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Wallets vs E-Wallets, which do you Support? – A Study on Cashless Economy.

Fanny Grace S[1], Dr. Florence John[2]
[1]Research Scholar, Department of Commerce, Madras Christian College (Autonomous),
Affiliated to the University of Madras, East Tambaram, Chennai- 59.
fannygrace75@gmail.com. Mobile: 7598287557.
[2]Research Guide and Supervisor, Assistant Professor,
Department of Commerce, Madras Christian College (Autonomous),
Affiliated to the University of Madras, East Tambaram Chennai- 59.
florence.rachel@gmail.com. Mobile: 9840280767.

ABSTRACT

Movement of money through a digital medium, is a simplified meaning of cashless economy. This concept is being adapted by India for easier payments and receipts which will ultimately reduce the transaction time. The concept of "Digital India" comes with this as a base. It's an emerging trend, in a fast- growing pace. All these payment modes need technology in other words, internet as a source to operate. When we look at the developed nations, their accessibility to internet, especially Wi-Fi networks are very broad and more efficient wherever they travel. In India, the urban and even the some of the semi-urban areas have a decent accessibility to the technology, but considering the rural areas the accessibility needs to be widened and most importantly, awareness amongst the society needs to be inculcated and educated. Through SPSS an attempt has been made in this paper to explore on cashless transactions and also depicts about an overview of cashless economy.
Key words: Cashless transactions, Cashless economy, Internet, Mobile, E-wallets, Net banking, Technology.

1. INTRODUCTION

Cashless transactions are financial transactions are conducted with the help of digital technology instead of money which is in the form of physical banknotes or coins. Cashless transactions are considered convenient. Few years from now cast transactions would be compared to batter system of the olden times. Globalisation and internet are the two main reasons for cashless transactions. Cashless transactions were earlier used when there was business or trade between two countries but now it has become a part of a regular person. Cashless transaction is one of the highly preferred ways of doing transaction. People feel easier and better to make online transactions than carrying money or making cash transactions. By introducing cashless transaction, the government has started to move towards cashless economy. Cashless economy is being practiced by the foreign countries for a while now. India has also slowly started moving towards cashless economy. However, it would take few years for India to come to a level with the foreign countries. This is because of technological gap. Cashless transactions include e-payments, mobile wallets, plastic money, net banking and so on. Majority of the shops are starting to have an option for a cashless transaction.

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Vol-22-Issue-10-November-2019

2. OBJECTIVE

1. To identify the preferred mode of transaction.
2. To bring out the types, awareness and the problems faced in cashless transaction.

3. REVIEW OF LITERATURE

Garg & Panchal, (Apr. 2017) in their research have found that people in india are siding with the government for cashless economy since, it fights against money laundering, corruption, terrorism but are worried about the cybercrimes and illegal access. They have recommended the governement to provide transparency and efficiency in e-payment system and strategies, and to conduct financial literacy campaign to bring an awareness about e-payment and its benefits.[1] Garwal, Yogita Satish and Singhraul, Budheshwar Prasad has found that India is still lagging behind in digital payment when compared to the other countries. Due to the lack of internet coverage, knowledge and awareness of financial transaction. Yogita and Budheshwar has

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2. Macro and Bandiera (2004) argued that increased usage of cashless banking instruments strengths monetary policy effectiveness and that the current level of e-usage does not pose a threat to the stability of the financial system.[3]
3. Garwal, Y. S., & Singhraul, B. P. (March 2018). Cashless Economy – Challenges and Opportunities in India. . Pacific Business Review International Volume 10 Issue 9.
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4. TYPES OF CASHLESS TRANSACTIONS

MOBILE WALLETS

Mobile wallets are virtual wallets that are used from mobile phones. They consist of virtual money which can be used for payment both online and offline. Mobile wallets are applications that can to be download in a smart phone through google play store. These mobile wallets are used for transferring money with in application and paying bills. The main disadvantage of money wallets is that money can be transferred only to accounts that used similar applications.

ISSN:0971-1260

Vol-22-Issue-10-November-2019

PLASTIC MONEY

Plastic money is generally referred to card, such as debit and credit, post-paid and pre-paid, etc. Cards help in many ways it reduces the reason for carrying huge amount of cash, it can be used anytime and anywhere. Credit facilities can be accessed depending on the nature of the card. Online payments can also be done using cards. With advantages come disadvantages also. In small retail shops or petty shops and for our daily needs such as public transportation payments cards would not be accepted. There is high rate of losing the cards or forgetting where one placed it this leads to confusion and not able to access your account. Service charges might be high, might lose your track of cash.

NET BANKING

Net banking is a service that is provided by the bank. It is nothing but Banking that is done through internet by using a computer or any other electronic devices. Payment of bills, fund transfers, viewing account statements, etc... are few services allowed by the bank. Net banking is convenient, it has better rates, it provides special services to its consumers and its user friendly.

Banks have also created application. Net banking has Technical and service interruptions and it limits deposits. In India ICICI Bank was the first bank to introduced internet banking in 1996 to its customers.

UPI

UPI stands for Unified Payment Interface. It is immediate real-time payment system which is created by the National Payment Corporation of India enabling inter-bank transactions. UPI is a mobile application which allow money transaction between bank accounts. It is created to allow peer-to-peer inter-bank transfers through a single two-click factor authentication process. The system is said to be a safe and secure method of transferring money between two parties, and eliminates the need to transact with physical cash or through a bank.

5. METHODOLOGY

The study was conducted in Chennai. Questioner was circulated among the people who knew about cashless transaction and 107 people responded. Convenient sampling method was used. Questions were asked related to cashless transactions. Out of the total respondents, 60 of them are Male (56.1%) and the rest i.e. 47 are female (43.9%). The respondents were divided into two groups based on age, of which 82 of them were below the age of 30 (76.6%) and 25 of them were above 30 (23.4%). Occupation of the respondents was divided into two group, employed and unemployed. Unemployed group of respondents contain students. 71% of the respondents are employed and the 29% of the respondents are unemployed/students.

6. ANALYSIS

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Vol-22-Issue-10-November-2019

It is found that majority of the respondents prefer cashless transactions (71%) to cash transactions (29%). 70.1% of the respondents have agreed that they face problems while doing cashless transaction on the other hand 29.9% of the respondents do not have any problem in cashless transaction.

7. GENDER AND DIGITAL PAYMENT AWARENESS

With the help of chi-square, the relationship between Gender and Method of Awareness has been brought out. Since the p value is less than 0.050, it is clear that there is a significant difference between male and female respondents with respect to awareness of cashless payments

		FRIENDS	BANK	ADVERTISEMENTS	OTHERS	TOTAL
Gender	**Male**	**27**	8	**11**	**14**	60
	Female	18	**11**	10	8	47
	Total	**45**	19	21	22	107

TABLE NO 1

From the above table it is found that the majority of the respondents have come to know about digital payment through their friends (Male=27, Female=18). Advertisements was an eye opener for 11 male respondents and 10 female respondents. It is found that 11 female respondents and 8 male respondents were informed by the banks. 22 respondents were aware of cashless payments through other methods.

8. TYPES OF PROBLEMS FACED

The below figure, Fig 1 depicts the problems faced by the respondents during their digital payments.

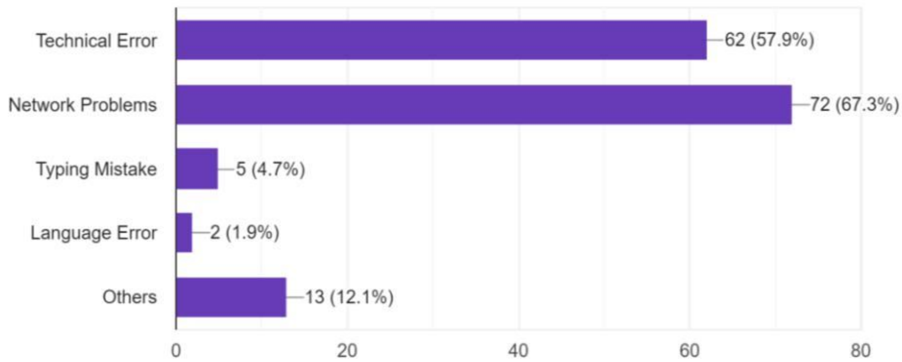

Fig 1

From the above figure, it is brought to notice that Network Problems is the major error that is faced by the respondents during digital payments. It is found that 67.3% of the respondents (n=72) face this issue. Followed by Technical Error. It is found that 57.9% of the respondents

(n=62) have problem with Technical Errors. 12.1% of the respondents have other problems that are not mentioned here. 4.7% of the respondents have problems with typing and 1.9% of them with language.

9. CONCLUSION

In today's fast-moving world, technology has become a part of a layman's life. In order to live in the trend, one must keep up with it. The rest of the world has already finished their first lap in digital payments, whereas India has just started the race. By the end of this paper it is found that majority of the respondents are for a cashless economy they find it safe and easy to use. It is also brought to notice in spite of problems they still prefer cashless transactions. It is brought to notice that, the awareness of the methods of cashless transactions was mostly spread by the friends. Problems such as network issues, technical errors, language barriers should be taken into account for better and smooth cashless payments.

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ISSN:0971-1260

Vol-22-Issue-10-November-2019

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