

DIGITAL CURRENCY AND ITS IMPACT ON UNORGANISED RETAIL SECTOR WITH REFERENCE TO KRISHNAGIRI TOWN - A STUDY

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Abstract

Digital India makes the people to use digital currency as a necessity instead of a choice. Smart phone technology boosts the usage of internet and network usages. It induces the users to get access to digital currency through various apps. It leads a rapid growth in digital currencies use. This study tries to find out the usage of digital currency and its impact on the unorganised retail sector in Krishnagiri town. Most of the consumers, in and around the town are familiar with the smart phone technology and usage of digital currency. Accepting digital currency in the retail market is a biggest challenge for them. Thus, this study highlights some of the challenges in the acceptance and usage of digital currency among retailers. The data were collected from various unorganised retailers in Krishnagiri town. It is found that most of the unorganised retailers are not happy with the acceptance and usage of digital currency. Some of the retailers are felt that insecure in the digital currency transactions and have to bear some extra charges in the profit part of the sale. Convertibility of liquid cash in the case of digital currency seems to depend on the banks. The study concluded that the digital currency is an acceptable one in the business but at the same time the adaptability is a question due to lack of regulatory control.

Key words: Digital currency, unorganised retail sector, insecure, adaptability, etc.

1. Introduction

Unorganised retailers are the largest and main players in the overall retail sector. They are the traditional retailers. Digitalisation and smart phone revolution makes a positive vibration among the people. Lots of applications are providing numerous services to the users. During the last few years, there is a revolution in the technology changes that no need to keep the personal wallet. Most of the smart phone users are likely to purchase through online. Consumer perception impacts the traditional retailers to adopt plastic currencies, like debit and cards in the market. It leads them to accept digital currencies that transfers through apps like Paytm, PayPal, Google pay, etc. In older days, there was no opportunity for a consumer to compare the products and figure out the alternatives. But after the entering of some big concerns in the online market and revolution in the smart phone technology, the consumers' mindset focused on the online retail market. The online market provides multichannel distribution and it provides product comparison and suggestion of alternatives. Digital currency is the electronic money, which converts the physical currency

into electronic money by way of keeping it in digital wallets. Keeping the money in the digital wallet helps the consumer to get more offer and immediate cash back on every single payment. It attracts consumers to great access to digital wallet apps. After the smart phone and 4G technologies and especially the online retail market in the rural area leads the consumers and smart phone users to access the digital wallet. This adoption mostly welcomed by the consumers because even without bringing cash and cards they can spend money through digital modes and accessing it from anywhere. In the Krishnagiri town, most of the retailers are accepting the digital mode payments through apps like paytm, Mobikwik and Airtel pay and recently the Google pay.

2. Review of literature

Marc Wiefel (2015) stated that the traditional retailers should change their traditional frames of reference and ways of working. Because of the consumers focus shifting from store-based to multichannel mindset.

NEC Corporation (2016) stated that the digital environment has made it essential for the retailers to provide added value to the consumers to survive in the market. Hence, it is necessary to adopt the consumer-centric modelling business method with the latest technology

Capgemini consulting (2017) reported that consumers are expecting the retailers to serve a higher function in the form of digitalisation and new technologies than simply selling the products.

3. Statement of problem

The aim of the study is to know the awareness and impact levels of traditional and unorganised retailers in the adoption of digital mode currencies. Due to changes in the technology, the adoption of digital mode transaction must essential in the field of retail sectors. In the adoption, the retailers face many challenges in the field. Thus, this study tries to figure out the impact in the unorganised retail sector for the acceptance of digital currency.

4. Objective of the study

1. To know the awareness level of retailers about the usage of electronic money.
2. To know the opportunities and challenges to implement digital transaction.
3. To know the impact and satisfaction level in the adoption of digital currency.

5. Hypothesis

H₀₁: There is no significant association between type of business and awareness level.

H₀₂: There is no significant relationship between type of business and impact level.

H₀₃: There is no significant relationship between size of the business and the satisfaction level.

6. Methodology

The study is based on primary data, collected from retailers in the Krishnagiri town using random sampling technique with the help of questionnaire.

7. Sampling design

The sample size comprises different types of retailers like provision stores, medical shops and stationary mart. A sample of 56 respondents was considered for the study to find out the impact and satisfactory level of the retailers in the adoption of digital currency in business.

TABLE 1
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
0.823	0.820	19

The above Cronbach's Alpha reliability shows that the data are reliable at 0.820, which states that the data are reliable.

8. Results and discussion

1. Among the 56 respondents, 19 are provision store retailers, 16 are pharmacy, 16 are stationary and fancy, 3 are hotels, and 2 are electronics and accessories retailers.
2. Among the respondents, 14 retailers are in the field 10 to 15 years, 13 are in the field more than 20 years, 12 are in the field 5 to 10 years, 11 are in the field 15 to 20 years, and 6 retailers are in the field below 5 years.
3. Majority of the retailers are medium level retailers with the monthly turnover of below Rs. 45000, 19 are big retailers with monthly turnover above Rs. 45000, and 6 retailers are in small level with the monthly turnover below Rs. 20000.

TABLE 2

Correlation between the Type of the Business and the Awareness Level of Retailers

		Aware on Latest Technology in the digital payments	Aware on Digital Wallets	Aware on secure payment	Aware on the mode of transaction	Aware on Liquidity of Digital currency
Type of the business	Pearson Correlation	-.144	-.091	-.015	-.025	-.021
	Sig. (2-tailed)	.288	.503	.913	.856	.877
	N	56	56	56	56	56

There is no significant relationship between type of the business and awareness level of retailers about the digital currency and digital transaction. Hence, the null hypothesis is accepted.

TABLE 3

Relationship between Type of Business and Impact of Adoption of Digital Currencies

		Sum of Squares	df	Mean Square	F	Sig.
Increase in sales	Between groups	10.561	4	2.640	1.399	.248
	Within groups	96.279	51	1.888		
	Total	106.839	55			
Increase in customer approach	Between groups	16.953	4	4.238	2.412	.061
	Within groups	89.601	51	1.757		
	Total	106.554	55			
Expansion of business	Between groups	4.459	4	1.115	.819	.519
	Within groups	69.380	51	1.360		
	Total	73.839	55			
Loss of consumers	Between groups	4.113	4	1.028	.658	.624
	Within groups	79.726	51	1.563		
	Total	83.839	55			
Doubt in the payment	Between groups	3.015	4	.754	.453	.770
	Within groups	84.825	51	1.663		
	Total	87.839	55			

There is no significant relationship between type of business and impact level towards adoption and acceptance of digital currencies. Hence, the null hypothesis is accepted.

TABLE 4

Relationship between Size of Business and Satisfaction in the Adoption of Digital Currencies

		Sum of Squares	df	Mean Square	F	Sig.
Easy access	Between groups	3.085	2	1.542	1.207	.307
	Within groups	67.754	53	1.278		
	Total	70.839	55			
Safety and security	Between groups	.755	2	.378	.260	.772
	Within groups	76.959	53	1.452		
	Total	77.714	55			
Increase customers	Between groups	3.367	2	1.683	1.230	.301
	Within groups	72.562	53	1.369		
	Total	75.929	55			
Growth in business	Between groups	.057	2	.029	.023	.977
	Within groups	65.657	53	1.239		
	Total	65.714	55			
Conversion of cash	Between groups	3.115	2	1.557	1.018	.368
	Within groups	81.099	53	1.530		
	Total	84.214	55			

There is no significant relationship between size of the business and satisfaction level of retailers in the adoption of digital currencies. Hence, the null hypothesis is accepted.

9. Suggestions

The study shows that the adoption of digital currencies does not make that much impact in the unorganised retail sector. Usage of technology is not adopted properly and fully. Most of the retailers are not accepting the digital currencies in most of the time even if there is an option of fear of security issues and easy conversion of cash. The study recommended that the steps need to be taken to enhance the growth through technology by advising their customers to utilise the digital transactions.

10. Conclusion

It is concluded that even the adoption of new technology and digitalisation, there is a lack in the effective utilisation. This study shows that the retailers are forced to adopt the new technology due to customers' requirement but the effective utilisation is not there to enhance their business growth. Further, there is no such impact on the unorganised retail sector. The retailers should take necessary steps to convert their business into the digital world.

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