



A Study on Problems in Adoption of Cashless Payment Mode with Special Reference to Coimbatore City

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ABSTRACT

Apart from the basic necessities such as food, clothing, housing, every man needs money to fulfill our need and wants. The money is the developed means for day to day transactions and has emerged from various systems of exchange in human civilization. The emergence of new technology and need for global business made the cashless transactions more popular. There are various methods of cashless transactions that were frequently used, but due to the economic advancements the need for other faster and reliable methods has motivated many entrepreneurs and economists to introduce reliable and easy to use methods of cashless transaction. The study explores the problems in adoption of cashless payment mode with special reference to Coimbatore city. A well-structured questionnaire was framed and given to 120 respondents to identify the problems in cashless transaction. In this study we find that the users of cashless payment mode feel that it is very complex. Efforts should be made to remove these problems and also the process of cashless payment mode should be made easy so that it can be easily adopted by the consumers. **Keywords:** Cashless payment system, Challenges, Digital India, E-wallet, plastic cards

INTRODUCTION

Cashless transaction is a process of buying goods and services against money where there is no physical currency involved. The physical currency is replaced by a number of methods that are powered by digital information technology and are capable of transferring money from one person's bank account to another person's. A cashless transaction is an automated or online operation that may take place between two people, businesses, or organizations. A digital transaction is a cashless transaction which specifically involves no paper for completion of the transaction. Purchasing goods from E-commerce websites, signing of business contracts online or even, buying movie tickets through your smartphone app fall under the umbrella of digital transactions. Such operations are accurate, quicker, convenient, and certainly easier. There are many reasons behind the people's choice to do cashless transactions like convenience, improved and trusted digital technology need to acquire things faster and cheap along with maintaining a track record for the taxation purposes.

METHODS OF CASHLESS TRANSACTION

- † Debit card
- † Credit card
- † Pre-paid card
- † E-Wallet (Mobile Wallet)
- † UPI (Unified Payments Interface)
- † Internet banking transfer
- † NEFT (National Electronic Funds Transfer)
- † RTGS (Real Time Gross Settlement)
- † Aadhar enabled payment system (AEPS):

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STATEMENT OF THE PROBLEM

In population India is the second position in the world. Still Indian economy is the developing economy in the world. So the government of India taking some initiatives to develop our economy. Our honourable Prime Minister introduce the digital India for adopting the technology and maintains all transactions should be digitalized in the country. In order to accelerate the execution of the concept of digital economy. There are several cashless payment system were introduced in India such as online payments NEFT, RTGS, mobile wallets, E-Payments etc. Even government has restricted for cash transaction and pushed people to adopt and implement cashless transactions. The present study is attempt to analyse the problems in adoption of cashless payment mode with special reference to Coimbatore city.

OBJECTIVES OF THE STUDY

- ✚ To study the level of adoption in cashless transaction.
- ✚ To analyse the various modes of cashless transaction.
- ✚ To understand the effects of cashless transaction methods on consumers.
- ✚ To find out the problems and challenges faced by the consumers by adopting cashless payment.

HYPOTHESIS OF THE STUDY

1. There is no significant association between monthly income of the respondents and the purpose of using cashless transaction.
2. There is no significant association between occupation of the respondents and their level of satisfaction towards cashless payments.
3. There is no significant association between educational qualification of the respondents and obstacles faced by the respondents while using cashless transaction.

SCOPE OF THE STUDY

The scope of the research is to identify the impact of cashless transaction with reference to Coimbatore city. This research is based on primary and secondary data. The study helps to gain knowledge about the various types of cashless payment mode and the problems faced by the consumers while adopting cashless transactions. This research will facilitate solution on problem in utilization of cashless payment system to consumers who are widely users of cashless system in daily life.

RESEARCH METHODOLOGY

Research in common refers to a search for knowledge. Research methodology is a way to systematically solve the research problem. It is a systematic tools and purposive investigation of facts of an objective of analysing the problems in adoption of cashless payment. The study was conducted in Coimbatore city. Out of the entire population 120 respondents were chosen as the sample. The sampling design used in this project is convenient sampling. The are two types of data collection primary and secondary data and two types of tools are used for data analysing Simple percentage and Chi-square.

SIMPLE PERCENTAGE

Percentage base analysis helps to find which factors is significant among a number of factors.

CHI-SQUARE

A chi-square which is used to test the measures of expectation compare to actual observes (or) model value.

LIMITATIONS OF THE STUDY

- The time factor is the main limitations of study as the project was restricted to small period.
- The study is confined to limited audience only.
- Another problem which I face was that people were hesitating to give information about their views freely.

REVIEW OF LITERATURE

KOKILA AND USHADEVI (2017)¹, in his research paper titled, “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.

SHRIKALA K.K.(2017)², in his research paper titled, “Cashless transaction: Opportunities and Challenges with special reference to Kodagu district of Karnataka .The paper is aimed to find out the opportunities available in the rural part of India and the challenges which may be faced while moving towards cashless economy.

BINDRA AND BINDHIYA (2017)³, in his research paper titled, “ Going cashless” , stepping towards Digital India.The study is focused to find out the benefits and challenges and the growth prospects in India on the path of the moving digital India. The study shows the digital India will bring a huge growth in GDP of India and will also have other benefits are the society and the economy as well.

KARAMJEET KAUR AND DR ASHUTOSH PATHAK (2016)⁴ have explained in their research paper titled “E – Payment System on E-Commerce in India” the different types of cashless transactions methods including their functionality and processing. They have revealed that it is quite difficult, but not impossible, to suggest that which payment is best comfortable mode.

ANALYSIS AND INTERPRETATION

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

S.NO	DEMO	RAPHIC	PERCENTAGE %
1	Gender	Male	57
		Female	43
2	Age	15-25years	38
		26-35years	32
		36-45years	23
		46-55 years	7
		Above 55 years	-
3	Educational Qualification	School level	29
		Graduate	61
		Post graduate	10
		Others	-
4	Monthly Income	10,000-20,000	48
		20,001-30,000	27
		30,001-40,000	16
		Above 40,000	9
5	Occupation	Student	32
		Employee	43
		Business	13
		House wife	12
		Others	-
6	Nature of Family	Joint family	38
		Nuclear family	62

Source : Primary data

INTERPRETATION

The above table clearly states that demographic profile of the respondents. Majority of the respondents falls in the age group of 15-25 years and most of them are male. Majority of them are graduates. Majority of the respondents monthly income falls between Rs.10,000 - Rs.20,000. Most of the respondents are employees. Majority of the respondents are in nuclear family

Chi- Square table : 1

H_0 . There is no significant association between monthly income of the respondents and the purpose of using cashless transaction.

Source: Primary data

Particulars	DF	Chi-square value	Table value	Remark
Monthly income and purpose of using cashless transaction	4	12.74	16.92	Accepted

The calculated chi-square value at 5% level of significance is (12.74) is lesser than the table value (16.92). Hence the hypothesis is accepted. Therefore there is no significant association between monthly income of the respondents and purpose of using cashless transactions.

Chi- Square table : 2

H_0 . There is no significant association between occupation of the respondents and their level of satisfaction towards various modes of cashless transactions.

Particulars	DF	Chi-square value	Table value	Remark
Occupation and their level of satisfaction towards various modes	5	28.64	26.30	Rejected

Source : Primary data

The calculated chi-square value at 5% level of significance is (28.64) is higher than the table value (26.30). Hence the hypothesis is rejected. Therefore there is significant association between occupation of the respondents and their satisfaction towards various modes of cashless transactions.

Chi- Square table : 3

H_0 . There is no significant association between educational qualification of the respondents and the obstacles faced by the respondents while adopting cashless transactions.

Particulars	DF	Chi-square value	Table value	Remark
Educational qualification and the obstacles faced by the respondents	4	8.275	16.92	Accepted

Source : Primary data

The calculated chi-square value at 5% level of significance is (8.275) is lesser than the table value (16.92). Hence the hypothesis is accepted. Therefore there is no significant association between educational qualification of the respondents and the obstacles faced by the respondents while adopting cashless transactions.

RESULT AND DISCUSSION

1. Majority 57% of the respondents are male.
2. Majority 38% of the respondents are between the age group of 15-25 years.
3. Majority 61% of the respondents are graduates.
4. Majority 43% of the respondents belongs to the occupation of employees.
5. Majority 55% of the respondents are unmarried.
6. Majority 62% of the respondents are in Nuclear family.
7. Majority 40% of the respondents has 4 members in the family.
8. Majority 48% of the respondents income level is Rs.10,000 -Rs.20,000.
9. 100% of the respondents having bank account.
10. 100% of the respondents are register for E-banking.
11. 100% of the respondents making cashless payments.
12. Majority 38% of the respondents are came to know about the cashless payments through social media.
13. Majority 53% of the respondents are known about digishala channel to promote digital payments.
14. Majority 49% of the respondents preferred debit & credit card is the most comfortable mode of cashless payment.
15. Majority 56% of the respondents are influenced by the factor reduced transaction time.
16. Majority 48% of the respondents using cashless transaction for the purpose of utility and bill payment.
17. Majority 36% of the respondents are using cashless transaction from 2 to 4 times in month.
18. Majority 40% of the respondents are satisfied with various modes of cashless payments.
19. Majority 56% of the respondents are facing obstacles while adopting cashless transaction.
20. Majority 39% of the respondents feels that the security of mobile payment is the problem towards cashless transactions.
21. Majority 29% of the respondents agreed that the poor connectivity is the challenge for the consumers in adopting cashless transaction.
22. Majority 35% of the respondents agreed that complicate procedure is the challenge for the consumers in adopting cashless transaction.
23. Majority 45% of the respondents agreed that lack of technical knowledge is the challenge for the consumers in adopting cashless transaction.
24. Majority 37% of the respondents agreed that virus problem & others is the challenge for the consumers in adopting cashless transaction.
25. Majority 38% of the respondents are opinioned that the various modes of cashless payment is good.
26. Majority 47% of the respondents agreed that the transactions are secured in cashless payment.
27. Majority 36% of the respondents loading money more than Rs.1,500 for cashless payment on monthly basis.

FINDINGS OF CHI-SQUARE ANALYSIS

1. There is no significant association between monthly income of the respondents and their purpose of using cashless transaction.
2. There is significant association between occupation of the respondents and their level of satisfaction towards various modes of cashless payments.
3. There is no significant association between educational qualification of the respondents and the obstacles faced by the respondents while adopting cashless transaction.

SUGGESTIONS

- The lack of technology knowledge is the least concern of the current generation. However, the banks and other institutions should conduct camps and awareness programme regarding the use of cashless payment technology which will encourage the people to use more of these methods.
- Poor network connectivity and communication links pose negative effect on the adoption of cashless banking system; therefore, banks should always work on improving their communication links to avoid customer dissatisfaction.
- In the study, many customers revealed that the privacy and security are important while doing cashless transactions. Therefore, banks are suggested to make effective technological changes by bringing more innovative solutions in the banks so that opportunities can be availed efficiently by the customers.
- For promoting the digital transaction different incentives and schemes should be provided by the government.

CONCLUSION

The usage of digital payment apps day by day getting more familiarity in our country. The cashless transactions had been more intensive in familiar channels such as NEFT, RTGS, Internet banking, Mobile/E-wallet etc. In this study we found that many problems are restricting consumers to adopt cashless payment mode. The users of cashless payment mode feels that it is very complex. The have lack of trust for payment system and also it risky to share their personal information like account number, branch name etc. Efforts should be made to remove these problems and also the process of payment using cashless system should be made easy .So that the cashless payment mode can be adopted successfully by the consumers.

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