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A Comparative Study on Adoption of E-Commerce: Pre And Post Demonetisation

Fasna V H

Assistant Professor, M E S AsmabiCollege, PVemballur

Abstract:

Ecommerce builds on traditionalcommerce by adding the flexibility and speed - offered by electronic communications. This can facilitate improvement in operations leading to substantial cost savings as well as increased competitiveness and efficiency through the redesign of traditional business methods. Demonetization also aims to boost the digital transactions in all area. The demonetisation was done in an effort to stop the counterfeiting of the current banknotes alleged to be used for funding terrorism and for cracking down on black money in the country. While formal modes of payments such as debit and credit cards, net-banking and digital wallets should get a boost, this will take a long time to be felt simply because the proliferation of these products is still low among the middle classes and the poor, for whom cash is still the predominant mode of transactions. The primary data collected through structured questionnaire from rural people. This study shows the effect or result of demonetization

Keywords:E-Commerce, Online Transactions, Pre-Demonetisation, Post- Demonetisation

Introduction:

The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment.

There are number of facilitators which are leading to the growth of digital payment and transition from cash economy to less cash economy. These facilitators include penetration of internet connectivity on smart phones, non-banking financial institution facilitating digital payment, one touch payment, rise of financial technology sector and push by government

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either by giving incentives or tax breaks. These all factors are creating positive atmosphere for growth of digital payment in India. The development of the digital payment in India is anticipated to be driven by digital payment service providers, effective banking regulatory mechanism and experience of consumers and these are also growth enhancing factors for digital payment in India (Sumathy and Vipin, 2017).

Digital payments in India have been experiencing exponential growth and with growth of internet and mobile penetration, in coming years the country is ready to witness a huge rush in the adoption of digital payments. According to Ratan Watal (2017), principal advisor Niti Aayog and former finance secretary, digital payments grew 55% by volume and 24.2% by value in 2016-17 over the previous year. Data from the Reserve Bank of India (RBI) indicates that the rate of adoption of digital payments had accelerated following demonetization last year but has slowed in recent months of 2017. Total digital transactions in April 2017 of Rs109.58 trillion are 26.78 lower from Rs149.58 trillion in March 2017[1]. Digital payment system has remarkable momentum particularly after demonetization in India. The Government of India is taking various steps for efficient utilization of digital payment platforms to wipe out corruption and black money from the Indian economic system. Presently, around 60 per cent of the transactions in India are taken place through digital platforms. Though digital payment is generally accepted by public, there are few criticisms about processing of digital payment system (Sivasubramanian et al, 2017).

Cash less economy helps in curbing generation of black money. As a result, it reduces real estate prices because most of black money is invested in Real estate which inflates the prices of Real estate markets. An increased use of digital payment instead of cash would enable a more detailed record of all the transactions which take place in the society, allowing more transparency in business operations and money transfers which reduce tax avoidance and money laundering. Cashless Economy also reduces the cost of banking services. It also improves monetary policy in managing inflation and increases economic growth in our country. Another benefit of cashless economy is that it discourages cash related robberies and other cash-related crimes.

[1] Watal R (2017) Digital payments surge 55% in 2016-17. http://www.livemint.com/Industry/hF8D3D6bWBie6IoJzWtdZO/Digital-payments-surge-55-in-FY17-Niti-Aayog.html

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Saves time: digital wallets hold the amount in the electronic form so as to ease the payment process where users can make online payments without entering any card details.

Ease of use: As digital wallet is like one click pay without filling details about card viz card number and passwords every time, It allows user to link digital wallet to accounts and pay right away so that the consumers face no issues to enter the details every time a transaction happen.

Security: There is a good amount of security when payments are made through e wallets since the wallet does not pass the payment card details to the website. These virtual wallets allow users to lock their wallet.

Convenient and information stored under one roof: As digital wallets helps to eliminate need to carry the physical wallet, they are highly convenient. Also, a better management is possible as there is synchronization of data from multiple platforms like bank accounts, credit and debit cards, mobile accounts and billing portals.

Attractive discount: Cash back and discounts are being offered by most of the players along with providing offline wallet balance top up known as 'Cash Pickup' service. This service is being offered by Mobikwik that will facilitate cash to be directly added to MobiKwik wallet where consumers of even smaller towns can be benefited.

Review of literature:

Jain, P.M (2006) in the article “E-payments and Ecommerce” opined that e- payments will be able to check black” An Analysis of Growth Pattern of Cashless Transaction System. Taking fullest advantage of technology, quick payments and remittances will ensure optimal use of available funds for banks, financial institutions, business houses and common citizen of India. He also pointed out the need for e-payments and modes of epayments and communication networks.

Annamalai, S. and Muthu R. Iiakkuvan (2008) in their article “Retail transaction: Future bright for plastic money” projected the growth of debit and credit cards in thc retail transactions. They also mentioned the growth factors, which leads to its popularity, important constraints faced by banks and summarized with bright future and scope of plastic money.

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Alvares, Cliford (2009) in their reports “The problem regarding fake currency in India.” It is said that the country's battle against fake currency is not getting easier and many fakes go undetected. It is also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes.

Chinting(2010) stated that few school or educational studies have simultaneously explored both internet marketing and organizational commitment, and of those that have, only direct effects were examined. This study clarifies the relationship between school organization’s internet marketing and teacher’s organizational commitment by examining the mediating role of teachers’ job involvement and job satisfaction.

Kanwalgurleen(2012) discussed that different options in internet encouraged them to search and eventually purchase online, because more than 100 million internet users in India. People those who are using internet from 5 to 7 hours a day were found to be adopter of online shopping, price consciousness, convenience and variety, easy payment options and challenges of online shopping are the factors found to be a significant in online shopping.

Adrita Goswami (2013) et al. studies “Customer Satisfaction toward Online shopping with special reference to teenage group of Jorhat Town” study concludes that online customers are satisfied. This research explicitly indicates that online marketer should give more importance on price factor and after sale factor.

Objectives:

1. To compare the adoption of e-commerce before and after demonetisation perspective
2. To analyse the customer satisfaction of the usage of e-commerce.

Research methodology:

Bothprimary and secondary data are used for this study. Primary data is collected through survey. Secondary data were collected from website, books, journals etc. Primary data was collected from sample of 200 customers from different district of Kerala State. In the present study a structuredquestionnaire was used as the tool to collect data from customers. The collected data has been properly tabulated. The tabulated data has been properly analyzed by using the statistical tools percentage analysis, Likerts summate, comparative analysis and regression coefficient methods are the main statistical tools used for this study.

Data analysis and interpretation:

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Table 1

Adoption of e-commerce: Pre and Post demonetisation

Particulars	**Pre- Demonetisation**					**Post- Demonetisation**				
	(5)	(4)	(3)	(2)	(1)	(5)	(4)	(3)	(2)	(1)
Using ATM	188	12	111	111	111	-	7	13	130	50
	940	48	-	-	-	-	28	39	260	50
	988					**377**				
Online shopping	172	26	2	-	-	-	-	-	14	186
	860	104	6	-	-	-	-	-	28	186
	970					**214**				
e-payments	164	22	12	2	-	48	66	82	4	-
	820	88	36	4	-	240	264	240	4	-
	948					**748**				
NEFT	153	41	6	-	-	98	62	38	2	-
	765	164	18	-	-	490	248	114	4	-
	947					**856**				
Online Banking	152	41	5	2	-	152	16	29	109	46
	760	164	15	4	-	760	64	8	218	46
	943					**336**				

(source: survey data)

Table 1 shows that most of customers highly adopted e-commerce after demonetisation. Especially the respondents using e-commerce for online shopping, e- payments, NEFT, online banking and for using ATM. The analysed data shows that the respondents using e-commerce more after demonetisation.

- ***Customer satisfaction of the utilisation of E-commerce***

Table 2

Regression coefficient

Path	Estimate	CR	P	Variance explained

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Time saving->Customer Satisfaction	0.714	12.566	<0.001	51.0
Convenience->Customer Satisfaction	-0.006	-0.084	0.933	0.0
Mobile banking Apps->Customer Satisfaction	0.237	3.391	0.001	5.6
Efficiency ->Customer Satisfaction	0.562	8.923	<0.001	31.6
Economical aspect->Customer Satisfaction	-0.119	-1.678	0.095	1.4
Network->Customer Satisfaction	0.445	6.715	<0.001	19.8
Privacy->Customer Satisfaction	0.521	8.109	<0.001	27.2
Customer Relationship Management->Customer Satisfaction	0.342	5.002	<0.001	11.7

H_1: Time savingleads to customer satisfaction.

The results exhibited in Table 2revealed that the Time saving had significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was 0.714, which is more than 0.4 (also p value was significant). So we accept the hypothesis H_1 and conclude that Time savingleads to customer satisfaction

H_2: Convenienceleads to customer satisfaction.

The results exhibited in Table 2revealed that the convenience had no significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was -0.006, which is more than 0.4 (also p value was not significant). So we reject the hypothesis $H_2$and conclude that Conveniencedoes not leads to customer satisfaction

H_3: Mobile banking Appsleads to customer satisfaction.

The results exhibited in Table 2 revealed that the Mobile banking Appshad no significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was 0.237, which is more than 0.4 (also p value was not significant). So we reject the hypothesis $H_3$and conclude that Mobile banking Appsdoes not leads to customer satisfaction

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H_4: Efficiency leads to customer satisfaction.

The results exhibited in Table 2revealed that the Efficiency had significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was 0.562, which is more than 0.4 (also p value was significant). So we accept the hypothesis $H_4$and conclude that Efficiency leads to customer satisfaction

H_5: Economical aspect of the bank leads to customer satisfaction.

The results exhibited in Table 2revealed that the Economical aspect of the bank had no significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was -0.119, which is more than 0.4 (also p value was not significant). So we reject the hypothesis $H_5$and conclude that Economical aspect of the bank does not leads to customer satisfaction

H_6: Networkleads to customer satisfaction.

The results exhibited in Table 2revealed that the Network had significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was 0.445, which is more than 0.4 (also p value was significant). So we accept the hypothesis $H_6$and conclude that Networkleads to customer satisfaction.

H_7: Privacyby the bank leads to customer satisfaction.

The results exhibited in Table 2 revealed that the Privacyhad significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was 0.521, which is more than 0.4 (also p value was significant). So we accept the hypothesis $H_7$and conclude that privacy leads to customer satisfaction

H_8: Customer Relationship Management by the bank leads to customer satisfaction.

The results exhibited in Table 2 revealed that the Customer Relationship Management by the bank had no significant influence on Customer Satisfaction as the standardised direct effect of this construct on Customer Satisfaction was 0.342, which is more than 0.4 (also p value was not significant). So we reject the hypothesis $H_8$and conclude that Customer Relationship Management by the bank does not leads to customer satisfaction

Findings:

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Most of customers highly adopted e-commerce after demonetisation.Time saving leads to customer satisfaction. Conveniencedoes not leads to customer satisfaction. Mobile banking Apps does not leads to customer satisfaction. Efficiency leads to customer satisfaction. Economical aspect of the bank does not leads to customer satisfaction. Network leads to customer satisfaction.privacy leads to customer satisfaction. Customer Relationship Management by the bank does not leads to customer satisfaction.

Conclusion:

E-Commerce is becoming more popular day by day with the increase in the usage of World Wide Web known as www. However, this concept of e-commerce led to the possibilities of fraud and privacy conflicts. Unfortunately, it has shown that it is possible for criminals to manipulate the system and access personal information. Luckily, today with the latest features of technology, measures are being taken in order to stop hackers and criminals from inappropriately accessing private databases. Through privacy and security policies, website designers are doing their best to put an end to this unethical practice. By doing so, society will continue to depend upon online shopping, which will allow it to remain a tremendous success in the future. Consumers are looking for trust, security and wider choice throughout e-commerce.

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