

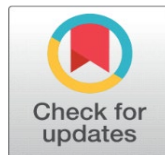
CONSUMER PERCEPTION TOWARDS CASHLESS TRANSACTIONS IN MALAPPURAM DISTRICT

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ABSTRACT

The increasing prevalence of cashless transactions has significantly reshaped the retail sector, reflecting a broader shift towards a digital economy. This study examines consumer perceptions of cashless transactions, focusing on trust, security, convenience, and accessibility. It seeks to identify customers' satisfaction levels with cashless payment methods while also analyzing the challenges they face. This study explores consumer perceptions of cashless payments in Malappuram District, Kerala, analyzing factors like trust, security, and accessibility. Data from 71 respondents were analyzed using statistical tools, revealing both positive consumer sentiment and concerns over security and transaction reliability. The findings emphasize the need for improved financial literacy, regulatory support, and enhanced security measures to boost consumer confidence and adoption of digital payments.

Keywords: Cashless Transaction, Cashless Economy, Financial Inclusion, Financial Ecosystem, IMPS, RTGS, and NFT

1. INTRODUCTION

The rise in popularity of cashless transactions has caused a radical change in the retail transaction scene in recent years. Consumer's attitudes of cashless transactions are being reevaluated as a result of their position at the intersection of convenience and tradition as technology develops. This transformation implies a larger social movement towards a digital economy rather than just a change in payment methods.

Gaining insight into how customers feel about cashless transactions in retail establishments is essential for companies trying to navigate this changing market effectively. By looking into the elements that influence these impressions, businesses can adjust their tactics to address issues, improve user experiences, and create a bridge between conventional and digital media. This introduction lays the groundwork for a more thorough examination of the complex interactions that exist between consumers and cashless transactions, focusing on the details that characterize this crucial moment in the retail sector.

2. STATEMENT OF THE PROBLEM

This study explores how customers see cashless transactions as a trend driven by developments in e-payment systems. Trust and security concerns are major worries, since customers may be on the lookout for any fraud or data breaches. Other crucial factors are inclusion and accessibility, since certain groups may find it difficult to accept digital payment methods. Customer views are further shaped by perceived incentives and convenience associated with cashless transactions, as well as technological obstacles. The intricacy of this landscape is influenced by cultural and behavioural variables, consumer education and awareness, and cost considerations. Furthermore, the impact of the legal and regulatory framework on customer trust in cashless transactions is investigated. The study intends to offer insights for stakeholders navigating the changing retail cashless transaction landscape by addressing these aspects.

2.1. OBJECTIVES OF THE STUDY

- To identify the satisfaction level of customers towards cashless transactions.
- To analyze the problems faced by customers in cashless transactions.

3. RESEARCH METHODOLOGY

This study adopts a descriptive research design, utilizing both primary and secondary data for analysis. Primary data was collected through structured questionnaires, while secondary data was sourced from books, websites, articles, journals, and published records. A sample of 71 respondents was selected using the convenient sampling method. The study focuses on Malappuram District, Kerala, and was conducted between 11th September and 31st October 2023. Data analysis was performed using statistical tools such as the arithmetic mean, standard deviation, and percentage analysis to derive meaningful insights.

4. LIMITATIONS OF THE STUDY

- The study is conducted only on the customers who are in Malappuram District.
- The period available for this study is limited.
- Some customers hesitated to give the actual information regarding this study.
- The study examined customer perceptions at a single point in time, failing to account for potential changes in consumer opinions over time as a result of economic or technological improvements.

5. ANALYSIS AND INTERPRETATION OF DATA

This part analyses the primary data collected from customers who preferred cashless or cash transactions. The study used 71 customers as its sample size. At the beginning of data analysis, a general analysis of the respondent's demographic profile is being conducted. SPSS software was used to analyses the data.

6. DEMOGRAPHIC PROFILE OF THE CUSTOMERS

With the help of the socioeconomic characteristics of the customers selected as a sample, the demographic profile of the respondents is displayed. This profile serves as the foundation for analyzing various analyses throughout the chapter.

THE DEMOGRAPHIC PROFILE OF THE CUSTOMERS

No	Variables	Group	Frequency	%
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1	Gender	Male	26	36.6
		Female	45	63.4
2	Age	Below 20 years	10	14.1
		20-40 years	57	80.3
		40-60 years	4	5.6
3	Educational Qualification	Below SSLC	4	5.6
		SSLC	8	11.3
		Plustwo	20	28.2
		Graduate	36	50.7
		Post graduate	3	4.2
4	Occupation	Employee	18	25.4
		Business man	4	5.6
		Professional	3	4.2
		Student	32	45.1
		Homemaker	9	12.7
		Self employed	5	7
5	Monthly income	Upto 25000	53	74.6
		25000-50000	9	12.7
		50000-75000	4	5.6
		Above 75000	5	7
6	Most used cashless payment instrument	Credit and debit cards	22	31
		UPI apps	33	46.5
		E-banking	6	8.5
		E-wallet	2	2.8
		Others	8	11.3

Source Primary Data

The percentage analysis of the customer's demographic variables is displayed in the above table. It shows that whereas male customers represent 36.6% of the customers and female customers make up 63.4 percent. 14.1% of the customers were below the age of 20 years, followed by 80.3% of customers in the sample between 20 to 40 age range. Only 5.6% of customers were between the 40-60 age range. In the sample of customers, 4.2% of customers had postgraduate degrees, followed by 50.7% of customers with graduate degrees, 28.2% of customers had plus two, and 11.3% of customers with SSLC. Only 5.6% of customers were below SSLC. As a result, the sample's customers were mostly graduates and it clearly shows that most of the respondents (customers) are students. The customer's monthly income varies, accounting for 74.6% of the total in the categories up to 25,000, 12.7% in the categories between 25,000 and 50,000, 5.6% in the categories between 50,000 and 75,000 and 7.0% of the total in the categories of above 75,000. The most preferred mode of cashless transactions was through UPI Apps and the least preferred mode was E-wallets.

7. SATISFACTION LEVEL OF CONSUMERS

Consumer's satisfaction with cashless transactions varies, but many appreciate the convenience and speed. For the analysis, the data's mean score and standard deviation are also taken into account. Below the table, there is also an interpretation of the following.

ANALYSIS ON THE SATISFACTION LEVEL OF CONSUMERS

Satisfaction		1	2	3	4	5	Mean	SD
1. The process of	n	41	18	5	7	0	1.6901	0.97
conducting								967
cashless transactions	%	57.7	25.4	7.0	9.9	0		
is user-friendly.								
2. Cashless	n	15	40	15	0	1	2.0423	0.74
transactions processed								521
quickly.	%	21.1	56.3	21.1	0	1.4		
3. I feel secure	n	16	30	24	0	1	2.1549	0.82
regarding the								198
protection of financial	%	22.5	42.3	33.8	0	1.4		
information during								
cashless transactions.								
4. Cashless payment	n	29	25	10	5	2	1.9577	1.04
options wisely								795
accepted and available	%	40.8	35.2	14.1	7.0	2.8		
at various merchants.								
5. I am satisfied with	n	26	20	17	5	3		1.12

the cost and fees associated with Cashless Transaction	%	36.6	28.2	23.9	7.0	4.2		499
6. I have sufficient education and awareness about the benefits and proper usage of Cashless	n	20	34	13	3	1	2.0282	0.87
	%	28.2	47.9	18.3	4.2	1.4		785

Transactions.								
7. Cashless Transactions are simple to implement into the daily lives of customers.	n	20	30	14	4	3	2.1549	1.03714
	%	28.2	42.3	19.7	5.6	4.2		
8. Cashless Transactions conveniently make in offline or low network areas.	n	18	24	19	9	1	2.3099	1.03636
	%	25.4	33.8	26.8	12.7	1.4		
9. I am satisfied with the transactions limits imposed on Cashless Transactions.	n	20	29	17	5	0	2.0986	0.89690
	%	28.2	40.8	23.9	7.0	0		
10. I am comfortable with the language options provided in cashless transactions.	n	30	21	18	1	1		0.92821
	%	42.3	29.6	25.4	1.4	1.4		

Source Primary Data

1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree

8. FINDINGS OF THE STUDY BASED ON THE SATISFACTION LEVEL OF CUSTOMERS TOWARD CASHLESS TRANSACTION

- The process of conducting cashless transactions is user-friendly.
- While considering this factor 57.7 percent of customers strongly agreed ($\bar{x} = 1.6901$). So, the adoption of cashless payment methods is heavily influenced by how easy it is to execute cashless transactions.
- Cashless transactions are processed quickly.
- While considering this factor 56.3 percent of customers agreed ($\bar{x} = 2.0423$). So, one important factor in the broad adoption of cashless transactions is their quickness.
- I feel secure regarding the protection of financial information during cashless transactions.
- While considering this factor 42.3 percent of customers are agreed ($\bar{x} = 2.1549$). So, the general acceptance and implementation of cashless payment systems depend heavily on consumers' confidence in the security of their financial information when making cashless transactions.
- Cashless payment options are widely accepted and available at various merchants. While considering this factor 40.8 percent of customers are strongly agreed ($\bar{x} = 1.9577$). So, the convenience and acceptance of cashless

transactions are aided by the availability and broad acceptance of cashless payment methods at a variety of merchants.

- I am satisfied with the cost and fees associated with cashless transactions.
- While considering this factor 36.6 percent of customers are strongly agreed (\bar{x} =2.1408). So, a number of factors, such as price, transparency, and the perceived value of the services offered, affect how satisfied users are with the expenses and fees related to cashless transactions.
- I have sufficient education and awareness about the benefits and proper usage of cashless transactions.
- While considering this factor 47.9 percent of customers agreed (\bar{x} =2.0282). So, making wise and secure financial decisions in the digital age requires having enough knowledge and understanding of the advantages and appropriate application of cashless transactions.
- Cashless transactions are simple to implement into the daily lives of customers. While considering this factor 42.3 percent of customers agreed (\bar{x} =2.1549). So, the broad acceptance of digital payment methods is largely being driven by how easy it is for people to incorporate cashless transactions into their everyday lives.
- Cashless transactions are conveniently made in offline or low-network areas.
- While considering this factor 33.8 percent of customers agreed (\bar{x} =2.3099). So, although cashless transactions are typically linked to internet connectivity, certain technologies and methods make it possible to execute cashless transactions in offline or low-network areas with ease.
- I am satisfied with the transaction limits imposed on cashless transactions.
- While considering this factor 40.8 percent of customers agreed (\bar{x} =2.0986). So, the degree to which cashless transaction restrictions satisfy users might vary depending on personal preferences, usage trends, and particular budgetary requirements.
- I'm comfortable with the language options provided in cashless transactions. While considering this factor 42.3 percent of customers strongly agreed (\bar{x} =1.9014). So, for a positive and inclusive user experience, it is imperative that the language options offered in cashless transactions be comfortable for the user.

9. PROBLEMS FACED BY CONSUMERS

Consumers face various challenges in cashless transactions, ranging from technical glitches and system downtimes to concerns about privacy and security. For the analysis, the data's mean score and standard deviation are also taken into account. Below the table, there is also an interpretation of the following.

ANALYSIS ON THE PROBLEMS FACED BY CONSUMERS

Problems		1	2	3	4	5	Mean	SD
1. Cashless transactions are complex.	n	34	12	13	9	3	2.0845	1.25067
	%	47.9	16.9	18.3	12.7	4.2		
2. There is often a chance of losing money as a result of transaction errors.	n	8	43	12	5	3	2.3239	0.92234
	%	11.3	60.6	16.9	7.0	4.2		
3. When a transaction error happens, the banks and Credit/Debit card providers have not refunded me.	n	11	28	21	9	2		0.99799
	%	15.5	39.4	29.6	12.7	2.8		
4. Concerned about my account Information lack of confidentiality.	n	13	26	16	13	3	2.5352	1.11907
	%	18.3	36.6	22.5	18.3	4.2		
5. There is a chance of online fraudulent activity & risk of hacking.	n	16	31	17	3	4		1.04140
	%	22.5	43.7	23.9	4.2	5.6		

6. I'm concerned that a virus might cause my account information to be shared with a third party.	n	15	26	24	4	2		0.96769
	%	21.1	36.6	33.8	5.6	2.8		
7. The performance of cashless payments may be impacted by unstable internet connectivity.	n	18	28	16	7	2	2.2535	1.03811
	%	25.4	39.4	22.5	9.9	2.8		
8. Concern exists over the lack of tangible proof of deposit and withdrawal vouchers.	n	17	25	24	3	2	2.2676	0.97039
	%	23.9	35.2	33.8	4.2	2.8		
9. I usually have to wait for the website to load.	n	15	29	20	6	1	2.2817	0.94390
	%	21.1	40.8	28.2	8.5	1.4		
10. There is a concern about losing phones and forgetting pins, codes, and passwords.	n	25	21	18	4	3	2.1408	1.09930
	%	35.2	29.6	25.4	5.6	4.2		

10. FINDINGS OF THE STUDY BASED ON PROBLEMS FACED BY CONSUMERS IN CASHLESS TRANSACTIONS

- Cashless transactions are complex.
- While considering this problem 47.9 percent of customers strongly agreed (\bar{x} =2.0845). So even though cashless transactions are meant to make financial interactions simpler, there are a number of reasons why they may appear complicated.
- There is often a chance of losing money as a result of transaction errors.
- While considering this problem 60.6 percent of customers are agreed (\bar{x} =2.3239). So, with cashless transactions, there is a chance that you could lose money as a result of transaction failures. To reduce financial losses, it is imperative to address the various elements that contribute to this risk.
- When a transaction error happens, the banks and Credit/Debit card providers have not refunded me.
- While considering this problem 39.4 percent of customers are agreed (\bar{x} =2.4789). So, consumers depend on banks and credit/debit card issuers to quickly correct any incorrect transactions and pay back any money they may have lost.
- Concerned about my account information's lack of confidentiality.
- While considering this problem 36.6 percent of customers are agreed (\bar{x} =2.5352). So, for people who entrust banks and other institutions with their financial information, the worry about the breach of account information confidentiality is a legitimate and urgent concern. It is reasonable for customers to anticipate that their private information, such as account numbers and personal details, will be kept private and safe.
- There is a chance of online fraudulent activity & risk of hacking.
- While considering this problem 43.7 percent of customers are agreed (\bar{x} =2.2676). So, in the current digital era, people are rightfully concerned about the possibility of online fraud and the possibility of hacking while using cashless transactions.
- I'm concerned that a virus might cause my account information to be shared with a third party.
- While considering this problem 36.6 percent of customers are agreed (\bar{x} =2.3239). So, in the age of digitalization, there is reason for concern that viruses might compromise the security of cashless transactions and result in the unapproved sharing of account information with third parties.
- Performance of cashless payments may be impacted by unstable internet connectivity.

- While considering this problem 39.4 percent of customers are agreed ($\bar{x} = 2.2535$). So, the performance of cashless payments can indeed be adversely affected by unstable internet connectivity, presenting a significant concern for users.
- Concern exists over the lack of tangible proof of deposit and withdrawal vouchers.
- While considering this problem 35.2 percent of customers are agreed ($\bar{x} = 2.2676$). So, it's reasonable for some people to worry that cashless transactions won't have physical documentation like deposit and withdrawal vouchers.
- I usually have to wait for the website to load.
- While considering this problem 40.8 percent of customers are agreed ($\bar{x} = 2.2817$). So, when completing cashless transactions, it might be annoying to experience website loading delays that affect the user experience as a whole. A seamless and quick online transaction is essential to the effectiveness of cashless purchases.
- There is a concern about losing phones and forgetting pins, codes, and passwords. While considering this problem 35.2 percent of customers strongly agreed ($\bar{x} = 2.1408$). So many people have legitimate concerns about losing their phones and even forgetting codes, passwords, and PINs when using cashless transactions.

11. SUGGESTIONS OF THE STUDY

The goal of research is to produce useful recommendations for solving current issues. Those suggestions are summarized below: -

- In this study area, the majority of respondents had utilized UPI Apps. Accordingly, it recommends that banks educate the public and their clients on the usage of alternative cashless transaction methods including credit cards, UPI, mobile banking, e-wallets, and so forth through conferences, seminars, and hands-on training.
- The researcher discovered that the cashless transaction was influenced by the characteristics that were identified, including convenience and speed, time savings, trust and availability, protection, user-friendliness, and multiple facilities. The study has therefore recommended that the banks focus on these aspects since they have been found to have an impact on cashless transactions. A distinct team of workers should be assigned by the banks to monitor just cashless transactions. Their responsibility is to keep consumers in their banks by using software to monitor cashless transactions.
- The study's findings showed that one major obstacle to the use of cashless transactions among consumers is a lack of specialized knowledge and infrastructure. Therefore, it recommends that banks and the government take action to provide knowledge/infrastructure for the cashless transactions. It's time for everyone in society to get digital. For this reason, during the budgetary period, the government ought to set aside a specific budget for the nation's digital infrastructure. People across the board would benefit from this in society.
- People, especially bank clients, should be informed that they can use electronic wallets to pay bills and premiums. They can also safely store money in these wallets and access it as needed.
- Users of digital payments are recommended not to give sensitive account information over the phone or in unsafe emails.
- Technology change risk needs to be properly considered. It is imperative to stay cost-effective and customer-friendly while updating technologies.
- All fees related to online transactions ought to be eliminated; instead, adjustments ought to be made to cash deposits and withdrawals that above a specific threshold.

12. CONCLUSION

The study on customer satisfaction towards cashless transactions is being studied to find the factors affecting, customer satisfaction levels and issues related to cashless payment instruments among the customers in Malappuram District. The vast majority of Indians are comfortable with the cashless transaction system. This approach will help combat the nation's unethical practices, such as corruption. However, due to low literacy, certain consumers and small shops are dealing with a significant level of risk and issues while implementing cashless transactions. it proposed a few

recommendations in light of the study's conclusions. The recommendations should be implemented by the government and banks. These recommendations would undoubtedly raise user cashless transactions above their current state. In addition, the government ought to promote the adoption of cashless transactions. It contributes to the expansion of the Indian economy.

CONFLICT OF INTERESTS

None.

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None.

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