

## **A Study on the Perception of Customers towards Use of Digital Payment as a Mode for Online Shopping**

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### **Abstract**

The Internet with its wide array of information nooks, allows the customer to go through various reviews of the product or service before actually heading for purchases. With the creation of the first World Wide Web browser in 1990, and put into commercial use in the following year, there has been no looking back. Today there are innumerable online shopping portals offering products and services from banking, education, online tutors, music stores, bookstores etc. The present paper tries to present a study on the perception of customers while using Digital platform as a mode for purchasing the products and payment to be made.

**Key words:** shopping portals, online tutors, digital platform.

### **INTRODUCTION**

Market is generally termed as a place where buyers and sellers meet together. The historical evolution of markets, different stages of transition can easily be identified, the last stage being the era of online shopping. Online shopping is the kind of electronic commerce that allows customers to buy goods or services over the Internet. This involves web portal for online sales, better known as a web store, e-store, or a virtual store.

Online shopping is a great way to shop from clothes, gift items, food, home needs, medicines, and many more, this mode of shopping allows one to shop conveniently without hassle on spending hours in a supermarket or shopping areas. One can conduct any number of transactions

without standing in long queues or going anywhere any time. Digital payments have made inroads into consumer-facing businesses with large presence of organized players.

Ecommerce players such as Amazon and Flipkart have a larger share of digital pay-ins, and declining cash pay-ins. Over 60% of Amazon India's pay-ins is via bank cards, net banking or mobile wallets. People can earn reward points, cash back offer, discounts, earn interest etc. As a part of paving the path of Indian economy – “A cashless economy”, various modes of digital payments and mobile application are accessible.

## **REVIEW OF LITERATURE**

Online shopping has taken off as an increasing number of consumers purchase increasingly diversified products on the Internet. Given that how to attract and retain consumers is critical to the success of online retailers, research on the antecedents of consumer acceptance of online shopping has attracted widespread attention. There has yet to be a holistic view of online shopping acceptance from the perspective of consumers. A person's shopping choices are influenced by four major psychological factors: motivation, perception, learning and beliefs and attitude. This means that, through motivation and perception, attitudes are formed and consumers make decisions.

The website security/privacy, website design, website reliability/fulfillment and website customer service are the four dominant factors which influence consumer perceptions of their online purchasing experiences. New Zealand online buyers had different perceptions of these four factors. Website reliability/fulfillment had the highest rating score, followed by website customer service. Website design ranked third, and the lowest was website security/privacy. Three out of the five dependent variables such as consumer attitudes, intentions, and purchasing behavior and three out of the five independent variables such as perceived usefulness, perceived ease of use, perceived enjoyment, information on online shopping, security and privacy, quality of internet connection gets the most attention. Hence found that the personal characteristics such

as vendor/service/product characteristics and website quality significantly affect online shopping attitudes, intention, and behavior.

Trust has received the most consistent support as factors that influence online buying. Marketers need to realize that the online marketing environment affects the way consumers view and develop relationships. Internet penetration in urban India is at 12% in the year 2007 – 2008 compared to 9 percent in the year 2006-2007. Further, it was found that urban citizen has increased from 30 million to 40 million in the year 2007-08 and 70 percent of users are between 19 – 35 years of age. The relative importance of online information is higher for utilitarian products such as computer hardware and software than for hedonic products such as books, music and movies, the relative importance of online information decreases with increasing consumer internet experience and consumers' trust of online search engine information decreases with increasing internet experience.

Following are the different types of Online Shoppers:-

**The 'New to the Net' Shopper:** - Shoppers who are new to the Net are still trying to grasp the concept of e-commerce. They typically use the Web to research purchases, and are likely to start buying online with small purchases in safe categories.

**The Reluctant Shopper:** - Reluctant shoppers are nervous about security and privacy issues. Because of their fears, they start off wanting to use the Web only to research purchases, rather than buy online.

**The Bargain Shopper:**-Bargain-hunting shoppers use comparison shopping tools extensively. Sporting no brand loyalty, these shoppers are just looking for the lowest price.

**The Surgical Shopper:** - "Surgical" shoppers know exactly what they want before logging online and only purchase that item. Typically they know the criteria on which they will base their decision, seek information to match against that criteria, and purchase when they are confident they have found exactly the right product.

**The Power Shopper:** - Power shoppers shop out of necessity, rather than as a form of recreation. They develop sophisticated shopping strategies to find what they want, and do not want to waste time looking around.

**The Enthusiast Shopper:** - Enthusiast shoppers use shopping as a form of recreation. They purchase frequently and are the most adventurous shoppers.

## **SIGNIFICANCE OF THE STUDY**

There is an increasing number and variety of firms and organizations that are exploiting and creating business opportunities on the internet. It indicates the rapid growth in the field of virtual shopping. With this emerging field of shopping the internet of marketers is also increasing in studying what actually motivates consumers to shop online. Stiff competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping. In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of online shopping. So it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers.

## **SCOPE OF THE STUDY**

The study covers the adoption of digital payment modes while shopping online among the peoples in the society and this study brings how much increase results in the adaptation of digital payment.

## **OBJECTIVE OF THE STUDY**

The objective is to study the changes (increase or decrease) in the usage and adaptation of online services and payments through digital mode. This study will also help in mapping the internet awareness and usage in our country. The study also envisages following specific objectives:-

- ❖ To study the various factors that influences the customers in selecting the digital payment modes for online shopping.
- ❖ To identify the various problems faced by the customers while selecting digital payment modes.

## **METHODOLOGY**

In this study primary data is collected by means of distributing questionnaires among 85 respondents by way of convenient sampling. For the purpose of the study secondary data is collected through the following media:-

- Articles from journals and magazines
- Information from reference books
- Newspaper articles

## **LIMITATIONS OF THE STUDY**

The study envisages the following limitations:-

- The study is based on the data collected from primary as well as secondary sources
- All limitations of primary data and secondary data are equally applicable to this study.
- The samples are selected through convenient sampling. So the study suffers all limitations of convenient sampling.

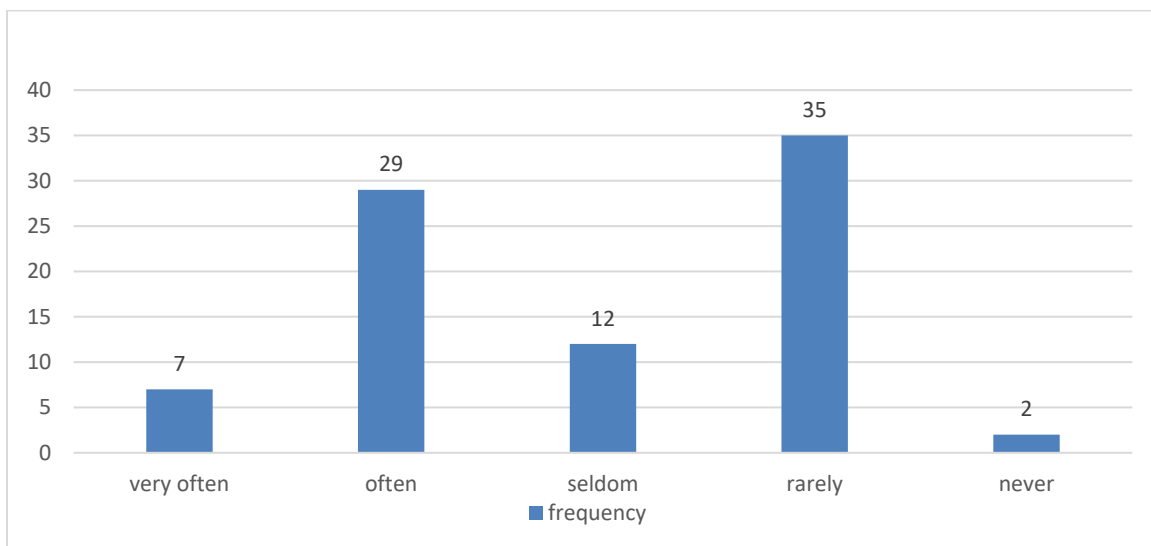
## **RESULT AND DISCUSSION**

Analysis and interpretation of the collected data are as follows:-

**Table 1: Frequeny of online shopping**

Particulars	Frequency	Percentage
Very Often	7	8%
Often	29	34%
Seldom	12	14%
Rarely	35	41%
Never	2	3%
<b>Total</b>	<b>85</b>	<b>100%</b>

Figure 1: Frequency of online shopping



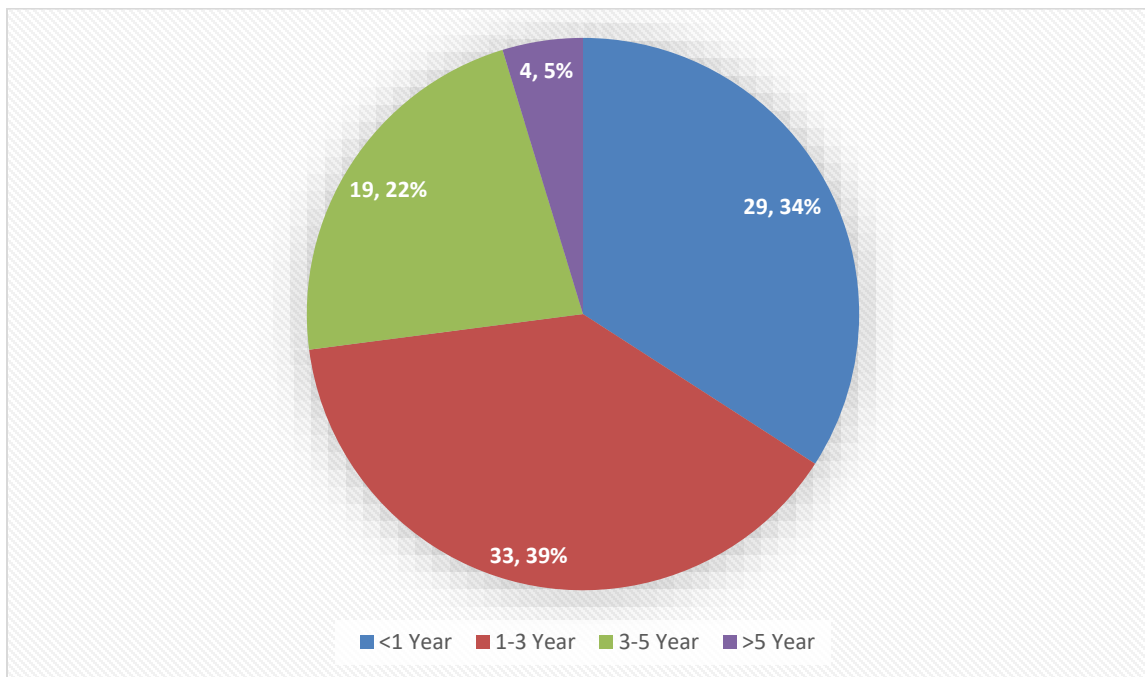
Source: Primary Data

**Inference:** It is evident from the table that 7 percent of the respondents often make online shopping. 12 percent of the respondents seldom make online shopping whereas 35 percent of them rarely make online shopping. Remaining 29 percent very often make online shopping and 2 percent of them never make online shopping.

Table 2: **Consistency** (How long consumer is using online shopping)

Particulars	Frequency	Percentage
< 1 year	29	34%
1-3 year	33	39%
3-5 year	19	22%
>5 year	4	5%
<b>Total</b>	<b>85</b>	<b>100%</b>

Figure 2 - How long consumer is using online shopping



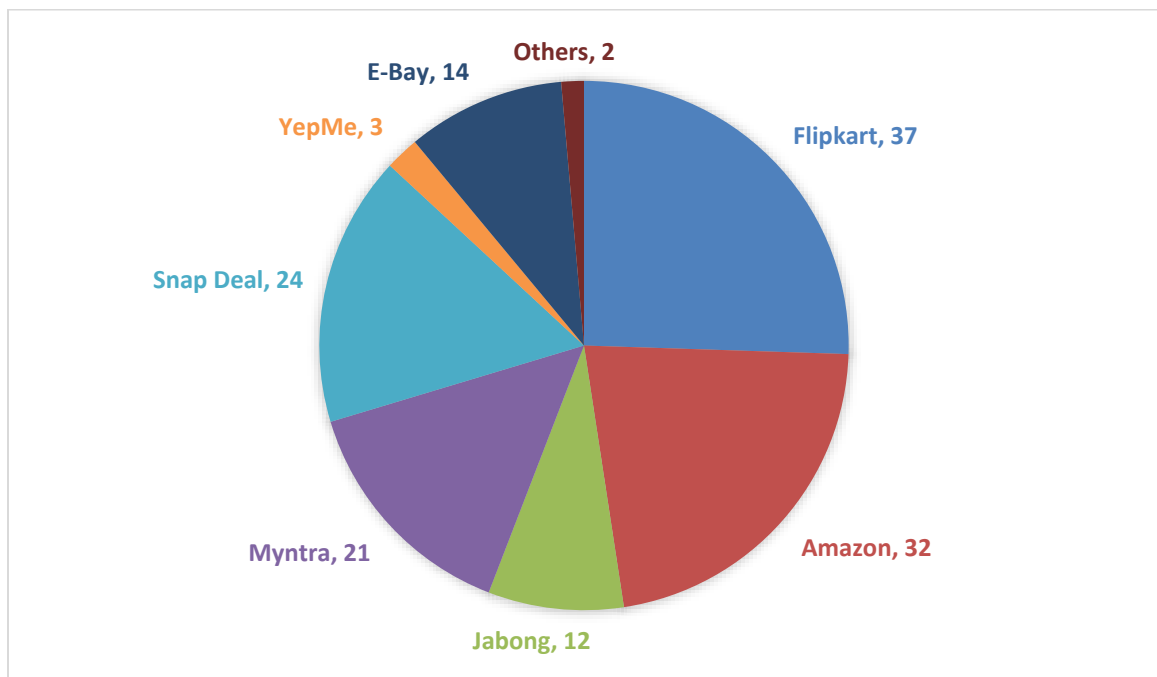
Source: Primary Data

**Inference:** From the given table it is clear that majority of the respondent's i.e. 33 percent of the respondents are doing online shopping for 1-3 years and 29 percent for less than 1 year. Whereas 19 percent are doing online shopping for 3-5 years and 4 respondents are doing online shopping for more than 5 years.

Table 3: **E-commerce sites used by the consumers for online purchases**

Particulars	Frequency	Percentage
Flipkart	37	74%
Amazon	32	64%
Jabong	12	24%
Myntra	21	42%
Snap Deal	24	48%
YepMe	3	6%
E-Bay	14	28%
Others	2	4%

Figure 3: E-commerce sites used by the consumers for online purchases



Source: Primary Data

**Inference:** It is evident from the table that majority of the respondent's i.e. 74 percent are using Flipkart for online purchases. 64 percent are using Amazon, 48 percent are using Snap deal, 42

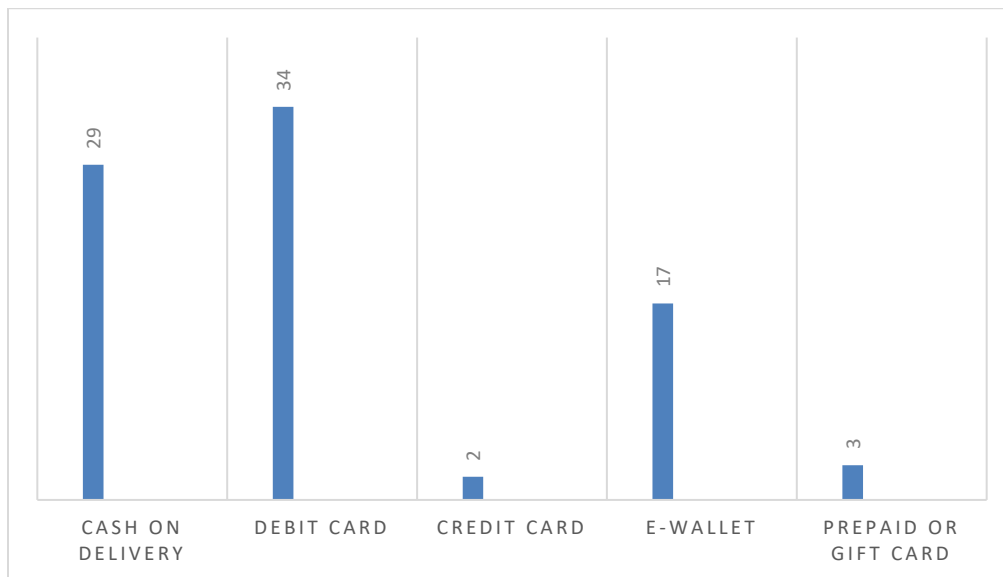


percent are using Myntra, 28 percent are using E-bay, 24 percent are using Jabong and 6 percent are using YepMe. Only 4 percent of the respondents are using other sites for online purchases.

**Table 4 : Payment modes for online shopping**

Particulars	Frequency	Percentage
Cash on delivery	29	34%
Debit Card	34	40%
Credit Card	2	2%
E-wallet	17	20%
Prepaid or Gift Cards	3	4%
<b>Total</b>	<b>85</b>	<b>100%</b>

Figure 4: Payment modes for online shopping



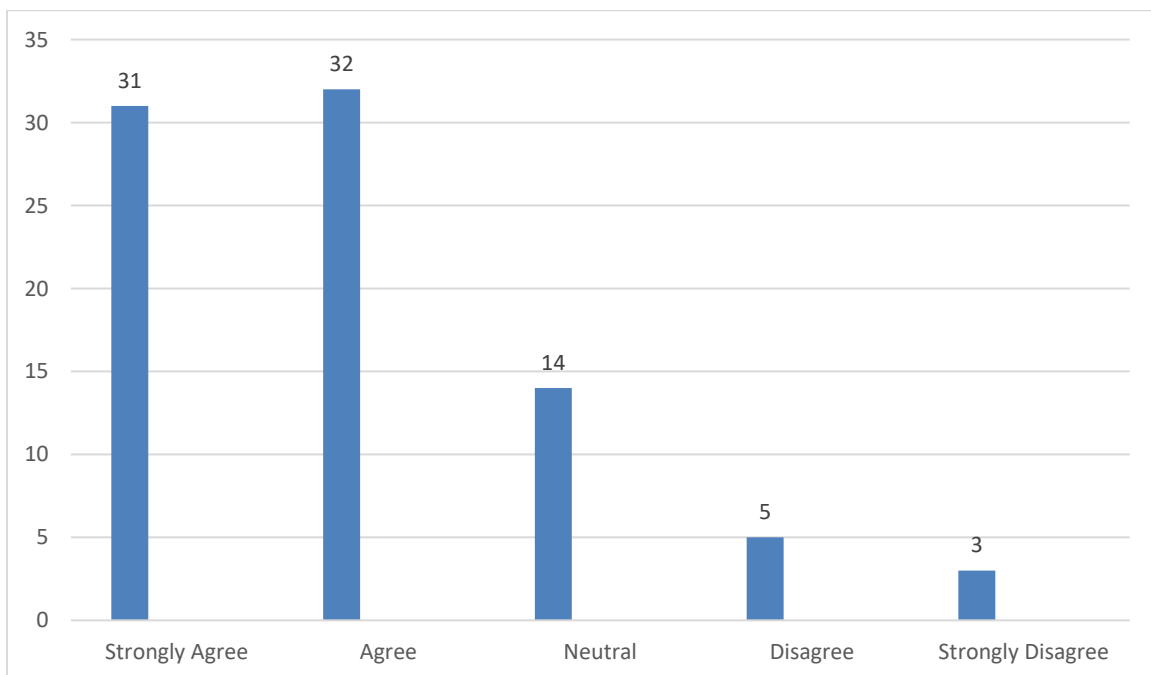
Source: Primary Data

**Inference:** It is evident from the table that out of 85 respondent's majority of the respondents i.e. 40percent are using debit card as a payment mode for online shopping.34percent use cash on delivery,20 percent use E-wallet and 4 percent use prepaid or gift cards. Only 2 percent respondents are using credit card for online shopping.

Table 5 :Digital Payment mode is secure?

Particulars	Frequency	Percentage
Strongly Agree	31	36%
Agree	32	38%
Neutral	14	16%
Disagree	5	6%
Strongly Disagree	3	4%
<b>Total</b>	<b>85</b>	<b>100%</b>

Figure 5:Digital Payment mode is secure?



**Source:** Primary Data

**Inference:** It is clear from the above table that 38 percent of respondents agree digital payment mode is secure. 36 percent strongly agree, 16 percent of respondents have neutral opinion. 6 percent disagree and the remaining 4 percent strongly disagree that digital payment is secure.

## CONCLUSION AND SUGGESTIONS

The study conducted on the topic “**A Study on Perception of customers towards use of digital payment as a mode for online shopping**” was conducted to identify the adoption of customers towards using the digital payment modes in online shopping. A lot of effort is needed from the part of the service providers in order to increase the adoption level of customers in using the digital payment modes. So by giving proper training and awareness to the customers and by reducing the service charges the service providers can build confidence among the customers and also can insist them to use the digital payment modes while shopping online. The study makes certain suggestions in order to enhance the adoption level of digital payment modes in online shopping:-

- ❖ It is suggested to improve the payment platforms of various digital payment modes in order to make it more users friendly so that even a lay man can have access to such services.
- ❖ The service providers should give due considerations on the various problems faced by the customers while using the digital payment modes. It includes network failures, high service costs, complex payment procedures, etc.
- ❖ Since the study finds that customers are not satisfied with the privacy features of digital payment modes, it is suggested that the digital payment platform providers should take necessary steps to protect the privacy of the customers.

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