

5. A Study on Usage of Online Payments Apps MSME Economic Development in Line with Sustainability Development Goals (SDG)

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Abstract:

This research delves into the nuanced landscape of online payment app usage within Micro, Small, and Medium Enterprises (MSMEs), aiming to comprehend the factors influencing adoption and its consequential impact. As the global economy increasingly shifts towards digital transactions, understanding the dynamics of MSMEs' engagement with online payment platforms becomes imperative. This encompasses an exploration of transaction speed, cost-effectiveness, and overall convenience, providing a holistic view of the impact of digital payment adoption on the operational efficiency of these enterprises. To Examine the interface design and user experience of well-known online payment apps to see how these aspects affect MSME Economic growth under sustainability development goals. Ultimately, the findings from this research contribute valuable insights that can inform policymakers, financial institutions, and businesses alike. By understanding the intricacies of online payment app adoption in MSMEs, stakeholders can devise strategies to foster a more inclusive, secure, and technologically advanced financial ecosystem, thereby catalyzing sustainable economic growth.

Keywords:

Online payments, Digital finance, Transaction efficiency.

5.1 Introduction:

In the contemporary landscape of business transactions, the adoption of online payment applications has emerged as a transformative force, particularly within the

realm of Micro, Small, and Medium Enterprises (MSMEs). The introduction of digital payment technologies has the potential to redefine the operational dynamics of these enterprises, offering a conduit for efficiency, cost-effectiveness, and financial inclusion. This study embarks on an exploration of the usage patterns and implications of online payment apps within the MSME sector, recognizing the crucial role these enterprises play in global economic development. As technology continues to reshape traditional business models, understanding the nuances of MSMEs' engagement with digital payment platforms becomes paramount. The introduction delves into the contextual backdrop of the study, presenting a narrative that outlines the evolution of payment systems in tandem with the growth of MSMEs. It highlights the significance of digital financial tools in fostering accessibility and streamlining financial operations for smaller enterprises. Additionally, the introduction articulates the research objectives, emphasizing the need to dissect factors influencing adoption, perceived security concerns, and the overall impact on operational efficiency within MSMEs. In doing so, this study endeavours to contribute insights that are not only academically enriching but also practically relevant for policymakers, businesses, and financial institutions navigating the evolving landscape of digital finance.

5.2 Objectives:

- To Recognize what influences MSMEs' decisions to use online payment apps, such as perceived advantages, usability, and potential drawbacks.
- To Analyze how MSMEs view online payment apps' security features and how this affects adoption rates.
- To Examine the interface design and user experience of well-known online payment apps to see how these aspects affect MSME Economic growth under sustainability development goal.

5.3 Need for The Study:

MSMEs are vital to the world's economies since they greatly increase GDP and jobs. Gaining insight into how they use online payment apps is essential to improving their operational effectiveness and, in turn, the growth of the economy as a whole. By identifying obstacles that can prevent MSMEs, particularly in less developed areas, from completely adopting online payment technology, the study contributes to closing the technical gap. This information can direct initiatives to support inclusive digital growth. Analyse the operational enhancements and increases in efficiency that MSMEs have attained by using online payment platforms.

5.3 Review of Literature:

K. Uma Maheswari, T. Danalakshmi- the study focused on “Digital and Cashless Economy on MICRO SMALL MEDIUM ENTERPRISES they found that adoption of digital payments helps MICRO SMALL MEDIUM ENTERPRISES in enhancing their company's productivity and reducing the expense and duration of commercial exchanges. Just 6% of enterprises have embraced digitization, according to a different study by Pankaj Mishra. This low adoption rate can be attributed to a number of factors, including low adoption knowledge, a lack of skilled human resources, and adoption costs. Adoption of digital transformation boosts economic growth.

Dr. Parul Sharda-the study focused on “Review of steps taken by government for MICRO SMALL MEDIUM ENTERPRISES’s He discovered in Digital India that the Indian economy is gradually transitioning to a digital economy. The Indian government has undertaken several initiatives to digitally change micro, small, and medium-sized enterprises, resulting in favorable effects for this industry.

Koroleva & Kudryavtseva, 2019The study, which included 182 bank respondents, used regression analysis to show how digital payments affected micro, small, and medium-sized enterprises. It ended with suggestions for how to develop micro, small, and medium-sized enterprises using digital banking services.

5.4 Research Methodology:

A. Sources of Data:

For every study project, relevant data must be gathered. Depending on where the information was obtained, data can be categorized into the following groups:

- Primary data
- Secondary data

B. Sampling Technique:

Convenience sampling is the method of sampling that is utilized to acquire data. Among the non-probability sampling techniques is convenience sampling. A convenience sample consists of easily accessible individuals. It is a sampling technique where units are chosen according to availability and convenience of use.

C. Sample Size:

The city of Chennai, Tamil Nadu, was selected because of the limited amount of time available **for** the investigation. There are 120 respondents in the current study, both men and women, **whose** shopping decisions are impacted by online ads. For the study, people in Chennai City **were** selected as respondents.

D. Statistical Tools: The data collected has been analyzed during the statistical tools namely;

- Percentage analysis
- Graphical representation
- Cross tabulation and Chi-square test

5.5 Limitations of Study:

- The makeup of the selected sample may have an impact on the study's conclusions, possibly resulting in biases if some MSMEs are overrepresented or underrepresented.
- The cross-sectional nature of the study might make it more difficult to identify a cause or track changes over time. Studies using a longer time frame may offer a more thorough comprehension of changing patterns.
- The study's conclusions could be impacted by regional differences in technology infrastructure, as MSMEs in places with less digital infrastructure might have different difficulties than those in more developed locations.

Data Analysis:

Table 5.1: Total MSME GVA

| Year | Total MICRO SMALL MEDIUM ENTERPRISES GVA | Growth (%) | Total GVA | Share of MICRO SMALL MEDIUM ENTERPRISES in GVA (%) | All India GDP | Share of MICRO SMALL MEDIUM ENTERPRISES in All India GDP (in %) |
|-------------|---|-----------------------|------------------|---|--------------------------|--|
| 2014-15 | 3658196 | - | 11504279 | 31.80 | 12467959 | 29.34 |
| 2015-16 | 4059660 | 10.97 | 12574499 | 32.28 | 13771874 | 29.48 |

| Year | Total MICRO SMALL MEDIUM ENTERPRISES GVA | Growth (%) | Total GVA | Share of MICRO SMALL MEDIUM ENTERPRISES in GVA (%) | All India GDP | Share of MICRO SMALL MEDIUM ENTERPRISES in All India GDP (in %) |
|---------|--|------------|-----------|--|---------------|---|
| 2016-17 | 4502129 | 10.90 | 13965200 | 32.24 | 15391669 | 29.25 |
| 2017-18 | 5086493 | 12.98 | 15513122 | 32.79 | 17098304 | 29.75 |
| 2018-19 | 5741765 | 12.88 | 17139962 | 33.50 | 18971237 | 30.27 |

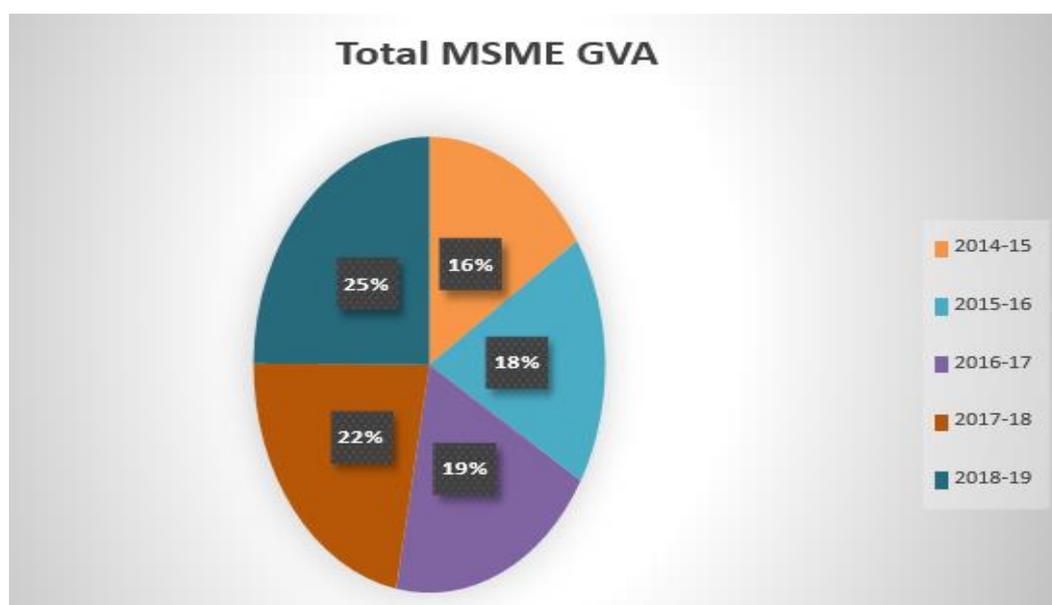


Figure 5.1: Total MSME GVA

Table 5.2: Digital Payment

| Credit & Debit Transfers | 4064 | 31415 | 215619 | 1194 | 9140 | 2939 |
|--------------------------|------|-------|--------|------|------|-------|
| NEFT | 1323 | 12529 | 27445 | 939 | 8327 | 22946 |
| IMPS | | 25792 | 25792 | | 2338 | 2338 |
| UPI | | | 125186 | | | 2132 |
| NACH | | 14041 | 36979 | | 380 | 1976 |
| ECS | 2741 | 2638 | 19 | 255 | 271 | 5 |
| Others | | | 198 | | | 1 |

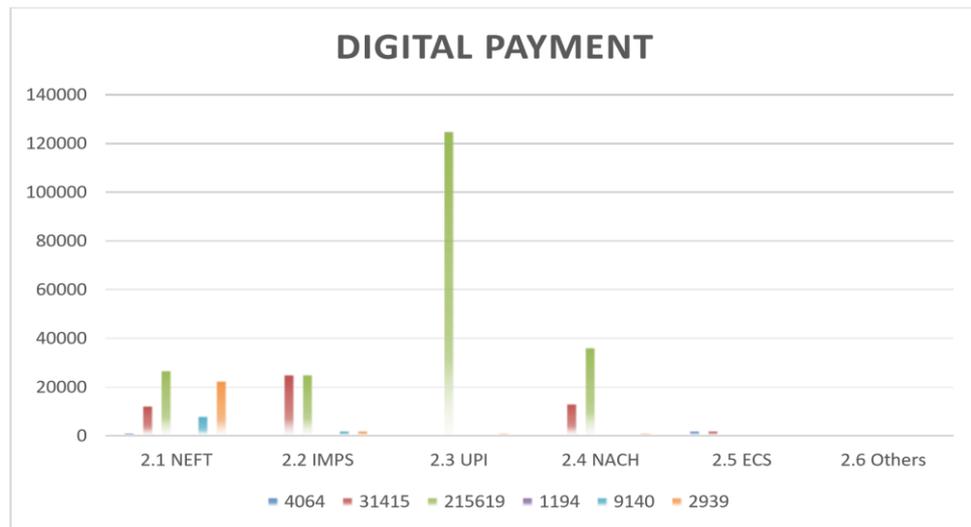


Figure 5.2: Digital Payment

5.6 Suggestions:

Take steps to improve MSMEs' digital literacy by offering them tools and training courses that will acquaint them with the functions and advantages of online payment apps. Create focused instructional efforts that speak to industry-specific issues and worries about the use of online payment apps while making sure they are relevant and resonate with a range of MSMEs. To encourage MSMEs to embrace and use online payment apps, implement incentive schemes like special promotions or transaction fee savings. Work together with financial institutions and app developers to explain and strengthen strong security measures on a regular basis, addressing MSMEs' concerns and fostering trust in digital transactions.

5.7 Conclusion:

The study on MSMEs' use of online payment applications offers insightful information about how the dynamics of digital financial integration are changing in this important industry. The results highlight the intricate interactions among variables affecting adoption and provide insight into possible effects on operational effectiveness MSMEs are more inclined to adopt online payment apps if they see clear benefits like cost-effectiveness and transaction efficiency. Through online payment apps MSME Economic growth does not affect any aspects under sustainability development goal. This highlights the necessity for customized communication methods that highlight these benefits.

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