

Customers' Attitude towards Cashless Transactions at Salem District

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Abstract

Cashless transactions encourage and support people in numerous dimensions. Now-a-days, cashless transactions are used by most of the people in society due to its countless benefits. However, some people hesitate to use cashless transactions due to the risk involved in the transactions. Hence, an attempt is made to study the customer's attitude towards the usage of cashless transactions. The data has been collected by using convenience sampling technique. The size of the sample is 70. The primary data has been collected through a structured questionnaire from the respondents of the Salem district. For analyzing the primary data, statistical tools namely mean, standard deviation, t-test, and F-test are used with the help of Statistical Package for Social Science (SPSS) software. The study has found that cashless transactions are the fastest and most convenient.

Keywords: Cashless Transactions, Customer Attitude, Problems and Prospects

1. Introduction

Technology is the ruler of today's era. Every aspect of human life is affected by technology, and has its evident role in almost all sectors. The wide application of technology can be seen in the banking sector. After demonetization, the usage of cashless transactions has increased. The cashless transaction reduces the risk of carrying cash by the customers. Moreover, the payment can also be made from anywhere at any time. In this regard, the present study probes to understand the customers' attitude towards cashless transactions at Salem district.

The problems identified by them included the lack of an adequate number of ATMs, digital illiteracy, lack of internet facilities, few banks in villages, costly swipe machines, etc. Cyber fraud, high illiteracy rate, the attitude of people, lack of transparency, and efficiency of digital payment system were the major factors of hindrances in cashless transactions. Preeti *et al.*,³ found that cashless transactions were now being promoted by companies in many ways. Sheetal Thomas and G. Krishnamurthi⁴ argued that there is a huge potential that the rural economy in India could turn out to be cashless because the rural population is interested to know about it.

2. Review of Literature

Kumari D¹ found insufficient infrastructure as a major barricade for cashless transactions. Hacking is another issue highlighted by the Economic Times. Burhan Omar Ahmad Al-Dalaie² found the main advantages of cashless transactions as faster, increased sales, prompt settlement of transactions, convenience and lower risk, transparency and accountability, and reduced maintenance costs.

3. Statement of the Problem

Cashless transactions are applied effectively by most people for various purposes in almost all sectors. As customers are the core of every society, it is imperative that the customer move along the correct way and cashless activities depend upon internet connectivity. In the fast-moving world, most of the transactions are cashless. It makes the transaction easier and quicker. But

still, some people do not prefer cashless transactions due to certain reasons. Hence, in this regard, the present study investigates and finds answers to the below questions:

- What is the attitude level of customers towards cashless transactions?
- What are the challenges faced in cashless transactions?
- What are the prospects of cashless transactions?

4. Objectives of the Study

- To determine customers' attitude towards cashless transaction.
- To investigate the challenges in cashless transactions.
- To investigate the prospects for cashless transaction.
- To suggest suitable ways to enhance cashless transactions.

5. Research Methodology

The present study analyzes the customer's attitude towards cashless transactions in Salem District. The study makes use of the descriptive research method by adopting a convenient sampling technique. The size of the sample has been estimated using Cochran's sample size formula and decided as 70. The study uses primary as well as secondary data. The data collected from cashless transaction users constitute primary data. A structured questionnaire is prepared for collecting primary data. The information gathered from books, journals, magazines, reports, and dailies constitutes the secondary data. Statistical tools such as Simple Percentage Analysis, Reliability Statistics, Independent sample t-test and Analysis of Variance with the help of SPSS software have been used to execute the results.

6. Reliability Statistics

The reliability test is conducted for all the variables included in the questionnaire on the customer's attitude towards cashless transactions by using Cronbach's Alpha model. For all the variables Cronbach's Alpha statistics were above 0.8 and the overall score of the models were 0.845. Cronbach's Alpha model test result should be more than 0.70 and the components framed 80% relevant to attitude variables.

Table 1. KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.771
Bartlett's Test of Sphericity	Approx. Chi-Square value	393.016
	df	153
	Sig.	.000

Source: Computed data

From Table 1, it can be noted that Kaiser-Meyer-Olkin's measure of sampling adequacy is 0.771 and Bartlett's test of Sphericity is 393.016 which is significant at a 5% level.

7. Hypotheses

H₀₁: The different age groups of the respondents do not affect cashless transactions.

H₀₂: The different genders of the respondents do not affect cashless transactions.

H₀₃: The different incomes of the respondents do not differ significantly with cashless transactions.

8. Results and Discussion

8.1 Demographic Classification of the Respondents

The respondents are classified based on demographic factors. Table 2 shows the profile of the respondents.

Table 2 shows that the majority of 62.9% of the respondents are male, 51.4% of them are living in an urban area, 44.3% of them are above 30 years of age, 34.3% of the respondents hold a PG degree, 50% are married and remaining 50% of them are unmarried, 24.3% of the respondents are private employees, 64.3% of them earn an income of up to Rs.20000 per month, 60% are living in nuclear family set up, 47.1% of them are using cashless transactions once in a month and 47.1% are using cashless transactions for the past 2-3 years.

8.2 Attitude of Customers on Cashless Transactions

The customers' attitude towards cashless transactions has been analysed by employing Mean and Standard Deviation. The results are given in Table 3.

Table 2. Profile of the respondents

Demographic Variables	Classification	No. of Respondents	Percentage
Gender	Male	44	62.9
	Female	26	37.1
	Total	70	100.0
Location	Rural	11	15.7
	Semi-Urban	23	32.9
	Urban	36	51.4
	Total	70	100.0
Age	Below 25	13	18.6
	26-30	26	37.1
	Above 30	31	44.3
	Total	70	100.0
Education	UG Degree	12	17.1
	PG Degree	24	34.3
	Diploma	22	31.4
	Engineering	12	17.1
	Total	70	100.0
Marital Status	Married	35	50.0
	Unmarried	35	50.0
	Total	70	100.0
Occupation	Student	11	15.7
	Private Employee	17	24.3
	Govt., Employee	16	22.9
	Business	8	11.4
	Professional	14	20.0
	Farmer	4	5.7
	Total	70	100.0
Income	Upto Rs.20,000	45	64.3
	Rs.20,001 – 25,000	15	21.4
	Above Rs.25,000	10	14.3
	Total	70	100.0
Types of Family	Joint Family	28	40.0
	Nuclear Family	42	60.0
	Total	70	100.0
Frequency of Using	Once in a week	12	17.1
	Twice in a week	25	35.7
	Once in a month	33	47.1
	Total	70	100.0

Experience	Upto 1	16	22.9
	2-3	33	47.1
	Above 3	21	30.0
	Total	70	100.0

Source: Primary data

Table 3. Attitude of customers on cashless transactions

Sl. No.	Item	Mean	SD
1	Fast Transaction	4.15	.0125
2	User friendly	4.12	1.24
3	Easy Technology	3.22	1.19
4	Availability of service (24*7)	3.6	1.57
5	Secure transactions	3.0	0.9
6	Charges	3.1	0.725
7	Tracking records	2.5	1.13

Source: Computed

Table 3 depicts the attitude of customers towards cashless transactions. All the respondents agree (score 4.15) consistently (SD -0.0125 only) that cashless transactions are faster than the previous modes of financial transactions. Amazingly, customers do not find it difficult to use the cashless transaction modes. Many of them agree (mean score 3.6) that the availability of cashless transaction services is good. People have a neutral attitude towards the safety and security of the transactions which can be understood from the mean score (3.0).

8.3 Challenges Faced in Cashless Transactions

Even though cashless transactions provide various advantages, it has its challenges. The challenges faced by the customers in cashless transactions are evaluated and portrayed in Table 4.

Table 4 depicts that responses towards waiting time obtained a mean score of 3.0 through which it can be inferred that people are in a neutral state towards waiting time which means it consumes considerable time. Respondents found it very difficult to use technology (2.314) and they were also more afraid about their transactions (2.714). They also complain that they do not get adequate network support (2.571) when they

Table 4. Challenges faced in cashless transactions

Factors	Mean	Standard Deviation
Waiting time	3.000	1.142
Fear of security	2.714	1.241
Lack of knowledge	3.886	0.986
Technical issues	2.314	1.001
Infrastructure (Networks)	2.571	0.861
More Charges	3.443	0.651
Resource availability	4.000	0.538

Source: Computed

use the internet for cashless transactions and charges are high (3.443). They do not find it difficult to get ATMs-like resources which can be understood from the highest mean score of 4.00.

8.4. Prospects of Cashless Transactions

The future and prospects of cashless transactions are evaluated with mean score and standard deviation. The results are presented in Table 5.

It is found from Table 5 that there are mixed responses about the future and prospects of cashless transactions which can be understood from the standard deviations because for all the prospects, the deviation is above 1.0. The customers agree that convenience is an important factor and future cashless transactions will become easier and more convenient in the future which is understood with the highest mean score is 4.32. They also mention cashless transactions will be further secured in the future with suitable technological advancement (2.46) and knowledge development (4.13).

Table 5. Prospects of cashless transactions

Factors	Mean	Standard deviations
Network/Speed	1.93	1.30
Increased Security	3.34	1.27
Knowledge Development	4.13	1.14
Technical Advancement	2.46	1.47
Savings / Cashback/ Discounts	3.07	1.34
Fewer Charges	3.90	1.38
Transparency	3.93	1.09
Convenience	4.32	1.28

Source: Computed

Table 6. Relationship between demographic variables and customers' attitude towards cashless transactions

Factor	Group	N	Mean	SD	Calculated Value	P- Value
Age	Below 25	10	3.80	1.080	1.539	0.222**
	26-30	18	2.95	1.384		
	Above 30	42	3.39	1.164		
Gender	Male	44	3.70	1.080	5.008	0.009*
	Female	26	3.06	1.384		
Income	Upto Rs. 20,000	45	2.45	1.754	1.471	0.237**
	20,001 – 25,000	15	3.90	0.080		
	Above 25,000	10	3.79	1.058		

*Significant at 5% level **-Not significant

8.5 Relationship between Demographic Factors and Customers' Attitude towards Cashless Transactions

The study has been focused on finding out the relationship of demographic variables such as age, gender, and income with the customer attitude towards cashless transactions.

To test the hypotheses framed, ANOVA and t-test have been conducted and the results are presented in Table 6.

Regarding age, the 'F' value is found to be 1.539 and the 'p-value is estimated to be 0.222. The result signifies the importance of age. According to age, the customer attitude varies and hence the null hypothesis is accepted. The results related to gender depict that the attitude of customers towards cashless transactions does not depend on gender, which can be inferred from the 'F' value is 5.008 and the 'p-value is 0.009. Hence, the null hypothesis is rejected. The results related to income depict that the attitude of customers toward cashless transactions depends on the income level, which can be inferred from the 'F' value is 1.471 and the 'p-value is 0.237. Hence, the null hypothesis is accepted.

9. Conclusion

The study has analyzed customers' attitude towards cashless transactions in Salem district. The major findings of the study are that there is a significant difference between the different age groups of the respondents regarding their attitude toward cashless transactions. Income influences the attitude of customers towards cashless

transactions. Hence, it is recommended that launching an awareness campaign might increase the usage of cashless transactions. The concerned banking authorities must focus more on spreading the various services provided to the customers in a significant manner.

10. References

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