Impact of Digital Payment on Indian Economy

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ABSTRACT

The present era is the era of digitalization. Digitalization has provided opportunities for economic development in various sector of the economy. India's digital transformation has been remarkable in the last few years- in which the rapid use of smartphones, internet connectivity and banking technology has succeeded in rapid growth in the digital economy. The Digital Economy promise and Peril in the Age of Network Intelligence in 1995. After this a revolution emerged in the field of digital economy and most of the countries of the world started adopting it. The Digital India Program started in the year 2015 is a Proof. India's digital economy can grow 6 times to reach $One trillion Dollar by 2030. The impact of digitalization on India's economic development has been positive, yet there is a need to make all the citizens of the country aware of Digital technology so that every person can benefit from the use of digitalization. Digital payments in India have the potential to transform the economy by promoting financial inclusion increasing transparency, and promoting economic growth. Today, the Indian economy has made. So much progress in the digital sector that it is being ranked as the third largest digital economy in the world after China and the United States. Not only Private Companies and businesses have contributed to transforming the Indian economy into a digital economy, but the Government of India has also given its full support. The Ministry of India's main initiative, The Digital India Programme, aims to make India a Knowldege- based society and economy "faceless, Paperless, Cashless" is one of the Professed roles of Digital India.

Keywords : Digitalization, Digital Payment, Internet Banking, Digital Economy

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Introduction:

At present, there is no such field in which digitalization is not useful whether it is the field of education, medical field, manufacturing industry or modern technology; digitalization has become important in all fields. In such a situation, digital empowerment has now become a basic necessity for the citizens of the country. In simple terms, digitalization is process in which the work of sending numbers or information from 0 to 1 is done through an electronic method. It is a simple and easy process.

In our country, digitalization has taken place in all the sectors, which has a great impact on the Indian economy. Digitalization in India was started in 2015. The objective of Digital India is to make India technically self-reliant and the trend of working with digital technology in India has not reached its peak yet. People are taking advantage of products or services through mobile and internet such as: visiting e-commerce sites to buy products directly through mobile internet or searching for product through apps and buying them, comes under the category of digital marketing. In today's time, online shopping, transactions, bill payments, recharges, ticket booking, payments or cash transfers etc. have become very common. This also saves time because a person can easily do all his work sitting at home. Not only developed countries are involved in adopting the process of digitalization, but many developing countries have also accepted it. Our country India is also included in the series of developing countries, which adopted the digital economy in the context of

India since the 1990's Since then, if the country is being continuously used in various business organizations and commercial sectors for the economic development of its country along with changing technology. In recent years, there have been some changes in it digital economy that is the concept of this digital economy has become focused on technology. India has also accepted it and gradually progressed in this field. India is moving towards digital economy.

The Economy of a Billion connected report says that due to the rapid expansion of internet connectivity in cities and continuous growth of consumer and business, India will become a fully digital India by 2030 and most of the goods in future will be purchased online. This era of digitalization has made the whole India an open market. The need for digitalization in India, implementation of digitalization in India means making all services available to all the people of the country in digital form. This will give people the benefit of latest information and technological innovations. Digitalization will prove beneficial in enriching and developing villages. Digital libraries, online magazines and e-book can be made available for free through digitalization which will help in sharing and increasing knowledge. With the use of digital technology, people of villages will also get all the information from around the world through the internet and their level of education will also increase. Digital India is not just an initiative of the country but is the need of this country, where still the majority of the population has not reached the world Internet.

Objective:

The main objective of digitalization is to transform India Economy into a digital empowered society. Digitalization in India has also accelerated the growth of digital payments in India.The business of companies in the digital sector has also increased by several percent every year, along with this, lakhs or people have got employment in this sector through online business. India's economy has grown much more than before, which has been possible only due to digitalization.

Digital payments methods in India:

Digital payment is becoming increasingly popular and convenient in today's world.

Internet Banking : Also known as online banking is a service provided by banks and financial institutions that allows customers to access and manage their accounts over the internet; with internet banking. Customers can perform a wide range of transactions and banking services, including checking account balances, transferring funds between accounts, paying bills, and applying for loans or credit cards. Internet banking services are typically secure, using encryption technology and other security measures to protect customers, personal and financial information. However, it is important for customers to take steps to protect their online banking credentials, such as creating strong passwords and keeping their login information confidential.

Banking cards : More security, convenience, and control are provided by banking cards to consumers than by any other form of payments. A lot of freedom is also provided by the large range of cards that are accessible, including credit, debit and prepaid cards. There cards offer two-factor verification, such as a secure PIN and an OTP, for safe transactions. Some examples of card payment. Methods are Rupay, Visa and Master Card. People can make purchases with payment with payment cards in-person over the phone, online, through mail-order catalogues, and at retail establishments, they facilitate easy transaction by saving both customers and retailer's time and money.

Debit Card : A debit card is a payment card that is linked to a checking or savings account at a bank or credit union. When a debit card is used to make a purchase, the funds are directly deducted from the card holder's account. Debit cards can be used to withdraw cash from ATM's make purchases online and in-person, and transfer many to other bank accounts. Debit card can be used at merchants that accept payment though card networks such as Visa, Mastercard, or American Express. Some debit cards also offer rewards programs, cashback incentives, and fraud protection.

There are two types of debit cards. PIN-based and signature- based. A PIN-based transaction requires the cardholder to enter a personal identification number (PIN) while a signature-based transaction requires the card holder to sign a receipt. Debit cards are widely used and accepted globally as a convenient and secure method of payments. However, it is important for cardholders to monitor their account activity and protect their card information to prevent fraudulent transactions.

Credit Card : A credit card is a payment card that allows card holders to borrow funds from a financial institution to make purchases or obtain cash advances. When a credit card is used to make a purchase, the cardholder is essentially borrowing money from the card issuer, with the promise to pay it back later. Credit cards typically come with a credit limit, which is the maximum amount of money a cardholder can borrow at any given time card holders are required to make minimum monthly payments on their credit card balance, which includes the principal amount borrowed plus interest and any applicable fees. Credit cards can be used to make purchases online and in persons will as withdraws cash from ATMs. Some credit cards also offer rewards programs. Cashback incentives and other perks such as travel insurance or extended warranties on purchases. Credit cards are widely accepted globally and is a convenient method of payments for money consumers. However, it is important for card holders to use credit responsibly.

Prepaid Cards : Prepaid cards are similar to credit/debit cards but require the user to load funds onto the card before making a purchase. They can be used online or offline, just like credit/debit cards.

Economic growth :- People may complete more transactions in less time thanks to convenient cashless transactions. Increased production and supply will result from increased demands for goods, which will as to result in the creation of jobs. Additionally, as more transactions take place online. The government will have access to more data.

Transparency and convenience : All the transactions are accessible because of digital payments. Since everything is digitally recorded, it is possible to always confirm transactions and keep track of them. It might be challenging to hold individuals responsible for any additional expenses when using cash payments. Because there are digital records for it. Fraud may be found more quickly. For a lot of folks who might find it around online transactions are also quick convenient.

Conclusion :

Digitalization has started a long time ago, now it is only moving towards development. Digitalization has contributed a lot in various sectors of the Indian economy; but some things are still not digital due to lack of security. Internet work is being done rapidly in rural areas also, so that rural people are also getting technical benefits. The digital economy, which is for human work (Socio-economic) speed, time saving etc. It has become an important economy of today's time. In the last 5 years. (Covid-19) this economy has made a significant contribution to Indians and the government and more and more Indians are also using the digitalization process, e- commerce, financial inclusion broadband and many more have increased financial inclusion, etc. have increased a lot through digitalization by encouraging internal technology. It is important to address challenges and invest more in technology to harness this power and enhance citizen well- being while ensuring that digital opportunities are available to all sections of the population.

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