

# Impact of E- Payment on Retail Grocery Shops (With Reference to Nagpur City)

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**Abstract:** *The paradigm shift in the mode of carrying out business from the physical to digital has brought about a change in the payment system. The Retail grocery sector has been completely transformed by digital technologies, and consumers' payment expectations now are very different from what they were simply a few years ago. Stores now run the risk of slipping behind the competition if they don't change to satisfy these changing expectations. When e-payments were introduced in the country Indian population was mostly unaware of these systems so they hesitated to accept them. After the demonetization move of the Indian government, people gained faith in the payments methods, and acquired new skills as most of them were being promoted by the government. The government started promoting the digital payment through its Digital India mission. In this research the researcher included retail grocery shops. The study was done in Nagpur city; the sample size is 100 who use e- payments methods. The main objective of the study is to find out the advantages and problems faced b the retail grocery shops in the e-payments system. The result shows that there is no association between the usage of e-payments and the age of the customers. The study even found that there is no association between problems of e- payments and the age of the customers.*

**Keywords:** E-payments, Retail Grocery Shops, and Demonetization

## I. INTRODUCTION

The 20 century was marked by the internet era and a stepping stone toward the digitalized society of the 21<sup>st</sup> century. Due to globalization, India is also in pace with the world in the adoption of technology and demonetization has given a boost towards acceptance of e- payments.

Most of retail Grocery shop owners have started using online payment services to keep their business going as the sales dropped after the government demonetization decision. The online payments supported the business at the time of crisis. The whole chain of suppliers wholesalers, retailers, and customers found it much easier to make online payments as it served the need of the hour.

While demonetization indirectly accelerated the digital transformation of the Indian payments ecosystem, other programs like the Digital India initiative (under the Ministry of Electronics and Information Technology or MeitY), Jan Dhan Yojna, the requirement for electronic payments for businesses with annual revenue over INR50 Cr, and numerous other incentive and awareness campaigns have directly fuelled the development of the sector. The way business is done in India has evolved as a result of a lot of amazing inventions and efforts. With initiatives like the United Payments Interface (UPI), Bharat Interface for Money (BHIM), RuPay cards, FASTags, the introduction of interoperability on wallets, all-in-one quick response (QR) codes for merchants, and QR-based cash withdrawals on ATMs, digital India has a very bright future. The largest obstacles for the business, meanwhile, continue to be customer awareness and security worries.

There are numerous advantages of using E-payments including quick payments, the convenience of use, no need to carry cash, no worry about theft, elevated client status, access to exclusive deals, and many more. The main drawbacks of these systems are server problems, connectivity issues, forgetting passwords, fear of hackers, fear of fraud, ignorance, technical issues, the lack of physical cash, the requirement to keep the phone constantly charged, and so forth. However, digital payment systems are not without their limitations.

## II. REVIEW OF LITERATURE

1. Dr. Sowmya Praveen K and Dr. C.K. Hebbar in their research paper entitled “Impact of Digital payments on retail shops with reference to Mangalore city” studied the benefits and problems of the E-payments system. E-payment system is one of the awesome technologies established by the banking sector. This has benefited many customers in an increased number. But due to a lack of awareness people are not able to get the maximum benefits of it. Hence government and the banking industry should take more efforts in creating awareness of its wider usage.
2. Sujith T S, Julie C D (2017) the article entitled “Opportunities and Challenges of E-Payment System in India”. This inquiry sought to pinpoint the problems and difficulties associated with electronic payment systems and provide some solutions to enhance the e-payment system. Additionally, the e-payment method offers extra opportunities. The analysis revealed that the digital revolution has made digital payments simple. The investigation also revealed that the expansion of mobile networks, the Internet, and electricity is bringing digital payments to more remote locations. There will be more digital payments as a result.
3. Mamta, Prof. Hariom Tyagi, and Dr. Abhishek Shukla (2016) the article entitled “The Study of Electronic Payment Systems”. This inquiry attempted to pinpoint the problems and difficulties with electronic payment systems and provide some solutions to raise the caliber of the e-payments system. Electronic payment system deployments are successful when security and protection concerns are managed in a way that appeals to both buyers and sellers and increases market trust in the system.
4. Ms. Rashi Singhal, carried out the study “**IMPACT AND IMPORTANCE OF DIGITAL PAYMENT IN INDIA**” INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY EDUCATIONAL RESEARCH, Feb 2021. The study found that Government and the administrative authorities in E-payments segments should set up a strong background for educating the public. Efforts can be taken at School and college education levels. For Senior citizens also the banking industry can start new awareness programs. To answer any query about new applications, strategies, programs, or other types of innovative data, it is necessary to set up data locations. The educated youth should also play a part by lending a hand and sharing their knowledge with those who are unable to complete transactions on their own. It was also noticed that by implementing and creating stricter criteria concerning digital protection, the issue of cybercrimes and data theft can be addressed.
5. Indian Brand Equity foundation had done a Case study on “DIGITAL PAYMENTS AND THEIR IMPACT ON THE INDIAN ECONOMY” It found that Digital payments have rapidly increased over the past several years, and the Indian payments market is anticipated to reach US\$ 700 billion by 2022. by 2022, billion. The pandemic left a lasting impact on improvement in the Indian digital payments industry and a growing number of user’s daily conversion to digital modes.
6. KPMG survey on “Impact of COVID-19 on digital payments in India”, August 2020, According to the survey, apprehension toward digital payments is a key reason for non-adoption of digital payments due to a lack of awareness, infrastructure availability, technicality, and costs involved.

### 2.1 Objectives of Research

The important objectives of the study are as follows:

1. To Study and understand the E-payments system.
2. To determine the benefits of using E-payment in retail grocery shops.
3. To find out the problems faced by retail grocery shops by use of e-payment options.
4. To analyze the impact of the E-payment system in India.

### 2.2 Hypothesis

The Hypothesis drafted for the study are as mentioned below:

- H0: There is no association between usage of E-payment system and the age of the customers.
- H0: There is no association between difficulties of the E-payment system and the age of the customers.



2.3 Methodology

For the existing Study, both primary and secondary data are used to gather the information. Primary data is collected from a structured questionnaire method and secondary data is collected from journals and websites. Data analysis will be done by using descriptive statistics. Association will be estimated by the Chi-Square test. Ms-Excel will be used to do the analysis. The p-value less than 0.05 will be considered significant. Statistical tools like frequency, percentage, and mean are also used to derive the inferences. Total sample size used for the study is 100 respondents from Nagpur city.

2.4 Problem Statement

E- payment system is one of the fastest-growing information technologies in the banking sector. Most of all the transactions are happening through digital modes. This helps both the customers as well as the Shopkeepers. The present study is conducted in Nagpur City. The city is a hub of local as well as national supermarkets and shopping complexes in the grocery sector but it has huge numbers of retail grocery Shops. It is one of the fastest growing Cities and even due the Pandemic of COVID 19 People has moreover started using E- Payments options. Hence this study is conducted to know the impact of E- payment in retail grocery shops.

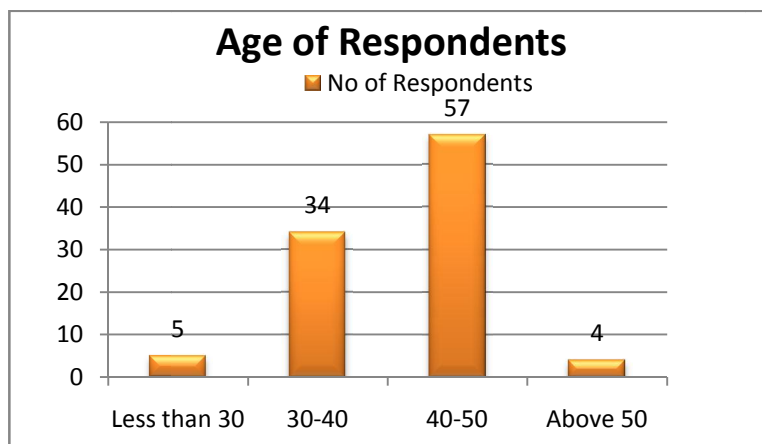
III. RESULTS AND DISCUSSIONS

The conclusion and inference of the study are based on the following analysis:

3.1 Age of Respondents

Table 1: Age of Respondents

Age	No of Respondents	Percentage
Less than 30	5	5
30-40	34	34
40-50	57	57
Above 50	4	4
Total	100	100



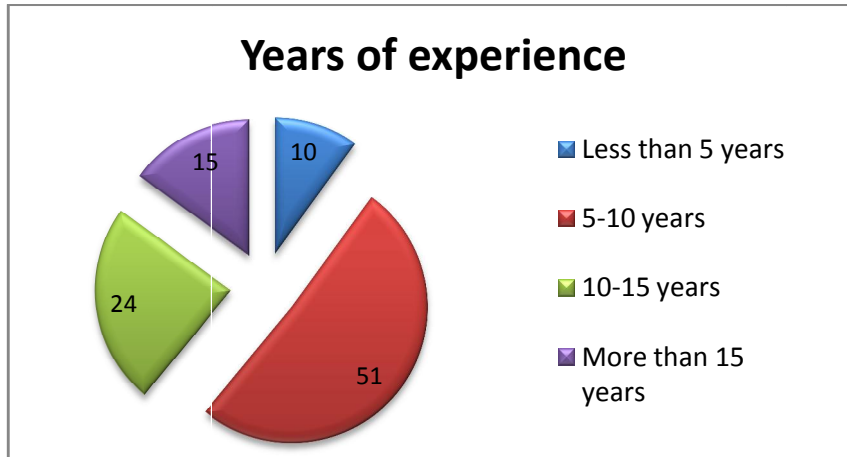
The Above table represents the age-wise distribution of the Respondents. According to the study, 57 percent of respondents are between the ages of 40 and 50, 34 percent are between the ages of 30 and 40, and 5 respondents are between the ages of 30 and 40. Only 4% of the population is under the age of 30. The respondents are over the age of 50 years.

Table 2: Years of experience

Year of Experience	No of Respondents	Percentage
Less than 5 years	10	10
5-10 years	51	51



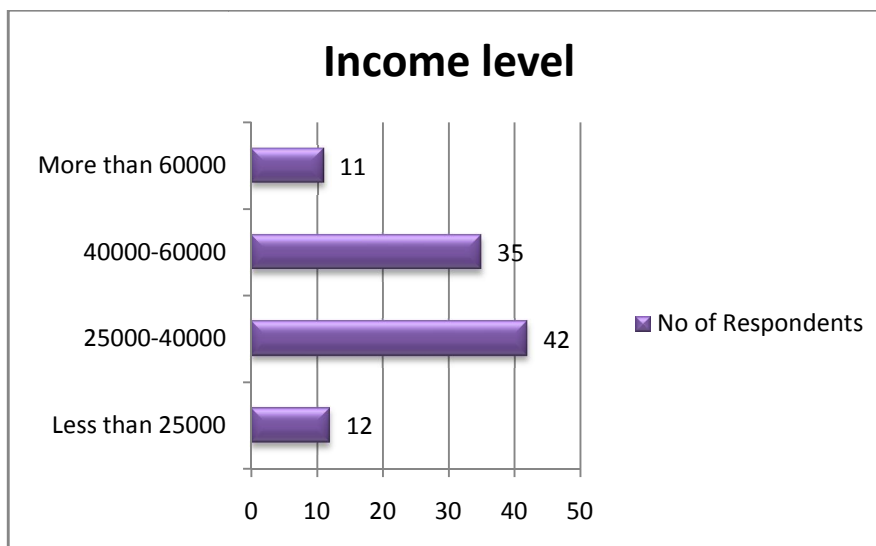
<b>10-15 years</b>	24	24
<b>More than 15 years</b>	15	15
<b>Total</b>	100	100



According to the study, 51 percent of respondents have 5-10 years of experience, 24 percent have 10-15 years of experience, 15% have more than 15 years of experience, and 10 percent of respondents have less than 5 years experience of usage of Digital payments.

**Table 3: Levels of income**

<b>Income</b>	<b>No of Respondents</b>	<b>Percentage</b>
<b>Less than 25000</b>	12	12
<b>25000-40000</b>	42	42
<b>40000-60000</b>	35	35
<b>More than 60000</b>	11	11
<b>Total</b>	<b>100</b>	<b>100</b>

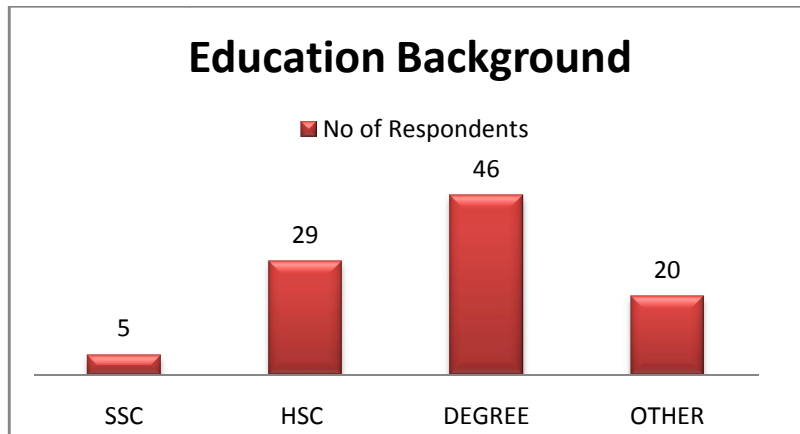


From the table and graph it can be observed that there are 42 percent of respondents have a monthly income of Rs. 25000-40000, 35 percent have a monthly income of Rs. 40000-60000, 12 percent have less than Rs. 25000 income, and 11 percent have a monthly income of more than Rs. 60000.



**Table 4:** Educational background

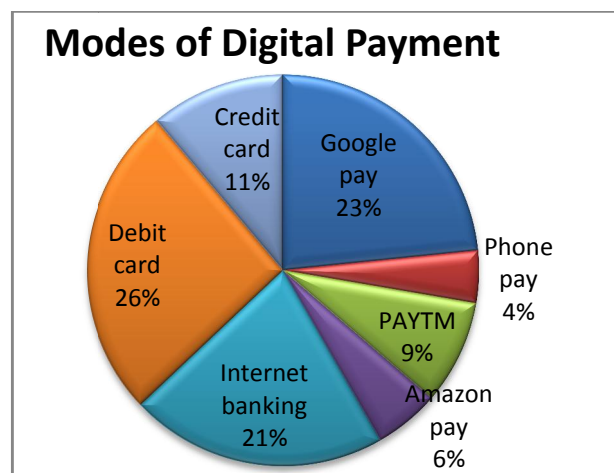
Education	No of Respondents	Percentage
SSC	5	5
HSC	29	29
DEGREE	46	46
OTHER	20	20
<b>Total</b>	<b>100</b>	<b>100</b>



The above table reflects in the given study the maximum number of respondents were graduates ie 46%, 29 % were Higher Secondary and 5% were School secondary, 20 % respondents were PG and others.

**Table 5:** The different Modes of digital payment

PARTICULARS	NO OF RESPONDENTS
Google pay	65
Phone pay	12
PAYTM	24
Amazon pay	15
Internet banking	59
Debit card	72
Credit card	31





According to the study, 23 Percent use Google Pay,4 Percent use phone pay, 9 percent prefer PAYTM,6 percent use Amazon Pay,21percent use Internet Banking and a maximum of 26 percent respondents use debit cards, while 11 percent use credit cards.

Table 6: Different uses of Digital Payments

Table with 7 columns: Particulars, Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Mean. Rows include Fast payment, Convenient, Increased customers, Reduced credit burden, Free from handling the coins, Easily traceable, Low risk of theft.

The researcher found out the mean value for various usages of E- Payments to retail grocery shopkeepers are fast payments(4.9), convenient(4.14), increased customer (3.69), reduced credit burden(3.4), free from handling the coins 3.87, easily traceable(4.16), and low risk for theft (3.85). Respondents overwhelmingly agreed that digital payments provide the advantages of quick payment, convenience, and easy tracking.

H0: There is no association between usage of the E-Payments system and the age of the customers.

Table 7: Results of chi-square test

Table with 4 columns: Chi-square value, D.F, 0.05 level of significance, Result. Values: 18.6988, 12, 21.026, Not Significant.

From the result of Chi-square test, the calculated value is 18.6988. The value is less than the table value. 21.026 at 12 degree of freedom, it is not significant. Hence the null hypothesis is accepted that "There is no association between usage of E-payments and age of its customers"

Table 8: Different uses of Digital Payments

Table with 7 columns: Particulars, Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Mean. Rows include Fear of fraud, Lack of knowledge, Server problems, Connectivity issues, Fear of hacking, Technical problems, Absence of physical cash, Need to keep the phone constantly charged.

The study cleared the notion of the limitations of E-payments, the respondents strongly agreed with the parameters such as technical problems, absence of physical cash and the need to keep the phone constantly charged. The mean values are fear of fraud (3.74), Lack of Knowledge (3.33), server problem (3.99), connectivity problem(3.89), fear of hacking (3.98), technical Problem(4.11), Absence of Physical cash(4.06), and need to keep the phone constantly charged(4.01)

HO: There is no association between difficulties of the E-Payment system and the age of the customers.

Table 9: Results of chi-square test

Table with 4 columns: Chi-square value, D.F, 0.05 level of significance, Result. Values: 5.4175, 12, 21.026, Not Significant.



The calculated result of chi-square test is 5.4175 which is less than the table value 21.026 at 12 degree of freedom, it is not significant, hence we accept the null hypothesis, "there is no association between difficulties of e- payments and age of the customers"

#### IV. SUGGESTIONS

Digital Literacy Awareness program should be initiated on a wide scale so that people will be able to adopt digital media for payments modes and avail the benefit of it;

More stress should be given on awareness related to security measures to be taken during carrying out e-payments.

For extending the reach of E- Payments in rural and semi-urban areas the external barriers like IT infrastructure should be Improved so that everyone in long term will recognize the inevitable impact on their business and adopt digitalisation to survive.

#### V. CONCLUSION

The study reflects that inspite of the government and the financial institute working towards the enhancement of digitalisation to improve the reliability of digital applications still there is lack of digital illiteracy amongst the people.

The overall respondents were in favour of using digital payments in future as it is convenient and fast service.

Moreover the retailers are playing a key role in convincing the customers for e- payments by setting examples of themselves of adoption of e-payments modes.

The study reveals that A lot of Shop owners say that since most consumers are also shifting to e-payments, sales figures are coming back to normal Post covid.

India, with a 1.38 billion population, has a huge potential for digital payments. As of October 2021, the country had around 1.18 billion mobile connections, 700 million Internet users, and about 600 million smart phones. These numbers are growing rapidly each quarter. With about 25.5 billion real-time payment transactions, India ranked first in the world in terms of the number of transactions in 2020.

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