

# A STUDY ON PUBLIC AWARENESS AND ADOPTION OF VARIOUS MODES OF CASHLESS TRANSACTIONS IN MADURAI CORPORATION.

**Mr. KARENZO JEAN**

Ph. D Research Scholar, Department of Commerce, Annamalai University, Annamalai Nagar - 608 002, Tamil Nadu, India.

## **Abstract**

A cashless society depicts a monetary state whereby budgetary exchange are not conducted with cash as physical banknotes or coins but done through the exchange of advanced data (normally an electronic portrayal of cash) between the executing parties. Cashless social orders have existed dependent on trade and different techniques for trade, and cashless exchanges have additionally become conceivable utilizing advanced monetary forms, for example, bit coins. Cashless India is a strategy used by the administration of India drove by Prime Minister Narendramodi to decrease reliance of Indian economy on money and to bring crowds of reserved dark cash lying unused into the financial framework. The nation set out upon this progress to a cashless economy when the administration made the progressive stride of demonetization of old money notes, for example, Rs.500 and Rs.1000 on November 8, 2016. Various programmes have been arranged in all the perspective for moving to cashless society and computerized India to accomplish the point of installment and repayment arrangement in India.

**Index Terms:** Cloud Computing, cashless transactions, Smart Phone, Android Application.

## **Introduction**

A cashless society portrays a monetary state whereby budgetary exchanges are not conducted with cash as physical banknotes or coins but through the exchange of computerized data (generally an electronic portrayal of cash) between the executing parties. Cashless society have existed by depending on bargain and different techniques for trade, and cashless exchanges have additionally become conceivable utilizing computerized monetary forms, for example, bit coins. At the end of the day it is a lawful tender (money) that exists, recorded and traded distinctly in electronic computerized structure. The pattern towards utilization of non-money exchanges and repayment started in everyday life during the 1990's when electronic banking got prevalent. By the 2010's computerized installment strategy frameworks worked by organizations like Macintosh, contactless and NFC installments by electronic card or advanced cell and electronic bills and banking all in boundless use. By 2010 money had become effectively disfavoring in some exchange.

India keeps on being driven by the utilization of money; below 5% of all installments happen electronically anyway the fund serve, in 2016 spending discourse, discussed making India a cashless society, with the point of controlling the progress of dark cash. Indeed, even the RBI has likewise as of late disclosed a report "Installments and Settlement Systems in India: Vision 2018" setting out an arrangement to urge electronic installments and to empower India to move towards a cashless society.

## **Cashless India**

The advanced India program is a lead program of the administration of India with the vision to change India into a carefully engaged society and information economy. "Nondescript, paperless, cashless" is one of the expert job of advanced India.

## NITI AAYOG

The point of NITI AAYOG board of trustees is to recognize different advanced installment framework fitting to various parts of the economy and facilitate endeavors to make them open and easy to use. The advisory group will likewise recognize and get to infrastructural and bottlenecks influencing the entrance and utility of advanced installment alternatives.

The advisory group drove by NITI AAYOG will likewise actualize an activity plan of support, mindfulness and handholding endeavors among open, microenterprise and different partners. The separated, it will arrange preparing and limit working of different states/UTs, Ministries/Department of the legislature of India, delegates of states/UTs, and exchange and Industry bodies just as different partners.

### Steps Taken by RBI and Government to discourage use of Cash

- Licensing of Payment banks
- Government is likewise advancing portable wallets. Portable wallet enables clients to send money, cover tabs, energize mobiles, book film tickets, send physical and e-endowments both on the web and disconnected. As of late, the RBI had given certain rules that enable the clients to expand their breaking point to Rs 1,00,000 dependent on a certain KYC check
- Promotion of web based business by changing the FDI standards for this segment.
- Government has additionally propelled UPI which will make Electronic exchange a lot less complex and quicker. Government has additionally pulled back extra charge, administration charge on cards and advanced installments.

### Methods of Cashless Transactions in India

1. E-Cheque
2. Web banking
3. Online Transfer-NEFT or RTGS
4. Credit or Debit Card
5. Versatile Wallets
6. UPI Apps
7. Aadhar Enabled Payment System
8. Unstructured Supplementary Service Data
9. Smaller scale ATMs

### Review of Literature

**James Adetunji Odumeru (2013)** carried out a study on going cashless: adoption of mobile banking in Nigeria. The main objective of his study was to investigate the determinants of the adoption of mobile banking in Nigeria and to examine the factors influencing the use of mobile banking in Nigeria bearing in mind the cashless policy of the central bank of Nigeria. The cashless policy aimed at driving the development and modernization of the country's payment system as it was believed that an efficient and modern payment system is positively correlated with economic development, and is a key enabler for economic growth. The study revealed that, to ensure success of this policy, all banks are expected to delivery electronic banking channels and encourage using the same.

The researcher found that, with the high volume of active mobile phones in Nigeria, mobile banking has the potential of contributing greatly to the success of the cashless policy. Also age, educational qualification, relative advantage, complexity, compatibility, observability and trialability are important determinants of the adoption of mobile banking.

**Mahmood Jasim Alsamydai et al. (2014)** carried out a study on factors influencing customer usage of mobile banking services in Jordan. The research had an attempt to study the consumer awareness on mobile banking and perception about the same. The study showed that consumers are aware about mobile banking services provided by their bank and familiar about various banking transactions that can be done with the help of mobile banking. The research result indicated that consumer think that mobile banking is easy to use, it is very useful for them as it will give them flexibility to do transactions irrespective the time of day". The study

revealed that customers' acceptance of the usage of mobile banking services depends on many factors including motivating factors that drive towards acceptance of such usage like pursuance, speed of transaction, communication, ease of use and assurance. The impeding factors like personal desire, personal knowledge, habit, resistance to innovation and experience are also factors that influence the customers to adopt usage of mobile banking services in Jordan.

**Karamjeet Kaur and Dr Ashutish Pathak (2015)** proposed a study on E-Payment system on E-Commerce in India. The study aimed to know the factors which are supporting and opposing while implementing a particular e-payment in India. It revealed some limitations of traditional payment system in the context of online payment such as lack of usability, lack of society, lack of eligibility, high usage cost for customers and merchants, lack of efficiency and lack of consistency.

This is consequence of advantages characteristics, most importantly the long established networks and by wide users' base. Their study revealed that the smart card based e-commerce payment system is best and it is expected that in the future smart cards will eventually replace the other electronic payment systems. Given the limited users base, e-cash is not a feasible payment and e-cheque are quite cost effective for companies that have to deal with huge volume of cheques. The researcher concluded that smart cards based electronic payment system is the best as it has numerous advantages over other electronic payment systems.

**Aruna R. Shet (2015)** carried out a study on technological innovations in India banking sector. The objective of the study was to study how innovations have contributed to the development on Indian banking and also to study the challenges faced by Indian banks. The study revealed that information technology has given rise to new innovations in the product designing and their delivery in the banking and finance industries. The major innovations in the banking industry are debit card credit card, internet banking, Automated Teller Machine (ATM), DEMAT, RTGs, NEFT, ECS.

The researcher revealed some challenges faced by banks are as how to cope with competitive forces and strengthen their balance sheet. It is stated that banks are grooming with burden of Non Performing Assets (NPAs). It is rightly felt that these contaminated debts, if not recorded with eat into the very vitals of the banks. The researcher revealed also other challenges faced by Indian banking sector such as: high transaction costs; regulatory pressure; timely technological up gradation; IT revolution; intense competition; privacy and safety. The study has been concluded that reform have changed the face of Indian banking and finance. The banking sector has improved manifolds in terms of technology, deregulation, products and services, information systems, etc.

**Kumari Nidhi (2016)** proposed a study on E-banking in India: Challenges and opportunities. The basic objective of his research was to examine and analyze the progress made by internet banking in India. The researcher revealed that Indian banking industry has witnessed a tremendous development due to sweeping changes that are taking place in the information technology. The challenges faced by E-banking are: security risk; the trust factor; customer awareness; privacy risk; strengthening the public support; availability of personal services; implementation of global technology; NPA; competition and handling technology. The researcher in his study revealed different opportunities of electronic banking as follow: Untapped rural markets; multiple channels; competitive advantage; increasing internet users and computers literacy; worthy customer services; internet banking and retail lending. The study found that the concept of internet banking has got attention in the Indian context. Most of the banks have already implemented the E-banking facilities, as these facilities are beneficial to both i.e. banks as well as consumers. Many financial innovations like ATMs, credit and debit cards, RTGs, mobile banking etc have completely changed the face of Indian banking.

### Objectives of the Study

1. To analyze the level of awareness towards cashless exchanges and its modes in the study area.
2. To have a view on the adoption level of cashless transactions among the cashless users.
3. To offer suggestions.

## Statement of the Problem

Individuals still depend on the usage of cash being 'physically' feasible. For some mental explanation, 'paper' cash is more respected than 'plastic' cash or 'advanced' cash. There would be still a type of advanced mindfulness required to comprehend the working of a general public with no money. Individuals who have grown up and survived when a substitute for money wasn't thought or may confront some trouble in changing in accordance to the world without cash notes. Besides, money have a few downsides, for example, cheats of utilizing dark cash is going about as a primary issue on the planet. All the current money on the planet can't be evacuated or esteemed 'relinquished' at one go. Likewise, with regards to cash, consolation is what makes a difference most. For a total switch-over to the new money related model, the voluminous measure of money by and by coursing in the market would need to be changed over into a proportionate number of 'advanced' focuses.

## Significance of the Study

In light of demonetization from November 2016, so as to counteract in accessibility of money in the hands of individuals, Indian government demands this cashless exchange to the general population, as different methods of cashless exchange have been designed. Actually local governments have created e-installment for non advanced mobile phone clients which join with their ledger and in addition the head administration has reported some rewards to individuals who will utilize cards for making payments. Accordingly this venture is completely begun by concentrating on shopper mindfulness in advancement and use of cashless exchange.

## Research Methodology

- ✚ **Sources of information:** The information was gathered through both essential and optional information. Essential information is through poll to the respondents. Auxiliary information is through assortment of diaries.
- ✚ **Sample size:** A sample of 155 respondents in Madurai Corporation was taken for this study.
- ✚ **Sampling system:** Convenience sampling was used.

## Tools utilized for Analysis:

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

## Region of the Analysis:

The study is directed among general public in Madurai corporation.

## Limitations of the Study:

This investigation is restricted uniquely to 155 respondents. Despite the fact that overall population in Madurai Corporation was not contacted, the researcher had the option to gather information only from some individuals.

## Results and Interpretation

Table-1

**The Improvement of Economy is Possible through Adoption of Cashless Transaction**

Factors	No. of. Respondents	Likert Scale	Total Scale
Strongly Agree	28	5	140
Agree	65	4	260
Neutral	43	3	129
Disagree	9	2	18
Strongly Disagree	10	1	10
<b>Total</b>	<b>155</b>		<b>557</b>

Sources: Primary Data

$$\text{Likert scale value} = 557/155$$

$$= 3.59$$

From the above table, 28 respondents have firmly concurred that selection of cashless will improve the economy, 65 respondents have agreed that the adoption of cashless transaction will boost the country economy, 43 respondents stand nonpartisan for the statement, 9 respondents were disagree with the statement and the rest 10 respondents disagreed that the adoption of cashless transactions won't improve the economy. Plainly larger part of the respondents have concurred that appropriation of cashless transactions will improve the country economy.

Table -2

**The Fluctuation in Budget by Using Cashless Transaction**

Factors	No. of. Respondents	Likert Scale	Total Scale
Strongly Agree	25	5	125
Agree	55	4	220
Neutral	50	3	150
Disagree	20	2	40
Strongly Disagree	5	1	5
<b>Total</b>	<b>155</b>		<b>540</b>

Sources: Primary Data

$$\text{Likert scale value} = 540/155$$

$$= 3.48$$

From the above table 25 respondents have strongly agreed that cashless transactions will give change in spending plan, 55 respondents were agreed with the statement, 50 respondents are stand impartial, 20 respondents were disagree and rest 5 respondents have emphatically differ that utilizing cashless will give vacillation in spending plan. Therefore, the majority of the respondents have concurred that utilizing cashless will give change in spending plan.

Table-3

**The Adoption Level of Cashless in Issuing Free Debit/Credit Cards**

Factors	No. of. Respondents	Likert Scale	Total Scale
Agree	60	3	180
Neutral	48	2	96
Disagree	47	1	47
<b>Total</b>	<b>155</b>		<b>323</b>

Sources: Primary Data

Likert scale value =  $323/155$

$$=2.08$$

From the above table 60 respondents concurred that adoption of cashless transaction will be improved if charge/MasterCard's are uninhibitedly given, 48 respondents stand impartial on the statement, and rest 47 respondents have differ that free issues won't prompted the utilization of cashless modes. Obviously a large number of the respondents stand unbiased on the explanation that free issues of charge/Visas will expand the adoption level of cashless transactions.

Table-4

**Role of the Government on cashless transaction' Awareness**

Factors	No. of. Respondents	Likert Scale	Total Scale
Agree	72	3	216
Neutral	55	2	110
Disagree	28	1	28
<b>Total</b>	<b>155</b>		<b>354</b>

Sources: Primary Data

Likert scale value =  $354/155$

$$=2.28$$

From the above table, 72 respondents have agreed that administration has played an important role in promoting cashless transaction, 55 respondents stand nonpartisan and the rest 28 respondents differ stand disagree to the statement. Obviously dominant part of the respondents agreed that the government has played a significant role in making awareness of cashless transaction among the public in Madurai Corporation.

Table -5

**Knowledge on Cashless Transactions among the Public**

Factors	No. of. Respondents	Likert Scale	Total Scale
Agree	48	3	144
Neutral	65	2	130
Disagree	42	1	42
<b>Total</b>	<b>155</b>		<b>316</b>

Sources: Primary Data

Likert scale value =  $316/155$

=2.03

From the above table 48 respondents have concurred that the public is well informed about cashless, 65 stand nonpartisan in the announcement and rest 42 of the respondents differ the announcement. Therefore, a large number of the respondents stand nonpartisan that general public is well informed about cashless transaction.

Table -6

**Relation between Respondents' Occupation and Government's Idea of Reduction in Black Money**

Occupation	Yes	No	Not Secure	Total
Student	25	15	40	80
Business	12	8	10	30
Employees	15	7	11	33
Others	5	2	5	12

Sources: Primary Data

Calculated value:

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

Level of opportunity;

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

Chi-Square Test:

- Level of criticalness = 5.5 %
- Degree of opportunity = 6.5
- Calculated esteem = 11.40
- Tabulated esteem = 12.10

Hypothesis Testing:

1. Null Hypothesis (HO): There is no critical connection among occupation and Government's thought of decrease in Black Money.
2. Hypothesis (HI): there is critical connection among occupation and Government' thought of decrease in Black Money.

Interpretation:

From the above table, the determined worth is lesser than the table an incentive at 5.5 % level of hugeness with level of opportunity 6.5. The Null Hypothesis is acknowledged. Henceforth, it is concurred that there is no critical connection between the respondents and government's thought of decrease of dark cash through cashless transactions.

**10. Suggestions:**

- ✓ In request to make cashless society mindfulness is expected to the tremendous region.
- ✓ Improvement of banks in remote towns will make the uneducated to know or to utilize the cashless mode.
- ✓ Making Electronic installment framework totally sheltered and secure with the goal of occurrences of Cyber violations could be limited and individuals create confidence in electronic installment framework.
- ✓ Practice to ranchers with respect to exchanging items should be improved.

**11. Conclusion**

Cashless India is a strategy used by the government of India drove by Prime Minister Narendramodi to lessen reliance of Indian economy on money and to bring crowds of reserved dark cash lying unused into the financial framework. The nation set out upon this change to a cashless economy when the administration made the progressive stride of demonetization in 2016. The intense deficiency of cash in the wake of choice drove the individuals to remain in ATM to pull back money notes. So as to diminish the enduring of the general population, the legislature has given different methods of cashless exchange. In spite of the fact that it will require some investment for moving towards a total cashless economy, endeavors ought to be made to change over urban zones as cashless zones. In this manner various exercises should have been arranged in all the perspective for movement to cashless society and advanced India to accomplish the point of installment and repayment arrangement of India.

**References**

1. Piyushkumar, "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)
2. Mohamad, aidi, siti, "adoption of e-payment services" international conference on e-commerce, oct 2015
3. B.M.Saini, Demonetization and metamorphosis for cashless India", international journal of science and research, ISSN (O):2319-7064, 2016
4. Smitha, "cashless but no completely so", business today, Nov 27, 2016
5. Amutha, "a study on consumer awareness towards ebanking 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 mutilated and multifaceted studies, Vol.1, issue 9, ISSN2394-207X, march 2015.
7. [www.cashlessindia.gov.in](http://www.cashlessindia.gov.in)
8. [www.npci.org.in](http://www.npci.org.in)