

A STUDY ON ADOPTION OF DIGITAL PAYMENT SYSTEM AMONG SMALL RETAILERS IN TENKASI DISTRICT

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ABSTRACT

Digital payment system has revolutionized trade and business extensively. With the advent of UPI and other digital mode of payment system has offered numerous benefits to both retailers and customers alike. Transactions are just a swipe away and are time saving, billions of customers prefer digital payment system due to its convenience. Retailers have also started adopting digital payment system due to its immense popularity and ease. However, small retailers still struggle to adopt digital payment system as they find it new and have security concerns. Lack of awareness and certain inhibitions to adopt the digital payment system has impacted their business in one way or other. In spite of all these, many are still reluctant to adopt digital payment system and stick to traditional mode of cash payment. Tenkasi, as a newly formed district has many small and medium retail shops catering to the needs of the general public. With ever growing population and demands, it becomes essential to study the retailers' awareness and adoption of digital payment system. Against this backdrop, the present study has been taken up to study the adoption of digital payment system among retailers in Tenkasi district.

Key words: Digital payment, adoption, UPI

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INTRODUCTION

Ever since internet and web conquered the world, there has been a new innovation or invention which has made life easy. With ever growing and expanding businesses online, every goods and services are available at the doorstep. In order to supplement online businesses and transactions, digital payment system came into force. Digital payment system has revolutionized trade and business extensively. With the advent of UPI and other digital mode of payment system has offered numerous benefits to both retailers and customers alike. Transactions are just a swipe away and are time saving, billions of customers prefer digital payment system due to its convenience. Retailers have also started adopting digital payment system due to its immense popularity and ease. However, small retailers still struggle to adopt digital payment system as they find it new and have security concerns. Lack of awareness and

certain inhibitions to adopt the digital payment system has impacted their business in one way or other. In spite of all these, many are still reluctant to adopt digital payment system and stick to traditional mode of cash payment. Tenkasi, as a newly formed district has many small and medium retail shops catering to the needs of the general public. With ever growing population and demands, it becomes essential to study the retailers' awareness and adoption of digital payment system. Against this backdrop, the present study has been taken up to study the adoption of digital payment system among retailers in Tenkasi district.

OBJECTIVES OF THE STUDY

Primary Objectives

- To study the factors influencing the digital payments adoption among retailers.

Secondary Objectives

- 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
- To analyze the influence of demographic variables on adoption of digital payments.

MATERIALS AND METHODS

Both Primary and secondary data has been used for the study. A well structured questionnaire comprising both open and close ended questions was administered among the respondents. A total of 120 respondents were contacted on the basis of convenience sampling. Simple percentage analysis and Garrett ranking were used to analyse the collected data.

RESULTS AND DISCUSSION

TABLE:1
DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Category	Particulars	No.of Respondents	Percentage
Age	21-30	70	58.33%
	31-40	38	31.66%
	41-50	6	5%
	Above 50	6	5%
Gender	Male	34	28.33%
	Female	86	71.67%
Educational Qualification	Graduate	80	67%
	Post Graduate	40	33%
Nature of Family	Nuclear	90	75%
	Joint family	30	24%

SOURCE: Primary Data

The above table reveals that majority of the respondents belong to the age group of 21-30(58.33%),majority of them are female(71.86%),majority of them are graduates(67%) and belong to nuclear family(75%).

TABLE: 2
INCOME LEVEL GET INFLUENCED DUE TO ADOPTION OF
DIGITAL PAYMENT SYSTEM

S.No	Particulars	No.of Respondents	Percentage
1	Yes,significantly	46	38.3%
2	Yes,somewhat	56	46.66%
3	No,not much impact	8	6.66%
4	Not sure	10	8.33%
	Total	120	100%

SOURCE: Primary Data

From the above table 2 out of 120 respondents, 56(46.66%) revealed that income level somewhat get influenced due to adoption of digital payment system, 46(38.3%) revealed that income level significantly get influenced due to adoption of digital payment system, 10(8.33%) revealed that they are not sure about it and 8(6.7%) revealed that income level not much influenced by digital payment system.

The majority of respondents 56(46.66%) revealed that income level somewhat get influenced due to adoption of digital payment system.

TABLE:3
RANKING OF PREFERRED DIGITAL PAYMENT AVENUES AMONG
RESPONDENTS

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S. No	Factors	Total	Average Score	Rank
1	Card payments	7649	63.74	II
2	UPI	7725	64.38	I
3	Mobile Wallet	5489	45.74	VI
4	Net banking	5765	48.04	III
5	Other	4463	37.19	VII
6	NEFT/IMPS	5537	46.14	IV
7	AEPS	5492	45.76	V

Source: Primary Data

From the above Table 3, it is observed that according to the Garrett ranking method, UPI secured the First Rank with an average score of 77.25, followed by Card payments with 76.49 securing the Second Rank. Net banking the Third Rank (57.65), NEFT/IMPS secured the Fourth Rank (55.37), AEPS secured the Fifth Rank (54.92), Mobile wallet secured the Sixth Rank (54.89), and Other secured the Seventh Rank (44.63).

The majority of the respondents ranked UPI as their most preferred digital payment avenue.

CONCLUSION

The present study has revealed that digital payment system has significantly impacted the livelihood of small retailers. The policy makers should undertake concerted action to create awareness programme on the adoption of digital payment system among the retailers, which will eventually help in boosting their sales. Moreover, the ease and convenience of using the digital payment system should be highlighted among the retailers so as to make them comfortable with the available platforms. Over the years, many retailers have switched over to the digital mode of payment, yet there are some of them who are still unaware or avoided digital payment system due to certain apprehensions. With the right awareness, the retailers will definitely expand their business with the help of digital payment systems.

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