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“A Study on E-commerce Payment trends during Corona Virus pandemic in Bhopal City”

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Abstract

2020 has not been just any year. Encountering COVID-19 Pandemic, it has opened doors for a no. Of opportunities and put the rest through trying times. However, one sector which emerged as a clear new normal is Digital payment industry. People use these online mode of payments from the convenience of their homes through online channels like mobile banking, internet banking, cards, digital wallets etc. and thus can avoid crowded places and can contribute more towards cashless economy. A significant shift in the consumer behaviour with respect to the e-payments can be seen all over. Digital wallets and UPI's are the most trending payment methods dominating over cash. The paper is an attempt to understand the most preferred payment mode of consumers while online shopping during pandemic also, it highlights the most favoured online payment option on the basis of recorded responses. Questionnaire was the tool used to collect the primary data from a total of 110 respondents belonging to Bhopal cit of Madhya Pradesh. The data was analysed to find out the pre stated objectives.

Keywords: E-payments, Digital wallets, UPI's, Cashless payments

Introduction-

India is known to be a home of highest consumer e-commerce growth rate in the world. A tremendous change in the pattern of payments and adoption of digital money and smart mobile phones is been recorded over the last 5 year and this COVID-19 pandemic has further boosted this trend.

As it has been seen, that both the government and private firms are working hard and efficient to bring more of Indians online through initiatives like “DIGITAL INDIA”. The efforts are carried for tapping in to India’s young, internet freaky population.

It has been noticed that now-a-days, most of the e-commerce firms including Amazon, Flipkart, and others are also offering a cash-less payment alternatives in order to replace cash based deliveries.

These transformations in payment methods have leveraged Unified Payments Interface (UPI), payment links, Digital wallets, pay later options etc to replace cash.

It has been observed that COD (including both card and cash transactions) has seen a significant decline from 40% during pre-covid levels. While a large part of this shift has been organic driven by the low contact deliveries and customers low willingness to transact cash, some of this has also been promoted by e-tailing players by creating awareness of prepaid options for the safety of delivery teams, and putting fees on non-prepaid transactions,” as stated by Mrigank Gutgutia, Director e-commerce, at RedSee.

In this research paper, it can clearly be seen that there is a significant inclination of consumer preference towards the use of digital payments during India’s lockdown to curb the growing menace of covid-19. This shift towards going digital can be associated with the changing habits of Indian Consumers.

Review Of Literature-

- **Sharma Deepti, Aggarwal Deepshikha, Gupta Amisha (2019)**, in their paper, “**A study of consumer perception towards M-wallets**” aims to investigate the consumer perception and attitude towards paying digitally using M-wallets. The main purpose of the study was to understand M-wallets and the major factors affecting the consumer acceptance for digital payments. For the purpose of study both Primary and secondary data were employed. A total of 100 people were investigated by the help of questionnaire out of which 72 responded. Random sampling technique was opted to draw samples. The statistical tests used for the purpose of analysis of data were Correlation and Regression method. The stud highlights that privacy and anonymity, flexibility of usage, mobility, convenience, trust, usage cost, speed of transaction and ease of use are top most factors influencing behaviour intention to use M-wallets. The author finally concluded that out of all above factors the 3 main significant factors are mobility, convenience and trust.

- **TS Sujith, Dr. Sumathy M and T Anisha (2019)** in their study “Customer perception towards mobile- wallets among youth with special reference to Thrissur city”, focussed mainly on the preference of young customers towards m-wallets in Thrissur city and also the impact of demographic variables on usage of m-wallets were studied by the author. The main objective of the study also includes the study the awareness of youth towards M-wallets in the city and to understand the perception of users. For the purpose of study, both primary and secondary data were taken under consideration. Through convenience sampling method, primary data was collected which included 60 respondents with the help of Questionnaire and secondary data was collected from various published sources. The study is descriptive in nature. The study reveals that majority of the respondents were aware about the m-wallets and they were using the same for making payments. Phonepay, Googlepay and Paytm are considered as the most acceptable payments gateway. Network problem and security issues were major problems discovered in the study.
- **Roy Biju (2018)** In his research paper “**A study on consumer preferences towards selected Digital Payment mode**”, attempts to identify that which is the most preferred mode of payment, also the paper is concerned with the issues which were faced after demonetisation. The author restricted the sample area of study to Jorhat town of Assam. About a sample size of 120 individuals were taken on the basis of purposive sampling method. The study is based on both primary and secondary data. Self constructive questionnaire was used as data collection tool. For the analysis of data, simple percentage and weighted average score were used as statistical tools. The study revealed that above various mode of digital payment system , e-wallets have emerged as most preferred mode of digital payment, also cyber security seems as one of the biggest concern and Non tech savvy individual is another.

Objective of study-

Following are the objectives of the study-

- The objective of the study is to examine and analysis the E-commerce payment trends during COVID-19 pandemic.
- To understand the most preferred payment mode during e-shopping.
- To find out the future payment preferences of buyers while performing online shopping.

Research Methodology-

The study- The study is exploratory in nature which has been carried out through conducting a survey, using a self designed questionnaire in order to attain the core objectives of the study.

The sample- The sample size of the study constituted a total of 110 e-commerce users specifically of Bhopal City of Madhya Pradesh. The sample was collected using Non-probability purposive sampling method for e-commerce user who are regular or occasional online buyer.

Data Collection- The study includes both the primary and secondary data. The primary data was collected through self structured questionnaire and secondary data was collected b using published resources like research articles, web articles, news papers etc.

The tools for data collection- The tools used for purpose of data collection was a self-structured questionnaire. The questionnaire was designed b using Google forms as a designing tool and it was circulated amongst the respondents through Whatsapp, Face book and e-mails.

Tools for Data Analysis- The tool used for data analysis were simple percentage and frequency distribution method along with the graphical representation of resultant outcomes.

Limitations of the study-

Following are the limitations of the study-

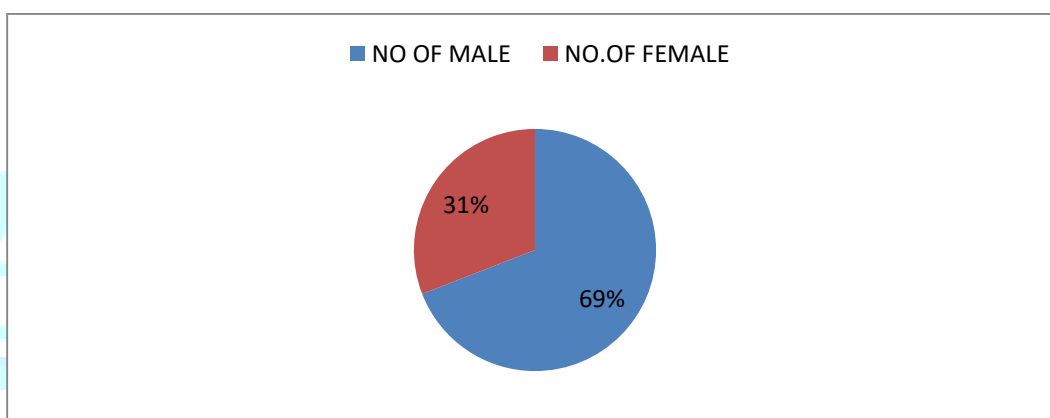
- The study is limited to Bhopal city because of COVID-19 restrictions and time constrains.
- The sample size taken under the study is small. Hence, the results cannot be counted to be as universal.
- The limitations of the non-random sampling method are automatically applicable with this study.
- The perception of consumers changes over a period of time, thus there is a possibility that the inclination towards mode of payments can also get change.

Data interpretation and Analysis-

A total of 110 online shoppers of Bhopal city were taken under the study. Below is the data analysis on the basis of questionnaire.

Table 1. Profile of the Respondents

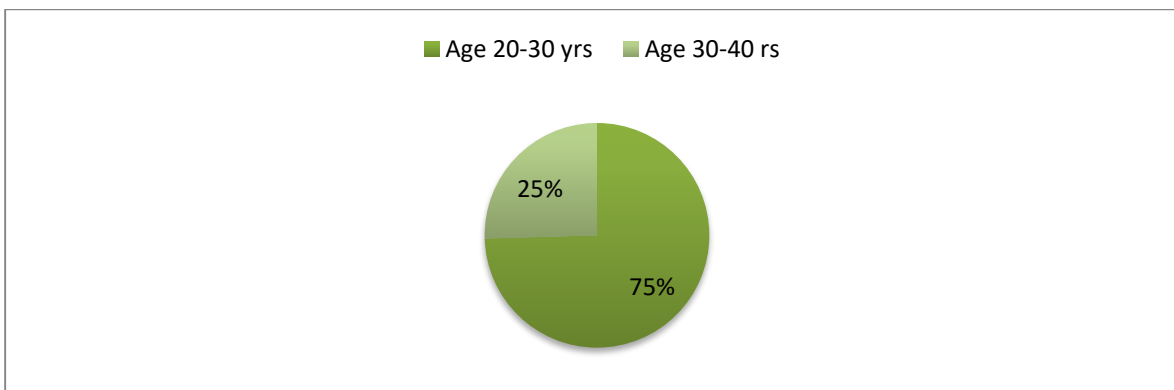
Gender	No. Of Respondents	% of Respondents
Male	76	69%
Female	34	31%



Interpretation- Out of the total of 110 respondents, 69% were male and 31% were female.

Table 1.1

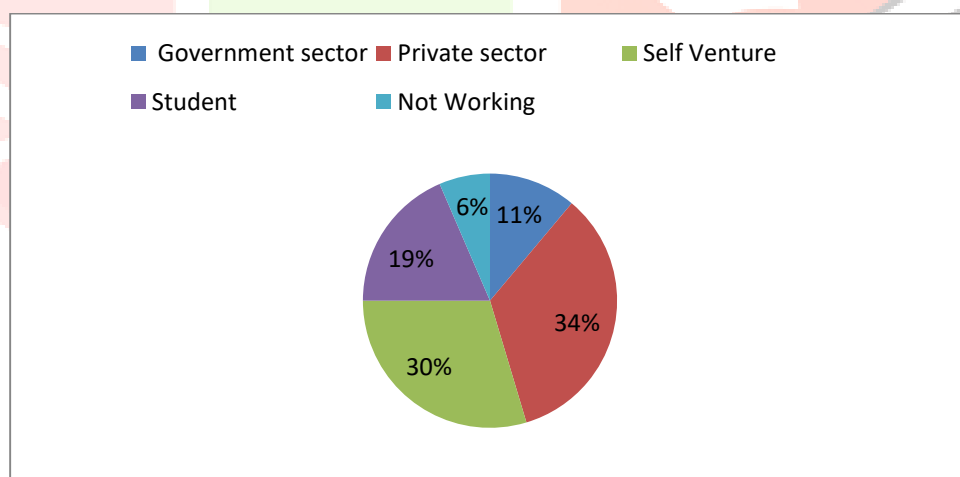
Age	No. Of Respondents	% of Respondents
20-30 years	82	75%
30-40 years	28	25%



Interpretation- Out of the total of 110 respondents, 75% respondents belongs to the age group of 20-30 years and 25% respondents are in between the age group of 30-40 years. The target population for the study was specifically for the Millennial generation.

Table 1.2

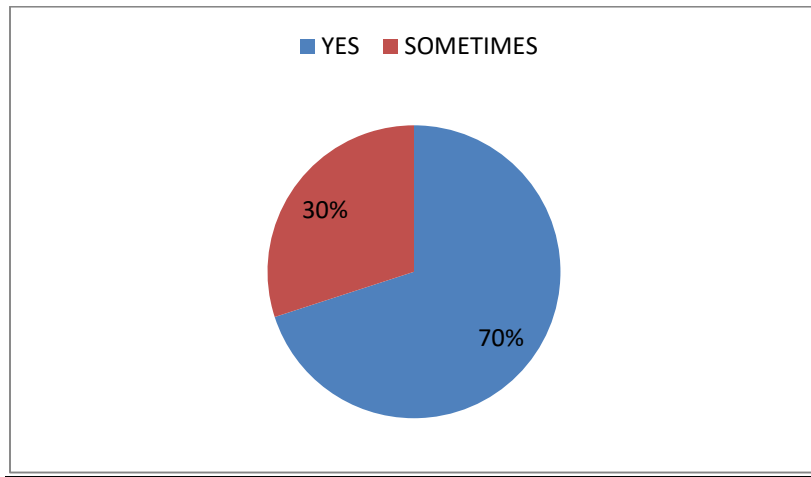
Occupation	No. of Respondents	% of Respondents
Government Sector	12	11%
Private Sector	37	34%
Self Venture	32	30%
Student	20	19%
Not-Working	7	6%



Interpretation- from the above representation it can be seen that majority of the respondents are from private sector, and the minority of respondents are from non-working background.

Table 2- Did you shop during COVID-19 Pandemic

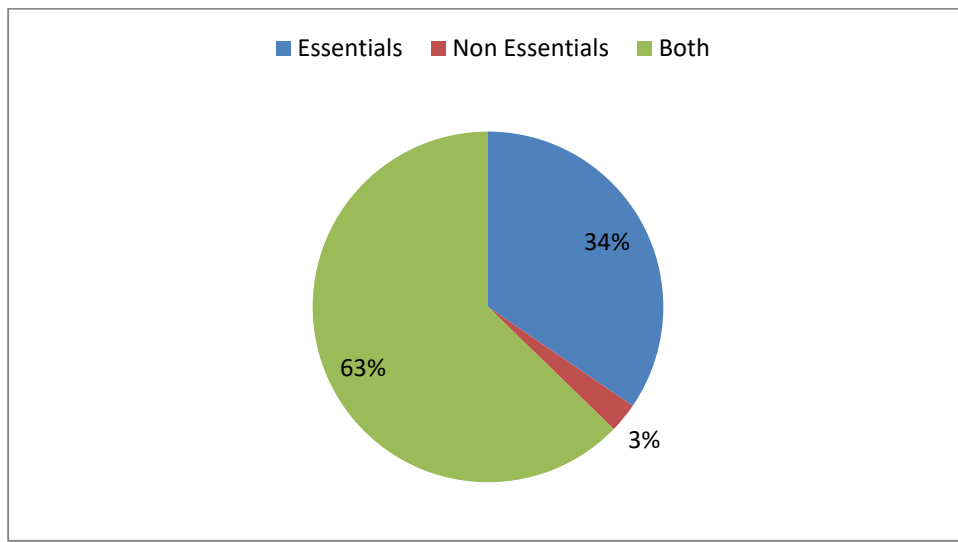
Response	No. Of Respondents	% of Respondents
Yes	77	70%
Sometimes	33	30%



Interpretation- The above chart represents that 70% respondents were regular shoppers even during COVID-19 Pandemic, while 30% were occasional buyers.

Table 3- Priority orders During Pandemic

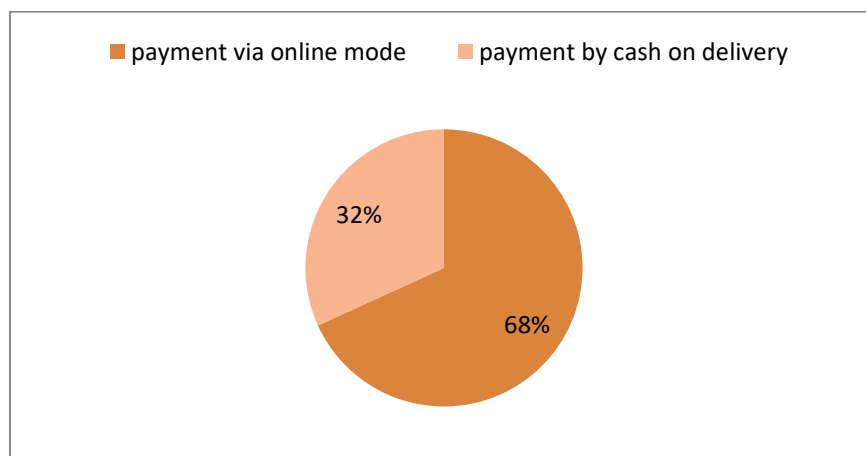
Orders	No. Of Respondents	% of Respondents
Essential orders	38	34%
Non essential orders	03	3%
Both	65	63%



Interpretation- The above table reveals that, during pandemic 63% respondents ordered both essentials and non-essential items, while 34% respondents ordered essentials items and 3% ordered for non-essential items.

Table 4- Most Preferred Payment Mode

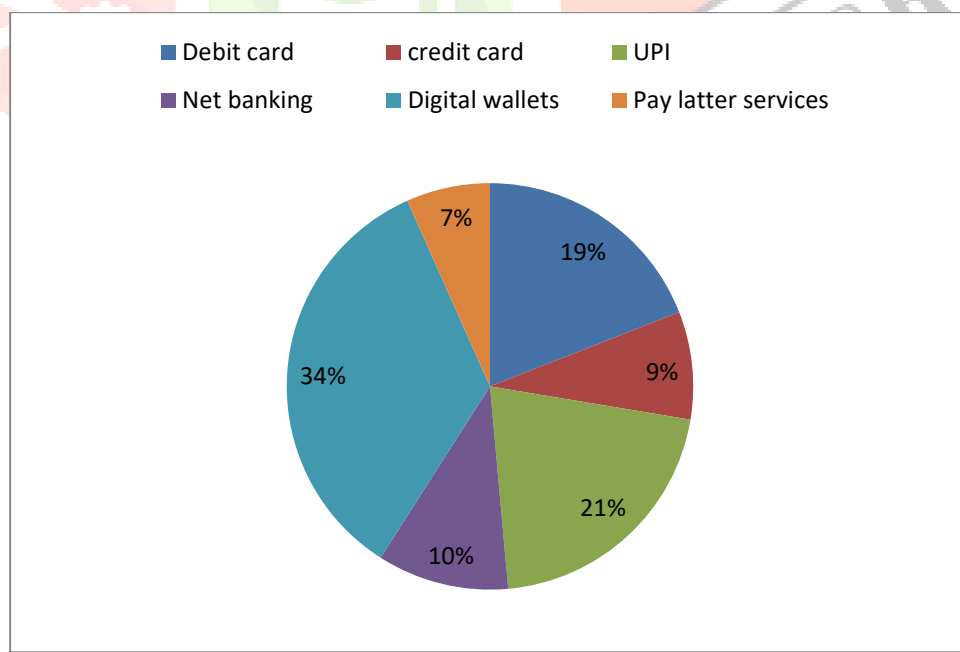
Payment Mode	No. Of Respondents	% of Respondents
Paying via Online Mode	75	68%
Cash on Delivery	35	32%



Interpretation- the above chart indicates that more than a half of respondents i.e. 68% preferred online mode of payment while online purchase while only 32% respondents preferred paying through Cash.

Table 5- Most preferred online mode of payment

Online mode of payment	No. Of Respondents	% of Respondents
Debit Card	20	19%
Credit Card	9	9%
UPI	22	21%
Net Banking	11	10%
Digital Wallet	36	34%
Pay Later	7	7%

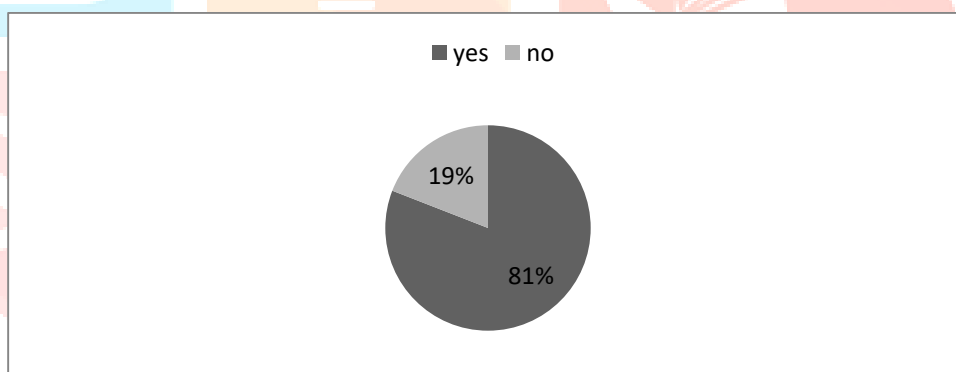


Interpretation- From the above data it is clearly visible that out of the total of 110 respondents, 34% respondents use Digital wallets as the most preferred payment option. Next to that, 21% respondents use UPI

to make online transactions successful. Accordingly, Debit cards are the third most used online payment option as 19% respondents prefer using the same. Net banking, credit cards and pay-later services are least preferred amongst all.

Table 6- Finding Online Payment Hassel free

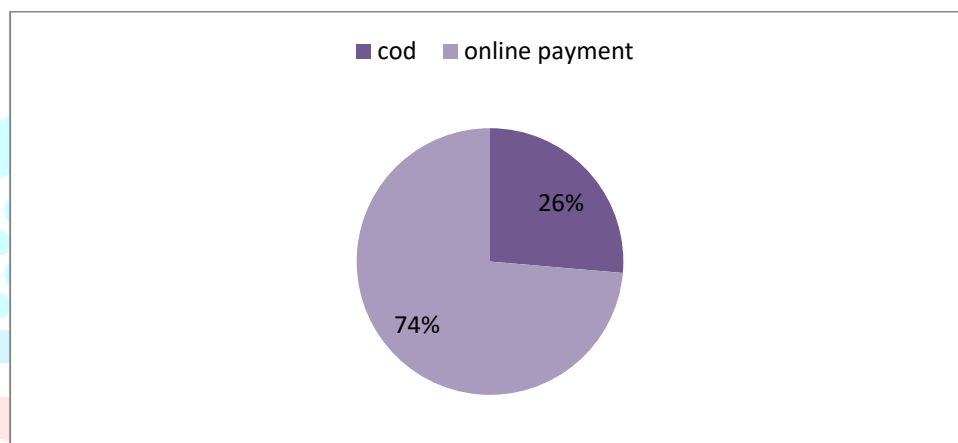
Response	No. Of Respondents	% of Respondents
Yes	89	81%
No	21	19%



Interpretation- from the above representation, it seems that the sample population is more friendly and comfortable with online payment mode, since 81% found paying online hassle free while 19% respondents did not find the same.

Table 7- Future Payment Preferences

Response	No. Of Respondents	% of Respondents
Online payment mode	81	74%
Cash on Delivery	29	26%



Interpretation- the above pie chart clearly defines that majority of respondents would prefer online payment mode over cash on delivery while making future payments during online shopping.

Findings and Conclusion-

India's e-commerce payments market previously dominated by cash, is now transforming to meet the demands of its increasingly smart phone led e-shopping culture, with digital wallets, UPI's and card rising prominence. Based on the trends seen in year 2019 and so far in year 2020, it was speculated that global cashless transactions will have an annual growth rate of 12% until 2023, according to payments report 2020 published by Capgemini¹.

As stated by Ranjith Boyanapalli, Head- Fintech and payments group at Flipkart "there is no doubt that the current pandemic has led to many new to internet users to embrace digital payments. We saw almost 80% jump in digital transactions in May 2020 over March 2020, where non essential business resumed and cod

¹ <https://www.entrepreneur.com/article/360648>

was initiated again. This jump is testament to the fact that digital payments are not just safeguard anymore but can be quoted as “new-normal”².

The study shows that during COVID-19 Pandemic, people continued to purchase online as soon as the restrictions were removed by the government and the pattern of buying was somewhat regular. Consumers were not just seeking for essential items but the priority orders were both for essentials as well as non essential items over the period.

The analysis above also concludes that DIGITAL WALLETS (PAYTM, PHONEPAY, GOOGLE PAY) etc is the most used payment method for online shopping in Bhopal city followed by the use of UPI's and Debit cards. Digital wallets use is expected to grow at a compound annual growth rate of 80 percent to 2021. The study also concludes that the awareness level of various online payment methods amongst the millennials is very high and they seek for a easier and more handy way of payment and purchase.

As per the analysis, it can be said that consumers would rather opt for online payments over cash on delivery in the future time.

This shift of consumers can definitely be associated with changing habits and consumer behaviour during a situation and Digital transactions now can be termed as “new-normal”.

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² https://www.livemint.com/v/s/www.livemint.com/industry/retail/online-shoppers-turn-away-from-cash-on-delivery/amp-11601472577584.html?usqp=mq331AQFKAGwASA%3D&_js_v=0.1

Web link-

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