



A STUDY ON PROBLEMS OF DIGITAL PAYMENT IN SMALL IN MADURAI CITY

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ABSTRACT:

India's push towards becoming cashless, supported by initiatives like the "Digital India" program, aims to reduce the economy's reliance on cash and combat money laundering. However, challenges remain, especially in rural areas where the computer literacy rate is only 6.5%. The adoption of digital payment systems in e-commerce is crucial to facilitate transactions, but customer awareness and ease of use remain moderate. The results revealed that despite the growing popularity of digital payments, cash transactions still play a significant role, suggesting the need for greater awareness campaigns to promote the convenience of digital payments. With e-commerce's rapid growth transforming banking, shopping, and financial transactions, and digital payment systems have become a vital part of this transformation. Government programs like digital India and demonetization have spurred increased digital payment usage in India. However, obstacles such as security concerns, technological barriers, and lack of awareness continue to hinder widespread adoption, particularly in rural and semi-urban regions. This study highlights these issues in the Madurai region, aiming to understand consumer knowledge, identify barriers to adoption, and provide recommendations to encourage further digital payment adoption, ultimately supporting India's digital economy.

KEYWORDS:

DIGITAL PAYMENT, BANKING & FINANCIAL TRANSACTION.

1.1 INTRODUCTION

Since the protest in 2016, the Indian government has been aggressively promoting and creating additional web installments. Indians have shifted to online installments because to India's situation is very intriguing. The Indian government has recently taken significant efforts to decrease the usage of cash, including the November 2016 demonstration of the 500 and 1,000 rupee bank note payment system. However, the country's economy still relies heavily on cash despite the availability of numerous digital payment methods. Established payment interface from their clients, and to consumers for referring new. Although the world has been heading towards computerisation for a time, 2022 highlighted the necessity of swiftly adapting to modern innovation.

1.2 STATEMENT OF THE PROBLEM

Research on the adaptability of online payments and the several aspects that influence their acceptance attempts to show how retail establishments have embraced these digital payment services. This study aids in understanding how retail establishments have embraced digital payment

methods. The primary challenges include high transaction costs, restricted payment options, problems with accessibility and financial inclusion, security, and dependability.

1.3 OBJECTIVES OF THE STUDY

- To understand the concept of digital payment system
- To understand the charges in respect of payment access
- To analyse the risks involved in digital payment system.

1.4 METHODOLOGY:

1.4.1 RESEARCH DESIGN

Descriptive research is the type used for this project. It comprises several forms of fact-finding investigations and surveys. The description of current state affairs is the main goal of descriptive research. This method's hallmark is its description of the current state of affairs. This method's property is that it can simply report what happened; it has

no control over the variables.

1.4.2 SAMPLING METHOD

Convenience sampling was used to choose the sample. 50 was used as the overall sample size.

1.4.3 PRIMARY AND SECONDARY DATA

The questionnaire consists of 23 questions relating to various aspects of the study. The first part of the questionnaire was mainly prepare to get the personal detail of the public And the later part of the questionnaires was prepared to identify the public satisfaction about the small business and digital payment system.

The last part of the questionnaire was prepared such that the customers were encouraged to give their valuable suggestions.

Data pertaining the company is collected from the public report. The company’s profile gives a detailed report of the past records of the organization. The data collection both from primary & secondary source is tabulate and presented in a systemic from prior to classification and interpretation.

1.4.4 SAMPLE SIZE

A total of respondents were selected for the study and personally interviewed, with a questionnaire given to them.

1.4.5 STUDY OF THE AREA

The study has been conducted among the Entrepreneurship and startup in Madurai district.

The source of the project is fully based on the primary and secondary data.

1.5 DATA ANALYSIS:

**TABLE 1.5.1
 AGE OF RESPONDENTS**

AGE	NO OF RESPONDENTS	PERCENTAGE
Below 18 years	12	24%
18 - 30 years	28	56%
40 - 50 years	7	14%
Above 50 years	3	6%
TOTAL	50	100%

INFERENCE:

The above data indicates that 48% of respondents were male 52% were female.

CHART1.5.1 AGE OF THE RESPONDENTS

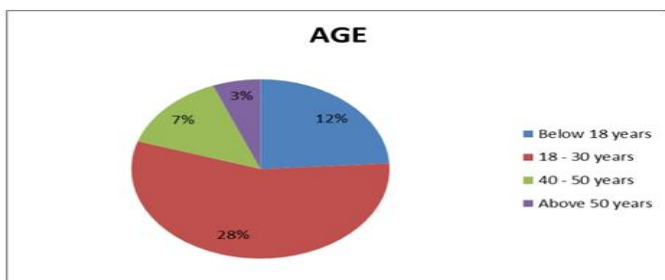


TABLE1.5.2

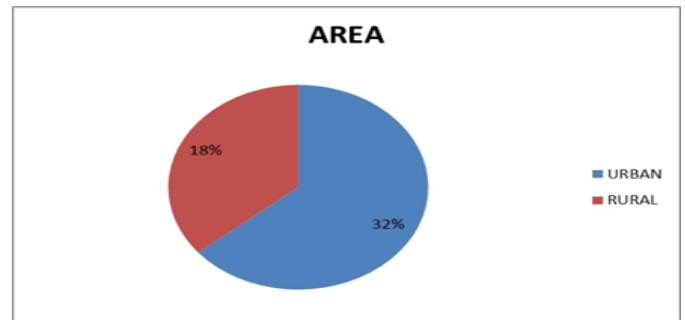
RESIDETIAL AREA OF RESPONDENTS

AREA	NO.OF RESPONDENTS	PERCENTAGE
URBAN	38	76%
RURAL	12	24%
TOTAL	50	100%

INFERENCE:

In the above data indicates that 41% of respondents are technical, 58% of respondents.

CHART 1.5.2 AREA OF RESPONDENTS



FINDING AND SUGGESTIONS:

1.6.1 FINDINGS:

- The majority (28%) of the respondent are aged between 18-30 ages.
- The majority (32%) of the respondent are urban

1.6.2 SUGGESTIONS:

- Mobile wallets should be user friendly by making easy to access for any non-technical person.
- The primary responsibility is to ensure that the user data secured by using advance technology.
- Private app companies should keep on adding good feature to the app.
- Payment app companies should add safety and security feature so that it minimize its risk.
- Payment app companies should provide the service through various media.

CONCLUSION:

This study was conducted to understand the problems and challenges of digital payment system as India aims towards a cashless society the study conclude that there is an urgent need to implement programs that raises awareness of digital payment system among customers. people in general still uses credit and debit cards commonly for digital transactions etc.This study was conducted to understand the problems and challenges of Digital Payment System as India aims towards a cashless society. This study, conclude that there is an urgent need to implement programs that raises awareness of digital

payment system among customers. People SSin general still uses credit and debit cards commonly for digital transactions, there is the need to increase the usage of other more convenient methods as well. The fact that more people prefer digital payments over conventional methods is a positive sign. Some of the ways to improve the digital payment system

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