

A STUDY ON IMPACT OF DIGITILIZATION ON SERVICE SECTORS

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Abstract

This study discuss the impact of digitalization on service sectors in India. And it also reveals about that there is a significant growth in a service sectors because of digitalization. Most of the service sectors adopt new rules and regulations for accepting a digital money and it also helps government to screening the transactions so the fraudulent activities are decreased. Government also takes an action to encourage the digitalization and to minimize the fraudulent activities in the digital economy. The design of the research is descriptive research. The technique used for this study is census survey. Here the tools used are chi square test. In chi square test is used to find the association between the variables. These tools are used in SPSS software and the result has explained.

KEYWORDS :Merchant banking, global Investment, Expenditure, Income, Expense

INTRODUCTION

Digitalization refers to the transformations triggered by the massive adoption of digital technologies that generate, process, share and transfer of information. Digital transformation is not one time event. It proceeds in waves driven by technology and diffusion of innovations. During the 1990's, the growing popularity of electronic banking made the use of non-cash transactions popular among developed nations. Digital payment methods became well established in countries across the world by the 2010's. Online tools like Paypal, NFC payments by smartphone or electronic cards, digital wallet systems operated by Apple, electronic banking and bill payment systems helped people make cashless transactions online. Some countries even started to set limits on transaction values that can be used for non-electronic payments to encourage cashless transactions. The instructions to operate the transaction, will be delivered on dialing a specific number from, customer phone. Data published by the RBI indicates the volume of POS and ecommerce transactions together for all banks is about 130 million (as against 765 million on ATM channel) as on August 2016.

Digital content performs an important function in aiding the growth in India's virtual economy with accessibility, affordability, fine content material and online content, safety

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being the key drivers to sustain growth. India too has started the experiencing this digital transformation. However, it can still make an effort for india to experience the whole impact of this variation.

In india, service sector is not only the dominant sector in india's GDP but it also attracted the significant foreign investment flows and it also contributes for export and provide large scale employment. It covers a wide varieties such as trade, hotel, restaurant, transport, storage and communication, real estate, social and personal services and services associated with construction.

STATEMENT OF THE PROBLEM

Digital transformation is a misapplied term that has been popularized by SAP , but which makes no sense, there is a major problem using the term to describe IT implementations. Our study poses to compare the performance of actual and digital money and to encourage the digitalization among the service sectors.

NEED OF THE STUDY

Digitalization is very popular terms in this modern world. Now generally all the industries and sectors provide online payments in every city. There is no limit for the cashless transaction. But the utility of the Digitalization is dependent on the awareness of cashless transaction services and information about the online payment.

SCOPE OF THE STUDY

The study aims to appreciate the usage of digital economy in the service sectors. With the help of digitalization all the transactions are transparent and the transaction is also very fast and safe. Many industries have already implemented or planning to implement cashless transaction because of the numerous potential benefits associated with it.

REVIEW OF LITERATURE

Gupta and Arora (2015) studied the impact of digital India project on India's rural sector. The study found that many schemes have been launched in digital India to boost agriculture sector

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and entrepreneurship development in rural areas. Digital India programme has also set the stage for empowerment of rural Indian women.

Rani Suman (2016) concluded that the digital India project provides a huge opportunity to use the latest technology to redefine India the paradigms of service industry. It also pointed out that many projects may require some transformational process, reengineering, refinements to achieve the desired service level objectives.

Midha Rahul (2016) concluded that digital India is a great plan to develop India for knowledge future but its improper implementation due to inaccessibility and inflexibility to requisite can lead to its failure. Though digital India programme is facing number of challenges yet if properly implemented it can make the best future of every citizen. So we Indians should work together to shape the knowledge economy.

Chandraiah M. (2013) focused on economic policy introduced by government of India in 1991 that gave thrust towards Globalization process. Globalization in India was adopted to integrate the economy of the country with world economy. The policy shift at the behest of IMF and World Bank has led to Unequal competition between Multinational companies and small Indian enterprises. As Small sector is a vital constituent of overall industrial sector of any country particularly India there is need promote this sector

Lahiri R. (2012) has analyzed the definitional aspect of MSMEs and explore the opportunities enjoyed and the constraints faced by them in the era of globalization. Annual Average Growth rate (AAGR) has been used as the major statistical tool to compare the performances of MSMEs during pre and post-liberalization period with the help of four economic parameters namely No. of units, production, employment and export. The study results show that except marginal increase in growth rate in employment generation, the growth rate in other parameters is not encouraging during the liberalization period. In the study it has also been highlighted that MSMEs in India face a tough situation due to extreme competition from large industries due to withdrawal of subsidy, lack of infrastructure, anti dumping policy, challenges on product Standardization, total quality management etc.

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Ramraj, P. (2010) reported that on an average, SMEs with large corporate customers carry receivables valued at 80 days of sales on their balance sheet: 15% of such SMEs carry receivables of more than 120 days. This has a significant impact on the financial position of SMEs, strains their balance sheets significantly and vitiates financial ratios. CRISIL estimates that timely payments by large corporate in line with the provisions of the MSMED Act will help SMEs reduce interest costs, and improve profitability by about 15 per cent. This will have a critical bearing on the long-term health and sustainability of India's SME sector.

Sonia, Kansai R. (2009) studied the effects of globalization on Micro, Small and Medium Enterprises (MSMEs) during pre and post liberalization from 1973-74 to 2008-09. They used four economic parameters namely number of units, production, employment and export and interpreted study results based on Annual Average Growth Rate (AAGR) calculation. AAGR in pre liberalization period (1973-74 to 1989-90) was higher in all selected parameters than that of post liberalization period (1991-92 to 2007-08). They concluded that MSMEs failed to put up an impressive performance in post reform era.

Ravi S. (2009) has observed that policy recommendation of MSME development act of 2006 has not been able to resolve some of the ongoing debates in this sector. Specific policies that are aimed at the MSME sector have limited impact on the growth of this sector, whereas more general development policies such as expenditure on infrastructure and access to finance have significantly positive impact on growth of the MSME sector across states in India over the last 15 years. It has been suggested that perhaps the government should play a facilitator role and improve access to finance by encouraging more banks and other financial institutions to enter the local market, instead of becoming an active player itself.

OBJECTIVE OF THE STUDY

- To study the concept of digital India in service sectors.
- To understand the impact of digital economy in India.
- To compare the performance of actual money and digital money.
- To overcome the problems faced by the service sectors.

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RESEARCH METHODOLOGY

Research comprises defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusion; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

Methodology indicates a particular technique for gathering and examination of information. It is an approach to methodically take care of the examination issue. It is vital for the scientist to know the exploration strategies/procedures yet in addition strategy.

Research methodology is a way to deal with proficiently deal with the investigation issue. It may be appreciated as a specialty of looking at how ask about is done deductively. In it we think about the distinctive advances that are ordinarily gotten by an expert in considering his examination issue nearby the basis behind them. It is essential for the researcher to know the investigation methodologies yet also framework.

RESEARCH METHODOLOGY

RESEARCH

The use of things, ideas or symbols for the aim of generalizing to unfold, correct or verity data, whether or not that data aids in construction of theory or within the observe of an art. Research in common idiom refers to a quest for data analysis is a tutorial activity and intrinsically the term ought Tobe utilized in a technical sense. Research includes shaping and redefining issues, formulating hypothesis or advised solutions, collecting, organizing and evaluating information, creating deductions conclusions; and eventually fastidiously testing the conclusions to determine whether they fit the formulating hypothesis.

RESEARCH DESIGN

Decisions concerning what, where, when, how much, by what suggests that regarding associate inquiry or a pursuit study represent a pursuit style. A analysis style is that the arrangement of conditions for assortment and analysis of knowledge in an exceedingly manner that aims to mix relevancy to the analysis purpose with economy inprocedure.”¹ The

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formidable downside that follows the task of process the analysis downside is that the preparation of the planning of the research, popularly called the “research design”

RESEARCH METHOD

DESCRIPTIVE METHOD

Descriptive research incorporates studies and actuality discovering enquiries of various types. The significant motivation behind engaging exploration is portrayal of the situation as it exists at present.

SAMPLING TECHNIQUE

In the project sampling it is done on the basis of non-probability sampling method. Among the non-probability sampling design, chosen is quota sampling technique.

Quota sample: The researcher finds and interviews a prescribed number of people in each several categories.

SAMPLE SIZE

87 samples taken from the college students in Trichy region.

DATA COLLECTION

Questionnaire is sent to the people worried about a solicitation to reply and restore the poll. Survey comprises of a number inquiry includes both explicit and general inquiries identified with representative’s conduct.

STATISTICAL TOOL USED

Correlation

Chi square

DATA ANALYSIS

1. CORRELATION - I

Null hypothesis H₀:

There is no significant relationship between monthly income and usage of internet banking per month.

Alternative hypothesis H₁:

There is some significant relationship between monthly income and usage of internet banking per month.

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Table –I

		Income	Q15
Income	Pearson Correlation	1	.171
	Sig. (2-tailed)		.114
	N	87	87
Q15	Pearson Correlation	.171	1
	Sig. (2-tailed)	.114	
	N	87	87

Calculated value = 0.171

Significance value = 0.114

Take the level of significance = 0.05

Result:

Since calculated significance=0.114 > significance value=0.05.

Therefore **Accepted H1**.

Decision:

There is some significant relationship between monthly income and usage of internet banking per month.

2. CORRELATION - II

Null hypothesis H0:

There is no significant relationship between age and convenient with the digital transformation of service sectors.

Alternative hypothesis H1:

There is some significant relationship between age and convenient with the digital transformation of service sectors.

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Table –I

		Age	Q3
Age	Pearson Correlation	1	.101
	Sig. (2-tailed)		.354
	N	87	87
Q3	Pearson Correlation	.101	1
	Sig. (2-tailed)	.354	
	N	87	87

Calculated value = 0.101

Significance value = 0.354

Take the level of significance = 0.05

Result:

Since calculated significance=0.354> significance value=0.05.

Therefore **Accepted H1**.

Decision:

There is some significant relationship between age and convenient with the digital transformation of service sectors.

3.CHI SQUARE TEST

Null hypothesis H0:

There is no significant relationship between age and convenient with the digital transformation of service sectors.

Alternative hypothesis H1:

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Table – III

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.836 ^a	4	.872
Likelihood Ratio	15.351	4	.824
Linear-by-Linear Association	1.869	1	.351
N of Valid Cases	87		

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .05.

Chi-square result

Calculated value = 13.836

Degrees of freedom = 4

Tabulated value = 9.49

Significant Level = 5%

level Comparison = $13.836 > 9.49$

Interpretation

Calculated chi-square value is greater than the table value. Hence H₀ is rejected H₁ is accepted. There is significance association between form of the organization and feel safe in your dealings with merchant banking.

CONCLUSION

A digitally connected india aid in appreciating social and economic circumstances of creature through the event of non-agricultural economic activities apart from provision gate entry to education, health and financial services. However, it is crucial that ICT alone cannot delay resulting in the standard development of the nation. The overall growth and development can be realized through supporting and improving elements, including literacy, primary infrastructure, overall enterprise surroundings, regulatory surroundings, and so forth. Digital india to have a huge scale impact on residents across the country, the digital divide wishes to be addressed through remaining mile connectivity in far flung rural areas. From the collected data, we clearly

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know that the digitalization makes a major impact on the college students and the digitalization is very much important for the future generations.

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