



## A Literature Study Regarding Customer Satisfaction for Electronic Payments in Rural India

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### ABSTRACT

The demonetization in India played a very crucial role in the deep penetration of Electronic payments in India. E-payment assists with the development of the economy and making India truly digital. However, in rural India, the penetration of electronic payments is very low due to significantly average customer satisfaction of villagers regarding online payments. This paper highlighted general literature study regarding the customer satisfaction regarding the electronic payments in rural India. The study employed an exploratory research design to explore the various literature from various journals, website, research papers etc. Further as a part of complete research study, the researcher formulated some research gaps and need of the study. Also author developed some hypothesis on the same. The study was highly valuable because the penetration of electronic payments in India is highly important and customer satisfaction is comparatively low in rural India.

**Keywords** – *Electronic payment, Customer Satisfaction, Rural area/villages, Literature survey, Penetration, Digital India*

### I. INTRODUCTION

India is an agricultural based economy and most of the population lives in rural India. At present, 83.34 crores people live in rural India, which is two-thirds of the nation's population. Rural India has a significant impact on the financial development of the nation, and rural people will make up more than half of all Indian internet users uptill now. After demonetization, mostly digital transactional paved a way for the payments. However in rural India mostly people go for cash transactions only due to low customer satisfaction. People feel unsecure about utilizing online monetary transactions in rural India. This research has been conducted as a literature review to further carry out the research at the macro level. This research work has to be conducted further in villages of West Bengal, especially in the 'Jalpaiguri' district in north Bengal (Paharpur, Patkata, Bhelakoba, Amguri, and Baulbari). This paper is an attempt to formulate the research gaps, need of the research at macro level and derive the research gaps for the further study.

### II. LITERATURE REVIEW

Though extensive literature and previous studies on customer satisfaction regarding electronic payments are available but for this point of time major studies from 2010 to 2019 were taken into account which are as follows:

**Kim Changsu et al. (2010)** reviewed the issues related electronic payment security as per customer point of you. It included the establishment of the impression of related security and trust on electronic payment framework and the utilization of electronic payment frameworks. Result was no proof of factually valuable and connection between the shopper and nature of transaction that methods. And furthermore result was extremely unpredictable to methodology of transaction.

**Ahmad et al. (2015)** reviewed the impact electronic banking as the conveyance of banking services and products using electronic methods regardless of spot, time and separation. Such products and services can incorporate store taking, loaning, account the executives, the arrangement of monetary guidance, electronic bill payment, and the arrangement of other electronic payment products and services, for example, electronic cash. The outcome was discovered that numerous banks' customers in Nigeria was completely mindful of the positive improvements in data innovation and media communications which prompted the presentation of new conveyance channels for Nigerian business banks' products and services. Customers' impression of and response to these advancements was issues of worry to both Government and banking industry.

**Sugandha et al. (2015)** observed the different driver of online business and distinguish the development of web based business in up a rise in our Indian nation. The point of that exploration to investigate Web based business as one of the contemporary business inclines in India just as help to grow up our nation economy.

**Saluja Dr. Manminder Singh W. M. et al. (2015)** studied the effect of e-banking on gainfulness of Indian booked business banks and the near image of E-banking on productivity between various banks bunches inside Indian planned business banks. This examination fundamentally makes for effect of

e-banking to quickly developing by business bank of Indian province. The examination objective is to discover the distinction if any between various bank bunches named nationalized banks, old private part banks, new private area banks and SBI and its partners. They took an example of 31 banks. The outcome was discovered positive. The outcome additionally shows critical effect on banks execution and this noteworthiness exist just in the gathering of nationalized bank and old private part bank. Further more the outcome infers and reasons that higher the use of E-banking instruments as ATMs in India, the better the benefit of the banks.

**Shorff Neha et al. (2015)** studied to identify the awareness and usage of E – Banking Instruments in Semi-Rural Area. Likewise distinguished mindfulness about E-Banking relies upon different elements like sexual orientation, salary, training, occupation, ledger holders. Result was discovered that the general satisfaction of customer towards E-Banking included different factor like sexual orientation, salary, training, occupation. And furthermore chi square test was given 5% level of satisfaction.

**Oladejo et al. (2016)** observed that commercial banks in Nigeria have embraced one type of electronic payments or the other. Anyway the example of reception was at this point to be validated. Subsequently the impact of such selection on benefit of the embracing banks is deserving of investigation. This examination centers around the effect of four (ATM, POS, web/Internet and mobile) electronic payments reception and banks explicit factors on gainfulness of the Nigerian Stores Cash Banks. The objective of this investigation was to look at the connection between electronic payments system and banks benefits and evaluate the impact of electronic payment reception on banks productivity estimated by benefit after duty and profit for Resources. The outcome shows that when bank receive electronic payment frameworks, their presentation level changes. This was reflected in the positive effect among appropriation and gross acquiring of banks. What's more, the negative effect between reception of electronic payment and benefit after assessment inferring that expansion in bank size.

**Priti Rai et al. (2016):** As indicated by the investigation done by author in her exploration, the execution of demonetization approach (2016) in India in which the Legislature has chosen to demonetize the 500 and 1000 Rs. Notes, affected on the exchanging exercises of the MSME regard of method of payments for the customers. They found that customers changed to elective payment frameworks and mobile wallets organizations turned into the greatest recipients, as they offers simple answer for the payment issue by the utilization of mobile telephones.

**Dahlberg et al. (2017)** reviewed earlier writing on mobile payments, investigate the different elements that sway mobile payment services showcases, and propose bearings for future research in this despite everything rising field and furthermore customer point of view of mobile payments just as specialized security and trust are best secured by contemporary research. The effects of social and social factors on mobile payments, just as correlations between mobile payment model e-payment and customary payment like cash and check payment services are totally uninvestigated issues. The consequence of study was the mobile payment services need to advance from constrained exclusive arrangement and to require make the mindfulness for mobile payment.

**As per the survey conducted by Motanya et al. (2017)**, about 44% of the urban population is utilizing digital payment services while just about 16% of the rural population is utilizing digital services in India. Henceforth, it could be referred to that absence of comprehension about the appropriateness of the digital services numerous people especially in rural areas can't receive digital services.

**Oliver et al. (2017)** defines customer satisfaction as the enthusiastic reaction and delight created when a customer's needs or objectives are satisfied by a product or service. Buyer satisfaction is a powerful marvel which is influenced by various components. Throughout the decades, various examinations have been attempted by different analysts to consider the components which influence customer satisfaction as for different products and services.

**According to Gupta et al. (2017)**, the reception of digital payment services is exceptionally affected by four drivers which are hopefulness, ingenuity, accommodation, and similarity. The main driver alludes to the readiness of the shopper to receive and take a choice in regards to the appropriation of digital payment services. The self assured person conduct of the buyer spurs him/her to coordinate advancement into their life with respect to the appropriation or utilization of innovation just because.

**S. MD. Shakir Ali; MD Wasim et al. (2017):** According to the study done by them in their research, Indian economy is rising as the one of the most grounded economy on the planet which is developing at extremely quick rate. Certain components like improved straightforwardness, corporate Administration and confining the equal cash are exceptionally pivotal for supporting the turn of events and development of Indian economy. In their paper, they have talked about the different difficulties looked for the working of digital payment in rural areas and chance to beat them.

**According to D'souza, R. et al. (2018)**, the digital payment services in India can be utilized for an assortment of purposes, similar to charge payment, ticket reserving for transport, flights, revive, shopping should be possible effectively in the safe place of home and at own advantageous time without the need to go to the specific store or spot to make the payment.

**Dr. K.A. Rajanna et al. (2018):** According to the study done by him in his research, the customers in India are concurred and happy with the improvement done by the Govt. to change over India into a digital and digitalize as they might suspect it will assist the general public with fighting significantly against debasement. He found that digital wrongdoing and unlawful access to site through internet are the significant downside towards changing over India into digital economy. Henceforth, it is pivotal to fortify internet security to shield people from online fake strategies and Govt. requirements to invest more amounts of energy to teach people about the advantages of electronic payment framework and improving security highlights of electronic payment framework.

**E. Gopi; Dr. R. Gokilavani et al. (2018):** According to the study done by them in their research, reconciliation of customary/ordinary payment framework with digital economy requires a little or hardly any changes and a ton of exertion for low pay people who are as yet utilizing cash as the

essential wellspring of payment and considers it to be an exceptionally simple and helpful method of payment. As per their examination, India will take a great deal of endeavors to direct to the digital economy as most of the population of India isn't ongoing or mindful about online banking or payment system. Presentation of modest advanced mobile phones will change the banking area in future.

**According to Ishola et al. (2018)**, understanding customer satisfaction is critical in the present business situation as it helps devise systems and techniques to expand piece of the pie through recurrent buys and referrals.

**As per the study of Rajanna et al. (2018)**, different digital payment frameworks accessible in India give ensured bring offices back. For example, while making payment if any purchaser isn't fulfilled can rise a worry and can benefit the cash back inside a couple of hours.

**According to Singh et al. (2018)**, the mobile wallet organizations are seen as forcing about 1% to 4% charges for making transactions to financial balances which lay impediments in promptly tolerating the digital payment services. In addition, the digital payment services likewise force a breaking point for the transfer of cash. Subsequently, it could be referred to that the limitations set somewhere around the digital payment services force difficulties for the customers to utilize it admirably.

**According to Kulkarni et al. (2019)**, another major challenge is the development of trust. Numerous people do have confidence and trust that the payments done by utilizing digital services. The purchasers despite everything feel that they may get cheated, experience robbery or lose their cash to programmers or other security dangers while utilizing digital payment services.

Hence these are the studies which were taken into consideration for the study at this point of time.

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### III. RESEARCH OBJECTIVES

3.1 To explore the literature regarding the customer satisfaction regarding electronic payments especially in rural India.

3.2 To analyze the gaps in the literature study and need for the further study for the current research work.

3.3 To formulate the required hypothesis for the current research work.

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### IV. RESEARCH METHODOLOGY

Research design is 'Exploratory' being the researcher explored the available literature in the same domain. Research approach and data collection method is 'Secondary' in nature as all secondary data used. Sampling frame is year 2010 to 2019 data and sampling unit is entire India. Data is collected from various websites, journals, research papers etc. After collection of data literature is classified accordingly and analysed to formulate the gaps, need and hypothesis of the macro scale research study on the topic.

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### V. DATA ANALYSIS & INTERPRETATION

#### 5.1 Gaps Identified

The Review of literature suggests that most of the studies related to various issues and aspects of electronic payment system have been done in other countries, much work has not been done in India. The study also brings to notice that the acceptance of electronic payment system is also affected by demographic characteristics and not by technology alone, not much light has been thrown in this area by studies conducted earlier. Further the study also focuses on the factors leading to non-acceptance of Electronic payment system. Though there is a growing demand of technology based services in the new competitive era. Yet, no significant usage and acceptance has been shown by the customers of various banks. It makes an attempt to highlight factors that bring about significant outputs in the customer usage of Electronic payment system and also focus on the customer satisfaction aspect towards usage of Electronic payment system.

#### 5.2 Need of the Study

However, there are many any researches have been led on customer satisfaction on electronic payment systems. Be that as it may, there is a shortage of researches in the villages of rural areas of 'North Bengal' as this has been ignored by researchers. The present research has been directed among the same area. Increasingly, number of researchers ought to rise in this field and this examination can be reached out to different parts of the country. Even more dimensions of customer satisfaction related to the electronic payment system could be studied under this domain. Hence the scope of this study is very wide and broad.

#### 5.3 Hypothesis Formulation for the Macro Level Reserach.

The hypotheses of the current research work are as follows:

H<sub>0</sub>: Electronic payment system difficult to adopt

H<sub>1</sub>: Electronic payment system not difficult to adopt

H<sub>0</sub>: There is significance of electronic payment before demonetization and after demonetization in the selected rural areas of five districts of North Bengal (Jalpaiguri, Cooch Behar, Darjeeling, Dakshin Dinajpur and Malda) in West Bengal.

H<sub>1</sub>: There is no significance of electronic payment before demonetization and after demonetization in the selected rural areas of North Bengal (Jalpaiguri, Cooch Behar, Darjeeling, Dakshin Dinajpur and Malda) in West Bengal.

H<sub>0</sub>: Rural customers of the selected rural areas of five districts of North Bengal (Jalpaiguri, Cooch Behar, Darjeeling, Dakshin Dinajpur and Malda) in West Bengal are satisfied with the electronic payment system.

H<sub>1</sub>: Rural customers of the selected rural areas of five districts of North Bengal (Jalpaiguri, Cooch Behar, Darjeeling, Dakshin Dinajpur and Malda) in West Bengal are not satisfied with the electronic payment system.

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## VI. CONCLUSION

The literature studies suggested that most of the studies related to various issues and aspects of electronic payment system have been done in other countries, much work has not been done in India and especially rural areas and no work in the selected villages of north of west Bengal. Hence there is a great need for the current work at macro level. However, there are many researches have been led on customer satisfaction on electronic payment systems. Be that as it may, there is a shortage of researches in the villages of rural areas of 'North Bengal' as this has been ignored by researchers. The present research has been directed among the same area. Increasingly, number of researchers ought to rise in this field and this examination can be reached out to different parts of the country. Even more dimensions of customer satisfaction related to the electronic payment system could be studied under this domain. Hence the scope of this study is very wide and broad. The hypothesis derived have already discussed in analysis segment.

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