

Impact of Covid-19 on Digital Payment System: With Special Reference to Women Customers of Mangalore City

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Abstract - This paper highlights the Impact of Covid-19 on digital payment system. After the effect of Covid-19, the economy is started using more on digital payment system compared to pre Covid-19 era. This occurred mainly because, people afraid of going outside. They fear about the pandemic which spread drastically throughout the economy. Most of the people were forced to move towards the digitalization. The main aim of preparing this paper is to, study the impact of Covid-19 on digital payment system. For the study researcher has selected the women respondents who uses different digital payment modes to do their financial transactions. The area selected for the study is in and around Mangalore city. The sample size selected to conduct this research is 50 women respondents.

Index Terms - Covid-19, digital payment, benefits, problems

1.INTRODUCTION

Covid-19 pandemic has adversely affected the entire economy, even the Indian economy as well very badly. From March 24th onwards, throughout the nation Lockdown are started. This affected almost all the sectors, all the offices, malls, temples, schools, colleges, hotels were shut down. People stopped going out from their leaving places. This has given a major effect on the digital payment system. Before Covid-19, people prefer to use digital payment systems, but after the pandemic effect the number of user's has increased drastically.

There are many digital payment modes are available in India as well a throughout the world. The major payment modes are ATM/ Debit card, credit card, Google pay, phone pay, different banking apps, Paytm, NEFT, RTGS, POS, IMPS, Mobile wallets, Internet banking and many more.

People prefer these different kinds of payment modes mainly because convenient, easy to use, saves time, no need of going to bank branches, cashless transactions, no fear of losing cash, 24x7 service, non-banking hours also one can get the banking facilities, flexibility. But these digital payment systems are not free from difficulties. The major issues of digital payment systems are highlighted as follows, fear of fraud, hidden charges, technical issues, connectivity problems, server problems, network issues, lack of knowledge, fear of data leakage, complicated instructions, non- availability of up to date information from the bank staffs, lack of trust and so on.

2. OBJECTIVES

The objectives of the study are as follows.

- To study the concept of digital payment system
- To know the usages of digital payments
- To highlight the issues of digital payment systems

3. METHODOLOGY

For the present study, the researcher has used both primary and secondary data to collect the necessary information's. Primary data is collected from structured questionnaire and interview method and secondary data are collected from peer reviewed journals, books and relevant websites. The study is conducted in Mangalore City, the sample size chosen for the study is 50 women respondents, who uses digital payments to do their banking transactions. Statistical tools used for the study are frequency, percentage, and mean method. Likert's five scale method is used to frame the frequencies.

4. STATEMENT OF THE PROBLEM

In today’s highly technical world, technology plays a vital role. Most of the people prefer latest technology rather than manual systems. This gives a major impact on information and technology field. Even in banking sector also many changes have occurred from the past few years. Majority of the customers prefer online payment modes instead of traditional payment method. Due to Covid-19, the usage of digital payment system has increased tremendously. The impact of Covid-19 has forced many of the customers to go for online payments rather than direct payment systems. Digital payment system is very useful to all of the users. There will be lot of benefits from digital payment system, but at the same time, customers also face some difficulties from this system. Hence, this gave me an opportunity to study the impact of Covid-19 on digital payment system: with special reference to women customers of Mangalore City.

4.1 Data Analysis and Interpretation

Table 1; Demographic profile of the respondents

PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
A. GENDER		
Female	50	100%
Total	50	100%
B. Marital status		
Single	12	24%
Married	38	76%
Total	50	100%
C. Educational Qualification		
UG	25	50%
PG	15	30%
Others	10	20%
Total	50	100%
D. Occupation		
Salaried	18	36%
Professional	12	24%
Self employed	11	22%
Others	9	18%
Total	50	100%
AGE		
Below 20 years	6	12%
20-30 years	20	40%
30-40 years	15	30%
Above 40 years	9	18%
Total	50	100%

Source: Primary data

The study shows that, all the 100% of the respondents were women customers who uses digital payment systems. 76% of the respondents were married and

24% of the respondents were single, this shows that majority of the married women respondents were using digital payment systems.

Study reveals that, 50% of the respondents were graduates, 30% of the respondents were PG holders and remaining 20% of the respondents having the educational qualification of Diploma and PUC.

36% of the respondents were salaried people, 24% of the respondents belongs to professional category, 22% of the respondents were self-employed and 18% of the respondents belongs to other category i.e. home makers.

12% of the respondents belongs to less-than 20 years of age, 40% of the respondents belongs to 20-30 years of age, 30% of the respondents belongs to 30-40 years of age and 18% of the respondents were in the age of above 40 years.

4.2 Survey Questionnaire

Table 2: Duration of using digital payment system

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Less than 1 year	2	4%
1-5 years	18	36%
5-10 years	20	40%
More than 10 years	10	20%
Total	50	100%

Source: Primary data

Figure 1: Duration of using digital payment system

Study shows that, 4% of the respondents were using digital payments from less than 1 year, 36% of the respondents were using digital payments from 1-5 years, 40% of the respondents were using it from 5-10 years and 20% of the respondents were using from more than 10 years. This shows that majority of the customers are preferring online payment systems compared traditional banking payment modes.

Table 3: Different digital payment methods used by the customers.

PARTICULARS	NO OF RESPONDENTS
ATM/ Debit card	50
Credit card	10
Google pay	40
Phone pay	15
Paytm	13
Internet banking	24

Source: Primary data

The study shows that, all the 50 respondents were using ATM/ Debit card for online payment, 10 respondents were using credit card, 40 respondents were using Google Pay, 15 respondents were using phone pay, 13 respondents were preferred Paytm, and 24 respondents were preferred internet banking system. This shows that ATM card users are more compared to other methods of payment systems.

Table 4: After the impact of Covid-19, the usage rate of digital payments for the following transactions.

For the below table score 1 indicates very less, score 2 indicates less, score 3 indicates neutral, score 4 indicates high and score 5 indicates very high. Bill

payment includes water bill, electricity bill, grocery bills and many more kinds of bills.

PARTICULAR	SCOR E 1	SCOR E 2	SCOR E 3	SCOR E 4	SCOR E 5
Bill payment	--	--	5	35	10
shopping	--	--	2	40	8

Source: Primary data

The above table shows that, after the impact of Covid-19, the usage rate of digital payments has increased in large numbers. Study shows that 35 respondents agree that they use online payment modes for bill payment and 40 respondents agree that they were using digital payment systems for shopping purposes.

Table 5: The benefits of using digital payment systems to the customers

PARTICULARS	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE	MEAN
Convenient	30	18	2	--	--	4.56
Saves time	35	15	--	-	-	4.7
24x7 service	40	10	--	--	--	4.8
Easy to use	30	10	5	5	--	4.3
Flexibility	20	20	8	2	--	4.16
Increase prestige	20	17	13	-	-	4.14
Cash less transaction	40	10	--	-	-	4.8
Non-banking hours also can get the benefit	40	10	-	-	-	4.8

Source: Primary data

The data shows that 30 each respondent were strongly agree towards the convenient factor and easy to use points, 35 respondents were strongly agree towards saves time, 40 each respondents were strongly agree towards 24x7 service, cash-less transaction and non-banking hours also one can get the benefits and 20

each respondents were strongly agree towards flexibility and increases prestige.

The mean value for these different points is convenient (4.56), saves time (4.7), 24x7 service (4.8), easy to use (4.3), flexibility (4.16), increase prestige (4.14), cash less transaction (4.8), non-banking hours also one can get the benefits (4.8).

Table 6: The difficulties faced by the customers from digital payment systems

PARTICULAR	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	MEAN
Server problems	-	4	6	30	10	3.92
Lack to knowledge	-	15	10	20	5	3.3
Technical errors	-	-	5	35	10	4.1
Fear of fraud	-	5	15	20	10	3.7
Hidden charges	-	-	10	35	5	3.9
Connectivity issues	-	1	10	35	4	4.24
Lack of up-to-date information	-	3	12	32	3	3.7
Lack of security	-	4	12	34	-	3.6
Fear of losing money	-	-	11	35	4	3.86
Complicated instructions	-	11	10	27	2	3.4

Source: Primary data

The study shows that respondents are strongly agree towards the problems like technical error and connectivity issues. As well respondents are agreed towards the other problems of digital payment systems

like server problems, lack of knowledge, fear of fraud, hidden charges, lack of up-to-date information, lack of security, fear of losing money and complicated instructions.

The mean values are server problems (3.92), lack of knowledge (3.3), technical error (4.1), fear of fraud (3.7), hidden charges (3.9), connectivity issues (4.24), lack of up-to-date information (3.7), lack of security (3.6), fear of losing money (3.86), complicated instructions (3.4).

Table 7: Do you want to continue using digital payment systems.

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Yes	50	100
No	--	--
Total	50	100

Source: Primary data

Study shows that, all the 50 respondents wants to continue with using digital payment systems for the banking transactions. This shows that, even though there are some difficulties from online payment systems, still people prefer to use digital payment modes. This shows that benefits are more compared with the problems.

5. SUGGESTIONS

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 number 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.

6. CONCLUSIONS

This study highlights the impact of Covid-19 on digital payment system. There are many digital payment

modes are available in India, but most of the customers prefer only few digital payment modes. Because they were not having enough information of all the available digital payment systems. Hence the bank should give proper awareness programs, so that customers will get the latest information and they can make use of all the available facilities.

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