Journal of Informatics Education and Research
ISSN: 1526-4726
https://doi.org/10.52783/jier.v3i2.223
Vol 3 Issue 2 (2023)

Understanding the Pros and Cons of Digital Payments in Indian Economy: A PLS-SEM Approach

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Abstract:
In a cashless economy, all financial dealings are conducted through the use of credit cards, debit cards, or other forms of electronic payment. There is a little amount of actual currency now in circulation. Transactions in India typically involve a disproportionately large quantity of cash. This is a significant challenge for the nation. It is essential to keep in mind that in order to achieve the transition to a cashless society, a nation requires not just high-speed internet but also solid cyber security measures. Given the country's low standing in the global cyber stakes, the primary objective of demonetization is to promote the adoption of digital transactions as an alternative to conventional ones. This is due to the fact that traditional transactions involve the exchange of physical currency. In order to ensure the safety of monetary dealings conducted online, several authorities in the area are of the opinion that the government should boost the amount of money it spends on infrastructure while simultaneously increasing the amount of oversight it exercises over the industry as a whole. At this time, India is ranked as the sixth most prolific nation for cybercrime in the world. Digital payment systems have developed, first attracting the wary interest of customers and industry professionals owing to the disruption that these systems promised to produce in the well-established e-commerce business. As its renown increased, academics started to describe it in a variety of different ways, with a focus on subjects as varied as business, information technology, accounting, and finance. According to the definition provided by Briggs and Brooks (2011), digital payment is a method of conducting electronic monetary transactions between individuals and financial institutions that is supported and facilitated by banking institutions. According to the definition provided by Peter and Babatunde (2012), an electronic method of making a payment, concluding a transaction, or moving money from one account to another is referred to as a digital payment.

Keywords: Digital payment, Indian economy, Banking Institutions and Transactions.

INTRODUCTION:

The first steps toward creating India's contemporary financial system were taken in the last years of the 18th century. Since that time, there has been a significant amount of change within the banking industry, which now ranks among the nation's oldest and most well-established enterprises. The acclaimed Prime Minister of India, Narendra Modi, is the one who initiated the "digital India" project, which aims to eliminate the need for currency transactions in the Indian society. This strategy helps restrict India's vast underground economy by making public the tax payments and cash transactions of every individual. Digital payments help India flourish by ensuring the safety of its monetary system, while also contributing to the modernization and expansion of India's way of life through the application of cutting-edge technology. As a consequence of this, India's capacity to compete successfully on the global stage has improved. The Indian government is making considerable headway toward its goal of completely digitizing the country. Both "Digital India"

Journal of Informatics Education and Research
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https://doi.org/10.52783/jier.v3i2.223
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and "Demonetization" are government initiatives that are working toward the same goal of accelerating the transition to digital infrastructure. Many individuals in India have expressed their praise as well as their criticism in response to these attempts. Despite this, people's confidence in the digitization effort has increased, and momentum is building toward the project's successful completion. In the realm of financial transactions and account reconciliation, digital breakthroughs have also been achieved in recent years. When it comes to payments and settlements in India, cash is king; however, since 2014, digital payment methods such as RTGS (Real Time Gross Settlement), NEFT (National Electronic Fund Transfer), IMPS (Immediate Payment Services), CTS (Cheque Truncation System), UPI (Unified Payment Interface), BHIM (Bharat Interface for Money), and Aadhar Enabled Payment System (AEPS) have been gradually but surely undermining its dominance.
Over the course of the past twenty years,.

DIGITAL PAYMENT

1. Plastic Cards: These are cards that banks issue to their account holders, and when they use it, they are allowed to withdraw money from any ATM as long as they first input their password. Plastic cards are offered by banks to the people who have bank accounts with such banks. When depositing money into banks, these cards are used instead of paper checks in order to cut down on the quantity of paper that is wasted throughout the process. Banks and other sorts of financial organizations are able to offer two different types of cards to their customers: debit cards and credit cards. Debit cards, on the other hand, are available to everyone who possesses a checking or savings account and can be issued to anyone. Credit cards, on the other hand, are only issued to individuals who have established a need for them. [1][1]

2. "UPI" : stands for "Unified Payment Interface," and it refers to a mode of payment that is implemented to simplify the process of moving money around by means of various mobile applications. It is possible to shift money between two distinct accounts by utilizing the apps provided by UPI. A person must first own a mobile banking facility that is registered in order to be able to use any applications that pertain to the UPI. At the moment, the only people who can use this service are those who have mobile devices that run the Android operating system. By installing and utilizing a UPI app, a user is able to produce a VPA or UPI ID for use with their device. There is an incredible quantity of high-quality UPI apps that can be downloaded, some of which are BHIM, the SBI UPI app, the HDFC UPI app, Mobile, and the PhonePe app. It is not essential to utilize the mobile application that is offered by one's own bank in order to take use of the UPI service. This option is available to users. You are free to download and make use of any app that UPI provides. [2]

3. Mobile wallets: Mobile wallets are another alternative for storing or retaining digital cash and using it for a range of transactions. These wallets may be downloaded to your smartphone and used like a traditional wallet. Mobile devices may be utilized in order to access these wallets. A user has the option to download any of the mobile wallets that are now on the market, including Paytm, GPay, Phone pay, Sbi friend, Jio money, and many others. They merely need to link their bank account or the number that is printed on their plastic card in order to utilize the right amount, which can then be utilized for things like making payments, paying bills, and other similar activities.

4. Banking over the internet - There are a number of unique types of banking that may be done over the internet. These include NEFT (National Electronic Fund Transfer), RTGS (Real Time Gross Settlement), ECS (Electronic Clearing System), and IMPS (Immediate Payment Service).E-banking is a term that refers to a system that enables individuals or businesses to carry out financial transactions through the utilization of the websites of their respective financial institutions.[3]

5. Customers of financial institutions can take use of mobile banking, which is a feature that is provided by every financial institution. The customer of a mobile banking service must first download an application provided by the bank before they are able to utilize the service to complete financial transactions. The usage of such an application necessitates the use of a mobile phone, namely a smartphone. People are aware with a few of the digital payment choices, but there are a lot more of them available in our country and all over the world. In the preceding sections, we went through some of the most well-known available choices.

[1] Dennehy & Sammon (2015) Adoption of Point of Sale Terminals in Nigeria: Assessment of Consumers' Level of Satisfaction. Research Journal of Finance and Accounting. 3 (1), 1-5

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BENEFITS TO THE GOVERNMENT FROM THE DIGITAL ECONOMY

Implementing digital payment systems such as Digital Point of Sale (Digital POS), Unified Payments Interface (UPI), mobile wallets, Mobile Point of Sale (mPOS), etc. is helping our nation take steps toward the creation of a digital economy, which will be to the people's and the government's advantage in a variety of different ways. The government sees some of the most significant benefits from the digital economy, which include the following::

The Elimination of the Dark Market Due to the Simplicity With Which Digital Transactions May Be Monitored Keeping track of all of your financial dealings that are conducted online is an easy process. Every every purchase that a consumer makes at any given store will have their details noted down. If this plan is put into action, there will be no possibility for unlawful transactions to take place. If the government were to mandate the entire elimination of cash transactions in favor of the exclusive use of digital payment methods, it would be in a position to successfully eliminate the underground economy. [4]

One of the most obvious and all-pervasive advantages that the internet economy provides is a rise in profits, which is one of the perks that has been seen. When everything is done online, keeping track of sales and tax duties is a lot simpler to perform than it was in the past. Every purchase will be recorded in an invoice, and businesses will pay their proportionate share of tax to the appropriate authorities in accordance with the requirements imposed by the law. As a direct result of this, the tax money collected by the government increases, which in turn enhances the country's overall fiscal health.

The transition to a digital economy comes with a plethora of advantages, one of the most significant of which is the enhanced autonomy that it bestows onto individuals. Everyone in today's society need access to a digital payment system of some kind, whether it is a bank account, a cell phone, or something else. The government may be able to deposit subsidies directly into citizens' bank accounts if their Aadhaar cards and bank accounts can be connected to one another. Simply put, consumers no longer have to wait in line to collect the government subsidies and incentives to which they are legally entitled. This change came about because of the Affordable Care Act. At the moment, the vast majority of metropolitan regions make advantage of this convenient amenity.

Opportunities available in the work market: The digital economy has the potential to both increase job chances in roles that are already available in the public sector and to create new employment opportunities in developing countries. If actions are taken in this manner, it is possible that the national unemployment rate may decrease.[5]

2. The Pros of a Cashless Society

The move toward a society that does not use currency has many benefits; some of the most convincing are listed here.:

One of the most significant advantages of moving away from a cash-based culture is the attendant drop in violent and property crimes. Theft is a common form of criminal activity, and if currency transactions were made obsolete, it would significantly reduce the number of opportunities for criminal activity.

Convenience Paying using cash isn't always the most convenient option, especially for more substantial transactions. Customers have the ability to quickly and simply make purchases with the press of a button when using digital payment methods, which makes transactions both quicker and more convenient.

Better record-keeping: Because digital transactions are automatically documented, companies and governments are better able to monitor and maintain tabs on monetary activity. Fraud, money laundering, and other types of financial crime may be cut down as a result of this.

A cashless society may assist to minimize the expenses involved with printing real currency, holding that currency, and moving it from one location to another. This might end up saving companies and governments a large amount of money, which then has the potential to be redirected to other projects.[6]

Overall, a cashless society has the potential to improve safety, convenience, record-keeping, and financial inclusion. It also has the ability to save expenses. However, there are also some possible drawbacks to totally doing away with currency, all of which should be thoroughly weighed before making the decision..

3. The Cons of a Cashless Society

There are a number of significant drawbacks to think about when considering a cashless society, despite the fact that it could appear to be a practical approach to handle financial transactions. The problem of being excluded is one source of anxiety. These folks will be at a disadvantage in a cashless world since they do not have access to digital payment options such as bank accounts or cellphones. A significant moral problem arises from the fact that this can make the gap in wealth that already exists between the wealthy and the poor even wider.

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Last but not least, there is the possibility that interruptions to digital payment systems might be caused by power outages or other technological problems. In these kinds of circumstances, individuals could not be able to access their money or complete transactions, which might put them in an uncomfortable position and put them at risk of falling into financial difficulties. Before moving toward a society that does away with currency entirely, it is essential to take all of these possible negatives into consideration.[7]

4. The Impact On Personal Finance and Budgeting

Some people have found that managing their personal finances and sticking to a budget is simpler now that we live in a cashless world, while others have found it more difficult. It is much simpler to keep tabs on one's costs and analyze one's spending habits when one uses electronic payment methods. People who have trouble sticking to a budget and want a more accurate view of their financial situation may find that this is very useful.

On the other hand, the convenience of electronic payments may also encourage excessive expenditure. When you pay with cash, there is a tangible limit to how much money you have available, which may help you control your spending habits and avoid making hasty purchases. When you make payments using electronic methods, it might be simple to lose track of how much money you have spent and how much is still available in your bank account. This may result in expenses that were not anticipated, as well as overdraft fees, which can quickly pile up.

Loss of control over one's privacy is yet another factor that may have an effect on one's personal finances. When individuals make use of electronic payment methods, their personal and financial details are saved and recorded. Those who place a high importance on the protection of their privacy and safety may find this to be troubling. It is essential to have an awareness of the possible dangers and to take precautions in order to safeguard your information.[8]

In general, the transition toward a cashless society has repercussions that are both favorable and detrimental for individuals' budgets and financial situations. It is essential to be aware of these repercussions and to adapt your spending and saving patterns appropriately.

Inclusion in a Cashless Society

It is essential to keep in mind how this will effect people's capacity to engage in society, even if it seems as if we are going toward a cashless future. This might give the impression that we are headed in this direction. Because not everyone has access to a bank account, credit card, or other digital form of payment, this can create a gap between those who are able to engage in society and those who are unable to do so. those who are unable to participate in society include those who do not have access to a bank account, credit card, or other digital mode of payment.

In addition, persons who are old or weak may not be able to engage in a society that does not use currency because they may not be as familiar with digital payment systems and may not have access to the technology necessary to use them. This might prevent them from being able to participate in a society that does not use currency.[9]

It is necessary to make certain that any transition toward a cashless society is carried out in a manner that benefits and engages all members of society, rather than fostering a gap between those who are able to participate and those who are unable to do so. This is because any transition towards a cashless society must be carried out in a manner that benefits and involves all members of society. This could involve the provision of alternative methods of payment, such as prepaid cards or mobile payment options, which do not require the user to have a bank account. Alternatively, it could involve the provision of free digital literacy programs to assist customers in learning how to make use of digital payment methods.[10]

Digital Transactions Can Reduce Crime

The possibility for a reduction in crime is one of the most significant benefits of moving toward a society that does not use currency. Theft and robbery occur often in public places and private residences alike, and one of the most typical items stolen is cash in its physical form. Because there is no actual currency to steal with digital transactions, this may result in a reduction in some forms of crime, such as muggings and burglaries.

In addition, digital transactions create a digital trace, which makes it simpler for law enforcement to follow the path of unlawful activity. Transactions that are conducted using digital currency, as opposed to cash transactions, which do not leave a trace, make it possible to more readily discover instances of money laundering and tax evasion.

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The Effects on Local Entrepreneurship and the Freelance Economy

One of the most crucial aspects of the transition toward a cashless society is the potential impact that it will have on microbusinesses and the gig economy. Cash transactions are often the sole alternative available to small businesses and independent contractors, as these entities may not have access to the technology or infrastructure necessary to accept credit card payments or do business online. Consequently, cash transactions are the only viable choice for these entities. In a world without currency, these businesses and individuals run the risk of falling behind, which would make it difficult for them to maintain their current status and potentially even experience expansion.

Additionally, the expenditures that are connected with accepting digital payments can be a burden for smaller businesses, which often have thinner profit margins than larger corporations. Small companies may find it challenging to maintain their level of profitability as a result of the fees that are connected with the processing of credit cards, the expenses of equipment, and the many other expenditures that may swiftly accumulate.

On the other side, the utilization of digital technology can also result in the creation of new opportunities for sole proprietorships and other types of small businesses. Going cashless can make it easier for businesses and workers in the gig economy to receive payments from customers located all over the world. This is especially true if the cashless system is used. This is of utmost significance in light of the proliferation of online marketplaces and the growth of the gig economy. The use of digital payment methods eliminates the risk of fraud and theft, in addition to being faster and more secure than transactions using cash.[11]

The Role of the State in a Community That Does Not Rely on Cash

When a society does not make use of monetary systems, the role that the government plays takes on an even more important significance. People will only have faith in the monetary system if the government is able to instill that faith in them. The government would have to take the necessary steps to guarantee the safety and accessibility of the necessary technology and infrastructure for digital payments for all of its constituents. Only then will people be able to have faith in the monetary system. This would mean making certain that even the most remote and out-of-the-way areas had access to the services that are already being provided to the general public.

In addition, the government would be responsible for ensuring that a backup plan is in place in the event that the system was penetrated by a cyberattack. This responsibility would fall under the umbrella of the Department of Homeland Security. It is essential to have backup measures in place in order to ensure that clients will still have access to their cash in the event that there is an interruption in service.[12]

In a future without currency, it is going to become increasingly vital for the government to protect the integrity of the financial system and make sure that it is accessible to all members of society. This role will become even more crucial in a world without cash. The government needs to find a way to promote the benefits of a cashless society while also ensuring that the rights of its residents are protected. This is a difficult balance to achieve, but it is important. The duty that lies with the government should not be underestimated in its pursuit of this equilibrium.

Safety of Cyberspace in a Cashless Society

When utilizing the internet, there is always the risk of having one's identity stolen or falling victim to some other form of fraud. The greater the amount of business that is performed online, the greater the risk that sensitive information, including personal and financial details, may be compromised by malicious actors. This can lead to enormous financial losses for businesses as well as for the individual customers who buy their products.[13]

The risk of cyber attacks being launched against the digital infrastructure that supports electronic transactions is another item that ought to give us concern. A cyberattack on the nation's banking system or on the payment networks might result in tremendous financial instability and a state of anarchy. Both of these outcomes are possible.

Even though a cashless society does pose certain new cybersecurity challenges, these problems are not insurmountable provided the right precautions and controls are put into place. Cashless societies are becoming increasingly common. If we continue to be attentive and take the appropriate steps to protect both ourselves and our businesses, we will be able to continue to enjoy the benefits of a cashless society while also protecting the privacy and integrity of our financial information. This will allow us to continue to take advantage of the cashless society's advantages.

The use of digital payment methods in India has certain drawbacks, one of which is that it might compromise the reliability of an organization's financial records.

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ISSN: 1526-4726
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Despite the fact that making digital payments in India is widely regarded as being risk-free, there is still the possibility of a data breach occurring in the event that customers end up transacting and making online payments on websites that do not have strong measures in place to handle digital payments. This scenario could take place if customers end up transacting and making online payments on websites that do not have strong measures in place to handle digital payments. Because of hacking occurrences, this might lead to the revealing of sensitive financial information.

Downtimes might have an impact on the availability of funds

It is possible that an increase in the amount of transactions handled on servers can result in downtime for the servers, which would prevent users from accessing their funds. This might put the user in a precarious situation in the event that they have an immediate requirement to make a digital payment or if there is an emergency. It is conceivable for the circumstance to become even more challenging for the individual if they are not carrying any cash with them and there are no ATMs present in the region nearby, which would restrict the individual from being able to conduct any transactions.[14]

The proliferation of smartphones and applications that have made life simpler for the normal Indian consumer has contributed to the growth in popularity of digital payment methods in India. This gain in popularity has led to the rise in popularity of digital payment methods in India. These factors have contributed to the rise in popularity of digital payment, which has now surpassed that of traditional methods. When we go shopping or find ourselves in need of cash, it is no longer essential for us to go to an ATM or to carry around significant quantities of cash on our person at all times. Instead, we can simply use our debit or credit cards.

The concept that something that is so easy may also come with its own set of negatives is one that the majority of us have a difficult time wrapping our heads around because of the way our brains are wired. When transactions are finished in the blink of an eye and payments are processed without a hitch, it is apparent that a larger section of the population has already converted onto contactless payment methods, particularly in the urban centers situated all over the nation. In addition, this is especially true in urban centers that are located in the more populous areas of the country.

REVIEW LITERATURE

Dennehy and Sammon (2015) did study in order to explore how the use of digital payment methods in the 21st century has become increasingly commonplace over the course of the decade. The fundamental purpose of our inquiry was to find out how and where we will stand in the future of the digital payment system, so that we may better prepare for it. A huge variety of articles have been combed through in order to get insight into the viewpoints that individuals have on the digital payment system. One of the purposes of a newly released technical innovation was to acquaint people with digital payment.[15]

Sanaz Zarrin Kafsh (2015) on the subject of "Developing Consumer Adoption Model on Mobile Wallets in Canada." During the course of her investigation, she used a sample drawn at random from a pool of 530 participants, which she then submitted to a model that uses partial least squares in order to do statistical analysis on the resulting data.When attempting to predict whether or not digital payment would be accepted, the perceived ease of use, perceived security, and perceived usage are all tied to one another, as the findings of the research show. [16]

Bezhovski (2016) conducted research into the ways in which the internet and e-commerce contributed to the growth of a digital payment system. He came to this conclusion after seeing that, as a consequence of developments in technology, an increasing number of people are warming up to new means of payment and pondering issues such as how they would benefit from it and whether or not it has any dangers.

METHODS

In this section, the methods that were applied throughout the study, including the analysis and presentation of the findings, were broken down and discussed in detail. The initial part of the research project involved doing a thorough analysis of the previous work done in the research fields of interest, with specific attention paid to the UTAUT model that was ultimately chosen as the framework for the study. Both the process of defining the variables of the study and developing hypotheses for the research were aided by this information.

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OBJECTIVE OF THE STUDY

1. To study on the advantages of adopting cashless in all the sectors.
2. To study on Impact On Personal Finance and Budgeting

2. Data Collection

The investigation was conducted using first-hand knowledge from various sources. Online surveys, which were carried out with the aid of Google forms, were utilized in order to compile the aforementioned information. Because they were the most used to using digital payment methods in their day-to-day retail transactions. People who make use of digital payment systems in their retail transactions or who have experience in such systems were invited to participate in the study group. These are examples of digital payment techniques, and they include QR codes, mobile payments, and online banking.

Sampling

From the total population from which the data were obtained, a representative sample of 500 respondents was chosen. To determine the individuals who have made use of digital payment systems in the course of their retail purchases and transactions, a sample method based on convenience was used. The time period covered by the data collection was from August 5, 2022, to January 23, 2023..

Questionnaire Development

A well-structured questionnaire was used in order to elicit answers from the respondents for the goal of data collection. The questionnaire was divided into two sections that were completely separate from one another. The first part of the survey consisted of asking participants questions on their age, gender, and job status. There were also inquiries concerning the respondents' marital status incorporated into this section. In the second section of the questionnaire, the participants were questioned on the factors that were being investigated. The following categories of factors were considered: performance effectiveness (PE), effort expectation (EE), social influence (SI), social distancing (SD), perceived risk (PR), attitude (AT), behavioral intention to use (BI), and actual use (AU). It was decided to solicit the opinions of five industry experts in order to assess the appropriateness of the questionnaire and assure its authenticity. A Likert scale with five points was utilized in the development of the questionnaire. On this scale, one indicates a very strong disagreement, and five indicates a very strong agreement. After all of the data had been gathered, it was analyzed for any irregularities or missing numbers that could have been present. After the data were cleaned up, there were a total of 400 responses that were validated for investigation, out of a total of 467 responses that were acquired.

Data analysis

During the process of analyzing the data, a variety of methods were applied. The initial approach consisted of conducting reliability and validity tests, which examined how effectively the model functioned. Confirmatory Factor Analysis (also known as CFA) was yet another technique that was applied in order to determine how well the model corresponded to the data that was examined. In order to study and investigate the links between the variables, the approach of Structural Equation Modeling (SEM) was applied. The findings of the analysis served as the basis for the discussions that followed, as well as the conclusions that were drawn from the study.

RESULTS

The preliminary result included the descriptive statistics of the demographic characteristics of the respondents, such as gender, age, education level, occupation, monthly income (in INR), and the digital payment system selected by the respondents. Additionally, the preliminary result included the descriptive statistics of the digital payment system adopted by the respondents. The findings are summarized in Table 1, which is followed by a discussion of the findings in the next section..

Table 1. Demographics and respondent adoption of digital payments

Gender	n	%
Male	145	35.2
Female	255	62.6

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Age		
18–20 years	224	19.8
21–30 years	79	56
31–40 years	34	14.8
41–50 years	63	8.4
Highest Education Level		
Below Bachelor	82	20.4
Bachelor's Degree	242	60.4
Master's Degree	76	19
Occupation		
Student	38	35.3
Employment	44	11
Self-employed	28	7
Private company employed	149	37.3
Government officer	141	9.4
Monthly Income in INR		
Below 15,000	129	32.3
15,001–20,000	1	0.3
20,001–30,000	104	26
30,001–40,000	62	14.4
40,001–50,000	60	15
Above 50,000	44	11
Digital payment systems		
Internet banking	68	17
Mobile banking	144	36
Mobile app & internet banking	176	44
Mobile app, tablet app, and internet Banking	12	3

Models were evaluated using a variety of techniques (examples of which are described in greater depth below), including the Confirmatory Factor Analysis (CFA), the Reliability Analysis, and the Validity Analysis.

The first sort of analysis performed was a dependability analysis. The purpose of this research was to determine if the observed variable structures were enough for the analysis. Cronbach's Alpha was used for the reliability study. A total Cronbach's Alpha of 0.936 was found for the buildings, which is very high quality. All constructs with Cronbach's Alpha between 0.934 and 0.937 were found to be excellent after analyzing the independent observables contained in the Cronbach's Alpha if item deleted section. The results showed that the investigated structures were trustworthy for the goals of the study.

Table 2 displays the results of evaluating the model's validity and reliability using the composite reliability (CR) and average variance extracted (AVE) statistics. As can be seen in Figure 1, all of the CR values and AVE values were higher than 0.7 and 0.4, respectively (Fornell & Larcker, 1981). In addition, the high value of Cronbach's Alpha suggests that the variables are sufficiently reliable and valid to meet the criterion proposed by Fornell and Larcker (1981).

Table 2. Statistics on the reliability and validity of the data, including the extraction of the composite reliability and average variance

Variables	CR	AVE
PR	0.706	0.480
BI	0.639	0.467
AU	0.717	0.499
AT	0.774	0.483
EE	0.798	0.539

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SI	0.655	0.507
FC	0.779	0.545
SD	0.615	0.418
PE	0.646	0.480

Confirmatory Factor Analysis (also known as CFA) was utilized in the process of the model's most recent review. This was done with the intention of determining how well the measured constructions represent the total number of constructs. Figure 2 presents the CFA model for your perusal.

The outcomes of the CFA were as follows in terms of the Fit indices that were reported: p-value = 0.000, CFI = 0.903, TLI = 0.891, IFI = 0.904, NFI = 0.805, RMSEA = 0.067, and X2/df = 2.768. According to the findings shown above, the goodness-of-fit threshold for CFI, TLI, IFI, and NFI was nearly met by values that were either more than or equal to 0.9 (Hu & Bentler, 1999). In addition, the chi-square ratio to degrees of freedom was determined to be less than 5.0 (X2/df = 2.768), which was the most trustworthy measurement. In addition to this, the root square of the difference between the residuals of the sample covariance matrix and the hypothesized model, which is abbreviated as RMSEA, was less than the cut-off value of 0.08. Therefore, the results of these indices suggested that the suggested SEM model had a good level of compatibility with the variables in the research.

The following stage, which was to carry out the Structural Equation modeling (SEM), was taken after establishing the dependability and validity of the constructs, as well as the viability of the model that was proposed in the parts that came before it. The study's goals, as well as the evaluation of the research hypothesis, were the driving forces for the decision to use SEM. The findings of the SEM study are displayed in Figure 2 and Table 3 respectively.

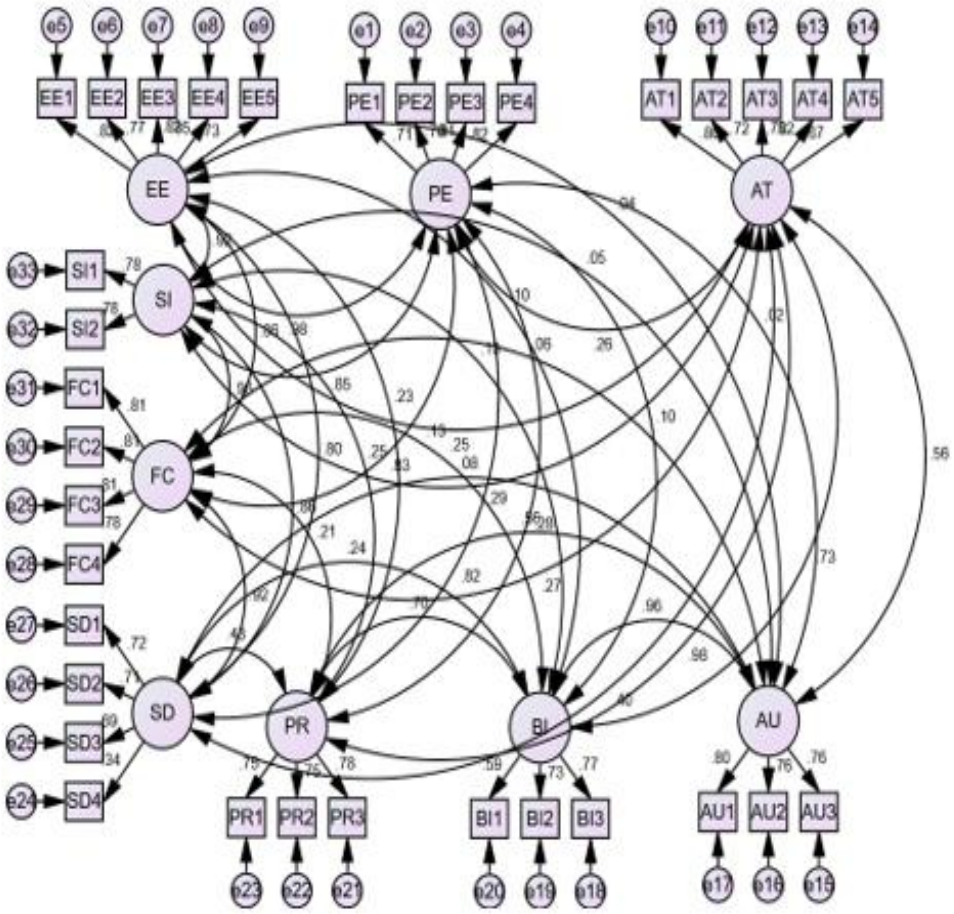

Figure 1. Confirmatory factor analysis

Journal of Informatics Education and Research
ISSN: 1526-4726
https://doi.org/10.52783/jier.v3i2.223
Vol 3 Issue 2 (2023)

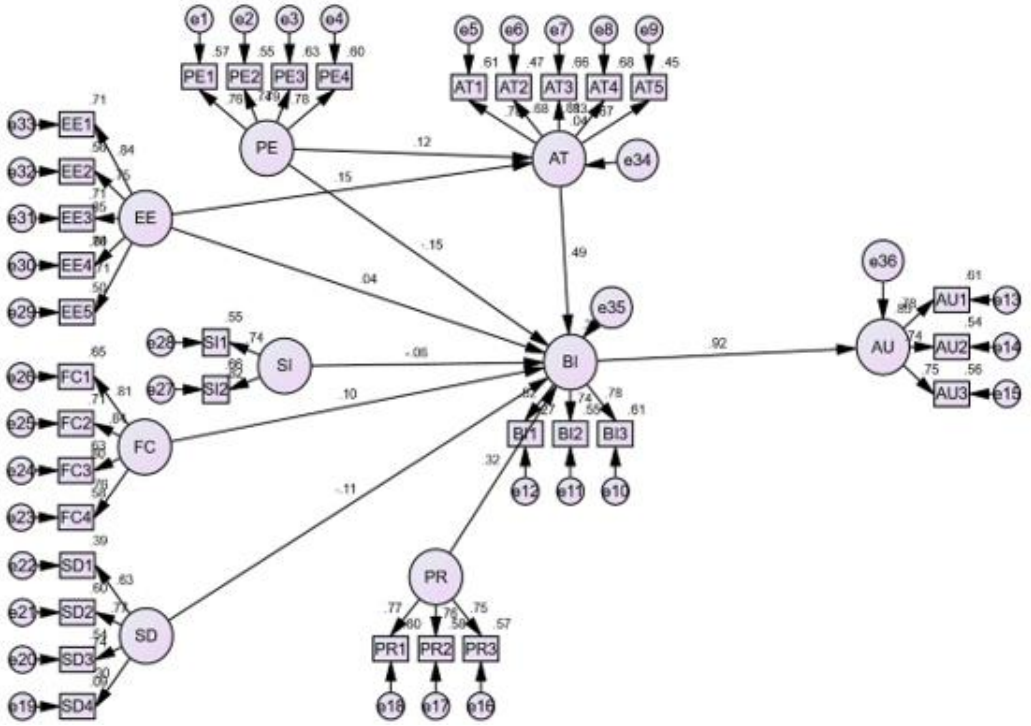

Figure 2. Structural equation model analysis

The behavioral intention to use (BI) and actual usage (AU) of the digital payment systems are the dependent variables that result from the model. Table 3 demonstrates that when direct impacts are taken into consideration, there are four factors that have a considerable influence on the behavioral intention to utilize BI. A favorable and considerable effect on behavioral intentions (BI) is exerted by perceived risk (PR). ($\beta = 0.318$, $p < 0.01$). It has been shown that the Facilitating Condition (FC) has a large and favorable impact on BI ($\beta = 0.103$, $p < 0.05$), The concept of performance expectation (PE) has been shown to have a large and detrimental impact on BI ($\beta = -0.150$, $p < 0.01$), and attitude (AT) has a positive and significant influence on BI ($\beta = 0.400$, $p < 0.01$). The research also found that behavioral intention (BI) has a substantial effect on the actual usage (AU) of digital payment systems. AU stands for actual use. It is also crucial to remember that attitude is significantly impacted by both performance expectancy (PE) and effort expectancy (EE). (AT) ($\beta = 0.121$, $p < 0.05$) and ($\beta = 0.121$, $p < 0.01$), respectively.

Table 3. Evaluation of study hypotheses

Paths	Estimate	S.E.	C.R.	P
AT ← EE	.268	.062	2.595	***
AT ← PE	.121	.058	2.098	**
BI ← PR	.318	.055	5.645	***
BI ← SD	–.275	.145	–1.791	.059
BI ← FC	.103	.050	2.049	**
BI ← SI	–.056	.059	–.862	.336
BI ← EE	.051	.057	.791	.373
BI ← PE	–.150	.053	–2.717	***
BI ← AT	.300	.059	8.337	***
AU ← BI	.782	.065	13.389	***
Indirect Effects				
BI ← AT ← EE	.047	.051	.037	***
BI ← AT ← PE	.068	.090	.068	**

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AT = attitude; EE = effort expectation; PE = performance expectancy; BI = behavioral intention; PR = perceived risk; SD = social distancing; FC = enabling conditions; SI = social influence; AU = actual usage; notation: *** = significant at 0.01; ** = significant at 0.05;.

The mediating effect of attitude (AT) between PE and BI and EE and BI showed significant results. AT was found to positively and significantly mediate the relationship between EE and BI ($\beta = 0.047$, $p < 0.01$) and PE and BI ($\beta = 0.168$, $p < 0.05$).

DISCUSSION

This model, which is based on the UTAUT framework, was created with the intention of analyzing the business impact (BI) and actual use of digital payment methods for retail sales in India from the point of view of the marketing sector. The purpose of this research was to investigate the factors that influence Indian customers' decisions to experiment with different kinds of digital payment methods. The results suggest that "attitude" is the most influential variable when it comes to planning to embrace digital payment systems (= 0.400, p 0.01). This was determined based on the statistical analysis. This suggests that a one-unit rise in respondents' positive views about digital payment systems would translate to a 0.4-unit increase in respondents' behavioral intentions to utilize such systems. This is because good attitudes toward digital payment systems are positively correlated with behavioral intentions. These findings offered credibility to Hypothesis 8, which stated that attitude had a substantial and positive influence on the desire to behave in a certain way. These findings lent credence to Hypothesis 8, which argued that attitude had an effect on motivation. The magnitude of the danger that was anticipated was the second most important consideration. The findings showed that consumers' behavioral intentions to use digital payment systems rose by 0.318 units for every one unit that was added to their perception of the danger associated with using such systems. The findings of this study offer support to Hypothesis 6 of the research by demonstrating that there is a significant and favorable effect of perceived risk on behavioral intention to adopt digital payment systems.

The findings on perceived risk provide support for the findings of Ho et al. (2020), who discovered that mobile banking had an indirect but favorable and substantial influence on behavioral intention to employ mobile banking. Wong and Mo (2019) agree with these results and argue that a customer's impression of a service as trustworthy and honest improves that customer's desire to utilize that service because of their greater faith in the quality of the service. These authors cite research that shows that customers are more likely to use a service when they believe it to be trustworthy and honest. The findings of this study are in line with what Wong and Mo (2019) found in their investigation. As a result, the degree to which customers have faith in a particular good or service might have a considerable impact on whether or not merchants use digital payment systems as a means of distinguishing themselves in the market for retail services. Specifically, having faith in digital technology makes it easier to analyze and have a good attitude about novel digital payment choices. This is especially the case when all of the anticipated responsibilities are completed, as well as when the technological standards are trustworthy and usually secure. As a direct consequence of this, more individuals will be inspired to utilize these technologies in the years to come.

Researchers discovered that performance expectations both positively and negatively affected behavior, with an increase in performance expectations leading to a drop in behavioral intention to utilize novel digital payment systems by 0.150 units. On the other hand, researchers also discovered that performance expectations favorably influenced behavior. This provided support for the study's alternative hypothesis, which was denoted by the letter H. This helps to corroborate, to some extent, the findings that PE and EE have a significant influence on human behavior and the desire to utilize technology. It also makes sense in light of those findings. On the other hand, models for adopting technologies such as digital payment systems and online banking have depended on business intelligence (BI) and fuzzy computing (FC) as a method of forecasting how people would use these services after they are implemented.

The findings also demonstrated that a one percent rise in FC would result in a 103 basis point rise in BI for the utilization of digital payment methods. This finding provided support for the fourth hypothesis that the research had developed, which anticipated that FC would have a considerable favorable effect on BI. It was discovered that a consumer's inclination to utilize a mobile system of payment is affected by a variety of elements, including social influence, financial considerations, hedonic value, flexibility, technology, perceived benefits, and reliability. These findings are congruent with the findings that were presented by Lin et al. (2020). It is essential to keep in mind that social influence, social distance, or the anticipation of the amount of work required did not have a substantial impact on the behavioral intention

to utilize digital payment methods. This, however, ran counter to the findings of a second research that indicated that FCs had no discernable influence on consumers' plans to use digital payment alternatives. The study revealed that customers' intentions to use digital payment alternatives were unaffected by FCs. In spite of the fact that this was the situation, it was confirmed anyhow. The results of this investigation run counter to the ones obtained in the preceding study. This demonstrates that FCs have the ability to convince customers to convert to the digital payment choices that are offered by websites. They took precautions to ensure that FCs would not have a significant influence on the areas in question since the existing infrastructure does not make it possible to provide the aforementioned services. They did this to ensure that no difficulties would arise in the future.

In contrast to the findings that were shown here, Yang et al. (2012) discovered that the extent to which social influence influenced people's intentions to use mobile payment services was substantial. They came to the conclusion that customers are most impacted by their social networks when it comes to testing out and making judgments regarding fresh, cutting-edge products and services, such as those that are made available through digital and technical methods. This finding is based on the study that they conducted. It is critical to generate enthusiasm among customers in nations like India for the introduction of digital payment systems since doing so may result in a more united consumer feeling. According to research, peer pressure is the second most powerful element in the purchasing decisions of consumers.. People in India would use digital payment methods at a rate that is 0.882% greater if their behavioral goals were to use digital payment methods at a higher rate.

CONCLUSION

The marketing implications of consumers' intent to use and adoption of digital payment systems for in-store purchases in India were analyzed. The research is crucial because of the rapid development of e-commerce and technologies like digital payment systems that have resulted from the convergence of information and financial technology. Digital payment behavior in India was significantly influenced by four factors: perceived risk (PR), enabling conditions (FC), performance expectations (PE), and attitude (AT). The findings also demonstrated that Innovative Digital Payment System Actual Use (AU) is significantly influenced by Behavioral Intention (BI).

There are managerial and theoretical ramifications of this study. To begin, three new variables—social distance, threat perception, and outlook—were added to the original UTAUT model. Consistently observable outcomes are made possible by include these factors in the model. Second, this framework may be used to evaluate the efficacy of future studies. The effects on management are shown by considering the factors of perceived risk and attitude. The adoption and implementation of innovative digital payment mechanisms in retail are affected greatly by these two factors. The adoption and usage of retail digital payment systems are influenced by consumers' attitudes and perceptions of risk, which financial institutions and stakeholders must investigate. Because of its Indian origins, the study should be interpreted with caution. A majority of respondents (63.7%) were female, while just 36.3 % were male. More than half (56%) were between the ages of 21 and 30, while 19.8% were younger than 20. There were more people with at least a bachelor's degree (60%) than with any lower level of education (20.4%). Workers made up the largest group (37.3%), followed closely by students (35.3%). Officials in the government had a 9.4% return. Monthly income was highest for those making less than 15,000 (35.3%) and lowest for those making between 20,000 and 30,000 (26%). The digital payment system included online banking, mobile banking, tablet apps, and smartphone apps. Users of mobile banking apps and the internet (44%) were the most enthusiastic, followed by mobile banking app users (36%).

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