



A STUDY ON THE ADOPTION OF DIGITAL PAYMENTS BY SMALL RETAIL STORES

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ABSTRACT:

Adoption of digital payment methods (such as internet banking, mobile wallet money, and credit/debit cards) in small retail stores which have increased in the developing world, and is a cornerstone for financial inclusion initiatives in developing countries Digital payment usage has pervaded to levels of transactions for online shopping to level of street vendor. Retailers are able to implement infrastructure to transact digitally (such as bank accounts and smart phones), fees on digital platforms are affordable, and smallscale retailers are sufficiently literate to be able to use digital payment systems. Using a quantitative methodology this study, investigated the challenges faced by these small retail stores. This study intends to determine the factor influencing the overall adoption of digital payment, the factors considered are perceived usefulness, perceived ease of use, risk, subjective norms, self-efficacy, facilitating condition, behavioural intentions, behavioural control are identified in the study. The data has been collected from 150 respondents of retail store owners in Chennai. Convenient sampling technique was employed in collecting samples. Percentage Analysis, ANOVA Analysis, Correlation Analysis, chi square Test Analysis, have been utilized to interpret data. From the analysis we came to know that the tenure of usage and years of business does play a vital role in making decision and is the reason to adopt the digital payment method. There is high correlation between behavioural intension and perceived behavioural control. Hence convenience and customer demand are the primary reason to adopt digital payment in retail stores, yet there is a very low concern about fear of being cheated and security of transaction in digital platform by retailers in Madurai city.

KEYWORDS:

DIGITAL PAYMENTS, SMALL RETAIL STORES, ADOPTION.

1.1 INTRODUCTION

The Indian government has been advancing and engendering on the web installments forcefully, beginning with demonetization back in 2016. 'Digital India' had been the controlling power of numerous monetary and monetary choices that pushed Indians to change to online installments. Now, the world has been moving towards everything computerized for quite a while. Nonetheless, the year 2020 put into viewpoint the desperate need to adjust to advanced innovation quickly. This variation happened immediately with the lockdown becoming effective, particularly for advanced installments in India. In this study, Adoption of digital payment technologies (such as internet banking, mobile wallet money, and credit/debit cards) in small retail help us to know better whether the retailers are able to implement infrastructure to transact digitally (such as bank accounts and smart phones), fees on digital platforms are affordable, and smallscale retailers are sufficiently literate to be able to use digital payment systems. There have been independent variables as demographic variables: annual income, years of business, tenure of usage and the dependent variables: Perceived

usefulness, perceived ease of use, risk, subjective norms self-efficacy, facilitating condition, behavioral intentions, behavioral control were used for the analysis. The commonly used technique is experimental questionnaire which consists of questions on hypothetical scenarios and/or adoption decision of retailers. During this method, retailers were asked to complete a questionnaire for gathering information about the ease of use, risk, subjective norms self-efficacy of retailers through a series of questions.

1.2 STATEMENT OF THE PROBLEM

Study on adaptability of digital payments and various factors influencing the adoption of these payment methods. why retail shops have adopted to this digital payment services. This study helps in understanding how the retail stores are using digital payments on their daily transactions. Does new age digital payment system show any impact on the businesses of small retail stores. Now a days people are busy with their work, so they adopt digital payments india will be the Second largest network

users in the world. the adoptability of online payments and various factors influencing the adoption of these payment methods .This study tries to highlight How retail shops have adopted to this digital payment services. And the retail stores are using digital payments on their daily transactions. And What are the problems are faced by retail stores.

1.3 OBJECTIVES OF THE STUDY

- To study the factors influencing the digital payments adoption among retailers.
- To assess the perceived level of ease and convenience of retailers while using cashless modes of transactions.
- To identify the apprehensions of the retailers in switching over to cashless transactions.
- To analyze the influence of demographic variables on adoption of digital payments.

1.4 METHODOLOGY

1.4.1 RESEARCH DESIGN

A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data. The study design selected for this learning for both open research design and premise testing research design.The reason taking descriptive research design is to get the features of individual an objective or the variable of attention in a situation. A descriptive research design is one that simply describes something such as descriptive something such as demographic characteristics of group or customers of products.

1.4.2 SAMPLING METHOD

A Convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

1.4.3 PRIMARY AND SECONDARY DATA

Primary data, by contrast, are collected by the investigator conducting the research. Primary data refer to demographic and socio-economic characteristics of the retailers, behavior and opinion of the retailers, their awareness and knowledge.Secondary data has collected been collected from journals, Books, Websites and magazines.

1.4.4 SAMPLE SIZE

A sample size is a component of population which is cautiously selected to signify the population. The study was conducted with the sample size of 100 retailers.

1.4.5 STUDY OF THE AREA

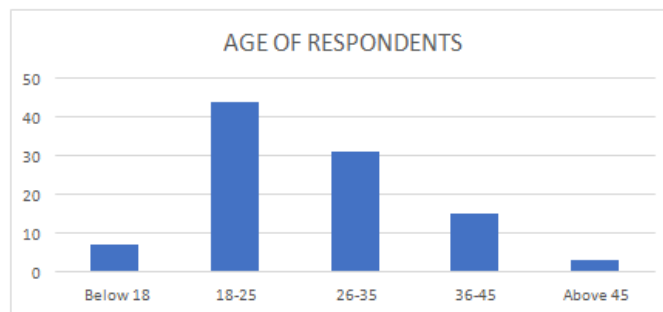
The study on Madurai city as the selected research area to analyse the adoption of digital payments by small retail store.

1.5 DATA ANALYSIS

TABLE: 1.5.1 AGE OF THE RESPONDENTS

Particulars	No of Respondents	Percentage
Below 18	7	7%
18-25	44	44%
26-35	31	31%
36-45	15	15%
Above 45	3	3%
Total	100	100%

Source -Primary Data



INTERPRETATION:

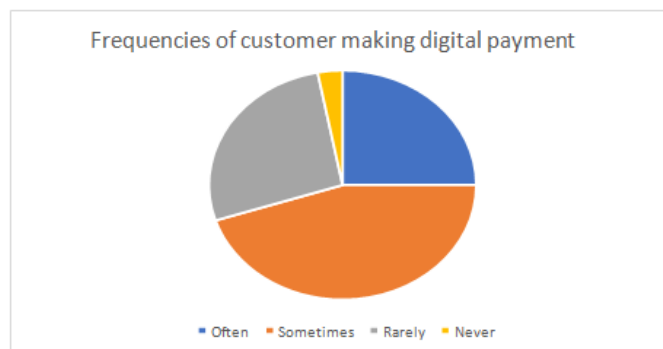
From the above it is interpreted that 7% of the respondents are below 25 years, 44% of the respondents are 18-25 years, 31% of the respondents are 26-35 years, 15% of the respondents are 36-45 years, 3% of the respondents are above 45 years.

INFERENCE

Majority (44%) of the respondents are 18-25 years.

1.5.2 FREQUENCIES OF CUSTOMER MAKING DIGITAL PAYMENT IN A DAY

Particulars	No of Respondents	Percentage
Often	25	25%
Sometimes	45	45%
Rarely	27	27%
Never	3	3%
Total	100	100%



Source - Primary Data

INTERPRETATION:

From the above table it is interpreted that 45% of the respondents use it sometimes, 25% of the respondents use it often, 27% of the respondents use it rarely, 3% of the respondents are never use it.

INTERFERENCE

Majority (45%) of the respondents use digital payment method sometimes only.

1.6 FINDING AND SUGGESTIONS:

1.6.1 FINDINGS

- Majority (44%) of the respondents are 18-25years
- Majority (48%) of the respondents are from urban region.
- Majority (45%) of the respondents use digital payment method sometimes only.
- Majority (40%) of the retail stores mostly prefers Google pay as mobile wallets.
- Majority (30%) of the respondent's primary reason was customer demands.

1.6.2 SUGGESTION

- Mobile wallets should be user friendly by making easy to access for any non-technical person
- The primary responsibility is to ensure that the users' data secured by using advanced technology.
- Private app companies should keep on adding good features to the app
- Government payment App Company should provide better services like private app companies.
- Payment app companies should add safety and security features so that it minimise its risk.

CONCLUSION

The study of adoption of digital payments in small retail stores has attempted to understand impact of new age digital payment in businesses of retail stores. It was found that digital payment method does have a greater impact on increasing the business and more convenient for customers for the transaction. From the analysis we came to know that the tenure of usage and years of business does play a vital role in making decision and is the reason to adopt the digital payment method. There is high correlation between behavioral intension and facilitating condition. Hence convenience and customer demand are the primary reason to adopt digital payment in retail stores, yet there is a very low concern about fear of being cheated and security of transaction in digital platform by retailers in Chennai. It seems that it will take enough time to become completely cashless economy. It requires a complete co-operation from people and more awareness and knowledge among retailers and common men. The problem of lack of education and digital literacy needs to be solved first to have a greater number of digital transactions. The efforts are going well by the government as well as the private sector company having their e-wallets apps such as Paytm, PhonePe etc. It is the government that needs to address these challenges and solve them in order to have a complete cashless economy and to provide sustainable economic development to the country in the future.

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