



Original Article

Consumer Perception Regarding Digital Transaction and Its Changing Dimension: A study with reference to Powai and Goregaon

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Abstract

Government of India had launched a prominent program "The Digital India" with a vision to transform India into a digitally empowered country. "Faceless, Paperless, Cashless" as a drive of government reforms, Prime Minister demonetized the currency in 2016, and promoting the Digital India initiative in 2015. Demonetization has provided widespread lift to the digital payment ecosystem in our country. The digital economy, used technologies and wider global network like internet, within and outwardly. Government vision to transforming India into digital society by cashless transaction within country and outworld as well. After demonetization in India the digital payment system developed enormously. After adoption digital transaction system many changes took place in digital payment apps like wallets, UPI AEPS, QR code smoothly shifted toward digital payment. Government promotes this digital payment system to maintain the financial relation with developed countries, moreover smooth the international tread for country development. Government wants to monitor countries domestic money transaction and build transaction history to control the corruption. This study showcases consumer's The study investigates a consumer's insights on digital transaction ecosystem. The organized questionnaire was used as a research tool towards understanding consumer's awareness towards digital payment ecosystem. The primary data was collected from Powai and Goregaon location from all age group and different profession by random sampling method. The initiative taken by government to maintain the tread relation across the globe.

Keywords: Cashless transactions, Consumer perception, Digital payment, Demonetization and Digital wallets.

Introduction

Digital transaction, sometimes called an electronic payment, is the transfer of value from one account to another using a digital device such as a mobile phone, POS (Point of Sales) or computer, a digital channel communication such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial) Adoption of cashless transaction has been significantly pushed by Indian government as part of government reforms post demonetization of higher amount currency like 500 and 1000. This gave rise to exponential growing of digital transaction. By the same year, digital wallet companies had shown a growth in crores. Indian government and private sector companies had been aggressively pushing several digital transaction applications, such as Aadhaar Payment app, UPI app. Digital transaction via apps has taken noticeable changes and supported in wide acceptance of digital payment ecosystem. This change brought in ease of money transactions especially in rural areas where such systems were not much popular. This also has attracted foreign investors as an opportunity in this industry with high potential.

There are good number of enablers who are prominent to growth of digital transaction ecosystem and contributing towards moving our country from cash economy towards cashless economy. These enablers include Telco's smartphone companies, growth in financial technology sector and government push either by providing incentives or tax benefits, NBFCs, one touch payment systems. These factors are creating progressive growth of digital transaction ecosystem in our country. In 2021-22 credit card used increase by 6 percent to 12 percent mainly due to a renaissance in discretionary spending and global travel. Credit card value expected to grow four percent in 2026 across the globe.

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After demonetization use of credit card increased significantly at 29.6 percent, compared with previous year, as per RBI data. This is also driving cash's slide downwards. The government continues promote financial inclusion via access to digital transaction. The shift of consumer towards digital transaction, which accelerated during COVID-19 pandemic towards QR code. All this adds up to a decline in cash transaction.

Objectives

- To analyze the impact of customers age, gender, education and profession on usage of digital transaction.
- To find out the digital transaction position in consumer day to day life.
- To know the mode of the digital transaction preferred the most by consumer.
- To find out the advantage & disadvantage and impact of using plastic money/digital transaction on economy.
- To know the perception of people towards digital transaction.

Hypothesis

- Study shows no significant difference supposed by respondents with respect to different attributes of digital transaction basis on the gender of respondents.
- Study shows no difference supposed by respondents with respect to different attributes of digital transaction basis on the profession of respondents.
- There is no significant difference between demographic factors and perception on online transaction system.

Meaning of Digital Transaction

Digital transactions mean transactions done through online mode over computer or mobile and there is no exchange of physical currency. Both Person sending and person receiving money uses online mode to do transaction.

Digital Payment Methods in India

Plastic Cards: Credit Debit Cards are globally used and a very common method for digital transaction., this card gives additional value adds such as payment security, insurance and convenience of use. Another value adds of using such cards is also the discounts for online transactions provided by issuer (Bank) of the cards.

USSD: Unstructured Supplementary Service Data is another Global System using text messages similar to SMS. USSD uses predefined developed codes available on a mobile phone. Such predefined codes like *99# used to carry out online transaction using mobile without any app installation. USSD does not require any mobile net data facility.

AEPS: AEPS is the Aadhaar Enabled Payment System, is used for all online transaction like, cash withdrawal, balance enquiry, cash transactions, Adhaar to Adhaar fund transfers, etc. These transactions are done through Adhaar verification.

Mobile Wallets: Also called as virtual wallet are popularly used for frequent secure transaction using mobile app. These mobile wallets which are pre funded accounts, or encrypted credentials of credit or debit cards or customers account information in encrypted format to allow highly secure transactions.

Bank pre-paid cards: Prepaid cards give payment facility by loading money on it to make payment without linking to consumers bank account.

PoS Terminals: PoS terminals usually a hand-held device that reads banking cards are mostly used at stores where purchases were made by customers using credit/debit cards.

Internet Banking: Most common and ease of use digital transaction services is Internet banking for doing online transactions. Internet Banking is also widely called as virtual or e-banking, Internet banking provides consumers multiple services as made applicable by consumer banks like fund transfer via NEFT RTGS IMPS, New FD or renewals or recurring deposit, closing an account, etc.

Mobile Banking: Digital banking transactions done through mobile smartphone is called Mobile banking. Mobile Banking has got significant growth and popularity basis on launching of multiple mobile wallet and online transaction apps like UPI payments.

Bharat Interface for Money (BHIM) app: One of the common UPI payment systems is BHIM app which gives consumers ease in doing payments using the UPI application using a VPA. Consumer can link single or multiple bank account with the BHIM interface.

Research Methodology

This Study on Consumer Perception Regarding Digital Transaction and Its Changing Dimensions is grounded on primary data received from collection of 100 respondents from the diverse area of Mumbai (Powai, Goregaon) A appropriate survey questionnaire was created to collate the data from the participants, the survey was planned to study insight of consumer towards acceptance and awareness of digital transaction ecosystem. The responses have been collected by personal interviews.

Research Design

The research on Consumer Perception Regarding Digital Transaction and Its Changing Dimensions this project was based on survey questionnaire and investigation which is of exploratory nature followed by the detailed description and analysis. The study nature was statistical relating actual field conditions, this kind of data is qualitative research gives perceptions and to understand the problem and measure the data to apply some statistical investigation.

Sampling Plan

Sampling: This survey method does not state the target population to be surveyed. This research uses sampling unit as the customers, students, business owners, working population, house wife's, retired peoples, for randomly collecting the data.

Sample Size: In this survey, sample size was 100 from two different demographic places (Powai, Goregaon).

Data Analysis and Interpretation**1. Respondents Demographic Profile.**

Variable	Characteristics	Male	Female	Percentage
Gender	Male	53	47	100
Age Group	Below 20	03	04	07
	20 – 30	13	21	34
	30 - 40	16	14	30
	40 Above	21	08	29
Total		53	47	100
Qualification	SSC	01	00	01
	HSC	03	04	07
	Under Graduate	23	17	40
	Post-Graduation	19	20	39
	Other	07	06	13
Total		53	47	100
Occupation	Professional	29	30	59
	Business	07	01	08
	Student	15	13	28
	Other	02	03	05
Total		53	47	100

Source: Primary data collection.

The table 4.1.1 shows the population commonly involved or using digital transaction method. Maximum of respondents are male (53%), in the age group of 20 to 40 (64%) are under graduate or post graduate students.

Here we observe that there is no gender difference, male female ratio is almost equal for using digital transaction for payment. This is the ideal profile for consumers using digital mode and who are educated.

2. Awareness About Digital Payment Method

Sr. No.	Awareness of Respondent	Percentage
1	Aware about digital payment method	98
2	Not aware about digital payment method	02
Total		100

Source: Primary data collection.

The respondent profile as displayed in above table, out of 100 respondent 98% people are aware about digital transaction and only 2% people are not aware. It means digitalization is in progress therefore people are more comfortable in digital transaction rather than cash money transaction.

3. Digital Transaction Mode

Sr. No.	Transaction Mode	Male (%)	Female (%)	Total (%)
1	Payment Wallet (G pay, Paytm, Amazone Pay)	44	36	80
2	Credit card/ Debit card	19	16	35
3	Net Banking	17	08	26
4	UPI	30	21	51
5	Cash Money	00	05	05
Total		83	86	197

Source: Primary data collection.

Out of 100 respondents 80 % respondents prefer using payment wallet and UPI, followed by credit and debit card and net banking sequentially. Male and female consumers, both are using multiple digital transaction mode at same time. As per requirement and situation consumers use various types of digital transaction, for example small value transaction E- Wallet, G-pay and for high value they use net banking, RTGS.

4. How Long Are You Using Digital Mode

Sr. No.	Respondents Duration of Using Digital Mode	Male	Female	Percentage
1	1 year	5	6	11
2	2 years	3	10	13
3	3 years	8	4	12
4	4 years	2	10	12
5	5 years and above	33	13	46
6	Never	02	04	06
Total		53	47	100

Source: Primary data collection.

The respondent profile as display in above table that out of 100 respondent 46 % respondent are using digital payment systems since more than five years, this indicates that peoples have started using and have adopted the concept of digital cash less transaction. Remaining 48 % people are using digital payment systems from less than five years and 6% people do not use these systems. It seems that after demonetization digitalization has increased.

5. Do You Agree, Digital Payment Are Important In Our Daily Life.

Sr. No.	Importance of Digital Payment by Respondent	Percentage
1	Agree	87
2	Disagree	11
3	Neutral	2
Total		100

Source: Primary data collection.

Above table shows that among 100 respondents 87 % agrees that digital transaction systems play very important role in their day-to-day life and 2 % disagrees, remaining 11 % are neutral as they deal with traditional method of transaction.

6. Which Type of Digital Payment System Is Comparative Low In Transactional Cost

Sr. No.	Low Transactional Cost Digital Payment	Percentage
1	Payment Wallet (G Pay, Paytm, Amazon Pay)	48
2	Credit/Debit Cards	16
3	Net Banking	26
4	UPI	39
5	Not doing Digital Transaction	8
Total		137

Source: Primary data collection.

Display of table shows that payment wallet has low transaction cost compared to other methods, UPI also has low transaction cost so these two systems are most preferred by consumers. On usage of credit and debit cards or net banking, banks are charging some convenience fees for providing such facility.

7. Is Digital Transaction/Plastic Money Considered As More Reliable And Secured Way Of Transaction.

Sr. No.	Reliability Of Digital Transaction	Percentage
1	Yes	80
2	No	20
Total		100

Source: Primary data collection.

According to respondents, digital transaction is more reliable and secure than the cash transaction. In above table 80% respondent are seeing digital transaction most reliable and secured while 20% respondents see reliability and security with cash transaction.

8. Which Type of Transaction Is More Convenient.

Sr. No.	Convenient Of Digital Transaction	Percentage
1	Digital Transaction	85
2	Cash Transaction	15
Total		100

Source: Primary data collection.

Above table out of 100 respondents' convenience in digital transaction, 85% respondents feel digital transaction are convenient while 15% respondents are convenient with cash transaction.

9. **Does the Use of Digital Transaction, Help To Reduce The Corruption In Country.**

Sr. No.	Contribution Of Digital Transaction To Reduce The Corruption	Percentage
1	Agree	76
2	Not Agree	24
Total		100

Source: Primary data collection.

Digital transaction helps reduction in corruption, 76% respondents agree that using digital transaction methods corruptions can be eliminated since the transactions are tracked in real time with the individual accounts, while 24% respondents do not agree. We can say that usage of digital transaction for which we have real time record of transaction, corruption can be eliminated from the country.

10. **Does Digital Transaction Considered as Symbol of High Social- Economic Status.**

Sr. No.	Contribution Of Digital Transaction to Be Considered As Symbol Of High Social- Economic Status	Percentage
1	Agree	60
2	Disagree	40
Total		100

Source: Primary data collection.

In our society people are competing to maintain their standard of living, this behavior of consumers leads to increasing digital transaction. Here we can see that 60% respondents agree that using digital transaction methods as a symbol of high socio-economic status while 40% respondents do not agree with this.

11. **Does Digital Transaction Leads to Over Consumption and Spending.**

Sr. No.	Contribution Of Digital Transaction to Over Consumption and Spending	Percentage
1	Agree	81
2	Disagree	19
Total		100

Source: Primary data collection.

There is huge difference among the over spending patten of transaction methods, while one is paying digitally, he or she is spending more, wherein 81 % respondents are agreeing to this while 19% respondents do not agree. When consumer is using cash money, he or she is more cautious of over spending money, though while using digital methods like credit card consumers get credit facility which attracts over spending.

12. **Have You Faced Any Digital Transaction Challenges.**

Sr. No.	Digital Transaction Challenges	Percentage
1	Yes	53
2	No	47
Total		100

Source: Primary data collection.

In this digital era out of 100 respondents 53% do not face challenges with digital transaction while 47% respondents faced few challenges during digital transaction. It's very natural that facing some challenges due to dependency services like network infrastructure, payment gateway, or unaware of payment process.

13. **Have You Been Benefited by Digital Transaction.**

Sr. No.	Digital Transaction Benefited	Percentage
1	Yes	84
2	No	16
Total		100

Source: Primary data collection.

In this study I observed that out of 100% respondents 84% respondents have been benefitted by digital transaction while 16% are not benefitted. All shopkeepers and vendors offering some discounts on online transaction or on some type of debit or credit cards to increase their sale and attract consumers, even payment wallet gives cash back and reward points as a form of benefits to the consumers.

Advantage of Online Transaction System

Transactions Speed.

Digital Transaction is very quick process which reduce the consumer and sellers time and challenges. Now there is no need to carry paper bills also this method reduces the late payment chance. It takes very few seconds to complete the transaction process.

Convenience

It's very convenient to pay for goods and services at any time from any part of the world. There is no need to carry cash money during traveling, it's risky. It's very easy to do just you have to remember the pin and transaction done.

Reaching Global Audience

The big advantage of digital transaction is you can operate globally and capture the global customers across the border this leads to increase the sales and earn forex.

Low Transaction Costs:

This advancement of technology is fully automated there is no need to hire employee. Vendors can set up with minimum investment and lower transaction cost so far their cost of production is also reduced.

Quick and Easy Setup:

Digital transaction process needs certain equipment and some skilled employee very small setup. It's convenient to consumer to choose from wide range of available options.

Multiple Payment Choices:

In online transaction customers have advantage of multiple choices basis on their preference to choose from. And many banks offer cashback offer on credit card also.

Variety of Distribution Channels availability:

Online payment options are more beneficial for entrepreneurs with variety of distribution channels, by accepting digital transaction methods they can easily penetrate. If they ready to accept online payments, so they can enter the partner domain and promote their sales by displaying the offered products and services on digital channels and websites and increasing the sales.

Management Comfort and Ease:

To manage and store your money and other financial data online transaction is an easy way for both vendors and customers. The tools which are available on the internet will help for such transactions. While we doing online transaction it automatically build history so we can track it any time, so no need to carry currency.

Improved Experience for Customers:

Digital transaction channels give an improved and better customer experience while doing shopping on digital platform. This also saves a lot of time, efforts and energy. Young generation mostly choose digital platform and payment methods compared to traditional transactional methods. It's very convenient for sellers as well to track the record.

Recurring Payment Capabilities:

Earlier people used to make cash payment at regular interval but now, transactions are automated and there is no need to track the payment cycles or in person go to the business and do the transactions. This gives easy for both the seller and the consumer.

Findings & Conclusions:

Findings Our Study Has Following Findings:

- Total of 100 responded most of the respondents are working peoples (59%), students' respondents are (28%), Businessman's owners are (8%), house wife's and retired people's involvement in this system is comparatively less (3 to 4%).
- Out of the total 100 Respondent, 87 % respondents are aware about importance of digital transaction and using online transaction to pay their utility bills or booking journey tickets or shopping, it shows majority population mainly depends on digital transaction for carry out their daily activities.
- 48% respondents are using wallet payment while 39 % respondents are using UPI system for their overall transactions, it indicates that wallet payment and UPI digital transaction system are more secure and time savings for doing the transactions.
- 24% from 100 respondents uses digital transaction ecosystem from last one year and 25% uses from last 3 to 4 years which clearly shows that after Covid-19 Pandemic, usage of digital transaction ecosystem has been increased enormously.
- 85% from 100 respondents agrees that digital payment is extremely important which also clearly shows that digital transaction has become a vital part in one's daily life.
- Out of respondents, 100 respondents 85 % are more convenient with digital transaction than cash transaction.
- Out of 100 respondents 76 % respondents agreed that digital transaction leads to reducing corruption in country.

Conclusion:

This study examines consumers awareness and perception towards digital payment ecosystem. The Electronic-transfer of money is common and is used for quite some years now, our country has significantly benefited from this technology progress. The count of usage and easy and comfort is increasing day by day, support of government towards electronic-payment system and its development has made consumers life ease and time saving doing online transactions. This Study on Consumer Perception Regarding Digital Transaction and Its Changing Dimensions has made effort to know respondents' insight about digital transaction. It was seen that demographic factor except education do not have major impact in embracing of digital transaction. There is no substantial difference perceived by the respondents on the base of gender, age and profession. Except respondents' education level sees a significant difference. It shows that acceptance of digital transaction ecosystem is influenced by the education level of consumers. Consumers with matriculation and above are more tech aware and are more motivated and inclined towards digital transaction ecosystem. It is also seen that in metropolitan areas like Mumbai where education level is on higher side, then likelihood of acceptance of digital transaction is much higher. The increase in smartphone and internet consumers, infiltration in such area also facilitated the acceptance of digital transaction. Shopkeepers voluntarily ask for online payment, rather cash transaction they prefer digital transaction.

Suggestions

- Government should work towards more secure transaction to avoid digital fraud.
- If the payment is made through offline mode i.e. through UPI but without the use of internet that will be much secure than the use of mobile wallet.
- Awareness program is much required to adopt the digital transaction ecosystem in rural areas.
- District Panchayats should be self-equipped and enabled with PFMS i.e. Public Financial Management Systems like adopting digital payment facilities with common utility shops, ration and fertilizers shops.
- Fees and transactional charge levied on online transaction should be waived or either reduced to persuade the individuals to use plastic cards more.

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Conflicts of interest

There are no conflicts of interest.

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