



## A Study on Problems and Prospects of E-Payments in Tirupur City, Tamilnadu

### KEYWORDS

E-Payments, Problems and Prospects, Satisfaction level of customers.

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**ABSTRACT** Commerce (the trading of goods) has been a major impetus for human survival since the beginning of recorded history and beyond. The mass adoption of the Internet has created a paradigm shift in the way businesses are conducted today. The past decade has seen the emergence of a new kind of commerce: e-commerce, the buying and selling of goods through human-computer interaction over the Internet.

Business is done electronically and there is no longer a need for physical currency or goods to conduct business. The success of electronic commerce depends upon effective electronic payment systems. The focus of this study is to identify and explain the problems and prospects of e-payments. A number of solutions have been proposed based on the problem and discussed on the prospects of electronic payment system.

### INTRODUCTION TO THE STUDY

Electronic funds transfer or EFT refers to the computer-based systems used to perform financial transactions electronically. An EFT is the electronic exchange or transfer of money from one account to another, either within the same financial institution or across multiple institutions.

#### Varieties of Electronic payment:

- **EBPP** — electronic bill presentment and payment (typically focused on business-to-consumer billing and payment)
- **EIPP** — electronic invoice presentment and payment (typically focused on business-to-business billing and payment)
- **E-Payables**

### STATEMENT OF THE PROBLEM

In our fast moving world, people find it very difficult to manage their time on fulfill their commitment. Payments are done through electronic interactive communication channels. So everyone can complete their payment work very smartly without wasting the time. This drives the people to utilize their time effectively. The main purpose of this study is to know the problems and prospects of E-payments. From this study, problems of the respondents and the facilities required by them can be known.

### SCOPE OF THE STUDY

The project has been undertaken with a view of studying the "Problems and prospects of E-Payments in Tirupur city". The study was carried out to collect data from the respondents using a well framed questionnaire. With the help of that the findings and suggestions have been made.

### OBJECTIVES OF THE STUDY

The objectives of the study are,

- To study about the E-Payment applications and its workings.
- To know the factors that influences in E- Payments.
- To know the problems faced by the respondents.
- To analyze the satisfaction level of respondents.

### RESEARCH METHODOLOGY

The methodology used in the study is explained below:-

1. **Data and Source of Data:** - The study based mainly on Primary data. Primary data have been collected through the issue of questionnaire to the customer in Tirupur District. Personal observations and discussions with the customers also helped to understand the problems and prospects of E-Payments.
2. **Sample size & Technique selected for the study:** - The questionnaire was circulated to 100 respondents of various payments made by the customers. The sample respondents are selected on the basis of convenient sampling method.
3. **Area of the Study:** - The study area is limited to Tirupur District. Tirupur is identified as one of the fast developing city in Tamilnadu. It is poised for a spectacular growth in the near future.
4. **Period of study:** - The study was undertaken during the period of December 2011-April 2012.
5. **Tools used:** - For this study Simple percentage method, Point Analysis, Rank Analysis, and Chi-Square Analysis are used.

### LIMITATIONS OF THE STUDY:-

- The number of respondents include for the study is limited due to the time constraint.
- All the findings and observations made in this study are purely based on respondent's answers.
- Due to the time constraint only 100 respondents are taken for this study.
- The study was conducted only in Tirupur district. Hence the results from the study may or may not be applied to other areas.

### ANALYSIS AND INTERPRETATION

**Simple percentage Method:** - Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data. It is calculated up to the nearest Decimal.

TABLE.1. PERSONAL FACTORS OF THE SAMPLE RESPONDENTS

S. No	Factors	Descriptions	No. of Respondents	Percentage %
1	Gender	a) Male	59	59
		b) Female	41	41
2	Age Group	a) Below 20 years	9	9
		b) 21-30 years	73	73
		c) 31-40 years	17	17
		d) Above 40 years	1	1
3	Educational Qualification	a) HSC	14	14
		b) Graduate	44	44
		c) Post Graduate	37	37
		d) Others	5	5
4	Employment Status	a) Employed	86	86
		b) Unemployed	14	14
5	Monthly income	a) Below 10000	17	17
		b) 10000-25000	54	54
		c) 25001-50000	22	22
		d) Above 50000	7	7
6	Awareness about E-payments	a) Advertisement	37	37
		b) Friends	39	39
		c) Relatives	22	22
		d) Others	2	2
7	Years of Using	a) Below 1 Year	47	47
		b) 1-2 Year	26	26
		c) Above 3 year	27	27
8	Dealing of Payments	a) By own	29	29
		b) Through friends	65	65
		c) E-payment Centers	5	5
		d) Others	1	1
9	Better than regular Payment	a) Yes	88	88
		b) No	12	12
10	Opinion Regarding Payments	a) Excellent	22	22
		b) Good	48	48
		c) Moderate	28	28
		d) Poor	2	2
11	Problems while using E-Payment	a) Yes	71	71
		b) No	29	29
12	Purpose of using	a) Shopping	27	27
		b) Bill payments	33	33
		c) Fuel cards	20	20
		d) Reservation	20	20
13	Suggested to others	a) Yes	77	77
		b) No	23	23

\* Source: Primary Data

TABLE.2. REASONS FOR E-PAYMENT

No	Reason for E-Payment	No. of Respondents	Percentage (%)
1	Convenience	24	24
2	Time Saving	36	36
3	Accessibility at any time	16	16
4	Easy to access	17	17
5	Acknowledgement	5	5
6	Rebate on bill payment	2	2
	TOTAL	100	100

\* Source: Primary Data

The above table-2 reveals that 36% of the respondents say that E-Payment is for time saving, 24% say convenience, 17% say easy to access and 16% say accessibility at any time.

TABLE.3. PROBLEMS WHILE USING E-PAYMENTS

S. No	Name of the Problems	No. of Respondents	Percentage (%)
1	Frequent connectivity failure in telephone lines	20	20
2	Accessibility at peak hour is low	18	18
3	Frequent power interruption	27	27
4	Server error wrong links	12	12
5	Virus problem and others	13	13
6	Service charges	10	10
	TOTAL	100	100

\* Source: Primary Data

From the above table-3, 27% of the respondents say frequent power interruption, 20% say frequent connectivity failure in telephone line and 18% of the respondents say accessibility at peak hour is low.

**LICKERT SUMMATED SCALE:**

The Lickert's scale consists of number of statements, which expires either Favorable or unfavorable attitude towards the given object to which the respondents are asked to respond. The scale for Lickert summated scale as follows,

TABLE.4. SATISFACTION LEVEL OF THE CUSTOMER

S. No	FACTOR	Highly Satisfied		Satisfied		Neutral		Dissatisfied		Highly Dissatisfied	
		%*	PA**	%*	PA**	%*	PA**	%*	PA**	%*	PA**
1	Convenience	34	170	46	184	12	36	8	16	0	0
2	Time saving	18	90	37	148	34	102	9	18	2	2
3	Accessibility At any Time	18	90	30	120	29	87	17	34	6	6
4	Easy to Access	9	45	42	168	19	57	22	44	8	8
5	Acknowledgement	52	260	38	152	10	30	0	0	0	0
6	Rebate on bill payment	10	50	16	64	40	120	21	42	13	13

Source: Primary Data \* %=Percentage, \*\*PA=Point Analysis

The above table-4 shows that the customers are highly satisfied with convenience, time saving, accessibility, easy to access and acknowledgement .The customers are not satisfied with rebate on bill payments.

TABLE.5. RANKING OF E- PAYMENT FACTORS

S. No	Factors	I	II	III	IV	V	VI	Total	Rank
1.	Fast processing	14	16	17	12	29	12	338	VI
2.	More accurate	30	17	14	21	10	8	412	I
3.	Easy accessibility	18	18	23	18	12	11	379	III
4	More secure than paper based billing	19	21	11	20	22	7	374	IV
5	Time saving	19	27	22	17	7	8	410	II
6	Green Environment	13	14	19	27	14	13	346	V

\* Source: Primary Data

The above table shows that the ranking of various factors of E-Payment methods, more accurate process scored 412 points were placed in the 1<sup>st</sup> rank and time saving as 2<sup>nd</sup> rank, easy accessibility as 3<sup>rd</sup> rank, more secure than paper based billing as 4<sup>th</sup> rank, green environment as 5<sup>th</sup> rank and fast process as 6<sup>th</sup> rank.

#### CHI-SQUARE TEST HYPOTHESIS

- I. There is no relationship between age and years of using E – Payment.
- II. There is no relationship between monthly Income and purpose of using E-Payment.

TABLE.5. CHI-SQUARE ANALYSIS

Hypothesis	Calculated Chi-Square Value	Degree of Freedom	Table value at 5% Level	Result
I	26.15	6	12.592	Significant
II	6.6359	9	16.919	Significant

It is found from the above table-5 that the calculated Chi – Square value of hypothesis I, 26.15 is more than the table value 12.592. Hence Hypothesis is rejected. Chi – Square value of hypothesis II, 6.6359 is more than the table value 16.919. Hence Hypothesis is rejected.

#### SUMMARY OF FINDINGS

- ❖ Majority (88%) of the respondents are using E-Payments at regularly.
- ❖ Among the total number of respondents, 36% of the respondents are using E-Payments for time saving.
- ❖ 48% of the respondents are says that the process of E-Payments is good.
- ❖ Majority (71%) of the respondents are felt problems in E-Payments.
- ❖ Majority (38%) of the respondents are satisfied with convenience.
- ❖ Among the total number of respondents 37% of the respondents are satisfied in accessibility
- ❖ Majority (77%) of the respondents are suggested to others.

#### SUGGESTIONS

- Awareness programmes about E-payments should be conducted by the banks.
- 71% of the respondents are felt problems in E-Payments; thus it has suggested Server problems should be reduced while making E-payments.
- Acknowledgement charges should be reduced for Mobile payments.
- 33% of the respondents are using E-Payments for bill payments .Hence it is suggested to the payment centers should be opened in many areas to enabling customers to easy access.

#### CONCLUSION

E-Payments have become a necessary survival weapon, and its fundamentally changing the banking industry worldwide. This study is an attempt to focus on E-payment of customers, through this study it has been identified that there is a great scope for e-payments. The main objective of the study is to know the satisfaction about E-Payments. Therefore it has been found that the majority of the respondents are preferred E-payments system and they are satisfied.

#### REFERENCE

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