

A Study on Customers' Perception towards Digital Payment Methods Used in Retail Shops in the Tiruppur District

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Abstract

The study aimed to identify the factors influencing digital payment methods adoption, such as ease of use, security, and convenience. This was done by customers in the Tiruppur district. It also sought to determine whether there are any differences in perception between different customer segments, such as age and gender. The results of the study showed that most customers preferred digital payment methods due to convenience, security, and ease of use. It also showed that perception differences existed between different customer segments, with younger customers using digital payment methods than older customers. The study conducted for 125 convenient or Purposive sample methods, and has been this study analysis SPSS tools version 22* such as Simple percentage analysis and Henry Garrett's Ranking Technique.

Keyword's: Digital payment system, Digital Banking, Purchasing, Retail Shops

I. INTRODUCTION

Digital payments are transactions that take place via electronic or online modes, with no physical money exchange involved. This means that both parties, the payer and the payee, use electronic mediums to exchange money. Digital payments are becoming increasingly popular due to their convenience and safety. They are also faster and cheaper than traditional payments, making them attractive to consumers and businesses alike. The Government of India has undertaken several measures to promote and encourage digital payments in the country.

As part of the 'Digital India' campaign, the government aims to create a 'digitally empowered' economy that is 'Faceless, Paperless, and Cashless'. There are various types and methods of digital payments. These include mobile wallets, online transfers, prepaid cards, and UPI. All of these modes of digital payments are increasingly becoming popular, with more and more people and businesses opting to use them. This makes it easier for users to make payments, as they no longer have to worry about carrying cash or visiting a bank. It allows for faster and more secure transactions, as well as greater financial inclusion for those who are underserved by traditional banking systems. Additionally, these digital payment methods are more cost-effective, as they reduce the cost of transactions and simplify the process. These digital payment methods also provide greater transparency, allowing users to track their payments and have greater control over their financial activities. Furthermore, these digital payment methods are less prone to errors and fraud, as they use sophisticated encryption technology to protect user data. This technology also makes it possible for users to complete transactions quickly and securely without having to go through multiple intermediaries. Additionally, digital payments provide greater convenience by enabling users to make payments anytime, anywhere. This makes it easier for people to manage their finances and access financial services.

Review of Literature

Junadi and Sfenrianto (2015) we have conducted a study on the model of factors influencing consumers' intention to use E-Payment Systems. This study only covers Indonesia. The researcher focused on electronic commerce's rapid growth in Indonesia over the past few years. E-commerce companies provide opportunities for E-payment systems. The key study researcher has been customer influencing accepted on E-Payment system technology.

(Echekoba Felix Nwaolisa and Ezu Gideon Kasie (2012) In their study electronic retail payment systems: user acceptability and payment problems concept based on the study sample size of 484 respondents in Nigeria, and has been the researcher mainly focused on e- payment systems, payment mechanisms/instruments, retail payments, digital retail payments, ATMs, payment settlement problems in searcher mainly focused on their study.

(Vikas Gupta and Vidhi Gupta (2021) Consumer perception of digital payments in India was examined in their study. The researcher collected a sample size of 150 respondents and focused on Digital Payments. E-transactions play a vital role nowadays. From its creation to the time of demonization, e-transactions have witnessed remarkable growth. The main factors that contributed to this growth are discussed in this research.

(Nilamben Parmar and Suresh Machhar (2015)) Developed a study on e-payment systems adoption in India: a literature review. The researchers conducted 142 research papers. The study focused on Adoption, E-Payment Systems, and Technology. The study found that the adoption of e-payment systems in India is influenced by factors such as user trust, convenience, cost, and security. The researcher concluded that further research is needed to understand the full impact of e-payment systems on the Indian economy.

(Kamatchi Eswaran (2019)) the study examined consumer perceptions of digital payments. The current study is based on primary data collected from 150 respondents from Virudhunagar District. Therefore, researchers focused on their study Demonetization, Consumer Perception, Digital Payment, and Digital Wallet payment transaction consumer perception. The study revealed that overall consumer perception towards digital payments was positive. Consumers saw digital payments as a convenient, secure, and fast way to make purchases. The study also found that digital wallets were the most preferred digital payment method.

(Irina Dimitrova and Peter Öhman et al. (2021)) the study identifies barriers to bank customers adopting digital payment methods fully. This study empirically investigates the relationship between functional and social-psychological barriers and bank customers' intention to fully adopt digital payment methods (DPMs). Banks should also focus on reducing the risk of DPMs, such as security and privacy issues, in order to ensure customers' trust in digital financial services. Additionally, banks should evaluate the success of the implemented measures and modify them accordingly.

Statement of the Problems

This study with identifying the problem with digital payment methods used in retail shops is the lack of security. These payment methods are vulnerable to cyber-attacks and other forms of fraud, which can compromise the safety and privacy of customers, and retailer customers using the digital payment options how to select and how to use the payment options are identified problems. These problems need to be addressed in order to ensure the safety and security of digital payment methods used in retail shops. Additionally, customers should also be educated on the proper use of these payment methods to reduce the risk of fraud.

Scope of the Study

Digital payment methods are becoming increasingly popular, as they offer a more convenient, secure, and efficient way to make payments. They can be used for purchases of goods and services, money transfers, and payments to bills. They can also be used to store and access money, making them a viable alternative to traditional banking services.

Digital payment methods can also be used to access financial services such as loans, insurance, and investments. They can also facilitate international payments, allowing users to send and receive money across borders quickly and securely.

Objective of the Study

- To study revealed socio-economic Digital payment using the retailer customers in Tiruppur District.
- To study the Customers perception Digital payment traction in Tiruppur district
- To find out the problems faced about Digital Payments Customers in Tiruppur district

Research Methodology and Data Collection

1. Data Collection

- Secondary Data
- Primary Data

2. Sample design

- Purposive sampling

3. Size of Sample

- 125 respondents for Tiruppur customers

i) Socio-economic profile

S.No	Demographic Profile &iii. Customer Perception to Digital Payment transaction Methods		
	Profile Status	No. of Respondents	Percentage
	Respondents' Gender		
1	Male	72	57.6
2	Female	46	36.8
3	Transgender	7	5.6
Respondents' Age			
1	18-25 Years old	47	37.6
2	26-30 Years old	38	30.4
3	31-36 Years old	15	12.0
4	37-40 Years old	16	12.8
5	<41 Years old	9	7.2
Marital Status			
1	Married	44	35.2
2	Unmarried	72	57.6

3	Others	9	7.2
Qualification			
1	Degree	37	29.6
2	Post-Graduation	33	26.4
3	Others	55	44.0
Profession			
1	Business	22	17.6
2	Media Industry	25	20.0
3	Service Industry	42	33.6
4	Others	36	28.8
Family Income per month			
1	<Rs. 25,000	47	37.6
2	Rs. 25,001 – Rs.50,000	38	30.4
3	Rs. 50,001 – Rs. 1,00,000	25	20.0
4	<Rs. 1,00,001	15	12.0
Uses a Digital Payment Account			
1	SBI	42	33.6
2	Indian Banks	19	15.2
3	Canara Bank	37	29.6
4	Others Banks	27	21.6
Digital Payment using the Application			
1	Google Pay	67	53.6
2	PhonePe	27	21.6
3	Amazon Pay	9	7.2
4	BHIM	13	10.4
5	Other	9	7.2
Years of Using Digital Payment Account			
1	Below -6 Months	27	21.6
2	1-2 Years	49	39.2
3	3-4 Years	29	23.2
4	Above 4 Years	20	16
Purpose of Usage the Digital Payment			
1	Product Purchasing	47	37.6

2	Money Transfer	19	15.2
3	Bill payment/Mobile Recharge	25	20
4	Other	34	27.2
Most prefer using the Digital Payment			
1	Electronic Products	13	10.4
2	Book Movie Tickets	23	18.4
3	Cloths	19	15.2
4	Others	70	56
Purchasing Retail Shop Products			
1	Clothing/electronics	9	7.2
2	Home Appliances	15	12
3	Footwear/Toys	13	10.4
4	Cosmetics/sporting goods	27	21.6
5	Food, Books/Jeweler	33	26.4
6	Others	31	24.8
Total		125	100.0

Sources: Primary Data

Interpretation

- **Gender;** Frame the above table out of 125 respondents, 57.6 % of the gender respondents belong to Male category, similarly 36.8% female category and remaining 5.6% Transgender category
- **Age;** Frame the above table out of 125 respondents, 37.6 % of the Age respondents are 18-25 Years old completed, similarly 30.4% 26-30 Years old, followed by 12.0% 31-36 Years old, among 12.8 % 37-40 years old and remaining 7.2% Above 41 years old participant.
- **Marital Status;** Frame the above table out of 125 respondents, 35.2 % of the Married respondents, similarly 57.6 % unmarried category and remaining 7.2% other category.
- **Education Qualification;** Frame the above table out of 125 respondents, 29.6 % of the respondents Degree qualified, similarly 26.4 % Post-Graduation qualified and remaining 44.0% other education qualified.

- **Profession;** Frame the above table out of 125 respondents, 17.6 % of the respondents family profession Business, similarly 20.0% Media industry working profession, among 33.6% service industry, and remaining 28.8% other Professions.
- **Family income per month;** Frame the above table out of 125 respondents, 37.6 % of the respondents Family income per month below Rs. 25,000 earning, similarly 30.4% Rs. 25,001 to Rs. 50,000 earning, among 20.0% Rs. 50,001 to Rs. 1,00,000 earning, and remaining 12.0% Above Rs. 1,00,001 earning.
- **Using a digital bank account;** Frame the above table out of 125 respondents, 33.6 % of the respondents Accounted SBI bank, similarly 15.2% Indian bank savings account, among 29.6% Canara bank account, and remaining 21.6% other bank accounts.
- **Digital Payment using the Application;** Frame the above table out of 125 respondents, 53.6% of the respondents using the Google Pay Applications, similarly 21.6% PhonePe applications, among 7.2% Amazon Pay Application, Followed by 10.4% BHIM applications, and remaining 7.2% other applications.
- **Years of using Digital Payment account;** Frame the above table out of 125 respondents, 21.6% of the respondents Below-6 Months using the Digital Payment account, similarly 39.2% 1-2 years, among 23.2% 3-4 years, and remaining 16.0% Above 5 years.
- **Purpose of using the Digital Payment account;** Frame the above table out of 125 respondents, 37.6% of the respondents Product purchasing purpose, similarly 15.2% Money transfer purpose, among 20.0% Bill payment or Mobile recharge purposes , and remaining 27.2% other purpose.
- **Most prefer using the Digital Payment;** Frame the above table out of 125 respondents, 10.4% of the respondents Electronic product purchasing prefer, similarly 18.4% most prefer Book movie tickets, among 15.2% Cloths, and remaining 56.0% most prefer others.
- **Purchasing retail shop products;** Frame the above table out of 125 respondents, 7.2% of the respondents Clothing electronics purchasing, similarly 12.0% Home appliances, Followed by 10.4% Footwear & toys, 21.6% Cosmetics / sporting goods, among 26.4 % Food , Books, Jeweler, and remaining 24.8% others purchasing retail shop products.

ii) Problems in Digital payments

S.NO	Reasons	GarretScore	Mean	Rank
1	Send And Received	6934/125	55.472	I
2	Money Easily to Contact	5564/125	44.512	IV
3	Offers And Rewards	5512/125	44.096	V
4	Multiple Payments Options	6228/125	49.824	III
5	Mobile Recharge	6402/125	51.216	II
6	Free of Cost	4960/125	39.68	VII
7	Bill Payment	5506/125	44.048	VI

Sources: Primary Data

According to the Table, it is that clear that the sample of the respondents ranked features sent and received has been Ranked as first, mobile recharge has been Ranked as second, multiple payment options have been Ranked as Third, money easily contacted has been Ranked as Fourth, offers and rewards has been Ranked as Fifth, Bill payment has been Ranked sixth, Free of cost has been Ranked as seventh Respectively.

Findings

- This represents more of a male category purchasing retail shops since 57.6% of respondents are males
- In the age group of 18 to 25 years, 37.6 percent adopted digital payment methods such as Google Pay, PhonePe, etc.
- Unmarried people make up 57.6% of the population
- The 44% with education qualifications have other qualifications, such as a diploma, etc.
- Professionals in the service industry make up 33.6% of respondents
- There were 37.6% of families with a monthly income less than Rs. 25, 000
- In the State Bank of India, 33.6% of customers use the Digital Payment Bank account.
- The Google Pay application was used for 53.6% of digital payments
- Based on 39.2% of the respondents who have used a digital payment account for at least one year

- Digital payments are used by 37.6% of respondents for product purchases
- Show that 26.4% were food, books/Jewelry purchasing retail products

Suggestions

- Retailers should consider using digital payment methods such as contactless cards, mobile payments, and digital wallets. This will make it easier for customers to make payments, reducing the amount of time spent in the checkout line, and increasing customer satisfaction. Additionally, digital payment methods offer increased security, with features such as multi-factor authentication and fraud monitoring.
- Digital payment methods, such as contactless cards, mobile wallets, and QR codes, can make it easier and faster for customers to pay for their purchases. This can lead to increased sales, better customer service, and reduced costs associated with accepting cash and other traditional payment methods.
- Digital payment methods are becoming increasingly popular in retail stores due to their convenience and security. They can also help reduce costs associated with traditional payment methods, such as credit cards, and enable customers to pay with their mobile devices.

II. CONCLUSION

Customers are increasingly likely to favor digital payment methods over traditional methods such as cash and checks. This is due to the convenience and security offered by digital payment methods, as well as the increasing availability of digital payment options in retail shops. Customers prefer digital payments because they are convenient, secure, and offer a wide range of payment options. Digital payments are also faster and more efficient than traditional cash payments, which makes them an attractive option for customers. Furthermore, digital payments are becoming increasingly popular due to their ability to offer customers more control over their finances and a greater level of convenience.

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