“Consumer willingness to adopt digital coupons in post-demonetization and COVID-19 in India”

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CONSUMER WILLINGNESS TO ADOPT DIGITAL COUPONS IN POST-DEMONETIZATION AND COVID-19 IN INDIA

Abstract

This study aims to examine the factors influencing consumers' willingness to adopt digital coupons in India. It focuses on the impact of two major events: demonetization in 2016 and the COVID-19 pandemic. Together, these events have caused a shift toward digital payments and digital coupons, changing consumer behavior in favor of digital solutions. This study specifically focuses on consumers in Jaipur, both urban and rural, to capture the unique dynamics of this geographical region. In this study, 110 respondents from different demographic groups were given a structured questionnaire. 12 respondents were selected for in-depth qualitative interviews to learn more about the factors that promote and hinder the use of digital coupons. Quantitative data analysis is conducted using SmartPLS 4 software, and the qualitative interview data are analyzed thematically. The regression analysis reveals that convenience and perceived value drives the use of digital coupons, with 75% of respondents reporting their adoption. The findings bring into perspective how the digital consumer landscape of India is evolving and what role incentives play in digital marketing in driving consumer preference and shaping the long-term feasibility of the strategy. The conclusion reinforces that the use of digital incentives for consumers will be influential in choices and underlines the feasibility of digital approaches in the new consumer environment in India.

Keywords digital coupons, consumer behavior, Jaipur, digital payment platforms, demonetization, COVID-19 pandemic, cashless transactions, digital literacy

JEL Classification M31, O33

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INTRODUCTION

The COVID-19 outbreak and the government's implementation of demonetization in 2016 have expanded various aspects of India's digital landscape, particularly in relation to financial transactions (Kumar & Singh, 2021). In order to meet the growing demand for digital coupons, apps like Paytm, PhonePe, and even Google Pay are being used more frequently. This article focuses on the city of Jaipur. The drift to a cashless economy has reshaped consumer behavior. Social media and digital literacy have made this transformation possible. Digital coupons have emerged as an important means for a firm to acquire newer customers and retain its customer base. Despite this fact, the long-term viability of digital coupons remains in question (Rangaswamy et al., 2020). This paper looks at those variables in the disposition of customers that may affect their intention for using digital coupons, focusing on India, specifically in the context of Jaipur; it considers age, income level, and educational background in a setting that exhibits rapid changes in technology and economic activities.

Demonetization in 2016 and the COVID-19 pandemic both accelerated the shift to digital and cashless transactions in India. While demonetization led to a cash crunch and encouraged digital payment

adoption, the COVID-19 pandemic further accelerated this trend by increasing the demand for contactless payments and digital coupons due to safety and convenience concerns. The ₹1,000 and ₹500 cash notes were removed in order to achieve this. This one-night event brought in the cash crunch, thereby promoting even faster adoption of mobile wallets, online banking, as well as quick digital methods of payment (Sobti, 2019). According to the current study, demonetization demonstrated a high power of coercion as consumers moved toward cashless or fewer cash transactions, which were perceived as convenient and secure (Sivathanu, 2019). The COVID-19 pandemic further emphasized this behavior, as cost-conscious consumers who were worried about their safety continued to use digital coupons and contactless payments, which attracted consumers as alternatives (Pandey & Pal, 2020). These occurrences produced an ideal environment for using digital coupons and altered consumer attitudes about digital solutions. COVID-19 acted as a catalyst that reinforced digital transaction habits. This increased safety-driven adoption of digital payments, which helped boost the popularity of digital coupons. Together, these two events have a cumulative effect. Demonetization supported early acceptance through necessity, but COVID-19 strengthened this behavior by pointing out ease and safety. The companies responded by making digital coupons a main part of their marketing plans and incentivizing consumers to keep using digital platforms. These incidents improved the use of digital coupons and drove up their adoption on specific regions like Jaipur – characterized by unique urban-rural dynamics, especially as a cheap and tech-focused solution.

Theories of consumer behavior include psychological, social, cultural, and economic factors. For example, the economic man theory focuses on rational decisions regarding price and preference, while behavioral economics concerns the place of cognitive biases within this process (De Mooij, 2019). Social Identity Theory and Diffusion of Innovation Theory deal with the group dynamics approach and the categories of consumers: innovators or laggards. The Technology Acceptance Model and AIDA, for example, inform digital purchase behavior. Besides, socioeconomic status, which is also determined by education, income, and occupation, is stated as the leading influence on consumer choices, health outcomes, and opportunistic factors (White & Tong, 2019). As explained by Wilcox et al. (2020), higher SES is a marker of greater purchasing power along with access to more complex resources, while a lower SES is a marker of financial constraint. Grasping such dynamics is crucial to assess how the consumers located in Jaipur are responding to the changes in digitization and how they are contributing to the policies of Indian economics as a whole. The present work seeks to understand the factors that make the customers located in Jaipur embrace digitization and puts forward useful insights for the consequences of the use of digital marketing and Indian policies in economics.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Several innovations and social and economic factors have contributed to relatively significant shifts in the perception of digital payments. Several pieces of literature are analyzed to identify independent factors that influence customers' propensity to use digital discounts.

Kulkarni and Varma (2021) evaluated the attitudes of customers on the process of making payments online and using digital technologies, with a particular focus on the simplicity and security of the process. A literature review is used to examine both the benefits and challenges associated with digital transactions. Shree et al. (2020) discussed the role of demographic characteristics and perceptions towards using digital payment types. A study by Kar et al. (2017) further showed that performance expectancy and perceived usefulness positively influenced consumers' intentions to use mobile payments. Kavitha and Kannan (2020) stated that several prior works explore the determinants of digital payment acceptance. The results show that the negative attitude towards the use of digital payments is decreasing, but at the same time, there are more challenges in this direction. It is possible to conclude that there is a significant correlation between post-demonetization

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views and the preparedness to use digital coupons since the change in views has helped enhance the acceptance of digital coupons as part of the broader digital payment systems.

Although Choudhary and Mishra (2022) discuss sustainable tourism practices, similar sustainability concerns in the digital payment's domain – such as eco-friendly vouchers – may influence consumer preferences, aligning these seemingly distinct fields. Using the approach of strategic marketing and management, the objective of this research is to find a solution to the environmental and cultural losses that are caused by mass tourism. A survey that was conducted between July 2020 and January 2021 provided the basis for Acopiado et al.'s (2022) analysis of the factors influencing the adoption of digital payments. A shift from cash to digital and contactless payments during the pandemic is evidenced by the analysis of the BIS Committee on Payments and Market Infrastructures by Kosse and Szemere (2021). The pandemic, according to the World Bank (2022), has led to a significant rise in digital payments and financial inclusion. Since consumers are growing more accustomed to using digital payments, this increased adoption may have an impact on their willingness to use digital coupons.

Building on the understanding of the socioeconomic factors that shape consumer behavior, Stephen (2016) goes on to explain how digital environments are changing the purchasing decisions, thus making it crucial to study consumer attitudes towards digital coupons. Together, these articles provide an insight into how consumers perceive, influence, and are influenced by the digital environments in which they move on a daily basis. This is achieved by using several different perspectives. Several different angles are used. Shanmugasundaram and Tamilarasu (2023) revealed both the advantages and disadvantages of using digital technologies for cognitive capabilities like attention, memory, decision-making, and others. Dubow et al. (2017) presented a detailed insight into the use of the Internet and social media technologies in the flow of information and social communication. Carr and Hayes (2015) also looked at the effects of using messages and applications to enhance compliance with different tasks.

Tavilla (2012) said that at the consumer level, the key element that is pushing the development of mobile payment systems is the significant increase in the number of consumers in the United States who use their cell phones for banking and shopping. It is feasible to achieve long-term success in mobile payments by adopting a comprehensive and coordinated approach to the expectations of mobile customers and by capitalizing on the capabilities of the sector. Kant and Chaturvedi (2023) highlighted the drivers of e-retail, including an increase in Internet and smartphone usage, which affects payment options in a digital environment. Limniou (2021) sought to establish the effect of smart devices on the academic performance of university students. Rathakrishnan et al. (2023) classified the types of smartphones used among students and investigated the effects on educational performance using non-experimental panel data. Since consumers prefer to use their smartphones and applications to use coupons, the widespread use of smartphones has a direct correlation with the use of digital coupons.

Ailawadi et al. (2009) explore the impact that decisions related to communication and marketing have on the management of the customer experience at retail outlets. This paper offers some insights and identifies several fascinating topics that can be investigated further in the future. Broby (2021) discussed how financial intermediation will be influenced by advanced applications of financial technologies, relying on classical banking theory and digital transformation literature. Papathomas and Konteos (2023) discussed the digital transformation phases that incumbent banks go through in their digitization process. Gomber et al. (2017) highlighted the biggest threat that digital finance poses to incumbent financial service providers because of the competitiveness posed by FinTech firms. This engagement also applies to the adoption of digital coupons brought about by integration with banking applications.

Faryabi et al. (2012) investigate the impact that price reductions have on the image of a company and, ultimately, the intention of customers to purchase while they are searching for mobile phones online. Alaros et al. (2022) look at new IT developments with the hope of improving customer relationship management systems. Some of the

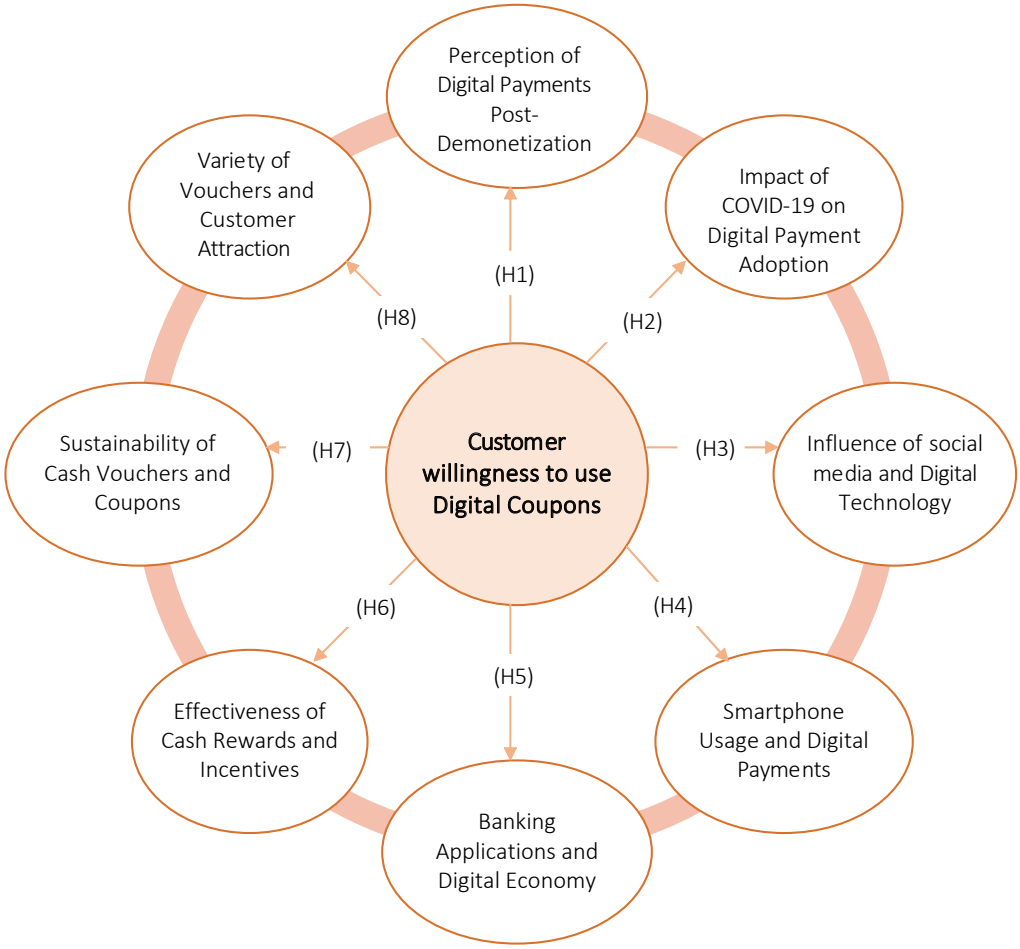

Figure 1. Conceptual model

prediction approaches that are utilized include data mining, machine learning, and deep learning; machine learning, however, is by far the most common. Hussain et al. (2023) revealed that when rewards are frequent but with a lesser amount, performance in terms of quantity and quality increases considerably among workers. Jessani et al. (2020) provided part of a broader study about the engagement of academic faculty to reflect on incentives. Grant (2021) presented examples of the following new academic incentives at system, institutional, and individual levels. Offering instant financial gains, cash rewards and incentives linked to digital payments can also increase consumers' inclination to use digital coupons.

Furquim et al. (2022) said that in this age of digital revolution and breakthroughs fuelled by the internet, it is more important than ever for merchants to understand consumer trends and purchasing preferences. Looking at omnichannel retail transactions from the customer's perspective, this article examines the decision-making process. Most marketing studies just examine a single part of the omnichannel consumer journey, despite its importance. This research examined all touchpoints over time, offering a comprehensive view of the purchase process. Offering a wide variety of digital coupons and vouchers can draw in more clients by meeting their various needs and preferences. This will increase the likelihood that they will use these digital incentives (Romero Dexeus, 2019; Kumar et al., 2021; Culey, 2021; Gabhane et al., 2023).

Altogether, these studies describe the potential factors that may affect consumer's motivation to use digital coupons. Based on the literature review, perception changes post-demonetization, the effects of COVID-19, social media and digital technology, smartphone usage, banking applications, cash rewards, sustainability practices, and vouch-

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er variety are considered worth exploring. This review intends to synthesize data from various research papers to examine the major independent variables influencing the willingness to use digital coupons among consumers. Understanding these variables should therefore help the study design interventions aimed at increasing the uptake of digital payment solutions among consumers. Thus, this puts forth the following hypotheses (Figure 1):

H1: Consumers' willingness to use digital coupons increases when they have a positive perception of digital payments after demonetization.

H2: Customers are more willing to use digital coupons because of the COVID-19 pandemic's positive effects on the uptake of digital payments.

H3: Customers are much more inclined to use digital coupons when social media and digital technology play a major role.

H4: A greater propensity to utilize digital coupons is correlated with increased smartphone usage.

H5: Effective banking applications increase consumers' inclination to use digital coupons in the digital economy.

H6: Offering cash rewards and incentives to customers increases their propensity to use digital coupons.

H7: Eco-friendly methods for providing digital coupons and vouchers increase users' inclination to use them.

H8: More customers are drawn to and more inclined to use digital coupons and vouchers when they are available in a variety.

2. METHODOLOGY

A sequential mixed-methods approach is adopted to study consumer willingness to use digital coupons in Jaipur. Customers in the representative sample are offered structured questionnaires that focus on their behavior and preferences in light of the digital coupon. There are two phases of data collection: one is the administration of the survey to capture a wide set of consumer opinions, and the other is in-depth interviews with selected participants in order to obtain qualitative insights into the motivators and barriers.

The sample participants for this study consisted of consumers in Jaipur, India, who use or are interested in using digital coupons. This includes both urban and rural consumers with different demographic backgrounds, such as differences in gender, age, income, and place of residence. For the quantitative analysis, the sample included 110 respondents, representing a cross-section of the sample participants, selected using a purposive sampling method. This approach ensured that the sample encompassed a wide variation of demographics in understanding overall consumer behavior with digital coupons at large. For the qualitative analysis, a subset of 10-15 participants (12 were ultimately selected) were selected from the survey participants. These participants were selected to provide different perspectives on digital coupon usage and represent different demographic segments. The authors believe this optimizes the richness and detail of qualitative insights against feasibility in data collection and analysis.

Quantitative data analysis is performed with SmartPLS 4 software using SEM, as it allows to examine the relationship between the constructs and validate the theoretical model. Path analysis was used to assess the direct and indirect effects between the variables, while the measurement model assessed the reliability and validity of the constructs using metrics such as Cronbach's Alpha, composite Reliability (CR) and Average Variance Extracted (AVE). The structural model analysis further validated the hypotheses by examining the path coefficients and their statistical significance. The sample size of 110 for the quantitative phase was chosen based on the guidelines for the SEM to ensure a sufficient ratio of observations to estimated parameters for robust results.

For qualitative analysis, interview data are thematically analyzed for recurring themes and deep insights. The 12 participants selected for the qualitative interviews were chosen from the survey

respondents based on a combination of factors. While demographic diversity, such as age, gender, income, and place of residence, played an important role, participants were also chosen in part by their responses to the survey. In particular, individuals who gave in-depth and detailed responses or showed more willingness to adopt digital coupons were prioritized to guarantee a rich investigation of the subject. Participants were also chosen based on their willingness to participate in in-depth interviews to make sure they were comfortable sharing their experiences. This analysis was assured to provide a variety of complex perspectives into the factors that motivate the usage of digital coupons.

The triangulation of quantitative and qualitative findings gives a complete understanding of consumer behavior toward digital coupons, which would align with the study objectives of predicting and interpreting user preferences and challenges. Table A1 (see Appendix) lists some constructs and items that relate to the adoption and perception of digital payment methods, based on a multitude of studies.

The survey data provides insights into the demographics of the respondents (Table 1).

Table 1. Demographics of the respondents

Statements		Frequency	Percent
Gender	Male	66	60.00
	Female	44	40.00
Age	18-30	48	43.64
	31-40	33	30.00
	41-50	18	16.36
	51 and above	11	10.00
Income	5 lacs and below	21	19.09
	5-10 lacs	47	42.73
	10-15 lacs	17	15.45
	15-20 lacs	13	11.82
	More than 20 lacs	12	10.91
Locality	Urban	80	72.73
	Rural	30	27.27

In terms of gender, 60% were male, while 40% were female. Regarding age groups, the majority fell into the 18-30 category (43.64%), followed by 31-40 (30%) and 41-50 (16.36%). A smaller percentage were 51 years and above (10%). When it comes to income, 42.73% of respondents earned between 5 to 10 lacs, 19.09% earned 5 lacs and below, 15.45% earned 10 to 15 lacs, 11.82% earned 15 to 20 lacs, and 10.91% reported an income of more than 20 lacs (see Table 1). In terms of locality, a significant majority of respondents were from urban areas (72.73%), while the remaining 27.27% were from rural areas. These demographic details provide an overview of the survey participants' characteristics.

The following section evaluates the perception of digital payment tools and rewards in Jaipur. Also, as indicated in Table 2, the perceptions after demonetization are inconclusive, and Table 3 represents the variance in the opinions about banking applications and rewards.

Table 2. Perception and impacts regarding digital payments in Jaipur

Statements		Frequency	Percent
Perception of digital payments post-demonetization	Strongly disagree	15	13.6
	Disagree	27	24.5
	Neutral	25	22.7
	Agree	35	31.8
	Strongly agree	8	7.3
Impact of COVID-19 on digital payment adoption	Strongly disagree	25	22.7
	Disagree	24	21.8
	Neutral	22	20.0
	Agree	25	22.7
	Strongly agree	14	12.7
Influence of social media and digital technology	Strongly disagree	15	13.6
	Disagree	27	24.5
	Neutral	25	22.7
	Agree	35	31.8
	Strongly agree	8	7.3
Smartphone usage and digital payments	Strongly disagree	25	22.7
	Disagree	24	21.8
	Neutral	22	20.0
	Agree	25	22.7
	Strongly Agree	14	12.7

The data reflects diverse perceptions and impacts regarding digital payments in Jaipur. Post-demonetization, a significant portion of respondents (31.8%) agreed that their perception of digital payments improved, while a combined 38.1% disagreed or strongly disagreed. Regarding the impact of COVID-19 on digital payment adoption, opinions were more evenly distributed across all options, indicating varied experiences and perceptions. Additionally, the influence of social media and digital technology on digital payments was acknowledged positively by 31.8% of participants, while a similar proportion disagreed. The

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correlation between smartphone usage and digital payments was also explored, showing a balanced view among respondents.

Table 3. Perception of digital economy tools

Statements		Frequency	Percent
Banking applications and digital economy	Strongly disagree	15	13.6
	Disagree	27	24.5
	Neutral	25	22.7
	Agree	35	31.8
	Strongly agree	8	7.3
Effectiveness of cash rewards and incentives	Strongly disagree	25	22.7
	Disagree	24	21.8
	Neutral	22	20.0
	Agree	25	22.7
	Strongly agree	14	12.7
Sustainability of cash vouchers and coupons	Strongly disagree	15	13.6
	Disagree	27	24.5
	Neutral	25	22.7
	Agree	35	31.8
	Strongly agree	8	7.3
Variety of vouchers and customer attraction	Strongly disagree	25	22.7
	Disagree	24	21.8
	Neutral	22	20.0
	Agree	25	22.7
	Strongly agree	14	12.7
	Total	110	100.0

The survey results indicate a varied perception of digital economy tools. For banking applications, a notable 31.8% agreed with their positive impact on the digital economy, while 38.1% either disagreed or strongly disagreed. Regarding the effectiveness of cash rewards and incentives, opinions were evenly distributed across the spectrum, suggesting mixed experiences. Similarly, for the sustainability of cash vouchers and coupons, 31.8% agreed with their positive role, yet 38.1% expressed disagreement. Lastly, in terms of customer attraction to a variety of vouchers, responses were balanced, reflecting diverse opinions on their appeal.

In developing the interview protocol, this study aimed to capture extended information from a heterogeneous group of participants. The authors intend to interview 12 participants, carefully selected to represent different segments of consumers in terms of age, gender, occupation, and frequency of use of digital payments. Each interview will start with an introduction of about 5 minutes. In this part, participants are welcomed, the purpose is explained, and participants are assured of confidentiality. Informed consent is obtained before proceeding. Demographic information is then collected by asking about key characteristics such as age, gender, occupation, and experience with digital payments and vouchers. Last but not least, the main interview questions take 25 minutes and focus on participants' experiences of using digital coupons, perceived benefits of this technology, and factors that encourage or discourage them from using it. The final section is reserved for closing, estimated at 5 minutes, where participants are allowed to add any other information, after which a thank-you note is extended and the interview concluded.

3. RESULTS AND DISCUSSION

The measurement model in Table 4 shows the validity and reliability metrics for several constructs about digital payments.

With Cronbach's Alpha (CA) values ranging from 0.77 to 0.82 and Composite Reliability (CR) values between 0.83 and 0.87, all constructs show strong internal consistency and high reliability. The values of Average Variance Extracted (AVE), which fall between 0.56 and 0.60, indicate sufficient convergent validity. P-values less than 0.000 highlight the significance of each construct and attest to its statistical relevance. Multicollinearity is not a threshold of 5.

Table 4. Measurement model

Constructs	CA	CR	AVE	p-value	VIF
Perception of digital payments post-demonetization	0.78	0.84	0.57	<0.000	1.25
Impact of COVID-19 on digital payment adoption	0.81	0.86	0.59	<0.000	1.30
Influence of social media and digital technology	0.79	0.85	0.58	<0.000	1.28
Smartphone usage and digital payments	0.82	0.87	0.60	<0.000	1.35
Banking applications and digital economy	0.77	0.83	0.56	<0.000	1.22
Effectiveness of cash rewards and incentives	0.80	0.85	0.58	<0.000	1.26
Sustainability of cash vouchers and coupons	0.78	0.84	0.57	<0.000	1.25
Variety of vouchers and customer attraction	0.81	0.86	0.59	<0.000	1.30

The hypotheses, which examine factors such as digital concern because the Variance Inflation Factor (VIF) values, which range from 1.22 to 1.35, are significantly below the payment perception and smartphone usage, are tested using structural parameter estimates, as outlined in Table 5. Customer willingness is greatly increased by favorable perception of digital payments following demonetization (estimate = 0.65, p-value < 0.01) and the effect of the COVID-19 pandemic on digital payment adoption (estimate = 0.58, p-value < 0.01). Digital technology and social media (estimate = 0.72, p-value < 0.01) are also very important. This willingness is further enhanced by increased smartphone usage (estimate = 0.60, p-value < 0.01) and efficient banking applications (estimate = 0.55, p-value < 0.05). A variety of digital coupons (estimate = 0.68, p-value < 0.01), cash rewards and incentives (estimate = 0.63, p-value < 0.01), and sustainable practices in digital coupons (estimate = 0.50, p-value < 0.05) all draw in more customers and boost their propensity to use digital coupons.

The study provides findings that offer major cues on changing dimensions in digital payment systems and the trend in consumer responses to digital coupons, reinforcing the existing literature while expanding the knowledge on such dynamics. The study's findings support previous research findings and provide a more nuanced picture of how developments in technology fields, promotion, and economics affect consumer behavior in the digital economy.

While this study supports previous research, such as Choudhary and Mishra (2022) on the impact of economic disruptions, it extends the understanding by highlighting how these disruptions interact with technological advancements to shape digital payment behaviors. The research backs up Acopiado et al.'s (2022) assertion that the pandemic significantly sped up the transition to mobile payments. The imposed lockdowns and social distancing subsequently forced consumers to move toward digital means of transacting, which substantiated the shaping and sustaining of digital payment behavior through the pandemic. Stephen (2016) supports this by adding that digital contexts and technologies redefine consumer behavior.

The positive correlation between the use of smartphones and the acceptance of digital payments shows agreement with Faryabi et al. (2012), as it was found that mobile technology enables digital transactions. This indicates that smartphones are now necessary tools for processing digital transactions and that mobile technology is an important factor in the acceptance of digital payments. For example, Kulkarni and Varma (2021) confirm that customers accept electronic payment systems that are supported by the security and ease of use of banking applications. The results confirming this show that good banking apps mean a good digital commerce experience and reinforce the power of user-friendly digital interfaces. Ailawadi et al. (2009) found that cash rewards and incentives encourage the use of digital coupons in retail stores and their effective promotional strategies. This research extends these findings and shows that cash rewards remain a strong motivator in adopting digital coupons, which corresponds to general promotional habits.

However, the longevity of digital coupons ensures customer consent despite the security and environmental issues raised in the Alaros et al. (2022) paper. This supports the supposition that consumers are becoming more receptive to sustainability in digital practices, which in turn helps digital payment

Table 5. Structural parameter estimates

Hypothesized relationship	Estimate	p-value	Conclusion
Perception of digital payments post-demonetization Consumers' willingness to use digital coupons	0.65	<0.01	Supported
Impact of COVID-19 on digital payment adoption Consumers' willingness to use digital coupons	0.58	<0.01	Supported
Influence of social media and digital technology Consumers' willingness to use digital coupons	0.72	<0.01	Supported
Smartphone usage and digital payments Consumers' willingness to use digital coupons	0.60	<0.01	Supported
Banking applications and digital economy Consumers' willingness to use digital coupons	0.55	<0.05	Supported
Effectiveness of cash rewards and incentives Consumers' willingness to use digital coupons	0.63	<0.01	Supported
Sustainability of cash vouchers and coupons Consumers' willingness to use digital coupons	0.50	<0.05	Supported
Variety of vouchers and customer attraction Consumers' willingness to use digital coupons	0.68	<0.01	Supported

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methods become widely accepted. According to Furquim et al. (2022), a variety of digital coupons would attract and retain more customers, which could also be taken into account in this study. In particular, with different types of digital coupons, shoppers' needs are satisfied. Based on a well-executed promotional strategy, personalized and flexible brand loyalty is developed. These findings advance the understanding of digital payment adoption by highlighting the importance of economic, technological, and promotional factors integrated into research on consumer behavior.

Thematic analysis was employed to identify recurring patterns and insights from the data, offering a comprehensive understanding of consumer behavios and attitudes.

The recurring themes from participant interviews – such as the role of outside influences like demonetization and the convenience of mobile apps – highlight the drivers and barriers to digital coupon adoption, providing a foundation for actionable insights. The participants commented that demonetization played a very important role in shifting their preferred modes of payment to digital. Many described how the need to deal with cash shortages hastened their adoption of digital payment systems, including digital coupons. Correspondingly, the COVID-19 pandemic was mentioned as one of the significant elements that increased reliance on digital payments and, thus, naturally, on digital coupons. Participants pointed out that lockdowns and social distancing policies made digital means of paying more convenient and imperative, which in turn reinforced the use of digital coupons as a safe and effective way to shop.

Generally, the digital coupons were well received by the participants, and they were able to identify several merits. Many pointed out the ease of access and use of digital coupons through mobile applications. One beneficial effect on participants was the ease of redemption without having to make physical copies, which they found handy and time-saving. Moreover, digital coupons have helped people receive personalized offers and discounts based on their personal preferences and shopping habits. Because it gave the promotions actual relevance and appeal, this personalization was valued far more.

Factors noted that either contributed to or deterred participants from using digital coupons were observed. Among the most prevalent were factors relating to perceived value and ease of use of the discount offered. The participants revealed that they would be more likely to use digital coupons when the discounts were considerable and thus provided clear, straightforward savings. Conversely, complicated processes for redemption or unclear terms and conditions were deterrents. Other participants further reported that access to digital coupons through trusted platforms or brands they normally shop with increased their use.

The strong themes that emerged included social media and smartphones. The respondents mention how to find digital coupons and offers, like Facebook or social media websites. They follow brands and retailers on social media with the intention of getting timely information about the latest offers. Smartphones are also an indispensable part of the participants' lives, and getting access to digital coupons and other options for payment is easy and fast. The convenience of managing digital coupons through smartphone apps, along with receiving notifications about new offers, was cited as one of the main drivers for using them.

CONCLUSION

In conclusion, the changes in consumer attitudes towards digital payments and vouchers are being accelerated by changes in technology and the economy. The results show how attitudes towards digital payments have changed because of both demonetization and the COVID-19 pandemic, which is reflected in a sharp increase in the use of digital means by consumers. There is a strong positive relationship between the use of smartphones and digital payment practices, showing that mobile technology has played a very important role in facilitating these transactions.

The research has shown that the utilization of smartphones and their banking applications plays a very instrumental role in digital payment. In this regard, there is a need for further and continued advancement in mobile technology and friendlier user interfaces. Sustainable cash incentives and digital coupons reinforce even more the effectiveness of strategic promotions in enhancing consumer engagement.

These findings have important ramifications for companies and decision-makers who want to increase the uptake and application of digital payments to enhance customer satisfaction. Future research can build on this work by investigating the long-term impact of the COVID-19 economic disruption on altered digital payment behaviors, as well as the efficacy of various emerging technologies and marketing approaches in diverse demographic and geographic contexts. The interaction between the digital payment system and larger programs for financial inclusion provides a fuller understanding of factors in consumer behavior in the digital economy.

AUTHOR CONTRIBUTIONS

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Formal analysis: Deepak Jha.
Funding acquisition: Deepak Jha.
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APPENDIX A

Table A1. Construct operationalization

S/No	Constructs and items	References
1	Perception of digital payments post-demonetization "I believe the demonetization of high-denomination currency has positively influenced the adoption of digital payment methods."	Sivathanu (2019), Sobti (2019), Kumar and Singh (2021)
2	Impact of COVID-19 on digital payment adoption "The COVID-19 pandemic has significantly increased my reliance on digital payment methods."	Acopiado et al. (2022), Pandey and Pal (2020), Kosse and Szemere (2021)
3	Influence of social media and digital technology "Social media and digital technology have strongly influenced my use of digital payment methods."	Rangaswamy et al. (2020), Stephen (2016), Shanmugasundaram and Tamilarasu (2023)
4	Smartphone usage and digital payments "My frequent use of smartphones has facilitated my adoption of digital payment methods."	Sobti (2019), Rathakrishnan et al. (2021), Kumar and Singh (2021)
5	Banking applications and digital economy "The use of banking applications has enhanced my overall experience with the digital economy."	Kumar and Singh (2021), Broby (2021), Papathomas and Konteos (2023)
6	Effectiveness of cash rewards and incentives "Cash rewards and incentives are effective in encouraging me to use digital payment methods."	Shree et al. (2021), Ailawadi et al. (2009), Sobti (2019)
7	Sustainability of cash vouchers and coupons "Cash vouchers and coupons are a sustainable way to promote digital payment adoption."	Shree et al. (2021), Faryabi et al. (2012), Kumar and Singh (2021)
8	Variety of vouchers and customer attraction "A variety of digital coupons effectively attracts me to use digital payment methods."	Shree et al. (2021), Faryabi et al. (2012), Gabhanen et al. (2023)