

A Comparative Study of Urban and Rural Customers on Perception towards Online Payment System at Anantapur District

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ABSTRACT

Digital payments are gradually replacing physical cash transactions. In other words, e-payment systems or cashless transactions make up digital payments in the online platform, and online payments are widely used as they are perceived to be easy, quick, and comfortable. Digitalization is the key for future growth of the Indian economy. In order to make this into reality, the Indian government and e-payment service providers (banks) are establishing numerous awareness programs to bring e-payment systems into the hands of the people in India. These awareness programs under the vision of Digital India program are trying to increase awareness of cashless payments among Indians. Still, consumers have only some awareness of these online payments in India, especially due to the urban and rural divide. In addition to the medium awareness, there are some problems faced by consumers that prevent them from using digital payments. One big problem is network connectivity, again due to the urban and rural divide. Due to the low network connectivity in rural areas, usage of digital payments is limited. Information on the extent of consumer awareness of digital payments will allow the government and other organizations to take the next step to push towards complete digitalization. Therefore, this study focuses on urban and rural customers on perception towards online payment in Anantapur District.

KEYWORDS: e-payment system, Digitalization, Awareness, Customer perception

I. INTRODUCTION

The present scenario of the Indian economy is showing an increase in cashless transactions. Indian government is putting more efforts to change the face of the economy from cash to cashless transactions. Many awareness programs are conducted by government and other organizations to create the awareness on the cashless transactions. To increase the usage of this method of transactions, various e-payment systems have been introduced to make necessary changes in the economic life of people.

The vision of Digital India program is to transform the country into a completely cashless society and knowledge economy. Faceless, Paperless, Cashless are few major changes in the concept of digitalization. Government of India has initiated various programs and came up with several discounts programs to get the implementation of digital transactions.

II. NEED OF THE STUDY

- As the Indian government has an initiation of vision to change the phase of the country from cash to cashless transaction.
- The main purpose of the study is to know the perception of urban and rural customers on the usage of the online payment system.

III. OBJECTIVES OF THE STUDY

- To study the perception level toward digital payments.
- To study the various modes of payments.
- To analyse the usage of digital transactions in the Anantapur district.
- To know the problems faced by the customers in using online payment systems.

IV. SCOPE OF THE STUDY

- This study is confined to Anantapur District.

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- The study aims to understand the perception of urban and rural customers towards online payments.

V. LIMITATIONS OF THE STUDY

- This study is limited to the Anantapur district only.
- The findings may not be the same all over India since the perception of the customers is likely to vary.
- The sample size is 100.
- The present study period is done for a period of 2 months.

VI. SOURCE OF DATA

Primary data:-

- Primary data is collected through well structured questionnaire.

Secondary data:-

- The secondary data has been collected with the help of research article, e-journals, newspapers.

VII. TOOLS AND TECHNIQUES

- Bar chart
- Chi-square
- MS –EXCEL
- Tables

VIII. HYPOTHESIS

H₀: There is no significant difference between online payment systems in urban and rural customers. Specifically, the area and the usage of cell phones for financial transactions are independent of each other.

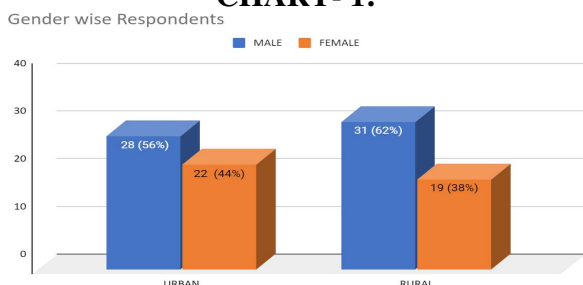
H₁: There is a significant difference between online payment systems in urban and rural customers. Specifically, the area and the usage of cell phones for financial transactions are not independent of each other.

IX. DATA ANALYSIS AND INTERPRETATION

TABLE 1: GENDER

BASIS	URBAN		RURAL	
	NO OF RESPONDENTS	%	NO OF RESPONDENTS	%
MALE	28	56	31	62
FEMALE	22	44	19	38
TOTAL	50	100	50	100

CHART- 1:



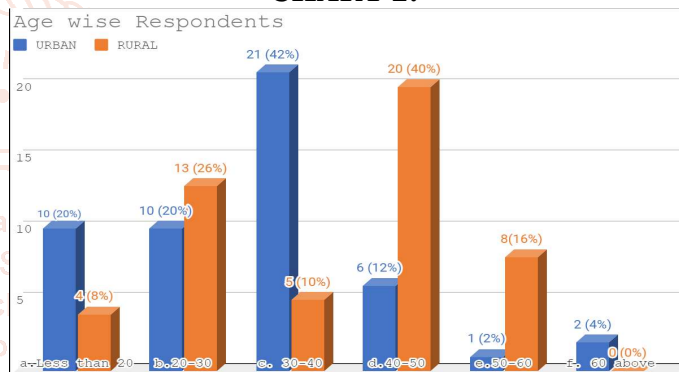
INTERPRETATION:

From the above table it is concluded that with respect to the gender, 28 male respondents and 22 female respondents from the urban area took the survey, making up 56% and 44% of the urban respondents respectively. 31 male respondents and 19 female respondents from the rural area took the survey, making up 62% and 38% of the rural respondents respectively.

TABLE 2: AGE

AGE	URBAN		RURAL	
	NO OF RESPONDENTS	%	NO OF RESPONDENTS	%
less than 20	10	20	4	8
20-30	10	20	13	26
30-40	21	42	5	10
40-50	6	12	20	40
50-60	1	2	8	16
60 above	2	4	0	0
Total	50	100	50	100

CHART 2:



INTERPRETATION:

From the above table it is concluded that, the following age groups less than 20, 20-30, 30-40, 40-50, 50-60, and 60 above have the following number of urban respondents in each category respectively: 10 (20%), 10 (20%), 21 (42%), 6 (12%), 1 (2%), 2 (4%). The following age groups less than 20, 20-30, 30-40, 40-50, 50-60, and 60 above have the following number of rural respondents in each category respectively: 4 (8%), 13 (26%), 5 (10%), 20 (40%), 8 (16%), 0 (0%).

TABLE 3: EDUCATION

EDUCATION	URBAN		RURAL	
	NO OF RESPONDENTS	%	NO OF RESPONDENTS	%
No primary education	1	2	5	10
Primary education	0	0	15	30
Secondary education	14	28	6	12
Intermediate	3	6	9	18
Degree	14	28	11	22
Above degree	18	36	4	8
Total	50	100	50	100

CHART 3:

Chart 3 Education

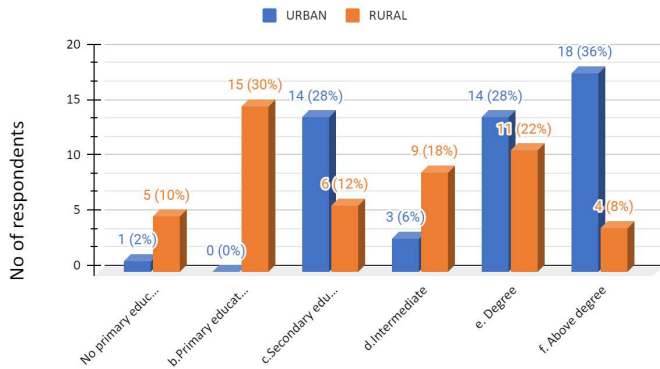


TABLE 5: OVERALL SATISFACTION

OVERALL SATISFACTION	URBAN		RURAL	
	NO OF RESPONDENTS	%	NO OF RESPONDENTS	%
a. Excellent (1)	4	8	3	6
b. Very good (2)	17	34	13	26
c. Good (3)	8	16	6	12
d. Average (4)	1	2	3	6
e. Bad (5)	0	0	0	0
Total	50	60	50	50

INTERPRETATION:

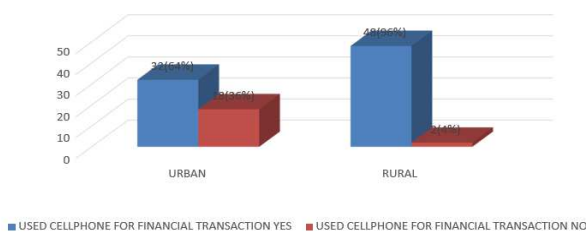
From the above table it is concluded that, 1 urban respondent (2%) and 5 rural respondents (10%) had no primary education. Moreover, 0 urban respondents (0%) and 15 rural respondents (30%) had primary education only. 14 urban respondents (28%) and 6 rural respondents (12%) had up to secondary education. Furthermore, 3 urban respondents (6%) and 9 rural respondents (18%) had upto intermediate education. 14 urban respondent (28%) and 11 rural respondents (22%) had up to degree education. Finally, 18 urban respondents (36%) and 4 rural respondents (8%) had primary education only.

TABLE 4: CELL PHONE USAGE FOR FINANCIAL TRANSACTION

	URBAN		RURAL	
	NO OF RESPONDENTS	%	NO OF RESPONDENTS	%
YES	32	64	48	96
NO	18	36	2	4
TOTAL	50	100	50	100

CHART 4:

CHART 6:Used cell phone for financial transaction

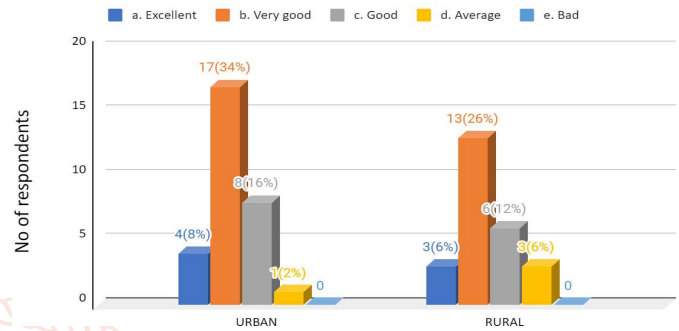


INTERPRETATION:

From the above table, it is concluded that 32 urban respondents and 48 rural respondents said they use cell phones for financial transactions, making up 64% of the urban and 96% of the rural respondent population respectively. 18 urban respondents and 2 rural respondents said that they don't use cell phones for financial transactions, making up 36% of the urban and 4% of the rural respondent population respectively.

CHART 5

over all satisfaction of using digital payments



INTERPRETATION:

From the above table, it is concluded that from the urban respondents, 4 gave excellent, 17 gave very good, 8 gave good, 1 gave average, and 0 gave bad for digital payments, making up 8%, 34%, 16%, 2%, 0% of the urban respondent population respectively. From the rural respondents, 3 gave excellent, 13 gave very good, 6 gave good, 3 gave average, and 0 gave bad for digital payments, making up 6%, 26%, 12%, 6%, 0% of the urban respondent population respectively.

X. HYPOTHESIS TESTING

Urban and Rural Areas and Cell phone Usage for Financial Transactions

	YES	NO		
URBAN	32	18		ROW TOTAL 50
RURAL	48	2		50
COLUMN TOTAL	80	20		100
	YES	NO		SUM
URBAN (Observed)	32	18		
URBAN (Expected)	40	10		
(O-E)	-8	8		
(O-E)^2	64	64		
(O-E)^2/E	1.6	6.4		8
	YES	NO		SUM
RURAL (Observed)	48	2		
RURAL (Expected)	40	10		
(O-E)	8	-8		
(O-E)^2	64	64		
(O-E)^2/E	1.6	6.4		8
			Chi-Square (X^2)	16
			Degrees of Freedom	1
			P-Value	6.33425E-05

INTERPRETATION

Based on the data since $p < \alpha$ ($6.33425 \times 10^{-5} < 0.05$), we reject H_0 and thus we can conclude that the area (urban or rural) and their usage of cell phone for financial transaction are not independent of each other. In other words, where a person lives, an urban or rural area, does dictate/ influence whether they use their cell phone for financial transaction. This implies that there is significant difference between online payment system in urban and rural customers.

XI. FINDINGS

- In urban areas, respondents' gender ratio was 56% males and 44% females and in rural areas, it was 62% males and 38% females.
- The highest proportion with regards to age groups was seen in 30-40 in urban areas (42%) and 40-50 in rural areas (40%).
- In urban areas 82% and in rural areas 96% have bank accounts.
- In urban areas 64% and in rural areas 96% use cell phones for financial transactions.
- The highest number of respondents from both urban and rural areas gave very good as the rating for digital payments, with 30% for urban and 24% for rural.
- In urban areas 52% and in rural areas 44% are satisfied with the security provided by digital payments.
- In urban areas 66% and in rural areas 54% pay their bills online.
- The highest number of respondents from urban area said that they make online payments daily, with 11 people (22%). The highest number of respondents from rural area said that they make online payments once a week, with 12 people (24%).
- The highest number of respondents from both urban and rural areas gave very good as the rating for their overall satisfaction, with 34% for urban and 26% for rural.
- In urban areas 60% and in rural areas 48% say that mobile banking saves time.

XII. SUGGESTIONS

- Compare to urban areas rural people have more percentage of bank accounts, but do not use digital payments.
- Rural respondents are slow adopters when compare to urban respondents. It is suggested that some acceleratory programs have to be planned by the government in order to promote digital payments.
- It is suggested that to reduce the charges on digital payments and motivate people for paying bills, taxes, etc.
- It is suggested that the government should promote telecom companies to expand their network connectivity.

XIII. CONCLUSION

After conducting market research for **A COMPARATIVE STUDY OF URBAN AND RURAL CUSTOMERS ON PERCEPTION TOWARDS ONLINE PAYMENT SYSTEM AT ANANTAPUR DISTRICT**. In urban areas 52% and in rural areas 44% are satisfied with the security

provided by digital payments. In urban areas 60% and in rural areas 48% say that mobile banking saves time. Since urban areas had higher proportions as shown, the overall customer satisfaction level is higher for urban areas as well (i.e. the highest number of respondents 34% from urban area gave very good as the rating for their overall satisfaction with digital payments and only 26% from rural area did). We can conclude that the urban customer satisfaction level is higher compared to rural as urban people feel mobile banking saves time more than rural people and urban people are also more satisfied with the security provided by digital payments than rural people.

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