E-PAYMENT PROBLEMS AND PROSPECTS

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ABSTRACT

E-payment refers to payment for goods and services using electronic devices such as smart phones, tablets and computers etc. This is also known as Digital payments. The digital India payment is a part of digital India campaign. The aim of digital payment is to make India paperless, cashless and digitally empowered. According to National Payments Corporation of India (NPCI), UPI has crossed the landmark figure of 1Bn in the month of October 2019. Similarly, total transaction value of UPI stood at Rs 1.91 lakh crore (Source: NPCI).This indicates that nowadays users are more inclined towards e-payment because it is convenient to use, easy availability and faster service. This research tried to find out the relationship between the socioeconomic factors and the usage of e-payments. This study is concerned with the factors that influence e-payment and problem faced by respondents in e-payment. Primary data have been collected for conducting this research from the respondents of Ujjain and Bhopal district of Madhya Pradesh. The findings indicate that the students are the highest user of e payment methods whereas housewife uses least and the main reason behind the less usage is that they don't know how to use. The government would be able to achieve the goal of going cashless only when the problems faced by the people are solved.

INTRODUCTION

E-payment refers to payment for goods and services using electronic devices such as smart phones, tablets and computers etc. E-payment comprises of debit card, credit card, E wallet, UPI, Mobile banking, Internet banking, RTGS, NEFT etc. Nowadays this became a part of our life. Going cashless not only eases one's life but also helps to curb corruption and reduces the flow of black money which results in an economic growth. The expenditure incurred in printing and transportation of currency notes is reduced. Digital payments have registered robust growth in both volume and value terms. Frauds are also increasing in making e-payments. Number of fraud cases registered in 2015-16 was 1191 it reached 2488 in 2017-18.This paper tries to find out the reason for not using e-payment methods by the respondents. This paper quickly reviews that which sector of society uses e-payment the most. This paper is an attempt to study the problem faced by the respondents and the factors that influence e-payment.

Keywords:- *E-payments, Digital transactions, Society, problems*

REVIEW OF LITERATURE

Many studies have been conducted on the subject of e-payment pre and post demonetization in India. The major emphasis of research has been on various issues like shift in payment methods, security, usage pattern, etc. However, very few literatures were available on factor that influences e-payment and problem faced by people in e-payment.

S. no	Year of study	Topic of study	Authors	Objectives	Results
1.	2013	A study on problems and prospects of e-payments in Tirupur city, Tamilnadu	S.Namasivayam, M.Prakash, G.Barani Karunambigai	To analyze the satisfaction level of respondents. To know the problems faced by the respondents.	Majority (38%) of the respondents are satisfied with convenience. Majority (71%) of the respondents are felt problems in E-Payments
2.	2008	E-payments: Problems and Prospects	J. Raja M. Senthil velmurgan A. Seetharaman	To provide suggestion for improving the e-payment systems.	Revise the role of issuers and consumers to hinder security threats. Identify ways to increasing interests among businesses

OBJECTIVES OF THE STUDY

1. To find relationship between socioeconomic factors and the usage of e-payment.
2. To know the problem faced by respondents in e-payment.
3. To determine the factors that influence e-payment.

SIGNIFICANCE OF STUDY

This research is important from the point of view of the government. It's an aim of the government to make India a cashless economy. Going cashless helps to curb the corruption and reduces the flow of black money which results in economic growth. This generates research interest to study that which section of society uses e-payment the most and what are the factors which influence them. So, this study will help government to target a particular group and making policies for their betterment.

RESEARCH METHODOLOGY

1. Data and source of data: The study was mainly based on primary data. Data has been collected through Google forms.
2. Sample size and technique selected for the study: We got 246 responses.
3. Area of the study: The study has been conducted in urban area of Bhopal and Ujjain districts of Madhya Pradesh.
4. Period of study: Data pertaining to our research is from 25th February to 29th February 2020.
5. Tools used: SPSS was used to analyze the data.

LIMITATION OF THE STUDY

Doing this study with large sample size might have generated more accurate results. The data pertaining to our research is from 25th February to 29th February 2020.This study has been carried out only in urban area of Bhopal and Ujjain district of Madhya Pradesh. So, limited geographical area is covered.

HYPOTHESIS

H0: There is no significant relationship between usage of e-payment methods and age of the person.
H0: There is no significant relationship between usage of e-payment and marital status.

Data Analysis and Interpretation

Objective 1: To find relationship between socioeconomic factors and the usage of e-payment.

Analysis 1.1: Relationship between gender and the usage of e-payment.

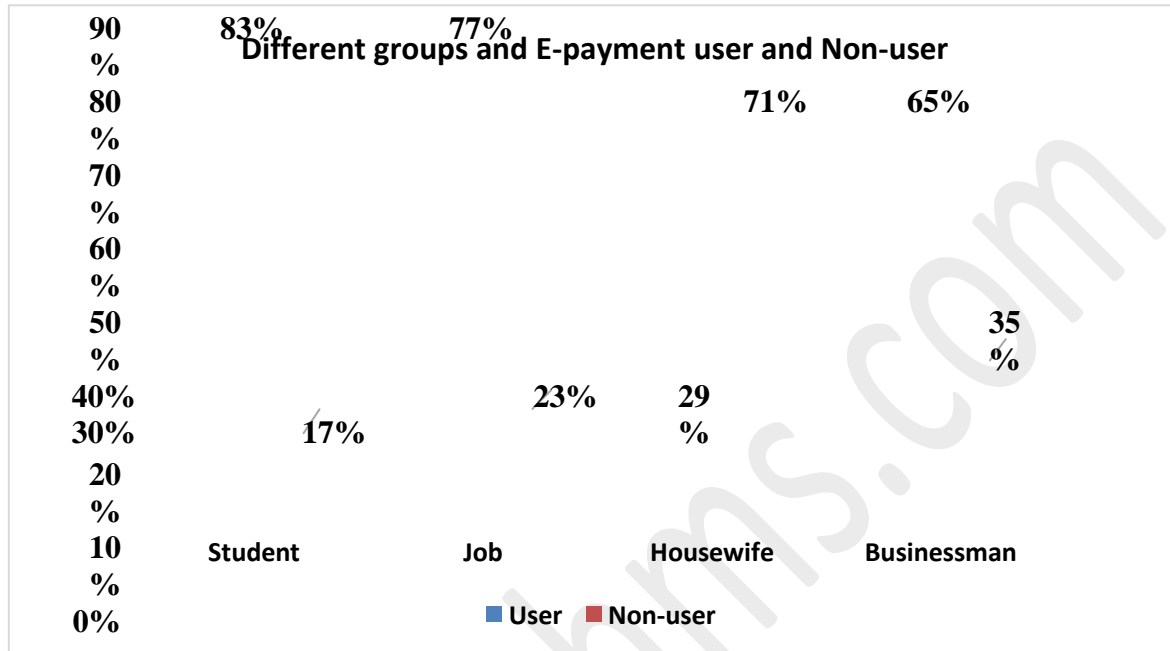|		Gender			
		Male		Female	
E-payment	User	118	79.10%	63	65.00%
	Non-user	31	21%	34	35%
Total		149	100%	97	100%

Above figure shows user and Non-user of the E-payment in the society on the basis of the gender. It is clear from the above figure that male users are higher than the female users. Male users are highly engaged into e-payment which constitutes a major proportion i.e. 79.10% in total
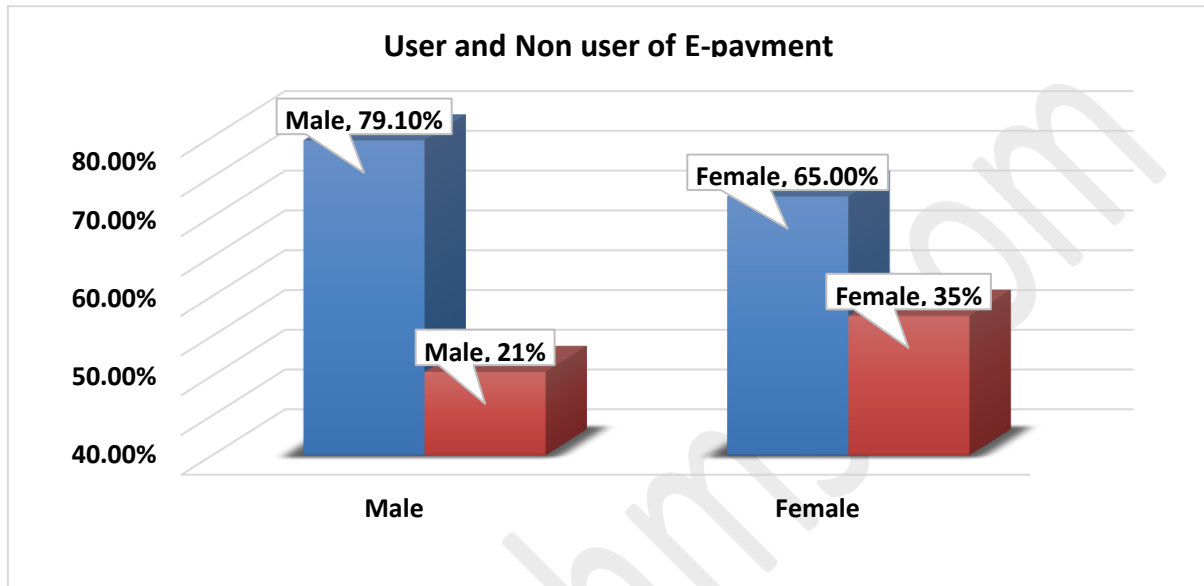
males and females users are account for 65% in total females in the society. 35% of the females are not using E-payment because they are hesitate to adopt digital payment due to lack of knowledge and awareness about the e-payment.

Analysis 1.2: Relationship between status of the person and the usage of e-payment.

		Status							
		Student		Job		Housewife		Businessman	
E-payment	User	126	83%	27	77%	9	29%	19	65%
	Non-user	25	17%	8	23%	22	71%	10	35%
Total		151	100%	35	100%	31	100%	29	100%

Different groups and E-payment user and Non-user

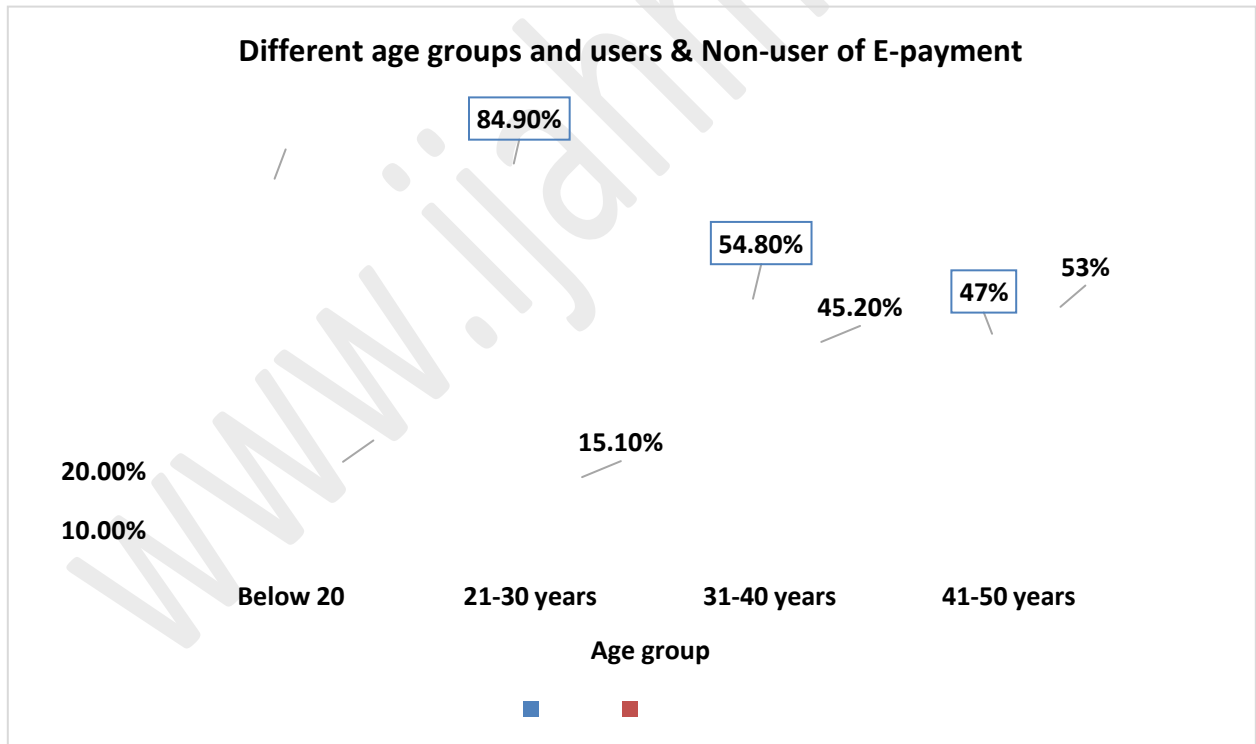|	
90%	83% 77%
80%	71% 65%
70%	
60%	
50%	35%
40%	23% 29%
30%	17%
20%	
10%	Student Job Housewife Businessman
0%	■ User ■ Non-user

In the above figure society is categorized into four categories Student, Job Person, Housewife and businessman. From the figure it is clear that students are the highest user of the E-payment which account for 83% of the total student. Students accepts more e-payment rather than other method because students are far advance in technology and technological jargon as compared to other groups of the society and 77% of the Jobs person are the user of E-payment while housewife and Businessman accounts for 29% and 65%. In modern times, more students and employees prefer E-payment but still housewife of India do not prefer E-payment.

Analysis 1.3: Relationship between age group and the usage of e-payment.

		Age group							
		Below 20		21-30 years		31-40 years		41-50 years	
E-	User	97	81.50%	45	84.90%	17	54.80%	16	47%
	Non-user	22	18.50%	8	15.10%	14	45.20%	18	53%

90.00% 80.00% 70.00% 60.00% 50.00% 40.00% 30.00% payment								
Total	119	100%	53	100%	31	100	34	100%

### Different age groups and users & Non-user of E-payment

The figure shows that young population prefers more E-payment method as compare to other age grouped. Out of total young population 81.50% people uses E-payment. People

between the age group of 21-30 years 84.90% uses e-payment most of the people in this age group are employed and students. Out of total population between 41-50 years 47% of the people uses e-payment because they are more habited in cash transaction they believe cash transaction more safe and secure and they are not aware of digital payment revolution due to lack of knowledge oftechnical field.

Analysis 1.4: Relationship between marital status and the usage of e-payment.

		Marital Status			
		Married		Unmarried	
E-payment	User	46	58%	135	80%
	Non-user	33	42%	32	20%
Total		79	100%	167	100%

Marital status and E-payment
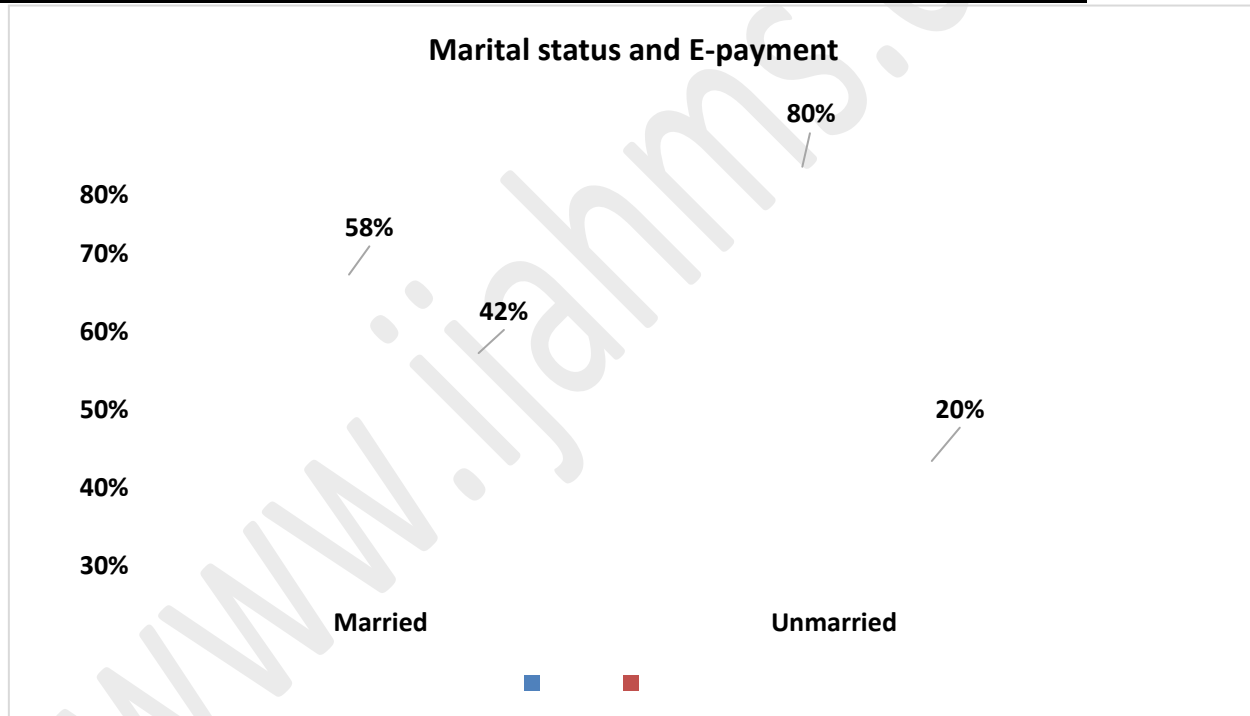
The above graph shows the relation between the marital status and E-payment usage. Out of total married population 58% of the people use E-payment and 42% are not using e-payment because this group is consisting of housewife, senior citizens. In total unmarried population 80% people uses E-payment. Most of the unmarried population are of students so it is already proven by the above figure that student adopt more e-payment method than other group.

Analysis 1.5

		Employment status			
		Employed		Unemployed	
E-payment	User	54	75%	127	72%
	Non-user	18	25%	47	28%
Total		181	100%	174	100%

Employment Status and E-payment
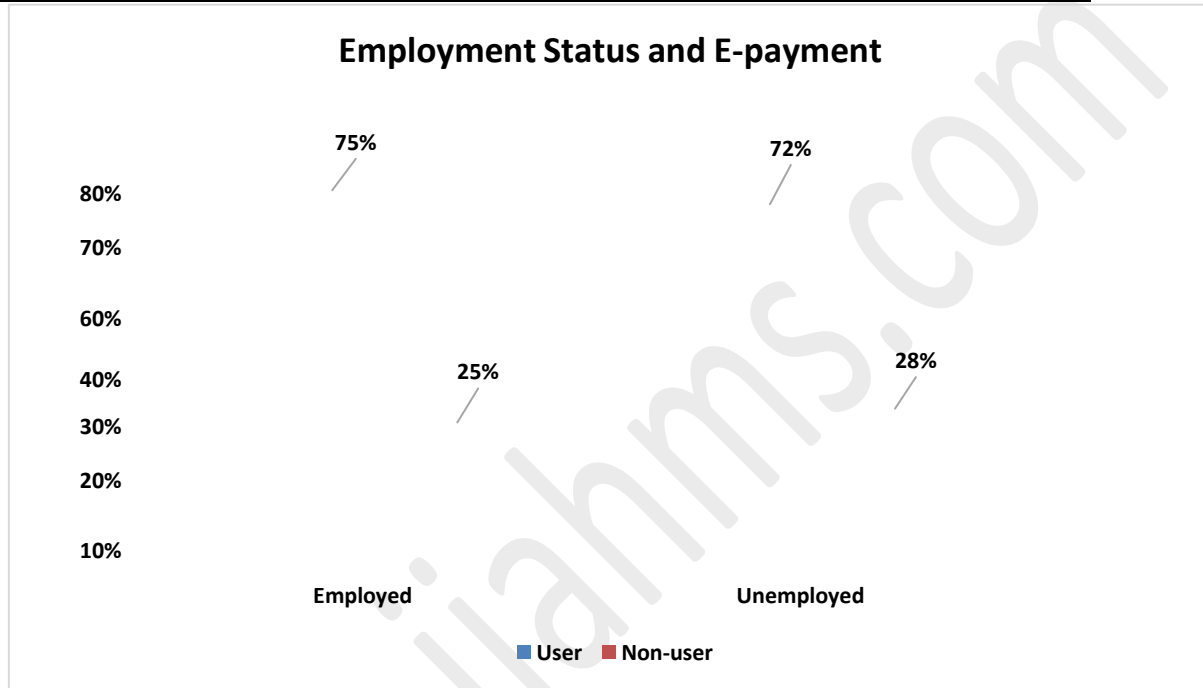
The above graph shows the relationship between the employment status and e-payment usage. 75% of the employed population usage e-payment whereas 72% of the unemployed usage e- payment method. The study finds out that there is no greater influence of employment status on the usage of e-payment.

HYPOTHESIS TESTING

H_0 - There is no significant relationship between usage of e-payment methods and age of the person.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age group * Do you make e-payment?	246	100.0%	0	0.0%	246	100.0%

Age group * Do you make e-payment? Crosstabulation

Count

		Do you make e-payment?		Total
		Yes	No	
Age group	Below 20	97	22	119
	21-30 years	45	8	53
	31-40 years	17	14	31
	41-50 years	16	18	34
	Above 50 years	6	3	9
Total		181	65	246

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	25.472[a]	4	.000
Likelihood Ratio	24.027	4	.000
Linear-by-Linear Association	17.256	1	.000
N of Valid Cases	246		

a. 1 cells (10.0%) have expected count less than 5. The minimumexpected count is 2.38.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.265	.066	4.300	.000[c]
Ordinal by Ordinal	Spearman Correlation	.248	.065	4.007	.000[c]
N of Valid Cases		246			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

H0 - There is no significant relationship between usage of e-payment and maritalstatus.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
What is your Marital Status? * Do you make e-payment?	246	100.0%	0	0.0%	246	100.0%

Count

What is your Marital Status? * Do you make e-payment?

|		CrosstabulationDo you make e-payment?		
		Yes	No	Total
What is your Marital Status?	Married	46	33	79
	Unmarried	135	32	167
Total		181	65	246

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Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.239	.066	-3.852	.000[c]
Ordinal by Ordinal	Spearman Correlation	-.239	.066	-3.852	.000[c]
N of Valid Cases		246			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Objective 2: To know the problem faced by respondents in e-payment.
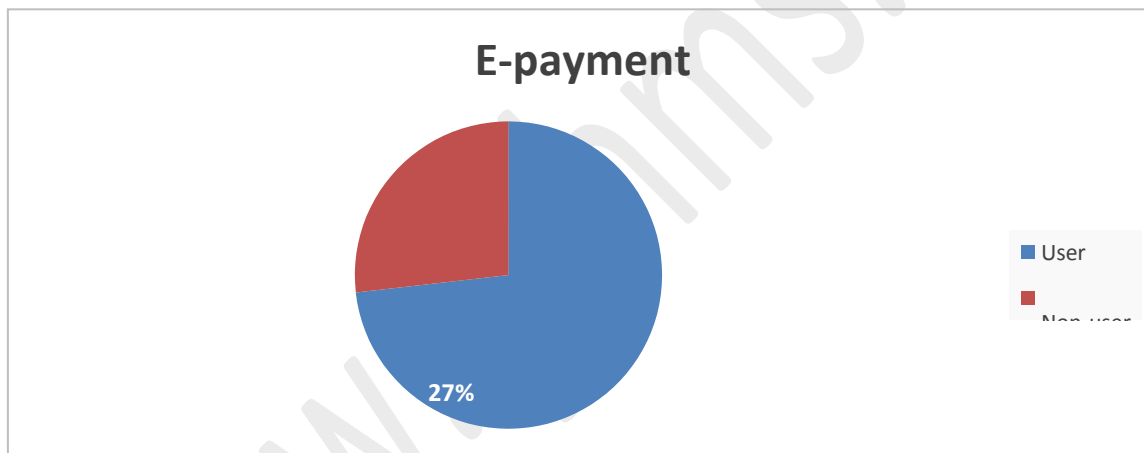
The research find out that 73% of the population using e-payment method which include different section of the society and only 27% of the people not using e-payment they prefer cashin their day to day transaction. There are various problems they face related to e-payment as a result they are mainly depending on the cash transaction. And the problems are

- They don't know how to use e-payment
- E-payment are unsecure
- E-payment increases the chances of fraud
- They don't see point in E- payment.

Reason for not using E-payment
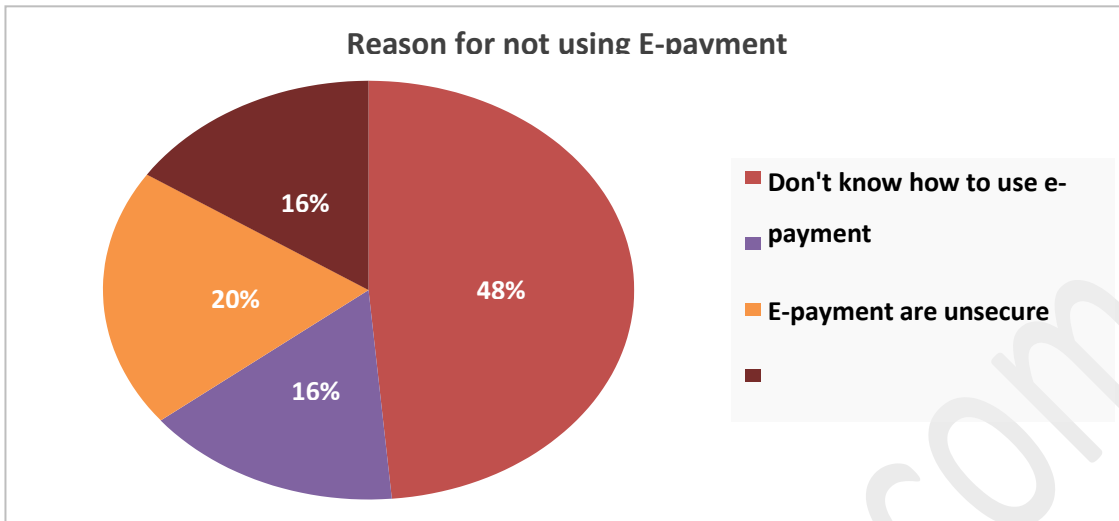
From the figure it is clear that 48% of the majority population don't know how to use e-payment because most of them are in the age group of 41-50 years they are not aware of different method of e-payment and technological jargons. 20% of the population believes that e-payment increases the chances of fraud. Whereas 16% of the population believe e-payment as an unsecured method of payment and 16% of the people don't see point in doing e-payment.

Various users of the E-payment faced various problems regarding e-payment and the problems are

- Frequent connectivity failure
- Accessibility at peak hours is low
- Server error wrong links
- Service charge

Problem while using E-payment
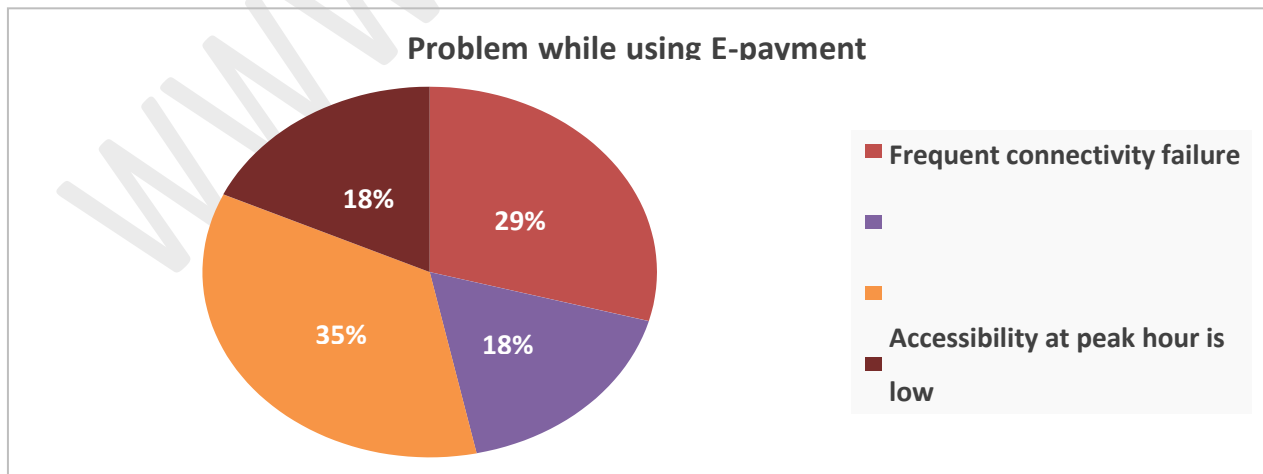
Despite the ongoing advancement in technology with e-payment but still there are some challenges faced by the users of the e-payment due to this payment of the users are not transferred. Around 35% of the population faces a problem of server error wrong links such problems are out of the control of the users and it unable the users to make a payment online. 29% of the people face a problem of frequent connectivity failure, Most of the time payment are not transferred frequently because of low connectivity of the internet or peak hours, in such case transaction will be pending for the long time and in the case when transaction is fail it take 3 to4 working days to refund the amount. 16% of the population faces a problem of accessibility of peak hours on the e-payment application due to this most of the time applications and websites are busy for the long time. 18% of the population faces high services charges to make an online transaction.

Objective 3: To determine the factors that influence e-payment.

Figures show the various factors that influence e-payment adaptation. 30% of the population is influence to adopt e-payment because it is most convenient method of payment as compared to other method such as cash and cheque. It is easy to make payment online at a any place and at any time. Whereas 25% of the people believe that e-payment is the fastest method of doing payment, person can transfer a payment to other parties at a different locality by a single click. 22.68% of the people are influence by the cash back and discount offers on various transactions by different e-payment methods or e-payment system remaining 21.64% of the people are influenced by the easy availability of e-payment. E-payment is more reliable and best method to make international transaction as there is no need to make currency exchange. Due to digitalization cashless transaction are more preferred by the consumers, shopkeeper and even every small retailer it make e-payment much more simple and easy for the each section of the society.
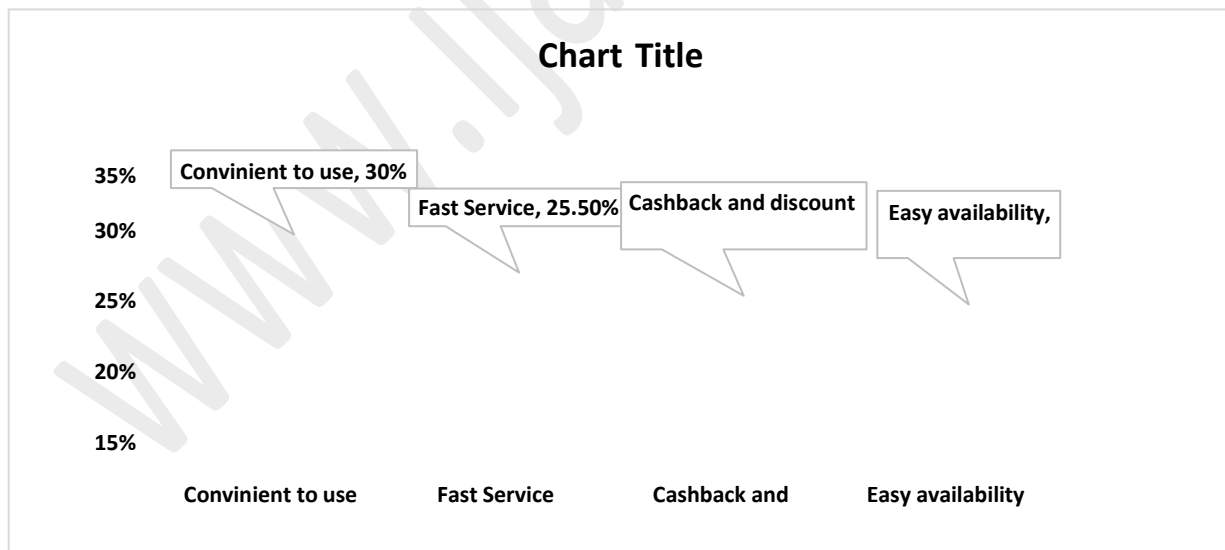
Findings

1. Male users are highly engaged into e-payment which constitutes a major proportion i.e. 79.10% in total males and females users account for 65% in total females in the society

2. Students are the highest user of the E-payment which account for 83% of the total student.
3. 65% of the respondents say that the process of E Payments is good.
4. Among the total number of respondents 30% of the respondents are satisfied because it is convenient to use.
5. Reason for not using E-payment by 48% of the respondents is that they don't know how to use.

Suggestions

- Awareness programmes about E-payments should be conducted by the banks.
- Around 35% of the respondents faces a problem of server error wrong links it hassuggested that Server problems should be reduced while making E-payments.
- Concrete steps should be taken to reduce the frauds. According to RBI data in 2015-16frauds were 1191 whereas it reached 2488 in 2017-18.

CONCLUSION

E-payments are growing rapidly Days are not far where we will see most of the payment happening through smart phones, tablets and computers. This study indicated that the mainreason for not using e-payment it that they don't know how to use. The major problem encountered by the respondents while using e-payment is server error. So, there is a dire need fortaking concrete steps to remove these obstacles. Achieving the aim of going cashless will takesome time in the country like India where only 22% of the population operates smart phones.

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