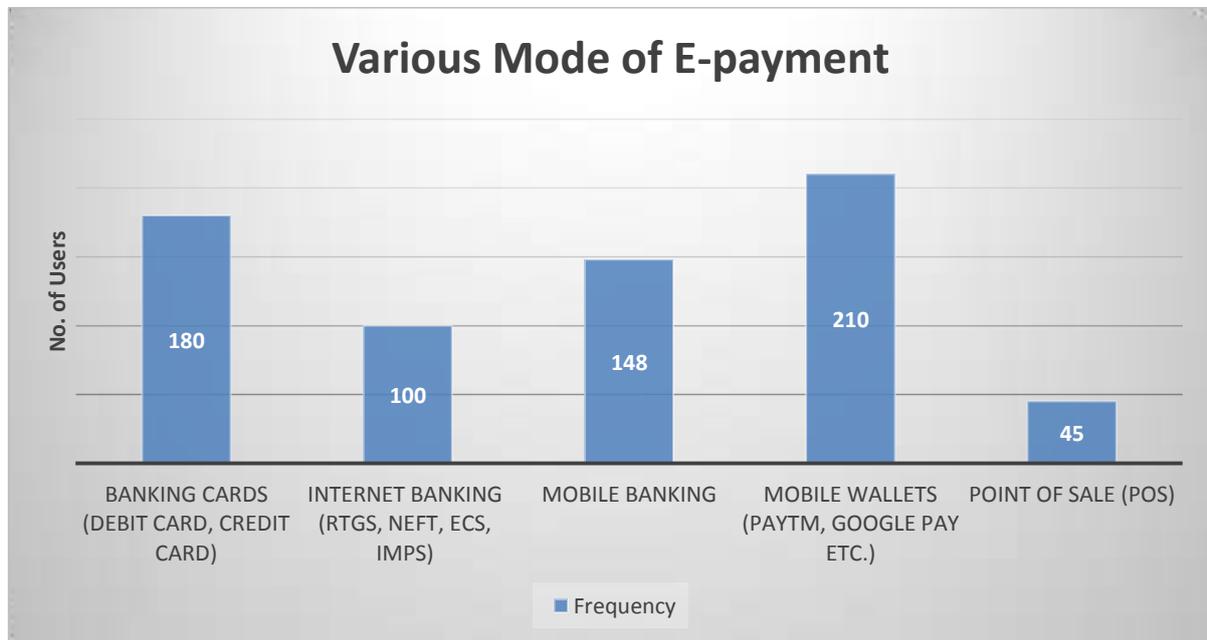
Table 2. lists the various e-payment modes along with their frequencies, percentages, and rankings. The respondents were asked to select among the various e-payment options that they utilize to conduct their financial transactions. The majority of respondents ranked mobile wallets first (N = 210, 84%), with banking cards coming in second (N = 180, 72%). Mobile banking (N = 148, 59.2%) and Internet banking (N = 100, 40%) are the two next-most popular e-payment methods. Point of Sale is the fifth most prevalent mode (N = 45, 18%).

Table 2. Various Mode of E-payment

S. no.	Various Mode of E-payment	Frequency	Percentage	Ranks
1	Banking Cards (Debit Card, Credit Card)	180	72	2
2	Internet Banking (RTGS, NEFT, ECS, IMPS)	100	40	4
3	Mobile Banking	148	59.2	3
4	Mobile Wallets (Paytm, Google Pay etc.)	210	84	1
5	Point of Sale (POS)	45	18	5

Source: *Compiled from Primary Data*

Figure 2. Various Mode of E-payment



Source: *Compiled from Primary Data*

REASONS THAT MOTIVATE USERS TO USE E-PAYMENT

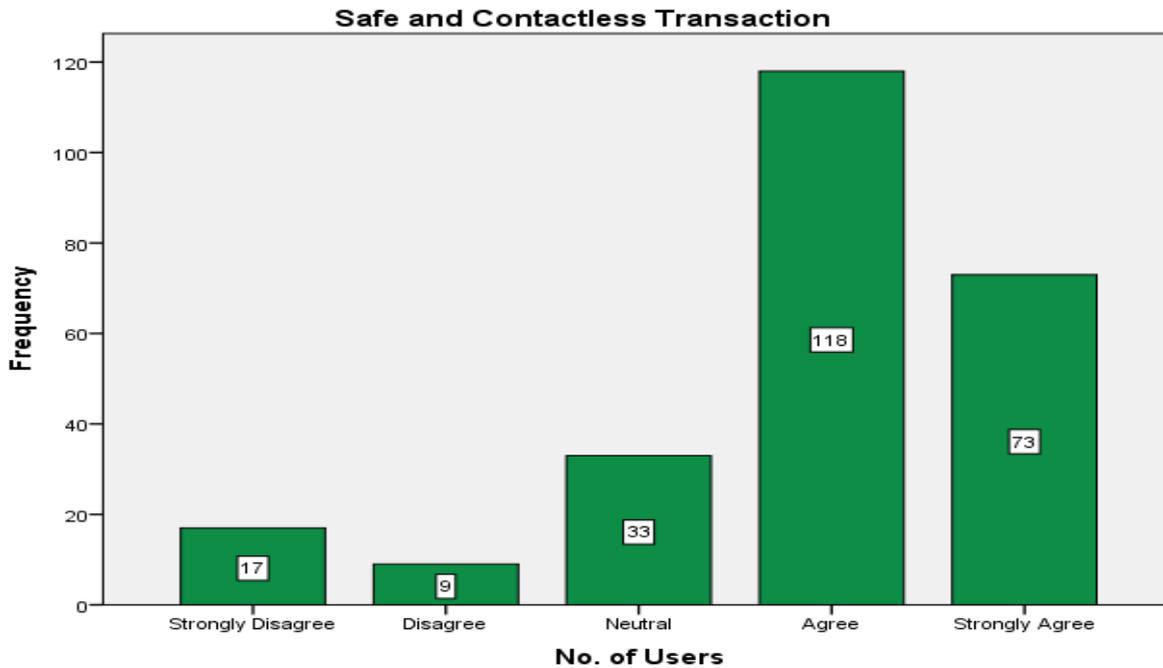
Users are motivated to use e-payment for a variety of reasons. These reasons were given in a questionnaire using a five-point Likert scale. Users are required to express their opinions on the stated claim. Moreover, the following statements and responses are shown in a bar chart:

- **Safe and contactless transaction:** As the name suggests, contactless payments are those in which the purchaser does not need to touch any actual currency. Its use is expected to increase in the coming years due to the COVID-19 pandemic, and health and hygiene concerns. It has also proven to be the most practical type of payment method. Figure 3. reveals that the



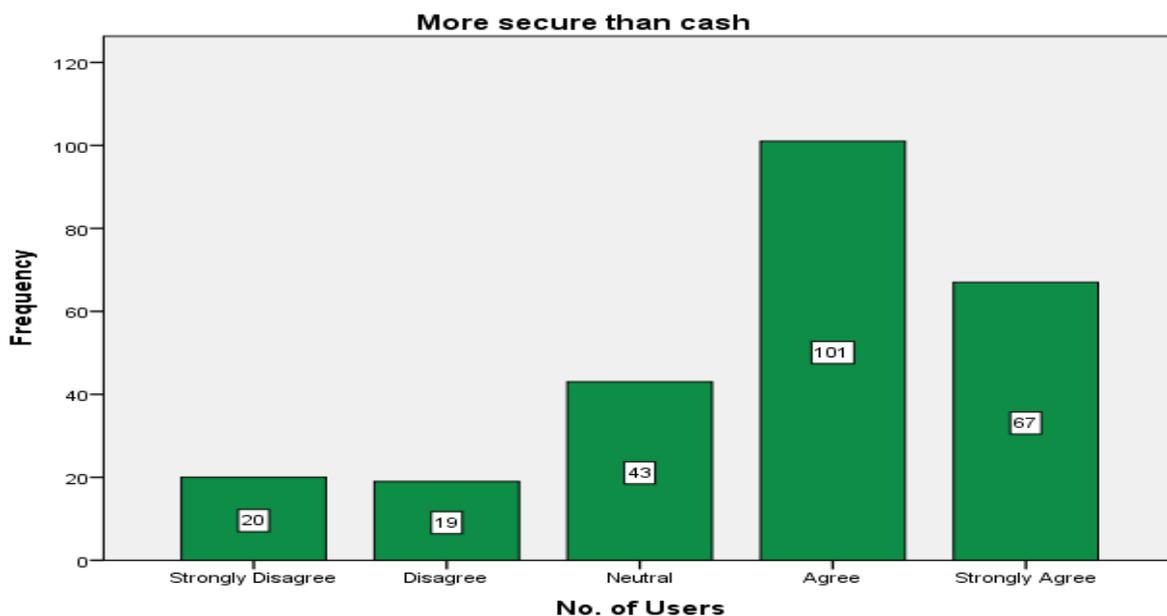
majority of Haryana respondents agreed with the statement that contactless electronic payments are secure. There are 33 responses that are neutral about this statement, while 17 people strongly disagree with it.

Figure 3. Responses towards Safe and Contactless Transaction



➤ **More secure than cash:** Cash is practically untraceable, a handy weapon for criminals, and easier to exploit than electronic currency, which can be rapidly shut down if it gets into the wrong hands. As a result, electronic payments are more secure than cash. Advocates of electronic transactions often highlight how much easier it is for people and businesses to manage their money on a daily basis. There is no longer a need to keep actual currency in storage or to withdraw or deposit it. Figure 4. shows that 101 respondents agreed that using electronic payments is more secure than using cash, 20 strongly disagreed, and 19 disagreed because they might have had an unpleasant experience using electronic payments.

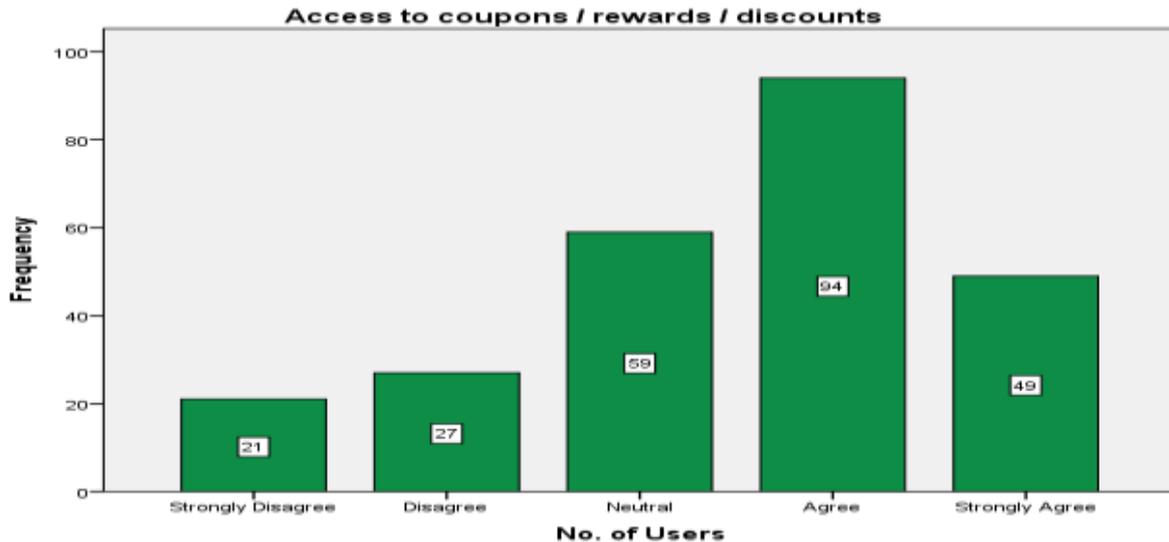
Figure 4. Responses towards More secure than cash





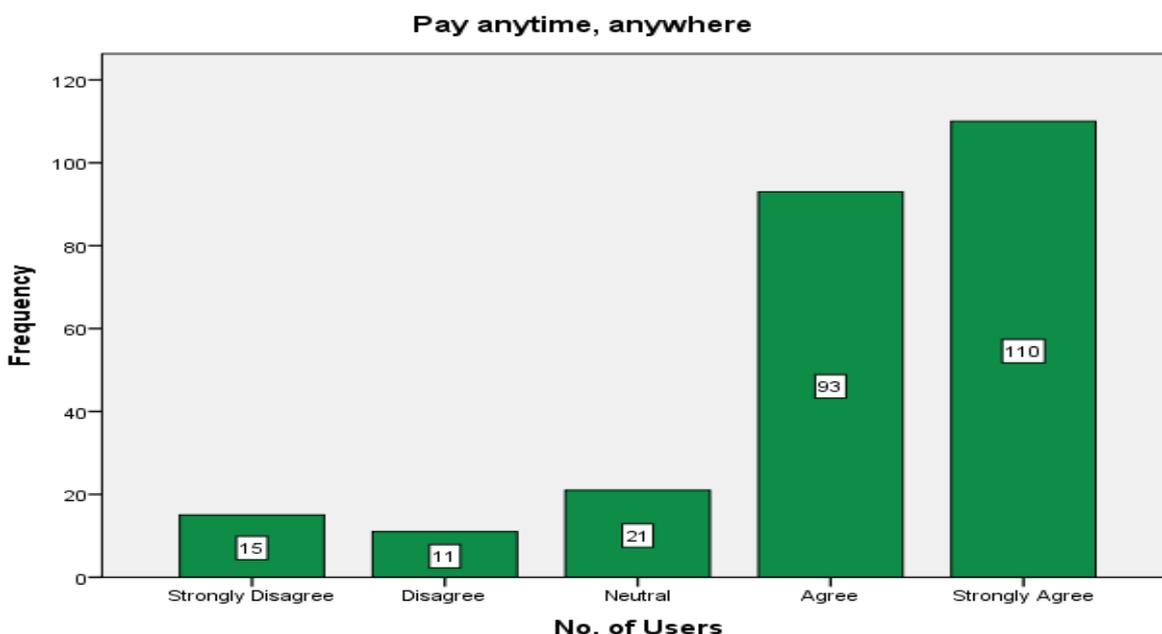
➤ **Access to coupons/rewards/discounts:** Customers that use online payment apps and e-wallets are frequently offered coupons, rewards, and discounts. Many e-payment banks offer tempting cash-back incentives. Customers benefit from this, and it serves as an encouragement to stop using cash. Figure 5. reveals that 94 respondents agreed with this statement, 59 respondents had a neutral viewpoint, and 27 respondents disagreed. Lack of digital literacy may be the source of disagreement because users are unable to take advantage of the benefits offered by coupons.

Figure 5. Responses towards Access to coupons/ rewards/ discounts



➤ **Pay anytime, anywhere:** Traditional payment methods like cash are substantially slower than electronic payments. You are not restricted by time or place when making online payments. Paying is simple and accessible from anywhere in the world at any time. Figure 6. demonstrates that the majority of respondents believe that consumers can make payments whenever and wherever they choose via e-payment. Due to the fact that Haryana's rural respondents lack internet availability, just 15 respondents strongly disagreed, which may be cause for concern.

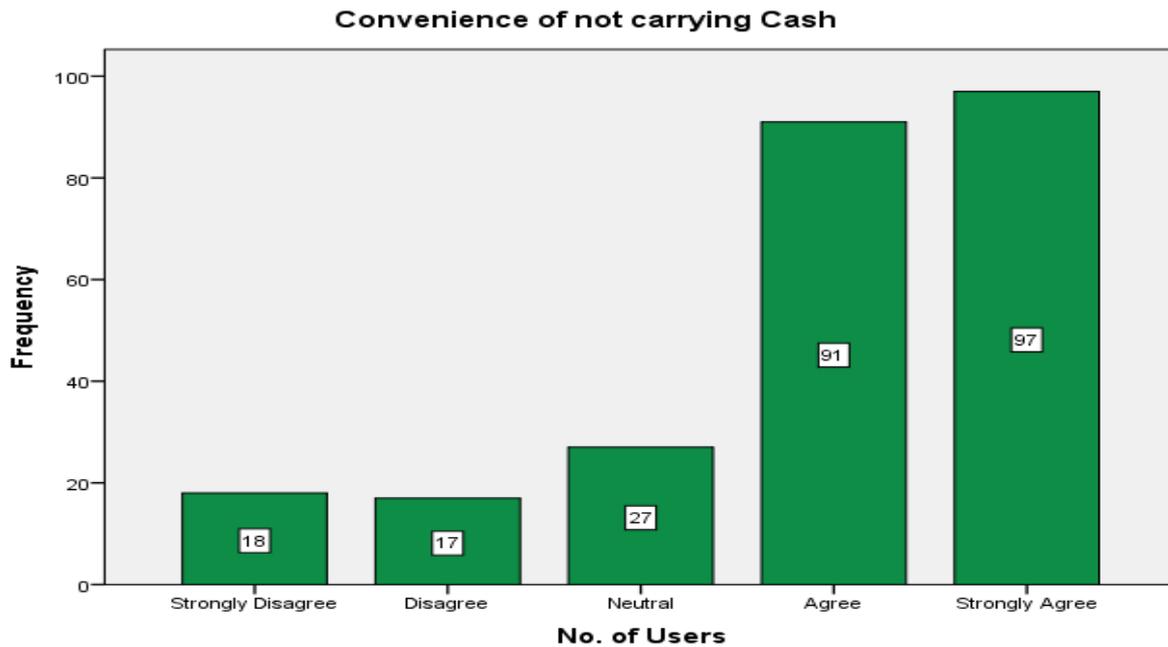
Figure 6. Responses towards Pay anytime, anywhere





➤ **Convenience of not carrying cash:** E-payments should be prioritized based on how easily they can be made and received. Online payments eliminate the need to carry cash and also save time because customers and company owners do not need to stand in line to buy train tickets, toll road tickets, etc. Due to e-payment, cash theft is no longer a concern in modern society. Figure 7. illustrates that the majority of respondents strongly agreed with the stated opinion. Because electronic payments are not accepted in many places in Haryana, such as on the government's buses, 18 respondents strongly disagreed with this assertion. In some areas of Haryana, cash is still king.

Figure 7. Responses towards Convenience of not carrying cash



FINDINGS

The outcomes show that individuals are becoming more accustomed to electronic payments and think that a cashless system is simple and practical, reduces the risk of carrying cash, and speeds up transactions. Mobile wallets are the most popular e-payment method, followed closely by banking cards. People are encouraged to use e-payment for a variety of reasons. Due to a lack of infrastructure, only a few people expressed dissatisfaction. The lack of digital literacy, such as not knowing how to access coupons and earn cashback incentives, security issues, inadequate internet connectivity, and other negative attitudes are preventing some sections of Haryana from embracing a cashless system. By minimizing corruption and illicit activity, cashless transactions can boost the nation's economy, but there are some misconceptions about electronic payments that prevent people from embracing them. In fact, there is a long way to go until everything is digital. And India is progressing admirably and in the correct path.

CONCLUSION

After demonetization and COVID-19, the door to electronic payments has opened. To get India ready for a cashless economy, the government needs to take several regulatory measures to safeguard cyber security from internet frauds. In order to educate people, especially those in the low-income segment who are completely dependent on cash, about cashless transactions, digital literacy programs are frequently offered through educational institutions and other organizations. The lack of financial literacy discourages people from using digital platforms, and even those who are educated find it difficult to transact money online. As a result, the electronic payment system needs to be improved, simplified, and made more user-friendly in order to increase the safety and security of consumer financial transactions. Moreover, digital payment systems should reduce customer transaction risk and take the necessary steps to avoid unjustified delays in their procedures.

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WEB LINKS

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