

# Impact of Turbulent Time on Financial Transactions – A Study on Impact of Covid-19 Pandemic

Dr Suhas. D  
*Assistant Professor,  
Department of MBA,  
Jain Institute of Technology,  
Davangere.*

Dr. H N. Ramesh  
*Professor,  
Institute of Management Studies,  
Kuvempu University,  
Shankaraghatta, Shimoga.*

Submission: 18-01-2022

Revised: 28-01-2022

Acceptance: 31-01-2022

**Abstract:** Coronavirus (Covid) is a transmissible virus which made human life awful. This virus changed the entire living style of human beings and it created the situation such a way that the people should adopt and use technology as obligatory. The changes can be seen in various sectors like software industry, education, healthcare, trade and commerce and many more and even banking industry is not an exception for it. The paper attempt to highlight the changes found in digital transactions due to corona pandemic. The paper considered digital payments or applications like Bharat Bill Payment System, Unified Payments Interface, Immediate Payment Service, and Aadhaar Enabled Payment System for the study. The study used twelve months data for the analysis, it covers from June 2020 to May 2021. Analysis of the study shows that customers effectively adopted all the digital services for the payments and deposits.

**Keywords:** Technology, Digital transactions, Pandemic, Digital payment.

## I. INTRODUCTION

Entire world is facing tough time due to deadly virus. The Deadly viruses of the twenty first century are Ebola, MERS and Coronavirus, out of these viruses' coronavirus caused severe effect on human life substantially. The present covid-19 pandemic made situation uncertain in nature and it made people deviates towards adopting new business models (Seetharaman 2020). People are facing enormous glitches due to this pandemic situation as they are fronting lockdowns and restrictions in day to day life. It can be observed that all the banking operations got hampered due to wide spread of covid-19. Banks faced slow growth and increased non-performing assets and declined

its operations. Particularly it is finding a challenging situations that banks in developing countries are struggling to provide quality services to its customers. Lockdown made people to rely on technology embedded services, specially the usage of mobiles, laptop, and Personal computers are increased and also adopted digital working culture.

Further, this pandemic created an opportunity to banks to explore its digital platforms to its customers for all kind of banking services. In such difficulties, People try to find different ways to come out of this situation and trying to adopt new ways of life style with the support of information technology. It can be seen that nowadays account holders prefer digitalised banking system and that suits for young generation (Singh 2017). Thus, banks are offering electronic banking service tools in alternatives to in-person banking services. Electronic channels like mobile banking, internet banking help customers to perform all kinds of banking services effectively and efficiently without visiting bank branches. Pandemic made people use digital platform for all, like teacher, trainers and officials are using online class and meeting, students attending online class, BPO, KPO, IT companies employees are working from home, customers are using E-banking services for banking needs and finally majority of the business are started adopting E-commerce for the buying and selling of goods and services.

The main purpose of the study is to know the customer's usage of various digital payment platforms during the pandemic.

To know which digital platform is used widely by the customers for making payments or transfer of funds.

To know growth of digital platform during the study period.

The study consider few digital platforms that are widely used by the customers to achieve the objectives of the study.

## II. LITERATURE REVIEW

There are few studies were conducted to know the impact of covid-19 pandemic on electronic or digital banking services. During this pandemic many bank customers are slowly moving towards adopting e-banking services (Baldwin 2020). In electronic or digital environments loyalty and Trust plays important role (Chaudhry 2009). It was a huge rumours around the people that the Covid-19 will spread from the usage of currency notes (Auer 2020), this bad rumours made customers to adopt digital banking services (Sivakumar 2020). Indian banks focused on continuing work with half of employees at branches and remaining were deputed to manage online and phone queries and this pandemic change the customer’s preference and behaviour in the usage of electronic banking services (Sonali Kulkarni 2020). During covid-19 pandemic banks website design and reliability proved in increasing in the usage of electronic banking services (Inzamam and Tahir 2020). Still more than fifty percent of bank customers are redirected from digital banking to traditional banking as they feel more secure and used for cash payments and withdrawal (Lightico survey 2020).

Covid pandemic has destructively affected entire economy and banking system in India and it is tough to assess the effect of this virus at this movement (Vikas and Sanjeev 2021).(Mahendra dev 2020) mentioned that banking industry and economic growth of the country got affected with lockdown due to covid-19 pandemic and Indian economy got damaged and facing a worse situation than the economist estimations. Corona pandemic

displays unpredicted shock to all the sectors like banking, education, trade and commerce and it also effected economic growth by lowering GDP, GNP rates and unemployment also found surge in this duration (Sonkhaskar 2020).(Anya kumra 2020) also stated that Indian economy faced negative impact by Covid and it is difficult to know the impact towards various sector.Customer’s satisfaction towards electronic banking services can leads to use of banking services effectively, E-trust place an imperative role in expansion of electronic services that leads to higher E-satisfaction (Giao 2020).

## III. RESEARCH METHOD

The present work is based on secondary data. The work is analytical and descriptive in nature. Digital payment services like NEFT, RTGS, Bharat Bill Payment System, Unified Payments Interface, Immediate Payment Service, and Aadhaar Enabled Payment System were considered for the study. The data is collected from RBI website. The study consider twelve months data which covers from June 2020 to May 2021, which is published by RBI based on RBI and NPCI operated systems and card networks.

## IV. RESULTS AND ANALYSIS

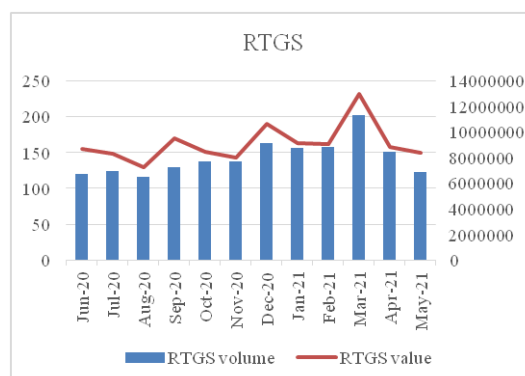
In recent days, all commercial banks promoted digital banking to its customers to provide quality services without interruption. Hence, the present work consider few digital payment platforms which are widely adopted by the customers for making payments.

### RTGS

Real time gross settlement is the best mode to transfer huge amount of money from one account to another account. Customers considered this services as safe and secure.

**Table 1: RTGS value and volume**

Month	RTGS volume (Lakhs)	RTGS value (Cr)
Jun-20	119.68	8651978
Jul-20	124.76	8335279
Aug-20	116.77	7292380
Sep-20	130.11	9489066
Oct-20	138.22	8496046
Nov-20	137.8	7987655



Dec-20	163.48	10659120
Jan-21	156.68	9170162
Feb-21	157.7	9050425
Mar-21	202.35	12982215
Apr-21	151.52	8802868
May-21	123.34	8366599

Source: RBI data

The above table 1 and chart shows that RTGS volume and value are increasing in trend over a year. August 2020 registered a least number of volume (116.77) and value (7292380) in RTGS and it can be observed that in the month of March 2021 and it can be seen a maximum number of transactions done in terms of volume (202.35) and value (12982215). Overall it can be stated that the growth of RTGS is snowballing in nature. During

pandemic customers are using Real Time Gross Settlement services meritoriously for fund transfer.

**NEFT**

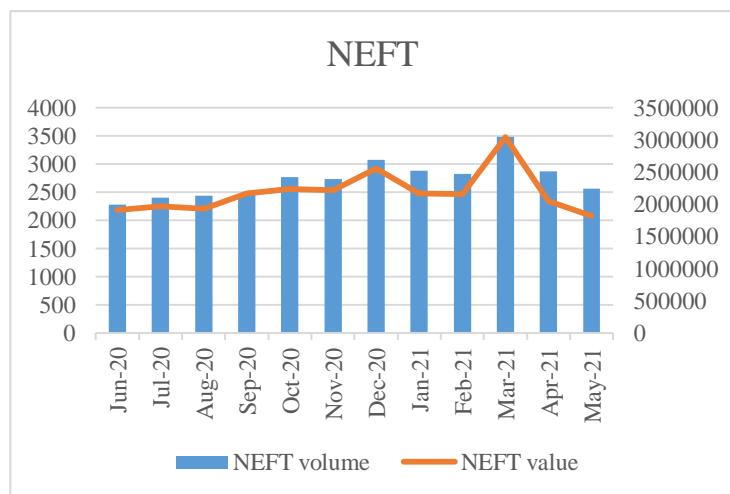
National electronic fund transfer which help customers to transfer money between accounts without taking much time.

**Table 2: NEFT value and volume**

Month	NEFT volume (Lakhs)	NEFT value (Cr)
Jun-20	2274.02	1906586
Jul-20	2401.03	1963113
Aug-20	2436.09	1930552
Sep-20	2468.27	2165515
Oct-20	2761.65	2235389
Nov-20	2734.1	2218252
Dec-20	3076.15	2558304
Jan-21	2874.93	2165869
Feb-21	2821.07	2152844
Mar-21	3481.39	3046329
Apr-21	2862.71	2046235
May-21	2565.39	1819459

Source: RBI data

The above table 2 and chart show that the volume and value of NEFT is increasing over a period of one year. It can be observed that in March 2021 the customers widely used NEFT transactions that is (3481.39) volume and (3046329) of value



for transfer of funds between accounts but found decrease in April and May 2021 due to pandemic. It can be stated that in covid-19 pandemic the customers are using National Electronic Fund Transfer services effectively and efficiently.

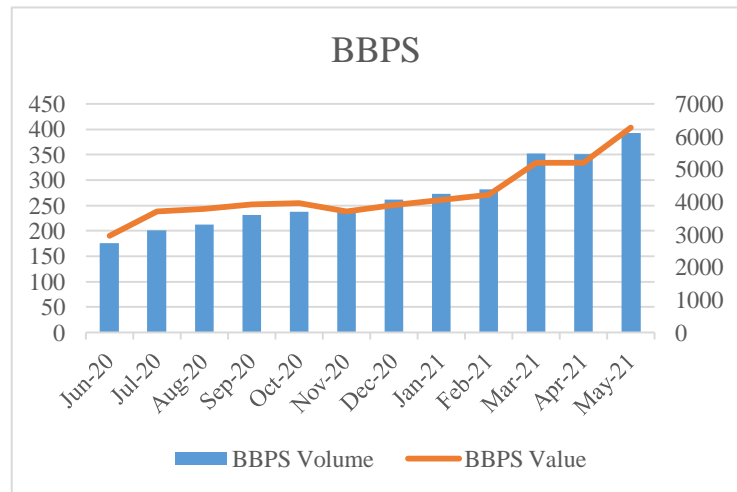
**BBPS**

Bharat bill payment system is a virtual platform where electronic commerce portals and online payments are made available in single platform.

**Table 3: BBPS value and volume**

Month	BBPS Volume(Lakhs)	BBPS Value (Cr)
Jun-20	176.42	2969.68
Jul-20	201.57	3707.4
Aug-20	212.11	3782.47
Sep-20	231.86	3920.81
Oct-20	237.22	3961.44
Nov-20	239.3	3713.2
Dec-20	262.17	3898.77
Jan-21	272.38	4051.93
Feb-21	282.27	4222.39
Mar-21	352.4	5195.52
Apr-21	351.36	5201.93
May-21	392.2	6270.31

Source: RBI data



The above table 3 and chart shows that the usage of Bharat bill payment system is increasing in trend. In June 2020 the volume (176.42) and value (2969.68) of the BBPS stands least in the study period, whereas it can be observed that in May 2021 the usage of BBPS was massive i.e., volume (392.2) and value (6270.31). It shows that customers are adopting BBPS for making payments

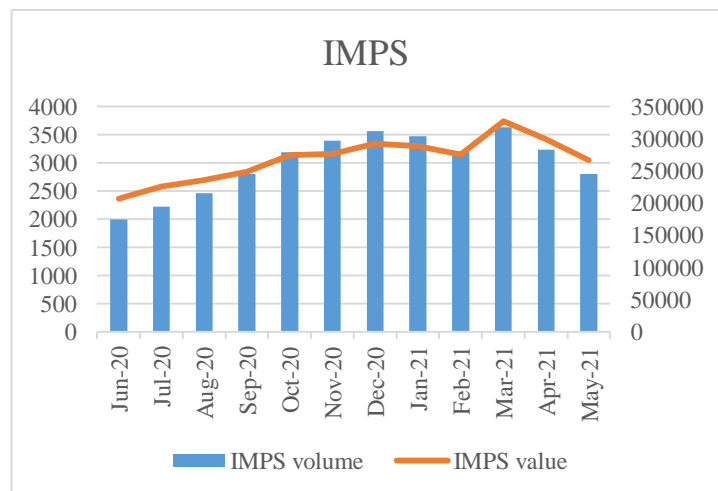
and during pandemic customers using this BBPS extensively for fund transfer and bill payments.

**IMPS**

Immediate payment service is an instant payment service available for customer to transfer fund from one account to another. Through mobile devices the customer can transfer money easy and quickly.

**Table 4: IMPS value and volume**

Month	IMPS volume (Lakhs)	IMPS value (Cr)
Jun-20	1989.11	206950.8
Jul-20	2220.99	225775.3
Aug-20	2461.24	235137.0
Sep-20	2796.08	248661.8
Oct-20	3189.72	274644.7
Nov-20	3391.16	276459.1
Dec-20	3556.93	292324.7
Jan-21	3465.52	288537.5
Feb-21	3189.73	275230.4
Mar-21	3631.44	327236.1



Apr-21	3229.68	299542.3
May-21	2798.61	266289.4

Source: RBI data

From the table 4 and chart it is observed that customers are effectively using IMPS for fund transfer. June 2020 recorded least transactions in terms of Volume (1989.11) and value (206950.8) whereas March 2021 registered maximum transactions in terms of Volume (3631.44) and value (327236.1). It can be observed that the usage

of Immediate payment service is increasing in trend and it was seen a little decrease in May 2021.

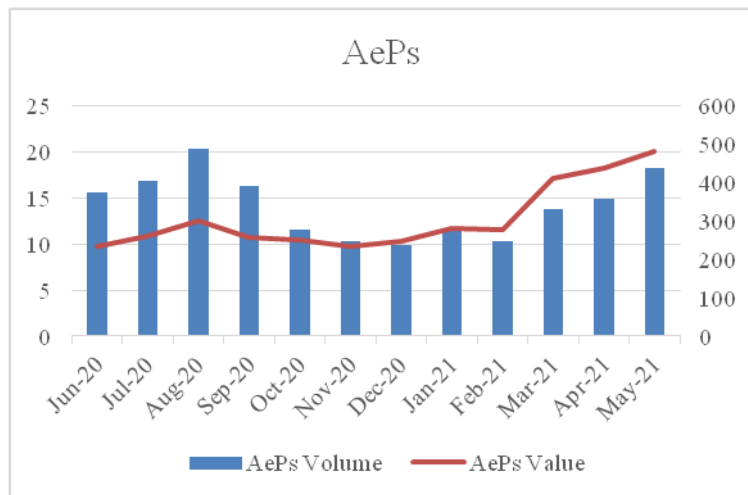
**AePs**

Aadhaar Enabled Payment System is a payment system which allows online interoperable financial transactions. In this system, customer can get both financial and nonfinancial transactions with the support of banking correspondent.

**Table 5: AePs value and volume**

Month	AePs Volume( Lakhs)	AePs Value (Cr)
Jun-20	15.55	232.89
Jul-20	16.77	260.8
Aug-20	20.35	299.45
Sep-20	16.23	255.73
Oct-20	11.57	248.61
Nov-20	10.33	234.67
Dec-20	9.93	248.46
Jan-21	11.4	278.76
Feb-21	10.22	277.69
Mar-21	13.78	410.84
Apr-21	14.82	438.27
May-21	18.25	481.13

Source: RBI data



The above table and chart shows that AePs transactions are increasing in trend. The minimum and maximum number of transactions are registered in Dec 2020 i.e., volume (9.93) and value (248.46) and May 2021 i.e., volume (18.25) and value (481.13) respectively. Hence, it can be stated that during covid-19 pandemic, the customers widely accepted Aadhaar Enabled Payment System service for payments.

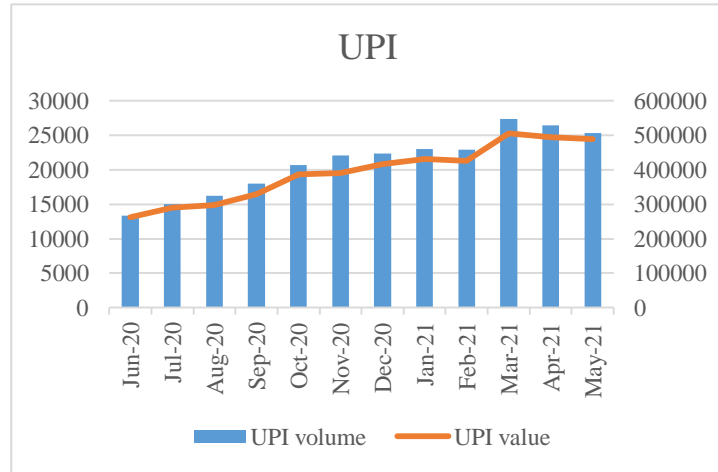
**UPI**

Unified payment interface is an instant payment system developed by NPCI, a Reserve bank of India regulated entity. This service can be used by customer for quick fund transfer and making payments.

**Table 6: UPI value and volume**

Month	UPI volume (Lakhs)	UPI value (Cr)
Jun-20	13369.35	261835.5
Jul-20	14973.54	290537.9
Aug-20	16188.27	298307.6
Sep-20	18001.67	329031.8
Oct-20	20716.19	386106.7
Nov-20	22102.29	390999.2
Dec-20	22341.58	416176.2
Jan-21	23027.28	431181.9
Feb-21	22928.94	425062.8
Mar-21	27316.85	504886.5
Apr-21	26410.61	493663.7
May-21	25291.82	489105.6

Source: RBI data



The above table and chart shows that UPI transactions are showing increasing in nature. March 2021 recorded the highest number of transactions i.e., volume (27316.85) and value (504886.5) in the study period. Hence, it can be stated that customers are using this service effectively and efficiently for payments and fund transfer. Covid-19 pandemic did not effected banks customer to use Unified payment interface.

### V. CONCLUSION

In recent days, banking and financial sectors are facing several challenges from current covid-19 pandemic. The outbreak of covid-19 slowdown the growth of Indian economy and caused extensively to each and every sector. Banking sector got effected largely and created pressure on banks to think about providing quality service to its customers. Still, banks are performing operations like cash withdrawals, deposits, cheques clearing and other process by maintaining a safety protocols and Standard Operating Procedures. The present work shows how the bank customers adopted digital mode of service rather relay on traditional banking. Analysis part illustrations that a considerable growth can be observed in all the digital payment usage. Finally, we have to consider that the covid-19 pandemic created a special platform to all sectors to adopt information technology in their operations. Indian banks are using core banking services extensively, which help customers to perform banking services using

digital mode. Hence, it can be stated that the Digital banking could help customers, society to keep safe and secure in this pandemic situation.

### REFERENCE:

- [1]. **Anya kumra**, 2020, impact of covid-19 on the Indian economy, IJAR, Vol. 8(08), pp. 17-33.
- [2]. Baldwin, R. and Mauro, B. W. D. (2020), Economics in the Time of COVID-19, CEPR Press.
- [3]. **Dr. Asif Perwej**,2020, The Impact of Pandemic Covid-19 on the Indian Banking System. Int. J Recent Sci. Res. 11(10), pp. 39873-39883. DOI: <http://dx.doi.org/10.24327/ijrsr.2020.1110.5578>.
- [4]. **Giao, H., Vuong, B. and Quan, T.** (2020), "The influence of website quality on consumer's e-loyalty through the mediating role of e-trust and e-satisfaction: an evidence from online shopping in Vietnam", Uncertain Supply Chain Management, Vol. 8 No. 2, pp. 351-370.
- [5]. **Inzamam and Tahir** 2020, Impact of e-banking service quality on e-loyalty in pandemic times through interplay of e-satisfaction, ilakshan - XIMB Journal of Management Vol. 17 No. 1/2, 2020 pp. 39-55.
- [6]. **J D Sonkhaskar**, 2020, impact of covid-19 on Indian economy, IJAST, Vol. 29 (12), pp. 432-439.

- [7]. **S Mahendra Dev and Rajeshwari**, 2020, Covid-19: impact on the Indian economy, <http://www.igidr.ac.in/pdf/punlication/WP-2020-013.pdf>.
- [8]. **Seetharaman, P.** (2020), “Business models shifts: Impact of covid-19”, International Journal of Information Management, Vol. 54, p. 102173.
- [9]. **Singh, N., Srivastava, S. and Sinha, N.** (2017), “Consumer preference and satisfaction of M-wallets: a study on North Indian consumers”, International Journal of Bank Marketing, Vol. 35 No. 6.
- [10]. **SivaKumar, S., Naveen, R., Dhabliya, D., Shankar, B.M. and Rajesh, B.N.** (2020), “Electronic currency note sterilizer machine”, Materials Today: Proceedings.
- [11]. **Vikas kumar, Sanjeev kumar**, 2021, Impact of Covid-19 on Indian economy with special reference to banking sector: an Indian perspective. Int. Jo. of Law management and Humanities. Vol. 4(1; 12), pp. 12-20.