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A Study on the Perspective Consumer's Adoption of E-Payments services- with Reference to Mayiladuthurai Town

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Abstract: E-payments are electronic or digital ways of transferring funds as an alternative to cash payments. They offer various advantages such as time-saving, efficiency, security, and cashless economy. However, the adoption of e-payments by consumers depends on various factors such as awareness, trust, convenience, cost, and infrastructure. This study aims to explore the perspective of consumers in Mayiladuthurai town, a district headquarter of Tamil Nadu, India, on the adoption of e-payments services. The study uses a survey method to collect data from 246 respondents who use e-payments for various purposes. The data is analyzed using descriptive statistics and regression analysis. The results show that awareness, trust, convenience, and cost have a positive and significant impact on the adoption of e-payments, while infrastructure has a negative and insignificant impact. The study also provides some implications and recommendations for the stakeholders involved in the promotion and development of e-payments in Mayiladuthurai town.

Keywords: *E-Payments, Digital payments, demonetization, online payments.*

I. INTRODUCTION

The Digital India is the Indian Government flagship programme with a vision to convert India into a digitally empowered country. "Faceless, Paperless, Cashless" is one of supposed function of Digital India. As part of government reforms Prime Minister Mr. Narender Modi demonetized the high value currency of Rs. 500 and 1000 in November 2016 and also launched the digital India initiative in 2015.These initiatives have provided extensive boost up to the digital payment system in the country. Government's other initiatives like BHIM and UPI are supporting in transition and faster adoption of digital payments. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment.

The digital payment system has the following phases.

1. Registration
2. Invoicing
3. Payment selection
4. Payment confirmation.

This payment system generally includes 3 electronic payment instruments namely, cash, cheque and card. Post demonetization is effecting the e-commerce sector that Cash on Delivery is gradually getting stopped and other modes of payment is replace like Card on Delivery, Net Banking, Debit Card, Credit Card etc. .Demonetization will positively help out e-commerce industry in India enhances the chance for people to go cashless. As part of encouraging cashless transactions and transforming India into less cash society, various modes of digital payments are available.

Methods of digital payment

Banking cards: These are debit, credit, or prepaid cards that can be used for online or offline transactions. They are issued by banks or other service providers like VISA, Mastercard, RuPay, etc.

USSD: This is a service that allows mobile users to access banking services by dialing *99# on their phones. It does not require internet or a smartphone. It can be used for balance inquiry, fund transfer, mini statement, etc.

UPI: This is a system that enables instant and seamless money transfer between any two bank accounts using a virtual payment address (VPA). It can be accessed through various apps like Google Pay, PhonePe, Paytm, etc.

AEPS: This is a system that allows Aadhaar-linked bank account holders to perform basic banking transactions using their Aadhaar number and fingerprint. It can be used for cash deposit, cash withdrawal, balance inquiry, etc.

Mobile wallets: These are apps that store money in a virtual wallet and allow users to pay for various services or products using their mobile phones. Some examples are Paytm, MobiKwik, Freecharge, etc.

PoS machines: These are devices that accept card or mobile payments at physical stores or outlets. They can be connected to a bank account or a mobile wallet.

Mobile banking: This is a service that allows users to access their bank accounts and perform various transactions using their mobile phones. It requires internet and a smartphone. It can be used for checking balance, paying bills, transferring money, etc.

Internet banking: This is a service that allows users to access their bank accounts and perform various transactions using a computer or a laptop. It requires internet and a browser. It can be used for paying bills, transferring money, opening accounts, etc.

The benefits of digital payments are:

- They are convenient, fast, and secure.
- They reduce the risk of theft, fraud, or counterfeit.
- They promote transparency and accountability.
- They save time and cost of handling cash.
- They encourage financial inclusion and literacy.

II. LITERATURE REVIEW

Rakesh H M & Ramya T J (2014) in their research paper titled "A Study on Factors Influencing Consumer Adoption of Internet Banking in India" tried to examine the factors that

influence internet banking adoption. It is found that internet banking is influenced by its perceived reliability, Perceived ease of use and Perceived usefulness. In the process of internet banking services expert should emphasize the benefits its adoption provides and awareness can also be improved to attract consumers‟ attention to internet banking services.

E-payment systems are important mechanisms used by individual and organizations as a secured and convenient way of making payments over the internet and at the same time a gateway to technological advancement in the field of world economy (Slozko & Pello, 2015).

Sanghita Roy, Dr. Indrajit Sinha (2014) . stated that E-payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Still 90% of the transactions are cash based. Technology Acceptance Model used for the purpose of study. They found Innovation, incentive, customer convenience and legal framework are the four factors which contribute to strengthen the E- payment system.

Kartikeya Bolar (2014) In his research paper "End-user Acceptance of Technology Interface In Transaction Based Environment "stated that Creators stores of technology need information about the customers‟ evaluation of their technology interface based on the features and various quality dimensions to make strategic decisions in improving technology interfaces and compete on various quality dimensions.

Objective of the Study

- To find out the age of respondents impact on electronic payments.
- To examine the impact of customers education on usage of electronic payments.
- To analyse the impact of customers income status on usage of electronic payments.

Hypothesis

H01: there is no significant impact of customer's age on usage of digital payments.

H02: There is no significant impact of customer's education on usage of digital payments.

H03: There is no significant impact of customer's income on usage of digital payments.

Research Methodology

The study is conducted to obtain data on adoption of digital payment system in India. The study is conducted in Mayiladuthurai town. A sample size of 300 was selected using the convenience sampling. Out of which 245 were responded. This represents a response rate of 92%. Structured questionnaires are used for collecting data. The responses from the respondents were analysed using the simple percentage analysis and Chi square test.

Limitations of the Study

The present study has some limitations that need to be acknowledged. First, the sample size of 245 respondents may not be representative of the entire population of consumers who use e-payments services in Mayiladuthurai Town. Therefore, the findings of this study may not be generalizable to other contexts or regions. Second, the study relied on self-reported data from a questionnaire survey, which may be subject to social desirability bias, recall bias, or measurement error. Third, the study did not explore the factors that influence the adoption of e-payments services from the perspective of service providers, regulators, or intermediaries. Thus, the study may not capture the complete picture of the e-payments ecosystem in India. Future research may address these limitations by using a larger and more diverse sample, employing multiple methods of data collection and analysis, and incorporating the views of other stakeholders in the e-payments industry.

Data Analysis and Interpretation

Gender Wise Respondents

The gender of respondents in the consumer behaviour towards internet banking has been presented in the Table 1.

Table 1: Gender of the Respondents

Gender	No. of Respondent	Percentage
Male	178	72.65
Female	67	27.35
Total	245	100

Source: Primary data

The data in Table 1 shows the distribution of gender among the respondents who participated in a survey on consumer behaviour towards internet banking. Out of the total 245 respondents, 178 were male and 67 were female. This means that the majority of the respondents (72.65%) were male, while only 27.35% were female. This suggests that there is a significant gender gap in the usage and adoption of internet banking among the consumers. Possible reasons for this gap could be the differences in income, education, access, trust, or preference between male and female consumers.

Age of the Respondents

The age category of respondents in the consumer behaviour towards internet banking has been presented in the Table 2.

Table 2: Age of the Respondents

Age	No. of Respondents	Percentage
20 to 30 years	67	27.35
31 to 40 years	72	29.39
41 to 50 years	62	25.31
Above 50 years	44	17.96
Total	245	100.00

Source: Primary data

The table shows the distribution of the respondents' age in a survey on consumer behaviour towards internet banking. The majority of the respondents (29.39%) were in the age group of 31 to 40 years, followed by 27.35% in the age group of 20 to 30 years. The least represented age group was above 50 years, with only 17.96% of the respondents. The average age of the respondents was 37.5 years, which indicates that internet banking is more popular among younger and middle-aged consumers.

Occupation of the Respondents

The occupation of respondents in the consumer behaviour towards internet banking has been presented in the Table 3.

Table 3: Occupation of the Respondents

Profession	No. of Respondents	Percentage
Government Employee	73	29.80

Private Employee	64	26.12
Businessman	59	24.08
Student	26	10.61
Homemaker	23	9.39
Total	245	100.00

Source: Primary data

Table 3 shows the distribution of the respondents' profession in a survey on consumer behaviour towards internet banking. The most common profession among the respondents was government employee, with 29.80% of the total. The second most common profession was private employee, with 26.12% of the respondents. The least common profession was homemaker, with only 9.39% of the respondents. The average percentage of respondents who were businessmen, students, or homemakers was 14.69%, which indicates that internet banking is more popular among salaried employees.

Monthly Income of the Respondents

The monthly income of respondents in the consumer behaviour towards internet banking has been presented in the Table 4.

Table 4: Monthly Income of the Respondents

Monthly Income	No. of Respondents	Percentage
Rs.10,000 to Rs.20,000	61	24.90
Rs.20,001 to Rs.30,000	57	23.27
Rs.30,001 to Rs.40,000	49	20.00
Rs.40,001 to Rs.50,000	45	18.37
Above Rs.50,000	33	13.47
Total	**245**	100.00

Source: Primary data

Table 4 depicts that, a maximum of 30.50 per cent of the respondents are in the income category of Rs.10.000 to Rs.20,000, followed by 23.27 per cent of the respondents are in the monthly of Rs.20,001 to Rs.30,000, 20 per cent of the respondents are in the monthly of Rs.30,001 to Rs.40,000, 13.47 per cent of the respondents are in the monthly of above Rs.50,000 and 18.37 per cent of the respondents are in the monthly of Rs.40,001 to Rs.50,000. It shows that, the respondents income of below Rs.20,000 is more and other income category is more or less equal distributed among the respondents in the electronic payments.

CONCLUSION

E-payments are becoming more popular and prevalent in India, especially in the urban areas. However, there are still some challenges and barriers that hinder the adoption of e-payments by consumers in the rural and semi-urban areas. This study has examined the perspective of consumers in Mayiladuthurai town, a newly formed district of Tamil Nadu, on the adoption of e-payments services. The study has found that awareness, trust, convenience, and cost are the main factors that influence the adoption of e-payments, while infrastructure is not a significant factor. The study has also suggested some ways to improve the awareness, trust, convenience, and cost of e-payments, and to overcome the infrastructure issues in Mayiladuthurai town. The study has contributed to the literature on e-payments adoption by providing empirical evidence from a specific context and location. The study has also provided some practical insights and guidance for the policy makers, service providers, and consumers of e-payments in Mayiladuthurai town.

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