

A Study on the Perception of Retailers towards Digital Payment System with special reference to Pazhayannur panchayath

Deepak K. S.

Assistant Professor, Department of Commerce

Email - ksd18deepak@gmail.com

Abstract: World is transforming to the next level in every seconds. Advancements in science, technology, business, education and other fields are quicker. Research and Developments makes the life easy and faster. But some changes are not that easy to adopt because of various reasons. Now India, after the implementation of demonetisation takes an important step to promote digital payments. The digital payments are considered as easy, transparent. Yet there are many problems faced by various parties. Some of the customers are not aware about digital transactions and some of them are scared to use digital payment methods. While we consider retailers, who are the nearest in the channel of distribution they may face challenges and problems in digital payment system than others. So it is highly relevant to study the perception of retailers towards the digital payment system.

Key Words: Digital payment system, Retailers, Demonetisation, Digital Transactions.

1. INTRODUCTION:

Demonetisation was a beginning for many of the Indians to know and think about the digital possibilities of various payments. Many of the customers were likely to do cash transactions because of the fear about the security issues in digital payments. The dream of Government of India for a digital economy was far before the demonetisation. For many people digital transactions are scaring and they are reluctant to pay electronically. It is not only the customers, but many of the sellers also facing many problems related to the digital payment. The big question is does the digital payment methods can attract the users. After the demonetisation, the Government of India promoted digital transactions and many sellers adopted the same

2. LITERATURE REVIEW:

Bappaditya Mukhopadhyay (2015) identified by conducting a study among 3066 household that the biggest constraint to make non-cash payment is from the supply side. That is the sellers themselves are reluctant to accept digital payments. Ramesh.K (2015) found that accepting digital technologies in payment can enable sellers to increase revenues and reduce cash handling costs. The merchants are unwilling to accepting digital payments due to the accountability and audit. Meenakshi (2017) revealed that the customers are hesitating to use digital payment methods because they felt the same as unsafe. The maintenance cost of smart phones and charges for internet connections are considered as a burden for many customers. Goriparthi and Tiwari (2017) studied that demonetisation will lead to the growth of digital payments in India. They further studied that the habits like using of cash, hesitation for digital payments due to the safety feeling and other problems will come to an end through demonetisation. Kumari and Khanna (2017) reported that as any other developing economy a cashless economy initiative will help India too. It enables to make an end to various problems like corruption, money laundering etc.

3. METHOD:

The study is descriptive and analytical in nature. The data is collected by using a convenience sampling method. It used a sample size of 40 respondents. Both primary and secondary data are used for the study. Various statistical tools also employed for the study.

4. DISCUSSION :

Changes are everywhere. For the betterment in security, safety, soundness etc. We are approaching things digitally. But the transmission of cash payments to digital payments is not an easy thing since it's the behaviour or attitude of customers changing in a broad way. Now almost every economy is transforming to digital platform and becoming cashless. Here after demonetisation many people moved to cashless payments. . But a sudden change from cash transactions to digital transactions may make difficulties for both buyers and sellers. So it is important to study the perception of various parties to the digital transactions. Here this paper is to study the perception of the retailers towards the digital payment system. Here the objectives of the study are;

- To assess awareness level of retailers regarding digital payments.
- To understand the perception of retailers regarding digital payments.
- To study the problems faced by the retailers while using digital payments.

5. ANALYSIS :

TABLE 1 SHOWING RESPONDENTS LEVEL OF KNOWLEDGE ABOUT ADVANCED CASHLESS PAYMENT

Level of awareness	No of respondents	Per cent
very high	16	40
High	24	60
Neutral	0	0
Low	0	0
Very low	0	0
Total	40	100

Source: primary data

SHOWS KRUSKAL WALLIS TEST TO CHECK RETAILERS PERCEPTION TOWARDS BENEFITS OF DIGITAL TRANSACTION SYSTEM

	RELIABLE	EFFICIENT	SECURITY	QUICKNESS	USER FRIENDLY
Chi-Square	.805	9.672	18.871	.000	12.714
Df	3	3	3	3	3
Asymp. Sig.	.848	.022	.000	1.000	.005

Source: primary data

Significant at 5 percent level of significance

Interpretation:

Descriptive statistics of highlights that the most dependent means among the perception of respondents about benefit of digital payment methods is "Quickness" having the lowest mean value. All the hypothesis are rejected as their p values **.022, .000, .005 (p < .05)**. It means that there is significant difference with regard to benefit of digital transactions based on level of age. In broad sense the person attaining the age of below 25 satisfied with the benefits of reliability and user friendly of digital transaction. Retailers attaining the age of 35-45 and above 45 are satisfied with the benefit of efficiency of digital transaction. Person attaining the age of below 25-35 satisfied with the benefits of Quickness.

6. FINDINGS:

- Demographic profile:**

The majority of the 65 percent of the respondents belongs to the males, the age wise classification shows that out of 40 respondents majority of 50 percent belongs to the below 25 aged groups. As to educational qualification only 22.5 percent are graduated and majority 42.5 percent have matriculation. The monthly income wise classification of 9 respondents reveals that majority 35 percent of them fell under the income group 15000-25000.

- Awareness level of retailers:**

The study reveals that the all respondents has adopted the digital payment system in the shop and they adopt the receipt from customers through digitally

a. Among the selected sample 60 percent of the respondents has very high knowledge about the advanced cashless payment systems, and the 40 percent of the respondents has high knowledge.

- Level of retailer's perception towards digital transaction system:**

- ✓ The study indicates that majority of 57 percent of the respondents are agree with comfortness in the working environment of the organisation.
- ✓ The studies reveals the 50 percent respondents are selected digital transaction is better than cash transactions and balance 50 percent respondents selected cash transaction is better compared to digital transactions.
- ✓ The study indicates that 40 percent of respondents has highly satisfied with the digital transaction system and 30 percent of the respondents dissatisfied with the digital transaction system.
- ✓ Among the selected sample 37.5 percent of respondents strongly agree and 20 percent agrees that convenience in transaction is the reason for digital payments, also 30 percent of the respondents disagree with the statement that convenience in transaction is the reason for digital payments.
- ✓ 40 percent of respondents strongly agrees that digital payment system is very helpful for cross border transaction and 30 percent of respondents opined that digital payment system is not helpful for cross border transaction.
- ✓ The study indicates that 32.5 percent of respondents opined that digital payment system has very high reliability, while 30 percent respondents inferred that digital payment system has low reliability.

- ✓ It is evident from the fried man test that chi square statistics provides a value **96.780** which is significant at 5% level Of Significance ($.000 < .05$).so there is a difference Between the modern digital payment tools of digital transactions of the respondents is not at all significant. There for it must be rejected. So the differences in selecting modern digital payment tools of digital transactions. And it can be inferred that majority of respondents depends credit and debit cards because it has lower mean value.
- ✓ The Kruskal Wallis test finds that most dependent means among the perception of respondents about benefit of digital payment methods among age group is “security” having the lowest mean value. In broad sense the person attaining the age of below 25 satisfied with the benefits of reliability and user friendly of digital transaction. Retailers attaining the age of 35-45 and above 45 are satisfied with the benefit of efficiency of digital transaction. Person attaining the age of below 25-35 satisfied with the benefits of Quickness.
- ✓ The study indicates that the most of the respondents (35percent) makes transactions above 20-30 every month.
- ✓ Among the selected sample 50% of respondents opined that digital payment system is suitable for high value transaction and vice versa.
- **Problems of retailers:**
 - ✓ The study inferred that 35% respondents expresses that there is low chance for technical issues while conducting digital payments and 30% of respondents opined that there is high chance for technical issues
 - ✓ Majority of the (45 percent) respondents opined that there is low chances for fraud in digital payment system and 30 percent of respondents mentioned that there is high chances for fraud.
 - ✓ The results of the one way ANOVA for the variables convenience, compulsion, lower transaction fees and shortage of currency notes based on educational qualification gives F values of **123.060, 97.338, 97.338 and 97.338** respectively which is significant at **5% level ($p = .000, .000, .000, .000 < 0.05$)**.to conclude, the all factors are highly influencing digital transaction system on the basis of education.
 - ✓ The results of the one way ANOVA for the variables security issues, inconvenience, inconsistent technology, high cost and lack of knowledge among customers based on satisfaction level of retailers gives **F values of 271.177, 271.177, 271.177, 271.177 and 35.434** respectively. To conclude that the respondents highly concerned with these all problems.

7. RECOMMENDATIONS:

- The Government agencies or authorities should take necessary steps to provide awareness about the operation and benefit of digital payment system to induce the retailers to do digital transactions.
- The authorities should take proper security measures to eliminate the fraud and security issues related to digital payment system.
- In order to improve the digital payment system, the banks can encourage the retailers or merchants by eliminating charges if they use certain number of transactions per month, then the merchant can encourage their customers to use cards to reach their target transactions.

8. CONCLUSION:

Digital payment mechanisms have many advantages over the cash payments. Improved transparency, easiness, eliminations of black money all will help the country to develop more and more. But it is important to make the confidence among both buyers and sellers about the usage of digital payments. As the study indicates the government should help the retailers and consumers by considering the safety problems, providing awareness and encourage the digital payment. Government policies like financial inclusion, linking of PAN card to bank accounts all are helpful for the more good digital payment mechanisms. So we can hope that Indian economy will be a cashless economy soon and it will enjoy all the advantages of the same and will grow as an economic power among the world.

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