

A STUDY OF CONSUMER'S PERCEPTION TOWARDS FREQUENTLY USE OF TYPES OF E-PAYMENT SYSTEM IN INDORE DIVISION

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ABSTRACT

"Paperless, Faceless, Cashless" is one of perceived role and motto of Cashless Economy. As part of promoting cashless and paperless transactions and change the economy into cashless society or economy, various types of electronic payments are available. The various types of electronic payment system are Net Banking, Debit Card, Credit Card, E- Wallets etc. The present study is focused on consumer's attitude or perception towards frequently use of different types of e-payment system. The research was focused on primary data which was collected through the 400 respondents or users of Indore Division those uses e-payment system. The outcomes of the study will be helpful for various researchers, academicians, professionals and other users who uses e-payment system.

Keywords: *Electronic Payment System, Debit Card, Credit Card, E-Wallet.*

INTRODUCTION

Internet usage has grown rapidly and it has become a means for delivering and trading information, services and goods (Albarq, 2006). Electronic payment system refers to an electronic device that allows a person to make e-commerce transactions and to purchase various goods and services. Today, India is moving on the path of a digital revolution. In other words, Digitalization of the payment system will be measured as milestone in the era of cashless economy. The growth and development of the Indian electronic payments freedom is expected to be determined by four trends - i)India going digital, ii)favourable regulatory environment, iii)emergence of next generation payment service providers and iv)enhanced customer experience are the four drivers contributed to the growth and development of Indian electronic payment systems. Today E-payment system is not only a payment media, but also a means of e-commerce transactions for consumers at international market. E-payment system transforms the way of customers of payment for purchasing of various goods and services. Nowadays, consumer is no longer bound to stand in a long queue of payments to make payments. So, the focus of this study to know the consumer's perception towards frequently use of different types of e-payment system in Indore Division.

LITERATURE REVIEW

Singhal & Padhmanabhan (2008) examined the main factors responsible for internet banking based on consumers's perception on various internet applications. They also examined the future research which may include the importance of various factors and considered the impact of other demographic variables like education.

Teoh et.al (2013) explored the factors influencing Malaysian customers' perception towards electronic payment. The results showed that e-payment is broadly used which reflects the growth of such services in Malaysia. The findings also showed that the three factors i.e. benefits, self-efficacy, and ease of use were significantly associated with consumer's perception toward electronic payment. Moreover, security and trust were not significantly associated with consumers' perception toward electronic payment.

Jalil et.al (2014) studied that customer trust was the main important variable that positively and significantly affected all the other variables. They examined the perception of Malaysian consumers towards online banking. The finding showed that security, trust and website itself had a significant relationship with the consumer's perception towards online banking in a Malaysia. The findings related to customer trust were somewhat inconsistent with prior studies that found a positive impact on customer intentions to use online banking (Chong et al., 2010; Eriksson et al., 2005). However, some studies found no significant relationship between a website and trust but security did have a significant relationship with trust in terms of the use of online banking (Balasubramanian et al., 2003; Eriksson et al., 2005; Kenneth et al. 2010).

Vij et.al (2014) found that Electronic banking was considered a substantial impact on banks' performance. The major reason behind this success was that it can provide various benefits, both to the customers and banks of financial services. It can provide a large number of choices in terms of the channels they can use to perform their business and convenience in terms of where and when they can use E-banking. Many people are adapting to this technique and the banking industry is bound to develop.

Mathivanan & Kavitha (2015) found that e-banking has become a necessary weapon for the survival of users. It was found that the click of the mouse offers various types of banking services to the consumers at a lower cost and empowers them with unique freedom in choosing for their financial service needs. They found that banks have to upgrade and thinking of new innovative customized packages and services to remain competitive.

Rajput(2015) conducted this study with the objective of investigating customer's perception regarding e-banking. This study revealed that education, gender and income play a crucial role in the usage of online banking. It was found that the research was corroborated the conceptual framework stating that if skills can be upgraded there will be greater determination to use online banking by consumers.

Abid (2016) has made an attempt to studied the e- payment system that has typically changed the traditional payment system in India. In this study the time period is taken for last five years only, i.e. from 2010-2011 to 2014-2015 and is based on secondary data sources. The paper talked about different electronic payment methods provided by Reserve Bank of India and Indian banks and their level of transactions in terms of value and volume. It was found that the e-payment systems registered high volumes in 2014-2015, following the determined efforts made by the RBI for movements to e-payments. Similarly, transactions processed by the paper-based clearing systems had shown a continuous decline both in terms of value and volume. Overall, the payment and settlement systems posted a higher growth of 27.1 percent in volume and a lower growth of 5.4 per cent in value in 2014-2015 in relation to the previous year.

Sumathy & KP (2017) found that it is necessary to move away from the cash-based system to cashless (electronic) payment system. The results showed that it will provide several advantages like it reduces the currency management cost, track every transactions, frequently check tax avoidance or fraud etc., enhances financial inclusion and progressively integrate the parallel economy with the main stream. Furthermore, the usage of mobile wallets crosses the boundaries of big cities and gains popularity in villages also.

Manikandan & Jayakodi (2017) concluded that the due to the government policy of demonetization the usage of mobile wallet are spread amongst the people in India. The acceptance of mobile wallet increases as issues related to security are tight and risk factors are also reduced. Apart from these factors the convenience and ease of use gained popularity to the usage of mobile wallet and it also concluded that there will be a tremendous growth in adoption of mobile wallet in the upcoming years.

Abrazhevich examined that the survey was needed to found out various needs of the user and to guide them for the further design of e-payment systems with the high number of user acceptance. The results also showed that there is a need to more detailed analysis. It was examined that if user-centered approach will be applied than there is a chance to increase and coming up with valid recommendations for design of electronic payment systems which will result in better user acceptance.

Singh & Rana made an attempt to understand customer perception regarding digital payment. It was found that demographic factors except education does not have much effect on the adoption of digital payment. It was also found that there was no significant difference is perceived by the respondents on the basis of gender, age, profession and annual income. It was only education level of the respondents where there is significant difference is perceived by the respondents. It indicates that adoption of digital payment is influenced by the education level of the users.

Khan et.al (2017) examined that a better integration of online payment systems with the present financial and telecommunication infrastructure was needed for a prosperous future of this payment mode. They also found that future work may be directed towards the legalisation of various factors responsible for contributing in the effective adoption of online payment systems all over the world.

OBJECTIVE

The objective of the present study is to study and analyse the consumer's perception towards frequently use of electronic payment system.

RESEARCH METHODOLOGY

The Study: The study is exploratory in nature in which self-designed questionnaire based survey was carried out to know the consumer's perception towards frequently use of different types of e-payment system. .

The Sample: The sample of the study constituted of 400 e-commerce users of Indore Division. Out of which 152 were from Indore District, 35 were from Barwani District, 36 from Burhanpur district, 65 from Dhar District, 21 from Jhabua district, 38 from Khandwa district 32 from Khargone district and 21 from Alirajpur district were collected from Indore Division. The sample were collected using non-probability judgemental sampling method from the e-commerce users who frequently used different types of e-payment system. Non-probability sampling method was used because the sampling frames of e-commerce users of Indore Division were not available.

The Tools for Data Collection: The primary data had been collected with the help of self-structured questionnaire. The questionnaire was based on how different users use different types of e-payment system which was based on five point likert scale.

The Tools for Data Analysis: The MS Windows based Statistical Package of Social Science (SPSS 21.0) was used to analyzed the collected data. **Firstly**, Frequency Analysis had done to know the frequencies of different types of e-payment system used in Indore Division. **Secondly**, Weighted Average Score method was used to know the ranking of different types of e-payment system which was frequently used by the e-commerce users of Indore Division.

RESULTS AND DISCUSSIONS

As a result of Frequency Analysis, the frequency table of different types of e-payment system which are frequently used by the e-commerce users of Indore Division are as follows-

Table 1.1 Frequencies of Different Types of Electronic Payment System

	Every Time i.e. almost daily (5)	Frequently i.e. 03 to 04 times in a week (4)	Sometimes i.e. 01 or 02 times in a week (3)	Occasionally 01 or 02 times in 15 days (2)	Rarely i.e. 01 or 02 times in a month (1)
a) Net Banking	13 (3.25%)	155 (38.75%)	194 (48.5%)	28(7%)	10 (2.5%)
b) Debit Card	54 (13.5%)	261 (65.25%)	60 (15%)	13(3.25%)	12 (3%)
c) Credit Card	6(1.5%)	8 (2%)	21 (5.25%)	61(15.25%)	304(76%)
d) E-Cash/E-Wallet like Paytm	43(10.75%)	97(24.25%)	53 (13.25%)	186 (46.5%)	21 (5.25%)

This table shows the frequencies of different types of e-payment system i.e. Net Banking, Debit Card, Credit Card, E-cash/E-Wallet like Paytm which were frequently used in Indore Division.

Secondly, the following table shows the result of frequently used of different types of electronic payment system used in Indore Division using Weighted Score Method by calculating their ranks-

Table 1.2 – Score of Different Types of Electronic Payment System using Weighted Score Method

	Every Time i.e. almost daily (5)	Frequently i.e. 03 to 04 times in a week (4)	Sometimes i.e. 01 or 02 times in a week (3)	Occasionally 01 or 02 times in 15 days (2)	Rarely i.e. 01 or 02 times in a month (1)	Total Score	Rank
a) Net Banking	13 (3.25%)	155 (38.75%)	194 (48.5%)	28(7%)	10 (2.5%)	1,333	2
b) Debit Card	54 (13.5%)	261 (65.25%)	60 (15%)	13(3.25%)	12 (3%)	1,532	1
c) Credit Card	6(1.5%)	8(2%)	21 (5.25%)	61(15.25%)	304(76%)	551	4
d) E-Cash/E-Wallet like Paytm	43(10.75%)	97(24.25%)	53 (13.25%)	186 (46.5%)	21 (5.25%)	1,155	3

The result of weighted score method showed that the score of Debit card is 1532 and it is given as Rank 1. This means Debit card is that electronic payment system which is used every time i.e. almost daily by e-commerce users of Indore Division and therefore debit card have high credibility and most popular type of e-payment system amongst the e-commerce users of Indore Division . Debit card is used every time i.e. almost daily because Debit cards are the centerpiece of the new payment world (Caskey and Sellon, 1994) debit cards could be specially useful for those who did not have access to the complete range of existing payment services (Caskey and Sellon ,1994).

Secondly, the score of Net Banking is 1333 and it is given as Rank 2. It means net banking is on second position and second popular type of electronic payment system which is used amongst the users. Net Banking is second most popular e-payment system in Indore Division as Internet Banking has been regarded as the most important way to reduce cost and maintain or enhance services for consumers (Hua 2009). Internet Banking or online banking can be defined as the service that allows consumers to perform banking transactions using a computer with an Internet connection (Lloyd, 2007).

Thirdly, the score of E-cash/E-wallet like Paytm is 1155 and the rank is 3. It means E-cash/E-wallet is on third position. E-cash/E-wallet like Paytm is a kind of mobile wallet that loads money for various types of payment which is hassle free and saves time. E-wallets have a high rate on making payments with transactions in less than 10 seconds.

Last but not the least, the score of Credit card is 551 and it is on last rank i.e.4. It means credit card is least popular among the e-commerce users of Indore Division. Credit card is less popular because the problems created by credit card usage have caused fear among educators, consumers and public policy administrators. Credit card debt has become the main reason causing Americans to file for personal bankruptcy (Murray & Light, 2010; White, 2007).

CONCLUSION AND IMPLICATIONS

The present study explored and has made an attempt to understand the frequently use of different types of electronic payment system by the e-commerce users of Indore Division. It was found from the present study that Debit card is most frequently used e-payment system amongst the e-commerce users of Indore Division. Netbanking is second most frequently used type of electronic payment system. E-cash/ E-wallet like Paytm etc is third type of e-payment system which is used amongst the e-commerce users of e-payment system. Lastly, Credit card is the less use type of e-payment system amongst the e-commerce users of Indore Division. The present study addresses the primary concerns of the e-commerce users on frequently uses of different types of electronic payment system and targeting the broader segment of potential customers to use the different types of electronic payment system not in Indore division but also the other parts of India. This study will help the bankers, reaserchers, academicians, professionals and other users to understand the psyche of the customers towards different types of electronic payment system . Moreover, the outcomes of this study are beneficial for banks in setting up the policies for increasing the usage of electronic payment system which in turn will help them to remain competitive.

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