A Study On Digital Transformation Towards An Online Transaction

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Abstract:
India has a moving economy towards growth. It has reduced inflation rate and having impassive movements in digitalization. This research is focusing on digital transformation towards an online transaction ended by the locals in North Gujarat. For examining their interest towards digital transaction, a sample of 106 respondents are inquired through google form. Based on their open ended responses the conclusions are derived.

Objective: To understand the level of awareness regarding online transactions.

Methods: The collected information are examined with help of descriptive statistics and parson's chi-square.

Keywords: DIGITAL TRANFORMATION, AWARENESS, CHI-SQUARE TEST.

1. INTRODUCTION:

The use of computer-based technology in an organization's goods, operations, and strategy is referred to as digital transformation. Digital transformation is used by businesses to better engage and serve their employees and consumers, and so increase their capacity to compete. To begin, digital platforms, such as websites, established a link between businesses and their customers. Then, to facilitate consumer interactions, digital procedures arose. Companies required specialised digital teams to manage new social and mobile channels as their digital goals increased swiftly. Access and usage of information and communication technologies (ICT) has risen dramatically in the ten years following the World Summit on the Information Society, notably mobile telephone and internet services. Not only did online schooling and work from home signalled a paradigm change, but an increase in online payments was also a major indicator of the digital transition. Transactions made through the unified payments interface (UPI) increased by 120 percent in Gujarat alone, from Rs. 12.75 crore in June 2020 to Rs. 28.12 crore in March 2021, according to a report by the State Level Bankers Committee (SLBC). "Digital transactions, particularly UPI transactions, showed a considerable increase. This is owing to the epidemic, which caused widespread aversion to using currency (to avoid contact). Furthermore, most public and private sector banks have adopted the UPI platform, and transactions have increased not only as a result of the pandemic, but also as a result of increased awareness and the convenience provided by UPI," said MM Bansal, convener of the Gujarat State Level Banking Committee. Aside from UPI transactions, the value of instant payment services (IMPS) in Gujarat increased by 13% from Rs. 1.93 crore to Rs. 4.46 crore. ATM transactions increased by 40%, from Rs. 4.28 crore to Rs. 6.25 crore, while POS transactions increased by 110 percent, from Rs. 0.42 crore to Rs. 0.99 crore. After demonetization, the first large rise in digital transactions occurred. Then, during the Covid-19 shutdown, the cautious digital banking appeared safe and simple to use, deterring people from going to banks. Furthermore, payment solutions such as UPI and QR codes are ground-breaking and have only aided in the adoption of digital solutions throughout the epidemic, according to SLBC, Gujarat. In the year 2000, India's first payment aggregator, "BILLDESK," began operations. However, as the internet company grew, we saw the need to create an online payment system that catered to the demands of both merchants and customers. In the year 2020, the globe is a drastically different place. People have switched from cash and cheque books to online payments, which allow them to safely exchange currencies for products and services in real time over the internet. Many younger customers regard cash as antiquated. Online payments have allowed tens of thousands of businesses to trade internationally and inventive startups to have a meaningful influence on the retail industry. With the launch of PAYU PAYMENTS in India in 2011, we saw an increase in the number of online transactions day by day. The introduction of UPI – Unified Payment Interface – by the Government of India and the National Payments Corporation of India (NPCI) in 2016 was a watershed moment. It did not take long for UPI to achieve widespread acceptance. Year after year, the number of UPI transactions has increased.

2. REVIEW OF LITERATURE

Piyush Kumar (Piyush Kumar, 2017) conducted study on "Demonetization and its impact on Adoption of digital payment". Secondary data is collected from different sources like: books, magazine, journals, research paper etc. Primary data was collected by using survey method; a structured questionnaire is designed covering different dimension of factor digital payment system and its influence on customer's adaption Construct related to digitalization and its outcome were developed based on review of the literature and research by the different authors. The digital payment changed the buying behaviour of Indian society. It prevents black money market. It helps the government to maintain a record of all transaction. Digital Payment Habit has changed after demonetization. People have no other option for

transaction so Indian society move slowly from cash to digital transaction system. On the earlier, when digital payment introduces people hesitate to change their transaction habits but after demonetization, they force to do their transaction with digital payment. He concluded that the digital payment had given relief and force to learn digital transaction after demonetization. People adopted technology slowly, but don't wanted to pay extra for digital transaction. However, people of India faces money problems during demonetization they suffer with no cash. In addition, for this medium like Paytm helps them.

K Vinitha Krishna, Dr S Vasantha (K.Vinitha, 2017) Conducted study on "Influence of Demographic Variables on Usage of E- Payment System". The data is collected through survey method and discovered information by questionnaire method. Researcher used non-probability sampling method. To analysed data, MANOVA test is used. The study has confirmed that there is significant impact of the demographic variable occupation and the linear combination age and occupation on the dependent variables Perceived Benefits, perceived speed, and facilitating conditions whereas the MANOVA results elucidated that Age group does not have a significant impact on dependent variables Perceived Benefits, Perceived Speed and Facilitating conditions. The proposed model has been factually analysed and the significant impact has been ratified. Manisha Ohlan, Ella Rani and C.D. Autade (Manisha Ohlan, 2019) conducted study on "Impact of cashless Transaction on Purchasing Behaviour of Respondents in Hisar district of Haryana state" covering 200 respondents from two localities viz., rural and urban. Results shows that majority of respondents preferred to use cash in purchasing of items less than Rs.5, 000. None of the respondents preferred cash for purchasing more than Rs. 20,000. The findings are supported by Hernandez et al., 2014 who revealed 6 that the preference of cash was to refrain from overspending and to keep an insight into the volume of spending. Debit card was utilized by majority of respondents, followed by credit card and Immediate Payment Service (IMPS). Majority of respondents in urban area utilized and respondents in rural area did not utilize bank cards before demonetization and no change was observed on their purchasing behaviour. They concluded that individuals who possess both credit bankcards and in store cards were more likely to buy than those who own only bankcards or in-store cards. Further, it was also found that cardholders were more likely to make bigger purchases than non-card holders and mentioned that credit cards facilitate and induce purchases as compared to cash.

Dr. M Bhuvsneshwari, Dr.S Kamleshwar Sarvanan (Dr.M Bhuvenshwari, 2021) conducted study on Consumer behaviour towards UPI payment Application Based in Niagiris District. The study constitutes 105 respondents with descriptive research design and statistical techniques used are Chi-Square, ANOVA, Multiple regression. A study concluded from the barter to cash to card to digital payment. Consumer's main worry is security, which may be regarded a crucial element in the acceptance of UPI payments. Even though there is a tremendous growth in the use of digital India, it is still a cash -dominated country. People still have a lack of information about security, data privacy etc.

3. METHODOLOGY

The past years have been challenging in every aspect with demonetization and the pandemic that led to a sudden change in the lifestyle of everyone. People are now relying more and more on digital transactions and services. Therefore, it only becomes important and practical to understand the behaviour of consumers among different demographics. The study is help to reach a rationale and sustainable model of digital transformation. For all purposes it is vital to study the experience of the end user regarding online transactions that the government, service providers and regulators are aiming to streamline. Our research aims to better understand the influence of user perception, confidence in payment system, and online fraud experience on selection of payment methods. Demographical factors also affect the quantum of online transactions. The study is focus on demographical factors of respondents linked with their online consumer behavior.

Nature of these research is exploratory and descriptive design. To conduct the study pilot base, google form is to be constructed for data collection. The responses from North Gujarat region is to be filled to examine the data. It is collected from 106 respondents.

4. DATA ANALYSIS AND INTERPRETATION

The collected information is presented in two phases: the first phase is presenting the demographical analysis and the second phase is representing the inferential analysis with support of chi-square test for five liker scale data.

Table 1 Demographic Variables and Level of Significance

Variables	F	%	Z - score	Assm. Sign. Value
GENDER				
MALE	80	75.47	1.57	0.003
FEMALE	26	24.53		
AGE				
15-24	27	25.47	1.24	0.041
25-34	53	50.00		
35-44	19	17.92		
45-54	7	6.60		
ABOVE 55	0	0.00		
EDUCATION				
SCHOOLING	7	6.60	1.34	0.025
UG	30	28.30		

PG	53	50.00		
PROFESSIONAL	16	15.09		
MARITAL STATUS				
MARRIED	54	50.94	1.64	0.0041
UNMARRIED	52	49.06		
OCCUPATION				
STUDENT	28	26.42		
HOMEMAKER	8	7.55		
GOVT/PRIV. EMP.	43	40.57	1.84	0.032
SELF EMPLOYED	12	11.32		
BUSINESS	15	14.15		
MONTH. INCOME				
UP TO 10K	33	31.13		
10K - 20K	12	11.32		
20K -30K	12	11.32	0.97	0.012
30K -40K	7	6.60		
ABOVE 40K	42	39.62		
USING OF ONLINE PAYMENT SYST.				
YES	105	99.06	0.28	0.054
NO	1	0.94		

(SOURCE: PRIMARY DATA)

The study is presented for 106 respondents showing their interest towards digital transactions. They are examined with their demographical profile under gender, age, education, marital status, occupation, monthly income and using of online payment system.

It is observed that 75.47% of respondents are male, they are exceeded total number of females. The age group wise classification shows that majority of respondents are in the young age group they are in the interval of 25 to 34 years of age. The next stage also considering the teen agers who are responding highest. The respondents are having higher education. Majority of them are having completed their post graduate studies. The proportion for married and unmarried is almost equal. Amide the total respondents. Only 7.55% are associated with home production business. The higher percentages are acquired for government and private employee. Those who are associated with self-employed or business are almost in equal proportion. Income wise, the classification is to be calculated. It is examined that either the respondents are having higher income level or least income level.

The study is examined for 106 respondents it is supporting to evaluate the sample size more than 30 units. Thus, the frequency of their responses are examined at 5% level with Z-score value. The computed values are found lower than the significant level (1.96) value. Moreover, the p-value is also counted less than 0.05, it shows that the study responses are unbiased and it given green light to move ahead.

The second phase of questions are framed for evaluating for testing the main objective of the research. The respondents are inquired about their interest and awareness towards the digital transactions. Table 2 to 10 are representing particulars for the same.

Table 2 Online Transaction Methods currently used by the respondents

PARTICULARS	F	%
MOBILE BANKING	80	20.00
INT. BANKING	65	16.25
DITIGAL WALLETS	54	13.50
DEBIT CARDS	88	22.00
CREDIT CARDS	23	5.75
UPI	90	22.50

(SOURCE: PRIMARY DATA)

Table 2 is representing the particulars of online transaction methods currently used by the respondents. It is depicted from the table 2 that majority of the respondents are using UPI, Debit Cards and Mobile banking. As per the income source they may not use credit card facilities. Almost all have debit cards, mobile phones thus, the respondents are highly associated with the said three modes. It provided them direct use of mode for doing digital transactions.

Table 3 Reason for choosing of online transactions

PARTICULARS	F	%
PRIVACY AND SAFETY	64	16.84
TIME SAVING	86	22.63
CONVENIENCE TO USE	88	23.16
RISK AVOIDABLE	54	14.21
USER FRIENDLY	23	6.05
DISCOUNTS & REWARDS	65	17.11

(SOURCE: PRIMARY DATA)

They are inquired that with what reason they are attaching with doing online transactions. Majority of them are agreed that the online transactions are the most convenience to them to do the transactions. Moreover, they are agreed that it is time savings. Few of them are also believe that the online transactions are offering good discount and rewards as well it is providing them safety and security.

Table 4 Online service used by respondent

PARTICULARS	F	%
Bill Payments	39	36.79
Mini Statement	4	3.77
Purchases	26	24.53
Fund Transfers	34	32.08
BALANCE INQ.	3	2.83

(SOURCE: PRIMARY DATA)

The respondents are also inquired about their need to use online transactions. Table 4 is representing the details. It is very clear that the digital transactions are used highest for bill payments and fund transfers. Many of them are also using online transactions for doing online purchase.

Table 5 Problems with online transaction

PARTICULARS	F	%
INTERNET CONNECTIVITY	26	24.53
TECH. ISSUES	54	50.94
FRAUD	16	15.09
SECURITY	10	9.43

(SOURCE: PRIMARY DATA)

While doing online transactions whether they are facing any problems – in response of this question they are agreed that plenty of times they are facing problems due to internet connectivity and technical issues with the vendor services or server problems. Few of them are also agreed that they are afraid with online fraud and unsecured transactions. This research is examined only pilot bases. Thus, 106 respondents are inquired. For the population using online transaction in North Gujarat. It is necessary to evaluate the sample to lead the population properly or not. Thus, a support of inferential statistics is taken in use. To examine the next questions following hypotheses are laying down and are tested at 5% level of significance. The nature of responses is designed on five likert scales thus, Pearson's Chi-square test is used to examine the goodness of fit of the frequency distribution.

H01: The online transactions are not facilitating with attractive rewards and discounts
H02: The online transactions are not maintaining privacy and safety of the customers
H03: The online transactions are not time saver activity.
H04: The online transactions are not convenience to users
H05: The online transactions are highly risky to the customers
The presented hypothetical statements are examined as follows:

Table 6 Attractive Rewards & Discount

	O	E	(O-E)	$(O-E)^2$	$(O-E)^2/E$
SD	9	21.2	-12.2	148.84	7.021
DA	10	21.2	-11.2	125.44	5.917
N	22	21.2	0.8	0.64	0.030
A	29	21.2	7.8	60.84	2.870
SA	36	21.2	14.8	219.04	10.332
TOTAL	**106**	**CHI -SQUARE**			**26.170**

(SOURCE: PRIMARY DATA)

Table 7 Privacy and Safety

	O	E	(O-E)	$(O-E)^2$	$(O-E)^2/E$
SD	9	21.2	-12.2	148.84	7.021
DA	21	21.2	-0.2	0.04	0.002
N	18	21.2	-3.2	10.24	0.483
A	24	21.2	2.8	7.84	0.370
SA	34	21.2	12.8	163.84	7.728
TOTAL	**106**	**CHI -SQUARE**			**15.604**

(SOURCE: PRIMARY DATA)

Table 8 Time Saving

	O	E	(O-E)	(O-E)^2	(O-E)^2/E
SD	2	21.2	-19.2	368.64	17.389
DA	1	21.2	-20.2	408.04	19.247
N	6	21.2	-15.2	231.04	10.898
A	54	21.2	32.8	1075.84	50.747
SA	43	21.2	21.8	475.24	22.417
TOTAL	106	CHI -SQUARE			120.698

(SOURCE: PRIMARY DATA)

Table 9 Convenience to Use

	O	E	(O-E)	(O-E)^2	(O-E)^2/E
SD	12	21.2	-9.2	84.64	3.992
DA	21	21.2	-0.2	0.04	0.002
N	10	21.2	-11.2	125.44	5.917
A	28	21.2	6.8	46.24	2.181
SA	35	21.2	13.8	190.44	8.983
TOTAL	106	CHI -SQUARE			21.075

(SOURCE: PRIMARY DATA)

Table 10 Less Risk

	O	E	(O-E)	(O-E)^2	(O-E)^2/E
SD	24	21.2	2.8	7.84	0.370
DA	26	21.2	4.8	23.04	1.087
N	8	21.2	-13.2	174.24	8.219
A	26	21.2	4.8	23.04	1.087
SA	22	21.2	0.8	0.64	0.030
TOTAL	106	CHI -SQUARE			10.792

Table 6 to 10 are presenting observed frequencies expected frequencies and calculation of chi-square value. The respondents are examined at five likers scale thus the significance value can be tested at (n – 1 = 5-1 = 4) degree of freedom. The table of chi-square is showing (0.05, 4) = 9.49. It is observed that the calculated chi-square values are higher than the significance value. Thus, all the five hypothesis are rejected at 5% level of significance. The final statements towards the awareness of digital transactions can be rewrite as follows:

Ha1: The online transactions are facilitating with attractive rewards and discounts

Ha2: The online transactions are maintaining privacy and safety of the customers

Ha3: The online transactions are time saver activity.

Ha4: The online transactions are convenience to users

Ha5: The online transactions are not highly risky to the customers

CONCLUSION:

The first phase discussion of research is examined for demographic analysis of the respondents. It shows that the respondents are properly answers the questions as the test results of Z –score are significant. The second phase is presented for their awareness and problem statements. Based on that the hypotheses are derived and tested at 5% level of significance. The chi-square for all statistical hypothesis are rejected at level of significance. It is clearly presents in support of doing successful online transactions by the respondents in North Gujarat region. This paper may support to extent the future study in the same domain. It may extend the research for future prospect. It may also support to the online service provider, customers and to the government to design development policies.

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