The Challenges and Prospects of Cashless Transactions in Salem District of Tamilnadu, India

R.Soundar Rajan[1], Dr.M.Hema Mary[2]

[1]*Research Scholar, Department of Management and Research, AVS College of Arts and Science, Salem, Tamilnadu, India*

[2]*Assistant Professor, Department of Management and Research, AVS College of Arts and Science, Salem, Tamilnadu, India*

Abstract—**Cashless transactions promote and support businessmen and public people in multiple dimensions. Nowadays cashless transactions are used by many people in society. However, few people are hesitant to come forward to use cashless transactions. Hence an attempt is made to study the customers' attitudes challenges and prospects of cashless transactions in the Salem District. The objective of the study is to investigate the reasons for the resistance to denying cashless transaction modes to overcome the same. Using a self-administered structured questionnaire, a simple random sampling method was used to collect the data. The size of the sample is 70. The primary data was collected through questionnaires from the respondents of the Salem District. For analyzing the primary data, statistical tools such as T-test, F- test, and Factor analysis were used with the help of SPSS Software 21.0. The study has found demographic variables are significant and age-old people found it difficult to use the cashless transaction modes. A well-designed awareness program and training programs may help them and will bring in attitudinal changes.**

Index Terms—**Challenges, Prospects, Attitude and Cashless transactions**

I INTRODUCTION

Technological development has impacted all aspects of life, including the shifts in payment systems. This has caused the cash payment instrument to change to non-cash payment instruments (Wulandari et al., 2016). Although it is increasingly popular to become familiar with the use of cashless payment methods, cash remains used for smaller transactions. This is for the reason that it is seen as valuable and provides a full and final settlement of transactions (Muyiwa et al., 2014). The majority of society has adapted to the new forms of technology and has embraced the possible transformation into a cashless society. Technologically speaking, Dunwoodie & Myers (1999) describes cash as 'Quaint'. Though many are praising the becoming normality of cashless payment, there are aspects associated that are less favorable also. Studies such as Tee & Ong (2016) have shown there is no conclusive evidence on how the adoption of cashless payment would have a positive effect on the economy. Although studies conducted by the likes of Khan (2009), Woda (2006), and Wulandari et al. (2016) highlight the advantages cashless transactions have on the user. These include the lack of time associated, leading to the elimination of queuing in stores. The advantages deem the cashless payment methods more convenient than alternative methods.

As well as this, studies conducted by Armey et al. (2014) and Kumar (2015) build on this and identifies the benefits cashless payment has from a societal point of view. This links mainly to the reduction of criminal activity that is associated with the use of physical cash. While the raised use of cashless payment seems to be an ongoing change in society and the dip in the number of cash-based payments over recent years shows an evident decline in the popularity faced with the method. The studies that outline the advantages faced with the use of alternative payment methods deem the features of the payment methods to be the reason why the methods are growing in popularity.

II REVIEW OF LITERATURE

Vishal Soodan and Akhilesh (2020) studied consumer attitudes toward cashless transactions and

found that bank offerings depend on the consumer's attitude. Shamser Singh and Rana have confirmed the positive impact of consumer attitudes towards adoption. Cyber fraud, high illiteracy rate, an attitude of people, lack of transparency, and efficiency of digital payment system are the major factors of hindrances in cashless transactions Preeti et.al (2017). Cashless transactions are now being promoted by companies in many ways. Sumedha Gupta (2007) found incentives for digital payments and cashback schemes have a positive impact on increasing cashless transactions. However, there are many impediments. As per a UNESCO report, illiteracy is one of the major issues in accepting cashless transactions. Kumari D (2016) found insufficient infrastructure as a major barricade for cashless transactions. Hacking is another issue highlighted by economic times. Born Omar Ahmad Al-Dalaien (2017) found the main benefits of cashless transactions are faster, increased sales, prompt settlement of transactions, convenience and lower risk, transparency and accountability, and reduced maintenance costs. Yet there are problems also identified by them which are an inadequate number of ATMs, digital illiteracy, lack of internet facilities, few banks in villages, costly swipe machines, etc. Sheetal Thomas & G. Krishnamurthi (2017) argued that there is enormous potential that the rural economy in India can become a cashless economy because the rural population is ready to learn it. Preeti Garg & Manvi Panchal (2017) argued the importance of the internet, safety, and security for the smooth functioning of the cashless system in India. Hence it has to be strengthened. Liebana-Cabanillas et al. (2017) researched the perceived usefulness of cashless transactions.

Research Gap
The researcher reviewed vast relevant literature. Most of the researchers have covered attitudes and the digital economy in various geographical areas. The literature reviewed did not speak about the attitude toward cashless transactions in Salem District. The research gap was found in the various aspects of the literature reviewed and an attempt has been made to fulfill the gap hence the present research work has been carried out.

III RESEARCH METHODOLOGY

The present study analyzes the attitudes toward cashless transactions in Salem District. The descriptive research method has been used in this study. A Convenient sampling method has been used in this research. The size of the Sample was estimated using Cochran's (1963) sample size formula. At a 90 percent confidence level and 10 percent margin of error for a large unknown population the sample size was calculated as 70. The sources of data were primary as well as secondary. The data collected from cashless transaction user surveys constitute primary data. Structured questionnaires were prepared for the cashless transaction users separately for the study. The information gathered from books, journals, magazines, reports, and dailies were the secondary data. Tools such as Simple Percentage Analysis, Reliability Statistics, Factor Analysis, Independent sample t-test and one way ANOVA with the help of SPSS software 21.0 have been used to execute the results.

Importance and Scope of the Study
The area of scope is restricted to the segment selected within the district of Salem, Tamil Nadu. Further, the scope is narrowed down to demographic variables such as age, gender, and income and the influence of these variables on the attitude of customers towards cashless transactions.

Statement of the Problem
Cashless transactions are used worldwide for many purposes effectively by people belonging to different fields like politicians, doctors, business people, and banking activities. As customers are the chore of every society, it becomes necessary that the customer be drawn along the right path and cashless activities depend upon internet connectivity based. Sometimes the server cannot be connected is the major problem. In this research, the questions are raised as follows.
Why are few people hesitant to use cashless transaction modes?
What is the attitude level of customers towards cashless transactions?
What are the prospects of cashless transactions soon?
What ways are there to overcome the challenges of cashless transactions?

Objectives of the Study
1. To investigate the challenges of cashless transactions
2. To investigate the prospects for cashless transactions
3. To determine customers' attitudes towards cashless transaction
4. To suggest suitable ways to enhance cashless transactions

Reliability Statistics

The reliability test was conducted for all the variables included in the questionnaire of the customer's attitude towards cashless transactions by using Cronbach's Alpha model. For all the variables Cronbach's Alpha statistics were above 0.8 and the overall score of the models was 0.845. Cronbach's Alpha model test result should be more than 0.70 and the components framed 80% relevant to attitude variables.

Table- No.1
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.771
Bartlett's Test of Sphericity	Approx. Chi-Square	393.016
	Df	153
	Sig.	.000

Source: Computed Data

From the table it can be noted that Kaiser-Meyer-Olkin measure of sampling adequacy is 0.771 and Bartlett's test of Sphericity approximate Chi-Square value in 393.016 which are statistically significant at 5% level.

Hypotheses
H1: There is a significant difference between different Age groups of the respondents regarding cashless transactions.
H2: There is a significant difference between different Genders of the respondents towards cashless transactions.
H3: There is a significant difference between the different incomes of the respondents regarding cashless transactions.

IV DISCUSSION

Demography of the Respondents

Above the table, No-1 shows the no. of respondents belonging and their percentages. Regarding gender around 63 percent are male and the rest are female. Many of them are urban (51 percent). It shows that cashless transactions are preferred by urban people over people from rural areas. Around 60 percent of the respondents are from a nuclear family. The income range of the respondents is scattered almost evenly which is understood from the percentile statistics of income of the groups. The respondents thought using cashless transactions they are not using it frequently.21 percent of them even did not use it once a month. It shows that still, the cashless transaction has a high potential for growth. People should be made aware of the benefits of cashless transactions.

Table No- 2
Profile of the Respondents

Demographic Variables	Belonging Variables	No. of Respondents	Percentage
Gender	Male	44	62.9
	Female	26	37.1
	Total	70	100.0
Location	Rural	11	15.7
	Semi-Urban	23	32.9
	Urban	36	51.4
	Total	70	100.0
Age	Below 25	13	18.6

	26-30	26	37.1
	Above 30	31	44.3
	Total	70	100.0
Education	UG Degree	12	17.1
	PG Degree	24	34.3
	Diploma	22	31.4
	Engineering	12	17.1
	Total	70	100.0
Marital Status	Married	35	50.0
	Unmarried	35	50.0
	Total	70	100.0
Occupation	Student	11	15.7
	Private Employee	17	24.3
	Govt., Employee	16	22.9
	Business	8	11.4
	Professional	14	20.0
	Farmer	4	5.7
	Total	70	100.0
Income	Below 20,000	45	64.3
	20,001 – 25,000	15	21.4
	Above 25,000	10	14.3
	Total	70	100.0
Types of Family	Joint Family	28	40.0
	Nuclear Family	42	60.0
	Total	70	100.0
Frequency of Using	Once in a week	12	17.1
	Twice in a week	25	35.7
	Once in a month	33	47.1
	Total	70	100.0
Experience	Below 1	16	22.9
	2-3	33	47.1
	Above 3	21	30.0
	Total	70	100.0

Source: Primary Data

Attitude of customers on Cashless Transactions

Table- No.3
Attitude of customers on Cashless transactions

S.no	Item	Mean	SD
1	Fast Transaction	4.15	.0125
2	User friendly	4.12	1.24
3	Easy Technology	3.22	1.19
4	Avialabilty of service (24*7)	3.6	1.57
5	Secure transactions	3.0	0.9
6.	Charges	3.1	0.725
7	Tracking records	2.5	1.13

Table 3 depicts the attitude of customers towards cashless transactions. All of the respondents agree (score 4.15) consistently (SD -0.0125 only) that cashless transaction is faster than the previous modes of financial transactions. Amazingly the customers do not find it difficult in using the cashless transaction modes. Many of them agree (Score 3.6) that the availability of cashless transactions is good. People are a neutral attitude towards the safety and security of the transactions which can be understood from the score3.0.

Challenges of Cashless Transactions
Table- No.4
Challenges of Cashless transactions

Factors	Mean	Standard deviations
Waiting time	3.000	1.142
Fear of security	2.714	1.241
Lack of knowledge	3.886	0.986
Technical issues	2.314	1.001
Infrastructure (Networks)	2.571	0.861
Charges	3.443	0.651
Resource availability	4.000	0.538

Responses towards waiting time while taking draft-like products obtained the score mean score3.0 through which it can be inferred that people are in a neutral state towards waiting time. That means it consumes considerable time. Respondents found it very difficult in using technology (2.3) and they were also more afraid about their transactions (2.7) and also they complained they do not get adequate network support when they use the internet for cashless transactions. They do not find it difficult in getting ATMs like resources which can be understood from the highest mean score of 4.00.

Prospects of cashless transactions
Table- No. 5
Prospects of cashless transactions

Factors	Mean	Standard deviations
Network/Speed	1.93	1.30
Increased Security	3.34	1.27
Knowledge Development	4.13	1.14
Technical Advancement	2.46	1.47
Savings / Cash back /Discounts	3.07	1.34
Less Charges	3.90	1.38
Transparency	3.93	1.09
Convenience	4.32	1.28

There are mixed responses with regard to the future and prospects of cashless transactions which can be understood from the standard deviations because for all the challenges the deviation is above 1.0. Customers agree that convenience is an important factor and future cashless transactions will become easier and more convenient in the future which understood is as the highest score of 4.32. They also mention cashless transactions will be furthermore secured in the future with suitable technological advancement and knowledge development.

Demography and Cashless Transactions

The study has been focused on finding out the influence of demographic variables such as age, gender, and income on the customer attitude towards cashless transactions. To test the hypotheses framed ANOVA tests have been conducted and the results are presented in Table 7.

Table- No.7
Demography and Cashless Transactions

Factor	Group	N	Mean	Std. D	F- Value	P- Value
Age	Below 25	10	3.80	1.080	1.539	0.222
	26-30	18	2.95	1.384		
	Above 30	42	3.39	1.164		
Gender	Male	44	3.70	1.080	5.008	0.009
	Female	26	3.06	1.384		
Income	Below 20,000	45	2.45	1.754	1.471	0.237
	20,001 – 25,000	15	3.90	0.080		
	Above 25,000	10	3.79	1.058		

With regard to age, 'The 'F' value was found as 1.539 and the 'p-value was estimated to be 0.222 The results signify the importance of age. i.e According to age, the customer attitude varies and hence H1 is accepted. The results related to gender depict the attitude of customers toward cashless transactions does not depend on gender, which can be inferred from the obtained 'F' value of 5.008 and the 'p-value of 0.009. Hence H2 is rejected. However, Subawa and Nyoman (2021) found gender has a remarkable influence on the attitude of customers toward cashless transactions. The results related to income depict the attitude of customers toward cashless transactions depending on the income level, which can be inferred from the obtained 'F' value of 1.471 and the 'p-value of 0.237. Hence H3 is accepted. i.e According to the income group the attitude of customers toward cashless transactions vary.

Scope for Further Research

The study can be further extended to find out the impact of cashless transactions among the customers in rural areas, Further, a comparison study may be carried out on the attitude of customers toward cashless transactions in Urban and rural areas. This will help the policymakers to understand what variables influence cashless transactions and how to stimulate the customers to enhance cashless transactions.

V CONCLUSION

The study has analyzed customer attitudes toward cashless transactions in Salem District. This conclusion is based on evaluation and its analysis. The objective of the study is customer attitude toward cashless transactions to fulfill the research work. The major findings of the study are there is a significant difference between the different age groups of the respondents regarding their attitudes toward cashless transactions. Income influences the aptitude of customers towards cashless transactions. Hence making an awareness campaign may increase the usage of cashless transactions.

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