

# A STUDY ON CUSTOMERS AWARENESS TOWARDS DIGITAL TRANSACTIONS WITH SPECIAL EMPHASIS TO RURAL AREA

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**Abstract :** In 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 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 system in India: vision 2018”-setting out a plan to encourage electronic payments and to enable India to move towards cashless society or economy in the medium and long-term. A cashless economy is one in which all the transactions are done in which all the transactions are done using cards or digital means. The circulation of physical currency is minimal. India uses too much cash for transactions. The card based payment system has several players. On the one hand, we have the providers of the card based payment system-first of which is the card companies like MasterCard and visa who provide their payment network for the system to function. The second set of providers in the banks that act as acquirers for merchants and issuers for cardholders and reach the card payment services to the ultimate users.

**IndexTerms-** cashless economy, digital transactions.

## I. INTRODUCTION

India has been using electronic payment systems for many years now. However, the retail sector still has predominance of cash transactions, and payment through cards is yet to pick up. Cards (both credit and debit) are one of the most secure and convenient modes of cashless payment in retail market. The card payments data shows that even though we have 19 million credit cards, 200 million debit cards. The monetary rattle between consumption and affordability slammed the household severely for every now and then in all spheres of life from one pole to another. This research is an encomium on the charisma of cashless transaction system, which taken, as a proxy of cashless transaction system along with prediction of future income is the proxies of its usability and affordability. The findings reveal that the cashless transaction system has a charismatic appeal as it has an influential effect that often endorsed by the family and friend. While it is also investigated and concluded that cashless transaction system also has its usability and affordability for the consumers.

### 1.1 Digital transaction products and features

- Online banking

Banking has never been as easy and convent as it is with free internet banking. Now we can access our account by the click of a mouse, our secure online banking allows you to manage your banking transactions anytime and anywhere in the world. The following transactions can be possible through online banking

- View, print and save account statements
- View images of cheque/deposits
- Transfer fund between account and create recurring transfer
- Make loan payment
- Submit a change of address request
- Submit a stop payment request
- Recorder cheques
- Paperless electronic bill payment
- Create account based alerts/alarms automatically notify important changes of account

- Online bill payment

Say good bye to writing cheques, buying stamps and trips to the post offices. One of the largest most trusted bill pay solutions available today they are,

- Pay bill to anyone any where
- Set up recurring payment
- Schedule payment in advance
- Receive online electronic bill
- Save postage fee and time

- **E-statement**  
E-statements are electronic copies of account statements.it saves time, space and eliminate paper.
- **Tele banking**  
It helps customers make loan payment, transfer of money, checking and saving accounts. If the customer can call to customer service center of the bank at any time to get the account or loan balances.
- **Credit cards**  
These cards can be used to purchase goods and services subject to the maximum limit upon agreed terms and conditions. The card holder has to pay interest and annual fee. This card is preferable to average consumer because they are able to defer payment over months.

## II TYPES OF CREDIT CARDS

### Travel & entertainment card

This card is useful at the time of business tour and for entertainment expenses which are usually born by the company. This facility provides an opportunity to the cardholder to have a consolidated bill several purchases within the short period of time.

### In store card

These cards are issued by retailers, companies or departmental stores as a marketing tool to retain customers and to increase sales. These cards can be used to purchase goods from the issuer's stores or issuer's company outlets.

### Corporate credit card and Add-on card

Corporate cards are issued to public sector and private sector companies and other private sector units. Depending upon the requirements of each company, operative Add-on cards will be issued to persons authorized by the company. The name of the company will be embossed on Add-on cards along with the name of the Add-on card holder. The original corporate credit card in the name of the company is only a dummy card which is used for billing the company for all the expenses of its Add-on cards.

### Agricultural credit card

Agricultural credit cards are issued to top agriculturists to provide easy finance to agriculture.RBI and Government promote issue of these cards as agriculture is a priority sector about 21 public sector banks issue these cards.

### Debit card

Debit card is a plastic card or an electronic product containing an electromagnetic identification issued by bank to its customers to pay for their purchase at specified sale terminals. The customer must maintain an account in the bank with sufficient credit balance.

### Smart card

Smart cards are new generation cards. It has the facility to store details about customers, make calculations, maintain records and act as an electronic purse.it has a built in memory, processor and an operating system to perform financial transactions.it also has built-in safe guard against fraudulent operations.

### ATM Card

Automatic Teller Machine Cards (ATM) are issued by banks to its customers. ATM cards are designed to facilitate withdrawal of money through its ATMs round the clock. The special features of this card is that it facilitates 24 hours banking to ordinary customers.

## III OBJECTIVES OF THE STUDY

1. To examine the awareness of digital transactions and know how it has revolutionized.
2. To understand the opinion of customers with regard to cashless transactions.
3. To study the scope of digital transactions in rural area.

### Research methodology

#### Primary data

Primary data collected from the 100 respondents in selected villages of Kerala.

#### Secondary data

Books, journals and various websites used to collect the secondary data.

#### Sample design

Convenient sampling method used for selecting 100 samples.

#### Limitations of the study

- The area of the study is limited to some selected villages Kerala.
- Error in sampling method may occurred.
- Size of the sample is not enough to make a strong judgment.

## IV REVIEW OF LITERATURE

Gan (2008) "Singapore credit cardholders: ownership, usage pattern and perceptions. "The purpose of the study is to analyses Singapore's diverse card holders in search of variations among demographic groups, credit card profiles and their perceptions with regard to credit card ownership and use. The number of credit cards was found to be significantly influenced by income and gender as well as perceptions that include "credit cards leads to over spending", "savings as payment source", "unreasonable interest rates", "credit card as status symbol"

Al-Latham (2009) in his research "development of Electronic money and its impact on the Central Bank role and monetary policy" asserts that, in recent years there has been considerable interest in the development of electronic schemes. Electronic money has the potential to take over from cash as the primary means of making small value payments and can make such transactions easier and cheaper for both consumers and merchants.

Rangan, V. Kasturi and Lee, Katharine L., (2012), "Mobile Banking for the Unbanked", the case describes in detail the workings of two mobile banking operators in Africa WIZZIT in South Africa and M-PESA in Kenya. It explores the dimensions of strategy that make for success in the market for the unbanked. It raises questions regarding the portability of the model to other countries and settings.

V. Raja, Joe A. (2012), "Global e-banking scenario and challenges in banking system", this paper is an attempt to explore the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted by different banks for secured banking transactions. It also analyzes how E-banking can be useful for banking industry during this global financial meltdown.

Van B., Paul, Veloso, Francisco M. and Oliveira, P., (2012), "Innovation by Users in Emerging Economies: Evidence from Mobile Banking Services", this paper examined the extent to which users in emerging economies innovate, and whether these innovations are meaningful on a global stage. To study this issue, the researcher conducted an empirical investigation into the origin and types of innovations in financial services offered via mobile phones, a global, multi-billion dollar industry where emerging economies play an important role. The researcher used the complete list of mobile financial services, as reported by the GSM Association (GSMA), and collected detailed histories of the development of the services and their innovation process.

#### V DATA ANALYSIS AND INTERPRETATION

Table no: 1 services using through digital transactions

Service	No of respondents	Percentage (%)
Fund transfer	12	12
Download transaction activity	10	10
Online shopping	22	22
Check balance online	50	50
e-bill payment	04	04
Others	02	02
Total	100	100

Inference: from the above table no:1 reveals that out of 100 respondents 12% of respondents are using digital transactions is fund transfer, 10% of respondents using download transaction activity, 22% respondents are using online shopping, 50% respondents are using check balance online, 4% of respondents are using e-bill payment and 2% respondents are using others.

Table no: 2 performance of digital transactions

Digital transactions	No of respondents	Percentage (%)
ATM	38	38
Online shopping	14	14
E bill payment	08	08
Internet banking	16	16
Online trading	04	04
Mobile banking	18	18
Others	02	02
Total	100	100

Inference: from the above table the study reveals that 38% respondents are using ATM, 14% respondents are using online shopping, 8% respondents are using e bill payment facility, 16% are using internet banking, 04% respondents are using online trading, 18% are using mobile banking and 2% respondents are using other digital transactions.

#### Findings

1. Most of the respondents aware of about cashless transaction services.
2. Majority of customers are using ATM facility.
3. Most of the customers have SB account in bank.
4. The study reveals that customers says the reason for not preferring digital transaction due to the network problem and security issues.
5. Most of the customers are using both on line shopping and electronic banking facility for ticket reservation of various journey.
6. Most of the customers are opinion about digital transactions are satisfied.

#### Suggestions

1. Banks should ensure digital transactions are safe and secure for financial transactions.
2. There should be essential that an effective media for advertisement in order to create digital transaction awareness among the rural populace.
3. Bank should organize seminars and conferences to educate customers on online banking as well as security and privacy of their accounts and personal information

## VI CONCLUSION

The digital transaction system is reaching its growth day by day, as soon as the market become globalized and the growth of banking sector more and more the people moves from cash to cashless system .the cashless system is not only requirement but also the need of today's society. All the online market depends on cashless transaction system .the cashless transaction is not only suffer than the cash transaction but is less time consuming and not a trouble of carrying and trouble of wear and tear like paper currency. The analysis of the today showed that lack of awareness, non-availability of internet connection the reason for non-adoption of cashless transactions by rural people to improve the services through cashless transaction, bank should think from the customers' perspective and there should be creativity and innovation in designing and implementation of cashless transaction processes. Therefore without any doubt we can say that future cash transaction become cashless transaction system.

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