IMPACT OF DIGITAL PAYMENT ON RETAIL SHOPS- WITH REFERENCE TO MANGALORE CITY

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ABSTRACT

As India is moving towards digitalization era, hence most of the transactions are taken place through digital gazettes. When digitalization was introduced in India, the people were not much aware of these systems. But gradually they start learning these new techniques. The advanced digital wallet system, allows users to send/receive payment instantly within a fraction of seconds. For the study, the researcher has considered few small retail shops, which includes grocery shop, fancy, tailoring shop, vegetable shops, beauty parlors, medical stores. The study was undertaken in and around Mangalore city, the sample size for the study is 100 respondents who use digital payments for their transactions. The main purpose of this study is to determine the benefits and problems faced by retail shops from digital payment system. The results show that There is no association between usages of digital payment system and age of the customers. The study also highlights that, there is no association between problems of digital payment system and age of the customers.

KEY WORDS- *digital payment, retail shops, benefits and problems.*

1.0 INTRODUCTION

In the fast-growing business environment, digital payment system plays a major role. Most of the businesses are get involved into digitalization. Most of the major business activities, business transactions are turned into digitalization era. The people of the developed and developing country like India, are already stepped into a digitalization system. In India most of the transactions are taken place electronically. Majority of the customers do not carry a money, but at the same time all will have smart phone as well as debit/ credit cards in their wallets. This shows that, without physical cash, one can fulfill his needs, do all the business transactions by using these electronic gazettes or digital payment modes.

There are plenty of advantages from digital payment modes, like fast payment, convenient, easy to use, no need of carrying cash, free from fear of theft, increases the prestige of the customers, gets special offers and many more. At the same time, digital payment system is not free from limitations, the main drawbacks of this systems are server problem, connectivity issues, forgetting the passwords, fear of hackers, fear of fraud, lack of knowledge, technical problems, absence of physical cash, need to keep the phone constantly charged and so on.

1.1 OBJECTIVES

The important objectives of the study are as follows:
- To know about digital payment system.
- To determine the benefits of using digital payment on retail shops
- To highlight the problems faced by retail shops from digital payment system.

1.2 HYPOTHESIS

The Hypothesis drafted for the study are as mentioned below:
1] H0: There is no association between usages of digital payment system and age of the   customers.
2] H0: There is no association between difficulties of digital payment system and age of the customers.

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1.3 METHODOLOGY

For the study both primary and secondary data are used to gather the information. Primary data is collected from structured questionnaire method and secondary data is collected from journals and websites. Data analysis will be done by using descriptive statistics. Association will be estimated by Chi-Square test. A statistical package SPSS vers.23.0 will be used to do the analysis. The p less than 0.05 will be considered as significant.

The statistical tools like frequency, percentage and mean are also used to derive the inferences. Total sample size used for the study is 100 respondents of Mangalore city.

1.4 STATEMENT OF THE PROBLEM

Digital payment system is one of the fastest growing information technologies in the banking sector. Most of all the transactions are happening through digital modes. This will help both the customers as well as the employees of the bank. The present study is conducted in Mangalore City. It is a place where business activities are happening in a huge number. It is one of the fastest growing City. Hence this study is conducted to know the impact of digital payment in retail shops.

1.5 ANALYSIS AND INTERPRETATION

Table 1: Demographic profile of the respondents

Particulars	No of respondents	Percentage
Age		
Less than 30	5	5 %
30-40	34	34 %
40-50	57	57 %
Above 50	4	4 %
Total	**100**	**100 %**
Type of respondents		
Medical shops	10	10%
Fancy	15	15%
Grocery shops	20	20%
Tailoring shops	10	10%
Beauty parlor	19	19%
Vegetable shops	12	12%
Bakery	8	8%
Stationery shops	6	6%
Total	**100**	**100%**
Years of experience		
Less than 5 years	10	10 %
5-10 years	51	51 %
10-15 years	24	24 %
More than 15 years	15	15 %
Total	**100**	**100 %**
Levels of income		
Less than 25000	12	12 %
25000-40000	42	42 %
40000-60000	35	35 %
More than 60000	11	11 %
Total	**100**	**100 %**
Educational background		
SSLC	5	5 %
PUC	29	29 %
DEGREE	46	46 %
OTHER	20	20 %
Total	**100**	**100 %**

Source: Primary Data

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Study shows that 57% of the respondents belongs to 40-50 years of age, 34% of them are having an age of 30-40 years, 5 respondents belongs to the category of less than 30 years are only 4% of the respondents are having more than years of age.

Study shows that the respondents are belong to different retail shops such as 20% from grocery shops, 19% from beauty parlor, 15% from fancy, 10% each from medical shop and tailoring shop and 6% from stationery shops.

Study reveals that % of the respondents are having an experience of 5-10 years, 24% of the respondents were having an experience of 10-15 years, 15% of the respondents were having more than 15 years of experience on there field.

42% of the respondents are having a monthly income of 25000-40000, 35% belongs to the category of 40000-60000, 12% of them are having less than 25000 income and 11% of the respondents are belongs to more than 60000 monthly income

The table shows that 46% of the respondents were degree holders, 29% of the respondents are having an education of PUC, 20% of them are beauticians, tailors, and only 5% of the respondents are having an education of SSLC.

1.6 SURVEY QUESTIONNAIRE

Table 2: The different digital payment modes

PARTICULARS	NO OF RESPONDENTS
Google pay	65
Phone pay	12
PAYTM	24
Amazon pay	15
Internet banking	59
Debit card	72
Credit card	31

Source: Primary Data

The study shows that 65 respondents use Google pay, 12 respondents use phone pay, 24 respondents prefer PAYTM, 15 respondents use Amazon pay, 59 respondents use Internet Banking, 72 respondents use debit card and 31 respondents use credit cards. the above table shows that debit card and google pay are mostly preferred by the customers for digital payment mode.

Table 3: different uses of Digital Payments.

Particulars	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean
Fast payment	19	65	10	4	2	4.9
Convenient	19	76	5	Nil	Nil	4.14
Increased customers	12	64	10	9	5	3.69
Reduced credit burden	10	50	15	20	5	3.4
Free from handling the coins	20	58	12	9	1	3.87
Easily traceable	20	76	4	Nil	Nil	4.16
Low risk of theft	15	63	14	8	Nil	3.85

Source: Primary Data

Study discovers that, the mean value for different usages of digital payments to retails shops are fast payment (4.9), convenient (4.14), increased customers (3.69), reduced credit burden (3.4), free from handling the coins (3.87), easily traceable (4.16), low risk for theft (3.85). Respondents were strongly agreed towards, the following merits of digital payments that is fast payment, convenient and easily traceable.

H0: There is no association between usages of digital payment system and age of the customers.

Table 4: Results of chi-square test

Chi square value	D.F	0.05 level of significance	Result
18.6988	12	21.026	Not Significant

The calculated value of Chi square = (O-E)2/E= 18.6988 is less than the tabulated value 21.026 at 12 degrees of freedom, it is not significant.

Hence, we accept null hypothesis and conclude that "There is no association between usages of digital payment system and age of the customers".

Table 5: Problems of Digital payment

Particulars	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean
Fear of fraud	18	45	30	7	Nil	3.74
Lack of knowledge	10	51	12	16	11	3.33
Server problems	20	64	11	5	Nil	3.99
Connectivity issues	16	68	6	9	1	3.89
Fear of hacking	4	90	6	Nil	Nil	3.98
Technical problems	15	81	4	Nil	Nil	4.11
Absence of physical cash	17	76	4	2	1	4.06
Need to keep the phone constantly charged	15	72	12	1	Nil	4.01

Source: Primary Data

Respondents were strongly agreed towards the below mentioned limitations of digital payments such as technical problems, absence of physical cash and need to keep the phone constantly charged. The mean values are fear of fraud (3.74), lack of knowledge (3.33), server problems (3.99), connectivity issues (3.89), fear of hacking (3.98), technical problems (4.11), absence of physical cash (4.06) and need to keep the phone constantly charged (4.01).

H0: There is no association between difficulties of digital payment system and age of the customers.

Table 6: Results of chi-square test

Chi square value	D.F	0.05 level of significance	Result
5.4175	12	21.026	Not Significant

The calculated value of Chi square = (O-E)2/E= 5.4175 is less than the tabulated value 21.026 at 12 degrees of freedom, it is not significant. Hence, we accept null hypothesis and conclude that "There is no association between difficulties of digital payment system and age of the customers".

Table 7: Do you want to use the Digital payment system in future.

Particulars	No of respondents
Yes	100
No	Nil
Total	100

Source: Primary data

The table shows that, all the 100 respondents want to continue using digital payment modes for their business transactions.

1.7 SUGGESTIONS

The suggestions of the study are dropped down as follows;

- Proper awareness programs should be conducted to the customers, so that without any hassles they can get the benefits.
- Customers should be informed to frequently change the passwords, and pin numbers, so that they can free from the fear of hackers.
- Information should be given to the clients, regarding not to share their digital payment details with others.

1.8 CONCLUSIONS

Digital payment system is one of the awesome technologies established by the banking sector. This has benefited many customers in an increased number. But most of the programs of digital payment modes are not known by all the customers. Hence the bank staffs should be informed the same to all e-banking customers. The study reveals that all the 100 respondents would like to use digital payments in the future also. But at the same time the customers also be aware of all the transactions, if anything goes wrong in their account, same as to be informed to the bank. So that necessary actions can be taken. Alertness and safety is very important while using digital payment systems.

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