



# A Study on Consumer Behavior towards Digitization Atmanirbhar Bharat

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## ABSTRACT

Even until the 21<sup>st</sup> century, transfer of funds and payment in the bank used to take a longer duration, people used physical cash for their daily transactions, using of cards, mobile banking, and online banking was a biggest challenge to the consumers it is from past decade things have changed in the Indian market, the credit goes to the online shopping portals like e-bay, Amazon, Flipkart, Mintra, Jabong etc. in India the online shopping came to limelight during the year 2014, which is the big billion day by Flipkart, since then the behavior of the consumers have changed. This study talks about how the consumer behavior has changed their attitude from physical cash payment to digital payment from market to an online market.

*Keywords: Digital payments, customer Behaviour, emerging trends in digital payments*

### 1. Introduction

Digital India is one of the scheme introduced by Prime Minister Modi, the objective of this scheme is that every Indian is digitally empowered and every information in the country is digitally available, digital India platform offers an opportunity for government agencies to transform themselves into digital enterprises and for digital contributors, rewards for doing simple data entry jobs.

The Main objective of Digital India is to go Paperless and Cashless in the economy, for which the government has taken many initiatives, it all started on November 8<sup>th</sup> 2016 the reason is “Demonetization” The government Banned 2 prominent notes of the denomination Rs.500 and Rs.1000 the objective was to curb out Black money from the economy this created a huge cash crunch in the economy, because almost 80% of the currency circulated in the country was in the form of Rs 500 and Rs.1000, even though people had Bank balances in the bank account they didn't have money to buy goods and services, there were long queues in the banks even to get Rs 2000, this situation brought a great scope to the payment banks and the other Non Banking Financial Institutions, therefore Companies such as PayTM, Airtel payment banks gained prominence and gradually people started to change their behavior from physical cask to digital money, the government also Introduces BHIM, IMPS, etc. .

There are some of the trends in the banking business as follows Mobile banking, E-lobby, Face book banking, Phone banking, E-mail banking, Insta banking, Digital wallets, Bharath Interface for Money(BHIM), Tez, Phone pe, NEFT, RTGS, Pay tm, IMPS, Google pay. The development in the digital payment became prominent after In present the most of the customers are using Digital mode for making payments such as Mobile banking, NEFT, RTGS, Digital cheque, BHIM, IMPS, PayTM, Phone-pe, Tez, Google pay etc.

Government Initiative:

(<http://cashlessindia.gov.in>, 2016) There are many initiatives taken by the government to promote cashless economy.

- Excise Duty on POS Devices and All goods for manufacture of POS Devices. Dated 28<sup>th</sup> November, 2016
- To promote digital payments through use of credit/debit cards and mobile phone applications/e-wallets etc, the Central Government announced a package of incentives and measures. Dated 8<sup>th</sup> December 2016
- For card payments, transactions up to ₹ 1000/-, MDR capped at 0.25% and transactions above ₹ 1000/- and up to ₹ 2000/-, MDR capped at 0.5% from 1st January 2017 to 31st March 2017. Dated 16<sup>th</sup> December 2016
- Benefit of lower rate of Income Tax on digital turnover (from 8% to 6%) for small businesses under Section 44AD of Income Tax Act, 1961 Dated 20<sup>th</sup> December 2016
- Public Sector Banks (PSBs) not to charge fees for transactions settled on Immediate Payment Service (IMPS) and Unified Payments Interface (UPI) in excess of rates charged for National Electronic Funds Transfer (NEFT) for transactions above Rs. 1000/-, with service tax being charged at actual; For Unstructured Supplementary Service Data (USSD) transactions above Rs. 1000/-, a further discount of Fifty (50) Paise up to 31.03.2017. Dated 21<sup>st</sup> December 2016
- Oil Marketing Companies are now offering an upfront discount of ₹ 5/- on every LPG refill to all LPG customers who will book and pay for their LPG cylinders online. Dated 3<sup>rd</sup> January 2017
- 14444 Toll-Free Helpline for Digital Payments Launched Dated 5<sup>th</sup> Jan 2017
- Union Budget (2017-18): Promoting Digital Payments (Digital Economy) towards less-cash society Dated 1<sup>st</sup> Feb 2017

## 2. Review of literature

(Srivastava, 2007) Conducted a study titled, Customers perception on usage of internet banking, innovative Marketing about customers perception on usage of internet banking. The research was carried to validate the conceptual model of internet banking, the purpose is to find the causes so that internet banking can be used by more people, this will help the banking operation to be more cost effective. Qualitative exploration research was conducted through questionnaires. The research collaborated the conceptual framework stating that if skill can be upgraded there will be a greater scope for usage of internet banking by the consumers.

(Arndt, Baringer, & Johnson, 2010) in their study have forwarded many evidences that global warming is happening, acknowledging the fact that the planet is warming up leads to a very important question as to what's causing global warming? Several empirical evidences indicate a distinct human fingerprint on climate change. According to them apart from various other factors the increased concentration of carbon dioxide is the major contributor and human are the biggest facilitator to the global warming. The growth of green gas emissions due to human activities like factories, automobiles, burning of wood etc. May adversely affect rainfall patterns, leading to dry conditions with more dust and smoke, affecting both regional and global hydrological cycles and agricultural production

(Mazar & Zhong, 2010) the study is about the consumption and moral regulations, loyalty, the research paper also specifies about the ethical conduct and increase corresponding behaviours, here the researchers have conducted experiments on impression of Green Consumers, priming and licensing, Licensing lying

and stealing, they have considered these three situations and conducted a research with the main objective; that the decision are embedded in a history of behavior.

(Mathews & Nagaraj, 2013) the study is about green consumers and the awareness level, perception, attitude and consumption behavior of the consumers, they also specify about whether the consumers have become green consumers, the research also looked forward whether the consumers are using eco-friendly products, the main objective of the study was to explore the green consumerism and behavior pattern, the researchers conclude saying that the consumers should follow green consumption pattern to save the energy in the environment by following green consumption pattern and practice using green products

### 3. Research Methodology

**3.1 Statement of the problem:** It is assumed that the most of the consumers from the age group 18- 30 hesitate to use digital portal for online transactions.

#### 3.2 Objectives

- i. To find out the behavior of consumers towards digital transaction after Demonetization.

#### 3.3 Variables of the study:

There are two Variables of the Study

- a) Independent Variable: such as Age, Gender, Employment
- b) Dependent Variable: Such variables are generally rely on the independent Variables the important dependent variables for this study is Buying online and Using Paytm for payments.

#### 3.4 Tools Implemented:

- a) Questionnaire: A Structured Questionnaire was framed based on the objectives of the study, the questioner was framed considering the dependent variable and independent variables.
- b) Frequency: A tabular representation that denotes the frequency of each independent variable
- c) Chi-Square Test
- d) Correlation

#### 3.5 Hypothesis:

There are few hypotheses that is framed for the study

##### Case 1

H0- there is no significance between Students and the employed using Paytm

H1- There is significance between Students and the employed using PayTm

H0- there is no significance between Students and the employed using purchasing online

H1- There is significance between Students and the employed using purchasing online

##### Case 2

H0- there is no significance between Gender and purchasing online

H1- There is significance between Gender and purchasing online

H0- there is no significance between Gender and using Paytm

H1- There is significance between Genders using PayTm

### 3.6 Limitations of the study

- The sample Size was very small
- The study was limited only to two age category from 18- 22 and 23-30
- The study was limited only to the city of Bangalore

### 3.7 Scope of the study

- There is a wide scope for further study with a big Sample Size
- A Study can be made to identify the Customer Satisfaction
- A study can be made on the non users of Digital payment services
- A study can be made on the reason for non usage of digital payment services.

## 4. Data analysis and Interpretation

### 4.1 Table Indicating Frequency of Age, Gender and Employment Status

	Male	Female	Total
<b>Employed</b>	5	5	10
<b>Student</b>	5	5	10
<b>Age 18-22</b>	5	5	10
<b>Age 23- 30</b>	5	5	10
<b>Total</b>	<b>20</b>	<b>20</b>	<b>40</b>

The total sample size of the study is 40 Respondents, the researcher gave the questionnaire to selected respondents the researcher selected the respondents based on employment status, age and Gender of which there are 5 Students and 5 Employed from each of the gender category comprising a total of 10 Male and 10 Female a total of 20 respondents from the Students Category and from the Age category 5 were from the age group 18-22 and the other 5 were from the age group 23-30 years of age from each of the gender category comprising a total of 10 male and 10 female , altogether the total number of respondents are 40

### 4.2 Table Indicating Frequency of the respondents buying online and using PayTm

<b>PayTm</b>			
	Yes	No	Total
<b>BUYING ONLINE</b>	34	3	37
<b>NOT BUYIING ONLINE</b>	1	2	3
<b>Total</b>	35	5	40
	<b>Value</b>	<b>The analysis shows 0.466 Co-Relation which shows that there is a low Co- Relation</b>	
<b>Pearson's R</b>	<b>.466</b>		



From the above table we see that the researcher made an analysis between two Independent Variables such as Usage of PayTm and Buying online, from the study we see that there were many respondents who said that they purchase goods online and use PayTm to buy goods, however the researcher wanted to know does these two variables have a correlation among each other.

The analysis stated that as per Pearson's correlation the value that was derived from these two variables is 0.466 which means that they are Low Correlated, presently since the usage of Paytm is quite recent from Demonetization, it might take some time for the consumers to adapt with the changes, however the behavior of Consumers will change over a period of time.

#### 4.3 Table Indicating Frequency of Students and Employed using Paytm

Using Pay tm			
	Yes	No	Total
<b>Student</b>	16	4	20
<b>Employed</b>	19	1	20
<b>Total</b>	35	5	40
	<b>Value</b>	<b>Value is 0.542 which means to reject the Alternative Hypothesis and accept the Null Hypothesis</b>	
<b>Pearson Chi-Square</b>	<b>0.542</b>		

From the above table we see that the analysis was made between the Dependent Variable and the independent Variable i.e. between employment status and using PayTm. From the analysis we see that when the question was asked about how many of the respondents use paytm, out of the 20 students the result stated that 16 students said yes and 4 said no that they don't use paytm, however when we see out of those who were employed 19 respondents who are employees said yes they use Paytm and 1 said No that they don't use Paytm.

The researcher framed certain hypothesis for this study

**H0- there is no significance between Students and the employed using Paytm**

**H1- There is significance between Students and the employed using PayTm**

The tool used to test the hypothesis is Pearson Chi Square test, from the analysis between these two variables the value derived out of the test is 0.542, which means the Null hypothesis H0 has to be accepted.

Which explains that there is no significance relation between employment status and usage of Paytm, any once can use Paytm and the behavior of the consumers are shifting from a Cash economy to a cashless economy.

**Therefore according to the test Alternate Hypothesis has to be rejected and accept the Null Hypothesis**

#### 4.4 Table Indicating Frequency of Students and Employed Buying goods Online.

Buying Online			
	Yes	No	Total
Student	18	2	20
Employed	19	1	20
Total	37	3	40
	Value	Value is 0.360 which means to reject the Alternative Hypothesis and accept the Null Hypothesis	
Pearson Chi-Square	.360		

From the above table we see that the analysis was made between the Dependent Variable and the independent Variable i.e. between employment status and using Buying Online. From the analysis we see that when the question was asked about how many of the respondents Purchase online, out of the 20 students the result stated that 18 students said yes and 2 said no that they don't purchase goods online, however when we see out of those who were employed 19 respondents who are employees said yes they Purchase goods online and 1 said No that they don't Purchase goods online.

The researcher framed certain hypothesis for this study

**H0- there is no significance between Students and the employed using purchasing online**

**H1- There is significance between Students and the employed using purchasing online**

**The tool used to test the hypothesis is Pearson Chi Square test**, from the analysis between these two variables the value derived out of the test is **0.360**, which means the Null hypothesis H0 has to be accepted.

Which explains that there is no significance relation between employment status and buying goods online anyone can buy good online, presently the citizens of India are internet savvy and people are aware of technology, more over the applications are user-friendly, the government is also encouraging to go for a cashless economy and the behavior of the consumers are shifting from a Cash economy to a cashless economy.

**Therefore according to the test Alternate Hypothesis has to be rejected and accept the Null Hypothesis**

#### 4.5 Table Indicating Frequency of Gender and using Paytm

Using Paytm			
	Yes	No	Total
Male	18	2	20
Female	17	3	20
Total	35	5	40
	Value	Value is 0.229 which means to reject the Alternative Hypothesis and accept the Null Hypothesis	
Pearson Chi-Square	.229		

From the above table we see that the analysis was made between the Dependent Variable and the independent Variable i.e. between Gender and using PayTm. From the analysis we see that when the question was asked about how many of the respondents use paytm, out of the 20 Male respondents 18 Male respondents said yes that they use Paytm and 2 Male Respondents said no that they don't use paytm, however when we see out of those respondents who are Female 17 respondents who are Females said yes that they use Paytm and 3 female respondent said No that they don't use Paytm.

The researcher Framed hypothesis for this study

**H0- there is no significance between Gender and using Paytm**

**H1- There is significance between Genders using PayTm**

**The tool used to test the hypothesis is Pearson Chi Square test**, from the analysis between these two variables the value derived out of the test is **0.229**, which means the Null hypothesis H0 has to be accepted.

Which explains that there is no significance relation between Gender and usage of Paytm, any once can use Paytm and the behavior of the consumers are shifting from a Cash economy to a cashless economy.

**Therefore according to the test Alternate Hypothesis has to be rejected and accept the Null Hypothesis**

#### 4.6 Table Indicating Frequency Gender and Buying online

		Buying Online		
		Yes	No	
Male		19	1	20
Female		18	2	20
Total		37	3	40
		Value	Value is 0.360 which means to reject the Alternative Hypothesis and accept the Null Hypothesis	
Pearson Chi-Square		.360		

From the above table we see that the analysis was made between the Dependent Variable and the independent Variable i.e. **Gender and using Buying Online**. From the analysis we see that when the question was asked about how many of the respondents Purchase goods online, out of the 20 Male respondents it was found that 19 Male respondents said yes that they purchase goods online and 1 Male respondent said no that he don't purchase goods online, however when we see out of the 20 Female respondents 18 Female respondents said yes they purchase goods online and 2 Female respondents said No that they don't Purchase goods online.

The researcher Framed hypothesis for this study

**H0- there is no significance between Gender and purchasing online**

**H1- There is significance between Gender and purchasing online**

**The tool used to test the hypothesis is Pearson Chi Square test**, from the analysis between these two variables the value derived out of the test is **0.360**, which means the Null hypothesis  $H_0$  has to be accepted.

Which explains that there is no significance relation between Gender and buying goods online anyone can buy good online, presently the citizens of India are internet savvy and people are aware of technology, more over the applications are user-friendly, the government is also encouraging to go for a cashless economy and the behavior of the consumers are shifting from a Cash economy to a cashless economy.

**Therefore according to the test Alternate Hypothesis has to be rejected and accept the Null Hypothesis**

## 5. Findings

- It is understood that gender does not play an important role in the behavior of the consumers towards buying goods online
- It is understood that gender does not play an important role in the behavior of the consumers towards using paytm
- It is understood that Employment status does not play an important role in the behavior of the consumers towards buying goods online
- It is understood that employment status does not play an important role in the behavior of the consumers towards using paytm
- The study stated that the correlation between the two dependent variable is not very strong and they are less correlated
- We see that most of the youngsters are adapting to the change and are gradually moving towards digitization
- The present generation are fulfilling the dream “Digital India”
- We see a Oligopoly Competition in the payment banks, and there is a wide scope for this business
- There are few sellers and unlimited users for digital payment system.
- There are many consumers who do not use Digital payment system. Such as college students, working employees, people in the rural area, senior citizens

## 6. Suggestions

- It is the right time for the payment banks to enter into the Indian market as India is the 2<sup>nd</sup> largest populated country in the entire world.
- Few payment banks have already captured the Indian market such as paytm, and it might be difficult to break through.
- In order to capture the market the emerging payment banks such as phone pe, Google pay etc. should come up with effective and secured technology and user-friendly application.
- The application should occupy less space, and effective it should work even if the network is low.
- If the companies are tapping these resources that do not use the digital payment services, there a huge scope of business for these payment banks.

## 7. Conclusion

**It is understood that the independent variables such as Age gender employment status has no role in the behavior of the consumers in the buying patterns as per the study we see that it the government regulation and change in the technology has created such impact in the behavior of the consumers.**



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