



Impact of the Covid-19 Outbreak on Digital Payment in India

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Article Info	Abstract
<p>Received: 06/07/2023 Revised: 20/08/2023 Accepted: 01/09/2023</p> <p>Keywords: Covid-19, Digital payments, Impact. Demonetization</p>	<p>Economies around the world were during 2020/21. In a financial year once in a century in a strong hold pandemic corona However, the Indian economy has shown resilience with its strong fundamentals the pandemic has led to a strong growth in digital payments in the retail sector. The volume has grown considerably for both and digital payments (retail) valuations affected by the pandemic in 2020/21. In the financial year compared to the pre-pandemic financial year 2019/20. The impact is positive and has shown the power of digital payments system for processing large financial transactions in India through digital platforms. On 8 November 2016, the seeds of demonetization sown by demonetization showed their results in enabling payment the system will successfully lead to a significant increase in digital payments in the 2021/21 season.</p>

INTRODUCTION

In the 21st century, the development of the country cannot be imagined without the development of information technology. Through this development, it is possible to achieve not only the global goal, but also the economic and social challenges of the country. The Digital India program was launched on 1 July 2015. The program aims to give India a digital impact by launching a digital revolution. The government wants to provide more of its services in electronic form and encourages people to cooperate with this campaign. Then ordinary people will be able to use government services using the Internet and smartphones. One of the most important steps in the digitization of India is the digitization of financial transactions. There are over 45 million smartphone users in India for whom mobile is the new wallet. Digital payment helps keep business connected we can serve our customers directly from their home without physical presence. Digital payment is convenient because money is instantly transferred from one account to another. There is no need to go to the bank to deposit or withdraw money, because the money is in digital form.

The global economy and even the Indian economy have been hit hard by the COVID-19 pandemic. On March 24, the entire country was locked down. As a result, offices, malls, temples, schools, colleges and hotels were closed. This had a major impact on the digital payment system. Before COVID-19, people preferred to use a digital payment system, but since the pandemic, the number of users has risen. There are several digital payment methods available in India and globally. The most important digital payment methods are debit card, credit card, mobile wallet, online banking and many others. Smartphones play an important role in the COVID-19 situation, because home delivery, live broadcasts, movies and online entertainment, all these situations are solved through digital means. During the pandemic, digital payments played an important role in keeping our economy in a better position. Digital transfers play a big role in business payments through which the government can reduce physical contact between people and the spread of the disease during the COVID-19 situation.

Digital Payment

A digital payment, sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device or channel. This definition may include bank transfers, mobile money, QR codes and payment methods such as credit, debit and prepaid cards.

The National Payments Corporation of India (NPCI) was established in 2008 and led the development of the retail payment framework. In addition, non-banking entities were introduced to the issuance of prepaid instruments (PPIs), including mobile and digital wallets. These initiatives were complemented by notable NPCI initiatives including launch of CTS network specific features, interoperability across NACH (National Automated Classroom), IMPS, NFS, RuPay, APBS and AEPS, nationally harmonized USSD platform (NUUP), UPI and BHIM. App. These advances reach the development of the framework of digital payments in the country. This was followed by a major initiative by the Government of India to set up Digital Payments in August 2016 under the chairmanship of Chief Advisor Ratan P. Watal and NITI Aayog. After demonetization in November 2016, the introduction of digital payment methods in India was a surprise or an improvement. De-netting forced Indians to switch to cashless methods with many hidden costs, but as the weight decreased, Indians returned to using cash.

Importance of the study

In the current situation, digital payments play a key role and have many advantages over cash, such as ease of transaction, security and transparency. The banking sector plays a key role in digital payments by providing digital tools like debit cards, mobile banking, mobile wallet etc. in this pandemic situation.

Objective of the study

- 1) To study of digital payment in covid-19 outbreak on business.
- 2) To study of issue of digital payment during covid-19.

I) Gender wise distribution of the Respondents.

Particular	No. of Respondents	% of Respondents
Male	280	56%
Female	220	44%
Total	500	100%

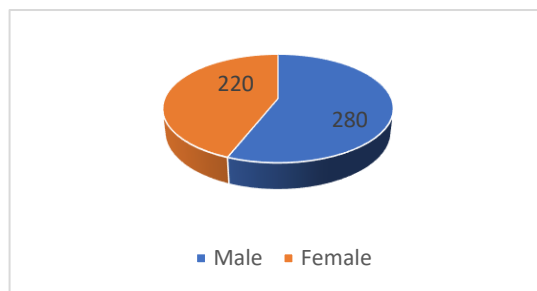
Source: Primary Data 2021-22

Research & Methodology

The current study is based on primary data collected from 500 respondents from the different parts of India.

Impact of covid-19 on business.

The negative impact of the COVID-19 pandemic is spreading across key sectors of the Indian economy, with manufacturing, automobiles, retail, aviation and hospitality bearing the brunt of the restrictions. This, in turn, has affected the rapidly growing digital payments, which are closely related to the aforementioned sectors. Store closures, travel bans and reductions in consumer discretionary spending (eating out, movies and entertainment, etc.) continue to have a negative impact on digital payments. The number of digital payments decreased in airlines, travel, catering, hotels, entertainment, e-commerce (not significant) and restaurants, among others. In addition, cross-border payments, whether B2B or C2B, have significantly decreased as borders are still temporarily closed, leading to restrictions on the movement of goods. International money transfers were also affected and reduced. However, there are also areas where the number of digital payments has increased due to increased adoption during the lockdown. These include Online Shopping, Online Pharmacies, OTT (Telecommunications and Media), Ed Techs, Online Gaming, Downloads and Electricity/Bill Payments. Digital payment volumes are also gaining momentum with the government promising financial assistance to the poor through direct bank transfers. The Finance Minister and CEO of the National Payments Corporation of India also called for increased use of digital payments for contactless payments. Digital payment, once convenient, has become a necessity these days. Most sectors related to digital payments are still in flux, so it is too early to assess the long-term impact of COVID-19 on digital payments.

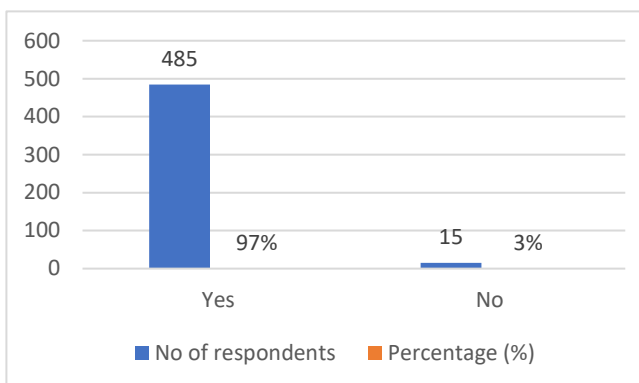


Male respondents are 56% & Female respondents are 44%.

II) Positive Impact of Digital payment system on business during covid-19.

Source: Primary Source 2021-22

Particulars	No of respondents	Percentage (%)
Agree	485	97%
Disagree	15	03%
Total	500	100%



From the above table shown Positive Impact of Digital payment system on small business. It can be analyzed that, out of 500 respondents. 97% of respondents are said Agree, positive impact on

small business & only 3% of respondents said Disagree. It means digital payments system are most important role on small business during covid-19.

III) Difficulties faced by the customer/ business man/medical store from digital payment system.

Particulars	No of respondents	Percentage (%)
Technical error	210	42%
Lack of knowledge	60	12%
Fear of fraud	20	4%
Lack of security	20	4%
All the above	190	38%
Total	500	100%

It can be analyzed that, out of 50 respondents. 42% of respondents facing a problem of technical errors, 12% of respondents facing a difficulty of lack of knowledge, 4% lack of security, 4% fear of fraud these are the problems faced by the customer through digital payment system., 38% of respondents facing an all the difficulties through digital payment.

Suggestions

- 1) We focus on improving infrastructure and digital literacy.
- 2) Government should mandate digital payments instead of cash payments.
- 3) Efforts should be made to improve the frequency with which customers use online payments.
- 4) Government has proposed to use online payment mode during the COVID-19 Bank should focus more on server and connections related issues.
- 5) When new technologies are installed, customers must be informed about them.

Conclusion

The results of our study show that Covid-19 had a positive impact on digital payments retail

segment. There has been a significant increase both in terms of volume and value in the economy year 2020/21, the trying time of the pandemic, compared to the 2019/20 financial year pre-pandemic period. A couple of important ones conclusions can be drawn. This rise can be possible because Indian cash payment the system was digitally prepared to receive a high transaction volume and value. The seeds for this were sown on November 8th 2016 when the Indian government intervened demonetization, the other side of demonetization. Continued efforts throughout the season 2017-2020 made the digital increase practical and effortlessly the digital payment system was important in the achievement of farmer’s parts of the country.

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Cite this article

S. M. Mante and Gopal Deshmukh, 2023. Impact of the Covid-19 Outbreak on Digital Payment in India. *JES Bulletin*, 1(1):11-14.