FACTORS INFLUENCING CUSTOMER'S DIGITAL PAYMENT RESULT WITH SUGGESTION TO TIRUCHIRAPPALLI DISTRICT

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Abstract

The electronic payment system has grown increasingly over the last decades due to the growing spread of internet- based banking and shopping. As the world advances more with technology development, we can see the rise of electronic payment system and payment processing devices. As this increase, improve and provide even more secure online payment transaction the percentage of cheques and cash transaction will decrease. The major objective of this study is to find out the best predicting factors that influence customer's decision while making digital payment. Data was collected using questionnaire method from 334 digital users living in Tiruchirappalli, Tamilnadu, India. The results of this study provided an in-depth understanding of the digital payments value and how the factors influenced the consumers. The finding also provided an important understanding the impact of factors on overall satisfaction of making digital payment. As this study is exploratory in nature, certain limitations are identified and based on that suggestion are offered for future study

Keyword: Digital payments, Digital users, Payment decision, Kruskal Wallis Test (KW) Overall Satisfaction etc.

1. Introduction

Among the myriad of computer and telecommunication based applications in the modern era, the advent of digital payment e-banking / internet banking is having the biggest impact on the functions of banks. Digital payment is changing the way of banks to perform their tasks and interact with customers in general to do their business [1].

1.1 Digital Payment

The digital payments space is being driven by four mega-trends that are expected to dramatically impact the future of this industry.

- The ongoing digital / technology revolution
- Entry of nontraditional players
- More demanding customer expectations
- "Enabling" regulations.

1.2 More Demanding Customer Expectations

The advent of non bank tech and retail players in the payments arena has exposed customers to a superior end to end customer experience. Customers' expectations from payment solutions have changed with many features such as biometric authentication from Apple Pay and integrated rewards from Starbucks, possibly becoming the new normal [2].

The consumer of today, and even more so, tomorrow, expects the best experience that companies can deliver, even in financial services. There is a growing need for an intuitive and frictions less user interface and design as provided already by players, along with the optimum use of smart phones and apps to deliver on evolving customer needs, both enhancing and increasing customer interactions and building relationships [3-4].

1.3 Rapid Evolution of Digital Consumer Payments

We are posed at the beginning of a new era in payments that is set to welcome innovative solutions such as third party wallets, token that will replace traditional credentials and the use of biometrics as an authentications and authorization tool. Ubiquitous connectivity, biometrics, tokenization, cloud computing, and the Internet, of Things are just a few of the digital trends that will affect the way consumers transact and interact with their payment partners.

Digital consumer payments are evolving rapidly- from the traditional cash /card / Cheque model at the turn of the century to "online signal channel closed models" in the first few years of the century to "mobile multichannel, open and fragmented models" as we speak (and over next few years) to the "Internet of Things (IoT), multi device, social models" by 2020 and beyond [8-8].

1.4 Key Insights from the Consumer Research that Indicate India's Digital Payments Readiness

- ➢ Users of digital payment instruments prefer these to other non-cash modes
- ➢ Convenience is as important as offers in driving digital adoption
- ➢ Prepaid mobile recharge and bill payments remain the most popular use-cases
- ➢ Point of sale to form the largest use – case for digital payments in future
- ➢ High frequency use cases driving usage of digital payments
- ➢ Habit to use cash, complexity and perceived lack of value proposition key barriers to adoption
- ➢ Security, identity theft and fraud are not big barriers in India
- ➢ 3 out of 4 merchants believe digital will row big, accelerating future sales
- ➢ No clear benefits over other methods, proclivity towards cash and complexity are key barriers for merchant trials
- ➢ Building a transaction ecosystem for merchants is critical

1.5 The Future of Digital Payments in India

While the exact form and shape of disruption will only be unveiled over time, the crystal ball indicates seven trends set to transform the payments landscape over the next five years:

- ❖ Technology will make digital payments simpler
- ❖ Merchant acceptance network to grow 10X by 2020
- ❖ Payments will drive consumption and not the other way around
- ❖ Consolidation will drive ubiquity
- ❖ Modified UPI will be a game changer
- ❖ Digital identity will accelerate customer acquisition
- ❖ Cash to non- cash ratio will invert the next ten years [9-10]

2. MATERIAL AND METHODS

The study is generally on the primary Data were collected using a structured survey from 334 respond that are using digital payment system in Tiruchirappalli district. The Secondary Data were collected from books, journals and web sites.

Research methodology is a way to scientifically solve the research problem. The type of research is descriptive Samples are collected and statistics are calculated from the samples so that one can make inferences or extrapolation from the sample to the population. Convenient Sampling Technique was used for this study.

The Sample of 334 responds makes it difficult to generalize the results. The data were obtained through questionnaire and it has its own limitations, some of the responds might not have presented the accurate data.

In this study, the data collected from the primary sources are analyzed according to the objective with the help of the statistical tool that is Regression analysis at 1% level of significance were used in this study.

To identify the factors the adopting of e- banking among bank customers, the opinion data pertaining to various aspects of e- banking / internet banking were collected from randomly selected respondents among the population of public and private sectors banks' customers in Trichirappalli region. The opinion data regarding adoption of e-banking / internet banking are subjected to statistical analysis such as t-test, one-way

3. RESULT AND DISCUSSION

ANOVA (F- test). Canonical correlation and the results of the analysis are presented in the tables and discussed in detail.

The profile of the sample respondent characteristics is reported in the Table 1. According to this table, the total number of respondents in 334, and out of 334, 95 respondents (28.44 percent) belong to rural areas followed by 82 (24.55 percent) from urban and 54 respondents (16.17 percent) from semi- urban areas, and (30.84 percent) 103 respondents from the urban areas.

Table 2 shows that place of internet usage for home at 4.49 per cent (15 out of 334) of total respondents. While 34 respondents (10.18 percent) have reported to be using internet at office, only 62 out of 334 respondents (18.56 percent) have stated that they tend to use internet centre. The 136 respondents out of 334 (40.72 percent) using internet in mobile phone. The 8 respondents out of 334 (2.4 percent) using internet in Mall. The 24 respondents out of (7.19 percent) using internet in School and 55 respondents out of 334 (16.47 percent) using internet in Colleges.

The Figure 2 indicates number of respondents versus internet place. These details are collected from Tiruchirappalli district in the digital payment system.

Table 3 shows that the importance of digital payment respondents opinion by general characteristics. Table 3 presents the result of cross tabulation analysis along with Kruskal Wallis ANOVA test results eliciting the relationship between the importance of digital payment usage and socio-economic characteristics of the respondents. From the observation of the Table 3, it becomes apparent that all of the survey participants from and rural areas, (97.89 percent), 95.12 per cent from semi- rural and 94.44 percent from semi urban and (95.14 percent) of urban areas tend to consider the ATM usage as important. The Table 3 represents the low level percentage of unimportant.

Location

The rural, semi rural, semi urban and urban areas participants for sum of rank, H values, T, N and df value are calculated from Kruskal Wallis Test as shows in the Table 3. The rank sum values are 15908.7, 13731.72, 9042.84, and 17248.38 of above the location of rural, semi rural, semi urban, urban areas, the T, N and df value of above location s are T=10, N=44, and df=3. Finally H value obtained is 0.66 from Kruskal Wallis Test.

Gender

The total number of consumers 334, the Kruskal Wallis Test from rank sum of important male customer is 35668.98 and important female customer is 20262.66, finally H value is 0.790, T=3 and df=1 are evaluated from the Table 3.

Age

The digital payment respondents for various age groups are following up to 20 years important customer of (92.30 percent), 21-30 years age important customer of (94.68 percent), 31-40 years age group customer of (95.40 percent), 41-50 years important customer of (97.43 percent) and 51 years and above important customer of (91.66 percent) the calculated KW values of rank sum for order of age wise customer are 6530.94, 15741.24, 14569.02, 13061.88, and 6028.56 respectively. From KW test evaluated results of H=0.74, df=4 and T=15.

Education

The digital payment respondents of uneducated, matriculation (or) bellow , 10+2, graduation, post graduation   important customer percentage are (87.5 percent), (90.62 percent), (97.27 percent), and (98.50 percent) all the category wise KW calculated rank sum values are 2679.36, 5358.72, 7033.32, 18420.6 and 22439.64, the H value is 0.74, df=4 and T=15 respectively.

Professional

The digital payment users are students, unemployee, government employee, private employee, business people and self employee important percentage of 89.28, 87.5, 97.59, 95.78, 97.91 and 93.75, for KW rank sum values of 4688.88, 2679.36, 13899.18, 15908.7, 16076.16 and 2679.36 respectively, the H value is 0.51, df=5, T=21.

Vehicles

An important percentage respondents of vehicles are Bicycle, Motorcycle, Car, Auto, Call taxi, and Bus values are (93.33 percent), (98.16 percent) (97.81 percent), (95.83 percent), 994.28 percent and (92.85 percent) respectively. The KW test of rank sum values reported are 2511.9, 18253.14, 22942.02, 4019.04, 5861.1 and 2344.44 finally H value is 0.51, df=5 and T=21.

Type of Cards

The customer using for digital payment is following cards and important respondents are SBI, Indian bank, Canara bank, IOB, Bank of India, Central Bank of India and Private Banks are (95.18 percent), (88.09 percent), (88.23 percent), (90.62 percent), (94.11 percent), (93.33 percent) and (98.19 percent) respectively. The Kruskal Wallis Test of rank sum values is 13899.18, 7033.32, 5693.64, 5358.72, 2846.82, 2511.9 and 18588.06 for all card respondents.

Married Status

The customer using for digital payment are Married and Unmarried important respondents of (98.82 percent), (94.87 percent) and Kruskal Wallis test Rank sum values are 42869.76, 13061.88 and H=0.79, df=1, T=3 respectively.

Income

The main important of customer respondents in digital payment system for salary people and other various categories monthly income are up to 20000, Rs 20000-40000, Rs 40000-75000, Rs 75000-100000, Rs 100000-150000, Rs 150000-200000 and above Rs 200000, the corresponding important of all the values are (95.23 percent), (96.73 percent), (96 percent), (92.72 percent), (95 percent) (96.06 percent) and (87.5 percent), the related H value is 0.13, df=5, T=15 above the values for only digital payment users in Tiruchirappalli District. When compared across categories by age, it is understood that there is difference in percentage of cases between two opinion levels about digital payment sestem. The Figure 3 shows that important and unimportant versus general characteristics. The serial 1 and 2 means important and unimportant peaks.

4. Conclusion

In this article the opinion of the sample respondents among the population of Digital Payment customers about various aspects of digital payment /internet banking services provide by public and age wise men and women are evaluated using statistical techniques to descriptive statistics like mean and standard deviation. From the inferences of the results of the analysis, it is concluded that usage of digital payment has been felt as important by most of the customers and importance of these e- banking services is associated with socio-economic and demographic characteristics of the respondents. Though most of the customers prefer digital payment over e-banking, the customers tent to use digital payment e-banking / internet banking. This is because adoption of digital payment and e-banking and internet banking services among the bank customers is significantly influenced by number of times visiting the payment as well as numbers of banking transaction per month in the Tiruchirappalli district.

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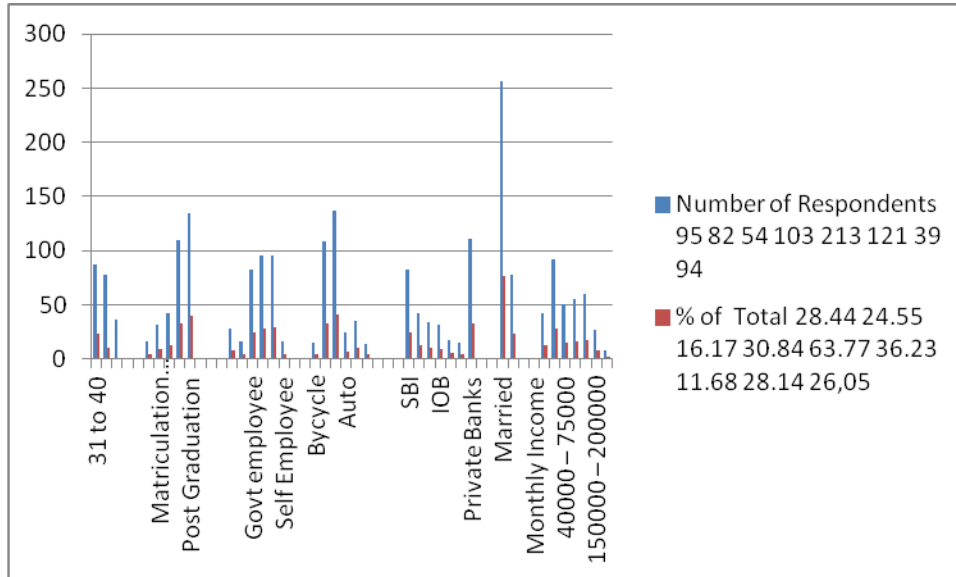
Figure 1 Number of respondents verses profile.
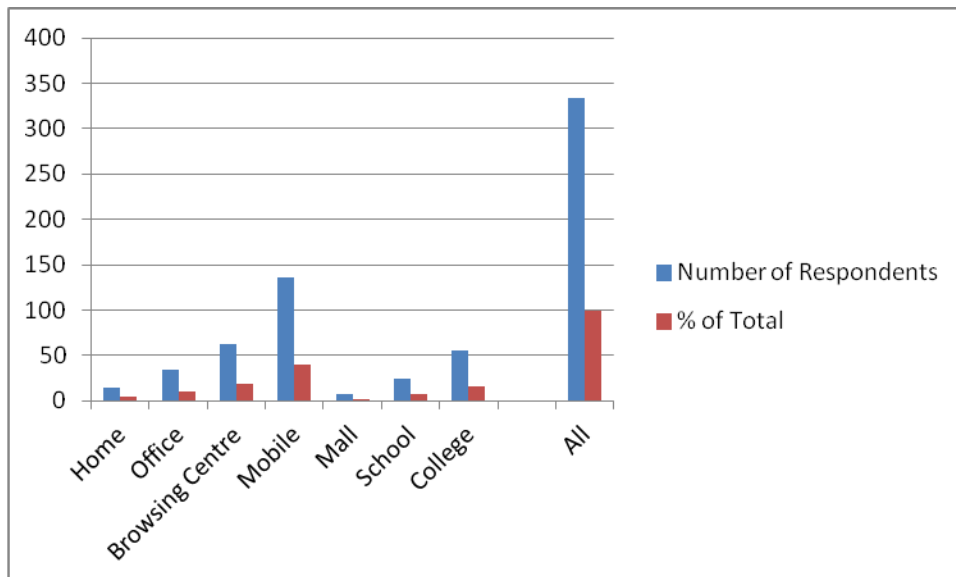
Figure 2 Number of Respondents verses Internet place.
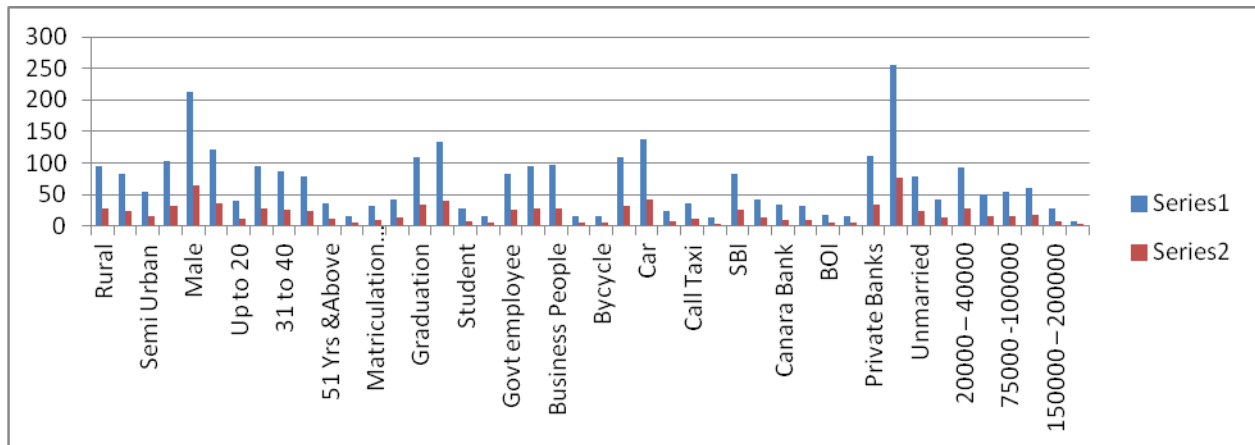
Figure 3 Important and unimportant verses general characteristics.

Table 1 Profile of the Sample Respondents

Profile	Number of Respondents	% of Total
Location		
Rural	95	28.44
Semi rural	82	24.55
Semi Urban	54	16.17
Urban	103	30.84
Gender		
Male	213	63.77
Female	121	36.23
Age		
Up to 20	39	11.68
21 to 30	94	28.14
31 to 40	87	26,05
41 to 50	78	23.35
51 Yrs &Above	36	10.78
Education		
uneducated	16	4.79
Matriculation {or}Below	32	9.58
	42	12.58
10+2		
	110	32.93
Graduation		
	134	40.12
Post Graduation		

Profession		
Student	28	8.38
Unemployee	16	4.79
Govt employee	83	24.85
Private employee	95	28.44
Business People	96	28.74
Self Employee	16	4.79
Vehicles		
Bycycle	15	4.49
Motorcycle	109	32.64
Car	137	41.02
Auto	24	7.19
Call Taxi	35	10.48
Bus	14	4.19
Type of Cards		
SBI	83	24.85
Indian Bank	42	12.58
Canara Bank	34	10.18
IOB	32	9.58
BOI	17	5.09

Central Bank of India	15	4.49
Private Banks	111	33.23
Married Status		
Married	256	76.65
Unmarried	78	23.35
Monthly Income		
Up to 20000	42	12.58
20000 – 40000	92	27.55
40000 – 75000	50	14.97
75000 -100000	55	16.47
100000 – 150000	60	17.96
150000 – 200000	27	8.08
Above 200000	8	2.40

Table 2 Place of Internet Usage

Internet Place	Number of Respondents	% of Total
Home	15	4.49
Office	34	10.18
Browsing Centre	62	18.56
	136	40.72
Mobile	8	2.4
Mall	24	7.19
School	55	16.47
College		
All	334	100

Table 3 Importance of Digital Payment Respondents opinion by General Characteristics

General Characteristics		Important	Un-important	Total	Kruskal Wallis Test	
					Rank Sum	H Value
Location	Rural	93(97.89)	2(2.105)	95 (100)	15908.7	0.66
	Semi Rural	78(95.121)	4(4.878)	82 (100)	13731.72	df=3
	Semi Urban	51(94.44)	3(5.55)	54 (100)	9042.84	T =10
	Urban	98(95.14)	5(4.85)	103 (100)	17248.38	N=44
Gender	Male	205(96.24)	8(3.75)	213(100)	35668.98	0.790
	Female	119(98.34)	2(1.65)	121(100)	20262.66	df =1, T =3
Age(years)	Up to 20	36(92.30)	3(7.69)	39(100)	6530.94	0.74
	21 -30	89(94.68)	5(5.31)	94(100)	15741.24	df=4
	31 -40	83(95.40)	4(4.59)	87(100)	14569.02	T=15
	41 -50	76(97.43)	2(2.56)	78(100)	13061.88	
	51Yrs&Above	33(91.66)	3(9.09)	36(100)	6028.56	
Education	Uneducated	14(87.5)	2(12.5)	16(100)	2679.36	0.74
	Matriculation (or) Below	29(90.62)	3(9.375)	32(100)	5358.72	df =4 T =15
	10+2	38(90.476)	4(9.523)	42(100)	7033.32	
	Graduation	107(97.27)	3(2.72)	110(100)	18420.6	
	Post Graduation	132(98.50)	2(1.492)	134(100)	22439.64	
Professional	Student	25(89.285)	3(10.714)	28(100)	4688.88	0.51
	Unemployee	14(87.5)	2(12.5)	16(100)	2679.36	df=5
	Govtemployee	81(97.59)	2(2.40)	83(100)	13899.18	T =21
	Private employee	91(95.789)	4(4.21)	95(100)	15908.7	
	Business People	94(97.91)	2(2.08)	96(100)	16076.16	
	Self employee	15(93.75)	1(6.25)	16(100)	2679.36	
Vehicles	Bycycle	14(93.33)	1(6.66)	15(100)	2511.9	0.51
	Motor Cycle	107(98.16)	2(1.834)	109(100)	18253.14	df=5
	Car	134(97.81)	3(2.189)	137(100)	22942.02	T =21
	Auto	23(95.83)	1(8.33)	24(100)	4019.04	
	Call Taxi	33(94.28)	2(5.71)	35(100)	5861.1	
	Bus	13(92.85)	1(7.14)	14(100)	2344.44	
Type of cards	SBI	79(95.18)	4(4.819)	83(100)	13899.18	1.55
	Indian Bank	37(88.09)	5(11.90)	42(100)	7033.32	df=6
	Canara Bank	30(88.23)	4(11.76)	34(100)	5693.64	T=28
	IOB	29(90.62)	3(9.37)	32(100)	5358.72	
	Bank of india	16(94.11)	1(5.88)	17(100)	2846.82	
	Central bank of India	14(93.33)	1(6.66)	15(100)	2511.9	
	Private Bank	109(98.19)	3(2.70)	111(100)	18588.06	
Status	Married	253(98.82)	3(1.17)	256(100)	42869.76	0.79

Status	Married	253(98.82)	3(1.17)	256(100)	42869.76	0.79
	Unmarried	74(94.87)	4(5.12)	78(100)	13061.88	df=1, T=3
Income	Up to 20000	40(95.23)	2(4.76)	42(100)	7033.32	0.13
	20000 -40000	39(96.73)	3(3.26)	92(100)	15406.32	df=5
	40000 -75000	48(96)	2(4)	50(100)	8373	T=15
	75000 - 100000	51(92.72)	4(7.27)	55(100)	9210.3	
	100000 - 150000	57(95)	3(5)	60(100)	10047.6	
	150000 - 200000	122(96.06)	5(3.93)	27(100)	4521.42	
	Above-200000	7(87.5)	1(12.5)	8(100)	1339.68	