
‘GO DIGITAL’: A STUDY OF CONSUMER BEHAVIOUR TOWARDS CASHLESS TRANSACTIONS AMONG THE YOUTH OF CHAIBASA DISTRICT

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Abstract:

*In this present era, Government is playing a significant role towards moving cashless. Government of India has brought up various schemes for digital payments such as linked payment apps like BHIM, UPI etc. Digital payment has various advantages such as it is secured, safe, transparent, available 24*7. Going cashless has achieved to the extent and still there are various challenges such as fear of security, lack of awareness regarding online payment, poor internet connectivity in rural areas etc. The Objectives of the Study are:*

- *To Study the perception of the Youth of Chaibasa district towards cashless transactions.*
- *To Study the factors that have influenced the youth of Chaibasa District towards adoption of cashless transactions.*
- *To Study the factors responsible for not adopting cashless transactions.*

Finding of the study is that majority of the youth of Chaibasa district are well acquainted and are doing online payment whereas remaining population out of total survey are still not doing online payment due to reasons such as poor internet connectivity, many reported that they do not have much cash so they are not switching over to online payment, lack of awareness of using online transactions, lack of trust and security etc.

Keywords:

Cashless Transactions, Digital Payment, Consumer Behaviour.

Introduction:

Cashless transactions means those transactions which takes place electronically. Cashless transactions is easy, fast convenient, safe, and secured. It is possible through various modes of Digital payment such as Internet Banking, Mobile Banking, etc. Going Digital is getting popular among different classes of people. Government has played a vital role towards Digital Payment. On 8th November, 2016 Demonetization has been declared by Government of India, and it has brought a revolutionary changes towards Cashless transactions. Some of the Schemes of Government of India are such as Aadhaar based mobile payment application, BHIM (Bharat Interface for Money). Union IT Minister, Ravishankar Prasad has launched a 24-hour TV channel named ‘DigiShala’.

The aim of this channel 'DigiShala' is to encourage people for digital payments. In 1996, Industrial Credit and Investment Corporation of India (ICICI) introduced online banking services in India, by using electronic banking at its branches. Later, in 1999 various banks such as HDFC, Indusind, launched online banking facilities. Now in present era, all the Banks are offering online banking facilities to its customers.

In India, Digital Payments has increased since pandemic. According to March 2021 report by ACI Worldwide, India was the leading market for real-time payments transactions with 2550 crore payments, followed by China (1570 crore) and south korea (600) crores. Reserve Bank of India's Digital Payment Index launched in January 2021, shows the usage of digital payment. There has been a rise in digital payments in the last two years of the Covid pandemic due to the adoption of UPI for day to day transactions by mass of people. In September 2021, Digital Payment Index was 304.06 and it rose to 349.30 as of March 2022.

RBI's Payment Vision 2025 aims at providing every user with safe, secure, fast, convenient, accessible, and affordable e-payment options under its Core Theme of 4Es- i.e. Payments for everyone, everywhere, every time.

Cashless transactions plays a very important role towards the economic growth of Indian economy. Going Cashless helped in reduction of flow of black money and reduction in tax evasion, as it is possible for Government to track the transactions recorded digitally, which in turn contributed to economic growth of nation. Cashless transactions usage is popular among people living in urban areas, but in rural areas its usage is very low.

Going cashless is low in rural areas due to poor network connectivity, lack of awareness of how to make payment electronically etc. Going Cashless has achieved to the extent and still there are many challenges on the path to achieve. Countries like Sweden, Canada, America etc. have high percentages of going cashless i.e. payment in electronic form.

Advantages of Cashless Transactions:

- **Safe:** Cashless transactions is safe. Going cashless reduces the chances of theft, and robbery.
- **Fast Process:** Cashless transactions is fast as it takes a minute for doing online payment.
- **No need to carry cash:** Going cashless reduces the burden of carrying cash.
- **Discounts:** Rewards and Discounts are offered to customers using digital payment apps and mobile wallets for digital payment. Attractive cashback offers are also given.
- **Convenient:** Digital payment is a convenient mode as it can be done from anywhere and at any time.
- **Digital record of transactions:** Digital record of transactions is maintained by doing digital payment.
- **Reduction in tax evasion:** Going cashless helps in reduction of tax evasion as it is possible to track the bank account details by Income Tax Department.
- **Reduction in Black money:** Going cashless helps in reduction of flow of black money in the economy as it is possible to track the bank account by government officials.

Modes of Digital Payments:

Some of the modes for doing Digital Payments are as follows:

- **Banking Cards:** Banking cards such as Debit card/ Credit card helps in doing online payments. These banking cards contain the card number, cardholder's name, expiration date, CVV etc.
- **Mobile Banking:** Mobile Banking is a service provided by Banks or other financial institutions that allow its customers to do online payments using a mobile device through apps like phone pay, google pay etc.
- **Unstructured Supplementary Service Data (USSD):** Unstructured Supplementary Service Data has been introduced with the objective to expand the reach for doing digital payments. This service allows users to do online payment without an internet connection and this is possible by dialing *99# on any feature phone. To avail this services, it is necessary for the user to link their mobile number with the Bank account number. USSD helps in account fund transfer, balance enquiry, etc.
- **Mobile Wallets:** Mobile wallets also known as digital wallet or e-wallet, users have to link their bank accounts to mobile wallets for digital payment. Some of the examples of mobile wallets are ICICI Pockets, Axis Bank Lime, Jio Money, and Airtel Money etc. Services offered by mobile wallets are such as to transfer and receive money, online purchases, etc.
- **Bharat Interface for Money (BHIM) app:** The BHIM app allows users to make payments using the UPI application. Process of using BHIM app is to register for the service by providing mobile number which is linked to Bank account.
- **Internet Banking:** Internet banking is an electronic payment system that enables customers of a bank or any other financial institutions to conduct range of financial transactions through the website where account is opened.

Incentives offered by Government for going cashless:

- The Central Government Petroleum PSUs give incentive by way of discount to customers on purchase of petrol / diesel at the rate of 0.75% of the sale price if payment is made electronically.
- Railway through its sub urban railway network provide incentive by way of discount to customer's up to 0.5 % for monthly or seasonal tickets if payment is made electronically.
- Public sector insurance companies provide incentive by way of discount to its customers, up to 10% of the premium in general insurance policies and 8% in new life policies of Life Insurance Corporation if payment is made electronically.

Challenges:

Some of the challenges on the path for going cashless in India are as follows:

- **Lack of Digital literacy:** In India, majority of the people living in rural areas are still not aware of how to do digital payments.

- **Security risks:** Many people are reluctant to switch over to digital payments due to security concern. Hacking of bank account is one of the biggest fear. Government should bring stringent provisions so that digital payment should be 100% safe.
- **Lack of Internet facilities:** Another major hurdles for going cashless is lack of internet facilities in some of the urban as well as rural areas. In such cases, it is not possible to do digital payments.
- **Recharge expense:** For going cashless it is important to have internet recharge. People belonging to poor financial background do not have much cash for doing internet recharge ,even majority of them don't have smartphones with them and hence they doesn't prefer going cashless.
- **Psychological behavior:** Many people are resistant to do online payment because while spending cash physically they have psychological effect on their mind about their spending and accordingly they are able to control on their spending, and also many people don't go cashless because they are not able to have control on their budgeting.

Objectives of the Study:

- To Study the perception of the Youth of Chaibasa district towards cashless transactions.
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- To Study the factors responsible for not adopting cashless transactions.

Research Methodology:

Both the primary and secondary data have been collected for the research. The Primary data has been collected through questionnaires shared among youth of Chaibasa district. A sample of **100** respondents were collected, out of which **73** respondents were well versed and doing digital payments in their daily life, and remaining **27** were not doing digital payments. Respondents belongs to the age group of 20-30 year. The Secondary data has been collected through published research articles.

Significance of the Study:

Cashless transactions has numerous advantages such as it is transparent, safe, fast, secured, there is no need to carry cash, there has been a reduction in theft, and with the advent of digital payment, electronic transfer is possible through various modes and from anywhere. Cashless transactions is popular among urban areas and with the passage of time and awareness it is also becoming popular among rural areas but still there are various obstacles.

The factors that have influenced the youth of Chaibasa District towards adoption of cashless transactions as per the survey are it is fast as payment can be done within a minute, payment can be done from anywhere and at any time, no need to carry coins and notes for payment, and also they reported that they don't have to bother for change.

The reasons given by the respondents for not going cashless as per the survey are they were from poor families and do not have much cash with them, so there is no need to go cashless.

Another reasons given by respondents were they do not have smart phones, poor internet connectivity in their areas, and also there is no need to go cashless were also reported. Government should lay special emphasis on better internet connectivity in remote areas, and more awareness program should be organized regarding the importance of cashless transactions and various modes of digital payment available and how to use them.

Review of Literature:

- **Dr. Rashmi Gujrati (2017), India's march towards faceless, paperless, cashless economy.** The paper is aimed towards creating a sense of awareness about cashless economy, its benefits, challenges and the steps taken by government toward cashless economy. After the research conducted it was seen that cashless economy comes with various benefits but brings in a lot more challenges with it.
- **Metri and Jindappa (2017), Impact of cashless economy on common man in India.** The study focuses 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.
- **Kokila and Ushadevi (2017), A study on consumer behaviour on cashless transaction in U.T. of Puducherry.** The paper was focused 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.
- **Kousalya and Shankar (2018), Cashless economy/ transaction.** The paper was focused 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 modernization of the payment system in India.
- **Dominic, Saranya, and Rajani (2018), A study on transformation in behavior of individual towards cashless economy.** The study is 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.
- **Pushpa S. Abbigeri and Rajeshwari M. Shettar (2018)** talked about how the Digital India flagship program attracted large number of people to start using digital wallets, which people started to use as there was lots of cash back offers and coupons. After the digital India flagship program a lot of mobile wallet companies entered India and other methods such as UPI, NEFT to a surge. The initiative taken by the Government and RBI was being accepted by the people as they were using such methods.
- **R. Joshi & Kumar, (2020) investigated the impact of digital India on the Indian economy** in order to assess the challenges associated with digital India. The study discovered that digitalization has resulted in increased innovation, ease of operation, economic growth, and new job prospects. It has aided in the establishment of transparency and the free flow of funds across the economy.

Findings of the study:

Some of the findings of the study are as follows:

- a. Majority of the youth were using digital payments as per the survey collected.
- b. Reasons given by different respondents for not going cashless were such as not having enough cash with them, poor internet connectivity, no smartphones, etc.
- c. There is still a lot to be done to digitalize India.

Suggestions:

Some of the suggestions for further improvisation in going cashless are as follows:

- More awareness program should be conducted at regular interval emphasizing the importance of going cashless.
- Government should declare extra discounts and cashback than now for payment in electronic mode so that people should be motivated for going cashless.
- Government should strengthen cybercrime laws so that there should be no hacking of accounts and trust of people is maintained.
- Service providers should strengthen internet connectivity so that there should be no hindrance while digital payment.

Conclusion:

In nutshell, Cashless transactions is increasing day by day. Going Cashless has helped to curb corruption, tax evasion, and also it has reflected in economic growth of country. Going cashless has numerous advantages and benefits. Government should take stringent actions for the barriers which are coming on the path of people for going cashless.

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