International Journal of
Science, Architecture, Technology and Environment

Digital Payment Usage and Consumer Preferences

A Study with Special Reference to HFT Clothing LLP

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DOI: https://doi.org/10.63680/ijsate082628.21

Abstract

Due to the increasing use of smartphones, digital India, UPI, demonetisation, and the covid-19 crisis, digital payment systems have become an integral part of daily life in India. As part of the study, "Digital Payment Usage and Consumer Preferences," a survey was conducted among HFT Clothing LLP's employees to determine their attitudes toward digital payment methods and influencing factors. Descriptive research design was used, and primary and secondary data were collected. From the 50 workers at HFT Clothing LLP who received the questionnaire, convenience sampling was performed. Five major criteria – Convenience, Security & Privacy, Ease of Use, Trust & Reliability, and Financial Benefits were utilised to develop the questionnaire, which was constructed using a Likert scale of 1 to 5. Percentage analysis was used to evaluate the study's conclusions.

According to the findings, digital payment methods have a positive attitude among HFT Clothing LLP workers, with agreement levels ranging from 54 to 70 percent (60.5 percent overall). Financial incentives such as discounts and cashback had the most agreement, followed by convenience and ease of use, whereas overall reliability and security features had the least. UPI was the most popular digital payment method, followed by internet banking, cards, and QR-code payments. Connectivity issues, cybersecurity concerns, and transaction errors are the aspects that employees find to be the most dangerous.

CONCLUSION

Digital payment methods have primarily improved convenience and efficiency for the respondents. To achieve higher levels of acceptance and satisfaction in the future, businesses and banks must invest in security features and cyber safety. The study's findings can benefit HFT Clothing LLP, the banking sector, and even digital payment method providers.

Keywords: Digital Payment, UPI, Consumer Preferences, Convenience, Security, Trust, Financial Benefits, Cashless Economy, HFT Clothing LLP.

INTRODUCTION

Digital payment is disrupting the financial ecosystem, facilitating faster, safer, and more convenient monetary transactions. With increased smartphone and internet penetration, mobile banking, UPI, cards, wallets, QR-code payments, and online banking have gained popularity. The government's digital india programme, Jan Dhan Yojana, Aadhaar, demonetisation, and COVID-19 pandemic have contributed to the rise in popularity of digital payments. Consumers are rapidly embracing digital payment methods due to the ease, speed, transactional security, rewards, and trust offered by these methods, whereas cybersecurity concerns, privacy, spotty internet connections, and a lack of digital literacy impede the adoption of digital payments.

Artificial intelligence, machine learning, and biometric technologies have made digital payment methods more sophisticated and reliable, assisting in bolstering consumer confidence. The Reserve Bank of India (RBI) oversees and regulates the electronic payment system to ensure that all financial operations are secure and seamless. The National Payments Corporation of India (NPCI) manages the retail payment systems (UPI, BBPS, NACH, IMPS) used by businesses and consumers to conduct financial transactions.

India's digital payment ecosystem has undergone a paradigm shift in the last decade, transitioning from being one of the most cash-dependent economies to becoming one of the world's most prominent digital economies. With the government's initiative, Digital India programme, the creation of UPI and other digital payment methods by NPCI, and the 2016 demonetisation, India saw an explosion in the number of electronic transactions and became one of the most digitally connected economies in the world. This digital economic transition has enabled various industries, including retail stores, e-commerce, banking, healthcare, transport, and manufacturing, to digitise their financial operations to offer better customer experiences and operational efficiency. Small and medium-sized enterprises have benefited tremendously from embracing QR code payments and other digital payment methods.

Digital payment has revolutionised the financial landscape of many textile and garment manufacturers and exporters by enabling faster and more accurate financial transactions, bolstering relationships with suppliers and customers by providing better accountability, and improving overall organisational productivity and performance through enhanced inventory, stock, and payment management. However, adopting digital payment methods comes with challenges, including cybersecurity issues, connectivity problems, phishing schemes, and fraudulent activities.

With HFT Clothing LLP having incorporated all the essential digital payment methods, examining the usage pattern and consumer attitude towards these methods can provide insight into the financial operations of the organisation while highlighting crucial aspects of digital payments, including convenience, security, reliability, and other benefits. This research will benefit the firm, particularly its employees, and even the broader community, as it will enhance comprehension of how businesses, especially those in the textile industry, use digital payments, which is critical to India's cashless economy.

IMPORTANCE OF THE STUDY

There are several reasons why this study is critical. For banks and financial institutions, understanding customer preferences can highlight areas for improving services and influencing consumer behaviour. For fintech companies, the study can highlight vital aspects that influence consumer adoption and loyalty. For businesses and retailers, the study can highlight the most appealing digital payment methods that can help boost sales and profit. For policymakers and regulators, the study throws light on the influence and importance

of digital payments, as well as obstacles hindering their adoption and scalability, which will be essential in developing policies and initiatives that support and accelerate the digitisation of the economy. Finally, the study contributes to the body of research on FinTech, consumer behaviour, and banking, and digital payments.

OBJECTIVES OF THE STUDY

Primary Objective

To analyse digital payment usage and consumer preferences among the employees of HFT Clothing LLP and assess the elements that influence their inclination towards digital payment methods.

Secondary Objectives

- To examine the usage pattern and consumer preferences towards digital payment methods among the employees of HFT Clothing LLP.
- To identify the key factors influencing the employees' preference for digital payment methods, including convenience, security, ease of use, trust and reliability, and financial benefits.
- To assess the level of convenience experienced while using digital payment methods.
- To evaluate the perception towards the security and privacy of digital payment methods.
- To examine the level of trust and reliability of digital payment methods.
- To analyse the influence of cashback, discounts, and rewards on the consumer's selection of a particular digital payment method.

NEED FOR THE STUDY

- To review the usage of digital payment methods within a textile manufacturing and export firm.
- To evaluate the role of digital payment methods in bolstering organisational operations and record-keeping processes.
- To examine the impact of perception of security, reliability, and convenience on the propensity to adopt digital payment methods.
- To highlight the key aspects, including fraud concerns and connectivity issues, that hinder the extensive adoption of digital payment methods.
- To present findings that will add to the body of research on digital payment methods, while providing recommendations that can help the company, banks, and even fintech companies improve consumer preferences towards digital payment methods.

TYPES OF DIGITAL PAYMENT SYSTEMS CONSIDERED

There is a long list of digital payment methods that have emerged and gained popularity among Indian consumers and businesses. Here is a brief description of some of the digital payment methods considered in this study:

UPI: Unified Payments Interface (UPI) enables real-time fund transfers between bank accounts using a unique virtual payment address. Initiated by the National Payments Corporation of India (NPCI), UPI has become the most popular digital payment method in India as it allows seamless peer-to-peer (P2P) and merchant payments with minimal fees. UPI-based wallets, including Google Pay, PhonePe, Paytm, BHIM, and others, have been adopted by many Indians for conducting financial transactions.

Mobile Wallets: These are digital wallets that allow consumers to make payments using their smartphones. Although they do not have the trust and popularity of UPI and cards, mobile wallets facilitate small-value

payments, including recharge top-ups and utility bill payments.

Internet Banking: This method allows financial transactions to be made through the internet. Internet banking is mostly used for large-value transactions and offers more security and control than other digital payment methods.

Debit and Credit Cards: Card payments have remained among the most popular digital payment methods, with debit cards being used for direct payments from the consumer's savings or checking account, whereas credit cards allow consumers to make purchases first and pay later, including interest-free payments for a certain period.

QR-Code Based Payments: QR-code based payments enable consumers to scan a code and pay for goods and services without having to download a separate digital wallet app or go through the hassle of setting up UPI or internet banking. Thus, QR code scanners have become popular among small-scale merchants as a digital payment method.

NEFT, RTGS, and IMPS: These are the primary modes of fund transfer used by banks in India. They are mostly used for large-value transactions, especially for businesses such as textile manufacturing and export companies. As such, these digital payment methods are relevant to this study since they will be used to examine the perspective of a firm on the digital payment methods, including UPI, internet banking, cards, and QR-code payments.

SCOPE OF THE STUDY

This study focuses on examining the usage pattern and consumer attitude towards digital payment methods. As such, the scope of this study includes:

The usage of digital payment methods in online and offline transactions, including money transfers, shopping, payment of bills, and other purposes by the employees of HFT Clothing LLP.

The key factors that influence the employees' preference for a particular digital payment method, including convenience, security, ease of use, trust and reliability, and financial benefits.

The general understanding and awareness of various digital payment methods, including UPI, QR code, internet banking, cards, etc., among the employees of HFT Clothing LLP, as well as associated challenges and disadvantages.

The findings of this study will be helpful to HFT Clothing LLP, the banking sector, fintech companies, and researchers and students interested in related fields.

REVIEW OF LITERATURE

1. Daniel Glance Danny & K. Pradeep Reddy (2026): This study examined the factors influencing consumer adoption of Google Pay, PhonePe, Paytm, Amazon Pay, and BHIM UPI. The findings revealed that trust, convenience, ease of use, speed of transactions, and the rewards and incentives offered were the key factors influencing the adoption of digital payment methods.

2. Shreyas S. M. & Dr. M. Rajesh (2026): This study investigated the impact of digital payments on cash usage, convenience, and accessibility. The results showed that reliance on cash had declined substantially owing to the convenience and accessibility offered by digital payments. According to the findings, trust, convenience, speed of transactions, and rewards influenced the adoption of digital payments.

3. Tagat, A. (2026): This study evaluated the prevalence of cash payments using diary data and discovered that cash continues to play a critical role in India's payment ecosystem since it was convenient and reliable for making small-value payments.

4. Logambal, Girivasuki, Parthiban & Ananthi (2026): This study explored the impact of digital payments on

consumer purchase behaviour. The findings indicated that convenience, cashback and rewards, security, and speed were critical in boosting purchase behaviour, whereas age was a critical factor influencing the adoption of digital payments.

5. Padma Kiran & Vedala Naga Sailaja (2025): This study applied the UTAUT model to examine the factors influencing consumers' intentions to adopt digital payment methods. The results showed that perceived usefulness, trust, social influence, and service quality positively predicted the likelihood to adopt digital payments, whereas concerns about financial risk and privacy hindered the adoption of digital payments.

6. Fadilah & Andriani (2025): This systematic review applied the TAM framework in examining the factors influencing the adoption of digital payment methods. The review found that perceived usefulness and ease of use, trust and security, influenced the likelihood to adopt digital payments. Age, level of education, and familiarity with technology moderated the relationship.

7. Dua, S. & Mittal, B. (2025): This study evaluated the perceived convenience and risks of adopting digital payment methods. The findings showed that consumers identified digital payments as convenient, time-saving, and efficient, but fraud and cybersecurity concerns impeded their adoption.

8. Dev, Gupta, Dharmavaram & Kumar (2024): This study assessed the influence of UPI on consumers' spending behaviour. The findings revealed that around 75 percent of respondents felt that UPI had increased their expenditure, whereas suggestions were made to include budget tracking features to encourage responsible spending.

9. Zehra, Khan, Mazhar, Akhlaq, Haque & Singh (2024): This study evaluated the key factors influencing the adoption and continuance of UPI. The findings showed that convenience, trust, security, cashback and rewards, and service quality were the key predictors of UPI adoption and continuance.

10. Harikrishnan, A. V. (2023): This study evaluated consumer preference for UPI over cash in India. The findings revealed that convenience, speed, security, and ease of use influenced consumer preference for UPI over cash, although some respondents raised concerns regarding internet connectivity issues.

11. Lohana, S. & Roy, D. (2023): This study explored the impact of socio-economic factors on the adoption of digital payments. The study found that age, level of education, occupation, and income significantly predicted the likelihood to adopt digital payments, whereas gender and marital status had no significant influence.

12. Sharma et al. (2022): This study examined UPI continuance post covid-19 outbreak and found that perceived usefulness, value, and satisfaction predicted the likelihood to continue using UPI, whereas the perceived risk had a negative influence on UPI continuance.

RESEARCH METHODOLOGY

Research Design

The descriptive research design was adopted for this study since the objective was to describe and analyse the current state of digital payment usage and consumer preference among HFT Clothing LLP employees. Descriptive studies have the following strengths:

They allow the researcher to obtain information and evaluate the situation at hand.

They enable the researcher to determine the extent to which a phenomenon occurs.

They facilitate the identification of variables that influence the focal phenomenon.

Such designs are appropriate when the issue under investigation has been poorly studied. In this study, the researcher is in a position to identify patterns of usage and factors influencing attitude towards digital payment methods, although little is known regarding how organisations can boost consumer preference for digital payments.

Sample Size and Sampling Technique

This study involved a sample size of 50 employees of HFT Clothing LLP, and convenience sampling was used to select participants. The convenience sampling technique is appropriate when the researcher has limited time to complete the study and/or the population cannot be accessed easily. This technique was deemed appropriate since the researcher would be able to conveniently reach out to the targeted population within the short time allocated for the study (during internship).

Questionnaire Design

The questionnaire consisted of twenty-two (22) items divided into two (2) sections:

SECTION A: This section comprised open-ended questions that elicited information regarding gender, age, educational qualification, occupation, and monthly income.

SECTION B: This section comprised close-ended questions that assessed respondents' inclination towards digital payment methods and their perception about the key factors influencing the adoption of digital payments. There were twenty (20) statements, each measured on a five-point Likert scale.

Data Collection and Statistical Tools

This study employed both primary and secondary data. The primary data were collected directly from the respondents using the structured questionnaire and included information regarding awareness, usage frequency, preferred payment methods, and satisfaction. The secondary data were obtained from various sources, including books, journals, research articles, reports, and publications by Reserve Bank of India, National Payments Corporation of India, and Digital India.

RESULTS AND DISCUSSION

Demographic Profile

Based on the data presented above, most of the respondents were male (56 percent) and aged between 21 and 30 years (40 percent). Furthermore, a large proportion of the respondents were Postgraduate (42 percent) and belonged to the Salaried Employee category (42 percent). In terms of monthly income, most of the respondents earned between INR 50,000 and INR 75,000 (34 percent).

Variable	Category	Highest Response	%
Gender	Male / Female	Male	56.0%
Age Group	Below 20 / 21-30 / 31-40 / 41-50 / Above 50	21-30 years	40.0%
Educational Qualification	UG / PG / Professional / Others	Postgraduate	42.0%
Occupation	Salaried / Business / Self-employed / Student / Others	Salaried Employee	42.0%
Monthly Income	Below ₹20k to Above ₹1,00,000	₹50,000 - ₹75,000	34.0%

Digital Payment Usage and Consumer Preferences — Summary

The 20 statements were distributed across the five categories as described below. Across all the statements, respondents tended to agree with most statements ranging from 54 to 70 percent, for an overall of 60.5 percent. Table 2 below highlights the highest and lowest statement for each category, whereas Tables 3 to 7 provide more details on the statements.

Dimension	Statement (highest / lowest in dimension)	Agree % (high/low)
Convenience	Reduces need to carry cash (highest) / Preferred mainly for convenience (lowest)	66 / 54
Security & Privacy	Two-factor authentication builds confidence (highest) / Trust in app security features (lowest)	64 / 54
Ease of Use	Rarely face difficulties while paying (highest) / Quickly learning new services (lowest)	66 / 54
Trust & Reliability	Satisfied with overall performance (highest) / Trust platforms for transactions (lowest)	64 / 60
Financial Benefits	Discounts and rewards influence preference (highest) / Digital payments aid expense management (lowest)	70 / 56

Convenience

As shown in Table 3 below, the respondents tended to agree that digital payments are convenient for various reasons, including reducing the need to carry cash (66 percent). Other reasons included time-saving (60 percent) and being available anytime and anywhere (60 percent). However, fewer respondents agreed that digital payments were preferred mainly for their convenience (54 percent).

Statement	Agree %	Disagree %
Digital payment methods save time during transactions	60%	16%
Payments can be made anytime and anywhere	60%	26%
Digital payments reduce the need to carry cash	66%	12%
Digital payments are preferred mainly for their convenience	54%	20%

Security & Privacy

According to the data provided in Table 4 below, two-factor authentication bolsters confidence during digital payments and was agreed to by 64 percent of the respondents, making it the highest-scoring statement in this category. Trust in the security features in apps was the lowest-scoring statement in this category, with 54 percent of the respondents disagreeing with the statement. In addition, 56 percent of the respondents agreed that fraud concerns affected their usage of digital payment methods.

Statement	Agree %	Disagree %
Personal information feels secure while paying digitally	62%	24%
Trust in the security features of payment applications	54%	22%
Two-factor authentication increases confidence	64%	16%
Fraud concerns affect usage of digital payment methods	56%	22%

Ease of Use

As shown in Table 5 below, the respondents seldom faced any challenges while making digital payments (66 percent). In addition, the respondents agreed that the applications were generally easy to understand and use (62 percent). However, the respondents disagreed that one could quickly learn new digital payment services (54 percent).

Statement	Agree %	Disagree %
Applications are easy to understand and use	62%	22%
New digital payment services can be learned quickly	54%	24%
The payment process is simple and user-friendly	60%	18%
Difficulties are rarely faced while paying digitally	66%	14%

Trust & Reliability

Based on the data provided in Table 6 below, the respondents agreed that satisfaction with the overall performance of digital payment services was high (64 percent). In addition, the respondents agreed that failed transactions were quickly resolved (62 percent). However, the respondents were less likely to agree that they could trust digital payment platforms for financial transactions (60 percent).

Statement	Agree %	Disagree %
Trust digital payment platforms for financial transactions	60%	24%
Digital payment services are reliable for everyday use	62%	20%
Failed transactions are resolved promptly	62%	14%
Satisfied with overall performance of digital payment services	64%	18%

Financial Benefits

As evident from Table 7 below, discounts and rewards influenced the respondents' choice of a digital payment method (70 percent agree; 8 percent disagree), making it the highest-scoring statement across all categories. In addition, using digital payments to effectively manage expenses had the lowest scorer (56 percent agree).

Statement	Agree %	Disagree %
Cashback offers motivate use of digital payment methods	60%	20%
Discounts and rewards influence payment preference	70%	8%
Digital payments help manage expenses effectively	56%	24%
Digital payments are preferred over cash for their benefits	58%	20%

Overall Discussion

Amongst the identified options related to the introduction of digital payment methods, Financial Benefits secured the highest level of agreement, with discounts and rewards accounting for 70%, thus proving a significant motivator for adoption. Furthermore, Convenience and Ease of Use appears to be a strong motivator as well, with two sub-dimensions, reducing the need to carry cash (66%) and rarely having issues (66%) registering the highest levels of agreement. In contrast, Security & Privacy and Trust & Reliability were comparatively low and relatively similar, with trust in specific security features and overall trust, registering at 54-60%. This suggests that, although most respondents view digital payment methods as convenient and rarely have issues with them, their level of trust and confidence in regard to the security features and platforms' reliability remains moderate.

As such, the findings align with the initial rationale, suggesting that the adoption of digital payment methods at HFT Clothing LLP is primarily driven by convenience and financial benefits, with the main barriers to adoption stemming from the respondents' concerns regarding fraud and the lack of trust in regard to specific security features. Notably, the convenience sample used for the study represents only the employees of a clothing manufacturing and export business. As such, the findings should be interpreted with utmost caution, as they only reflect the views of the selected sample and cannot be generalized to the larger population.

MAJOR FINDINGS

• Of the 56 respondents, 56% were male while 44% were female, with most respondents (40%) being aged between 21 and 30, and 42% having postgraduate qualifications.
• 60% agreed that digital payments help save time, while 66% agreed that they reduce the need to carry cash.
• 62% believed that their personal information is safe, while 64% added that two-factor authentication makes them feel more secure.
• 56% added that fraud concerns still affect the way they use digital payments.
• 62% found digital payment applications easy to understand, while 66% rarely faced any issues while making payments.
• 60% expressed a belief in the reliability of digital payment platforms for financial transactions, while 62% trusted the system for everyday use.
• 64% were overall satisfied with the performance of digital payment services.
• 60% were motivated by cashback offers as a source of reward, while 70% believed that discounts and rewards influenced their choice of payment method. UPI was the most preferred mode of digital payment followed by internet banking, cards, and QR codes.

SUGGESTIONS

• It is recommended that the organization considers organizing regular digital payment awareness and cybersecurity training courses for the employees.

• The management should encourage the use of biometric and two-factor authentication options for digital payments.
• It is essential to invest in internet and technical infrastructure to minimize transaction issues.
• Fraud detection and data privacy measures should be strengthened in collaboration with banking partners.
• The management should keep promoting various digital payment options, including UPI, cards, internet banking, and QR codes, to meet the diverse needs of the staff.
• It is important to keep introducing attractive cashback and reward programs to encourage regular use of digital payments.

FUTURE OUTLOOK

Looking forward, the company expects to continue leveraging the potential of digital payment methods, which will enable it to improve transaction processes, facilitate smoother supplier payments, and boost customer relations, whilst investing in more energy-efficient and sustainable production technologies. As smartphones, internet penetration, and digital literacy campaigns grow, more Indian consumers and businesses are likely to adopt digital payment methods. In the future, emerging trends, including digital currency, smart cards, and voice-activated payment methods, could revolutionize the way Indians make payments, which will require continued research into consumer preferences and concerns about digital payment security.

LIMITATIONS OF THE STUDY

The research was limited to 50 employees of HFT Clothing LLP located in Chennai and therefore cannot be generalized to a larger population. The findings are based on a convenience sample, which may present an opportunity for selection bias, and rely on the honesty and level of cooperation of the respondents. Due to the short time allocated to conduct the study during the internship, it was not possible to expand the sample size or explore more factors influencing the adoption of digital payment methods. Additionally, the study focused on five key dimensions, including financial benefits, convenience, ease of use, security features, ease of access, and trust, and therefore does not provide a comprehensive perspective.

CONCLUSION

Based on the research, it can be concluded that the employees of HFT Clothing LLP view the use of digital payment methods as integral to their daily financial activities. The main benefits include convenience and attractive rewards. Moreover, they tend to prefer UPI as it is easier to use and available 24/7 as compared to other methods, such as internet banking cards, QR codes, etc. The respondents indicated that they prefer digital transactions because they reduce their reliance on cash and offer faster, more convenient, and easier ways of making payments.

Although the respondents were generally satisfied with the ease of use of digital payment methods and their overall performance, their level of trust and confidence in regard to specific security features and platforms' reliability remains moderate, while the occasional frauds and issues with connectivity and technology disrupt their transactions. Additionally, the study found that demographic factors, such as age, education, and access to technology, influence the adoption of digital payment methods. As such, there is a need to invest in cybersecurity, digital infrastructure, and financial literacy to increase consumer trust and ensure that the growing level of convenience translates into higher customer satisfaction and confidence in regard to digital payment methods in the long-term.

Declaration of Conflicting Interests

The authors declare no potential conflicts of interest with respect to the research, authorship and publication of this article.

Funding

The author received no financial support for the research, authorship and publication of this article.

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