A Study Of Customers Perspective With Respect To Modern Payment System In Rural Area Of Sonipat

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Abstract:
Today, with the proliferation of the internet and digital technologies, the payment landscape has transitioned into an era characterized by instant electronic transactions. Particularly in India, a country with diverse demographics and a vast rural population, modern payment systems have become a crucial pivot point. Sonipat, a district in Haryana, embodies this transitional phase where rural communities are gradually integrating with digital financial mechanisms. This study aims to comprehend the perceptions, awareness levels, preferences, and concerns of the rural customers of Sonipat regarding modern payment systems.The paper focuses on the customer perspectives towards awareness, uses of payment modes and risk involved with respect to modern payment system. The study also analyses the factors motivate to the use of modern payment. It further identifies the challenges in the adoption of modern payment system with respect to rural area of sonipat.

Keyword: Modern payment system, rural, customers, awareness, risk

Introduction

The evolution of payment systems has witnessed significant transformations over the past few decades. From the barter system to coins, paper money, and then to cheques, every phase of this evolution has been a reflection of the societal and technological advancements of its time. The inception of modern payment systems can be traced back to the evolution of banking and financial services, which over the centuries have transformed to fit the socio-economic paradigm of their times.

The 21st century heralded a new era with the launch of online banking, mobile wallets, and UPI (Unified Payments Interface). The 2016 demonetization drive by the Indian government gave a significant push to digital payments, leading to a surge in the use of digital wallets like Paytm and UPI platforms (Srinivasan, 2017). The Digital India Initiative's impact is palpable across the nation, from urban centers to rural regions. With its aim to provide digital access, digitally empower citizens, and ensure digital inclusion, the movement has revolutionized payment systems and digitized various aspects of the Indian economy. India's modern payment landscape has witnessed robust growth and transformation over the last decade. This change can be attributed to various factors including supportive government initiatives, technological innovations, and market demands

Modern Payment Modes
Digital or mobile wallets: They are used via the internet and through Smartphone applications. Money can be stored on the app via recharge by debit or credit cards or net-banking

Debit/RuPay cards: These are linked to an individual's bank account. Can be use shops, ATMs, online wallets, micro-ATMs, and for e-commerce purchases. Debit cards have overtaken credit cards in India.

AEPS: The Aadhaar Enabled Payment System uses the 12-digit unique Aadhaar identification number to allow bank-to-bank transactions at PoS

USSD: Stands for Unstructured Supplementary Service Data based mobile banking. It is linked to merchant's bank account and used via mobile phone on GSM network for payments

UPI: The United Payments Interface (UPI) envisages being a system that powers multiple bank accounts onto a single mobile application platform (of any participating bank). Merges multiple banking features, ensures seamless fund routing, and merchant payments. It facilitates P2P fund transfers

Research Problem
A Study of Customers Perspective with respect to Modern payment system in rural area of Sonipat

Research Objective
The objectives of the present study are as under:-
1. To define the different modes of Modern payment system.
2. To know the awareness level of customers towards Modern payment system in rural area of Sonipat
3. To study customer's preference towards modes Modern payment system in rural area of Sonipat

Hypothesis
HO1: There is no significant different among customers perception towards awareness levels about various modes of payment in rural area of sonipat
H02: There is no significant difference among the customers perception towards preference for the modern payment modes in rural area of Sonipat

Research Methodology
The Study: The research is descriptive in nature and based on survey of customers of rural area of sonipat. It study focus to define the different modes of modern payment modes, the awareness of modern payment system and preference modes of payment

The Sample: Under this study included the customers who were used the modern payment modes for their digital payment. The convenience sampling has been used and 400 respondents have filled the survey questionnaires.

Data Collection methods: The primary data for the study have been collected through a self-structured questionnaire comprised of 25 items. These items were presented on five point Likert scale ranges from Strongly Agree (5) to Strongly Disagree (1) and administered on the sample of 400 respondents. Initially 25 items identified by the on the basis of review of related literature. The general demographic information of the respondents has also been collected using separate section in the questionnaire. The secondary data for the paper have been collected from internet, published papers, banks reports etc.

Data Analysis methods: SPSS 21.0 and MS Excel were used to analyse the collected data. The reliability analysis had done using Cronbach's Alpha Method. The Cronbach's Alpha Reliability of all 25 items found to be 0.932 showing the high reliability of 25 statements.

Review of Literature
The literature on perceived mobility includes concepts, models, polices, theories, etc. on digital payment. Authors have also described how to benefit from perceived mobility and types of changes in digital payment adoption. Government has created norms for more secure digital payment so the consumers can adopt digital payment without any fear (Gupta, 2008). Research shows that internet banking increases consumer satisfaction (Ghosh, 2017). The government has taken a step for cash less society and has made a policy for digital India and digital payment. Demonetization also appears to be a part of the policy of government to push customer for digital payment (Abrantes et al., 2013; Kaur, 2017). This will eventually increase the percentage of users using digital payment. Mobility factor is specific to mobile services or digital payment service (Amberg et al., 2003)

Positive word of mouth is an important factor because we are part of the society and get affected from positive word of mouth directly or indirectly (Taddesse and Kidan, 2005; Carr, 2007; Kim et al., 2010; Al-Jabri and Sohil, 2012). Researchers conducted a study on 330 actual mobile banking users and found that relative advantage, observability and compatibility have positive impact on digital payment adoption. Positive word of mouth also played a major role in digital payment adoption (Kim et al., 2010). According to Moody Analysis, the electronic payments usage promotes consumer confidence. Consumers that are happy with digital payment service influence others regarding usage of digital payment service or benefits (Zand, 2016). Various authors have discussed the relevant concepts and related factors of individual financial transparency for enabler of digital payment and readiness for digital payment (Kaur, 2017; Ghosh, 2017).

Descriptive research includes survey and fact-finding information. The main purpose of descriptive research is description of the scenario/situation as it exists at present. It is providing precious information about the relevant characteristics and related to study. Several authors have used this types of research (Stalder, 1999; Soman, 2001; Udo, 2001; Olga, 2003; Taddesse and Kidan, 2005; Tiwari et al., 2006, Carr, 2007, Mas and Kumar, 2008; Gupta, 2008; Khan et al., 2009, Radcliffe, 2011, Al-Jabri and Sohail, 2012; Reddy, 2012; Teoh et al., 2013, Braga et al., 2013, Wills,

2015; Jeevan, 2015; Feinstein, 2015; Rathore, 2016; Zand, 2016; Ghosh, 2017; Wushishi and Ogundiya, 2014; Kumudha and Lakshmi, 2016).

There is lack of awareness regarding use of applications and benefit of applications to the consumer (Wushishi and Ogundiya, 2014). Many consumers want to use the digital payment app and participate in cashless economy and cash free India campaign, but the problem is that the consumer is not aware or familiar with digital wallet.

Empirical research refers to the research conducted to gain knowledge directly or indirectly, and verified by observation or experience. The research works done by the authors using this approach include (Schierz et al., 2009; Kim et al., 2010).

Podile and Rajesh (2017) found that Public Perception on Cashless Transactions in India was of the view that majority of the customers in the country have adopted the electronic payment system for their transactions.

Sumathy and Vipin (2017) identified that the major drivers that accelerated the growth of Indian Digital Payment Systems are found to be favourable regulatory environment, the emergence of next generation payment service providers and enhanced customer experience.

Garg and Punchal (2017) studied the benefits and challenges of a cashless economy .The study showed the preference of people towards cashless economy because they feel it helps to fight against illegal activities, corruption, etc.

Hassan et al (2020) studied the security aspect of digital payment and defined factors like integrity, authorization etc as areas of protection. They also found that the safety issue in digital payment is more complex than normal security issues.

Samrat Banerjee and Prerona Saha (2021) focused on the attitude, perception of the urban consumers towards various digital payment methods. Responses from 100 respondents of Kolkata have been recorded using purposive sampling method and are analyzed using anova.

Analysis and Discussions

The paper showed the awareness level of the customers towards various payment systems in the rural area of Sonipat district. The data was collected through a survey of 400 respondents using a structural questionnaire. The result has been analysied using descriptive statistics such as frequencies, percentages and measures of central tendency.

Demographic Profile of respondents

Table 1 showed the demographic profile of the respondents who participated in the survey. The majority of the respondents (35%) were in the age group of the 26-35 years followed by 36-45 years (25%). In term of gender, 73% of respondents were male and 27% female. Most of the respondents had completed their secondary education (35%) or higher secondary education (25%). The predominant occupations among the respondents were agriculture (38%), private jobs (22%) and business (18%)

Table 1: Demographic Profile of respondents

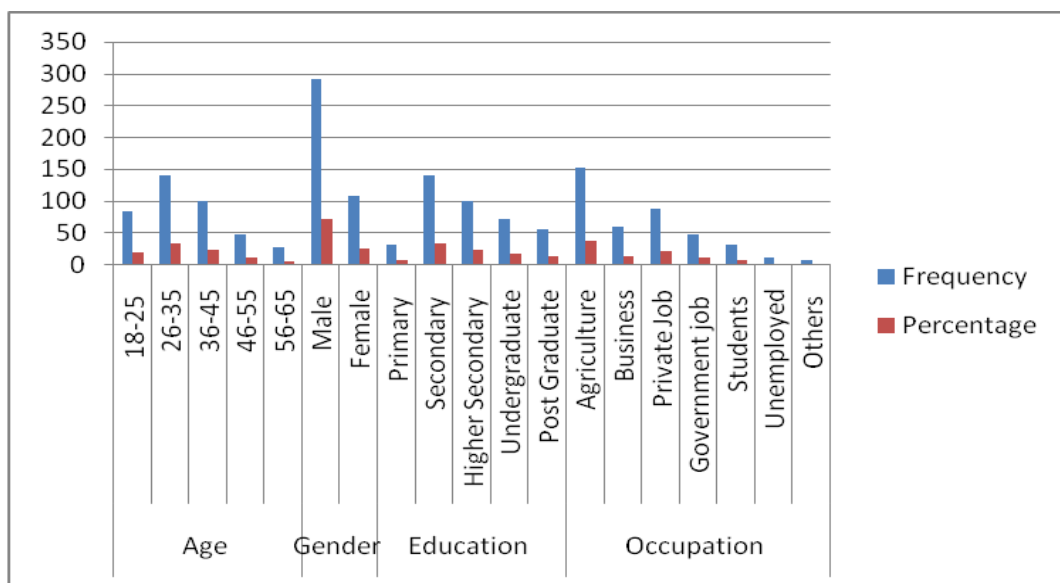| Parameter	Category	Frequency	Percentage
Age	18-25	84	21
	26-35	140	35
	36-45	100	25
	46-55	48	12
	56-65	28	7
Gender	Male	292	73
	Female	108	27
Education	Primary	32	8
	Secondary	140	35
	Higher Secondary	100	25
	Undergraduate	72	18
	Post Graduate	56	14
Occupation	Agriculture	152	38
	Business	60	15
	Private Job	88	22
	Government job	48	12
	Students	32	8
	Unemployed	12	3
	Others	8	2

Fig 1: Demographic Profile of the Respondent

Awareness level about modern payment mode

The awareness level of respondents about various payment modes was captured on 5 liker point scale (Strongly disagree, disagree, neutral, agree and strongly agree). Awareness about the Debit card/credit card was the highest, with 65% of respondents being strongly agree aware of the these mode of payment, followed by the awareness about the internet banking (63% strongly agree) and ATM (62%). Awareness was moderate for the payment modes like UPI (47% strongly agree), mobile wallets (44%) and POS machine (42%). Mode like QR code payment (18% strongly agree) and AEPS (15%) had lower awareness among the respondents.

Table 2 shows the mean awareness score for each payment mode on 5-point scale. Debit/credit card, internet banking and ATMs had the highest mean score in the range of 4.25-4.50 indicating the high awareness. Payment like UPI, mobile wallets and POS machines moderate awareness with mean score near 3.5. Awareness was low for QR code payment and AEPS, with mean score below 3.

Table 2: Mean score of awareness of Payment mode

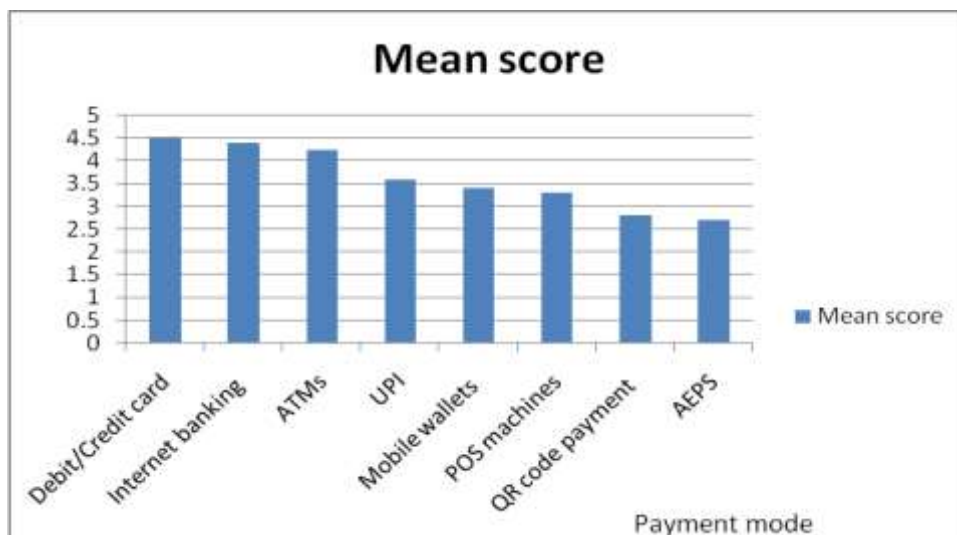| Payment mode	Mean score
Debit/Credit card	4.5
Internet banking	4.4
ATMs	4.25
UPI	3.6
Mobile wallets	3.4
POS machines	3.3
QR code payment	2.8
AEPS	2.7

Fig 2: Mean score of Awareness of payment mode

Sources of awareness

The most frequently cites sources of awareness about modern payment system were banks 32% respondents, social media platforms like facebook,Youube,Whatsapp 26%, friends/ family 18% and advertising/ marketing campaingns12%. Other sources like government campaigns, merchants/shops and newspaper accounted for the reamining 12% respondents. Banks emerged as a leading sources by conducting awareness camps, sending informations messeages and email about new payment modes, customers education at branches through posters/ flyers etc. social media alos played major role in spereding awareness rapidly among tec-savvy youth in rural area of sonipat.

Table 3: Sources of Awareness about payment modes

| Sources	Percentage of respondents
Banks	32%
Social media	26%
Friends/ family	18%
Advertising/ Marketing	12%
Government campaigns	6%
Merchants/ Shops	4%
Newspaper	2%
Others	2%
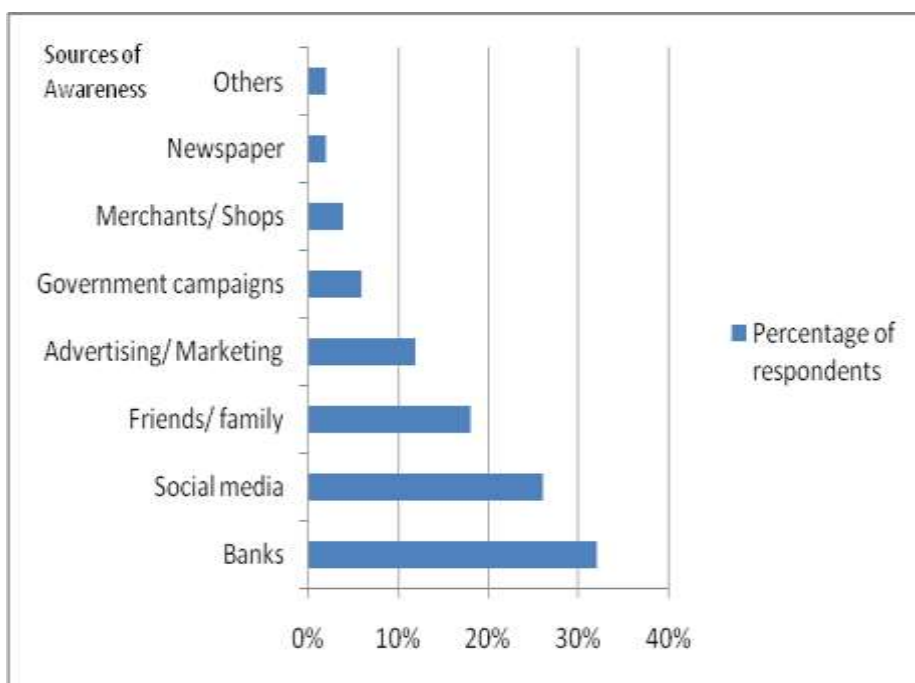
Fig 3: Sources of Awarnress about Payment Modes.

Factors influencing preference for payment modes

The results showed that factors influence respondents' preference for payment modes and the percentage of respondents who ranked each factor as one of their two top preferences. Ease of use (mean score 2.1) and rewards/ cash-backs (2.3) emerged as the most important factors followed by convenience (2.5), security had a moderate influencing with mean score of 3.2

Table 4: Factors influencing preference for payment modes

| Factor	Mean
Ease of use	2.1
Rewards/cash-back	2.3
Convenience	2.5
Technology Affinity	2.8
Social trends	3.1
Security	3.2
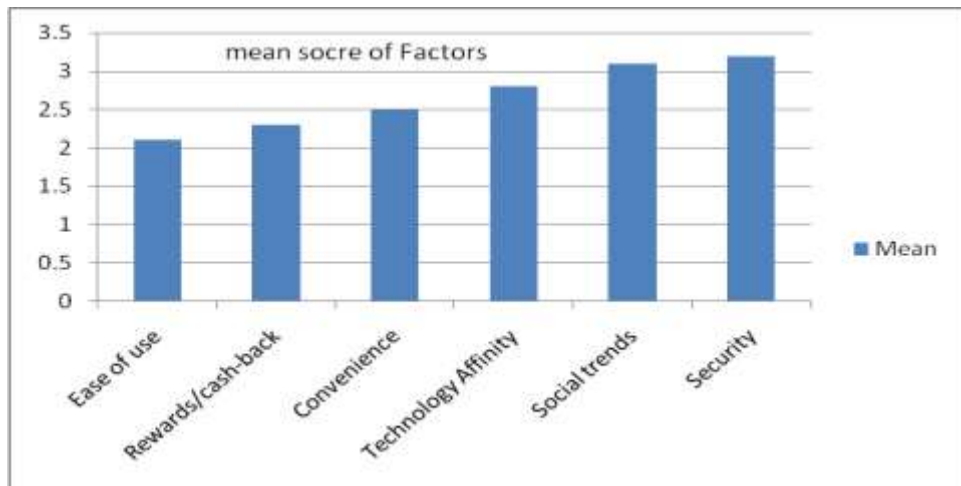
Fig 4: Mean scocre of Factors influencing preference for payment modes.

Payment methods used

The paper showed that different payment methods currently used by respondents had used like debit card 86%, ATM / cash withdrawals 82% and credit card 68%. In digital mode mobile wallets had the highest adoption 46%, followed by UPI 39%, internet banking 35% and QR code payment 18%.

Table 5: Payment modes used

| Payment mode	Percentage of respondent users
Debit card	86%
ATM/Cash	82%
Mobile wallets	46%
UPI	39%
Internet banking	35%
OR Code	18%
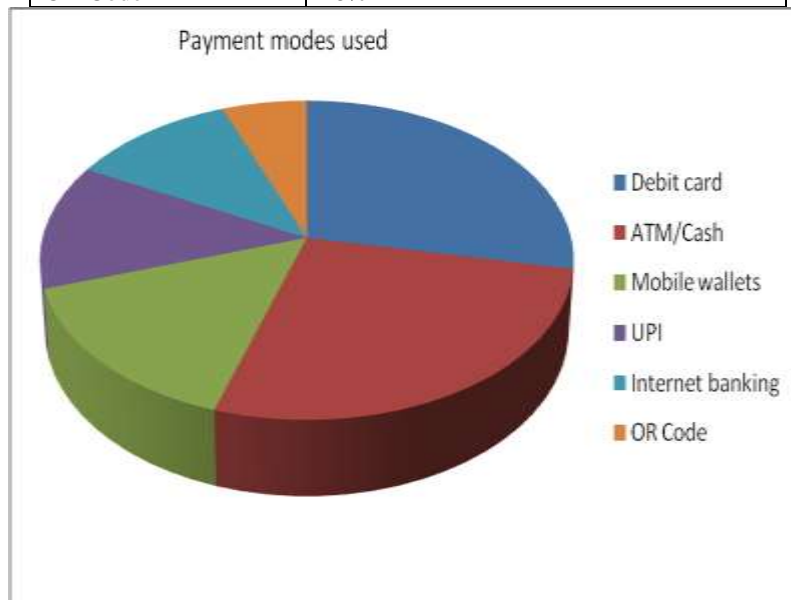
Fig 5: Payment modes used

Security concern in payment system

The level of security concern among respondents regarding financial data security in digital payment was captured on a 5 point scale. The results showed that 45% of customers were strongly agreed and 37% were moderately concerned about the security. Only 18% had slight or no concerned. The mean security concern score was 3.8 out of 5, indicating moderately high apprehension about financial data security among the customers.

The common fraudulent activities faced were phishing attacks 38%, unauthorized transaction/ theft 26%, Vishing calls 22% and UPI PIN sharing scams 14%.

Table 6: Security concern to Modern payment system

Types of frauds/ scam	Percentage of affected respondents
Phishing attacks	38%
unauthorized transaction/ theft	26%
Vishing calls	22%
UPI PIN sharing scams	14%
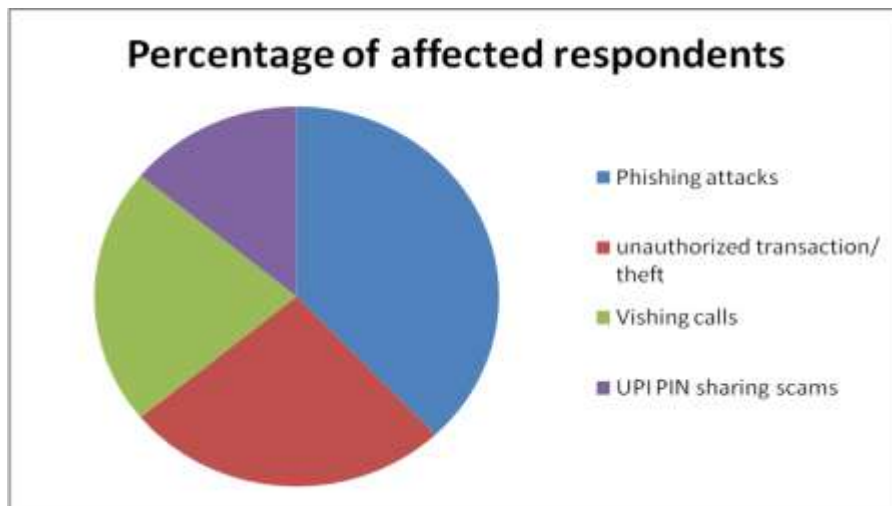
Fig.6: **Security concern to Modern payment system**

Awareness about payment risk
The 52% of respondents had faced technical issues while using the modern payment system. The most commonly risk was transaction failure 26%, other risk faced were payment delay, incorrect debit, OTP failure, biometric not working and lack of internet connectivity / electricity. The results showed that the awareness level about the risk like frauds, failed transactions, phishing etc. associated with the modern payment. 50% of the respondent had moderate awareness, while 30% had low awareness about the potential payment risk. Only 20% claimed high awareness levels.

Hypothesis Testing
HO1: There is no significant different among customers perception towards awareness levels about various modes of payment in rural area of sonipat

To test this hypothesis, an ANOVA test was applied between different payment modes and awareness levels. The results are show in table 7

Table 7: Anova test for different modes of payment and awareness level

	Sum of squares	df	Mean of square	F	Sig.
Between group	2.034	3	.678	.884	.449
Within group	301.858	1596		.189	
Total	303.892	1599			

The significant value is 0.449 which is greater than 0.05. Hence, the null hypothesis (H01) is accepted that there is no significant difference in awareness levels regarding various modern payment modes among the rural customers. Their awareness is similar for UPI, mobile wallets, cards and internet banking.
H02: There is no significant difference among the customers perception towards preference for the modern payment modes in rural area of Sonipat
One way ANOVA test was applied to determine significance of difference of factors driving preference. The results are shown in table 8

Table 8: ANOVA test factors influencing the Preference of payment Mode

	Sum of squares	df	Mean of square	F	Sig.
Between group	108.507	4	27.127	375.227	.000
Within group	58.125	1995	0.29		
Total	166.632	1999			

The significance value is 0.000 which is less than 0.05. Hence, the null hypothesis (H02) is rejected. It is concluded that there exists significant difference in factors influence the preference of the customers in the rural area of sonipat.
Conclusion

The paper noted a reasonable awareness but an active usage of modern payment system is yet to gather momentum in rural area of sonipat. The policy maker should be given main focus on education, infrastructure, regulation and incentives are needed to motivate the adoption of modern payment system in the rural area.

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