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An Empirical Study on Emotional Value of Money in Digital Payment Era

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ABSTRACT: The agreement around the beginning and the types of antiquated money has continued to alter over the direction of written history. Internet, computerized wallets, e-payments, and so forth this large number of terms is not recently created. They have engulfed every inch of our life and currency is no exception. The successive appearance of bank cards, plastic money, mobile banks have eventually led to a decisive stimulus of reaching the destination of a cash free era. By this time we are already aware of how beneficial being digitalis in terms of discounts, cash back etc. Now we are in a position to analyze some small and big changes implanted in us emotionally as well as physically. This study will examine whether is there a link between the cognitive and emotional association that everyone has with specific payment modes or not? Many research states that payment of money as a form of liquid cash gives us the highest pain as compared to any other payment methods. Cash is something which we can see, count physically unlike others, when we purchase something with cash we immediately know what proportion that things goes to costs us within no time. Also, in case of being cashless it's being feared that this method of transaction can make it difficult for individuals to exercise their self-control and would remove stops on consumer spending. The pandemic has played a major role towards the society of being cashless. Though people are trying to adopt the new methods of payment to avoid unnecessary physical transactions . With the introduction of cutting-edge technology and constant improvement of existing technologies, we might see faster, more transparent and more secure cashless payment. This study will further discuss about the role of digital payment and the consequences people facing while they are making payments through online mode.

KEYWORDS: E-Payments, Digital wallet, plastic money, online transaction, pandemic, cutting-edge technology.

I. INTRODUCTION

While cash might seem convenient as it's ingrained in our habits and is still readily accepted at more places, digital payments offer convenience by saving time and labor. There are various issues with cash use, as it provides a suitable alternative to support the informal or parallel economy. In fact, governments around the world have taken drastic measures at huge costs to clear the markets of 'Black Money'. Research conveys that people experience higher plan of paying when paying in cash than digitally and this contributes to deferred payments. While cash may not seem to impose any direct transactional cost like digital money, it is still costly for both governments and end-users. In the last decade, India has rapidly digitized its payments systems and promises huge potential in the area. Digital payments recorded an increase of 46.5% in total volume in FY19. The UPI Payment system that was launched in 2016 , has created a milestone of a billion transactions per month. Despite this progress, cash use still seems to be on the uptick in India. This paper seeks to highlight the important factors at the individual level, which influence the consumer's decisions to use cash or online transaction. Through this study, we will be able to come to a conclusion that how the different transaction methods psychologically effect individual's minds when they wants to make a payment.

II. HISTORY

Since the hours of antiquated Greece cash has been for all intents and purposes inseparable from cash: coins and later banknotes have given individuals a proficient and broadly acknowledged method for installment for their regular exchanges. Lately, be that as it may, the computerized unrest has driven individuals to essentially change their installment propensities - tapping a card, swiping a telephone, or utilizing a savvy to pay is turning out to be progressively normal. Another concentrate on the installment perspectives of customers in the euro region (SPACE) led by the European Central Bank and public national banks uncovers that close to half of euro region grown-ups now really like to pay carefully, and this pattern seems to have sped up further during the COVID-19 pandemic. While cash is as yet the most often involved method for installment for in-person exchanges, its portion is diminishing. For remote



buys, cards and e-installments are the arrangements of decision. Furthermore, direct charges or credit moves are the most well-known approach to covering bills. This differentiating proof recommends that none of the method for installment presently accessible meets all purchaser needs. This underlines the significance of proceeding to give individuals a decision by the way they pay, without undermining their assumptions for quick, secure, minimal expense and simple to-utilize installments. To be sure, cash and computerized cash should be visible as corresponding together: their concurrence offers more prominent decision and simpler admittance to straightforward approaches to paying for all gatherings in the public arena, guaranteeing a serious level of consideration and versatility in installments. However, regardless of whether computerized installments are intended to be basically as strong as could really be expected, they stay defenseless against interruptions, like power outages, digital dangers and specialized disappointments. In such circumstances, money can uphold flexibility in installments: inferable from its remarkable elements, it gives a significant fence and a confided in store of significant worth. Our installment study shows that 34% of euro region residents keep additional money saves at home for preparatory reasons. Cash is likewise comprehensive. A specific worry with computerized installments is that, assuming they become the standard, residents who can't or reluctant - for instance for protection reasons - to utilize such administrations risk being barred from the economy. Simultaneously, as customers and private cash go computerized, sovereign cash additionally should be reexamined so the public great it gives remains completely accessible in the advanced time. We accordingly should be prepared to give a computerized comparable to banknotes, should the need emerge.

Usage of money

Money is generally an eminent market phenomenon laying out a commodity money. The use of barter like methods may date back at least 100,000 years ago, though there is no evidence of a society or economy that relied primarily on barter. All things considered, non-money related social orders worked generally along the standards of gift economy and obligation. Many societies all over the planet ultimately fostered the utilization of commodity money. The system of commodity money eventually evolved into a system of representative money. This happened because gold and silver merchants or banks would issue receipts to their depositors- redeemable for the commodity money deposited and eventually, these receipts became generally accepted as a method for installment and were utilized as cash. There have been many historical disputes regarding the combination of money's function, some arguing that they need more separation and that a single unit is not sufficient to deal with them all. Money's a matter of functions four, A Medium, A Measure, A Standard and a Store. This couplet would later become widely popular. So, when money is used to intermediate the exchange of goods and services, it is performing a function as a medium of exchange. Money acts as a standard measure and a common denomination of trade. It is thus a basis for quoting and bargaining of prices and it is necessary for developing efficient accounting systems. A standard of deferred payment is an accepted way to settle a debt. When debts are denominated in money, the real value of debts may change due to inflation and deflation, and for sovereign and international debts via debasement and devaluation. The act as a store of value, money must be able to reliably saved, stored and retrieved – and be predictably usable as a medium of exchange when it is retrieve.

History of digital payment, present condition & future condition

Digital payments or Electronic payments have their roots in the 1870s, when Western Union debuted the electronic fund transfer (EFT) in 1871. Since then, people have been enamored with the idea of sending money to pay for goods and services without necessarily having to be physically present at the point-of-sale. Technology has been a driving factor in the development of electronic payments. Today, making a purchase is as easy as tapping a button on our smartphone. Work with streamlining payment methods has been hard-won. From the 1870s until the late 1960s, payments underwent a slow but gradual transformation. In the 1910s, the Federal Reserve of America began using the telegraph to transfer money. In the 1950s, Diner's Club International established itself as the first independent credit card company, soon followed by American Express. In 1959, American Express introduced the world to the first plastic card for electronic payments. Entering the 1970s, people became more reliant on computers as part of the buying process. In 1972, the Automated Clearing House (ACH) was developed to batch process large volumes of transactions. NACHA established operating rules for ACH payments just two years later. Then along came the Internet, the World Wide Web(WWW). In the 1960s, ARPANET, a precursor to the modern Web, was built as a military network to improve communication. In the 1990s, online internet banking services were offered to bank customers. Soon, development across the Web, and the eventual invention of Web 2.0, set the stage for online sites to participate in what's now known as e-commerce. In 1994, Amazon, one of the pioneers of e-Commerce, was founded, along with a slew of other websites that we know and love to purchase on. When dealing with customers' money, security is a must. Therefore, it's good to know how to get ready for an anti-fraud battle and what fraud prevention tools to adopt. Despite the dominant and unchallenged (for now) position of global electronic payment methods, such as Visa, Mastercard, Digital Wallets, or PayPal, one must not forget that the payment system constantly evolves. The rapid growth in online



shopping, banking and other services, combined with technological advancement, has resulted in a massive increase in digital payments across different devices, especially mobile devices. According to Statista, there were approximately 950 million mobile payment transaction users worldwide in 2019. This number is expected to climb to an astounding 1.31 billion users by 2023. It makes sense then, that more and more companies are seeking to jump onto the bandwagon. Many large firms have established their payment platforms in one form or another, offering safe and convenient methods for clients to purchase their goods and cementing their place in the history of digital payments. COVID 19 has made the path of cashless society more smoother. In a world where instant gratification is everything, the speed, safety and ease of these digital payment platforms go a long way in enhancing the customer's experience when transacting with the firms. The payments landscape keeps changing fast, and it's driven by new technologies. Electronic payments have long since stopped serving only as a simple alternative to cash. Hot-button technologies like cryptocurrency and blockchain could be another way payment processing gets another technological push into a new era. After all, some cryptocurrency contenders aim to revolutionize the processing time for electronic payments, and if successful, can completely change the game for the payments industry. But in the interim, new trends like PIN on Glass acceptance to allow customers to use their PIN for mobile point-of-sale transactions, as well as contactless payments, same-day ACH and advancements in payment APIs all are geared towards making payment processing simpler, faster and more efficient.

In the span of few decades, digital payments have gone from being rare to standard practice; such a change of the monetary scene will obviously have significant ramifications for business, society and government. As indicated by the report the digital payments market is gauge to develop at an accumulate yearly development pace of 13.7 percent somewhere in the range of 2021 and 2026 - an interest driven by more prominent comfort, ideal government arrangements and advancing buyer conduct, as well as COVID-19 interruption. Additionally, installments made through cell phones alone are supposed to surpass \$2 trillion all around the world by 2023. Today, while mechanical advancement permits monetary exchanges to be performed on computers and mobile phones so consistently that it is presently underestimated, going ahead, wariness ought to in any case be worked out. In a post-pandemic world, almost certainly, digital payments will turn out to be progressively well known and generally involved strategies for exchange soon.

Role of Digital Payment

The worldwide monetary framework has made little undertaking to bank millions who keep on leftover without admittance to even essential monetary administrations. But all of this is changing rapidly, several "non-traditional" financial services players and technology companies are shaking up the financial services sector and playing an important role in helping bank the unbanked, at least through the provision of basic financial services such as micro insurance, transfers of money and payments. Many new businesses all over the planet keep on pushing the limits of what is conceivable here, and with a developing level of achievement. Advanced installments are supposed to develop to \$6.6 trillion of every 2021, and flood further to \$10.5 trillion by 2025. The 2021 figure is itself a 40% jump from just two a long time back. This has been made possible with the ubiquity of the smartphone and mobile internet. The disruption we're witnessing in the payments space is welcome as it helps resolve some longstanding issues towards e-payments. Most in the unbanked portion need to depend on choices to source credit, be it to begin a business or to get working capital. This outcomes in acquiring from unregulated banks who are outside the domain of administrative bodies, in the casual area. Subsequently, it are much of the time staggeringly steep to acquire rates. In any case, propels being made in the advanced installments space are helping make something happen. The advent of new digital banks—or more neo banks—are driving the change in how we transact. The growing digitalization of payments and its impacts on our socio-economy is one of the important topic of discussion now-a-days and the benefits of digital payment methods are really fruitful for every individual in the era of advanced technologies.

Issues in Digital Payments

Accepting online payments enables customers to make cashless transactions using phones or cards. Today, the ability to accept online payments has become a prerequisite for businesses. This is because electronic payments come with several advantages for the business. No doubt that online payment helps to expand the business, on the other side it can also help improve customer experience since transactions are more convenient through online. When selecting a payment processing platform, there is plenty to consider. There are a number of online payment problems that can affect the business in a negative way, as well as payment gateway security requirements also needed to ensure that the sensitive data of the customers and business is safe. Before making any transaction decisions, it's wise to be aware of the most frequent online payment problems so that you can take the decision regarding the payment procedure accordingly. Here are the most common online payment problems that people usually facing while they are making any kind of digital payments.



Technical Issues-

Online payments are vulnerable to technical disturbances. This is a common issue among systems that depend on technical infrastructure. Technical issues can cause several hours of downtime. This can cause customer dissatisfaction.

Security Problems-

A huge number of customers feel insecure while they are going to make any kind of e-payment. Much like other electronic systems, e-payment platforms are also vulnerable to hacking and they can take the advantage of inadequate authentication on online payment systems. Lenient authentication processes can result in hackers using another person's cards and e-wallets. In 2020, the total identity fraud losses rose to \$56 billion. This number highlights the importance of adequate authentication measures.

Disputed processes and transactions-

If you're a victim of hacking, you can try to file for a refund if someone else used your card. You can do this by filing a claim with your bank, online payment processor, or credit card company. But, without information about the person who used your card, it may be difficult to prove your claim. This also means that you may not get a refund.

Cyber security Fraud-

One of the most frequent online payment problems is due to compromised data security and fraudsters looking for data breach opportunities. In 2019 alone, there were over 650,000 cases of identity theft – the most common type of fraud. Of the more than 3 million fraud cases reported to the Federal Trade Commission, identity theft accounted for over 20% of them. Credit card fraud ranks as the most common type of identity theft. Over 45% of identity theft cases in 2019 were due to various types of credit card fraud, mostly opening unauthorized new accounts. The year 2019 was the worst for credit card fraud, but identity theft is expected to rise due to increased data breaches. When data breaches occur, they expose sensitive, personally identifiable information which can leave people vulnerable to identity theft. Unfortunately, both identity theft and credit card fraud will remain major concerns in the coming months as the COVID-19 pandemic encouraged criminals to unleash cyber attacks. Even with the end of the crisis, fraud will continue to pose a major problem for payment processing security through the decade.

Chargebacks-

A chargeback is a forced return of money to the consumer, typically a credit card transaction. The action reverses a money transfer from the consumer's bank account, line of credit, or credit card and is designed to protect customers from fraud due to electronic payment systems. However, chargebacks can be a major online payment problem. Chargebacks are commonly used to determine the health of a business, and a high rate of them translates into decreased authorization rates that essentially mean bad business. Merchants additionally hold the liability for chargebacks and it can cost them. These forced returns have grown 179% since 2018 and have cost merchants nearly 2% of their total annual revenue. This number is expected to increase dramatically throughout 2020 due to the COVID-19 crisis.

III. CONCLUSION

This research highlighted towards understanding the viewpoints of the general people about their acceptance and emotional significance towards digital methods of transaction. Factors such as reliability, satisfaction, service quality, occupational status all are somewhere related to the adoption of the trending technology. While governments, regulators and service-providers are working in synergy to enhance the electronic payments system and related infrastructure, it makes sense to study how these options are perceived by the end-user. Digital payments were not only driven by a positive outlook on digital payments but also a negative outlook on cash. Contrary to popular belief, customers were seen to be willing to discount online fraud experiences in the face of higher convenience offered by digital payment methods. The impact of experiencing fraud on the choice to pay digitally differs according to the purpose of transaction. We can't ignore the role played by demographic factors when it comes to the purpose of any transaction. Though for the last century and a half, the world of electronic payments has seen several notable technological shifts. As we speed through the industrial advances that the payment industry currently faces, we will only see a payment processing scheme that is safer, faster and operates how consumers and merchants need. Thus, we may come to the conclusion that within next few decades we may lose the physical and emotional value and significance of money.



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