

DIGITAL PAYMENT TRANSFORMING DIGITAL RESOURCES INTO NEW SOURCES OF REVENUE

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ABSTRACT

Now days there are many talks about digitalization through integration of digital technologies into everyday life. In corporate world, it is the use of digital technologies to modify the working model of companies and explore the new sources of revenue generation and finally move towards to a digital business. There are various initiatives taken by Indian companies to towards digitalization. The objective of this paper is to understand the level of awareness about the different methods of digital payments in rural areas of Bareilly (U.P.) and find out the key barriers to digital payments. This paper is based on primary and secondary research. Existing initiatives related to creation of awareness by different companies are studied. This work is original and could be further extended.

Keywords – Cashless Economy, Digitalization, Demonetization, India, Rural Market

I.INTRODUCTION

There is an immense growth in digital payments and transactions after demonetization in India. The Union Budget 2017-18 also announced the creation of a National Digital Payment Mission (NDPM) with a target of 2,500 crore digital transactions for 2017-18 through various digital payment modes [1].

In today's world,digital payment is strategically important for all the companies. Most of the companies are enjoying the benefits of digital payment by focusing on adoption of digital technologies. It is important to note that how companies can transform digital resources into new sources of revenue? They may improve their existing IT systems to strengthen their network with customers fordigital payment but before that, they must know about their customer's expectations, their problems especially about those customers who are living in rural areas.There are many modes for digital payment but problem is that how many people are aware about the various options available to them, how they use digital technology for payment purpose.

II.RESEARCH GAP

Generally it is felt that digital payments are not feasible in rural areas due to many constraints. The population of rural areas is not very literate so there may be lack of awareness about initiatives taken by the government and companies related to digital payment. However there is no proper study conducted to know the awareness level of digital payment by the rural people especially in rural areas of Bareilly (U.P.)This research gap motivatedthe researchers to conduct their study in this subject area.

III. RESEARCH OBJECTIVES

The objective of this paper is to understand the level of awareness about the different methods of digital payments in rural areas of Bareilly (U.P.) and find out the key barriers to digital payments.

IV. RESEARCH METHODOLOGY

For this study, the researchers have collected primary and secondary data. Primary information was collected through administering the questionnaire. A questionnaire having different questions was constructed to know the opinion about digital payment. One structured questionnaire was prepared under the guidance of subject experts, which was put to pilot study to get the findings. Some questions were kept open-ended to capture as much information as possible, while close ended questions helped to maintain the commonality and formed the bases for comparison between various respondents. For this study, the researcher collected secondary data from published materials, while collecting secondary data; the researchers considered the following factors: Reliability of data, suitability of data, and adequacy of data.

The sample was drawn from the few rural areas of Bareilly district. The information was collected from the people living in Labhera, Rithora, Sainthal, Sithra, Rajpura Mafi, Ahladpur, Kumhara, Chandpur Bichpuri, Mohanpur Urf Ram Nagar. Total of 250 questionnaires were administered, out of which 200 questionnaires were successfully retrieved. Rest of the questionnaires was not considered due to incomplete information provided by the respondents. The age group of respondents was between 20 years to 30 years old people who were pursuing their undergraduate or postgraduate studies.

V. CHALLENGES IN OBTAINING THE RESPONSES

The issues related to measuring awareness created many challenges in front of researchers. It is important to find out what exactly customer know about the various digital payments options available to them. Whether they know or do not know or simply guessing while responding the answers? Thus it is important to get right response from the respondents rather a simple guess.

VI. THE ANALYSIS

The analysis of data was done through simple descriptive statistical techniques. Results from the study were presented in graphical/table forms using bar charts, pie charts, etc. Both, primary as well as secondary data collected were used in crystallizing the issues. It was further explained and supported with discussions in formulating the result and conclusion.

The age structure of the respondents is shown in the table 1 below. The age groups were represented through 3- year class intervals. The first interval of respondents falls between the age group of 16 to 20 years, next interval of the age group of 21 to 25 years and last interval falls into age group of 26 to 30 years.

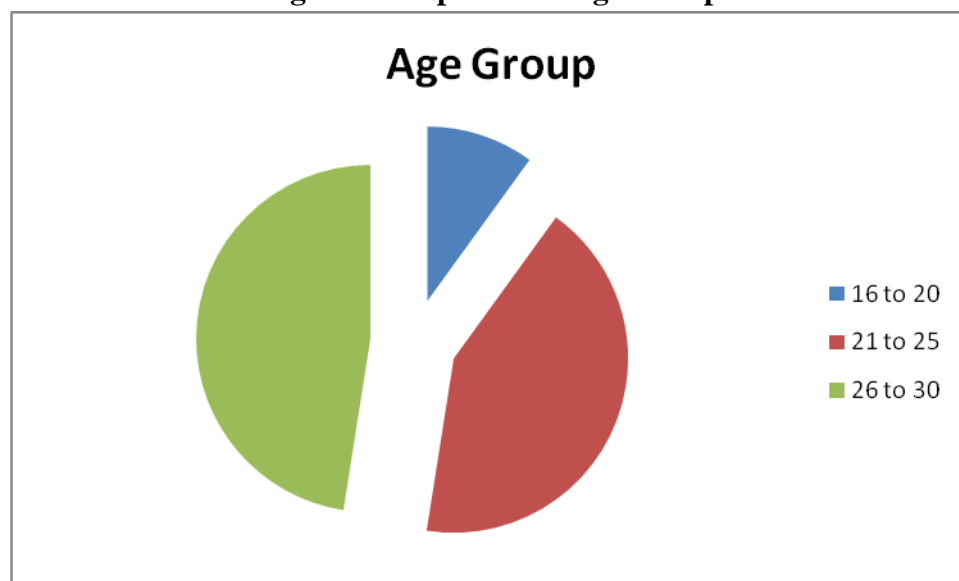
Table: 1
Age Group of Respondents

Age Group	Frequency	Percent	Valid Percent	Cumulative Percent
16 to 20	42	21	21	21
21 to 25	137	68.5	68.5	89.5
26 to 30	21	10.5	10.5	100
Total	200	100	100	

*Data of fifty respondents are not taken into consideration due to incomplete information provided by them

From the table no. 1, it is clear that the highest category of respondents falls into 21-25 age group, recorded 137 respondents i.e. 68.5%. Within the age group of the respondents within the interval of 16-20 recorded 21 percent of the total respondents which is also shown in figure no.1 as below:

Figure1: Respondents Age Group



Findings:

(a) Initiatives taken by Government and Companies

There are many initiatives taken by government and companies to promote payment in digital mode including smart phone-based transactions through the Unified Payments Interface (UPI) and the Bharat Interface for Money (BHIM) [2]. Government of India has also constituted a committee to promote cashless economy. The aim of the committee is to identify various digital payment systems appropriate to different sectors of the economy and coordinate efforts to make them accessible and user- friendly [3].The some initiatives are as follows [4]:

- Net banking
- Electronic Cheques
- E-cash
- E-wallet
- Plastic cards: Debit Card, Credit Card, Smart Card

- Payment Gateways: Authorize.Net, PayPal, SecurePay.com, Checkout.com Inc, First Data Corporation, BluePay Processing LLC, PaySimple

Few other mode of digital payments include mobile wallet, Unstructured Supplementary Service Data (USSD), Aadhaar Enabled Payment System (AEPS), Mobile banking, Micro ATM, Point of Sale (POS), etc [5].

(B) Views from Respondents

It is found that in rural areas of Bareilly; mostly people are accessing net for communication purpose followed by entertainment and social networking. Only 3% people made payment digitally. There are many barriers are observed which hinder the process of digital payment.

Figure 2 - Primary Reason for Accessing the Net

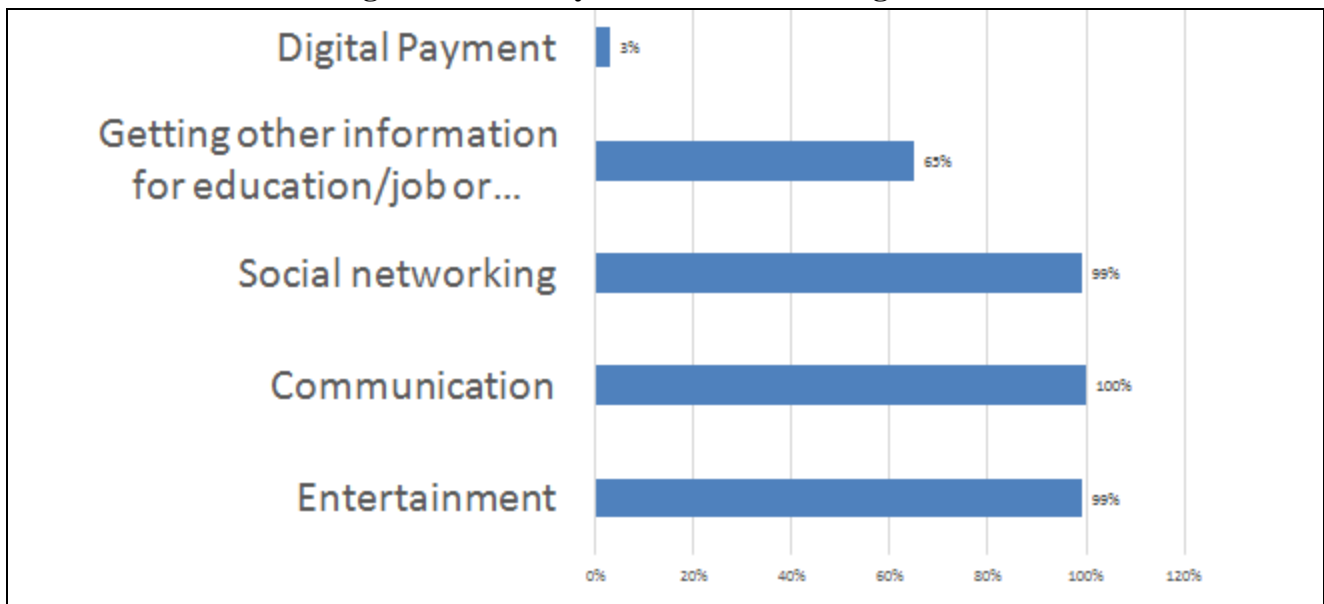


Figure 2: Awareness about Digital Payment Modes

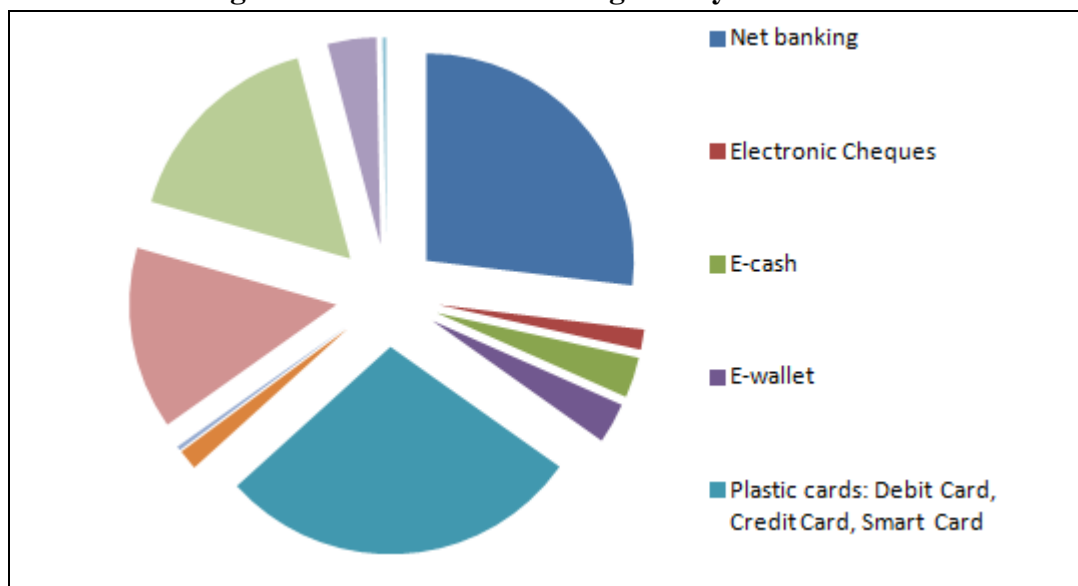


Figure 3: Key Barriers to Digital Payments

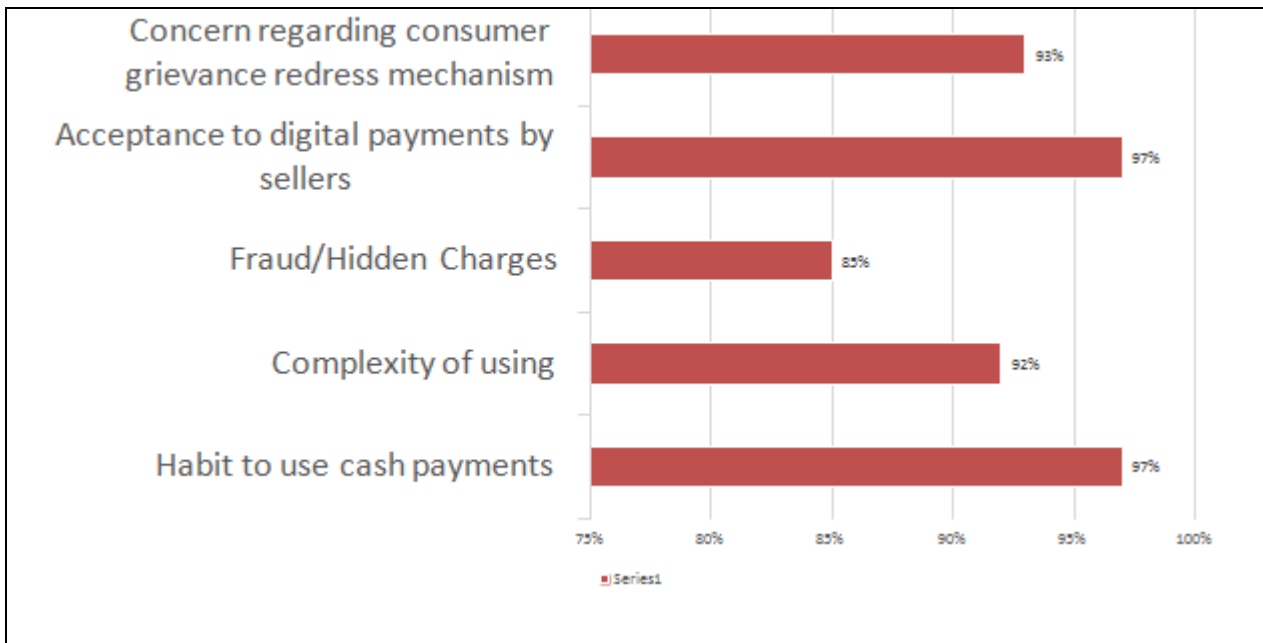
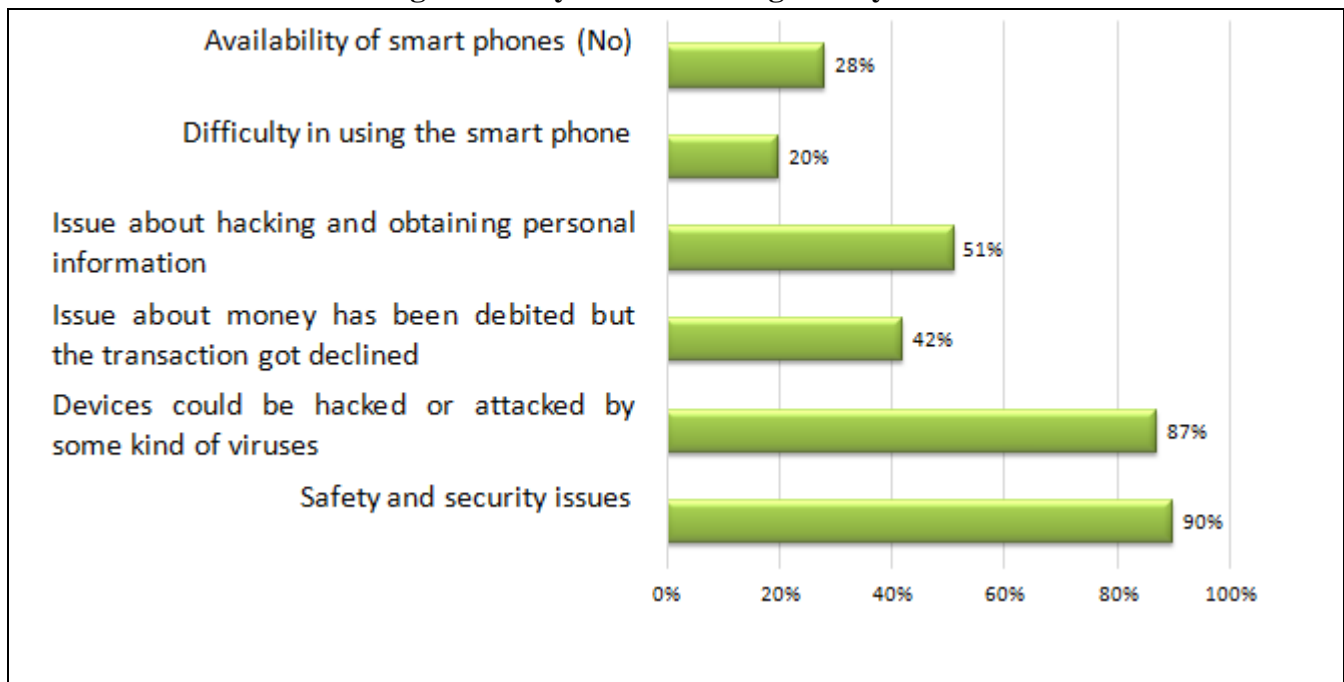


Figure 4: Key Barriers to Digital Payments



Other Issues and challenges regarding Digital Payment Systems

- Lack of adequate banking facilities in rural areas
- Low enrollment in the Aadhaar
- Poor Network Connectivity
- Lack of Grievance Redressal Mechanism
- Electricity Problem
- Lack of Trust
- Lack of Awareness
- Low level of literacy
- Unable to operate computers/Smartphone
- Every village does not have a pin code, which makes deliveries difficult

- English language barrier
- Erratic Internet Connectivity
- No access to debit and credit cards
- Annual Fees for cards
- Levy of Convenience charges
- Surcharges on use of cards

Challenges for Companies

- Motivate and educate the people to use the digital payments instead of cash payment
- Difficulty in India to change the habits of people
- Problem related to the infrastructure in the country
- Less connectivity of internet in rural areas
- Some rural areas, electricity is still not reached
- Less bank accounts
- Many digital methods are suspected to hacking and cyber attacks

VII. INITIATIVES TAKEN BY COMPANIES

Many companies are taking some initiatives about digital world in the schools of rural and semi urban areas to create awareness. In the relation, few companies like Tata, Samsung India, etc. are playing an important role. Tata and Samsung Smart Class programme promotes digital education among underprivileged students, especially in rural areas. The other companies like Mobile wallet players “Payworld” is training the retailers to spread awareness about the benefits of transacting online. FinoPaytech is expanding its network of banking agents in the rural areas. Paytm and Oxigen Wallet is helping in digitizing cash transactions in rural India NumberMall and TechProcess are enabling kirana shops to accept cashless payments in the country. Further to promote cashless transactions in rural areas, the government is planning to use Mahatma Gandhi National Rural Employment Guarantee (MGNREG) network to train and guide people [6].

VIII. CONCLUSION

Although there are many challenges in achieving the digital payment target and the way is not easy. But where, there is a will, there is a way. Indian Government and companies are playing their role in promoting the different modes of digital payments; it is also the responsibilities of people to change their mindset. Until the people will aware, learn and adopt the practices of digital payment rather than paying in cash, it is not possible to make our dream come true.

IX. IMPLICATIONS FOR FUTURE RESEARCH

Our study raises a number of opportunities for future research. It may be in terms of theoretical development and concept validation. As this study is limited to few rural villages in Bareilly (U.P.), similar studies can be conducted in other rural areas not only in Bareilly but also at state or national level. It will also provide knowledge to the companies so that they can strategically design their policies to reach to the customers in rural areas and finally both

parties will be benefited through mutual collaboration. Further work is also necessary to examine the practices of companies to raise the level of awareness among rural people

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