

DIGITAL PAYMENT ADOPTION - PERCEPTION PERCEIVED BY RETAILERS

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Abstract

The research paper takes an attempt to understand the perception perceived by the retailers towards the adoption of digital payment system. Digital payment system has become an indispensable mode of payment for all categories of businessman, traders and common public. The findings reveals that perception perceived by retailers are highly influenced by the factors like convenient, flexibility, anytime anywhere concept, easy to adopt, user friendly etc. The identified factors will thereby provide an insight and perceived awareness about digital payment adoption system among the retailers.

Introduction

The word digitalization has become the buzz word for all individuals irrespective of their age. Demonetization has an important role for the expansion, growth and development of digitalization. After the evolution of internet and other upgraded technology, the usage and need for the online transactions have gradually raised up. None of the activity is possible without the new way of digital transaction (Mohsen Mazaheri Asad & Najma 2015). The term digital payment refers to the buying process done between the retailer and the customer through way of paying the prescribed value not by way of cash but by the way of transferring the money value through digital process. Moving towards a cashless economy has become an essential need and requirement in recent times so as to compete in the market and to acquire the customer satisfaction. There are many sectors which have bloomed with the advent of digitalization and one among them is the digital payment. The awareness about cashless payment has arisen from the earlier days of demonetization that occurred during November 2016. Hence forth minimizing the usage of currency notes have gradually circulated among the customers (Slozko & Pelo 2015).

The adoption of Technology Acceptance Model have identified the various variables that facilitates both the retailer and customers to accept the digital payment and there has been a gradual transition from the offline banking to online banking or there is a move from cash to cash less economy. (Muhammad, Haroon, & Najiran, 2009) this improvisation has led to reduce the burden of carrying cash and enhances to develop business and other trading activities easily and flexibly at any time and at any place. (Roy & Sinha, 2014) these transactions can be transacted by way of ATM card, POS, Digital wallets etc., (Odi & Richard, 2013). Retailers adopt this digital payment option so as to enhance their business worldwide. Hence, this study tries to identify and analyze the various factors which have contributed towards the adoption of digital payment among the retailers in Tiruchirappalli city.

Review of Literature

Rangan, V. Kasturi and Lee, Katharine L., (2012), "Mobile Banking for the Unbanked", the research study describes in detail the workings of two mobile banking operators in Africa WIZZIT in South Africa and M-PESA in Kenya. It brings out the dimensions of strategy that leads toward the

success of the banking activities and reflects the portability of the model to other countries.

Van B., Paul, Veloso, Francisco M. and Oliveira, P., (2012), "Innovation by Users in Emerging Economies: Evidence from Mobile Banking Services", this paper reflects the extent to which users in emerging economies innovate, analyze and to what extent these innovations are meaningful and helps for the adoption of digitalization. The researcher also conclude that at least 50% of all mobile financial services were pioneered by users,

Oliveira P., Eric V. H., (2011), "Users as service innovators: The case of banking services" Found that 55% of today's computerized commercial banking services were first developed and implemented by non-bank firms for their own use, and 44% of today's computerized retail banking services were first developed and implemented by individual service users rather than by commercial financial service providers.

Ahmed S. M., Shah J. R., Md. A. I., Samina M., (2011), "Problems and prospects of mobile banking in Bangladesh" this study reveals that 61% respondents believe that mobile banking saves time than the traditional banking system or offline payment system. 56% of the respondents have felt that it is less costly than traditional banking, 100% of the respondents felt and agreed that mobile banking is speedy and convenient.

Pushpa S. Abbigeri and Rajeshwari M. Shettar (2018), they have found that the Digital India flagship program has invited many individuals to prefer e-wallet and the main reason behind this is the NEFT transactions, UPI transactions etc.

Yang A. S., (2009), "Exploring adoption difficulties in mobile banking services" this study takes an effort in identifying the factors related with adopting and sustaining the mobile banking technologies among university students in Taiwan. The Adoption factor comprises the belief about personal banking needs, convenience, and cost-effective management.

Hypothesis and Methodology

H1: perception influences the adoption of online payment system

H2: convenience positively influences online payment system

H3: flexibility has an influence towards online payment system

H4: increase in sale positively related to online payment system

The research paper takes into consideration a well-structured questionnaire, which comprises of 26 questions each of which relates to the various variable which leads to the determining factor for adopting the digital payment among the retailers. The research paper takes into consideration the TAM model (Technology Adoption Model) for the purpose of relating the various dependent variables like preciseness about technology, update of technology, acceptance, convenience, flexibility, increase in sales and reputation.

Digital Payment Drivers

The advancement in Technology has increased the smart phone users and also the users of UPI (Unified Payment Interface) the factors contributing and supporting to these system are identified and they act as a determinant for the adoption of the digital payment system. The identified determinants include:

Convenience

It was observed that the major influencing and demanding factor influencing digital payment system was the convenience which was perceived by the retailers, as the customers always look for an easy mode to pay their money this digital payment system facilitates the busy customers to make their payment transactions in a fastest way.

Time Saving

The foremost demanding factor of digital payment system is that of the time saving, this thrives towards the positive aspect of digital payment system adoption among the retailers. As the processing time is quick and fast due to the advancement in the technology, will save the time of the customers by avoiding the long queues and also the waiting time.

Flexibility

Use of digital payment system facilitates the customers to feel happy and satisfied with the payment method. By

being at home or office the purchase can be done just by following simple steps. The customers need not wait for the shops to open nor to consider the closure of business hours, they have an option to purchase online and make the payment through online system.

Reliability and Easy

Adoption of digital payment system by the retailers will assure confidence among both the retailers and customers, it is more reliable and safe to proceed the digital payment system, it improves the business volume of the retailers as the expectations of the customers are full filled by way of ease mode of payment option.

Analysis and Discussion

The analysis reveals that out of the sample size of 520 respondents, 120 were female and 400 were male, the reason is that majority of the shops/ retail outlets are managed and controlled by male, who wish neither to start up their own business due to the interest they have towards starting up a business nor to become a successful entrepreneur. 36% of the respondents belong to the age group of 32 years of age and 32% of them belong to 47 years of age, 24% of them are in the age group of 48 years to 63 years of age. The age group analysis reveals that retailers in the middle age group are utmost updated with the latest technology and they make themselves aware about the demand and preferences of the customers. A majority of 60% of the respondents has completed their school education and 24% of the respondents have completed their graduation. 76% of them are aware and updated with the technology as they have a decent education background to know about the technology and hence use digital payment system in their business. 97% of the supermarkets accept online payment from their customers by way of debit card, credit card, POS (Point of Sales), e-wallet and others. 78% of the retailers are not feared about the online payment transaction while 28% were scared and feared about online payment transaction. Retailers who own small kirana shops are quite afraid to execute the online payment system due to unawareness and fear that they will be cheated or may lose their money. Nowadays all the retailers irrespective of their size and nature of business are aware about the online payment system or the digital payment system and do accept it,

even street vendors in the recent time period willing and aware to adopt the digital payment system, as the customers don't carry cash anytime or anywhere. It becomes a trend and need of the hour to execute the digital payment system. 85% of the respondents felt that the digital payment transaction has facilitated to expand their business. 90% of the respondents accept that covid-19 has paved way for the digital payment, as the customers were afraid to use the cash or coins, due to the fear of getting infected to the covid-19 infectious disease. Thus, though both retailers and customers are well aware about the digital payment system and it will enhance them rightly, but still knowledge about cybercrime system and proper usage about the digital payment system will keep them out of fear and risk.

The chi-square test implied that there is no significant association between the gender and the extent of level of awareness about online payment. Here the value 0.516 is more than the alpha value which is 0.05; hence the result denoted that they are not significant. Age and awareness with regard to online payment implied that there is no association between age of the respondent and the online payment as the value .054 is more than the chi-square value. With regard to educational qualification and association post graduate and graduate respondents were aware about online payment transaction, the chi square value of .0474 is more and greater than the value 0.05. The association between technology update and awareness depicts that the retailers are aware and update the technology into their business hence the chi-square test resulted in .416 which is again larger than the chi-square value 0.05.

T- test were conducted to understand the significant difference between gender and the technology update and the result proved that there is no such significant difference, as the calculated value is 0.448 which is more than the statistical value 0.05. Age and awareness about online payment reveals that that there is no significant relationship between the age and awareness, as the calculated value is 0.365 which is greater than the statistical value 0.05.

One-way anova test was conducted to know about the age and the perception perceived about online payment and the result clearly states that perception of online payment is not influenced by the age, as the value of $p = 0.065$ which is more than the value 0.05, the anova

test for educational qualification and adoption of technology implies that there is no significant difference as the value $p=0.012$ which is more than the table value 0.05. regression analysis were carried out to know the significance difference between the factors like convenience, flexibility and adaptability and the results depicts that there is a strong relationship with the adoption of online payment method, as the $p=0.235$ than the statistical value 0.05, hence all the hypothesis were positively supported.

Conclusion

Internet development and advancement has become indispensable in all the aspects of the sector especially in the banking sector. It has made all the day to day transactions easy and comfortable as it is accessible at anywhere and at time. The result of the current research reflects the various variables which influences the retailers to adopt digital payment. The most important and notifying factors are convenient and easy access, which was preferred by both the retailers and customers. Carrying cash anytime or having accurate cash always is not possible and in those situations the purchases are made easy and convenient only by the way of digital payment system. Youngsters and working category people are the most preferred category of customers who are ready and willing to go for digital payment system as they are the one who rule the market and keep themselves updated with the recent technology and ready to adopt the digital payment as a way towards cashless economy.

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