FACTORS INFLUENCING CONSUMER ADOPTION OF DIGITAL PAYMENT SYSTEMS FOR ELECTRONIC APPLIANCES IN SURAT CITY

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393

Abstract:

India is a key market for global consumer durables, driven by a large middle class and growing rural demand. Consumer behaviour and payment perceptions are shaped by cultural, psychological, personal, social, and economic factors. The objectives of study to find out which kind of payment mode is used by consumer while buying electronic appliances. It also studies the reasons for adoption of digital payment system over traditional payment system for purchasing electronic appliances in Surat city. The primary data is collected through a questionnaire from 50 random customers. The findings showed an acceptance of digital payment system by the consumer while purchasing consumer durable electronic appliances. Majority of respondents prefer cashless mode of payment over the cash. Most of the respondents supported digital payments because they believe it would promote economic growth and stability.

Introduction:

The current world is altering rapidly. India is also quickly embracing those changes. International corporations see India as one of the most crucial markets for future growth. Indian consumer electronic appliances market is extensively expanded into urban and rural markets and pulling marketers from whole world. The sector includes a large middle class, a relatively large affluent class and a small economically weaker class. A favourable population and increasing income are the mainly powered for the hike in India's consumer market and there are lots of opportunities for development. Consumer electronic goods refer to so many appliances used in a household kitchen to decrease manual human efforts content and make household activities fast and buoyant. Consumer durable goods such as Air Conditioners, Washing Machine, TV and Refrigerator.

The process of buying begins with the consumer's need. It arises through internal and external stimulus. The consumer buying behaviour can be described as the way in which buyers tend to respond while buying products they like. The basic features of consumer behaviour are more or less different especially in aspects such as quality, selection and making decision. There are many factors affecting the consumer buying behaviour & perception towards payment system such as cultural, psychological, personal, social and Economical.

The payment systems such as cash, cheque, Debit/credit card, UPI/BHIM and EMI (0% consumer durable loan). Cash and cheque both instruments consider as traditional payment methods/systems, Cash is most common form of payment. It is portable instrument. Cheque is second and very common payment instrument after cash. Bank plays role as mediator between consumer and dealer. It takes two or three days for settlement. The Morden or digital payment systems. Demonetization was proponent the growth opportunity for digital payment system in India. After demonetization our Prime Minister Mr. Narendra Modi pushed the adaptation of cashless transaction. **NATIONAL PAYMENT CORPORATION OF INDIA** (NPCI) developed UPI/BHIM application. NPCI provides Digital

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Volume No. 4 Issue No.:2 April to June 2025

394

platform for payment. Debit/credit card one of the most common instruments of Morden payment system. Debit/credit card issuing by bank, Debit/credit card is an alternative payment method of cash transaction during purchasing a product.

At present, the concept of loan system is crucial one. It is also considered as a medium of payment. A consumer durable loan is a special type of personal loan that can be utilize for purchased consumer durable goods such as electronic gadgets, home appliances, etc. it may be available at 0% interest rate, the key terms and conditions specified by the dealer.

Review of Literature

- ❖ **Pandey and Rathore (2018)** in their study discussed the impact of digital payment system. Due to modernisation and globalisation it was very important for the people to accept the modern method of payment. The study is based on secondary data and various literatures from past papers and government data. All data collected has been analysed and used to find the impact and adoption of digital payments by the people.

- ❖ **David et al. (2018)** The study is explored the benefits and complications of long- term adoption of distributed ledger technology (DLT) in the payments and settlement system, concluding that DLT can facilitate cross-border payments, digital asset ownership transfer, secure information storage, identity management, and other development processes.

- ❖ **Shivathanu B. (2019)** in his study adoption of digital payment system in the era of demonetization emphasised on how the digital payment system was used by the people or accepted by the people during demonetization. It was based on a conceptual framework where the sample size was 766 .The data analysed suggested that behavioural intentions and innovation resistance had an impact on the actual usage.

- ❖ **R. Joshi & Kumar (2020)** study on digital India's impact on the Indian economy found that digitalization has led to increased innovation, operational simplicity, economic expansion, and job opportunities, while also fostering structural transparency and facilitating money movement.

- ❖ **Garg & Goyal (2020)** Consumers are increasingly valuing digital payments over cash due to their convenience use. While digital payment methods are generally trusted, demographic factors like age, profession, internet literacy, education, and annual income, except gender, can influence the adoption and perception of digital payments.

- ❖ **Rajat Deb (2020)** Rajat Deb's 2020 study aimed to evaluate the impact of mobile apps on household saving-spending behavior. An online survey among 107 employees of two leading private banks was conducted. The results confirmed the reliability and validity of the questionnaire, and inferential statistics suggested that multiple determinants and mobile app

VNSGU Journal of Research and Innovation (Peer Reviewed)
ISSN:2583-584X
Volume No. 4 Issue No.:2 April to June 2025

395

use significantly influence saving and spending behavior. Policy implications and limitations were also acknowledged.

❖ **Ghosh (2021)** The study found that digital payment methods are more well-organized and convenient than traditional paper money, allowing transactions anytime and anywhere with an online internet connection. The merits of digital payment methods, such as bonuses or cash back, have led to increased adoption and usage. The An after demonetization digital payment system and the government's aim to make India a cashless nation are also discussed.

❖ **Swati Kulkarni & Aparna J Varma, (2021)** The study aims to know about consumer's perceptions of digital payments and their security. It emphases on the occurrence of digital payments, their influence, and probable obstacles. The research is exploratory, relying on secondary data and literature reviews. However, the study has flaws, including a lack of thorough examination, extensive literature, and no quantitative data. The document lists major areas of literary research.

❖ **Mate & Kapdi, A. (2022)** The Indian economy has been facing challenges in major sectors such as airfare, airline, and hospitality due to the negative effects of COVID-19 outbreaks. Digital transactions, both online and offline, are being impacted by set limits. Despite high customer traffic to digital channels, payment prices have dropped dramatically. If this trend persists, businesses in the digital payments sector may suffer in the next two or three months. The unpredictable economic and social impacts of the outbreak may temporarily affect purchase patterns. However, it could also boost ecommerce, particularly in popular food, entertainment, and food. Over the last four years, digital payments have grown substantially from 5% to 30%, with online travel aggregators, movies, resorts, and entertainment contributing around 40%. The rest comes from local debt and financial services.

Objectives

The importance of the study are as follow:

1. To find out the mode of payment used by consumer during buying electronic appliances.

2. To track the reasons for adoption the payment system for purchasing electronic appliances.

Research methodology

Data collection

The study is conducted on the basis of data collection from primary data. The data includes information from the various users of electronic products and various portals from the internet, research papers, articles related to the subject of study, etc.

The primary data is collected through a questionnaire from customers. The survey of 50 customers have been chosen on a random basis.

Data analysis & Interpretation

The analysis and conclusion are been based on the collected data. Statistical tools such as Cronbach's Alpha & Correlation are used to analyse the data.

Findings of the Study

Table: 1. Result of Reliability from Testing

Construct	No. of Item	Reliability (Cronbach's Alpha)	Decision
Overall (From Total Construct of the study)	28	0.959	**Reliable**
Performance Expectancy	4	0.830	**Reliable**
Effort Expectancy	4	0.860	**Reliable**
Social Influence	3	0.889	**Reliable**
Facilitating Conditions	4	0.876	**Reliable**
Hedonic Motivation	3	0.778	**Reliable**
Price Value	3	0.824	**Reliable**
Habit	4	0.820	**Reliable**
Behavioural Intention	3	0.871	**Reliable**

Interpretation:

The reliability test, measured by Cronbach's Alpha, shows varying levels of internal consistency across different constructs of the survey. The overall reliability of the survey, with 28 items, is highly strong at 0.959, indicating a generally acceptable level of consistency. The performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Price Value, Habit, Behavioural Intention have high reliability as its Cronbach's Alpha (0.830, 0.836, 0.889, 0.876, 0.824, 0.820 and 0.871) is higher than 0.80, while Hedonic Motivation has moderately high reliability as its Cronbach's Alpha (0.778) is higher than 0.80. This suggests all items within the constructs are highly reliable.

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Volume No. 4 Issue No.:2 April to June 2025

397

Table: 2. Validity of the Questionnaire from Survey

Variables	Correlation	Total	Validity Of Question
Performance Expectancy			
1.I find digital payment mode useful in my daily life.	Pearson Correlation	.657**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
2.Using digital payment mode increases my chances Of achieving things that are important to me.	Pearson Correlation	.792**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
3.Using digital payment mode helps me accomplish Things more quickly.	Pearson Correlation	.682**	
	Sing.(2-tailed)	0.000	**Valid**
	N	50	
4.Using digital payment mode increasesmy Productivity.	Pearson Correlation	.680**	
	Sing.(2-tailed)	0.000	**Valid**
	N	50	
Effort Expectancy			
1. Learning how to use digital Payment mode is Easy for me.	Pearson Correlation	.653**	
	Sing.(2-tailed)	0.000	**Valid**
	N	50	
2. My interaction with digital payment mode is Clear and understandable.	Pearson Correlation	.566**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	

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Volume No. 4 Issue No.:2 April to June 2025

398

3.I find digital payment mode easy to use.	Pearson Correlation	.622**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
4.It is easy for me to become skilful at using digital payment mode.	Pearson Correlation	.707**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	

Social Influence

1.People who are important to me think that I should use digital payment mode.	Pearson Correlation	.821**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
2.People who influence my behaviour think that I Should use digital payment mode.	Pearson Correlation	.785**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
3.People whose opinions that I value prefer that I use digital payment mode.	Pearson Correlation	.805**	
	Sig.(2.tailed)	0.000	**Valid**
	N	50	

Facilitating Conditions

1.I have the resources necessary to use digital Payment mode.	Pearson Correlation	.595**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
2.I have the knowledge necessary to use digital Payment mode.	Pearson Correlation	.683**	
	Sig.(2-tailed)	0.000	**Valid**
	N	50	
3. Digital payment mode is compatible with technologies I use.	Pearson Correlation	.678**	

	Sig.(2-tailed)	0.000	**Valid**
	N	50	
4. I can get help from others when I have difficulties Using digital payment mode.	Pearson Correlation	.784**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	

Hedonic Motivation

1. Using digital payment mode is fun.	Pearson Correlation	.613**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
2. Using digital payment mode is enjoyable.	Pearson Correlation	.691**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
3. Using digital payment mode is very entertaining.	Pearson Correlation	.613**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	

Price Value

1. Digital payment mode is reasonably priced.	Pearson Correlation	.767**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
2. Digital payment mode is a good value for the money.	Pearson Correlation	.673**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
3. At the current price, digital payment mode provides a good value.	Pearson Correlation	.702**	
	Sig. (2-tailed)	0.000	**Vaild**
	N	50	

VNSGU Journal of Research and Innovation (Peer Reviewed)
ISSN:2583-584X
Volume No. 4 Issue No.:2 April to June 2025

400

Habit			
1. The use of digital payment mode has become a habit for me.	Pearson Correlation	.703**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
2. I am addicted to using digital payment mode.	Pearson Correlation	.611**	
	Sig. (2-tailed)	0.000	**Vaild**
	N	50	
3. I must use digital payment mode.	Pearson Correlation	.590**	
	Sig. (2-tailed)	0.000	**Vaild**
	N	50	
4. Using digital payment mode has become natural to me.	Pearson Correlation	.682**	
	Sig. (2-tailed)	0.000	**Vaild**
	N	50	
Behavioural Intention			
1. I intend to continue using digital payment mode in the future.	Pearson Correlation	.769**	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
2. I wil always try to use digital payment mode in my daily life.	Pearson Correlation	.761	
	Sig. (2-tailed)	0.000	**Valid**
	N	50	
3. I plan to use digital payment mode frequently.	Pearson Correlation	.802	
	Sig. (2-tailed)	0.000	**Vaild**
	N	50	

**Correlation is significant at the 0.01 level (2-tailed).
 *Correlation is significant at the 0.05 level (2-tailed).

Interpretation:

The validity of the questions in the survey appears strong, as indicated by the significant Pearson correlation values across all variables. Each question shows a positive and significant correlation (at the 0.01 level) with the total score, suggesting that the items are highly relevant and consistent with the underlying constructs. For all categories, including performance expectancy, effort expectancy, social influence, and others, correlation values are above 0.56, often exceeding 0.70, demonstrating the questions' validity in measuring their respective constructs. Hence, the survey items are well-designed and provide reliable data for analysis.

Conclusion

The study found a significant positive correlation between each question and the total score, indicating relevance and validity. The majority of respondents preferred cashless payments for durable electronic appliances, believing digital payments would promote economic growth and stability.

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402

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Volume No. 4 Issue No.:2 April to June 2025

403