

# A Study on Digital Payments Awareness Among Small Vendors in Bengaluru

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## ABSTRACT

India is moving towards cash less economy by initiating Digital India. It helps to increase the use of mobile and internet which means the exponential growth in the Digital Payments. Digital Payments was initiated to bring transparency in transactions and providing considerable incentives for Digital Payments with the aim of streamlining the economy and curb the corruption. Hence the researcher has focused on awareness of digital payment among small vendors and continuation of the same in future days. Bengaluru is Silicon city, which includes micro and small business. 115 respondents have chosen for this research. The data collected through the structured questionnaire and has analysed by using percentage technique. The researcher has found the out that the respondents are much aware of digital payments and are interested to continue the same in future days also.

**Keywords:**Digital Payments, Awareness, Small vendors

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## 1. INTRODUCTION

In November 2016, the Government of India prohibited by far most of the country's banknotes in a move alluded to as 'demonetization', with the expressed objectives of battling debasement, psychological warfare, and in the long run growing advanced exchanges. Money lacks expanded advanced instalment reception however those digital payment fell after new banknotes opened up. Digital payment system reception relied upon the nature and extent of exchanges, sort of item sold, just as close to home components explicit to entrepreneurs like solace and knowledge of other advanced advances and online exchanges. Digital Payment strategies are frequently simple to make, cost decrease, more helpful, put down account, less danger, increment charge base and proposition clients the adaptability to make payment from any place and whenever. These are a decent option in contrast to customary strategies for payment and sped up exchange cycles. In India miniature, little and medium ventures are giving work to 111 million individuals and contribute almost 31% of India's GDP in the year 2018 and in the year 2021 30.2% but the Digital Payment Index shown an appreciable growth of 207.84. The public authority plans to make a 'carefully engaged' economy that is 'Unremarkable, Paperless, Cashless'. There are various sorts and methods of advanced payments. A portion of these incorporate the utilization of charge/Visas, web banking, versatile wallets, advanced instalment applications, Unified Payments Interface (UPI) administration, Unstructured Supplementary Service Data (USSD), Bank pre-loaded cards, versatile banking, and so on In this manner, the analyst has zeroed in on familiarity with advanced instalment among limited scope merchants.

## 2. LITERATURE REVIEW

After the demonetisation and especially after Covid-19 pandemic, most of the businesses shifted from physical cash to online transactions even for small transactions. There are abundant studies on Digital payments which has created the interest of the researcher to understand the scenario of digital payments at domestic level in all the scales of business from the existing literature. The following reviews displays the awareness of digital payments among business vendors, benefits and difficulties faced in using digital payments etc. which are used as based for conducting the present study.

**National Payments Corporation of India (2020)**, depicts to comprehend the computerized payments mindfulness, reception and use conduct of families. A top-notch push towards enabling clients (rather than praising item provisions or conventional benefits of advanced payments), with explicit "how to utilize" information, helplines for learning just as critical thinking, and protect highlights which help the client 'stay safe', can make India race towards being a less-cash society. It is today beyond the early adopter stage and the standard larger part is taking on it. Is considerably seriously delighting that the lower pay bunch is additionally a piece of this development to advanced.

**Dr. N. Velmathi (2019)**, highlighted that the Banks should find vital ways to make mindfulness among semi metropolitan and rustic individuals about the benefits of e-banking/web banking administrations accessible in the banks. Some of them know about computerized payments framework yet they have not profited web banking administrations since they don't believe the web channel assuming it as muddled. So, banks might set up a group of work force to prepare the clients to get to know web channel. The bank clients have seen the danger of getting incorrectly data from e-banking/web banking administrations. These figments ought to be taken out from the personalities of the clients by bank individuals as these components are the boundaries for the greater part of the clients for not taking on these administrations.

**Prasad Rajendra Byakod, Chaya U, Pooja Kulgude, Abhishek Sharma, Priyanka Singh and Chandra Sen Mazumdar (2019)**, in their examination to concentrate on the entrance of Digital Payment Systems in chose spaces of rustic Karnataka. They recommended that to fortify advanced payments framework to give better security of exchanges need than be guaranteed. This would provoke more expected enhancements and more prominent reception of computerized payments framework in the provincial regions.

**Ethan Ligon, Badal Malick, KetkiSheth, Carly Trachtman (2019)**, in their research work investigated whether the absence of computerized payments reception see in India, and explicitly among limited scope fixed store traders is because of supply-side expenses of reception: explicitly, acquiring a ledger, a fitting gadget, web access, benefits to cover use charges, and mechanical education. They propose some potential wellsprings of heterogeneity, showing that computerized payments adopters accept a greater amount of their clients request to pay carefully and are bound to be citizens.

They presume that if policymakers in India wish to support extra reception of computerized payments by limited scope shippers, sponsoring reception is probably not going to be successful among limited scope fixed store vendors. Client interest, nonetheless, might be a significant piece of the choice. Hence, India's new approach of boosting the two clients and vendors to take on computerized payments (explicitly UPI) could give a push toward a more advanced economy by all gatherings, much in the manner in which the demonetization did (essentially in the short run).

**Ashish Baghla (2018)**, expressed that the endeavours are working out in a good way by the public authority just as the private area organizations having there e-wallets applications, for example, PayTM, PhonePe and so forth The greatest test before government is the absence of information and mindfulness among individuals and dread of deficiency of cash by utilization of advanced payments techniques hazard of hacking. The public authority needs to handle these difficulties to have credit only economy and to give a lift to advanced payments to give practical monetary improvement to the country over the long haul.

**Joyojeet Pal, Priyank Chandra, Vaishnav Kameswaran<sup>1</sup>, AakankshaParameshwar, Sneha Joshi, Aditya Johri (2018)**, investigated how businesspeople adapted to demonetization gives graphic understanding into the idea of innovation reception in state-commanded choices. How computerized payments reception expanded quickly following the emergency however fell after new banknotes opened up. The members in their review who kept on utilizing computerized payments did as such dependent on the nature and extent of exchanges, kind of item they sold, and individual factors like solace and experience with other advanced advances and exchanges. At the point when innovation reception pushes against existing practices it is opposed; such reception ought to be analysed inside the bigger setting where it is occurring in light of the fact that it isn't exclusively about the client experience or stage.

### 3. STATEMENT OF THE PROBLEM

The Digital transformation that is contacting every one of the parts of our communications. Cash taking care of including payments are safer, helpful, contactless, and imperceptible. From tapping a card, filtering a QR code, to utilizing a savvy to pay, theirs is an expanding shopper inclination for Digital Payments. Be that as it may, Small Vendors are dealing with issues in regards to the dealing with the computerized cash wallets, groundwork for the money spending plan for their everyday business, training foundation to gain proficiency with the specialized viewpoints associated with advanced payments. Government is pushing Digital India Program to all traders for the sake of Demonetisation and Covid – 19 pandemics. Government and NGO's should take appropriate measures to make mindfulness among the little sellers for the simplicity of computerized payments and proceed with something similar in future too.

### 4. SCOPE OF THE STUDY

The data for the study is collected from 115 small vendors in Bengaluru city. Small vendors include shop owners, people running small business at home and street vendors comprising of fruit vendors, vegetable vendors and eatable vendors. The study is limited to the response of small vendors in Bengaluru city only.

## 5. OBJECTIVES OF THE STUDY

1. To understand the socio-economic factors of the respondents.
2. To study the awareness of the digital payment among respondents.
3. To understand the respondents' willingness towards digital payment usage in future.
4. To know the problems faced during usage of digital payments

## 6. HYPOTHESES

The Null Hypotheses framed for the study are:

1. There is no significant relationship between Gender and Awareness of digital payment
2. There is no significant relationship between Occupation and Awareness of digital payment
3. There is no significant relationship between educational qualification and Awareness of digital payment

## 7. METHODOLOGY OF THE STUDY

The study follows analytical research methodology. The primary data for the study is collected from respondents through structured questionnaire. Totally 115 responses from the respondents have been collected using random sampling technique. Univariate and bivariate frequency tables, charts are used to present the data. Chi-square test is used in the study.

## 8. DATA ANALYSIS AND DISCUSSIONS

The socio-economic factors of respondents like gender, educational qualification, occupation, yearly income, access to usage of technology is analysed in table no. 1.

**Table No.1: Socio-Economic Factors of Respondents**

Socio Economic Factors		Frequency	%
Gender	Male	54	47
	Female	61	53
Educational Qualification	Below SSLC	20	17
	Degree	49	43
	Illiterate	5	4
	PUC	18	16
	SSLC	23	20
Occupation	Shop owner	45	39
	Small business at home	38	33
	Street vendor	32	28
Yearly Income	Below 1 lakh	53	46
	1 - 2 lakhs	35	30
	Above 2 lakhs	27	23
Access to the usage of technology	Debit / Credit Cards	14	12
	Mobile phones	101	88
Total		115	100

Source: Compiled from primary data

Table No. 1 states the Socio-Economic Factors of the Respondents. 47% respondents are male and 53% are female. 43% respondents are having the education background of degree, 16% having PUC, 20% have SSLC, 17% are below SSLC and 4% are Illiterate. In the group of respondents 39% are small shop owners, 33% of them are doing business at home and 28% are street vendors. 46% of the respondents are having yearly income below one lakh, 30% are having between 1 to 2 lakhs and 23% respondents' yearly income is above 2 lakhs. 12% of the respondents' accessibility to the usage of technology for digital payment is through debit/credit card and 88% is through mobile phones.

## Awareness of respondents about the Digital Payments

**Table No. 2: Gender wise classification of respondents' awareness about Digital Payments**

Aware about digital payment	Female	Male	Total
Yes	54	51	105
No	7	3	10
<b>Total</b>	<b>61</b>	<b>54</b>	<b>115</b>

*Source: Compiled from primary data*

Table No. 2 states that out of 115 respondents 91.4% agreed that they are aware of the digital payments, out of which 51.43% are female and 48.57% are male. Remaining 8.6% respondents are not aware of digital payments. It can be inferred that female vendors are having more knowledge about digital payments than male vendors. It shows that still there are barriers to make a complete digital India.

**Table No. 3: Income wise classification of awareness of respondents' about Digital Payments**

Aware about digital payment / Yearly Income	Below 1 lakh	1 - 2 lakhs	Above 2 lakhs	Total
Yes	46	32	27	105
No	7	3	-	10
<b>Total</b>	<b>53</b>	<b>35</b>	<b>27</b>	<b>115</b>

*Source: Compiled from primary data*

Table No.3states that below one lakh 40% respondents, between one lakh to two lakhs 28% and above two lakhs 23% respondents are aware of digital payments. Below one lakh only 6% and between one lakh to two lakhs only 3% respondents are unaware of digital payments. It shows maximum of 90% respondents are aware of digital payments which is a good sign to make complete India digital.

**Table No. 4: Educational Qualification wise classification of awareness of respondents' about Digital Payments**

Educational Qualification / Aware about digital payment	Yes	No	Total
Illiterate	3	2	5
Below SSLC	19	1	20
SSLC	22	1	23
PUC	18	-	18
Degree	43	6	49
<b>Grand Total</b>	<b>105</b>	<b>10</b>	<b>115</b>

*Source: Compiled from primary data*

Table No.4shows two way classification of respondents based on educational qualification and awareness of digital payment. It is observed that 3% illiterate, 17% below SSLC, 19% SSLC, 16% PUC and 37% Degree qualification respondents aware about digital payments and very minimum per-centage of respondents are unaware of digital payments. 1% illiterate, 0.5% below SSLC, 0.5% SSLC and 5% Degree qualifying are not having awareness of digital payments. Irrespective of their educational qualification the respondents have shown interest to know about the digital payments.

**Table No. 5: Occupation wise classification of awareness of respondents' about Digital Payments**

Occupation / Aware about digital payment	Yes	No	Total
Shop owner	44	1	45
Small business at home	35	3	38
Street vendor	26	6	32
<b>Grand Total</b>	<b>105</b>	<b>10</b>	<b>115</b>

*Source: Compiled from primary data*

Table No.5depicts respondents classification based on occupation and awareness of digital payments. It is observed that 38% small shop owners, 30% running small business at home and 23% street vendors are aware of digital payments and 0.5% shop owners, 3% running small business at home and 5.5% street vendors are unaware about

digital payments. Based on the response received 91% small vendors are aware of digital payments and are already using in their business irrespective of their turnover.

**Table No. 6: Chi-square Test Results**

Factor	p value	Results
Gender Vs Awareness of digital payments	0.260837	Insignificant
Occupation Vs Awareness of digital payments	0.039159	Significant
Educational qualification Vs Awareness of digital payments	0.048633	Significant

Source: Calculated from primary data

Table No.6 shows the chi-square test results of various factors. The following results are derived from the above table.

- There is no significant relationship between gender and awareness of digital payments among small vendors.
- There is a significant relationship between occupation and awareness of digital payments among small vendors
- There is a significant relationship between educational qualification and awareness of digital payment among small vendors.

### Convenience of Digital Payments

**Table No. 7: Occupation wise classification of convenience of digital payment**

Occupation / Convenience of digital payment	Comfortable	Not Comfortable	Total
Shop owner	41	4	45
Small business at home	30	8	38
Street vendor	23	9	32
<b>Grand Total</b>	<b>94</b>	<b>21</b>	<b>115</b>

Source: Compiled from primary data

Table No.7 predicts the relationship between the occupation and convenience level of digital payment. It is observed that 36% of small shop owners, 26% of running small business at home and 20% of street vendors are comfortable with the digital payments and 3% shop owners, 7% running small business at home and 8% of street vendors are not comfortable with digital payments.

### Willingness of respondents' to retain Digital Payments in future

**Table No. 8: Occupation wise classification of Willingness of respondents' to retain Digital Payments in future**

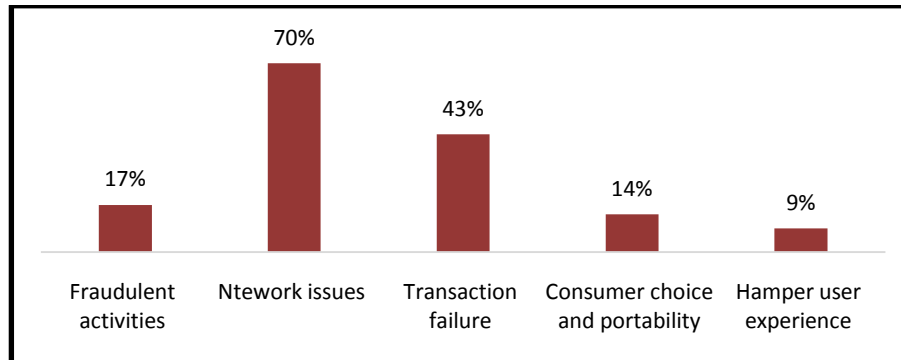
Occupation / Willingness to retain digital payment in future	Yes	No	Total
Shop owner	44	1	45
Small business at home	36	2	38
street vendor	25	7	32
<b>Grand Total</b>	<b>105</b>	<b>10</b>	<b>115</b>

Source: Compiled from primary data

Table No.8highlights the relationship between occupation and willingness to continue the digital payments in future. In that case 38% of small shop owners, 31% of running small business at home and 22% of street vendors are shown interest to retain digital payment in the future days and 1% shop owners, 2% running small business at home and 6% of street vendors are not willing to retain the digital payments in the future.

## Difficulties faced while using Digital Payments

Figure No. 1: Difficulties faced by respondents' while using digital payments



Source: Compiled from primary data

Figure No.1 helps to analyse the problems faced by the respondents while using the digital payment. Maximum small vendors are facing network issues and transaction failure which have impact on their daily business profitability. And minute problems are fraudulent activities, consumer choice and hamper user experience.

## CONCLUSION

To make a move towards Digital India is a good decision. In this connection Government of India has taken initiative to create awareness among all the Vendors. Presently it has been successful also with a loophole. In future to sustain in the competitive market it is essential to eradicate all the issues faced by the small vendors, which is a challenging task for the Government. From this study the researcher has concluded that the Government should take some more measures to create awareness among all the small vendors. Accessibility of technology should be simple by tackling the problems connected to digital payments.

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