

PERCEPTION AND AWARENESS OF CUSTOMER TOWARDS CASHLESS TRANSACTION; A CASE STUDY

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Abstract

The empirical studies about perception and awareness of customers towards cashless transactions. Review of relevant literatures reveals lack of awareness and lack of literacy regarding cashless transaction. In this study, results showed that awareness, digital literacy, proper infrastructure and rate of participation of the customers in cashless transaction were found to have strong significant relation with cash less transaction. The objective of the study is to find the response towards cashless economy in Chikmagalur district of Karnataka. The samples were selected in simple random sampling method. Primary data was collected using questionnaire from the 150 respondents. The primary data was analysed using simple statistical tools like percentage method. Further the study reveals that majority of them are aware and agree that cashless transactions will help to fight against corruption black money and reduce the risk of carrying cash and can also faster economic growth. Based on the findingsome recommendations made are the government should adopt a different strategy of educations non-literate people about the cashless economy.

Key words: Cashless Economy, Black Money, Digital Literacy, Customer Perception, Faster Economic Growth

INTRODUCTION

A cashless economy is a situation in which the financial transactions are made by digital currencies. Cash less economy means the cashless transaction. In India, too much of transactions are made through cash. Less than 5 percent of total payments happen through electronically. Illiterate people do not know how to use digital transactions. Financial literacy and awareness about cash less transactions is paramount in India to make the cashless economy. Nearly 26% of India has internet access, and there are only 200 million users of digital payment services. Banks and financial institutions offering discounts on purchase with credit/ debit cards and online wallets offering attractive deals for payments have made Indians comfortable with paperless transactions.

LITERATURE REVIEW

The review of literature paves way for clear understanding of the area of research already undertaken and throws a light potential areas which are yet to be covered. In this regard an attempt has been made to make a brief survey of the work under-taken on the field of cash less transactions. To review some of the important studies are presented below such as.

Sedhirkumarsharma, Vandanalama and NidheGoyal (2015)In their study digital India concept is motive to build participative transparent and responsive system and provide all services to people to electronically and promote digital knowledge.

Piyuth Kumar (2015)Reveals that in his study to assess the behaviour towards cashless transactions system and how for they are adopted to this new world of cashless society.

SushanaPatil (2014)In their study customers have showed their preference over the usage of plastic money generally over a period of time in the banking process. Various types of plastic cards provided by banks in India are ATM cards, smart cards etc.

Moses Ashike (2011) the functioning of the cashless economy are enhanced by e-finance, e-money, exchange.. These all refers to how transactions and payments are effected in a cashless economy.

Roth (2010) Reveals that in his study to a have extent are moving away from paper payment instruments toward electronic ones, especially payment cards,

Jain P.M (2006)In this study cashless transaction system taking fullest advantage of technology, quick payments and remittance will ensure optimal use of available funds for banks, financial institutions and common people of India. Further focus on the need for e payment and modes of e- payments and communication networks.

IMPORTANCE OF THE STUDY

The cashless transaction is one of the most important concepts in now a days, Prospects for Cashless Economy in India. The Indian economy countries to be driven by the use of cash less than 5% of all payments happen electronically. In India the ratio of cash to gross domestic products 12.42% in GDP, this is one of the highest in the world. It was 9.47% in china and 4% in Brazil. The main advantages of perception of cashless society is that a record of all economic transactions through electronic means makes it almost possible to sustain black market or underground economics that often prove damaging to national economics. According to Info Wars, Cashless transaction is having so much importance like digital economy will help to enhance our current banking system. Increase the tax net boost in consumption security and convenience etc. The perception of customer on cashless transaction the advantages to citizens of a county in a cashless economy are, risk of carrying notes and loss of hard earned money can be avoided. Transaction costs are likely to be reducing. Convenience in shopping, payment of bills and scheduling of finical transactions managed from home, office or wherever with a smart phone, reduces expenditure in reducing need for printing of currency notes and its transportation reducing the black money and corruption, etc. This study also helps to the society the purpose of people understanding the positive and negative effect of cashless transaction and which are factors are affecting on the cashless transaction.

RESEARCH METHODOLOGY

This research study is mainly based on the survey research. Simple random and multi stage stratified random sampling technique has used. It is based on well-structured questionnaire which was conducted to study the awareness and perceptions of customers towards cashless transactions. The questionnaire were distributed to 150 respondents in different occupation and different banks in Chikkmagalurudistrict of the Karnataka, Chikkamagalurudistrict has a strong banking network in all the taluks. The data were collected by using a well-structured questionnaire which contains socio economic characteristics of the respondents methods benefits and problems of cash-less transactions. Primary data were collected with the help of questionnaire from 150 respondents of the Chikkmagalurudistrict. Secondary data were collected with the help of online sources, journals and reports.

Data analysis is based on the simple statistical tools and techniques such as average percentage etc. for explaining the results regarding the perception and awareness towards cash-less transactions.

DATA ANALYSIS AND INTERPRETATION

Table No-01

Socio-Economic Profit of Respondent (in-150)

Sl. no	Particulars	No. Respondents	Percentage
01	Age		
	18-30	69	46
	31-40	54	36
	41-50	24	16
	51-60	03	02
	Above 60 all	150	100
02	Gender		
	Male	108	72
	Female	42	28
	All	150	100
03	Education		
	Primary	18	12
	Secondary	33	22
	Higher education	99	66
	All	150	100
04	Marital Status		
	Married	54	36
	Un married	96	64
	All	150	100
05	Occupation		
	Agriculturist	12	9
	Business	63	42
	Labour	08	5.33
	Employees	52	34.66

	All	150	100.00
06	Household Monthly Income (Rs)		
	Less than Rs 25,000	10	6.66
	Rs. 25001-50,000	20	13.33
	Rs. 50001-75,000	55	36.66
	Rs. 75001-1,00,000	43	28.66
	Rs. Above 1,00,001	22	14.66
	All	150	100.00

Source: Field survey.

Socio-economic conditions of customers such as Gender, age, Marital status, education, household monthly income and occupation have been made significant influence on the perception and awareness of cashless transactions (economy) in the economy. The table No. 01 provides the data on socio-economic conditions of the sample respondents. The data clearly shows that a majority of 108, accounting for 72 percent of respondents are male, where as the minimum of 42 respondents accounting for 28 percent are female. 86 percent of the age-group of respondent belong to the from 18-30 and 31-40. This shows that majority of the respondents mostly young in which they can understand and awareness regarding cashless-transaction participation.

Education is the key factor influence on the respondent the cashless transactions. The data on educational status of sample respondents reveals that as many as of 132 (88 percent) respondents have completed secondary and higher education. The rate of literacy was directly related with cashless transactions.

Marital status is one of the important determinant of the individuals status in society. The data on marital status of the sample proportion of 96 (64 percent) respondents all un married.

The economic status in consequence of the occupation status of the respondents. The data reveals, that 42 percent and 34.66 percent respondents are business men and employees respectively. 10 percent of respondents are self employed, 8 percent of the respondents are agriculturist and 5.33 percent of the respondents are labourer. It has been observed that businessmen (42%) and employed (34.66%) respondents are used to the cashless transaction because of easy and quick transaction, save time and money.

The total family income also indicate the household status of the respondents. In order to ascertain sample respondents were asked to indicate their family total monthly Income. It reveals that 36.66 percent respondents have the family monthly income in the range from Rs. 50,000 to 75,000 and 28.66 percent have the family monthly income from Rs. 75001-100000.

Table-02
Use of Cash-Transactions Methods By The Respondents

Sl. No.	Methods	No. of Respondents	Percentage
1	RTGs	135	90.00
2	NEFT	128	85.33
3	Debit/Credit card	150	100
4	ATMs	150	100
5	Mobile Banking	140	93.33
6	Net Banking	95	63.33
7	POS	85	56.66
8	Digital Wallets	78	52.00

Source: Field survey

The table no. 2 shows that methods to use the cashless transaction by the sample respondents. 100 percent of the respondents were used Debit Credit cards and ATMs, 93.33 percent of the respondents used mobile banking, 90 percent of the respondents through RTGs and 85.33 percent NEFT. 63.33 percent of the respondents through the net-banking, 56.66 percent of the respondents used POS and 52 percent of the respondents used digital wallets. The study reveals that majority of the respondents used various methods for cash-less transactions.

Table-03
Source of Awareness by the Respondents

Sl. No.	Sources	No. Of Respondents	Percentage
1	T.V	150	100
2	News Paper	150	100
3	Internet Source	144	96
4	Advertisement	144	96
5	Social Media	132	88

Source: Field survey

The table no.03 shows that a various source of awareness to the respondents, 100 percent of the respondents are stated that television (T.V) and News paper (Print Media) are very important sources to awareness regarding benefits of cash-less transactions. 96 percent of the respondents are stated that Internet sources and advertisement. Remaining 88 percent of the respondents are stated that awareness from social media.

Table No-04
Frequency of Use Cash Less Transactions by the Respondents

Sl. No.	Frequency use	No. Of Respondents	Percentage
1	Daily	150	100
2	Weekly	110	73.33
3	Monthly	92	61.33
4	Quarterly	70	46.66

Source: Field survey

The table no. 04 shows the recent of frequency of the use the cashless transactions by the respondents. All most all the respondents carried out the transactions in daily 73.33 percent of the respondents carried out the transactions weekly. 61.33 percent of the respondents are stated that Monthly. Remaining 46.66 percent of the respondents stated that quarterly.

Table No-05
Awareness of Benefits of Cash Less Transaction by the Respondents.

Sl. No.	Benefits	No. of Respondents	Percentage
1	Easy and save time	146	97.33
2	Convince	147	98.00
3	Lower Risk	145	96.66
4	Secure Privacy	140	93.33
5	Control Black Money	90	60.006
6	Control the corruption	85	56.66
7	Transparency and Accountability	146	97.33
8	Safety	148	98.66
9	Control illegal Activities	75	50.00
10	Prompt Settlement	147	98.00
11	Increase the Tax Base	110	73.33
12	Increase Govt. Income	105	70.00
13	Other Benefits	60	40.00

Source: Field survey

The table no 05 provides the data on respondents opinion and awareness level about benefits of cash less transactions. The study reveals that most of the respondents (above 90 percent) expressed their opinion of cash less transaction as easy and save time, convince, lower risk secure privacy, safety, promote settlement and transference and accountability 73.33 percent of the respondents expressed Increase in the Tax base. Two percent of the respondents increase in govt.revenue. Reaming respondent are expressed their opinion control Black money (60%), control corruption (56.66%), control illegal activities (50%) and other benefits (40%).

Table No-06
Problems of Cashless Transactions by the Respondents.

Sl. No	Problems	No. of Respondents	Percentage
1	Lack of Security and Safety	142	94.66
2	Cyber Crime	140	93.33
3	Hacking Problems	135	90.00
4	Problem of Internet connection	130	86.66
5	Charges of Online Transaction	135	90.00
6	Lack of Infrastructure	142	94.66
7	Illiteracy	142	94.66
8	Lack of Incentives	90	60.00

Source: Field survey

The table No.06 Presents the data on respondents opinion about problems of cashless transactions. The data reveals that 94.66 percent of the respondents stated lack of security and safety, lack of infrastructure and illiteracy. 93.33

percent of the respondents stated cyber crime. 90 percent of the respondents are of the opinion that hacking paid charges on online transactions, Remaining 86.66 and 60 percent of the respondents stated that problem of Internet connection and Lack Incentives respectively.

Major Findings.

- Socio-Economic conditions of the respondents such as gender, age, level of education, occupation and household monthly income perception and awareness of the cash less transactions. The study reveals that 72 percent of the respondents are male. 86 percent of the age group of the respondents belong from 18-30 and 31-40. This shows that majority of the respondents all young in which they can understand, awareness about cashless transactions.
- The study reveals that 88 percent of the respondents have completed secondary and higher education. The rate of literacy is directly relational with cashless transactions.
- 96 percent of the respondents all un-married. They are interested to their transaction of digital mode.
- The study shows that 42 percent and 34.66 percent respondents are business class and employed people respectively. 36.66 percent of the respondents have the monthly income in the range of from Rs. 50001 to 75,000 and 28.66 percent have the family monthly income from Rs. 75,001 to 1,00,000. This is indicate that occupation and income of the family also influence on the cashless transactions.
- The study reveals that majority of the respondents used the cash less methods such as ATMs, Debit/Credit card (100%), TRGs (90%), NEFT (85.33%), Mobile banking (93.33%), Net banking (63.33%), POS (56.66%), and Digital Wallets (52.00%).
- The study reveals that very important sources of awareness regarding cash less transactions to the respondents television (100%) and News paper (print media) (100%)
- Majority i.e. 73.33 percent of the respondents carried out the cashless transactions daily.
- The study explore that most of the respondents (90 percent above) expressed their opinion regarding the benefit such as easy and save time, conviance, lower risk, secure privacy, safety, promote settlement and transference and Accountability.
- The study reveals that 94.66 percent of the respondents stated that lack of security and safety, lack of Infrastructure and illiteracy. Remaining respondents stated that cyber crime (93.33%), Hacking problem (90%), charge of online transaction (90%), Problems of Internet connection (86.66%) and lack of Incentives (60%).

Recommendations and Policy Implications

- Government has to bring transparency and efficiency in e-payment system.
- The Govt. And RBI to encourage cash less transactions by licensing payment banks, promote mobile wallets and withdrawing service charge on credit/debit cards and digital payments.
- The Government financial literacy campaign should be conducted and more effective implementation to make the population awareness of benefit of electronic payments.
- Customer induced options may be provided for fixing a cap on the value/mode of transaction beneficiaries. In the event of customer waning to exceed the cap, an additional authorization may be insisted upon.
- Bank have been advised to put in place a system of providing additional factor of authentication/validation for all card not present transaction using the information which is not available on the card.
- E banking security system should be high speed responses due to security issues, it may take more time to respond and customer may be irritated.
- security side insisted of ATM pin no to use opt pin or alternative pin or biometric recognition to be used
- Precautionary steps display at vendor's outlet with emergency contract member and awareness Programmes.
- Reserve bank of India suggested banks to provide online alert for all card transaction.

Conclusion

The study concludes that many customers perception and awareness towards the cashless transaction services. Customers actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism , corruption, money lindies etc. But one of the biggest problem is the working of cash less transaction in India is cyber crime and illegal access. There-fore it's important to strengthen internet security from protection against online fraud. Customers are perceived the higher level of risk in the application of cash less transaction. Because large number population is still below literacy rate especially in rural area. Government should be educated towards cash less transactions services.. Government tries to promote customers mind towards the risk factors. Cash less transaction helps to develop the Indian economy. Hence, eachand everyone should access and use the digital based transaction. The Government to need more efforts financial literacy campaign time to time to make population aware of benefits of electronic payments.

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