

Adoption of Digital Payments in Marketing: A Secondary Study on Consumer Comfort and Purchasing Behavior in the Indian Socioeconomic Environment

Anindita Sarkar¹, Prof. Dr. Debasis Ghosh²

¹Ph.D. Scholar Techno India University, West Bengal Q-505, Binayak Enclave,59,Kalicharan Ghosh Road Kolkata-700050 India

²Associate professor School of Management studies Techno India University, West Bengal, Flat no -1, 99/4 North Purbachal road Sonajhuri Apartment, Near Kalitala Kalimandir, P.O Haltu, Kolkata-700078 India

Abstract

The modern era is also known as the digital world. Everything is digitized and automated. It brings goods and services to our doorsteps. Every day, when we awaken from sleep, we feel the effect of digitization. Digital technology gives us a quality life. The digital economy is an integral part of this digital world. The term digital economy first came in the early 1990s. This is also known as the internet economy. Digital payments are part of the digital economy. During the COVID period, it gained popularity. Digital payment means digital monetary transactions without any physical exchange of money. It is an initiative by the Digital India campaign, introduced by the government of India, to empower India digitally. It brings about a technological revolution everywhere. It enhances business opportunities and the quality of public services. This study may reveal the level of awareness regarding digital payments among Indians. It is a secondary study. Data may be collected from various scholarly articles, research papers, etc.; a systematic literature review may be employed. The main objective of this study is to create awareness among people and identify its advantages and disadvantages. Future scholars, managers, as well as customers, can use this paper to get a clear idea about digital payments in India and their advantages and disadvantages.

Keywords: Digital payment, Digital India campaign, Digital economy, marketing

INTRODUCTION:

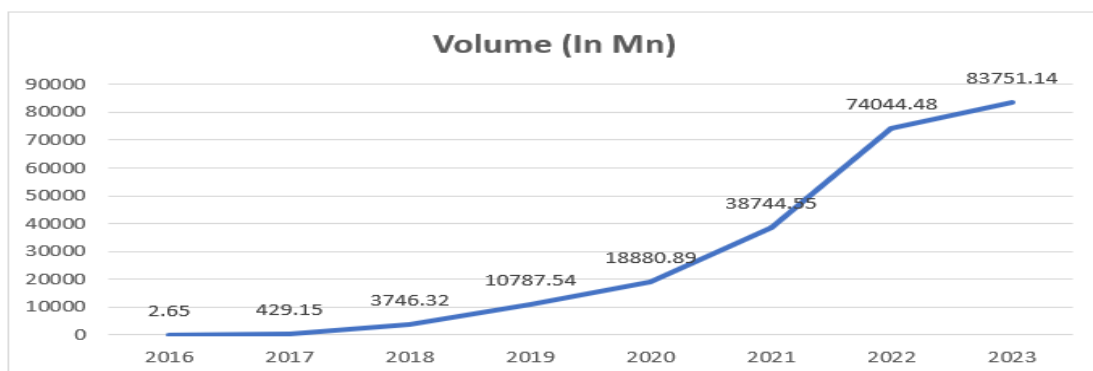
In today's economy, the use of digital payments in marketing has drastically changed how companies and customers communicate. Digital payments are now an essential part of contemporary marketing strategies due to the growing use of smartphones, internet services, and government programs encouraging cashless transactions. Companies use digital payment systems to improve customer satisfaction, increase sales, and enable smooth transactions. Marketers are using UPI-based solutions, credit/debit cards, and different digital wallets into their sales and promotional activities due to the ease, security, and effectiveness of digital payments. Consequently, the adoption of digital payments has

reshaped conventional marketing strategies by prioritising speed, accessibility, and data-driven personalisation.

Simplifying customer interactions and lowering friction in the purchasing process are two of the main advantages of digital payments in marketing. Customers frequently experience delays, security issues, and inconveniences associated with carrying physical currency in traditional cash-based transactions. These difficulties have been lessened by digital payment solutions like contactless payment systems, QR codes, and mobile wallets, which have improved the efficiency and smoothness of transactions. Higher customer satisfaction and greater brand loyalty are the results of this transaction's easiness. Additionally, companies that provide a variety of digital payment methods frequently have a competitive edge because customers now favour retailers who offer simplicity and flexibility in their payment procedures.

Presently, the Indian economy places more emphasis on the cashless payment concept or the digital payment concept. After COVID, digital payments gained momentum. Now most of the citizens of India are informed and use digital payments in their daily routine. There has been a remarkable growth in the use of digital payment methods in India since the introduction of smart phones and internet access. Digital payments have had a positive impact on the Indian economy. It makes popular use of various digital payment methods like UPI, mobile wallet, etc. Digital payments act as a driving force for the digital economy. In the pre-internet era, i.e., before the 1980s, cash exchange was the primary mode of any transaction. In 1981, Andhra Bank first introduced credit cards, and after that, other banks also introduced the same in the Indian market. In 1987, HSBS first set up its ATM. In the early 1990s, the internet gained popularity. In the mid-1990s and early 2000s, digital payment took its first step. At this time, e-commerce was introduced in India. People felt the urge to purchase online products and services. That gave birth to a new era of digitalization. Now digital payment was in need. Bill Desk first introduced an online payment gateway for Indians and made digital payments easier. In 2005, national electronic fund transfers were introduced. RuPay was introduced by the Reserve Bank of India in 2012. It was an initiative by NPCI for retail payment. It creates a global payment network. Mainly, two situations were responsible for the growth of digital payments in India. The first one is demonetization, first announced in 2016 by the Indian government. Before that, the online transaction was 10% of the overall transaction. After demonetization, the amount of digital payments increases manyfold. There are some common and popular methods of digital transactions. BHIM UPI, debit card, credit card, internet banking, mobile banking, NEFT, etc.

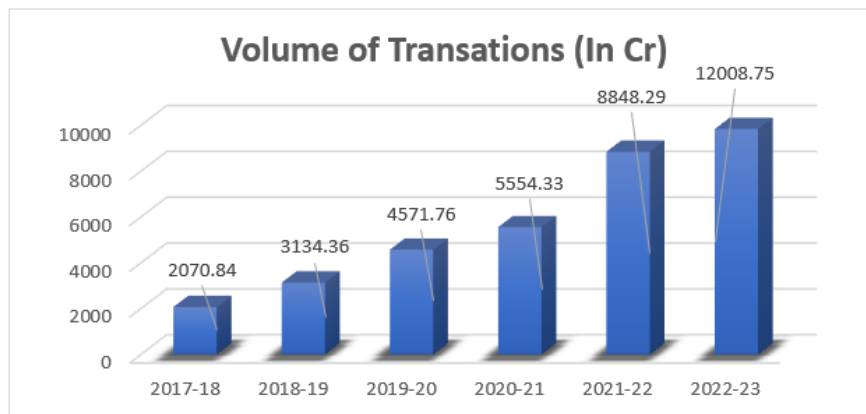
UPI significantly grows from 2016 to 2023. The below-mentioned statistics show the UPI journey in India:



(Source:- <https://www.nic.in/blogs/digital-payments-driving-the-growth-of-digital-economy/>)

8 Years Trend - Digital Payments

- In 2017, the total transaction amount was INR 67 billion.
- In 2018, the total transaction amount was INR 1.5 trillion.
- In 2019, INR 2.9 trillion was processed.
- In 2020, INR 4.3 trillion was processed.
- In 2021, total transaction was INR 5.6 trillion.
- At the end of 2022, the calculated UPI transaction was INR 129.95 trillion.
- The end of the year 2023 showed UPI transactions of INR 83.75 trillion.



(Source:- <https://www.nic.in/blogs/digital-payments-driving-the-growth-of-digital-economy/>)

The above data shows a growth in transactions from 2017–18 to 2022–2023.

Digital payments help India create a digital global market. It is a prime way to adopt globalization. Digital payments change a citizen's lifestyle and way of thinking. The government of India takes huge initiatives to make India digitally literate. Their Digital India campaign emphasises paperless, cashless, and contactless technologies. To empower the community digitally, on July 1, 2015, the honourable Prime Minister Shri Narendra Modi announced the Digital India campaign to inform people about digital payments and the digital economy and also encourage them to use modern technologies.

This study identified whether digital payment is a common means of purchasing goods and services in India. It showed the growth of uses of digital payment in purchasing goods and services after the demonetization and COVID-19, as well as the challenges faced by customers with digital payment. It was a secondary study. Data were collected from reviewing various scholarly articles and research papers. A systematic literature review was employed. This study was an integration of views from various scholarly articles. Future scholars and managers can use this paper to get a clear idea about the impact of digital payments on purchasing behaviour and various challenges and solutions.

Literature review:

The State of India's Digital Economy (SIDE) Report 2023, published by the Indian Council for Research on International Economic Relations (ICRIER), shows the digital transformation of India. The government of India plays a big role in this transformation. Digitization makes India more productive and efficient. By doing so, India has a strong position in the world economy. Digitization is beneficial for urban people as well as rural people. Internet access is now available in rural areas as well. So rural

people connect themselves with the outer world. It enhances their quality of life. The pandemic condition brings India closer to the digital arena. India now has the second-largest telecommunications market in the world. But the main problem is data security. The government takes huge initiatives to protect data, for example, the Digital Personal Data Protection Bill (2022) and new guidelines notified by CERT-In.

A report by the Ministry of Information and Broadcasting Government of India in 2023 revealed that the government of India pushed India towards digitization. Digital payments have gained popularity over the last few years. UPI was introduced in April 2016. The estimated online transaction was more than 868 crores in 2023, and it is expected to grow 10-fold by the year 2026. The main objectives are to motivate citizens to make online payments, provide them with a hassle-free life, control black money, encourage paperless transactions, and develop a payment ecosystem.

The Indian Payments Handbook, 2022–2027, was developed by PWC in March 2023. It also emphasizes the digitization of payments. This report shows various digital payment instruments and also reveals the future growth of digital payments.

Another research work, "A study on the impact of digital payment on behavioral changes on customers and vendors by Dr. D. Moorthy, Mrs. Christina Jeyadevi J., and Dr. R. Anitha, Assistant Professor (2023), highlighted the impact of digital payment on vendors and customers both. Digital payments lead to significant changes in the behavior of customers and vendors. Customers were keener to use digital payment methods because of speed, accuracy, etc. Payment security was an important factor for digital payments. Consumers preferred to use a secure online payment gateway.

"Impact of digital payment tools on online consumer purchase behavior," a research study by RoopalAsati in 2023, measured the impact of digital payment on the online purchasing behavior of customers during the pre- and post-demonetization periods. This study also revealed how digital payments affected the online purchasing behavior of customers during the pandemic. This study identified the benefits and demerits of digital payment as well as the preferred mode of digital payment by customers.

Another research work, "A study on consumer behavior towards digital payments in the City of Bangalore (2023), by ChandanNandihal S. and Dr.AtulLoomba, revealed that after demonetization and COVID-19, people use more digital payment modes for their purchases. Still, some customers were not accustomed to digital payments due to a lack of awareness, security, not having a smartphone, etc.

In "The Thele of Digital Infrastructure in Socio-economic Development (2021), Naman Agrawal, S. Mohit Rao, and Himanshu Agrawal emphasized how India has converted its position in the global market as an efficient and productive nation by using digitization methods. It also showed socioeconomic development by using digital methods.

FebrinaMahliza, (2020), "Consumer Trust in Online Purchase Decisions, disclosed that brand image and security have a positive impact on consumer trust that influences their online purchasing behavior.

KhandoKhando, M. Sirajul Islam, and Shang Gao (2023), The Emerging Technologies of Digital Payments and Associated Challenges: A Systematic Literature Review, disclosed various online payment modes, the growth of digital payment, and its challenges.

A Study on Digital Payments Systems and Consumer Perception: An Empirical Survey (2022) ShinkiKatyayani Pandey's study on digital payment revealed the growth of digital payment in India and also revealed that after COVID 19, customers did not want to handle cash for health security, so online payment is one of the main ways to pay.

Prakash M, 2022, In A Study on Consumer Perception Towards Digital Payment, the author revealed that the use of digital payment is growing day by day with the help of various government projects. Digital payments make consumer life easier.

Pankaj Zala, Jayprakash Lamboria, and Jaydeep Santoki, 2022 Consumer Perception Towards Digital Payment Mode in India, this study revealed that consumer payment habits are influenced by their age, sex, income, and socioeconomic background. Digital payments influence customer perception. In this modern economic situation, digital payments play a vital role in economic growth and development. E-banking increased more and more after demonetization. At the same time, payment security is the main barrier to digital payments. The government implements many rules and regulations to control digital payments.

Sanjai, Dr. Tr. Kalai Lakshmi, 2021 A Study on the Usage of Online Payment Apps by Customers. - This study identified the transition from manual to digital payment. That shows customers' acceptance of digital payments.

Anita Verma, 2022, Analysis of consumer behavior and adoption of digital payment systems This study signified the adoption of digital payments by customers, and digital payments also help in customer retention. This study considered the perceptions of existing customers and whether they are motivated to use digital payments.

Need for study:

1. To identify whether people are aware of digital payments.
2. To signify the status of the adoption of digital payment by customers.
3. To identify various modes of digital payments in India.
4. To spot the challenges faced by customers during online payment.

Objectives of the study

1. To study the various modes of digital payments.
2. To study the effect of digital payments on the economy.
3. To understand consumer perceptions about digital payments for purchasing goods and services
4. To understand the various challenges of using digital payments and their solutions.

Research Methodology

This study is based on a systematic literature review. Okoli and Schabram (2010) advised eight steps for a systematic literature review.

Step 1: The purpose: This research was to identify digital payments in India, various modes of digital payments, consumer perceptions of digital payment to purchase something, and challenges associated with digital payment.

Step 2 Protocol: It means inclusion and exclusion criteria. This study was based on a review of the literature. The literature that was included in this study had the following criteria:

1. Literature must be in the English language.
2. Both primary and secondary studies are accepted.
3. Conference papers, journals, and articles were accepted for this study.
4. There is a time frame for the selection of literature. Data from 2018–2023 was accepted for review.

The literature that was excluded from this study had the following criteria:

1. Literature without an abstract was not accepted.
2. Literature without full access was not accepted.

Step 3: Literature search: This step emphasises searching the literature. Keywords were used to search the literature.

Step 4: Practical screening: In this step, the author reads the abstract and selects literature based on applicability.

Step 5: Quality appraisal: literature was screened based on its feasibility and quality check.

Step 6: Data extraction: Data were extracted from the articles. Inclusion or exclusion criteria must be kept in mind at the time of data extraction.

Step 7: Data synthesis: data synthesis means data analysis based on information analysis to find out results.

Step 8: writing the review: In the 8th step, write a report based on data collection and data synthesis.

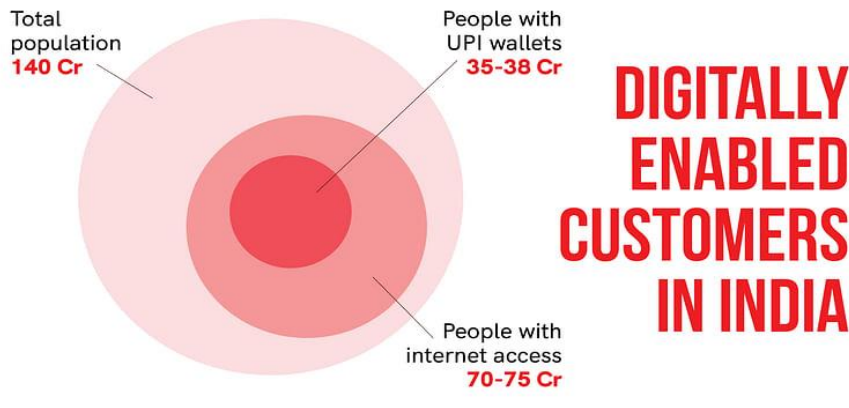


Figure Illustrating Systematic Review Process (Okoli and Schabram, 2010).

(Source: The Emerging Technologies of Digital Payments and Associated Challenges: A Systematic Literature Review KhandoKhando, M. Sirajul Islam and Shang Gao)

Discussion:

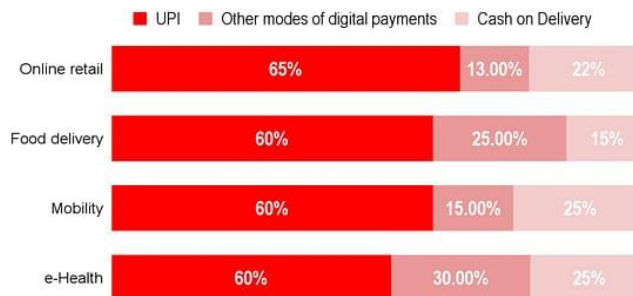
India is speedily accepting digital payments. Now customers prefer to use digital payment methods rather than carry cash. 7 crore businesses use digital technology as their important business strategy. This digital empowerment occurs due to the massive use of smartphones and the internet and favourable policies introduced by the government. A report by Redseer Strategy Consultants, in collaboration with Plural by Pine Labs, predicts the Indian market will go from Rs. 400,000 crores to Rs. 900,00 crores by the year 2026. The number of online purchasers will increase by 50% by the year 2026.



(Source:<https://yourstory.com/2023/06/india-digital-payments-merchants-businesses-ecommerce-redseer>)

Among the 140 crore people in India, only 70–75% have internet access. Among them, 35–38 crore people have UPI wallets. This report also revealed that the compound annual growth rate (CAGR) will be 30% between FY 2022 and FY 2023. At present, 30% of household transactions are digital transactions.

% of transactional value by payment modes across sectors (FY23)

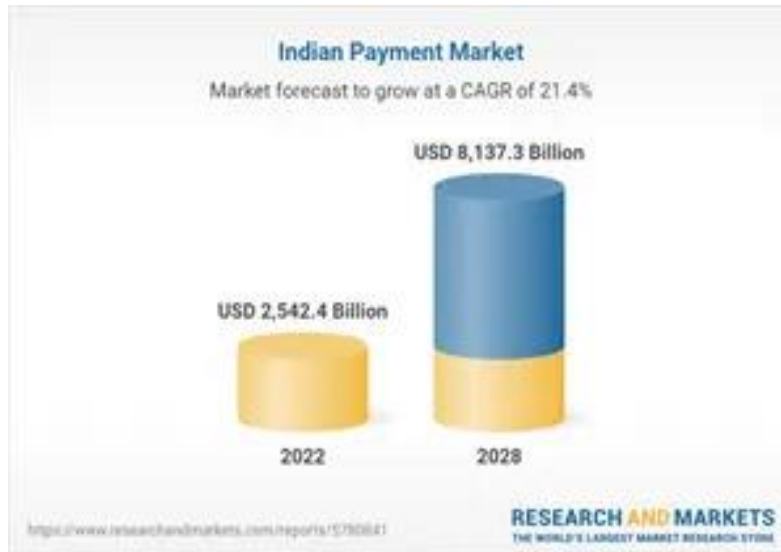


Source: Redseer: Future of online payments report June 2023



(Source:<https://yourstory.com/2023/06/india-digital-payments-merchants-businesses-ecommerce-redseer>)

The above-mentioned diagram shows the maximum population use of UPI for online transactions. Digital payment is more popular in online shopping. Customers can purchase their products and services directly from the seller. There are no intermediaries between customers and sellers. Due to this, customers get low-cost products and services. For online purchases, customers prefer digital payments. It saves their time, money, and energy.



(Source: <https://finance.yahoo.com/news/india-payment-market-report-2023-152300351.html?>)

India Payment Market Report 2023: Adoption of Non-cash Payments has been Accelerated by the UPI System.

The above-mentioned diagram shows the growth of the payment market due to digital payments. The Indian payment market is expected to grow to USD 8.137 billion by the year 2028. To achieve this target, a sustainable approach should be employed. Digital payment is one of these approaches.

The five digital payment trends are as follows:



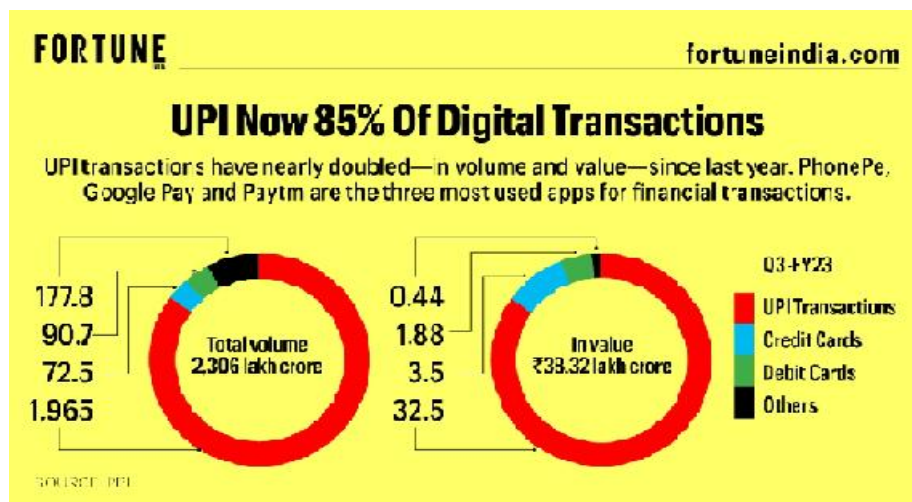
(Source: <https://www.unnax.com/payment-trends-2023/>)

1. Cross-border instant payment: Due to globalization, people can purchase products and services from the global market. In that case, sometimes the payment procedure is quite complex. To simplify payment, a digital payment approach is needed. Through a digital payment gateway via a bank website, customers can pay for their purchases. Block chain technology makes this effort more successful. A report by the International Monetary Fund (IMF) in 2022 stated that cross-border payments take time and more specified effort. This report emphasized a multilateral cross-border payment option for efficient digital payments.

2. Contactless payment: virtual cards and wallets: Another study by Kantar Public (2022) published on New Digital Payment Methods emphasized digital payment through mobile applications, digital wallets, etc. Demonetization and COVID-19 pushed customers toward the world of digital payments.
3. Buy now, pay later for B2B: The buy now, pay later service is a sort of loan system where customers purchase products on their wish, but they can pay later for this purchase. It cannot create any pressure on customers. They can pay a small amount at the time of purchasing goods and services, and the remaining amount can be paid through an instalment.
4. Variable recurring payment: This payment is available only in the UK. This method depends on an open banking system. This method allows authorized payment providers to pay for the purchases through an open banking system. It is a convenient and safe process of purchase. India also needs these types of payment methods.
5. Peer-to-peer payment is also popular in the UK. Through the websites, sellers directly contact the person who wants to purchase the products and services. P2P plays a significant role in the Indian payment market. The P2P market will grow to \$10.5 billion by the year 2026.

Mode of online transactions:

Unified Payments Interface (UPI): It is a system through which multiple bank accounts can be accessed. It emphasizes the routing of funds. It uses peer-to-peer payment methods. Every bank provider has its own UPI app. This smart phone with internet facilities is essential. It is a secure process. The customer has to generate a transaction pin for the final transaction. Sources(http://cashlessindia.gov.in/digital_payment_methods.html)



(Sources:<https://www.fortuneindia.com/infographics/upi-now-85-of-digital-transactions/110708>)

In the recent years UPI gain huge popularity. Now 85% online transaction occurs via UPI. Google pay, Phone pay and pay tm are most popular app for transaction

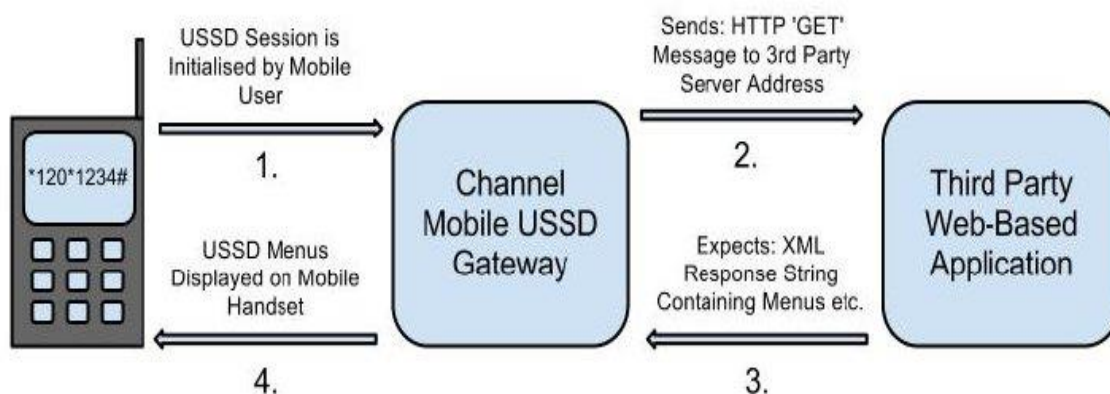
Banking cards (Debit and Credit cards)



(Sources: <https://indianexpress.com/article/business/banking-and-finance/after-pandemic-payments-through-credit-cards-outstrip-debit-card-use-8455165/>)

By using banking cards (credit and debit cards), customers can pay securely and conveniently. Huge varieties of cards are available in the market, like rupee cards, credit cards, debit cards, etc. Two-way authentications are required for payment: a security pin and an OTP. The above-mentioned diagram shows the usage of banking cards. Sources(http://cashlessindia.gov.in/digital_payment_methods.html)

USSD(unstructured supplementary service data): USSD does not require any internet accessibility. It works on the basis of a GSM (global system for mobile communication) network. It requires a basic mobile phone; the phone number must be linked to the bank account. KYC should be submitted to the bank, registered with USSD, and get an MMID (mobile money identifier) number and MTpin. Sources(http://cashlessindia.gov.in/digital_payment_methods.html)



(Sources: https://django-ussd-airflow.readthedocs.io/en/latest/how_ussd_works.html)

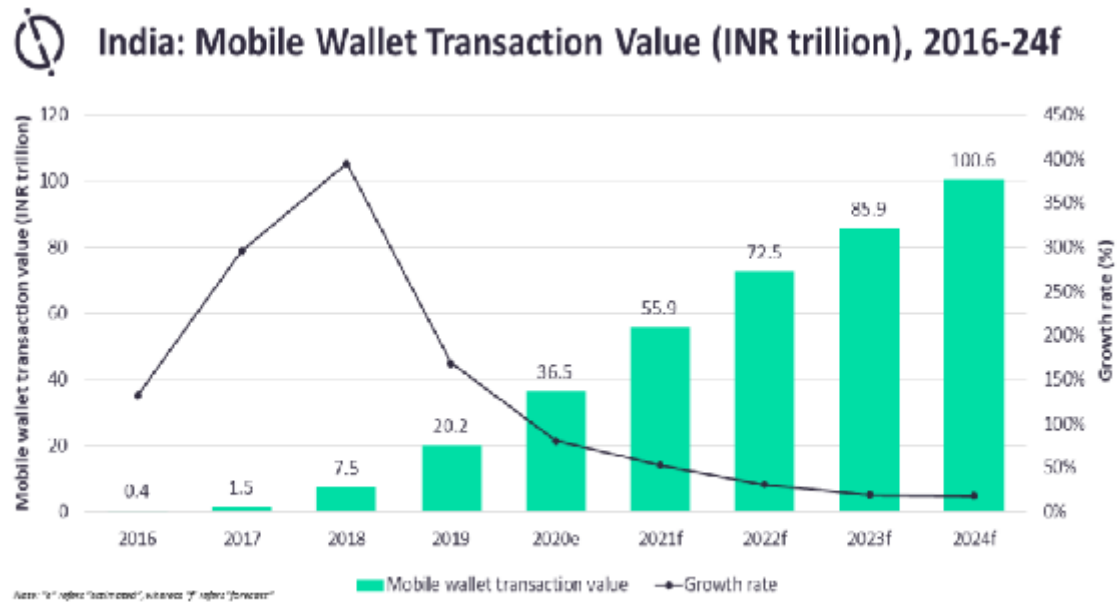
Aadhaar enabled payment system (PEPS): There is no limit to transactions. The only requirement is a link between Aadhaar and the bank account. Customers can withdraw money; a cash transfer from Aadhaar to Aadhaar is also possible.



(Sources: <https://m.indiamart.com/proddetail/aadhaar-enabled-payment-system-2849620651191.html?pos=4&pla=n>)

Mobile wallets: This is a digital wallet. Now customers do not need to carry cash in their wallets. They can carry digital cash whenever they require payment from it. Paytm, Freecharge, Mobikwik, Airtel Money, etc. are some examples of mobile wallets. After COVID-19, people are afraid of cash transactions. The below-mentioned diagram shows that there is a huge growth in mobile wallet transactions in India. It shows remarkable growth from FY 2016 to FY 2023. It will reach \$1.36 trillion in 2026.

(Source: <http://cashlessindia.gov.in/pos.html>)



Source: Global Banking and Payments Intelligence Center

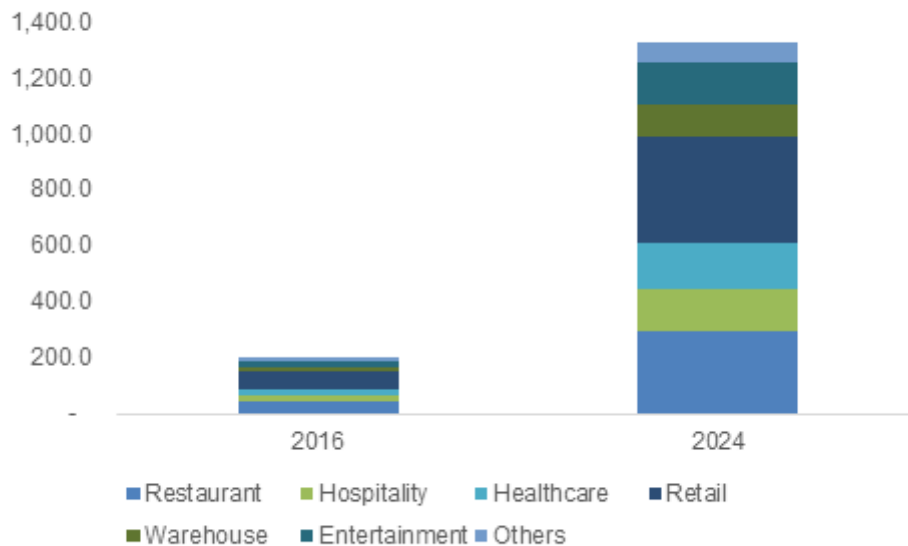
(Sources: <https://www.paymentscardsandmobile.com/mobile-wallet-transactions-in-india>)

Points of sale: It is a place where retail transactions happen. It is available for selling and purchasing goods and services. It presents itself in a mall, a retail shop, etc. It requires a smart phone to establish a connection with the e-payment gateway. (Source: <http://cashlessindia.gov.in/pos.html>)



(Sources- <https://www.wallstreetmojo.com/point-of-sale/>)

India POS Terminals Market in Tier-One Cities, By Application, 2016 & 2024 (USD Mn)



Source : www.gminsights.com

(Sources: <https://gminsights.wordpress.com/2017/07/28/india-point-of-sale-pos-terminal-market/>)

Here, customers can see the growth from 2016 to 2024. It shows some important fields that have been economically grown by using POS.

Internet banking: It is also known as digital banking or virtual banking, through which customers can make transactions via the websites of financial institutions. The customer can fix a transaction limit. The different types of transactions are as follows:

1. National Electronic Fund Transfer (NEFT): By using NEFT, people can transfer funds to anywhere. It activates a one-to-one fund transfer. Even if people do not have bank accounts, they can also transfer funds via NEFT in an NEFT-enabled branch. For cash transfers, a maximum of Rs. 50,000 can be transferred at a time.
2. Real-Time Gross Settlement (RTGS): In this process, banks process the transaction once they receive requests from customers without any delay. RTGS is mainly initiated for large amounts. The minimum amount for a transaction is Rs. 2,00,000. There is no limit on transactions.

3. **Electronic Clearing System (ECS):** ECS is used to pay utility bills like phone bills, electricity bills, card payments, loan payments, etc. There is no need to issue papers. It makes banking services more efficient.
Immediate Payment Service (IMPS): It transfers money immediately. Source :(<http://cashlessindia.gov.in/pos.html>)
5. **Micro ATM:** It is a mini version of ATM. It is located in the sales terminal. Sweeping facilities are also available at Micro ATMs. It requires mobile connection. It needs customers identity authentication for withdrawing and put the money. (Source:<http://cashlessindia.gov.in/pos.html>)

Customer's Benefits of using digital payment:

1. It provides a comfortable and hassle-free payment service.
2. Customers can pay immediately to the vendor without any delay.
3. Transactions through a digital payment gateway are very transparent. It provides a transaction ID that customers can use for future reference.
4. It is more cost-effective and efficient.
5. Sometimes customers will get cash back offers by using digital payments.

Challenges faced by the customers in digital payments:

Digital payments have an impact on marketing that goes beyond data analytics and transaction efficiency; they also affect perceptions of security and brand confidence. Many consumers are still worried about how secure online transactions are because they worry about fraud, identity theft, and cyberthreats. Businesses make investments in encryption technologies, secure payment gateways, and two-factor authentication procedures to allay these worries and guarantee transaction security. Customers are more inclined to participate freely in online shopping, subscription services, and mobile-based transactions when a digital payment system is secure. Promoting safe, easy, and dependable transaction experiences as part of their branding campaigns is another way that marketers may use secure payment systems as a unique selling proposition (USP)

Demonetization pushed people to enter the world of digitization. COVID-19 made it necessary for the people. Now, most customers prefer the online payment mode for their purchases. The number of online transactions is increasing day by day. Still, there are some securities issues that force customers to think about some other payment process. The government introduces remedial measures to secure the digital payment process.

1. **Unbanked population:** In India, the maximum number of people are from rural areas. The government and RBI take the initiative to make India digitally advanced. But still, 19% of people cannot access banks because of ignorance, accessibility, etc. Maximum payment methods require a smart phone and internet access. (Source: Digital Payments: Challenges and Solutions Srihari Kulkarni, Abdul Shahanaz Taj, 2019)
2. **Cyber security:** Cyber security is one of the greatest challenges for digital payments. Sometimes the privacy of the user is at stake. Hackers can enter the database in an unauthorized way and collect all personal information. (Source: Digital Payments: Challenges and Solutions Srihari Kulkarni, Abdul Shahanaz Taj, 2019)
3. **Cash dependent economy:** In India, a large proportion of people live in rural areas, and they prefer cash transactions because they do not have smart phones or internet access. (Sources: Types,

Opportunities and Challenges of Digital Payment Systems in India, Dr. A.C. Ranganayaki*C.B. Pavithra,2019)

4. Lack of digital literacy: In India, many people are illiterate, and sometimes, even if they are educated, they do not have digital literacy. So without digital literacy, digitization cannot be successful.(Sources: Types, Opportunities and Challenges of Digital Payment Systems in India, Dr. A.C. Ranganayaki C.B. Pavithra)
5. Slow internet speed: For digital payments, internet speed is necessary. Low speed cannot work for digital payments.(Sources: Types, Opportunities and Challenges of Digital Payment Systems in India, Dr A.C. Ranganayaki*C.B. Pavithra)

Suggestions to improve the status of digital payment:

1. The connectivity should be accessible to all. Adequate bandwidth is required for successful digital payments.
2. The government should take the initiative to ensure cybersecurity. The government must strengthen cyber security regulations. The cybersecurity law of India helps to protect customer data and secure digital technologies.
3. Digital awareness is necessary for every level of society. An awareness program must be introduced in society so that people can use modern technologies.
4. Maintaining cyber hygiene means updating antivirus software regularly. Customers have to avoid transactions on the public network. Customers have to change their passwords at a certain interval and never share their passwords with others.
5. Enable seamless integration of digital payments across different platforms, including social media, e-commerce, and offline stores.
6. Utilize AI-driven insights to understand consumer behavior and improve payment experiences.
7. Promote financial inclusion by expanding digital payment access in rural and underserved areas.

Opportunities for digital payment in India:

1. **Government Initiatives:** The Digital India campaign was introduced by the government of India to make people digitally aware. Its main aim is to reach every side of the country with digital services and motivate people to create a digital economy. Demonetization and the Pradhan Mantri Jan Dhan Yojna initiated economic development. After COVID-19, customers are more inclined towards digital payments. The unbanked population opened their bank accounts. Now people can understand the advantages of digital payments.
2. **Increasing the use of smart phones:** Increasing use of smart phones, is an essential tool to strengthen digital payment. Maximum financial transactions occur through smart phone. Low cost smart phone should be available in the market. So that everyone able to purchase smart phone.
3. **Urbanisation:** Urban people are more accustomed to modern technology. Urban people use digital payments as a prime way to purchase online goods and services.
4. **Raising the trends of e-commerce growth:** enhances the amount of digital payment. After COVID-19, customers prefer online purchases than physical purchases. The first reason is health security. Customer prefers online purchases because they can avoid direct contact and need not carry physical cash. The second reason is prompt service. If customers order some groceries or some products, they will get it by 30mins.

Managerial implications: Managers, retailers, students, and research scholars, as well as customers, can use this study to gather knowledge about digital payments and their challenges and solutions. This study can help organisations improve their revenue models. This study also recommends some solutions to solve the issues related to digital payments. Through this study, people can understand the government's initiative towards making India digital.

Limitations of the study: Two limitations can be identified: Time is one of the major constraints of this study. The study relies totally on secondary data. If time permits, primary data could be collected. A second constraint is the demographic constraint. This study is limited to India. So it does not have any global implications

Conclusion:

To sum up, the use of digital payments in marketing has completely changed how companies run, engage with clients, and increase revenue. Digital payments have become an essential tool for contemporary marketers due to its convenience, enhanced transaction security, ability to personalise data, and ability to stimulate innovation. Businesses that adopt and maximise digital payment solutions will not only improve customer satisfaction but also fortify their brand positioning in a market that is becoming more and more competitive as consumer preferences continue to change towards digital-first experiences.

Digital payment is one of the most popular ways to purchase goods and services after demonetization and COVID-19. During this process, customers suffer from various issues. There are government initiatives to control these issues. The Digital India campaign was introduced by the government in 2015. The aim was to make society digitally literate. Reach every corner of the country with digital services. Campaign objectives were to increase internet connectivity, provide secure online transactions, and make a digital world. There are various other programs under the umbrella of the Digital India Campaign, like UMMANG applications, DIGI locker applications, etc. This study tried to reveal consumer perceptions about digital payment and whether they accept it as the easiest way to pay or not. Data showed digital payments are increasing day by day. The study implied that customers prefer digital payments for purchasing products and services but faced some security issues. Cyber security rules and regulations can provide them with security and encourage them to make hassle-free transactions.

References:

1. Chandan Nandihal S, Dr. Atul Loomba,2023,” A study on CONSUMER BEHAVIOUR towards Digital payments in the City of Bangalore.”, International Journal of Novel Research and Development, Volume 8, Issue 7, ISSN: 2456-418.
2. Pankaj zala, Jayprakash lamboria, Jaydeep santoki,2022, “CONSUMER PERCEPTION TOWARDS DIGITAL PAYMENT MODE IN INDIA” International Journal of Creative Research Thoughts (IJCRT), Volume 10, Issue 3, ISSN: 2320-2882.
3. V. Sanjai, Dr.Tr.Kalai Lakshmi, 2021, “A STUDY ON USAGE OF ONLINE PAYMENT APPS BY CUSTOMERS” International Journal of Creative Research Thoughts (IJCRT), Volume 9, Issue 5, ISSN: 2320-2882
4. Naman Agrawal, S. Mohit Rao and Himanshu Agrawal,2021, “The Role of Digita Infrastructure in Socio-economic Development”, Invention intelligence.
5. Dr. R. Balaguru, Mr. M. Sampath, 2018,“A STUDY ON BUYING DECISION OF CONSUMER

- TOWARDS ONLINE SHOPPING (SPECIAL REFERENCE WITH COLLEGE STUDENTS IN CHENNAI CITY)", International Journal of Creative Research Thoughts (IJCRT), Volume 6, Issue , ISSN: 2320-2882.
6. Dr. R. ANGAMUTHU,2020, "A STUDY ON ONLINE SHOPPING IN INDIA – AN OVERVIEW", International Journal of Research and Analytical Reviews (IJRAR), Volume 7, Issue 1, (E-ISSN 2348-1269, P- ISSN 2349-5138).
 7. Ramseena S,2022, "Analysis of Benefits of E Payment System to Customers in a Pandemic Situation with Special Reference to Alappuzha", International Journal for Research in Applied Science & Engineering Technology (IJRASET) ,ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538 Volume 10 Issue VI.
 8. B. ANGAMUTHU,2020, "Growth of Digital Payments in India", NMIMS JOURNAL OF ECONOMICS AND PUBLIC POLICY,Volume V • Issue 4 •
 9. C.H. Padmaja, P. V. Durga Rao," The Rise and Growth of Digital Payments in India", International Journal of Innovative Technology and Exploring Engineering (IJITEE) ISSN: 2278-3075 (Online), Volume-8 Issue-12.
 10. Pwc, The Indian payments handbook – 2022–2027.
 11. Ministry of Information and Broadcasting Government of India, RISE OF A NEW ERA IN DIGITAL PAYMENTS.
 12. Srihari Kulkarni, Abdul Shahanaz Taj, 2019," Digital Payments: Challenges and Solutions", IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668, PP 50-55.
 13. Shinki Katyayani Pandey, 2022, "A Study on Digital Payments System & Consumer Perception: An Empirical Survey", Journal of Positive School Psychology, Vol. 6, No. 3, 10121 – 10131.
 14. State of India's Digital Economy Report 2023, India's Digital Economy Report 2023, IPCIDE,Indian Council for Research on International Economic Relations (ICRIER)