



Original Research Article

<https://doi.org/10.20546/ijcmas.2019.806.362>

Possession and Utilization Pattern of Cashless Payment Methods by Respondents

Manisha Ohlan and Ella Rani*

Department of Extension Education and Communication Management, I.C. College of Home Sciences, CCS Haryana Agricultural University, Hisar, Haryana, India

*Corresponding author

ABSTRACT

Keywords

Cashless system,
Possession,
Utilization,
Bankcards

Article Info

Accepted:
24 May 2019
Available Online:
10 June 2019

Cashless economy doesn't mean shortage of cash rather it indicates a culture of people settling transactions digitally. In a modern economy, money moves electronically. Hence, the spread of digital payment culture along with the expansion of infrastructure facilities is needed to achieve the goal. The present study was conducted in Hisar district of Haryana state covering 200 respondents from two localities viz., rural and urban. The results shows that majority of respondents had possession of ATM card, followed by debit and credit card and are supported by Khan (2010) indicated the significant dimensions of ATM service quality as convenience, efficient operation, security and privacy, reliability and responsiveness. It also reflected a positive and strong relationship between ATM services and customers' satisfaction. Further, results shows that first rank was given to ATM card, followed by credit card and debit card as cashless payments method were utilized by the respondents

Introduction

Cash and cashless have become the buzzwords of the day, ever since Prime Minister Modi's surprise announcement on the evening of 8th 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).

Today, credit cards and on-line payment services have become increasingly in style in urban Asian nation, paper currency notes are still an important part of life. Money could also be outlined as any legal medium of exchange that is like a shot negotiable and freed from restrictions. Indians are the fourth-largest user of money in the world. As most of the individuals are engaged in tiny transactions and having less

banking habits, it is the most convenient and straight forward variety of medium of exchange, free from inconvenience, etc.

A less-cash economy comes with its own advantages such as an increased utilization of e-payment which includes faster transactions through reduction in queue at the banking halls, elimination of bacterial spread through handling of notes and coins from one individual to another, increment in sales by saving 20 per cent, curbed armed robbery and cash related crime.

It is widely believed that the movement from cash to cashless economy has significant benefits. Moody's Analytics (2013) 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 1 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). Present study was planned to explore possession and utilization of cashless payment methods by respondents.

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 constraints 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. A well-structured interview schedule was used as a tool for possession and utilization of cash less payment methods as a tool for data collection.

Results and Discussion

Possession of cashless payment methods by respondents

Payment methods possessed in rural and urban area has been presented in Table 1. It can be seen from the Table that in rural area, majority of the respondents (57%) possessed ATM, followed by debit cards (28%), credit cards (26%), internet banking (24%), PayTm (6%), cheque (9%), National Electronic Funds Transfer and demand draft (6% each), whereas equal number of respondents (2% each) had Unstructured Supplementary Service Data, Immediate Payments Service and Real Time Gross Settlement System.

While, in urban area, 91 per cent of the respondents had possession of ATM, followed by credit card (72%), cheque (65%), debit card (50%), Immediate Payments Service (34%), demand draft (30%), National Electronic Funds Transfer and internet banking (21% each), BHIM app (18%), Unstructured Supplementary Service Data, Real Time Gross Settlement System and PayTm (12% each), Electronic Clearance Service (10%) and MobiKwik (2%) respectively.

In case of pooled sample, nearly 3/4th of the respondents (74%) had possession of ATM, followed by debit card (54%), credit card (49%), cheque (37%), internet banking (22.5%), Immediate Payments Service and demand draft (18% each), BHIM app and PayTm (9%), Unstructured Supplementary Service Data and Real Time Gross Settlement Service System (7% each), Electronic Clearance Service (5%) and MobiKwik (1%).

Table.1 Possession of cashless payment methods by respondents

Sr. No.	Payment Methods	Rural	Urban	Total
		(%) (n=100)	(%) (n=100)	f(%) (N=200)
1.	Bankcards			
i.	Credit card	26.00	72.00	98 (49.00)
ii.	Debit card	28.00	50.00	108 (54.00)
iii.	ATM card	57.00	91.00	148 (74.00)
iv.	Unstructured Supplementary Service Data (USSD)	02.00	12.00	14 (07.00)
v.	Immediate Payments Service (IMPS)	02.00	34.00	36 (18.00)
vi.	Electronic Clearance Service (ECS)	00.00	10.00	10 (05.00)
vii.	National Electronic Fund Transfer (NEFT)	06.00	21.00	27 (13.50)
viii.	Real Time Gross Settlement (RTGS)	02.00	12.00	14 (07.00)
ix.	Cheque	09.00	65.00	74 (37.00)
x.	Demand Draft	06.00	30.00	36 (18.00)
2.	Mobile apps			
i.	BHIM	00.00	18.00	18 (09.00)
ii.	MobiKwik	00.00	02.00	02 (01.00)
iii.	PayTm	06.00	12.00	18 (09.00)
3.	Internet banking	24.00	21.00	45 (22.50)

Figures in parentheses indicate percentage

Table.2 Utilization of cashless payment methods by respondents

Sr. No.	Payment Methods	Rural (n=100)					Urban (n=100)					Total (N=200)	
		Always (3)	Sometimes (2)	Rarely (1)	Weighted Mean Score	Rank	Always (3)	Sometimes (2)	Rarely (1)	Weighted Mean Score	Rank	Weighted Mean Score	Rank
1.	Bankcards												
i.	Credit card	04	20	02	0.54	III	14	44	14	1.44	II	0.990	II
ii.	Debit card	05	21	02	0.59	II	10	15	25	0.85	IV	0.720	III
iii.	ATM card	17	32	08	1.23	I	60	21	10	2.11	I	1.670	I
iv.	Unstructured Supplementary Service Data (USSD)	00	02	00	0.04	VIII	04	04	4	0.24	XII	0.140	XI
v.	Immediate Payments Service (IMPS)	00	02	00	0.04	VIII	04	15	15	0.57	VI	0.305	VII
vi.	Electronic Clearance Service (ECS)	00	02	00	0.04	VIII	00	04	06	0.14	XIII	0.090	XII
vii.	National Electronic Fund Transfer (NEFT)	00	06	00	0.12	VI	04	14	03	0.43	VII	0.275	VIII
viii.	Real Time Gross Settlement (RTGS)	00	02	00	0.04	VIII	07	03	02	0.29	X	0.165	X
ix.	Cheque	01	08	00	0.19	V	10	30	25	1.15	III	0.670	IV
x.	Demand Draft	01	05	00	0.08	VII	10	16	04	0.66	V	0.370	VI
2.	Mobile apps												
i.	BHIM	00	00	00	0.00	-	03	12	03	0.36	IX	0.180	IX
ii.	MobiKwik	00	00	00	0.00	-	00	2	00	0.04	XIV	0.020	XIII
iii.	PayTm	00	06	00	0.12	VI	04	05	03	0.25	XI	0.370	VI
3.	Internet banking	08	12	04	0.53	IV	03	08	10	0.38	VIII	0.455	V

(Low: 1.00-1.66

Medium: 1.67-2.32

High: 2.33-3.00)

The results are supported by Khan (2010) indicated the significant dimensions of ATM service quality as convenience, efficient operation, security and privacy, reliability and responsiveness. It also reflected a positive and strong relationship between ATM services and customers' satisfaction.

Utilization of cashless payment methods by respondents

The data presented in Table 2 reveals that cashless payment methods utilized by respondents in rural and urban area. It was found that in rural area, ATM card was utilized by majority of the respondents which was given first rank, which was followed by debit card (IInd rank), credit card (IIIrd rank), internet banking (IVth rank), cheque (Vth rank), National Electronic Funds Transfer and PayTm (VIth rank), demand draft (VIIth rank) and Immediate Payments Service, Electronic Clearance Service and Real Time Gross Settlement System (VIIIth rank).

Data in Table further shows that in urban area, ATM card was utilized by majority of the respondents which was given first rank, which was followed by credit card (IInd rank), cheque (IIIrd rank), debit card (IVth rank), demand draft (Vth rank), Immediate Payments Service (VIth rank), National Electronic Funds Transfer (VIIth rank), internet banking (VIIIth rank), BHIM app (IXth rank), Real Time Gross Settlement System (Xth rank), PayTm (XIth rank), Unstructured Supplementary Service Data (XIIth rank), Electronic Clearance Service (XIIIth rank) and MobiKwik (XIVth rank).

In case of pooled sample score, first rank was given to ATM card, which was followed by

credit card (IInd rank), debit card (IIIrd rank), cheque (IVth rank), internet banking (Vth rank), PayTm and demand draft (VIth rank each), Immediate Payments Service (VIIth rank), National Electronic Funds Transfer (VIIIth rank), BHIM (IXth rank), Real Time Gross Settlement System (Xth rank), Unstructured Supplementary Service Data (XIth rank), Electronic Clearance Service (XIIth rank) and MobiKwik (XIIIth rank). Similar results are reported in World Payment Report (2016) that debit and credit cards have been a preferred method of payment for numerous years. Debit cards accounted for the largest share of global non-cash transactions in 2014 was the most rapid growth method of payment.

Thus, it can be concluded that majority of respondents had possession of ATM card, followed by debit and credit card and first rank was given to ATM card, followed by credit card and debit card as cashless payments method were utilized by the respondents.

References

- Khan, A.M., 2010. An empirical study of ATM service quality and customer satisfaction in Pakistani bank. *European Journal of Social Sciences*, 2(8):104-109.
- Moody's Analytics. 2013. The Impact of Electronic Payments on Economic Growth. <https://usa.visa.com/dam/VCOM/download/corporate/media/moodys-economy-white-paper-feb-2013.pdf>

How to cite this article:

Manisha Ohlan and Ella Rani. 2019. Possession and Utilization Pattern of Cashless Payment Methods by Respondents. *Int.J.Curr.Microbiol.App.Sci*. 8(06): 3036-3040.
doi: <https://doi.org/10.20546/ijcmas.2019.806.362>