

AN EMPIRICAL STUDY OF CUSTOMERS ATTITUDE TOWARDS DIGITAL PAYMENT SERVICES IN JAIPUR CITY

Saroj Bala Dewatwal*

ABSTRACT

Banking sector is considered a key segment for accelerating economic, financial and social growth in India. It has witnessed significant growth in recent past through innovations and technological upgradations. With its potential it is on the way in transforming the cash economy into a digital economy. ICT has contributed towards growth of digital payment mechanism and e channel. The demonetization drive has boosted the electronic path in banking community and thus financial inclusion in the nation. Digitalization of banking sector has provided the customer with lots of benefits. On one hand it adds value to the customer satisfaction and on the other hand is loaded with many types of associated risks of banking environment in Indian scenario. The digital economy has promoted the use of digital payment modes for transactions and settlements. The present paper studies the attitude of customers towards digital payment services. The digital payment mechanism includes various modes of digital payment. A study was carried out with primary data collected through a questionnaire in Jaipur city and Chi square test was used to test the hypothesis. The test results revealed the acceptance of alternate hypothesis. The paper concludes with recommendation that the technological driven risks and security issues need to be sorted out on priority to enhance customer confidence towards the innovative channels.

KEYWORDS: *Payment Gateway, E- banking, Digitalization, Technology and Digital Economy.*

Introduction

The digitalization of payment system in Indian banking sector is a dynamic step towards innovations and technological upgradations. The digital mechanism has various modes of digital payments for promoting this technological shift. The Indian banking system needs to be upgraded to become updated and to meet the global standards. The technological change has given a boost to financial inclusion and led to innovative banking solutions. The digital payment revolution has gained momentum particularly after demonetization in India. Presently, there are around sixty percent of transactions are taking place through digital platforms. Many new digital payment modes have been introduced in addition to the existing modes to popularize and speed up the digital payments. These include Banking Cards, USSD, AEPS, UPI, Mobile Wallets, Banks Prepaid Card, POS, Internet Banking, Mobile Banking and Micro ATMs. The digital modes are convenient to use, faster, easier, secure and time efficient. These provide the customers with the flexibility to make payments from anywhere and at any time. This technological inclusion in payment transactions will lead to enhance customer's confidence.

Review of Literature

Sanghita Roy and Indrajit Sinha (2014) conducted a study to find out the most influencing factors amongst the factors that influence the customer's adoption of electronic payment services in India. They studied 235 respondents and used multiple regression analysis to test the hypothesis. They concluded that among the factors perceived ease of use is found the most significant predictor.

* Assistant Professor, Department of EAFM, University of Rajasthan, Jaipur, Rajasthan, India.

Dr. KA Rajanna (2018) in his study attempted to analyze the growth of cash less transactions in India and finding the challenges and measures to overcome them. He used secondary data for his study. He concluded that cash less transaction in India have increased considerably from different transaction methods.

Dr. U Thaslim Ariff and K Akshaya (2019) studied the level of satisfaction among the respondents towards mobile Payment App. They took 100 respondents and used percentage, Scaling technique and Ranking method for analysis of data. They concluded that majority of respondents have a high level of satisfaction.

Mahesh Vashista (2017) carried out a study to check the awareness level of consumers regarding various modes of cashless transactions. He has studied 100 respondents and used tools like percentage and cumulative percent. The study found that male members of the state Haryana are using more cashless transactions. He suggested that a cashless society lesson be introduced for every educational institute in the state of Haryana.

Akhila Pai H. (2018) studied the awareness and perception of users towards digital wallets. He studied 120 respondents. He concluded that respondent's awareness about mobile wallet payment services is high.

K Vinitha and S Vasantha (2017) studied and analysed the decision factors influencing digital payments. They suggested that in order to strengthen the e-payment system consumer awareness, convenience, security, availability of e- payment tools, intensive and legal framework are the factors which can fillip the usage.

Alaknanda Lonare, Anukriti Yadav and Samiksha Sindhu (2018) have examined the impact of Demonetization and to understand the factors affecting the increase in user proportion. Tools used are Cronpach's Alpha, Factor analysis and Regression Analysis. The conclusion is presented with user perspective and vender perspective. The researcher recommends the e-wallets to be integrated better with the bank system.

Objectives of the Study

- To study the preference towards digital payment modes of working and non working people
- To examine the relationship between occupation of the user and usage of digital payment services
- To analyze the motivational factor in usage of digital payment services
- To study the challenges in usage of digital payment services

Hypothesis

H_{o1}: There is no significant relationship between occupation of the digital payment service user and usage of digital payment services.

H_{a1}: There is a significant relationship between occupation of the digital payment service user and usage of digital payment services.

Research Methodology

The study is empirical in nature. Sample size for proposed study is 400 respondents of Jaipur city. It includes 200 working respondents and 200 non working respondents. Sample is selected on the basis of convenience and judgemental sampling. Structured questionnaire was used for primary data collection. It was pre tested for reliability. A pre reliability test was conducted for 40 respondents (10% size of total sample size) through questionnaire method and personal discussion method. Necessary amendments have been done as per requirement. And final questionnaire was prepared and given to 400 respondents. The collected data is tabulated as per requirement of the study. Tools for analysis were percentage and Chi square Test. The period of study is 2018-19.

Limitations of the Study

The study is restricted as it is conducted in the limited geographical boundaries of Jaipur city with small sample size 400 respondents and is time bound 2018-19. The limitation of primary data is also applicable.

Analysis**Demographic Profiles – (Table 1 – 5)****Table 1: Gender**

Gender	Count	Percentage (%)
Male	244	61
Female	156	39
Total	400	100

Source: Primary Data

Interpretation

Out of total 400 respondents, 244 respondents are males and remaining 156 are females.

Table 2: Age

Age	Count	Percentage (%)
15-30	108	27
30-45	132	33
45-60	96	24
60 and above	64	16
Total	400	100

Source: Primary Data

Interpretation

Out of total 400 respondents, 108 respondents are in the age group of 15-30 years, 132 respondents are in the age group of 30-45 years, 96 respondents are in the age group of 45-60 years and remaining 64 respondents are in the age group of 60 and above.

Table 3: Education

Education	Count	Percentage (%)
Secondary	52	13
Higher Secondary	96	24
Graduation	120	30
Post Graduate	132	33
Total	400	100

Source: Primary Data

Interpretation

Out of total 400 respondents, 132 respondents are post graduate, 120 respondents are graduates, 96 respondents are higher secondary and 52 respondents possess secondary qualification.

Table 4: Occupation

Occupation	Count	Percentage (%)
Working	200	50
Non - working	200	50
Total	400	100

Source: Primary Data

Interpretation

Out of total 400 respondents, 200 respondents are working people and 200 are not working people.

Table 5: Marital Status

Marital Status	Count	Percentage (%)
Married	236	59
Un-married	164	41
Total	400	100

Source: Primary Data

Interpretation

Out of total 400 respondents, 236 respondents are married people and 164 are unmarried people.

Table 6: Usage of Digital Payment Services

Using Digital Payment Services	Working People		Non-working People	
	Count	Percentage (%)	Count	Percentage (%)
Yes	172	86	96	48
No	28	14	104	52
Total	200	100	200	100

Source: Primary Data

Interpretation

Out of 200 working respondents, 172 respondents are using Digital payment services and 28 respondents are not using Digital payment services. Out of 200 non- working respondents, 96 respondents are using Digital payment services and 104 respondents are not using Digital payment services.

Table 7: Most Preferred Mode of Digital Payment

Most Preferred Mode	Working People		Non-working People	
	Count	Percentage (%)	Count	Percentage (%)
Mobile wallet	34	17	32	16
AEPS	42	21	28	14
Internet Banking	56	28	20	10
UPI	40	20	16	08
No Mode	28	14	104	52
Total	200	100	200	100

Source: Primary Data

Interpretation

Out of 200 working respondents, 34 respondents are using Mobile wallets, 42 respondents are using AEPS, 56 respondents are using Internet Banking, 40 respondents are using UPI and remaining 28 respondents have no mode preference as they are not using Digital payment services.

Out of 200 non- working respondents, 32 respondents are using Mobile wallets, 28 respondents are using AEPS, 20 respondents are using Internet Banking, 16 respondents are using UPI and remaining 104 respondents have no mode preference as they are not using Digital payment services.

Table 8: Most Important Feature for Choice of Digital Payment Services

Most Important Feature	Working People		Non-working People	
	Count	Percentage (%)	Count	Percentage (%)
Convenient	44	22	30	15
Fast	52	26	22	11
Secure	28	14	24	12
Avoidance of queue	48	24	20	10
Not using	28	14	104	52
Total	200	100	200	100

Source: Primary Data

Interpretation

Out of 200 working respondents, for 44 respondents the most important feature for choice of Digital payment services is being convenient, 52 respondents have chosen for being fast, 28 respondents have chosen for being secure, 48 respondents have chosen due to avoidance of queue and remaining 28 respondents do not consider any feature as they are not using Digital payment services.

Out of 200 non-working respondents, for 30 respondents the most important feature for choice of Digital payment services is being convenient, 22 respondents have chosen for being fast, 24 respondents have chosen for being secure, 20 respondents have chosen due to avoidance of queue and remaining 104 respondents do not consider any feature as they are not using Digital payment services.

Table 9: Use of Digital Payments

Use of Digital payments for	Working People		Non-working People	
	Count	Percentage (%)	Count	Percentage (%)
Utility Bills	46	23	12	06
Fuel	58	29	24	12
Shopping	26	13	46	23
Fee	42	21	14	07
Not used	28	14	104	52
Total	200	100	200	100

Source: Primary Data

Interpretation

Out of 200 working respondents, 46 respondents uses digital payments for payment of Utility bills, 58 respondents uses digital payments for payment for Fuel, 26 respondents uses digital payments for Shopping, 42 respondents uses digital payments for payment for Fee and remaining 28 respondents do not uses for above payments as they are not using digital payment services.

Out of 200 non-working respondents, 12 respondents uses digital payments for payment of Utility bills, 24 respondents uses digital payments for Fuel, 46 respondents uses digital payments for Shopping, 14 respondents uses digital payments for payment of Fee and remaining 104 respondents do not uses for above payments as they are not using digital payment services.

Table 10: Motivational Factor in usage of Digital Payment Services

Motivational Factor	Working People		Non-working People	
	Count	Percentage (%)	Count	Percentage (%)
Discounts	96	48	32	16
Cashback	44	22	48	24
Rewards	32	16	16	08
Not used	28	14	104	52
Total	200	100	200	100

Source: Primary Data

Interpretation

Out of 200 working respondents, 96 respondents considers Discounts as a motivational factor for using Digital payment services, 44 respondents considers Cashback as a motivational factor for using Digital payment services, 32 respondents considers Rewards as a motivational factor for using Digital payment services and remaining 28 respondents do not have motivational factor as they are not using digital payment services. Out of 200 non-working respondents, 32 respondents considers Discounts as a motivational factor for using Digital payment services, 48 respondents considers Cashback as a motivational factor for using Digital payment services, 16 respondents considers Rewards as a motivational factor for using Digital payment services and remaining 104 respondents do not have motivational factor as they are not using digital payment services.

Table 11: Challenges in Digital Payments

Challenges	Working People		Non-working People	
	Count	Percentage (%)	Count	Percentage (%)
Poor internet	68	34	42	21
Add on costs	44	22	64	32
Fear of cyber fraud	48	24	36	18
Lack of technological knowhow	16	08	30	15
Non availability of digital infrastructure	24	12	28	14
Total	200	100	200	100

Source: Primary Data

Interpretation

In 200 working respondents, 68 respondents face challenges due to Poor internet, 44 respondents face challenges due to Add on costs, 48 respondents face challenges due to Fear of cyber fraud, 16 respondents face challenges due to Lack of technological knowhow and remaining 24 respondents face challenges due to Non availability of digital infrastructure.

In 200 non working respondents, 42 respondents face challenges due to Poor internet, 64 respondents face challenges due to Add on costs, 36 respondents face challenges due to Fear of cyber fraud, 30 respondents face challenges due to Lack of technological knowhow and remaining 28 respondents face challenges due to Non availability of digital infrastructure.

Testing of Hypothesis

H_{o1}: There is no significant relationship between occupation of the digital Payment service user and usage of digital payment services.

H_{a1}: There is a significant relationship between occupation of the digital Payment service user and usage of digital payment services.

The chi-square test is used to determine the relationship between occupation of the digital service user and usage of digital payment services. The results are as follows:

Table 12: Observed Frequency (fo)

People (Respondents)	Using Digital Payment Services	Not- Using Digital Payment Services	Total
Working People	172	28	200
Non-working People	96	104	200
Total	268	132	400

Source: Primary Data

Table 13: Expected Frequency (fe)

People (Respondents)	Using Digital Payment Services	Not- Using Digital Payment Services	Total
Working People	134	66	200
Non-working People	134	66	200
Total	268	132	400

Source: Calculated from Primary Data

Table 14: Chi Square Test

fo	fe	fo-fe	(fo-fe) ²	(fo-fe) ² /fe
172	134	38	1444	10.78
28	66	-38	1444	21.88
96	134	-38	1444	10.78
104	66	38	1444	21.88
Total				X ² =65.32

Here, X² = chi- square value, as Calculated from Primary Data

Interpretation

From the above table it is stated that the calculated value of chi square is 65.32 where as the table value of chi square X² on 5% significance level for 1degree of freedom is 3.841. It indicates that the calculated value is more than the table value (65.32 >3.841). Hence the null hypothesis (H_{o1}) is rejected and the alternate hypothesis (H_{a1}) is accepted. Thus the test X² proves that there is a significant relationship between occupation of the digital Payment service user and usage of digital payment services.

Findings of the Study

- As per the demographic profile of the respondents, Males constitute 61% whereas females constitute 39% of total.
- Amongst the respondents, the Age group (30-45 years) constitute the maximum 33% whereas in age group 60 and above the respondents have least coverage 16%.
- In the study, maximum 33% coverage is of respondents who are post graduate.
- As per requirement of study 50% respondents are working and 50% as non working.
- In the study, 59% respondents are married and 41% are unmarried.
- Amongst the working respondents, 86% are using digital payment services whereas amongst the non working respondents, only 48% are using digital payment services.

- Amongst the working respondents, maximum 28% use Internet Banking as the most preferred mode of Digital payment services whereas in non working respondents, maximum 16% use Mobile wallet as the most preferred mode of Digital payment services.
- In working group, for maximum 26 % respondent's most important feature for choice of Digital payment services is being Fast whereas in non working group, the maximum 15% respondent's most important feature for choice of Digital payment services is being convenient.
- Amongst the working respondents, maximum 29% use Digital payment services for fuel payments whereas in non working respondents, maximum 23% use Digital payment services for Shopping.
- The motivational factor for using Digital payment services amongst the maximum 48% working respondents is Discounts whereas for maximum 24% non working respondents is Cashback.
- For maximum 34% working respondents, the biggest challenge in using Digital payment services is Poor internet whereas in maximum 32% non working respondents it is Add on costs.
- The Chi-square test is performed as per the requirement of the study to test the hypothesis and it is concluded that there is a significant relationship between occupation of the digital Payment service user and usage of digital payment services.

Conclusion

It is concluded that digitalization of payment system is a vital step towards technological inclusion and efforts need to be taken to further promote this mechanism in urban as well as rural areas. Further it is recommended that the technology driven risks are to be administered on priority to enhance customer trust, satisfaction and confidence towards the innovative channels. The paper concludes with opportunities for future growth in digital economy and further innovations in Indian banking sector.

References

- ❖ Akhila Pai H. (2018), "Study of Consumer Perception towards Digital Wallets", International Journal of Research and Analytical Reviews, ISSN 2349-5138 Print page 385-391.
- ❖ Alaknanda Lonare, Anukriti Yadav, Samiksha Sindhu (2018), "E-Wallets : Diffusion & Adoption in Indian Economy", Indian Journal of Commerce And Management Studies, ISSN 2249-0310, page 09-16.
- ❖ Digital payment Awareness (2017), Report, National Institute of Electronics and Information Technology, Ministry of Electronics and Information Technology, Government of India.
- ❖ Dr Ramesh Sardar (2016), "Preference Towards Mobile Wallets Among Urban Population of Jalgeon City", Journal of Management page 01-11.
- ❖ Dr. U Thaslim Ariff and K Akshaya (2019), "Customers Preference Towards Mobile Payment App", Pramana Research Journal, ISSN 2249-2976 page 561-570.
- ❖ Dr.KA Rajanna (2018), "Growth of Cash-less Transactions In India: Challenges and Prospects", International Journal of Engineering Development & Research, ISSN 2321-9939 page 199-204.
- ❖ K Viniha and S Vasantha (2017), "Factors Influencing Consumers Intention to Adopt Digital Payment- Conceptual Model", Indian Journal of Public Health Research & development, 2017.
- ❖ Kothari C R, Research methodology methods & Techniques(2004), New Age International Publisher, New Delhi
- ❖ Mahesh Vashista (2017), "Awareness of Consumers Regarding Various Modes of Cash less Transactions". International Journal of Acedemic Research & Development, ISSN 2455-4197 page 726-729.
- ❖ Sanghita Roy and Indrajit Sinha (Jan 2014), "Determinants of Customer's Acceptance of Electronic Payment System in indian Banking Sector- A study", International Journal of Scientific & Engineering Research, ISSN 2229-5518, Page 177-187.

