

Chapter XXIV

A STUDY OF CONSUMER PREFERENCES FOR CASHLESS TRANSACTIONS

Dr. Rohita Deshpabhu Kamat

Assistant Professor of Economics

Government College of Commerce and Economics,

Borda, Margao - Goa

Email Id: rohitadd@yahoo.com

Dr. Elizabeth J. Henriques

Associate Professor of Economics

Government College of Commerce and Economics,

Borda, Margao - Goa

Email Id: henriquesliz@gmail.com

ABSTRACT

A cashless economy in an economic system relates to the minimal use of cash for the exchange of goods and services and whereby the consumers prefer plastic money for their transactions. These transactions are done using the electronic medium. In a cashless economy the transactions are made using the debit cards, credit cards, cheques, RTGS or direct account transfers.

The paper basically attempts to study the preferences of the consumers for a cashless transaction. The benefits of a cashless transaction and also the challenges/difficulties faced by the respondents are discussed in the paper. The study also focuses on the views of the respondents/ consumers on the introduction of cashless economy in India. Besides, the study also makes an attempt to examine the usage of the plastic money for the various types of transactions made by the respondents/ consumers by collecting data with the help of an online questionnaire. The sample comprises of a total of 150 respondents consisting of

students, teachers, doctors, bankers, businessmen, etc. and simple percentage method is used for analyzing the data.

Key Words: Cashless Transactions, Cashless Economy, Digital Transactions.

INTRODUCTION

The Government of India has mainly focused on digitalization and less use of paper currency to match with the leading and fast growing countries. The government has implemented a major change in economic environment by demonetizing the high value currency notes of Rs 500 and Rs 1000 from 8th November 2016 and has pushed India towards a cashless future. A cashless economy in an economic system relates to the minimal use of cash for the exchange of goods and services and whereby the consumers prefer plastic money for their transactions. These transactions are done using the electronic medium. In a cashless economy the transactions are made using the debit cards, credit cards, cheques, RTGS or direct account transfers.

Cashless economy is an economic system in which transactions are not done predominantly in exchange for actual cash. It does not refer to an outright absence of cash transactions in the economic setting but one in which the amount of cash-based transactions are kept to the barest minimum. A cashless economy or an e-payment system is a situation where there is little or very low cash flow in a given society, meaning thereby, transactions will be made by electronic channels like debit cards, electronic funds transfer, mobile payments, multi-functional ATMs, and internet banking. It is the economy that run mostly on plastic or digital money and thus with minimal cash or money in paper form.

In other words, it refers to the widespread application of computer technology in the financial system. It is designed to breakdown the traditional barriers hindering financial inclusion of millions of Indians and bring low cost, secure and convenient financial services to urban, semi-urban and rural areas across the country. Nevertheless, cashless economy is defined as one in which there are assumed to be no transactions frictions that can be reduced through the use of money

balances, and that accordingly provide a reason for holding such balances even when they earn rate of return. It is not the complete absence of cash but it is a payment system that is secure, convenient, and affordable. It is an economic system in which goods and services are bought and paid for through electronic media.

REVIEW OF LITERATURE

Cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid for through electronic media. According to Woodford (2003), Cashless economy is defined as one in which there are assumed to be no transactions frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return.

In a cashless economy, how much cash in your wallet is practically irrelevant. You can pay for your purchases by any one of a plethora of credit cards or bank transfer (Roth, 2010) observed that developed countries of the world, to a large extent, are moving away from paper payment instruments toward electronic ones, especially payment cards. Some aspects of the functioning of the cashless economy are enhanced by e-finance, e-money, e-brokering and e-exchanges. These all refer to how transactions and payments are effected in a cashless economy (Moses-Ashike, 2011).

Mr. Pradeep H. Tawade (2017) assesses the future trends and the impact of going cashless in the Indian economic scenario. After the study was conducted it was seen that the Government of India should consider many more steps in digitalizing India and payment methods should be made more secure and risk-free. Dhanda and Arora (2017) aimed towards studying the factors responsible for the rapid increase in acceptability of plastic card in the recent years. After the study was conducted it was seen that use of plastic cards is a matter of great pride among teenagers and is considered safe and free from any frauds.

Dr. Rashmi Gujrati (2017) paper titled 'India's march towards faceless, paperless, cashless economy' aimed towards creating a sense of awareness about cashless economy, its benefits, challenges and the

steps taken by government toward cashless economy. Dr. Asha Sharma (2017) study was conducted to find the scope of India becoming a cashless economy, challenges and opportunities related to cashless economy. Dominic, Saranya, and Rajani (2018) aimed towards studying the behavioural changes in individual towards cashless economy. After the study conducted it was seen that many individuals have already moved or are moving towards a cashless nation but there is still a long way for India to become cashless.

Mr. Bharat Khurana (2015) paper studied the benefits and challenges India might face if it becomes a cashless nation. It also helps in assessing the meaning of digital India and steps taken by government towards achieving the dream of cashless India. After the study no matter how much the government had done for fulfilling the dream of digital India but there is still a lot more that can be done to achieve that dream. Metri and Jindappa (2017) focusses on effect of going cashless on a common man living in India and the challenges related to going cashless. The study shows that India can never turn into a fully cashless economy as cash has been the dominating factor and always will be. Going cashless will only be feasible for a very small section of the society but not the whole nation.

Kumari and Khanna (2017) aimed to study how a behavioural change led to an economic growth in the Indian economic scenario. After the study conducted it was seen that various factors were responsible for such a change as people were finding various benefits and opportunities by adopting such a change. Felix, Rebecca and Igbinoba (2015) aimed towards understanding the impact of e-banking and cashless society on the people of Nigeria. But after the study was conducted it was seen that most of Nigerian citizens were not at all aware of such concepts and those who were aware were not fully using such facilities and there was no infrastructure development before implementing such changes.

Kousalya and Shankar (2018) focussed towards understanding the impact of cashless economy and its importance in India. After the research conducted it was seen that the introduction of cashless economy in India will bring about a positive impact on the financial sector and will help in modernisation of the payment system in India. Kokila and Ushadevi (2017) in their paper focussed towards understanding the

awareness and trust among the customers about cashless transactions. It was seen that people were aware about the cashless transaction but were still in doubt with implementing the same in daily routine.

Thomas and Krishnamurthy (2017) study focusses towards understanding the impact of demonetisation on rural India and to keep a check on the government initiatives to make rural market a cashless economy. The studies show that the government of India should initiate various schemes to make the dream of cashless economy a reality. Shrikala K. K. (2017) paper aimed to find the opportunities available in the rural part of India and the challenges which may be faced while moving towards a cashless economy. It was seen that there are many opportunities and every opportunity come with its own challenges, but they can be avoided with proper implementation.

Shendge, Shelar and Kapase (2017), Thilagavathy and Santhi (2017) and Sharad Malhotra (2017) focused on the impact and importance of cashless transactions in India. The study shows that if India becomes a cashless economy there will be both positive and negative impact, but negative impacts can be overlooked if the gain from positive impact is considered. Garg and Panchal (2017) study focusses on finding benefits and challenges related to cashless economy in India. The study shows that there are various benefits related to cashless economy and various challenges related to the cashless economy.

Akinola (2012) focused on understanding the cashless society and the problems related to the same in Nigeria. The study shows that cashless society will face a lot of challenges and criticism by the citizens of Nigeria. Bindra and Bindiya (2017) study focussed to find out the benefits, challenges and the growth prospects in India on the path of moving towards digital India. The study shows that digital India will bring a huge growth in the GDP of India and will also have other benefits are the society and the economy as well.

OBJECTIVES OF THE STUDY

- 1) To study the consumer awareness on cashless transactions.
- 2) To study the preference of the consumers for a cashless transaction.

- 3) To study benefits and challenges of a cashless economy.
- 4) To study the views of the consumers on the introduction of cashless economy in India.

METHODOLOGY

The study is conducted to obtain data on the Consumer Preferences for Cashless Transactions. The study is conducted in Goa using digital google forms. The sample size is 106 respondents which includes both literate and illiterate population since they are the ones who give their views on introduction of cashless economy and use of digital payment methods. The responses from the respondents were collected and analyzed using the simple percentage method.

Our study has used both primary & secondary data sources for the purpose of collecting the required information.

- a) Primary Data: The primary data was collected with the help of a google form based on the questionnaire method using the digital media (through mobile smartphone and electronic mails).
- b) Secondary Data: The secondary data was obtained through various journals, books, research papers and internet websites.

Limitations of the Study:

- The slow internet connection was a limitation and the respondents found it difficult to fill the form.
- Due to e - illiteracy, some respondents did not know how to use the smart phone.
- Time constraint on the part of the respondent.
- The response given by the respondents is considered to be true and non-biased.

CONCEPT OF DIGITIZATION

After demonetization initiatives, most of the people in India started using electronic payments for their transactions. Every citizen of the economy, whether the small merchant or the neighbouring vegetable vendor is embracing digital payment as a solution. Slowly and gradually

India is moving from cash to cashless economy. A cashless economy is one in which all the transaction are done using 'plastic money' i.e. ATM/debit, credit cards or through digital means. The circulation of physical currency is minimal in the cashless economy. The benefits of cashless economy are many. The increased use of credit cards will definitely reduce the amount of cash that people have to carry which reduces the risk and the cost associated with that. In this study, an attempt is made to examine the public perception in India towards cashless transactions and the attempt is also made to identify the challenges faced by them during their transactions.

The last decade has seen tremendous growth in the use of internet and mobile phones in India. Increasing the usage of internet, mobile penetration and government initiative such as Digital India are acting as a catalyst which leads to exponential growth in the use of digital payments. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking using smart phone or card payment. The consumer perception of digital payment has a significant and positive impact on adoption of digital payment.

Now-a-days most of the consumers prefer online payments. They want to go for cashless transaction and for these the modes available are mobile banking, debit card, micro ATM, Paytm, Google Pay, etc. All these transactions perform quick transactions, it saves time and it is more secured.

TOP TEN COUNTRIES PREFERRED CASHLESS TRANSACTIONS ACROSS THE WORLD

As per the survey conducted by CNBC, the top ten countries that prefer to go cashless for the transactions in the year 2019 are as follows:

Table 1: Top Ten Countries Preferring Cashless Transactions

Sr. No.	Country	(in Percentage)	
		Share of Non-Cash Payments	Share of People using Debit Cards
1	Belgium	93	86
2	France	92	69
3	Canada	90	88
4	United Kingdom	89	88
5	Sweden	89	96
6	Australia	86	74
7	The Netherlands	85	98
8	United States of America	80	72
9	Germany	76	58
10	South Korea	70	88

Source: CNBC Report, 2019

As can be seen in the Table 1 that Belgium prefers to go cashless taking the first rank (93 percent of its transactions are done without using paper money) while South Korea takes the tenth rank, where 70 percent of its transactions are done through non-cash payment. It is also noted that India ranks at the 28th position in 2018 and has moved from 36th position in 2011. It shows that India's overall ranking on the adoption of e-payments has moved up and showing a positive scenario on the global front.

RANKING OF INDIAN STATES GOING CASHLESS IN THEIR TRANSACTIONS

According to the report published by the Business Standards in the year 2018, the States that rank based on their preferences for going cashless are as follows:

Table 2: Indian States Ranking as per the Cashless Transactions

RANK	INDIAN STATE
1	Gujarat
2	Telangana
3	Haryana
4	Uttar Pradesh
5	Delhi
6	Himachal Pradesh
7	Uttarakhand
8	Punjab
9	Andhra Pradesh
10	Maharashtra
11	Rajasthan
12	Karnataka
13	Tamil Nadu
14	Jharkhand
15	Meghalaya
16	Assam
17	Kerala
18	Goa
19	West Bengal
20	Chattisgarh
21	Odisha
22	Bihar
23	Madhya Pradesh
24	Nagaland

25	Arunachal Pradesh
26	Mizoram
27	Tripura
28	Manipur
29	Jammu & Kashmir

Source: Business Standards Report, 2018

Table 2 shows the ranking of the Indian States based on their preference for cashless transactions. As can be seen that Gujarat ranks first in its preference for cashless transactions while Goa is at the 18th rank and Jammu and Kashmir ranks the last (29th rank) in its preference to go cashless.

A report by The Economics Times states that, the Gujarat Narmada Valley Fertilizers and Chemicals (GNFC) township in Bharuch has become country's first ever 'cashless township' as over 10,000 residents have embraced various digital mode of payments instead of cash. In the township, residents are making cashless payments at shopping centres, schools, colleges, hospital, stadium, laundry and even at tea stalls making Gujarat a role model for the other states to follow.

MODES OF CASHLESS TRANSACTIONS AND PAYMENTS

There are various methods of cashless transactions by which consumer can makes methods. Following sections covers these methods one by one:

- (i) **Cheque:** The cheque is one of the most established techniques for cashless installment. It is a known technique to everybody. In this technique, you issue a cheque for the particular add up to another person. The cheque gets kept in the individual bank. The bank forms an installment through a clearing house.
- (ii) **Demand Draft:** Demand draft is another simple method for cashless exchange. It is a most secure alternative to get

instalment from anybody. Demand draft (DD) never gets defaulted as it is marked by the financier. The inconvenience of DD and cheque is you have to visit a bank with a specific end goal to store cheque and request draft. The freedom of cheque or DD takes extra time.

- (iii) **Online Transfer- NEFT or RTGS:** The third least complex technique for the cashless exchange is online exchange utilizing NEFT or RTGS. With a specific end goal to do online cash exchange, you require web managing an account office. Online exchange utilizing NEFT or RTGS is relatively speedier than check or DD. Online exchange should be possible from any place utilizing web office.

- (iv) **Credit Card or Debit Card:** Credit card or Debit card is another cashless instalment technique. The use of charge card and check card was constrained in India. Be that as it may, use of Visa and charge card is expanding now. The confinement of this instalment technique is an accessibility of swipe card office (POS) at dealer end.

- (v) **Mobile Wallets:** The following cashless instalment technique is a versatile wallet. You needn't bother with a check card, charge card or web managing an account secret word for making instalment utilizing a wallet. Simply stack cash in your wallet by means of IMPS and utilize it moving. You can download the application from play store. Cases of wallets are Paytm, PhonePe, Google Pay.

- (vi) **UPI Apps:** UPI is a versatile instalment framework which enables you to do different monetary exchanges on your cell phone. UPI enables you to send or get cash utilizing virtual instalment address without entering bank data. Vendors can select with banks to acknowledge instalments utilizing UPI. Like on account of a PoS machine, the vendor would require a present record with a bank to acknowledge UPI instalments. The cases of few UPI Apps are PhonePe, Paytm, BHIM app, Mobikwik, SBI Pay and so on.

- (vii) **Aadhaar Enabled Payment System:** Aadhaar Enabled Payment System (AEPs) is one of the best cashless instalment strategies. AEPs resembles Micro ATM. It utilizes cell phone and a unique mark scanner for the exchange. So as to utilize this office, it is compulsory to interface your Aadhaar card to your ledger. You can utilize AEPs keeping in mind the end goal to perform exchange like Aadhaar to Aadhaar support exchange, Cash withdrawal, Cash store and so on.

BENEFITS OF CASHLESS ECONOMY

There are various benefits of having a cashless economy. Some of the benefits are as follows:

- (i) **Faster Transactions:** It has been proved that queuing at point of sale terminals and vending machines is greatly reduced. Typically three times more people can be served using a cashless system than could have been if they were paying cash. This leaves employees more time to enjoy their break. Improving the speed of service may also offer the benefit of reducing staff levels at off peak times.

- (ii) **Prompt Settlement of Transactions:** E-banking speeds up the settlement of transactions both locally and internationally, where the bank stands as paying bank to the customers for settlement of transaction or as collecting bank for collection of payment on transactions.

- (iii) **Convenience and Lower Risk:** The ease of conducting financial transactions is probably the biggest motivator to go digital. There will be no need to carry cash, plastic cards, or even queue up for ATM withdrawals. If you're the type of person who's always on the go, then you wouldn't have to worry about your busy schedule because you can easily pay bills, pay merchants, book transportation with your mobile wallet. So also it is easy to block a credit card or mobile wallet remotely if it has been stolen. But it's impossible to get the stolen cash back.

- (iv) **Taxation:** There is lesser scope of hiding income and evading taxation because of lesser availability of hard cash at homes and

more in banks. When there are more tax payers, it ultimately leads to a lesser rate of taxation for the whole country.

- (v) **Transparency and Accountability:** Electronic transactions or plastic money always leaves a digital proof beneficial for both the taxpayer (consumer) and the tax collector (government) and hence makes the system much more transparent and compliant.

- (vi) **Reduce Risk of Fake Currency:** While using the medium of digital transaction for making the payments, there is no exchange of currency involved. This reduces the risk of receiving fake currency in exchange of the good, either to the seller or the buyer.

- (vii) **Prevent Money Laundering and Reduce Corruption:** Cashless economy helps in curbing generation of black money and corruption. An increased use of digital payment instead of cash would enable a more detailed record of all the transactions which take place in the society, allowing more transparency in business operations and money transfers which reduce tax avoidance, money laundering and corruption to a large extent.

- (viii) **Reduced Maintenance Costs:** Digital transaction is a boon in terms of processing costs and waiting time. If implemented properly, it will increase the consumption and production rates, thereby improving the economy. Moreover, the logistics and supply chain of cash is costing the exchequer a fortune. The amount of money required in printing cash, its storage, transportation, distribution and detecting counterfeit currency is huge.

- (ix) **Spending Tracker:** All your transactions will be on your history. If you want to know how your spending habit is going, then simply check your transaction history and take note on which aspect you're spending more on. Is it food? Your fare? Or bills?

- (x) **Discipline:** The transaction history on mobile wallets will help you keep track of what you spend on the most which would help you discipline yourself, if there is a need to lower your spending.

CHALLENGES OF CASHLESS POLICY IN INDIA

There are various challenges that the economy faces when a new policy is implemented. Some of the challenges that a cashless economy faces are listed below:

- (i) **Digital Literacy:** More than half of the nation still does not know how to use a computer. People in rural areas still don't know about smart phone. Besides, there is lack of internet facilities and without it a country cannot become cashless. There are still many rural and urban areas where there the access of having 2G network is very difficult. Moreover, the cost of Internet access is very high as compared to developed countries.

- (ii) **Few Banks in Villages:** The capital city New Delhi alone has about 20 HDFC bank branches. There are several villages and Tehsils that don't even have one. More the banks, more the cash deposits in accounts. Banks in villages should be helpful in teaching the residents the process, usage and benefits of plastic cards.

- (iii) **Cyber Crime:** Using the digital media for the transactions also involve a huge risk of cyber crimes and internet fraud. Fear of losing money poses a big challenge to the usage of plastic money.
- (iv) **Low Literacy Rate and Poverty:** Low literacy rate and poverty hinders the accessibility of banking services. Citizens should not only know how to read and write but also possess basic ICT literacy to fully enjoy the benefits of e-payments.

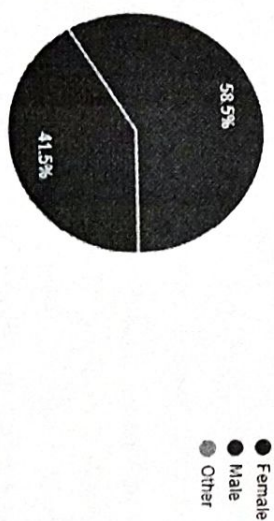
- (v) **Language Barrier:** Internet is an English based platform. The details on the plastic card are also in English. The message received on mobile regarding transaction is also in English. Therefore, it is required to use multiple languages regarding these processes or make everyone learn English.

- (vi) **Costly Swipe Machines:** Swipe machines are also not subsidy free. It can only be afforded by rich shopkeepers. It can't be expected from an auto driver or a normal grocery seller to afford swipe card machines. Besides, many street vendors, shopkeepers don't know how to use swipe machines.

DATA INTERPRETATION AND ANALYSIS

This section gives the data analysis of the survey conducted across Goa. Online Google forms were circulated through the electronic medium, via the smart phones and electronic mails. The analysis are as follows:

Figure 1: Gender-wise Classification of Respondents



Source: Primary Survey

The survey was conducted using the digital questionnaire and we got the responses from a total of 106 respondents. Figure 1 depicts that a majority of the respondents were males with 58.5 percent, while 41.5 percent of the respondents were females.

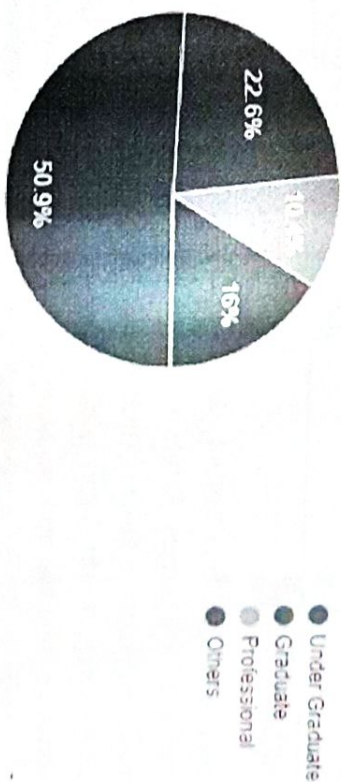
Table 3: Age-wise Classification of the Respondents

SR. NO.	DESCRIPTION	FREQUENCY	PERCENT-AGE
1	Upto 25 years	76	71.7%
2	26 – 35 years	14	13.2%
3	36 – 45 years	10	9.4%
4	46 years & above	6	5.7%
Total		106	100%

Source: Primary Survey

As can be seen from the above Table 3, that majority of the respondents are in the age group of 'Up to 25 years' with 71.7 percent. While 13.2 percent of the respondents were from the age group of 26-35 years and 9.4 percent which is the minority of the respondents are in the age group of 36-45 years followed by the age group of '46 years and above' with 5.7 percent. So also, the highest number of respondents were from the 'General' category with 69.8 percent, whereas 22.6 percent of the respondents were from 'Schedule Tribe and Schedule Caste' category, while 7.6 percent of the respondents were from 'Other Backward Classes'.

Figure 2: Educational Qualification of the Respondents



Source: Primary Survey

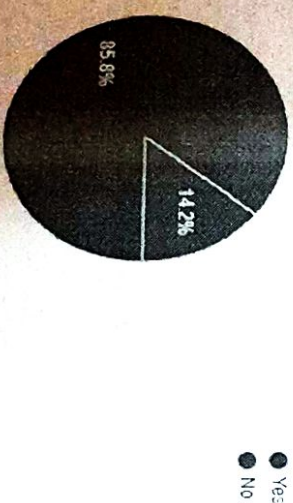
Figure 2 depicts the educational qualification of the respondents. It is observed that majority of the respondents i.e. 50.9 percent of the respondents are 'Under Graduates', 22.6 percent of the respondents are 'Graduates', 16 percent of the respondents were from the 'Others' category (i.e. illiterate, 10th pass, 12th pass, school dropout) and the remaining 10.4 percent respondents were 'Professionals'.

Table 4: Occupation-wise Classification of the Respondents

Sr. No.	DESCRIPTION	FREQUENCY	PERCENTAGE
1	Student	58	54.7 ⁰⁰
2	Teacher	9	8.5 ⁰⁰
3	Banker	2	1.9 ⁰⁰
4	Doctor	2	1.9 ⁰⁰
5	Retail Salesperson	1	0.9 ⁰⁰
6	Business/Entrepreneurs	5	4.7 ⁰⁰
7	Professionals	8	7.5 ⁰⁰
8	Unemployed	2	1.9 ⁰⁰
9	Other	19	17.9 ⁰⁰
Total		106	100%

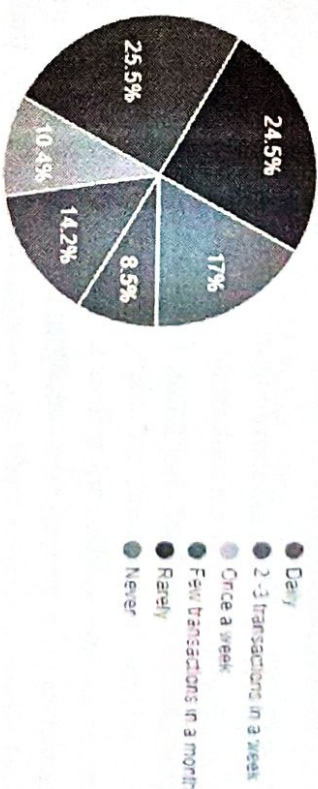
Source: Primary Survey

As can be seen from Table 4, the majority of the respondents are students with 54.7 percent. While 8.5 percent of the respondents are Teachers, 1.9 percent i.e. two respondents each are bankers, doctors and unemployed respectively. Retail salesperson have a least percentage of 0.9 percent i.e. only one respondent. While the Business entrepreneurs were 4.7 percent and the professionals have 7.5 percent with eight respondents.

Figure 3: Respondents having a Debit Card

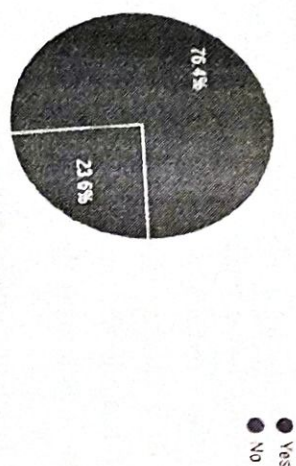
Source: Primary Survey

As can be seen from Figure 3 about 85.8 percent of the respondents have a bank debit card and about 14.2 percent of the respondents do not have a bank debit card. Among the student respondents (54.7 percent), account. They say that their parents have not opted for the option of a debit card as they will withdraw money and create an unnecessary expenditure. This will reduce the savings and the parents want to inculcate the habit of savings among the younger generation.

Figure 4: Debit Card Transactions by the Respondents

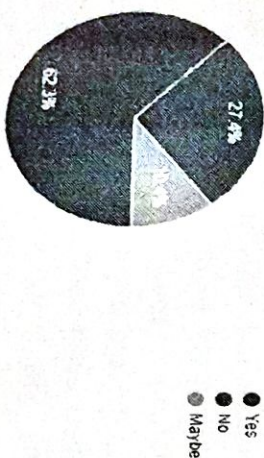
Source: Primary Survey

Figure 4 indicates the usage of the debit cards by the respondents. Green colour in the pie chart indicates that only 25.5 percent of the respondents have used their debit card for making a few transactions in a month. Purple colour indicates that 24.5 percent of the respondents use their debit card rarely to make a transaction. Light blue colour indicates the 17 percent of the respondents who have never used their debit card. While, the red colour indicates that 14.2 percent of the respondents use their debit card twice or thrice in a week for making digital transactions. Similarly, the orange colour indicates that 10.4 percent of the respondents use their debit card just once a week and the dark blue colour in the pie chart indicates that 8.5 percent of the respondents use their debit cards on daily bases.

Figure 5: Respondents having a Credit Card

Source: Primary Survey

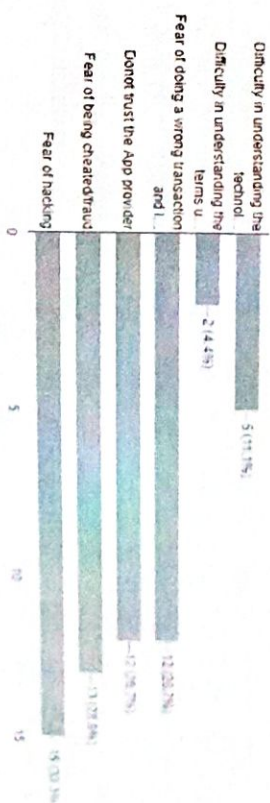
As can be seen from the above Figure 5 that, about 76.4 percent of the respondents do not have a bank credit card and about 23.6 percent of the respondents have a bank credit card. The majority of the respondents being students (54.7 percent) and unemployed (1.9 percent), some of them do not have a debit card neither a credit card. 'Other' category respondents (17.9 percent) who among them are daily wage earners do not believe in having a credit card as they know the reality that the money in the credit card is not their own and that they have to replace it with a certain interest. They feel that having a credit card is like taking a loan and they do not want to take the risk.

Figure 6: Usage of Mobile Phones for Digital Payments/Transactions

Source: Primary Survey

Figure 6 indicates that about 62.3 percent of the respondents make use of mobile phones for making digital payments and transactions. While, 27.4 percent of the respondents do not make use of mobile phones for making the digital payment/ transaction because few of the respondents are not e-friendly with the language that is used for the transactions. About 10.4 percent of the respondents use their mobile phones sometimes to make the payment or transaction where they cannot use cash or sometimes when they fall short of cash to make the payment.

Figure 7 gives the reasons of the respondents who do not use the mobile phones for making a digital transaction or payment. Here the respondents were given the option of multiple choices to select their reasons. They could choose one or more than one answer as per their preference/choice.

Figure 7: Reasons for not using the Mobile Phones for Digital Payments

Source: Primary Survey

Figure 7, shows the respondents reasons for not using their mobile phones to make the digital transactions and digital payments. Here a total of 59 responses (131.1 percent, respondent giving multiple choices) gave their reasons for not using their mobile phones to make digital payments/transactions. About 11.1 percent of the respondents have difficulty in understanding the technology, while 4.4 percent of the respondents have difficulty in understanding the terms used to make the transactions. 26.7 percent of the respondents have fear of doing a wrong transaction and losing their hard earned money. While, 26.7

percent of the respondents do not trust the App providers, about 28.9 percent of the respondents have a fear of being cheated/ fraud and around 33.3 percent of the respondents have the fear of hacking which is a cyber crime.

Around 40.6 percent of the respondents are not sure whether the digital methods are risk free or not. Similarly, 34.9 percent of the respondents say that the digital methods are not risk free because according to them there is an increase in cyber-crime and sometimes unknowingly they fall prey to the cyber frauds. About 24.5 percent of the respondents say that the digital methods of payments are risk free. They say that there is transparency in the transactions made and you are kept in check with regards to the amount transacted. This helps them in keeping a track of the expenditure incurred.

Table 5: Frequencies of making a Digital Payment

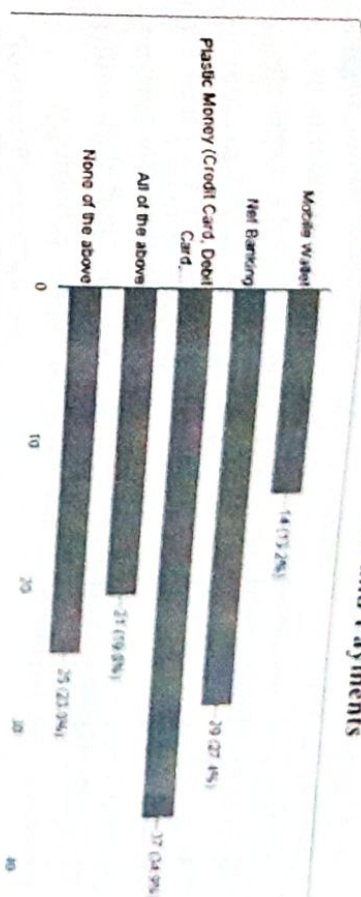
SR. NO.	DESCRIPTION	FREQUENCY	PERCENTAGE
1	Regularly	26	23.6%
2	Sometimes	31	29.2%
3	Rarely	27	26.4%
4	Do not prefer to make digital payment	22	20.8%
Total		106	100%

Source: Primary Survey

Table 5 represents how often the respondents make digital payments. Around 29.2 percent of the respondents sometimes make digital payments, 26.4 percent of the respondents rarely make digital payments. About 20.8 percent of the respondents do not prefer to make digital payments and 23.6 percent of the respondents make digital payments regularly.

The following 'Tables' show that the responses given by the respondents to a particular question are multiple. Here the responses were given the option of multiple choices to select their preference/choice.

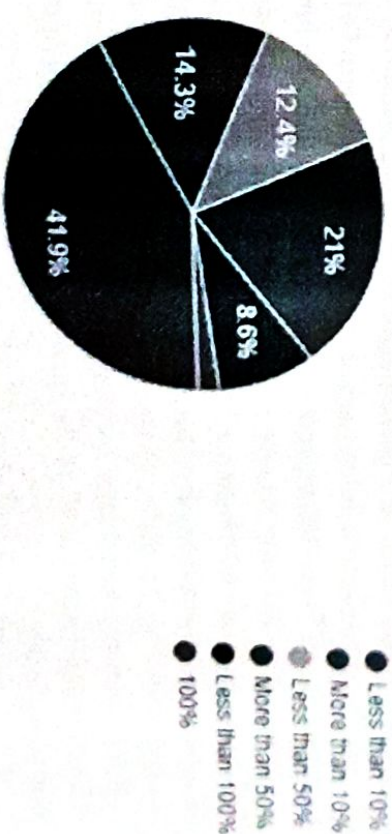
Figure 8: Preference of Cashless Mode and Payments



Source: Primary Survey

Figure 8, shows which of the cashless mode and payments the respondents prefer. Here a total of 126 responses (118.9 percent, respondent giving multiple choices) gave their preference of the cashless modes and digital payments. Around 13.2 percent of the respondents prefer Mobile Wallet, 27.4 percent of the respondents prefer Net Banking, 34.9 percent of the respondents prefer Plastic Money (Credit Card, Debit Card, Prepaid Card, Gift Cards), 19.8 percent of the respondents prefer all the options mentioned and about 23.6 percent of the respondents preferred none of the given modes and payments.

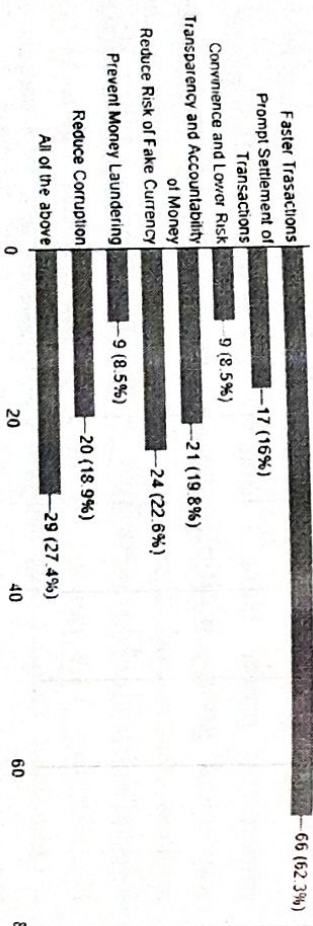
Figure 9: Percent-wise Digital Transactions made by the Respondents



Source: Primary Survey

Figure 9 shows the percent-wise transactions made by the respondents. About 41.9 percent of the respondents make digital payments less than 10 percent, 14.3 percent of the respondents transactions more than 10 percent, about 21 percent of the respondents transactions and payments are more than 50 percent, 12.4 percent of the respondents transactions are less than 50 percent and around 8.6 percent of the respondents digital transactions are less than 100 percent. There were two respondents (1.8 percent) who said that their entire transactions and payments are done using the digital technology.

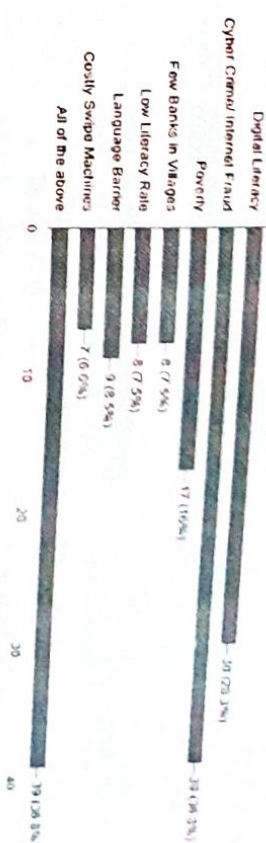
Figure 10: Benefits of a Cashless Economy



Source: Primary Survey

Figure 10 depicts the benefits of a cashless economy. 62.3 percent of the respondents feel that online transactions are faster, 16 percent of the respondents feel it is a prompt settlement of transactions, 8.5 percent of the respondents feel that a cashless transaction is convenient and has a Lower Risk, 19.8 percent of the respondents feel that there is Transparency and easy Accountability of Money, 22.6 percent of the respondents feel it reduces the Risk of Fake Currencies while, 8.5 percent of the respondents feel that cashless transactions will prevent money laundering. Similarly, 18.9 percent of the respondents feel that cashless economy will reduce corruption and around 27.4 percent of the respondents agree to all of the benefits of the cashless economy mentioned above.

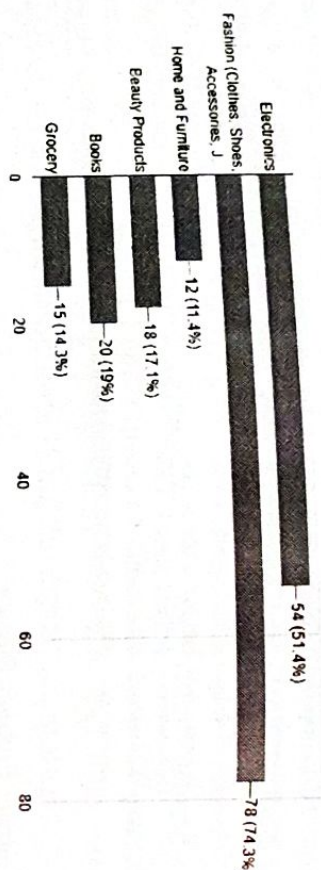
Figure 11: Challenges of Cashless Transactions



Source: Primary Survey

Figure 11, shows the challenges of cashless transactions. 28.3 percent of the respondents face the problem of digital literacy, while a majority of 36.8 percent of the respondents feel that Cybercrime/Internet Fraud is the hindrance to a cashless economy, 16 percent of the respondents feel that poverty is the biggest challenge as India still has a population who are below the poverty line. 7.5 percent of the respondents feel that there are few banks in the villages and there is Low Literacy among the citizens respectively. 8.5 percent of the respondents feel that there is a language barrier in understanding the digital terms. There is e-illiteracy prevailing among the citizens. While, 6.6 percent of the respondents were of the opinion that the costly swipe machines will demotivate digital transactions and payments. Majority of the respondents (36.8 percent) did agree that there are major challenges towards the economy going cashless.

The percentage of respondents who prefer online shopping are 67.7 percent. Whereas 28.6 percent of the respondents sometimes prefer online shopping especially when there is a discount or online sale and around 5.7 percent of the respondents do not prefer online shopping. They prefer to personally go to the shop, check the material, and the quality of the product before buying the products commodities.

Figure 12: Products Purchased Online by the Respondents

Source: Primary Survey

Figure 12, shows the products purchased online by the respondents. 51.4 percent of the respondents purchase Electronic items online, 74.3 percent of the respondents purchase Fashion items like clothes, shoes, accessories, jewellery, etc., 11.4 percent of the respondents purchase Home and Furniture online, 17.1 percent of the respondents purchase Beauty products while, 19 percent of the respondents purchase Books and 14.3 percent of the respondents purchase Grocery items online.

Table 6: Whether Respondents Book Tickets Online

SR. NO.	DESCRIPTION	FREQUENCY	PERCENTAGE
1	Yes	66	62.9%
2	No	25	23.8%
3	Someone else booked it for me	14	13.3%
Total		105	100%

Source: Primary Survey

As can be seen from Table 6, that around 62.9 percent of the respondents have booked ticket online, where as 23.8 percent of the respondents have never booked tickets online and about 13.3 percent of the respondents say that someone else (a known person, either family

or friend) have booked tickets for them.

Figure 13: Respondents Preference for Booking the Tickets Online

Source: Primary Survey

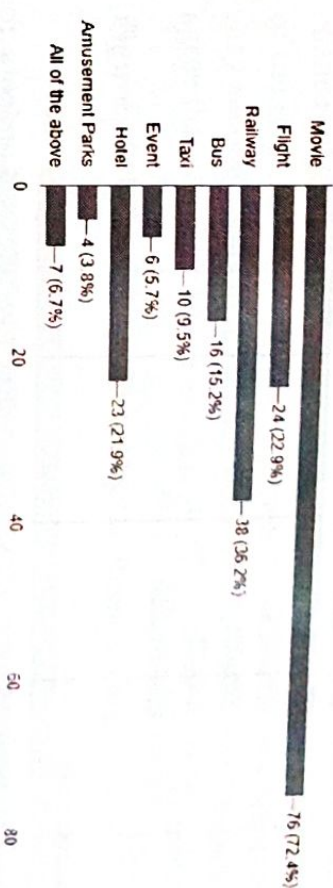
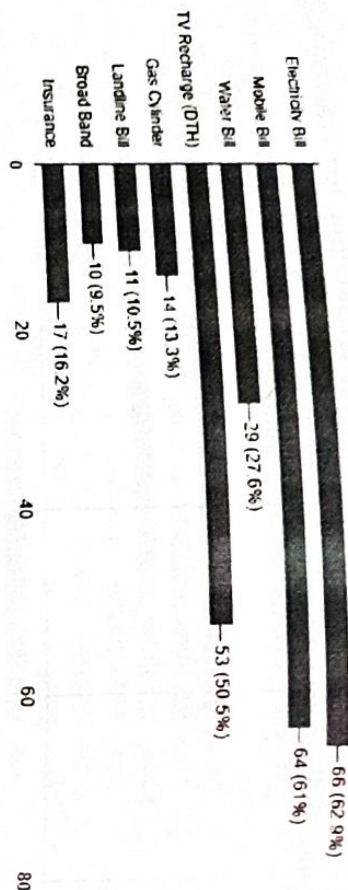


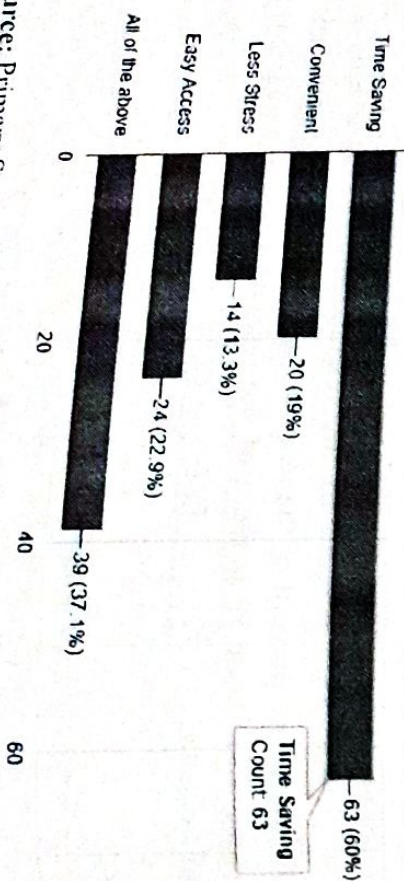
Figure 13, shows the preference of the respondents for booking the tickets online. 72.4 percent of the respondents booked tickets for movie, 22.9 percent of the respondents booked tickets for flights, 36.2 percent of the respondents have booked tickets for railways, 15.2 percent of the respondents have booked tickets for bus, 9.5 percent of the respondents booked tickets for taxi, 5.7 percent of the respondents have booked tickets for an event (musical show, football, etc.) 21.9 percent of the respondents have booked tickets for hotel stay, 3.8 percent of the respondents have booked tickets for amusement park and around 6.7 percent of the respondents have booked tickets for all the options mentioned at some point of time in life.

About 65.7 percent of the respondents pay their bills online. Whereas 15.2 percent of the respondents do not prefer to pay their bills online and about 19 percent of the respondents sometimes pay their bills online.

Figure 14: Respondents Preference for making Online Payments

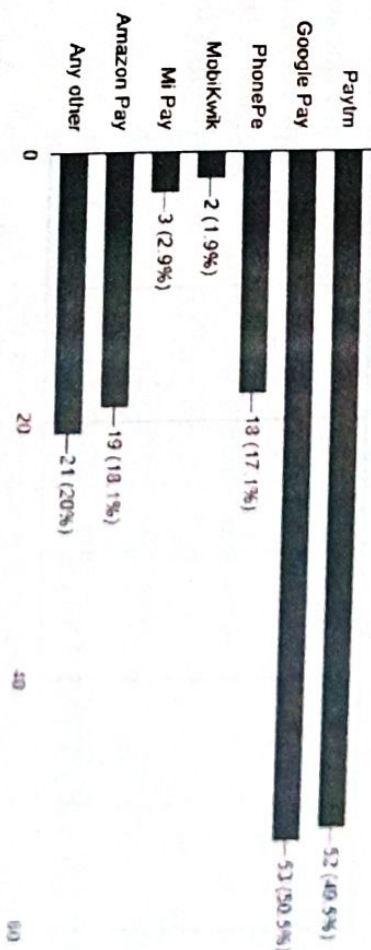
Source: Primary Survey

Figure 14 depicts the responses given by the respondents for making online payments. Majority of the respondents (62.9 percent) are paying electricity bills online, followed by 61 percent of the respondents who make online payment of their mobile bills. 27.6 percent of the respondents pay water bills. While 50.5 percent of the respondents recharge their Television online. 13.3 percent of the respondents pay for their gas cylinders, while 10.5 percent of the respondents pay their landline bills online. 9.5 percent of the respondents pay their broad band bill online and 16.2 percent pay their insurance online.

Figure 15: Reasons for the Respondents Preferring Online Transactions

Source: Primary Survey

Figure 15 shows the reasons for the respondents preferring online transactions. 60 percent of the respondents prefer online transactions as they feel it is time saving and hassle free, 19 percent of the respondents prefer online transaction based on their convenience, 13.3 percent of the respondents prefer online transactions as it is less stressful and no chances of getting fake currency in return for the cash paid. 22.9 percent of the respondents prefer online payments because of easy access and easy accountability of the money while 37.1 percent of the respondents agree that an online transaction has all the above-mentioned benefits.

Figure 16: Payment Apps used by the Respondents

Source: Primary Survey

As can be seen from the above Figure 16, that the majority of 50.5 percent of the respondents prefer to use Google Pay followed by 49.5 percent who prefer Paytm as the payment App. 17.1 percent of the respondents use PhonePe App while 1.9 percent of the respondents use Mobikwik App, 2.9 percent of the respondents use Mi Pay App. Similarly, 18.1 percent of the respondents use Amazon Pay and 20 percent of the respondents prefer other apps for the digital payments.

Table 7: Whether India is ready for a Cashless Economy

SR. NO.	DESCRIPTION	FREQUENCY	PERCENTAGE
1	Yes	21	19.8%
2	No	42	39.6%
3	Maybe	43	40.6%
Total		106	100%

Source: Primary Survey

As can be seen from Table 7, a small percent (19.8) of the respondents said that India is completely ready for changing itself into a cashless economy. About 40.6 percent of the respondents are not sure whether India is completely ready for changing into a cashless economy and around 39.6 percent of the respondents have a strong opinion that India is not completely ready and that there are a lot of challenges and obstacles for becoming a cashless economy.

SUMMARY FINDINGS

The major findings based on this study are as follows:

General Findings:

1. The results depict that the respondents agree with the Government on the benefits of being a cashless economy as it helps to fight against terrorism, corruption and money laundering.
2. The biggest challenge in the working of cashless economy in India is cybercrime and fraud.
3. Large number of population is still below literacy rate living in rural areas.
4. Digital Literacy and the fear of being cheated is the major obstacle towards the success of a cashless transaction.
5. There is still lot to be done by the Government to digitalize India.
6. The Government needs to provide good internet facilities even in the remote areas of India.

Study Findings:

1. The background study shows that irrespective of the benefits of a cashless economy, a large number of respondents feel unsafe to make digital transactions.
2. It is observed that irrespective of the gender, age, category, education and occupation the respondents are availing the benefits of using plastic money and making digital transactions and payments.
3. There are respondents who have a debit and a credit card. It is also seen that few of the respondents use their mobile phones for their daily transactions.
4. The findings show that 33.3 percent of the respondents have the fear of being cheated and internet hacking. As a reason they do not prefer digital transactions.
5. Twenty eight of the respondents are of the opinion that the digital methods are risk free while contrasting to their opinion are the thirty six respondents who opined that the digital methods are risky.
6. The study shows that majority of the respondents use plastic money (credit cards, debit cards) for the digital transactions.
7. It is seen that among the various benefits of a cashless economy, the benefit of faster transactions was highly accepted by the respondents (62.3 percent), followed by the reduced risk of fake currency (22.6 percent).
8. The study emphasizes on the challenges of cashless transactions being the cybercrime and internet frauds followed by digital literacy, language barrier, poverty and few banks in the villages.
9. The respondents prefer online shopping especially when there is a discount and sale. It is seen that they (74.3 percent of the respondents) prefer buying fashion items like clothes, shoes, accessories, jewellery, etc.
10. Majority of the respondents (72.4 percent) prefer booking tickets online for movies while the second highest preference

was for the railway bookings. Followed by booking for flight tickets and hotel stay.

11. 62.9 percent of the respondents prefer paying electricity bills online. Similarly 61 percent of the respondents pay mobile bills while 50.5 percent recharge their televisions. This shows that the respondents prefer to pay online as they save on time and online payments are convenient and an easy access for them.
12. Maximum respondents (50.5 percent) prefer the Google Pay App for their payments as compared to the other Applications.
13. The study shows that 19.8 percent of the respondents are of the opinion that India is ready for changing into a digital economy while 39.6 percent disagree and 40.6 percent are neutral on the thought of India becoming a cashless economy.

SUGGESTIONS

1. Government of India should try to educate people about the benefits of going cashless before taking any crucial steps.
2. Awareness should be created among the general public about the benefits and the opportunities of becoming a cashless economy.
3. A financial literacy campaign should be conducted by the Government from time to time to make the citizens aware of the benefits of electronic payments/ electronic transactions.
4. Certain cyber measures have to be taken to avoid the fraudulent practices.
5. The study shows that if India becomes a cashless economy there will be both positive and negative impact, but negative impacts can be overlooked if the gain from positive impact is considered.

CONCLUSION

We 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 benefits of a cashless economy. Government has faced a lot of criticism in the past from the public for the various plans implemented on the public.

There are many people who actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism, corruption, money laundering but one biggest problem in the working of cashless economy in India is cybercrime. Therefore it's important to strengthen the internet security from protection against online fraud. Large number of population is still below literacy rate, having the difficulties of language as a barrier and e-literacy.

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.

REFERENCES

- Akinola (2012); 'Cashless Society: Problems and Prospects, Data Mining Research Potentials'.
- Bharat Khurana (2015); 'Dream of cashless India: Benefits and Challenges'.
- Bindra and Bindya (2017); 'Going Cashless: stepping towards Digital India'.
- Dhanda and Arora (2017); 'Genesis of Cashless Society: A study on growing acceptability towards plastic money'.
- Dominic, Saranya, and Rajani (2018); 'A study on transformation in behaviour of individual towards cashless economy'.
- Dr. Asha Sharma (2017); 'Potential for cashless economy in India'.

- Dr. RashmiGujrati (2017); 'India's march towards faceless, paperless, cashless economy'.
- Felix, Rebecca and Igbinoba (2015); 'Appraisal of the impact of ebanking and cashless society in the Nigerian Economy'.
- Garg and Panchal (2017); 'Study on Introduction of cashless economy in India 2016: Benefits & Challenge'.
- Kokila and Ushadevi(2017); 'A study on consumer behaviour on cashless transaction in U.T. of Pondicherry'.
- Kousalya and Shankar (2018); 'Cashless Economy/Transaction'.
- Kumari and Khanna (2017); 'Cashless payment: a behavioural change to an economic growth'.
- Metri and Jindappa (2017); 'Impact of cashless economy on common man in India'.
- Moses-Ashike, H. (2011); 'Cashless Economic can Reduce Risk of Carrying Huge Cash'; [Online] Available: <http://www.businessdayonline.com/.../22217>.
- Mr. Pradeep H. Tawade (2017); 'Future and Scope of Cashless Economy in India'.
- Roth, B. L. (2010); 'The Future of Money: The Cashless Economy - Part I'; [Online] Available: <https://www.x.com/.../future-money-cashless-economy---part-i>.
- SharadMalhotra (2017); 'Impact of Cashless Society for the Economic Growth in India'.
- Shendge, Shelar and Kapase (2017); 'Impact and importance of Cashless Transaction in India'.
- Shrikala K.K. (2017); 'Cashless Transaction: Opportunities and Challenges with special reference to Kodagu district of Karnataka'.
- Thilagavathy and Santhi (2017); 'Impact and importance of Cashless Transaction in India'.

- Thomas and Krishnamurthy (2017); 'Cashless rural economy- a dream or reality'.
- Woodford M. (2003); 'Interest & Price: Foundation of a Theory of Monetary Policy'; Princeton University Press.
- <http://www.cashlessIndia.gov.in>
- <http://www.researchgate.net>
- <http://www.motilaloswal.com>
- <http://www.quora.com>
- <http://www.en.n.wikipedia.org>
- <http://www.mbauniverse.com>
- <http://www.viasexpress.net>