



## AN ANALYTICAL STUDY TO UNDERSTAND PAYMENT PATTERNS TOWARDS VARIOUS UTILITIES BILLS WITH SPECIAL REFERENCE OF BARODA CITY

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### ABSTRACT

With the change in technology, change in the mind set, income level, consumption pattern, new facilities offered by banks and other agencies the payment methods of the people towards various activities has been changed. More over the people staying in urban area and the people who are staying in rural area they also have the different payment patterns towards different expenses like gas bill, fuel bill, electricity bill etc. Here with reference to this research paper an attempt has been made to identify the different payment patterns specifically with reference to the various selected utilities bills. The basic motto behind this research paper is to identify the preferences towards different types of utility bills and this will be helpful to the different agencies to take appropriate decision to make more efficient usage of their services to offer more satisfaction to the customers.

## INTRODUCTION

The Payments Landscape is moving on high pace on the global level. There has been witnessed very high movement in the last 2 years in terms of payment mode for different services. Same way Indian market has also shown the increased usage of different digital payment gateways. That represents India is also ready to adopt the new technological changes upcoming on the global platform and with this mainly who encounter customer directly or where customer involvement is there they have to understand this change. The major important reasons to adopt the digital payments are convenience as a major factor with the other benefits like deals, discounts and cash-backs. Customer prefers to use this all for the different kinds of utility bills, entertainment, travels and hotel bookings, online shopping, buying things from organized retail store. Moreover 75 percent merchant believes that, adoption of the digital payment methods has given more freedom to the customer in terms of payment and has really help to grow their business. The new and upcoming payments methodologies in India are at its peak. The basic reason for the growth is high competition and different strategic control among the different service

providers and different banks with the low cost of implementation or adoption of this technology. More over these all new and upcoming methodology consists of the high rate of accuracy, high securities of financial transaction and ease of use has given high pace of growth for such services in the market.

Few basic reasons behind the growth of the different payment methods over the traditional methods are as below:

- Technological support will make digital payment more simpler
- There is a huge acceptance of this new technology from the customer and merchant side too.
- Customer inclination towards safe and secure technological payment modes.
- Widely and constant increasing internet connectivity and smart phone users.
- Ease of payment will be the important driving factor for the demand of product/service.
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In this research paper, researcher has made an attempt to understand the various preferred payment modes of resident of Baroda city in the state of Gujarat.

## MATERIALS AND METHODS

### Objective of the study

- To understand the overall payment methods of resident of Baroda city.
- To analyze & understand the relationship between the status in the society and their mode of payment.
- To comprehend the payment preferences towards the various utilities bill like Electricity, Gas Bills etc
- To identify the payment mechanism of various services like DTH/ Cable TV, etc
- To acquire the knowledge regarding fuel payments preferred mode

### Target Population & Sample Size

Target population was people staying in Baroda city of Gujarat State. The questionnaire was administered to 100 respondents out of which 84 valid questionnaires were considered as sample size for study purpose.

### Hypothesis

H01: There is no relationship between income layer (status in society) and use of credit card.

H02: Gender is indifference to use of plastic card

H03: There is no significance relationship between making payment of fuel and cash.

H04: There is no association between making payment of DTH services & income group (status in society)

H05: Cash payment of electricity bills are independent from income status of Barodian.

## RESULTS

Table 1, shows the cross tabulation output between Income Layer and the usual payment methods for electricity bills. In Upper class Majority of 11 (50%) mainly pay their bills by using credit card while only 2(9%) of people pay through debit card. In the Middle class 32(61.53%) are paying electricity bills by cash and 4 (7.69%) respondents pays equally by cheque and debit card, While as per the data lower middle class 10(100%) of respondent pay their electricity bills by cash. From the above cross tabulation it can be said that, from total of 84 respondents, majority of respondent 46 (54.76%) are pay their electricity bills by cash, 22(26%) respondents are paying by credit card and only 6(7.14) are paying through debit card. Table 2, shows the cross tabulation output between Income Layer and the usual payment methods for gas bills. In Upper class Majority of 15 (68.18%) mainly pay their bills by cash while only 2(9%) of respondent equally pay through credit card and cheque. In the Middle class 49(94.23%) are paying gas bills by cash and only 1 (1.92%) respondents pays by debit card, While as per the data lower middle class 10(100%) of respondent pay their gas bills by cash. From the above cross tabulation it can be said that, from total of 84 respondents, majority of respondent 74 (88%) are pay their gas bills by cash and only 2(2.38%) respondents are paying by cheque. Table 3, shows the cross tabulation output between Income Layer and the usual payment methods for mobile phone bills. In Upper class Majority of 11 (50%) mainly pay their bills by credit card, while only 1(4.54%) of respondent Mobile wallet. In the Middle class 27(51.92%) are paying mobile phone bills by cash and only 1 (1.92%) respondents pays by cheque.

**Table1. How do you usually pay your electricity bills ? \* Income layer Cross tabulation"**

		Count				Total
		Income layer				
		Upper class	Middle class	Lower middle class		
How do you usually pay your electricity bills ?	Cash	4	32	10	46	
	Cheque	5	4	0	9	
	Debit card	2	4	0	6	
	Credit card	11	11	0	22	
	Others	0	1	0	1	
Total		22	52	10	84	

**Table 2. How do you pay your gas bill usually? \* Income layer Cross tabulation**

		Count				Total
		Income layer				
		Upper class	Middle class	Lower middle class		
How do you pay your gas bill usually?	Cash	15	49	10	74	
	Cheque	2	0	0	2	
	Debit card	3	1	0	4	
	Credit card	2	2	0	4	
Total		22	52	10	84	

**Table 3. How do you pay for your mobile phone ? \* Income layer Cross tabulation**

		Count				Total
		Income layer				
		Upper class	Middle class	Lower middle class		
How do you pay for your mobile phone ?	Cash	4	27	9	40	
	Cheque	0	1	0	1	
	Mobile wallet	1	2	0	3	
	Debit card	5	12	0	17	
	Credit card	11	10	1	22	
	Others	1	0	0	1	
Total		22	52	10	84	

**Table 4. How do you pay for your TV (DTH) ? \* Income layer Cross tabulation**

		Count			Total
		Income layer			
		Upper class	Middle class	Lower middle class	
How do you pay for your TV (DTH) ?	Cash	15	42	6	63
	Cheque	2	4	0	6
	Debit card	1	4	0	5
	Credit card	4	2	0	6
	Others	0	0	4	4
Total		22	52	10	84

**Table 5. How do you usually pay for daily necessities? \* Income layer Cross tabulation**

		Count			Total
		Income layer			
		Upper class	Middle class	Lower middle class	
How do you usually pay for daily necessities?	Cash	5	36	10	51
	Prepaid card	2	5	0	7
	Debit card	15	11	0	26
Total		22	52	10	84

**Table 6. How do you usually pay for your fuel? (vehicles or motorbikes) \* Income layer Cross tabulation**

		Count			Total
		Income layer			
		Upper class	Middle class	Lower middle class	
How do you usually pay for your fuel? (vehicles or motorbikes)	Cash	14	45	9	68
	Prepaid card	2	2	0	4
	Debit card	6	5	0	11
	Credit card	0	0	1	1
Total		22	52	10	84

While as per the data lower middle class 9(90%) of respondent pay their mobile bills by cash and only 1(10%) pay by credit card. From the above cross tabulation it can be said that, from total of 84 respondents, majority of respondent 40 (47.61%) are pay their mobile phone bills by cash and only 1(1.19%) respondents are paying by cheque. Table 4, shows the cross tabulation output between Income Layer and the usual payment methods for DTH. In Upper class Majority of 15 (68.18%) mainly pay their bills by cash, while only 1(4.54%) of respondent by debit card. In the Middle class 42(80.76%) are paying DTH bills by cash and only 2 (3.84%) respondents pays by credit card. While as per the data lower middle class 6(60%) of respondent pay their DTH bills by cash and 4(40%) pay by other methods. From the above cross tabulation it can be said that, from total of 84 respondents, majority of respondent 63 (75%) are pay their DTH bills by cash and only 4(4.76%) respondents are paying by using different payment methods.

Table 5, shows the cross tabulation output between Income Layer and the usual payment methods for daily necessities. In Upper class Majority of 15 (68.18%) mainly pay their bills by debit card, while only 2(9%) of respondent by prepaid card. In the Middle class 36 (69.23%) are paying daily necessities bills by cash and only 5 (9.61%) respondents pays by prepaid card. While as per the data lower middle class 10(100%) of respondent pay their daily necessities bills by cash. From the above cross tabulation it can be said that, from total of 84 respondents, majority of respondent 51 (60.74%) are pay their daily necessities bills by cash and only 7 (8.33%) respondents are paying by using prepaid card payment methods. Table 6, shows the cross tabulation output between Income Layer and

the usual payment methods for fuel. In Upper class Majority of 14 (63.66%) mainly pay their bills by debit card, while only 2(9%) of respondent by prepaid card. In the Middle class 45 (86.53%) are paying fuel bills by cash and only 2 (3.84%) respondents pays by prepaid card. While as per the data lower middle class 9(90%) of respondent pay their fuel bills by cash while only 1(10%) will pay by credit card. From the above cross tabulation it can be said that, from total of 84 respondents, majority of respondent 68 (80.95%) are pay their daily necessities bills by cash and only 1 (1.19%) respondents are paying by using prepaid card payment methods.

### Conclusion

From the above study it can be said that, for the different purposes, different class of people uses different payment methods, but the study also represent's that there is a adoption of the new payment methods with the variation in the usage of the payment methods. The overall conclusion of the study can be drafted as, In terms of electricity bill Majority of respondent pay bills by cash and least by credit card, while in gas bill 88% by cash and 2% by cheque, 40% respondent pay their mobile phone bills by cash, in necessity item 51% paying by cash and in fuel also 68% by cash payment. But with this the study also says that 26% of people pay mobile bill and electricity bill by the using credit card, that means now people are adopting new methodology of the payment for the different services for their associated advantages. There are highest usage of debit card in the necessity product buying. So overall study represent that, for the different types of utility bills now respondent adopt different associated benefited methodology of payment.

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