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CASHLESS BANKING TRANSACTIONS IN COVID-19 LOCKDOWN PERIOD

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ABSTRACT

The continued spread of COVID-19 has emerged as one of the most serious risks to financial markets and the global economy. Several measures are being taken by countries around the world, including those in India to contain the impact of an outbreak of the corona virus. The accompanying economic chaos is massive, and firms of all sizes will see a significant drop-in activity in the immediate term. Cashless banking transactions are explained in this paper. An overview of Cashless Banking and related transactions will be given to the researcher in this course. One of the most crucial tools we have to meet our goals and requirements is money. In order to purchase goods and services, governments issue various kinds of currencies, which are then traded for goods and services. Recently, India's public has been more interested in the pros and cons of a "cashless" economy. Digital payments and online payment sites are examined in this research, as well as the difficulties encountered by respondents when making an online payment.

Keywords: *Covid-19, Cashless Transaction, Locked Down, Cashless Banking Transactions.*

Introduction

The continued spread of COVID-19 has emerged as one of the most serious risks to financial markets and the global economy. Indian authorities are implementing a variety of precautions in an effort to control and prevent further spread of the coronavirus. These include a complete shutdown of the country; the closure of public venues and transportation; and an appeal to the people to remain at home and avoid social contact (1, 12).

Businesses of all sizes, both big and small, have seen significant short-term declines in activity as a consequence of the economic turmoil. The financial picture for the digital payments industry is no different and will follow a similar trend, at least in the near term, with economic growth projected to be badly damaged. Because of it, the sector will play an important part in the economy's recovery in the new normal (2-4).

During the Covid19 shutdown period, the use of electronic transactions expanded dramatically in order to reduce the number of people visiting a bank branch in person. Lockdown also resulted in a decrease in the number of people visiting the bank branch. After Covid19, the worldwide payment market is predicted to rise by 23.45 USD billion between 2020 and 2024 as e-commerce expands and digital payment methods become more popular. Global Payment Gateways Processing Solutions Market forecasted the payment gateway industry's trajectory up to 2024 (5).

Through the years, technological advancements have brought about profound changes in our planet and in our day-to-day lives. Through all of these changes, technology has made our lives simpler,

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more efficient, and more enjoyable. To withdraw or transfer money to someone you no longer have to enter the bank. Many banks have already made online transactions possible, everywhere. With your cell phone and banking application, you can manage all your bills online. Moreover, it is clear that COVID-19 million workers have been forced to stay home for the past eight months. There is a need to quickly transform digital technology into a 2020 vision. This adaptation came into effect almost immediately with the lockout, especially for India digital payments. The Government of been actively promoting online payments since 2016, starting with monetization. 'Digital India' was the driving force behind many digital and Indian economic decisions. In India, digital payments may be made using a variety of techniques, including Unstructured Support (AEPS) Data (USSD), bank cards, Integrated Payment (UPI), Aadhaar Enabled Payment System, and Bank Prepaid Cards, amongst others. As a result, cashless banking transactions have been made available across Govt-19 throughout the Covid-19 lockdown period (6-8).

Pinto & Arora's (2021) study addresses the business correspondent (BC)–agent banking model and its potential to overcome the gender gap in financial inclusion on the background of community-based rural livelihood initiatives and financial inclusion in underserved rural areas. With the help of technology and regulatory advancements, India has made great strides toward financial inclusion in recent years. However, women, especially those in rural areas, still lack access to basic banking services like checking accounts. More than half of the 420 million bank accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014 belonged to women, however polls have shown that over half of those women remain registered inactive customers. With the help of World Bank-funded programmes for rural livelihoods in India, 6.9 million women's self-help groups (SHGs) have been strengthened institutionally, allowing them to access savings and credit totaling $3,7 Billion and $56 Billion (INR3600 Billion), respectively, while creating an ecosystem for the deployment of female members as BC agents throughout rural India. For the pandemic lockdown in India between March 2020 and July 2020, the article employs a gender and technology perspective to examine the role of female bank agents in allowing access to social security transfers using fingerprint-based biometric identification methods. This study examines the on-the-ground obstacles identified in the provision of basic banking services to access cash transfers during the pandemic using data from numerous small samples of banking agents. This paper makes the case for further expanding gender-focused financial inclusion by further strengthening the agent banking ecosystem, improving the delivery architecture for direct benefit transfers (DBTs), encouraging competition between banking service providers, and providing demand-based financial products and services (9).

Saha, R. (2021) Many smaller Indian cities, including Guwahati, Bhubaneswar, Dehradun, and Imphal are seeing significant increases in the volume of digital payments as well as the number of new users, according to the chairman of India's Payment Council. During the lockdown period of the Covid19 epidemic, the usage of digital transactions and electronic currency transfer was promoted. Due to the current Covid19 epidemic in India, it is important to promote e-wallet use and instil a good attitude among Indian population toward the country's move toward a cashless economy. This may be done in many ways. Covid19 was the focus of this research, which attempted to examine the use of e-wallets. E-wallet users in the Guwahati metropolitan region were surveyed online using an empirical research technique (10).

Yakean, S. (2020) discusses the basic benefits and drawbacks of a cashless society in Thailand within the circumstances described in COVID-19. The government may benefit from the precision of cashless payments for tax collection, while individuals can benefit from the increased transparency and efficiency of financial transactions. In addition, companies profit from the cashless system since it allows them to improve sales and extend their operations by offering clients with easier, safe, and speedier payment options for products and services. It helps organisations save money and time by reducing the paperwork involved in cash management. Students, stay-at-home moms, and the elderly all benefit greatly from the convenience of cashless payments, which eliminates the need for in-person meetings with bank employees. If you don't have the necessary technological abilities, you won't be able to use this system. COVID-19 may also be reduced through the use of cashless payments (11).

Methodology

Simple random selection was used to choose a sample of 200 people from Jaipur in India for the questionnaire. Both primary and secondary data were utilised in this investigation. Most of the information in this report comes from original sources. Secondary data has also been gathered from numerous sources, such as newspapers, magazines, and the Internet, as well. t-tests, chi-square tests, and ANOVA tests are used to analyse the given data.

Result

Among those who responded, the vast majority (45.5%) are less than 30 years of age, the vast majority (37.5%) are male, the vast majority (60%) are married, the vast majority (45%) have earned a postgraduate degree, and the vast majority (50.9%) work for private companies.

Table 1: Demographic Profile

Demographic Factor	Options	Frequency	Percentage
Age	Below 30	91	45.5
	31 – 40 years	50	25.0
	41 – 50 years	29	14.5
	51 and Above	30	15.0
Gender	Male	75	37.5
	Female	125	62.5
Marital status	Married	120	60
	Unmarried	80	40
Educational Qualification	School	11	5.5
	Degree/Diploma	40	20.0
	Post Graduate	90	45.0
	Professional	46	23.0
	Other	13	6.5
Occupation	Home Makers	24	10.9
	Government employee	34	15.5
	Private employee	112	50.9
	Business	10	5.0
	Student	10	5.0
	Others	10	5.0

Table 2: Paired T-test for Forms of Payment both before and after the Lockdown

Paired Samples Correlations				
		N	Correlation	Sig.
Pair 1	Vegetables & Vegetables	200	.610	.000
Pair 2	Groceries & Groceries	200	.705	.000
Pair 3	Medicines & Medicines	200	.672	.000
Pair 4	Recharge & Recharge	200	.656	.000
Pair 5	Bill payments & Bill payments	200	.573	.000
Pair 6	Hotels & Hotels	200	.644	.000
Pair 7	Other & Other	200	.662	.000

Table 3 shows the correlation between pre-lockdown payments and payments made during lockdown. Vegetables, groceries, prescriptions and recharges are less than the table value for other categories of payments.

Table 3: T test on Payment Mode –Behavior both before and during a Lockdown Situation

Factors	Paired Differences					t	Df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Vegetables	-.114	.506	.034	-.181	-.046	-3.328	219	.001
Groceries	-.145	.529	.036	-.216	-.075	-4.076	219	.000
Medicines	-.232	.554	.037	-.305	-.158	-6.208	219	.000
Recharge	-.173	.617	.042	-.255	-.091	-4.151	219	.000
Bill payment	-.164	.656	.044	-.251	-.077	-3.703	219	.000
Hotels	-.114	.612	.041	-.195	-.032	-2.752	219	.006
Others	-.136	.596	.040	-.216	-.057	-3.391	219	.001

Using the table 4, it can be shown that demographic parameters are linked to the difficulties that people have with digital payments. A value of 0.174 in Age exceeds the 0.05 threshold for statistical significance. This result (0.358) is over the 0.05 threshold for statistical significance when filtered according to gender. The obtained value (0.686) is greater than the significance threshold of 0.05 when taking marital status into account. The estimated value (0.084) for Educational qualification is more than the significance threshold of 0.05. Calculated (0.338) monthly income is greater than 0.05 statistical significance threshold. The estimated result (0.001) falls short of the 0.05 threshold for significance in Occupation.

Table 4: Chi Square Test on Problems faced while making Payment and Demographic Factors

Pearson Chi-Square	Value	df	Asymptotic Significance (2-Sided)
Age	23.442a	18	.174
Gender	6.619a	6	.358
Marital status	3.933a	6	.686
Education qualification	34.050a	24	.084
Occupation	58.682a	30	.001
Monthly Income	19.917a	18	.338

Table 5 demonstrates the connection between the respondents' demographics and their preferred online payment site. In terms of age, the estimated result (0.000) is less significant than the significance threshold of 0.05. There is a substantial difference between (0.000) and (0.05) in Occupation. Gender has a substantial effect on the estimated value (0.026), which is greater than the 0.05 threshold. The computed p value (0.038) is greater than the significance threshold of 0.05 when taking marital status into account. The estimated p value (0.145) is greater than the significance threshold of 0.05 in Educational qualification. The estimated p value (0.123) exceeds the significance threshold of 0.05 when taking into account monthly income.

Table 5: Chi Square Test on Online Payment site Preferred and Demographic Factor

Pearson Chi-Square	Value	df	Asymptotic Significance (2-Sided)
Age	53.274a	15	.000
Gender	12.699a	5	.026
Marital status	11.797a	5	.038
Education qualification	26.652a	20	.145
Occupation	56.545a	25	.000
Monthly Income	21.444a	15	.123

The table shows the significant difference between mode of payment and buying behaviour of the respondents. As per acceptance of null hypothesis (p> 0.05), purchasing and payment mode for vegetables, Groceries, Transport, Hotels, and others are not significant associate between mode of payment and buying behaviour of the respondents during this lockdown period.

Table 6: ANOVA for buying behavior and Mode Payment

		Sum of Squares	Df	Mean Square	F	Sig.
Vegetables	Between Groups	2.102	5	.420	.890	.489
	Within Groups	101.148	214	.473		
	Total	103.250	219			
Groceries	Between Groups	.638	5	.128	.220	.953
	Within Groups	123.889	214	.579		
	Total	124.527	219			
Transport	Between Groups	1.765	5	.353	.796	.553
	Within Groups	94.831	214	.443		
	Total	96.595	219			
Hotels	Between Groups	1.537	5	.307	.815	.540
	Within Groups	80.695	214	.377		
	Total	82.232	219			
Others	Between Groups	.862	5	.172	.400	.849
	Within Groups	92.315	214	.431		
	Total	93.177	219			

Conclusion

During the pandemic of corona virus, we all felt a feeling of dread and uncertainty that altered the course of our lives. Our research studied the impact of the illness epidemic on customer payment method preferences at the point of sale. We can conclude with certainty that individuals who feared the spread of viruses via currency opted for cashless options. The pandemic's influence on our everyday routines also changed our payment behaviour in an indirect way. Cashless transactions were mostly driven by a shift in the way we conduct ourselves in physical locations. However, developments in online behaviour also contributed to the shift away from real cash. Intriguingly, even after the COVID epidemic was limited, respondents' future intentions to deal in a cashless way were influenced by the likelihood of spreading via currency and their newly altered behaviours.

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