

New Generation Fund Transfer among Retailers in Kerala

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ABSTRACT

India is going through a digital payment change phase for the Less-Cash economy. Given that only a percentage of our population pays taxes, so if banking and tax systems pay by means of more and more digital payments, this will improve the economy of the country. Apart from this, there is also a major reason for corruption in public life and governance. Therefore, moving towards a Less-Cash society will help in eradicating corruption and prevention of cash will be stopped. Apart from this, the printing of cash and its distribution is also extremely expensive. Consumers also have many benefits of Less-Cash. For any amount ranging from one rupee to any amount, digital payments can now be done without cash. We can make 24-hour digital transactions even during the holidays. In addition to this, the Government has announced a number of measures to promote digital payments in the country, from which it is available for the same kind of service cash. It will be much cheaper than the transaction. In Western economies, there is not a significant proportion of digital economies, but in African countries such as Kenya and Nigeria, digital payments are also used in increased quantities, whereas the population there is not much read. Under Kenya's National Payment System, 67 percent of transactions are done under M-PESA. In many reports it has come out that the use of mobile banking in Kenya by large amounts of women has given them the motivation to pursue financial services, reduce costs and increase savings. India should learn from these success stories and should also use their experiences in India because a large number of young people are using mobile services. Several steps have been announced for consumers including discounts on fuel purchases, insurance premiums, service tax rebates and cash backs. Digital payment modes have been improved which are very safe, fast and customer-friendly. Large number of awareness campaigns have been started in which people have organized DGI fairs in 100 cities especially to educate and adopt digital payments.

Keywords: New generation fund transfer, Less-Cash economy, Digital payment, M-PESA

1. INTRODUCTION

Today, traders are confused with the customer adoption of various new generation payments. Customer adoption of new tools and systems, enabling customers to use mobile devices as a channel for accessing bank accounts and retirement funds. Make payment easier with the mobile number of beneficiaries for the purpose of utilizing the Reserve Bank of India (RBI) for electronization of retail payments. Encourage consumers. Many private digital wallet companies providing value added services to the customer. Consumers are evaluating the terms Use of ease, refund of cash back, discount Using their mobile wallet platforms. Various government promotions are announced. Customers have schemes and reward programs, to attract them to digital payments. Banks have been mandated to establish one million new POS terminals for this financial year. Duty and taxes have been waived on the construction of these machines. The MDR and other transaction fees on digital payment are being made compatible and soon a new system of payment for the transaction will be made in high quantity and will be based on lower tariffs. Special measures are being taken for small and rural traders. NPCI, National Payment Corporation of India, which is an umbrella organization for all retail payments in the country. Retail payments like IMPS, RTGS, PPI and UPI Instruments which serve their roles efficiently and effectively. For Security Concerns and Consolation of

Consumers the government has already set up a committee to look after security related issues in Correcting digital payments. In India a separate Digital Payments Division called Computer Emergency Response Team (CERT-In) has been formed. The necessary improvements have been initiated in the security audit of all NPCI systems. All payments made through digital media are covered under the Consumer Protection Act. But in case of any dispute, before contacting the Consumer Forum, it is advisable to contact the concerned bank. The details of all payments made through digital medium are being kept, thus establishing the truth of the disputed transaction for banks has become very easy. The institution of the banking ombudsman can contact all the citizens from the Reserve Bank of India, which orders the banks to settle disputes within a certain period. The government is also making people aware of every transmission to promote digital payments. Through television, newspaper, radio and digital media, the government is counting the benefits of digital payments and cashless payments to the people. We will also tell you how to make a digital payment and what are the benefits. All major stores can be used for payments for online retailer, utility bills, metro cards, auto rickshaws and food stalls. The service has more than 200 million users and offers smart phones to scan the CRR code for retailers.

2. OBJECTIVES OF THE STUDY

The objectives of this study are:

- To study the various new generations' payment familiarises by the retailers.
- To identify the awareness programmes undergone by the retailers about digital payments.
- To analyse the level of participation of the retailers to induce the customer to digital payments.

3. SIGNIFICANCE OF THE STUDY

The availability of CRM, campaign management and billing systems, such as cost-effective card receipts, receiving payment on-the-board payments, cloud-based payments and associated services, is very acute in building their main business. Therefore, the on-going digital payments give a powerful case for adoption of these solutions to merchants. In the world of more connectivity, most consumers have come to expect not only with the help of technology-based shopping. Many of these innovations are intensified by interchange, and the smallest amount of money paid by the business and its banks to the Electronic Payment Network Provider to process transactions. Through digital payment instruments, small business can improve sales and consumer loyalty. Customized loyalty platform Belly designed for restaurants and coffee shops offers small business owners, rewards, generates email campaigns, and creates social exposure through multi-channel integration. It enables secure transactions and avoids management errors. The written account can assist you keep tabs on your payment, leading to higher budgeting. Controlled payment may conjointly end in higher investment. there is a lesser probability of monetary fund leaks and unaccounted for spends concealed into your budget at the tip of the month. Going digital decreases, the operational value and will increase the potency of the force which can facilitate industries to grow at a quicker pace. Despite these formidable initiatives, however, last-mile barriers area unit still behavioural factors, weak social science and low product connexion limit usage on the bottom. For entrepreneurs and retailers UN agency have creatively coped with money for hundreds of years, digital cash poses associate economic threat to their informal businesses and, ultimately maybe, to their terribly survival. And digital propositions that give immediate, tangible worth and adequate levels of trust to little businesses are merely elusive.

4. STATEMENT OF THE PROBLEM

As the phones change frequently and the Internet rate is reduced daily, the electronic wallet, Debit cards, e-waves, and other digital platforms have gone up substantially. But are we fully prepared to move to a lesser-funded society. Does the awareness and recognition of all classes of electronic classes has been questioned and the retailers should play a great role to induce the customers to go digital. Digital Payment application is

a lock to connect all the channels and touch points to retailers - the unlimited shopping experience. It is important to recognize many of the challenges that retailers can continuously face, offering a commitment to the retail mobile app development, commitment to traders, their industry and general policies. Under this circumstance, it is necessary to take a clearer approach to selecting the right digital payments by the retailers, when consumers are going forward with technologies.

5. METHODOLOGY

Scope of the study

The scope of the study will limit to know the new generation fund transfers among the retailers in Kerala.

Sources of Data collection

Random sampling methods are used for the study. Samples are collecting from the northern region Kozhikode, the central part Ernakulum District and from the southern region Thiruvananthapuram are selected. We can use both primary and secondary data for this study. Samples are collected from 300 retailers of Kerala state in these 3 regions. Primary data are collected by interviewing the retailers and the service provider banks and the secondary data are collected from articles, Journals, website of NPCI etc.

5. DIGITAL PAYMENT METHOS

- **Bank Cards:** Bank cards offer consumers more security, convenience and control than any other payment method. The many cards available (including credits, debtors, and prepaid) offer tremendous flexibility. These cards offer 2-factor authentication for secure payments, such as secure PINs and OTPs. Some examples of card payment systems are RuPay, Visa, MasterCard. Payment cards have the power to be purchased by people in stores, on the Internet, through mail-order catalogs and by telephone. Customers and merchants save time and money and thus facilitate the transaction.
- **Unified Payment Interface (UPI):** The Unified Payment Interface (UPI) is a system that combines a single application for multiple mobile bank accounts (any participating bank), combining multiple banking functions, seamless channel allocation and merchant payments in a single capsule. It also fulfils the "Peer to Peer" collection request, which may be planned and paid for based on the condition and convenience. Each bank has its own UPI app available for Android, Windows, and



iOS.

Fig 1. UPI Payment by QR code scanner [9]

- **Point of Sale (POS):** A point of sale (POS) is the place where sales are made. At the macro level, the POS can be a mall, market, or city. At the micro level, merchants consider POS as the area in which the customer conducts a transaction, such as a cash counter. A point of purchase is another name for it.
- **Internet Banking:** Internet banking, also known as online banking, electronic banking or virtual banking, is an electronic payment system that allows customers of a bank or other financial institution to conduct a variety of financial transactions through the financial institution's website.

- National Electronic Funds Transfer (NEFT):** The National Electronic Funds Transfer (NEFT) is a nationwide payment system that facilitates individual transfers. Under this scheme, individuals, companies and corporations may electronically transfer funds from any bank branch to any other person, company or corporation that has an account in any other bank branch in the country participating in the scheme. Individuals, companies or corporations with accounts in a bank branch can transfer funds through NEFT. Even individuals who do not have a bank account (customer account) can deposit cash at NEFT-enabled branches with instructions on how to transfer funds through NEFT. However, these remittances will be limited to a maximum of Rs.50,000 per transaction. NEFT therefore makes it easier for originators or issuers to initiate transactions to transfer funds without having a bank account. Today, NEFT operates in hourly sets - there are twelve settlements from 8am to 7pm on weekdays (Monday to Friday) and six settlements from 8am to 1pm on Saturdays.
- Real-time gross settlement (RTGS):** The ongoing settlement of RTGS funds transfers (in real time) is sorted individually by order (without compensation). “Real time” means that the instructions are processed later than the time they are received; “Gross settlement” means that the settlement of funds transfer instructions is provided on an individual basis (instruction by instruction). Considering that the settlement of funds is done in the books of the Reserved Bank of India, the payments are final and irreversible. The RTGS system is primarily for high value transactions. The minimum amount to be sent via RTGS is 2 lakh. There is no top ceiling for RTGS transactions. The RTGS service for customer transactions is available from banks from 9am to 4.30pm on weekdays and from 9am to 2pm on Saturdays for late settlement of RBI. However, the times that banks follow can vary depending on the times of bank branch customers.
- Electronic Compensation System (ECS):** ECS are alternative methods of paying bills for alternative services such as telephone bills, electricity bills, insurance premiums, card payments and loan repayments, etc. The need to issue and handle paper tools and therefore banks / companies / corporations / government departments etc. facilitate customer service improvement, receive / receive payments.
- Immediate Payment Service (IMPS):** IMPS provides an instant, 24X7, interbank electronic funds transfer service via mobile phones. IMPS is an emphatic tool for instantly transferring money from Indian banks through mobile, internet and ATMs, as well as being secure as well as economically, both financially and non-financially. [7]

Difference Between NEFT, RTGS & IMPS			
BASIC OF COMPARISON	NEFT	RTGS	IMPS
Minimum transfer value	Re.1	RS.2 lakh	Re. 1
Payment option	Online and offline	Online and offline	Online
Maximum transfer value	No limit	No limit	Rs.2 lakh
Settlement type	Half hourly basis	Real time	Real time
Service timings	8AM-7PM working days	8AM-7PM working days	Available 24*7
Inward transaction charges	No charges	No charges	Decided by the Individual member banks

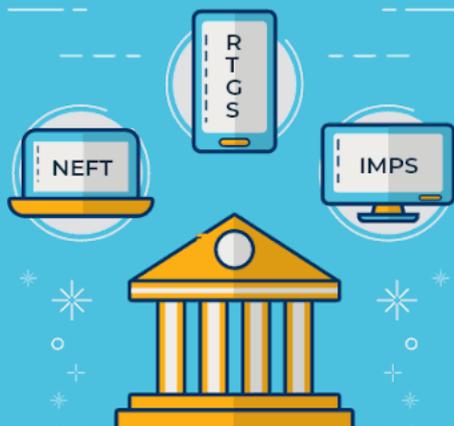


Fig 2. Difference between NEFT, RTGS& IMPS [10]

- Aadhar Enable Payment System (AEPS): This is a model run by an AEPS bank that enables online financial interoperability through the Business Correspondent (BC) / Bank Mitra of any bank that uses Aadhaar authentication in PoS (Point of Sale / Micro ATM).
- Mobile wallets: A mobile wallet is an approach to convey cash in computerized design. You can relate your Visa or check card data on your cell phone with the portable wallet application, or move cash online to your mobile wallet. Rather than utilizing a plastic actual card for shopping, you can pay with your telephone, tablet, or savvy. The individual record should be connected to the digital wallet where to stack the cash. Most banks have electronic wallets and some privately owned businesses. for instance Path, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, Word Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay and so forth.
- Mobile banking: Mobile banking is a service provided by a bank or other financial institution that allows customers to make various types of financial transactions using a mobile device such as a mobile phone or tablet. To do this it uses software provided by banks or financial institutions, usually called applications. Each bank offers its own mobile banking app for Android, Windows and iOS mobile platform (s) apps. [7]

6. BENEFITS OF E PAYMENT METHOD

- Electronic payment systems have eliminated the need to go to banks to make payments. Now your customers don't have to waste time in long queues at banks. They can easily pay you using an electronic payment app.
- Electronic payment systems give you varied ways that to secure payments, like tokenization, encryption, SSL, etc. currently your customers don't have to be compelled to enter their card details as a result of they will save card information or make transactions using One Time password. [1]
- Electronic payments will facilitate give your customers with a convenient payment expertise. It permits your client to get the products on credit by providing payment with later installation. rather than causing continuous payment alerts to your customers, you'll mechanically collect cash when a particular amount. [2]
- The phrase 'Cash is the king' is well known in the business world, but this king also has some limitations. If you use money to accept customer payments, you may be able to steal it. Also, you need to take great security measures to deposit money into your bank account.
- Transparency becomes a key factor in payments. When using digital media to accept payments, it's essential to maintain transparency in your transactions. [3]
- In the case of electronic payments, you do not have to worry about recording your payment details. You can also provide payment details in advance to your customers. There will be less chance of confusion.
- You can use contactless POS terminals in your business to prevent human touch. In this system, the payer must have the phone near the terminal and its payment will be processed automatically. You can also make payments to your customers using QR codes or One Time Passwords (OTP). [5]
- Electronic payments are much more efficient and secure than conventional paper-based ones. Electronic payment methods and systems offer many ways to secure payments, such as tokenization of payments, encryption, SSL, and more. While digital solutions don't deal with hackers and security breaches, most electronic payment providers have plenty of data experts and engineers at work to make your payment information secure. [8]

7. DIGITAL PAYMENTS IN KERALA

Small retailers, street vendors, cornell cafes, and cabs are dependent on currency savings for decades. There is no interest in buying card reader equipment, especially in developing countries, to pay fees related to electronic payments. However, in the past few years, things are changing rapidly. When the Modi government began a quarrel program and withdrew from the night without warning from major notes, electronic payments were forced to use, the money did not disappear entirely. As a result, it is necessary to keep the competitive payment methods competitive with all types of retailers, including small / independent ones. A state-level network of 2,654 Akshaya Citizens has been established at the 15 day long 15 day campaign for promoting digital payment platforms among traders and public. The campaign, launched on December 15, continues to bring all the panchayats to the economy of the economy. All akshaya centers must reach out to the maximum number of merchants and citizens. Ministry of Electronics and Information Technology Akshaya Projects has been appointed as the Nodal Agency for the 'Go Cashless' Campaign in Kerala. The campaign is aimed at promoting five digital payment platforms, Debit / Credit / Prepaid cards, USSD (Unrated supplementary Service Data), Aadhar-Exit Payment System (ASPS), UPI (Unified Payments Interface) and E-Wallet. The campaign is aimed at promoting five digital payment platforms, Debit / Credit / Prepaid cards, USSD (Unrated Supplementary Service Data), Aadhar-Exit Payment System (ASPS), UPI (Unified Payments Interface) and E-Wallet. Tips for participating in security sessions will increase online banking security. When evaluating initial response, e-Wallet provides priority to other systems of digital payment. initial work on tax liabilities revealed the penetration of small retailers and the quality and quantity of liquidity. Most traders are likely to increase their taxes until citizens become digital platforms. [6]

8. FINDINGS

- Retailers, push cart dealers, small textile shops, small vegetable sellers etc. are still using the same old payment methods.
- About 35% of these small scale retail businesses are ignorant of electronic payment methods, therefore, they question whether such payments are secure.
- Most retailers wonder if the money from such a payment will come to your bank account after the sale.
- It is also a big problem that 30% of retailers do not use mobile phones with modern features. They are using old type mobile phones, hence they are not capable of using these mobile banking and UPI systems.
- Since retailers do not have large capital, they will focus on getting cash immediately. Many retailers do not accept such payments as the money goes directly to their bank accounts.
- Street vendors and fishmongers have not yet begun to accept such payments.
- Payment gateways have long been rebuked by retailers for their high processing cost.
- They also fear that their personal information will be leaked. They also have the misconception that the money coming into the bank is then a way for government officials to hire taxes.
- Many retailers are ignorant about such payment methods that is why they do not use this payment when making sales to less experienced customers.
- Elderly customers are still reluctant to use such modern payment methods. The main reason for this is their ignorance of how to use mobile phones with modern facilities as well as about such payments.
- The Akshaya Center Training Program implemented by the Government of Kerala has been able to impart such knowledge to many.

9. SUGGESTIONS

- From the start of payment until payments are made, the minimum trip will be a strategic gain in the growing competition for digital payment trends.
- The desire is to include maximum banking and financial corporations so that users do not have any problems with inter-payment applications.
- Companies offer cash discounts to customers in the usual payment methods, the same tactic applies to cashless payments.
- Any digital payment method must be compatible on all platforms.
- Promote this payment online at no or low cost.
- Make mobile phones available with modern facilities at low cost. Thus, it brings mobile phones to everyone.
- Short films that show that these methods of payment are easily handled by popular TV channels.
- Reduce the use of traditional payment methods.

10. CONCLUSION

From the study, it is around 50-55% people are using e facilities for their day to day transactions. Thus we can say that the initiative taken by Government of India and Government of Kerala are effective in Kerala. Kerala is a state with 100% literacy rate. One of the main advantage of using e facilities is that it helps to avoid a lot of physical transactions, reduction in the usage of liquid cash thereby reduction in robbery, cutting of trees for making currency, thereby protecting our ecological system as much. So it is the duty of the authorities to enhance these e facilities by providing adequate guidance to its people from time to time and take necessary steps to educate them in all spheres. [4]

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