

RESEARCH ARTICLE

A STUDY ON FACTORS INFLUENCING ADOPTION OF DIGITAL TRANSACTIONS BY STREET-FOOD VENDORS

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Abstract: Digital transactions, encompassing a wide range of electronic payments such as online banking, mobile payments, have become an integral part of daily life for individuals and businesses alike. This shift from traditional cash-based systems to digital platforms is driven by advancements in technology, increasing internet penetration, and the growing demand for convenience, speed, and security in financial transactions. To benefit from the adoption of digital transactions, it is essential to understand the factors influencing the adoption of digital payment methods among street food vendors. The paper aims to address this aspect by conducting a comprehensive study focused on the street food vendors of Guwahati city.

Keywords: Digital transactions, Street food, Street vendor.

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INTRODUCTION

In the contemporary digital age, the spread of digital transactions has fundamentally transformed the way financial activities are conducted across the globe. Digital transactions, encompassing a wide range of electronic payments such as online banking, mobile payments, have become an integral part of daily life for individuals and businesses alike. This shift from traditional cash-based systems to digital platforms is driven by advancements in technology, increasing internet penetration, and the growing demand for convenience, speed, and security in financial transactions.

The street food culture in Guwahati, like in many cities across India, is an integral part of its culinary landscape. However, the sector has traditionally been cash-driven, relying on cash transactions for the exchange of goods and services. In recent years, there has been a shift towards digital transactions, driven by advancements in technology, government initiatives promoting cashless economies and changing consumer preferences.

To benefit from the adoption of digital transactions, it is essential to understand the factors influencing the adoption of digital payment methods among street food vendors.

This paper aims to address this aspect by conducting a comprehensive study focused on the street food vendors of Guwahati city of Assam, India.

LITERATURE REVIEW

Review of Studies Focused on Adoption of Digital Transactions by Customers: Khatri (2023) conducted a study to identify the factors that are considered while using digital payment and the frequency of usage and modes of digital payment. The study revealed that the most important factor considered by the customers while using digital payment is cost and convenience of use.

Barkhordari *et.al* (2017) conducted a study on factors influencing trust in e-payments systems in Iran. The study revealed that both perceived security and trust have positive impact on using e-payment systems.

The technical and transaction procedures and access to security guidelines being the most influential factors on perceived trust of customers. Baghla (2018) conducted a study to identify the reasons for adoption of digital payments by people in India. The study found that ease of making payments and ease of tracking the record of payments are the

prime reasons behind adoption of digital payments. Najdawi *et.al*, (2021) found that Perceived Usefulness, Perceived Trust, Perceived Personal Innovativeness, Perceived Ease of Use, Perceived Risk significantly affect the adoption of epayment in Dubai. Shankar & Datta (2018) found that perceived ease of use, perceived usefulness, trust, and self-efficacy have a significant positive impact on m-payment adoption intention.

Review of studies Focused on Adoption of Digital Transactions by Vendors: Ravikumar and Prakash (2022) found that habit to use, pervasiveness and perceived cost of use are determinants of digital payments among small merchants.

Sokobe (2015) found that entrepreneur background characteristic and ease of use of electronic gadgets are the main factors that influence adoption of electron payments.

Nandru & Senthil (2015) revealed that factors such as perceived ease of use, perceived usefulness, and Perceived Trust have significantly determined the intention to adopt and use m-payment methods among women street vendors. However, Social Influence has an insignificant effect on women street vendors' m-payment payment adoption intention.

Botta (2022) found that convenience and consumer demand are the key drivers of digital payment adoption in retail outlets, businesses in Visakhapatnam have little anxiety about being defrauded or the security of digital platform transactions.

Nandru *et.al* (2023) found factors such as performance expectancy, effort expectancy, facilitating conditions are significant determinants of street vendors' intention to use QR code m-payment services. Anjani and

Sreenivas (2023) found that the respondents are aware about the Digital payments and they have faced difficulties in adopting the Digital payments at initial stage.

Sheetal (2023) revealed that only 32% respondents (vendors) think that their sale has been increased after using digital transactions method and the vendors have faced challenges such as technical issues, threat of security.

OBJECTIVES OF THE STUDY

- To identify the factors influencing the adoption of digital transactions by the street-food vendors in Guwahati city.
- To assess the perceived benefits associated with adoption of digital transactions by the street-food vendors in Guwahati city.
- To identify the challenges associated with adoption of digital transactions by the street-food vendors in Guwahati city.
- To assess the impact of adoption of digital transactions by the street-food vendors in Guwahati city.

METHODOLOGY OF THE STUDY

As the study is based on primary data, after having identified the questions to be asked, the dependence was made on the structured schedule to get the responses from the street-food vendors. The population of the study is comprised of street-food vendors in Guwahati city. Convenient sampling technique was adopted to get responses from 111 street-food vendors in Guwahati city of Assam, India. In order to analyse the responses of the street-vendors, the data were first fed into MS Excel. Simple techniques such as frequency and percentages are used to analyse the data to arrive at the findings of the study.

SCOPE OF THE STUDY

The scope of the study is confined to the street-food vendors of Guwahati city. The study includes only selected questions related to adoption of digital transactions.

LIMITATIONS OF THE STUDY

- The study is based on the perceptions of the street-food vendors which they held at the time of registering their responses. Since the perception(s), of the people, is something such which is liable to be influenced by many factors and may change any time.
- The possibility of sampling error cannot be completely eliminated and therefore, the finding of the study need to interpreted with great caution while making any kind of generalization.
- There might have been misinterpretation on the part of the street-food vendors due to language barrier as the street vendors were from diverse linguistic background.

PROFILE OF THE RESPONDENTS

Table 1: Profile of the respondents

| Educational Qualification | Frequency | Percentage |
|-------------------------------------|-----------|------------|
| Below Class 10 | 55 | 49.55% |
| HSLC | 42 | 37.84% |
| HS | 8 | 7.21% |
| Graduation | 6 | 5.40% |
| Total | 111 | 100% |
| Age of the Vendor (in years) | | |
| Below 30 | 40 | 36.04% |
| 30-40 | 56 | 50.45% |
| 40-50 | 11 | 9.91% |
| 50 & above | 4 | 3.6% |
| Total | 111 | 100% |
| Years of Selling Street food | | |
| Less than 1 year | 28 | 25.23% |
| 1-5 years | 57 | 51.35% |
| 5-10 years | 18 | 16.21% |
| 10 years and above | 8 | 7.21% |
| Total | 111 | 100% |

Source: *Field Survey*

DATA ANALYSIS

Table 2: Frequency of being asked about digital transactions

| Frequency of being asked | Frequency | Percentage |
|--------------------------|-----------|------------|
| Rarely | 5 | 4.50% |
| Occasionally | 18 | 16.22% |
| Frequently | 36 | 32.43% |
| Very frequently | 52 | 46.85% |
| Total | 111 | 100.00% |

Source: *Field Survey*

Table 2 reveals a strong interest in digital payments among people as 46.85% and 32.43% of the respondents (street food vendors) opined that they are being asked about digital transaction very frequently and

frequently respectively. This data shows a significant level of curiosity and engagement with digital payment methods among the people reflecting a widespread interest in this financial technology.

Table 3: Factors influencing the decision to accept digital transactions

| Factors of Influence | Count | Percentage |
|--------------------------------|-------|------------|
| Customer convenience | 95 | 86.59% |
| Growing digital infrastructure | 27 | 24.32% |
| Competitive pressure | 43 | 38.73% |
| Incentives | 17 | 15.32% |
| Cash related security concerns | 36 | 32.43% |

Source: *Field Survey*

Table 3 reveals that the street food vendors have rapidly adopted digital payments, citing customer convenience, competitive pressures, Competitive pressure and security concerns as primary motivators. The demand for seamless transaction experiences from consumers has made them introduce digital payment options, ensuring they remain relevant and meet evolving expectations of

the consumers. The competitive landscape has also influenced the vendors to embrace digital transactions to stay ahead in markets where digital payment methods are increasingly prevalent. Factors such as incentives and the growth of digital infrastructure also play a role behind adoption of digital payments within the business realm.

Table 4: Changes in sales since accepting digital transactions

| Changes | Count | Percentage |
|-------------------------|-------|------------|
| Increased significantly | 87 | 78.38 % |
| Increased moderately | 10 | 9.01 % |
| Decreased Significantly | 3 | 2.70 % |
| Decreased moderately | 2 | 1.80 % |
| No significant change | 9 | 8.11 % |
| Total | 111 | 100.00 % |

Source: *Field Survey*

Table 4 reveals that an overwhelming majority of respondents (78.38%) have reported a significant increase in the sales. Moreover, a group of respondents (9.3%) reported a moderate rise in sales. However, 8.4% of respondents have reported no significant change in sales since the adoption

of digital payments. These findings collectively suggest that the integration of digital payment options has led to an increase in customer interaction and transactions, although a minority has experienced either a decline in sales.

Table 5: Challenges faced with digital transactions

| Challenges | Count | Percentage |
|-----------------------------------|-------|------------|
| Technical issues | 69 | 62.16% |
| High fees | 28 | 25.22% |
| Customer reluctance | 47 | 42.34% |
| Lack of awareness | 38 | 34.23% |
| Concerns about security and fraud | 36 | 32.43% |
| Poor Internet connectivity | 76 | 68.49% |

Source: *Field Survey*

Table 5 underlines the challenges faced by the street food vendors while adopting the digital transactions. Poor network connectivity coupled with technical issues pose a significant obstacle in the way of adoption of digital transaction by street food vendors. This highlights the critical need for

infrastructure improvements to ensure seamless transactions and the importance of enhancing system reliability and user experience to foster trust in digital payment platforms. Additionally, the problems such as customer reluctance, lack of awareness, concern about fraud add more complexities.

Table 6: Impact of competitiveness of business

| Responses | Count | Percentage |
|------------|-------|------------|
| Yes | 77 | 69.37 % |
| No | 8 | 7.20 % |
| Don't know | 26 | 23.42 % |
| Total | 111 | 100 % |

Source: *Field Survey*

Table 6 illustrates the perceived impact of digital payments on business competitiveness. Majority (69.37%) of the respondents opined that adoption of digital transactions has improved the

competitiveness of their business. Only a smaller fraction of respondents (7.2%) reported no competitive advantage from adoption of digital transactions.

Table 7: Benefits of accepting digital transactions

| Benefits | Count | Percentage |
|--------------------------------------|-------|------------|
| Increased sales | 75 | 67.57 % |
| Customers' convenience | 37 | 33.33 % |
| Safer than handling cash | 30 | 27.02 % |
| Ability to track transactions easily | 41 | 36.94 % |
| Improved business reputation | 34 | 30.63 % |
| Lesser transaction time | 29 | 26.13 % |

Source: Field Survey

Table 7 reveals that more than two third of the respondents have experienced increased sales followed by easy tracking of transactions. Moreover, one third of the respondents opined that the digital transactions have enhanced customers' convenience. Similarly, 27.02% of the

respondents reported that digital transactions are safer than handling cash. It is also found that adoption of digital transactions not only saves transaction time (26.4%) but also improves business reputation (30.6%) which is essential for growth of any business be it small of large.

Table 8: Customer behaviour since accepting digital transactions

| Customer behavior | Count | Percentage |
|------------------------------------|-------|------------|
| Increased customer satisfaction | 64 | 57.66 % |
| Higher average transaction amounts | 7 | 6.30 % |
| More repeat customers | 32 | 28.83 % |
| No significant changes | 8 | 7.21 % |
| Total | 111 | 100 % |

Source: Field Survey

Table 8 shows that a notable 57.66% of the respondents reported enhanced customer satisfaction, while 28.8% reported a rise in repeat customers as a direct result of adoption of digital transactions. However, 6.3% of the responded reported an increase in transaction amounts. Only a minority, comprising 7.2% of the respondents opined that the adoption of digital transitions brought no significant changes.

SUMMARY OF MAJOR FINDINGS

The major findings of the study are summarized below:

- Majority of the customers ask about digital transactions frequently or very frequently.

- The street food vendors have rapidly adopted digital transactions citing customer convenience as the most prominent factor influencing adoption of digital transaction followed by competitive pressures and security concerns.
- The adoption of digital transactions resulted in moderate to significant increase in sales.
- The poor network connectivity coupled with technical issues pose a significant obstacle in the way of adoption of digital transaction by street food vendors.
- Majority of the respondents opined that adoption of digital transactions has improved the competitiveness of their business.

- Adoption of digital transactions by street food vendors resulted in increased sales followed by easy tracking of transactions, customers' convenience, improved business reputation, safety of transactions and lesser transaction time.
- Majority of the respondents reported significant increase in customer satisfaction since adoption of digital transaction along with a rise in repeat customers.

CONCLUSION

The transition from cash-based transactions to digital transactions has brought many benefits to the business. This shift is not merely a technological upgrade but a transformative change that can reshape the economic landscape for small vendors. The adoption of digital transactions by street food vendors may be considered as an important step towards a cashless economy. However, there are still many challenges which needs to be carefully navigated to realize the full potential of digital transactions.

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