

**A STUDY ON CUSTOMERS PREFERENCE TOWARDS DIGITAL PAYMENTS WITH  
REFERENCE TO HDFC BANK HINDUPUR**

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**I. ABSTRACT**

The demonetization resulted in tremendous growth in digital payments. With the government initiative such as Digital India and increased use of mobile and internet are means to exponential growth in use of digital payment. This transformation towards digital payments benefits in more transparency in transactions which empowers the countrys economy. In recent days many changes took place in the payment system like digital wallets. UPI and BHIM apps for smooth shift to digital payments. The objective of this research paper is to study the impact that Digitization of payment system. The present paper focuses on the analysis of the adoption level of these digital payment systems by customers. Primary data was collected from 110 respondents. The collected data through the questionnaire were analyzed statistically by using regression technique. The result shows that majority of females 54.55% whose age lies between 21-30, completing their post graduation are frequently using phonepe.

**Key Words:** Digital Payments, Demonitisation. E-Payments Online Payments.

**II. INTRODUCTION:**

Digital payment, also known as electronic payment, is a convenient method where transactions are conducted through digital modes, without the involvement of physical cash. Both the payer and payee utilize online platforms for sending and receiving money. Various digital payment systems are available today, such as banking cards, digital wallets, UPI, USSD, IMPS, RTGS, NEFT, AEPS, and mobile banking. With the advancements in technology, digital payments are significantly impacting our daily lives and offering new and advantageous services.

**III. MEANING:**

A Digital payments sometimes called an "Electronic payments". Is the transfer value from one payment account to another using a Digital devices such as Mobile phone, computer? A Digital channel Commutations such as Mobile wireless data or (SWIFT) Society for the worldwide Inter bank financial telecommunications. This payment methods including payment made with bank transfers. mobile money and payment card's including credit and debit cards etc it's also called for the Digital payment methods.

**IV. REVIEW OF LITERATURE**

[1] Sanghita Roy. Dr. Indrajit Sinha (2014) stated that E- payment systems in India have experienced remarkable growth; however, there is still ample room for increasing their usage. Despite the progress, around 90% of transactions in the country remain cash-based. The Technology Acceptance Model has been utilized to study this phenomenon, revealing that factors like innovation, incentives, customer convenience, and a supportive legal framework play significant roles in strengthening the E-payment system.

E-payment systems serve as crucial mechanisms for secure and convenient payments made by individuals and organizations over the internet, fostering technological advancements in the global economy (Slozko & Pello, 2015).

[2] Rakesh H M & Ramya TJ (2014) in their research paper titled "A Study on Factors Influencing Consumer Adoption of Internet Banking in India" An examination was conducted to identify the factors

influencing internet banking adoption. The study found that internet banking adoption is significantly influenced by perceived reliability, perceived ease of use, and perceived usefulness. To encourage

consumers to adopt internet banking services, experts should emphasize the benefits it offers and work on improving awareness to attract their attention.

[3] Kartikeya Bolar (2014) In his research paper "End-user Acceptance of Technology Interface In Transaction Based Environment " It was emphasized that creators and investors in technology require information about customers' evaluations of their technology interface concerning its features and various quality dimensions. This information enables them to make strategic decisions aimed at improving technology interfaces and competing effectively across different quality dimensions.

[4] Balazs Vinnai, general manager. Digital Channels, Misyst April 25, 2016), says that "It is critical for banks to consider new digital channels as part of an integrated strategy and evolve from first to second generation digital banking switching digital from a supporting role, to the primary sales and communication channel for banks." According to the authors

S. Kowsalya, Swetha Krishnan, Mridhula R., Sowmya A. M., reengineering processes around the customer to embrace digital banking is essential for banks to stay competitive and relevant. Their paper, titled 'A Study on the Perception of Customers towards E- Commerce and E-Payments in Local Survey,' highlights that trust in E-commerce depends significantly on the online payment system,

Consumers are increasingly comfortable with online transactions and are concerned about the risks involved in electronic business transactions. As a result, more individuals are turning to e-commerce for electronic bill payments, information purchases, and product and service transactions. The authors note that E-payments represent a technological breakthrough that streamlines financial transactions online, removing hindrances and hassles. Digital payments offer individuals greater freedom in making payments for taxes, licenses, fees, fines, and purchases at unconventional locations, any time of the day, and every day of the year. The authors predict that credit and debit cards may become obsolete due to the rise of mobile technology and advancements in the internet industry.

While Paytm is currently performing well in terms of privacy, the authors suggest working on aspects such as discounts and offers, reducing transaction time, and fostering innovation to increase overall customer satisfaction. By addressing these areas, Paytm can strengthen its position and provide a more seamless and satisfying user experience.

[5] (Karamjeet Kaur, 2015). From this paper 'The Future of the Mobile Payment as Electronic Payment System' the author Zlatko Bezhovski states 'The mobile electronic payment method offers both security and convenience, leading to its anticipated global growth, potentially even surpassing credit and debit card payments. To accelerate the adoption of electronic payment methods and further propel the digital payments market, key steps include improving compatibility for a broader user base, leveraging the latest technology, establishing common standards among service providers, and addressing security and privacy concerns.'

[6] Rakesh HM & Ramya TJ (2014)

In this study analyzed 'The study identified the key factors driving the adoption of internet banking in our country. It revealed that perceived reliability, perceived ease of use, and perceived usefulness were the primary reasons behind the adoption and usage of internet banking.'

[7] Sanghita Roy, Dr. Indrajit Sinha (2014)

This study discussed in their paper that in India there has been a sudden surge in the usage of digitalised payment. In India, even with the availability of internet banking, a vast majority of transactions, approximately 90%, continue to be conducted using physical currency. In an effort to understand the reasons behind the resilience of the e-payment system, the researchers adopted the Technology Acceptance Model (TAM). Through their investigation, they pinpointed essential factors that bolster the e-payment system, including innovation, incentives, the legal framework, and customer convenience.

## V. INDUSTRY PROFILE:

India's banking system stands apart from its Asian counterparts due to the country's distinct geographic, social, and economic characteristics. With a large and diverse population, significant

regional income disparities, and a mix of socialistic and capitalistic economic policies, the banking sector has adapted to serve various state objectives. Nationalization schemes in different phases have made the banking industry an instrument of state policy, prioritizing equitable income distribution, balanced regional growth, and reducing private sector monopolies.

**VI. COMPANY PROFILE:**



Name: HDFC BANK  
 Industry: Financial services Founded: August 1994  
 Headquarters: Mumbai, Maharashtra, India Area served: India  
 Chairman: Sashidar Jagdishan Branches : 7821  
 Number of employees : 1,66,890 Website: www.hdfcbank.com

**VII. NEED OF THE STUDY**

Digital payments has become need of the both organized and unorganized sectors in the economy. However the technological development in financial transactions through digital has been resulting both advantages and disadvantages. more specifically, the issue relates to safety, security, privacy concerns, fraudulent attitude etc., are big challenges to the financial institutions. Due to this customers, though they are Highly educated and possessing information on process, producers, rules and regulations of accessing digital transaction, still there are many individuals are not using digital payments due to security , threats, safety issues at this context there is a need to study the customer perception towards digital payments.

**VIII. SCOPE OF THE STUDY**

The scope of the study relates to analyze the digital payment methods in HDFC BANK witha sample size of 110.

**IX. OBJECTIVES OF THE STUDY**

- To know Customers preferred forms of digital payments in HDFC bank.
- To analyze the impact of education, gender and age on digital payments in HDFC bank.
- To study the customers satisfaction levels on digital payment method in HDFC bank.

**X. HYPOTHESIS**

- H0 : There is no significant impact of customers education, customer gender, customer age on usage of digital payments.
- H1 : There is significant impact of customers education, customer gender, customer age on usage of digital payments.

**Descriptive statistics**

	Mean	Std.Deviation	N
SSSATISFACTION	1.77	1.081	110
AGE	2.22	0.641	110
GENDER	1.45	0.5	110
EDUCATION	3.41	0.849	110

**Correlations**

Pearson correlation	SATISFACTION	AGE	GENDER	EDUCATION

SATISFACTI ON	1.000	.85 4	.770	.702
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Mo del	R	R Squ are	Adju sted R squar e	Std. error of the esti mate	Change statistics				
					R squ are	F cha nge	D f1	D f2	Sig. F cha nge
1	.9 39 a	0.88 1	0.878	0.37 8	0.8 81	261. 94	3	1 0 6	0

- a. Predictors: (constant), EDUCATION,AGE,GENDER
- b. Dependent variable: SATISFACTION

**XI. RESEARCH METHODOLOGY: SAMPLING METHOD**

- Convenience sampling

**SAMPLE SIZE**

- sample size is 110

**SOURCE OF DATA**

1. Primary data

The primary data was collected through questionnaire.

2. Secondary data

In addition to primary data collection, the study also incorporated secondary data from diverse sources, including research papers, articles, journals, and various types of online data.

This combination of primary and secondary data allowed for a comprehensive analysis and a more well-rounded understanding of the subject matter.

**XII. TOOLS AND TECHNIQUES :**

- Tools

Power bi

- 2) Education wise respondents

excel

Spss

- Techniques

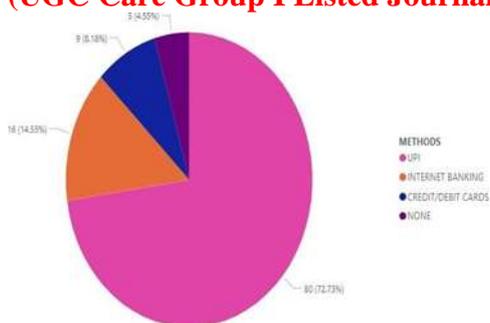
Regression

**XIII. LIMITATIONS OF THE STUDY:**

- Sample size is only 110.
- Time and money are constraints.
- The primary data for research objective is Collected from the sample based in HDFC BANK.

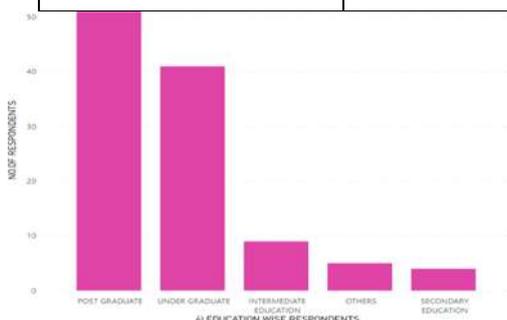
**XIV. DATA ANALYSIS AND INTERPRETATION: 1)DIGITALPAYMENT METHODS ARE USED FREQUENTLY**

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
1	UPI	80	72.73
2	INTERNET BANKING	16	14.55
3	CREDIT/DEBIT CARDS	9	8.18
4	NONE	5	4.55
TOTAL		110	100



**INTERPRETATION:** Overall, the survey suggests that UPI is the most preferred and widely used mode of digital payment among the respondents. Internet banking and credit/debit cards are also used, but to a lesser extent. It's worth noting that a small percentage of respondents mentioned not using any digital payment methods at all.

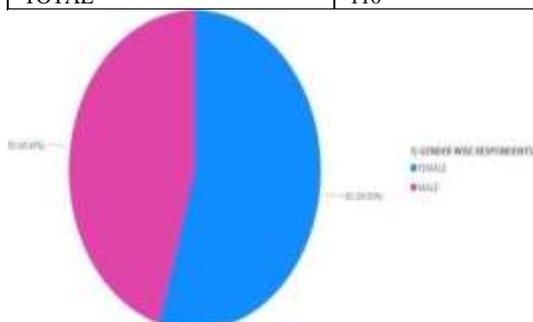
S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
1	SECONDARY EDUCATION	4	3.64
2	INTERMEDIATE EDUCATION	9	8.18
3	UNDER GRADUATE	41	37.27
4	POST GRADUATE	51	46.36
5	OTHERS	5	4.55
<b>TOTAL</b>		<b>110</b>	<b>100</b>



**INTERPRETATION:** From the above table shows majority of the responded who had done post-graduation and 46.363% respondents of 110 respondents. Secondary education are responded 3.63%, intermediate education are responded 8.181%, under graduation are responded 37.272%, others are 4.545% respondents. It is clear that most of the respondents belong to the post graduation 51 respondents out of 110 respondents.

**3) Age wise respondents**

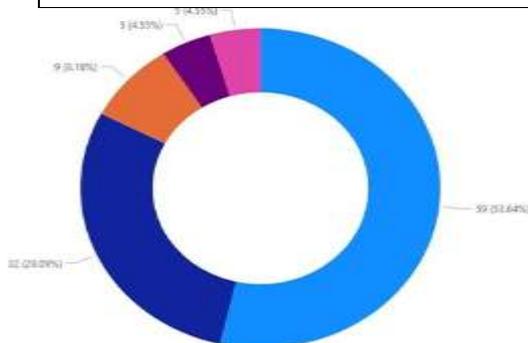
S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
1	10-20	5	4.54
2	21-30	83	75.45
3	31-40	16	14.54
4	41-50	5	4.54
5	ABOVE	1	0.90
<b>TOTAL</b>		<b>110</b>	<b>100</b>



INTERPRETATION: From the above table the majority of respondents are group of 21-30 years Out of the total number of respondents 75.45%. Belong to the age of above50 years of only one respondents of 0.90% respondents.It’s very clear that the most of the respondents belong to the age group of 21- 30. digital payments, highlighting areas where improvements or addressing specific issues could enhance overall satisfaction levels.

4) **OVERALL ANALYSIS OF DIGITALPAYMENT METHOD**

S.NO	PARTICULRS	NO.OF RESPONFENTS	PERCENTAGE
1	SATISFIED	59	53.64
2	VERY SATISFIED	32	29.09
3	NEUTRAL	9	8.18
4	DISSATISFIED	5	4.55
5	VERY DISSATISFIED	5	4.55
TOTAL		110	100



INTERPRETATION:

Overall, the data suggests that the majority of respondents are satisfied or very satisfied with digital payments, with a combined percentage of 82.73%. However, it’s worth noting that a small portion of respondents (9.09%) expressed some level of dissatisfaction or neutrality towards

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