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Problems and Prospects of Commerce on Digitalization - A Study in Dindigul District

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#### Abstract

*The Government of India has encouraged the shift to a less-cash society with its push for digital payments. With the launch of Digital India Programme, the government is taking a big step forward to transfer the country into a digitally empower knowledge economy. E-Commerce is buying and selling goods and services over the Internet. It is part of e-business structure that includes not only those transactions that centre on buying and selling goods and services to generate revenue, but also those transactions that support revenue generation. These activities include generating demand for goods and services offering sales support and customer service, or facilitating communications between business partners. Airline and travel tickets, banking services, books, clothing, computer hardware, software, and other electronics, flowers and gifts are some popular products and services that can be purchased online. An attempt has been made to analyze the problems and prospects of commerce on digitalisation in Dindigul district of Tamil Nādu. Primary data are collected randomly from 100 respondents of various commerce cashless transactions used by buyers and sellers in Dindigul district. The sample respondents opined that it is very easy to carry cards instead of carrying money and 66 percent of the peoples agreed it. The study found that majority of the respondents revealed that there are problems on no knowledge of using NET banking and on no knowledge of using POS in the study area. From this, it is clear that people are not having the knowledge about the cashless transactions. This is the ultimate goal of cashless society paradigm. Important issues which have been, or will be encountered in cashless society brought on in part by electronic cash. The government move aimed at curtailing the menace of black or counterfeit money which is largely used to fund criminals and terrorists as part of a parallel economy. Today, there is a sea change in the mindset of people with regard to be digital means of monetary dealings which are safe,*

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*easy, convenient and transparent. There is no place for black money or counterfeit currencies in cashless India implement them successfully.*

Keywords: E-Commerce, digitalisation, cashless, transactions, India, NET banking.

## **INTRODUCTION:**

Over the past two decades, India has pushed hard to become a less-cash society. In the early 1990s, the Reserve Bank of India spearheaded the development of technological infrastructure that facilitated the creation of payment and settlement ecosystem. In 2007, the Indian parliament has passed the Payment and Settlement Systems Act, and the Central Bank released a series of vision documents for the periods of 2009-2012, 2012-2015 and 2015-2018. It is supplemented by initiatives to promote wider acceptance and deeper penetration of electronic payments in India. The Government of India has encouraged the shift to a less-cash society with its push for digital payments. With the launch of Digital India Programme, the government is taking a big step forward to transfer the country into a digitally empower knowledge economy. The program includes projects that aim to ensure the government services are available to citizens electronically and people get benefit of the latest information and communication technology, The Ministry of Communication and IT is the nodal agency to implement the programme.

E-Commerce is buying and selling goods and services over the Internet. It is part of e-business structure that includes not only those transactions that centre on buying and selling goods and services to generate revenue, but also those transactions that support revenue generation. The activities include generating demand for goods and services offering sales support and customer service, or facilitating communications between business partners. Airline and travel tickets, banking services, books, clothing, computer hardware, software, and other electronics, flowers and gifts are some popular products and services that can be purchased online. Several successful e-businesses have established their business models around selling these products and services. Retail Marketing, banks, insurance, government, training, online publishing, travel industries are some of the main recipients of e-commerce. The banks are also having the Web for diverse business practices and customer service. In e-commerce, there may be no physical store, and in most cases the buyer and seller do not see each other. The Web and telecommunications technologies play a major role in e-commerce. Although the goals and objectives of both ecommerce and traditional commerce are the same — selling products and services to generate profits—they do it quite differently.

Traditional commerce presents product information by using magazines, flyers. On the other hand, ecommerce presents by using websites and online catalog. Traditional commerce communicates through regular mail, phone yet e-commerce by e-mail. Traditional commerce checks product availability by phone, fax and letter. However, e-commerce checks by e-mail, web sites, and internal networks. Traditional commerce generates orders and invoices by printed forms but ecommerce by e-mail, and web sites. Traditional commerce gets product acknowledgements by phone and fax. On the other hand, e-commerce gets by email, web sites, and EDI. It is important to notice that currently many companies operate with a mix of traditional and e-commerce. Just about all medium and large organizations have some kind of e-commerce presence.

The Internet can increase the speed and accuracy of communications between suppliers, distributors, and customers. Furthermore, the Internet's low cost allows companies of any size to be able to take advantage of value-chain integration. Offering online customer service or new sales channel identification help for product/service improvement. E-Commerce provides the features of non-Cash payment, 24x7 service availability, Advertising / marketing, Improved sales, Support, Inventory Management, Communication improvement. An attempt has been made to analyze the problems and prospects of commerce on digitalisation in Dindigul district of Tamil Nādu.

### **OBJECTIVES:**

The specific objectives are:

- i.) To examine the knowledge level of business man and customers on the use of Point of Sale (POS)
- ii.) To analyze the problems faced by the buyers and sellers, in the use of POS
- iii.) To suggest the suitable measures for effective implementation of digitalization policy in India

### **METHODOLOGY**

Primary data are used in the study. Primary data regarding to the business-like sole proprietors, business mans, services centers, departmental, and consumers etc. Primary data collected through interview schedule consist of the general particulars, problems and suggestions for digitalization. After collecting the primary data, suitable statistical tools like percentage analysis are used in the present study. Primary data are collected randomly from 100 respondents of various commerce cashless transactions used by buyers and sellers in Dindigul district. The 100 sample respondents consist of 50 sellers and 50 buyers using the cashless transaction in Dindigul district

### **REVIEW OF LITERATURE:**

A few past studies of Ramachandran TR, Amitjuib Michael Angus, ISACA, Capgemini, NITIAYOG, Manjuagarwal, have analysed about the growth and developments in the use of digitalization. The past studies on the knowledge level of business man and customers on the use of Point Of Sale are conducted by Pranav Mukul, KavitaRao, Nwankwo, Odi, and Peter M Ogedebe. Rachna and Priyanka Singh, Kognuramath and Angadi, Arora, Bist, Lalitha and Mani, Bansode, Devi have analysed about the problems faced by the buyers and sellers. A few studies on suitable measures for effective implementation of digitalization policy have reviewed by Kaur, Varatharajan and Chandrashekara, Kumari and Oak, Majumdar, Ramana, Rao, Sharada, O'Keefe, Oddos, Panigrahi. The present study is conducted in Dindigul district.

**DATA ANALYSIS AND INTERPRETATIONS:**

The opinion of the sample respondents is analysed in this section

Table 1: Purpose of using internet by buyers

What purpose you are using internet?							
S.No	Category	Rural	Percentage	Urban	Percentage	Total	Percentage
1	Gmail	9	18	18	36	27	54
2	For searching	3	6	2	4	6	12
3	E-Banking	1	2	0	0	1	2
4	Social media	6	12	2	4	8	16
5	GPRS	0	0	0	0	0	0
6	Phone call	4	8	3	6	7	14
7	Others	2	4	0	0	6	2
Total		25	50	25	50	50	100

Source: Computed from primary data.

Table 1 reveals the buyer respondents using the internet in various purpose like Gmail, for searching, e-banking etc. Eighteen percent of respondents in rural and 36 percent of respondents in urban are using the internet for Gmail purpose only. This shows that buyers don't have knowledge about internet and they are searching their mail only.

Table 2: Benefits swipe machine to buyers

What are the benefits of swipe machine?							
S.No	Category	Rural	Percentage	Urban	Percentage	Total	Percentage
1	No robbery	8	16	8	16	16	32
2	Fastest process of actions	11	22	4	8	15	30
3	Efficient method	2	4	7	14	9	18
4	Discounts	4	8	6	12	10	20
Total		25	50	25	50	50	100

Source: Computed from primary data.

Table 2 reveals that cashless transaction gives more benefits on discounts to rural people and to urban people. The sample respondents opined that it is very easy to carry cards instead of carrying money and 66 percent of the peoples agreed it. Eighteen percent of the people strongly agreed that carrying cards is easy instead of money. Most of the people said that they had a buying knowledge, 28% of the rural peoples agreed it and 34% of the urban peoples agreed it. Sixty percent of the buyers agreed that the 20% of the buyer are having the buying products through digital mode.

The study found that 46 percent of the buyers are facing the problem of scratches in the card and this is a major problem facing through debit card. And 34% buyers revealed that cards are frequently broken and it is the second major problem eighteen percent of buyers told that forgotten of the pin is also one of the problems. This shows that they have to improve their safety of the property. Most of the peoples from rural and urban, said that they have more

problems on no cash. Risk of the robbery is anything problem facing by customers because they came out with cash, they felt that thief will rob that. This shows that people of Dindigul have to move to online transaction to avoid these types of problems.

Table 3: Problems swipe machine by buyers

What are the problems you are facing through swipe machine?							
S.No	Category	Rural	Percentage	Urban	Percentage	Total	Percentage
1	Tax	9	18	10	20	19	38
2	Fraudulent activities	3	6	5	10	8	16
3	No Knowledge of buying	10	20	7	14	17	34
4	Others	3	6	3	6	6	12
Total		25	50	25	50	50	100

Source: Computed from primary data.

Table 3 reveals that, eighteen percent of the rural people and 19 percent of urban buyers said that Tax deduction by using the swipe machine and People afraid that the merchants will take money from their account due to the poor knowledge of using wipe machine. The Study found that majority of the respondents revealed that there are problems on No knowledge of using NET banking and on No knowledge of using POS in the study area. From this, it is clear that people are not having the knowledge about the cashless transactions. They are not yet getting ready for this type of cashless economy. Similarly, most of the peoples from rural, said that they have more problems on network problem. This shows that buyers and sellers have the same problem even sellers using their ATM cards regularly, but is afraid about the scratches and broken.

The table 4 reveals that sellers have more benefit by cashless economy. Further, the study found that, cashless transaction gives more benefits on convenience to rural people & cashless transaction gives more benefits on discounts to urban people. This shows that sellers felt that this cashless economy is very convenience to urban transaction.

Table. 4: Benefits of swipe machine wise classification of respondent

What are the benefits of swipe machine?							
S.No	Category	Rural	Percentage	Urban	Percentage	Total	Percentage
1	No robbery	6	12	8	16	14	28
2	Fastest process of transactions	7	14	4	8	11	22
3	Efficient method	4	8	7	14	11	22
4	Discounts	8	16	6	12	14	28
Total		25	50	25	50	50	100

Source: Computed from primary data.

It is clear that 14 percent of the rural people and 42 percent of the urban people said that it saves time majority of respondents (36%) said that it does not saves time. First point we have to give awareness about the cashless economy. It should be familiar only by practice. We have to practice the cashless economy. Then only we can go cashless/ less cash economy.

## **SUGGESTIONS:**

Based on the findings and analysis of the data, some suitable suggestions are given to improve the commerce on digitalization. The suggested recommendations are as follows.

- As per the respondents' opinions, the awareness about the digitalization has to be made. It is recommended that still more upgrading is essential in all the areas of open market access of practical knowledge to the peoples.
- The tax for every transaction through interaction is not essential to achieve better electronic commerce and to the keep with rapid technology of digitalization.
- Mobilizing resources and interpersonal skills creates new apps for cashless economy towards the organizational behaviour focus on analytical abilities.
- Cashless economy creates high physical infrastructure such as information and Communication Technology, Wi-Fi, Video Chart, Electronic Library, Ready Made E-content, which plays an important role for the development of the commercial activities,

## **CONCLUSION:**

This is the ultimate Goal of cashless society paradigm. Important issues which have been, or will be encountered in cashless society brought on in part by electronic cash. The government move aimed at curtailing the menace of black or counterfeit money which is largely used to fund criminals and terrorists as part of a parallel economy. Today, there is a sea change in the mindset of people to use digital means of monetary dealings which are safe, easy, convenient and transparent. There is no place for black money or counterfeit currencies if cashless medium is used in India.

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