



## **CUSTOMERS PERCEPTION AND SATISFACTION TOWARDS CASHLESS TRANSACTIONS IN COIMBATORE DISTRICT**

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### **ABSTRACT:**

The rapid advancement of digital technology has transformed the financial ecosystem, leading to a significant increase in the adoption of cashless transactions. This project aims to explore customer perception and satisfaction regarding various cashless payment methods, such as UPI, mobile wallets, debit/credit cards, and internet banking. The study investigates the factors influencing customer preference for cashless modes, including convenience, security, speed, and trust. It also examines the challenges users face, such as technical glitches, lack of awareness, and concerns about data privacy. Through primary data collection and analysis, the project provides insights into how demographic variables affect the usage of cashless transactions and suggests ways to enhance customer experience and satisfaction. The findings of this study can help businesses, banks, and policymakers to improve digital payment systems and encourage wider adoption among users.

### **INTRODUCTION :**

In today's digital era, cashless transactions—payments made via cards, UPI, mobile wallets, and net banking—have become increasingly popular due to their speed, convenience, and transparency. India has seen rapid growth in digital payments, especially after the 2016 demonetization and the launch of the Digital India initiative and UPI. Affordable smartphones and internet access, along with support from fintech firms and banks, have further driven this trend. Coimbatore, a major industrial and educational hub in Tamil Nadu, has also embraced this shift. Tech-savvy consumers and businesses across sectors are actively using digital payments. However, challenges remain, including cybersecurity risks, digital literacy gaps, and limited infrastructure in rural areas. Despite these issues, efforts by the government and financial institutions continue to promote safe and widespread adoption of cashless systems.

### **OBJECTIVES:**

- To assess customer awareness of cashless payment methods.
- To identify factors influencing the use of cashless transactions.
- To measure customer satisfaction with cashless payments.
- To find challenges faced in using cashless modes.

### **AREA OF THE STUDY:**

Sampling Technique:

Convenience sampling was used to select 128 respondents in Coimbatore.

### **Data Collection:**

Both primary and secondary data were used.

**Primary Data:** Collected directly through surveys and interviews.

**Secondary Data:** Gathered from books, journals, websites, and government records.

### **Area of Study:**

The study was conducted among cashless transaction users in Coimbatore.

### **Period of Study:**

The study was carried out over four months, from December 2024 to March 2025.

#### Tools for Analysis:

Percentage Analysis: Used to interpret survey data by converting frequencies into percentages.

Formula:

Percentage = (Number of respondents / Total respondents) × 100

## REVIEW OF LITERATURE:

Cashless transactions have gained widespread adoption due to convenience, speed, and security. Studies show that user trust, ease of use, perceived benefits, and security concerns are key factors influencing customer satisfaction and adoption.

Kumar & Das (2023) highlighted gender differences, with women facing more barriers. Mishra & Sinha (2023) noted that COVID-19 accelerated digital payments. Davidson & Clark (2022) discussed the environmental trade-offs, while Johnson & White (2022) emphasized cybersecurity threats and solutions like AI and blockchain.

Government policies significantly impacted adoption post-demonetization (Patel & Mehta, 2022). Singh & Gupta (2021) praised UPI's role, while Verma (2021) and Ghosh & Banerjee (2021) pointed out the digital divide in rural areas. SMEs benefited from digital payments but faced fee-related concerns (Rahman & Ali, 2021).

Studies also examined psychological factors (Anderson & Lee, 2020), AI in fraud detection (Hernandez & Lopez, 2020), and international transaction efficiency (Fernandez et al., 2019). Cultural and regional factors affected adoption in Japan (Nakamura & Takahashi, 2019) and rural India (Rajanna, 2018).

Older studies by Singh (2017), Verma & Gupta (2017), and Sharma (2017) stressed the role of education, trust, and convenience in adoption. Overall, addressing security, infrastructure, and awareness is essential for enhancing customer satisfaction and expanding digital payment use.

## Results and Discussion:

### REASON FOR TRANSACTION CHOICE OF THE RESPONDENT

| Particulars                       | No. of Respondents | Percentage |
|-----------------------------------|--------------------|------------|
| Convenience                       | 55                 | 43%        |
| Security                          | 28                 | 21.9 %     |
| Discounts/offers                  | 10                 | 7.8%       |
| Faster transactions               | 30                 | 23.4 %     |
| No preference, just follow trends | 5                  | 3.9 %      |
| Total                             | 128                | 100        |

#### Interpretation:

The above table 4.13 shows that The primary reason for choosing cashless transactions is convenience (43%), making it the biggest motivator. The second most important factor is faster transactions (23.4%), highlighting efficiency. 21.9% of respondents prioritize security, showing that trust in safety is a key reason. Only 7.8% prefer cashless payments for discounts/offers, meaning promotions play a minor role. The least common reason (3.9%) is following trends, indicating that social influence has minimal impact.

The Most (43%) of respondents chose cashless transactions for convenience.

### LEVEL OF SATISFACTION OF THE RESPONDENT

| Particulars    | No. of Respondents | Percentage |
|----------------|--------------------|------------|
| Very Satisfied | 34                 | 26.6 %     |
| Satisfied      | 63                 | 49.2 %     |
| Neutral        | 28                 | 21.9 %     |
| Unsatisfied    | 2                  | 1.53 %     |

|                         |            |               |
|-------------------------|------------|---------------|
| <b>Very Unsatisfied</b> | <b>1</b>   | <b>0.76 %</b> |
| <b>Total</b>            | <b>128</b> | <b>100 %</b>  |

**Interpretation:**

The above table shows that 49.2% of respondents are satisfied, showing a positive user experience; 26.6% of respondents are very satisfied, reinforcing the overall satisfaction; 21.9% of respondents have a neutral opinion, meaning they neither feel satisfied nor dissatisfied; 1.53% of respondents are dissatisfied, indicating minor dissatisfaction and 0.76% of respondents are very dissatisfied, meaning very few respondents have a completely negative experience.

The Most (49.2%) of respondents are satisfied while using cashless transactions.

**FINDINGS :**

1. Most 63 (49.2%) of the respondents ranged from 18 - 25 years.
2. Majority 65 (50.8%) of the respondents were Male.
3. Most 62 (48.4%) of the respondents completed Undergraduate degree.
4. Most 51 (39.8%) of the respondents resided in urban areas.
5. Most 56 (43.8%) of the respondents were students.
6. Most 43 (33.6%) of the respondents used cashless transactions daily.
7. Most 57 (44.5%) of the respondents earned less than ₹10000 per month.
8. Majority 71 (55.5%) of the respondents preferred UPI services such as Google Pay, PhonePay for transactions.
9. Most 50 (39.1%) of the respondents found cashless transactions extremely convenient.
10. Most 48 (37.5%) of the respondents felt very secure while using cashless transactions.

**SUGGESTION:**

1. Enhance digital payment security to build user confidence – Strengthening security features such as encryption, two-factor authentication, and fraud detection will help users feel more secure when making digital payments.
2. Improve internet connectivity for seamless transactions – Poor network connectivity can disrupt digital payments. Enhancing internet infrastructure, especially in rural areas, will ensure smoother transactions.
3. Offer better customer support for resolving payment issues – Many users face failed transactions, delayed refunds, or technical glitches. A responsive and efficient customer support system can help resolve these issues quickly.
4. Promote financial literacy on cashless transactions – Many people, especially older adults and those in rural areas, may not fully understand how digital payments work. Educating them about digital wallets, UPI, and online banking will increase adoption.
5. Encourage more merchants to accept digital payments – Small businesses and street vendors should be encouraged to use digital payment methods through incentives, training, and easy access to POS (Point of Sale) systems. The company should improve its performance appraisal system to motivate employees and enhance their performance. Implementing non-financial plans, such as recognition and development opportunities, can also boost productivity. Additionally, fostering open communication and coordination between departments is crucial. Finally, appreciating employees' contributions with monetary rewards can go a long way in motivating them.

**Conclusion:**

The study highlights the growing acceptance of cashless transactions due to their convenience, speed, and efficiency. The COVID-19 pandemic accelerated this shift, with digital payments becoming a safer option. However, challenges like security concerns, technical issues, and varying adoption across demographics remain. Younger, tech-savvy individuals embrace digital payments more than older generations or rural populations. To improve customer satisfaction, financial institutions should enhance security, ensure transparency, and educate users, while governments should focus on better infrastructure and reduced transaction costs. Addressing these issues will drive wider adoption and ensure a smoother digital payment experience.

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