

## A Study on Awareness and Utilisation of E- Payment Models of Customers

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### Abstract

Today's economy is fully technology driven and we have been witnessing changes in the field of technology. Technology is the mantra of the present century and it is adopted everywhere, making the world packed with technology. Its growth is awesome since it has invaded the lives of almost all people. The last decades, the electronic payment system has grown increasingly because of the growing spread of Internet-based banking and shopping. One of the most popular payment forms online is credit and debit cards. This study tried to know the level of awareness and utilisation of e-payment models and also the purposes for which e-payment models are using by the respondents. Questionnaire was framed for the purpose of collecting primary data. Questionnaire have collected from people such as employed, business people, professional and also retired persons. The questionnaire designed on awareness and utilisation of E-payment models. Five points like Agree, Strongly agree, Neutral, Disagree and Strongly Disagree. It is revealed that there is a wide gap between the awareness and utilization of e payment models offered by both bank and the others by the users. Though they respondents are aware the e-payment models, they all are not interested to use the same. The severe will be the non-awareness case with the financially excluded people. So the banks have a crucial role to create awareness among the people about the usage of such E-payment models and the benefits offered by them.

**KEYWORDS:** E-Commerce, E-Payment Models, Net Banking, Payment Gateway, Debit Card, Credit Card, E-Wallet, Amazon Pay

## INTRODUCTION

### 1.1 E-Commerce and Electronic Payment Models

#### "Change is permanent in the world"

The proverb rightly said that in every walk of human life, Change occurs. Today's economy is fully technology driven and we have been witnessing changes in the field of technology. Technology is the mantra of the present century and it is adopted everywhere, making the world packed with technology. Its growth is awesome since it has invaded the lives of almost all people. Those people who are orthodox, being reluctant in using and showing resistance to new technology have gradually bowed their heads towards its adoption. Hence the lives of many people have changed, thanks to technology. It is evident that it invades through the life of humans even if they like or dislike it.

Technology has made its impact in all the sectors of business. Commerce is no exception to this. Electronic technology is playing a vital role. The changes in the

commerce industry have resulted in a paradigm shift from the Traditional commerce to Electronic Commerce.

In commerce, the electronic payment services are revolutionizing the way the business is being conducted. Electronic-based payment models are replacing the conventional commerce system and industries are rethinking business process designs and customer relationship management strategies. The last decades, the electronic payment system has grown increasingly because of the growing spread of Internet-based banking and shopping. As the world advances more with technology development, we can see the rise of electronic payment systems and payment processing devices. As these increase, improve, and provide ever more secure online payment transactions the percentage of check and cash transactions will decrease.

One of the most popular payment forms online is credit and debit cards. Besides them, there are also alternative payment methods, such as bank transfers, electronic wallets, smart cards or bitcoin wallet (bitcoin is the most popular cryptocurrency). E-payment methods could be classified into two areas, credit payment systems, and cash payment systems.

### **1.2 The types of e-payments were used for the purpose of payment are as follows;**

- National Fund Transfer (NEFT)
- Mobile Payment
- Automated Teller Machines (ATM)/Debit Card
- Credit Card
- Internet Banking
- E-Wallet like Paytm, SBI Buddy, etc.
- Amazon Pay

### **1.3 Benefits of E-Payment Models**

E-payment systems are made to facilitate the acceptance of electronic payments for online transactions. With the growing popularity of online shopping, e-payment systems became a must for online consumers — to make shopping and banking more convenient. It comes with many benefits, such as:

- o Reaching more clients from all over the world, which results in more sales.
- o More effective and efficient transactions — It's because transactions are made in seconds with one-click, without wasting customer's time. It comes with speed and simplicity.

- o Convenience. Customers can pay for items on an e-commerce website at anytime and anywhere. They just need an internet connected device. As simple as that!
- o Lower transaction cost and decreased technology costs.
- o Expenses control for customers, as they can always check their virtual account where they can find the transaction history.
- o Today it's easy to add payments to a website, so even a non-technical person may implement it in minutes and start processing online payments.
- o Payment gateways and payment providers offer highly effective security and anti-fraud tools to make transactions reliable.

## II. REVIEW OF LITERATURE

**2.1 Bezhovski (2016)**, analyzed the several structures of electronic payment services, security issues related to electronic payment services, the future of the mobile payment mode and also examined various factors which are affecting the adoption of mobile payment methods by consumers. This study concluded that mobile payment systems have to be better integrated with present telecommunication and financial infrastructures for a promising future of this industry. Enhancing the compatibility with a wide range of users, the use of latest technology and establishment of common standards for various service providers, and overcoming the security and privacy issues could help in facilitating faster adoption of electronic payment methods and advance the rising market of mobile payments.

**2.2 Kaur and Pathak (2015)** stepped to identify the area of quality customer service with personal attention, know how online payment system work and also established the strong relationship between bank and customer. They found that the area of quality customer service such as greater reach, time saving, customer loyalty, easy access to information, 24 hours access, reduce paper work and no need to carry cash, etc.

**2.3 Mamta, Tyagi and Shukla (2016)** stepped to create awareness about various online payment methods and also various frauds related to online payment system. They also tried to motivate the people to use online payment methods. They found that risk associated with the online payments are theft of information relating to payments, personal and fraudulent rejection on the part of customers. If the users want to maintain their privacy, they have to use the online payment methods which guarantee a higher level of security like E-cash or Net Bill Checks. There is a possibility to increase national competitiveness in the long run, if both consumers and service providers benefit from e-payment methods.

**2.4 Singh, Supriya and Joshna (2016)**, focused the issues and challenges in e-payment and also examined the various problems which are faced by consumers during usage of e-payment. They found that risk associated with the online payments are theft of information relating to payments, personal and fraudulent rejection on the part of customers. They concluded that the successful implementation of e-payment

system depend on how the security and privacy dimensions perceived by both consumers and also sellers.

### **III. THE SCOPE OF THE STUDY**

The scope of the study is limited completely to Dindigul town. The major scope is to study the awareness and utilization level of customers in the various Electronic payment models. The types of e-payment models used by the users and the purposes for which it is used. This study is confined only to the users of these models and the non-users.

The data relating to e-payment models like NEFT, Credit card, Debit card, E-wallet, Mobile payment, and Amazon Pay. The primary data are collected for the study.

### **IV. OBJECTIVES OF THE STUDY**

The following are the objectives of the present study:

- i) To study the level of awareness and utilization of e-payment models
- ii) To know the types of e-payment models using by the respondents
- ii) To identify the purposes for which e-payments models are using by the respondents

### **V. RESEARCH METHODOLOGY**

This study has been carried out on E-payment methods. Data used in this study collected basically from the. Primary data. Primary data collected through personal interview method conducting the persons who are supposed to have knowledge about the topic. Secondary data also collected from various sources including websites, newspapers, various published and unpublished article about the purpose of using E-payment methods.

Questionnaire was framed for the purpose of collecting primary data. Questionnaire consists of a number of questions typed in a definite order on a form. The respondents have answered the questions on their own. Questionnaire have collected from people such as employed, business people, professional and also retired persons. The questionnaire designed on awareness and utilisation of E-payment models. Five points like Agree, Strongly agree, Neutral, Disagree and 3.Strongly Disagree.

#### **5.1 Data Analysis**

The data collected were analysed for the entire sample

#### **5.2 Result**

This is a descriptive research which has studied the present conditions. The relevant data was collected based on awareness and utilisation of E-payment models and the purposes for which E-payment methods using by the respondents.

## VI. DATA INTERPRETATION

Study has been carried out on E-payment models. Questionnaire contains the questions are related to awareness and utilisation of E-payment models and the purposes for which it is using by the respondents. In questionnaire consists the options are Agree, Strongly Agree, Neutral, Disagree and Strongly Disagree.

**Table 6.1**

### Awareness and Utilisation of E-payment models (No. of Respondents 50)

Demographic Factors		Awareness		Utilisation	
		Yes	No	Yes	No
Gender	Male	24	12	22	14
	Female	10	4	8	6
	<b>Total</b>	<b>34</b>	<b>16</b>	<b>30</b>	<b>20</b>
Age(Years)	Below 30	10	2	9	3
	31-40	13	3	12	4
	41-50	8	9	7	10
	Above 50	3	2	2	3
	<b>Total</b>	<b>34</b>	<b>16</b>	<b>30</b>	<b>20</b>
Marital Status	Single	6	3	5	4
	Married	28	13	25	16
	<b>Total</b>	<b>34</b>	<b>16</b>	<b>30</b>	<b>20</b>
Educational Qualifications	Illiterate	0	0	0	0
	Upto HSC	8	12	8	12
	Graduate	21	4	17	8
	Professional	5	0	5	0
	<b>Total</b>	<b>34</b>	<b>16</b>	<b>30</b>	<b>20</b>
	Employed	19	9	16	12
Occupation	Business	11	2	11	2
	Retired	4	5	3	6
	<b>Total</b>	<b>34</b>	<b>16</b>	<b>30</b>	<b>20</b>

From the above table 6.1, there are (24) male respondents (48%) were aware of e- payment models and though they were aware only 22(44%) respondents are using e-payment models. Likewise, 10 female respondents (20%) were aware of e- payment models and among them only 8 (16%) respondents are using the same. There are 12 male respondents (24%) were not availing the service of e-payment models and 4 female respondents (8%) were not aware of e-payment models. There are 13 (26%) respondents who are belong to the age group of 31 to 40 aware of e- payment models and 9 (18%) respondents who are belongs to 41 to 50 still not aware of e-payment models and the same time 12(24%) respondents of same age group only using this service and 3(6%) respondents who belong to the age group of above 50 still not using these services.

There are 28(56%) respondents married in status, they all are also aware of e-payment models and 13(26%) respondents in the same status not aware of e-payment models. Likewise, there are 25(50%) respondents are in the status of married were availing these service and 16(32%) respondents were in the same category not using these service though they aware. There are 21(42%) respondents have completed their graduate and also aware of e- payment models and among them only 17(34%) respondents are utilizing the same. There are 8(16%) respondents who have completed their higher secondary are aware of e-payment models and they all are utilizing the service. There are 19(38%) respondents who are employed in different companies were aware about the e-payment models and among them only 16(32%) respondents are utilising the services. 11(22%) respondents who are acting as an employer are aware about the e-payment models and all of them are utilising the same.

**Table 6.2**  
**Types of E-payment models using by the Respondents (No. of Respondents 30)**

Demographic Factors		Types of e – payment using by the Respondents						
		Credit Card	Debit Card	Smart Card	e-Wallet	Net Banking	Mobile Payment	Amazon Pay
Gender	Male	15	18	2	5	20	15	4
	Female	3	5	0	0	3	1	0
	Below 30	4	9	0	2	8	3	4
Age (Years)	31-40	8	10	1	1	10	4	0
	41-50	5	3	1	2	3	8	0
	Above 50	1	1	0	0	2	1	0
Marital Status	Single	2	7	0	2	8	2	1
	Married	16	16	2	3	15	14	3
Educational Qualifications	Illiterate	0	0	0	0	0	0	0
	Upto HSC	3	3	0	0	2	2	0
	Graduate	10	15	0	1	16	11	2
	Professional	5	5	2	4	5	3	2
Occupation	Employed	6	13	0	2	14	9	1
	Business	10	7	2	3	7	5	3
	Retired	2	3	0	0	2	2	0

From the table 6.2, it is observed that the maximum of the male respondents that is 20 (40%) are using debit card services than other e-payment models. In the case of female respondents, there are 5 (10%) are using a debit card and 3(6%) of them are using credit card service. There are 9(18%) respondents who belong net banking. Only 10(20%) respondents of the age group of 31 to 40 are using both debit card service and also net banking. There are 8(16%) respondents of these group also suing credit card payment model. Maximum of 8(16%) respondents of the age group of 41 to 50 are using a mobile payment model and 5(10%) of them are also using credit card service . The respondents of 2(4%) who are in the age of above 50 they are using a net banking service. There are 8(16%) respondents who belong to single in status are very eagerly using a net banking and 7(14%) of them availing debit card services. There are 16(32%) respondents who are belong to married in status are using the service of both debit and credit card and among them 15(30%) were also interesting to use net banking payment models. There are 14(28%) respondents who are employed in different companies are using net banking for making payment. The respondents of 10(20%) who are acting as an employer are using credit card as a payment model and also using e-wallet like payment, SBI buddy and net banking for making e- payment.

**Table 6.3****Primary purpose of using e- payment models (No. of respondents 30)**

<b>Purposes</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SDA</b>
<b>Funds Transfer:</b>					
Accounts in the same bank	5	3	0	7	15
Accounts in other banks	8	14	1	4	3
<b>Utility Payment:</b>					
EB Payment	5	15	0	2	8
Telephone Bill Payment	3	9	1	11	6
Railway Ticket Booking	4	17	4	1	4
Insurance Premium	5	8	3	8	6
Institutional fees(yearly)	1	6	2	10	11
Online Shopping	14	11	2	2	1
Mobile Recharge (yearly)	6	8	4	8	4
DTH recharge	3	3	0	11	13
Restaurant/Hotel	8	3	2	12	5
Bus and Movie ticket booking	7	11	3	5	4
Physical Shopping (POS)	9	14	0	2	5
Jewellery (yearly)	1	8	3	8	10



From the above table 6.3, we know the purpose for which the e-payment models were using by the respondents. In case of fund transfer, most of the respondents 22(73%) are preferring to accounts which are maintaining in some other banks. The respondents of 20(67%) are preferring to pay the utility payment like EB bill payment. There are 21 (70%) respondents are using e-payment models for making payment in case of booking railway tickets. There are 13(43%) respondents are using e-payment models for making payment of insurance premium. There are 7(23%) respondents are using e-payment models for making payment of institutional fees yearly. 25(83%) respondents are using e-payment models for making payment of online shopping. 14(47%) respondents are using e-payment models for making payment of mobile recharge yearly. 6(20%) respondents are using e-payment models for making payment of DTH recharge. 11(37%) respondents are using e-payment models for making payment of hotel/restaurant. 18(60%) respondents are using e-payment models for making payment of booking bus and movie tickets. 23(77%) respondents are using e-payment models for making payment of Point of Sale. Only 9(30%) respondents are using e-payment models for making payment of purchase of jewellery yearly.

## VII. CONCLUSION

It is revealed that there is a wide gap between the awareness and utilization of e payment models offered by both bank and the others by the users. Though they respondents are aware the e-payment models, they all are not interested to use the same. So both the banks and customers have own roles in increasing the level of awareness about the various e payment models. Most of them are hesitate to use e-payment models only because of fear of data theft and security problems. There are number of e-payment models such as net banking, credit card, debit card, e-wallet, mobile payment and amazon pay. Still, the most of the respondents are preferring to use debit card, credit card and also net banking compared with other models. This is because of hesitate. Most of the respondents are using to make payment for the purchase of goods from online.

The respondents here are the financially included people. Even among them, there are people who are unaware of the E-payment models under each facet. The severe will be the non-awareness case with the financially excluded people. So the banks have a crucial role to create awareness among the people about the usage of such E-payment models and the benefits offered by them.

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