

## THE DIGITAL SWING IS NOW: CONTACTLESS PAYMENTS IN THE ERA OF THE PANDEMIC

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### ABSTRACT:

*Businesses are implementing work-from-home policies because of social conventions that discourage collaboration and widespread lockdowns. Digitalization has forced an inescapable rise in the usage of digital technologies as it quickens national lockdowns and social distancing practices. Globally, individuals and institutions have embraced new modes of living and working. The whole payment system has been significantly impacted by the pandemic. Payments and money transfers made by consumers have been considerably influenced by COVID-19. Online commerce and the transition to cashless payment methods are only two examples of trends that have accelerated due to concerns about contagion. To take advantage of this acceleration, several fintech companies have increased features and extensively invested in client acquisition as individuals become more aware of such contactless options. Contactless transactions became important to both small and large businesses as cash payments became unsafe.*

### INTRODUCTION:

COVID restrictions have resulted in widespread adoption of digital financial services. The pandemic has the potential to accelerate the world's transition to digital payments. Digital payments, like everything else around the world, saw a significant shift. QR stickers could be found at every counter, from tiny Kirana shops to multi-story supermarkets. As all struggled to maintain normalcy with utilities and finances, so on increased across all demographic segments. However, by encouraging customers to use digital payment methods instead of cash, this phase has the potential to significantly change how payments are made. The general public has a high level of trust in payment systems due to their track record of dependability and durability. For recovery to take place and for this new normal to emerge, the digital payments ecosystem must grow swiftly and contribute to the creation of the post-COVID period.

As a result, customers expect their financial service providers to provide responsive mobile platforms for managing their money, where payments and transactions can be made instantly from their smartphones. COVID-19 has significantly restricted people's lives. While the top and middle segments of the household population were mostly at home, the bottom segment was out and about with numerous difficulties in meeting their needs. People were finding solutions across the board to live, work, transact, and learn about the applications of digital transactions. Digital government programs such as Digital India, Dhan Yojna, and PM SVANidhi scheme for street vendors, for example, solved many problems. The RBI set the tone by guidelines publication V-KYC, contactless payments, online payments, recurring payments on cards and UPI, and standardization of QR. This study discusses the importance of numerous digital payment techniques applied during the pandemic situation.

**KEYWORDS: COVID-19, Digital Payments, Monetary transactions, Coronavirus.**

**LITERATURE REVIEW:**A review of the literature reveals the following:

**Rajendra Kumar Tolety and D R Goodwin (2018)**in their study on financial services explained the problems encountered in digital payments like hacking, fraud, cyber-crime, etc. Online banking is getting better by the day, security is getting better, services are getting better customers are improving, resulting in a strong financial position in the country's system. **Rajbir Saha (2019)** explained how there was an increase in the use of e-wallets during the Covid-19 pandemic. The dimensions of digital payments have amplified, as has the number of new users. Assam (Guwahati) has seen an increase in active users. This research article explains how e-wallets and digital payments were developed. **K.M Siby(2021)** investigated digital payments and enumerated the first surge for digital payments that occurred during the demonetization period. The primary data were collected to observe the digital surge in payment in Kerala's Ernakulam district. The research paper explains how consumers think about digital payments. How comfortable will they be if they continue to use digital mode in the future? **Ankita Kothari and Anil Jain (2020)** highlighted that the pandemic boosted digital payments and the e-commerce industry. Fintech firms have significantly increased to some extent, financial flow. The proportion is revealed in the research on intensification in digital payments all through the pandemic, as well as explains their future possibilities.

**Amar Latta and Debjani Sarkar(2021)** examined how the digital revolution has changed the efficiency and speed of economic operations in their study "Imperative Role of Digitalization in the Indian Economy During COVID-19." a pandemic that wiped out the entire world. The economy is slowing. The researchers have stated that the global economy is vulnerable to any type of breakdown shortly. The internet and digital devices have transformed society. Even the development of India's economy has not been spared, resulting in the economy going through a very unsteady phase. During the lockdown and even after the pandemic, problems arose. The study looked at how the Indian government has many initiatives to overcome the sluggish economy by employing Digital.

### **RESEARCH METHODOLOGY:**

Research Methodology is the pathway that researchers must take for conducting their study and consists of specific data collection and analysis procedures. Secondary data is poised for data collection and consists of data that has already been gathered by other researchers. In this study, secondary data has been used.

### **METHOD OF DATA COLLECTION:**

Data are gathered from secondary sources including books, journals, periodicals, and websites.

### **RESEARCH OBJECTIVES:**

1. To explore the influence of Covid-19 on digital payments.
2. To study the challenges posed by COVID-19 and opportunities for the digital payment industry.
3. To explore Digital Payment solutions in place of cash payments.

## DIGITAL PAYMENT SURGE SCENARIOS AND ISSUES:

### 1.Improvement in Speediness and Affluence with Digital Payments:

There is an improvement in speediness and affluence with digital payments. The number of shoppers spending a mobile for their purchases increased by 28% between 2019 and 2021. This is a commendable prospect for retailers to shape and reinforce customer allegiance. Whether it's by hurrying up the payment procedure, embracing digital wallets, or affording funding possibilities that customers can employ for and practice unwaveringly from handsets, advancements in the cellular phone spending practice are probable to endure. A new digital payment method has Bright Payment Prospects.

### 2. Take Now, Pay in The Future Is on The Rise:

Retailers are increasingly offering Take Now, Pay Later plans, which some see as an interest-free alternate to conventional cards. Even though it isn't the utmost extensively tapped payment method, it is acquiring popularity, specifically with Gen Z and hopeful customers. Overall, customers want both payment suppleness and conviction.

### 3.Biometric corroboration growing:

Biometric knowledge evolving new methods of payment verification. As the global economy begins to recover, critical sectors such as retail and hospitality are showing signs of recovery. However, the travel industry has yet to recover, hampered by changing restrictions and concerns about emerging COVID strains. As mass immunization and vaccine passports kickstart consumers' vacation plans, banks and financial service providers must understand how the pandemic has accelerated shifts in how people manage and spend their money to prepare for cashless sectors in the future. Only by comprehending these shifts will they be able to provide better, more efficient financial services, such as multi-currency wallets, to travellers who are eagerly adopting a digital-first mindset.

### 4. Fear of the Spread of Coronavirus by Currency:

Looking at legal tender as a coronavirus carrier device can upshot how customers pick to make payments for various transactions affected by them. Critics contend that the "psychological factor" of individuals who favor currency as a carrier of germs can steer to the augmented despond of digital payments.

### 5.Impact on Business:

Key economic sectors in India have been negatively impacted by the epidemic, especially those related to manufacturing, the automotive, retail, aviation, and hospitality industries. Digital payments associated with the aforementioned locations result in retail closures, travel cancellations, and decreased consumer spending (outdoor). Digital payments are hurt by, among other things, food, films, and other forms of entertainment. Airlines, travel, hospitality, hotels, entertainment, e-commerce, and other sectors all use digital pricing. These consist of OTT players (telecom and media), online pharmacies, supermarket stores, and operational and financial payments. The government also transfers money to the electronic payment network. The CEO of India's National Payment Corporation (NPCI) has also asked

consumers to use digital payments more frequently so that no payments are impacted. In these times when apposite.

### **6.Embedded Payments in the Business-to-Business Environment:**

Embedded payments are critical to meeting the needs and expectations of digital-first buyers because they occur invisibly in the background, Uber is one of the most successful B2C examples of embedded payments. When you exit the vehicle, there is no need for you to do anything physical to complete the transaction: the software simply recognizes that the ride is over and the payment is processed automatically. In a business-to-business environment, infrastructure is required to ensure that customers can check out quickly and easily. Businesses must provide the following critical elements for embedded payments to become a reality:

- Invoicing and payment terms options
- Quick and transparent customer underwriting
- Application programming interfaces (APIs) and data-driven infrastructure
- Strong onboarding and other digital-first products
- Straightforward accounts payable procedures
- Strong anti-credit application fraud and anti-identity theft safeguards.

Businesses must also take into account the possibility of online fraud. While efficiency attracts customers, insecurity repels them. The goal of any B2B embedded payments infrastructure should be to combine speed and security so that a customer can securely create a shopping cart, select an invoice, and pay with whichever credit cards they prefer in a few clicks.

### **7.RBI Push for Digital Payments:**

RBI stated that digital platforms could be used preventing them from avoiding network forums and going to public places and these digital payment methods available to the general public. COVID-19's tremendous growth worldwide has aided in the smooth adoption of digital payment platforms. Owners of mobile phones will initiate the future advancement of digital payments. Customers will undoubtedly have a better experience with digital payment platforms.

### **8.Rewarding for Digital Payments in a nutshell:**

Afterward, outlay has decreased, and many payment corporations are concentrating their efforts on enhancing their operations. They are antagonized with prospects, namely the speedy changeover to digital payments from cash payments. Regulators, for example, reduced the use of currency notes and promoted non-contact payments. Several companies are working to earn the confidence of customers and vendors. Persons who can manage to pay to pay do so make a case for increasing market share.

### **9.Effect on Payments**

Extensive changes for payment providers are an outcome of digital payments, a rise in pointless debt, a drop in sales, and a greater requirement for purchaser service

departments. Depreciation and trade have reduced the payment value. Payment providers will be compelled to alter their operating models shortly to increase their flexibility and give more priority to new short-term objectives. Payments will be significantly impacted over time by the epidemic.

### **10. Making Digital Presence:**

Increased spending on network infrastructure, cloud-based software, and bandwidth growth will follow from this. As workers get used to meeting and conducting business online, businesses will start to see work-from-home (WFH) as the standard rather than the exception. Because they have the appropriate digital infrastructure in place, many businesses (Khetarpal, 2020) are doing this. One of the digital transformation technologies being used by organizations as part of their transformation efforts is the cloud. Other digital transformation technologies.

### **MANAGERIAL IMPLICATIONS:**

Some of the most important issues that are pertinent to research and practice have been covered in this section. The following assumptions concerning the post-pandemic condition underlie this study:

- 1 It is crucial to comprehend the consequences of smart contracts, how they fit into workflows, and how successful they are in complicated resource-constrained contexts, especially in poor nations, when deploying security technologies like blockchain. It's crucial to comprehend the effects of secure and permanent data. Technologies like blockchain, for instance, will be important for regulatory purposes.
2. Nevertheless, loads of effort has befallen to understand the bearing of the digital, and it will be critical to comprehend how those shorn of admittance agonize from the pandemic's magnitudes and maneuvers.
3. Controlling how the net is used inside a nation is crucial, and enhancing networks involves things like gently monitoring zero-rating programs, taking into account their effects on welfare, and figuring out how they can increase access.
- 4 For residents who have grown dependent on these services, internet interruptions during and after a pandemic present a major issue. The business houses must evaluate the immediate effects of these closure procedures.
5. Concerns surrounding the range of data gathering by communication tracking apps, such as data permanence, and the manifold trade-offs involved, are significant study subjects.
- 6 For there to be more digital change, there must be regulation of the digital infrastructure.
- 7 Technology for managing safe online transactions for payments, healthcare, and education.
8. Develop apps for illness detection and contract tracing that balance private and public health.
9. Managers must comprehend technological barriers and know how to handle change in both the workplace and with clients.

### **CONCLUSION:**

Users consider digital payment methods safe and easy and it ensures that preventive measures are followed by adopting digital payments to combat the epidemic collectively. They will have far-reaching ramifications in the future. India's digital footprint is expanding with improved technology and security to attract more customers. The Digital India program is also encouraging rural transformation. Internet access should be available throughout India, allowing for even more people to connect to the most remote villages to have access to digital transactions. Rural sector is gradually absorbing the digital payment system but still, there is a long way to go in this direction. The COVID-19 pandemic is expected to cause a significant shift in how people use technology, with consequences for many facets of life and work. Users' responses and the development of new trends will play a major role in how this transition develops.

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