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Research Paper

A STUDY ON DIGITAL PAYMENT ADOPTION IN INDIA

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ABSTRACT

Digital payment adoption in India has witnessed remarkable growth due to rapid technological advancements, increased smartphone and internet penetration, supportive government initiatives such as Digital India and UPI (Unified Payments Interface), and changing consumer preferences toward cashless transactions. This study examines the factors influencing the adoption of digital payment systems, including convenience, security, ease of use, financial inclusion, and customer awareness. It also explores the impact of digital payments on consumers, businesses, and the overall economy by enhancing transaction efficiency, reducing dependence on cash, and promoting transparent financial practices. The research identifies key challenges such as cybersecurity concerns, digital literacy gaps, internet connectivity issues, and resistance among certain user groups. Based on primary and secondary data analysis, the study concludes that digital payment adoption has significantly transformed India's financial ecosystem and contributed to economic growth. It recommends strengthening digital infrastructure, improving cybersecurity measures, and increasing financial literacy to ensure wider, safer, and more inclusive adoption of digital payment systems across the country.

INTRODUCTION OF THE STUDY

Modern banks play an important role in promoting economic development of a country. They collect savings of large masses of people scattered throughout the country. Which in the absence of banks would have remained ideal and unproductive? These scattered amounts are collected, pooled together and made available to commerce and industry for meeting the requirements. Banks provide necessary funds for executing various programs underway in the process of economic development.

As a servicing industry banks are customer oriented. Customers are the driven power of the bank and it earns profit by providing services to customers. Customers are the persons or institutions that deal with the bank. In general, he who has an account in a bank will be treated as a customer of that particular bank.

To fulfil the demand and impress the customers most of the banks are trying to make their whole banking operation through online platform.

Digital Payment is the demand of the time. It is no longer a “nice to have” but an “impossible to survive with” for all banks. Electronic banking is critical in the transformation drive of banks in areas such as products and services and how they are delivered to customers. Thus, it is seen as a valuable and powerful tool in the development, growth, promotion of innovation and enhancing competitiveness of banks. Given the significant role of electronic banking in the developmental drive of banks, information technology has been found to lead to improvement in business efficiency and service quality and hence attract customers as well as retain them.

Electronic banking contributes significantly to the distribution channels of banks such as automated teller machine (ATM), Phone –banking, Tele- banking, PC-banking and now Payment Adoption. In addition, transfer of funds, viewing and checking savings account balances, paying mortgages, paying bills and purchasing financial instruments and certificates of deposits processes have improved significantly as a result of Payment Adoption. This implies that, electronic banking has resulted in efficiency in service delivery in the banking sector because customers can transact business from one side of the country to another and from both long and short distance.

Electronic banking has transformed traditional banking practices to the extent that it has been found to create a paradigm shift in marketing practices resulting in positive performance in the banking sector.

1.2 NEED OF THE STUDY

All banks compete with each other to attract their customers in different ways through providing convenient, accessible and acceptable services or/and products to their customers. One of the most important of these services is the electronic services that have contributed significantly to increase the distance between costumers and the bank.

1.3 SCOPE OF STUDY

Banking sector is large and difficult area. A bank has different products, Services and customers. This study gives the perception of different class of customers of different age group towards Payment Adoption .

The outcome of this study will help the management of banks to know about the satisfaction levels of the customers using Payment Adoption service and the areas in which they are lagging their customer service. 1.4 OBJECTIVES OF THE STUDY

Main objective

The general purpose of the study is to investigate the customer satisfaction in Digital Payment.

Sub objectives

1) Identify the Electronic banking services offered by banks and its usage by customer
2) Identify customers‟ level of satisfaction with service delivery given the introduction of electronic banking services
3) Identify the satisfaction to customers for using Digital Payment services.

2.REVIEW OF LITRETURE

INTRODUCTION

This chapter seeks to analyze relevant research documentation and findings essential to improve this research and its capacity to analyze the concerns it seeks to accomplish. Several researches have been carried out on Digital Payment and it is important to examine them in relation to this research topic. This will enhance effectiveness and stimulate an all-inclusive analysis and discussions of critical issue in relation to the topic under consideration.

CONCEPTUAL REVIEW

A conceptual framework is an analytic tool with several variations and contexts. It can be applied in different categories of work where an overall picture is needed. It is used to make conceptual distinctions and organize ideas.

Digital Payment

Digital Payment is the practice of making bank transactions via the Internet. Digital Payment allows us to make deposits, withdrawals, pay bills etc all with the click of a mouse. Digital Payment is one of the few web applications where benefits to customers and banks are already widely proven. It is now no longer a "nice to have" but an "impossible to survive without" for all banks. Digital Payment means a kind of self-help financial services provided by the bank for its clients by the medium of Internet, including account information inquiry, account transfer & payment, online payment, agency services, etc.

3.1 INDUSTRIAL PROFILE

The Indian Human Resources and Staffing Industry is a rapidly evolving sector sitting at the intersection of human capital management and deep-tech innovation. It serves as the critical bridge between India's massive talent pool and the specialized workforce demands of the domestic and global corporate sectors. Historically driven by manual recruitment and traditional payroll, the industry is currently undergoing a massive structural shift fueled by the integration of Artificial Intelligence, automated Human Resource Management Systems (HRMS), and the formalization of the Indian workforce.

- **Key Sectors:** HR Technology (SaaS and HRMS platforms), General & IT Staffing, Corporate Training & Upskilling, and Total Workforce Management (WFM).
- **Global Standing:** India represents one of the largest and most dynamic talent markets globally, heavily fueling both domestic manufacturing and international IT/Tech services.
- **Regulatory Landscape:** Governed by the Ministry of Labour and Employment, with modern compliance heavily focused on the impending implementations of the new Labour Codes and strict data privacy standards (such as the DPDP Act).

Market Size & Key Financial Metrics (2025/2026 Estimates)

The industry has witnessed exponential growth, driven by post-pandemic digital adoption, the rise of gig/contract work, and massive technological upgrades by corporate HR departments.

- **HR Tech Market Size:** The Indian HR Tech market is experiencing a robust growth trajectory. It is projected to reach approximately **$38.36 Billion USD** (roughly **₹3.2 Lakh Crore**) by 2030, growing at a steady CAGR of nearly 6%.
- **Staffing Industry Valuation:** The Indian staffing industry has scaled significantly, surpassing revenues of **₹45,000 Crore** in recent fiscal years. Globally, the staffing market is a massive $500+ billion industry, and India is one of its fastest-growing regional hubs.

- **Upskilling Demand:** The demand for continuous learning and capability building is surging. Recent industry reports indicate that **85%** of early-career professionals (those with less than three years of experience) consider structured upskilling and tech workshops crucial for career advancement.

Market Segmentation

The sector is broadly divided into three interconnected verticals, perfectly mirroring Inkonsul's operational footprint:

3.2 COMPANY PROFILE

Company Overview

Inkonsul Technologies Private Limited is a specialized technology and human resources consulting firm based in Hyderabad, Telangana. The company bridges the gap between modern technology and human capital, focusing on custom HR software development, strategic staffing, and specialized capability-building programs for both the corporate and academic sectors.

- **Founded:** February 2022
- **Headquarters:** Nallakunta, Hyderabad, Telangana
- **Industry:** Business Services / HR Technology
- **Company Type:** Private Limited Company

Key Leadership

- **Venkata Anil Kumar Reddy Mudela:** Founder & Director
- **Mudela Gowtham:** CEO

History & Milestones

- **2022:** Officially incorporated as a Private Limited Company on February 22, 2022, establishing its registered office in Prashanth Nagar, Miyapur.
- **2025:** Expanded core HR operations into custom product development and heightened corporate engagement, including organizing workplace programs at its Head Office for India's National Safety Week.
- **2026:** Scaled up advanced educational initiatives and community outreach, notably organizing the 2-day "TechXplore" workshop focused on Generative AI and Full Stack Development, and expanding interactive career counseling and internship enrollments at institutions like St. Francis College.

4.DATA ANALYSIS AND INTERPRETATION

This chapter deals with the data analysis and interpretation. Data had been collected using questionnaire. Questionnaire had been distributed to random people. Sample had been collected using convenient sampling technique. All the 50 respondents are selected at random. This chapter is an attempt to analyze the response of people using Payment Adoption . This study also helps to find out the perception of customers towards Payment Adoption .

4.1: age wise classification

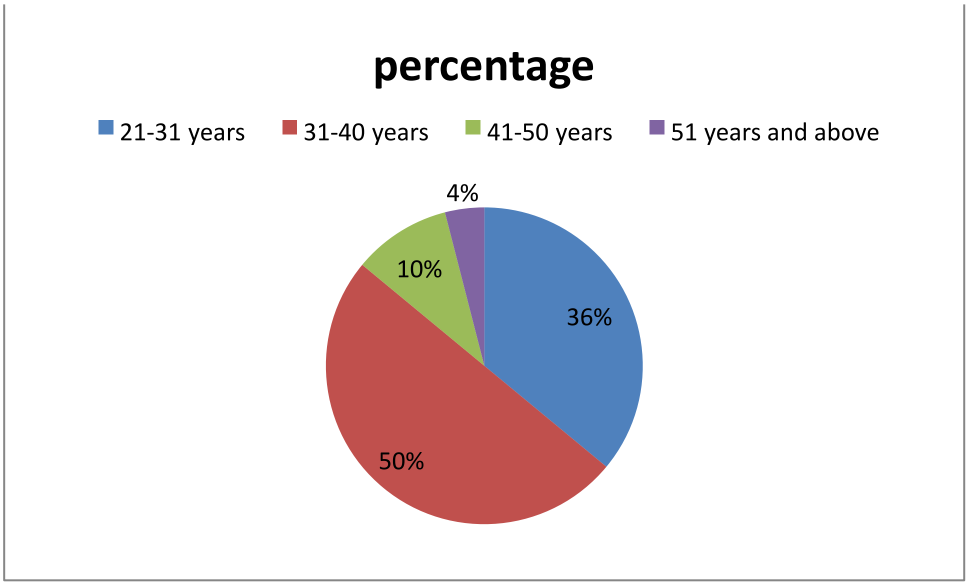
Age	percentage	Count
21-31 years	36	18
31-40 years	50	25
41-50 years	10	5

51 years and above	4	2

Source: primary data

The above table shows 36% of the respondents are from the age group 21 -31 years, 50% of them are between 31-40 years, 10% are in between 41-50 years category and only 4% of them are included in the 51 years and above category

Fig 4.1 Showing age wise classification



5.1 Findings

1. 100% of the respondents are Payment Adoption users.
2. Majority of the users selected their bank based on their excellent service.
3. Majority of the customers were aware of the Digital Payment services offered by their bank
4. Most of the customers have opened only savings account for their banking needs
5. Half of the respondents are not regular users of Payment Adoption and use it monthly or in a period which extends to more than a month.

5.2 Suggestions

- Risk proof websites are to be created so that the customers will be able to navigate easily through the website because some of the respondents found Digital Payment to be complicated.
- The bank cant ensure the security of Digital Payment by building strong firewalls to protect from hackers and viruses.
- More promotional strategies can be adopted by the bank to make the customers aware of the online services offered by banks because not all the respondents had full awareness.

- Server crashes and slow speed in working was the main problem faced by the respondents; banks can use adaptive technologies to create better servers which won't crash during heavy server traffic.
- Most of the respondents preferred clearer/simpler service instead of rewards so it is better to keep on improving service to provide them hassle free banking experience for more convenient banking.

5.3 Conclusion

This study was conducted to know about the customer satisfaction of Digital Payment services on customers and their satisfaction towards the services offered with reference to Thrissur town. It is clear from this study that all the respondents are users of Payment Adoption services. There are a wide variety of banking services offered online and all the respondents are users of one or the other service.

Majority of the respondents uses Payment Adoption service for online purchase and payment. People prefer Payment Adoption for better convenience and to make banking a hassle-free process. Clearer service has made an impact on users to promote Payment Adoption compared to manual banking. So, we can clearly understand that Payment Adoption plays a tremendous and very important role for the growth of the banking sector.

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