

A Study On Problems and Challenges in Digital Payment Systems on Mobile Phones

Amal prawin¹, Sanjay P K², Mrs.Haseena³

^{1,2}III B.Com CS, Department of Commerce, Rathinam collage of arts and science, Pollachi Main Rd Eachanari, Coimbatore – 641021, Tamil Nadu

³Assistant Professor , Department of Commerce, Rathinam College of Arts and Science , Coimbatore.

Abstract- The surge in digital payment systems, facilitated through mobile phones, has revolutionized the financial landscape, promising convenience, accessibility, and efficiency. However, amid this rapid digital transformation, various challenges and problems have emerged, necessitating comprehensive examination. This study delves into the intricate fabric of mobile phone-based digital payment systems, aiming to identify and analyse the multifaceted hurdles impeding their seamless operation. Drawing upon extensive literature review and empirical research, this study navigates through the labyrinth of challenges encountered in digital payment ecosystems. From technological limitations to socio-economic disparities, from security concerns to regulatory complexities, the spectrum of impediments is diverse and far-reaching. The research employs both qualitative and quantitative methodologies to unravel the underlying dynamics and discern patterns amidst the chaos.

Keywords- Digital payment systems, Mobile phones, Challenges, Problems, Infrastructure Security, Privacy.

I. INTRODUCTION

The advent of digital payment systems on mobile phones has catalyzed a significant transformation in the realm of financial transactions, reshaping the way individuals engage with money and conduct business in the digital age. With the pervasive penetration of smartphones into nearly every facet of modern life, coupled with the proliferation of mobile internet connectivity, the convenience and accessibility offered by mobile-based payment solutions have revolutionized the traditional payment landscape.

Mobile phones, serving as ubiquitous tools in the modern era, have emerged as central platforms for facilitating financial transactions, offering users the ability to make payments, transfer funds, and manage their finances with unprecedented ease and speed. However, despite the undeniable advantages afforded by digital payment systems on mobile phones, a myriad of complexities and impediments lurk beneath the surface, posing formidable challenges to their widespread adoption and effective utilization.

II. STATEMENT OF THE PROBLEM

While conducting this project on problems and challenges in digital payment systems on mobile phones, several obstacles

were encountered. Firstly, sourcing comprehensive and reliable data regarding user behaviors, preferences, and adoption rates across different digital payment platforms proved to be challenging due to limited availability and accessibility of relevant studies and surveys. Additionally, ensuring the representativeness of the sampled population and minimizing bias in data collection posed difficulties, particularly in reaching diverse demographics and obtaining responses from underrepresented groups such as elderly or low-income individuals.

Sample Size

A sample size of 100 respondents is selected from Coimbatore city. The respondents include users from different age groups, occupations, and income levels to ensure diverse opinions and experiences regarding digital payment usage.

Sampling Technique

The study uses the convenience sampling method, where respondents are selected based on ease of access and willingness to participate in the survey. This method is suitable due to time constraints and the availability of respondents within the study area.

Sources of Data

Primary data are collected directly from mobile phone users through a structured questionnaire. The questionnaire is designed to obtain first-hand information regarding users' awareness, usage patterns, and experiences with digital payment systems such as UPI, mobile wallets, and banking applications.

Secondary data are collected from various published and unpublished sources to support and supplement the primary data. These include books, academic journals, research articles, newspapers, government publications, reports from financial institutions, and reliable websites related to digital payments and mobile banking systems.

Tools Used for Analysis:

- Percentage Analysis.
- ANOVA.
- Chi-Square.

III. SCOPE OF THE STUDY

The scope of the study, "A Study on Problems and Challenges in Digital Payment Systems on Mobile Phones," is to conduct a thorough investigation into the hurdles and intricacies encountered within digital payment systems, with a specific emphasis on those designed for mobile phones. This research aims to delve deeply into the dynamic and evolving landscape of digital transactions, with a keen focus on transactions facilitated through mobile devices.

Objectives of The Study:

- To identify the customer preference towards digital payment system.
- To list out about various methods of online payment systems.
- To reevaluate the usage of digital payment system on mobile phones.
- To identify the problems and challenges faced in digital payment system on mobile phones.
- To give suggestions to overcome barriers of customer satisfaction in digital payment system.

IV. RESEARCH METHODOLOGY

The research methodology employed in this study involves a multifaceted approach aimed at comprehensively examining

the problems and challenges within digital payment systems on mobile phones. Firstly, a systematic literature review was conducted to gather existing scholarly research, industry reports, and case studies pertaining to digital payment systems, mobile technology, and related issues.

Limitations:

- The study may focus on specific regions or countries, which could limit the generalizability of findings to other contexts.
- Limited sample sizes or biased participant selection could skew results and make them less representative of the broader population.
- Reliance on self-reported data or secondary sources might introduce biases or inaccuracies.

V. REVIEW OF LITERATURE

1. RAGHULS - APRIL 2022

The current era is experiencing a rapid advancement in the digital payment system through the utilization of digital wallets that are equipped with coupons and offers. Specifically, the mobile payment (m-payment) system has emerged, allowing users to conveniently make payments for goods and services using their mobile devices, particularly mobile phones, no matter where they are.

2. Anish.B. Bhaskaran, Dr. M Saravanan

Digital payments are a way for people to make electronic transactions when buying things online. Even though some people know about digital payments, there are still problems faced by customers in the Kottayam District. This research looks at these issues. We focused on Kottayam and interviewed 100 people using a simple sampling method. We collected data through interviews and analysed it using percentages and Liker scales.

3. Dr. R. Gokilavani, Mr D. Venkatesh Kumar, Dr. M. Durgarani, Dr. R. Mahalakshmi - 2018

The digital payment system serves as an electronic platform enabling consumers to conduct electronic commerce transactions for their purchases. Consumers possess a moderate level of awareness regarding digital payment, and there exists a notable distinction between the socio-economic status of consumers and their perception towards digital payment.

FINDINGS:

- 87.5% of the respondents of the study are between 18 to 24.
- 72.2% of the respondents of the study are male.
- 70.7% of the Respondents of the study are students
- 81% of the respondents uses Gpay in their daily basis.

Suggestions:

- Consider targeting marketing efforts towards students due to their significant representation in the data.
- Tailor promotions and incentives to appeal to the student demographic, leveraging their potential as early adopters of technology.
- Engage with professionals and self-employed individuals through channels relevant to their occupations, highlighting the benefits of using Apple Pay in their daily transactions.

3. A Study On Impact Of Mobile Payment With Special Reference To Youths
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VI. CONCLUSIONS

In summary, the analysis of problems and challenges within the digital payment system on mobile phones highlights several key areas for improvement. Despite a significant reliance on digital payment systems among respondents, there are disparities in usage frequency and adoption rates across various platforms such as Google Pay, Phone Pay, Apple Pay, and Amazon Pay. Challenges include addressing barriers to adoption, enhancing user education, increasing acceptance among different demographics, and ensuring security and user interface considerations are adequately addressed. The suggestions provided offer targeted strategies to address these challenges, including tailored marketing efforts, incentivizing usage, expanding acceptance networks, and providing ongoing support and education.

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