Commerce

A STUDY OF USAGE LEVEL OF DIFFERENT MODES OF DIGITAL PAYMENTS IN RURAL AND URBAN AREAS OF HARYANA

Dr.Seema Rathee	Assistant Professor, Department of Commerce, Maharshi Dayanand University, Rohtak, 124001, INDIA
Gunjan Bhayana*	Research Scholar, Department of Commerce, Maharshi Dayanand University, Rohtak, 124001, INDIA *Corresponding Author

ABSTRACT Cashless means using digital form of payments instead of cash for payment of various transactions. Digital Payment system is more convenient than using paper money. The purpose of this study is to know about the usage of different modes of digital payment by customers. The reviews of related literature depicted that because of Globalization, Electronic payment system has become more significant in the modern scenario and utility of using the modes of cashless payment has been increasing day-by-day. A sample size of 360 respondents is taken to study the usage level of the customers by using Simple Random sampling technique. The Primary data was analyzed through statistical tools like Frequency analysis, T-Test and Mann-Whitney Test. In this it is concluded that large number of businesses even small vendors are now accepting cashless payment system.

KEYWORDS : Black Money, Digital Payment, Globalisation, Usage rate.

1. INTRODUCTION

Cashless is a word which means having no cash. It means using digital form of payments instead of cash for payment of various transactions. It does not mean shortage of cash rather it indicates a culture of people setting transactions digitally. The Reserve Bank of India and Government of India are making many efforts to reduce the use of cash in the economy because digital transactions provide better transparency. On Nov.8th 2016, the government of India withdrawn RS 500 and RS 1000 notes the two highest denominations in circulation. The main objectives behind these step of the Government is to bring out the black money from the economy. The Government of India starts this campaign 'Digital payment system' to create awareness and to educate the masses about the digital payment system.

It can also be defined as when the flow of cash with in the economy is the flow of cash with in the economy is negligible and all the financial transactions takes place through electronic medium like:-
- Cheque
- Demand draft
- Net banking / Online payment
- Debit cards / Credit cards
- Prepaid card Instruments
- E- wallet
- Unified payment interface (UPI)
- Aadhaar enabled payment system (AEPS)
- Unstructured supplementary service Data (USSL).

These payment options are authorized payment systems in the country and RBI as the central bank of India has taken initiatives step to make it safe, secure and efficient.

Significance of cashless payment system
1. Tax evasion will be difficult; - Through cashless payment system, it can easily track the spending of an individual and it also helps in filing income tax returns and in case of scrutiny, one will be able to explain his expenditures.

2. Lower risk; - In case of loss of debit card and credit card, it can be easily blocked because lot of security features are there provided so don't share any password with anyone else.

3. Convenience: - It gives convenience to customer because they need not to carry cash with them. In case of Internet banking, they don't need to carry ATM's with them.

4. Transparency: - By linking all accounts with Aadhaar card number, it will help in tracking black money and same benefit will be received by doing cashless transactions. It will results in more transparency in the system.

5. Security: - There are various security measures which are to be provided with cashless transactions which is not available with physical availability of cash.

2. Literature review
In order to conduct a study, a brief survey regarding work is undertaken on the study of cashless transactions.

Rana R.et.al. (2017), conducted a study on the topic *Study of Consumer Perception of Digital Payment mode.* This study reveals that there is a tremendous growth in using Internet in the present scenario. In this study, data was collected from 150 respondents in Delhi and for data analysis, ANOVA and Frequency analysis were used in order to study about the perception level of Digital payment mode. With this, the perception level of the consumers is positively affected by the adoption of Digital payments. This adoption is generally influenced by the education level of the customers. In the metropolitan areas, the growth of users of Smartphones is increased.

Sinha I.et.al. (2014), conducted a study on the topic *Determinants of Customer's Acceptance of Electronic Payment System in Indian Banking Sector- A Study.* This study traced that because of Globalization, Electronic payment system has become more significant in the Banking sector. With the new economic reforms, it develops open door policy in order to use various modes of cashless payment system. This study highlights the Technology Acceptance Model and through this study, Kolkata has a very slow adoption rate. So, Bank should provide training facilities and conduct seminar to educate less qualified people about privacy in their account. Customers need to be educated about computer knowledge in order to conduct online transaction.

Rao.et.al. (2003) conducted a study and founded that because of the role of ICT, it improves the banking services industry. Indian banking proves to be more beneficial as compared to the services provided in abroad to the customers. Through Internet Banking, it facilitates speedy services to the customers in an efficient manner. E-Banking services provide more assistance to the customers in making payment on time.

3. Objectives of study
The main objective of the study is to find out the usage level of different modes of cashless transactions by the customers.

4. Research Methodology
The study is based on Primary Data. For the collection of data, the whole Haryana is divided into five zones and out of the five zones, five districts are selected. After that three villages are selected from each district. In total 15 villages are selected are selected for data collection.

4.1. Data analysis and Interpretation
This part explains the usage level of customers regarding various modes of the cashless transactions.

4.1.1 Possession of Different Modes

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Debit Card	219	60.8	60.8	60.8
Credit Card	63	17.5	17.5	78.3
Both	78	21.7	21.7	100.0
Total	360	100.0	100.0	

The analytical table and figure show the percentage of card holder. In this study, it shows that 60.8% of the people have debit card, 17.5% have credit card and 21.7% of the people use both types of cards. It reveals that maximum people have debit card.

4.1.2 Familiarity with Digital Wallet Concept

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Know extremely well	66	18.3	18.3	18.3
Know fairly well	141	39.2	39.2	57.5
Know a little	99	27.5	27.5	85.0
Know just name	46	12.8	12.8	97.8
Never heard it	8	2.2	2.2	100.0
Total	360	100.0	100.0	

The analytical table and figure show the percentage of familiar with Digital Wallet concept. In this study, it shows that 39.2% of the people have known in a fairly manner, 27.5% know a little about this concept and 2.2% of the people never heard about this concept.

4.1.3 Frequency of using different modes of Digital Wallet

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Paytm	175	48.6	48.6	48.6
Mobikwik	82	22.8	22.8	71.4
Mobomoney	10	2.8	2.8	74.2
Others	93	25.8	25.8	100.0
Total	360	100.0	100.0	

The analytical table and figure show the percentage of using with Digital Wallet. In this study, it shows that 48.6% of the people have using Paytm, 22.8% people use Mobikwik and only 2.8% people use mobomoney.

4.1.4 Frequency of using Various modes of Cashless Transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Debit Card	166	46.1	46.1	46.1
	Credit Card	38	10.6	10.6	56.7
	Cheque	103	28.6	28.6	85.3
	POS	2	.6	.6	85.8
	Net Banking	28	7.8	7.8	93.6
	E-Wallet	23	6.4	6.4	100.0
	Total	360	100.0	100.0	

The analytical table and figure show the percentage of using card holder frequently. In this study, it shows that 46.1% of the people have debit card, 10.6% have credit card, 28.6% have cheque, and 0.6% have POS, 7.8% use net banking and 6.4% of the people use E-Wallet. It reveals that maximum people have debit card used frequently.

Applying T-test:-

Group Statistics					
	Background	N	Mean	Std. Deviation	Std. Error Mean
How many monthly cash transactions are done by Debit card?	Rural	160	1.7688	1.07119	.08468
	Urban	200	1.9650	1.08149	.07647
How many monthly cash transactions are done by Credit card?	Rural	160	1.5438	.74265	.05871
	Urban	200	1.5150	1.07963	.07634
How many monthly cash transactions are done by POS (Point of Sale/Service)?	Rural	160	1.1500	.45141	.03569
	Urban	200	1.2700	.59908	.04236
How many monthly cash transactions are done by Net Banking?	Rural	160	1.8063	1.06692	.08435
	Urban	200	1.7550	.94841	.06706
How many monthly cash transactions are done by E-Wallet?	Rural	160	1.4875	1.01552	.08028
	Urban	200	1.7350	.99485	.07035
How many monthly cash transactions are done by Cheque?	Rural	160	1.8375	1.12651	.08906
	Urban	200	1.7700	1.05483	.07459

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
How many monthly cash transactions are done by Debit card?	Equal variances assumed	.187	.666	-1.718	358	.087	-.19625	.11423	-.42089	.02839
	Equal variances not assumed			-1.720	342.221	.086	-.19625	.11410	-.42068	.02818
How many monthly cash transactions are done by Credit card?	Equal variances assumed	1.058	.304	.287	358	.774	.02875	.10022	-.16835	.22585
	Equal variances not assumed			.299	350.540	.765	.02875	.09631	-.16066	.21816
How many monthly cash transactions are done by POS (Point of Sale/Service)?	Equal variances assumed	14.880	.000	-2.101	358	.036	-.12000	.05712	-.23233	-.00767
	Equal variances not assumed			-2.166	356.783	.031	-.12000	.05539	-.22893	-.01107
How many monthly cash transactions are done by Net Banking?	Equal variances assumed	6.041	.014	.482	358	.630	.05125	.10636	-.15792	.26042
	Equal variances not assumed			.476	321.051	.635	.05125	.10776	-.16075	.26325
How many monthly cash transactions are done by E-Wallet?	Equal variances assumed	.781	.377	-2.324	358	.021	-.24750	.10650	-.45694	-.03806
	Equal variances not assumed			-2.319	337.784	.021	-.24750	.10674	-.45747	-.03753
How many monthly cash transactions are done by Cheque?	Equal variances assumed	.060	.807	.585	358	.559	.06750	.11532	-.15929	.29429
	Equal variances not assumed			.581	330.400	.562	.06750	.11617	-.16102	.29602

From the above table, It depicts that:-
- There is a significant difference between usage level of debit card in rural area and urban area as the significant value 0.666 is greater than 0.05.
- There is a significant difference between usage level of credit card in rural area and urban area as the significant value 0.304 is greater than 0.05.
- There is no significant difference between usage level of POS in rural area and urban area as the significant value 0.000 is smaller than 0.05.

- There is no significant difference between usage level of Net Banking in rural area and urban area as the significant value 0.014 is smaller than 0.05.
- There is a significant difference between usage level of E-Wallet in rural area and urban area as the significant value 0.377 is greater than 0.05.
- There is a significant difference between usage level of Cheque in rural area and urban area as the significant value 0.807 is greater than 0.05.

4.1.5 Frequency of Usage Level of various modes in Rural and Urban areas

Ranks

	Background	N	Mean Rank	Sum of Ranks
How many monthly cash transactions are done by Debit card?	Rural	160	167.14	26743.00
	Urban	200	191.19	38237.00
	Total	360		
How many monthly cash transactions are done by Credit card?	Rural	160	189.96	30393.50
	Urban	200	172.93	34586.50
	Total	360		
How many monthly cash transactions are done by POS (Point of Sale/Service)?	Rural	160	171.82	27491.00
	Urban	200	187.45	37489.00
	Total	360		
How many monthly cash transactions are done by Net Banking?	Rural	160	179.85	28776.00
	Urban	200	181.02	36204.00
	Total	360		
How many monthly cash transactions are done by E-Wallet?	Rural	160	161.23	25796.00
	Urban	200	195.92	39184.00
	Total	360		
How many monthly cash transactions are done by Cheque?	Rural	160	183.41	29345.00
	Urban	200	178.18	35635.00
	Total	360		

Test Statistics

	How many monthly cash transactions are done by Debit card?	How many monthly cash transactions are done by Credit card?	How many monthly cash transactions are done by POS (Point of Sale/ Service)?	How many monthly cash transactions are done by Net Banking?	How many monthly cash transactions are done by E-Wallet?	How many monthly cash transactions are done by Cheque?
Mann-Whitney U	13863.000	14486.500	14611.000	15896.000	12916.000	15535.000
Wilcoxon W	26743.000	34586.500	27491.000	28776.000	25796.000	35635.000
Z	-2.364	-1.799	-2.133	-.116	-3.652	-.519
Asymp. Sig. (2-tailed)	.018	.072	.033	.908	.000	.604

a. Grouping Variable: Background

H0: The number of monthly transactions done by various modes of cashless transactions is equal.

H1: The number of monthly transactions done by various modes of cashless transactions is not equal.

From the above analysis, it depicts that by applying Mann-Whitney Test, the number of monthly transactions are different in various modes of cashless transactions and value of Z statistic table ranges from -2.364 to -.519. This shows alternative hypothesis is accepted.

5. CONCLUSION

Electronic Payment System has remarkable growth in India. A large number of businesses even small vendors are now accepting cashless payment system. Digital transactions are easily traceable and leaving no space for black money. Through these facts, it is clear that Digital Payment system is much easier than keeping cash, but still people feels reluctant to use the various modes of cashless transactions because of improper services. So, Government should take initiatives to resolve out from this problem like conduct digital literacy programs so everyone aware about the modes of digital payment and also provide instant redressal for customer's grievances and security to avoid frauds.

6. REFERENCES
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