



A STUDY ON CONSUMPTION OF CONTACTLESS PAYMENT SERVICE IN CASE OF MARKET INTERMEDIARIES DURING COVID – 19 LOCKDOWN WITH REFERENCE TO KANCHEEPURAM DISTRICT

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Abstract: The business models of convenience stores in India are being threatened by the arrival of a large number of market intermediaries and extensive adoption of digital technologies. The constraints faced by market intermediaries (small retail outlets, whole sellers, agents, and manufacturers) in the context of an urge given by the government to use digital payments in a pandemic situation were explored in this study. The adoption of contactless payment methods (such as internet banking, mobile wallet money, credit/debit cards, and payment applications) by marketing channel members has increased during the COVID – 19 situations. Contactless payment acceptance has spread from the level of online whole sellers to the level of street vendors. Market intermediaries are able to set up infrastructure for digital transactions (such as bank accounts and smart phones) and reasonable digital platform prices. Moreover, the faceless transaction methods make the market players to be literate enough to use digital payment systems. This study used a quantitative methodology to look into the issues that these channel members have when it comes to transacting money/funds and collecting money from their customers for the products or services they sell.

Index Terms - Retailer, Contactless payment, Covid – 19, Lockdown, Pandemic, Whole seller, Market intermediaries.

1. INTRODUCTION

Market intermediaries struggled to adjust when entire countries and economic blocks shut down owing to COVID-19. It had to adapt to a society where people were reluctant to leave their houses or have any kind of interaction with strangers. The marketing channel members were the hardest hurt by the epidemic due to shutdowns and quarantine requirements. Even though the pandemic's impacts on channel players will be seen for a long time, we can examine what they have been so far and what changes market intermediaries have made to adapt to effective commercial transactions. Participants in the channel must refocus on flexibility and new types of customer involvement provided by contactless payment systems and other digital technologies such as mobile, social media, and analytics in order to survive. This study looks on channel players' acceptance of digital payments in a developing country like India. It will assess the costs and benefits of digitization for intermediaries (whole seller, retailer, agents), as well as the organizational, technological, and environmental issues they may face during the COVID - 19 pandemic. The following is the article's outline. It begins with the identified problem and a study of the literature on how digital technologies are being adopted in the case of market intermediaries. The research techniques used in this study will next be explained. The analysis, debate, suggestion, and conclusions are then presented.

2. IDENTIFIED PROBLEM

The research looks into the adaptability of contactless payments and the many elements that influence their acceptance. This research aims to show why channel operators have embraced digital payment methods during COVID – 19 pandemic with special reference to kancheepuram district. This research aids in determining how market participants use digital payments in their regular transactions and the factors that influence marketer's adoption of digital payments and also helps to assess market player's perceived levels of ease and convenience when using cashless modes of transactions as well as to identify intermediaries' concerns about switching to cashless transactions. Is there any impact of new era digital payment methods on business channels after demonetization but during pandemic?

3. REVIEW OF LITERATURE

- **Sornaganesh .V and Chelladurai .M (2016)^[1]**, The situation at the moment of demonetization in 2016 was exposed in this article. The impact of demonetization and financial technology companies in India were investigated by the researcher. During the demonetization period, the researcher also examines the payment service sector. From a technological standpoint, the digital payment system is the most significant advancement in the mobile internet sector.
- **Abhay Upadhyaya [2012] ^[2]** In electronic commerce, the issues of payment transactions have mostly been overestimated, according to a study on "Electronic Commerce and E-Wallet." E-wallet evolved into a more convenient, easy-to-use, and comfortable worldwide price machine in order to grasp the notion of e-commerce. With some pay-in options, it's significantly more versatile than a " banking system."
- **Priya and Y Aysha (2021)^[3]** The purpose of this study of digital payment adoption in small retail outlets was to determine the influence of new age digital payment on retail store businesses. It was discovered that digital payment methods have a stronger impact on expanding business and making transactions more comfortable for clients. According to the findings, the length of time that a product has been in use and the number of years that a company has been in business have a significant effect in determining whether or not to use a digital payment method. There is a strong link between behavioral intent and facilitating circumstances.
- **Nitsure (2014)^[4]**: Because of the limited dispersion of information technology, developing countries like India are concerned about the reception of E-banking operations, according to his report. The issues discussed in the article were security problems, rules, guidelines, and executives. In India, there is a considerable risk of a digital divide emerging since the poor are unable to use the internet and consequently the financial system.

4. OBJECTIVES OF STUDY

- ❖ To find out the effect of Covid-19 on contactless payment service in case of market intermediaries in kancheepuram district.
- ❖ To find out which payment mode (online or offline) is more useful and effective during lockdown.
- ❖ To find out which type of contactless payment gateway used by market channel operators.
- ❖ To find the problem faced by them, while transacting money through online.
- ❖ To analyse the reasons to choose contactless payment services during pandemic.

5. RESEARCH METHODOLOGY

The total numbers of respondent were 113 people, who were picked using a basic random sample and snowball sampling technique. Both primary and secondary data were used in this article. The questionnaire was the data collection tool to collect data from respondents. The study relies heavily on primary data. Secondary data was acquired from newspapers, periodicals, and internet, among other places. SPSS 20 software is used to analyse the data gathered. The chi-square test, ANOVA and correlation test were utilized as statistical methods.

6. LIMITATION OF THE STUDY

- This study is only based on market intermediaries' perspective.
- This study is conducted with reference to kancheepuram district. So, it is difficult to study the impact of COVID – 19 of large population of market intermediaries.
- The sample size is limited to 113 responses due to time constrain.
- The data is collected only from whole seller, retailers and petty shop and manufacturer who consume the E – payment services offered by respective banks.

7. HYPOTHESIS OF THE STUDY:

1. **H₀** – There is no significant relation between the benefits received from contact less payment system and frequency to use contact less payment mode during lock down.
2. **H₀** = There is no significant relation between frequency to use contact less payment mode and the reasons to choose contact less payment system to save time during lock down.
3. **H₀** = There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system in terms of cost effective during lock down.
4. **H₀** = There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system due to lock down
5. **H₀** = There is no significant relation between adoption of contact less payment mode and duration of business during pandemic

8. DATA ANALYSIS

Table 8.1 (Demographic Variable of Respondents (market intermediaries))

Demographic factors	Options	Frequency	Percent
Age	15 – 25	14	12.4
	25 -45	79	69.9
	45 -65	20	17.7
Qualification	12 th	51	45.1
	UG	55	48.7
	PG	07	6.2
Business Income	10000 – 100000	71	62.8
	100000 – 300000	38	33.6
	300000 – 500000	04	3.6
Gender	Male	100	88.5
	Female	13	11.5
Position in marketing channel	Whole seller	32	28.3
	Retailer	56	49.5
	Agent	16	14.2
	Manufacturer	09	8

Primary data

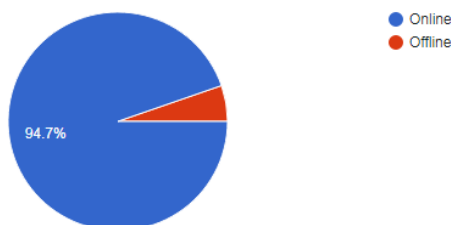
Table 8.1 shows that majority (69.9 per cent) of the respondents belong to the age group of between 25 – 45 years, majority (88.5 per cent) of the respondents are male, majority (48.7 per cent) of the respondents are finished their Under Graduate degree, majority (49.5 per cent) of the respondents are retailers, majority (62.8percent) of the respondents earn business income between 10000 – 100000 per month.

8.2 According to you which payment mode is useful and effective for your business activities during covid - 19 lockdown?

**Table 8.2
Payment Mode**

Particulars	Frequency	Percent	Valid percent	Cumulative percent
Online	107	94.7	94.7	94.7
Offline	06	5.3	5.3	100
Total	113	100	100	

Chart 8.2



Payment mode

8.2 INTERPRETATION

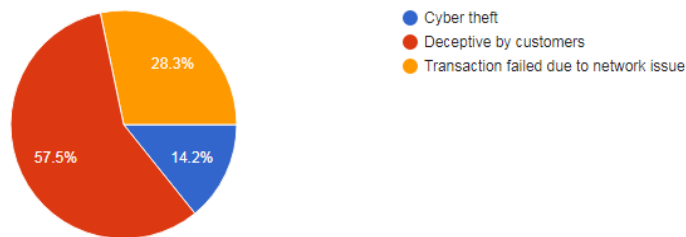
This study gives a clear picture of the table showing that majority of the respondents prefer online payment mode and the response were 94.7%. Some of the market players prefer offline mode for their business to run effectively and the response for the offline mode of payment were merely 5.3%.

8.3 What are the problems you have faced in case of online payment?

**Table 8.3
Problems faced by Market Intermediaries**

Problems	Frequency	Percent	Valid percent	Cumulative percent
Cyber theft	16	14.2	14.2	14.2
Deceptive by customer	65	57.5	57.5	71.7
Transaction failed due to network issue	32	28.3	28.3	100
Total	113	100	100	

Chart 8.3



Problems

INTERPRETATION

The study shows that the main problem faced by the market intermediaries while consuming contact less payment system is deceptive by customers and the response for the same was 57.5%. Transaction failed due to network issue and cyber thefts are also affecting the adoption of contact less payment service drastically and the response were 28.3% and 14.2% respectively.

9. HYPOTHESIS TESTING

9.1. Chi – square test for frequency to use contact less payment modes and benefits received from contact less payment services.

H_0 = There is no significant relation between the benefits received from contact less payment system and frequency to use contact less payment mode during lock down.

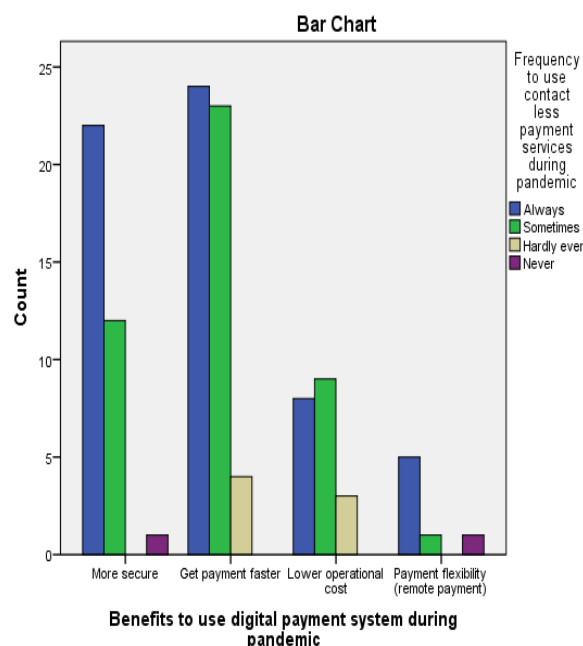
H_1 = There is a significant relation between the benefits received from contact less payment system and frequency to use contact less payment mode during lock down.

RESULTS

Table 9.1 (Chi-Square Tests)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.007 ^a	9	.049
Likelihood Ratio	16.653	9	.054
Linear-by-Linear Association	1.851	1	.174
N of Valid Cases	113		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .12.



INTERPRETATION

The significant value 0.049 is less than 0.05 which is significant at 5% level. It infers that the null hypothesis is rejected and the alternative hypothesis is accepted. There is a significant relation between the benefits received from contact less payment system and frequency to use contact less payment mode during lock down. Market intermediaries rely on digital payment mode of money transaction because of benefits received in the form of security, payment faster, lower operational cost and flexibility.

9.2. Correlation test for reasons to choose contact less payment system and frequency to use the same

H_0 = There is no significant relation between frequency to use contact less payment mode and the reasons to choose contact less payment system to save time during lock down.

H_1 = There is a significant relation between frequency to use contact less payment mode and the reasons to choose contact less payment system to save time during lock down.

RESULTS

Table 9.2 Correlations

		Frequency to use contact less payment services during pandemic	Reasons to choose contact less payment modes [Save time and energy]
Frequency to use contact less payment	Pearson Correlation	1	-.009
	Sig. (2-tailed)		.926
	N	113	113
Reasons - [Save time and energy]	Pearson Correlation	-.009	1
	Sig. (2-tailed)	.926	
	N	113	113

INTERPRETATION

The significant value of 0.926 is more than 0.05 which is significant at 5% level. It infers that the null hypothesis is accepted and the alternative hypothesis is rejected. There is no significant relation between frequency to use contact less payment mode and the reasons to choose contact less payment system to save time during lock down.

9.3. Correlation test for frequency to use digital payment modes and reasons to choose contact less payment system during lockdown due to cost effective

H_0 = There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system in terms of cost effective during lock down.

H_1 = There is a significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system in terms of cost effective during lock down.

RESULTS

Table 9.3 Correlations

		Frequency to use contact less payment services during pandemic	Reasons to, contact less payment modes [Cost effective]
Frequency	Pearson Correlation	1	.019
	Sig. (2-tailed)		.844
	N	113	113
Reasons to contact less payment modes [Cost effective]	Pearson Correlation	.019	1
	Sig. (2-tailed)	.844	
	N	113	113

INTERPRETATION

The significant value of 0.844 is more than 0.05 which is significant at 5% level. It infers that the null hypothesis is accepted and the alternative hypothesis is rejected. There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system in terms of cost effective during lock down. Hence, while using digital payment service, market players do not consider cost effective methodology.

9.4. Correlation test for frequency to use contact less payment modes and reasons to choose digital payment system due to lockdown

H_0 = There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system due to lock down

H_1 = There is a significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system due to lock down

RESULTS

Table 9.4 Correlations

	Frequency to use contact less payment services during pandemic	Reasons to choose contact less payment modes [Because of lock down]
Frequency to use contact less payment services during pandemic	1	.065
Pearson Correlation		.493
Sig. (2-tailed)		
N	113	113
Reasons to choose faceless, paperless, contact less payment modes [Because of lock down]	.065	1
Pearson Correlation	.493	
Sig. (2-tailed)		
N	113	113

INTERPRETATION

The significant value of 0.493 is more than 0.05 which is significant at 5% level. It infers that the null hypothesis is accepted and the alternative hypothesis is rejected. There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system due to lock down. Hence, COVID – 19 lockdown is not the major reason to use digital payment mode frequently by the market channel members.

9.5. ANOVA test for the relationship between adoption of contact less payment service and duration of business.

H_0 = There is no significant relation between adoption of contact less payment mode and duration of business during pandemic

H_0 = There is a significant relation between adoption of contact less payment mode and duration of business during pandemic

RESULTS

Table 9.5 (ANOVA)

How long do you have engaged with this business

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.062	2	.531	.930	.397
Within Groups	62.779	110	.571		
Total	63.841	112			

INTERPRETATION

The significant value of 0.397 is more than 0.05 which is significant at 5% level. It infers that the null hypothesis is accepted and the alternative hypothesis is rejected. There is no significant relation between adoption of contact less payment mode and duration of business during pandemic. Hence, adoption of digital payment service does not depend upon years of business existence.

10. MAJOR FINDINGS FROM THE HYPOTHESIS TESTING

10.1 BY APPLYING CHI – SQUARE TEST

- There is a significant relation between the benefits received from contact less payment system and frequency to use contact less payment mode during lock down. Market intermediaries rely on digital payment mode of money transaction because of benefits received in the form of security, payment faster, lower operational cost and flexibility.

10.2 BY APPLYING CORRELATION TEST

- There is no significant relation between frequency to use contact less payment mode and the reasons to choose contact less payment system to save time during lock down.
- There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system in terms of cost effective during lock down. Hence, while using digital payment service, market players do not consider cost effective methodology.
- There is no significant relation between frequency to use contact less payment mode and the reasons to choose digital payment system due to lock down. Hence, COVID – 19 lockdown is not the major reason to use digital payment mode frequently by the market channel members.

10.3 BY APPLYING ANOVA TEST

- There is no significant relation between adoption of contact less payment mode and duration of business during pandemic. Hence, adoption of digital payment service does not depend upon years of business existence.

11. CONCLUSION

Digitalization is changing the way small and large businesses communicate and exchange value. The market intermediaries can modernize their business model in the digitized environment and remain competitive by taking use of potential benefits such as consumer intelligence collecting, transaction efficiency, transparency, and expanded consumer reach. Due to changing consumer behaviors and preferences, as well as increased competition from supermarket chains and online retailers, failure to implement digital technology could jeopardize their business model.

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