

A Study On Public Awareness And Level Of Adoption Of Various Modes Of Cashless Transaction

(WITH SEPCIAL REFERENCE TO COIMBATORE CITY)

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Abstract- *A cashless society describes an economic state whereby financial transaction are not conducted with money in the form of physical banknotes or coins but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties. Cashless society have existed based on barter and other methods of exchange, and cashless transactions have also become possible using digital currencies such as bitcoins. Cashless India is a mission launched by the government of India led by prime minister Narendramodi to reduce dependency of Indian economy on cash and to bring hoards of stashed black money lying unused into the banking system. The country embarked upon this transition to a cashless economy when the government took the revolutionary step of demonetization of old currency notes such as Rs.500 and Rs.1000 on November 8,2016. Different activities needed to be planned in all the point of view for migration to cashless society and digital India to achieve the aim of payment and settlement system of India: Vision 2018.*

Keywords- Cloud Computing, Green Internet Of Things, Smart Phone, Android Application, Wireless Sensor Networks.

I. INTRODUCTION

A cashless society describes an economic state whereby financial transaction are not conducted with money in the form of physical banknotes or coins but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties. Cashless society have existed based on barter and other methods of exchange, and cashless transactions have also become possible using digital currencies such as bitcoins. In other words it is a legal tender(money) exists is recorded and is exchanged only in electronic digital form.

The trend towards use of non-cash transactions and settlement began in daily life during the 1990's when electronic banking became popular. By the 2010's digital

payment method systems operated by companies like apple, contactless and NFC payments by electronic card or smart phone and electric bills and banking all in widespread use. By 2010 cash had become actively disfavoured in some transaction.

India continues to be driven by the use of cash; less than 5% of all payments happen electronically however the finance minister, in 2016 budget speech, talked about the idea of making India a cashless society, with the aim of curbing the flow of black money. Even the RBI has also recently unveiled a document — **“Payments and Settlement Systems in India: Vision 2018”** — setting out a plan to encourage electronic payments and to enable India to move towards a cashless society or economy in the medium and long term.

II. CASHLESS INDIA

The digital India program is a flagship program of the government India with vision to transform India into a digitally empowered society and knowledge economy. “Faceless, paperless, cashless” is one of the professional role of digital India.

III. NITI AAYOG

The aim of NitiAayog committee is to identify various digital payment system appropriate to different sectors of the economy and coordinate efforts to make them accessible and user-friendly. The committee will also identify and access infrastructural and bottlenecks affecting the access and utility of digital payment options.

The committee led by NITI aayog will also implement an action plan of advocacy, awareness and handholding efforts among public, microenterprise and other stakeholders. The apart, it will organize training and capacity building of various states/UTs, Ministries/Department of the government of India, representatives of states/UTs, trade and Industry bodies as well as other stakeholders.

STEPS TAKEN BY RBI AND GOVERNMENT TO DISCOURAGE USE OF CASH

- Licensing of Payment banks
- Government is also promoting mobile wallets. Mobile wallet allows users to instantly send money, pay bills, recharge mobiles, book movie tickets, send physical and e-gifts both online and offline. Recently, the RBI had issued certain guidelines that allow the users to increase their limit to Rs 1,00,000 based on a certain KYC verification
- Promotion of e-commerce by liberalizing the FDI norms for this sector.
- Government has also launched UPI which will make Electronic transaction much simpler and faster.
- Government has also withdrawn surcharge, service charge on cards and digital payments

IV. MODES OF CASHLESS IN INDIA

- Cheque
- Internet banking
- Online Transfer- NEFT or RTGS
- Credit Card or Debit Card
- Mobile Wallets
- UPI Apps
- Aadhar Enabled Payment System
- Unstructured Supplementary Service Data
- Micro ATMs

V. OBJECTIVES

- To assess the public awareness about the cashless transactions and its modes.
- To know the level of adoption of cashless transaction.
- To compare the risk in usage of cash and cashless for general public
- To know the steps taken by the government for implementing the cashless transaction in Coimbatore city.

VI. STATEMENT OF PROBLEM

People still rely on the idea of money being 'physically' realisable. For some psychological reason, 'paper' money is revered more than 'plastic' money or 'digital' money. There would be still some sort of digital awareness required to understand the working of a society with no cash. People who have grown up and lived through times when a substitute for cash wasn't even thought or might face some

difficulty in adjusting to a world without currency notes. Moreover cash have some drawbacks such as frauds of using black money is acting as a main problem in the world. All the existing cash in the world cannot be removed or deemed 'abandoned' at one go. Also, when it comes to money, reassurance is the thing that matters most. For a complete switch-over to the new monetary model, the voluminous amount of cash presently circulating in the market would have to be converted into an equivalent number of 'digital' points.

VII. SIGNIFICANCE OF THE STUDY

Because of demonetization from November 2016, in order to prevent in availability of cash in the hands of people government insist this cashless transaction to the public, as various modes of cashless transaction have been invented. In fact central government have invented e-payment for non smart phone users which links with their bank account and moreover our prime minister have announced a reward for the people who is using card payments frequently based on the points for usage. Thus this project is fully started by focusing on consumer awareness in innovation and usage of cashless transaction.

VIII. RESEARCH METHODOLOGY

• Sources of data:

The data was collected through both primary and secondary data

- Primary data is through questionnaire to the respondents.
- Secondary data is through collection of journals

• Sample size:

A sample of 150 respondents such as public in Coimbatore city are taken to this study.

• Sampling technique:

Convenience sampling method is adopted for this study.

• Tools used for analysis:

1. Percentage analysis
2. Chi-square analysis
3. Likert analysis

• Area of the study:

The survey is conducted among the general public in Coimbatore city.

LIMITATION OF THE STUDY:

- ✓ This study is limited only to 150 respondents.
- ✓ Though respondents are general public in Coimbatore city opinion was able to collect only from the convenient people.
- ✓ People are not aware about some of the new modes of cashless, it makes me to explain about it.

IX. REVIEW OF LITERATURE

Piyushkumar¹ has tried to tell about the affordability and consumption of people based on the charisma which means inspire or because of some compulsion they tend to use the non cash transaction. It mostly based on the surroundings such as family and friends. Therefore he concluded that the transaction may be cash or non-cash but its about the desire and usage of the consumers.

Mohamad,aidin,siti²this research paper looks at the available past literature on e-payment adoption across the world, with a view to highlight the scope, methodology and Information System (IS) models used by previous researchers so as to identify research gaps and recommend such for future studies. The study employed an extensive literature search on e-payment adoption with the aid of Google Scholar for those recent studies between the years 2010-2015.The paper has identified the patterns of previous researches with regards to these three items and further highlights and recommends key areas in which future research should develop on it.

B.M.Saini³this article tells about the impact of demonetization in cashless transaction. He also explains about the usage of e-payment and it increase in the cyber crime. Therefore to avoid risk which modes of e-transaction will be beneficial to the people is identified.

Smitha⁴this article is concentrating on the use of electronic modes in payment. It say that US people use cash only for 20-25 percent but in India people using e-payment only for 20-25 percent it should be developed. Moreover it says that the modes for electronic payment should also improved by using swipe machines and internet payments.

Amutha⁵this paper tells about the people's awareness about the e-banking service particularly in Tuticorin district. She concludes that most of the educated people and who are having the bank account with frequent transaction are aware about the e-banking services.This implies that uneducated people needs some sort awareness programand they also should be encouraged with frequent transaction by implementing some policies.

Maryam dokhtarbiyat⁶in his article tells about the development procedure in e-commerce in national level especially on e- payment system. Also strategy for fostering increased business and consumer confidence in the use of electronic networks for commerce andpayment system. The findings highlights that e-payment has greater influence in buying behavior.

LIKERT ANALYSIS

TABLE SHOWING THE IMPROVEMENT LEVEL OF ECONOMY IS POSSIBLE THROUGH ADOPTION OF CASHLESS TRANSACTION

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Strongly agree	27	5	135
Agree	64	4	256
Neutral	42	3	126
Disagree	8	2	16
Strongly disagree	9	1	9
Total	150		542

(Source: primary data)

$$\text{Likert scale value} = 542/150 \\ = 3.61$$

INTERPRETATION:

¹Piyushkumar, "an analysis of growth pattern of cashless transaction system", international journal of research of business and management", ISSN-2347-4572, Vol.3, issue 9, sep 2015, pp(37-44)

²Mohamad, aidi, siti, "adoption of e-payment services" international conference on e-commerce,oct 2015

³B.M.Saini, Demonitization and metamorphosis for cashless India", international journal of science and research, ISSN (O):2319-7064, 2016

⁴Smitha," cashless but no completely so", business today, Nov 27,2016

⁵Amutha, "a study on consumer awareness towards e-banking service",international journal of economics and management studies, ISSN-2162-2359, Vol 5 issue 4, 2016.

⁶ Maryam DokhtTaribiyat, "impact of e-payment system on consumer buying behaviour", international journal of multilated and multifaceted studies,Vol.1, issue 9, ISSN-2394-207X, march 2015.

From the above table, 27 respondents have strongly agreed that adoption of cashless will improve our economy, 64 respondents have agreed that, 42 respondents stand neutral for the statement, 8 respondents have disagree the statement and rest 9 respondents have strongly disagreed that adoption of cashless will not improve the economy.

Inference:

It is clear that majority of the respondents have agreed that adoption of cashless will improve our economy.

TABLE SHOWING THE FLUCTUATION IN BUDGET BY USING CASHLESS TRANSACTION

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Strongly agree	20	5	100
Agree	50	4	200
Neutral	49	3	147
Disagree	24	2	48
Strongly disagree	7	1	7
TOTAL	150		502

$$\text{Likert scale value} = 502/150 = 3.35$$

INTERPRETATION:

From the above table 20 respondents have strongly agreed that cashless will give fluctuation in budget, 50 respondents have agreed the statement, 49 respondents are stands neutral, 24 respondents disagree the statement and rest 7 respondents have strongly disagree that using cashless will give fluctuation in budget.

Inference:

It is clear that majority of the respondents have agreed that using cashless will give fluctuation in budget.

TABLE SHOWING THE ADOPTION LEVEL OF CASHLESS IN ISSUING FREE DEBIT/CREDIT CARDS

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Agree	55	3	165
Neutral	48	2	96
Disagree	47	1	47
TOTAL	150		308

(Source: primary data)

$$\text{Likert scale value} = 308/150 = 2.05$$

INTERPRETATION:

From the above table 55 respondents are agree that adoption of cashless will increase if debit/credit cards are freely issued, 48 respondents stand neutral on the statement, and rest 47 respondents have disagree that free issues will not led to the use of cashless.

Inference:

It is clear that majority of the respondents stand neutral on the statement that free issues of debit/credit cards will increase the adoption level of cashless.

TABLE SHOWING THE GOVERNMENT AWARENESS IS ONLY ON NORTH INDIA

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Agree	70	3	210
Neutral	53	2	106
Disagree	27	1	27
Total	150		343

$$\text{Likert scale value} = 343/150 = 2.29$$

INTERPRETATION:

From the above table 70 respondents have agreed that government is concentrating only on North India, 53 respondents stand neutral and rest 27 respondents disagree the statement.

Inference:

It is clear that majority of the respondents stand neutral that government is concentrating only on North India.

$$\begin{aligned} \text{Likert scale value} &= 348/150 \\ &= 2.32 \end{aligned}$$

TABLE SHOWING THAT SOUTH INDIANS NEED TO URGES TOWARDS SUDDEN AMENDMENTS OF GOVERNMENT

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Agree	78	3	234
Neutral	54	2	108
Disagree	18	1	18
Total	150		360

(Source: primary data)

$$\begin{aligned} \text{Likert scale value} &= 360/150 \\ &= 2.4 \end{aligned}$$

INTERPRETATION:

From the above table 78 respondents have agreed that statement, 54 respondents are standing neutral and rest 18 respondents disagree that South Indians need to urges towards sudden amendments.

Inference:

It is clear that majority of the respondents stand neutral that South Indians should urges themselves towards sudden amendments.

TABLE SHOWING THE CARE OF MINISTERS TOWARDS SOUTH INDIANS

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Agree	78	3	234
Neutral	42	2	84
Disagree	30	1	30
Total	150		348

(Source:primary data)

INTERPRETATION:

From the above table 78 respondents have agreed that the government is concentrating on south Indians also to implement cashless, 42 respondents and neutral and rest 30 respondents disagree the statement.

Inference:

It is clear that majority of the respondents stand neutral that the government is taking care of south India also.

TABLE SHOWING THE KNOWLEDGE OF SOUTH INDIANS IN CASHLESS TRANSACTION

FACOTRS	NUMBER OF RESPONDENTS (f)	LIKERT SCALE (x)	TOTAL SCALE (fx)
Agree	46	3	138
Neutral	63	2	126
Disagree	41	1	41
Total	150		305

$$\begin{aligned} \text{Likert scale value} &= 305/150 \\ &= 2.03 \end{aligned}$$

INTERPRETATION:

From the above table 46 respondents have agreed that South Indians are well knowledge about cashless, 63 stand neutral in the statement and rest 41 of the respondents disagree the statement.

Inference:

It is clear that majority of the respondents stand neutral that south Indians are well knowledge about cashless

CHI- SQUARE ANALYSIS:

TABLE SHOWING THE RELATION BETWEEN OCCUPATION AND MODI'S IDEA OF REDUCTION IN BLACK MONEY

Null Hypothesis(HO) : There is no significant relation between occupation and Modi idea of reduction in Black Money.

Hypothesis (HI) : there is significant relation between occupation and Modi idea of reduction in Black Money

OCCUPATION	MODI'S IDEA OF CASHLESS TO REDUCE BLACK MONEY			TOTAL
	YES	NO	NOT SURE	
Student	22	15	38	75
Business	13	7	11	31
Employee/ profession	13	6	12	31
Others	5	2	6	13
TOTAL	53	30	66	150

Calculated value :

$$X^2 = \frac{\sum (O-E)^2}{E}$$

Degree of freedom;

$$\begin{aligned} V &= (R-1)(C-1) \\ &= (4-1)(3-1) \\ &= (3)(2) = 6 \end{aligned}$$

CHI-SQUARE TEST:

Level of significance = 5%

Degree of freedom = 6

Calculated value = 11.37

Tabulated value = 12.6

INTERPRETATION:

From the above table it is clear that the calculated value is lesser than the table value at 5% level of significance with degree of freedom 6. The Null Hypothesis is accepted. Hence, it is inferred that there is no significant relation between occupation of the respondent and modi idea of reduction of black money through cashless.

X. FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

- Majority(66%) of the respondents belongs to the age of 18-28 yrs.
- Majority (55%) of the respondents belongs to the female gender

- Majority(50%) of the respondents are students
- Majority(47%) of the respondents monthly salary is below Rs.30000.
- Majority (47%) of the respondents monthly budget is between 10000-20000Rs.
- Majority(61%) of the respondents are unmarried.
- Majority (48%) of the respondents are aware about cashless and its modes
- Majority(47%) of the respondents are feeling that card payment is safe and secure
- Majority(26%) of the respondents faced risk and problems because of unauthorized users in various modes.
- Majority(29%) of the respondents heard through TV news about the risk and problems in cashless.
- Majority(27%) of the respondents are aware about cashless through advertisement which is published by government to implement in Coimbatore city.
- Majority (54%) of the respondents have agreed that government work towards Digital India
- Majority(41%) of the respondents have agreed that banks should be developed in remote villages to adopt cashless.
- Majority(26%) of the respondents have agreed all the developments such as loans can be taken only through debit card, overdraft facility to farmers, wholesale purchase through e-payment and tax on cash transaction.
- Majority(37%) are aware about debit and credit cards only and awareness is needed in UPI and USSD.
- Majority (44%) of the respondents are using debit/credit card.
- It is found that respondents gave a neutral opinion about the adoption of cashless will improve our economy in the world.
- It is revealed that respondents have agreed that usage of cashless will give fluctuation in the budget
- It is found that the respondents have gave a neutral opinion in level of adoption by giving free debit/credit cards.
- It is found that the people have gave a agreed the opinion about the concentration level of government towards north India in cashless.
- The respondents have agreed that the south Indians need to urges towards sudden amendments.
- The respondents have agreed that the government is concentrating on south Indians also to implement cashless.
- Respondents have gave a neutral opinion about the knowledge level of south Indian in cashless.
- It is found that there is no significant relation between the occupation of the respondent and modi's idea of reduction in black money.

SUGGESTIONS:

- ✓ In order to make cashless society awareness is needed to the vast area.
- ✓ Improvement of banks in remote villages will make the illiterate to know or to use the cashless mode.
- ✓ Making Electronic payment infrastructure completely safe and secure so that incidents of Cyber crimes could be minimized and people develop faith in electronic payment system.
- ✓ Practice to farmers regarding trading in agricultural products need to be improved.

XI. CONCLUSION

Cashless India is a mission launched by the government of India led by prime minister Narendramodi to reduce dependency of Indian economy on cash and to bring hoards of stashed black money lying unused into the banking system. The country embarked upon this transition to a cashless economy when the government took the revolutionary step of demonetization of old currency notes such as Rs.500 and Rs.1000 on November 8,2016. The acute shortage of money in the wake of decision led the people to stand in ATM to withdraw currency notes. In order to reduce the suffering of the public, the government have provide various modes of cashless transaction

Though it will take time for moving towards a complete cashless economy, efforts should be made to convert urban areas as cashless areas. As 70% of India's GDP comes from urban areas by using cash as a medium of exchange, if cashless is adopted then the revenue of the government will increase when comparing to cash transaction. Therefore different activities needed to be planned in all the point of view for migration to cashless society and digital India to achieve the aim of payment and settlement system of India: Vision 2018.

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