



# **A Study on Public Attitude and Perception on Cashless Economy in Chennai**

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## **CHAPTER 1**

### **INTRODUCTION**

The evolution of technology has resulted in a great deal of change and advancement in society and the economy. Smartphones have become an integral part of people's everyday lives as a consequence of technological advances. With the advent of the internet and other technological revolutions, every individual's day-to-day existence has changed drastically. Information and communication technology (ICT) now play a significant role in the economy because every sector is dependent on digital technologies, and the demand is increasingly focusing on digital technologies. Cashless transactions are financial transactions that take place electronically without the existence of physical cash. The advent of banking facilities and other mobile applications has made it more convenient for consumers to conduct their transactions anywhere and at any time. They also have a detrimental side effect in terms of consumer protection and privacy, which is now at risk. As a result, the study aims to assess consumers' attitudes toward cashless transactions as well as information security in the digital economy. Advanced installment platform is an automated medium that allows customers to conduct electronic commerce transactions with their purchases. Buyers have a direct degree of understanding about computerized installments, and there is a notable difference between their socioeconomic status and their acceptance of advanced installments. At the same time, appropriate steps should be taken to prevent unnecessary delays in the preparation of installments in the computerized installment process. The expanding use of the internet, smart phones, and government-led initiatives toward computerized installment have fuelled India's exponential framework. The government of India made the cashless installment framework the lead programme of advanced activity. The government is attempting to fight black money, corruption, and other such concerns.

### **COMPANY'S PROFILE:**

Best Metal Alloys in Ayanambakkam, Chennai is known to satisfactorily cater to the demands of its customer base. The business came into existence in 2011 and has, since then, been a known name in its field. The business strives to make for a positive experience through its offerings. The accepted modes of payment such as Cash, Cheques make every business transaction easy and seamless, contributing to making the entire process even more effective.

### **CASHLESS ECONOMY MEANING**

A cashless economy is one in which all types of money transactions are carried out using digital means such as debit cards, electronic fund transfers, mobile payments, internet banking, mobile wallets, and other newly developed payment networks, leaving little space for hard cash to circulate in the economy. The 'Pareto 80-20' rule states that 80% of issues stem from 20% of causes, and it appears that the government is following this rule as well. Many problems, such as black money, corruption, high taxes, and unemployment, can be solved easily by rendering the economy cashless. In the sense that it wiped out nearly 80% of India's currency, it was a bold move. A cashless economy is one in which digital transactions such as net banking, mobile banking, digital wallets, and debit and credit card payments replace conventional methods of payment such as cash and coins.

### **SYSTEM NEEDED FOR CASHLESS ECONOMY**

- ◆ A mobile phone / desktop
- ◆ Internet connectivity
- ◆ M-wallet application

### **FACTORS DETERMINE THE TRANSITION TO THE CASHLESS ECONOMY**

- ◆ Banking and e-transactions knowledge and skills
- ◆ Technological advances to help the cashless economy
- ◆ Government policies to aid the transition



The following are indicators of India's transition to a cashless economy:

In recent years, mobile wallets have gained a lot of popularity in India.

Banks and other financial service providers have made significant investments to enhance the protection and convenience of cash transactions.

#### **ADVANTAGES OF CASHLESS ECONOMY**

- ◆ Lowering business risks and costs
- ◆ Reducing disease transmission through cash
- ◆ Raising transaction speed

#### **IMPORTANCE OF CASHLESS ECONOMY**

- ◆ It facilitates international transfers
- ◆ It offers a wide range of services, including bill payment, money transfer, and ticket booking, among others
- ◆ It saves time

#### **NEED FOR THE STUDY**

Over the last decade, ever-evolving innovations have resulted in multiple changes. Technology is designed to make one's life easier and more comfortable. These technological advancements have posed a significant challenge to the conventional cash-based payment system. Payment processes have become much more convenient and relaxed since the advent of cashless transactions. Payments for groceries and water bills have now become even more convenient, as they can now be made with a single click..

#### **OBJECTIVES**

Awareness about the concept of cashless economy

To examine the public attitude and perception towards a cashless economy

To identify the satisfaction level in cashless economy

#### **SCOPE OF THE STUDY**

The study's sample size of 129 respondents includes both male and female residents of Chennai who are over the age of 18 and have educational qualifications ranging from undergraduate to specialist, as well as respondents from all income classes, marital status, and occupational status.

#### **NATURE OF DATA USED**

The study uses both primary and secondary data

#### **CHAPTER-II REVIEW OF LITERATURE**

##### **LITERATURE REVIEW.**

The term "review" refers to a second look at the literature, or reports on what others have already done in a similar field. It is at this point that the researcher becomes acquainted with all previous studies and their results that are important to his field of study.

A literature review is an evaluative report of knowledge contained in the literature that is applicable to your research subject. It should provide a theoretical foundation for the research and assist the researcher in determining the research's scope.

The aim of a literature review is to acquire background information, identify the relationship between variables, identify the data sources used previously, and determine the methodology used.

This chapter has divided into three categories:

1. Conceptual framework
2. Theoretical framework
3. Review of related studies



## CONCEPTUAL FRAMEWORK

A conceptual framework is made up of a collection of broad ideas that aid the researcher in properly identifying the problem at hand, framing the appropriate query, and locating relevant literature. It is used to organize concepts and create logical distinctions. As a consequence, conceptual constructs capture something concrete and execute the task in a way that is simple to remember and incorporate in reality. Under this conceptual framework we look into the meaning, evolution.

## REVIEW OF LITERATURE

**SREE AKSHARA MITHRAN, J. SULAIMAN (2019)**, have investigated that a cashless transaction is an effort in Chennai to move towards a cashless economy by reducing the use of physical exchange of cash for buying and selling things. People must minimize cash transactions and be more receptive to the ease of use of new technologies.

**S. DHANALAKSHMI, K. KOMALAVALLI, R. HEMALATHA (2019)**, The government has taken steps in the field of environmental change by demonetizing high-value currency notes in 2016 and pushing for the introduction of digital payment methods in the future. The study's aim is to learn more about people's acceptance and understanding in Chennai.

**DR. R. GOKILAVANI, MR. D. VENKATESH KUMAR, DR. M. DURGARANI, DR. R. MAHALAKSHMI (2018)**, as observed digital payment is an electronic medium that enables the general public to perform electronic commerce transactions for their purchases. Consumers have a modest level of perception of digital payment, and there is a strong relationship between socioeconomic status and perception of digital payment. Consumer experience has a strong and important impact on the pace of digital payment adoption. As a result, the digital payment system should be improved in order to enhance the safety and security of customer financial transactions while also making it more user-friendly.

**DR. K. A. RAJANNA (2018)**, have looked at an observational report on consumers' perceptions and knowledge of cashless transactions. A cashless economy is one where all financial transactions are conducted using digital currencies. People who are illiterate are unable to use digital transactions. In order to build a cashless economy in Chennai, financial literacy and knowledge about cashless transactions are important. The Indian economy benefits from cashless transactions.

## CHAPTER III

### RESEARCH METHODOLOGY RESEARCH METHODOLOGY

The research was exploratory in nature, and it was completed using a survey tool. The nature of the data, as well as the sampling design and statistical analysis framework, are described below.

### RESEARCH DESIGN

Research design is the framework of research methods and techniques chosen by a researcher. The design allows researchers to hone in on research methods that are suitable for the subject matter and set their studies up for success.

The design of a research topic explains the type of research (experimental, survey research, correlation, semi-experimental, review) and also its sub-type (experimental design, research problem, descriptive case-study).

### TARGET RESPONSE PRIMARY DATA

A well-structured questionnaire with closed ended question was used to collect data from respondents.

### SECONDARY DATA

The secondary data for the study has been drawn from e-journals, internet etc.

### SAMPLING DESIGN

- ◆ Study Area:
- ◆ The study was conducted in Chennai city.

### SAMPLING POPULATION

The population of study are individuals residing in Chennai

**LIMITATION OF THE STUDY**

- ◇ As the term given to complete the project is lesser than actual time required, in completing similar studies, therefore the quality of finding may get affected. The sample size is 200, thus the findings from the same may not be representative of the actual population.
- ◇ The study has been limited to Chennai city only.
- ◇ Due to time constraints the sample size has been restricted to only 110 respondents.
- ◇ The period of study has been limited to 3 months ( January 2021 to March 2021 )
- ◇ The study cannot be generalized for a long time as customers taste and preferences change rapidly. CHAPTER-IV DATA ANALYSIS AND INTERPRETATION Analysis means a critical examination of the assembled and grouped data for studying the characteristics of the object under study and for determining the pattern of the relationship among variables to it. The procedure for analysis is essential to interpret the results obtained and to draw up inference to give a meaningful conclusion for the study. Each question from the questionnaire which is the source of the primary data collected in the form of table. The table illustrates the classification of the data collected and the percentage of data which falls under a particular category. The study was conducted during 2021 March. The objective of the study are: Awareness about the concept of cashless economy To examine the public attitude and perception towards a cashless economy To identify the satisfaction level in cashless economy

**TOOLS**

**TABLE 4:1**

**TABLE SHOWING E-WALLET OF THE RESPONDENT USING IN A WEEK**

CATEGORY	NO OF RESPONDENT	PERCENTAGE
ONLY ONCE	29	22
WHENEVER NEEDED	90	69.3
MORE THAN 10TIMES	11	8.7
TOTAL	130	100

**SOURCE: PRIMARY DATA INTERPRETATION:**

The above table shows that the e-wallet usage of the respondent are only once 29%, whenever needed 90%, more than 10 times 11%. It indicates that the majority of the time of e-wallet are whenever needed.

**TABLE 4:2**

**TABLE SHOWING THAT GOVERNMENT SHOULD DO MORE SET UP INFRASTRUCTURE OF A CASHLESS PAYMENT**

CATEGORY	NO OF RESPONDENT	PERCENTAGE
YES	93	71.5%
NO	37	28.5%
TOTAL	130	100

**SOURCE: PRIMARY DATA INTERPRETATION:**

The above table shows that the they believe that government should do more set up a cashless payment infrastructure and the 93% said yes and 37% no.

TABLE 4:3 - TABLE SHOWING RANKING ACCORDING TO USAGE OF PAYMENT APPS

USAGE OF PAYMENT	1	7	3	2	4	5	6	WEIGHTED AVERAGE	RANK
PAYTM	39	26	21	18	15	4	7	130	2
GOOGLE PAY	27	38	20	21	13	6	5	130	1
PHONEPE	25	31	23	22	16	7	6	130	3
AMAZON PAY	23	26	20	24	23	9	5	130	4
AIRTEL MONEY	31	17	22	22	13	14	11	130	5
NET BANKING	32	20	24	16	16	15	7	130	6

**SOURCE: PRIMARY**

**DATA INTERPRETATION:**

The above table depicts that customer consider google pay as the most important factor when they use. Next phone pe and amazon pay is to be consider the most important factor. Next airtel money and net banking as most least consider app while using payment.

**CHAPTER – V FINDINGS, SUGGESTIONS AND CONCLUSION FINDINGS:**

- ◆ Findings has been computed from the primary data collected from the respondents in the form of questionnaire and inferences has been drawn. The major findings of the study are as follows:
- ◆ It is found that majority (64.6%) of the respondent belong to the age group between 21-30 years.
- ◆ It is found that majority (55.4%) of the respondent are male.
- ◆ It is found that (60%) of the respondent are student.
- ◆ It is found that majority (43.8) of the respondent are not applicable.
- ◆ 69.3% of respondents prefer e-wallet whenever needed.
- ◆ According to the study, the majority (71.5%) of respondents said that the government should do more to set up a cashless payment infrastructure.
- ◆ It is found that most preferred mode of payment app is Google pay and pay tm.
- ◆ According to the study, the respondents use cashless transaction for banking purposes.
- ◆ The study reveals that respondents says it would reduce risk of fake currency.
- ◆ 62.3% respondents reveals that they face obstacles while using e-wallet.
- ◆ According to the study, the respondent prefer e-wallet over other mode of payment is for ease of use and time saving.
- ◆ 73.1% respondent reveals that they get information about e-wallet from social media.
- ◆ 44.6% respondent says that their experience while using cashless transaction is good.

**SUGGESTIONS:**

- ◆ The following suggestion can be given after detailed and careful investigation of the research problem:
- ◆ Government should help facilitate the use of cashless economy by encouraging more incentives and schemes.
- ◆ Government should increase the awareness among people on how the cashless economy can be beneficial.
- ◆ Steps should be taken by the government to penalize stores and shops which charge extra on online transactions and just like how the transactions are made in a few clicks, the complaints need to be registered by the consumers in an easy manner.
- ◆ There also needs to be improvement in the security of online transactions and government and private companies should work towards making the consumer feel safe in using these online products for any financial transactions.





- ◆ Government has to bring transparency and efficiency in e-payment system.
- ◆ Awareness programs must be done at educational sector in order to educate people about digital payment system
- ◆ Service provider of mobile wallet, net banking must take into consideration user experience and take their valuable feedback in order to better their services.
- ◆ Cash payment is still to be seen everywhere. If government to implement digital system of payment or cashless society it must act on that behalf by encouraging people to use digital modes and giving proper incentives.
- ◆ Different customers have different needs so it is necessary to provide them with number of payment methods so it gives option to user to select the mode of payment which is best suited to him.

### CONCLUSION:

The study concludes that many customers perception and awareness towards the cashless transaction services. Customers actually agree with the government on the usefulness of cashless economy as it helps to fight against terrorism, corruption, money lobbies etc. But one of the biggest -problem is the working of cash less transaction in India is cybercrime and illegal access. There-fore it's important to strengthen internet security from protection against online fraud. Customers are perceived the higher level of risk in the application of cash less transaction. Because large number population is still below literacy rate especially in rural area.

Government should be educated towards cash less transactions services. Government tries to promote customers mind towards the risk factors. Cash less transaction helps to develop the Indian economy. Hence, each and every one should access and use the digital based transaction.

The Government to need more efforts financial literacy campaign time to time to make population aware of benefits of electronic payments. A less cash economy is feasible, practical and much more efficient than a cash-based economy and a completely cashless economy. It can be observed that people are open towards the concept of a less cash economy and find it easier to adapt to.

A less cash economy would boost the Nation's economy as the cost of making and handling paper money will be reduced. A less cash economy reduces terrorist activities as most of the terrorist activities are fueled by unaccounted money in hard cash and helps control the problem of fake money. India is one of the largest markets for smartphones and mobile applications, providing an easy transition towards a less cash economy. The local markets have already accepted the transition into paperless transactions.

Banks and Payment Gateways are soon shifting towards payments through smart phones. Therefore, it can be observed from the research that both at the individual and national level, there is a conscious effort to move from a cash-based society towards a cashless economy. Cashless transaction helps to develop the Indian economy is more strong. Hence, each and every one should access and use the digital based transaction.

The Government to need more efforts financial literacy campaign time to time to make population aware of benefit of electronic payments Convenience in use of cashless transactions and incentive system are the positive signs for the progress of cashless payments in India. Finally the study concludes that India may not become a cashless economy unless the perception of the people will be rightly addressed by the government and the banking institutions. They should pave the way for the safe and secure mean to cashless transaction.

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