

## Digital India-cash to cashless economy A Study Of Consumer's Perception

**Dr.Kasuba Sirisha,**  
Assistant Professor, Dept.Of Economics

**Dr.K.Anitha,**  
Assistant Professor, Dept.of Mass Communication  
St.Francis College for Women,Hyd

### ABSTRACT

In any economy, money is said to be the life blood. With the advent of internet, smartphones and other digital technologies has made cash transactions simpler and faster. In the current scenario most of the transactions were made cashless and in future physical form of currencies will no longer be a king. There are different medium introduced to carry out cashless transactions. Despite the rise of digital payments there is also an increase in the security concerns. Digital payments are bound to have security issues which might hinder the growth of digital payments. Hence, this paper helps to identify the consumers' perception on cashless transactions, factors influencing cashless transactions and also identify the level of awareness of the consumers concerning the information securities. The findings reveal that the majority of the consumers prefer credit/debit card has the most comfortable mode of payment followed by mobile wallets. Privacy and security, convenience were the factors which influences consumers towards cashless transactions and it was also found that consumers has enough awareness on the information security in cashless transactions. Therefore, digital payments will takes a long time to become key payment option but this might benefit the economy in the near future.

**Key Words:** *Digital payments, Cashless transactions , mobile wallets & cash transactions.*

### INTRODUCTION:

Since the origin of the internet and other technological transformations has brought a massive changes in the day today life of every individuals. In the current scenario, Information and Communication Technology sector plays an important role in the development of the country's economy because every sector depends on digital technologies. Markets are now more focused on digital technologies. The economy is also called as digital economy or internet economy. **Don Tapscott** introduced the term digital economy in his book called "**The Digital Economy: Promise and peril in the age of networked intelligence**". According to **Tapscott, D. (1996)** says that networking is not about technology it is all about how human uses technology and also their creativity and knowledge to create social development. The current generations are living with the world of social media and e-commerce. According to **Gada (2017)** says that since the launch of internet and social media users there is online population which ultimately today increases the worth of digital economy of a country. We are controlled by technology and digitalisation. Digitalisation is found everywhere from

manufacturing, purchase to payments. Even India is moving towards digital economy by launching digital programmes in order to transform India to a digitally enhanced society.

In recent times, the people of India are moving towards cashless transactions than physical cash transactions. Cashless transactions are those financial transactions which takes place electronically without the presence of physical cash. With the advancement of internet, online banking facilities and other mobile applications has made consumers more convenient to do their transactions anywhere and at any time. Although with the developments in technology in the form of big data, internet of things, etc. They also have a dark sided effect in terms of security and privacy of the consumers is now in greater risks. Therefore, this study is an attempt to identify the consumers' perception towards cashless transactions and also about information security in the digital economy.

➤ **Significance of the study**

The Indian economy found digital cash useful as it doesn't need much of an individual's time. It is most convenient in comparison to physical cash. Among the digital payment options people consider digital wallet as one among the most convenient as it is hassle free mode unlike net banking where lot browsers will be open and more time consuming. Another important factor is that digital cash is more easily transferable as many migrants within India found sending money through mobile is more convenient and inexpensive than many other informal channels which they normally use. Transparency is another important factor as digitization will enable recording of each and every transaction an individual makes. It overcomes the problems which are brought about by the cash dominance i.e. large unorganised sectors, black money, evasion of taxes etc. it also helps gradually in financial inclusion as government is promoting payment of subsidies and other benefits through bank accounts.. When the nation shifts to digitization Government can lower the cost on financial inclusion measures and other programs as economy has accepted the digital payment system and in order to avail the same people need to have a bank account. The unbanked starts to shift to mobile payments and mobile wallets they will automatically be banked and will have a transaction history and further this will lead to accessibility of digital resources for all. Thus digital India program contribute to digitization as well as digitization contributes India to become more digitally literate and tech savvy nation.

➤ **Possible challenges**

Digital transactions happen in the digital space and government is facing a great challenge of locating the transaction. The government is lacking the understanding of the business model that the E-commerce firms are adopting which sometimes lead to imposition of tax under the title of —commission agents which is contradictory to the prevailing FDI rule. The taxes are imposed at the point of delivery which amounting to double taxation as CST has been already collected on such goods. The government has to reframe the tax regulations in the country in order to identify the tax payers as well as the transactions which need to be taxed. The country is having physical presence-

based permanent establishment rules which need to be amended so that place of business, location and permanency can be reconciled with new digital world.

. The habit of using cash is so intense in people that they don't want to use any other mode. And this is one of the reason why almost all E-Commerce site in India has a payment option Indian population has this notion that cash is safe as many transactions will not be recorded and none can track it. Use of cash on the other hand does not need the user to be educated while in case of digital payment system the user needs to be literate.

## **OBJECTIVES OF THE STUDY:**

The study is confined to the following objectives.

1. To know types and frequency for which E-Wallets are used by the consumers
2. To identify the purpose for using E-Wallets by the respondents
3. Awareness of the consumers concerning the information security in cashless transaction.

## **REVIEW OF LITERATURE**

1. **BJP Government in 2015**, "Digital India". The official website for the initiative of Digital India launched. It talks about what Digital India is and its Vision for the Indian economy. This initiative aims at reducing the digital divide that exists in the country by providing internet services in the rural areas by making it affordable and accessible. They would be able to avail multiple governmental services as well.
2. **Tarun Mittal (2017)**, "India's money trail - from 'kaudis' to digital payments". This article talks about the evolution of money in India; the cowrie shells being the first form of currency used in the Indian Peninsula. This article documents the usage of coins and the changes Indian coinage went through the Imperial rule under several royal families and the British rule as well. The beginnings of Banks in India (formed in 1773) till the inception of Reserve Bank of India in 1935 and the current trends have been discussed. Paper currency was introduced in India after Government of India passed the Paper Currency Act in 1861. The 21st Century saw a trend which led to the digitalization of the Indian economy through the introduction of online payment methods and the Government of India sought to push for a cashless economy through various schemes of Digital India, Demonetization and the Unified Payments Interface (UPI).
3. **Preeti Kulkarni (2019)**, "How to complain to digital payments ombudsman". This article talks about the grievance redressal mechanism set up where they have introduced 21 ombudsman offices across 19 cities to handle the grievances faced while using prepaid instruments (PPI), e-wallets and other payment service providers. This article focuses on the grounds on which one can issue a complaint, how to file such a complaint, things to remember whilst filling a complaint, if not satisfied with the results what are the next steps to take and customer compensation.
4. **Anubhav Pandey (2017)**, "Where to file a complaint regarding e-wallet fraud in India". This article talks about the various types of frauds that an e-wallet application might be vulnerable to like Identity theft, Sim Swap, Phishing attacks, Brute force, Malware, Vulnerable payments technology, Ransomware and etc. After stating these frauds the article has given a step by step process to file a complaint either to the e-wallet application company or to the RBI and also has given suggestions for consumers to follow to prevent such a fraud to occur in the first place.
5. **Dr. Madan Chandra Boro (2017)**, "Digital India: concepts and implications". This article talks about Digital India and its various effects on the Indian economy. Digital India has also helped improve the quality of life of various citizens through reducing the digital divide. This article tries to analyse the positive effects of the nine pillars of the scheme. It studies the challenges that Digital India has faced whilst its implementation process.

## **Methodology**

Mixed method is used for this study which includes both Quantitative and Qualitative methods. The data is gathered from Primary and secondary sources.

a) Primary data is collected by conducting Survey with self-administered questionnaire.

b) Secondary data is gathered from:

- Government websites
- Media Articles
- Research Journals

The Primary data has been analysed with the help of MS Excel to find accurate results. The survey sample Size is 150 participants includes male and female; all of the participants use digital payment applications.

## **Data Presentation**

A cash transaction is immediate and doesn't involve any intermediary. Cash provides individuals and families with liquidity. One needs not to worry about a computer system crashing, power going off, and losing transaction midway. Use of cash doesn't involve any extra cost as in the use of debit/credit cards. Even in the most cashless countries like France and the Netherlands, cash still accounts for 40% or more of all consumer transactions. Usually cashless economies have low corruptions and less black money. Almost every country is bracing towards cashless economy and many countries have made significant progress .It is just a world trend which India is trying to catch up.

**DEMOGRAPHIC PROFILES OF THE RESPONDENTS.**

**TABLE.1: DEMOGRAPHIC PROFILE.**

FACTORS	CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
GENDER	MALE	84	56.0
	FEMALE	66	44.0
AGE	Below 20	10	6.7
	20-30	88	58.7
	31-40	29	19.3
	Above 40	23	15.3
EDUCATIONAL QUALIFICATION	SCHOOL LEVEL	0	0.0
	GRADUATES	84	56.0
	PROFESSIONALS	51	34.0
	OTHERS	15	10.0
OCCUPATION	STUDENT	46	31
	EMPLOYEES	29	19
	SELF EMPLOYEED/BUSINESS	36	24
	PROFESSIONALS	21	14
	OTHERS	18	12

Source: Primary Data

Socio-economic conditions of customers such as gender, age, educational qualification, and occupation have been made significant influence on the perception and awareness of cashless transactions (economy) in the economy. The table no.01 provides the data on socio-economic conditions of the sample respondents. The data clearly shows that the a majority of 84, accounting for 56 percent of respondents are male, whereas the minimum of 66 respondents accounting for 44 percent are female. The above table depicts a response of 150 samples, amongst which 84 (56%) of the respondents were male and 66 (44%) of the respondents were female. The majority of the respondents were Male.

6.7% of the age-group of respondents belongs to below 20 age group, 58.7% of them from 20-30 yrs group, 19.3% of the respondents are from 31-40 ages, and 15.3% of the respondents are

from the age group of above 40 age category. This shows that majority of the respondents are mostly young in which they can understand and gain awareness regarding cashless-transactions participation.

Education is the key factor influence on the respondent’s cashless transactions. The data on educational status of sample respondents reveals that as many as 56% of the respondents are graduates, 34% are professionals. The rate of literacy was directly related with cashless transactions.

The economic status in consequence of the status of the respondents. The data reveals that 19% of the respondents are employees, 24% are self-employed/business, 14% are professionals, and remaining 46% are students.

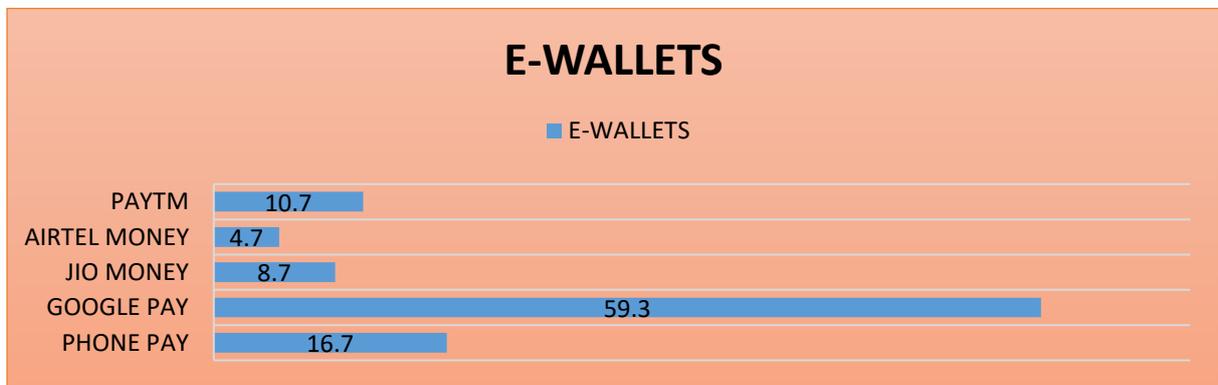
**Type of e-wallet used by the respondents :**

**Table 2 : Type of e-wallet used**

VARIABLE	CLASSIFICATION	FREQUENCY	PERCENTAGE
E-WALLETS	PHONE PAY	25	16.7
	GOOGLE PAY	89	59.3
	JIO MONEY	13	8.7
	AIRTEL MONEY	7	4.7
	PAYTM	16	10.7
	TOTAL	150	100

Source: Primary data

Figure 2: Types of e-wallet used



Source: Primary data

## Digital India-cash to cashless economy A Study Of Consumer's Perception

This bar chart shows that in the sample of 150 people, 16.7% of the respondents use phone pay, 59.3% of the respondents use google pay, 8.7% of the respondents use Jio money, 4.7% of the respondents use Airtel money, and 16% of the respondents use Paytm. Amongst these e-wallets Google pay is most highly preferred by the respondents.

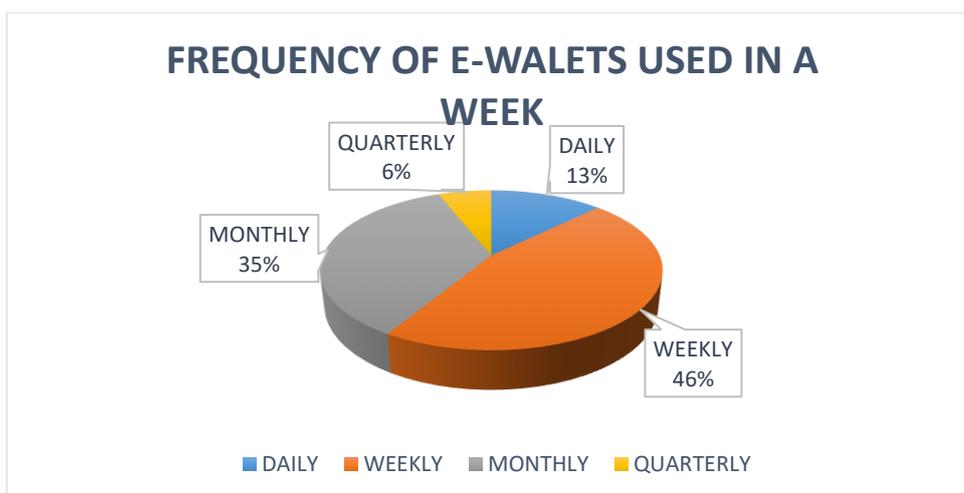
### Frequency of e-wallets used in a week:

Table 3: Frequency of e-wallets used in a week

	Frequency	Percentage
<b>DAILY</b>	19	12.7
<b>WEEKLY</b>	69	46
<b>MONTHLY</b>	53	35
<b>QUARTERLY</b>	9	6
<b>Total</b>	150	100

Source: Primary data

Figure 3: Frequency of e-wallets used in a week



Source: Primary data

The table no -3 shows the recent frequency of the use the cashless transactions by the respondents. All most all the respondents carried out the transactions in 12.7%, of the

respondents carried out the transactions daily.46% of the respondents carried out transactions weekly. 35%of the respondents carried out transactions monthly. Remaining 6% of the respondents carried out transactions quarterly.

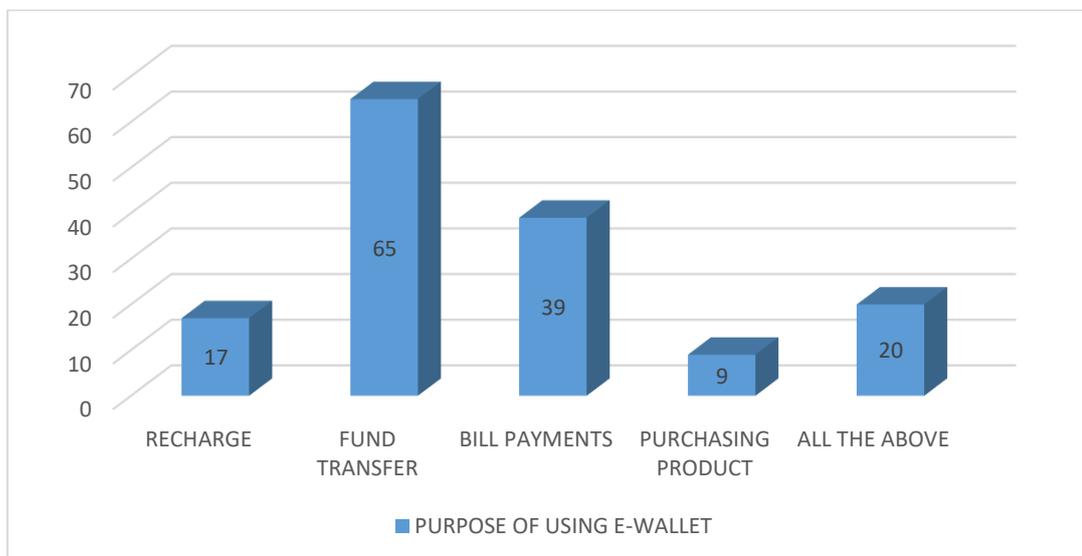
Purpose of using E-Wallet:

Table 4: Purpose of using E-Wallet:

VARIABLE	CLASSIFICATION	FREQUENCY	PERCENTAGE
PURPOSE OF USING E-WALLETS	RECHARGE	17	11.3
	FUND TRANSFER	65	43.3
	BILL PAYMENTS	39	26
	PURCHASING PRODUCT	9	6
	ALL THE ABOVE	20	13.3
	TOTAL		150

Source: Primary data

Figure 4: purpose of using e-wallet



Source: Primary data

This Bar chart shows us that in the sample of 150 people, 11.3% of the respondents used e-wallets for recharge, 43.3% of the respondents used e-wallets for fund transfer 26% of the respondents used e-wallets for bill payments 6% of the respondents have used e-wallets for

## Digital India-cash to cashless economy A Study Of Consumer's Perception

purchasing product and finally 13.3% of the respondents have agreed that they use all the modes of using e-wallet services. Amongst all of these the majority of respondents have used e-wallets services to transfer funds.

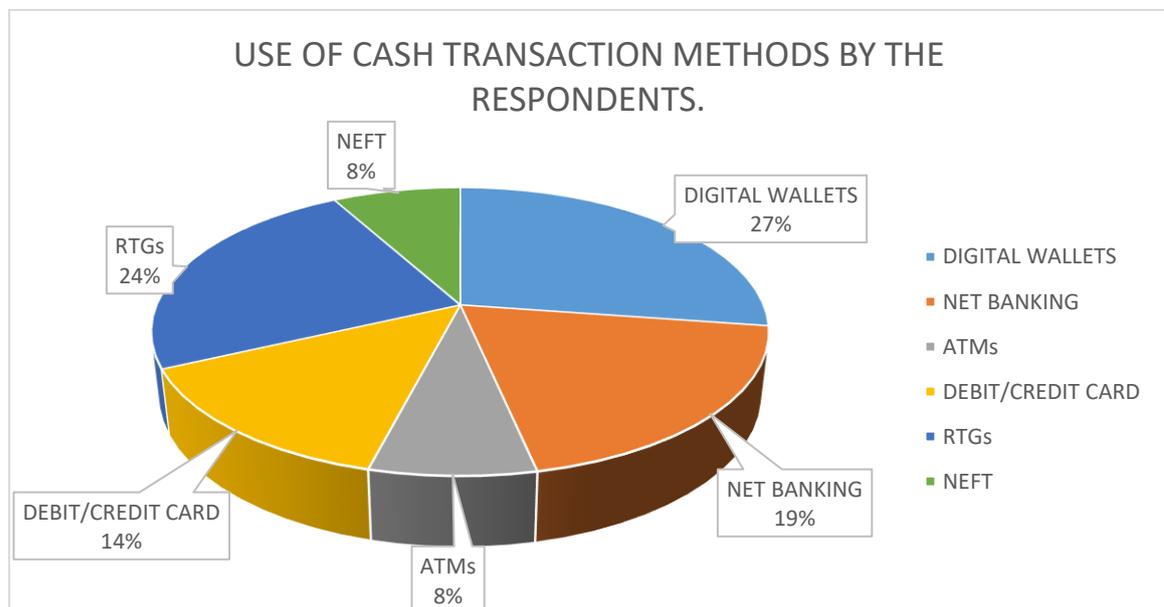
Use of cash transactions methods by the respondents:

Table 5: Safety provided by e-wallets to the consumers

S.NO	METHODS	NO.OF RESPONDENTS	PERCENTAGE
1.	DIGITAL WALLETS	41	27
2.	NET BANKING	29	19
3.	ATMs	11	8
4.	DEBIT/CREDIT CARD	21	14
5.	RTGs	36	24
6.	NEFT	12	8
	TOTAL	150	100

Source: Primary data

**Figure : USE OF CASH TRANSACTIONS METHODS BY THE RESPONDENTS.**



Source: Primary data

This pie chart shows that in the sample of 150 respondents, 27% of the respondents used Digital wallets mode, 19% of the respondents used Net banking, 8% of the respondents used ATMs, 14% of the respondents used debit/credit cards, 24% of the respondents used RTGs, 8% of the respondents used NEFT, The majority of the respondents used Digital wallets.

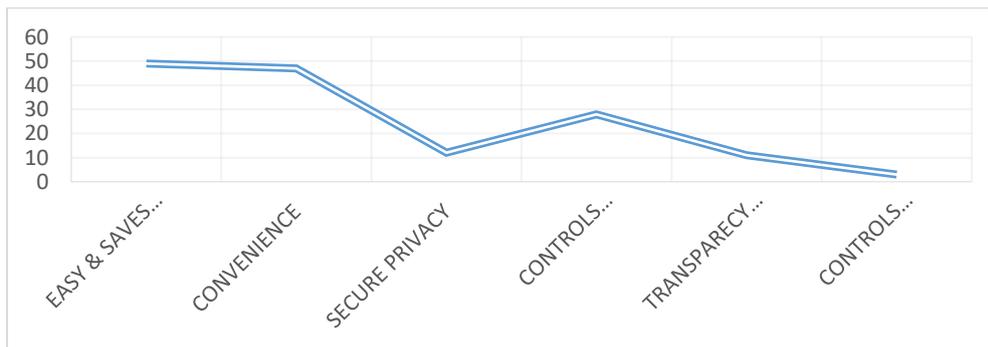
### **Awareness of benefits of cash less transactions by the respondents.**

**Table 6:** Awareness of benefits of cash less transactions by the respondents.

S.NO	BENEFITS	NO.OF RESPONDENTS	PERCENTAGE
1.	EASY & TIME SAVE	49	33
2.	CONVENIENCE	47	31
3.	SECURE PRIVACY	12	8
4.	CONTROL BLACK MONEY	28	19
5.	TRANSPARENCY & ACCOUNTABILITY	11	7
6.	CONTROLS ILLEGAL ACTIVITIES	3	2
	TOTAL	150	100

Source: Primary data

**Figure 6:** Awareness of benefits of cash less transactions by the respondents



Source: primary data

This graph provides the data on respondent’s opinion and awareness level about benefits of cash less transactions. The study reveals that most of the respondents (above 90 percent) expressed their opinion of cash less transaction as easy and save time, convince, lower risk secure privacy, safety, promote settlement and transparency and accountability of the respondents expressed Increase in the Tax base.

**Conclusion**

A cashless India is the first step towards making the dream of digital India a reality. An attempt was made with this study to know the users preferences and perceptions towards cashless India. Several inferences were drawn from this research paper, these inferences have been helpful in understanding how e-wallet users feel about the products they use. Among the several e-wallet services used in India, the most popular e-wallet among the users is Google Pay. There is a slow movement towards usage of online applications and payment modes for any transactions, this could be due to the ease of internet access and the strong security features added onto applications, postdemonetisation.

## Digital India-cash to cashless economy A Study Of Consumer's Perception

For larger transactions, it was observed that the sample population mostly preferred online transactions, showing a slow movement towards a less cash-economy. It has to be noted that several respondents felt that e- wallet services had helped them to save more time. Incentives like cash-back offers have been able to encourage them to use the e-wallets more frequently.

From the sample population, it can be observed that half of the individuals make online payments daily. PayTm, PayPal, PhonePe, are the widely used phone applications, by majority of the sample population. More than half of the sample Population agreed to have found the phone applications to make transactions to be useful. Majority of the population find it discouraging to use online payment applications, since it has a factor of transaction charges, while making the payment.

The findings reveal that the majority of the consumers prefer credit/debit card has the most comfortable mode of payment followed by mobile wallets. Privacy and security, convenience were the factors which influences consumers towards cashless transactions and it was also found that consumers has enough awareness on the information security in cashless transactions. Therefore, digital payments will takes a long time to become key payment option but this might benefit the economy in the near future.

### Bibliography

1. India's movement towards a cashless economy: an analysis, from <https://www.oliveboard.in/blog/cash-to-cashless-digital-india-economy-analysis-upsc-ias-current-affairs-gk-exam-study/>
2. Digital India , Retrieved from <http://www.cmai.asia/digitalindia/>
3. DigitalIndia: Concepts and Implications, Dr Madan Chandra Boro , International Journal of Creative research thoughts , Volume 5 , Issue 4 , 2017, Retrieved from <http://www.ijcrt.org/papers/IJCRT1704123.pdf>
4. Top Trends in Banking and Financial Services in India , Retrieved from <https://www.enterprisedges.com/banking-financial-service-trends-india>
5. Cashless transaction: Modes, advantages and disadvantages , Ramya N. ,2017, [https://www.researchgate.net/profile/Ramya\\_N2/publication/316429963\\_Cashless\\_transaction\\_Modes\\_advantages\\_and\\_disadvantages/links/58fd7c384585152eded4adbc/Cashless-transaction-Modes-advantages-and-disadvantages.pdf](https://www.researchgate.net/profile/Ramya_N2/publication/316429963_Cashless_transaction_Modes_advantages_and_disadvantages/links/58fd7c384585152eded4adbc/Cashless-transaction-Modes-advantages-and-disadvantages.pdf)
6. Digital Payment Division, Ministry of Electronics & Information Technology, Retrieved from <https://www.meity.gov.in/digidhan>
7. Growth of Digital economy: A challenge for competition regulations, Retrieved from <http://dspace.jgu.edu.in:8080/jspui/bitstream/10739/1544/1/Pages%20from%20NitiSamvaad2018.pdf>
8. UPI Product Overview, Unified Payments Interface ,Retrieved from <https://www.npci.org.in/product-overview/upi-product-overview>
9. RBI's Big Push Towards Digital Payments can make India a cashless economy by 2021 ,Akshaya Asokan , 2019 ,Retrieved from <https://www.analyticsindiamag.com/rbis-push-towards-digital-payments-can-make-india-a-cashless-economy-by-2021/>
10. Budget 2019: Govt gives incentives to push the country ahead on digits; road , Shaik Zoab Saleem , 2019, Retrieved from <https://www.livemint.com/budget/news/budget-2019-aims-to-boost-digital-payments-further-1562315419515.html>
11. The rise of digital payments in India, Rambus Press, 2018,Retrieved from <https://www.rambus.com/blogs/rise-digital-payments-india/>
12. The grand digitization of the finance industry : How technology is paving the path towards the future <https://economictimes.indiatimes.com/news/economy/finance/the-grand-digitization-of-the-finance-industry-how-technology-is-paving-the-path-towards-the-future/articleshow/72381230.cms>

