

CUSTOMER PAYMENT BEHAVIOR IN ORGANIZED RETAIL OUTLETS AT COIMBATORE DISTRICT

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Abstract : The study puts torch about how consumers use cash or plastic money in the organized retail outlets for their purchases. The objective was to find out how easy consumers found plastic money use to be, whether they liked using it and in particular how they compared it to using cash. A qualitative survey of consumer use of plastic money, Debit cards, Credit cards and cash was undertaken. Attitudes, behavior and opinions of the customer during payment are analyzed and were collected using a structured questionnaire. The influence of factors like income, education, convenience, advantages and disadvantages over the payment modes were been studied. The study also analyzed the problems that were faced by consumers in relation to security and complexity of usage and preference of alternative payment modes. The study had examined the customer payment behavior during purchase and their mode of payment opted.

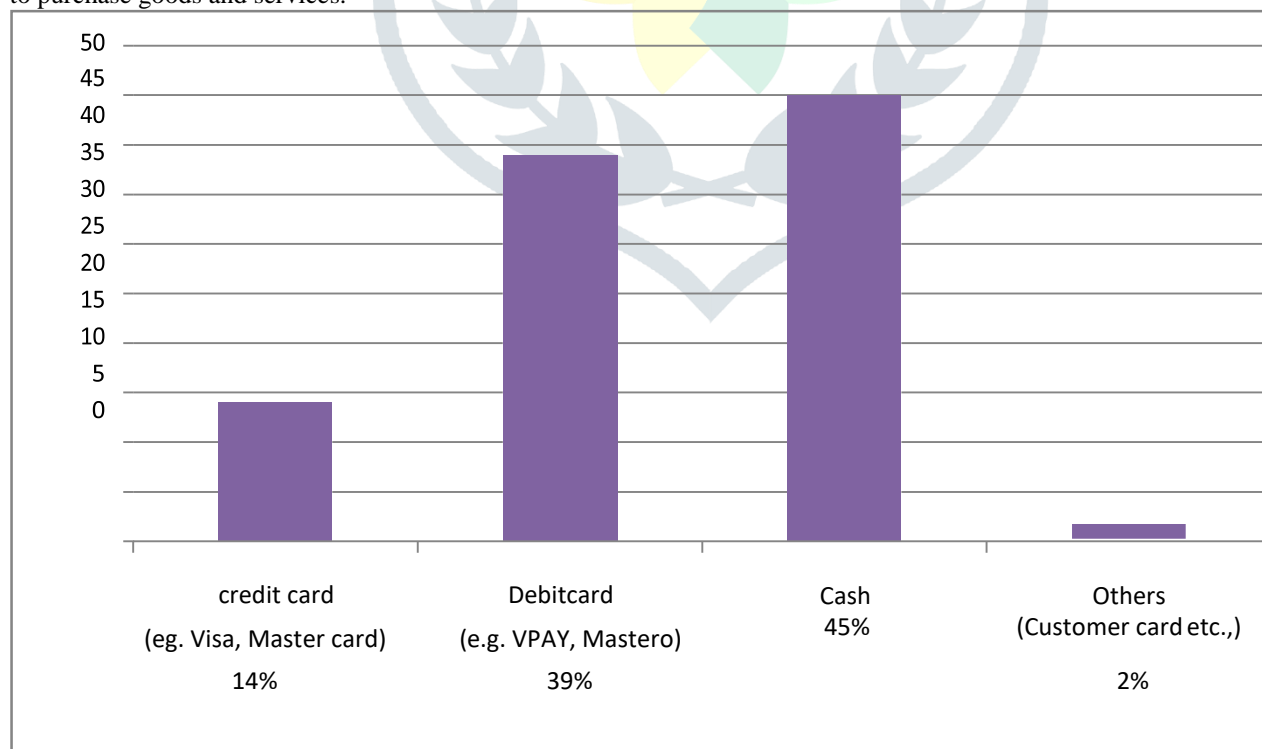
IndexTerms- Debit cards, credit cards, Cash, payment mode and payment behavior, organized Retail.

I. INTRODUCTION

Organized retailing comprises mainly of modern retailing with busy shopping malls, multi stored malls and huge complexes that offer a large variety of products in terms of quality, value for money and makes shopping a memorable experience. The combination of demand, supply and regulatory factors, which are expected to be the growth engines of the Indian consumer and retail market. The advanced technology based systems in payment services world over resulted in great changes in terms of how retailers offer services to customers. Use of plastic money has come as a form of convenience to customers. This paper gives a brief overview of the organized retail growth and discusses the emerging payment mechanisms and related issues faced in Indian Retail.

RETAIL PAYMENT SYSTEMS

Payment systems in retail can be streamlined into cash and non-cash payments. Further, payments can be divided into retail and wholesale. Retail payments generally, have higher transaction volumes than wholesale payments. Consumers use retail payments to purchase goods and services.



By adopting and using plastic money clients will reduce the risk of losing hard earned cash and overcome change problems currently being faced on the retail market.

II REVIEW OF LITERATURE

Forbes magazine (2013), stated that scientific studies have shown that people are more likely to complete a purchase if they intend to pay with a credit card than if they intend to pay with cash. Cash just seems more scarce, so people are more likely to try to conserve it.

Pallister and Isaacs (2002), reported that a debit allows a customer to pay for goods and services at various retail outlets by directly debiting their bank accounts. On the other hand, credit cards enable the holders to obtain credit and withdraw cash up to a pre-arranged ceiling.

Radhakrishnan (1996) study on “Debit Cards” shows that the debit cards also have found wide acceptability than credit cards because of assurance of payments to retailers, switching of cardholders to debit card because of using interest free period to avoid high interest cost, annual charges as compared to debit cards etc.

OBJECTIVES OF THE STUDY

- To evaluate the influence of socio- demographic factors on payment behavior.
- To study the customer preference towards using cash & other payment methods.

RESEARCH METHODOLOGY

DESCRIPTIVE SURVEY DESIGN WAS USED IN THIS STUDY. A DESCRIPTIVE SURVEY DESIGN IS A SCIENTIFIC INVESTIGATION THAT IS USED TO STUDY LARGE AND SMALL POPULATION THROUGH SELECTING AND STUDYING LARGE SAMPLES CHOSEN FROM THE LARGEST POPULATION IN ORDER TO DISCOVER THE RELATIVE INCIDENTS OR DISTRIBUTION OF VARIABLES ON A SPECIFIC TOPIC. CONVENIENT SAMPLING PROCEDURE WAS USED FOR DATA COLLECTION.

RESEARCH DESIGN

THE MAIN AIM OF THIS STUDY IS TO KNOW THE CUSTOMER PAYMENT BEHAVIOR AT ORGANIZED RETAIL OUTLETS AND FIND OUT THE KEY FACTORS FOR THE USAGE OF PARTICULAR PAYMENT METHODS. THEREFORE DESCRIPTIVE RESEARCH IS BEING ADOPTED TO FIND OUT THE CUSTOMER ATTITUDE AND CHARACTERISTICS OF CONSUMERS.

AREA OF THE STUDY

THE SURVEY IS CONDUCTED AMONG CUSTOMERS WHO MAKE PURCHASE AT VARIOUS ORGANIZED RETAIL OUTLETS IN COIMBATORE.

RESEARCH APPROACH

A STRUCTURED QUESTIONNAIRE IS USED FOR COLLECTING DATA FROM THE RESPONDENTS THROUGH SURVEY METHOD.

SAMPLE SIZE

SAMPLE SIZE TAKEN IN THIS STUDY IS 250.

PERIOD OF STUDY

THE STUDY WAS CONDUCTED DURING THE PERIOD DECEMBER 2017 TO MARCH 2018.

SAMPLING TECHNIQUE

CONVENIENCE SAMPLING WAS EMPLOYED IN THE STUDY.

RESEARCH INSTRUMENT:

A STANDARD QUESTIONNAIRE WAS PREPARED FOR THE COLLECTION OF DATA FROM VARIOUS RESPONDENTS. THE QUESTIONNAIRE WAS DESIGNED IN SUCH A WAY THAT THE AIM OF COLLECTING ESSENTIAL INFORMATION FOR THE STUDY WOULD MEET THE SET OF OBJECTIVES.

III ANALYSIS AND INTERPRETATION

TABLE1: SHOWING THE FREQUENCY OF MONTHLY PURCHASES MADE BY CONSUMERS AT RETAIL OUTLETS.

No. of purchases- monthly	Frequency	percentage
1-5	95	38
6-10	70	28
11-15	55	22
15 & above	30	12
Total	250	100

FINDINGS: THE ABOVE TABLE SHOWS THAT 38 % OF RESPONDENTS MAKE A MINIMUM PURCHASE AT ORGANIZED RETAIL OUTLETS ON A MONTHLY BASIS.

TABLE 2: SHOWING THE QUANTITY OF MONTHLY PURCHASES (IN RUPEES)

Qty. of purchases- monthly	FREQUENCY	percentage
Below 5000	115	46
5001-10000	70	28
10001-15000	45	18
15001 & above	20	8
Total	250	100

Findings: The above table shows that 46% of customers make a purchase for Rs.5000.

Table 3: Showing type of store you make the purchase

Type of store	FREQUENCY	percentage
Departmental store	85	34
Supermarket	55	22
Hypermarket	40	16
Specialty store	20	8
Malls	15	6
others	35	14
Total	250	100

Findings: The above table shows that majority of customers make their purchase at departmental store.

Table 4: Showing Rate of cash and card usage by respondents

Rate of usage	FREQUENCY	
	cash	card
High	90	21
Low	32	6
Don't know	8	50
Can't say	14	20
None	2	7
Total	146	104

Findings: The above table shows that majority of customers make their purchase at departmental store.

Table 5: Showing Rate of cash and card usage by respondents

Rate of usage	FREQUENCY	
	cash	card
High	90	21
Low	32	6
Don't know	8	50
Can't say	14	20
None	2	7
Total	146	104

Findings: The above table shows that majority of customers use cash for the purchase.

Table 6: Showing satisfaction level obtained in payment methods opted at retail outlets

Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Cash	58	32	15	1	3
Debit card	31	5	1	0	5
Credit card	22	8	7	15	4
others	12	18	4	3	8

Findings: The above table shows that 58% of the customers are satisfied with cash payment done at retail outlets.

IV SUGGESTIONS AND RECOMMENDATIONS

Consumers must choose the payment method that fits their financial needs, offers convenience, and best protects the security of their money in each transaction.

V CONCLUSION

The study considers the state of our understanding of how and why consumers choose their payment methods and what is needed to make more advance in understanding consumer payment decisions. Today's interest in consumer payments is really an interest is called as "payment instruments. Cash, Credit cards, debit cards are the leading payment instruments today.

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