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### A Study on Market Without Cash — Conventional to Digital

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**Abstract:** India continues to be driven by the use of cash. A plan to encourage electronic payments and to enable India to move towards a cashless society or economy in the medium and long term. The shift from any conventional method to modern method in the society takes time but when the move is for welfare and enhancement of the public and government there won't be much hesitation for the change the idea of making India a cashless society, with the aim of curbing the flow of black money. This paper focuses the challenges and the possible outcome of the paradigm shift in payment mode from conventional to digital.

**Key Words:** Traditional payment, Digital Payment, Cash payments, Cashless Economy, Conventional Payments

#### INTRODUCTION

To make easier and friendly driven services to the citizens of India, the Government launched the Digital India campaign to ensure that Government services are made available to citizens electronically by improved online infrastructure and by increasing Internet connectivity or by making the country digitally empowered in the field of technology. The present NPA Government is very particular about e-Governance in the country and it has launched Digital India Program.

#### REVIEW OF LITERATURE

1. Bansi Patel, Urvi Aminin their article "Plastic Money - Roadmap towards Cash Less Society" they emphasized world should change in accordance with the modern technology. The focus is that the business and other transactions should be in plastic money
2. Nayak, Tapan Kumar and Manish Agarwal(2008) in their paper "Consumer's behavior in selecting credit cards" discussed about the benefits of credit and debit cards.

3. Annamalai, S. and Muthu R. Iiakkuvan (2008) in their article “Retail transaction: Future bright for plastic money” projected the scope and growth of debit and credit cards.
4. Al-Laham (2009) in his research “Development of Electronic Money and its Impact on the Central Bank Role and Monetary policy” asserts that the potential of electronic payments through e transfer even for the small payments

### OBJECTIVES

- To analyze the key differences in the traditional and digital form of money transactions.
- To find out the problems which are being faced in the market while using digital mode of transactions.
- To analyze public view about the process of shift from conventional to digital mode of transactions.

### RESEARCH METHODOLOGY

#### Sampling Method

The sampling procedure used was *convenience* sampling, as the questionnaire was prepared through Google forms and the questionnaire was administered on all the contacts.

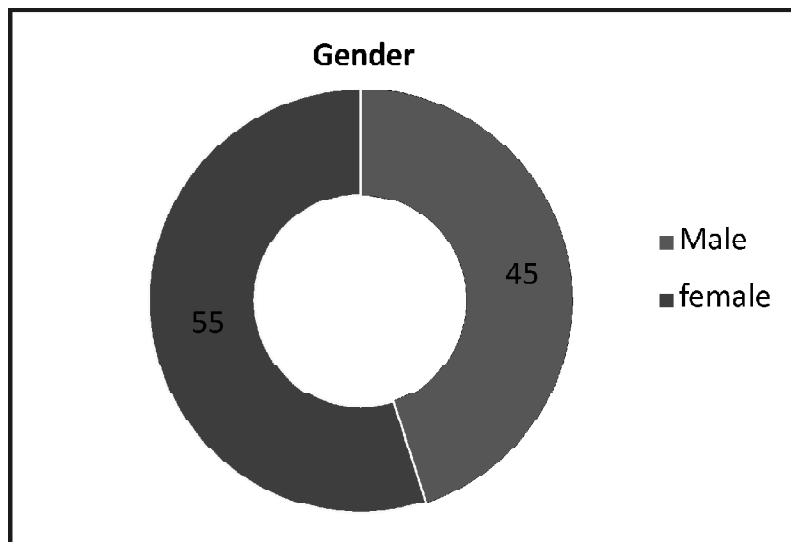
#### Primary data

The primary data was generated through extensive use of a structured questionnaire. Secondary Data.

For secondary data, various topic related books (CA Journal by ICAI), internet, research publication, newspapers (The Hindu, Live mint, Times of India), Website,Articles, etc. are used

#### Sample Size

A total of hundred respondents were given the questionnaire during the survey. The input from these respondents which was collected through social media formed the primary data for the study. Data analysis and Interpretation.



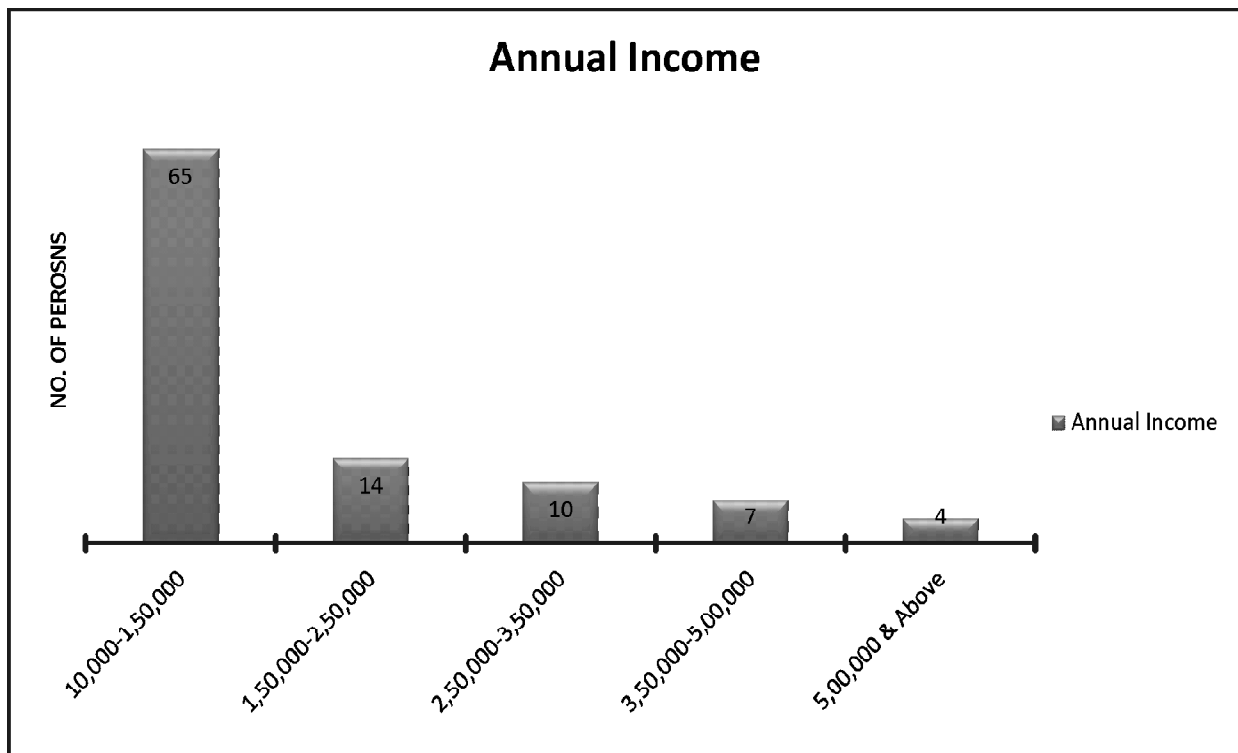
Graph I (Gender)

The above pie graph depicts the number of male and female participants that took part in the survey. This shows us that 55% were female and 45% were male.

**Table I  
(Living at)**

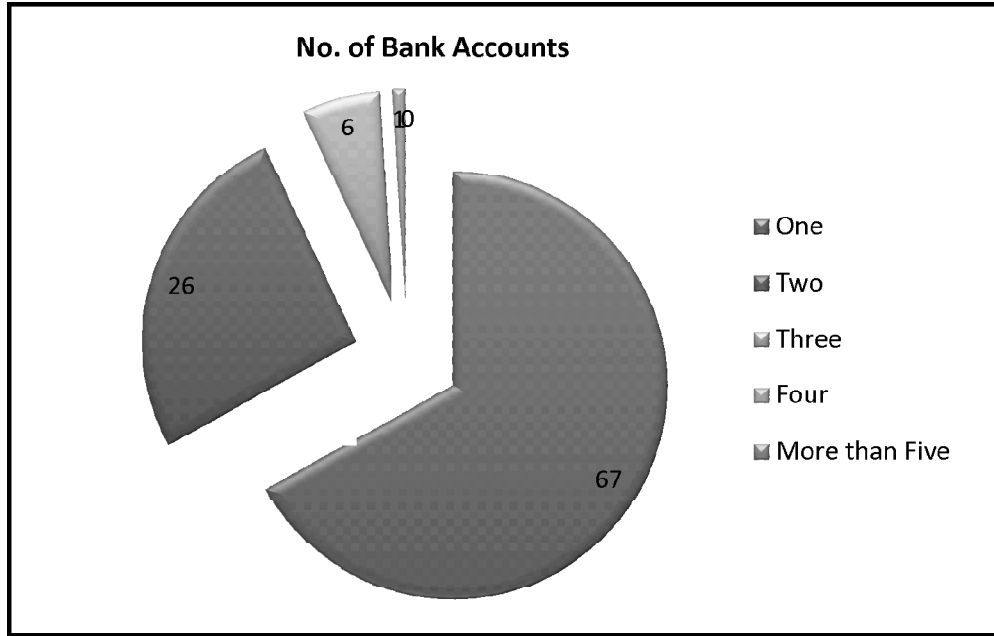
<i>Place</i>	<i>No. of respondents</i>	<i>Percentage (%)</i>
Vellore	46	46%
Bangalore	19	19%
Chennai	10	10%
Other	25	25%

The table shows the living place of the respondents. This depicts the following data 46% reside in Vellore, 19% live in Bangalore, 10% live in Chennai and 25% of the respondents reside other than the above mentioned places.



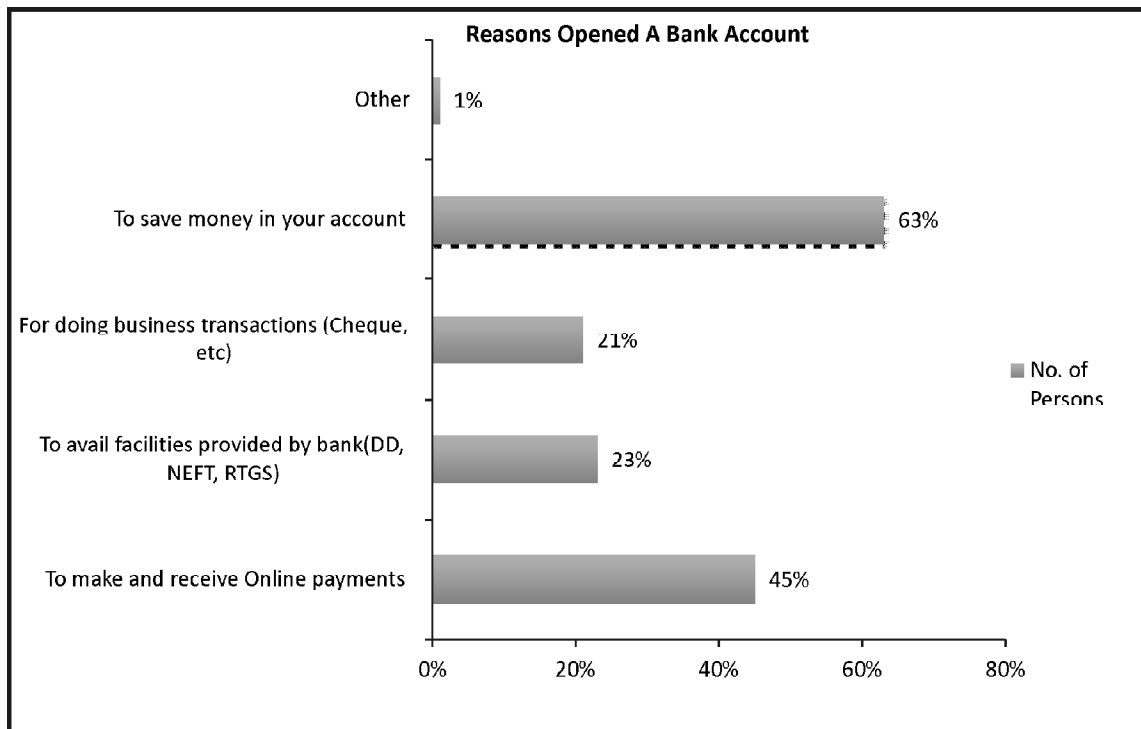
**Graph II (Annual Income)**

The above graph portrays the annual income of the respondents. As we can see that 65% of the respondents are under the category of 10,000-1,50,000, 14% have annual income of 1,50,000-2,50,000, 10% of respondents have 3,50,000-5,00,000 as their annual income whereas 4% of them have annual income of 5,00,000 and above.



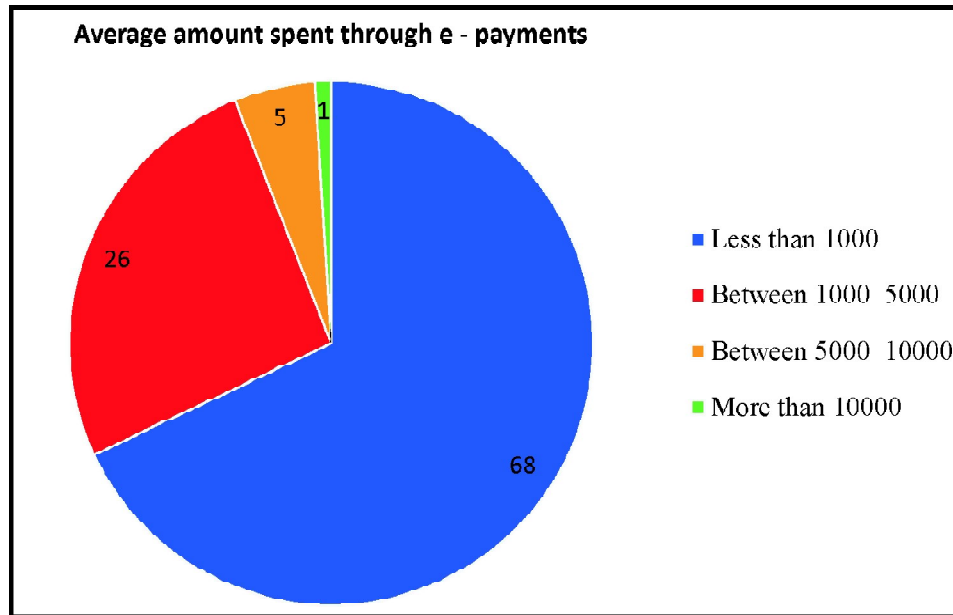
Graph III: (No. of Bank Accounts)

The above graph shows the no. of bank accounts a respondent has. Accordingly 67 of them have one bank account, 26 have two bank accounts, 6 of the respondents have three bank accounts and only 1 has four bank accounts.



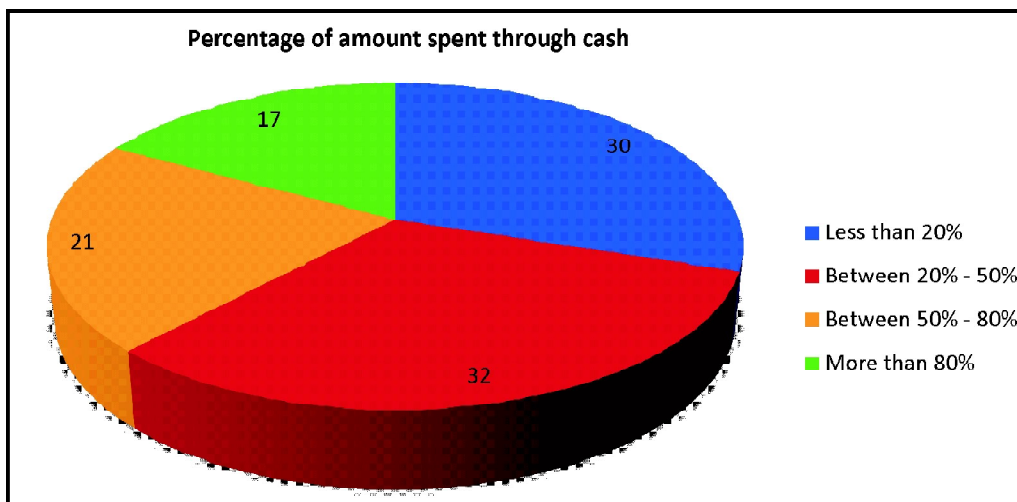
Graph IV: (The Most Important Reasons For Opening A Bank Account)

In the above graph the reasons the respondents opened a bank account are given, we can see that 45% of the respondents opened a bank account in order to make and receive online payments, 23% opened a bank account to avail facilities provided by the bank (Like DD, NEFT, RTGS), whereas 21% opened it for doing business transactions (cheque, etc), 63% of them opened a bank account to save money, and 1% opened it for some other reasons.



**Graph V: (Average amount spent in a month through e-payment)**

The above pie graph represents the average amount spent in a month through e-payments by the respondents. As we can see that 68 of the respondents spend less than 1000, 26 of them spend between 1000 to 5000, 5 of them spend between 5000 to 10000 and only 1 of the respondents spends more than 10000 in a month through e-payments.



**Graph VI: (Percentage of amount spent through cash)**

The above chart shows the percentage of amount spent through cash, we can see that 30 of the respondents use less than 20%, 32 of them use between 20% to 50%, 21 of them use between 50% to 80% whereas 17 of the respondents spend more than 80% through cash.

### **FINDINGS AND SUGGESTIONS**

- The percentage of female using cashless is more than that of male.
- There is no much difference between a physical cash powered and a cashless economy, the transactions which could be done with the help of conventional mode can also be done using digital method.
- Most of the users are in the group of graduate degree/diploma with 57% which shows that educated people are using more cashless transactions, and also the users in the group of educated up to 12<sup>th</sup> standard with 22% shows that even less educated people are using cashless transactions.
- The annual income of the users does not make much difference in making cash payment through digital mode or physical mode.
- The study states that respondents make both cash payments and cashless payments almost equally which is 64% and 69% respectively.
- The average amount spent through e-payments in a month is less than 1000 which is maximum i.e. 68%
- People who are willing to shift to cashless transactions are 56% and those not willing are 44%
- The most important problem faced by the people to shift to digital from conventional transactions is hacker's activity and security of applications.

### **CONCLUSION**

The current scenario and the opinion of the citizens of India shows that people are in a dilemma where half of them agree and do use digital methods of cashless transactions while half of them use the same conventional method of transactions. But it can be concluded that a market without cash- the shift from conventional to digital would bring more clarity, efficiency, transparency and convenience in the Indian economy.

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