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## Awareness and opinion of respondents regarding cash less system

**Manisha Ohlan and Ella Rani**

**Abstract**

Cashless economy is an economy where transactions can be done without necessarily carrying physical cash as a means of exchange of transaction but, rather with the use of credit or debit card payment for goods and services (Ejiro, 2012). The present study was conducted in Hisar district of Haryana state covering 200 respondents from two localities viz., rural and urban. Results shows that majority of the respondents had heard about demonetization in which ATM as one of the mode of cashless transactions and bank account number is required for cashless transactions. Further, majority of the respondents felt excellent about demonetization and cash less system step taken by Prime Minister Sh. Narendra Modi who also supported cash less economy and believed that digital methods are risk-free and cash less system is helpful in college, curbing black money and corruption in the country. Demonetization had also affected agriculture and has brought access to higher education and healthcare to common man's reach. Most of the respondents had neutral opinion about mobile apps, while majority of respondents had favourable opinion for cash, bankcards and internet banking.

**Keywords:** Cashless system, awareness, opinion, demonetization

**Introduction**

Cash and cashless have become the buzzwords of the day, ever since Prime Minister Modi's surprise announcement on the evening of 8<sup>th</sup> November, 2016. Overnight, all the Rs. 500 and Rs. 1,000 notes in the country became doomed for destruction. Thus, began their journey, next morning to the banks, petrol pumps, railway ticket counters and few other places where they would find temporary acceptance. And, as we recovered from the initial shock, even disbelief, and got used to manage with less cash, we slowly woke up to the realization that the withdrawal of cash is part of a bigger, grander agenda of the government to ultimately eradicate cash from the society and become a cashless one (Jacob, 2016) [4].

Demonetization also acted as the catalyst to boost the growth of e-Wallets in India. The mobile wallet sector in the 1st quarter of 2017 grew up by 81 per cent in terms of volume over the same quarter a year earlier, as reported by Red Seer Management. With more and more people switching to mobile wallets for their daily transactions, companies like PayTm, MobiKwik and Free Charge have increased their Active User base by 10 times in last 6 months (BS Web Team, 2017) [1]. It is widely believed that the movement from cash to cashless economy has significant benefits. Moody's Analytics (2013) [6] studied the impact of card usage on gross domestic product (GDP) of 51 countries and found that electronic card usage added USD 1.1 trillion in real dollars to private consumption and GDP from 2003 to 2008. Further, study found that one per cent increase in card transaction volume would increase consumption each year by 0.039 per cent and GDP growth by 0.024 per cent (Moody's Analytics, 2013) [6]. Now a day, current position of cashless India in cash centric informal sectors like agriculture, real estate, etc., have been affected by demonetization. However, the experts say that it is a short-term scenario and this move will give positive long-term consequences. To bring the economy on track again, government is promoting cashless economy because scrapping of cash needs an alternative to cash. The World Bank has estimated India's black money in 2010 to be worth about one fifth of the Gross Domestic Product (GDP). In a country where 90 per cent transactions are carried out on cash basis, it was a revolutionary move to transform from cash to cashless transactions. Under this scheme, 250 million bank accounts have been opened in two years. As per Reserve Bank of India reports, bank branches increased by 5 per cent per year but ATM cards, debit cards and card swiping machines have doubled in four years and online transactions have grown 20 times in six years to 2016. All these data shows a gradual

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shift towards cashless economy. Demonetization has speed up this transition (Tawade, 2017) [12]. Therefore, keeping these factors in mind the present study was with the following objective; to explore awareness and opinion of respondents about demonetization and less cash economy.

### Materials and methods

The study was conducted in Hisar district of Haryana state selected purposively in both rural and urban areas. For rural respondents, from Hisar district two villages; Ludas and Shahpur were selected randomly. For urban respondents, two localities; Sector-14 and Sector-15 from Hisar city were selected randomly to assess awareness and opinion about cash less system of the respondents. A total of 200 respondents which comprised of 100 rural respondents (25 females, 25 males) from each village and 100 urban respondents (25 females, 25 males) from each locality having at least higher secondary education were selected purposively. viz.,. A well-structured interview schedule was used for awareness and opinion selected about demonetization and cashless system as a tool for data collection. Data were collected personally by the researcher. Statistical tools applied for data analysis such as frequency, percentages, weighted mean score and rank.

## Results and discussion

### Awareness and opinion about demonetization and less cash economy

Several aspects are used in India for knowing about cashless system. These aspects are usually determined by economists/policymakers at higher level. This section incorporates information regarding awareness and opinion for various aspects. Separate views of rural and urban area were taken on these aspects.

### Awareness of respondents about cashless system

A list of various aspects was compiled for assessing awareness of respondents towards these aspects. The data related to awareness of respondents about demonetization and cashless system as presented in Table 1 points out that 92 per cent and cent per cent (100%) respondents from rural and urban area heard about demonetization and in overall 96 per cent of the respondents heard about demonetization.

The Table further depicts that 91 per cent and 99 per cent of respondents from rural and urban were aware about ATM and in overall 95 per cent of respondents were aware about demonetization, followed by debit card (66%, 98% and 82% each), credit card (65%, 89% and 77% each) and others (31%, 28% and 29.5% each) respectively.

**Table 1:** Awareness of respondents about cashless system

Sr. No.	Aspects	Rural (n=100)	Urban (n=100)	Total (N=200)
		(%)	(%)	F (%)
1.	<b>Heard about demonetization</b>	92.00	100.0	192(96.00)
2.	<b>Idea about cashless transactions</b>			
i	Credit Card	65.00	89.00	154(77.00)
ii	Debit Card	66.00	98.00	164(82.00)
iii	ATM	91.00	99.00	190(95.00)
iv	Other	31.00	28.00	59(29.50)
3.	<b>Documents required for cashless transactions by the respondents</b>			
i.	Aadhar Card	80.00	95.00	175(87.50)
ii.	Bank account number	97.00	100.0	197(98.50)
iii.	Credit/debit card number	59.00	93.00	152(76.00)

Figures in parentheses indicate percentage

It was seen from the Table 1 that 97 per cent and cent per cent (100%) of respondents from rural and urban area were aware that bank account number was required for cashless transactions and overall 98.5 per cent respondents were aware that bank account number was required for cashless transactions, followed by aadhar card (80%, 95% and 87.5% each) and credit/debit card number (59%, 93% and 76% each) respectively. Thus, it can be concluded that majority of respondents had heard about demonetization in which ATM as one of the mode of cashless transactions and bank account number is required for any cashless transaction. The present findings are in accordance with the study of Ruchi (2016) [11] studied that demonetization would end up the corruption because fake currency had been eliminated from the system and once the black money was reduced the obstacle in tax collection would be removed and the tax revenue would be increased. Government could make reduction in tax rates since government could raise more revenue with lower rates. Corruption would be reduced as there would be no or little black money which would remain to bribe.

### Opinion of respondents about cashless system

Information on differential opinions of respondents towards these aspects of both rural and urban area has been presented in Table 2. It can be seen from the Table that 44 per cent, 33

per cent and 38.5 per cent of the respondents from urban, rural and in overall, felt good about the demonetization step taken by Prime Minister Sh. Narendra, which was followed by excellent (38% each), fair (12%, 20% and 16% each) and poor (6%, 9% and 7% each). While, 90 per cent of respondents from rural, urban and overall supported cashless economy. However, 74 per cent, 68 per cent and 71 per cent of the respondents from urban and rural area and in aggregated data said that digital methods are risk free. More than half of the respondents (57%), 20 per cent from rural and urban area and in overall 38.5 per cent of respondents said that they were completely ready for cashless economy. Whereas, 45 per cent, 40 per cent and 42.5 per cent from urban and rural area and in aggregated data said that they had enough information to make decision about cashless payments. The Table further reveals that majority of the respondents (93% and 88% each) from urban and rural area and in overall 90.5 per cent of the respondents said that it had impact on black money. Also, majority of respondents (89% and 84% each) from urban and rural area and in aggregated data, respondents (86.5%) said that it helped in controlling corruption in the country.

Regarding cash less system is helpful, Table indicates that majority of the respondents (84% and 71% each) from urban and rural area and in overall more than 3/4<sup>th</sup> of the

respondents (77.5%) said that it is helpful in college, followed by home (11%, 28% and 19.5% each respectively) and business place (5%, 1% and 3% each) respectively.

As regards demonetization affect the economy, more than three-fourth of the respondents (77%) and 64% from rural and urban area and in overall 70.5 per cent of the respondents said that agriculture was affected, which was followed by unorganized manufacturing (60%, 78% and 69% each), real estate (56%, 78% and 67% each), transport (63%, 69% and 66% each), unorganized services (60%, 71% and 65.5%

each), organized manufacturing (58%, 61% and 59.5% each) and organized services (58%, 53% and 55.5% each) respectively.

Further, the Table showed that, 74 per cent, 69 per cent from urban and rural area and in overall 71.5 per cent of respondents opined that demonetization has brought access to higher education to common man's reach, followed by healthcare (73%, 61% and 67% each) and real estate (81%, 39% and 60% each) respectively.

**Table 2:** Opinion of respondents about cashless system

S. No.	Aspects	Rural (n=100)	Urban (n=100)	Total (N=200)
		(%)	(%)	F (%)
1.	<b>Felt about this step taken by PM Sh. Narendra Modi</b>			
i	Excellent	38.00	38.00	76(38.00)
ii	Good	33.00	44.00	77(38.50)
iii	Fair	20.00	12.00	32(16.00)
iv	Poor	09.00	06.00	15(07.50)
2.	Support cash less economy	90.00	90.00	180(90.00)
3.	Digital methods are risk free	68.00	74.0	142(71.00)
4.	Completely ready for cashless economy	57.00	20.00	77(38.50)
5.	Enough information to make decision about cashless payments	40.00	45.00	85(42.50)
6.	Impact on black money	88.00	93.00	181(90.50)
7.	Help in controlling corruption in the country	84.00	89.00	173(86.50)
8.	<b>Cash less system helpful</b>			
i	College	71.00	84.00	155(77.50)
ii	Home	28.00	11.00	39(19.50)
iii	Business place	01.00	05.00	06(03.00)
9.	<b>Demonetization affect the economy</b>			
i	Agriculture	77.00	64.00	141(70.50)
ii	Unorganized manufacturing	60.00	78.00	138(69.00)
iii	Organized manufacturing	58.00	61.00	119(59.50)
iv	Unorganized services	60.00	71.00	131(65.50)
v	Organized service	58.00	53.00	111(55.50)
vi	Transport	63.00	69.00	132(66.00)
vii	Real estate	56.00	78.00	134(67.00)
10.	<b>Demonetization has brought access to common man's reach</b>			
i	Real estate	39.00	81.00	120(60.00)
ii	Higher education	69.00	74.00	143(71.50)
iii	Healthcare	61.00	73.00	134(67.00)

Figures in parantheses indicate percentage

Thus, it can be concluded that majority of respondents felt excellent about this step taken by PM Sh. Narendra Modi who also supported cash less economy and believed that digital methods are risk-free and cash less system is helpful in college, curbed black money and corruption in the country. Demonetization had affected agriculture and has brought access to higher education and healthcare to common man's reach.

#### Opinion of respondents about mode of payment

Information on differential opinion of respondents towards these statements of both rural and urban area has been presented in Table 3. It can be seen from the Table that in rural area, nearly half of the respondents (44%) had neutral opinion about mobile apps, 34 per cent of the respondents had favourable opinion and 22 per cent of the respondents had unfavourable opinion. More than half of the respondents (55%) had favourable opinion about cash, whereas 35 per cent of the respondents had neutral opinion and only 10 per cent of the respondents had unfavourable opinion for cashless

payment. In case of bankcards, majority of respondents (67%) had favourable opinion, while 60 per cent of the respondents had unfavourable opinion and 27 per cent had neutral opinion. Whereas majority of respondents (74%) had favourable opinion for internet banking, though 21 per cent had unfavourable opinion and only 5 per cent had neutral opinion for the same.

As far as in urban area, majority of the respondents (63%) had neutral opinion about mobile apps, while 24 per cent of respondents had favourable opinion and 13 per cent of respondents had unfavourable opinion. Further, nearly half of the respondents (44%) had neutral opinion cash, whereas 35 per cent of the respondents had favourable opinion and 21 per cent had unfavourable opinion for the same. In case of bankcards, majority of respondents (88%) had favourable opinion, while only 9 per cent respondents having neutral opinion only 3 per cent had unfavourable opinion. Again, majority of respondents (86%) had favourable opinion for internet banking, followed by 12 per cent had neutral opinion and only 2 per cent had neutral opinion for the same.

**Table 3:** Opinion of respondents about mode of payment

S. No.	Statements	Rural (n=100)			Urban (n=100)			Total (N=200)		
		Favorable (3)	Neutral (2)	Unfavorable (1)	Favorable (3)	Neutral (2)	Unfavorable (1)	Favorable (3)	Neutral (2)	Unfavorable (1)
		(%)	(%)	(%)	(%)	(%)	(%)	F (%)	F (%)	F (%)
1.	Mobile apps	34.00	44.00	22.00	24.00	63.00	13.00	58(29.00)	107(53.50)	35 (17.50)
2.	Cash	55.00	35.00	10.00	35.00	44.00	21.00	90(45.00)	79(39.50)	31(15.50)
3.	Bankcards	67.00	27.00	60.00	88.00	09.00	03.00	155(77.50)	36(18.00)	63(31.50)
4.	Internet banking	74.00	21.00	05.00	86.00	12.00	02.00	160(80.00)	33(16.50)	07(3.50)

In case of pooled sample mean, more than half of the respondents (53.5%) had neutral opinion about mobile apps, while 29 per cent of the respondents had favourable opinion and 17.5 per cent of the respondents had unfavourable opinion. However, nearly of the respondents (45%) had favourable opinion about cash, while 39.5 per cent of the respondents had neutral opinion and 15.5 per cent had unfavourable opinion for the same. In case of bankcards, majority of the respondents (77.5%) had favourable opinion, followed by unfavourable opinion of only 31.5 per cent respondents and only 18 per cent had neutral opinion. Majority of respondents (80%) had favourable opinion for internet banking, which was followed by 16.5 per cent had neutral opinion and only 3.5 per cent had neutral opinion for the same. Thus, it can be concluded that majority of respondents had neutral opinion about mobile apps, while majority of respondents had favourable opinion for cash, bankcards and internet banking as well. Similar findings have been reported by Dahlberg *et al.* (2008) that consumer perspective of mobile payments and mobile payment technologies were two most important factors of mobile payments research and Mallat (2004) studied consumer adoption of mobile payments in Finland. It also found that mobile payment is dynamic and its adoption depends on lack of other payments methods and certain situational factors.

### Summary and Conclusion

It may be concluded that majority of the respondents had heard about demonetization in which ATM as one of the mode of cashless transactions and bank account number is required for cashless transactions, majority of the respondents felt excellent about demonetization and cash less system step taken by Prime Minister Sh. Narendra Modi who also supported cash less economy and believed that digital methods are risk-free and cash less system is helpful in college, curbing black money and corruption in the country. Demonetization had also affected agriculture and has brought access to higher education and healthcare to common man's reach. As regards of mode of payments, most of the respondents had neutral opinion about mobile apps, while majority of respondents had favourable opinion for cash, bankcards and internet banking.

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