

A Study on the Impact of “New age Banking” on businesses of Kirana Stores and Street Vendors

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Abstract: Digital payment usage has infiltrated at all levels of transactions for online shopping to level of street vendor. In this techno world, the devices like smartphones, tablets, and laptops have become an inseparable part of our daily life. It has reached to the extent of Street Vendors and Kirana stores (Petty shops) and these shops have begun utilizing advanced wallets for transactions. The study indicates digital wallet has led to “Ease of doing business” & “Speed of service” increasing the vendors efficacy. The adoption of digital payments has been quiet fast among street vendors and Kirana shops.

Keywords: Digital payment, digital wallet, online payment and street vendors

SOME OF THE POPULAR DIGITAL WALLETS IN INDIA:

PAYTM:

Paytm is one of the biggest adaptable Indian e-commerce payment system offers online payment. It offers its clients a computerized wallet for storing cash and to make installments to all those dealers having tie-ups with the organization. As it is most adaptable app used for mobile recharges, travel, movies, and event bookings, payments in grocery stores, fruits and vegetable shops, restaurants etc. Paytm app can be accessed in 11 Indian languages.

AMAZON PAY :

Amazon Pay is an online payments processing service of Amazon, started operating from 2007, it uses consumer base of Amazon. Com and provides its customers option to pay in their account on external sites. Amazon Pay incorporates a variety of products for buyers and merchants to process online payments.

GOOGLE PAY (FORMERLY KNOWN AS TEZ) :

Google Pay or G pay is a digital wallet platform and online payment system developed by google to purchases on mobile devices, enabling users to make payments with Android phones, tablets or watches.

Phone Pe (NOW PART OF FLIPKART):

Phone Pe Private Limited or Phone Pe is an e-commerce payment system and digital wallet company started in 2015 and started operating from 2016, headquartered in Bangalore, India., by Sameer Nigam and Rahul Chari the first payment app built on Unified Payments Interface.

MOBIKWIK:

An Indian company founded in 2009 Bipin Preet Singh, Upasana Taku that provides a mobile phone based payment system and digital wallet: mobile and online payments, phone and DTH recharges, money transfers, shopping Customers add money to an online

REVIEW OF LITERATURE:

Padashetty, D. S. & Kishore, K. S. (2013):

The study is about consumer adoption of mobile payment, “An empirical study on Consumer Adoption of mobile payments” they have found that perceived ease of use, safety & security and trust and confidence playing a vital role in facilitating of digital payment.

Rajesh krishna balan, narayan ramasubhu, giri kumar tayi (2006) :

In their exploration paper "Computerized wallet: Requirement and difficulties " have recognized about India's utilization of advanced wallet and dissected the key difficulties in building and sending an advanced wallet.

Dr.hem shweta rathore(2014):

"Reception of Digital wallet by buyers" study tries to highlight that the purchasers in utilization of computerized wallet reasoned that customers are receiving computerized wallet to a great extent because of comfort and simplicity to utilize and later on years advanced wallet will acquire across the board acknowledgment.

Shweta Kumar(2014):

She has conducted a study on "Paytm," and included the accomplishments of paytm, its working architecture and technologies were examined in the paper a survey based on supply chain management, paytm technologies,are described in the digital transaction system.

Nitika Rai, Anurag Ashok, Saumeel Gajera (2012):

In her paper on "M-wallet: An SMS based payment scheme", which described about substitution in the existing payment effects like debitcards, credit-card, and money with short Messaging services (SMS) on every mobile phones regardless of the network carrier.

Dr. Ravi Kumar Goriparthi and Dr.Pankaj Tiwari (2017):

"Demonetization in India an Era for Digital Payments," considers the opportunities and growth of digital payments in India in this paper he describes India as a country, now in conversion towards a moneyless economy, and highlighted the growth opportunities for the digital payments, the practice of using the money, difficulty, and unusualness of online payment systems, shortage of compelling value proposition, and fear over fraud and network security.

Octavian Dospinescu (2012):

Explain new technical ideas with respect to "e-wallet" concept. Also, he experiments the electronic model will be able to access as a wallet by using smartphone due to the proposed model that fix concepts like cash, card, payment and receipt in a particular secure mobile application.

Sanghita Roy, Dr. Indrajit Sinha (2014):

They stated that E- payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Still 90% of the transactions are cash based. Technology Acceptance Model used for the purpose of study. They found Innovation, incentive, customer convenience and legal framework are the four factors which contribute to strengthen the E- payment system. Digital wallet systems are very important methods used by individual and organizations as a secured and convenient way of making payments over the internet and at the same time a gateway to technological advancement in the field of world economy (Slozko & 3 International Journal of Pure and Applied Mathematics Special Issue Pello, 2015).

Rakesh H M & Ramya T J (2014):

In their research paper they have discussed the factors that influencing consumer adoption of new age banking in India it was found that perceived reliability, Perceived ease of use and Perceived usefulness. The benefits of digital banking and its awareness can also be improved to attract consumers attention to internet banking services.

Nitsure (2014):

In his paper saw that the issue being looked by creating nations like India in the reception of E-banking activities because of low dispersal of Information Technology. The paper featured the issues, for example, security concerns, rules, guideline and the executives. In India there is a significant danger of the rise of a computerized split as the poor are barred from the web thus from the money related framework.

Balazs Vinnai, general manager, Digital Channels, Misys(April 25, 2016):

He says that It is fundamental for banks to consider new automated channels a component of a fused strategy and advance from first to second period mechanized banking: changing progressed from a supporting activity, to the basic arrangements and correspondence channel for banks, says Vinnai. Reengineering structures around the customer isn't basic, anyway banks must handle propelled banking to remain engaged and significant.

Poonam painuly and Shalu rathi (2016):

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STATEMENT OF THE PROBLEM:

As Digital wallet is expanding on an account of growing online payment transactions in INDIA. Most of the Studies study on adaptability of online payments and various factors influencing the adoption of these apps. Study tries to highlight, how Kirana (petty) shops and street vendors have adopted to this New age banking (digital wallets) services. This study helps in understanding

how the Kirana stores and Street vendors are using digital payments on their daily transactions .Does new age banking show any impact on the businesses of Kirana stores and Street vendors.

OBJECTIVES OF THE STUDY:

- 1) To study the perception of kirana store and street vendors towards the adoption and usage of new age banking.
- 2) To understand the factors that influence the kirana store and street vendors in adoption of new age banking.
- 3) To analyze the impact of new age banking on businesses of kirana stores and street vendors.

SCOPE OF THE STUDY:

- 1) The survey was conducted in Mathikere, Bangalore.
- 2) The sample size is limited to 100 respondents who comprise Kirana stores and Street vendors.

HYPOTHESES:

- H₁**: New age banking has an impact on increase in business of Kirana stores and Street vendors.
H₂: New age banking has an impact on ease of doing business of Kirana stores and Street vendors
H₃: New age banking has an impact on speed of services in the businesses of Kirana stores and Street vendors.
H₄: New age banking has an impact on attracting customers in the businesses of Kirana stores and Street vendors.

REASEACH METHODOLOGY:

Type of research: Descriptive Research

The data is collected from both Primary and Secondary sources.

Primary data: Questionnaire

Secondary data: Articles, Magazines etc

TOOLS:

Regression Analysis:

Regression analysis is most preferable method of identifying which variables have impact on a business.

Dependent Variables: Businesses (Kirana stores and Street vendors)

Independent Variable: New age Banking.

SAMPLING PLAN:

Convenience Sampling is used.

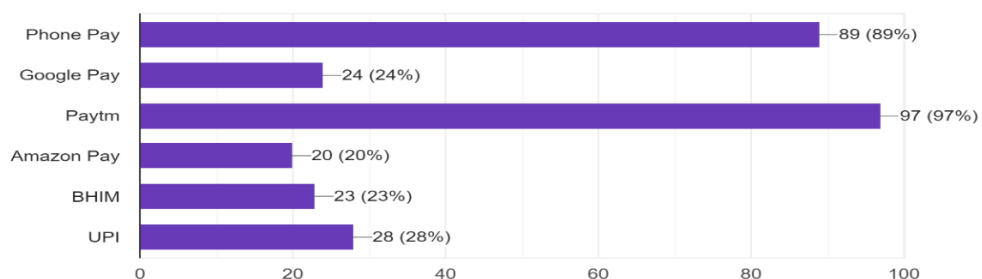
The sample size is 100 respondents (50 each).

DATA ANALYSIS:

In order to find out respondent's perception and the overall satisfaction on new age banking (digital wallets) and impact of new age Banking on businesses of Kirana stores and street vendors, frequency analysis has been carried. The result is presented in the following tables and charts followed by hypothesis test. Both Kirana stores and street vendors combined sample size is 100.

Most used digital wallets in Kirana stores and Street vendors:

Which digital wallet do you accept most among the following ?
100 responses



Interpretation:

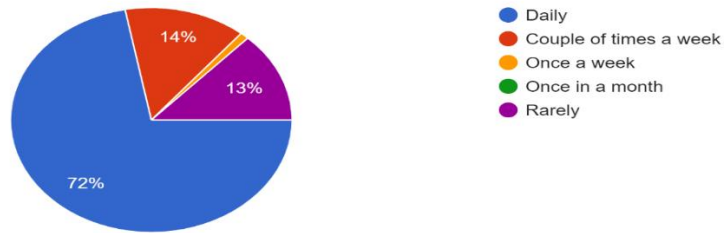
Most used digital wallets among all are Paytm and Phone Pe. Both owners and customers are of the view that Paytm and Phone Pe are most convenient and flexible form of wallet payment.

Inference:

The popularly used mode of payment by Kirana shops and street vendors is Paytm and Phone Pe.

Acceptance level of Wallet Payments by Kirana store owners and street vendors:

How often do you accept online payments ?
100 responses



Interpretation:

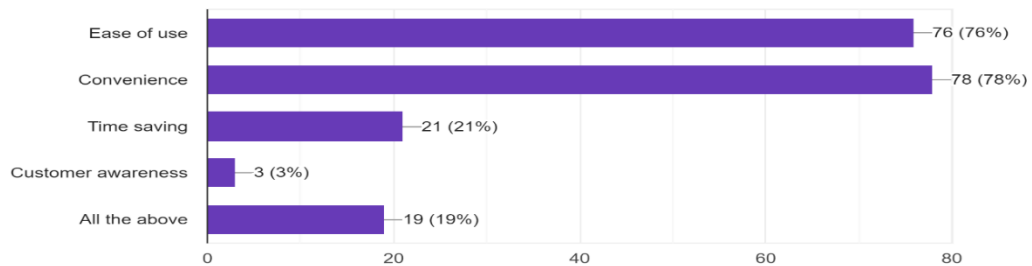
Most of the Kirana store owners and street vendors are using digital wallets in their daily transactions.

Inference:

Wallet payment among petty shopkeeper and street vendors is most used form of payment.

Purpose of using Digital wallets:

what is the main purpose of using Digital wallets ?
100 responses



Interpretation:

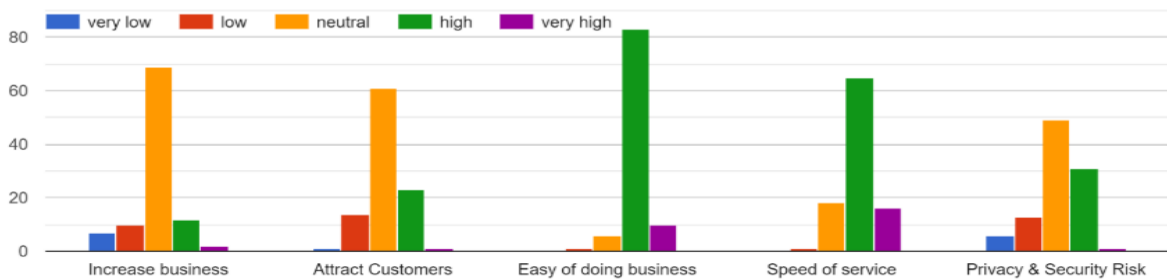
Study shows that convenience and ease of doing business are the main reasons for using the digital mode of payment. “Ease of use” and “convenience” are the two factors has greater impact on the businesses of Kirana Stores and Street vendors than increase in customer and business turnover.

Inference:

Digital or Wallet Payment is used by vendors mainly for two reasons, one Ease of use, and second reason is convenience for both customers and vendors. Some vendors also expressed they prefer to use Wallet payment it helps in getting loans from the bank were they hold their accounts.

Factors influencing Kirana stores and Street vendors’ businesses:

How it impact on your business ?



Interpretation:

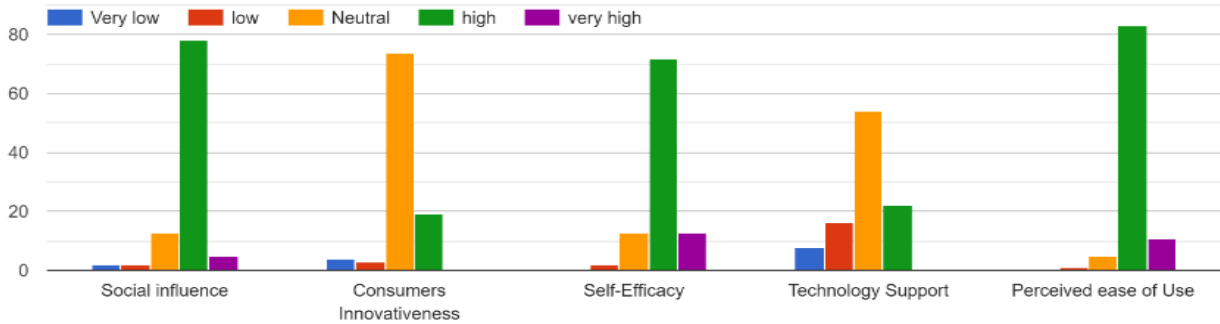
The study clearly indicates that with introduction of wallet payments, the faster payments by removing the hurdles of taking cash, problem of having adequate change for transactions. Service to the costumer has improved with increase in speed of service. As far as Privacy & Security Risks are concerned, the 30% of respondents do have fear of security.

Inference:

Main factor influencing vendors to adopt to digital wallet is speed of service, as they need not worry handling cash and returning smaller change. As far as security is concerned, they still fear security risk.

The following factors influence on adoption of new age banking in their businesses:

How the following factors influence on adoption of New age banking in your business?



Interpretation:

Social influence, Self-efficacy and “Perceived ease of use” have high impact and influence of using digital wallets.

HYPOTHESES TESTING:

INCREASE BUSINESS:

H0: New age banking has no impact on increase business of Kirana stores and Street vendors.

H1: New age banking has an impact on increase business of Kirana stores and Street vendors.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797 ^a	.426	.442	.52010

a. Predictors: (Constant), new age banking

This table provides the R and R² values. The R-value represents the simple correlation and is 0.797, which indicates a high degree of correlation. The R² value indicates 42.6% of the total variation in the dependent variable.

Acceptance of null hypothesis that is new age banking does not have significant impact increase in sales indicating no improvement in business

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.495	.123		12.164	.000
	newagebanking	.573	.044	.797	13.074	.000

a. Dependent Variable: increase in business

$$\text{Increase Business} = 1.495 + 0.573 (\text{New age banking})$$

Interpretation:

Hence, Null hypothesis is accepted. The test results shows that new age banking has no impact on increasing business in Kirana stores and street vendors.

EASE OF DOING BUSINESS:

H0: New age banking has no impact on ease of doing business of Kirana stores and Street vendors.

H1: New age banking has an impact on ease of doing business of Kirana stores and Street vendors.

The p-value for each term tests the null hypothesis that the coefficient is equal to zero (no effect). A low p-value (< 0.001) indicates that you can reject the null hypothesis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602 ^a	.624	.64.6	.39515

a. Predictors: (Constant), new age banking

This table provides the R and R² values. The R-value represents the simple correlation and is 0.602, which indicates a high degree of correlation. The R² indicates that 62.4% of the total variation in the dependent variable, ease of doing business, can be explained by the independent variable, new age banking.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.369	.093		36.088	.000
	New age banking	.249	.033	.602	7.463	.000

a. Dependent Variable: ease of doing business

$$\text{Ease of doing business} = 3.369 + 0.249 (\text{New age banking})$$

Interpretation:

Hence, Null hypothesis rejected. The test results shown that new age banking has an impact on ease of doing businesses of Kirana stores and street vendors.

10 ATTRACT CUSTOMERS:

H0: New age banking has no impact on attracting customers in the businesses of Kirana stores and Street vendors.

H1: New age banking has an impact on attracting customers in the businesses of Kirana stores and Street vendors

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.702 ^a	.392	.413	.39724

a. Predictors: (Constant), new age banking

This table provides the R and R² values. The R-value represents the simple correlation and is 0.702, which indicates a high degree of correlation. The R² value indicates that 39.2% of the total variation in the dependent variable, attract customers, can be explained by the independent variable, new age banking.

The Coefficients table provides us with the necessary information to predict attract customers from new age banking, as well as determine whether new age banking contributes statistically significantly to the model.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.950	.094		20.775	.000
	newagebanking	.445	.033	.802	13.296	.000

a. Dependent Variable: attract customers

$$\text{Attract customers} = 1.950 + 0.445 (\text{New age banking})$$

Interpretation:

Hence, Null hypothesis has accepted. The test results shown that new age banking has no impact on attracting customers in the businesses of Kirana stores and street vendors.

SPEED OF SERVICE:

H0: New age banking has no impact on speed of services in the businesses of Kirana stores and Street vendors.

H1: New age banking has an impact on speed of services in the businesses of Kirana stores and Street vendors

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813 ^a	.721	.733	.37978

a. Predictors: (Constant), newagebanking

This table provides the R and R² values. The R-value represents the simple correlation and is 0.813, which indicates a high degree of correlation. The R² value indicates that 72.1% of the total variation in the dependent variable, speed of service, can be explained by the independent variable, new age banking.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.818	.090		31.404	.000
	New age banking	.442	.032	.813	13.809	.000

a. Dependent Variable: speedofservice

To present the regression equation as:

$$\text{Speed of service} = 2.818 + 0.442(\text{New age banking})$$

Interpretation:

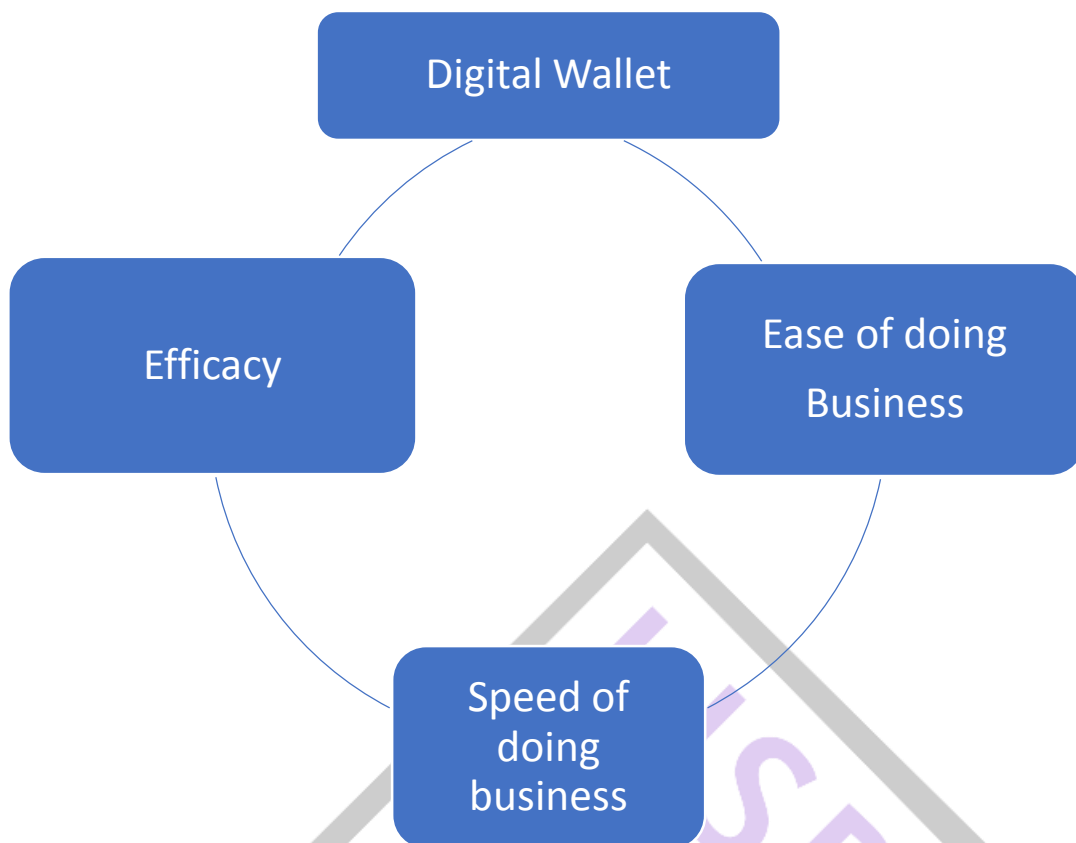
Hence, Null hypothesis rejected. The test results shown that new age banking has an impact on Speed of service in the businesses of Kirana stores and street vendors.

Adoption of Digital Wallet Model

Hypotheses testing has helped in building a model - Adoption of digital Wallet Model.

When Kirana shop vendors or Petty shopkeepers and street vendor adopt digital wallet,

Hypotheses testing has proved that it helps in ease of doing business, which in turn leads to speed of doing business and thus improves the efficacy of these vendors. Vendors also have advantage of procuring loan from their bank, when they adopt any of the digital Wallets. For banks, it increases their transactions.



FINDINGS:

- It is younger vendors in the age group of 26-35 who adopt digital wallet as compared to vendors in the age group of 56 and above.
- Digital wallets has become very popular in recent years, Kirana storeowners, and street vendors have started using digital wallets from last one year (2018-19 onwards)
- Model clearly indicates that adoption of digital wallet has led to ease of doing business increasing the speed of doing business and due to this efficacy has improved of the vendors.
- Two important things that has an impact on their businesses of Kirana stores and street vendors are “Ease of use” and “speed of service”. These two factors has more impact on these businesses than increasing sales and attracting more customers.
- Paytm and Phone Pe are popular among the vendors as they feel it is flexible. Both the owners and customers felt that these wallets help them in providing speedy service.
- Kirana stores and street vendors felt about usage of digital wallets, it has helped them out in doing business easily and helped in proving speed of service.
- The factors that has influenced the Kirana storeowners and Street vendors for using Digital wallets, are Social influence, Self-efficacy and “Perceived ease of use”.

CONCLUSION:

Present study has attempted to understand impact of new age banking (digital wallet banking) on businesses of Kirana stores and Street vendors. It was found that new age banking does not have greater impact on “Increasing business(sales)” “Attracting customers”, nevertheless Regression computation has helped in building a “Adoption of Digital Wallet Model”, it has shown that impact on “Ease of doing business” & “Speed of service” has led to efficacy of these vendors. This has made them to adopt digital wallet for their daily transaction. Societal influence and more important, vendors get access to loans by linking their bank account.

SUGGESTIONS:

Some of the General suggestions App developers.

- Mobile wallets should be user friendly by making easy to access for any non-technical person.
- Do a market research; learn customer expectations, demands and the market trend prevailing before building a mobile wallet app.
- The primary responsibility is to ensure that the users data secured by using advanced technology.

- It is often noticed that users abandon an application after its first use. Keeping them notified with latest offers and discounts can help you in keeping them engaged in your digital payment app.

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