



A STUDY ON IMPACTS OF COVID - 19 ON DIGITAL PAYMENTS IN COIMBATORE

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ABSTRACT

In a fastest moving digital world there is one largest growing mode of making payments called as Digital Payments. Digital payment is an emerging concept of that involves a monetary transaction between two or more people by adopting online or digital platform instead of having exchanging money physically. It is a platform where no physical interaction is required to pay or receive sum of money that can be done via mobile or computer across globe round the clock. The fundamental goal of becoming digital with payments is to maintain a fair record of all monetary transactions and to protect the people from losing or stealing their hard-earned money. COVID- 19 or Corona virus is a serious health disease due to which the whole globe was declared as pandemic and shuts all business through implementing worldwide lockdown by governments of every nation in order to safeguard health's and lives of common people suffering to which numerous individuals lost their existence. The Digital India program is a flagship program of the Indian government whose vision is to transform India into a digital society and a knowledge economy. "Faceless, paperless, cashless" is one of the roles Digital India professes. As part of promoting cashless transactions and converting India to a company with less cash, there are various digital payment methods available. Demonetization is likely to be described as game changers of the Indian economy. On the other hand, Demonetization is leading to boom cashless payments. In this futuristic world, all payments will be made by contactless cards, mobile phone applications and other electronic means while notes and coins will stand abolished. An environment where everyone is paralyzed at home, Covid -19 is further increasing the need for Ecash transactions. Bought via video is currently being introduced. This will help to further increase electronic transactions. Digital transactions have increased during this time.

Keywords: Digital payments, COVID-19, Monetary transaction.

INTRODUCTION

Digital financial services can be harnessed to respond to the COVID-19 shock, and the crisis has the potential to accelerate their development and use. For countries where DFS have not been developed, however, making progress to satisfy important preconditions will smooth the transition toward Digital financial services use. These include having an adequate digital infrastructure (e.g., high-quality communication services that facilitate access to the internet and mobile connectivity) and putting in place legal and regulatory requirements that enable DFS (e.g., allow the use of third-party agents to facilitate access to DFS and develop a strong network of local agents, establish a risk-based and proportionate anti-money laundering (AML) framework, foster interoperability and competition). Incentives for local adoption and the existence of a national ID system can also facilitate the development of Digital financial services.

STATEMENT OF THE PROBLEM

Both the Government and RBI are keep on moving India towards a less cash economy by encouraging people to shift from cash to electronic payments for all transactions. Digital payments ensure accountability in all the transactions. Since everything is digitally recorded, there is always a way to verify and track transactions. When using cash payments, it could be difficult to hold anyone responsible for any additional expenses. While India must fully embrace cashless transactions to embark on the transition to a super economy in the coming years, there are still some hurdles to overcome.

Although the challenges are many, a good start is halfway done and the government is already preparing for a safer and brighter future without money. Sectors that will boost digital payments include small grocery stores, online money transfer, OTT (over-the-top), online gaming, online education, ATM withdrawals and broadband usage.

OBJECTIVE OF THE STUDY

The following are the objectives of the study “Impacts of Covid - 19 On Digital Payments in India” are to cover the following objectives;

1. To study on the demographic profile of the sample respondents.
2. To understand the awareness and utilization of digital payments by the sample respondents.
3. To find out the benefits of using digital payment systems to the sample respondents.
4. To analyze the problems faced by the sample respondents from digital payment systems.

LITERATURE REVIEW

Singhal Rashi (2021) quoted in her paper “Impact and Importance of Digital Payment in India” that services offered by banks in digital form provides various opportunities to the banks when it comes to the benefit of their customers. The shoppers have a great impression along with a worthwhile effect upon the use of digital payments services. As one of the largest providers of financial and monetary services in our smart cities and the bush of rural areas, business banks provide inimitable services to their potential customers. She has founded that RBI and Indian government has brought up some noticeable acceptances with an entry of a mode such as non- financial system of deferred payments. The regular improvement in transmission of media as well as innovation has provided stimulation to voluntary framework of computerized installments. Further she also mentioned about various governmental activities such as demonetization or GST which is contributing to the economic expansion along with spreading of net for high expenses.

Jain, Sarupria and Kothari (2020) studied “the Impact of COVID-19 on E-wallet’s payments in Indian economy” and analyzed that happening of COVID-19 has brought a great boost for the Indian economy especially for the sectors like food and beverages, entertainment and others. The services of digital payments have seen huge growth that is from 5 per cent to 30 per cent after the happening of demonetization also with continuous efforts of government towards economy. There is a big contribution by entertainment and hospitality industry which is approximately 40 per cent to the economy which is helping for growth.

G.Sudha and M.Thangajesu Sathish (2020) article is revealed that after demonetization retailers will adopt the digital payment methods. The researcher analyzed to find out the payment methods between the pre and post period of demonetization. Most of the retailers used their payments through using various applications.

M.Thangajesu Sathish, R.Sermakani, and G.Sudha (2020) this study is revealed that the traditional system of cash transaction cannot completely be replaced by card or e-payment system. People can adopt and use their mobile wallets for the payment transaction, fund transfer, purchasing groceries and paying bills etc. The study has discussed the trust is the main factor affecting users’ satisfaction directly and it impacts on many users intention to adopt mobile wallets.

RESRACH METHODOLOGY

Designing a suitable methodology and selection of analytical tools are important for a meaningful analysis of any research problem. In this section, an attempt is made to prepare a methodology of the present study. It includes selection of the study area, sample design, period of study, collection of data, method of analysis and tools of analysis.

Selection of the sample:

Pollachi Taluk, there are 110 respondents are working in various private company so the Pollachi Taluk was selected as the area of the study. The convenience sampling technique adopted for the study.

Period of Study

The field survey was conducted from September 2021 to April 2022 for the collection of primary data. The reference period of the survey is 2021 - 2022.

Methods of analysis

This study is based on the primary data collected from the respondents. The data collected are tabulated and analyzed with reference to the objectives of the study. Statistical tools Simple Percentage, Chi Square used for analysis.

- **Percentage Analysis**

Percentage refers to a special kind of ratio in making comparison between two or more data and to describe relationships. Percentage can also be used to compare the relation terms in the distribution of two or more sources of data.

- **Chi-Square Test**

In this project chi-square test was used. This is an analysis of technique which analyzed the stated data in the project. It analysis the assumed data and calculated in the study. The Chi-square test is an important test amongst the several tests of significant developed by statistical. Chi-square, symbolically written as χ^2 (Pronounce as Ki-Spare), is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance.

AGE

Age	No of Respondents	Percentage
Below 25 years	14	12.7
25- 35 years	22	20.0
35-45 years	55	50.0
Above 45 years	19	17.3
Total	110	100

The above table represents the age classification, 12.7 percent of the respondents are age group of below 25 years, 20 percent of the respondents are between the age group 25 - 35 years, 50 percent of the respondents are between the age group 35 - 45 years and 17.3 percent of the respondents are in the age group above 45 years. Majority 50 percent of the respondents are between the age group 35 - 45 years.

EDUCATIONAL QUALIFICATION

Educational Qualifications	No of Respondents	Percentage
Up to SSLC/ HSC	10	9.1
UG Degree	37	33.6
PG Graduate	35	31.8
Professional Degree	25	22.7
Others	3	2.7
Total	110	100

The above table shows that out of 110 respondents, 9.1 percent of the respondents are Up to SSLC/ HSC, 33.6 percent of the respondents have completed Under Graduation, 31.8 percent of the respondents have completed Post Graduation, 22.7 percent of the respondents have completed Professional Degree and 2.7 percent of the respondents are others.

Majority 33.6 percent of the respondents have completed Under Graduation.

SUGGESTIONS AND RECOMMENDATIONS

The few suggestions of the study are as follows:

- ❖ Bank should concentrate more on server and connectivity related issues. So that without any problem, one can get the benefits.
- ❖ If any new techniques are installed, same should be educated to the customers. Hence, they will get the up-to-date information.
- ❖ Bank should conduct some workshops to their customers, this helps the customers to discuss their problems and they will get the solutions at the right time.
- ❖ Customers are having the fear of frauds (hackers); hence the banking system should give awareness to the customers, not to share their banking details, pin numbers, OTP and so on.
- ❖ The numbers of credit card users are very less compared to debit card, because of the fear of hidden charges, hence the bank should give detailed instructions of the bank charges applicable to credit cards.

CONCLUSION

It is too early to conclude what the changes might look like in each cultural, demographic, and institutional context, but we can be sure that covid-19 is already reinforcing existing trends towards increased digitization of payments. The impact of Covid-19 on the digital payment system is highlighted in this paper. In India, there are numerous digital payment options, but the majority of clients favour only a few of them. Because they were unfamiliar with all of the available digital payment platforms. As a result, the bank should implement suitable awareness initiatives to ensure that consumers have access to the most up-to-date information and can take advantage of all available services.