"THE IMPACT OF DIGITAL PAYMENT SYSTEMS ON CONSUMER PURCHASE BEHAVIOUR AND BUSINESS PERFORMANCE"

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Abstract:
Investigates effect of electronic payment on consumer buying and organisation outcome. It evaluates the user-friendliness, brand trust, factors affecting digital payment usage and usage frequency, and user-friendliness on transaction safety in a scenario where the user wants to spend more or pay more frequently. The document also looks into the impact of digital payment usage on business outcomes such as and other business indicators like sales growth, improvement of working efficiency, customer retention, reduction in cost and revenue earned, at the same time. The quantitative and analytical technique will be used, the structured questionnaire and the statistical analysis technique will be used descriptive statistics, reliability analysis, consumer buying behaviours. Consumers are able to 'buy' faster and more often as this lessens the barriers to payment. And, enterprises that use payment technology are to have a more contests competitive market or sustainable financial growth and improvements to operational as well.

Keywords: Digital Payment Systems, Consumer Purchase Behaviour, Business Performance, Mobile Wallets, UPI, Cashless Economy, Financial Technology (FinTech), Customer Satisfaction, Business Growth, Digital Transactions.

Introduction:

Innovative technologies in payment have made life very simple. With the help of payment technologies, you can participate in financial transactions easily without any disruptions to your everyday life. This is a magazine title of Change in Finance. Choices of digital payments have changed tremendously over the last few years. Different kinds of digital payments are common and a preferred mode of payment of millions of consumers and business enterprises across the globe. In fact, all of them gain from the death of cash as the big take-up of the mobile phone, high-speed internet and creative financial technology along with government support keep things going digital. Today, digital payments are helping people with easy and convenient payment modes. At the same time, they offer transparency and better security to the customers without much restriction as compared to cash payment that got acceptance in the times.

Digital payment systems refer to a range of electronic payments methods. It includes digital wallets, contactless payment methods, Unified Payments Interface (UPI), and others. Consumers can conduct financial transactions from without any hassle due to this technology.
over the internet. A Technical Setup Informs A User of the Availability of Funds for A Particular Transaction. Nevertheless, some problems have arisen.
Over time, both consumers and businesses have grown wary of cash transactions, instead opting for more hygienic and safer alternatives. Due to COVID-19, contactless payments and the use of digital wallets have gained traction. Digital payments were thus incorporated in different sectors like e-commerce, retail, transport, healthcare, education, hospitality and more. Digital payments are becoming increasingly popular in the market.

Digital payments have become the upcoming trend in the payments market. Be it the wealthy with their credit cards or a middle-income earner, there is no doubt that both have quickly adapted to digital payments. Digital payments have become so common now owing to easy availability, convenience, need to avoid carrying too much cash among other reasons. Digital payments have transformed the way customers shop, a huge change nonetheless. The way consumers buy goods and services has changed greatly. They are now able to make purchase decisions on more than just product naming and pricing. They also look at convenient payment options as criteria. Through digital transactions, you can save a lot of time. Retail payment solutions can make payment easier and even offer incentives or cashback offers, discounts and loyalty measures, which encourage the customer to buy more items. As a result of a greater sense of security offered by a particular digital payment option to the user, there is a propensity of impulse shopping and more frequent purchases with higher amounts.
From a business point of view, digital payment methods offer a host of other advantages related to their operations and finances. Implementing digital payment solutions can lead to a more efficient payment process, reduced cash handling costs, lower risk of financial errors, increased transparency, and improved customer satisfaction for organizations. Digital transactions also provide helpful information about the customer. With this data, targeted marketing strategies, predictive demand and decision-making can be done. Petite and average-sized.
Governments and banks, at a global level, have digital payment to ensure financial inclusion, encourage tax compliance, curb informal payments and enhance economic activity. Efforts in countries like India such as Digital India, UPI, Payment Gateway systems like BHIM, upscaling of Digital banking infrastructure have greatly contributed to the push for cashless payment options. This activity helped significantly boost the financial literacy of many groups of the population and access

digital financial services. Nonetheless, there are some challenges to solving digital payments system issues. The penetration and repeated use of payment methods depend on the assessment of several factors such as cyber security, privacy protection, technological infrastructure and the adoption in the consumer's life of new payment schemes and methods. It is important to tackle these issues for the sustainable development of the digital financial ecosystem to further progress. This study states the aim influence of the implementation of systems, consumer acceptance and behaviour of the purchasing authorities and performance of business doling the pandemic.

The speed of technological change is making digital payment technologies an essential part of the community. The increasing popularity of cryptocurrencies and blockchain showcases the fast-growing significance of digital payment technologies amongst the masses.

Related Works:

To explore this issue, Kim et al, (2009) investigated the security and trust belief of customers regarding online. According to the authors, if the employed procedures were authentic, it could lead to the development of trust in case of wire transfer via a commercial safe gateway and suitable privacy defence, etc. A perception that better security measures would enhance the consumers' confidence in the safety of the electronic payable system and more of them would be using it was felt by them.

In Mallat's (2010) study, he looked at the reason behind the acceptability of mobile payment services by consumers via qualitative analysis. Mobile payment provides the benefitting flexibility and convenience for their customers and enables them to pay anywhere anytime. Challenges such as technical drawbacks, low retailer adoption, and security concerns are cited as barriers to acceptance. The researchers of the study recommended to strengthen the payment infrastructure system as well as to educate consumer to further improve technology.

To investigate the views of users on the mobile payment service use, Schierz et al (2011) examined the user behaviour technologies that are digitally enabled.

Web Cash provides a legitimate way for internet users to pay for online content. The authors of this project seek to prevent copyright violations and further decrease dropout rates of online business enterprises as a result of using unauthorized digital copies of copyrighted material. Effectively using a private currency for internal purposes is achieved through a distinct VDF algorithm that greatly reduces chargeback rates. It will then apply for the patent of its application in order to enclose a copyright for its internal currency. In my opinion, Web Cash will not be using other cryptocurrencies, most notably, Web Cash Tokens are the only usable cryptos in the system. Unlike that, the old payment modes such as the Stripe payment gateway make use of your regular fiat currency. With Applications Management-approved Web Cash, you can now make public writes to the Blockchain to transfer your value. The apps manager won't be able to change the write time of your sample apps.

The comprehensive study captioned Mobile Payment Systems a wide overview by Dahlberg, Guo and Ondrus (2013) reveals that in their opinion, all the existing research in the field has been inventoried. The authors explored some specific technological, organizational and behavioral conditions that impacted that country's payment service sector with regard to the adoption of digital payment. This helped develop a list of countries covered in the research article. Furthermore, the findings highlighted the necessity of additional evidence to investigate business performance, consumer behaviour, regulation and new financial technologies despite the significant advancements made in understanding payment technologies. It was decided that research on digital payments would be an ongoing activity concurrent with technological advancement. To elaborate on the influence of consumers on wallet applets, Shaw (2014) studied the impact of trust. The conclusion of the study shows that trust acts as the mediator between digital payment platform by the consumers. When a consumer wallet provider enjoys the trust of customers, it leads to better transaction experience and long-term confidence in the consumer wallet usage.

When trust prevails, customers are empowered to tolerate and carry out transactions for loyalty. As per research so far, financial institutions must think of ways to develop advanced security systems and communication system to enhance customer trust. Slade and his colleagues (2015) have analysed the and its factors. risk and trust are the factors that could impact consumer behaviours.

As per the research findings the family members, friends and society recommendation impact positive effect on the consumers' willingness to adopt mobile payment technology. In terms of one of the important measures in enhancing the users' acceptance, the decline in security concerns was reflected. The factors that influence the use and recommendation for mobile payment systems were studied.

These payment methods are also inspiring happy users to recommend them to their friends and others thereby promoting cashless payment system. According to Liébana-Cabanillas, Marinković and Kalinic (2017), there are many factors that predict services the pay with smartphone. The important factors that were found out to affect the adoption of digital payments include easiness of using payment method, trust and usefulness perceived and risk reduction of financial losses. The authors recommended that the service providers make applications that are simple to use and at the same time offer a high level of security so that the customer uses the services for longer than expected. Singh and Sinha (2018) analysed the predisposition and contentment of the Indian consumer regarding online mode of payment. Over time, researchers have noticed a shift in the behavior of consumers towards digital payments mode. After many surveys, it is found that they are choosing digital payments. It is found that digital payments mode is saving them time. Also, digital payments mode is making their transactions a lot easier and convenient in life as compared to cash payments. The study also shows that cashback schemes, reward programmes increase user satisfaction and reorder digital payment user behaviour. As the Indian Government demonetised currency, Sivathanu (2019) spoke about digital payment ways in India.

All about paraphrasing digital payment- According to a study conducted in India, the government policy, financial literacy, regulatory framework, technological infrastructure, usability of payment firms, and users' trust are responsible digital payment. The project found that the support of initiatives and policies by the government is a major move towards cashless India.

Hoang, Phan and Nguyen (2020) aimed to study the factors affecting the adoption of digital payment and impact business. This study reveals the following benefits that digital payment system offers to business: Operations efficiency, Customer satisfaction, transparency of ops and financial performance of business. The author found that digital payment technologies appear to have positive effects on businesses from lower operational costs, better the quality of customer service and overall competitiveness.

Kumar and Gupta (2021) examined whether there's a digital payments and purchase behaviour in India. He discovered and verified that digital payment systems have positive impacts on consumers' purchase frequency, online shopping behaviour, and spending. The research also found consumers are more likely to purchase additional items via the Digital Payment Apps because they provide an enhanced level of convenience, quick transactions, and numerous promotions offers and discounts from merchants.

rapidly evolving to include digital technologies that are used for online payment for goods and services. A lot of impactful researches are being carried out in context of digital payments to bring maximum benefits from it. These types of research are: Dr. Jaya V addressed the role of digital payments in GST revenue in 2023.

Moreover, author Jaya V (2023) examined the relationship between the GST Revenue and Electronic payments by secondary data. The components are strongly and positively connected which means that as dependence on electronic payments will increases, there will increase in GST revenue. The paper has suggested that the government must take the essential measures to support the popularisation.

Objectives of the Study:

- To explore the impact of digital payment system on consumer's purchasing behavior.
- To assess impact of digital payment mechanism on business performance.
- Measure the digital payment adoption, consumer satisfaction and business growth correlation.

Material and methods:

This study employs a quantitative research design methodology to examine the influence of a digital payment system on the purchase behaviour and performance of businesses. It is concern with a research interest which gives insight into how modes influence the purchasing behaviour of customers and the financial and business performance of businesses. A well-structured questionnaire was prepared which uses primary data was used to collect data. It is made of three parts. The first query within the questionnaire targets the respondents within demographic characteristics. occupation using digital payment. The second survey question inquiries about the experience in using money, money cards and wallet. The third survey question investigates their perceived uses of the digital payment. The survey's second part aims to assess consumer buying behavior, while the third part evaluates the performance of enterprises in utilizing digital payment systems.

Selection of respondents from different age and job category gave wider spectrum for entry of Digital transaction in society. In addition, some descriptive statistics such as frequency and percentage are used to summarize data in terms of demographic characteristics and other important variable and vice-Vesely. average measure of is used to summarize the data in terms of usage, experiences and Transactional activity. Cronbach's Alpha for internal consistency of scales of measuring questionnaire which has $\alpha \geq 0.6$ will be examined. Pearson correlation method is employed to conduct an analysis of the correlation of customer buying behaviour, businesses performance multiple analysis is done in this study. To test hypotheses, the level of significance which is below 5% ($p < 0.05$) is used. The methodology employed in this study will be consistent with the adoptive methods which will lead to a systematic and consistent evaluation that will results of research.

Analysis of the study:

Variable	**Category**	**Frequency**	**Percentage (%)**
Gender	Male	138	55.2
	Female	112	44.8
Age	18–25	62	24.8
	26–35	96	38.4
	36–45	58	23.2
	Above 45	34	13.6
Education	Graduate	118	47.2
	Postgraduate	84	33.6
	Others	48	19.2

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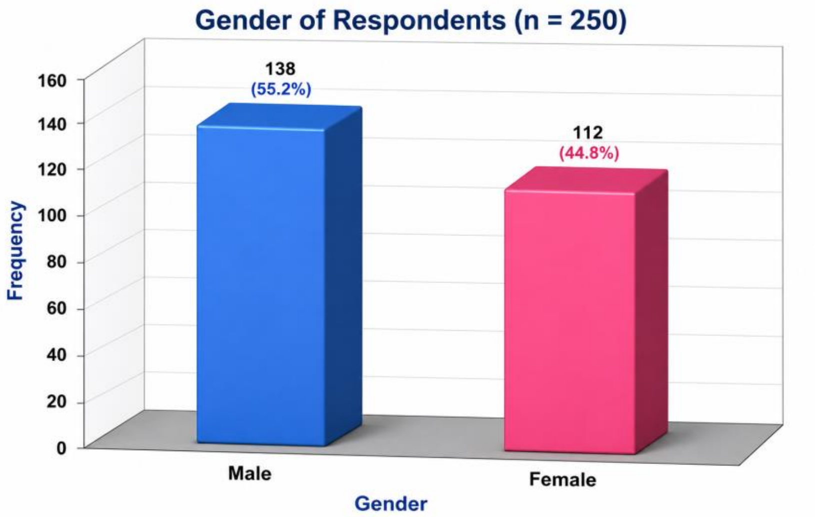
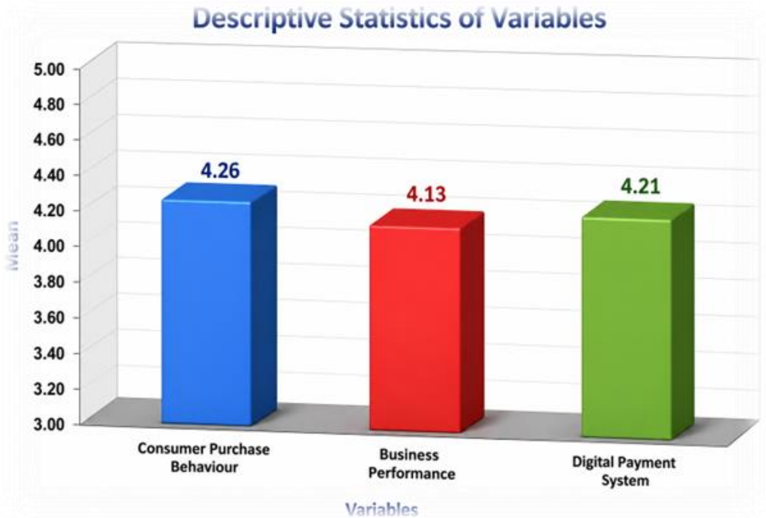


Analysis: Most respondents are aged 26–35 years, male, and graduates, indicating active adoption of digital payment systems.

Variable	Mean	Std. Deviation	Interpretation
Consumer Purchase Behaviour	4.26	0.59	High
Business Performance	4.13	0.65	High
Digital Payment System	4.21	0.63	High



Analysis: All mean scores exceed 4.0, showing respondents have positive perceptions of digital payment systems and their influence on purchasing and business performance.

Relationship	r	β	R^2	p-value	Decision
Digital Payment → Consumer Purchase Behaviour	0.684	0.641	0.468	0.000	Significant
Digital Payment → Business Performance	0.702	0.673	0.493	0.000	Significant

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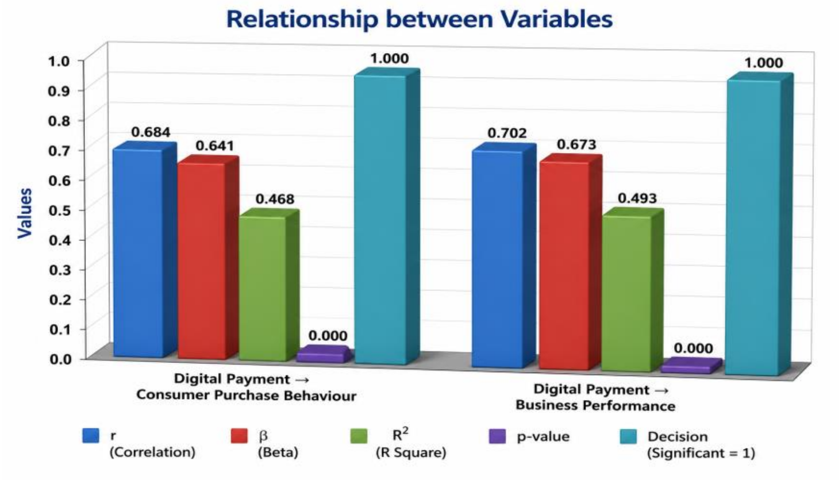

Analysis: Digital payment systems have a strong positive and statistically significant impact on consumer purchase behaviour and business performance ($p < 0.05$).

Results and Discussion:

The study's findings indicate that digital payment systems are having an impact on consumers' purchase behaviours and also business performance. Demographic analysis of the study showed that people with different age groups, education and occupation are using digital payment systems. Thus, cashless transactions have gained acceptance. i.e. digital payment system, consumer purchase behaviour and business performance. Users consider the systems hassle-free, secure, and simple to use. Thus, we can say that digital payment system has high positive correlation with consumer purchasing behaviour. Frequent usage of digital payment may help speed consumer buying decision, increase visiting stores and affect post purchase satisfaction of consumers. As a result, consumers prefer to make digital transactions instead of cash payments. People have different preferences when using e-wallets for transaction speed, easy accessibility etc.

The regression analysis also concludes significantly impact business performance. Firms that use digital payment technology such as the use of smart card-based e-wallets, online mobile apps, NFC card, and QR code that allow contactless payments at retail stores have recorded a rise in their sales growth, running their business efficiently, customer satisfaction and financial transparency.

These advancements in digital payments eliminates the necessity of dealing in cash, reduces hassle in transaction and makes firms efficient in delivering their services. This enhances customer relations and boosts business profits. It is evident that today, consumer buying behavior and the success of business organizations have become essential for the successful operation. The outcomes of this research confirm the findings of an earlier study which suggest that convenience, perceived security, trust and ease of use are major contributors to people's willingness to use digital payments which is universally. This means that improving the customer experience should also be a reason for businesses to grow continuously and so it should keep investing in secure and innovative digital payment technology.

Conclusion:

The digital payment systems have changed people transact money today and the way people make transactions in the digital economy. Toward the conclusion, the research indicates that digital payment affects customer purchasing behaviour positively, permitting transaction convenience, speed, safety, and the enhancement of consumer satisfaction in the future, which will also affect customer satisfaction positively. Easy payment options are likely to enable repeat purchases.

According to the research, we are looking at how companies using digital payments systems operate effectively, which improves sales, which effectively directs their finances, which improves customer relations. Digitization of payments gives the organization an opportunity to reduce costs on almost every front, enhance the quality of service offered to clients and remain competitive with the development of a digital-driven market place.

In the end, the digital payment solutions that have been introduced will enhance customer experience and the environment of corporate productivity. We must promote and further develop electronic payment platforms for safe, trusted and user-friendly use. To encourage increased usage, there should be enhanced policy support and strengthening of the financial literacy and cyber security framework. A sustainable cashless economy will be built through the long-term change in digital trade due to the covid-19 pandemic.

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