

# Perceptions Of The Retailers Of Tinsukia Town Over Digital Payment Amidst Covid-19 Pandemic

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## **ABSTRACT**

As the days are passing the number of digital payment users are increasing more and more but not at a pace as it should be. Digital payment is the need of the hour. Digital payment yields various benefits to the general public, government, companies, etc. such as cost savings, transparency security and fast payment. The studied has been carried out on digital payment with respect to retailers of Tinsukia Town. The aim of this research paper is to study the factors that influence the retailers to embrace the digital payment, to analyse the various modes of digital payment and to identify the issues and challenges come across by the retailers while using digital payment. The research paper is based on descriptive nature and the researcher used simple random sampling technique (random sampling method) to select the respondent from the population. Structured questionnaire has been designed to use as a tool to collect the essential information. The researcher evaluates the probable findings and offers some suggestion to accelerate the quantity of digital payment users. There are various digital payments medium such as UPI, Debit card & Credit card, Internet Banking, Digital Wallet, Mobile Banking. But there are also some formidable problems which should be taken into consideration such server & technical problem, forgery and so on. Though it is not possible to give up cash completely but the government needs to address several social issues to accelerate the minimum use of cash and maximum through digital payment.

**Key words:** Digital Payment, Retailers, Government.

## **INTRODUCTION**

Digital payment refers to the transfer of money digitally i.e., online, where buyers authorize the transfer of money through electronic means to the seller, here no physical exchange of money is involved. These transfers take place with the help of debit or credit cards, net banking, mobile apps, wallets, Electronic Clearing Services (ECS). So, for any digital payment medium is very important, intermediary and the modes of transmission are the keys, for making transactions digitally. The central government took several initiatives to promote and encourage digital payment in the economy of

the country. This step of government aims to reduce the use of cash in the economy. It will reduce the risk of handling cash as well as reduce the cost of maintaining cash in the economy. It will improve the ease of making payment via digitally and also reduce the avoidance of taxes among the common people. The Reserve Bank of India (RBI) meliorates its focus on safety and security in system of payment with the development and innovations and rapid advancement of technology in payments ecosystem. The primary focus of Reserve Bank of India is to facilitate digital penetration and ensure smooth functioning

amidst Covid-19 pandemic. To aware the consumers, organize several awareness campaign on digital payment which assists in achieving the objectives of cashless society and to attract individuals towards the digital payment introduce innovative payment opportunities. The Department of Payment and Settlement System (DPSS), working round the clock after receiving guidance from the Reserve Bank's Payment and Settlement Systems Vision document 2020-2021, towards the planned development of payment system and several initiatives were undertaken by the department during the year with continued emphasizes on safety & security, innovation, customer protection, competition, financial inclusion, innovations in the payments ecosystem (**Source: RBI**).

### **MODES OF DIGITAL PAYMENT IN INDIA**

- UPI: Unified Payments Interface (UPI) is a system that merges multiple bank accounts into a single mobile application, which allows transferring of money easily between the parties. UPI is more standardized and well defines as compared to RTGS, NEFT and IMPS. To avail this service a mobile number is required which should be registered with the bank account (**Source: MeitY**).
- USSD: This is the most popular method of digital payment, which can be used with the help of mobile instead of installing mobile app. It does not require mobile data. The main target of this mode of digital payment is to cover those sections of the population who don't have access to proper internet and banking facilities. USSD service is available in 12 different languages including English and Hindi (**Source: MeitY**).
- AEPS: This mode of digital payment service can be availed only when the bank account is linked with the Aadhaar and for that an individual must have his/her bank account. The customers can use their Aadhaar to transfer money by providing Aadhaar verification at micro ATMs or at Point of sale (PoS).
- BANKING CARDS: Banking cards offers a great set of features and most widely used system of digital payment in India. It provides security as well as convenience to the users. Banking cards includes both debit and credit cards, which can be used for variety of transactions such as for online purchases, online transactions, PoS machines.
- MOBILE WALLETS: Mobile wallet is a virtual wallet where cash is available but in digital form not in physical form. An individual can link his/her debit or credit card information to mobile wallet application in a mobile device to transfer money or makes payment via online. Examples of mobile wallets are Paytm, Mobikiwi, etc. This mode of payment is more convenient for the individuals because here the individuals do not required carrying physical cash or cards.
- POINT OF SALE: PoS system is the combination of software and hardware to make different form of digital payment. The shopkeepers or in a store Point of Sale (PoS) is installed, where customers can make their payment after purchasing goods through debit or credit cards. In this method of digital payment, the customers need to swipe their cards and enter the PIN for making the payment successful.
- INTERNET BANKING: Internet banking is the process of performing banking transactions with the combination of internet and mobile/desktop/laptop. It is also known as virtual banking, which is available 365 days round the clock. It has become one of the most popular means to make online payment. RTGS, IMPS and NEFT transaction can be done with the help of internet banking. To avail such service

an individual must have bank account and should register with bank for net banking or e-banking.

- **MOBILE BANKING:** Mobile Banking refers to the act of doing financial transactions and other banking related activities by using mobile device, such services are provided by the financial institutions specially banks. The banks having their own personal apps, through which digital payment is successful. It enables the banks customers to perform banking activity on their mobile phones after installing the bank app. Examples SBI Yono, iMobile by ICICI bank (**Source: bankbazaar**).
- **MICRO ATMs:** Micro ATM is another mode of digital payment that enables the business correspondents to conduct instant financial transactions for various purposes such as instant fund transfers, pays bills, etc. by swiping a card in a machine. It also provides various services such as cash deposits, balance enquiry, withdrawal, etc.

## **REVIEW OF LITERATURE**

- Singhal & Gupta (2021). In their research paper entitled, "Impact of Covid-19 on Digital Payment Services at Town and Villages" emphasizes on digital transactions at grass root level. The objectives of the research paper are to study the concept of digital transactions and impact of Corona virus on digital payment in town and villages of India. The study reveals that that in towns and villages there is a high increase in the use of digital modes of payment among the population, which was not seen before the outbreak of Covid-19 pandemic.
- Siby K. M. (2021). Quoted in his paper entitled, "A study on consumer perception of digital payment methods in times of Covid pandemic" that due to easy accessibility of internet and high digital literacy in Kerela played a significant role in the revolution of payment methods. The researcher collected the information through primary data from one of the district of Kerela and also uses various statistics tools to analyze the data.
- Sowmya & Hebbar (2020). In their paper entitled, "Impact of Covid-19 on digital payment system: With special reference to women customers of Mangalore City" highlights about the impacts of Corona virus on digital payment. The objectives of the paper are to study the concept, to know the usages and issues of digital payment. The researcher collected the data from the women, who has adopted digital mode of payment for transaction. The paper display that the respondents are strongly agreed with the convenient means and saves times meanwhile technical problems and connectivity issues and fear of fraud is still among the women
- Murthy K.S. (2019). In his research paper entitled, "A study on digital environment – mode of payment in digital banking system in India" stated that digital payment brings transparency and accountability. The objectives of the researcher are to study the aspect of digital environment in Indian perspective and encourage converting into a cashless economy. The study reveals that demonetization is the step, which increases the use of cards and the next new step will encourage more traders to accept e-cash. A cashless society is the phase of development and modernizations which enhance standard of living.
- Kumari & Pavithra (2018). In their paper entitled, "Digital payment system: Awareness and usage in Coimbatore City, tried to analyse the awareness level and purpose of digital payment usage. The research paper reveals that the individuals

are highly aware of the digital payment system and debit cards are mainly used for utility payments. The study discloses that transaction charge is one of the highly influencing factors for preferring digital payment system besides that minimum effort, time and resources are also the reason behind the acceleration in the usage of digital mode of payment.

### **OBJECTIVES OF THE RESEARCH PAPER**

The objectives of the study of the researcher is

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- To study the perceptions of the retailers of Tinsukia town in using digital payment.

### **SIGNIFICANCE OF THE STUDY**

As the market of digital payment is expanding with the speed of increase in the population of internet users. The significance of the research paper is to conduct research over the retailers of the Tinsukia Town and to find out their opinion on the digital payment. With the presence of digital payment, a retailer can place different options before their customers to make payment. The study helps us to know the preference of the customers through the retailers in order to make payment digitally. The existence of different sectors in various parts of the nation, due to the growth and development in digital payment, initiated in making various fundamentals changes throughout the management and structure of the organisations. This study also helps us to determine the factors that influence the retailers to adopt digital payment system and the obstacles encountered by the retailers while using digital modes of payment.

### **RESEARCH METHODOLOGY**

The current study is based on secondary as well as primary data, which is collected from 50 respondents from the different parts of Tinsukia Town. In order to collect the relevant information, the researcher designed a well-

structured questionnaire to study the perceptions of the retailers of Tinsukia Town towards using of digital mode of payment. The researcher also obtains the information through face-to-face interviews with the retailers. In this research paper the retailers are the sampling unit who has adopted the digital modes of payment and the sample size of the survey covers 50 retailers as respondents for the research study.

### **BENEFITS OF DIGITAL MODES OF PAYMENT**

- One of the greatest advantages of digital payment is that an individual is not required to fill any form and stand up in a queue to deposit or withdrawal or to transfer the money. Digital payment services are available 365x7x24 from anywhere to anyone anytime.
- It is economical because it doesn't charge any kind of fee as service fee or processing fee for making financial transactions digitally.
- Instead of charging any kind of fee, it provides attractive cash backs, discounts and many offers in return to their customers, who are using digital modes of payment. This step act as a motivational factor for the customers to go for cashless transactions.
- Another advantage of digital payment is that it keeps the records of all transactions, which are made digitally. An individual can track each and every transaction irrespective of transactions amount.
- Digital payment apps are acting as one stop solution. As it can be used for transferring money, paying bills viz. electricity, mobile recharge, gas cylinder, etc. It becomes a convenient platform for the individuals to make all transactions through a single app
- Digital mode of payment is a tool in the hands of government to keep track

regarding the cash which are in circulation and to eliminate the black money in the economy.

### **IMPACT OF COVID-19 PANDEMIC ON DIGITAL PAYMENT IN INDIA**

The outbreak of Covid-19 pandemic has become one of the biggest threats not only for the Indian economy but towards the entire globe. In order to curb the impact of such pandemic several countries adopt several initiatives and various measures viz. nationwide lockdown, limitation on movement from one place to other, closing of business and public places, work from home and maintaining social distance. These actions to control the pandemic disrupt the business activity, both small as well as large. Many sectors are adversely affected. There are some sectors where digital modes of payment is declining such as airlines, hospitality, entertainment, hotels, restaurants, tourism, etc. because such sectors are totally shut down amidst Covid-19 pandemic.

However, the usage of digital payment is accelerated amidst Covid-19 pandemic in India because individuals want to keep themselves safe by maintaining social distance and it is a convenient tool in the hands of individual for doing financial transaction digitally as it is quick safe and increases the revenue by decreasing the expenses to the business. At the same time the numbers of financial frauds are also increasing. As a result of which the chairman of Digital Security Association of India, V. Rajendran suggested the users of digital payment not to keep a huge amount of balances in digital payment apps and avoid installation of those apps which are unnecessary and also not to agree with the terms and conditions without authentic sources (**Source: Vijaykumar, S.**).

In the Current financial year i.e., 2021-22, the volume of digital payments is set to hit 70 billion by the respective Indians. The government in a conference discloses that

digital payment had touched 45.53 billion and the next four month is still in hand. In the financial year 2019-20 it was recorded to be 45.72 billion and in the previous financial year i.e., 2020-21, it was 55.54 billion financial transactions done. All these transactions have been done through 16 different digital modes of payment and out of which nearly half of the digital transaction was done by using The BHIM UPI App (**Source: Sharma, A.**).

### **FINDINGS OF THE STUDY**

The information is gathered from the 50 retailers of Tinsukia Town, who have adopted digital modes of payment, engaged in different activities to earn their livelihood. The perceptions of retailers towards digital payment are found to be positive as the retailers accepting the trend of online payment and are in support of digital payment because retailers reveal that online payment is convenient as it provides round the clock service and assist in maintaining the records digitally. The researcher observes that even the street vendors are also providing facility of digital payment to their customers. The retailers communicate that the payment through digital mode have increase their savings habit. The study discloses that the retailers come to know regarding the digital payment from their friends, relatives and social media and started digital modes of payment after demonetization but the maximum respondents shared that digital payment is adopted amidst Covid-19 pandemic to keep ones safe from the novel Corona virus infection. The pandemic is one of the reasons behind acceleration in the use of digital payment. The respondents mostly prefer Google Pay for digital transaction. The respondents view that in digital payment cash back, 24x7 service and mini statements are most attractive tool as well as safety and security is also one of the concerns for the retailers as compared to physical currency. However, the retailers have to face sometimes problems related to internet and banks server while making payment digitally. Before Google Pay, Paytm, etc. retailers have

the option to adopt swipe machine for transacting money digitally but it requires installation charge and monthly rental, which is not affordable for all the retailers. So, many of them transfer to Google Pay, Phone Pe and other modes of payment digitally because such apps do not charge any installation fee or any kind of monthly rental for its usage. The retailers have not undergone any training program in order to undertake and use digital modes of payment. Google Pay app is found to be more users friendly among the respondents. The retailers of Tinsukia Town disclose that they asked their customers to make payment digitally, cash is the last option. Cash less economy does not mean zero amount of availability of cash in the economy, it means minimum use of cash for any transaction. The present status of Tinsukia Town shows that there will be continuous increase in the adoption and use of digital modes of payment among the retailers as these people are getting aware of its benefits, convenience, reliability and security.

### **LIMITATION OF THE STUDY**

The present study is based on primary and secondary data. The primary data was collected from Tinsukia Town only which can be improved by enlarging the area of the research study. The sample size of the study is only 50 from which conclusion is not possible to draw for the entire retailers of Tinsukia Town. Some retailers of Tinsukia Town may not be aware of the digital payment because they do not use android mobile phones. The research paper considers only the opinion of the retailers not their customers or of general public.

### **CONCLUSION**

The outbreak novel Corona virus has shown some pleasant surprises in the efforts to promote the journey of digital payment in India. There are many applications available for digital transactions but only few are found to be more in operation. It was found that India registers the highest number of countrywide

digital transaction than China. The reason behind the growth in digital payment is also connected with the schemes of central government as a initiative of digital India and during the last seven years the Pradhan Mantri Jan Dhan Yojana has added 42.4 crore bank accounts, which assists and provides an option to make payment digitally because without having a bank account an individual cannot choose to opt digital payment (**Source: Pandey, A.B.**). As a result of which, the banks should keep up to date to their customers by giving proper awareness program. The Covid-19 pandemic has compelled the citizens and the organizations to re-evaluate their payment framework as of now every individual is conscious about their health and security. The novel pandemic has given a massive push in the effort to minimal cash transactions but not so far to abolish it completely.

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