



RURAL PEOPLE'S PERCEPTION ON CASHLESS TRANSACTIONS IN ANDAMAN AND NICOBAR ISLANDS: A STUDY OF NORTH AND MIDDLE ANDAMAN DISTRICT

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Abstract

Cashless Economy refers to the term where the physical flow of currency notes and coins are replaced with digital flow of money, which includes use of plastic money, digital means and over the net transactions. Such a replacement doesn't mean immediate removal of currency notes but slowly and gradually expelling of paper currency by means of following a proper procedure. Physical money means the paper currency notes and coins issued by the government as legal tender. Plastic money involves the use of plastic cards such as debit cards, credit cards, pre-paid cards, contact less cards etc. Electronic payment modes include all kinds of mobile wallets and payments made done through smart phones, laptops etc. Methodology is a systematic approach to solve a research problem. This study is analytical in nature. This section is intended to provide the conceptual framework and methodological orientation for the study on "Rural people's perception on cashless transactions in Andaman and Nicobar Islands". that there is a long way for India to become a cashless economy. People still lack trust and confidence while using digital payment methods. A lot of development in the field of infrastructure is required to make the dream of Digital India a reality. There are many people who are still not aware about the cashless economy not only in India but outside of India. Government has faced a lot of criticism in the past from the public for the various plans implemented on the public. There are a lot of challenges in fulfilling the dream of digital India but in the long run cashless economy will help in growth and will bring a lot of benefits and opportunities with it.

Keywords: Cashless economy, Digital India, Transaction, Money, Payment.

Introduction:

A cashless society describe an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties. Cashless societies have existed from the time when human society came into existence, based on barter and other methods of exchange, and cashless transactions have also become possible in modern times using digital currencies such as bitcoin.

The Prime minister of India, on 8th November, 2016 demonetized the two largest denominations of currency notes of INR 500 and INR 1000, which were ceased with immediate effect with a few exceptions. The entire nation was in a state of shock because such a huge render was declared invalid in just one announcement and it was not the first time the government of India has not taken such a step earlier. Indian government took this step in 1946 and 1978 but in 2016 it faced a lot of criticism as people were left with only INR 100 notes or less denomination to transact with. The main aim of this step was aimed to attack on counterfeit currency, currency used for terrorist financing, black money and corruption.

Not only is this the Prime Minister of India also working towards digitization of India (DIGITAL INDIA). Thus, both moves DEMONETISATION and DIGITIZATION if worked upon effectively will help

the Indian Economy to become Cashless Economy. Cashless Economy refers to the term where the physical flow of currency notes and coins are replaced with digital flow of money, which includes use of plastic money, digital means and over the net transactions. Such a replacement doesn't mean immediate removal of currency notes but slowly and gradually expelling of paper currency by means of following a proper procedure. Physical money means the paper currency notes and coins issued by the government as legal tender. Plastic money involves the use of plastic cards such as debit cards, credit cards, pre-paid cards, contact less cards etc. Electronic payment modes include all kinds of mobile wallets and payments made done through smart phones, laptops etc.

Methods of Digital Payments in India

Banking Cards: These includes all types of plastic cards such as credit card, debit card, cash card, travel card etc. they provide 2 factor authentications for a secure transaction.

USSD: Unstructured Supplementary Service Data is an innovative of making payments without the use of internet and Smartphone. The payments can be made by a feature phone by dialing *99#.

AEPS: Aadhar Enabled Payment System is a means by which a person can make payments at the point of sale by Aadhar authentication.

UPI: Unified Payment Interface powers multiple bank accounts into a single mobile application, merging all or some of the banking services.

Mobile Wallets: It is a means of carrying cash in digital format. Credit card or debit card can be linked to the mobile wallet for making payments or some money can be loaded into the mobile wallet.

Internet Banking: It is a medium through which various banking services like NEFT, RTGS, ECS, and IMPS etc. can be availed over the institution's website.

Mobile Banking: It is a service provided by banks providing its customers a platform to conduct various banking services by use of their mobile phones or tablets through the apps provided by the bank.

Objectives of the study:

1. To study consumer awareness on cashless transactions.
2. To study consumer benefits of cashless economy.

Methodology

Methodology is a systematic approach to solve a research problem. This study is analytical in nature. This section is intended to provide the conceptual framework and methodological orientation for the study on "Rural people's perception on cashless transactions in Andaman and Nicobar Islands"

Selection of the study area

Andaman and Nicobar Islands have been chosen for the study purpose, and the Union Territory has been divided into 03 districts, namely (1). South Andaman district. (2). North and Middle Andaman district (3). Nicobar district, but for the study purpose, researcher has selected only the North and Middle Andaman district based on the high rural population. The study is based on the Primary data and information has been collected from 52 respondents from different village of North and Middle Andaman District, randomly using the questionnaire.

Review of Literature:

Worthington (1995) expressed the view that the cashless society in which clumsy and expensive to handle coins and notes are replaced by efficient electronic payments initiated by various types of plastic cards is a good prospect for the twenty first century.

Anupama Sharma (2012) in her examination paper "Plastic card fakes and the counter measures towards a more secure instalment component" have tossed light on the quantity of cheats expanded impressively in the utilization of plastic cards as if there should be an occurrence of plastic card fakes the most influenced parties are the vendors of products and ventures as they need to hold up under the full obligation for misfortunes because of fakes, the banks additionally bears some cost particularly the circuitous cost though the cardholders are minimum influenced due to restricted customer risk and reasoned that every one of these misfortunes can be managed by making the judicious utilization of the new innovation and taking the separate counter measures.

Piyush Kumar (2015) "An Analysis of Growth Pattern of Cashless Transaction System" broke down that instructing clients about Cashless Transaction System there is a need to teach them about the separating variables of the Cashless Transaction System. Since Visa and Master Card are promoting routinely and in this way builds mindfulness. Attention to Technology serious conveyance channels like net keeping money, portable managing an account, and so on have made a win-win circumstance by broadening extraordinary comfort and various alternatives for client. Banks have been utilizing innovation to lessen cost and improve proficiency, profitability and client accommodation.

Natarajan and Manohar (1993) examined the factors influencing usage of credit cards issued by a bank in India. They found that that sex, age, educational qualification of card holders has no relationship with utilization of credit cards. They also found that occupation, income, employment status of spouse, mode of getting card has relationship with utilization of credit cards.

Dahlberg et. al., (2007) "Past, present and eventual fate of portable installments inquire about: A writing audit" proposed a structure of four possibility and five aggressive drive elements of versatile installment look into. The examination analyzed the two most essential calculates contemporary portable installments explore to be specific, versatile installment advances and shopper point of view of portable installments.

Bansi Patel and Urvi Amin (2012) in their exploration paper "Plastic Money : Road may Towards Cash Less Society" examined that now days in any exchange Plastic cash winds up noticeably unavoidable piece of the exchange and with it life turns out to be all the more simple and advancement would assume better position and alongside the plastic cash it ends up plainly conceivable that control the cash clothing and viable usage of budgetary framework would end up noticeably conceivable which would likewise accommodating for charge enactment.

Profile of Andaman and Nicobar Islands

Andaman and Nicobar Island is a Union territory in India Located at the junction of Bay of Bengal and Andaman Sea. It is a group of Island, which comprise two Islands namely Andaman Islands and Nicobar Islands. The capital of this union territory is **Port Blair**. Andaman and Nicobar are gifted with immense natural beauty as it is surrounded by Mystique Sea and lush green Vegetation. What was once synonymous with Kalapani Prison and a land where many become martyrs has now transformed into one of the best and the most exotic tourist locations in India. There is an exciting aura about the Island which fills every adventure lover and travelers with enthusiasm.

There are almost 572 small Islands that comprise Andaman and Nicobar and most of the part is covered with green forest and exudes unmatched beauty when the sun shines through them. The marine life of the Island is, however the highlight of the Islands. The blue water is as clear as the glass and you can find many aquatic animals and corals in the sea. Andaman and Nicobar have emerged as the most favorite tourist destination owing to the picturesque islets which were once hills which extended from Indonesia to Myanmar. Andaman and Nicobar are also known for the Andaman and Nicobar Command, the only tri-service geographical command of the Indian Army

Population of Andaman and Nicobar Islands (As per the Cencus 2011):

Andaman & Nicobar Islands is one of state in India with population of 380581. There are 3 districts, 9 Taluks, 555 villages and 5 towns in Andaman & Nicobar Islands. As per the Census India 2011, Andaman & Nicobar Islands has 94551 households, population of 380581 of which 202871 are males and 177710 are females.

General Characteristics of the Andaman and Nicobar Island: -

There are 572 islands in the territory having an area of 8,249 km² (3,185 sq. mi). Of these, only 38 are permanently inhabited. The islands extend from 6° to 14° North latitudes and from 92° to 94° East longitudes. The Andaman's are separated from the Nicobar group by a channel (the Ten Degree Channel) some 150 km (93 mi) wide. The highest point is located in North Andaman Island (Saddle Peak at 732 m (2,402 ft)). The Andaman group has 325 islands which cover an area of 6,408 km² (2,474 sq. mi) while the Nicobar group has only 24 islands with an area of 1,841 km² (711 sq. mi).

Profile of North and Middle District:

The North & Middle Andaman district consists of three Tehsils viz., Diglipur, Mayabunder and Rangat. **Diglipur Tehsil:** This tehsil consists of 72 inhabited and 9 uninhabited villages which are spread over in 7 inhabited islands viz., Narcondam, East, Land Fall, North Andaman, Smith, Curlew and Stewart Islands. This tehsil is located at the northern most part of this territory.

Data Analysis and Interpretation

In this chapter, the researcher analysed and tabulated the following details such as Gender-wise distribution of the respondent Frequency of Cashless Transactions of respondents and their Age group, Occupation, Monthly Income, Level of education status, Types of family, Marital status, Monthly expenditure and their awareness about cashless transaction, Methods of Payments, About accessing internet connection on mobile phone, about transaction limit, Risk of digital payments. Further researcher included the information about black money on so on.

Table 1: Consumer awareness about cashless transactions of the respodence.

S.No	Consumer awareness	Gender		Total
		Male	Female	
1.	Yes	23(74.20)	8(25.80)	31(59.61)
2.	No	12(57.14)	9(42.86)	21(40.39)
Total		35(67.31)	17(32.69)	52(100)
Source: Computed				

Table 1: shows that out of the total 52 respondents, Gender-wise classification of the respondents majority of them aware about cashless transactions 59.61 per cent and remaining 40.39 per cent of the respondents were not aware about cashless transaction in the study area.

Table 2: Mode of Payments

S.No	Payment method	Gender		Total
		Male	Female	
1	Cheques	-	-	-
2	Debit card	1(100)	-	1(1.92)
3	Credit card	-	-	
4	Online	-	-	-
5	Cash	34(66.67)	17(33.33)	51(98.08)
	Total	35(67.31)	17(32.69)	52(100)

Source: Computed

Table 2: shows the gender-wise distribution Mode of Payments of the respondents. The Mode of payments are classified into four category, namely 1.Cheques 2.Debit card 3.Credit card 4.Online 5.Cash.In this study out of the total 52 respondents majority of them using cash as payment method (98.08) per cent and remaining 1.92 per cent respondents were using Debit Card of the transaction.

Table 3: Day to day transactions can helps you cashless system.

S.No	Day	Gender		Total
		Male	Female	
1.	Yes	17(85)	3(15)	20(38.47)
2.	No	18(56.25)	14(43.75)	32(61.53)
	Total	35(67.31)	17(32.69)	52(100)

Source: Computed

Table 3: shows that out of the total 52 respondents, Gender-wise classification, majority of them are response that they are not getting any helps from day to day transactions which is 61.53 per cent and remaining 38.47 per cent were getting helps from the day to day transaction.

Table 4: Do you think cashless system will reduce black money/economy

S.No	Reduce black money or not	Gender		Total
		Male	Female	
1.	Yes	35(67.31)	17(32.69)	52(100)
	Total	35(67.31)	17(32.69)	52(100)

Source: Computed

Table 4: shows that out of the total 52 respondents, Gender-wise classification of the 100% respondents are response that cashless system will reduce black money/economy. It means respondents were strongly agree that cashless system will reduce black money in the economy.

Table 5: Is consumer feel safe carrying large amount of cash in public place.

S.No	Consumer feel safe or not	Gender		Total
		Male	Female	
1.	No	35(67.31)	17(32.69)	52(100)
Total		35(67.31)	17(32.69)	52(100)

Source: Computed

Table 5: shows that out of the total 52 respondents, Gender-wise classification is 100% respondents were response that they are not feel safe carrying large amount of cash in public place. It means researcher identified that cashless system will bring possitive impact in the economy.

Conclusion

Researcher can conclude that there is a long way for India to become a cashless economy. People still lack trust and confidence while using digital payment methods. A lot of development in the field of infrastructure is required to make the dream of Digital India a reality. There are many people who are still not aware about the cashless economy not only in India but outside of India. Government has faced a lot of criticism in the past from the public for the various plans implemented on the public. There are a lot of challenges in fulfilling the dream of digital India but in the long run cashless economy will help in growth and will bring a lot of benefits and opportunities with it.

This chapter is devoted to summarize to present in about the various conclusion and findings reached in the different chapters of this research work. The findings and conclusion of the present study lead to a concluding remarks where nearly 62% of the respondents are not using digital payment method. Nearly 70% of the respondents' income is less than Rs. 50,000 per month.

Few of the major finding according to this study are:

- There are still a lot of people who do not use any kind of digital payment method.
- There is still a lot of infrastructure is required to make digitalize India.
- People don't feel safe sharing their financial and personal information over the internet.
- People face various problems while using digital payment methods.

Key suggestions

- Government of India should try to educate people about the benefits of going cashless before taking any crucial steps.
- They should also be able to implement their plans properly and without troubling the public.
- They should also tell about the opportunities which the public will get if they become digital.
- People should try and use any digital payment method at least once.
- Government should develop infrastructure to cope up with any policy change or a plan implementation beforehand.
- People and government should work together to develop infrastructure and technology to digitalize India.

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