A Study of Perception Towards Digital Payment Adoption in Sagar City of Madhya Pradesh

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Abstract - The financial sector has recently witnessed the growth and adoption of technological innovations in the financial sector. From payment to lending, technology has tapped every segment of the financial services sector. Digital payment is one of the segments which has shown tremendous growth in India. The use of digital payment for every transaction has become a trend among the young generation nowadays. The objective of this paper is to Analyse consumer perceptions towards digital payment to assess the factors responsible for the adoption of digital payment. For this purpose, the Exploratory Factor Analysis has been done through SPPS. Data has been collected from 144 people using an online questionnaire from people of Sagar city of Madhya Pradesh. The study has explored the four factors which have an impact on adoption of digital payment.

Keywords: Consumer perception, Digital payment, Digital India, factor analysis,

I. INTRODUCTION

The array of innovations in technology is forcing the whole economy to move towards digitalization. Today, digitalization is fully integrated into every aspect of our lives and the banking sector is evidencing it by showing the high adoption of digitalization in payment mechanisms. Previously, the payment mechanism was based on the barter system and later on it shifted to a cash basis and now it has moved to a digital basis. The Digital India Movement and demonetization have worked in shifting the transaction behavior of people from cash to digital payment. The main forces behind the expansion of Indian digital payment systems are said to be the development of digital Infrastructure, a favorable regulatory environment, innovative payment services, and enhanced consumer experiences that majorly have resulted due to the efforts undertaken under the Digital India movement by various responsible agencies. By involving both the central and state governments, the Digital India programme has developed a framework for a knowledge-based technological change in governance for its citizens. The introduction of UPI (unified payment interface) has proved to be the game-changer factor behind the adoption and growth of digital payment in India. According to NPCI, the Unified Payment Interface is a system that integrates multiple bank accounts, seamless found routing, and merchant payment into a single mobile application (of any participating bank). Additionally, it supports "Peer to Peer" collection requests that can be planned and paid for according to need and convenience (NPCI, 2021)[1]. According to an article by IMF, Over the past five years, India's volume of digital payments has increased at an average annual rate of around 50%. That growth rate is already among the fastest in the world, but India's distinctive real-time, mobile-enabled system, the Unified Payments Interface, has seen growth that is even faster by approximately 160 percent yearly (UPI). As the number of participating banks increased by 44 percent to 330 in June 2022 from a year earlier, transactions more than doubled to 5.86 billion. In the same time frame, values virtually doubled. Additionally, the RBI unveiled a UPI for feature phones in March (earlier phones with buttons rather than touchscreens), which has the potential to link 400 million people in far-flung rural areas (Jeff Kearns and Ashlin Mathew,2022)[2]**.** Despite such growth in digital payment volume through UPI and popularity among people, a large population of the country, especially, the rural areas still depend upon cash for daily transactions due to various reasons. If we see the status of urban areas also, despite having a variety of payment platforms and options the aim of achieving cent percent digital inclusiveness appears to be a far dream from reality. The present study, therefore, aims to analyze the perception of people using digital platforms based on a few select parameters impacting the usage of digital platforms and the results have been used to offer suggestions that can help in improvising areas posing a challenge in its cent percent adoption.

II. DIGITAL PAYMENT SYSTEM IN INDIA

The transactions which take place through any digital platform or online without the physical exchange of money is comes under digital payments. This indicates that both the

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payer and the payee exchange money via electronic means. To encourage and promote digital payments in India, the government has been implementing a number of actions. The government wants to develop a "digitally empowered" economy that is "Faceless, Paperless, Cashless" as part of the "Digital India" campaign (Razorpay, 2021)[3]. These are the various digital payment mode:

2.1 Banking Cards: The cards like debit and credit cards, or prepaid cards are the widely used digital mode as an alternative to cash. The First credit card in India were launched by Andhra Bank in 1981. The use of cards is very common because of lot of benefits like convenience, portability, security and safety, etc. Nowadays, many mobile applications have been launched only to manage the cards (*" CASHLESS INDIA ,"* 2016)[4]

2.2 Unstructured Supplementary Service Data (USSD): It was launched for the people which don't have proper internet and banking facilities. In USSD, banking transactions can be done by dialing *99# on any feature phone. This number works with all telecom service providers and provides customers to use the services like fund transfer between accounts, balance inquiry and mini statements, etc.

2.3 Aadhaar Enabled Payment System (AEPS): AEPS is a digital payment model that was developed to transfer money between two Aadhaar-linked bank accounts. According to statista data, AEPS had surpassed 404 million by year 2022. AEPS does not necessitate any physical activity, such as visiting a branch, using debit or credit cards, or signing a document. This bank-led model enables digital payments at PoS (Point of Sale / Micro ATM) through a Business Correspondent (also known as Bank Mitra) with Aadhaar authentication.

2.4 Unified Payment Interface (UPI): UPI is a digital payment system that combines multiple bank accounts into a single application, allowing for simple money transfers between any two parties. With a few clicks, we can initiate a bank transfer from anywhere. It allows direct payment from bank account without having to enter credit card or bank information.

2.5 Bharat Interface for Money (BHIM): Bharat Interface for Money (BHIM) is a mobile app that facilitates and speeds up payment transactions by utilising the Unified Payments Interface (UPI). Users can make instant bank-to-bank payments, as well as pay and collect money, by using their mobile number, bank account and IFSC code, Aadhaar number, or Virtual Payment Address (VPA). BHIM allows you to scan and pay with a QR code. By clicking on Report issue in transactions, the user can view transaction history and file a complaint for declined transactions.

III. REVIEW OF LITERATURE

The emergence of the financial technology sector and encouragement from the government in form of tax benefits combined have encouraged a climate for expanding the number of digital payments in India (Pankaj Zala, 2022)[5]. in his paper explained that the adoption of digital payments in India is in the transformation stage as India being a cash-based economy traditionally is slowly shifting towards the growth of a card-based economy (Kamath, 2020)[6]. The efforts like increased use of the internet, the digital India movement has a vision of transforming India into a digital society with a greater number of cashless transactions. Various efforts undertaken in the country have given a boost to the digital payment system in the country and efforts like UPI & BHIM are supporting in faster adoption of digital payments (Ch et al., 2022)[7]. The digitalization of payment mechanisms will help in opening ways of making India a cashless future economy (Vipin KP & Sumathy, 2017)[8]. The digital payment methods are easy to use and give the customer the flexibility of using them from anywhere (Patgaonkar, 2020)[9]. A person's perception towards digital instruments affects his usage of these instruments and also the trust towards payment framework and banking system in general (Shree et al., 2021)[10]. The ease of use is the most influencing factor when it comes to the use of electronic platforms (Tiwari & Singh, 2019)[11]. The consumer perception of digital payment has a positive impact on the adoption of digital payment (Dhanya, 2019)[12].

1. Objectives

a) To study the factors influencing consumer perception towards digital payment platforms.

b) To identify the factors that require strengthening for achieving the very objective of the digital India movement i.e., complete digital inclusion.

IV. RESEARCH METHODOLOGY

The study is analytical and descriptive in nature as well as quantitative. The survey area for collecting samples is Sagar city of Madhya Pradesh. For selecting the sample, a random sampling technique was used. According to the rule of thumb, the sample size should be ranging from 5 to 10 times for each variable or statement. So, there are 15 variables in questionnaires and accordingly, the sample size should be a minimum of 75. In this study, 143 responses have been received and 4 responses have been deleted to remove the outliers. The final sample size was 139. So, the researcher has considered it as a sufficient sample size. After exploring literature and self-observation, a well-structured questionnaire containing 15 statements which were used to explore the factors affecting the consumer perception towards digital payment platforms was framed on a 5-point Likert scale ranging from 5-1 Strongly Agree (5) Agree (4) Neutral (3) Disagree (2) Strongly Disagree (1). Exploratory Factor Analysis was performed to reduce the list of variables

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into core factors that affect the consumers' perception of digital payment systems.

V. RESULT AND DISCUSSION

The factor analysis is used to explore the underlying causes of the pattern of connection between a group of observed variables. It is used to condense data and identify the components that account for the majority of the variance found in a greater number of manifest variables. The variables have a considerable degree of flexibility when doing factor analysis. So here is the step-wise detail of factor analysis.

- **Data cleaning**

The practice of correcting or deleting inaccurate, damaged, improperly formatted, duplicate, or incomplete data from a dataset is known as data cleaning. There shouldn't be any outliers, this is one of the presumptions of factor analysis. During the data cleaning process, it is found that 4 responses have a standard deviation value = 0. This infers that there was no difference in their responses for all 15 statements. So those 4 responses have been deleted before running the factor analysis. So, out of 143 responses, only 139 have been considered for data analysis.

- **Preliminary Analysis:**

The first part of SPSS output is related to data screening, assumption testing and sampling adequacy. The table correlation matrix is very large and it is not possible to put here the whole table so the below figure shows the value of the determinant of the correlation matrix computed using the *Coefficients and Significance levels* options available in SPSS.

Figure 1: SPSS output for Correlation matrix

Correlation Matrix[a]
a. Determinant = .023

Source: SPSS output for Correlation matrix

In the above figure, the value of the determinant is 0.23 which is greater than the standard value of 0.00001 which tells that all questions in the study correlate sufficiently well with all others and none of the correlation coefficients are excessively large. while doing factor analysis, the variables should correlate fairly well, but not perfectly and the variables that correlate with no others should be eliminated (Field, 2005)[13]**.** According to the value i.e., 0.23, there is no need to eliminate any variable (Question) at this stage.

The second part of the SPSS output shows the result of *Kaiser-Meyer-Olkin measure of sampling adequacy*, *Bartlett's test of sphercity* and *Anti-image* options. They are used to check the adequacy of sampling data for overall as well as individual variables. The value of KMO should be a minimum of 0.5 and that (Pedhazur & Schmelkin, 2013)[14]. The KMO values of individual variables are shown in the diagonal of the anti-image matrix. These individual values should be minimum of 0.5. The below figure shows the KMO statistics and Anti-image matrix in figure 2(a) and figure 2(b) calculated in SPSS.

Figure 2(a): KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.707
Bartlett's Test of Sphericity	Approx. Chi-Square	501.384
	df	78
	Sig.	.000

Source: SPSS output

Figure 2(b) Anti-image Matrices

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Q1	**.708[a]**	0.002	-0.090	-0.228	-0.101	-0.035	-0.035	-0.059	0.231	-0.113	-0.251
Q2	0.002	**.721[a]**	-0.366	-0.304	-0.131	0.065	0.017	-0.235	-0.016	0.049	-0.191
Q3	-0.090	-0.366	**.769[a]**	-0.001	-0.115	0.033	-0.236	0.029	0.079	-0.116	0.087
Q4	-0.228	-0.304	-0.001	**.760[a]**	-0.193	-0.106	-0.150	-0.036	-0.067	0.243	0.049
Q5	-0.101	-0.131	-0.115	-0.193	**.728[a]**	-0.436	-0.037	0.240	-0.057	-0.163	0.173
Q6	-0.035	0.065	0.033	-0.106	-0.436	**.759[a]**	-0.048	-0.236	-0.058	0.022	-0.174
Q7	-0.035	0.017	-0.236	-0.150	-0.037	-0.048	**.821[a]**	-0.229	-0.220	-0.080	0.155
Q8	-0.059	-0.235	0.029	-0.036	0.240	-0.236	-0.229	**.637[a]**	-0.068	-0.115	0.143
Q9	0.231	-0.016	0.079	-0.067	-0.057	-0.058	-0.220	-0.068	**.713[a]**	-0.462	-0.304
Q10	-0.113	0.049	-0.116	0.243	-0.163	0.022	-0.080	-0.115	-0.462	**.710[a]**	-0.257
Q11	-0.251	-0.191	0.087	0.049	0.173	-0.174	0.155	0.143	-0.304	-0.257	**.638[a]**

Source: SPSS Output

In the above figure 2(a), the KMO value is .707 which is more than the standard value of 0.5 which confirms the suitability of factor analysis. The otheDue to the large table of an anti-image matrix, the diagonal elements of the first seven individual statements have been included here which are highlighted in the above figure. These diagonal values are also more than 0.5. Out of 15 statements (variables) two of them have diagonal values less than 0.5. So those two variables have been removed from the analysis.

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Bartlett's measure is used to test the null hypothesis i.e., the original correlation matrix is an identity matrix. While doing factor analysis, there should be some relationship between variables and if the R-matrix were an identity matrix then all correlation coefficients would be zero. Therefore, to test the significance (i.e. have a significance value less than .05.). A significant test tells that the R-matrix is not an identity matrix: therefore, there is some relationship between the variables. Here the test shows the data set is significant, and therefore factor analysis is appropriate.

➢ Factor Extraction

The factor extraction process starts with determining the linear components within the data set by calculating the eigenvalues of the R-matrix. So, while running factor analysis, there will be as many components (eigenvectors) in the R-matrix as there will be variables, but all of them will be not important. To check the importance of a particular vector, the magnitude of the associated eigenvalues should be checked and further, the criteria have to be defined as which factor should be retained and which to discard. In SPSS, the default value of Kaiser's criterion of retaining factors with eigenvalues is greater than 1. The below table is the SPSS output showing the eigenvalues of each linear component (i.e., factor) before extraction, after extraction, and after rotation.

Table 1: Total Variance explained

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.710	28.536	28.536	3.710	28.536	28.536	2.783	21.411	21.411
2	1.745	13.423	41.959	1.745	13.423	41.959	2.238	17.215	38.625
3	1.530	11.770	53.729	1.530	11.770	53.729	1.531	11.779	50.405
4	1.084	8.340	62.069	1.084	8.340	62.069	1.516	11.665	62.069
5	.889	6.841	68.910						
6	.872	6.705	75.616						
7	.673	5.179	80.795						
8	.580	4.464	85.259						
9	.540	4.150	89.409						
10	.446	3.431	92.840						
11	.359	2.762	95.602						
12	.294	2.265	97.867						
13	.277	2.133	100.000						
Extraction Method: Principal Component Analysis.									

Source: SPSS output.

In the above table, the SPSS has identified 13 linear components within the data set as there were 13 variables or questions included in the analysis. The eigenvalues of each factor show the variance of that particular linear component and it is also shown as a percentage of the variance explained. Here, SPSS has retained the four factors with eigenvalues greater than 1. In the first column of the table, the initial eigenvalues have been shown and accordingly, Factor 1 accounts for 28.536% of the total variance, Factor 2 for 13.423%, Factor 3 for 11.770%, and Factor 4 for 8.340%, respectively. In the next column, i.e., Extraction Sums of Squared Loadings, the eigenvalues of these factors have been again displayed with the percentage of variance explained. The values in this part of the table are the same as the values before extraction, except the values for factors whose values are less than 1 and are ignored. (hence, the table is blank after the fourth factor). In the last column of the table named the *Rotation Sums of Squared Loadings*, the eigenvalues of the factors have been shown after rotation. In factor analysis, the first few factors always show a large amount of variance than subsequent variables. The factor rotation optimizes the factor structure to equalize the relative importance of selected factors. Here, before extraction, factor 1 accounted for more variance than the remaining three factors i.e., 28.536% compared to 13.423%, 11.770% and 8.340% respectively. but after extraction, it accounts for only 21.411% of the variance compared to 17.215%, 11.779% and 11.665% respectively.

➢ Communalities

The communality is the proportion of common variance within a variable. The Principal component analysis works on the assumption that all variance is common. Therefore, in the output, the commonality before extraction is 1. In effect, all of the variance associated with a variable is assumed to be a common variance. After the factors have been extracted, it can be checked how much variance is common in reality. The table below shows the commonalities before and after extraction.

Communalities		
	Initial	Extraction
Q1_I use digital payment because it removes the burden of carrying cash.	1.000	.427
Q2_I use digital payment because it makes my payment quick	1.000	.558
Q3_It makes transaction hassle free.	1.000	.494

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Q4_I use digital payment because it is easy to use.	1.000	.610
Q5_I can use digital payment from anywhere at any time.	1.000	.655
Q6_I use digital payment because it helps me to keep track of my day to day financial transaction.	1.000	.484
Q7_The cost or fees for using digital payment is less than conventional payment method.	1.000	.612
Q8_I feel that money spent as transaction cost on digital platform helps me in getting value of my money.	1.000	.768
Q9_Digital payment platforms protects my privacy.	1.000	.744
Q10_Digital payment platforms provide sufficient security measures from cyber fraud.	1.000	.736
Q11_I believe my personal and financial data is not disclosed to any third party by digital platforms.	1.000	.643
Q12_I find Poor Internet Connectivity while using digital payment platforms.	1.000	.740
Q13_I face the problem of 'Bank's server down' while making payment through digital platforms often.	1.000	.600
Extraction Method: Principal Component Analysis.		

Table 2: Communalities

Source: SPSS Output

In the above table, the initial communalities before extraction are 1. The second column shows the common variance after extraction. The extracted values indicated the shared or common variance by them within all variables. For example, in Question 1, 42% (i.e., .427) variance is common or shared variance. in other terms, it can be understood in terms of the proportion of variance explained by the underlying factors. Before extraction, there were as many factors as there were variables and all variance explained by all factors are 1. However, after extraction, some of the factors have been discarded and so some information is lost. The retained factors cannot explain all of the variance present in the data, but they can explain some. The amount of variance in each variable that can be explained by the retained factors is represented by the commonalities after extraction.

The SPSS output also shows the component matrix before rotation. This matrix contains the loading of each variable onto each factor. By default, SPSS displays all loading. But for this analysis, all the loadings less than 0.4 are suppressed in the output. The table bellows show the loading of each variable in different factors.

Table 3: Component Matrix

Component Matrix[a]				
	Component			
	1	2	3	4
Q6_I use digital payment because it helps me to keep track of my day to day financial transaction.	.650			
Q7_The cost or fees for using digital payment is less than conventional payment method.	.647			
Q5_I can use digital payment from anywhere at any time.	.645			-.431
Q2_I use digital payment because it makes my payment quick	.643			
Q3_It makes transaction hassle free.	.582			
Q4_I use digital payment because it is easy to use.	.579	-.513		
Q1_I use digital payment because it removes the burden of carrying cash.	.470		.424	
Q11_I believe my personal and financial data is not disclosed to any third party by digital platforms.	.431	.626		
Q10_Digital payment platforms provide sufficient security measures from cyber fraud.	.574	.615		
Q9_Digital payment platforms protects my privacy.	.594	.597		
Q13_I face the problem of 'Bank's server down' while making payment through digital platforms often.			.753	
Q12_I find Poor Internet Connectivity while using digital payment platforms.			.734	
Q8_I feel that money spent as transaction cost on digital platform helps me in getting value of my money.	.514			.709
Extraction Method: Principal Component Analysis.				
a. 4 components extracted.				

Source: SPSS Output.

According to the above table, most variables load highly onto the first factor before rotation and that is why this factor accounts for most of the variance.

- **Factor rotation**

The factor loading given in the component matrix table is very complicated to interpret the factor loading. So, to minimize the complexity the factor loadings make the structure simpler to interpret. In this study, Orthogonal rotation (varimax) has been used. The below table shows the rotated component matrix which is a matrix of the factor loading for each variable onto each factor.

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Table 4: Rotated Component Matrix

Rotated Component Matrix[a]				
	Component			
	1	2	3	4
Q5_I can use digital payment from anywhere at any time.	.756			
Q4_I use digital payment because it is easy to use.	.738			
Q2_I use digital payment because it makes my payment quick	.669			
Q3_It makes transaction hassle free.	.601			
Q6_I use digital payment because it helps me to keep track of my day to day financial transaction.	.590			
Q1_I use digital payment because it removes the burden of carrying cash.	.546			
Q10_Digital payment platforms provide sufficient security measures from cyber fraud.		.834		
Q9_Digital payment platforms protects my privacy.		.809		
Q11_I believe my personal and financial data is not disclosed to any third party by digital platforms.		.777		
Q12_I find Poor Internet Connectivity while using digital payment platforms.			.825	
Q13_I face the problem of 'Bank's server down' while making payment through digital platforms often.			.725	
Q8_I feel that money spent as transaction cost on digital platform helps me in getting value of my money.				.847
Q7_The cost or fees for using digital payment is less than conventional payment method.				.598
Extraction Method: Principal Component Analysis. **Rotation Method: Varimax with Kaiser Normalization.**				
a. Rotation converged in 5 iterations.				

Source: SPSS Output.

The above matrix contains the same information as the component matrix except that it is calculated after rotation. While running the analysis in SPSS, the researchers have asked not to display the variables with a factor loading of less than 0.4. In this study, there are no such variables whose factor loading is less than 0.4. So, the rotated component matrix shows the 4 factors and variables loaded with that factor.

❖ Factor 1-Ease of use & Convenience:

Examination of Table 4 reveals that the first component is having significant loading on the statements concerning the use of digital payment platforms. So, these factors can be labelled as 'Ease of use & Convenience". Ease of use and convenience is the most important factor in the adoption of digital payment. Digital payment platforms save a lot of time and energy. Digital payment platforms are very easy to operate. A person with basic knowledge can perform the transactions. The below table shows the statements and their factor loading values.

Table 5: Factor 1- Ease of Use & Convenience

Factor name	Eigen Value		Variable convergence	Loading value
	Total	% of variance explained		
Ease of Use/ Convenience	2.783	21.411	Q5_I can use digital payment from anywhere at any time.	.756
			Q4_I use digital payment because it is easy to use.	.738
			Q2_I use digital payment because it makes my payment quick	.669
			Q3_It makes transaction hassle free.	.601
			Q6_I use digital payment because it helps me to keep track of my day to day financial transaction.	.590

Source: Table 4

❖ Factor 2- Security & Privacy

The second component is having significant loading on the statements concerning security and privacy while using digital payment platforms. So, these factors can be labelled as 'Security & Privacy". The below table shows the statements and their factor loading values. Regarding digital payment platforms, security means safety from any kind of financial and personal data loss. When a consumer uses digital payment platform, they must have faith and they should feel secure about their privacy. The security consists of authentication, confidentiality, non-repudiation, data integrity, etc. Security can be defined as the safeguarding of the transaction details, preserving the details of consumers and protecting the consumers from criminal usage, and internal and external fraud. Consumers are afraid that their details might be nabbed if they transact or pay using a digital payment system. The lack of sufficient security measures can hinder the usage of digital payment platforms.

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Table 6: Factor 2- Security & Privacy

Factor name	Eigen Value		Variable convergence	Loading value
	Total	% of variance explained		
Security	2.238	17.215	Q10_Digital payment platforms provide sufficient security measures from cyber fraud.	.834
			Q9_Digital payment platforms protects my privacy.	.809
			Q11_I believe my personal and financial data is not disclosed to any third party by digital platforms.	.777

Source: Table 4

❖ Factor 3- Connectivity

The third component is having significant loading on the statements concerning the connectivity problems while using digital payment platforms. So, these factors can be labelled as 'connectivity". Connectivity plays an important role while doing transactions through digital platforms because the basic requirement for any kind of digital service is good internet connectivity. The improper and poor internet connectivity results in many issues like failure of transactions, incomplete transactions, etc. all these problems may change the perceptions of consumers and the usage of digital may decline. The below table shows the statements and their factor loading values.

Table : Factor 3 – Connectivity

Factor name	Eigen Value		Variable convergence	Loading value
	Total	% of variance explained		
connectivity	1.531	11.779	Q12_I find Poor Internet Connectivity while using digital payment platforms.	.825
			Q13_I face the problem of 'Bank's server down' while making payment through digital platforms often.	.725

Source: Table 4

❖ Factor 4-Costs

The fourth component is having significant loading on the statements concerning the cost incurred by customers while using digital payment platforms. So, these factors can be labeled as costs. The key factors that motivate customers to use digital payment are the affordable and minimal service costs associated with digital payment platforms. Besides the service cost, in the case of cash payment, there is always a risk of losing cash. In digital payment, the cost of the risk involved in carrying cash like high value or amount can be minimized. Digital payment is preferred as a safe payment method for large amounts of transactions. The below table shows the statements and their factor loading values.

Table 4(d): Factor – Costs

Factor name	Eigen Value		Variable convergence	Loading value
	Total	% of variance explained		
Costs	1.516	11.665	Q8_I feel that money spent as transaction cost on digital platform helps me in getting value of my money.	.847
			Q7_The cost or fees for using digital payment is less than conventional payment method.	.598

Source: Table 4

VI. CONCLUSION

Nowadays, digital payment has shown tremendous growth in terms of value as well as volume. The UPI system has attracted people to adopt digital payment than cash payment. keeping in mind the growth of digital payment, this study has analysed the factors responsible for the higher adoption of digital payment platforms. For this purpose, factor analysis has been used and it is found that there are four important factors responsible for the adoption of digital payment. The first factor is the ease of use and convenience of digital payment. The use of digital payment platforms is very easy. It doesn't require any specific knowledge. A consumer with minimal education and understanding can use digital payment platforms. The second factor responsible for digital payment adoption is security & privacy. The consumer feels that these digital payment platforms offer sufficient security

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related to data and privacy but still, many consumers faced the problem of data & privacy loss due to unauthorized access which is also named cybercrime. The third factor which can affect the perception of consumers is the internet connectivity problem. Due to inefficient technological infrastructure, the most consumer faces the problem of server down while doing transactions through digital payment platforms. The fourth factor identified is the cost associated with the use of digital payment. Digital payment is more cost-effective than the traditional cash-based payment system. The traditional payment system involved a lot of expenses, for large value transactions need to visit the bank's branches and it involves time as well as travel costs. Sometimes, transaction through bank branches also involves heavy service charges while transferring a large amount through a bank, the consumers need to pay a certain amount of charges to the banks. But in digital payment, the transfer of money involves very minimal charges which are bearable. So, considering the four factors identified, digital payment is an easier & more convenient, and cost-effective method of payment. But the internet connectivity, security, and privacy are still a problem that should be minimized to increase the adoption of digital payment.

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