

# A Study on Digital Payment Awareness among Small Scale Vendors

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## ABSTRACT

The Digital India programme is the most significant programme of the Government of India launched by the Prime Minister Narendra Modi on 1st July 2015 with a vision to transform India into a digitally empowered society and knowledge economy. "Faceless, Paperless, Cashless" is one of the superficial roles of Digital India. As on November 2019 India has 1.371 trillion populations. Out of 1.371 trillion population 1.183 billion are telephone users. In that 1.161 billion Mobile phone users as on May 2019.

According to TRAI, as on November 2019, 84 out of 100 citizens in India has owned a mobile phone. The smart phone revolution has led to the emergence of e-commerce, m-commerce and other services, including app-based cab aggregators, who hearten digital payments for the use of various services. The government of India is working dedicatedly to push India towards a cashless economy through demonetization, Direct Benefit Transfers, BHIM and many more. The aim is to streamline the economy and curb corruption. Hence the researcher has focused on awareness of digital payment among small scale vendors in Tirupur city. Tirupur is a dollar city, which includes many micro and small businesses. Tirupur is opt area to conduct this research. Fifty respondents have chosen for this research. The data collected through the structured questionnaire and has analyzed by using percentage analysis and chi-square technique. The researcher has found from this study people are having some illusions regarding digital payment and should be removed from their minds by bank people which was major factor people are not adopting these services. Thus, on-site training like demonstration can be provided to the bank customers who intend to use e-banking services.

**KEYWORDS:** Awareness, Banks, Digital payment, Small scale vendors etc

## INTRODUCTION

The Government of India has been taking several measures to promote and encourage digital payments in the country. As part of the 'Digital India' campaign, the government aims to create a 'digitally empowered' economy that is 'Faceless, Paperless, Cashless'. There are different types and modes of digital payments. Some of these include the use of debit/credit cards, internet banking, mobile wallets, digital payment apps, Unified Payments Interface (UPI) service, Unstructured Supplementary Service Data (USSD), Bank prepaid cards, mobile banking, etc.

Digital payment methods are often easy to make, cost reduction, more convenient, written record, less risk, increase tax base and offer customers the flexibility to make payments from anywhere and at anytime. These are a good alternative to traditional methods of payment and accelerated transaction cycles. In India micro, small and medium enterprises are providing employment to 111million people and contribute nearly 31 per cent of India's GDP in the year 2018. Thus the researcher has focused on awareness of digital payment among small scale vendors.

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## REVIEWS OF LITERATURE

**Zahoor Ahmad Shah (2017)**, in his study throws lights on problems and prospects of cashless economy and the challenges in making India a cashless Economy. the government presses ahead with cash to less cash to cashless economy, the success of the transition will rely on various factors such as:

Slow Internet speeds, risk of piracy, online payment, risk of cyber fraud etc. However, government motivates to digital transaction by demonetization of high value currency notes and providing various initiatives, still majority of transactions are cash based and cash is still king for Indian consumers, hence achieving a 100% cashless society will not be possible in near future, but one can always start from a less cash society and then move towards becoming mostly cashless. Thus, cash continue to play an important role for discrete transactions, especially in the most remote areas and informal sector

**Subho Chattopadhyay, Payal Gulati, Indranil Bose (2018)** in their research assessed the awareness of the small retailers regarding the cashless transaction and its modes, to understand their apprehensions and perceived convenience in dealing with a cashless system of the transaction and to

calculate their extent of participation in cashless transactions. As the retailers want to engage in more of cash based transactions and find cash based transactions easier, for they are more habitual with it, the marketing campaign and efforts should be focused towards changing habits and attitude towards cashless than to barely create awareness. The study also concludes that strong security measures need to be built into the instruments and modes of cashless transactions and technological loopholes must be patched by expedited technological, infrastructural and software upgradation and overhauling to reduce chances of erroneousness so as to inculcate trust and a sense of security amongst the current and potential users of cashless systems.

**Prasad Rajendra Byakod, Chaya U., Pooja Kulgude, Abhishek Sharma, Priyanka Singh and Chandra Sen Mazumdar** in their research to study the penetration of Digital Payment Systems in selected areas of rural Karnataka. They suggested that to strengthen digital payment system to provide superior security of transactions need to be ensured. This would prompt more potential improvements and greater adoption of digital payment system in the rural areas.

**K. Suma Vally and 2K. Hema Divya (2018)**, in Their research paper focused on the analysis of the adoption level of these digital payment systems by customers. The result put together gives us an important policy direction towards what can enable the country to increase cashless payments. The results indicate that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive of cash less country. The study gives emphasis to the percentage of awareness on maximum utilization of technology. Banks should take effective measures in creating awareness towards the effective usage of technology and security.

**Prof. Pushpa S. Abbigeri, Dr. Rajeshwari M. Shettar (2018)** in The paper highlighted on the various modes of payments, benefits of cashless economy and preparedness for the implementation of the cashless economy by Indian Government. Cashless economy will help in curbing black money, counterfeits fake currency, fighting against terrorism, reduce cash related robbery, helps in improving economic growth of our country. Major challenges that can hinder the implementation of the policy are cyber fraud, high illiteracy rate, attitude of people, lack of transparency & efficiency in digital payment system. The study shows that the introduction of cashless economy in India can be seen as a step in right direction. It helps in growth and development of economy in India.

**Nirmala(2018)**, in her study focused on awareness of e-wallet among the people of Nuh after demonetisation Based on her research, it is suggested that banks should start an awareness program in this area to remove out the fear of the people and also teach them the use of e-wallet, because they think that e-wallet is used for big transactions, so it is necessary to clarify that this is also good for small transactions.

#### RESEARCH GAP

Banks may be devotedly executing the government's cashless agenda but there's little buy-in from merchants. Fewer than half the vendors acquired by banks have gone

cashless. Reluctant to leave a trail for the taxman, merchants, especially smaller shops, are not easily persuaded to transact digitally. Also, given that a large number of consumers are still more comfortable paying by cash, merchants, most of them offline brick-and-mortar stores, have little motive to use digital options regularly to accept consumer payments. Hence the researcher has identified research problem in "awareness of digital payment among small scale vendors in Tirupur city."

#### Objectives of the study

To know the socio-economic factors of the respondents

To study the significance of the digital payment.

To examine the aware of the benefits associated with Digital payment among respondents.

To find out the respondents' willingness towards digital payment usage in future.

To offer valid suggestions.

#### Research Methodology

A system of model, procedures and techniques used to find the results of a research problem is called a research methodology.

#### Research Design

This study adopted Descriptive research which carried out with specific objectives and hence it results in definite conclusions. This research tries to describe the digital payment awareness among small scale vendors.

#### Source of Data

##### Primary Data

Primary Data are those data which are collected by the researcher herself for the purpose of a specific inquiry and that is original in character. The primary data is collected through structured questionnaire. A questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents. A field survey has conducted for a period of 30 days in tirupur city.

##### Secondary Data

Secondary Data which have already been collected by others for some other purposes. The secondary data can be obtained from journals, magazines, websites etc.

#### Sampling Design

The researcher has used Convenience sampling method to select the respondents for this study. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. Here the researcher used structured questionnaire to collect data from the respondents. The Likert five point scale which is used to allow the customers to express how much they agree or disagree with a particular statement.

#### Geographical Design

Tirupur is a dollar city, which includes many micro and small businesses. Tirupur is opt area to conduct this research. Fifty respondents have chosen for this research. The respondent

includes vegetable vendors, garment sellers, fruits vendors, eatables vendors etc.

**Sampling Size**

The Researcher has collected information from fifty small scale vendors in Tirupur city for this research.

**Data Analysis Techniques:**

The SPSS software has used by the researcher to execute the analysis process. The study includes percentage analysis, chi-square analysis was employed to derive and summarize the data.

**Hypothesis Testing**

The following Null Hypotheses are framed to identify the significant relationship between factors.

1. There is no significant relationship between Gender and Awareness of digital payment
2. There is no significant relationship between Generation of businessman and Awareness of digital payment
3. There is no significant relationship between years of Experience in business and Awareness of digital payment

**Limitations of the study**

The accuracy of the data are affected by the bias.

**FINDINGS OF THE STUDY**

**SOCIO- ECONOMIC FACTORS OF THE RESPONDENTS**

**Table No.1**

Socio-Economic Factors		Frequency	%
Gender	Male	39	78
	Female	11	22
Education Level	School level	36	72
	Graduates	10	20
	illiterate	04	08
Nature of the Business	Fruits seller	07	14
	Vegetables seller	08	16
	Garments seller	14	28
	Eatables seller	21	42
Experience	More than 5 years	23	46
	5 years & below	27	54
Generation of vendor	First generation of vendor	28	56
	Second generation of vendor	22	44
Weekly Sales (in units)	Below 20,000	37	74
	Above 20,000	13	26
Bank Account details	Having Bank account	46	92
	Not Having Bank account	04	08
Usage of ATM Cards	Yes	46	92
	No	04	08
Awareness about Digital Payment	Aware and using	23	46
	Aware but not using	23	46
	Not aware	04	08
Total		50	100

**Source:** Primary data

Table No.1 predicts that socio-economic factors of the respondents. 78% of the respondents are male. 22% of them are female. 72% of them are having school level education, 20% of them are graduates and 8% of them are illiterate. 42% of them are eatable sellers, 28% of them are garments sellers, 16% of them are vegetable sellers, 14% of them are fruit sellers. 54% of them are having below 5 years of experience in business and 46% of them are having more than 5 years of experience in business. 56% of them are first generation business people and 46% of them are second generation business people. 74% of them are having below 20,000 units weekly sales volume and 26% of them are having above 20,000 units weekly sales volume. 92% of them are having bank account and 8% of them are not having bank account. 92% of them are using ATM cards and 8% of them are not using ATM cards. 46% of them are aware and using digital payment, 46% of them are aware about digital payment system but not using the same and 08% of them are not aware about digital payment.

**RESPONDENTS AWARENESS ABOUT BENEFITS OF DIGITAL PAYMENT**

**Table No.2**

Benefits of digital payment	Yes (%)	No (%)
Safety	78	22
Record Keeping	42	58
Convenient	62	38
Ensure timely payment	60	40
IT filling (evidence)	10	90
Bank loan evidence	16	84

**Source:** Primary data

**Interpretation:**

Table No. 2 describes that respondents awareness about benefits of digital payment system. 78% of the respondents have agreed that digital payment is Safety. 42% of the respondents have felt that digital payment is one of the record keeping. 60% of them felt that digital payment is more convenient. 60% of them ensured that it is a timely payment, 10% of them recognized that it is evidence for IT filling, 16% of them acknowledged that it is evidence for bank loan.

**RESPONDENTS OPINION ABOUT WILLINGNESS TOWARDS DIGITAL PAYMENT USAGE IN FUTURE**

**TableNo.3**

Ready To Use Digital Payment Respondents	No. of Respondents	% of Respondents
Ready to use digital payment (Yes)	27	54
Not ready to use (No)	23	46
Total	50	100

**Source:** Primary data

**Interpretation:**

Table No.3 highlights that 54% of respondents are ready to Use Digital Payment. 46 % of respondents are not ready to use the digital payment.

**Chi-Square Analysis and interpretation**

Factors	Calculated value	Table value	Result
Gender Vs Awareness Level	7.2688	0.026399	significant
Years of Experience in business Vs Awareness Level	2.5614.	0.277845	not significant
Generation of business Vs Awareness Level	0.4257	0.80827	not significant

**Source:** Primary data

**Results of Hypothesis Testing**

The following results are derived from the above research.

1. There is significant relationship between Gender and Awareness of digital payment among small scale vendors
2. There is no significant relationship between Generation of businessman and Awareness of digital payment among small scale vendors.
3. There is no significant relationship between years of Experience in business and Awareness of digital payment among small scale vendors.

**CONCLUSION**

From this study the researcher has concluded that Banks should take necessary steps to create awareness among semi urban and rural people about the advantages of e-banking / internet banking services available in the banks. Some of them are aware about digital payment system but they have not availed internet banking services because they do not trust the internet channel presuming it as complicated. So banks may set up a team of personnel to train the customers to get familiar with internet channel.

The bank customers have perceived the risk of getting wrong information from e-banking / internet banking services. These illusions should be removed from the minds of the customers by bank people as these factors are the barriers for most of the customers for not adopting these services.

Thus, on-site training can be provided to the bank customers who intend to use e-banking services. And educate them it is very convenient and easy to use at anywhere and anytime, cost reduction for banks, free from risk, evidence for future etc.

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