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## “Covid 19- A flip from cash to digital payment by women in grocery purchase”

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### **Abstract:**

The onset of the era of the COVID-19 pandemic has highly motivated the usage of digital transactions in all forms. Masses of consumers have realized that it is the most appropriate way to shop for things while following the norms put forward by authorities to stay safe during the periods of lockdowns. The whole aspect of the literature review envelops the studies of varied researchers about how the adoption of digital money transactions plays a prominent role in every arena of people's lives. The study has probed into how the different modes of cashless payments have proved itself to be a savior during these dreadful times by enabling contactless money transactions. There has been a tremendous hike in online transactions which is attributed to the effects of post-lockdowns as digital payments processes have been imprinted around the world. The motto of the study is to show the increase in digital payment and to seek out the reasons for conducting digital payments. This study is to prove the indirect impact of COVID-19 which forced the use of online payment gateways for grocery purchases by women in Chennai and Hyderabad.

**Keywords:** Grocery, Online Purchase, Digital Payment, Lockdown, Women Shopping

## **1 Introduction:**

### **1.1 Buying Behaviour**

Buying behavior of any consumer refers to the actions taken by the consumers before they buy a particular product or service. Consumers always pay extra for excellent service and it is one of the key factor which decides the buying pattern of the consumers. Service includes several aspects such as answering queries, after sales service, quality of delivery and various other aspect. The past two decades due to the growth of telecommunications and the introduction of internet , most of the job is done online. These buying behavior process include scrolling the social media posts, search engines and other actions such as consulting with friends and relatives. India is a vast country and the consumers follow different patterns of buying. Some buy products by visiting the store, some get it delivered and some shop through online.

### **1.2 Birth of Online Business**

In the year 1995, Amazon started its online shopping website and in 1995 eBay introduced its site. Then in the year 2003, Alibaba introduced its online website.

Even though online business was increasing still the major factors which were challenge are the the basic satisfaction of witnessing the product before purchase and the confident to swipe their credit card or debit card for payment. The basic fear of losing their money made many consumers not to use their credit card and debit card details. In order to increase their sales online businesses started promoting cash on delivery. This strategy did increase the sale of online business but was not able to convenience the consumers that online payment, is a safe way to shop. The businesses had to adopted their strategies to secure the market share and to increase their sales.

### **1.3 Growth in digital payments**

In the present decade the fastest growth of advanced digital technology has greatly influenced life-style changes of people. Its advantageous traits have lured consumers to conduct digital payments rather than paying invoices by using cash. (Gourabh Ghosh, February 2021) The traditional way of spending real currency is gradually being replaced by virtual mode of payments. It can be applied for online purchases as well as for offline purchases of any products. This tremendous swapping of payment modes was highly availed during the COVID-19 pandemic times and this practice of payment in purchasing goods is still a popular way of most consumers worldwide.

Online payments were prevailing for many years but COVID-19 compelled consumers to only use cashless payment methods (Hafsah Sarfaz-04Oct, 2020). Before the lockdown period millions of people were hesitating to use digital payments, but the drastic times of pandemic have forced people to have an insight of the real benefits of online payments.

Digital and mobile wallets are the most popularly adopted methods among online shoppers worldwide followed by credit card and debit card users (Maryam Mohsin, 20<sup>th</sup> July 2021). The impact of COVID -19 led to limiting traditional modes of payments and boosting up the essentiality of contactless and secure payments (Editor: Anda Kania, 13<sup>th</sup> April 2021). For many customers the year 2020 may be the first time they started to use contactless payment modes for grocery shopping. They got the satisfaction of convenient and safe payments that led them to prefer utilizing all kinds of digital payments even after the lockdown restrictions were lifted in many countries.

## 2 Literature review:

In multiple studies it has been stated that women are the largest segment of food groceries purchases. Remarkably, the effects of COVID-19 have influenced consumers to abandon cash transactions which were considered as a ritual followed since childhood. Women who follow the traditional style of preparing meals and other multinational cuisines, all equally felt the need to conduct digital payments in order to keep their pantries filled. Thus, changes in shopping patterns were positively affected during the COVID-19 pandemic. (Mary Lou Roberts, et al;)

Satyen Kothari(Jun 2018): According to his study digital payments had arrived in many countries including India. However, vast masses of people across every country (especially developing and under developing countries) haven't appreciated the adoption of cashless payment methods. It was quite hard for them to bid farewell to the traditional way of payments that was prevailing for many decades. Moreover, these groups refused to acknowledge online money transactions. For them, it was a premium mode that was fit only for richer people as they felt that their hard-earned money would be lost if they utilized such kind of high technology means of money transaction. There were five key factors that were stated as reasons for not accepting the new mode of digital payments. They were trust, habit, transparency, pervasiveness and friction. They didn't feel it was reliable as its process was complicated for them. Anyone's habit doesn't change easily, thus swapping cash payment with cashless payment isn't an easy task. They have quite a strong belief that their bank accounts will be hacked as the whole process is managed by machines. There is a pervading thought that digital payments aren't accepted everywhere but cash payments are preferred in any part of the globe. The last but not the least fact is that digital payment takes time to process while paying cash from wallet takes only few seconds to accomplish. All these reasons for not accepting digital payments as the convenient manner of payment were valid, thus cashless money transactions remained dormant for many years.

Deepa Krishnan (December 7, 2018): Demonetization undertaken by Indian Government to eliminate accumulation of black money to wipe out corruption has created havoc in the financial stability in the nation. There was tremendous chaos in every part of India as the countrymen fully depended on cash transactions. The blow was drastic for many people who didn't even have bank accounts. The reality hit Indians that only digital transactions is the right way to cope from this financial hazard. People needed to open bank accounts to swap the old currency to newly launched ones. Eventually, they were exposed to means of digital transactions like debit cards and credit cards. No doubt, within few months of demonetization, internet banking, usage of debit cards and credit cards were reported to be high. The sudden surge initiated the need to have mobile wallets. Hence, Paytm, one of the Indian startups played a great role in making people learn the value of online transactions. Gradually, Indians stepped into the era of digital currency payments and that gave rise to the emergence of other financial companies to launch cashless payment modes that are highly beneficial for its users. The growth was so fast that Paytm stated that in July 2018 that there were more than 100 million users of mobile- money transactions. Then there was an increase in the usage of smart phones for enjoying the profits of ecommerce. Within a year mobile wallet was accepted as normal way of payment and the coming years saw loads of development in retail digital transactions.

Tim Glenn: From one of his series of articles, 'Follow the Food Webinar' the researcher has added on ample information about the ways the COVID 19 pandemic has fully changed the purchase of grocery shopping in all aspects. It has shown the pathway of home delivering the grocery items ordered online or through phone to be one of the most convenient styles to do shopping whilst sitting at home and enjoying your comfort zone. He has even enlightened the fact that gone were the days when consumers used to buy from any grocery shops as presently, they prefer to purchase from standard retail shops. It is because the feeling of hygiene maintenance has taken a dominant role in making decisions of grocery shopping. Eventually, people felt digital transactions helps greatly to do contactless payments that help to maintain safe distance from other shoppers and to keep their hygiene level

high as well. It is a true fact that COVID -19 crisis, has played a pivotal role in innovations of doing satisfactory grocery shopping using digital technology in a major way.

Anna Rahmanan (8<sup>th</sup> July 2020): The grocery retail shoppers have experienced loads of chaotic situations. They have gone through many hassle circumstances to grab food essentials while standing in long queues. social distancing and sanitizing their hands repeatedly when the shops are opened for few hours during the lockdown periods. The anxious consumers weren't even sure whether the required products are available in the grocery shop. All these forms of chaos pushed them to buy groceries online by paying digitally. People who were earlier reluctant to do online grocery shopping decided it was the most suitable mode to purchase required items in safer and easier way rather than standing in queue at the shops. The habit of online grocery shopping continued to highly prevail even after the shops were open the whole day. The online purchase format was easier as the digital payment methods acted as the perfect companion for shoppers.

Gourabh Ghosh: The researcher has rightly sought out the benefits of digital payments that provoked millions of consumers to buy products with ease by not carrying cash anyplace or anytime. He has even pointed out the multiple steps taken by the Indian Government to enlighten Indians to accustom themselves to utilize digital payments for securing their economical transactions in a better beneficial approach. The country where millions of people nestle and prosper in their own chosen field, adoption of every new mode that makes their life simpler wasn't easy. The online payments which were playing a major role in large scale commercial sectors were yet to find firm foot in retail sectors. It is all because still millions of consumers were hesitating to enjoy ecommerce benefits. It was a well noted fact that there was a sudden surge in scale for using ATMs as folks didn't want to experience crowded banks. Nevertheless, according to researcher insight, the crowd was interested in utilizing mobile wallet at all times but weren't able to leave behind cash transactions. The vision of ecommerce ruling Indian economic spectrum was slowly gaining momentum but not on each financial platform.

Stephan Makwell of JP Morgan: According to her research consumers' choice of payment is changing as they prefer to utilize secure and easy monetary transactions. That eventually led to ecommerce growth to new heights in the beginning of 2021. At present, the popularity of global acceptance of digital payments is unpredictable. The pandemic has acted as a catalyst for the inevitable changes in scenario of money transactions globally. The researcher's extensive survey has proved that the numbers of mobile money transfers had become part of everyone's life as now the habit was glued. People are now living in a cashless society rather than a cash-based society.

Laura.Y. Zatz, et-al: In their research studies, they have pointed out too many aspects about grocery shopping patterns displayed by customers. According to them online shopping provided them with the platform to buy quality grocery shopping by availing the offers of digital means providers like financial firms. Their discount offers of using credit cards for shopping topped with reward points disclosed by reputable branded shops lured customers to buy superior quality grocery and food items rather than thinking to buy cheap items from retail stores. The study aimed to understand in detail about the COVID-19 contribution in grocery shopping households changing their habitual preference to do online as well in-store purchase. However, after the pandemic had passed out, still they are doing online purchase leaving behind buying grocery in-stores. The basic reason is that they now feel digital payment and online shopping are the most convenient way to shop without any hindrance to experience in land-based shops. They further detailed that grocery shoppers are less price sensitive while shopping online compare to in-store shopping. They are ready to pay little more for convenience rather than jostling in the crowd of shoppers present in off-line retail shops. Moreover, the online grocery shoppers are giving high importance to adding only nutritious food items in their e-cart. In short, COVID -19 has provoked them to buy healthier food items and the digital technology has supported them to do the purchase in safer and advantageous manner.

Catherine Tymkiw: Accordance to her research, buyers during pandemic times have switched brands as they have wider options in online shops for any products including grocery. Their whole prospect of buying regularly using brands have come to a standstill as they were exposed to range of brands that were selling high quality grocery products at affordable price. The icing on the cake was applied by the online sellers and the digital payment mode providers by offering cash back offers as promotional tools. Even the grocery items list is changed in post pandemic times as hand sanitizing product, loads of wipes to clean accessories of home and many cooking ingredients dominate the preference of purchase. People are more inclined to eat home cooked food thus try to acquire all ingredients that enhance their culinary skills. They feel safe and hygienic when their home is cleaned often using products that favor killing germs totally. In simple words, consumers are health conscious so prefer home cooked food and realized the need of cleanliness to prevent contagious infectious ailments affecting their family. They are able to buy cost effective grocery products by availing online transactions with ease.

### 3. Research Gap:

Though many studies were conducted on digital payments, there is a significant gap in studies on South India especially Tamil Nadu and Telegana. Therefore, this study will fill the gap of a systematic primary study among women's purchase behavior in the field of grocery.

The major factors which determine purchase of grocery are quality, price and brand. This study will reveal the other preferences for online purchase such as assurance of hygiene, availability of products and nutrition.

### 4. Research Objectives:

The motto of the study is to show the increase in digital payment and to seek out the reasons for conducting digital payments.

This study is to prove the indirect impact of COVID-19 which forced the use of online payment gateways for grocery purchases by women.

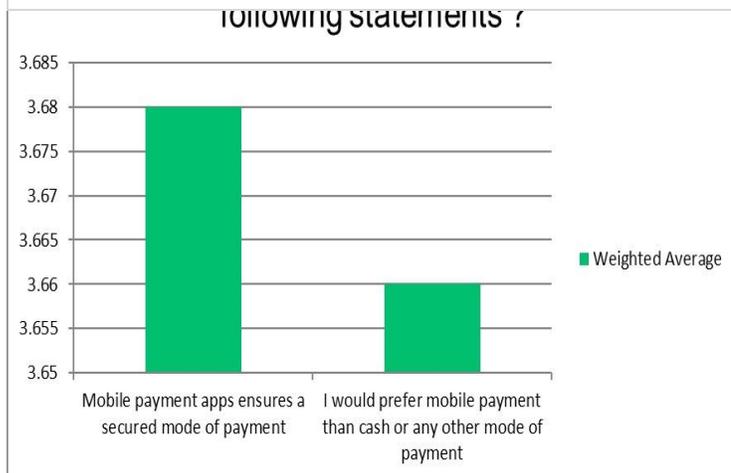
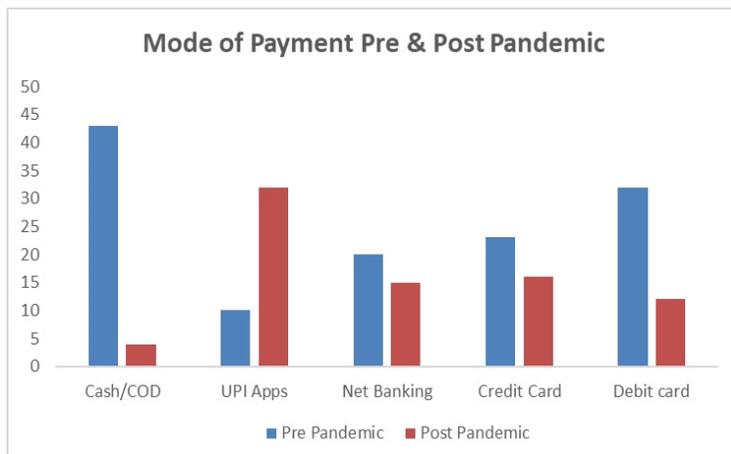
### 5. Research Methodology:

**Sources of data:** This research was done by considering the secondary data, which was extracted from previous studies, quantitative research of 50 women from Chennai and Hyderabad and qualitative research.

### 6. Discussion

#### 6.1 The increase in the use of digital money after covid 19

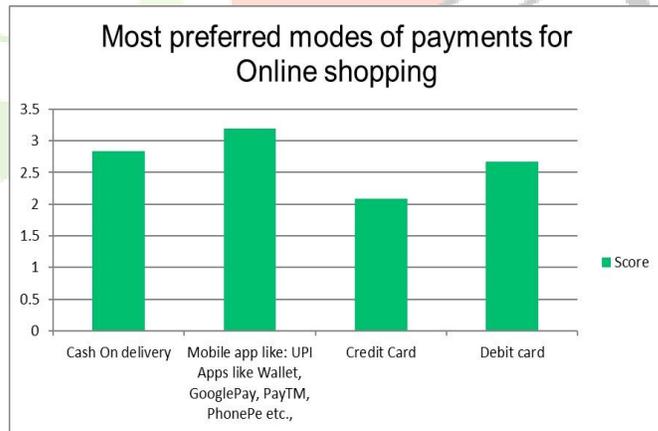
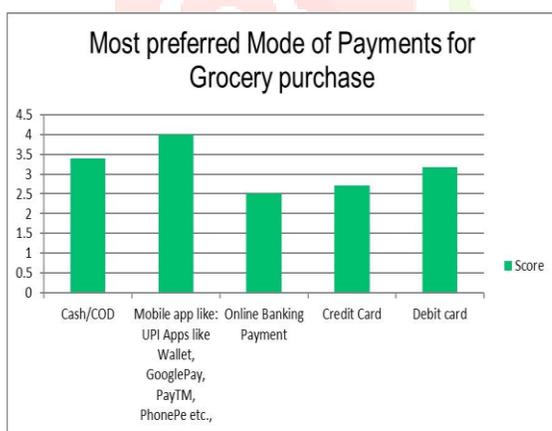
The literature reviewed from several journal articles and websites reveal the fact that there has been a growth in the use of digital money and this has increased under two circumstances in India. The demonetization (Deepa Krishnan, Dec 7, 2018) and the lock down period where people had only one option to pay for their purchase. These two external factors such as the political and environmental factors have created a major impact on the use of digital money.



India’s literacy rates are increasing and many multinational software companies are being operated in India. The growth of the education sector (Sumitra Pokhrel and Roshan Chetri) is one of the main reasons for the use of digital money, especially mobile apps. There are several causes which the past researchers have revealed as of how and why digital money is being used.

It is very evident from the recent papers that undoubtedly the use of digital money has increased in various fields. The payment for Grocery which is the most essential element for every household has also been transferred to a greater extent (Jeremy Neren) . Grocery is being bought regardless of any income. Every household has to buy groceries, as it a basic necessity of life. Due to the pandemic when a threat to life came, people were forced to choose a different cashless payment in order to satisfy the basic need. In this research we can observe how different segment of the population whether educated or not educated, rich or poor, high status or low status, everyone shifted to digital payment methods.

**6.2 Out of the women who are using digital money, what are the popular mobile app they are using.**



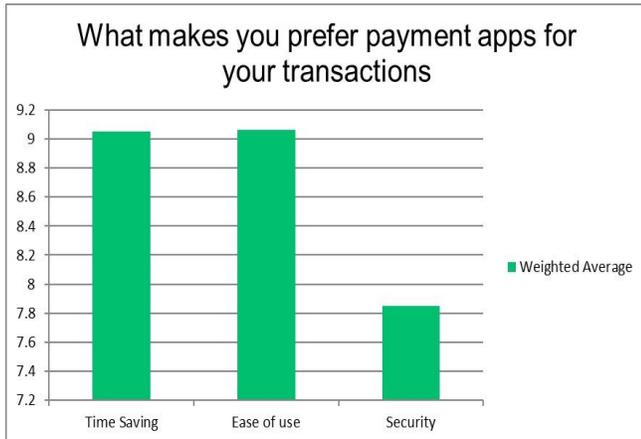
Adding light to this quantitative data one of the respondents who is in the lower income group people has brought light to a new area of research where the “NEED” makes the consumers to learn any mode in spite of their educational background. The lockdown period has enabled many people to gain the confidence of using mobile app which otherwise they would have never thought of and how they still continue to use these digital payments till date (Rahul De, et-al).

**Respondent 1: Domestic helper:** “I have started accepting money through easy cash during lockdown. When there was a period when I could not come out of the house, my employers deposited the money through easy cash and till date though banks are opened and money is available, my employers and myself still do transactions through digital money”

This study has also revealed that the business has also created the convenience of payment. Back are the days where credit card or debit card was swiped. Now each company have their own wallet and consumers also download the app and the increase of digital payment through app has increased.

### 6.3 Women's reasons behind such usage.

Further analyzing the research has also shown the most common app used for payment and the respondents highlights the same reason what the researchers have pointed. Convenience, trust and friendly. The qualitative analysis has also showed that many people use app for convenience and to reduce travel time (Omni, Aug 9 2020)

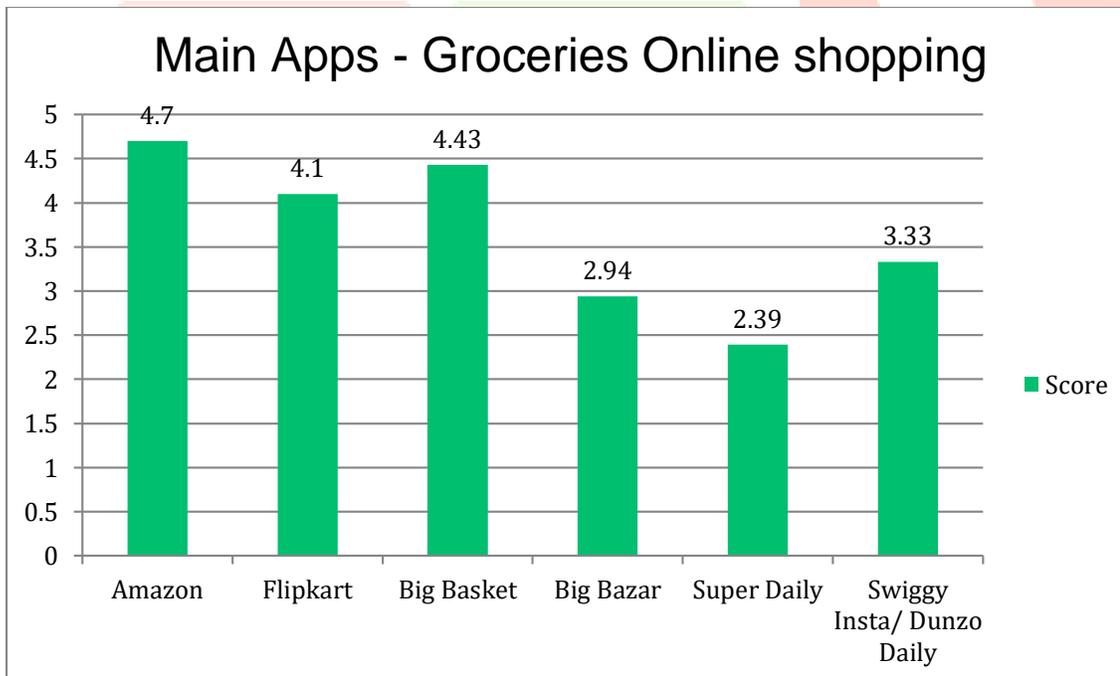


#### Respondent 2: married and mother of one:

“I mostly use app because I stay far from the city and it is easy for me to pay through mobile app. It saves a lot of time for me. I am a graduate and I have been using since my college days and so I have never doubted the security, it is the convenience that made me use more and more of digital payment”

Thus, this study has brought to light not only demonetization but also the lockdown has played a major impact of the switch of consumers to digital money usage as far as grocery shopping is concerned.

#### Respondent 3: Mother of 2 kids, extended family:



“Initially I was doing online purchase only but after the pandemic my purchase through online is more and I prefer to pay through UPI scanners. It has made my life so easy and now I get physical time which I can use productivity. Being a working woman, mother of two and also with my in-laws I feel that online payment is very easy and convenient for me. I am able to keep track on my monthly expenses unlike the olden days where my mother used to write in a note book.

I also can see payment history to particular person through the ledger option available on UPI payment system.

I was also able to get away from the myth of paying cash after seeing the goods. We are used to pay for the goods only when they arrive because we are very scared to give our money to someone and doubt what if they don't send the goods. Now it is not there and I also observed that the delivery happens faster when I pay for it earlier.

It is very convenient because I need not be physically present. Given the OTP number even my neighbor collects the goods and keep it.

I need not have coins and break my head for a change. I now even save a lot because often I don't get change money when it is 23 rupees.

It has become a lifestyle for me. The best part of covid-19 is that, I was able to come out of my myth and I am now using more digital payment. It is secure, safe and easy to use.”

## **6. Conclusion:**

Thus, the research has brought to light along with the Indian Governments various measures to increase the use of digital money (Gourabh Ghosh), the lock down era has brought a major shoot up in the use of digital payments. It has also proved that the lock down period is a major opportunity to all online businesses to prove them that they are secure. It also helped to people to understand what are the extra options available as pointed out in the findings that they give the account details of every month and it also has ledger pages. The study also has said that the user friendly nature of these digital payments have made them to stick on to this mode of payment in the new normal situation. Thus, it is evident that the usage of digital money has increased especially mobile apps and also due to the transfer of education to online will open up more room for increase in usage of digital payment. The advent of new technology on a daily basis will make consumers more prone to digital usage in which payment of grocery and other bills will definitely reach its peak. (Jeremy Naren)

### **6.1 Scope of Research:**

This study also paves path to further research of more qualitative information on what are the factors which made the consumers still stick on to digital payment.

It also induces curiosity to research on what the Port folio's available in the UPI payment system that many people say it has become their lifestyle.

Another research can be conducted on the impact of culture in the choice of payment methods.

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