Cashless Transaction Status in Rural Market of India

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Abstract:

The Indian economy is going towards cashless economy with the help of digitalization. In Indian economy most of the population lives in rural area. So there is need of hour to change the marketing method in rural area. The marketers have to focus on the rural consumer because they have less knowledge about the cashless method. The study has is focus on the cashless method used by the rural consumer and what type of strategies have to apply by the marketers to make a faster growth of cashless transaction in rural India.

Keywords: - Cashless, UPI, E-Wallet, Mobile Banking, Rural Marketing .

Introduction

"The future of India lies in its villages" - Mahatma Gandhi

The above statement clarifies what the significance rural India have in his future. The investigation is restricted to rural buyer of India. Provincial advertising includes the way toward creating, estimating, advancing, dispersing rural particular item and an administration prompting trade among country and urban market which fulfills customer request and furthermore accomplishes hierarchical destinations.

Indian economy has two segments one is urban and second is rural. The greater part population lives in Rural India. The rural India hands over to two areas as far as living gaining.

1) Agriculture Based Rural 2) Non - Agriculture Based

The agribusiness area included Cultivation, Farming, Poultry, and Animal farming, Dairying, Fisheries and Horticulture. The Non agribusiness based incorporates business, administrations and independent work like house industry and handloom, Khadi and so forth. Some efficient transportation, Banking, Communications and instruction administrations.

As per evaluation 2011, around 70% populace of India, lives in country territories. So it might have an incredible potential and speculation region in rural economy of India. In Previous decades advertisers concentrated on urban purchaser. Be that as it may, now in 21th Century it was felt with an extraordinary
beat to be centered on country markets. The purpose for that it has a gigantic potential in Rural India for development of market.

**Cashless Transactions & India**

Cashless India is a mission launched by the Government of India led by Prime Minister Narendra Modi to reduce dependency of Indian economy on cash and to bring large amount of black money lying unused into the banking system. The country entered upon this transition to a cashless economy when the government took the revolutionary step of demonetization of old currency notes of Rs 500 and Rs 1000 on November 08, 2016. On 8 November 2016, the Government of India took the whole country by storm by announcing that the currency notes of Rs 500 and Rs 1,000 were no longer legal tender. The government move aimed at trimming the threat of black or counterfeit money which is largely used to fund criminals and terrorists as part of a parallel economy. The acute shortage of money in the wake of this decision led to long queues of people outside the ATMs or banks seeking to exchange their notes or withdrawing cash. The move has turned out to be a push towards cashless India that is bound to pave the way for a cashless economy, marked by greater transparency, ease and convenience in monetary transactions.

**REVIEW OF LITERATURE:**

In writing the literature review, our purpose is to convey what knowledge and ideas have been established on the above mentioned topic.

**Kumar (2015),** says that research is an encomium on the charisma of Cashless Transaction system, its usability and affordability while they are impacting on its preference to use. Friends and Family have an influence on the use of Cashless Transaction System. The findings reveal that the Cashless Transaction System has a charismatic appeal as it has an influential effect which often endorsed by the family and friend. He also investigated and concluded that Cashless Transaction System also has its usability and affordability for the consumers.

**Omotunde et. Al. (2013),** in their article, provides brief discussion about impact of cashless economy in Nigeria and focused on the three major categories by which Nigerians can be divided – traders, students and civil servants. They concluded that the impact will be felt in modernization of Nigeria payment system, reduction in the cost of banking services as well as reduction in high security and safety risks. They also assumed that the introduction of cashless policy in Nigeria will help to reduce the amount of bills and notes circulating in the economy. This should reduce handling operation cost incurred on conventional money, as well as reduction in cash related crimes. It also helps to provide easy access to banking services for Nigerians.

**Oyewole et. al. (2013),** they explored relationship between e-payment system and economic growth as means of reviewing current transition to cashless economy in Nigeria. Their result indicates a significant
positive relationship between e-payment system and economic growth in term of real GDP per capita and trade per capita. Only ATMs was found to positively contribute to economic growth while other e-payment channels contribute negatively. They also concluded that the significant positive relationship exists between e-payment system and economic growth in Nigeria. They recommended that current cashless policy should be tailored towards ensuring effective e-payment system and other factors which bear much relevance on successful transition to cashless economy should be prioritized.

Ramya et al (2017), in their paper discussed the different modes of cashless transactions, its advantages and disadvantages. They revealed that while people are getting comfortable with cashless payments, some mindset issues are holding back many from embracing the newer platforms. The findings also suggest that the usage habits of those who have taken to cashless modes could be exposing them to security threats.

Singh & Bamba (2016) reports the findings of a systematic review of literature in rural marketing. They concluded that marketing in rural areas offers large scope on account of its sheer size. Sales were also increases which increases economic growth. They also found that as compared to rural market, urban markets were highly competitive. By adopting suitable media and promotional techniques in rural area makes rural marketing more successful.

Singh (2017) founds the cashless transactions status in rural areas. Majority of respondents in rural areas uses cash to make payment, then after that they use cheques and debit/credit cards to make payment. Very few people use e-wallet to make payment. Very few dealers provide option to make payment through e-wallets or any other cashless transaction mode. She suggested that there should be zero charges on cashless transfers. Government should intervene and may be compensate to banks, e-wallets companies, and some other way. By organizing seminars, workshops and campaign to educate rural people regarding cashless transactions.

Singh (2017) revealed that the most effective promotional strategies that rural consumers are aware with regards to consumer durables was Television followed by Newspaper. Television was also the most effective media influence consumer’s preference for brands. Less effective media was village gathering and very few percent of respondents were influenced by retailers. She suggested that there was need to increase in standard of living and ease in work measures up the product demand of Refrigerator, TV and washing machine, etc. in the rural market.

Research Gap
The review of literature on rural marketing is giving open the fact that there are gaps in the studies on this subject. After Demonetisation the expected research area is Cashless Transaction. Most of the studies covered some aspects of the rural market. After going through the comprehensive literature on rural marketing; researcher found that not much work has been done in this field specifically in the rural
marketing strategies in Cashless India. All such reason motivated researcher to undertake research in to cashless transaction in rural marketing.

NEED OF THE STUDY:

The factors affecting to adoption behaviour for cash less transaction need to be analysed. This will benefit both the buyer and the Government that brings transparency in the economy. Demonetisation announced by the Honourable Prime Minister of India on 8th November 2016, it brings a new wave of cashless transactions. However, the rural market has less influence with the cashless transaction. Therefore, there is a need to understand which factors influence their adoption behaviour of cashless transactions. There should be need for understand the problems faced by the buyers while making cashless transactions.

7. Scope of the Study

- The response of the study has been solicited from the NCR only.

RESEARCH METHODOLOGY

Objective:
- To study the status of cashless payment in rural area of NCR.

Research Design: The current study is descriptive cum exploratory in nature.

Universe: Rural areas of NCR.

Size of sample: Sample size was 120. For this proposed study, the region segmentation will be Delhi, Noida, Gurugram, and Rohtak (30 from each region).

Sampling Procedure: Convenient sampling has been used.

Data Collection: Primary data with the help of schedule and secondary data is collected from journals, magazines and books.

Data Collection and tools for analysis: For analyzing the collected data frequency and percentage has been used to fulfill the research objective. Therefore, data collected through the schedule were analyzed statistically by using the Software Package for Social Science (SPSS).

1. Percentage, Mean and standard deviation is used to study the status of cashless payment in urban and rural area of NCR.

2. T-test is used to study the comparison between urban and rural regarding of cashless payment.

Analysis and Interpretation

Table1: Demographic Profile of the respondents

<table>
<thead>
<tr>
<th>Paticulars</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

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<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>72</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>48</td>
<td>40</td>
</tr>
<tr>
<td>Age Group</td>
<td>Below 30</td>
<td>42</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Above 50</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Profession</td>
<td>Business</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>54</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Professional</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Any other</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>Illetrate</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>10&lt;sup&gt;th&lt;/sup&gt;</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>12&lt;sup&gt;th&lt;/sup&gt;</td>
<td>24</td>
<td>20</td>
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<tr>
<td></td>
<td>Graduate</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

The above table no.1 shows, 60% of the respondents are male, 35% of the respondents belongs the age group of below 30, Majority (45%) of the respondents have been working in service area and 30% of the respondents are 10<sup>th</sup> pass.

### Status of cashless payment in rural areas

<table>
<thead>
<tr>
<th>Cashless mode</th>
<th>Mean</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paytm</td>
<td>4.6</td>
<td>1</td>
</tr>
<tr>
<td>Mobikwik</td>
<td>1.3</td>
<td>5</td>
</tr>
<tr>
<td>Point of Sale/Dr Card/ATM</td>
<td>4.2</td>
<td>2</td>
</tr>
<tr>
<td>Phone-Pe</td>
<td>1.7</td>
<td>4</td>
</tr>
<tr>
<td>Cheque</td>
<td>2.1</td>
<td>3</td>
</tr>
<tr>
<td>Mobile Banking</td>
<td>0.9</td>
<td>6</td>
</tr>
</tbody>
</table>

From the above table we found that Paytm was ranked 1 in e-wallet used in rural area of NCR which is having 4.6 mean and Point of Sale/Dr Card/ATM was given rank 2 as it has mean 2. It is the cheque was given rank 3 in rural area cashless transaction. The other mode of cashless transaction were Phone-Pe, Mobikwik and mobile banking have mean 1.7,1.3 and 0.9. So these were given less rank in performance 4<sup>th</sup>, 5<sup>th</sup> and Sixth.
Conclusion & Findings:
From the above analysis we found that after demonetization Paytm wallet is more used by the rural population. Mobile banking was less used by the population. This is a reason illiteracy rate is high in rural area. The rural area has low availability of banking system. The banks are not taking the initiative for giving education of cashless transaction. The cashless India may become after the rural India get benefit of cashless banking. There was one of the reason for less believed in cashless ways and fear about fraud by cyber hackers.

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