



## DIGITAL TRANSFORMATION –AN APPROACH TOWARDS MOBILE PAYMENTS

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### **Abstract**

*Every business has to rethink and bring innovative changes to become more agile to satisfy customers and to face rivals from the economic point of view. The crypto currency is also making its inroads in digital transformation. It is the need of the hour today in bringing changes continuously by the organizations. Digital transformation has today become very imperative for all businesses small or big. This has led to a transition from the barter system to cash and from cash to digital system. This processes has identified cashless payments to be more comfortable in all spheres of life. The outcome of demonetization on 8<sup>th</sup> November 2016 has further encouraged people to prefer E-payments. Today mobile system of payments are preferred right from the street vendor to every other big business houses. People accepted digital currency which has transformed the whole system of accounting for the growth of our economy. This article aims to show the influence of digitalization on mobile payments.*

*Key words ; Digital payments ,Trasformation,Mobile payments ,Business .*

### **Introduction**

Digital transformation has changed the face of every industry. Running for the ultimate digital experience and meeting the ever-changing consumer demands have been the need of the hour for companies in the digital transformation trend. In this transformation process, companies (irrespective of size) underwent strategic shifts in their journey.

Due to industrialisation India started moving towards a developing country. Previously cash was accepted as legal tender, money and it was very much comfortable to all the people but with the passage of time many preferred cheques as it was more convenient and safe. But demonetization in 2016 had brought a tremendous change and had an impact on cash. It was surprising to know how digital payment works. Changing their traditional mind set and tuning to use mobile payments was herculean task. People felt it very difficult in converting their currency and they faced lot of problems. People were very rigid and never switched on to other modes of payment but with certain span of time they moved to mobile payments. Again covid 19 brought a significant change from cash transactions to cash less transactions across the globe to make a quick transition. There were lots of virtual collaborations in 2021 & 2022 which made the people move towards mobile payments as it was more faster and easier mode for payments. All businesses have given priority to digitalization.

There is tremendous change in every business sector on account of digitalization. Today consumers have adopted to digital payments throughout the globe. Forecasts show that there are clear trends in digital transformation. According to their analysis, the global market for technology that enables hyper-automation will grow to USD 596.6 billion by 2022.

In 2023, a significant trend in digital transformation will be the expanded use of automation technologies. Similarly, effective use of cloud technologies, low-code/no-code tools, hyper-automation, AI, and other technologies would greatly aid a company's scaling.

.Digital transformation solutions use technology to generate new customer experiences, cultural norms, and business practices. It entails utilizing cutting-edge technology to modify corporate strategies for the digital era.

The goal of the digital transformation strategy is to shift the focus away from sales, and marketing. Digital transformation leads to customer experience services and works for the actual customer . As a result over the past 10 years customers have received significant priority when developing corporate goals, as per needs of customers ..

### **Why is the Digital Transformation Essential?**

Digital Transformation use the methodology of internal interaction through communication within staff and outside also. AI helps them more to build and work for it . Digital solutions also help the members clear their work schedule by the set period of time. This makes the team members more productive to work together and communicate early.

Today organizations to stay in a competitive world need to make a transition from the old set up leading to a new age .

### **Pros and cons of using digital payment**

- It opens up opportunities for the small traders .
- Throughout they can focus on building digital communication This also gives room for flexibility, and cost effective too.
- The main idea is people from non technical background also make an attempt to practice and utilize it .
- Incredible opportunity for small traders.
- Focus on building unique digital community It is possible 24|7
- The enhanced flexibility convenience ,cost effective are the significant factors to become popular.
- The best part is people from non technical background also learnt practised adopted and used .
- Digital payments across the globe helps businesses to stay competitive.

The key features of IMPS Funds Transfer are as follows:

- Instant funds transfer
- 24-hour, 365-day availability
- Credit and debit confirmations to sender and receiver
- Simple and easy to use
- Fast, inexpensive, safe and secure, accessible

### **Challenges for mobile financial services**

- Poor levels of literacy are a problem, and voice-based services offer a potential solution. Voice-based solutions, especially in local languages, have two major benefits: they can work on all handsets and can be used by all irrespective of one's comfort level with technology or level of literacy.
- The mobile financial services have to be effective in terms of usability, cost, efficiency, interoperability and security for transactions of all ticket sizes.
- M-payments options should be available even on low end mobile handsets

### Literature review

Frost (2020) examined demand for basic banking, payments, and money transfer services is likely the key factor behind the rapid growth of pay tech firms. Polasik (2020) studied take advantage of technological progress to deploy new payment technologies faster than traditional banks. (Polasik, et al., 2020) examined mobile wallets are digital wallets based on a mobile device which enable users to make mobile payments in the form of transfers between transaction accounts, and online and offline purchase. Iman (2018) highlights that mobile payments are particularly Karsen, et al. (2019) make a systematic review of the key factors that make people use mobile payments.

### Objectives

- To determine the factors that affect the use of mobile payments
- To examine the existing system of mobile payments and its usefulness.

### Methodology

The study comprises of secondary data. The data is collected from magazines, articles, internet and websites.

### Data analysis

There will be 6.8 billion smartphone users worldwide in 2023. The global digital payment sector was worth \$1.97 trillion in 2021. The top 10 mobile payment apps have 3.37 billion users combined. Payment users in the U.S. will surpass 100 million this year.

According to a survey conducted on digital payments in India in 2020, around 79 percent of the households used some form of third-party digital payment apps, like Paytm and PhonePe. Meanwhile, 52 percent of the households were using the central bank backed Unified Payments Interface (UPI) platform. 29-Sept-2022.

India has topped the global rankings in digital payments for the year 2021. During the year under review, there were 89.5 million digital transactions in the country. 10-Jun-2023

The volume of mobile wallet transactions was about four billion in financial year 2021, a significant increase from about 32.7 million transactions in financial year 2013. The growth in transaction volumes dipped in financial year 2021 due to the covid-19 pandemic.

India is the world's largest-growing mobile payments market. Mobile payment surpassed credit card transaction in 2021, clocking an annual value greater than \$1 trillion

India has a vast non-banking population-most of whom reside in the rural areas. The traditional banking industry cannot cater to the needs of India's large rural population. Setting up a conventional bank branch in a rural area would require considerable amounts of money to be spent on infrastructure and additional personnel. Most of rural Indians are cut off from access to basic financial services, which include deposits and withdrawals from a trusted source.



### **Growth of mobile phones**

Mobile instruments as a preferred channel for accessing their banks accounts, remit funds and also subserve the goal of electronification of retail payments.

### **Findings**

The findings of this study have significant implications for the development and refinement of mobile payment services. Considering significant time and money required for the development of mobile payment systems, it is of paramount importance to ensure that mobile users will actually use m-payment. In order to achieve this goal, attention must be paid to the development of appropriate m-payment services business model and marketing strategies as well as systems design.

### **Conclusion**

Payment methods have been through a series of evolutions from cash to checks, to debit cards and credit cards, and now to ecommerce and mobile banking.

This study finds that customers are increasingly using mobile payment methods for their routine online purchases and for their on-site purchases as well . With growing advanced technology that supports mobile transactions and makes them transparent and more convenient, consumers have developed their trust and habits on using mobile payment systems

The changing behaviour of consumers making a shift from traditional payment methods to more advanced online payment systems is quite evident in banking and retailing, and with most of the mobile devices available.

Since it is evident that the mobile devices became unavoidable part of almost everyone's life form one side and the opportunities this technology enables for online and offline payment regarding convenience and security, it is unavoidable that the use of mobile payment systems will further rise with ambition to surpass or even replace cash and other cashless payment option. This research also concluded that for a promising future of this industry, mobile payment systems have to be better integrated with present telecommunication and financial infrastructures.

Enhancing the compatibility with a wide range of users, the use of latest technology and establishment of common standards for various service providers, and overcoming the security and privacy issues could help in facilitating faster adoption of electronic payment methods and advance the rising market of mobile payments. This research was aimed to embrace a brief spectrum of possible issues with electronic payment methods and consumer adoption of e-commerce to make payments for their purchases.

Future research may focus on the validation of factors that can contribute to the successful adoption of mobile payment methods across the globe .



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