A Consumer behavior towards usage of various latest payment options during online shopping:
A study on Belgaum district.

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Abstract:
In India, the Unified Payments Interface (UPI), created by banks, is aimed for the mobile phone client. Because of its immense potential reach and usability (tending to by means of email, versatile number and ID number) it is relied upon to achieve a huge move in the way portable managing an account exchanges are directed in India. It enables clients to make installments utilizing cell phones as the essential gadget, without the need to download an application to send or get cash. Universal portable installments can be made outside of card systems, in core banking infrastructure. The new framework will take into account a single click, two-factor validation on cell phones crosswise over financial balances. This most likely denotes the finish of wallets in India. In India, as with other developing nations, cash on delivery and booth installments ought to be offered while venturing into the market. There is a customary inclination for cash payments, something that does not appear to change quickly.

The objective of the study was to identify the consumer behaviors towards usage of various latest payment methods available during online shopping. The study was conducted based on two factors which influence the consumer to prefer latest payment methods over traditional method.

A study was conducted during the month of February 2018 among varied level of online shopping consumers in Belgaum city of North Karnataka. A pre designated questionnaires was administered during the study with a total sample size of 61. A five level likert scale was used for the responses collected through pre administered questioners. The collected data was analyzed using ms-excel and SPSS tool. With a p value (significance level) < 0.05 considered significant, a one sample T-test was applied for data analysis with a mean value of 2.5.

Index Terms - Online payment, payment methods, recent payment methods, e-payments etc.

I. INTRODUCTION

The vehicle for conveying e-payment is web. Because of ICT activity from Indian Government the utilization of web has expanded since most recent 10 years. Hence the online business appropriation in India is likewise high as it specifically includes web user adaptability to current IT condition because of its quick information exchange. As indicated by RBI report 2010 the payment industry business is set to see huge modification in its value chain with the presentation of online payment methods. The online payment showcase which has developed in significance as of late because of blast in the web based business advertise has brought about the move of clients from paper based payment mediums to online payment mediums.

The customer inclinations are moving towards straightforwardness and adaptability as they are searching for better, more proactive arrangements around life occasions. The payment framework under retail electronic banking framework has relentlessly expanded. The credit/debit card spending has additionally

expanded in the recent years. The vast majority of the bank client's utilized debit card for their money related exchanges as instead to visit branch for exchanges.

In the recent years due to digitalization and larger scale of internet penetration in Indian market, many online payment methods have became popular among young generation who are doing online shopping. In this study recent methods such as UPI (ex Phone Pe), e-wallets, payment banks and pre paid cards are treated as recent methods of online payments. The payment methods such as debit card, credit card, internet banking and cash on delivery are considered as traditional payment methods in online shopping. E-commerce joints are offering many promotional offers for recent payment methods such as cash back, reward points to attract the consumers.

Objectives:

With the above background this study aims to explore the consumer behaviors towards using a latest payment options during online shopping. Therefore, following objective is kept in mind during the study.

1. To study the preference of various payment methods during online shopping by consumers.

Hypothesis for the study:

H1: Consumers are not using traditional payment methods available during their online shopping.
H2: Consumers are using latest payment methods available during their online shopping.

Methodology and data collections:

Keeping the above objective in mind a study was conducted in the month of February 2018 in Belgaum city of North Karnataka. A convenient sampling method was adopted to choose 61 respondents from Belgaum city of North Karnataka.

Questionnaire: A questioner consisting of 7 questions explaining the 'recent payments methods' and 'traditional payment methods' was self administered and filled during the interaction with the respondents. The data collected includes both demographic information of the respondents and also assessments of pre designated questions.

Description of the tool:

Part I- Personal details of the respondents.
Part II- Traditional payment methods responses
Part III-Latest payment methods responses

Statistical Analysis: The collected responses' from the questionnaire is then compiled into tables by using Ms-Excel and SPSS tool. A simple descriptive statistical analysis tools including percentage method and one sample T-test etc has been used in the study.

Analysis and Findings:

Table 1: Demographic profile of the respondents

	No of respondents	% of respondents
Age		
20-30 years	31	50.81
30-40 years	19	31.14
More than 40 years	11	18.03
Sex		

Male	34	55.73
Female	27	44.26
Marital status		
Unmarried	35	57.37
Married	31	50.81
Income		
Less than 1 lakh	13	21.31
1 to 5 lakh	24	39.34
5 to 10 lakh	18	29.50
More than 10 lakh	6	9.83

Source: Authors own compilation.

Analysis of data:

H1: Consumers are not using traditional payment methods available during their online shopping.

Table 1.1: Frequency distribution of the response for the statement "usage of Internet banking as a payment method" (V1).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	6	9.83	9.83
Disagree	10	16.39	26.22
Neutral	3	4.91	31.13
Agree	12	19.67	50.80
Strongly Agree	30	49.18	100

Source: Authors own compilation

Table 1.2: Frequency distribution of the response for the statement "usage of debit card as a payment method" (V2).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	3	4.91	4.91
Disagree	6	9.83	14.74
Neutral	1	1.63	16.37
Agree	16	26.23	42.6
Strongly Agree	35	57.37	100

Table 1.3: Frequency distribution of the response for the statement "usage of credit card as a payment method" (V3).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	4	6.55	6.55
Disagree	3	4.91	11.46
Neutral	9	14.75	26.21
Agree	27	44.26	70.47
Strongly Agree	18	29.51	100

Table 1.4: Frequency distribution of the response for the statement "usage of cash on delivery (COD) as a payment method" (V4).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	4	6.55	6.55
Disagree	4	6.55	13.1
Neutral	1	1.63	14.73
Agree	14	22.95	37.68
Strongly Agree	38	62.29	100

H2: Consumers are using latest payment methods available during their online shopping.

Table 2.1: Frequency distribution of the response for the statement "usage of PhonePe (UPI , E -wallet) as a payment method" (V5).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	36	59.01	59.01
Disagree	12	19.61	78.62
Neutral	8	13.11	91.73
Agree	3	4.91	96.64
Strongly Agree	2	3.27	100

Table 2.2: Frequency distribution of the response for the statement "usage of Payment banks (Airtel, paytm, vodafone M-pesa etc) as a payment method" (V6).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	13	21.31	21.31
Disagree	31	50.82	72.13
Neutral	10	16.39	88.52
Agree	4	6.55	95.07
Strongly Agree	3	4.91	100

Table 2.3: Frequency distribution of the response for the statement "usage of prepaid card as a payment method" (V7).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	39	63.93	63.93
Disagree	15	24.59	88.52
Neutral	4	6.55	95.07
Agree	2	3.27	98.34
Strongly Agree	1	1.63	100

Testing of both the hypothesis are carried out with one sample t-test if the significance level is less than 5% then alternate hypothesis will be accepted else null hypothesis can be accepted, which means the sample mean is equal to population mean. The hypothesis tested in this work using one sample T test is as follows with a mean value of 2.5.

H1: Consumers are not using traditional payment methods available during their online shopping.

Table 3.1: one sample T-test for usage of traditional payment methods.

Statement (Variable)	Mean	Std Deviation	T-Statistics	P-value
Usage of Internet Banking as a payment method" (V1).	3.84	1.451	7.191	0.000
Usage of debit card as a payment method (V2).	4.21	1.185	11.293	0.000
Usage of credit card as a payment method (V3).	3.85	1.108	9.533	0.000
Usage of cash on delivery (COD) as a payment method (V4)	4.28	1.199	11.586	0.000

H2: Consumers are using latest payment methods available during their online shopping.

Table 3.2: one sample T-test for usage of latest payment methods.

Statement (Variable)	Mean	Std Deviation	T-Statistics	P-value
Usage of PhonePe (UPI , E -wallet) as a payment method (V5)	1.74	1.079	-5.520	0.000
Usage of Payment banks (Airtel, paytm, Vodafone M-pesa etc) as a payment method (V6)	2.21	1.035	-2.166	0.034
Usage of prepaid card as a payment method (V7)	1.54	0.886	-8.450	0.000

Discussion on findings:

Table 3.1 will consolidate the results of first four variables which are related to the traditional method of payment during online shopping. Following table 3.3 shows the t- values and significance levels of all four variables which are related to the hypothesis H01: "Consumers are not using traditional payment methods available during their online shopping." By observing the table3.3 all the four variables from V1 to V4 have a significance level less than five per cent hence hypothesis H01 will be rejected and alternate hypothesis will be accepted. That is consumers are using traditional payment methods available during their online shopping.

Table 3.3

Statement (Variable)	T-Statistics	P-value	Hypothesis H01
Usage of Internet Banking as a payment method" (V1).	7.191	0.000	Rejected
Usage of debit card as a payment method (V2).	11.293	0.000	Rejected
Usage of credit card as a payment method (V3).	9.533	0.000	Rejected
Usage of cash on delivery (COD) as a payment	11.586	0.000	Rejected

method (V4)			

Table 3.2 will consolidate the results of last three variables which are related to the latest (recent) method of payment during online shopping. Following table 3.4 shows the t- values and significance levels of all three variables which are related to the hypothesis H02: "Consumers are using latest payment methods available during their online shopping". By observing the table3.4 all the three variables from V5 to V7 have a significance level less than five per cent hence hypothesis H02 will be rejected and alternate hypothesis will be accepted. That is Consumers are not using latest payment methods available during their online shopping.

Statement (Variable)	T-Statistics	P-value	Hypothesis H02
Usage of PhonePe (UPI , E -wallet) as a payment method (V5)	-5.520	0.000	Rejected
Usage of Payment banks (Airtel, paytm, Vodafone M-pesa etc) as a payment method (V6)	-2.166	0.034	Rejected
Usage of prepaid card as a payment method (V7)	-8.450	0.000	Rejected

Findings

The study was concentrated on consumer preference towards payment methods during online shopping. During the study two factors are traditional methods of payments and latest (recent) methods.

1. The findings revealed that there is a significant usage of traditional payment methods such as debit card, credit card; internet banking and cash on delivery (COD) are still popular in the Belgaum district of north Karnataka.
2. In traditional method of payment, major consumers are preferring cash on delivery (COD) method of payment. But no major reason was identified for such a behavior from the consumers.
3. On the other hand the latest (recent) payment methods mentioned in the study have not gained the significant importance among consumers.

Conclusion:

The study was concentrated on consumer preference towards payment methods during online shopping. During the study two factors are traditional methods of payments and latest (recent) methods. During the study many respondents have opined that online stores provides many convenient options for consumers such as EMI option with no interest, easy and feasible delivery options, hassle free return policy, time saving, good and attractive discounts on wide range of products and many more. Due to above all reasons many people are using either their debit card or credit card to grab the interest free EMIs. The study concluded that, still majority of the consumers are using traditional methods of payment systems rather than latest payment methods available.

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