Payment Apps and the Changing Trends of Banking

MR. KRISHAN KUMAR
Assistant Professor(DU)

ABSTRACT

In the changing and challenging COVID world, E-banking and E-commerce have become certain. Here the question of acceptance and use of technology raises. The adoption of new technologies has e vital importance in all businesses, and the banking industry is not excluded. The implementation of emerging technology has been under deliberation since the year 1970. Perfect usage of information and communication technology by banks not only decreases the operational costs but also increases customer satisfaction. This paper aims to determine whether the motivation for using banking technology in the banking sector, can be explained by perceived ease of use and perceived usefulness as the main elements of the technology acceptance model.

The objective of the research is to explain why, when, and how COVID-19 and other factors has impacted on digitization of banking. The theoretical framework rests on literature of consumer decision making process, social media, as well as previous studies relating to social media marketing. Quantitative research method is adapted for the purpose of this research. The empirical data was gathered by sending out questionnaire to individuals.

This research gives explanation on how individuals are attending, processing, and selecting the information on payment methods before a purchase. The findings indicated that digital payment pursue an active role. Moreover, the empirical part of the research strives to provide insights to any banking industry that are trying to shift to or are currently participating in the new marketing trend. Findings and conclusions presented in the research are only valid within the population selection and cannot not to be generalized elsewhere due to the differences in environmental factors.

Introduction

Payment apps are the mobile payment services. They generally refer to payment services operated under financial regulation and performed from or via a mobile device. Instead of paying with cash, cheque, or credit cards, a consumer can use a mobile to pay for a wide range of services and digital or hard goods. A customer can transfer money or pay for goods and services by sending an SMS, using a java application over GPRS, a WAP service, over IVR or other mobile communication technologies. Although the concept of using non-coin-based currency systems has a long history, it is only in the 21st century that the technology to support such systems has become widely available.

Mobile payment is being adopted all over the world in different ways. The first patent exclusively defined 'mobile payment system' was filed in 2000.

In developing countries mobile payment solutions have been deployed as a means of extending financial services to the community known as the 'unbanked' or 'underbanked' which is estimated to be as much as 50% of the world's adult population.

Digital payment volumes are also receiving a boost through the Government, which has pledged monetary assistance to the poor via direct transfers to bank accounts. Digital payments, once a convenience, have become a necessity in these times. With a majority of the sectors that contribute

International Journal of Research in all Subjects in Multi Languages [Author: Mr. Krishan Kumar] [Subject: Commerce]

Vol. 7, Issue: 7, July: 2019
(IJRSML) ISSN: 2321 - 2853

to digital payments still in a state of flux, it is still too early to ascertain the long-term impact of COVID-19 on digital payments.

Importance of payment apps

- **CONVENIENT WAY TO PAY** – Paying for goods and services has never been more convenient than with using a mobile payment system.
- **SECURE WAY TO PAY** – Mobile payment apps allow you to use your cell phone to make in-store purchases.
- **FASTER WAY TO PAY** – Simply tap, pay and go. With mobile pay systems, you simply wave or tap your phone in front of an NFC compatible terminal. With this single action, you've approved the transaction.
- **MORE PLACES TO PAY** – Many retailers accept mobile pay, with more and more stores adding this technology daily. Mobile payment researchers believe the number of stores is expected to grow significantly in the coming years.
- **ALWAYS ABLE TO PAY** – The first card you add to the app becomes your default first payment option. You can change your default card at any time. It's a good idea to default to the one you use most, regardless whether it's your visa card, credit card or another card.

Types of payment apps

A mobile wallet is an app that contain your debit and credit card information so that users can pay for goods and services digitally by using their mobile devices. Notable mobile wallets include:

- ALIPAY
- APPLEPAY
- GOOGLE PAY
- GYFT
- LG PAY
- LINE PAY
- SAMSUNG PAY
- TOUCH 'N GO e WALLET Generally, this is the process: First payment:
- User registers, inputs their phone number, and the provider sends them a SMS with a PIN.
- User enters the received PIN, authenticating the number.
- User inputs their credit card info or another payment method if necessary (not necessary if the account has already been added) and validates payment.
- Subsequent payments:
- The user re-enters their PIN to authenticate and validates payment.

Requesting a PIN is known to lower the success rate conversion for payments. These systems can be integrated with directly or can be combined with operator and credit card payments through a unified mobile web payment platform.

Digital transactions also help government as transactions can be tracked easily which will help to reduce black money and thus help in growth of economy. The government is taking initiatives to move the country towards a less-cash economy and increase the use of digital transactions. The main motto of the Indian government is to make the Indian economy 'cashless, faceless, paperless'. The different apps are available that allow users to make payment online. These are very convenient to use and provides flexibility to the users as they allow users to make payments online. These are very convenient to use and provides flexibility to the users as they allow users to make payments anytime and from anywhere. Some of the apps used for online payments are: Phone Pe, Google pay and Paytm.

Phone Pe is a digital wallet company with its headquarters in Bangalore and is the first app built on unified payment interface. It is a UPI based app that allows users to make transactions using Phone Pe wallet, credit/debit card or UPI. This app allows to pay utility bills, do recharges and transfer money.

Paytm has its headquarters in Noida, UP. It is available in 11 languages. One extra feature added in this app is that the users can receive cashback in the form of gold. Paytm also provides banking facility in the form of Paytm payment bank in which an account can be opened without any charges. A user can deposit an amount of 1 lakh in this account and an interest of 3.5% can also be earned on that amount. It provides the facility to scan any QR code using Paytm app for making payments.

Google pay allows transactions using UPI only. There is no wallet facility and the app is directly linked to the bank account. A user can also earn Rs. 51 by inviting a friend and making him do any transactions using your reference link. Also, the first transaction using this app provides user with some amount of scratch cards.

Payment systems have demonstrated that they are dependable and durable, and continue to command a high level of confidence from the general population. However, closure of businesses and the lockdown have resulted in lower transaction volumes overall. In this section, we look at the relative impact of the COVID-19 pandemic on various payment categories.

Payment category		Relative impact	Remarks
Payment infrastructure	UPI		UPI is primarily driven by P2P and P2M payment transactions. With fears of virus transmission through cash, P2M UPI transactions for essential services (including QR based payments) will see an increase.
	IMPS		The IMPS facility will see relatively increased activity as fund transfers shift to digital means.
	BBPS		With no physical avenues to pay bills, people are adopting BBPS, leading to a relatively higher number of transactions.
	NETC		The NETC programme, which facilitates FASTag toll payments, will be adversely affected due to restrictions on travelling.

Payment category		Relative impact	Remarks
Issuance	Cards		Concerns over transmission of the virus through the exchange of physical currency will boost online card transactions.
	Wallets		Wallets will also see increased traction for P2P transfers, bill payments and P2M payments for essential services owing to the lockdown and aversion to exchanging cash. However, some wallet players have increased their fees for merchants and consumers, leading to merchants not accepting their wallets for transactions.
	Bank accounts		Fund transfers to/from bank accounts will likely see an uptick as people substitute cash with digital transfers.
Acquiring	ATM		Transactions at ATMs will decrease as a result of the lockdown being enforced. Not much cash will be required compared to earlier.
	PoS		PoS terminals at stores selling essential items will see an uptick in transactions, while those at most other establishments will see a decline.
	Payment gateways		Payment gateways will see an increase in volumes as transactions go online. They can also tie up with small stores selling essentials who are currently seeking to establish an online presence.

ANALYSIS
RESEARCH METHODOLOGY
Research Objectives
1. To Study how person to person e-payments locales encourages bank to comprehend customer payment method design.
2. To comprehend why users, consider online e-payments locales as important and valid asset for payment.
3. To ponder how banking industries are focusing on a worldwide crowd through long range e-payment platform.

Methodology
Keeping in mind the end goal to complete research work, a technique is utilized that is called as Research Methodology.
The exploration depends on study procedure.
The underlying piece of research will include seeing 80 understudies characterizing the variable as:
- Students under graduation.
- Students under post-graduation.

Data Collection
To start with and the first the examination depends on the review that is directed in the Delhi state study is a strategy which is worried about those systems and strategies which is utilized to build up display status of things, circumstances, groups and person.

The examination comprises of following apparatuses for the most part: -

Primary Data
In the wake of getting adequate foundation data about the current showcasing practices of the organizations in social destinations, it's the ideal opportunity for getting help of essential information by the method for study among target gathering of people. The review will demonstrate the genuine picture with respect to the reaction and the essence of the general population towards social locales and will control my discoveries and suggestions.

Secondary Data
Optional assets like books and web destinations will be utilized for gathering of information.
SAMPLING
The test will be of 80 haphazardly chose respondents. They are partitioned into three classifications:
- Graduate understudies.
- Post graduate understudies.

Sampling Technique
Proportionate stratified arbitrary testing will be utilized where no respect is paid to the proportion in which the components are found in various strata's and equivalent number of respondents are chosen from every stratum.
Territory. Higher auxiliary understudies, Graduate understudies, Post graduate understudies from Delhi and NCR locale.

DATA ANALYSIS AND FINDINGS
Do you have an account on any social networking website?

RESPONSE	NO. OF RESPONDENTS	%AGE OF RESPONDENTS
YES	80	100
NO	0	0
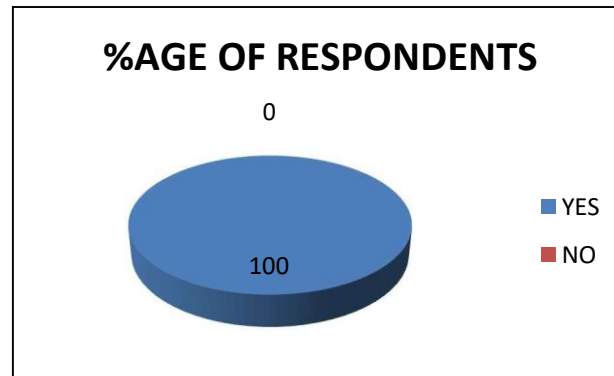
Indeed, said by 100% respondents, this implies the quantity of individuals we doubted as of now had a record on long range informal communication sites.

Which payment method you use?

S.NO	SOCIAL NETWORKING SITE	NO. OF RESPONDENTS	%AGE OF RESPONDENTS
1	G Pay	7	8.75
2	G Pay-Phone Pe	60	75
3	G Pay-Phone Pe-Paytm	7	8.75
4	G Pay-Phone Pe-Paytm-Bhim-Other	6	7.5
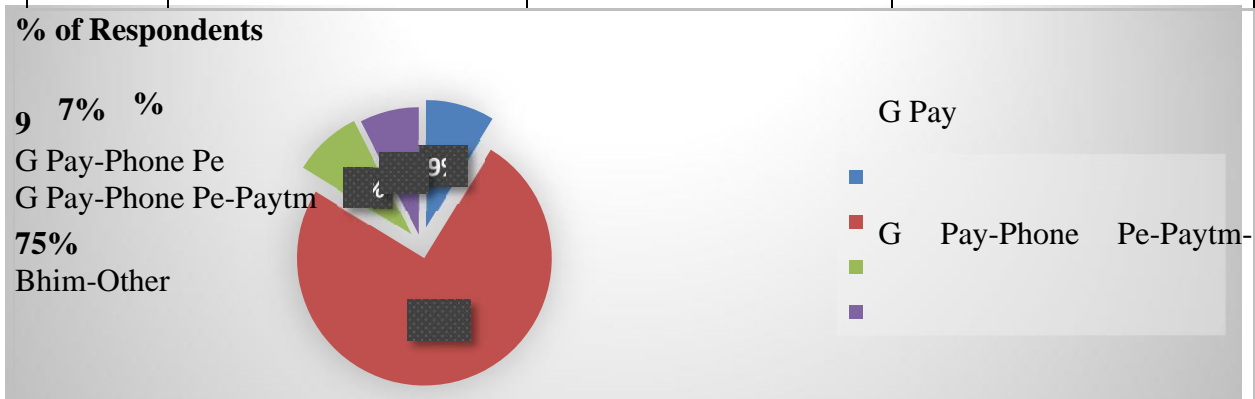
In this we can infer that most of the people use Google Pay and PhonePe both and rest of the respondents uses the multiple or single UPI payments.

Do you believe payment on these apps is reliable?

S.NO	OPTION	NO. OF RESPONDENTS	%
1	YES	50	62.5
2	NO	8	10
3	CAN'T SAY	22	27.5

%Age of Respondents
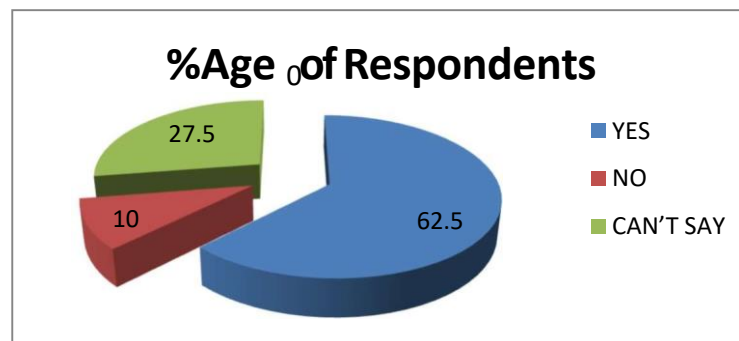
This inquiry checks the validness of the platform to fill the sole need of its reality. 62.5% affirmed that yes, the method they utilize to pay is reliable & Just 10% said no. What's more, 27.5% were uncertain of the reality.

In what way you like to use e-payment gateway?

S.NO	OPTION	NO. OF RESPONDENTS	%
1	INSTANT PAYMENT	40	50
2	SHOPPING	10	12.5
3	MONEY TRANSFER	8	10
4	OTHER	22	27.5
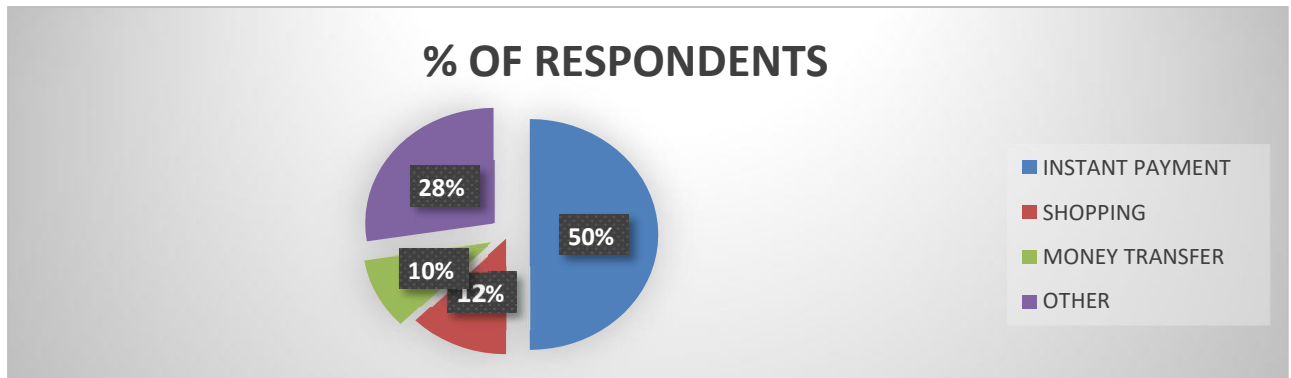
Best and most effortless method to use. 50% of the respondents use the e-payments method for the purpose of instant payments & 28% for the other purpose.

How frequently you use e-payment gateway?

S.NO	OPTION	NO. OF RESPONDENTS	%
1	ONLY ONCE IN A DAY	19	23.75
2	TWICE IN A DAY	52	65
3	AFTER 2 DAYS	4	5
4	ONLY SUNDAY	5	6.25
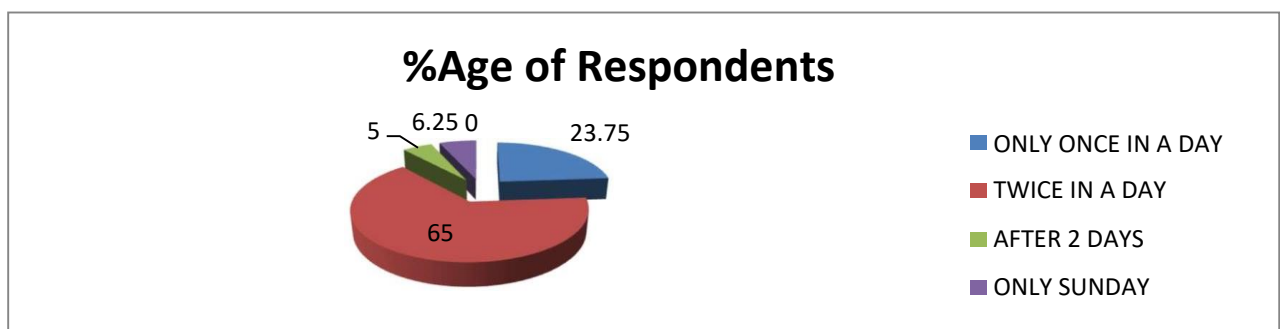
To check the fixation level of the present youth we made this inquiry. Also, 65% respondents said they do e-payment twice per day, this demonstrates respondents need to answer to left messages. 23.75 are the individuals who visit site just once per day.

Are these helpful in doing payment worldwide?

S.NO	OPTIONS	NO. OF RESPONDENTS	%
1	YES	80	100
2	NO	0	0

%Age of Respondents

0

100

■ YES
■ NO
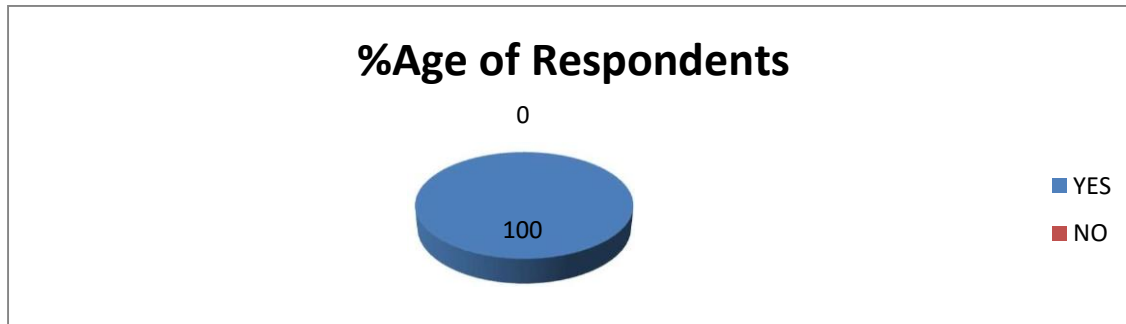
This question is caters to the existence of the website but reply is one sided i.e., 100% agreed that yes it served to its existence.

Do you ever saw any fraudulent matter related to e-payment been posted in online networking sites?

S.NO	OPTION	NO OF RESPONDENTS	%
1	YES	37	46.25
2	NO	15	18.75
3	CAN'T SAY	28	35

%Age of Respondents

35

46.25

18.75

■ YES
■ NO
■ CAN'T SAY
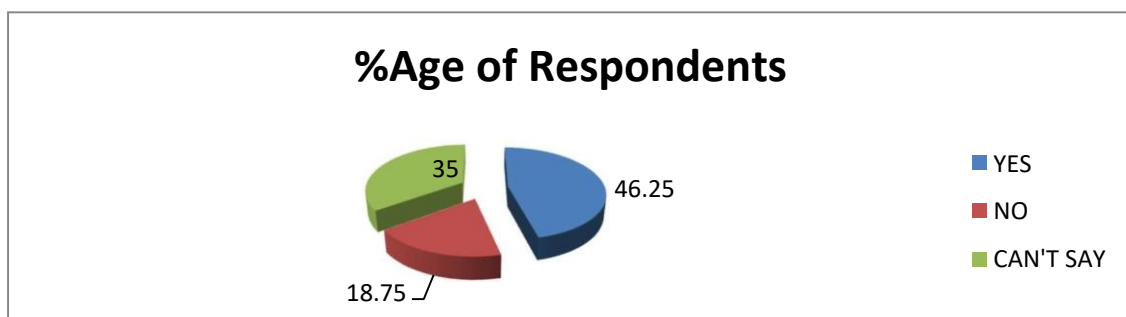
e-payments are the once that might be in use by family and friends therefore the material posted on them leads to great interest by parents. Parents want to know about their children i.e., he/she is involved in what mode of payment. Are the payments acceptable by all?

46.25% said yes to saw fraudulent material on website. Therefore, payments can't be trusted.18.75% said no they have never seen anything fraudulent on payment. But 35% were unsure of the answer to put up.

In future which mode of payment would you prefer for products / service you are availing?
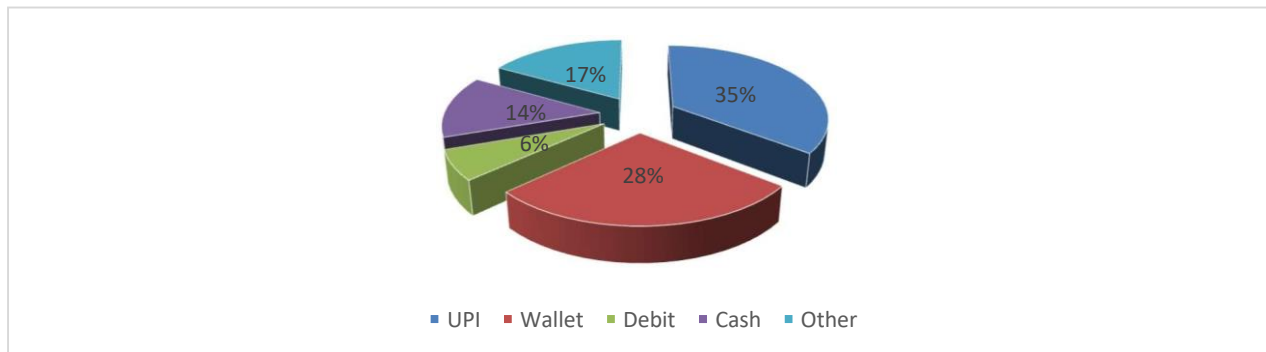
INTERPRETATION

33% think it is *very likely* that payment through UPI. 42% think they like UPI payments and slightly more than 25 % think it is *unlikely* use UPI method for service.

66% find it *very likely* make payments through Wallet. 30% say they *eventually* pay and 4% think they unlikely to pay via Wallet.

47% think it is *very likely* pay via Debit Card, 32% think they *eventually* make payment and 21% find this *unlikely* to pay via Debit Card.

49% think it is *very likely* to pay via Cash, 33% think this *eventually* might pay and 18% find it *unlikely* to pay via cash.

39% find internet banking and other source for payment *likely*, 29% think they *eventually* use other mode of Payments and 32% think this is *unlikely* to pay other than sources mentioned.

Thus, from the results the we can infer that in future people are receptive to the Wallet and Cash in the future.

In your opinion e-payments more effective than other mode of payments?

S.NO	OPTION	NO OF RESPONDENTS	%
1	YES	56	70
2	NO	10	12.5
3	CAN'T SAY	14	17.5
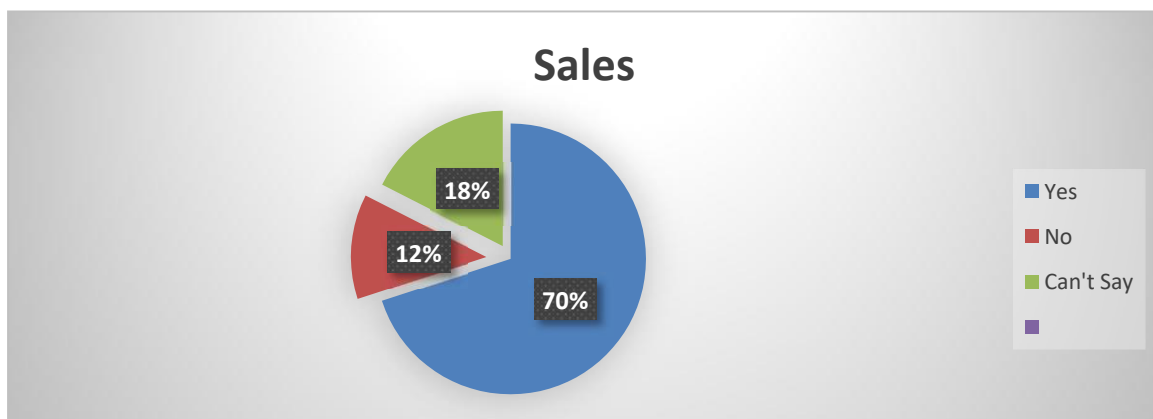
Most of the respondents (70%) agreed that e-payment is more effective than

other mode of payments. Social media marketing is the new mantra for several brands since early last year. Banks are taking note of many different e-platforms opportunities and beginning to implement e-payments initiatives at a higher rate than ever before.

OBSERVATIONS
- Children and youth are strongly influenced by mode of payments on different e-platform than adults.
- Most of the people use these e-payments to avoid movement followed by time saving
- Google Pay is the most popular UPI among all age groups and second comes Paytm followed by Ponape.
- Most of the Adults use e-payment only for 1 time a day whereas youths use this maximum for more than 2 times a day.
- Adults prefer cash or card whereas majority of children and youths prefer UPI or Wallet.
- Mostly children find these e-payments interesting whereas moderate number of youths find these platforms interesting and very a smaller number of adults use these platforms.

The preferred standpoint for bank is that they can see mode of Payment that interest to them. Google Pay, for instance, the immensely well-known UPI, has built up a focusing on innovation which enables high security and payments without failure. This is the reason Google Pay clients more satisfied with the service.

LIMITATIONS

Despite the fact that theories were approved by findings from survey and the research is able to provide a certain degree of new insights in relating to the current situation, limitations may still exist.

In the foregoing chapter the above findings cannot represent all individuals across India as a whole, due to the e-payment process involves different factors which may result in different behavioral actions. Also, regarding the summarization of questions in the survey, it may result in the lack of objectivity because the researcher may only highlight the comments according to the researcher's intention.

CONCLUSION

The objective of the research was to explain *why, when, and how* COVID-19 has impacted on e-payment decision making process. Research questions were designed to narrow down the subject and to help the researcher to identify the explanations of the issue. The three research questions for this thesis were as follow:

1. How do consumers *attend, process, and select* the e-payment method before a purchase?
2. What are the differences between payment via e-platform and through other mode?
3. What are the changes e-platform has brought to consumers in different stages of their decision making?

To begin with, e-payment has brought profound changes to both consumers and businesses, the findings of this research are consistent with the theories presented in the theoretical framework. In terms of the first research question, the five-stage decision making model has provided a systematic approach in outlining the general stages that consumers engage in all purchase, while the information process theory addresses an in-depth perspective of how information is in used of throughout the course of decision making.

Finally, the core objective of the entire research was to find out the changes that COVID-19 has brought to e-payment users in each stage of their decision-making process. According to the finding, e-payment still cannot be considered as a powerful tool to trigger a purchase in India, whereas individuals have reflected that mass media still remains a certain influence in gaining awareness, for instance UPI methods, Debit & Credit Cards and other online modes.

To conclude, from the findings of this research, it can be observed that consumers in India are actively utilizing e-payment platforms as a tool in validating of the purchase decisions; however, consumers are deemed to be inactive in sharing their word of mouth to others with the available e-platforms. The consistency in the gathered data and time-honored theories relating to consumer behavior and contemporary frameworks regarding e-platforms, it has suggested that the essence of consumer behavior still remains the same even after the advent of e-payments, in which individuals have to go through the all the stages before a purchase, instead of straight to the purchase decision once a thought of purchase being triggered.

Correlations

		reliable info	usage frequency	e-payment effective
reliable info	Pearson Correlation	1	-.019	.179*

International Journal of Research in all Subjects in Multi Languages [Author: Mr. Krishan Kumar] [Subject: Commerce]

Vol. 7, Issue: 7, July: 2019
(IJRSML) ISSN: 2321 - 2853

Sig. (2-tailed)		.816	.025
N	80	80	80
usage frequency Pearson Correlation	-.019	1	.016
Sig. (2-tailed)	.816		.844
N	80	80	80

e-payment effective Pearson Correlation	.179*	.016	1
Sig. (2-tailed)	.025	.844	
N	80	80	80

*. Correlation is significant at the 0.05 level (2-tailed).

For proving the hypothesis that there exists no significant relation among the independent factors, the correlation test is been implemented. There are various independent factors in this study which has to be proven that there does not exist any correlation among them. These independent factors are further categorized into four main factors but for interpreting at this stage we need to look at all the factors individually.

Hence after applying the correlation test, we come to know that there does not exist any correlation among any independent factor as the significance or p-value of all the factors are more than 0.005. If there exist any factor among the set of these independent factors whose p- value is less than 0.005 then it would not be considered as independent.

Therefore, after looking at the above-mentioned table one can interpret that there does not exist any significant correlation among the independent factors. Thus, H null gets accepted and H alternate gets rejected.

Regression Analysis

Descriptive Statistics

	Mean	Std. Deviation	N
e-pay use	1.3613	.63332	80
reliable info	5.4839	1.73338	80
usage frequency	6.7677	1.78675	80
mode of payment	3.6194	.91361	80

Correlations

	e-pay use	reliable info	usage frequency	mode of payment
Pearson Correlation e-pay use	1.000	-.012	.247	-.165
reliable info	-.012	1.000	-.018	.179
usage frequency	.247	-.018	1.000	.017
mode of payment	-.165	.179	.017	1.000
Sig. (1-tailed) e-pay use	.	.439	.001	.020
reliable info	.439	.	.412	.013
usage frequency	.001	.412	.	.416
mode of payment	.020	.013	.416	.
N e-pay use	80	80	80	80
reliable info	80	80	80	80
usage frequency	80	80	80	80
mode of payment	80	80	80	80

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
					Change Statistics				
1	.300[a]	.090	.072	.61012	.090	4.978	3	151	.003

a. Predictors: (Constant), advertising, usage_frequency, reliable_info

ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	5.559	3	1.853	4.978	.003[a]
Residual	56.209	151	.372		
Total	61.768	154			

a. Predictors: (Constant), mode of payment, usage frequency, reliable info

b. Dependent Variable: e-pay use

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.150	.300		3.835	.000
reliable info	.008	.029	.023	.292	.771
usage frequency	.089	.028	.250	3.221	.002
mode of payment	-.120	.055	-.173	-2.194	.030

a. Dependent Variable: e-pay use

The regression analysis interprets various tables. The important tables to be interpreted in regression analysis are model summary table and coefficient table. Further regression analysis is applied only after applying correlation analysis, this is because; if the variables of the study are independent of each other than to check the impact of independent variables on dependent variables regression analysis is performed, so one can say that if the variables are not independent or are dependent on one another or if there exist any significant correlation among the variables than regression analysis could not be performed.

20

In the current study the regression analysis is performed after it is proved that there exists no significant correlation among the independent factors. Now for interpreting the regression analysis above we need to consider the following:

R^2: which is a statistical measure of how close the data are to the fitted regression line. It is also known as the coefficient of determination, or the coefficient of multiple determination for multiple regression 100% indicates that the model explains all the variability of the response data around its mean.

Adjusted R^2: measures the proportion of the variation in your dependent variable (Y) explained by your independent variables (X) for a linear regression model. **Adjusted R-squared** adjusts the statistic based on the number of independent variables in the model.

Unstandardized coefficient: In statistics, standardized **coefficients** or beta **coefficients** are the estimates resulting from a regression analysis that have been standardized so that the variances of dependent and independent variables are 1. Sometimes the **unstandardized** variables are also labelled as "b".

After looking at the model summary table we see that Adjusted R^2 is 0.072 which states that the independent variables in the study explain 7.2 per cent of dependent variables.

Further by looking at the coefficient table in the SPSS we interpret the unstandardized coefficient which is as under:

The first independent variable interprets that if the reliable information is increased by 1 unit the dependent variable will be increased by .008 units. Similarly, if usage frequency is increased by 1 level the dependent variable gets increased by .005 units. By looking at the other independent variable one can interpret the if mode of payment is increased by 1 unit then the dependent variable gets decreased by .120 units.

SUGGESTIONS

  Spam - Getting free of the fraudulent issue on is the main best need. Clients get spam constantly and it's extremely disappointing and tedious.

 Tech bolsters - This is an unquestionable requirement. Technical support ought to dependably be brisk. Over 48 hours is too long to hold up when you have an issue. Indeed, even that is too long, yet let's be sensible.

 Slow-Web pages ought to be planned with the end goal that it doesn't take to yearn for pages to transfer. In India numerous individuals still have moderate web association and consequently it ought to be dealt with.

 Mobile interface adaptation ought to be propelled with the goal that individuals can pay the locales rapidly and effortlessly on their cell phones while moving.

 Payment gateway should update Anti-Virus frequently to prevent infections from hurting client work areas and PCs.

 Feedback and questions and grievances ought to be managed genuinely. It's critical to hold the client for longer timeframe.

QUESTIONAIRE

1.   Do you have an account on any payment gateway?
- Yes
- No

2.   Which payment method you use?
- Google Pay
- Phone Pay
- Google Pay – Phone Pe
- Google Pay – Phone Pe– Paytm
- Google Pay – Phone Pe– Paytm– Bhim – Others

3.   Do you believe payment on these apps is reliable?
- Yes
- No
- Can't say

4.   In what way you like to use e-payment gateway?
- Instant payment
- Shopping
- Money Transfer
- Other

5.   How frequently you use e-payment gateway?
- Only once in a day
- Twice in a day
- After 2 days
- Only Sunday

6.   Are these helpful in doing payment worldwide?
- Yes
- No

7.   Do you ever saw any fraudulent matter related to e-payment been posted in online

International Journal of Research in all Subjects in Multi Languages [Author: Mr. Krishan Kumar] [Subject: Commerce]

Vol. 7, Issue: 7, July: 2019
(IJRSML) ISSN: 2321 - 2853

networking sites?
* Yes
* No
* Can't say

8. In your opinion e-payment gateway more effective than other mode of payments?
* Yes
* No
* Can't say

9. In future which mode of payment would you prefer for products / service you are availing?

	Very likely	Eventually	Unlikely
UPI			
Wallet			
Debit Card			
Cash			
Others			

References

Paytm Payments Bank slashes interest rate on savings account deposits by 50 bps to 3.5%, https://m.businesstoday.in/story/paytm-paymentsbank-cuts-interest-rate-on-savings-account-depositsto-35-per-cent/1/384110.html, Posted on 11 October 2019. Google Pay Refer and Earn: Rs.51 Joining + Rs. 101 per Friends, https://offerofworld.com/google-payrefer-and-earn/, Posted on 17 Sept 2019.

From 427 Mn to 10 Bn transactions: Decoding the growth of UPI, https://entrackr.com/2020/01/upi-10-bntransactions-2019-bhim-paytm-google-pay-phonepe/, Posted on 16 January 2020.

Google Pay Continues Going Tez as the Preferred UPI App, https://razorpay.com/blog/upi-digitalpayments-transactions-july-2019/. Posted on 7 Aug 2019.