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A STUDY ON CUSTOMER PERSPECTIVES TOWARDS DIGITIZED PAYMENT SYSTEMS OF RETAIL STORES IN COIMBATORE CITY

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ABSTRACT

The digitization of payment systems has ushered in a transformative era for the retail sector in Coimbatore City. This study discovers the customer viewpoints towards digitized payment systems in retail stores and goals to understand their preferences, challenges, and overall experiences. Through a mixed-method research approach involving quantitative surveys and qualitative interviews, data was collected to gain valuable insights into customer awareness, adoption factors, satisfaction levels, and apprehensions related to digital payment options. The findings designate that while a substantial portion of customers in Coimbatore City are aware of and favour digital payment methods for their convenience, security anxieties and limited digital literacy continue significant barriers to widespread adoption. The study commends enhancing awareness campaigns, improving security measures, and promoting digital literacy to facilitate the seamless integration of digitized payment systems in retail stores, ultimately empowering both customers and retailers alike.

KEY POINTS: *Digitization, Payment, Systems, Retail.*

INTRODUCTION

The digitization of payment systems has changed the retail landscape in Coimbatore City, Coimbatore, often referred to as the "Manchester of South India," is a vibrant city known for its blooming textile and manufacturing industries. As technology continues to evolve, the city's retail sector has embraced digital payment solutions to cater to the changing consumer preferences. With the explosion of smartphones and increased internet penetration, consumers are now more inclined towards cashless transactions for their suitability and safety. Developing the way customers conduct transactions. With the advent of various digital payment options, traditional cash transactions are gradually attractive less prevalent. This article aims to delve into the perspectives of customers towards these digitized payment systems in retail stores within Coimbatore City, exploring their preferences, challenges, and overall experiences.

LITERATURE REVIEW

Prakash (2022) the study investigated customer's perception towards Digital payments. The study revealed that the majority of the respondents were aware about digital payment systems and they opined that digital payment systems was their part of life and it saved their time in standing long queue in the banks. The study also pointed that Demonetizations had drastically impacted on usage of digital payments as it is safe and distances issues.

(R. Joshi & Kumar, 2020) investigated the impact of digital India on the Indian economy in order to assess the challenges associated with digital India. The study discovered that digitalization has resulted in increased innovation, ease of operation, economic growth, and new job prospects. It has aided in the establishment of systemic transparency and the free flow of funds across the economy.

ETBFSI (2019) gave insights about digital payments. The report gave insights about customer demand which has increased more than 100% in the last few months. Credit and debit cards were used maximum and digital payment was done mainly in food sector, financial services, and tourism. The maximum usage was found in Bengaluru and wallets usage in cities have also increased.

Garg and Punchal (2017) in which benefits, and challenges of a cashless economy were studied. The conclusion showed the preference of people towards cashless economy because they feel it helps to fight against illegal activities, corruption, etc.

OBJECTIVES OF THE STUDY

The primary objectives of this study are as follows:

- To know the level of awareness among customers about many digitized payment options available in retail stores.
- To evaluate the satisfaction levels of customers with the digitized payment experience in retail outlets.

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METHODOLOGY

This study employed a mixed-method research approach. Both qualitative and quantitative data were collected to gain a comprehensive understanding of customer perspectives. A structured questionnaire was used to collect quantitative data from a sample of retail store customers across Coimbatore City. Additionally, focus group discussions and interviews with selected customers provided valuable qualitative insights.

The questionnaires were distributed through Google form. The responses considered were 110 in numbers. Statistical tests which used for the study were standard deviation, frequency, Independent sample t- test and one-way ANOVA.

Table: 1 showing the socio anthropologic details of responds

VARIABLE	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Age	Below 20	12	24%
	21-30	29	58%
	Above 30	9	10%
Gender	Male	30	60%
	female	20	40%
Marital status	Single	42	84%
	Married	8	16%
Education qualification	SSLC	2	4%
	UG	19	38%
	PG	28	56%
	Other	1	2%
Occupation	Professional	7	14%
	Student	13	26%
	Employee	5	10%
	Others	0	0%

SOURCE: FIELD SURVEY

Table: 2 showing the difference between age and perception of consumers on digital payment systems.

Factors of consumer perception on digital payment system with age	F value	significance
Trust	6.54	.002
Cost and benefits	6.37	.002
Cognizant of security system	1.873	.159
Convenience	1.180	.311

FINDINGS

Awareness of Digitized Payment Options

The study revealed that a significant percentage of customers in Coimbatore City are aware of digitized payment options, with mobile wallets and payment apps being the most popular choices. However, a considerable portion of the population still prefers cash transactions due to concerns about security and lack of familiarity with digital platforms.

Factors Influencing Adoption

The convenience and ease of use emerged as the primary factors influencing customers to adopt digital payment methods. Additionally, incentives such as discounts, cashback offers, and loyalty rewards provided by retailers also played a crucial role in encouraging customers to go cashless.

Customer Satisfaction

Overall, customers expressed a positive outlook on digitized payment systems. The speed and efficiency of transactions, as well as the ability to track expenses, were some of the aspects that garnered appreciation. However, technical glitches and occasional network issues were cited as common concerns impacting satisfaction levels.

Challenges and Concerns

Some of the major challenges faced by customers included fear of fraud and security breaches, particularly among elderly customers who were less tech-savvy. Moreover, the lack of digital literacy and the presence of only limited stores accepting digital payments in certain localities posed hindrances to widespread adoption.

Recommendations

Based on the findings, the following recommendations are offered to retail stores in Coimbatore City:

- Increase Awareness: Conduct targeted awareness campaigns to educate customers about the benefits and safety of digital payment options.
- Enhance Security Measures: Implement robust security protocols to address customer concerns about fraud and data breaches.
- Improve Digital Literacy: Collaborate with government and educational institutions to enhance digital literacy among customers, especially among the elderly population.
- Expand Acceptance Points: Encourage more retailers to adopt digital payment systems, ensuring widespread accessibility across the city.

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CONCLUSION

The study on customer perspectives towards digitized payment systems in Coimbatore City reflects the evolving nature of consumer preferences in the retail sector. While the adoption of digital payment methods is on the rise, addressing concerns related to security, awareness, and digital literacy will be pivotal in fostering wider acceptance and usage of these technologies. By incorporating the recommended measures, retailers can capitalize on the potential benefits of digitized payment systems while catering to the diverse needs of their customers in Coimbatore City.

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