



An Empirical Study On Current Scenario Towards Electronic Payments In Coimbatore City!

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Abstract: The introduction of digital payments has revolutionized the banking industry by providing efficiency, security, and convenience. The present state of electronic payments in Coimbatore, Tamil Nadu, India, is examined in this empirical study. A survey-based methodology was used to gather information from 300 respondents in a range of demographic categories. By pointing out areas for development and guiding tactics for advancing digital financial inclusion, the study advances knowledge about Coimbatore city's electronic payment trends.

Keywords: Electronic payment, Cash payment, Opportunities, Financial Improvement

INTRODUCTION

In every transaction, money is exchanged for goods or services between a payer and a payee (or buyer and seller), as well as at least one financial institution that connects "bits" to "money." The latter function is split into two components in the majority of current payment systems: an issuer, which is utilized by the payer, and an acquirer, which is utilized by the payee. The implementation of electronic payments involves the transfer of actual funds from the payer to the payee through the issuer and acquirer. A predetermined sum of money is deducted from the payer (for instance, by debiting that amount from the payer's bank account) prior to a purchase being made in prepaid cash-like payment systems. This sum of money can be applied to future payments. This group includes electronic cash, card-based electronic purses, and (certified/guaranteed) bank checks. A digital infrastructure that enables electronic money transfers between individuals and businesses is known as an electronic payment system, or e-payment system. Point-of-sale terminals, online banking, and mobile payment apps are just a few of the technologies used by e-payment systems. Compared to conventional cash or check transactions, they are a more practical, safe, and effective way to manage finances.

Objectives of the Study

- To evaluate Coimbatore City businesses' and inhabitants' knowledge of and use of electronic payment systems (EPS).
- To determine the elements impacting EPS adoption.
- To examine the advantages and difficulties of using EPS.
- To investigate the connection between EPS adoption and demographic characteristics.
- To provide recommendations for improving EPS infrastructure and promoting digital financial inclusion.

Scope of the study

- This study encompasses how online payments impact digital financials in the area.
- It describes how customers use online payment apps and their satisfaction with them.
- It gets information about a digital infrastructure that enables the electronic transfer of funds between individuals or entities.

Limitation of the study

- The time of the study was limited.
- The number of respondents was limited to 60 only.
- The study was conducted in Coimbatore city. So, it is applicable only to Coimbatore.

Statement of the problem

Customer satisfaction towards an electronic payment service depends on various factors like service quality, safety measures, and service delay delivery.

Research Methodology

The relevant data for the present study has been collected from both primary and as well as secondary sources

PRIMARY DATA: The primary data has been collected through a structured questionnaire to measure the perception and satisfaction towards using E payment services

SECONDARY DATA: The applicable secondary data for the study have been collected mainly from various Books, Reports, Journals, relating to the subject.

AREA OF THE STUDY; The study is conducted in Coimbatore city

SAMPLE SIZE: A sample size of 60 respondents hailing from Coimbatore city was chosen.

SAMPLE UNIT:

The sampling unit of this study was individual and the active users of any E- Payment services in the past month.

SAMPLING TOOLS;

The tools used for this study are Simple percentage analysis and Chi- Square

Review of Literature

Wulandari and colleagues (2018) Electronic money should have straightforward and easy-to-understand features. The ease with which an electronic system can be accessed could have a significant impact on its utility and user attitude

Sanghita Roy, Dr. Indrajit Sinha (2014) stated that E- payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Still 90% of the transactions are cash based. Technology Acceptance Model used for the purpose of study. They found Innovation, incentive, customer convenience and legal framework are the four factors which contribute to strengthen the E- payment system.

Ali Shawket Thiab & Zeratul Izzah Mohd.Yusoh, 2019 It is concerned with the individual assessment of the effort put forth in the technological process. According to several empirical investigations, perceived simplicity of use has an impact on e-payment uptake.

Simple Percentage

Simple percentage formula

Number of respond / total number of respondent * 100g

Table1

S.no	Demographic		No.of Respondents	Percentage
1.	Age	18-24 years	32	52.5%
		25-30 years	6	9.8%
		31-35 years	9	14.8%
		36 – 45 years	11	18%
		Above 45 years	3	4.9%
2.	Gender	Male	17	27.9%
		Female	44	72.1%
3.	Marital Status	Married	27	44.3%
		Unmarried	34	55.7%
4.	Qualification	Diploma	2	3.3%
		UG	23	37.7%
		PG	26	42.6%
		professional	7	11.6%
		Other	3	4.8%
5.	Monthly Income	10,000 to 20,000	42	68.9%
		21,000 to 30,000	9	14.8%
		31,000 to 50,000	7	11.5%
		Above 50,000	3	4.9%

INTERPRETATION

The table 1 clearly states the demographic profile of the sample respondents. Most of them are Female. Most of them are at the age of 18-24 years. Majority of the respondents are both UnderGraduates and Post graduates. Maximum of respondents are Employees. Most of the respondents are working. Majority of the respondents are using E payment services for Money transfer and bill payment. Majority of the respondents are satisfied with the overall experience of E payment services.

Chi-square:

A chi- square test is a statistical test used to compare observed value with expected value. It is one of the important Non-parametric tests that used to compare more than two variables for randomly selected data. A chi- square statistics is used to test the measures of expectation.

Chi-square analysis formula

$$\chi^2 = \sum (O_i - E_i)^2 / E_i,$$

$$\text{Degree of freedom} = (r-1) * (c-1)$$

The two variables are Gender and Factors affecting trust in electronic payment system

TABLE 3

Variable	Degree of freedom	Calculated Value	Table Value	Accepted/ Rejected
Gender and Factors affecting trust in electronic payment system	3	0.165	7.815	H1 Accepted

INTERPRETATION

The calculated value (0.165) is less than the table value (7.815).

H₀; There is no significant relationship between the Gender and the Factors affecting trust in electronic payment system

H₁; There is a significant relationship between the Gender and Factors affecting trust in electronic payment system.

FINDINGS

SIMPLE PERCENTAGE

1. Majority 72.1% of the respondents are Female
2. Majority 55.7% of the respondents are Unmarried
3. Majority 52.5% of the respondents belongs to the group of 18 -24
4. Majority 42.6% of the respondents are Post graduate
5. Majority 54.1% of the respondents are Employee

6. Majority 68.9% of the respondents are 10000 to 20000
7. Majority 65.6% of the respondents are Urban
8. Majority 60.7% of the respondents are using Digital payment
9. Majority 95.1% of the respondents are smart phone users
10. Majority 63.9% of the respondents are medium in trust level
11. Majority 52.5% of the respondents are using 2 times online transactions on daily basis
12. Majority 52.5% of the respondents are daily electronic payment users
13. Majority 62.3% of the respondents are very familiar with electronic payment terms (e.g., UPI, QR Code)
14. Majority 73.8% of the respondents are UPI users in electronic payment
15. Majority 75.4% of the respondents are giving statement that every small shop in their locality accepting online payments
16. Majority 68.9% of the respondents are getting useful while doing business transaction
17. Majority 55.7% of the respondents are got knowledge of using electronic payment system in online resources
18. Majority 65.5% of the respondents are using Mobile payment apps for their daily basis transactions in electronic payment
19. Majority 62.3% of the respondents are using electronic payment more than a year
20. Majority 44.3% of the respondents primary purpose of using electronic payment is Bill payment
21. Majority 37.7% of the respondents opinion in factors affecting trust in electronic payment system is Password protection

FINDINGS FOR CHI-SQUARE ANALYSIS

There is a significant relationship between the Gender and Factors affecting trust in electronic payment system.

SUGGESTIONS

Most of the respondents suggested enhancing the user experience of E payment expected to improve the security protection while scanning QR Codes. The Digital Payment system in India, still needs to be developed, moreover it should replace the traditional paper notes and every transaction should be made through digital mode possibly in future. The benefits are seamless transactions between parties, easy to track by Govt, avoids tax evasion where More Cash means more prone to tax evasion. Additionally pay attention to reduce delay in payment process and need to implement even more safer methods to safeguard against fraudsters.

CONCLUSION

To address An empirical study on current scenario towards electronic payments in Coimbatore, it is crucial to prioritize E payment system and awareness programs to enhance into digital world. E payment services should focus on improving the security and privacy features of their services to build trust among customers. Moreover, efforts should be made to ensure financial inclusivity by reaching out to underserved communities and illiterate people. Regular monitoring and updates of regulatory frameworks are necessary to maintain a balance between fostering innovation and safeguarding consumer interests. Lastly, fostering a competitive environment through fair regulations can encourage innovation while preventing privacy measures that customers freely do their payment services.

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