

**A STUDY ON DIGITAL PAYMENT SYSTEM AND ITS IMPACTS IN SMALL  
BUSINESS IN TENKASI TALUK**

*A project report submitted to Manonmaniam Sundaranar University for the partial  
Fulfillment of the requirement for the degree of bachelor of Commerce*

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**APRIL -2025**

# DECLARATION

A hereby declare that the project titled “A STUDY ON DIGITAL PAYMENT SYSTEM AND ITS IMPACTS IN SMALL BUSINESS” being submitted to the Manonmaniam Sundaranar University in partial fulfillment of the requirements for the *Degree of Bachelor of commerce* is entirely my own work and the same has not formed the basis for the award of any degree or diploma or other similar titles.

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## **CERTIFICATE**

This is to certify that the project entitled “A STUDY ON DIGITAL PAYMENT SYSTEM AND ITS IMPACTS IN SMALL BUSINESS” is based on original work done by M. SUBALAKSHMI, P. SUBBULAKSHM, C. THAMARAISELVI, M. UTHURALAKSHMI in partial fulfillment of the requirements for the *Degree in Bachelor of Commerce, Manonmaiam Sundaranar University* is done by them during the period 2024 – 2025 under my guidance and supervision and no part thereof has been submitted anywhere for any degree.

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## **ACKNOWLEDGEMENT**

We think the God almighty for giving us the health and courage to finish our work on time.

We Extremely Grateful thank to Dr. V. Ganapathisankarakrishnan, Associate Professor and Head of the Department of Commerce, Sri ParamaKalyani College, Alwarkurichi,

We Grateful to Dr. R. Sivasankari, Assistant Professor & Head of the department of Commerce (SF), Sri ParamaKalyani College, Alwarkurichi.

We Grateful to Dr. K. Sivasankari, Assistant Professor, Department of Commerce, Sri ParamaKalyani College, Alwarkurichi him Inspiring guidance relating to my project work. There Is no doubt that him valuable and prompt Suggestions enabled us to complete our project work on time.

It's my duty to express our gratitude to our department staff members and parents who have motivated us throughout the course of this project work.

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# **CHAPTER 1**

## **INTRODUCTION AND DESIGN OF THE STUDY**

### **1. 1 Introduction**

Digital payment systems refer to electronic methods of conducting financial transactions, allowing consumers and businesses to exchange money without the need for physical cash. These systems have evolved significantly over the past few decades, driven by technological advancements, changing consumer behaviour, and the need for more efficient financial transactions.

### **1.2 SIGNIFICANCE OF THE STUDY**

Making India a cashless nation today is a significant task. The need of the hour is for innovative advertising strategies that improve digital financial literacy. Because it decreases the cost of delivering financial services to the poor and promotes the security and ease of using savings, payment, and insurance products, digital payments have emerged as a key tool for increasing financial inclusion. In order to help the government, policy makers, and financial institutions address the issues related to the digital payment system, this study will highlight the many issues consumers encounter when utilising the digital payment modes. The technological advancements in digital payments will be clarified.

### **1.3 STATEMENT OF PROBLEM**

A digital payment has altered how people conduct business both in the real world and online during the past few years. Indian customers' everyday spending patterns and way of life are being impacted by the plastic culture, and credit card payments are increasing more than ever. The change is the result of information technology development, which has facilitated real-time data communication. Many business owners in the nation are investing in more contemporary methods of distributing and selling goods and services, such as online marketing and advertising. These strategies have also raised consumer awareness of digital payments and enhanced their marketing. The current system of organised payment evolved from the time of exchange of goods to the digital payment system. Coins, cash, and checks were the primary ways of payment in India during the 20th century, but in the 21st century virtual electronic technologies have mostly replaced traditional methods.



This digitalization has been seen during the pandemic Covid-19, then the world suffered with the severe lockdown, the digital payment system plays the significant role in every aspect of life. Therefore, it is relevant to pay attention towards digital payment system and let India become cashless.

#### **1.4 OBJECTIVES OF THE STUDY**

- To know the Demographic profile of the respondents.
- To evaluate the rate of adoption of digital payment systems among small businesses and identify the factors influencing this adoption.
- To understand the experiences of small business owners with various digital payment platforms.
- To identify the challenges and barriers small business while using digital payments.
- To analyse the financial benefits that small businesses experience from implementing digital payment system

#### **1.5 SCOPE OF THE STUDY**

The scope of the present study is extensive. This study focuses on small business owners perception regarding the digital payment system in Tenkasi Taluk. The findings of the study may have practical implication for the government of our country as the planning to move towards the cashless economy. This study points out the various challenges faced by the small businesses by using the various modes of payments which will be useful for the ease of acquisition on both the customers and vendor front, which are expected to contribute to long term growth of the industry which are into the financial services. This project was conducted on the digital payment in Tenkasi Taluk.

#### **1.6 RESEARCH METHODOLOGY**

Research methodology is a way to systematically study the research problem. It explains the statement of the research problem, objectives, chapter scheme, scope, source, period and sample of study. Also, the statistical tools and techniques which are used to analyze the data have been discussed. The research methodology under the present study is summarized. It has equally focused on both quantitative as well as qualitative features of research.

## **1.7 Sources of Data**

### **Primary Data**

Primary data related to awareness and perception of digital payment were obtained with the help of structured questionnaire prepared in English. Primary data refers to the data that are collected for the first time by an investigator for a specific purpose. For the study 60 questionnaires were distributed, however due to various difficulties, only 50 questionnaires were collected back with filled responses with aim of data analysis. The various techniques and tools are as follows

## **1.8 SAMPLING TECHNIQUE**

Random sampling technique is used to choose the sample from the population.

## **1.9 CHAPTER SCHEME**

**Chapter 1:** Introduction and Design of the study.

**Chapter 2:** Literature Review – Review existing research on digital payment systems and its impact on small businesses.

**Chapter 3:** Profile of the study

**Chapter 4:** Analysis the digital payments impact in small business – Presentation and analysis of the data collected.

**Chapter 5:** Findings, Conclusion and Suggestions, actionable recommendations for small businesses.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

**Vally&Divya(2018)** stated that a study on Digital Payments in India with perspective of consumers adoption from the objectives of the study was to examine the age of respondents impact on digital payments, analyze the impact of customers education and customer income usage of digital payments. The data used for the study was primary drawn from the convenience sampling. They have collected data through structured questionnaire and they analyzed by using the simple percentage analysis and chi square test have been taken for the study. The finding of study the effect of adopting digital payments impact on banking sector by consumer in India. The results gives important policy that our country to increase cashless payments. The study gives percentage of awareness on maximum utilization of technology bank should take effective measures in creating awareness towards the effective usage of technology and security.

**Pandey, 2022**, stated that “a study on Digital Payments system and consumer Perception: An Empirical Survey”. The objective of the study was examine digital payment system of India and understand various modes of digital payment in Indian Banking Industry before after pandemic and to understand the impact of user perception, payment systems of trust and experience of online fraud on the choice of mode of payments. The data used for the study primary data as well as secondary data collected from various articles, research papers and RBI websites. They collected data through questionnaire of 10 questions and 6 sub questions were designed to collect data. The finding of study all government, regulator, services provides work together to improve payment systems and related infrastructure. The impact of fraud on digital options varies depending on the purpose of the transaction. The adoption of digital payments is expected to increase based on the general socio-economic development of the people. Although the data collection comes from a geographically diverse group of respondents, it is still limited to a certain segment of the population. Data was collected using random sampling therefore it only includes respondents willing to complete the survey online various central banks around the world conduct payments log surveys to assess useful variables at the individual level and observe their impact on payment behaviour. In the future, such surveys may be continued with a larger sample and in a more structured manner.

**LeebanaGracy I,2024**, Stated the “A Study on Digital Payments and users experience” . The Objectives of the study are the relationship between age usage of digital payments, analyze

the factors that influences digital payments, explore the problems faced by users, understand the awareness of using digital payment application assess the user satisfaction level. The purpose of the study was primary data which was collected from respondents belonging to different age group, gender, occupation etc., and used secondary data like research articles, journals, and magazine. The sample size 50 around people Bangalore for the purpose of this study. The analysis tools were used Regression statistical tool was used for analyzing the primary data collected, with the use of SPSS software. The Findings of the study is the factor influence the use of digital payments is convenience which 23/60 respondents have opted, access to technology 19/60 response. The major problem faced digital payment is technical issue for which 42 out of 60 has responded. Highly used application for digital payment is Google pay 50% of respondents have opted i.e., 30/60 and secondly stands Phonepe 21/60 respondent. The 41 out 60 respondents are highly satisfied using digital payment method.

**Jacob Kurian, 2022** stated that a “study on India Digital payments and their impact on consumers”. The objective of the study to investigate the impact of respondents age on digital payments, examine the effect of customer education on digital payment usage, investigate the impact of a customer’s income status on their use of digital. The study is being carried out data collection structured questionnaire used, simple percentage, chi square were used. Secondary Primary data were used in this methodology. The finding of the data was acquired from Bangalore based sample. The survey goal was to check customers opinions about digital payment in relation to the concept of general banking. It shows that deploying technology for digital payments has enhanced the banking sectors performance and made it possible to accomplish goal of a cashless society.

**Martina &selvi, 2017** stated an overview on Digital Payments the objective of the study to explore the various modes of digital payment transaction that is offered by various financial institutions, the extent of operations of digital payments while dealing with online transactions and offer suitable suggestions in handing digital payments as easy and convenient one. The study is based on secondary data the materials were used books, journal, newspaper and websites. The finding of the study Government ensure that the operation of digital payment transaction free from transaction cost which help to customer to purchase, it could give concession to the retailers, merchants who sell the product and services via digital mode, traning programmes could be organized by the government to train people to use of digital payments, Government can give continuous media coverage through TV news, radio or social networking about the benefits of digital payments to the society.

**Dr.Vatsal Patel, 2021** stated that “a study of impact of covid 19 on digital payments in India” the objectives of the study to know the importance of digital payments in pandemic, study modes of online payments, compare and analyze present with previous year data of Digital payment, to know the usage of digital payments, highlights the issues of digital payment systems. The data is collected in form of conclusive study and it has followed secondary methodology. The finding of the study is safety measures using more, after covid 19 every single shop adopted the digital payment system for the receiving and paying the money, it encouraged and urged customers and all service providers of critical services to move to digital payment systems in order to remain secure, digitization of the banking sector is bound to satisfy the increasing expectations of the population. Most enterprises do not have to focus on the timings of banking operations.

**Chandrasekaran&Narayan, 2019** stated Digital payment in India the objectives of the study the various mode of digital payment, to identify the factors motivating the digital payment users, to examine the problems in digital payment services. The data is used on the basis of primary data. The finding of the study is the greater freedom to individuals in paying their taxes, license, fees, fines and purchases at any location per year. Success of digital payment system also depends on the customer preferences, cost etc., Based on conclusion it is clear that the internet is playing a more and more important role in the field of digital payments.

**Aathira,2020,** stated that” an overview on digital payment methods” the objectives of the study to explore the various digital payment method, analyze the opportunities and challenging in digital payment system. The study is completed based on secondary data. The findings of the study are way to future of digital payments because it makes all financial transactions more transparent and accountable. It is simplest and easier way to make the transactions money all over the world without time consuming. This should be awareness among people.

**Sujith T S, Julie C D (2017)** the article entitled “Opportunities and Challenges of E-Payment System in India”. This investigation aimed to identify the issues and challenges of electronic payment systems and offer some answers for improve the e-payment system. E-payment system provides more opportunities as well as. The examination found that, Digital revolution has provided an easy approach for digital payments. The investigation additionally found that, the reach of mobile network, Internet and electricity is likewise expanding digital payments to remote areas. This will surely increase the number of digital payments.

**Mamta, Prof. Hariom Tyagi and Dr. Abhishek Shukla (2016)** the article entitled “The Study of Electronic Payment Systems”. This investigation aimed to identify the issues and challenges of electronic payment systems and offer some answers for improve the epayment system quality. The successful implementations of electronic payment systems depend on how the security and protection dimensions perceived by consumers just as sellers are famously managed, thus would improve the market confidence in the system.

**Preeti Garg and Manvi Panchal (2016)** the article entitled “Study on Introduction of Cashless Economy in India 2016: Benefits and Challenge“s”. This paper contemplated the perspectives on individuals on presentation of cashless economy in India. The investigation was led in Delhi area and information was gathered with the assistance of organized poll and examined utilizing basic rate technique. Reactions from respondents shows that cashless economy will help in checking dark cash, counterfeit’s counterfeit money, battling against illegal intimidation, diminish money related burglary, helps in improving financial development of our nation. Significant difficulties that canupset the execution of the strategy are digital extortion, high ignorance rate, disposition of individuals, absence of straightforwardness and effectiveness in digital payment system. The investigation found that, the presentation of cashless economy in India can be viewed as a stage right way. It helps in development and advancement of economy in India.

**Vidya Shree DV, Yamuna N. and Nitua Shree G (2015)** the article entitled “A Study on new Dynamics in Digital Payment System -with special reference to Paytm and Pay U Money”. The research paper is zeroing in on the effect of the new digital payments systems on clients and issues experienced assuming any. The research found that, individuals are more mindful about the online payments through portable applications and there is a more extensive expansion in development rate. The research likewise found that, Paytm and Pay U cash is giving simple payment structures contrasted with Digital payment system.

**Raghvendra Nayak (2018):** It was a conceptual study on “Digitalisation of Banking-Issues and Challenges in Rural India”. He studied that the campaign of digital India made a noticeable effect on banking sector of India. Even the development in digitalization still India lagging behind in the implementation of digitalization to banking sector and It is true the digitalization of banking will bring revolution in the Indian economy but it is still needed to implement digital services in rural areas also. It’s related with many conceptual issues and challenges in implementing digitalization of rural banking areas. It studied about the

efficiency of banking and enable smoother transactions. It helps to found the factors which enable fast and furious changes in banking sector in adopting digitalization special references.

**Dr.S.Manikandan And J.MaryJayakodi (2017)** - In their research paper ‘An Empirical Study On Consumer Adoption Of Mobile Wallet With Special Reference To Chennai City’ they found that in present world smart phones play an important role in the daily life of people. He found smart phones are made as devices with advancement of technological which were used as money transactions or payments by using application installed in phones by the users of mobile. For this they prepared a structural questionnaire collect data from 150 respondents for finding the factors affecting the consumer for the adoption and usage of mobile wallet to analyses to get the result for their research. After the results finding they clear the online payments were altered by mobile wallet.

**Mrs. Pranjali AND Etal (2017):** The author describes the importance of digitaleconomy in his paper ‘Impact and Importance of DigitalTransactions in India’. The Government of India estimated that the digitalpolicy will increase employment, reduce cash related robbery and cash related corruption and also attract more foreign investors to the country. It is expected modernization of payment systems will reduce the cost of banking services. Accordingly cash economy is not the complete absence of cash but a setting in which goods and services are bought and paid trough electronic media. Importance of digitaltransaction it reduce red tapism and bureaucracy reduce the black money and corruption helps in accurate taxation reduce the tax corruption. Stop the cash related illegal activities make easier transactions.

**Mathew (2015):** The Mathew conducted an empirical study on changing trends in shopping regarding E-Commerce. In his study he found that the people in present scenario getting started to use the method of shopping online instead of using physical stores for shopping. He describes that advanced development in computer and network technologies assure safe transactions over the internet. Online monetary transactions increasing day by day. It’s rising in customers order through online payments. The frequencies of online shopping rapidly increasing people are using their plastic money and mobile wallets for their payments. In addition to this retailers are also offering various incentives for to the online shoppers most of the customers turned towards online shopping for their everyday essentials.

**Aditya Sharma (2015):** In his research paper ‘Digital India – A New Change In India Economy’ he search about the recently new concept about the adoption of digital India. At

the time of digital campaign in India 160 million Jan Dhan accounts 130 million direct benefit transfer and 110 million insurance policies transfer in digital only in few weeks to give power of digitalization. In 1986 in India the service of internet started from that starting till today India growing at very high growth rate. He explains the 9 pillars of digital India. It is a Indian government initiatives to ensure government services are made easily available to the people online in digital form by increasing internet connectivity.

**Renita D'souza( 2018)** - He publish his paper on “digitalIndia Getting Incentives Rights” He publish a key chapter in fourth industrial revolution (4IR) such as production and management, which is an outcome of leveraging technology and digital innovation in consider the case of virtual or digital markets. These markets have made physical space constraints redundant and eliminated the need to visit sops on ground. Today it is the time for digital transactions. Digital transaction is positively correlated with the level of education and consumer income. The size of the informal economy of a nation reflects the productivity of cash use lock in persistent cash as the inevitable status queue. There are no shortcuts to becoming irrelevant in this economy banks and other financial institutions will have to consider reconfiguring their business processes and functioning with Smartphone's.

**Piyush Kumar And Dr.Dhani Shanker Chaubay (2017):** In his research paper ‘Demonetization and Its Impact ON Adoption of Digital Payment’ researchers explain the opportunities issues and challenges in adoption of digital payments after demonetization these digital payments changed the economic condition of Indian government. After demonetization Epayments become a day to day part of Indian peoples. These issues provide a research agenda to encourage the researcher to explore new knowledge. Mobile payments are also adopted after demonetization by Indian peoples. Mobile banking are also adopted which provide by the banks which allows the customers to doing transactions with their mobile devices.

**Bellman S. Lohse and Etal (1999):** In the paper ‘Predictor Of Online Buying Behavior’ the author explain the factors affecting the behavior of consumers regarding their buying habit online. He explain that consumers in worldwide with online facilities can shop online 24\*7 hours. In market sectors in online services included insurance, financial service, computer hardware and software, travel, books, music, video and automobiles are experiencing rapid growth in online selling. Author explains that with growth of networking system the habit of consumers towards online shopping increased rapidly.



## **CHAPTER III**

### **PROFILE OF THE STUDY**

#### **3.1 DIGITAL PAYMENT SYSTEM**

The populace uses digital payments frequently because they are a safe, quick, and convenient way to make any kind of payment online. They also provide an opportunity for the economy to develop and excel in terms of its technological growth in the global economy. Digital payments provide advanced money to e-commerce and e-businesses while also bringing efficiency, reducing fraud, and adding new innovations to the global payment system.

Digital payments are transactions made using one of the many digital payment methods that are currently available, including debit cards, credit cards, mobile wallets, internet banking, mobile banking, IMPS, AEPs, and UPI.

#### **3.2 CONSUMER PERCEPTION**

Consumers' awareness, perceptions, and views of a company, its brand, together with its goods and services, are referred to as consumer perception. It represents how a consumer perceives a company and its goods. Consumers' direct and indirect interactions with the various brands help shape their perceptions of the company. Knowing how consumers feel about our company can help us make improvements to our services, goods, and consumer experience.

#### **3.3 PHASES OF PAYMENT SYSTEM IN INDIA**

In 1995, the Reserve Bank of India established the Department of Information Technology (DIT) to handle all of the Reserve Bank's needs for computerization and modern communications networks, as well as to carry out early planning for technology advancement in the banking industry. DIT has completed most of the goals it was given when it was formed over the course of fifteen years. It has been crucial in the planning, creation, and implementation of IT-based systems that have aided in the performance of numerous Reserve Bank duties. The DIT's activities demonstrate the significant changes that have occurred during the past fifteen years. These can be divided into three categories:

Formative Phase (1995–2000): This was the first time the Department of Information Technology (DIT) focused on the need for banks to employ technologies quickly

and effectively. In order to lay out a strategic plan for changes to payment and settlement systems, the National Payments Council was established in 1999.

Stabilization Phase (2000-2005): During this time, DIT's attention was directed— towards stabilising the tasks and projects that had been given to it. The RTGS system was introduced during this time, which increased knowledge of its applicability and established the legal basis for its participants' rights and obligations

Maturity phase (2005—present): During this time, the Department of Payment and Settlement Systems (DPSS), which was separated from DIT in 2005, has been primarily responsible for regulating and supervising payment and settlement systems, including RTGS, inter-institutional government securities clearing, ECS, and EFT. The Payment system is classified into two major types. They are Paper based payment system and Electronic payment system.

Paper-based Payments: In the beginning, payments between banks were performed by physically exchanging paper payment information. According to the RBI report on an overview of India's payment systems, paper-based instruments are crucial to the country's financial system. Nearly 60% of all non-cash transactions in the nation are made using paper-based instruments including cheques, drafts, and accounts. The RBI's diligent efforts have led to the widespread use of electronic payment solutions rather than a preference for cash and cheques.

Electronic Payment System: In an electronic payment system, networks connect— the participant computers or terminals to the payment system's host computers. Initially, these systems were referred to as "Electronic Payment Systems." Due to technology breakthroughs and improvements in the payment system, banking transactions are now simpler and more user-friendly. With the help of electronics and information technology, banks are able to offer a wider range of goods and services. Examples include computerization and networking, core banking, automatic teller machines (ATMs), plastic money, such as credit cards, debit cards, and smart cards, phone banking, mobile banking, e-banking or net-banking, EFT, NEFT, and RTGS, as well as phone banking and mobile banking.

### **3.4 CHANGING CONSUMER BEHAVIOUR TOWARDS DIGITAL PAYMENT SYSTEM**

India is waging a notable, sophisticated insurgency. The cashless exchange that will power the future economy will only be made possible by the digitization of payment systems in many contexts, such as smart phones, the Unified Payment Interface, digital wallets, internet banking, card exchange, and so forth. Numerous factors are encouraging the growth of digital payments and the transition from a cash based economy to one that is cashless. These include the introduction of mobile internet, the encouragement of digital payments by non-bank service providers, one touch payments, the growth of the financial innovation sector, and government support in the form of incentives or tax breaks. All of these elements are creating a favorable environment for the growth of digital payments in India.

Consumers today have less time and energy to dedicate to brands. Every step of the journey, options are all around them. In order to reach more consumers and engage them more thoroughly than ever before, marketers must take a stand, grab their attention, and deliver the message they want to hear. Additionally, it is their responsibility to include the modifications that are confusing conventional procedures into your process. In the digital economy, the responsibility of the marketer is to recognize how the consumer's path is evolving and to assist them from awareness to advocacy at the end of their trip. It is difficult to identify needs and requirements, satisfy them, and generate demand in the market in the current environment of intense rivalry among businesses. An organization must come up with creative approaches to assess the demands of consumers and formulate strategies in order to stand out from the competition

### **3.5 DIGITAL PAYMENT SYSTEM IN INDIA**

In recent years, India's digital payment system has undergone technological advancement. Government services have been integrated both slowly and quickly, and last-mile deliveries now take place with the click of a mouse in a matter of seconds. As part of the Indian government's aim to digitize the financial sector and economy, the number of digital payment transactions has been gradually increasing over time. The promotion of financial inclusion as one of the key national goals of the nation has received more focused attention.

The rapid shift to a cashless economy in India has considerably accelerated the pace of adoption of digital payments. Following the Indian government's decision to demonetize currency, the concept of digital payments has grown significantly in 2016. The rise of mobile phones, reduced service delivery costs, banks' efforts to discourage clients from visiting their

local branches, unorganized support for the digital economy, and demonetization are just a few of the elements that have contributed to the transition. Digital payment systems quickly expanded in India as a result of the widespread use of internet-based banking and commerce. Many digital payment organizations have been founded as a result of technological advancement in order to expand, enhance, and provide secure e-payment transactions.

### **3.6 BENEFITS OF DIGITAL PAYMENT SYSTEM IN SMALL BUSINESS:**

#### **Increased efficiency:**

Digital payments streamline transaction processes, allowing for quicker payment approvals and reduced waiting times for funds to clear.

Automation of payment processes minimizes manual tasks, freeing up time for staff to focus on more strategic activities.

#### **Improved customer satisfaction:**

Offering various digital payment options enhances the customer experience, catering to preferences for convenience and speed.

Customers appreciate the ability to make payments online at any time, which can lead to increased sales and repeat business.

#### **Cost reduction:**

Digital payment systems typically incur lower transaction fees compared to traditional methods like checks.

Reducing the reliance on cash and paper checks decreases costs associated with printing, mailing, and processing physical payments.

#### **Enhanced security:**

Digital payments utilize advanced security measures such as encryption and tokenization, reducing the risk of fraud and data breaches.

Secure transactions build trust with customers and suppliers, fostering stronger business relationships.

### **3.5 Nature of digital payment system in small business**

#### **1. Variety of Payment Methods**

**Multiple Options:** Digital payment systems support various payment methods, including credit/debit cards, mobile wallets (e.g., Apple Pay, Google Pay), bank transfers, and online payment gateways (e.g., PayPal, Stripe).

**E-commerce Integration:** Many digital payment systems can be integrated into e-commerce platforms, allowing businesses to accept payments online seamlessly.

#### **2. Real-Time Transactions**

**Instant Processing:** Digital payments are processed in real-time, enabling immediate confirmation of transactions. This speed enhances customer satisfaction and improves cash flow for businesses.

**24/7 Availability:** Customers can make payments at any time, providing flexibility and convenience that traditional payment methods may not offer.

#### **3. User -Friendly Interfaces**

**Ease of Use:** Digital payment systems often feature intuitive interfaces that make it easy for both customers and business owners to navigate and complete transactions.

**Mobile Accessibility:** Many systems are optimized for mobile devices, allowing customers to make payments on the go.

#### **4. Security Features**

**Encryption and Tokenization:** Digital payment systems employ advanced security measures to protect sensitive customer information and reduce the risk of fraud.

**Compliance with Standards:** Many systems adhere to industry standards (e.g., PCI DSS) to ensure secure handling of payment data.

#### **5. Cost-Effectiveness**

**Lower Transaction Fees:** Digital payment systems often have lower fees compared to traditional payment methods, making them more cost-effective for small businesses.

**Reduced Cash Handling Costs:** By minimizing cash transactions, businesses can save on costs related to cash handling, such as security and transportation.

## **6. Data Analytics and Reporting**

**Transaction Tracking:** Digital payment systems provide detailed reports and analytics on sales, customer behavior, and payment trends, helping businesses make informed decisions.

**Customer Insights:** Businesses can gain insights into customer preferences and spending habits, allowing for targeted marketing and improved service offerings.

## **7. Integration with Other Business Tools**

**Accounting Software:** Many digital payment systems can integrate with accounting and inventory management software, streamlining financial processes and reducing manual data entry.

**Customer Relationship Management (CRM):** Integration with CRM systems can enhance customer engagement and loyalty programs.

## **8. Scalability**

**Adaptability:** Digital payment systems can easily scale with the growth of a business, accommodating increased transaction volumes and expanding payment options as needed.

**Global Reach:** Small businesses can expand their market reach by accepting international payments, opening up new revenue streams.

## **9. Customer Engagement**

**Loyalty Programs:** Many digital payment systems allow businesses to implement loyalty programs, encouraging repeat purchases and customer retention.

**Promotions and Discounts:** Businesses can easily offer promotions or discounts through digital payment platforms, enhancing customer engagement.

## **3.6 CHALLENGES IN DIGITAL PAYMENT SYSTEMS AND THEIR IMPACT ON SMALL BUSINESSES**

Digital payment systems offer transformative benefits for small businesses, but their adoption is not without challenges. Below is a detailed analysis of key challenges and their impacts:

### **1. Technological Infrastructure Gaps**

**Challenge:** Many small businesses, especially in rural or emerging economies, lack reliable internet connectivity, modern devices, or compatible software to support digital payment systems.

## **2. High Transaction Costs**

**Challenge:** While digital payments are often cheaper than traditional methods, fees (e.g., payment gateway charges, currency conversion costs) can accumulate for small businesses with high transaction volumes.

## **3. Cybersecurity Risks**

**Challenge:** Small businesses are vulnerable to cyberattacks, phishing, and data breaches due to limited resources to invest in robust security measures.

## **4. Resistance to Change**

Customer: Preference for cash due to familiarity or distrust of digital systems.

Businesses: Reluctance to adopt new technologies due to perceived complexity.

## **5. Regulatory and Compliance Burdens**

Challenge: Navigating complex regulations (e.g., anti-money laundering laws, tax compliance) tied to digital transactions can be overwhelming for small businesses.

## **6. Digital Literacy Gaps**

Challenge: Limited understanding of digital tools among business owners and employees.

## **7. Dependency on Third-Party Platforms**

Challenge: Reliance on external providers (e.g., PayPal, Stripe) for payment processing creates risks like service outages or policy changes.

## **8. Currency and Cross-Border Issues**

Challenge: Small businesses operating globally face exchange rate fluctuations, cross-border fees, and currency conversion delays.

### **3.7 IMPORTANCE OF DIGITAL PAYMENT SYSTEMS**

#### **1. Convenience and Customer Satisfaction**

Digital payments (e.g., mobile wallets, contactless cards) enable quick, seamless transactions, reducing wait times and friction for customers.

#### **2. Financial Inclusion**

Digital systems provide access to banking services for unbanked populations, especially in emerging economies.

#### **3. Operational Efficiency**

Automates invoicing, reduces manual cash handling, and streamlines accounting processes.

#### **4. Security and Fraud Prevention**

Advanced encryption and authentication protocols minimize risks of theft or counterfeit cash.

#### **5. Global Market Access**

Cross-border digital payments (e.g., PayPal, Stripe) enable small businesses to sell internationally.

#### **6. Data-Driven Decision-Making**

Transaction data provides insights into customer behavior, sales trends, and inventory needs.

### **3.8 IMPACT ON SMALL BUSINESSES**

#### **1. Increased Sales and Revenue**

- Digital payments attract tech-savvy customers who prefer cashless transactions.
- Example: Contactless payments can boost impulse purchases by 20–30% (SCORE, 2024).

#### **2. Cost Saving**

- Lower transaction fees compared to traditional methods (e.g., checks, cash deposits).
- Reduces overhead costs like cash storage and manual reconciliation.



### **3. Improved Cash Flow Management**

- Faster payment processing ensures quicker access to funds.
- Enables better liquidity for reinvestment in inventory, marketing, or expansion.

### **4. Competitive Edge**

- Businesses adopting digital payments outperform cash-only competitors in customer acquisition.
- Example: Small retailers with digital wallets see higher foot traffic from younger demographics.

### **5. Resilience During Crises**

- Digital systems enable continuity during disruptions (e.g., pandemics, natural disasters).
- Facilitates remote transactions and reduces dependency on physical storefronts.

### **6. Access to Formal Credit**

- Digital transaction histories help small businesses build creditworthiness.
- Banks and lenders use this data to offer loans at favorable rates (IZA World of Labor, 2024).

## **3.10 MERITS OF DIGITAL PAYMENT SYSTEMS**

### **1. Convenience and Speed**

Instant transactions reduce checkout time and eliminate cash-handling hassles.

### **2. Cost Savings**

Lower transaction fees compared to traditional methods (e.g., checks, cash deposits).

### **3. Enhanced Security**

Encryption, tokenization, and multi-factor authentication minimize fraud risks.

### **4. Global Market Access**

Facilitates cross-border transactions through platforms like PayPal or Stripe.

## 5. Financial Inclusion

Reaches unbanked populations via mobile wallets (e.g., M-Pesa in Kenya).

## 6. Data-Driven Insight

Generates transaction data for analyzing customer behavior.

### 3.11 DIGITAL PAYMENT METHODS

Digital payment is referred to as those payments that take place using the various types of electronic medium. These methods do not require payment to be made in the form of cash or providing cheque.

There are different modes and types of digital payments that are prevalent in India, which are discussed in detail in the following lines.

- Banking Cards
- USSD (Unstructured Supplementary Service Data)
- UPI (United Payment Interface)
- AEPS (Aadhaar enabled Payment System)
- Mobile wallets
- Point of Sale Machines (PoS)
- Mobile Banking
- Internet Banking

**1. Banking Cards:** Banking cards are the most widely used digital payment system in India. It offers a great set of features that provides convenience as well as security to the users. Cards offer the flexibility of making other types of digital payments. Customers can store card information in the mobile application and pay for the services using the stored card information.

**2. USSD ( Unstructured Supplementary Service Data):** USSD is another popular digital payment method. It can be used for carrying out cashless transactions using mobile, without the need of installing any banking app.

**3. AEPS (Aadhaar enabled payment system):** AEPS can be used for all the following banking transactions such as balance enquiries, cash withdrawal, cash deposit, aadhaar to aadhaar fund transfers. All such transactions are carried out through a banking correspondent which is based on Aadhaar verification.

**4. UPI (Unified Payment Interface):** UPI is the latest digital payment standard where the user having a bank account can transfer money to any other bank account using UPI based app. UPI enabled payments occur throughout the day and all 365 days in a year.

**5. Mobile Wallets:** Mobile wallets are another popular payment option. Here the users can add money to their virtual wallet using debit or credit cards and use the money added in the wallet to perform digital transactions.

**6. Point of Sale Terminals:** PoS terminals are installed in shops or stores where payments for purchases can be done through debit and credit cards. There are variations of PoS, one which can be Physical PoS and the other one is mobile PoS. The mobile PoS does away with the need of maintaining a physical device.

**7. Mobile Banking:** Mobile banking is a service provided by the banks through their mobile apps in a smartphone for performing transactions digitally. The scope of mobile banking has expanded extensively after the introduction of UPI and mobile wallets.

Mobile banking is a term used to describe a variety of services that are availed using mobile/smartphones.

**8. Internet Banking:** Internet banking is the process of performing banking transactions from the comfort of your home using a mobile phone/laptop/ desktop and an active internet connection. The major type of transactions can all be done using internet banking.

Internet banking services can be availed round the clock and all 365 days in a year, which makes it a popular choice for performing digital transactions.

**CHAPTER IV**  
**ANALYSIS THE IMPACT OF DIGITAL PAYMENTS IN SMALL BUSINESS**

TABLE 4.1  
**CLASSIFICATION OF RESPONDENTS ACCORDING TO AGE WISE**

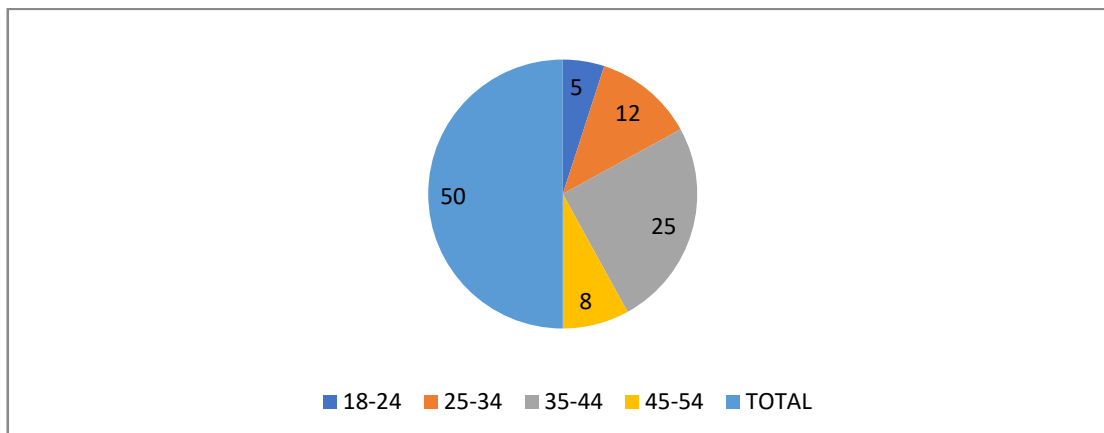
S.NO	AGE	RESPONDENTS	PERCENTAGE
1	18-24	5	10
2	25-34	12	24
3	35-44	25	50
4	45-54	8	16
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

**INTERPRETATION:**

The Above Table 4.1 Find out 18-24 age group respondents 5(10%), 25-34 age group respondents 12 (24%), 35-44 age group respondents 25(50%), 45-54 age group respondents 8(16%).

Hence, the major age group respondent is 35- 44 with 50%.

CHART 4.1



## GENDER WISE CLASSIFICATION

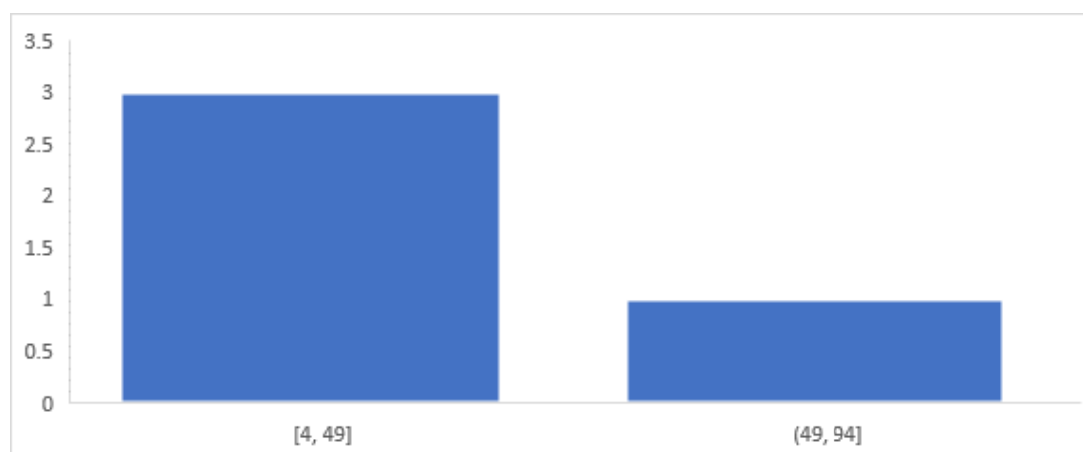
TABLE 4.2

S.NO	GENDER	RESPONDENTS	PERCENTAGE
1	MALE	30	60
2	FEMALE	20	40
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTREPRETATION:

The Above Table 4.2 male gender shows that most of the respondents were male (60%), female respondents were (40%).

Therefore, clear that majority of the respondents were in male.



## EDUCATIONAL QUALIFICATION

TABLE 4.3

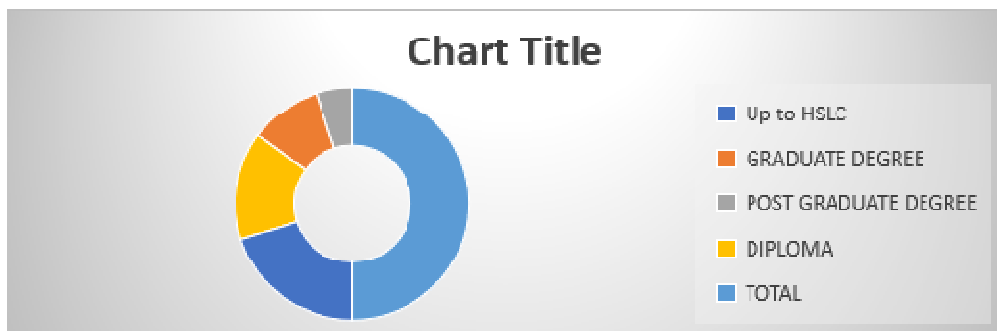
S.NO	EDUCATIONAL QUALIFICATION	RESPONDENTS	PERCENTAGE
1	Up to HSLC	20	40
2	Graduate degree	10	20
3	Post graduate degree	5	10
4	Diploma	15	30
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The Above Table 4.3 show that (40%) of the respondent were in HSLC, (20%) of the respondents were Graduate, (10%) of the respondents were Post Graduate and (30%) were in Diploma.

Therefore , The Majority Respondents were in HSLC

CHART 4.3



## BUSINESS YEAR

TABLE 4.4

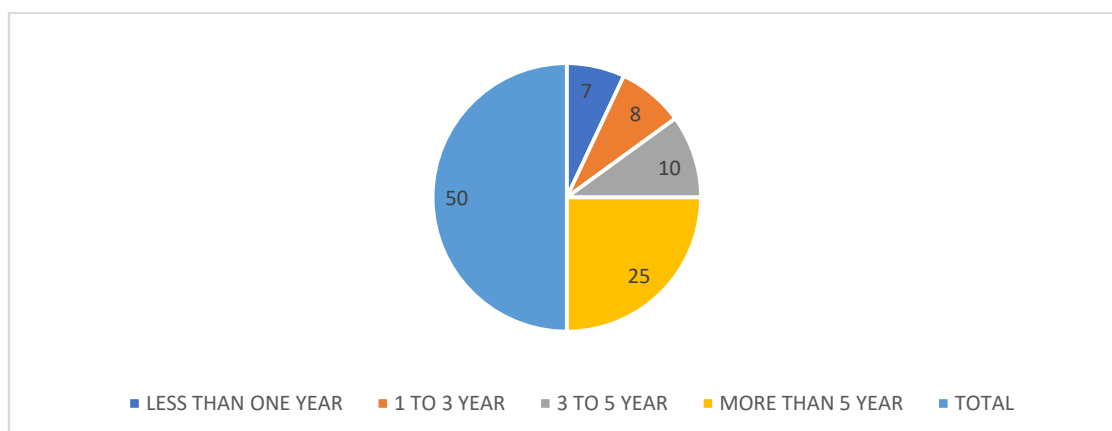
S.NO	BUSINESS YEAR	RESPONDENTS	PERCENTAGE
1	Less than one year	7	14
2	1 to 3 years	8	16
3	3 to 5 years	10	20
4	More than 5 years	25	50
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION:

The above table4.4 shows that (14%) of the respondents were in less than 1years, (16%) of the respondent were in 1-3years, (20%)of the respondents were in 3-5years, (50%) of the respondents were in more than 5years.

Hence the majority is more than 5 years.

CHART4.4



## MONTHLY TURNOVER

TABLE 4.5

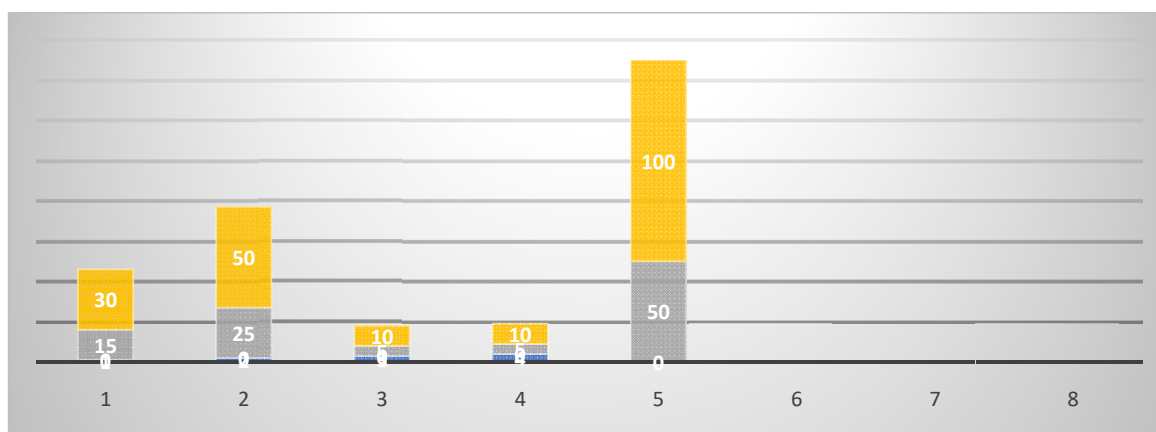
S.NO	MONTHLY TURNOVER	RESPONDENTS	PERCENTAGE
1	50000-100000	15	30
2	100000-150000	25	50
3	150000-200000	5	10
4	ABOVE 200000`	5	10
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table 4.5 shows that (30%) of the respondents were 50,000-1,00,000, (50%) Of the respondents were 1,00,000-1,50,000, (10%) of the respondents were 1,50,000-2,00,000, (10%) of the respondents were above 2,00,000.

Hence the majority of the respondents were in monthly turnover is 1,00,000-1,50,000.

CHART 4.5





## ROLE IN BUSINESS

TABLE 4.6

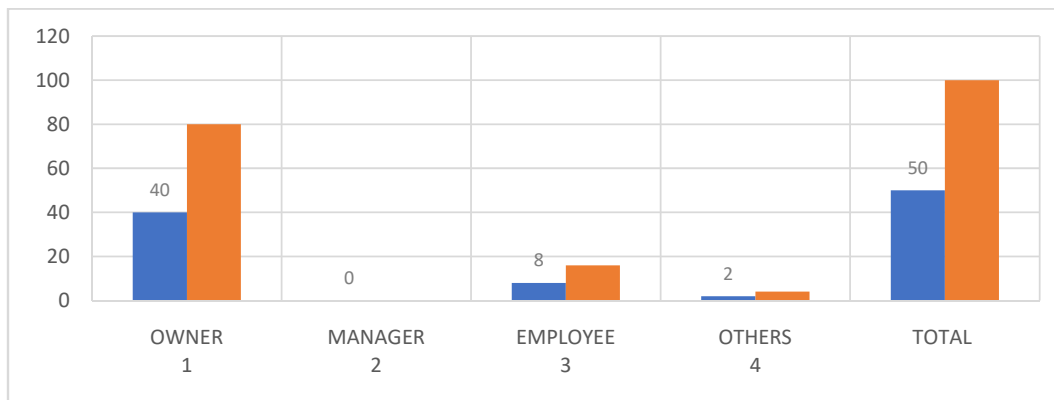
S.NO	ROLE IN BUSINESS	RESPONDENTS	PERCENTAGE
1	Owner	40	80
2	Manager	0	0
3	Employees	8	16
4	Others	2	4
	TOTAL	50	100

### INTERPRETATION:

The above table 4.6 shows that (80%) of the respondents were in owner,(16%)of the respondents were in employees,(4%) of the respondents were in others.

Hence, the majority of the respondents in role of business were owner.

CHART 4.6



## BUSINESS LOCATION

**TABLE 4.7**

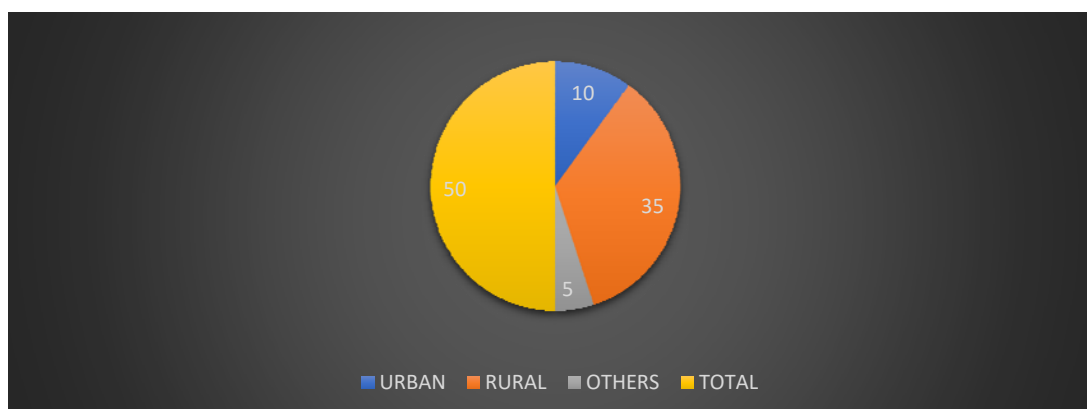
S.NO	BUSINESS LOCATION	RESPONDENTS	PERCENTAGE
1	URBAN	10	20
2	RURAL	35	70
3	OTHERS	5	10
	TOTAL	50	100

### INTERPRETATION

The above table 4.7 shows that (20%) of the respondents were in Urban, (70%) of the respondents were in Rural, (10%) of the respondents were in others.

Hence, the majority of the respondents were in Rural areas.

**CHART 4.7**



## TYPE OF BUSINESS

**TABLE 4.8**

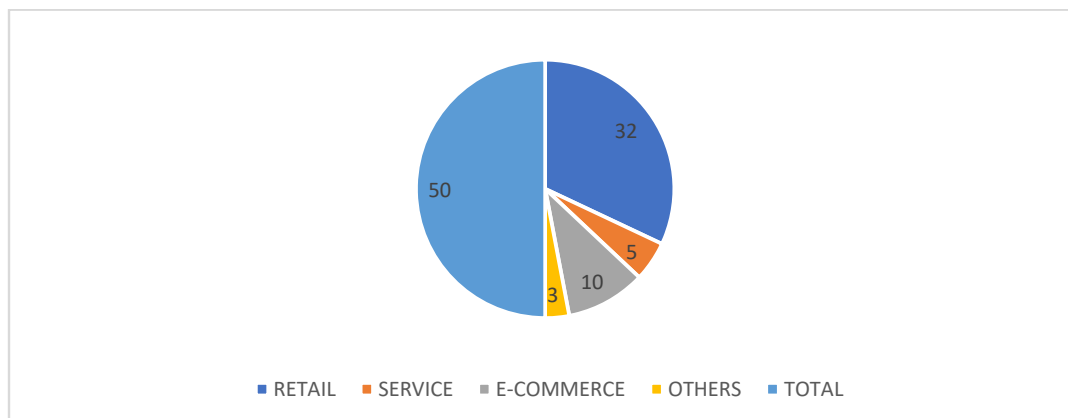
S.NO	TYPE OF BUSINESS	RESPONDENTS	PERCENTAGE
1	RETAIL	32	64
2	SERVICE	5	10
3	E-COMMERCE	10	20
4	OTHERS	3	6
	TOTAL	50	100

### INTERPRETATION

The above table 4.8 shows that (64%) of the respondents were retail, (10%) of the respondents were service, (20%) of the respondents were e-commerce, (6%) of the respondents were other.

Hence, the majority respondents were in Retail.

**CHART 4.8**



## COMMON CHALLENGES

TABLE 4.9

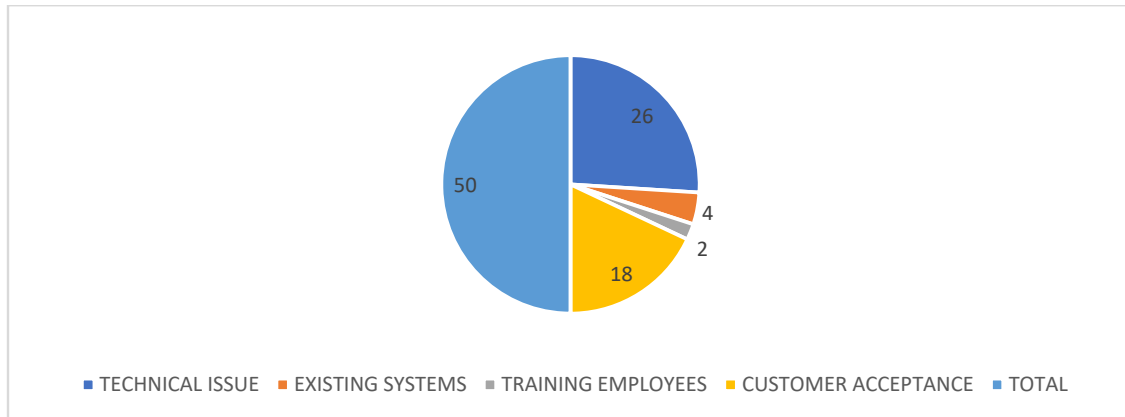
S.NO	COMMON CHALLENGES	RESPONDENTS	PERCENTAGE
1	Technical issue	26	52
2	Existing systems	4	8
3	Training employees	2	4
4	Customer acceptance	18	36
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table 4.9 shows that (52%) of the respondents were Technical issue,(8%)of the respondents were Existing system,(4%)of the respondents were Training employees, (36%) of the respondents were Customer acceptance.

Hence, the majority of the respondents were technical issues

CHART 4.9



## PRIMARY CONCERN

TABLE 4.10

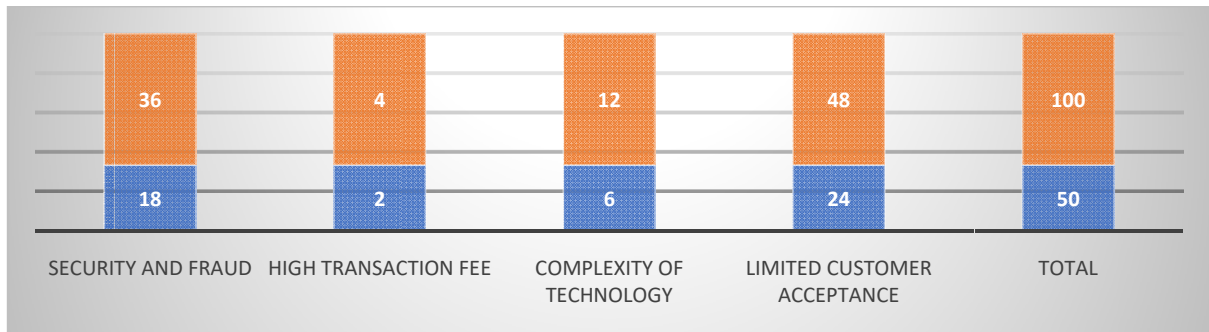
S.NO	PRIMARY CONCERN	RESPONDETNS	PERCENTAGE
1	Security and fraud	18	36
2	High transaction fee	2	4
3	Complexity of technology	6	12
4	Limited customer acceptance	24	48
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

## INTERPRETATION

The above table 4.10 shows that (36%) of the respondents were security and frauds,(4%) of the respondents were complexity of technology,(12%) of the respondents were limited customer acceptance.

Hence the majority of the respondents were in limited customer acceptance.

CHART4.10



## WORK LOAD

TABLE 4.11

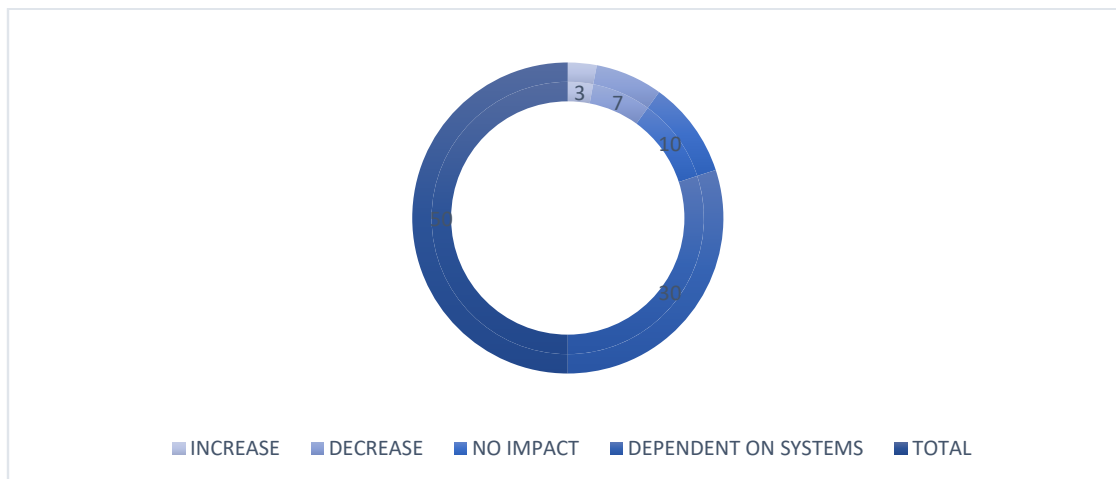
S.NO	WORKLOAD	RESPONDETNS	PERCENTAGE
1	INCREASE	3	6
2	DECREASE	7	14
3	NO IMPACT	10	20
4	DEPENDENT ON SYSTEMS	30	60
	TOTAL	50	100

### INTERPRETATION

The above table 4.11 shows that (6%) of the respondents were increase, (14%) of the respondents were decrease, (20%) of the respondents were no impact, (60%) of the respondents were dependents on system.

Hence the majority of the respondents were dependents on system.

CHART 4.11



## PROBLEMS

**TABLE 4.12**

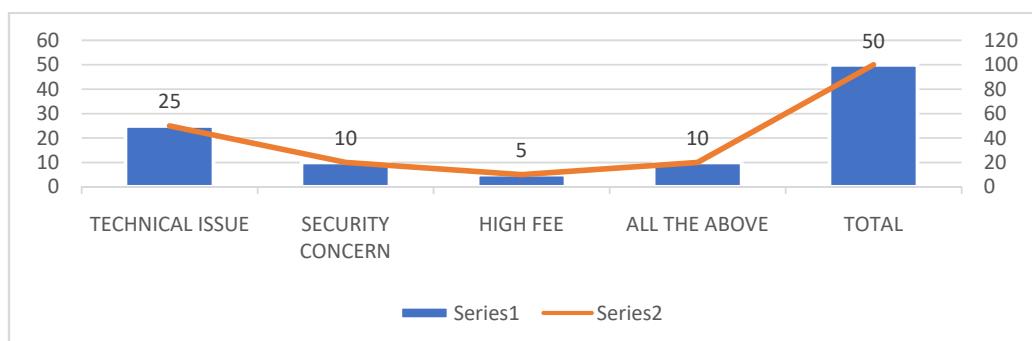
S.NO	PROBLEM	RESPONDETNS	PERCENTAGE
1	Technical issue	25	50
2	Security concern	10	20
3	High fee	5	10
4	All the above	10	20
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

## INTERPRETATION

The above table 4.12 shows that (50%) of the respondents were technical issue,(20%) of the respondents were security concern,(10%)of the respondents were high fee,(20%) of the respondents were all the above.

Hence the majority of the respondent were in technical issue.

**CHART 4.12**



## TRACK SALES AND EXPENSES

TABLE 4.13

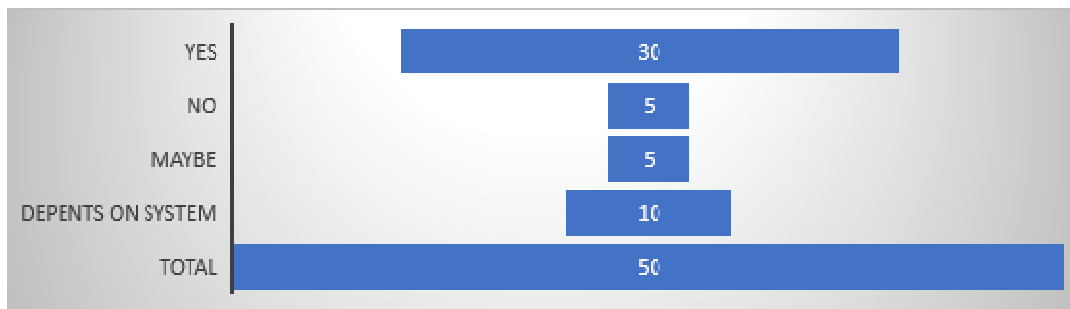
S.NO	TRACK SALES AND EXPENSES	RESPONDETNS	PERCENTAGE
1	Yes	30	60
2	No	5	10
3	Maybe	5	10
4	depends on system	10	20
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table4.13 shows that (60%)of the respondents were yes,(10%)of the respondents were no,(10%) of the respondents were maybe,(20%)of the respondents were depends on system.

Hence the majority of the respondents were yes.

CHART4.13





## ISSUE IN PAYMENT

TABLE 4.14

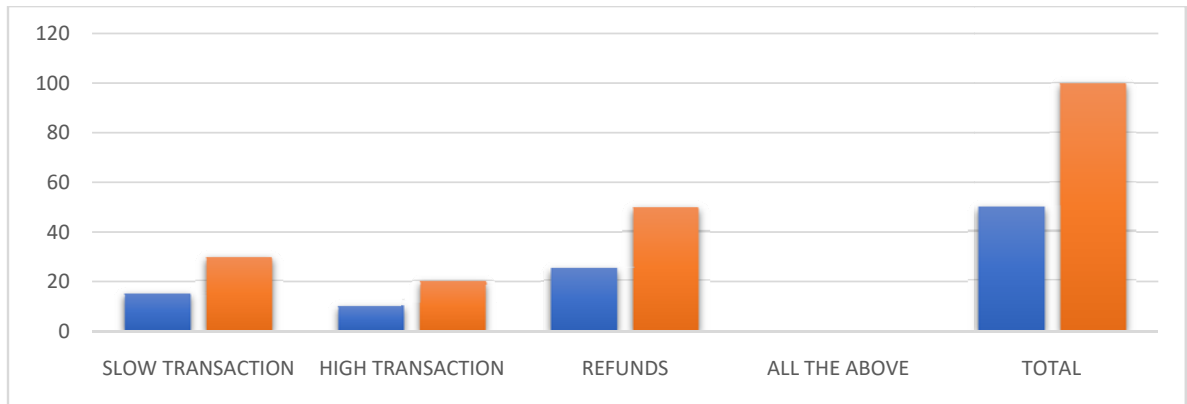
S.NO	ISSUES IN PAYMENTS	RESPONDENTS	PERCENTAGE
1	Slow transaction	15	30
2	High transaction	10	20
3	Refunds	25	50
4	All the above	0	0
	TOTAL	50	100

### INTERPRETATION

The above table 4.14 shows that (30%) of the respondents were slow transaction,(20%)of the respondents were high transaction,(50%) of the respondents were refunds.

Hence, the majority of the respondents were refunds.

CHART 4.14



## HACKED

TABLE 4.15

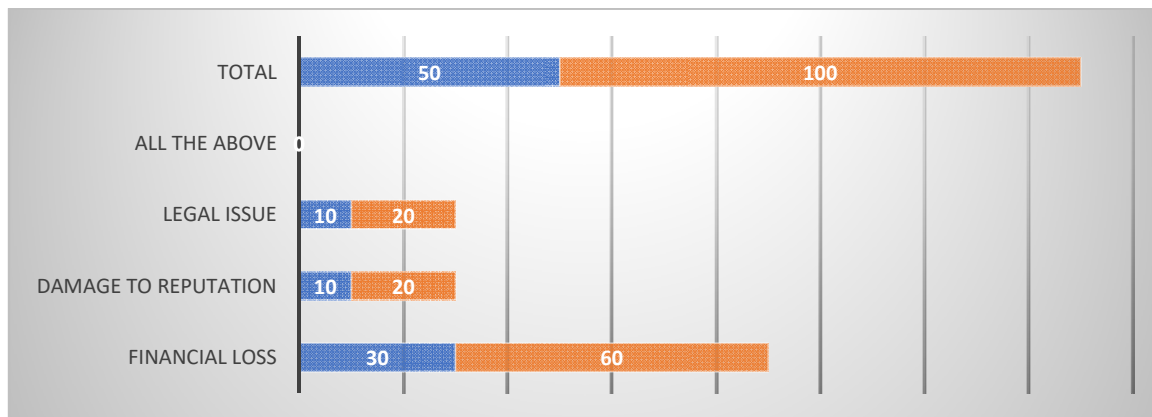
S.NO	HACKED	RESPONDETNS	PERCENTAGE
1	Financial loss	30	60
2	Damage to reputation	10	20
3	Legal issue	10	20
4	All the above	0	0
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

## INTERPRETATION

The above table 4.15 shows that (60%) of the respondents were financial loss, (20%) of the respondents were damage to reputation, (10%) of the respondents were legal issues, (10%) of the respondents were all the above.

Hence, the majority of the respondents were financial loss.

CHART4.15



## PROBLEMS WITH RELAYING

TABLE 4.16

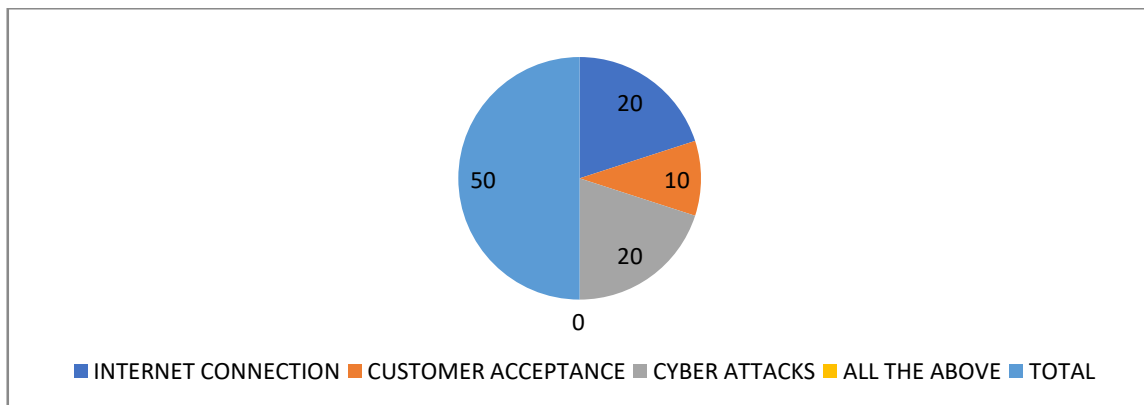
S.NO	PROBLEMS WITH RELYING	RESPONDETNS	PERCENTAGE
1	Internet connection	20	40
2	Customer acceptance	10	20
3	Cyber attacks	20	40
4	All the above	0	0
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table 4.16 shows that (40%)of the respondents were internet connection (20%)of the respondents were customer acceptance(40%)of the respondents were cyber attacks.

Hence, the majority of the respondents were internet connection.

CHART4.16



## DURATION

TABLE 4.17

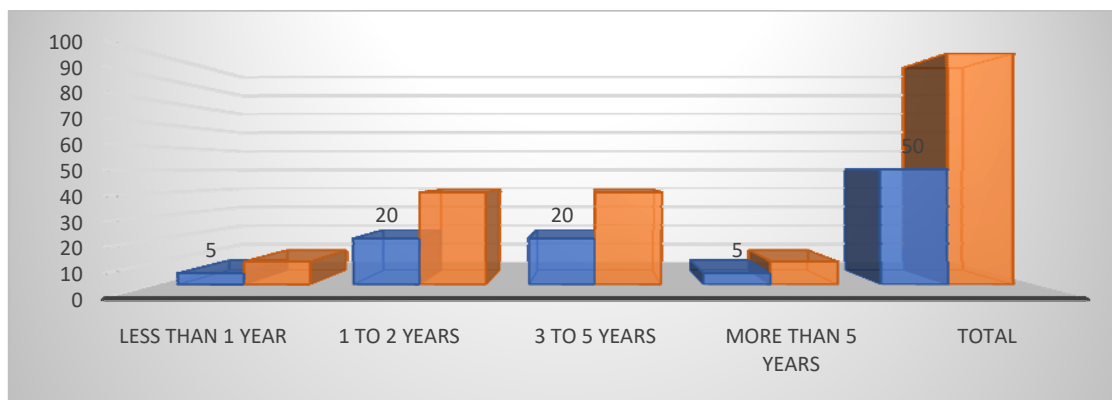
S.NO	DURATION	RESPONDETNS	PERCENTAGE
1	Less than 1 year	5	10
2	1 to 2 years	20	40
3	3 to 5 years	20	40
4	More than 5 years	5	10
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

## INTERPRETATION

The above table4.17 shows that (10%)of the respondents were less than 1year, (40%) of the respondents were 1-2yeras, (40%)of the respondents were 3-5years, (10%) of the respondents were more than 5years.

Hence, the majority of the respondents were in both 1 to 2 years and 3 to 5 years

CHART4.17



## METHODS

TABLE 4.18

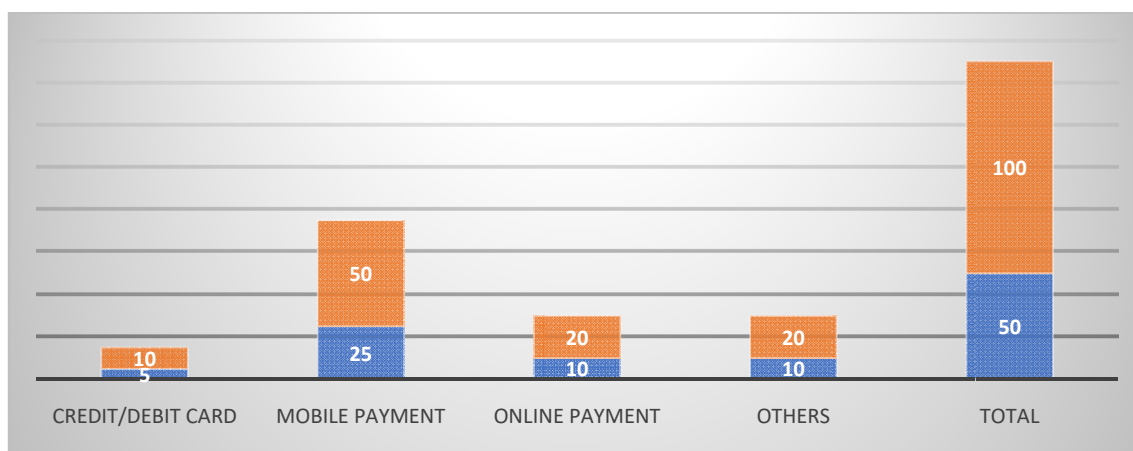
S.NO	METHODS	RESPONDETNS	PERCENTAGE
1	Credit/debit card	5	10
2	Mobile payment	25	50
3	Online payment	10	20
4	Others	10	20
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

## INTERPRETATION

The above table 4.18 shows that (10%) of the respondents were credit /debit card, (50%) Of the respondents were mobile payment, (20%)of the respondents were online payment, (10%)of the respondents were others.

Hence, the majority of the respondents were mobile payment

CHART4.18



## EXPERIENCE OF THE RESPONDENTS

TABLE 4.19

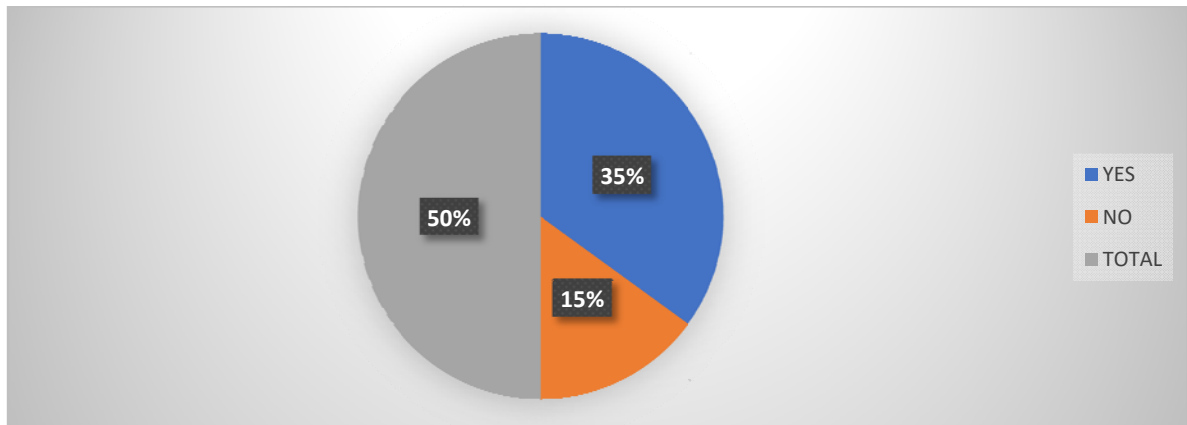
S.NO	EXPERIENCE	RESPONDETNS	PERCENTAGE
1	YES	35	70
2	NO	15	30
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table 4.19 shows that (70%) of the respondents were yes, (30%)of the respondents were no.

Hence, the majority of the respondents were yes.

CHART 4.19



## TRANSACTION ERRORS

TABLE 4.20

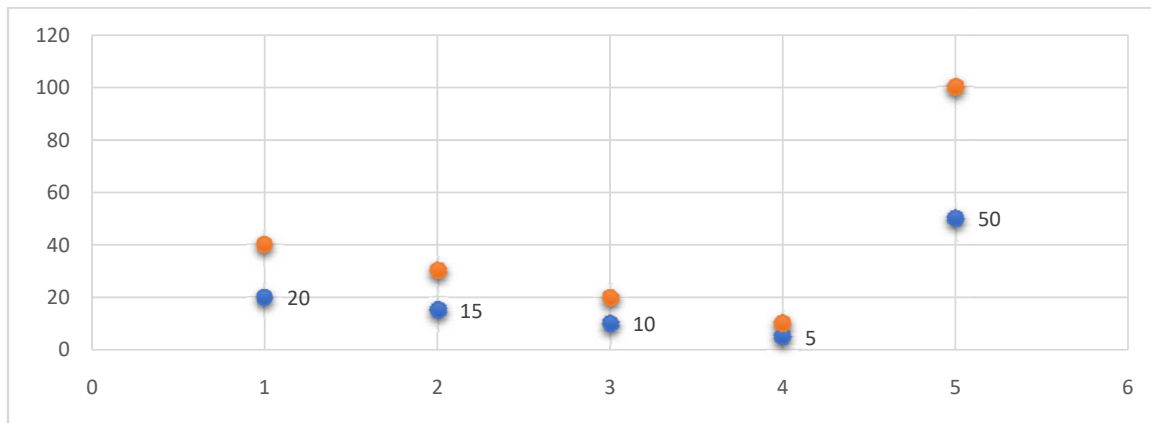
S.NO	TRANSACTION ERRORS	RESPONDETNS	PERCENTAGE
1	Frequently	20	40
2	Occasionally	15	30
3	Rarely	10	20
4	Never	5	10
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table 4.20 shows that (40%) of the respondents were frequently, (30%)of the respondents were occasionally, (20%)of the respondents were rarely, (10%)of the respondents were never.

Hence the majority of the respondents were frequently

CHART 4.20



## COMPLICATED

TABLE 4.21

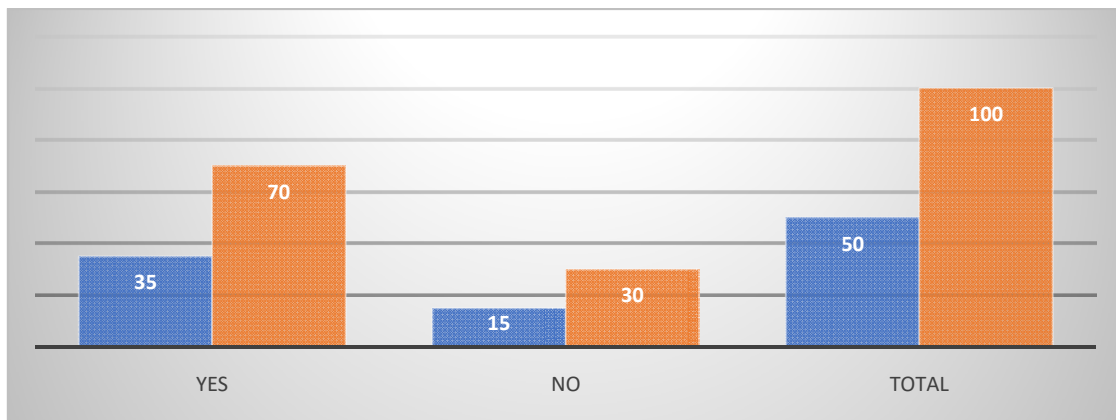
S.NO	COMPLICATED	RESPONDETNS	PERCENTAGE
1	YES	35	70
2	NO	15	30
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

## INTERPRETATION

The above table 4.21 shows that (70%) of the respondents were yes, (30%)of the respondents were no.

Hence, the majority of the respondents were yes.

CHART4.21





## SATISFACTION LEVEL

TABLE 4.22

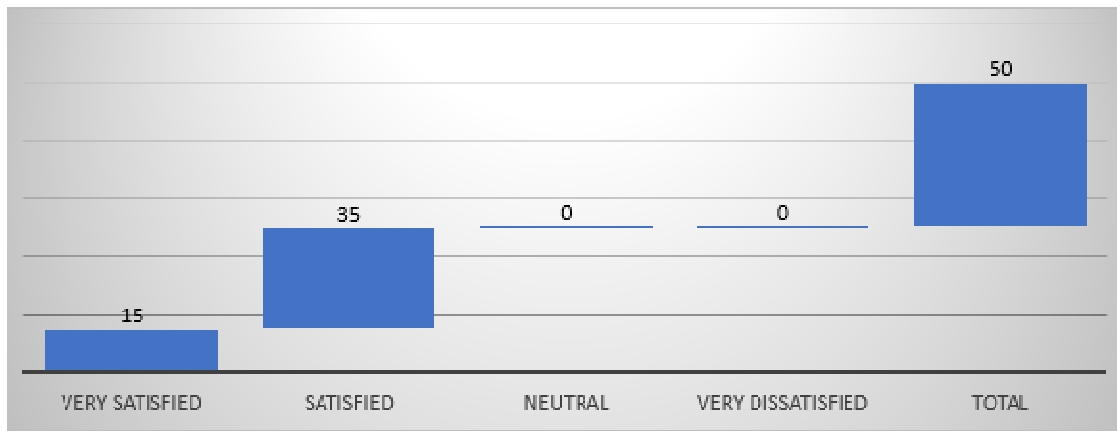
S.NO	SATISFACTION LEVEL	RESPONDETNS	PERCENTAGE
1	Very satisfied	15	30
2	Satisfied	35	70
3	Neutral	0	0
4	Very dissatisfied	0	0
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

### INTERPRETATION

The above table (30%) of the respondents were very satisfied, (70%) of the respondents were satisfied.

Hence, the majority of the respondents were very satisfied.

CHART 4.22



## **CHAPTER V**

### **FINDINGS & SUGGESTIONS AND CONCLUSION**

#### **5.1 INTRODUCTION**

The chapter discusses about the significant results of the demographic profile of respondents and consumer perception level towards digital payments. The various factors affecting the perception of the consumer to use the various modes of payment and the different problems faced by the consumers while using the digital payment system. The main objective of this chapter is to elucidate the study and bring forward the various suggestions for consumers, government and financial institutions in order to achieve the goal of cashless economy in India.

#### **5.2 FINDINGS**

The findings of the present revealed the followings

- The major age group respondents are 35-44
- The majority of the respondents are male
- The majority respondents are HSLC
- The majority respondents are more than 5 years
- The majority respondents are 100000-150000
- The majority respondents are owner
- The majority respondents are rural area.
- The majority respondents are retail
- The majority respondents are facing the technical issues
- The majority respondents are limited customer acceptance
- The majority respondents are depends on system
- The majority respondents are technical issue
- The majority respondents are yes
- The majority respondents are refunds
- The majority respondents are main problems financial issues.

- The majority respondents are facing the Internet Connection.
- The majority respondents are both 1 to 2 years and 3 to 5 years
- The majority respondents are mobile payments
- The majority respondents are yes
- The majority respondents are frequently
- The majority respondents are yes
- The majority respondents are highly satisfied with digital payment system.

## **5.2 CONCLUSION**

From the study it is may be concluded that the maximum number of respondent in both study area were well aware about the digital payment system and are using the various modes of payments available in India and the benefits derived by using the digital payments. It is observed that there is slight difference found between Tenkasi Taluk respondents towards the small business owners perception towards digital payment modes. The study further highlights that respondents are ready to accept the various benefits of doing the transactions digitally but due to various problems discussed in the study they are refraining to use modes of payments. Therefore, the Government and the regulatory bodies should take proper initiatives to make consumers feel free while using the various modes of payments..

## **5.3 SUGGESTIONS**

- Provide training programs for small business owners and employees to improve digital literacy and address technical issues.
- Encourage small businesses to upgrade their internet connectivity and devices to support seamless digital transactions.
- Implement marketing campaigns to educate customers about the benefits and security of digital payment methods.
- Offer multiple digital payment methods (e.g., mobile wallets, UPI, credit/debit cards) to cater to different customer preferences.

- Adopt robust security measures and educate customers on safe digital payment practices to build trust.
- Simplify the checkout process to enhance customer experience and reduce transaction times.
- Utilize transaction data to gain insights into customer behavior and optimize marketing strategies.
- Partner with banks to negotiate lower transaction fees and access better financial products.
- Join local business networks to share best practices and resources related to digital payment adoption.
- Stay informed about relevant regulations and ensure compliance to avoid legal issues.
- Implement systems to gather customer feedback on digital payment experiences for continuous improvement.
- Use digital payment platforms to create loyalty programs that encourage repeat business and customer retention

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## QUESTIONNAIRE

### DIGITAL PAYMENT SYSTEM AND ITS IMPACTS IN SMALL BUSINESS

1. Age  
A. 18-24      B. 25-34      C. 35-44      D. 45-54      E. above 55
2. Gender  
A. Male      B. Female      C. Other
3. Educational Qualification  
A. up to HSLC      B. Graduate Degree      C. Post Graduate Degree      D. Diploma
4. Business year \_\_\_\_\_  
A. Less Than One Year      B. 1-3 Years      C. 3-5 Years      D. More Than 5 Years
5. Monthly Turnover \_\_\_\_\_  
A. 50000-100000      B. 100000-150000      C. 150000-200000      D. Above 200000
6. Role in The Business \_\_\_\_\_  
A. Owner      B. Manager      C. Employee      D. Others
7. Business location \_\_\_\_\_  
A. Urban      B. Rural      C. Others
8. What type of business do you operate?  
A. Retail      B. Service      C. E-commerce      D. Other
9. What is the most common challenge small businesses face when implementing digital payment systems?  
A) Technical issues      B) Integration with existing systems  
C) Training employees      D) Customer acceptance
10. What is the primary concern of small business owners when adopting digital payment systems?  
A) Security and fraud risks      B) High transaction fees  
C) Complexity of technology      D) Limited customer acceptance
11. Do digital payment systems increase or decrease the workload of small business owners?  
A) Increase      B) Decrease      C) No impact      D) Depends on the system
12. What is a common problem faced by small business owners when using digital payment systems?  
A) Technical issues      B) Security concerns      C) High fees      D) All of the above
13. Can digital payment systems help small business owners track sales and expenses?  
A) Yes      B) No      C) Maybe      D) Depends on the system

14. What is a common issue with digital payment systems for small businesses?
- A) Slow transaction times                      B) High transaction fees  
C) Difficulty with refunds                      D) All of the above
15. What can happen if a small business's digital payment system is hacked?
- A) Financial loss    B) Damage to reputation              C) Legal issues    D) All of the above
16. What is a potential problem with relying on digital payment systems?
- A. Dependence on internet connectivity              B) Limited acceptance by customers  
C) Vulnerability to cyber attacks                      D) All of the above
17. How long have you been using digital payment systems?
- A. Less than 1 year    B. 1-2 years    C. 3-5 years    D. 5+ years)
18. Which digital payment methods do you currently accept?
- A. Credit/Debit Cards    B. Mobile Payments    C. Online Payment Platforms    D. Other
19. Have you experienced any security concerns with digital payments?
- A. Yes                      B. No
19. How often do you encounter transaction failures or errors?
- A. Frequently    B. Occasionally              C. Rarely              D. Never
20. Do you find the setup process for digital payment systems complicated?
- A. Yes,                      B. No
21. How satisfied are you with the ease of use of your digital payment system?
- A. Very Satisfied              B. Satisfied              C. Neutral, Dissatisfied              D. Very Dissatisfied
22. How do small business owners typically feel about the ease of use of digital payment system?
- A. Very satisfied              B. Somewhat satisfied              C. Neutral              D. Dissatisfied