

BHIM – A STUDY ON AWARENESS AND ACCEPTANCE AMONG PUBLIC AND RETAIL MERCHANTS EXCLUSIVELY IN SEMI-URBAN AND URBAN AREAS

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ABSTRACT

For a number of reasons, it would be beneficial to lessen the Indian economy's reliance on currency. India has one of the highest ratios of cash to GDP in the world, yet it costs money to lubricate the economy with paper. The Cost Of Cash In India, a 2014 Tufts University research, estimates that the Reserve Bank of India (RBI) and commercial banks spend roughly Rs21,000 crore per year on cash operations. A significant advantage in a nation with tight budgets is that moving away from cash will make it harder for tax evaders to conceal their income.

The Government of India's main initiative, the Digital India Programme, aims to make India into a knowledge-based society and economy. A variety of digital payment methods are offered in an effort to encourage cashless transactions and make India a society that uses less cash. These methods include Point of Sale, Internet Banking, Mobile Banking, Micro ATMs, Mobile Wallets, Bank Prepaid Cards, USSD, AEPS, and UPI.

It takes time to transition from a cash-based economy to one that is cashless. India has begun to make its hesitant initial steps in the direction of this objective. Making India a digital economy is the aim. Without the support of the entire nation, this objective cannot be accomplished. To get the desired outcome, deliberate effort must be made on a regular basis. The Indian government has launched a number of measures to get the nation started in the digitization process. Bharat Interface for Money, or simply BHIM, is one among them.

Some of the questions posed above are the focus of this investigation. The purpose of the study is to evaluate how well-informed individuals are about the BHIM app.

The survey also aims to determine how users perceive the BHIM app. It will inadvertently show their viewpoint, ideas, and opinions on India turning cashless. Given that this is the present government's top priority, it will aid in taking the necessary actions to bring about such a significant transformation. For the government to properly adopt and kickstart the digital economy, a mentality shift is now required.

The research study will contribute by offering insightful recommendations for improving the most promising application. The study will assist in moving India closer to its goal of developing a digital economy.

INTRODUCTION

The Unified Payments Interface (UPI) is a system that integrates various bank accounts, smooth fund routing, and merchant payments into a single mobile application (of any participating bank). Additionally, it supports "Peer to Peer" collect requests that may be planned and paid for according to need and convenience. The National Payments Corporation of India (NPCI) undertook a trial launch with 21 member banks while keeping The transition of the sixth-largest economy in the world from cash to cashless is a significant step in Indian history. The best options moving ahead are programmes like BHIM. The research intends to ascertain the level of knowledge, acceptability, and satisfaction among the general public and merchants following the introduction of the BHIM Application. However, any change takes time to take effect. aforementioned circumstances in mind. On the mobile platforms of Android, Windows, and iOS, banks have published their UPI-enabled apps.

A digital payment solution app called the Bharat Interface for Money (BHIM) is based on the Unified Payments Interface (UPI) from the National Payments Corporation of India (NPCI), which serves as the administrative hub for all retail payment systems in India. This app bears Dr. Bhimrao Ambedkar's name. Simply said, BHIM is a popular programme that anyone with a bank account and associated cellphone number may use. Through a cell phone, one may send and receive money.

The transition of the sixth-largest economy in the world from cash to cashless is a significant step in Indian history. The best options moving ahead are programmes like BHIM. The research intends to ascertain the level of knowledge, acceptability, and satisfaction among the general public and merchants following the introduction of the BHIM Application. However, any change takes time to take effect.

REVIEW OF LITERATURE

- Santomero (1996) analyzed the various alternative forms of money such as prepaid cards, cash cards electronic purse, smart cards etc and their demand for medium of exchange with the help of Baumol-Tobin Model. It was found that range of use of asset decreases with the fall in household income, usage patterns of medium of exchange differ with the same income but different allocation of income among consumption of goods and households tend to use the higher interest medium of exchange to buy the good that constitutes the largest amount of its income etc.
- Brito and Hartley 1995 in his research found that consumers prefer purchasing through credit cards because of its ease and convenience of use irrespective of its rate of interest. He said when consumers use credit cards as a mode of financing, credit cards compete with bank loans and other forms of financing.
- Barker (1992) in his study, investigate the attitude of Turkish consumers towards credit cards, and the approach of card issuers by surveying two samples of 200 card holders and non-holders. The better educated, middle aged members of the upper middle class seem to be the prime target; the most important reasons for using a credit card were “case of payment”, followed by “risk of carrying cash”, Non holders do not carry credit cards because they do not know much about it; informal sources of information appear to be more influential than mass media advertising in penetrating the market; proposes that the usage and the administration of credit cards are influenced very much by the infrastructure of the country and hence, credit card companies have to modify their marketing and administrative procedures rather than following a standardized approach
- Almeida (1995) shows that credit card business is booming as more than 1.1 million Indians have credit cards with them. Their numbers are expected to grow at an even faster pace as issuing banks get aggressive. Studies show that more than 4000 business establishments in the country accept credit cards. The country now provides all the ingredients for a healthy credit cards industry: a rapidly expanding, increasingly acquisitive middle class, a growing yen for travel and entertainment sophisticated merchant establishment and greater transparency in financial system. Acquiring banks for business from merchant establishment has brought the commission down and if the issuing bank happens to be also the acquiring bank, it gets the entire merchant discount. Finally, no payment system can ever replace cash in India on a widespread basis

SCOPE OF STUDY

The scope of the study is confined to the level of awareness, acceptance, and level of satisfaction of the general public and merchants of Mumbai City. There are various UPI apps launched by various banks, but the study would focus only on BHIM application. Merchants would include only retail merchants with an annual turnover of less than Rs. 5 lakhs.

STATEMENT OF THE PROBLEM

BHIM was launched by Honorable Prime Minister on 30th Dec 2016 and within 10 days, the BHIM app had 1 crore downloads from Android Play Store and over 2 million transactions across the UPI

(Unified Payment Interface) and USSD (Unstructured Supplementary Service Data) platforms (cashlessindia.gov.in). Here are some other statistics:

- Smartphone owners – 300+ million
- Internet users – 462+ million
- Mobile phone internet users penetration –24.33%
- On an average 29 apps are installed on a Smartphone. Further, on an average 8 new apps are installed in a month and on an average 7 apps are un-installed in a month. (www.ethinos.com)

Digital inclusion is one of the top priorities for a developing country like India.

The study focuses on certain important questions like:

1. The application has been downloaded to a large extent, but is these downloads genuine? Are people actually using the application for their financial transactions?
2. Are the people, both public and merchants, of semi-urban and urban areas of Navi Mumbai (across all demographics like age, gender, income, etc.) aware of the BHIM application?
3. What is their perception about BHIM as an application for financial transactions?
4. Out of the entire sample, what is the satisfaction level of people using BHIM app for financial transactions?

AIMS AND OBJECTIVES

- To study the level of awareness among the public and merchants with respect to BHIM application
- To analyze the factors motivating an individual and merchants to use BHIM Application
- To study the obstacles that individuals and merchants face while using the application
- To study the level of satisfaction among the existing users of BHIM application

HYPOTHESIS

H1: There is significant influence of demographic factors on the Level of Awareness

H2: There is significant influence of category of respondent on the Level of Awareness

LIMITATIONS OF THE STUDY

- Users of BHIM app are spread all over India but the study is limited to urban and semi-urban areas of Navi Mumbai.
- The sample size is limited to 109 respondents consisting of 70 General Public and 39 Merchants which is very less as compared to total number of users which is a limitation
- Response given by respondents is affected by many factors. Hence there is a scope of bias.
- To collect data from large number of population requires time. Hence Scarcity of time is another limitation

RESEARCH METHODOLOGY

This project is based on information collected from primary sources and secondary sources. After the detailed study, an attempt has been made to present comprehensive analysis of awareness, perception and satisfaction levels of BHIM application.

❖ Research design:

In this research i.e., ‘**Descriptive Research**’ has been adopted; because:

- The research had been conducted to obtain the current information about BHIM in detail.

- The research is all about the preference of public and merchants towards BHIM.

❖ Sample Size and Design:

The sample size is limited to 70 public respondents and 39 merchants. Convenience sampling technique will be adopted for the study.

❖ Data collection:

- **Secondary data:** With the help of various sources of published data like, internet, published projects, books etc., the secondary data has been collected.
- **Primary data:** In this research, primary data has been collected through well-structured questionnaires with separate sections pertaining to level of awareness, perception and satisfaction levels of general public and a separate questionnaire with the same sections for retail merchants.

DATA ANALYSIS & INTERPRETATION

1. Impact of Gender on Awareness of BHIM App

			gender		Total
			female	male	
Awareness	No	Count	15	6	21
		Expected Count	11.8	9.2	21.0
	Yes	Count	46	42	88
		Expected Count	49.2	38.8	88.0
Total		Count	61	48	109
		Expected Count	61.0	48.0	109.0

	Value	Df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	2.524 ^a	1	.112		
Continuity Correction ^b	1.807	1	.179		
Likelihood Ratio	2.613	1	.106		
Fisher's Exact Test				.144	.088
Linear-by-Linear Association	2.501	1	.114		
N of Valid Cases	109				

Interpretation

Since p value is greater than 5% null hypothesis is accepted at 0.05 significance level. This indicates that there is no significant influence of gender on Level of Awareness of BHIM App.

2. Impact of Age on the level of Awareness of BHIM App.

Awareness * age Crosstabulation

			age			Total
			18-30 years	31-50 years	51-60 years	
Awareness	No	Count	16	3	2	21
		Expected Count	13.3	5.2	2.5	21.0
	Yes	Count	53	24	11	88
		Expected Count	55.7	21.8	10.5	88.0
Total		Count	69	27	13	109
		Expected Count	69.0	27.0	13.0	109.0

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.963 ^a	2	.375
Likelihood Ratio	2.100	2	.350
Linear-by-Linear Association	1.234	1	.267
N of Valid Cases	109		

Interpretation

Since p value is greater than 5% null hypothesis is accepted at 0.05 significance level. This indicates that there is no significant influence of age on Level of Awareness of BHIM App.

3. Impact of Category of respondent on level of awareness

Awareness * Category of respondent Crosstabulation

			Category of respondent		Total
			Merchant	General public	
Awareness	No	Count	4	17	21
		Expected Count	7.5	13.5	21.0
	Yes	Count	35	53	88
		Expected Count	31.5	56.5	88.0
Total		Count	39	70	109
		Expected Count	39.0	70.0	109.0

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.169 ^a	1	.075		
Continuity Correction ^b	2.331	1	.127		
Likelihood Ratio	3.430	1	.064		
Fisher's Exact Test				.083	.060
Linear-by-Linear Association	3.140	1	.076		
N of Valid Cases	109				

Interpretation

The p value is greater than 0.05 hence null hypothesis is accepted at 5% significance level. It indicates that there is no significant influence of Category of Respondent on Level of Awareness of BHIM App.

4. Impact of Education on Level of Awareness

Awareness * education Crosstabulation

			education			Total
			Class 12	Graduate	Post graduate	
Awareness	No	Count	11	7	3	21
		Expected Count	5.8	9.8	5.4	21.0
	Yes	Count	19	44	25	88
		Expected Count	24.2	41.2	22.6	88.0
Total		Count	30	51	28	109
		Expected Count	30.0	51.0	28.0	109.0

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.163 ^a	2	.017
Likelihood Ratio	7.540	2	.023
Linear-by-Linear Association	6.372	1	.012
N of Valid Cases	109		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.39.

Interpretation

The p value is less than 0.05 hence null hypothesis is rejected at 5% significance level. It indicates that there is positive impact of education on level of awareness of BHIM App.

SUGGESTIONS AND CONCLUSION**SUGGESTIONS**

- It is observed that 81% of respondents are aware about BHIM App. And only 38 % have downloaded the app. There is lack of motivation to download the app. Promoters of BHIM App should offer more reward and discounts on transaction made through BHIM App to motivate the people to download and use the app
- Adding more features will result in increased user base of application
- Fund transfer limit should be increased at least to Rs. 50000 per day per account
- Better user interface will enhance the experience of the application and motivate more people to use the application
- Few technical errors like Transaction failure and App Crash should be fixed
- To enhance security Biometric Authentication should be introduced.
- As education has an impact on improved education level will result in improved acceptance and satisfaction of the application

CONCLUSION

- Government of India is trying hard to succeed in the Digital India Mission and it has achieved it to a certain extent. The number of banks live on BHIM App has increased from 31 banks in December 2016 to 117 banks in August 2019 the increase is 277%. Transaction value through BHIM App is increased from Rs. 1.8 crores to Rs. 6,132.10 crores i.e by 331365%.
- Since 2016 the user base and volume of transaction has increased but that is not equally distributed throughout the nation. The user base is concentrated in metropolitan cities. Semi Urban, Urban and Rural India is yet to be tapped.
- When study was conducted in 109 respondents of Navi Mumbai Area its observed that 81% of the respondents are aware about the BHIM app. But only 38 % have downloaded the application.
- There is an impact of Education on acceptance and use of the application. Further uneducated people are reluctant to download and use the mobile application for financial transaction. Hence if education level is improved acceptance and use of BHIM app can be improved.

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