International Journal of Research in Finance and Management

P-ISSN: 2617-5754
E-ISSN: 2617-5762
Impact Factor (RJIF): 5.32
IJRFM 2025; 8(2): 737-740
www.allfinancejournal.com
Received: 16-08-2025
Accepted: 19-09-2025

Dr. Naveen Kumar
Assistant Professor, Department of Management and Commerce, Baba Mastnath University, Asthal Bohar, Rohtak, Haryana, India

Renu Jangra
Research Scholar, Department of Management and Commerce, Baba Mastnath University, Asthal Bohar, Rohtak, Haryana, India

Correspondence Author:
Dr. Naveen Kumar
Assistant Professor, Department of Management and Commerce, Baba Mastnath University, Asthal Bohar, Rohtak, Haryana, India

Factors affecting adoption of online payment system and its impact on consumer buying behaviour in India: A literature review

Naveen Kumar and Renu Jangra

DOI: https://www.doi.org/10.33545/26175754.2025.v8.i2h.603

Abstract
The term "online payment" is used for a system where the process of sending money in exchange for any valuable products as well as for any type of services is done without the actual exchange of any type of currency. This online payment systems done this type of activity with the help of a wide and excellent range of various online or digital technology and infrastructures to guarantee the security, safety, transparency and efficiency and effectiveness of valuable monetary transactions. The increasing growth in appeal of online or Digital payment options can be directly connected due to its many benefits over traditional currency trades. RBI or Reserve Bank of India is the apex and governing body for the monetary system of Indian economy. This put a great focus on security and safe without sacrificing its uniqueness or creativity. One of the main aim of this research paper is to gain more knowledge about online payment system of India and the factors that effect it along with any possible remedies for it.

Keyword: Online payment, money, Banking system, customer

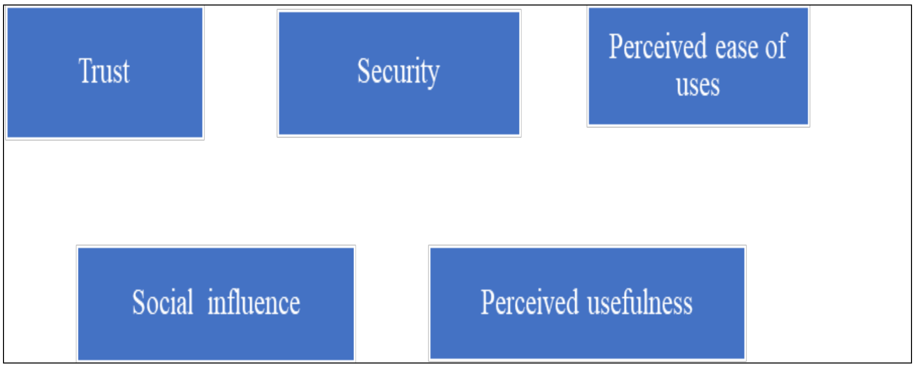
Introduction

Money can be known as a medium of exchange that is one of the greatest inventions of the human. It is used during the transactions of sale, purchase of goods and services. Various forms have taken up by this money during a period of time. First of all, we have a barter system. After this, a coin-based system was evolved. Various metals like gold, silver etc. have been used as a commodity money. During the last era, we have seen that payments can be done with the help of paper-based system that were previously done by a coin-based system. Following the financial system's development, now payments can be done by transfer of money with the help of many bank accounts that is an easy, safe and efficient method for making payments. Now, this paper-based system is replaced by a new system that is electronic payment system. A great advancement in telecommunication sector and technology have developed a lot of payment systems.

The first paper-based cashless instrument was ‘Cheque’. A cheque can be used in various forms like debit note, refund order, demand draft, traveller’s cheque, etc. for fund transfer-related transactions. In 1980, credit card was introduced by Central bank of India in association with master card and visa. ATM (Automatic Teller Machine) cards came into existence to give the service of withdrawal of money from any bank account. In 2008, a new scheme ECS (electronic clearing services) was started by RBI to facilitate the bulk move of funds from one bank account to another bank account and this also provides the facility of paying various utility service bills such as water, electricity etc. from bank account of any customer to the receiver’s account. RTGS, NEFT and other systems were evolved to provide the facility of move of funds from one bank account to another bank account quickly and securely. Now some devices are used to store money electronically and can be transferred through various plastic cards like debit card, credit card, smart phones and banking computer systems. To give a big boost to various online payment system, government of India country has launched many new modes of online payment system under NPCI or National Payments Corporation of India. In 2008, the Reserve Bank of India (RBI) and the Indian Banks Association (IBA) formed this organisation to oversee the country's retail payment and settlement system. In 2016, UPI or Unified Payment Interface was launched by NPCI that is smart phone-based payment system which is an effective and efficient medium to promote digitization of cashless payment system. It is considered as a secure, safe and speedy method to transfer fund between various parties with the help of their bank accounts without the help of any sensitive data and information about customers' bank account.

Online Payment

Electronic payment, another name for online payment, is a new term that is used for any kind of digital money exchange between various persons or companies. Online payment encompasses a broad range of electronic payments, such as those made by any type of credit or debit card, mobile wallet, transfer to account or any gateway of online payment. Payments made online can be utilised for many different things, such as buying any kind of material, paying any bill, transferring of money etc. Online payment systems include a safe, conduit that is private and secure between the payee and the payer (May be any Merchant or Recipient).



Review of Literature

Brindha (2024) [11] in the study of research paper "A Study on Impact of Online Payment System and Customer Satisfaction System in Chennai" tried to analyze the satisfaction level of customers and their impact on various online payment modes. The author chooses the descriptive method to describe the data. For surveying, 82 respondents were selected from Chennai with the help of Random sampling technique. At last, the author suggests many suggestions like this system of online payment should be reach to rural areas also, cyber and other crimes should be eliminated with the help of strict laws. The findings of this research gave an indication towards potential customer's satisfaction towards online system.

Yadav Priyanka (2023) [12] did a comparative and analyticalstudy on "Acceptance of Digital Payment System in Rural vs Urban Areas of Haryana". Exploratory research design was used in this research to understand the problem. The author investigated the topic with the main objective to analyze the satisfaction level and preference of rural as well as urban customers of Haryana. 600 people were selected from rural and urban areas of Gurgaon and Rewari cities of Haryana for sample size. For data analysis, latent variables in AMOS24.0 was employed in SEM. First of all, author used multi stage sampling to choose the respondents that were followed by snowball sampling. Major respondents were from urban areas.

Sawmali Swarnkar (2023) [13] in his study "A Study on Factors Affecting Consumer Satisfaction towards E-Commerce in Chhattisgarh" focused on the objective to provide knowledge of the customer's perception towards online shopping risks and their impact on overall satisfaction. In this study, he divided the whole state into five zones. For this, he selected 567 respondents from Chhattisgarh on the basis of Convenience Sampling. He used questionnaire to achieve his objective and for analysis he used many tests like T-test, ANOVA, Correlation, KMO-Bartlett, Component Rotated Matrix etc. After the study, he reached at the conclusion that urban area's respondents are more involved in online payment than the users of rural areas.

Bhatt *et al.* (2023) [4] conducted a primary research with a research gap to find out the usage pattern of mobile payment apps on the topic "A Study on usage of various online payment apps by the people living in Ahmedabad city". One of the main objectives of the study is to find out usage behaviour and figures of online payment apps in this city. The author used non-probability convenient sampling technique to do this descriptive study. The sample size was 151 respondents. A Google form with a questionnaire has been used to collect the data. According to gender distribution, 48.7% are females who does use of mobile payment apps. For further study, we can take 'Trust' as main factor in our study.

Parmar and Machhar (2022) [14] did a study on the topic "A Study on the Adoption of E-Payment System in India: A Literature Review" with a limitation that this paper was only based on secondary data with Indian perspective. ACM Digital Library, EBSCO, GOOGLE Scholar, SAGE insight, Wiley online library etc. were used to find out the necessary results. Research papers between 2011 - 21 were used for secondary data. TAM model & UTAUT model were applied by researcher to analyze & interpret the data. This paper was concluded with the result that 'Trust' is the main factor for using the e - payment system.

Parikshit *et al.* (2021) [15] examined the research on "A Study of Digital safety of Women in India". The research intended to explore the current situation in the area of digital safety of women and the current issues. The author took the help of structured questionnaire to gather data from 124 females. Researchers concluded from this study that women should take safety steps to protect themselves from online harassment and fraud, which is on the rise during this epidemic. While some women are reluctant to embrace the digital revolution, others appear to have come to accept the "new normal" of digital harassment, while still others are actively thwarting such attempts.

Ekta *et al.* (2021) [6] to identify the satisfaction level of respondents of Hisar and Bhiwani districts of Haryana conducted a study on the topic "Satisfaction in Cashless transaction: A Study on homemakers of Haryana state". Total 200 homemakers (100 working and 100 non-working) were selected for the study of this research. Both primary data and secondary data were used for collection of the data. For the collection of primary data, a pretested interview schedule was used by the researcher and the same data was analyzed by SPSS. The findings of this study shows the result that 94.5% of respondents were familiar and confident with online transactions. The satisfaction level was 49.5%.

Raju and Rinu the purpose of this descriptive study was to determine whether the respondents in question accepted digital payment systems. It revealed that many respondents were still not utilizing the different digital payment methods. According to the survey, digital payment service providers must put up a great deal of work to ensure that consumers do not stop using the digital payment method. Additionally, it was discovered that in order to boost the use of digital payments, all customers should receive the appropriate training and awareness about the digital system and transaction costs might be reduced.

Gadge and Rai (2019) [8] did an empirical study on consciousness and perception of rural customers in the topic "Awareness of Digital Payments in Rural Area". One of the main aim of the study was to sort out the reaction of people of Chandrapur District of Maharashtra while doing digital payment. Because of the help of questionnaire primary or main data was gathered from 100 participants. Sampling technique of Simple Random was utilized to choose a sample. 32% of rural people gave preference to cash mode of payment. Author concluded the research that in rural area, load shedding and backup power problem are done on regular basis.

Ravisha and Divya did a descriptive study on various software applications that are designed for various mobile payment apps due to increasing popularity of online payment. To understand the perception of various consumers towards online payments, the author did the analytical study. After the study, the author made recommendations that mobile payments are useful in many areas and it is the most preferable medium for electronic payment system.

Objectives

1. To know various factors/issues affecting the consumer at the time of online payment.
2. To know about the future of online payment in India.

Research Methodology

In this study, descriptive strategy of research is adopted to fulfil the prerequisites of the above objectives of the research. The researcher utilized various supplementary sources to collect data. The research is based on supplementary information that is found in various public domain sources like in many libraries, Internet, various bookstores etc. as well as various journals and periodicals.

The following variables affect the uptake of online payments:

Table 1: Categorization of various Literature on the basis of the numerous factors on the adoption of online payment system.

Sr. No.	Name of study	Author's Name	Various Factors
1	"A study on factors affecting consumer satisfaction towards e-commerce in Chhattisgarh"	"Sawmali Swarnkar"	Customer's perception, shopping risk were the main factors.
2	"A study of Digital payment system in rural area with special reference to Jalgaon"	Patil V.	Greater level of dependency between demographics attributes.
3	"User's adoption of e- payment system in Haryana"	Gaur and Verma	Lack of infrastructure and digital literacy.
4	"A study on usage of various online payment apps by the people living in Ahmedabad city"	"Bhatt *et al*".	Trust was the main factor.
5	"Revolution of the Digital payment in India"	Badak *et al.*	Disruption made by hackers was main problem.
6	"A study on Digital payment system and consumer perception: An empirical survey"	"Shinki Katyayani Pandey"	Customer perception and trust were the main factors.
7	"Consumer perception of Digital payment mode a comparative study between X and Y categories of cities"	Shiksha Singh	Awareness and consumer perception were the main factors.
8	"A study to understand concept of cashless transactions in Indian context"	Puspa Rani	Reach, availability and awareness were the main variables.
9	"A study on the Adoption of E-payment system in India: A literature review"	"Parmar and Machhar"	Trust was main factor
10	"Use and awareness of Digital payment in rural areas: Special reference to Lakhimpur, Asam"	"Nath and Boro"	Security, Social and infrastructure barriers
11	"Customer awareness and preference towards various modes of electronic payment"	Ashima Pahwa	No correlation between independent factors and awareness level.
12	"Users perception of Plastic money and cashless transactions prospects and challenges"	Apeksha	Usage pattern, motivation and satisfaction were main factors.

Source: The researcher compiled the information from the Review of various Literatures.

Growing future of Online Payment in Indian economy

A. UPI's and other mobile wallets' ongoing growth: Throughout Indian history, the usage of mobile wallets and the Unified Payments Interface has grown dramatically. That's because of the fact that there is more awareness in consumers about the advantages associated with online transactions.

B. Rising in the Contactless Payments: It is anticipated that the use of Near Field Communication (NFC) technology to enable contactless payments would increase dramatically. It is anticipated that the increasing use of smartphones and other NFC devices would encourage both consumers and merchants to accept contactless payment options.

C. Microfinance and Digital borrowing & Lending: Digital borrowing and lending as well as a variety of microfinance services, can be accessed through various online payment platforms. Because of the growing acquaintance of online payment devices among many individuals, this is reasonable that many of them will additionally utilize these platforms for lending and borrowing purposes.

D. Incorporation of Biometrics & AI: There is possibility of existence for doing payment using biometric authentication methods in conjunction with artificial intelligence (AI) like facial recognition, fingerprint etc.

E. Crypto currencies and Block chain: In India, the growing utilization of crypto currencies in online payment and block chain technology is a subject of interest to address challenges to the various laws. The various facilities given by the above entities have a great ability to increase a number of cross-border transactions' speed and effectiveness.

F. Various initiatives by government: The government of India has been adamantly pushing for the acceptance of good economy that is cashless and has been vigorously supporting the effective uses of various online payment methods via numerous programs such as Digital India, etc. Those initiatives might result in additional technology advancements as well as improvements.

G. Data Privacy and Security: With the help of growing trend in various online payment devices, there is great need to safeguard data of the client and ensuring the integrity of various financial transactions.

H. Adoption in Remote and Rural Areas: Promoting online payment methods in India's rural and isolated areas will continue to be a top priority. Utilising technological developments that will solve different connectivity problems and provide user-friendly interfaces is essential to improving the accessibility of different online payment options.

Conclusion

The online payments have been fastly getting attention of many people. In the previous years, we have seen a paradigm change in the payment system which is highly influenced by growing e-wallet services, e-commerce sector and inclination towards online payments. Awareness regarding various online payment methods and its uses grow during the period of demonetization. It is experienced that many customers, especially youth, are always ready for the latest and advance technology. At present time, they are always ready to pay a little extra for comfort and convenience that they can easily derive from the easy online payment method. But still there are many consumers who are still in confusion for using online payment methods

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