

The General Public's Attitude Towards Cashless Transactions

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ABSTRACT: *Following the demonetization efforts, the vast majority of Indians began using electronic payments for their daily activities. Everyone, from the small business owner to the vegetable seller down the street, is adopting digital payment options these days. India is gradually transitioning away from a cash-based economy to a cashless one. A cashless economy is one in which all transactions are completed via the use of credit cards or other digital methods (using smartphones). Because the circulation of physical money in a cashless economy is limited, the use of paper is reduced, resulting in a reduction in the chopping down of trees for paper production. There are many advantages to using a cashless payment system. Credit card use is expected to grow, which will decrease the quantity of currency that individuals have to carry, lowering the danger of misshaping and the costs that come with it. In this article, an effort is made to analyze the public view of cashless transactions in India, as well as to highlight the difficulties that they encounter while conducting their transactions via cashless methods.*

KEYWORDS: *Cashless Economy, Cashless Transaction, Demonetization, RBI, UPI.*

1. INTRODUCTION

Most Indian people have started electronic payments following demonetization. Everyone accepts digital payment technology from the smallest retailer to the closest producer. India is moving from money to a cashless economy more and more. A cashless economy is utilized to carry out all purchases using cards or digital media. The interchange of real money is minimal in a cashless economy. The benefits of a cashless economy are many. The increasing usage of credit and debit cards instead of cash makes all transactions in society more precise and efficient and more cost-effective. The increasing usage of credit cards would reduce the cash supplied by people and reduce the risk and associated expenses. In this article, efforts are being made to investigate the public perception of cashless transactions in India and the challenges of their transactions are also being attempted.

The RBI and Government make a number of measures to decrease the use of cash in the economy by encouraging digital/payment gadgets and cards. The efforts of RBI to promote these innovative payment and settlement options are aimed at achieving the objective of a 'less cash' society. In this context, the phrase 'less cash society' and 'cashless transaction economy' show the same thing as decreasing cash transactions. The cashless transaction economy does not imply a lack of cash, but rather a culture of digitally settling transactions. Money flows electronically in a contemporary economy. This requires the development of the digital payment culture and the construction of infrastructure to accomplish the objective. The government withdrew Rs. 500 and Rs. 1000 notes on 8 November - two highest denominations. The main goals were the battle against counterfeit money and black money. Cashless transactions have been tremendously stimulated as card-based, and digital payments were not hampered by the lack of high-denominated cash transactions [1].

RBI and the government have undertaken various actions to promote the culture of electronic and other non-cash settlements. RBI reiterated its June 2016 Vision-2018 for payment and settlement systems in India, which aims to promote a wider usage of electronic payments by all sectors of society in order to create a "less-cash" society. "Vision-2018's broad outlines center on five Cs — cover, convenience, trust, convergence and cost. In order to accomplish this, Vision-2018 will concentrate on four key objectives, including responsive control, strong infrastructure, effective oversight and customer centricity," Said RBI. The declaration of vision emphasizes the following plans:

- I. The regulator wants to decrease the proportion of paper-based clearing tools.
- II. It seeks to increase the space for digital payments.
- III. It wants to guarantee that Aadhaar is used acceleratory in payment systems.

Government also included budgetary measures in the budget for 2016 to promote card culture. One of these steps was to exclude service charges on card-based and other digital payments. The payment system based on Aadhaar is a major boost in fostering the habit of cashless transactions. Neeraj Kumar Gupta was established as a committee of seven members, headed by an official Minister, to propose measures to reduce cash-based transactions. Internet banking, mobile banking, prepaid instruments, credit and debit cards, etc. are spreading, and the electronic payment system is expanding rapidly at the same time. All facts show that India is working towards RBI's objective of a gradual but steady reduction in cash economy. It's time to go without cash. The objective of demonetization is not just to eliminate dirty money, but also to promote cash-free payments. You should choose a cashless approach for the transaction instead of breaking heads in an ATM line. A cashless approach is more transparent because each transaction is readily tracked by leaving its traces. Many clever individuals have taken innovative payment alternatives without cash [2].

The process of demonetization in India has a huge effect on cashless transactions. It supports the use of credit cards, debit cards, internet payment and mobile wallets for public financial transactions. Demonetization has affected India's digital payment systems. The digital e-wallets transaction has a major effect on the increased use of a cashless transaction. The use and use of the mobile wallet is a trend among young people aged 18-25 years. The mobile wallet offers services via businesses and people may make and receive payments through mobile apps. India has the world's biggest smartphone and mobile app market for payment transactions. Payment gates and banks approach cashless transactions. Meanwhile, smartphone applications play a major role in the government's "Cashless India" programme. This would make India a digital cashless economy a huge effect. This research focuses on the effect on the cashless transactions using mobile wallets [3].

1.1 The Goals of Cashless Payment:

- I. The overall objective of the analysis is to examine the public perception of India on cashless transactions. The following are the fundamental objectives.
- II. Analyze the impact, including ease, security, costs, incentives and processes, on cashless transactions in India.
- III. To investigate the impact of technical variables on cashless transactions in India, including limited access to Internet and deceased POS systems.
- IV. Examination of the impact of market and consumer variables, including the thrill of traders and the absence of customers' technical competence and customers' incapacity to disclose financial information on cashless transactions in India.
- V. Analyze the effects of bank-related factors, particularly financial limitations and delayed refunds, on cashless transactions in India.

1.2 Government and RBI Steps Taken to Discourage Use of Cash:

1.2.1 Payment Banks' Licensing:

Before the government also promotes electronic wallets. Digital wallet allows customers to instantly transfer money, pay bills, renew mobiles, buy movies tickets, send physical and e-gifts online and offline. The RBI has lately issued some guidelines that enable customers, via a specific KYC check, to raise their limit to Rs 1.00.000.

1.2.2 Promote E-Commerce:

The government has already established a UPI which would facilitate and speed up electronic transactions. Additional charges, card service charges and digital payments have also been abolished by the government. The many cashless modes in India are:

- I. Cheque
- II. Internet banking
- III. Transfer online - NEFT or RTGS
- IV. Credit or debit card
- V. Mobile Wallets
- VI. UPI Apps
- VII. The enabled payment system of Aadhar
- VIII. Unstructured Additional Service Data.
- IX. Micro ATM.

1.3 Digital Infrastructure Unreliable:

Whilst cheaper internet and mobile connections have played a key role in increasing Internet use in the area, it has not driven digital transactions in rural India. Although a significant number of digital transactions have already been made in urban India via credit/debit cards, rural India has not yet picked up this phenomenon. Rural people are becoming more accessible with the introduction of Rupay Cards to credit and debit cards, but the nation still needs a complete digital infrastructure to use these cards. Only 37,22 lakh POS terminals with a total debit and credit cards of over one billion in the country are open [4]. While more POS terminals are needed to enhance digital transactions, the cost of buying POS terminals must still be reduced so that smaller shops are more accessible. In the lack of POS terminals, smaller rural traders may still utilize on-board QR codes. It does not add to traders' cost and is fairly simple to use just on cellphones with QR Code technologies.

1.4 Digital Payment Costs and Difficulties:

Cash transfers for individuals in remote regions are pretty simple and open, and there are no hidden sales charges involved. That is why rural India is more likely to continue using cash as its main method of transaction. The simplicity of cash transactions further raises rural customers' concern, compared to the diversity of digital transactions, including internet banking, phone banking, mobile wallets and pre-paid cards. Furthermore, each transaction has many expenses, which complicates things by making the transactions expensive. In order to make digital space more appealing to rural customers, the government must create a mechanism to incorporate discounts for rural financial transactions. It may start by giving financial support for panchayats, agricultural primary companies and other rural organizations, which can lead to the gradual integration and creation of a digital system for consumers [5].

Residents in remote regions also prefer to pay their energy bills by going to kiosks in order to avoid overhead expenses associated with Internet transfers. The government will give rural customers a profitable chance to digitalize by removing consumer fees for public authorities and providing a centralized platform for paying energy bills. Such efforts would seek to open, clarify, speed, cheaper and user-friendly the digital world. In addition, these measures provide the government a chance to minimize the expenses involved in collecting funds from distant regions, the need for work and the related time.

1.5 Banks Incentivizing:

The BC model played a significant part in advancing government financial integration goals, however because the BCs can only work with one bank at a time they are preventing it from working and offering less opportunities. By allowing BCs to work with multiple banks, rural BCs will be able to help rural consumers in digital shopping, educate and improve their digital system. In order to accelerate the growth of digital purchases, the physical paradigm should be used to make customers familiar with the entire system, so that they may move into a true digital framework. Moreover, the operation of KYC in rural regions increases the financial burden for the banks. Eliminating or subsidizing KYC fees for rural registrants would significantly increase the acceptance of digital transactions [6].

Without rural India, it is not feasible to go from a cash-heavy to a cashless economy. A cashless economy offers many benefits for government and customers, but it would be a lengthy road. The Unified Payment Interface (UPI) of the National Payments Corporation of India (NPCI) is currently

generating amazing results in terms of online transactions. In December 2021 RBI has set an ambitious objective to raise the number of digital transactions from 2069 crore to 8707 crores in December 2018. In addition to UPI transfers in October, the RBI rules on wallet interoperability allowed users to transfer money via mobile wallet firms and banks that also provided a boost to transactions. However, the country has to step up its activities and address the issues that plague rural consumers with a comprehensive approach. Cashless transactions are in favor of:

- I. Cashless transactions provide accountability and minimize black cash creation.
- II. Remove problems such as pick pocketing and stealing.
- III. Cashless provides tax avoidance fighting.
- IV. The informal economy is affected in every 45 percent of India's GDP. The cashless economy drives the informal market into the official sector.
- V. There digital literacy can be improved.
- VI. Expenditure on the production of currency bills may be avoided without cash by smaller economies.
- VII. Towards India visitors do not have to fight for real money.
- VIII. The internet payment methods are used to eliminate corruption and commission culture.
- IX. The creation of a universal financial services gateway to everyone, since no physical infrastructure other than digital is needed. Less cost for banks.
- X. The problem of fake money notes will be eradicated through digital transfers.

The recipients may use all subsidies and incentives of the welfare system without the need to borrow money, thus avoiding any problems. Cash less economy, both in the banking and the IT sectors, may create enormous employment opportunities. Most online wallets and apps offer online shopping discounts and cashbacks that may help save customers money. TREA Helps foreign investors and local investors to attract investment in India. There is a small service charge for IMPS transfers, but no cash transaction loss will occur. Those that oppose the cashless transaction:

- I. Cash transfers are extremely simple in real life.
- II. Digital analysts are an important component of the Indian community.

A new study indicates that automatic and automatic payments may have reduced blue collar occupations and 70,000 jobs may be lost in India. A surge in cyber fraud and other kinds of robbery will occur. In the nation, there is a dearth of digital knowledge, forget about cybercrime. It would be difficult to provide a smooth internet service that would appeal to such a huge number of consumers in India.

2. DISCUSSION

In a barter system you both have to have someone who wants what you have and what you desire, whereas in a monetary economy you only need someone who has what you like. The insight was utilized in a number of recent studies analyzing the transition from a barter system to a monetary one. Most of these documents are based on the elegant analytical model of search. It was in gold and silver earlier than in copper and bronze and ultimately in paper money. The paper money has its own benefits and inconveniences. One of the major drawbacks is black money and false currencies. The recent demonetization has been a step forward towards reducing these disadvantages. It is possible to claim that less cash is transacted following demonetization. Since the demonetization, quick efforts have been undertaken to promote cash less. There are many arguments as to whether or not it is important, what the implications are. The digital economy has become an unstoppable 10 percent annual giant—more than treble the world growth rate. Digital Economy is one of the 10 main topics for speed, accountability and system transparency in the 2017 Budget. The government has instructed that there would be no cash payment of more than three lakhs subject to certain expectations. The goal for 2,500 digital transactions would be established through UPI, USSD, Aadhar Pay, IMPS and debit cards for 2017-18. At the end of June 2016, 616 million single mobile customers subscribed in India, making it the world's second biggest mobile market. Four reasons may be linked to the amazing worldwide rise in digital payments:

- I. Revolution in digital and technology,
- II. entrance into payment area of many non-banking PSPs,
- III. The regulatory framework is progressively changing.

With an installed base of 1,3 million point-of-sale terminals, and approximately 5% of the digital consumption. The digital economy has become an unstoppable 10 percent annual giant—more than treble the world growth rate. The future form of society will be determined by the adoption of electronic trade based on e-cash as the primary driver of global economic activity. In order to reduce the usage of physical money in the economy, the RBI and the government of India promote digital payment devices or modes, including pre-payment instruments and cards. RBI's attempt to promote these new payment and settlement options is to realize the goal of a 'without cash' company. In this regard, the phrase less cash company and less cashless transaction economy imply that it minimizes cash and settlement transactions rather than transactions digitally. Cashless transaction economy is neither a shortage or a lack of cash but rather a culture of individuals digitally settling transactions [7].

Money flows electronically in a contemporary economy. The development of the digital payment system and infrastructure expansion are thus necessary to accomplish the objective. On 8 November, the government prohibited two highest denominations from circulation: Rs 500 and Rs 1000. The main aims were to combat the spread of counterfeit money and illicit money in the economy. Cash-free transactions were tremendously boosted, since card-based and digital payment systems were not hampered when any large-value cash transactions were subject to the lack of high currencies.

The UGC issued a circular requesting that educational institutions depart from cash transactions and embrace forms of online payment. The universities sent the circular to all institutions and associated colleges in accordance with the guidelines of UGC. The colleges must go without cash. Some schools have already taken methods to become free of funding. Others will be required to follow alternative advantageous arrangements. Most university officials stated today's pupils are highly technologically knowledgeable. You won't have any difficulty adjusting to the new transaction system [8].

Payment of fees online will be easy for parents and management. Parents don't have to wait in a college line and colleges don't have to stand in the bank's queues. Most students may simply move from cashless purchases to economically disadvantaged parts of society. Some colleges, institutions, have already changed their workers towards cashless transactions. Pay, student fees, parking, canteen fees, fine and all costs are alive. The institutions are taught in cashless transactions to teach pupils. IIT's, IIM's have cashless created campus. Online payment allows students to make fast and simple purchases without worrying about spare cash. The facilities may be used on different offline campus locations, including dorm, canteen, medical store, tea stall, bookstore, bike repair shop, etc. SRCC DU College was the country's first completely cashless college. For this aim, the school conducted digital fairs and digital payment educated students, instructors, food suppliers and college officials. The government promotes cash-free transactions and has urged institutions to guarantee cash-free transactions [9].

The simplicity of financial transactions is the greatest incentive for digital transactions. It is a safer method to transfer money when a person travels. The online transaction has tremendous advantages, particularly in the event of crises. Transactions are possible without a physical presence and at any moment. If all transactions are recorded, individuals can keep track of their expenditure extremely easily. Apps are available to facilitate the procedure. There is no steel danger. The kids and parents don't know how to pay. There's no. The greater concern of the cashless economy is the danger of identity robbery. The increased frequency of online fraud will increase the danger of hacking as more individuals jump on the digital platform. If someone loses money online, the complaint procedure becomes cumbersome and bad. In this procedure, a person must rely on their telephone for all transactions, if someone loses it may be quite difficult. Another disadvantage is that it has to change continuously. India has a poor Internet penetration of 34.8 percent, and just 26.3 percent of all mobile phone users use smartphones. For elderly parents, i.e. grandparents, this is an issue. Some students are financially dependent on grandparents. This method is a difficulty for technologically disadvantaged individuals [10].

3. CONCLUSION

The findings show that although individuals are paid in cash, various types of unfair recognition prohibit them from obtaining the contemporary way. Negative results relate to safety problems, poor integration of the gadget, lack of trader enthusiasm, high value prices, lack of consumer innovation, outdated POS

computers, postponed reimbursement if the bombing exchange occurs, technical and budget breaks. The encouraging indicators for the development of cashless payment in India include cashless exchange accommodation and the boost system. In conclusion, the study shows why India does not become a cashless economy, even if the legislature and financial institutions are appropriately affected by people's opinions. You should prepare for safe and secure cashless exchanges.

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