

CASHLESS SOCIETY CONSUMERS' PERSPECTIVE

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Abstract :

This paper constitutes of both a qualitative and a quantitative study of individuals' attitudes towards cash and cashless payments, with the main emphasis being on how the repercussions of consumer perceptions and socio-demographic factors differ between rural and urban peoples where the implementation of electronic transfers has had a varying level of success. This paper aims to examine the differences in consumers' attitudes towards cash and cashless payment methods by focusing on comparing how individual perceptions and socio-demographic characteristics vary between rural and urban people which have attained a different degree of digitalization. The cash less society is not so easy to implementation of digital transactions of everywhere.

Key words : Cash less Society, Digital banking, online banking

Introduction:

The “cashless society” is becoming an increasingly popular matter of discussion in the media. In fact, it has been a topic of frequent debates in society for several decades now. Futurists see the establishment of such a society as inevitable and indeed in countries where electronic payments have reached a higher degree of acceptance the eventual doom of cash does not seem too distant in the future. However, the extent to which individuals can make use of the alternative systems varies greatly from country to country and so does the frequency of using the different payment methods.

There is evidence to believe that cash is slowly going away. The year of 2016 marked yet another decrease in the amount of banknotes and coins in circulation world-wide and especially in well-developed countries such as Denmark and Sweden & developing countries also like India. However, the popularity of Electronic Money Transfer Systems (EMTS) is not the same in all countries. There are societies which find it hard to embrace the new ways of payment and continue

to resort to cash for the most part of their day-to-day transactions¹.

A cashless society as a community in which all payments are electronic; a society in which all bills and debits are paid by electronic money media such as bank and credit cards, direct debits, and online payments. It is a society where no one uses cash, all purchases being made by credit cards, charge cards, cheques or direct transfer from one account to another².

This article attention to the inspiration from current trends related to the use of cash and electronic money, topics which are frequently discussed in the media and which are oftentimes used to make speculations for the future of the so-called “cashless society”.

The main pursuit of the authors is to review the sensibility of these claims by investigating to what an extent the two countries of interest fare on transitioning from cash-based to alternative forms of payment.

This paper aims to examine the differences in consumers’ attitudes towards cash and cashless payment methods by focusing on comparing how individual perceptions and socio-demographic characteristics vary between rural and urban people which have attained a different degree of digitalization. So the following research formulation have been made out the researcher focus to identify the following the factors like how do consumers’ perceptions of different factors influence their choice of payment method between rural and urban people and what are the implications of social demographics for the choice of payment method between rural and urban people.

Cashless society instruments:

Indian banks offer to their customers following cashless society products and services:

- Automated Teller Machines
- Telephone Banking
- Electronic Clearing Cards
- Smart Cards
- Electronic Funds Transfer(EFT) System
- Electronic Clearing Services
- Mobile Banking
- Internet Banking
- Tele banking
- Door Step Banking
- E-wallet.
- POS (Point of Sale)

International Trends in Digital Transactions:

There are a number of studies that identify consumer preferences when it comes to using different delivery channels when interacting with their banks. According to a 2014 EY Global Consumer Banking Survey, the Internet is the preferred banking method for 55% of respondents globally for paying bills or making transfer and for 50% for balance inquiry, while branch banking is favoured for deposits.

Review of Literature:

Ashish Das, and Rakhi Agarwal, in their article “Cashless Payment System in India - A Roadmap” Cash as a mode of payment is an expensive proposition for the Government. The country needs to move away from cash-based towards a cashless (electronic) payment system.

Manpreet Kaur says that role of demonetization in connection with electronic payment system how society benefited through e transactions.

Noorah Abdu hadadi et al. “E-banking benefits and challenges” they have analyzed that the current concerns in the internet banking and how challenging environment through cashless banking sector.

Objectives of the study:

- To analyze the choice of transaction by the consumers.
- To summarize difficulties faced by the consumer.

Scope of the study:

This paper mainly focuses in and around of the tiruvarur people’s perceptions towards cashless transaction through online banking and also it is focuses on the rural as well as urban peoples attitude towards cashless transactions.

Limitation of the study:

- There are only limited no. of respondents were selected for the purpose of the study.
- This study made out both rural and urban peoples of tiruvarur.
- It is only observation from the consumers point of view.

Table - 1

Opinion on service charges against Cashless transactions.

Sl. No	opinion	No. of Respondents		Total	%
		Rural	Urban		
1.	Reasonable	4	12	16	32%
2.	High	15	10	25	50%
3.	Low	3	5	15	30%
Total				50	100%

Source: Primary Data.

Table - 1

Opinion on implementation of cash less

Sl. No	opinion	No. of Respondents		Total	%
		Rural	Urban		
1.	Not easy	15	5	20	40%
2.	Never accept	15	2	17	34%
3.	Easy to accept	2	11	13	26%
Total				50	100%

Source: Primary Data.

Findings:

The researcher identifies some data relating to cashless society is given below:

- Majority No. of respondents are opine about service charge against cashless transaction is very high.
- Recently the government announces about penalty for cash transaction is limited to Rs. 2,00,000 if the amount exceeds for the year twice a time of your transaction value.
- Opinion about implementation for cash less society is not so easy said by the respondents.
- The illiterate were against about the cash less society because of non awareness about the cash less society.
- Everything digitalize is not possible. If government may introduce step by step it will be successful in future.

Suggestions:

- It is suggested that the cash less society may introduce first urban as trial and error basis after that it will be introduced to rural areas.
- Proper training may be given to the people to use of cash less transactions.
- To give some concession for the transactions who are uses the cashless transactions.
- To avoid service charges for POS transactions by the bankers.
- To announce some rules for compulsory use of swipe machines for the business mans.
- To ensure the security for the transactions of digital transactions by the government.
- To avoid charges for more than five transactions through ATM and other transactions.
- To give proper guidance for rural as well as urban people for the implementation of cashless society.

Conclusion:

The cash less society is not so easy to implementation of digital transactions of everywhere. But the government may take initiate for the implementation of rural as well as urban for the digital village and digital town it will help to avoid corruption, black money, illegal transactions and so on.

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