

The Study of Factors that Contribute to the Acceptability of Digital Transactions in the City of Mumbai

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ABSTRACT

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Long years ago, transactions were made by the help of Barter system, where goods and services were exchanged by goods and services. Later on, with the evolution of mankind Barter system is replaced by Token currency where the goods and services were exchanged for coins and notes. But in the recent time there was the evolution of digital payment system. Digital transactions include transactions through credit cards, debit cards and other digital wallet platforms. The different modes of digital payments saw a drastic change in usage in the last 4 years. After demonetization on November 8th, 2016, India saw an increased use of different internet payment systems for money transfer through various devices. Govt. of India also encouraged Digital transaction through its various initiatives such as Digital India. NPCI (National Payments Corporation India) launched Bharat interface for Money (BHIM) an application run on UPI (Unified Payment Interface) in December 2016 to cater the growing online payment needs. But the acceptability among the masses is still a big concern. Many Indians shows hostile attitude toward digital mode of transactions. So, this paper will study the various factors that contribute the acceptability of Digital transaction. The research paper is based on 201 individuals who will demonstrate the demographic factors like age, gender, income group, education etc. which influence the acceptability of the digital mode of transactions. The study will greatly help the GOI as well as Banking sector in order to achieve Digital & Financial literacy.

Keywords: Digital transactions, BHIM, UPI

Introduction

Be it travelling, shopping, booking movie tickets, reserving seats at your favourite dine-in facility, lending, borrowing or any other activity — cashless payments have gained prominence. Thanks to the robust fintech ecosystem, the world has become our oyster and at every step, digital transactions are helping us save both time and money. When Point of Sale (POS) terminals made their way into the Indian financial ecosystem in a full-fledged manner in 2016, there were challenges that simultaneously struck the nation in terms of their full acceptance. Nearly a decade ago, people in India hesitated to even indulge in online transactions as they found cash to be the only trustworthy and secure way to make payments. But in recent, India recorded 1.3 billion UPI transactions in June of 2020, which stands testament to India's rapidly growing digital payments space. Despite increasing number of digital payments in India, not all the section of the society has accepted the new digital form of transactions. Many factors such as gender, education and age do have influence on the acceptability of digital transactions. The current study is based on 201

random responses and tries to find the factors which influence the acceptability of digital payments.

Review of literature

Some literature available on the subject suggested that there is a significant correlation between Age, Gender, Education & Income group etc. and Digital Transaction. Males are more likely to use digital modes of transaction as compared to their female counterparts for both purely digital or a combination of cash and digital instruments. with respect to age, there is pressing evidence in the case of online shopping that older individuals are less likely to pay digitally. Education is also seen to have an enabling effect on people when it comes to going digital. Income levels have a statistically significant, positive impact when it comes to online shopping and gold purchases through the exclusively digital payment route. Lower income groups may prefer paying using cash on delivery (Sudiksha Shree, Bhanu Pratap, Rajas Saroy & Sarat Dhal 2021). Though some literature highlights that an extremely small correlation exists between cashless payments and education level as well as between

cashless payments and income earned. It also revealed that a very high positive correlation exists between the people who collect the payments in their bank accounts and of those who are engaged in cashless payments. Prepaid cards and mobile payments showed maximum growth (*Bappaditya Mukhopadhyaya Y 2016*). The factor of awareness also plays crucial role in the Digital Payment acceptability. But some studies also states that there is no significant difference between level of awareness towards digital payment systems between male and female. Also, no relationship existed between education of the respondents and their level of awareness towards digital payment systems (*Dr. M Sumathy and Vipin KP 2017*). From the above available literature, it is clear that, there is no uniformity on the study and the factor like Age, Gender, Education etc may or may not affect the acceptability of an individual regarding digital payments. Therefore, it is essential to do further examination to get better clarity on the subject.

Objective

- A. To find (if) there is any relationship of the age and the acceptability of digital transactions.
- B. To find (if) there is any relationship of the gender and the acceptability of digital transactions.
- C. To find (if) there is any relationship of the level of education and the acceptability of digital transactions.
- D. To find (if) there is any relationship of the level of income and the acceptability of digital transactions.
- E. To find (if) there is any relationship of the Occupation and the acceptability of digital transactions.
- F. To find the role of Awareness in the acceptability of digital transactions.

Research Methodology

1. Research Design:

The study was exploratory. It was conducted to find Factors that Influence the acceptability of Digital Transaction.

2. Hypothesis:

The hypothesis for the study was suggested as follows:

A. Ho: There is no significant relationship between age and the acceptability of digital transactions.

H1: There is significant relationship between age and the acceptability of digital transactions.

B. Ho: There is no significant relationship between gender and the acceptability of digital transactions.

H1: There is significant relationship between gender and the acceptability of digital transactions.

C. Ho: There is no significant relationship between the level of Education and the acceptability of digital transactions.

H1: There is significant relationship between the level of Education and the acceptability of digital transactions.

D. Ho: There is no significant relationship between the level of Income and the acceptability of digital transactions.

H1: There is significant relationship between the level of Income and the acceptability of digital transactions.

E. Ho: There is no significant relationship between the Occupation and the acceptability of digital transactions.

H1: There is significant relationship between the Occupation and the acceptability of digital transactions.

F. Ho: There is no significant relationship between the Role of Awareness and the acceptability of digital transactions.

H1: There is significant relationship between the Role of Awareness and the acceptability of digital transactions.

3. Source of Information:

The primary data was collected by interviewing 201 respondents through questionnaire method and the secondary data was collected from periodicals, websites and journals.

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Research Findings

Out of total 201 respondents it is come to know that 134 which is 66.667% are using Digital Mode of Payments and 67 respondents which is 33.34% are still not using digital mode of payments. Following Factors are taken for the examination of the acceptability of digital Transactions.

NOTE:

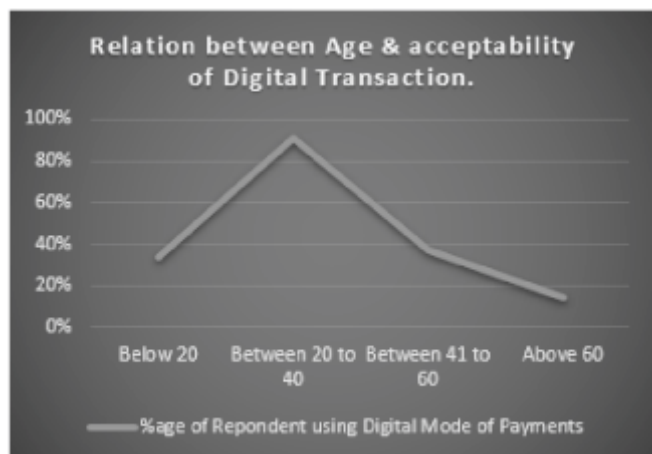
Yes, represents that Respondents are doing Digital Transactions.

No, represents that Respondents are Not doing Digital

Transactions.

TABLE 1: AGE GROUP

Source: Primary Data

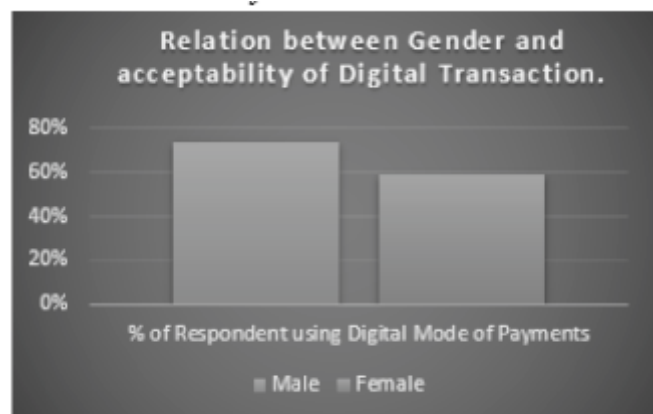


Age Group	Total	Yes	No
Below 20	6	2	4
Between 20 to 40	120	109	11
Between 41 to 60	54	20	34
Above 60	21	3	18
Grand Total	201	134	67

From the above data it is clear that there is significant relation between Age group & Acceptability of Digital transaction. 91% of the respondent belong to the age group between 20 to 40 are using Digital mode of Transactions. And at the same time only 14% of the respondent belong to the age group above 60 are using Digital mode of Transactions.

TABLE 2: GENDER

Source: Primary Data

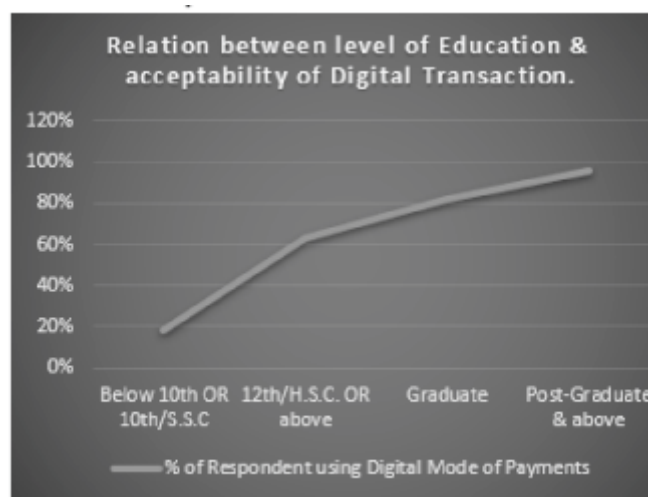


Gender	Total	Yes	No
Male	107	79	28
Female	94	55	39
Grand Total	201	134	67

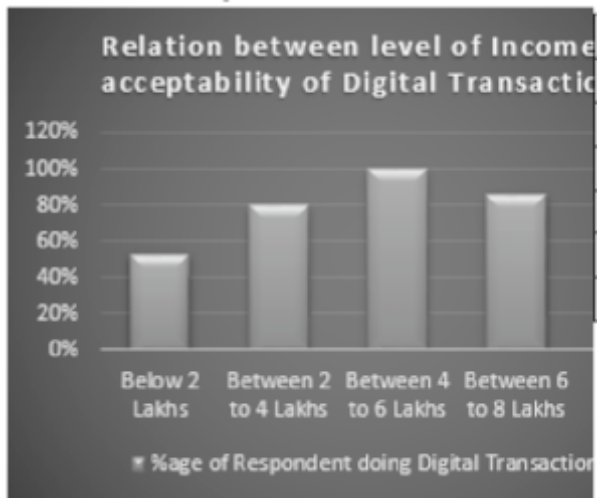
The above data highlights that 74% male are doing Digital Transactions at the same time only 59% females are indulged in Digital Transactions. Males are more open towards Digital Transactions then their Female counterparts

TABLE 3: LEVEL OF EDUCATION

Education	Total	Yes	No
Below 10th OR 10th/S.S.C	51	9	42
12th/H.S.C. OR above	30	19	11
Graduate	67	55	12
Post-Graduate & above	53	51	2
Grand Total	201	134	67



From above data it is clear that there is significant relationship between the level of Education & the acceptability of Digital transactions. The respondents whose education level is Below 10th OR 10th are less likely to do digital transactions. Only 18% who belongs to the group are doing digital transactions. On the other hand, who highly educated such as graduate or post graduate shows high acceptability towards digital transactions. 96% post graduates are doing digital transactions.

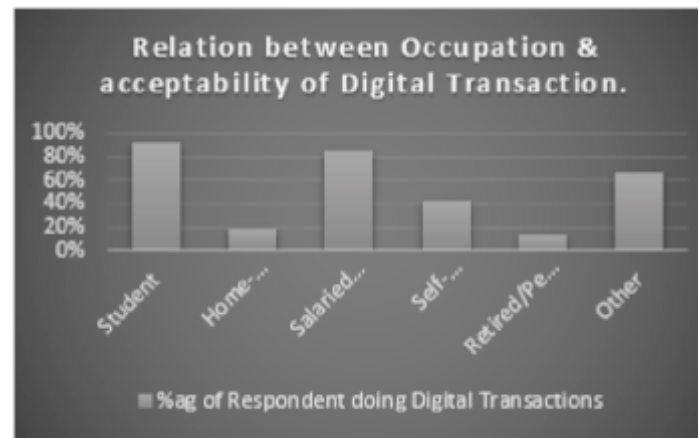
TABLE 4: LEVEL OF INCOME*Source: Primary Data*

Annual Income	Total	Yes	No
Below 2 Lakhs	120	63	57
Between 2 to 4 Lakhs	46	37	9
Between 4 to 6 Lakhs	11	11	0
Between 6 to 8 Lakhs	7	6	1
Above 8 Lakhs	17	17	0
Grand Total	201	134	67

From the above data we can say that those who are belongs to the low-Income group shows more resistance towards Digital Payments. Only 53% who earns below 2 Lakhs annually are doing Digital Transaction. Whereas, 92% who earns more than 2 Lakhs annually are open towards Digital Transactions. This shows there is significant relationship between level of Income and acceptability of digital transactions.

TABLE 5: OCCUPATION

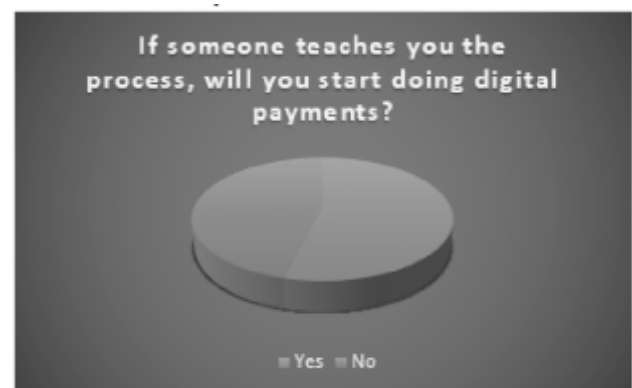
Occupation	Total	Yes	No
Student	57	53	4
Home-Maker	26	5	21
Salaried Person/Service	71	60	11
Self-Employed/Business Person/Entrepreneur	28	12	16
Retired/Pensioner	16	2	14
Other	3	2	1
Grand Total	201	134	67



From the above data, we can say that occupation such as salaried person/ service and students shows high acceptability towards digital transactions. On the other hand, Home makers and Retired person shows high resistance towards digital transactions, whereas Self-employed person shows moderate interest towards digital payments.

TABLE 6: ROLE OF AWARENESS

To analyse the role of awareness, one additional question was asked to the respondents who are not doing digital transaction, that “if someone teaches you the digital transactions, will you start doing it?”. Then, out of 67 persons 36 shows the positive approach while 31 persons shows resistance towards digital transactions even after providing adequate level of awareness to them.

Source: Primary Data

Total	Will start doing it	Still prefer Cash Transactions
67	36	31

From the above data it is clear that, there is no significant co relation between the awareness and acceptability of digital transactions.

Conclusion

- There is inverse relationship between the age and level of acceptability of digital transaction. Young population are more open toward the digital transaction but as age group goes on increasing the level of resistance towards the digital transaction also goes on increasing.
- There is a significant relationship between gender and the openness towards digital transaction. From the study it is reviled that male are more indulged in digital transaction than their female counterparts.
- Level of education plays a crucial role when it comes to the acceptability of digital transactions. Those who belong to lower education group are showing more resistance towards digital mode of payment and as the level of education increases the acceptability towards digital mode of payment also increases.
- The low-income group are more indulged in cash transactions. At the same time those who are earning more than 2 lakhs annually are more likely to perform digital mode of payments.
- Some occupations have shown high acceptability towards digital transactions such as Salaried personal and students and on the other hand some have shown high resistance towards it such as home makers and retired personals. Whereas some professions such as self-employed/Business personals have shown moderate openness towards digital mode of payments.
- From study it is clear that awareness does not play a significant role towards the acceptability of digital transactions.

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