CHAPTER 6

SUGGESTIONS AND CONCLUSION
Introduction

In the modern economy, the way we pay for goods and services is just as important as what we pay for. Yet the impact of this move towards a cashless society had significant effect on consumer behavior. Technology is already so advanced that software implanted within your mobile phone can link to your bank account. This is occurring despite the fact that most people have only just become used to tap and pay payment systems, however skepticism over this system remains. In Victoria, Pay wave technology is suspected of being ssa major factor in up to 100 extra fraud related incidents a week. Police and banks are currently in talks about this perceived crime wave. However, according to a Herald Sun report banking sources say the sum stolen is smaller than in the days when signatures were used for card purchases. In addition, as David Glance explained in his article about the modes of mobile and electronic payment, the advantages far outweigh the problems it may cause. While cash and cheques are still prevalent in some parts of the world, electronic payment mechanisms and especially, mobile payments are gaining consumer acceptance in many economies due to the high penetration of mobile phone. In some countries, more advanced smart payment systems are in operation. For instance, in Hong Kong, a contactless and rechargeable smart card allows consumers to pay their bus and train fares, buy snacks at vending machines and cafes, pay parking fees and pay for access to sporting facilities (Yoon, 2001). For more than a decade, there have been several attempts to integrate ‘smart card technology’ into ‘mobile devices’ to enable mobile payments for business to consumer (B2C) payment transaction processing. In the era of third generation (3G) mobile network, mobile payment is eminent. Many of the European and Asian countries, including Korea, Singapore, and Japan have adopted this technology (Pousttchi et al., 2009). In Japan, it is possible to pay for a vending machine snack by simply dialing a number on one’s mobile phone and having the amount charged to one’s phone bill. In recent times, the mobile phone is increasingly used to purchase digital contents (e.g. ringtones, music or games) tickets, parking fees and transport fares in many developed nations just by flashing the mobile phone in front of the scanner at ‘manned’ and ‘unmanned’ point of sale (POS). With a rising number of consumers preferring to use their debit/credit cards instead of money to buy even daily necessities, Cashless Transaction System seems to be overtaking cash in India’s modern retail stores. While, it means good news for the Reserve Bank of India to keep a check and
control over fake currency and black money, rising debt levels among consumers’ could be reason to worry.

However, Retailers/brands see surge in buying with plastic money country is leading retail chains are happy with the new trend, since they are witnessing a spurt in shopping with an increasing number of customers opting to pay by card. E-commerce boom too had led to a rise in credit/debit card shopping though preference is given to cash on delivery option.

In spite of different promotional activity and incentive offered by government and financial institution, the large part of the population is still outside the scope of Net banking like use of credit or debit cards, making transactions using mobile phones, and using the internet to pay bills they are not in a position to reduce its dependence on cash. Looking at the rural masses in India, about 90% of the workforce, which produces nearly half of the output in the country, works in rural sector. For them, it will not be easy for this sector to become cashless. There are some socio psychological hurdles restricting customer to go for cashless and their preference to go for cash transactions. For example, Merchants prefer not to keep records in order to avoid paying taxes and buyers find cash payments more convenient. Although cashless transactions have gone up in recent times, a meaningful transaction will depend on a number of things such as awareness, technological developments and government intervention. For instance, mobile wallets have seen notable traction, and it is possible that a large number of Indians will move straight from cash to mobile wallets. The availability and quality of telecom network will play an important role. People face difficulties in making electronic payments even in metro cities because of poor network. Service providers will have to constantly invest in technology in order to improve security and ease of transaction. People will only shift when it is easier, certain and safe to make cashless transactions. The government will also need to play its part. It will have to find ways to incentivize cashless transactions and discourage cash payments. Difficulties in changing attitudes and perception of people towards moving digital payments. India is dominated by small retailers. They do not have enough resources to invest in electronic payment infrastructure. Keeping these constraint in to consideration, present study focus on finding how the Cashless Transaction System is relevant for day to day life making easy and worthless the basic work of Cashless Transaction System is to remove paper money from the market the RBI introduces the plastic money in the five cities in
next year on trial bases. This study can show a broad area of consumer behavior towards Cashless Transaction System.

6.1 The primary aim behind this study is to assess the consumer behavior towards Cashless Transaction System and how far they are adapted to this new world of cashless society. The other objectives includes to know the importance of Cashless Transaction System as perceived by the customer of Lucknow City, to assess the customer trust and confidence in Cashless Transaction System, to assess the uses pattern and nature of transaction done by the customer for its different uses. Further an attempt was directed to analyze the risk associated with Cashless Transaction System as perceived by the customer of Lucknow City and to identify the factors promoting Cashless Transaction System among the customer of Lucknow City.

6.2 Assumption of Hypothesis:-
Any assumption cannot be covered into hypothesis without applying statistical techniques. No empirical research can be complete without testing a primary hypothesis statement. Statistical tools such as correlations, regression and t-tests is used for testing hypothesis for the purpose of this research. on the basis of review of previous literature the following hypothesis statement is tested to increase the reliability of assumptions made for this descriptive research.

- H1: Various factors of motivation in favour of Cashless Transaction System do not differ significantly across the customer demographics.
- H2: The customers need of Cashless Transaction System and its uses does not differ significantly across the customer of different demography.
- H3: The Trust and confidence of customers in cashless transaction system does not differ significantly across their demographic characteristics.
- H4: The uses pattern of Cashless Transaction System does not differs significantly across the customers of difference demography.

To achieve the objective and test the hypothesis, a survey of 500 respondents was carried in Lucknow city. On the basis of survey, some of the important finding and conclusion are summarized as follows:-
Table 6.1 Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>500</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25 years</td>
<td>93</td>
<td>18.6</td>
</tr>
<tr>
<td>25-35 years</td>
<td>183</td>
<td>36.6</td>
</tr>
<tr>
<td>35-50 years</td>
<td>146</td>
<td>29.2</td>
</tr>
<tr>
<td>above 50 years</td>
<td>78</td>
<td>15.6</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>362</td>
<td>72.4</td>
</tr>
<tr>
<td>Female</td>
<td>138</td>
<td>27.6</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>235</td>
<td>47.0</td>
</tr>
<tr>
<td>Married</td>
<td>264</td>
<td>52.8</td>
</tr>
<tr>
<td>Separated</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>Occupational categories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>142</td>
<td>28.4</td>
</tr>
<tr>
<td>Business</td>
<td>94</td>
<td>18.8</td>
</tr>
<tr>
<td>Service class</td>
<td>177</td>
<td>35.4</td>
</tr>
<tr>
<td>Government Employee</td>
<td>87</td>
<td>17.4</td>
</tr>
<tr>
<td>Annual Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upto Rs. 180,000</td>
<td>143</td>
<td>28.6</td>
</tr>
<tr>
<td>Rs. 180,000 – 300,000</td>
<td>183</td>
<td>36.6</td>
</tr>
<tr>
<td>Rs. 300,000 – 500,000</td>
<td>95</td>
<td>19.0</td>
</tr>
<tr>
<td>above Rs.5,00,000</td>
<td>79</td>
<td>15.8</td>
</tr>
<tr>
<td>Family size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 4</td>
<td>93</td>
<td>18.6</td>
</tr>
<tr>
<td>4-6</td>
<td>337</td>
<td>67.4</td>
</tr>
<tr>
<td>Above 6</td>
<td>70</td>
<td>14.0</td>
</tr>
</tbody>
</table>

Conolly and Stavins (2015) show that age, education and income are strongly correlated with the choice of payments methods; they also argue that payment behavior evolves slowly over time. The demographic attributes of respondents age are studied. Age is a key characteristic studied by researchers. Apart from the survey-based research listed in Table 1 report detailed statistics of age and the average respondents are 25 to 35 years age group which shows that the main working class who used cashless transaction. Shows the age range of the respondents. 36% of the respondents were 25-35 years old, showing that most of them were already considered as young adult. 29.2% of the respondents were between 35-50 years old. 15.6% of the respondents were above 50 years old. Respondents' aged 18-25 is 18.6% of the total respondents.
The apparent diversity of the maturity of the respondents reflects several implications in the study's findings.

Gender aspects of customer who uses cashless transaction have been studied much more than other aspects thanks to the fact that the first name works as a gender identifier in most cultures. And one question also for the person who fill the questioner online. The gender distribution also varies by technology. One consistent finding based on first-name based gender identification methods is that women's participation or contribution is smallest only 27.6% where the male respondents is 72.4% which shows the male is dominating in Lucknow for using cashless transaction. The information pertaining to the marital status of the respondents. 47% of the total respondents, which is the dominated response is single. 52.8% are married respondents. As the figure was interpreted, there is a little percentage of respondents who are separated. Likewise, the respondents were asked for their marital status and the report shows 47% of them are single and 52.8% are married. This is due to the large number of young adult in the sample as compared to those who are adult. Professional classification of respondents indicates that 35.4% respondents are service class.28.4% respondents are student, 18.8% respondents are business man and 17.4 are government employee. The information related to income indicates that 36.6 % respondents between Rs. 180,000 – 300,000 annual income group, 28.6 % respondents are from zero to Rs. 180000 annual income group. 19 % are between Rs. 300,000 – 500,000 annual income group and only 15.8% respondents from above Rs.5,00,000 annual income group. Sample includes 67% respondents from category of 4-6 member in family. 18.6 respondents having upto 4 members in family. 14% respondents have above 6 members in family.

6.3 The uses pattern of Cashless Transaction
The know of customers uses pattern of cashless transaction is essential for future planning and forecasting.

- The study indicates that out of various cashless transaction option like ATM, Internet banking , Debit/credit Cards, ATM is the most use banking facility by the customers.
- It is observed that most of the people comfortable with cashless transaction. They wanted to do their transaction with cashless but they have not any option that’s why they again and again go for cash transaction.
It is observed that people are mostly using cash for their day today transaction. Mostly cashless transaction is use for medical institution and tour/travel and very less to payment for domestic cook/servant. Further one way anova analysis indicates that uses pattern of cashless transaction does not differ significantly across the age, gender categories of respondents and income level of respondents.

The study indicates that people are having trust in the cashless transaction. Comparing the transaction between cash and cashless, they feel that the cashless is the most safest mode of transaction Above 50% customer think that Cashless transaction to be safest modes of transaction.

In exploration of reasons of not using cashless transaction, it is observed that peoples have many reasons for not going to cashless transaction like Instable income, lack of knowledge, Malpractices by outlet owner’s, Purchase of consumer non durable goods, Mal practices by Bankers, Lack of Trust, Misuse by other. The study indicates that among all the factors listed, the factor like misuse by others is main reason for not doing cashless transaction this shows that people have fear of theft of password and other things. So they hesitate to use cashless transaction.

Exploring the motives for shifting the customer from cash to cash less indicates that majority of respondents are of the opinion that risk of getting duplicate currency are the important reason for them to move towards cashless transaction.

Different factors like Financial literacy, Users Conveniences, Technological Advancement, Technological Trust, Prize/Rewards/Points, Do not Fear of Fake Money and Security By OTP were identified for the cashless transaction. In addition, mean rating was carried out on a scale of 1 to 5 and it was found that the attributes which influencing the growth of cashless transaction is technological advancement with the mean 4.30. technological trust is 4.23, security by OTP is 4.22, prize/rewards/points is 4.20, financial literacy is 4.05, users convenience 4.07 and do not fear of fake money is 3.85.

An attempt was directed to know main reason of De-motivation of Cashless Transaction System among the various reasons like Delay in payment from due to lack of trained professional, Charging high commission interchange fees, rent for debit/credit card, Lack of efficient training and promotional measure from
bank for handling card holders problem, skill and knowledge, Cancelling the purchase after processing. Study indicates charging high commission interchange fees, rent for debit /credit card has demotivate the responents to use the cashless transaction system.

6.4 Factor Analysis
Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. In another words, Factor analysis is a technique that is used to reduce a large number of variables into fewer numbers of factors. This technique extracts maximum common variance from all variables and puts them into a common score. As an index of all variables, we can use this score for further analysis. Factor analysis assures that there is linear relationship among the factors and variable into analysis, and there is true correlation between variables and factors. The factors analysis using SPSS-22 software generate 7 factors on the various point of view in each factor sub factor also identified . these are

- Safety Related Issue
- Fear Related Issue
- Cash Holding Motive
- Convenience
- Awareness related Issues
- Transaction Cost
- Utility Motives

The inter relatedness of various factor extracted from factor analysis and their significance across the demographic characteristics were carried out using mean and one way ANOVA and following Inference drawn.

It was found that Utility Motives has scored highest mean among all the factor of cashless transaction. Further One Way Anova Indicates that factors of motivation in favor of cashless transaction system do not differ significantly across the different age group of the respondents.

The Mean of different factor of cashless transaction system across different Gender of the respondents was calculated and it was found that Fear related issue has scored highest mean among both gender. The study indicate that factors of motivation in favor
of cashless transaction system do not differ significantly across the gender of the respondents except awareness level.

The Mean of different factor of cashless transaction system across different level of income of the respondents was calculated and it was found that that different factors of motivation in favor of cashless transaction system do not differ significantly across the Annual Income groups of the respondents except in the case of awareness level.

6.5 Suggestions

- The respondents of different gender specially females have less awareness related to cashless transaction so it is suggested that aware the females for cashless transaction.

- Fear Related Issue may considered as one of the influencing factor for cash less transaction system so it is suggested that resolve the complaint related to cashless transaction speedily.

- To attract more cash less transaction system more awareness about the options should be increase through different activities.

- To motivate respondents for cash less transaction system in online transaction, use of card Money through different medium of awareness and should be awarded.

6.6 Limitation of Study-

Researcher has assumed that the information provided by the People of Lucknow city is transparent and accurate. However, there can be constraints while sharing information by the Public of Lucknow for general and academic survey. Hence more accurate information can be gathered only if such survey is commissioned by large Peoples for their own use.

The Indian Cashless transaction system has now the more popular and now reach its heights day by day. However many of problem facing by the public when it is used the day-by-day people have get more confidence. The scenario can change in the future. Thus, this research work can only be used as a reference for conducting a similar study
on Cashless transaction system. But the sampling frame will have to be decided as appropriate at the time of conducting any future study.

6.7 Conclusion

It can thus be concluded that with the increasing popularity of transactions through cards, cash is slowly but surely expected to die a natural death. From the analysis above, the research discovered that the adoption of the cashless system reduces the risk associated with paper money. One most significant contribution of the cashless system is that it is expected to reduce the risk associated with carrying cash. Since most transactions will now be settled electronically, people will have less need to move around with cash and therefore, loss of cash, theft and robbery will drastically reduce. There is a need to educate them about the differentiating factors of the Cashless Transaction System.

It is true, there are difficulties in implementing the idea of cashless economy in a vast country like India where a large number of people are living under misery and poverty, yet a beginning had to be made someday. Today, there is a sea change in the mindset of people with regard to digital means of monetary dealings which are safe, easy, convenient and transparent. Smooth, simple and secure payment processes will help to bring about behavioural changes and faster adoption of digital payments and banking among un-banked segments. When new players enter the market, each with a slightly different take on the market and with differing business models, the increased competition will help the environment and offer more options for consumers to choose from. A larger pie with more players is definitely good for the changing dynamics of the payments industry, which is still nascent in India.

Indian consumption is still dominated by cash, with cards contributing only 5 per cent of the personal consumption expenditure. In developed countries, 30-50 per cent of spends happen through cards. So there is huge growth opportunity. The rapid growth of smart phones, Internet penetration and e-commerce is complementing these; card payment volumes have been growing in excess of 25 per cent y-o-y. We expect this trend to continue, aided by the continued increase in debit card activation and usage; debit card transactions have been growing at 31 per cent each year. Intense competition and strategic collaboration among existing and new market participants like the payments and small banks and wallets will help scale up acceptance and foster more
creativity, innovation and consumer choice. According to him, the future holds exciting
times for the payments industry in India, as all stakeholders and regulatory authorities
come together to achieve a “less-cash dependent” and eventually “cashless” society.
The credit card industry in India sees greater acceptance among consumers this year.
According to World line India Card Payment Report World line India is a leader in the
payment and transactions services in the country. Alternative methods like mobile
wallets and prepaid cash cards accounted for 3 per cent of digital transactions. This
industry has been growing steadily over the past few years. Card transactions, both by
debit and credit cards, are on an upward trajectory. There are interesting dynamics at
play in the Indian payments industry. 21st Century banking has become wholly
customer-driven and technology is driven by challenges of competition, rising customer
expectations, and shrinking margins, banks have been using technology to reduce cost
and enhance efficiency, productivity and customer convenience. Technology intensive
delivery channels like net banking, mobile banking, etc. have created a win-win
situation by extending the great convenience and multiple options for the customer.

From educating customers about Cashless Transaction System, there is a need to
educate them about the differentiating factors of the Cashless Transaction System. The
strategy should be to emphasize on its differentiating characteristics. The cashless
transaction is not only safer than the cash transaction but is less time consuming and
not a trouble of carrying and trouble of wear and tear like paper money. It also helps in
record of the all the transaction done. So, it is without doubt said that future transaction
system is cashless transaction system