

A Case Study: Youth Attitude Towards Cash and Cashless Payment Systems in Tirupur City

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Abstract—Technology has had a great influence on payment behavior of citizens in India. Cash payments are slowly becoming obsolete, with cashless payment modes such as Unified Payment Interface (UPI), mobile banking, debit cards, internet banking, and QR code payments taking center stage. Youngsters have contributed immensely to the adoption of cashless payments, thanks to the availability of smartphones, internet access, and knowledge about digital financial services. Tirupur City, the business and textile capital of Tamil Nadu, has seen exponential growth in the use of cashless transactions by youths.

This paper is a descriptive one, focusing on the attitudes of the youth in Tirupur City regarding cash and cashless payments. This article explains the need for cash and digital payments, pros and cons, government measures, technology advancement, cyber security issues, and future prospects of cash and cashless transactions. The paper will also examine how youths studying, working, operating businesses, and using their smartphones as payment devices adapt to modern payment methods. It will be established that while the youth favors cashless transactions due to efficiency and ease, cash transactions are also necessary for small payments.

Keywords— *Cash Payment, Cashless Payment, Youth Attitude, Tirupur City, Electronic Transactions, Consumer Behaviour, Digital Economy, Payment Systems, Cashless Economy.*

I. INTRODUCTION

One of the most important aspects of human existence is money. An effective payment system is essential to all economic activities, including purchasing goods, paying bills, and receiving salaries. In the past, cash was used for all kinds of transactions. The use of actual currency notes and coins to make purchases of goods and services is referred to as cash payment. In India, cash was the most reliable and widely accepted form of payment for many years. However, the landscape of

payments has changed dramatically due to technological advancements. Cashless payment methods have become more popular since the advent of smartphones, online banking, and digital apps. Transactions made electronically without the use of actual cash are referred to as cashless payments. These consist of credit cards, debit cards, online banking, payments via QR codes, and UPI-based apps like Paytm, PhonePe, and Google Pay.

India is now among the top nations in terms of the expansion of digital payments. The National Payments Corporation of India launched the Unified Payments Interface (UPI) in 2016, which transformed the digital payment landscape by facilitating instantaneous money transfers via mobile devices. UPI now makes up a significant portion of digital transactions in India, according to the Reserve Bank of India. One of Tamil Nadu's fastest-growing commercial and industrial cities is Tirupur City, sometimes referred to as the "Knitwear Capital of India." Tirupur is well-known for its small businesses, educational institutions, textile industries, and clothing exports. The city has quickly embraced digital payment systems because of its vibrant business environment.

In Tirupur, QR code payments and UPI transactions are now widely used by shops, supermarkets, textile stores, tea stalls, hotels, car drivers, and street vendors. Due to their greater familiarity with mobile technology and internet services, young people are the main users of cashless payment systems. Online payment methods are used by young professionals and students for money transfers, ticket purchases, food delivery, shopping, and recharge payments. The younger generation's adoption of digital payments has been further accelerated by the accessibility of smartphones and reasonably priced internet services. However, cash payments continue

to be a significant part of everyday life. For small purchases, local markets, and personal budgeting, a lot of young people prefer to use cash. Cash gives you a sense of direct control over your spending and doesn't require technical expertise or internet access. As a result, cash and cashless systems are still used in society. This article explains how digital transformation is affecting young consumers' financial behavior in Tirupur City and explores youth attitudes toward both payment methods.

II. REVIEW OF LITERATURE

X.Priya Mona Christina and Dr. A. Asok (2022) conducted research about youth preferences and adoption of digital payments in Tiruchendur Area. Although most of the transactions are made through digital payments still 90% of them are made using cash. Innovation, incentives, customer convenience, and legal framework are the determinants for strengthening the digital payment system. In the article, there are 120 samples, most of them are students, their monthly family income is more than 50,000. Also, the most common modes used by them for transactions are mobile wallet, UPI, and mobile banking. Mostly people use their mobile phone for making transactions followed by personal computers and tablets/ipad. Convenience and time-saving are the key drivers of digital payment, and lack of security and weak internet connection are the main obstacles of digital payments among youths.

Sweta Mishra and Vidhi Rajora (2018) carried out analysis on youth adoption of digital payment systems. It made their transactions convenient, fast, and easier through mobile payment apps and online banking services. For time saving, convenience, reduced procedure, discount, and rewards youths are opting for digital payment. The results of the study showed that digital payments are increasing among young consumers.

Mr. Takale Suresh Shivaji et al., (2025) examines India's digital payment systems. The money can be transferred between accounts using smartphones, computers or credit cards without the need for actual cash. People are shifting to the digital economy as a result of government initiatives like the introduction of UPI and a demonetization of the Digital India Campaign. It supports the global economy by highlighting the necessity of ongoing innovation and regulatory supervision.

OBJECTIVES OF THE STUDY

- To understand the concept of cash and cashless payment systems.
- To study the attitude of youth towards cash and cashless payments in Tirupur City.

MEANING OF CASH PAYMENT

Transactions made with actual currency, such as coins and notes, are referred to as cash payments. It is among the world's oldest and most basic payment methods. In cash transactions, buyers give sellers money directly in return for products or services.

Local stores, street markets, buses, tea shops, and small businesses frequently accept cash payments. Because cash is simple to understand and doesn't require technology or internet access, a lot of people still use it. Cash transactions are accepted everywhere and happen instantly.

MEANING OF CASHLESS PAYMENT

Transactions carried out electronically or digitally without the use of actual cash are referred to as cashless payments. Internet banking, credit cards, debit cards, mobile wallets, QR code systems, and UPI-based apps are all included.

India's digital economy has changed as a result of UPI's growth. Using mobile numbers or QR codes, UPI enables instantaneous money transfers between bank accounts. India is currently one of the biggest real-time payment systems in the world, processing billions of UPI transactions each month.

GROWTH OF CASHLESS PAYMENT IN INDIA

Following demonetization in 2016, India's digital payment revolution accelerated. People were encouraged to use cashless transactions by government programs like Digital India and the promotion of UPI. To make transactions easier, banks and other financial institutions introduced mobile banking apps and QR code payment options.

Over 80% of digital payments in India are made through UPI, according to recent reports. The digital payment ecosystem has been reinforced by the swift rise in smartphone users and internet penetration.

Additionally, contactless transactions became more common as a result of the COVID-19 pandemic. In order to avoid handling cash in person, many customers preferred digital payments. During this time, QR code payments became more common in restaurants, supermarkets, and retail establishments in Tirupur and other cities.

YOUTH ATTITUDE TOWARDS CASH PAYMENTS

Even though digital payments are expanding quickly, many young people still prefer cash in certain circumstances. Local shopping, transportation costs, and small purchases are frequently made with cash.

Spending control is a key factor in the preference for cash. Because they can physically see the money being spent, young consumers frequently believe that using cash makes it easier for them to keep an eye on their spending. Additionally, cash prevents impulsive purchases and needless internet spending.

In Tirupur, where digital payment systems might not always be available, young workers and students frequently use cash in small markets, tea shops, and petty shops. During power outages and internet outages, cash transactions are also helpful.

YOUTH ATTITUDE TOWARDS CASHLESS PAYMENTS

Because cashless payment methods are quick and easy, young people in Tirupur City have demonstrated a strong acceptance of them. Instead of carrying actual cash, the majority of young consumers prefer to scan QR codes. Digital transactions eliminate the need for precise change and save time.

Students, workers, and small business owners frequently use apps like Google Pay, PhonePe, and Paytm. Instant money transfers, bill payment, cash back incentives, and transaction history are all provided by these apps.

Because digital payments are beneficial for online services and e-commerce platforms, young consumers also favor them. Digital transactions are primarily used by travel booking systems, online shopping websites, and food delivery apps.

III. ADVANTAGES AND DISADVANTAGES

The advantages and disadvantages are limited in this study to the most significant factors influencing youth attitude towards cash and cashless payment systems.

A. ADVANTAGES OF CASH PAYMENTS

- Easy and simple to use
- No internet and smartphone required
- Control spending habits
- Accepted everywhere
- Immediate settlement of transaction

B. DISADVANTAGES OF CASH PAYMENTS

- Risk of theft
- Difficult to carry large amount
- No automatic transaction history
- Time consuming
- Lack of change in all place

C. ADVANTAGES OF CASHLESS PAYMENTS

- Fast and time saving
- Easy payments
- Automatic transaction record
- Instant transfer
- Supports e-commerce growth

D. DISADVANTAGES OF CASHLESS PAYMENTS

- Cyber fraud
- Depends internet connectivity
- Server issues
- Privacy and security concerns
- Lack of knowledge and confidence

ROLE OF GOVERNMENT IN PROMOTING CASHLESS ECONOMY

Through a number of initiatives, the Reserve Bank of India and the Government of India have actively promoted cashless payment systems. Awareness and accessibility have increased thanks to initiatives like Digital India, the BHIM application, Aadhaar-linked banking, and QR code payment systems.

With billions of transactions processed each month, UPI has grown to be the foundation of India's digital payment system. Cashless transactions have become much more common in urban and semi-urban areas due to government policies that promote digital infrastructure.

Additionally, banks run awareness campaigns to inform customers about secure online payment methods. Online transaction trust is increased by security measures like biometric systems, PIN authentication, and OTP verification.

CHALLENGES FACED IN TIRUPUR CITY

Even though Tirupur is seeing an increase in digital payments, there are still certain issues. Online transactions are occasionally interrupted by network connectivity problems. When utilizing QR code systems, small vendors may encounter technical issues.

Some customers are still ignorant of safe online payment options and cyber security. Some users are unable to fully embrace cashless systems due to fear of fraud. Due to their lack of familiarity with digital

technology, older shop owners and rural migrants employed in the textile industry might prefer cash.

FUTURE OF CASH AND CASHLESS PAYMENTS

It is anticipated that India's payment systems will become more technologically advanced and digital in the future. The efficiency of digital transactions is probably going to increase thanks to advanced banking applications, voice payments, biometric authentication, and artificial intelligence.

Cashless transactions are anticipated to increase further in Tirupur City due to the expansion of businesses, educational institutions, and smartphone usage. Online banking and digital financial systems are becoming more and more important to the textile and export industries.

For small-value and urgent transactions, cash payments will still be accepted. For Indian society, a balanced payment ecosystem that allows both cash and cashless transactions might be more sensible.

IV. CONCLUSION

In today's economic world, both cash and cashless payment methods are crucial. Due to convenience, speed, and technological advancements, the younger generation in Tirupur City has quickly embraced digital payment methods. Financial transactions have become easier and less reliant on actual cash thanks to mobile apps, UPI systems, and QR code transactions.

However, cash payments are still crucial for local markets, small purchases, and budgeting. Each system has benefits and drawbacks of its own. Cash offers ease of use and universal acceptance, while digital payments offer efficiency and transparency.

India's economy is headed toward a financial environment with digital connectivity. It is anticipated that the use of cashless payment systems among young people will increase due to better internet infrastructure, increased cyber security, and increased digital literacy. Cash will nevertheless remain a necessary part of society's daily transactions.

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