

## PERCEPTION TOWARDS CASHLESS TRANSACTION AMONG RURAL PEOPLE WITH SPECIAL REFERENCE TO ANUPPUR DISTRICT OF MADHYA PRADESH: AN EMPIRICAL STUDY

---

Dr. Parmeshwar Singh Maravi\*

### ABSTRACT

*The Indian people are too much dependent on cash, whether they are living in Rural, Semi Urban or urban, regularly use cash in their transactions. Peoples are living in villages, towns; small cities are facing problems of hard cash. For example, less than 20 percent of India's 2.15.000 ATMs are in rural centers. So having cashless transactions any time is still dream for India. A credit card is available to less than 5 percent of Indians. While the government is trying to slow down these problems by introducing cashless transaction, peoples are finding difficult to go for cashless transactions. Researchers have attempted to figure out in this research paper what the real perception of Indian people about cashless transactions is. The research will also study the difference of income and sale of products through cash or cashless transactions is more. Also study reveals problems faced by common peoples with the use of cashless transactions which are further analyzed and solution to this problems are suggested to some extent, in order to move towards cashless India so that overall the problems of black money and combat tax cheating, counterfeiting and corruption. In this study opinions of 100 regular customers to the shop were selected from Anuppur District, which comes under Semi Urban area. The result shows that peoples were not completely aware about cashless transactions. The shopkeepers are not interested to sale their products through cashless payments and some of the shopkeepers have no facility to go cashless transactions. The paper also reveals the problem of trust for each other while sale and payment through cashless mode.*

---

**Keywords:** Perception, Cashless Transaction, Rural People, Anuppur District.

---

### Introduction

India is a nation; where individuals live in an economy made up of currency notes and coins. The currency notes circulation is much greater than other big economies. Too many transactions are produced by money in India. Electronically, less than 5 percent of total payments occur. But money transactions occur only for 3 percent and 7 percent of total transactions in nations like Sweden and the United States, respectively.

A cashless economy is a situation where digital currencies rather than physical currencies make all economic transactions. Cashless India means the cashless transaction. In 2012, former Prime Minister Manmohan Singh brought this to reduce the corruption in India. Later the steps taken by the present Indian Prime Minister Narendra Modi to add something in Digital India Initiative and also in the 2016 demonetization to remove the black money for improving the cashless transaction. A smartphone with network connection is the basic requirement for making the cashless transaction. Prime Minister Narendra Modi has asked people to look at mobile phones as a wallet and bank. The country moves towards the cashless economy after demonetization. The government has developed unique discounts and freebies on electronic transactions to promote the step towards cashless transactions. No need to stand and wait in queues, no need to communicate with bank staff and satisfy customers. A cashless transaction can decrease tax avoidance, black money, corruption, money laundering, facilitate life and

---

\* Assistant Professor, Department of Commerce, Government Adarsh College, Umaria, MP, India.

stimulate economic growth. As the decision taken by, the Government of India of cashless transactions to resolve problems against corruption, black money to push for cashless economy, there is a good sign of moving towards Make in India and Digital India. There is little number of online transactions of are taken place in Anuppur District hardly 10% by the young customers they are well educated and known about the advantages of cashless transactions. To have the transparency in transactions it is good to use cashless economy but it is not possible in India where most of economy is dependent on Rural Economy. In India, 60% peoples are from rural India, and 50% peoples are illiterate. Also 70% of Indian Economy is dependent on agriculture so it's really a challenge to achieve cashless economy. This research examines and categorizes prospective clients based on current user profiles. The profiles can be used to target prospective clients and attract them to take cashless transactions. The literature acknowledged important factors affecting cashless transaction execution, especially from reasoned action theory.

### Overview of Literature

**Zeithaml and Gilly (1987)** "argue that there is a favorable connection between schooling, earnings and mass communication exposure and the implementation of Electronic Funds Transfer (EFT) and that the connection was higher for younger customers than for elderly customers".

**Taylor and Todd (1995) and Gefen and Straub (1997)** "have been discovered to have a direct influence on the adoption of technology by males and females with distinct levels of acceptance of computer systems".

**Lee and Schumann (2002)** "found the elderly adopters the reduced the rate of acceptance of technology in their study".

**Putrevu (2002)** "said in his descriptive study that there is a distinction between males and females in information processing and that as such both genders will have distinct rates of adoption of technology".

**Karjaluoto, Mattila and Pento (2002)** "discovered that Prior Computer Experience, Prior Technological Experience, Personal Banking Experience and Reference Group Influence have a significant impact on the attitude towards online banking and its use". On the other side,

**Rotchanakitumnuai and Speece (2004)** "discovered that Web Benefits (Information Quality, Information Accessibility, Information Sharing, and Transaction Benefit) and Web Barriers (Organization Barrier, Trust, and Legal Support) are important variables that influence customer e-bank acceptance".

**Pikkarainen, Pikkarainen, Karjaluoto and Pahnla (2004)** "discovered that perceived usefulness and ease of use of internet banking among other variables substantially impacts the use of e-banking; other factors are perceived enjoyment, online banking information, security and privacy, Internet connection quality".

**Lasser, Manolis and Lassar (2005)** "found that customer innovation and private features are the main determinants of online banking adoption Security problems top of the list of variables restricting customers' acceptance of e-bank services".

**Egwali (2008)** "discovered that Security Indicators (SI) are not very efficient in alerting and protecting consumers from disclosing sensitive data in India to fool e-bank locations".

**Hogarth, Kolodinsky, and Gabor (2008)** "discovered that earnings and education rises also have a beneficial impact on the implementation of electronic banking, irrespective of technology". "On the other side, the effects on acceptance of other demographic features are less evident".

**Gikandi and Bloor (2009)** "discovered that the significance given to some e-banking drivers between 2005 and 2009 had shifted dramatically".

**Olatokun and Igbindion (2009)** "discovered that the limitations of Relative Advantage, Complexity, Observe Capacity, Compatibility, and Trial Capacity were positively linked to the Indian attitude towards using ATM cards". In its qualitative survey,

**Morufu and Taibat (2012)** "suggest that bankers in India perceive electronic banking as a tool to minimize difficulties, reduce transaction costs, alter customer queuing patterns and save customer banking time".

### Problem Statement

A cashless transaction is one that uses cards or digital means to complete all transactions. Physical monetary circulation is minimal. India is using excessive money for operations. There is also a significantly greater amount of currency notes in circulation than in other big economies. Recent trends

have altered in this context, while the IT revolution in India has changed. The investigator attempts to fill the gap between consciousnesses in rural regions of the cashless transaction. The current study work is therefore aimed at filling the gap in the current body of information on changing rural people's perception of cash-to-cash-free transaction. This element is similarly crucial when one thinks about the country's cashless economy and contributes to the Digital India Programme. The following goals will be created to fill this gap.

#### Objectives of the Study

- To study the people's perception towards cashless transaction.
- To study the effect of cashless transaction on sale of products and shopkeeper income.
- To study the impact of cashless transaction on the economy.
- To study the issues and challenges of cashless transaction in rural areas.

#### Hypothesis of the Study

**H<sub>0</sub>:** There is no significant relationship between the perception of cashless transaction and removes the burden of carrying huge amount of money.

**H<sub>1</sub>:** There is significant relationship between the perception of cashless transaction and removes the burden of carrying huge amount of money.

#### Scope of the Study

The research was conducted to collect data from the respondent to accurately understand the perception of cashless transaction and their reaction to this cashless economy, and the study is limited within Madhya Pradesh's Anuppur District.

#### Research Methodology

This study is based primarily on studies from the study. It is based on the questionnaire performed to study the cashless transaction perception. The questionnaires were distributed to 100 respondents in different markets of Anuppur District. Using the conventional questionnaire, primary information was gathered. For this purpose, various markets such as Pushprajgarh, Jaithari, Kotma and Anuppur were encountered to collect primary data for clients in the four blocks of Anuppur district. Using internet sources and publications, the secondary data were gathered.

The information was gathered using a structured questionnaire that includes respondents' population features, perception of cashless transaction, and cashless transaction problems and difficulties within the district of Anuppur. Using percentage analysis, Chi square, the primary data were analyzed.

#### Data Analysis and Interpretation

##### Percentage Analysis

**Table 1: Demographic Profile of Respondents**

Variable	Classification	Frequency	Percentage
Age	Less than 30 Yrs	70	70%
	31-40 Yrs	12	12%
	41-50 Yrs	18	18%
	51-60 Yrs	10	10%
	Above 60 Yrs	Nil	Nil
Gender	Male	70	70%
	Female	30	30%
Area	Urban	55	55%
	Semi Rural	35	35%
	Rural	10	10%
Education	Illiterate	6	6%
	HSC and Below	23	23%
	Graduate	46	46%
	Post –Graduate	22	22%
	Above PG	3	3%
Occupation	Farmer	Nil	Nil
	Student	60	60%
	Self Employed	35	35%
	Employed	5	5%

From the above table, it is inferred that majority of the respondents 70% are male and the remaining 30% of the respondents are female. The majority of the respondents fall into the age group of less than 30 years with 70%, 18% of the respondents are 41-50 years and 12% are 31-40 years another 10% are 51-60 years and none of the customers are used cashless transaction above the 60 years. The maximum number of respondents are students whose are studies in the Indira Gandhi National Tribal University, Amarkantak (M.P.), Government Tulsi College, Anuppur, Government College Jaithari, Government College Kotma and Government College Pushprajgarh that counts to 60%, 35% respondents are Self Employed, 5% respondents are employed and none of the respondents are farmers who knows about the cashless transaction. Area wise analysis the urban people uses most cashless transaction while purchasing of goods with 55% then after Semi rural 35% and then 10%. Analysis by using education, in this the graduate people use most cashless transaction with 46% then below the HSC with 23% and then postgraduate with 22% and rest of the 2% are from above the PG and the illiterate people are never use cashless transaction and never knows about the cashless transaction and also they were say that this is not reliable and they were not trust with shopkeepers. Anuppur district of Madhya Pradesh is totally tribal dominated area because of the cashless transaction initiative by the government to make digital India successful is not too much effective and the peoples are not aware about cashless transactions even literate people also not aware about cashless transaction.

**Table 2: People's Perception towards Cashless Transaction**

Perception Towards Cashless Transaction	Frequency	Percentage
Positive	30	30%
Negative	70	70%
Reliable	20	20%
Unreliable	80	80%

From the above table, it is inferred that majority of the respondents 70% are negative perception and the remaining 30% of the respondents are positive towards cashless transaction, this is because of lack of awareness and the trust of shopkeeper with the customers. On the way of reliability the customers not trust on cashless transaction and they were faith on hard cash transaction. The result shows that the reliability percentage is only 20% and unreliability percentage is comparatively too much higher in frequency with 80%. This indicates that the cashless transaction is not effective in Anuppur district.

#### Chi Square Test

Particulars	Positive	Negative	Total
Cashless Transaction	30 (50) [8]	70 (50) [8]	100
Cash Transaction	70 (50) [8]	30 (50) [8]	100
<b>Total</b>	100	100	200

The chi-square statistics is 32. The p-value is. This result is significant at  $p < .05$ .

Particulars	Reliable	Unreliable	Total
Cashless Transaction	20 (50) [18]	80 (50) [18]	100
Cash Transaction	80 (50) [18]	20 (50) [18]	100
<b>Total</b>	100	100	200

The chi-square statistics is 72. The p-value is. This result is significant at  $p < .05$ .

From the above tables, it is inferred that the Chi square values are 32 and 72 which is less than 0.05 so  $H_0$  is rejected and  $H_1$  is accepted, hence it is clear that There is significant relationship between the perception of cashless transaction and removes the burden of carrying huge amount of money. This shows that the cashless transaction is useful for the quick growth of every economy but it is not easy to adopt by the peoples of India who are very much dependent in hard cash and they totally believe in cash transaction. The perception towards the cashless transaction is negative and they are not interested to use cashless policy.

Recently promotion of cashless transactions in a mid of demonetization drives with a motive of bring in transparency, curbing black money and illicit transaction is quite challenging for rural areas because of the following challenges:

- Lack of accessibility because of limited internet penetration and inadequate Information and communication infrastructure i.e. Point of sale, ATM, Cards etc.

- In rural regions, digital literacy and the dearer internet and equipment are significant hurdles because weaker financial circumstances make them inexpensive.
- Rural economy's informal nature gives individuals a feeling of safety in money transactions.
- Lack of exposure, economic illiteracy and illiteracy limit them to trust virtual transactions due to payment insecurity and cyber loot that is widespread, i.e. Case of the SBI.
- Cultural barriers such as language, orthodox and primitive features of society restrict them to embrace economic transactions of modern means.
- Banking infrastructure in the form of banking correspondents is limited to tiny cities rather than fields hampering economic integration in Panchayat.

#### **These Challenges can be Overcome**

- Incentivizing the use of internet recent 1 GB free data and smart phones like the distribution of laptops.
- Connectivity and better accessibility of POS through sound ICT infrastructure under Bharat network should be assured throughout the clock.
- Promoting panchayat-level digital and economic literacy among rural individuals through NGOs, forming trained residents' local committees, and a dedicated TV channel on the problem.
- By offering multi-lingual internet payment platforms, i.e. mobile apps, you can remove cultural obstacles.
- Last mile delivery of financial services should be ensured through payment banks and Banking correspondents.
- The need for rural fields is to simplify the whole process. A lot of complicated process will take away rural people's interest.

#### **Findings**

The cashless transaction's most significant input is that the risk associated with carrying money is anticipated to be reduced. Thus, transactions can be electronically resolved and there is less need to move around with money, so theft and robbery can be decreased. By adopting the cashless economy policy, the growth of financial stability can be enhanced in the country. Cashless transactions also control the corruption in the country and helps in success of digital India initiatives by the Government.

#### **Recommendations**

There is a need to reinforce the awareness campaign about the cashless transaction for both current and potential clients so that everyone can learn about it before using it.

- More PoS and ATM should be implemented to decrease the lengthy queue at this place by not being adequately accessible.
- The cashless banking policy must provide the system's beneficiary with affordable service fees.
- The government should guarantee that telecommunications service providers provide their clients with effective service as it has a major effect on cashless policy.

#### **Conclusion**

A cashless transaction is a transaction where all economic transactions take place through digital means rather than through physical currencies. The nation moves towards the cashless economy after demonetization. The government has developed unique discounts and freebies on electronic transactions to promote the step towards cashless transactions. From the study, it is observed that there is not too much awareness of cashless transactions and that a significant proportion of people are actually waiting for the cashless transaction to be introduced. The outcome indicated that the cashless economy has a beneficial effect on preventing money laundering and stimulating economic growth, but the research area's people are not conscious of the cashless transaction due to many of the problems mentioned above and also debated how to remove these difficulties.

#### **References**

- ✧ Ezeoha A. (2006). Perception of Security Indicators in Online Banking Sites in Nigeria. *Journal of Internet Banking and Commerce*, 15(1), 1-16.
- ✧ Gefen D. and Straub D. (1997). Gender Differences in the Perception and Use of E-Mail: An Extension to the Technology Acceptance Model, *MIS Quarterly*, 389-400.
- ✧ Gikandi J. W. and Bloor C., (2009). Adoption and effectiveness of electronic banking in Kenya. *Management Research Review*, 2(2), 60-82.

- ✧ Karjaluoto, H. Mattila, M. and Pento, T. (2002). Factors underlying attitude formation towards online banking in Finland. *International Journal of Bank Marketing*, 20 (6) 261-272.
- ✧ Lasser, W. M., Manolis, C., and Winsor, R. D., (2005). Service quality perspectives and satisfaction in private banking. *Journal of Services Marketing*, 14(3), 244-271.
- ✧ Lee and Schumann (2002). The Influence of Communication Source and Mode on Consumer Adoption of Technological Innovations. *The journal of consumer affairs*, 36(1), 1–27.
- ✧ Morufu O. and Taibat A., (2012). Bankers Perceptions of Electronic banking in Nigeria: A Review of Post Consolidation Experience, Research. *Journal of Finance and Accounting*, 3(2), 1-12.
- ✧ Olatokun W. M. and Igbindion L. J., (2009). The Adoption of Automatic Teller Machines in Nigeria: An Application of the Theory of Diffusion of Innovation. *Issues in Informing Science and Information Technology*, 6, 373-393.
- ✧ Pikkarainen, T., Pikkarainen, K., Karjaluoto, H., and Pahnla, S., (2004). Consumer acceptance of online banking: an extension of the technology acceptance model. *Internet Research*, 14(3), 224-235.
- ✧ Putrevu S. (2002). Information processing differences between men and women: theory and preliminary findings. *Association of Consumer Research*, 6, 105-108.
- ✧ Rotchanakitumnuai S. and Speece M. (2004). Barriers to internet banking adaptation: A qualitative study among corporate customers in Thailand. *International Journal of Bank Marketing*, 21(6/7), 312-323.
- ✧ Taylor S. and Todd P. A. (1995). Understanding Information technology usage: A test of competing models. *Information Systems Research*, 6(2), 144-176.
- ✧ Zeithaml, V. A., & Gilly, M. (1987). Characteristics Affecting the Acceptance of Retailing Technologies: A Comparison of Elderly and Nonelderly Consumers.

