A STUDY ON CUSTOMER AWARENESS TOWARDS CASHLESS TRANSACTION IN VILAVANCODE TALUK, KANNIYAKUMARI DISTRICT

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ABSTRACT

Cashless transaction means payment of money through electronic means or digital payment system. Business enterprises, shops and even banks offer discount on purchases with digital payment and plastic money for attractive deals that they have made. The electronic payment or the plastic money is a very recent gift in the modern banking service and it replaces the traditional concept of cash and chequepayment. The government of India has emphasized on cashless payment which means all the payments are made digitally.

Keywords: Cashless transaction, Plastic money, Digital payment, Public awareness.

1. INTRODUCTION

Cashless transaction is a process of buying and selling of goods and services against money where there is no physical money involved. In a cashless environment payments are made throughelectronic means which makes it more safe and reliable. There are many reasons behind the peoples' choice to do cashless transactions like convenience, improved digital technologies, faster and cheaper ways of money transfer.

2. OBJECTIVES

- To have an over view of cashless transaction system.
- To study the respondents' awareness of cashless transaction.
- To offer valuable suggestions, based on the findingsto the users.

3. TYPES OF CASHLESS PAYMENT METHOD

3.1 Cheques and Demand Drafts

The cheque is one of the oldest methods of cashless payment, which is a printed piece of paper where the amount can be written by the user. In this method, a cheque is issued for the specific amount to someone. This cheque is deposited in the receiver's bank account and the money is collected by a clearinghouse.

A demand draft is safer thanacheque because it cannot be dishonored for insufficient funds. The demand draft is signed by a banker to ensure that sufficient funds are available for a successful transaction.

3.2 Debit and Credit Cards

A debit card is a plastic card which provides an alternative payment method to cash or chequesfor making purchase of goods and services. It is a substitute for cash or cheque payments. Only the account holders can get the card. When a customer uses the debit card, the amount would be debited from their account at the time of use.

Credit card is one kind of plastic money used to pay for purchases and services. The institution which issues the card, would pay to the outlet on behalf of the customer. Credit card is issued by banks to reputed customers. When this card is presented at the establishments which have undertaken to accept the card, they will deliver the goods and services, up to a certain limit, without getting immediate payment.

3.3 UPI Applications

Unified Payment Interface isanother type of mobile payment method which allowsto send and receive money using virtual payment address without entering bank details. The person wants to making payment can enroll with banks (current account) to accept UPI payments.

3.4 Mobile Wallets

Mobile Wallets are cashless transaction that does not require any plastic money like debit card, credit card, smart card and also any type of password. Before using the mobile wallets one must load the amount of money via IMPS and use it. For avail this services the users shall down load the mobile wallet app form play store in their smart phone. Paytm, PayUmoney, MobiKwik, Oxigen are some of the mobile wallets.

3.5 NEFT and RTGS

National Electronic Fund Transfer (NEFT) is a wide payment system facilitating transfer of funds from one account to another. Under this scheme, customer can electronically transfer funds from any bank branch to any customer's account with any other bank branch.

TheRTGS(Real Time Gross Settlement) is an electronic form of funds transfer where the transmission takes place on a real time basis. In India, transfer of funds with RTGS is done for high value transactions, the minimum amount being Rs 2 lakh. The beneficiary account receives the funds transferred, on a real time basis. It is a new system of payment evolved in the Indian banking environment. Its main objective is to enable online clearing and settlement of payments on

a real time basis across banks in different cities. The RTGS is an upgraded technology aimed at reducing dependence on payment through cheques.

3.7 IMPS

IMPS stands for Immediate Payment Services. IMPS initiated by National Payment Corporation of India. To avail IMPS the user needs to register for mobile banking. The user can send or receive money through the IMPS and it has no cut-off time for transaction.

3.8 USSD

USSD stands for Unstructured Supplementary Service Data. The user can use USSD cashless option without smartphone and internet connection. It is a form of mobile banking, the user just dials *99# from anywhere and use this service. The usersmust register their mobile number with the account number to make the transaction a success. SBI, ICICI, PNB and Axis Bank support this payment option.

3.9 ECS

ECS stands for Electronic Clearing Services. Electronic clearing services can be used for both debit and credit. It is mainly used for utility services, Equated Monthly Installments (EMI) and disbursement of payment like salaries, pension and dividend. ECS is a more reliable because of instruction can be given regarding validity periods, maximum amount to debit and the purpose of the transaction are mandate.

3.10AadhaarEnabled Payment System (AEPS)

AEPS is one of the best cashless payment gateways whichis offered by the National Payment Corporation of India.In order to avail this service, it is mandatory to link the customer'sAadhaar card number with their bank account. AEPS usesAadhaar number and UIDAI authentication through their business correspondent service centres. It provides the basic financial services like cash deposit and withdrawal, remittance and balance enquiry.

3.11Net Banking

Internet banking is a platform for electronic delivery of banking services to the customers. In internet banking, customershave to link bank account with their computers and a browser, and thereafter perform various banking functions. Thus, the customer can avail bank's services from anywhere and anytime.

3.12Gift Cards or Vouchers

The Gift Cards or Vouchers are used for the purchase of goods and services from a specific merchant. It is a readymade card loaded with a fixed amount of cash which is used by the card holders only in the specific vendor.

ADVANTAGES OF CASHLESS TRANSACTION

- ❖   Cashless payment system eliminates physical theft and robbery.
- ❖   The customers get on time payment.
- ❖   Reduction in criminal activity by eliminating high denomination of notes.
- ❖   In the event of the loss of cards or theft of cards they can be blocked within minutes to prevent misuse.
- ❖   The users can get discount and cash back offers for making online payments.

DISADVANTAGES OF CASHLESS TRANSACTION

- ❖   Illiterate people do not know how to use digital transaction.
- ❖   It is very risky as compared to cash related transaction.
- ❖   It involves the risk of hacking the digital platform.
- ❖   Cashless transaction involves high transaction fees.

4. RESEARCH METHODOLOGY

Research methodology is the way of systematically and scientifically solving the problem. It is the blueprint of the way in which the research work is going to be conducted. The sample size is restricted to 125 customers including students, working professionals, Government officials, Home Makers and senior citizens of VilavancodeTaluk in Kanniyakumari District. The primary data was collected by using structured questionnaire and interview on the basis of stratified random sampling technique. Secondary data needed for the study was obtained from various sources such as books, journals, internet and newspapers.

5. STATEMENT OF THE PROBLEM

A cashless economy is one in which all the transactions are done by using plastic money and digital means. After demonetization in India, most of the people started electronic payment for their transactions. Cashless payments eliminate several risks factor like missing of cash, cost of security, theft and robbery. One can keep huge amount with themselves while going anywhere in the world. The plastic money makes the society a cashless society. The increased use of digital payment and plastic money will definitely reduce the risk associated with carrying too much of cash.

6. DATA COLLECTION

There are two sources through which data is collected i.e., primary sources and secondary sources.

6.1 Primary Data

Primary sources are original sources from which the researcher has directly collects data that have not been previously collected. Primary data are first-hand information collected through various methods such as observation, interviewing, mailing questionnaire etc.

6.2 Secondary Data

These are sources containing data which have been collected and compiled for another purpose. Secondary data have been collected through websites, books, online, magazines and journals.

7. REVIEW OF LITERATURE

Ashish Das and RakhiAgarwal (2010) in their article entitled "Cashless Payment System in India-A Roadmap" stated that the usage of digital payment (cashless) is more profitable to the Government as compared with the cash payment. This will help diminish money administration cost, track exchanges, check charge evasion/misrepresentation and so forth, upgrade budgetary consideration and incorporate the parallel economy with standard.

Anupama Sharma (2012) in the article "Plastic Card Fakes and the Counter Measures towards a more Secure Installment Component" analysed the volume of cheats are high in the plastic money transaction. Fake plastic money, hackers, improper functioning and high transaction charges are some the examples.

Jashim Khan and MaggaretCrais-Lees (2014), in their article entitled "Cashless transaction: Their effect on purchase behavior" stated that when a credit card based payment is used, the volume, value and type of products purchased increase. This is due to the credit element, or to the cashless element of the transaction. The notion that the tangibility of cash influences perceptions is not novel, but it is untested. The perception may well have a direct impact on purchase behavior.

Kumari (2016) in the study, "Awareness of Customer towards Cashless Transaction" had analysed the awareness on the use of digital technology in rural areas. Illiteracy is one of the major issues in the path of cashless transaction, as per unison report. The lack of digital technology and low literacy is acting a major role in cashless transaction.

Manivannan (2013)reported in "Plastic money a way for cashless payment system" stated that the plastic money and electronic payments are used only by higher income category. The extension of this facility is not only for customers in urban areas, but also for customers who reside in rural areas.

Pulina(2011) observed in "Do Digital Wallets as a Payment Method Influence Consumer in Their Buying Behavior? With the coming of innovation, customers have a huge exhibit of installment modes which encourages installment for exchanges by being more advantageous, worthy and open.

8. DATA ANALYSIS AND INTERPRETATION

Data analysis is a process of finding facts and summarizing useful information and conclusions. The study has been carried out by conducting a survey of 125 respondents by convenience sampling method. The study carried out by using structured questionnaire and interview techniques.

Table 8.1

Demographic Profile of the Respondents

Particulars	Classification	Frequency	Percentage
Gender	Male	29	23
	Female	96	77
Age Group (in Years)	Less than 20	9	8
	21 to 35	100	80
	35 to 50	13	10
	Above 50	3	2
Marital Status	Married	73	58
	Unmarried	52	42
Annual Income	Below Rs. 1,00,000	80	64
	Rs. 1,00,001 – Rs. 2,00,000	29	23
	Rs. 2,00,001 – Rs. 3,00,000	11	9
	Above Rs. 3,00,000	5	4
Occupation	Government employees	33	26
	Private employees	52	42

	Businessmen	24	19
	Professionals	16	13
	Primary	9	7
	Higher Secondary	10	8
Education	Graduation / Diploma	85	68
	Post-Graduation	10	8
	Others	11	9

Source: Primary data

From the Table 8.1 it was observed that 77percentage of the respondents are females and the rest are males. In the parameter of age group 80 percentage of the respondents are in the age group of 21 to 35 years, 10 percentage are between 35 and50 years, 8 percentage are in the age group of less than 20 and 2 percentage are above 50 years.

It has been found that 58 percentage of the respondents are married and rest of the respondents are unmarried.

The researcher found that 64 percentage of the respondent's annual income isbelow Rs. 1,00,000, 23 percentage respondents annual income ranging between Rs. 1,00,001 and Rs. 2,00,000, 9 percentage of the respondents have annual income between Rs.2,00,001 and Rs. 3,00,000 andin 4 percentage of the respondents annual income is above Rs. 3,00,000.

Private sector employees occupy 42 percentage, 26 percentage are government employees, 19 percentage are business people and 13 percentage are professionals. Also it has been found that 68percentage are graduates or diploma holders, 9 percentage are qualified in other field,8percentage are post graduates, 8 percentage are at higher secondary leveland only7 percentage respondents belong to primary level.

Table 8.2

Preferable Payment Methods

S.No	Payment Method	No. of Respondents	Percentage
1	Plastic Money	33	26
2	RTGS/NEFT	24	19
3	Mobile Banking	21	17
4	Net Banking	47	38
	Total	**125**	**100**

Source: Primary data

As observed from Table 8.2, 38 percentage of the respondents preferred to pay bills by way of net banking, 26 percentage of the respondents preferred cards, 19 percentage of the respondents preferred RTGS/NEFT, 17 percentage of the respondents preferred mobile banking.

Table 8.3

Awareness about Cashless transaction

S.No	Awareness Created	No. of Respondents	Percentage
1	News Paper	15	12
2	Television	37	30
3	Social Media	50	40
4	Relatives/Friends	23	18
	Total	**125**	**100**

Source: Primary data

Table 8.3 shows that, 40 percentage of the respondents are aware of cashless transaction through social media, 30 percentage are by television, 18 percentages by friends and relations and rest of the 12 percentage by newspaper.

Table No. 8.4

Factors influenced to Cashless transaction

S.No	Factors	No. of Respondents	Percentage (%)
1	Security	33	26
2	Convenient	56	45
3	Not to carry paper money	14	11
4	Time saving	22	18
	Total	**125**	**100**

Source: Primary data

According to Table 8.4 it can be seen that majority that is 45 percentage of the respondents agree to the fact that cashless transaction is convenient, 26 percentage of the respondents agree cashless transaction is more secured, 18 percentage of the respondents are giving more importance to time saving factor, and 11 percentage agree with the statement not to carry paper money.

GARRETT'S RANKING TECHNIQUE

Garrett's Ranking Technique is used to find out the most significant factor which influences the respondents. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the formula.

Percent position　　　=　　　$100(R_{ij}-0.5)/N_j$

R_{ij}　　=　　　Rank given for the jth variable by the respondents

N_j　　=　　　Number of variables by the respondents

Table No. 8.5

Factors influenced to Cashless transaction

Options	Ranks				Total
	I	**II**	**III**	**IV**	
Security	33	31	39	22	125
Convenient	56	48	13	8	125
Not to carry paper money	14	19	36	56	125
Time saving	22	27	37	39	125
Total	**125**	**125**	**125**	**125**	

Source: Primary data

The scores given by the respondents are analyzed by Garrett ranking technique and the ranks are given in the Table 8.6

Table No. 8.6

Garrett ranking table

Options	Garrett mean score	Ranks
Security	51.064	II
Convenience	59.960	I
Not to carry paper money	41.056	IV
Time saving	45.920	III

Source: Calculated value

It is inferred from the Table 8.6 that the factor convenience scores the highest value 59.96 and holds the first rank, security ranks second, time saving ranked third and not to carry paper money ranked last.

9. FINDINGS

- 77percentage of the respondents (96) are females.

- The analysis infers that out of the total 125 respondents, 80percentage come under the age group between 21 and 35 years.

- The analysis reveals that 58 percentage of the respondents are married and rest of the 42 percentage of the respondents are unmarried.

- The study reveals that 64 percentage of the respondents annual income belowRs. 1,00,000.

- It is also found that 42 percentage (52) of the respondents are private employees.

- Out of 125 respondents most of the respondents ie., 68percentage are educated up to graduation/diploma level.

- In this study the researcher found that 38percentage of the respondents preferred to pay by way of net banking.

- It is inferred from the study that the usage of net banking will grow rapidly. Banking industries has provided 24x7 customer services for their customers.

- The usage ofcashless transaction will help to curb black money as each and every transaction will be recorded.

- The factor, convenience has more power to influence the usage of cashless transaction/ plastic money. Its score is the highest value of 59.96 and holds the first rank, security ranks second, time saving ranked third and not to carry paper money ranked last.

10. SUGGESTIONS

- Since old age people have less awareness regarding latest technological changes, therefore the organization may initiate to create awareness on cashless payment.

- The bank may reduce bank charges over plastic money, RTGS/NEFT, mobile banking and internet banking transaction to increase the number of customers.

- The customers give more importance to safety of their cashless payments. Therefore, the banks/organization should protect the interest of the users by providing all necessary steps.

- The public themselves must come forward to avoid cash and coin payments.

11. CONCLUSION

The electronic payment society or plastic money society eliminates the oldest payment methods like cash and cheque payment methods. Digital payment system brings better transparency and accountability. The government of India wants to go for a cashless society but doing so is not that easy, because of a lot of infrastructure required to make the dream of digital India true. Now a days, Indian customers find it easier to make card payments rather than physical payments. But some customers are not able to utilize plastic money effectively due to its complex nature. However the positive influencing trends are expected to continue in the near and far future.

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