Perception Towards E-payment among Youths in Pokhara

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ABSTRACT

This paper analyzes the perception of youth towards E-payment in Pokhara along with the consideration of gender, age, product attributes, psychological traits on the perception of youths towards e-payment gateway. This study has adopted a descriptive and causal research design. A total of 160 respondents were selected for study purposes using the convenience sampling method from Pokhara valley. The modified Likert scale questionnaire was used to gather data about the perception of youths towards e-payment. The results indicate that 70% of respondents prefer E-Sewa, moreover, gender, age, occupation do not affect the perception of youths towards e-payment but academic qualification affects the perception of youths towards e-payment. Similarly, trustworthiness and product safety do not affect the perception of youths.

Keywords: Perception, product safety, trustworthiness, youths

1. INTRODUCTION

An electronic payment system is a way of paying for goods or services electronically, instead of using cash or a check, in person or by mail. An e-payment system; a way of making transactions or paying the electronic payment system has become popular over the last decades due to the growing spread of internet-based banking and shopping (Nepal Rastra Bank, 2018). It is also called an electronic payment system or an online payment system.

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An electronic payment system facilitates the acceptance of electronic payment for online transactions, also known as a sub-component of electronic data interchange (EDI), e-commerce payment systems have become increasingly popular due to the widespread use of internet-based shopping and banking (Alyabes & Alsalloum, 2018). Credit cards remain the most common forms of payment for e-commerce transactions. It is difficult for online-retailers to operate without supporting credit and debit cards due to their widespread use. Online merchants must comply with stringent rules stipulated by the credit and debit card issuers like Visa and Master card in accordance with the bank and financial regulation in the countries where the debit/credit service conducts business. Despite widespread use in North America, there are still a large number of countries such as China, India, Nepal that have problems to overcome concerning credit card security (Eswaran, 2019).

The topic of perception towards E-payment among youths is attracting increased attention among management scholars. Despite its importance to managers, employees, customers and other stakeholders, however, there are very few research studies that consider a complete process of perception towards e-payment striving to achieve organizational sustainability.

The focus of this paper is to assess the present status of the relationship between youths' perception towards e-payment and demographic factors. The study also examines the effect of product attributes, psychological traits on the perception of youths towards e-payment and to analyze the preference of youths towards particular e-payment gateway.

2. LITERATURE REVIEW

In the organizational study, people's perception occupies a central role in many theories and models. The concept of perception has been defined in many ways. The perceptual process can be defined as a complicated interaction of selection, organization, and interpretation. Although perception depends largely upon the senses for raw data, the cognitive process may filter, modify, or completely change these data (Luthans, 2002). Perception can be defined as a process by which individuals organize and interpret their sensory impressions to give meaning to their environment (Robbins, 1999). Perceptions of the individual make difference in understanding the instances or events and hence the interpretation may be different from person to person and even from the objective reality (Rajanna, 2018). Perception is the subjective judgement of any person towards the environment which can be substantially different from one person to another. Thus, perception is a complex cognitive process by which different people interpret the stimulus/situation they are faced with (Podile & Rajesh, 2017).

Kowsalya, Krishnan, Mridhula, and Sowmya (2017) who described online purchasing behaviour undertook a convenience sampling where 100 undergraduate students were selected; and writers have concluded that mostly students buy books, cloths, travel bookings and computer hardware. Moreover, the study showed that website quality and

purchase perception have a significant relationship with online shopping. Rouibah (2015) indicated that poor security, lack of trust, fear of failure, high charges and poor familiarity were the major constraints that affected online shopping. Krishnamoorthy and Srinivason (2013) found that banks are finding difficulty in retaining their existing customers, for which either they need to come up with innovative, customized products and they need to develop trust with their customers and maintain the relationship with them. Dangol and Kautish (2019) concluded that there is a significant difference between educated customers and the adoption of digital payment. The perception of customers for digital payment has a positive and significant effect on the adoption of digital payment among customers. Efforts have been made to interpret puzzling findings, but fail to provide satisfactory explanations to the paradox of the contended educated customers and adoption of digital payment (Rajanna, 2018). Rigopoulos and Askounis (1970) contributed to consumer perception of digital payment mode that how the customers' perception of digital payment affects their daily lives. Researchers concluded that there is no significant variance in consumer perception based on demographic factors such as gender age, profession and annual income. However, education was found to be a significant influence on the adoption of digital payment. Oney, Guven and Rizvi (2017) have investigated that there is a need on how to create trust in digital payment systems, customer interest in using electric payment and about the importance of security in electric payment systems as they can affect users' trust.

The relationship between the perception of youths towards e-payment was examined by testing the following null hypothesis:

- Product attributes

  Ho_1: There is no significant relationship between product safety and the perception of youths towards e-payment.

- Psychological traits

  Ho_2: There is no significant relationship between trustworthiness and perception of youth towards e-payment.

- Demographic traits

  Ho_3: There is no significant relationship between age, gender, occupation and perception of youths towards e-payment.

3. DATA AND METHODS

The study uses the data collected from the structured questionnaires by administrating to the respondents. It was presumed that there are certain factors that influence youth's perception towards e-payment. The youth's perception level has been examined as

possible consequences of those influencing factors. The relationships between perception and variables like-gender, age, product attributes, have been measured by one-way ANOVA, regression, person correlation and chi-square test. Descriptive and causal research designs have been used for the research.

A total of 160 respondents were selected proportionately from different occupational groups and different age groups. As the population of the study is all the youths aged 16-40 staying in Pokhara metropolitan city who have used the e-payment gateways within the last six months at least for once. The sample size was computed by using Raosoft software. The relevant data were collected by distributing questionnaires to the students, teachers, jobholders, businessmen and housewives.

The sampling technique used in the study is convenient. In this study, four major e-payment gateways: Khalti, E-Sewa, Qpay and IMEPay are being taken into consideration.
The independent variables are trustworthiness, product safety and demographic factors—age, gender, income, occupation, and dependent variable is perception of youths towards e-payment. The hypothesis has been tested using ANOVA. Chi-square test, T-test between age, gender, income and education with perception towards e-payment.

4. DISCUSSION AND ANALYSIS

4.1 Demographic Profile of Respondents

The demographic variables considered under this study are gender respondent information, age group academic qualification and occupation of respondents. These variables affect the perception of youths towards e-payment. Gender respondent information was analyzed in order to find out whether or not it affects the perception of youths toward e-payment. The different age group is considered under this study that affects the perception of youths towards e-payment. The age groups are 16-20 years, 21-25 years, 26-30 years and 31-40 years. The respondents selected having different educational backgrounds are SEE intermediate (+2), Bachelor, Master and above master degree.

Table 1 shows that among 160 respondents 56.3 are male and 43.7% are female. 47% of respondents fall under the age group 21-25 years which is the highest percentage. The lowest percentage of age group is above 16-20 which is 88%. Bachelors passed respondents are 51.3% which is the highest percentage. SEE passed respondents are 3.1% which is the lowest percentage. Among all the respondents, job holders are 56.9% which is the highest percentage and house wives are 0.6 which is the lowest percentage.

Table 1

Demographic Profile of Respondents. (N= 160)

Gender	Frequency	Percent
Male	90	56.3
Female	70	43.7
Total	**160**	**100**
Age		
16-20	14	8.8
21-25	76	77.5
26-30	50	31.3
31-40	20	12.5
Total	**160**	**100**
Academic qualification		
SEE	5	3.1
Intermediate (+2)	14	8.8
Bachelors	82	51.3
Masters	56	35
Masters and above	3	1.9
Total	**160**	**100**
Occupation		
Students	54	33.8
Teachers	7	4.4
Businessmen	7	4.4
Job holders	91	56.9
House wife	1	0.6
Total	**160**	**100**

Source: Field survey, 2019

4.2   Products and Services Paid Through E-Payment

The different products and services that are paid through e-payment are classified as groceries, cosmetics and clothing accessories, bus and air tickets, water and electricity bills.

Table 2

Products and Services Paid Through E-Payment (N=160)

	Frequency	Percent
Groceries	10	6.3
Cosmetics and clothing accessories	24	15.0
Bus and air tickets	61	38.1
Electronic gadgets	23	14.4
Water and electricity bills	31	19.4
Phone and Internet bill	11	6.9
Total	160	100

Source: Field survey, 2019

Table 2 shows that 38% of respondents' payment via e-payment are made for bus and air tickets, 19.4% of respondents' e-payment are for paying water and electricity bills, 15% of respondents' payments are for cosmetics and clothing accessories, 14.4% of respondents' payments for electric gadgets 6.9% respondents' payments are for the phone bill and internet bill and 6.3% payments are for groceries items. Thus, it is said that the lowest payments via e-payments are made for groceries and the highest payments via e-payments are made for groceries and the highest payments via e-payments for bus and airfare tickets.

4.3 Frequency of E-Payment Usage

The frequency of e-payments usage refers to how often the respondents use e-payment gateways. The e-payment usage in this study is being classified as once, 2-4 times, 4-6 times and more than 6 times.

Table 3

Frequency of E-Payment Usage (N=160)

	Frequency	Percent
Only once	19	11.9
2-4 times	64	40
4-6 times	21	13.1
More than 6 times	56	35
Total	160	100

Source: Field survey, 2019

Table 3 shows that 40% of respondents use the e-payment 2-4 times which is the biggest of all, 11.9% of respondents use it only once which is the lowest in the category, 35% of the respondents use more than 6 times and 13.1% respondents use 4-6 times.

4.4 Most Preferred E-Payment Gateway

The most preferred e-payment gateways like E-Sewa, IMEPay, Khalti, Qpay and others (Connect IPS, Phonepay, iPay services) have been taken into consideration for this study.

Table 4

Most Preferred E-Payment Gateway (N=160)

	Frequency	Percent
E-sewa	112	70
IME Pay	35	21.9
Khalti	6	3.8
Qpay	4	2.5
Any other	3	1.9
Total	160	100

Source: Field survey, 2019

Table 4 shows that 70% of the respondents prefer e-Sewa which is the most preferred e-payment gateway and only 1.9% of the respondents prefer other e-payment gateways (such as IPS connect, ipay, bank smart, phonepay) which is the least preferred 21.9% of the respondents prefer IME pay, 3.8% prefer Khalti and 2.5% respondents prefer Qpay.

4.5   Age and Perception of Youths Towards E-Payment

The different age groups considered under this study are 16-20 years, 21-25 years, 26-30 years and 31-40 years. One-way ANOVA is performed to test the significant difference between the mean age of respondents and perception of youths towards e-payment.

Table 5

Perceptual Differences of Youths towards E-Payment as per Age

	Sum of squares	df	mean square	f	sig.
Between groups	0.088	3	0.029	0.116	0.95
Within groups	39.471	156	0.253		
Total	39.559	159			

Table 5 shows that the result of one-way ANOVA reveals that the p-value is more than 0.005. Hence, there is no significant difference between the mean age of respondents and the perception of youths towards e-payment.

4.6   Academic Qualification and Perception of Youths Towards E-Payment

The different education levels considered under this study are SEE, intermediate, bachelor, master and above. One-way ANOVA is performed to test the significant difference between the mean of academic qualification of respondents and perception of youths towards e-payment.

Table 6

Perceptual Differences of Youths towards E-Payment as per Academic Qualification

	Sum of squares	df	mean square	f	sig.
Between groups	1.378	4	0.344	1.398	0.237
Within groups	38.181	155	0.246		
Total	39.559	159			

Table 6 shows that the p-value is more than 0.05. Hence, there is no significant difference between the mean of academic qualification of respondents and the perception of youths towards e-payments.

4.7 Occupation of Respondents and Perception of Youths Towards E-Payment

The different occupational respondents under this study are students, teachers, bankers, businessmen and housewives. Here one-way ANOVA is used to analyze the significant difference between the mean of occupation of respondents and perception of youths towards e-payment.

Independent sample t-test is performed to analyze the significant difference between the mean of gender and dependent variable.

Table 7

Perceptual Differences of Youths towards E-Payment as per Occupation

	Sum of squares	df	Mean square	f	Sig.
Between groups	0.624	4	0.156	0.621	0.648
Within groups	38.935	155	0.251		
Total	39.559	159			

Table 7 shows that the p-value is more than 0.05. Hence, there is no significant difference between the mean of occupation and perception of youths towards e-payment.

4.8 Gender and the Dependent Variable

Independent sample t-test is performed to analyze the significant difference between the mean of gender and dependent variable.

Table 8

Perceptual Differences of Youths towards E-Payment as per Gender

	Gender	Sig.
Perception towards e-payment	Male	0.769
	Female	

Table 8 shows that the p-value is more than 0.05. Hence, there is no significant difference between the mean of gender and perception of youths towards e-payment.

4.9 Gender and Independent Variables

Independent sample t-test is used to analyze the significant difference between the mean of gender and independent variables.

Table 9

Perceptual Differences of Youths towards Product Safety and Trustworthiness as per Gender

	Gender	Sig.
Product safety	Male	0.324
	Female	
Trustworthiness	Male	0.798
	Female	

Table 9 shows that the p-value of the independent sample t-test of product safety and trustworthiness is more than 0.05. Hence, there is no significant difference between towards product safety and trustworthiness as per gender.

4.10   Gender and Perception of Youths Toward E-Payment

Chi-square test is used to test the relationship between the gender of respondents and perception of youths towards e-payment.

Table 10

Gender and Perception of Youths Towards E-Payment

Pearson chi-square test	Gender	df	Sig
Perception towards e-payment	Male Female	2	0.769

Table 10 shows that the p-value is obtained 0.769 which is more than the level of significance 5 percent. Hence the null hypothesis cannot be rejected. Therefore, there is no significant difference between gender and perception of youths towards e-payment.

4.11   Academic Qualification and Perceptions Towards E-Payment

Table 11

Association between Academic Qualification and Perception of Youths Towards E-Payment

	Value	df	Sig.
Pearson chi-square test	21.121	4	0.00

Table 11 shows that the p-value is obtained 0.000 which is less than a 5 percent level of significance. Hence, the null hypothesis is rejected. Therefore, there is a significant difference between the academic qualification of respondents and the perception of youths towards e-payment.

4.12 Occupation and Perception of Youths Towards E-Payment

The different occupational respondents under this study are students, teachers, job holders, businessmen and housewives. Chi-square test is performed to analyze the significance between different occupational respondents and perception of youths towards e-payment.

Table 12

Association between Occupation and Perception of Youths Towards E-Payment

	Value	df	Sig.
Pearson chi-square test	3.976	4	0.409

Table 12 shows that the p-value is obtained 0.409 which is more than a 5 percent level of significance. Hence, the null hypothesis is accepted. Therefore, there is no significant difference between occupation and perception of youths towards e-payment.

4.13   Trustworthiness and Perception Towards e-payment

Pearson correlation is performed to test the significant relationship between trustworthiness and perception of youths towards e-payment.

Table 13

Relationship between Trustworthiness and Perception of Youths Towards E-Payment

	Sig.	Correlating coefficient
Pearson Correlation	0.001	0.26

Table 13 shows that the p-value is less than 0.05. Hence, there is a significant correlation between trustworthiness and the perception of youths towards e-payment.

4.14 Product Safety and Perception of Youths Towards E-Payment

Pearson correlation is used to test the significant relationship between product safety and the perception of youths towards e-payment.

Table 14

Relationship between Product Safety and Perception of Youths Towards E-Payment

	Sig.	Correlation coefficient
Pearson Correlation	0.006	0.216

Table 14 shows that the p-value is less than 0.05. Hence, there is a significant correlation between product safety and the perception of youths towards e-payment.

4.15   Multiple Regression Analysis

Multiple regression between perception towards e-payment with trustworthiness and product safety is conducted based on linear regression.

Table 15

Influence of Product Safety and Trustworthiness on Perception Towards E-Payment

	Coefficients		t	sig.
	Beta coefficient	Std. crror		
Product safety	-0.003	0.057	-0.054	0.957
Trustworthiness	0.104	0.058	1.798	0.074
R square			0.332	
F-statistic			10.807	0.000
Std. error of the estimate			0.4168	

Table 15 shows that R square = 33.2%. Hence, 33.2% of the variation in dependent variable are explained by product safety and trustworthiness. Since the sig value is 0.00 which is less than the 0.05 level of significance. Hence, the overall model is statistically significant. Thus, there is a significant relationship between perception towards e-payment with trustworthiness and product safety. The table shows that there is no significant relationship between product safety and perception towards e-payment as the p-value is 0.957, which is more than 0.05 level of significance. Similarly, the p-value of trustworthiness is 0.074 which is also more than 0.05 level of significance. Hence there is no significant relationship between trustworthiness and perception towards e-payment.

5. CONCLUSION

The study concludes that most of the respondents use e-payment gateways. From the results of data analysis, it is concluded that gender, age and occupation level do not affect the perception of youths towards e-payment but academic qualification affects the perception of youths towards e-payment. From the multiple regression analysis, it is found that trustworthiness and product safety do not affect the perception of youths towards e-payment. But the overall model is statistically significant. From the Pearson correlation, it is concluded that there is a positive correlation between trustworthiness and product safety and perception of youths towards e-payment.

However, the findings of this study have significant implications for brand managers, marketing managers and vendor management. Male respondents using e-payment gateways are more than female respondents. Thus, marketing programs, awareness campaigns can be run to enhance the participation of female respondents to make them use e-payment gateways in future.

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