



A Study on Digital Payments System on Garment Units

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Abstract- To expedite financial transactions, the apparel industry, which plays a significant role in the global apparel units, is progressively incorporating digital payment systems. When it comes to wage distribution, supplier payments, customer sales, digital payment - via mobile wallets, UPI, debit/credit cards, QR codes, and online banking - offer efficiency, transparency and security. The adoption of digital payment systems in clothing units is examined in this study, with an emphasis on the advantages, difficulties, and long-term effects. The results of surveys, literature reviews, and case studies of small and medium-sized clothing businesses show that the use of digital payments lowers transaction costs, guarantees quicker wage payments, and boosts international trade competitiveness. But obstacles like lack of digital literacy, security threats, and poor infrastructure in rural clothing clusters continue to exist. But there are still obstacles including poor infrastructure, security threats, and digital illiteracy in rural clothing clusters. The study comes to the conclusion that, with improved infrastructure, governmental support, and training, digital payment methods are essential to the modernization and international integration of clothing units.

Keywords: Garment Units, Clothing, UPI, Digital Payments
Keywords- UPI, digital payments, financial inclusion, rural India, sustainable development, digital literacy.

I. INTRODUCTION

One of the most labor-intensive industries in the world, the apparel industry employs millions of people, particularly in developing nations like Bangladesh, Vietnam, and India. Cash-based systems have historically been used by clothing factories for raw material procurement, supplier payments, and wage distribution. Despite their familiarity, these practices have frequently been ineffective, vulnerable to fraud, and challenging to monitor. Clothing companies now have the chance to update their financial systems thanks to the global trend toward digitalization. The supply chain for clothing is increasingly reliant on digital payment methods like UPI (Unified Payments Interface), mobile wallets (Paytm, GPay), debit/credit cards, QR-code scanning, and even blockchain-based payments. Faster transactions, greater financial inclusion, better record-keeping, and increased transparency are all promised by these systems.

Objectives

- To know the benefits to garment units while using digital payment system by customers and employee.



Benefits Of Digital Payment System

Garment units can gain several benefits from utilizing digital payment systems to payments from customers & employers.

1. Quicker Payments

With digital payments, transactions can be finished quickly, reducing down on the waiting time required for traditional payment methods. Transactions look smooth and effective as a result.

2. Higher Security on Payments

The use of passwords and system authentication processes in digital payment systems reduces the possibility of unauthorized usage and successfully avoids theft. You can make digital payments without worrying about your financial information being compromised.

3. Digital Records

Digital payments provide safety via presenting a traceable record of transactions. Accurate financial records can be kept by both individuals and businesses thanks to this efficiency and credibility. The payment history is simple to keep track of and can be consulted when required.

4. Reduced Costs

Paperwork, manual handling, and physical infrastructure are all reduced by the digital payment system. For financial companies and commercial enterprises, this lowers transaction costs. Additionally, compared to traditional banking methods, digital transactions typically have a lower cost of transfer.

5. Savings and Discounts

Discounts, cashback, and reward schemes are offered by multiple online platforms. Customers are favored to choose the digital payment option by these discounts, which offers them multiple advantages and financial savings.

6. Low Theft Risk

Since digital payments aren't physical, there is less chance of actual financial loss. Since transactions take place online, it is no longer necessary to physically hold large sums of money. By avoiding direct cash transactions and guaranteeing their security, this protects payments.

II. NEGATIVE BENEFITS OF DIGITAL PAYMENT SYSTEM

Garment units can gain several negative benefits from utilizing digital payment systems to payments from customers & employers.

1. Security issues

Hackers target digital payment systems. Data breaches, phishing scams, and payment fraud can reveal private financial information. Your company could experience data breaches and financial loss without adequate encryption, fraud detection, and compliance controls. Your payment security posture is further strengthened by PCI DSS compliance and routine audits.

2. Technical issues

A brief system outage can cost you money, clients, and trust. Suppose that during peak hours, you are handling hundreds of real-time cross-border payments when server overload causes your system to crash. Investing in cloud-based infrastructure with automatic failover, real-time monitoring, and 24/7 support will help you avoid this and guarantee maximum uptime. Additionally, selecting dependable, well-maintained platforms with robust SLAs reduces these risks.

3. Financial Burden

Transaction Fees: Small traders may be burdened by the high transaction fees of certain platforms, even though others are more affordable.

Maintenance Costs: Constant expenses for system upkeep and improvements.



4. Transactions Fees

Although they frequently have unstated costs, digital payments may lower your operating expenses. There are fees associated with each transaction you process via payment systems or card networks, such as interchange, processing, or cross-border fees.

5. Consider More Than Just the Price

High value does not always relate to low cost. A common mistake made by businesses is to select providers solely on the basis of transaction fees. However, neglecting elements like settlement time, fraud protection, customer experience, and tech dependability can end up costing you more in the long run.

III. A REVIEW OF LITERATURE

CGAP (2015) By providing a responsible digital platform for accessing funds in their bank accounts for financial transactions, digital financial inclusion will improve the well-being of both individuals and businesses.

- E-Wallet performance was defined by Dr. G. Vincent (2016). E-wallets have taken the place of conventional payment methods like credit or debit cards. This study examines the e-price system and provides a brief overview of digital payment devices called e-wallets.
- In their latest research, Lee (2019) discovered a reciprocal relationship between retailer and user perceptions of platform-based mobile payment services. This study makes the case that widespread acceptance of mobile payments won't occur until both the perceived and actual advantages are understood by customers and businesses.

IV. CONCLUSION

The study emphasizes how digital payment methods have greatly increased clothing units' inclusivity, efficiency, and transparency. The apparel industry is positioned for sustainable growth through quicker wage disbursement, more seamless supplier transactions, and improved integration with international buyers. But issues like cybersecurity risks, digital illiteracy, and infrastructure constraints need to be addressed. To speed up digital adoption, cooperation between governments, financial institutions, and clothing associations is crucial. In the end, digital payment methods are essential for the apparel industry to prosper in the digital economy, not just a convenience.

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