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AN ANALYTICAL STUDY ON VARIOUS PROBLEMS FACED BY CUSTOMERS REGARDING CASHLESS TRANSACTIONS IN HARYANA

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ABSTRACT

The government has implemented a major change in the economic environment by demonetizing the currency notes- of Rs.500 and Rs.1000 denomination on November 8, 2016. The main motive behind this was to fight counterfeit money and erosion of black money. This leads to an incremendable rise in the cashless transactions. Hence, the present study aims to find out the problems faced by the customers while using various modes of cashless transactions. The data were gathered through questionnaire from a sample of 360 customers availing the facilities of various modes of cashless transactions. The data analyzed revealed that respondents faced high extent of Computer problem and Restrictions of using card limit problem while using cashless transactions. The findings also highlighted that several security measures helps to tackle problems faced by the customers in using different modes of cashless transactions.

Keywords: Black money, Cashless transactions, Counterfeit currency, Extent of Problem

1. INTRODUCTION

On November 8, 2016, the government has implemented a major change in the economic environment by demonetizing the currency notes- of Rs.500 and Rs.1000 denomination. This step was taken to erode the black money which is in circulation in the country. This decision further leads to in enhancement of using cash less transaction. A cashless transaction means a transaction of goods and services between buyer and seller are settled down without cash in performing economic transactions. With the advancement of Information technology, all the transactions are performed electronically with the help of different modes of electronic payments.

Due to technology, Mobile users can use various forms of applications in their smartphones to make payment rapidly with the ease of convenience nowadays. These a Smartphones refers as a "Digital Wallet" or "Mobile Wallet". Mobile payments refers to the payment for goods, services

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and bills with the use of mobile phones, Smartphones, Personal Digital Assistant (PDAs) by taking advantage of wireless and other communication technologies. With the use of right software's, these changes can be managed efficiently. Security measures would be enhanced as all the data kept in an encrypted form and back up options would be there to recover the loss data.

Problems faced by the customers in using the cashless payment system

1. **Dependency of Internet: -** Most of the payment done through electronically devices, here, the usage of internet and internet penetration is not up to that level in most parts of the country so it is the condition of digital illiteracy.

2. **General mindset: -** From observing the behavior of people, it considered that it is easy to transact with cash because their bargaining power will be increase and also their ability to participate. In simple words, people want to carry cash rather than carrying debit card and credit cards.

3. **Lack of secrecy :-** It is argued by many people that if they use cash they can maintain their secrecy but such type of freedom is not available in cashless payment system and chances of loss of secrecy is more in comparison to simple transaction (with cash).

4. **Availability of cash is reduced: -** If availability of cash is reduced from the market then, there will be more chances of increase in hoarding that will also be a negative point from the economic perspective.

5. **Number of frauds increase :-** If people opt for the online transactions then it is observed that cyber security infrastructure is not up to the mark it mean proper mechanism are not there to tackle the frauds so number of online frauds may increase and they are increasing to some extent.

2. LITERATURE REVIEW

In order to conduct a study, a brief survey regarding work is undertaken on the study of cashless transactions.

Manikandan S.et.al. (2017), conducted a study on the topic *An Empirical study of Consumers Adoption on Mobile wallet with special reference to Chennai city*. This study describes the usage of wallet money endorsed by different companies and also considers the factors which influences the customers decision in order to adopt mobile wallets or not. The usage of mobile wallet is

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increased at the time of demonetization. In this study, the gathered from 150 respondents through questionnaire and for data analysis, ANOVA technique is preferred. From this, it concluded that mobile wallet replaced the other modes of digital payments and brand loyalty, convenience of shopping and other factors plays an important role in the adoption of the mobile wallet system.

Masihuddin M.et.al. (2017), conducted a study on the topic *A Survey on E-Payment Systems: Elements, Adoption, Architecture, Challenges and Security concepts.* This study traced the awareness level about the concepts of Electronic Payment Systems, its advantages, risks, challenges and other security considerations. Despite of various issues, it concludes that E-Payment systems help in creating a better customer understanding and satisfaction. With the advancement of technology, the perception of making online transaction is bound to gain momentum and consumers widely adopted Electronic payment system.

Deepika (2016) conducted a study on the topic *Cashless Transaction: Methods, Applications and Challenges.* This study traced that as the decision regarding demonetization taken by Government, customers are aware about using of digital money by seeing various advertisements. This also told about the concepts, growth, methods and various risk and challenges in using digital money.

3. OBJECTIVES OF STUDY

The main objective of the study is to study the problems faced by the customers while using various modes of cashless transactions.

4. RESEARCH METHODOLOGY

The study is based on Primary Data. For the collection of data, the whole Haryana is divided into five zones and out of the five zones, five districts are selected. After that three villages are selected from each district. In total 15 villages are selected for data collection.

4.1 Data analysis and Interpretation

This part explains the problems faced by the customers while using different modes of the cashless transactions.

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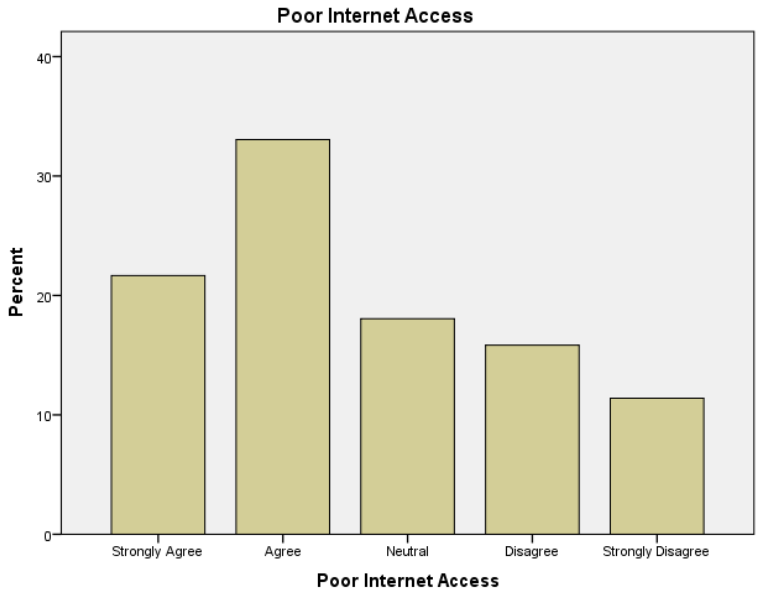
Table 4.1.1: Perception regarding Poor Internet Access

Poor Internet Access					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	78	21.7	21.7	21.7
	Agree	119	33.1	33.1	54.7
	Neutral	65	18.1	18.1	72.8
	Disagree	57	15.8	15.8	88.6
	Strongly Disagree	41	11.4	11.4	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding poor internet access. In this study, it shows that approximately 21.7% of the respondents strongly agree that poor internet access is also a major problem in use of cashless transaction. And, more than 50% of the respondents agree with this issue.

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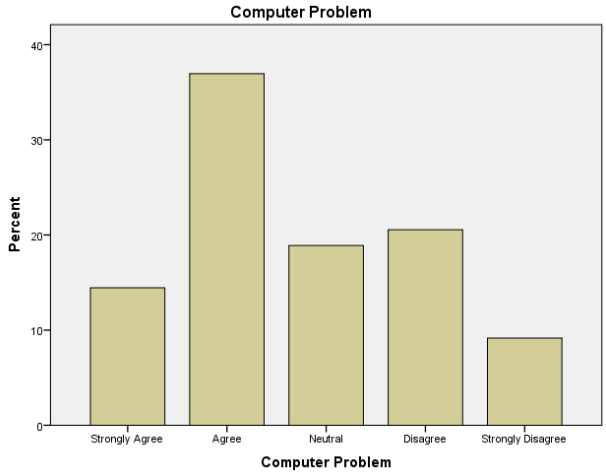
Table 4.1.2: Perception about Computer Problem

Computer Problem					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	52	14.4	14.4	14.4
	Agree	133	36.9	36.9	51.4
	Neutral	68	18.9	18.9	70.3
	Disagree	74	20.6	20.6	90.8
	Strongly Disagree	33	9.2	9.2	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding computer problem. In this study, it shows that a very less percent of the respondents (approx. 10 percent) strongly disagree that computer problem is a major issue in the given study.

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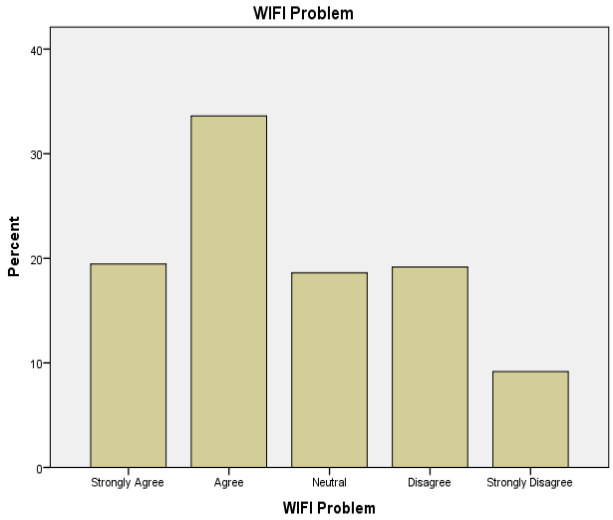
Table 4.1.3: Perception about Wi-Fi Problem

WIFI Problem					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	70	19.4	19.4	19.4
	Agree	121	33.6	33.6	53.1
	Neutral	67	18.6	18.6	71.7
	Disagree	69	19.2	19.2	90.8
	Strongly Disagree	33	9.2	9.2	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding WiFi problem. In this study, it shows that almost half of the respondents say that WiFi problem also a major role in the given study.

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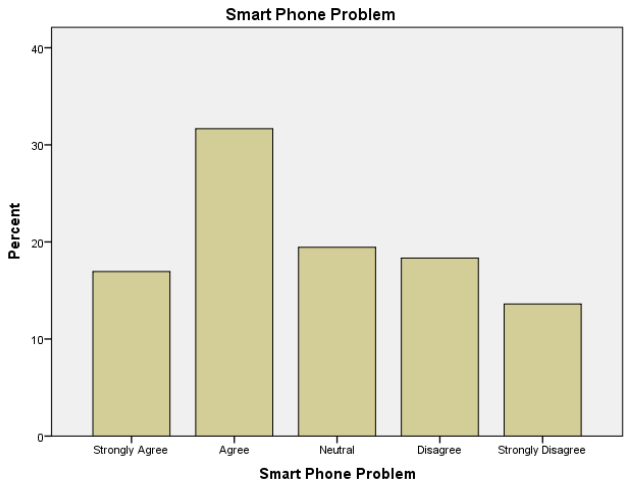
Table 4.1.4: Perception about Smart Phone Problem

Smart Phone Problem					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	61	16.9	16.9	16.9
	Agree	114	31.7	31.7	48.6
	Neutral	70	19.4	19.4	68.1
	Disagree	66	18.3	18.3	86.4
	Strongly Disagree	49	13.6	13.6	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding Smart phone problem. In this study, it shows that 13.6% strongly disagree, 18.3% disagree, 19.4% are neutral, 31.7% agree and 16.9% strongly agree about the perception regarding smart phone problem. It shows that on an average 50 percent person agree about the problem regarding use of smart phone.

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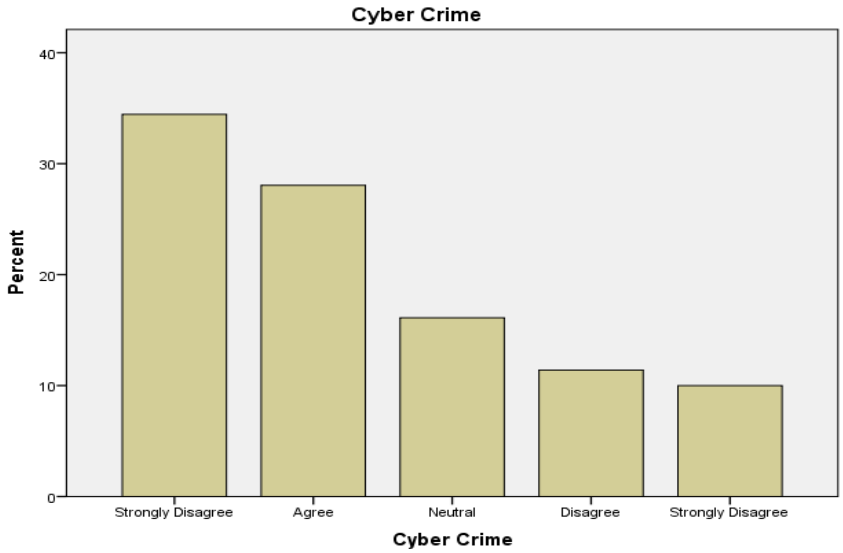
Table 4.1.5: Perception about Cyber Crime

Cyber Crime					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	124	34.4	34.4	34.4
	Agree	101	28.1	28.1	62.5
	Neutral	58	16.1	16.1	78.6
	Disagree	41	11.4	11.4	90.0
	Strongly Disagree	36	10.0	10.0	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding Cyber Crime problem. In this study, it shows that 34.4% strongly agree, 11.4% disagree, 16.1% are neutral, 28.1% agree and 10.0% strongly disagree about the perception regarding cybercrime problem. It reveals that majority of the respondent agree that cybercrime also play an important role in the use of cybercrime.

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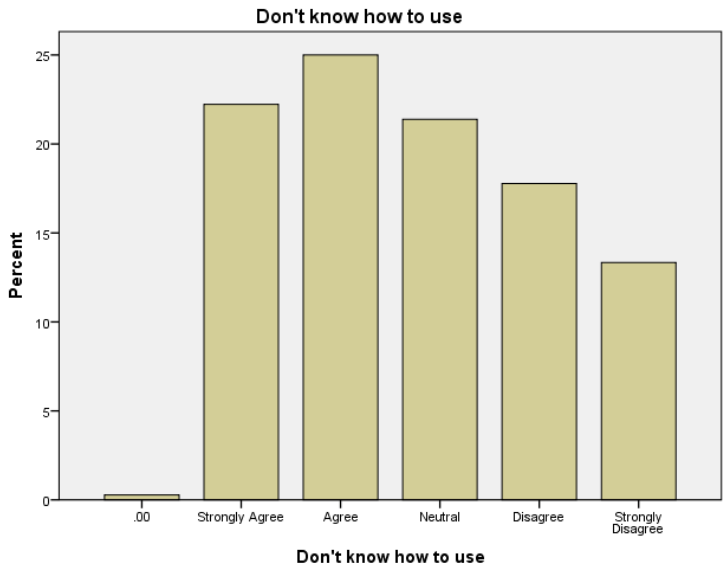
Table 4.1.6: Perception about Don't how to use

Don't know how to use					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid					
	Strongly Agree	80	22.2	22.2	22.5
	Agree	90	25.0	25.0	47.5
	Neutral	77	21.4	21.4	68.9
	Disagree	64	17.8	17.8	86.7
	Strongly Disagree	48	13.3	13.3	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding don't know how to use. In this study, it shows that 22.2% strongly agree, 17.8% disagree, 21.4% are neutral, 25% agree and 13.3% strongly disagree about the perception regarding don't know how to use problem. It reveals that majority of the respondent agree that don't know how to use cashless mode.

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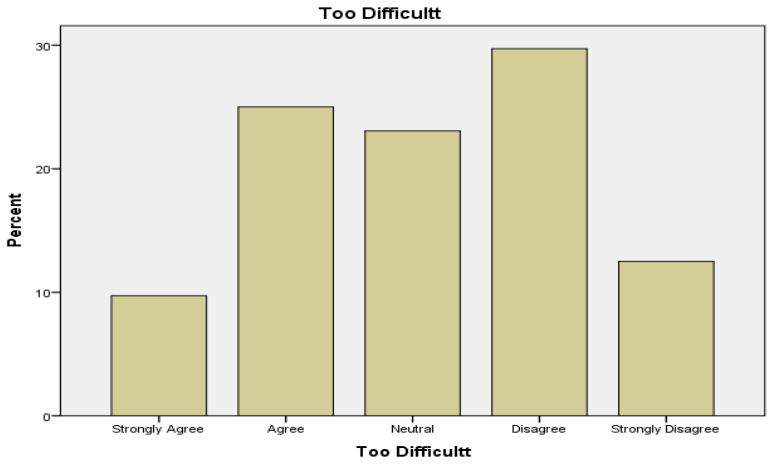
Table 4.1.7: Perception about Too Difficult

Too Difficult					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	35	9.7	9.7	9.7
	Agree	90	25.0	25.0	34.7
	Neutral	83	23.1	23.1	57.8
	Disagree	107	29.7	29.7	87.5
	Strongly Disagree	45	12.5	12.5	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding Too Difficult. In this study, it shows that 9.7% strongly agree, 29.7% disagree, 23.1% are neutral, 25% agree and 12.5% strongly disagree about the perception regarding Too Difficult problem. It reveals that majority of the respondent disagree with the use of cashless mode transactions.

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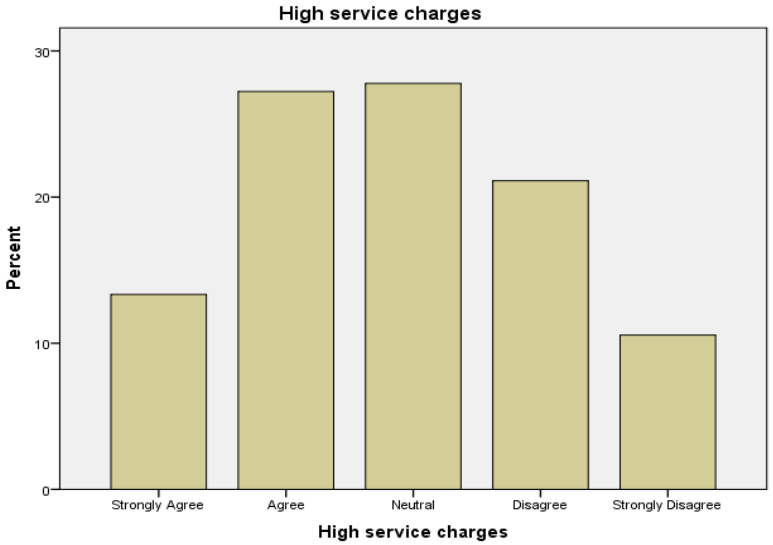
Table 4.1.8: Perception about High service charges

High service charges					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	48	13.3	13.3	13.3
	Agree	98	27.2	27.2	40.6
	Neutral	100	27.8	27.8	68.3
	Disagree	76	21.1	21.1	89.4
	Strongly Disagree	38	10.6	10.6	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding High service charges. In this study, it shows that 13.3% strongly agree, 21.1% disagree, 27.8% are neutral, 27.2% agree and 10.6% strongly disagree about the perception regarding High service charges problem. It reveals that majority of the respondent are neutral about High service charges problem.

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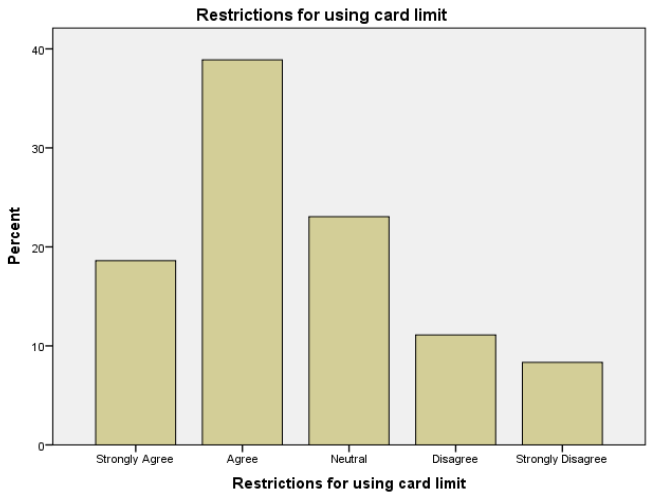
Table 4.1.9: Perception about Restrictions for using card limit

Restrictions for using card limit					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	67	18.6	18.6	18.6
	Agree	140	38.9	38.9	57.5
	Neutral	83	23.1	23.1	80.6
	Disagree	40	11.1	11.1	91.7
	Strongly Disagree	30	8.3	8.3	100.0
	Total	360	100.0	100.0	



The analytical table and figure show that perception regarding Restrictions for using card limit. In this study, it shows that 18.6% strongly agree, 11.1% disagree, 23.1% are neutral, 38.9% agree and 8.3% strongly disagree about the perception regarding don't know how to use. Problem. It reveals that majority of the respondent agree that Restrictions for using card limit is a problem.

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Applying Factor Analysis:-

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.859
Bartlett's Test of Sphericity	Approx. Chi-Square	1055.145
	df	36
	Sig.	.000

According to Table, the KMO = 0.859, this specifies that the sample is suitable. The p-value (Sig.) of 0.000= 0.05, hence the Factor analysis is can be done. The approximate Chi-Square is 1055.145 with 36 degree of freedom (DF), which is significant at 95% level of significance.

Communalities		
	Initial	Extraction
Poor Internet Access	1.000	.573
Computer Problem	1.000	.665
WIFI Problem	1.000	.596
Smart Phone Problem	1.000	.515
Cyber Crime	1.000	.369
Don't know how to use	1.000	.587
Too Difficult	1.000	.736
High service charges	1.000	.690
Restrictions for using card limit	1.000	.363
Extraction Method: Principal Component Analysis.		

According to Table, the communalities of most of the variables wads higher than the 0.51 which depicts that 51% of variations in all the variables were explained by the factors.

Total Variance Explained

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.047	44.968	44.968	4.047	44.968	44.968	2.997	33.296	33.296

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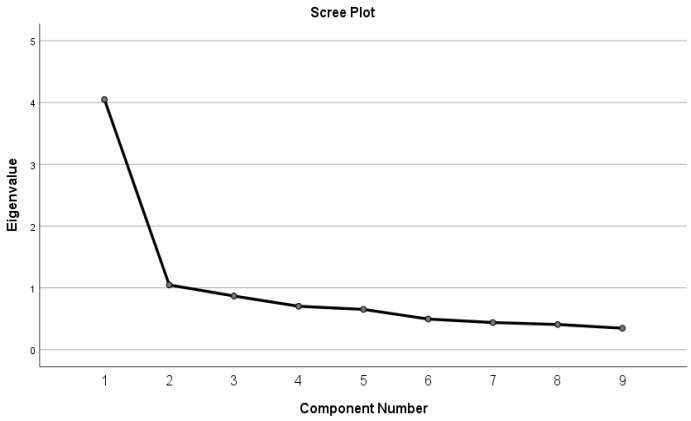
2	1.047	11.632	56.600	1.047	11.632	56.600	2.097	23.304	56.600
3	.867	9.638	66.238						
4	.701	7.793	74.030						
5	.651	7.235	81.265						
6	.495	5.500	86.765						
7	.438	4.871	91.636						
8	.407	4.517	96.153						
9	.346	3.847	100.000						
Extraction Method: Principal Component Analysis.									



Component Matrix[a]		
	Component	
	1	2
Poor Internet Access	.731	-.195
Computer Problem	.708	-.405
WIFI Problem	.738	-.226
Smart Phone Problem	.706	-.128
Cyber Crime	.555	-.247
Don't know how to use	.716	.274
Too Difficultt	.644	.567
High service charges	.623	.549
Restrictions for using card	.587	-.136

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limit		
Extraction Method: Principal Component Analysis.		
a. 2 components extracted.		

Rotated Component Matrix[a]		
	Component	
	1	2
Poor Internet Access	.705	.276
Computer Problem	.810	.092
WIFI Problem	.729	.255
Smart Phone Problem	.645	.314
Cyber Crime	.593	.129
Don't know how to use	.415	.644
Too Difficultt	.184	.838
High service charges	.178	.812
Restrictions for using card limit	.554	.237
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a]		
a. Rotation converged in 3 iterations.		

Component Transformation Matrix

Component	1	2
1	.806	.592
2	-.592	.806

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

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Component Score Coefficient Matrix

	Component	
	1	2
Poor Internet Access	.256	-.043
Computer Problem	.370	-.209
WIFI Problem	.275	-.066
Smart Phone Problem	.213	.004
Cyber Crime	.250	-.109
Don't know how to use	-.012	.316
Too Difficultt	-.192	.531
High service charges	-.186	.514
Restrictions for using card limit	.194	-.019

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Component Scores.

Component Score Covariance Matrix		
Component	1	2
1	1.000	.000
2	.000	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Component Scores.

From Table, it can be described that 1st Factor which was able to explain 33.30% of variance, the 2nd Factor which was able to explain 23.30%. All together these two Factors were able to explain 56.60% of the variance in total.

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5. CONCLUSION

In the last, we can say that Cashless Payment System awareness as spread among the people in India due to demonetization policy by the government. While using digital wallet, customers faced lot of difficulties like WIFI Problem, Smart Phone Problem, Cybercrime and others. So, in order to tackle these problems, various security measures should be taken and the government should be conducted Digital literacy programs to create awareness among people towards the different modes of digital payment system. Apart from these issues, Cashless payment system provides convenience facility to the consumers.

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