

## CUSTOMERS' AWARENESS ON CASHLESS TRANSACTION IN SELECTED RURAL AREAS IN JAIPUR DISTRICT: A STUDY

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### ABSTRACT

*The Research paper focuses on impact and importance of cashless policy in India. According to Government of India the cashless policy will increase employment, reduce cash related robbery thereby reducing risk of carrying cash. Cashless policy will also reduce cash related corruption and attract more foreign investors to the country. In many countries introduction of cashless economy can be seen as steps in the right direction. It is expected that its impact will be felt in modernization of payment system, Reduction in the cost of banking service, Reduction in high security and safety risk and also curb banking related corruption. Electronic banking will be made banking transaction to be easier by bringing services closer to its customers hence improving banking industry performance. India has been using electronic payment system for many year now, However the retail sector still has predominance of cash transaction and payment through cash is yet to pick up card is the one of the most secure, convenient mode of cashless payment in retail market. The thought that the substantial quality of money impacts view of cash isn't novel, yet it is untested. This paper proposes that under states of money, there is mindfulness (cognizant/ oblivious) that an ownership of significant worth exchanged and this observation may well directly affect individuals' impression of cash and their spending conduct.*

**KEYWORDS:** *Cashless Transactions, Awareness, Mobile Payments, Debit Cards, Credit Cards.*

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### Introduction

Achieving cashless economy is one of the novel and ambitious programme of Government of India and is a part of Government drive to reduce the menace of black money, instances of fake currency, curb corruption, to bring more tax compliance. The success of this drive very much depends on the public, business community, banking system, bureaucrats support. The finance minister in 2016 budget speech talked about the idea of making India cash less economy with the aim of curbing the flow of black money. A cashless society means all the transaction are done using cards all digital means circulation of money or currency or coins is minimal. In study area people too much using cash for transaction comparing to other cities like Delhi etc. in this study area people are using small percentage of cards or digital means because of non-availability of internet connection and lack of financial literacy. Cashless transaction is a developmental process of a country. Most of the urban population has been adopted for making cashless transaction but rural population is having low awareness about it. To know the level of awareness about cashless transaction among rural peoples and how they are overcoming the problems faced by them while making cashless transactions.

### Review of Literature

**Deepika Kumari, (2017)**, in her studies of Cashless Transaction: Methods, Applications and Challenges concluded that the as the demonetization applied by government of India, Government trying to aware its people for cashless transaction by various kinds of advertisement method but still a large number of people are awaiting for the introduction of cashless transaction. This paper is a study of cashless transaction its different methods, advantages and challenges. This paper will help to understand the basic of the cashless transaction.

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**Piyush Kumar, (2018)**, conducted a study an analysis of growth pattern of cashless transaction system concluded that the cashless transaction system is reaching its growth day by day , as soon as the market become globalized and the growth of banking sector more and more the people moves from cash to cashless system. The cashless system is not only requirement but also a need of today society. All the online market basically depends on cashless transaction system. The cashless transition is not only safer than the cash transaction but is less time consuming and not a trouble of carrying and trouble of wear and tear like paper money. It also helps in record of the all the transaction done. So, it is without doubt said that future transaction system is cashless transaction system.

**Kumar, (2018)**, conducted the study to know the effect of demonetization on cashless transaction in Coimbatore district. The main findings were that the four variables namely gender, annual income, age and occupation are the major influential factors.

#### **Objectives of the Study**

- To examine the customer awareness on cashless transactions among users.
- To identify the factors determining the usage of cashless transactions.
- To investigate the problem faced by users while using cashless transactions.
- To find out practical solutions and innovative ideas to accomplish the vision of a demonetization and cashless economy.

#### **Scope of the Study**

India is changing its payment mode from cash to cashless. The study is conducted to find the customer awareness towards the cashless transaction. The scope reflects the benefits of going cashless in modern economy and the influenced factors towards awareness level of customers. The study has been done in rural areas of Jaipur district in Rajasthan.

#### **Research Methodology**

The study is based on primary data and secondary data. The primary data is collected through the questionnaire from the customers in Jaipur district. The secondary data is retrieved from various sources like Books, Journals and Websites. Sample size taken for the study is 250 respondents using Systematic Random Sampling technique. The statistical tools used for the study is Simple percentage analysis and Factor analysis.

#### **Hypothesis of the Study**

**H<sub>01</sub>** There is no significant association between the Customers awareness on Cashless economy.

#### **Limitations of the Study**

- The study is limited to the rural areas of Jaipur District only so, the generalization of conclusion of the study may not be universally applicable.
- Biers of Researcher as well as Respondents are also limitation of this study.
- The statistical techniques have their own limitation. They also apply this study.
- The respondents are not aware about cashless transaction and most of the customer's have not replied properly.

#### **Analysis and Interpretation**

**Table 1: Inspiration for Obtaining Cashless Transactions**

<b>Idea about Cashless Transaction</b>	<b>No. of Respondents</b>	<b>Percentage</b>
NEFT	05	2.0
RTGS	08	3.2
Mobile Money	50	20.0
E-transfer	78	31.2
POS-terminal	09	3.6
Electronic Purses and Wallet	55	22.0
Mobile Wallet	34	13.6
Debit Cards/ Credit Cards	250	100
Electronic Cheque	56	22.4
Digitized E-cash Systems	27	10.8

Source: Computed and Compiled from Primary Data and Information.

The above table shows that all the respondents are having idea about cashless transaction. 2 per cent of the respondents having about NEFT, 3.2 per cent of the respondents having idea about RTGS, 20 per cent of the respondents having idea about Mobile money, 31.2 per cent of the respondents are having idea about E-transfer, 3.6 per cent of the respondents are having idea about POS-terminal, 22 per cent of the respondents are having idea about Electronic purses and wallet, 13.6 per cent of the respondents are having idea about Mobile wallet, 22.4 per cent of the respondents are having idea about Electronic cheque, 100 per cent of the respondents are having idea about Debit or Credit card, 10.8 per cent of the respondents are having idea about Digitized E-cash systems.

**Factor Analysis**

A total of 10 variables were acknowledged for the purpose of collecting acceptance towards factors determining usage of cashless transactions. In order to reduce the number of variables and to identify the key factors contributing towards the level of acceptance, factor analysis is performed. KMO and Bartlett's test is conducted to identify the sampling adequacy.

**Table 2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.492
NEFT	Approx Chi-square	60.623
RTGS	d.f.	45
Mobile Money	P-value	0.060

Source: Computed and Compiled from Primary Data and Information.

KMO of sampling adequacy value for the level of acceptance is 0.583 and it indicates that the sample is adequate to consider the data as normally distributed. On the basis of Bartlett's Test of Sphericity calculated chi-square 60.623 in comparison to p-value 0.060 therefore it shows that there is no significant association between the Customers awareness on Cashless economy. Rotated component matrix is used to identify the factors after data reduction. The results are shown in Table 3:

**Table 3: Rotated Component Matrix<sup>a</sup>**

	Components				
	1	2	3	4	5
Our Request are Handle Promptly	0.317	-0.133	-0.294	0.672	-0.260
Problem Solving through Instant Information	0.318	-0.475	0.248	0.085	0.316
Electronic Bills Payments	0.281	0.433	0.166	0.168	-0.324
Privacy or Confidentiality of the Bank	0.072	0.726	0.022	-0.113	0.103
Language and Information Content	0.672	0.239	0.135	0.073	-0.204
User Friendly System	0.243	0.033	0.667	-0.368	-0.004
Convenient Hours of Operation	-0.038	-0.260	0.671	0.059	-0.068
Capable of Solving Complaints Adequately	0.108	0.338	0.046	0.374	0.686
Brochures to Educate New Users	-0.531	0.149	0.252	0.171	-0.448
Special Services for the Elders and Disabled	-0.518	0.224	0.256	0.336	0.213
Extraction Method: Principal Component Analysis					
a. 5 Components Extracted					

Source: Computed and Compiled from Primary Data and Information.

The above table shows about rotated component matrix for factors related to acceptance towards factors determining usage of cashless Transactions. The common factors above 0.5 adequacy level of taken for decision making process of the study. The factors are acceptance towards Our requests are handled promptly, Language and information content, User friendly system, Convenient hours of operation, Capable of solving complaints adequately.

**Problems in Using Cashless Transactions**

An attempt has been made to know the problems of the respondents' about using cashless transactions. For the purpose of this study, it has been classified into ten categories viz., Machine out of cash, Machine out of order, Long waiting time in queues, Not giving fast response, Leaving the operation unfinished, Waiting for long time for conducting of transactions, Lack knowledge of customer service representative, Absence immediate connection to the service, Lack of clear guidelines, Lack of security in transactions, The details are furnished in the table 4:

**Table 4: Problems in using Cashless Transactions**

S. No.	Particulars		Problems in Using Cashless Transactions			Total
			N	O	R	
1	Machine Out of Cash	Frequency	109	114	27	250
		Percent	43.6	45.6	10.8	100
2	Machine Out of Order	Frequency	119	96	35	250
		Percent	47.6	38.4	14.0	100
3	Long Waiting Time in Queues	Frequency	97	117	36	250
		Percent	38.8	46.8	14.4	100
4	Not Giving Fast Response	Frequency	101	89	60	250
		Percent	40.4	35.6	24.0	100
5	Leaving the Operation Unfinished	Frequency	98	81	71	250
		Percent	39.2	32.4	28.4	100
6	Waiting for Long-time for Conducting of Transaction	Frequency	109	74	67	250
		Percent	43.6	29.6	26.8	100
7	Lack Knowledge of Customer Service Representative	Frequency	102	79	69	250
		Percent	40.8	31.6	27.6	100
8	Absence Immediate Connection to the Service	Frequency	94	83	73	250
		Percent	37.6	33.2	29.2	100
9	Lack of Clear Guidelines	Frequency	51	120	79	250
		Percent	20.4	48.0	31.6	100
10	Lack of Security in Transactions	Frequency	72	108	70	250
		Percent	28.8	43.2	28.0	100

Source: Computed and Compiled from Primary Data and Information.

All respondents are having Aware about cashless transaction but they are not aware about different types of cashless transactions. 2 per cent of the respondents having about NEFT, 3.2 per cent of the respondents having idea about RTGS, 20.0 per cent of the respondents having idea about Mobile money, 31.2 per cent of the respondents having idea about E-transfer, 3.06 per cent of the respondents having idea about POS-terminal, 22.0 per cent of the respondents having idea about Electronic purses and wallet, 13.6 per cent of the respondents having idea about Mobile wallet, 22.4 per cent of the respondents having idea about Electronic Cheque, 100 per cent of the respondents are having idea about Debit or Credit card, 10.8 per cent of the respondents are having idea about Digitized E-cash systems. While analyzing the factors related to usage of cashless transactions., factors determine our requests are handled promptly, language and information content, user friendly system, convenient hours of operation (24X7) are taken for the decision making process of the study.

### Suggestions

The cashless transaction activity had a great step to enhance the transparent economic development, empower the financial inclusion and integrates the parallel economy with main stream. In present scenario the country needs to move away from traditional cash based transaction towards a cashless or digital payment system. Therefore the following suggestions will help to improve cashless transaction among the rural areas consumers:

- Government must officially disclose especially in rural areas all information of demonetization so as to gain information to common man as to what will be more advantages if Cash less transactions are being utilized.
- Government should provide Better infrastructure like high speed broad band connectivity in rural areas.
- Better banking facility and awareness about digital transactions in rural areas.
- Government should offer digital incentives.
- All the major banks must have separate counter which will be specifically used for assistance in cash less transaction.
- Extra charges on Cashless transaction must be stopped, so that customers may adopt without hesitation.
- Special cash incentive plan must launch to consumers as well as businessmen for using Cash less transaction. This plan can be based on percentage of cash less transaction in their total transaction.

- It should be made mandatory to all cooperative societies to make Cashless transaction specially cheque or demand draft.
- Some meaningful privileges must be given to the people who are using Cashless transaction.
- The vast advertisement campaign must be launched which will not only promote Cashless transaction but also will provide valuable help in using it.
- Government must manufacture POS machine under Make in India so that revenue can be generated.

### Conclusion

However, the benefits of this move have now started trickling in with more and more people switching to digital modes of receiving and making payment. India is gradually transitioning from a cash-centric to cashless economy. Digital transactions are traceable, therefore easily taxable, leaving no room for the circulation of black money. The whole country is undergoing the process of modernization in money transactions, with e-payment services gaining unprecedented momentum. The cashless system not only requirement but also a need of today society. All the online market basically depends on cashless transaction system. The cashless transition is not only safer than the cash transaction but it is less time consuming and not a trouble of carrying and trouble of wear and tear like paper money it also helps in record of the all the transaction done. So it is without doubt said that future transaction system is cash less transaction system. A large number of businesses, even street vendors, are now accepting electronic payments, prompting the people to learn to transact the cashless way at a faster pace than ever before.

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