A Dream of Cashless Society: A Myth or Reality!

(Study of customers regarding the awareness and preference for plastic money)

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Abstract- In the world glance as per technology changes, suitable changes should be adopted by the economy. And among all the changes in economy lead to some drastic changes in to the transaction. The payments business in India is on the cusp of a revolution. With rapid growth and modernization of the economy, there is little doubt that a majority of India's 1.2 billion plus citizens will demand and get modern financial services that are far superior to what their parents' generation enjoyed. Nowadays in any payment transaction plastic money becomes inevitable part of the transaction and with it life becomes easier and development would take better place. Plastic money is a term that is used for the hard plastic card used by the consumers' everyday in place of bank notes. Plastic money is available in 5 forms: credit cards, debit cards, cash card, pre-paid cash card and store card. Basically it is the alternative to the money.

Keeping in mind the changing technology replacing the traditional concept of paying this article aims to understand the fact that whether the cashless society is accepted by customers or it is a challenge for them to understand the only term 'cashless'. The study also aims to check the preference of customers towards plastic money.

Index Terms- Plastic Money, Monetary transactions, Cashless society.

I. INTRODUCTION

India is a giant economic mediocrity and to resuscitate the country's underperforming economy, prime minister took the boldest decision in the financial history of independent India, by overnight demonetizing the high value currency notes of Rs. 500 and Rs.1000. the announcement was met with varied emotions and reactions shock, surprise, anger, panic and hope and relief for some of who believe that this would arrest the growth of a parallel economy. While the opposition says that demonetization has unleashed economic anarchy, subjected common people to hardship and trade and business, the Modi government insists on it as a bold move to counter black money, terrorism and fake currency.

The prime minister's surgical strike on black money is a bold historic move to weed out the evils in the country's parallel economy. For a cash based Indian economy, the demonetization of the Rs 500 and Rs 1000 currency notes could spark a new digital economy wherein commercial players like Paytm, Master Card get a chance to expand their customer base. For e payment wallets and organized sectors it is a time to rejoice but for the unorganized sector this move could mark the end of their reign.

The demonetization has surely resulted in serpentine queues outside banks and ATM's, to exchange and withdraw new currency notes, but will eventually promote digital penetration and cashless transactions in the economy. But the major issue come out is that **ARE WE READY TO ACCEPT THE CONCEPT OF CASHLESS SOCIETY? ARE WE AWARE OF EXACTLY WHAT THE TERM CASHLESS MEANS?** For understanding the term cashless first we have to understand what plastic money means is:

Plastic money is a term that is used for the hard plastic card used by the consumers' everyday in place of bank notes. Plastic money is available in 5 forms: credit cards, debit cards, cash card, pre-paid cash card and store card. Basically it is the alternative to the money.

1) Cash card: cash card is the form of plastic money that will allow us to withdraw money from bank through automatic teller machine. These cards are also known as ATM cards. But the main drawback of this card is that it is not used for purchasing purpose.

2) Credit card: credit card is the form of plastic money that will allow consumers to withdraw money from bank as well as for purchasing goods and services directly on credit basis.

3) Debit card: Debit card is the form of plastic money that is used to debit money from bank account. It is useful only if there is sufficient amount in the account that a consumer want to spend.

4) Store card: store card is the form of plastic money which is similar to credit cards. The basic idea of the store card is to purchase goods and pay bill at the end of month. Store cards are used at very few places basically at the famous brand stores like Shoppers stop, lifestyle etc. store cards are charged at very high rate.

5) Pre-paid cash cards: prepaid cash cards as name suggests credited by the user in advance and allow the

user to use it up to that limit only. These prepaid cards are reusable only if they are topped up.

Advantages of plastic money:
1. Eliminates the need of carrying huge cash:
This eliminates the need of carrying huge load of cash which is risky to the consumers and inconvenient too.
2. Minimize the risk of lost and theft :
In case of cash there is high risk of getting stolen. However, in case of debit/credit card we can report the matter to the bank and block the card by the help of them to avoid misuse by any other person.
3. Anytime/Anywhere Access :
Using plastic cards we have the unique advantage of using it anywhere in the country or even abroad for financial transactions.
4. Credit Facility:
In case of credit card we have the option of buying on credit or paying later. It helps us in case of emergencies and contingencies.
5. Online Payments:
We can use cards for online payments, transferring of funds and various other transactions, which become an important feature of everyone's life.

Disadvantages of plastic money:
1. Non-acceptance at small retail outlets:
Unless we are a person who shops only in supermarkets and hypermarket we will be forced to use cash.
2. Cannot be used for all daily needs:
We cannot pay our milkman, servant, paper wala, etc. by card.
3. Loss and misuse:
Once a card is lost we have to immediately report it and get the card blocked to avoid misuse. Sometimes when we are not aware that we lost the card the chances of misuse is higher.
4. Low value transactions:
There are cases where small and medium sized retailers don't accept cards for low value transactions.
5. Service charges:
In some cases the outlets charge additional service charges for cards. So this can be another burden on the pocket.

II. REVIEW OF LITERATURE

(Bisht, Nair, Dubey & Hajela, 2015) The result shows that the use of debit card is more beneficial than credit card because of their cash back policy, control over spending and security. The main usage of plastic money is in online transactions. The basic problems involving plastic money is the fear among consumers of losing card and high unnecessary formalities. **(Sohani, 2015)** The moreover success of plastic money greatly lingers on banks and government ensuring excellent customer relationship. Adequate use of technology, proper use of resources coupled with incentive structure for those involved in the system of plastic money will turn out to be a win situation for all. **(N. Bazmi, M. Nazir & Z. Nadia, 2015)** If comparison is done between eras connected with conventional consumer banking and current e-banking eras, the outcome indicates which e-banking features led absolutely in addition to

proliferated the profits connected with financial institutions. **(Raghu, 2015)** Indian consumers may implicitly recognize the cost and risks associated with the use of cash, yet prefer it for a variety of reasons. Easy avoidance of taxes, low access to financial services and patchy digital infrastructure and connectivity have put in motion and sustained a vicious circle in which cash thrives. **(S. Deviranjitham & S. Thamilarasan, 2014)** The study reveals that many people have knowledge about credit cards but do not possess credit cards because of the fear of falling into debt trap. Customer's satisfaction is also found to be less because of high rate of interest. **(S. Sudhakar, 2014)** In order to satisfy the cardholders, merchants may avoid the arbitrary fixing of minimum and maximum amount of purchases and levy of commission/ surcharges. In order to reduce high interest rates on credit card bill outstanding, the better way is to convert it into personal loans.

III. OBJECTIVES

- To determine the awareness among the customers regarding plastic money.
- To determine the preferences of customers regarding the usage of plastic money.

IV. HYPOTHESIS:

H_{O1}: There is no significant association between Demographic Variables and Plastic Money.
H_{a1}: There is significant association between Demographic Variables and Plastic Money.

H_{O2}: There is no significant difference between the preferences of customers using plastic money regarding different identified variables.
H_{a2}: There is a significant difference between the preferences of customers using plastic money regarding different identified variables.

For testing of Hypothesis the following factors will be taken:
- Apparel
- Banking
- Consumer Durables
- Utility Billings
- Online transactions

V. RESEARCH METHODOLOGY:

RESEARCH DESIGN:
Research design is a map or blueprint or basic framework which provides guidelines according to which the research is to be conducted. It also specifies the methods of data collection and data analysis. **Descriptive research design and empirical research design** are adopted for the research. **Descriptive research design** is adopted because it aims to study the demographic characteristics of customers who avails the services of plastic cards. **The empirical research design** is adopted because data is collected through primary sources and tests are applied for analysis accordingly. So the research is based on evidence.

Sample size is 150 respondents of Jaipur.
Sampling technique is simple random technique.

- **SAMPLE DESIGN:**
- **DATA COLLECTION METHODOLOGY**

Data collection method	Sources of Data
Primary Data	Structured questionnaires (using 5 point likert scale)
Secondary Data	Research papers & articles, Magazines & journals

VI.   FRAMEWORK OF THE DATA ANALYSIS

However, before actual analysis was carried out, it was important to

- Check if data had been entered correctly and whether it contained out-of-range values.

- Check for missing values, and deciding how to deal with the missing values.
- Check for normality, and deciding how to deal with non-normality.

Thus observation of the distribution of data in reference to Kolmogorov-Smirnov and Shapiro-Wilk revealed that the data was approximately normal.

Normality test hypotheses

H0: the observed distribution fits the normal distribution
Ha: the observed distribution doesn't fit the normal distribution

[1] **Tests of Normality**						
[2]	[3] Kolmogorov-Smirnov[a]			[4] Shapiro-Wilk		
	[5] Statistic	[6] df	[7] Sig.	[8] Statistic	[9] df	[10] Sig.
[11] **Apparel**	[12] .147	[13] 150	[14] .000	[15] .946	[16] 150	[17] .000
[18] **Banking services**	[19] .250	[20] 150	[21] .000	[22] .919	[23] 150	[24] .000
[25] **Consumer durables**	[26] .223	[27] 150	[28] .000	[29] .900	[30] 150	[31] .000
[32] **Utility billing**	[33] .192	[34] 150	[35] .000	[36] .920	[37] 150	[38] .000
[39] **Online transaction**	[40] .228	[41] 150	[42] .000	[43] .904	[44] 150	[45] .000
[46] **a. Lilliefors Significance Correction**						

Source: Output of IBM-SPSS 22

The above table presents the results from two tests of normality, namely Kolmogorov-Smirnov test and the Shapiro-Wilk test. The Shapiro-Wilk test is more appropriate for small sample sizes (< 50 samples), but can also handle sample sizes as large as 2000. For this reason, the results of the Shapiro-Wilk test have been taken into consideration for assessing normality.
We can see from the above table that present survey data is significantly deviate from a normal distribution as the Sig. value of the Kolmogorov-Smirnov and Shapiro Wilk is less than **0.05**.

Chi-Square as Test of Independence

Chi-square test of independence is basically developed to know that there is an association among two different factors. Assume N observation are considered and classified according to two characteristics say A and B. It may be considered to test whether the two characteristics are independent. In such a case, Chi-square test for independence of two attributes is used.
Cross-tabulation is a prominent methodology that assists to describe the association amid definite variables. In present study with the help of this test study determined that if there is an association between demographic variables & preference of plastic money.

H$_{O1}$: There is no significant association between Demographic Variables and preference of plastic money.
**H$_{O1}$:** There is a significant association between Demographic Variables and preference of plastic money.
Association between Gender & Preference of Plastic Money

Table 1

[1] **Crosstab**				
[2] **Gender*preference of plastic money**				
[3] **Demographic Variables**	[4]	[5] Prefer of plastic money/cards		[6] Total
		[7] Yes	[8] No	
[9] **Gender**	[10] Male	[11] 77	[12] 9	[13] 86
	[14] Female	[15] 61	[16] 3	[17] 64
	[18] Total	[19] 138	[20] 12	[21] 150

Chart 1
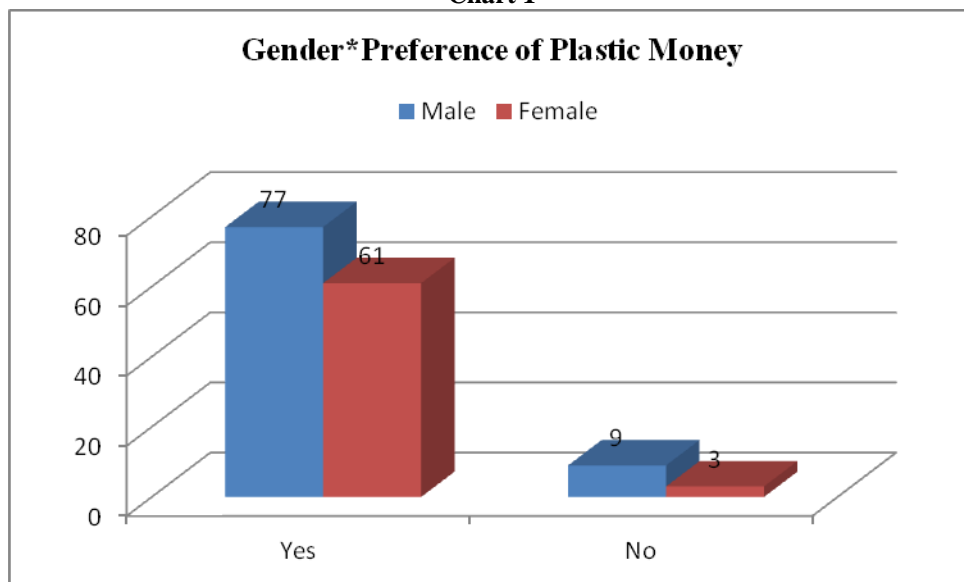
Gender*Preference of Plastic Money

Above table gives us information about the association between gender and preference of plastic money of respondents. It has been seen that **77** respondents were males who said they use plastic money whereas **9** respondents were males who said they do not use plastic money. While **61** respondents were female said they use plastic money whereas **3** respondents were females who said they do not use plastic money. This table allows us to understand that both males and females prefer to use plastic money.

Table 2

| [22] **Chi-Square Tests**			
[23] **Gender*preference of plastic money**			
[24]	[25] Value	[26] df	[27] Asymp. Sig. (2-sided)
[28] **Pearson Chi-Square**	[29] 1.664	[30] 1	[31] .197
[32] **Likelihood Ratio**	[33] .972	[34] 1	[35] .324
[36] **Linear-by-Linear Association**	[37] 1.760	[38] 1	[39] .185
[40] **N of Valid Cases**	[41] 150	[42]	[43]

It can be seen here that $\chi(1) = 1.664, p = 0.197.$ This tells us that there is no statistically significant association between gender and preference of plastic money. This implies that both males and females equally prefer to use plastic money.

Association between Age & Preference of Plastic Money
Table 4

[44] **Crosstab**				
[45] **Age*preference of plastic money**				
[46] **Demographic Variables**	[47]	[48] Prefer of plastic money/cards		[49] Total
		[50] Yes	[51] No	
[52] **Age**	[53] below 25 years	[54] 65	[55] 4	[56] 69
	[57] 26-35 years	[58] 31	[59] 3	[60] 34
	[61] 36-45 years	[62] 19	[63] 1	[64] 20
	[65] above 46 years	[66] 23	[67] 4	[68] 27
	[69] Total	[70] 138	[71] 12	[72] 150

Chart 2
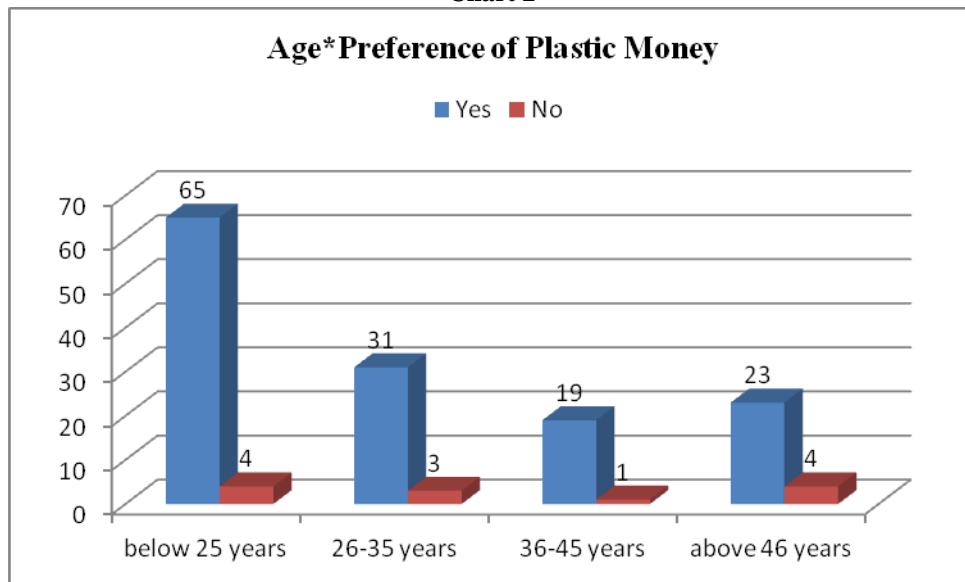
Above table gives us information about the association between age group and preference of plastic money of respondents. It has been seen that **65** respondents were from age group of below 25 years who said they use plastic money whereas **4** respondents who said they do not use plastic money, **31** respondents were from age group of below 25-35 years who said they use plastic money whereas **3** respondents who said they do not use plastic money, **19** respondents were from age group of below 36-45 years who said they use plastic money whereas **1** respondents who said they do not use plastic money , **23** respondents were from age group of below above 46 years years who said they use plastic money whereas **4** respondents who said they do not use plastic money. This table allows us to understand that all groups prefer to use plastic money.

Table 5

| [73] **Chi-Square Tests**			
[74] **Age*preference of plastic money**			
[75]	[76] Value	[77] df	[78] Asymp. Sig. (2-sided)
[79] **Pearson Chi-Square**	[80] 2.435[a]	[81] 3	[82] .487
[83] **Likelihood Ratio**	[84] 2.198	[85] 3	[86] .532
[87] **Linear-by-Linear Association**	[88] 1.451	[89] 1	[90] .228
[91] **N of Valid Cases**	[92] 150	[93]	[94]

It can be seen here that $\chi(3) = 2.436$, $p = 0.487$. This tells us that there is no statistically significant association between age factor and preference of plastic money. This implies that both all age groups prefer to use plastic money.

Association between Qualification & Preference of Plastic Money

Table 6

[95] **Crosstab**				
[96] **Qualification*preference of plastic money**				
[97] **Demographic Variables**	[98]	[99] Prefer of plastic money/cards		[100]Total
		[101]Yes	[102]No	
[103]**Qualification**	[104]Senior secondary	[105]19	[106]2	[107]21
	[108]Graduate	[109]52	[110]4	[111]56
	[112]Postgraduate	[113]39	[114]2	[115]41
	[116]Professional	[117]28	[118]4	[119]32
	[120]Total	[121]138	[122]12	[123]150

Chart 3
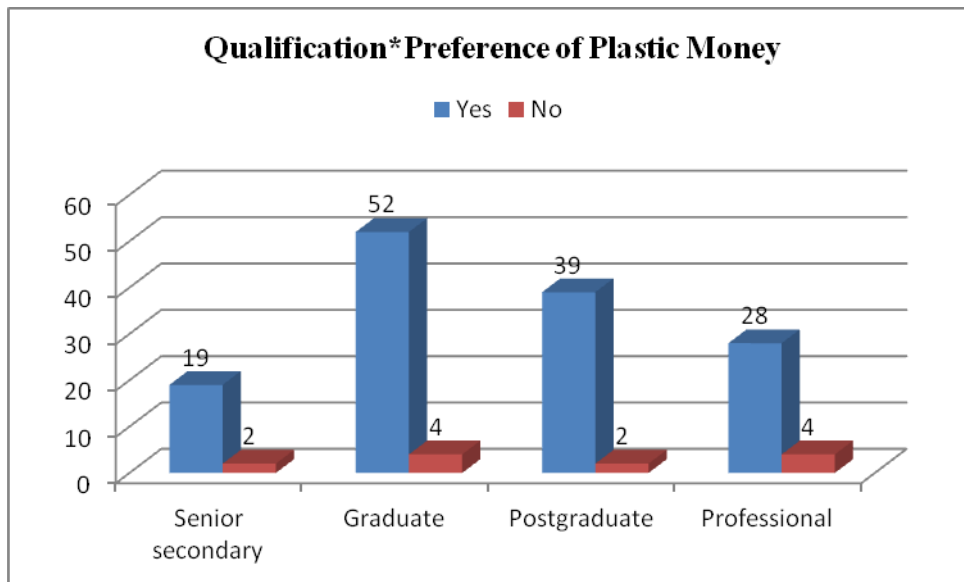
Above table gives us information about the association between qualification and preference of plastic money of respondents. It has been seen that **19** respondents were in senior secondary who said they use plastic money whereas **2** respondents were who said no, **52** respondents were graduate who said they use plastic money whereas **4** respondents who said they no, **39** respondents were postgraduate who said they use plastic money whereas **2** respondents who said no, **28** respondents were having professional qualification who said they use plastic money whereas **4** respondents who said no. This table allows us to understand that all groups prefer to use plastic money.

Table 7

| [124]**Chi-Square Tests** |
|---|
| [125]**Qualification*preference of plastic money** |

[126]	[127]Value	[128]df	[129]Asymp. Sig. (2-sided)
[130]**Pearson Chi-Square**	[131]1.765[a]	[132]4	[133].779
[134]**Likelihood Ratio**	[135]1.778	[136]4	[137].776
[138]**Linear-by-Linear Association**	[139].111	[140]1	[141].739
[142]**N of Valid Cases**	[143]150	[144]	[145]

It can be seen here that $\chi(3) = 1.765$, $p = 0.779$. This tells us that there is no statistically significant association between qualification factor and preference of plastic money. This implies that both all qualification groups prefer to use plastic money.

Association between Qualification & Preference of Plastic Money

Table 7

[146]**Crosstab**				
[147]**Occupation*preference of plastic money**				
[148]**Demographic Variables**	[149]	[150]Prefer of plastic money/cards		[151]Total
		[152]Yes	[153]No	
[154]**Occupation**	[155]Student	[156]51	[157]4	[158]55
	[159]Service	[160]65	[161]5	[162]70
	[163]Business	[164]12	[165]2	[166]14
	[167]Housewife	[168]10	[169]1	[170]11
	[171]Total	[172]138	[173]12	[174]150

Chart 4
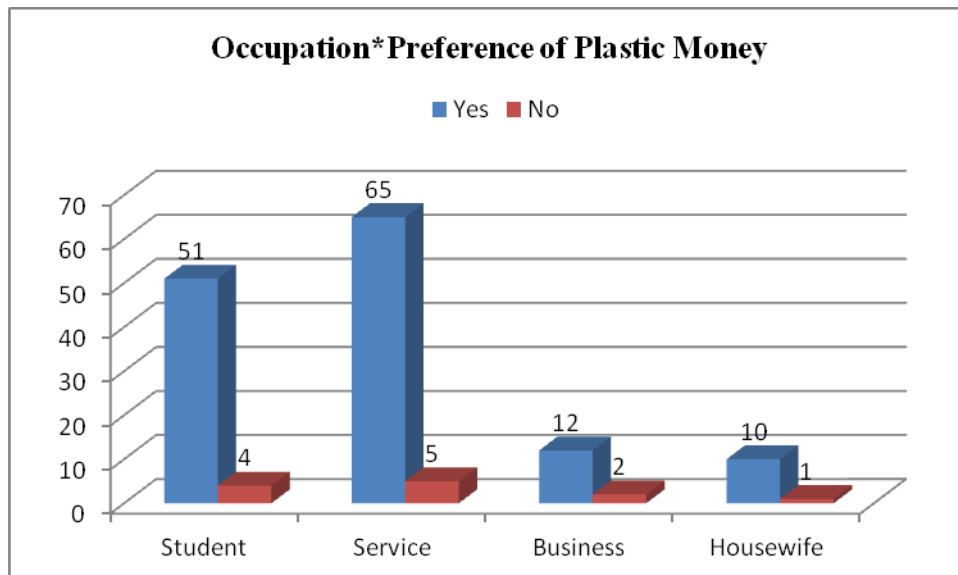
Above table gives us information about the association between occupation and preference of plastic money of respondents. It has been seen that **51** respondents were students who said they use plastic money whereas **4** respondents were who said no, **65** respondents were service person who said they use plastic money whereas **5** respondents who said they no, **12** respondents were businessman who said they use plastic money whereas **2** respondents who said no, **10** respondents were housewives who said they use plastic money whereas **1** respondents who said no. This table allows us to understand that all groups prefer to use plastic money.

Table 8

| [175]**Chi-Square Tests**			
[176]**Occupation*preference of plastic money**			
[177]	[178]Value	[179]df	[180]Asymp. Sig. (2-sided)
[181]**Pearson Chi-Square**	[182].879	[183]3	[184].831
[185]**Likelihood Ratio**	[186].751	[187]3	[188].861
[189]**Linear-by-Linear Association**	[190].282	[191]1	[192].595
[193]**N of Valid Cases**	[194]150	[195]	[196]

It can be seen here that $\chi(3) = .879$, $p = 0.831.$ This tells us that there is no statistically significant association between occupation factor and preference of plastic money. This implies that both all occupation groups prefer to use plastic money. This implies that both all qualification groups prefer to use plastic money.

Association between Income & Preference of Plastic Money

Table 8

[197]**Crosstab**				
[198]**Monthly Income*preference of plastic money**				
[199]**Demographic Variables**	[200]	[201]Prefer of plastic money/cards		[202]Total
		[203]Yes	[204]No	
[205]**Income**	[206]Less than 25000	[207]76	[208]4	[209]80
	[210]25000-50000	[211]30	[212]4	[213]34
	[214]50000-75000	[215]16	[216]4	[217]20
	[218]75000 and above	[219]16	[220]0	[221]16
	[222]Total	[223]138	[224]12	[225]150

Chart 4
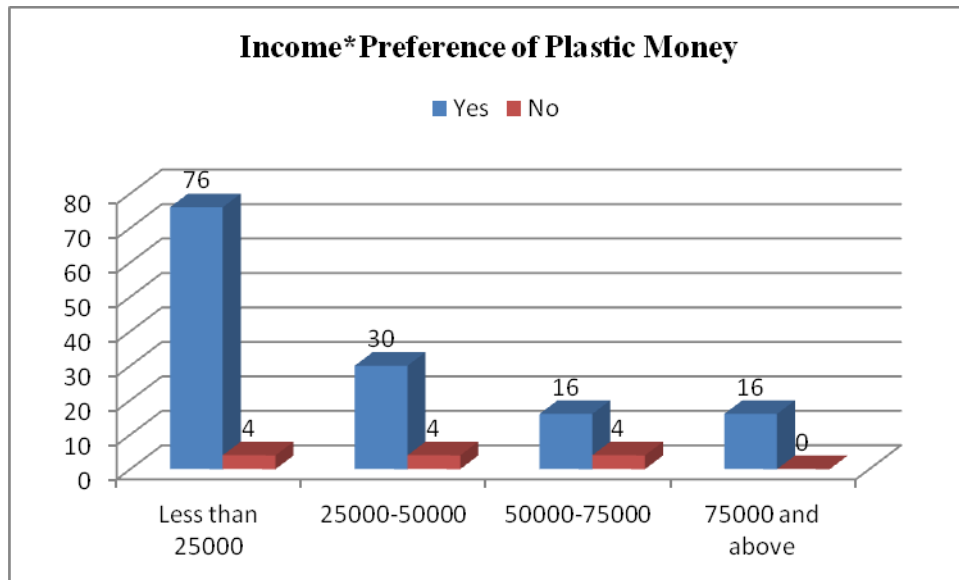
Above table gives us information about the association between income and preference of plastic money of respondents. It has been seen that **76** respondents having monthly income less than 25000 said they use plastic money whereas **4** respondents were who said no, **30** respondents having monthly income 25000-50000 said they use plastic money whereas **4** respondents who said they no, **16** respondents having monthly income 50000-75000 said they use plastic money whereas **4** respondents who said no and **16** respondents having monthly income 75000 and above said they use plastic money whereas **no** respondents said no. This table allows us to understand that all groups prefer to use plastic money.

Table 8

[226]**Chi-Square Tests**			
[227]**Monthly Income*preference of plastic money**			
[228]	[229]Value	[230]df	[231]Asymp. Sig. (2-sided)
[232]**Pearson Chi-Square**	[233]7.326	[234]4	[235].120
[236]**Likelihood Ratio**	[237]8.320	[238]4	[239].081
[240]**Linear-by-Linear Association**	[241].676	[242]1	[243].411
[244]**N of Valid Cases**	[245]150	[246]	[247]

It can be seen here that $\chi(4) = 7.326$ $p = 0.120$. This tells us that there is no statistically significant association between income factor and preference of plastic money. This implies that both all income groups prefer to use plastic money.
H02: There is no significant difference between the preferences of customers using plastic money regarding different identified variables.
Ha2: There is a significant difference between the preferences of customers using plastic money regarding different identified variables.

Table: Ranks

[248]		[250]N	[251]Mean Rank	[252]Sum of Ranks
[249]**Preference of Customers**				
[253]**Apparel**	[254]Yes	[255]138	[256]78.96	[257]10377.50
	[258]No	[259]12	[260]75.20	[261]947.50
	[262]Total	[263]150	[264]	[265]
[266]**Banking Services**	[267]Yes	[268]138	[269]77.83	[270]10391.00
	[271]No	[272]12	[273]75.30	[274]934.00
	[275]Total	[276]150	[277]	[278]
[279]**Consumer Durables**	[280]Yes	[281]138	[282]84.25	[283]10314.00
	[284]No	[285]12	[286]74.74	[287]1011.00
	[288]Total	[289]150	[290]	[291]
[292]**Utility Billing**	[293]Yes	[294]138	[295]81.29	[296]10349.50
	[297]No	[298]12	[299]75.00	[300]975.50
	[301]Total	[302]150	[303]	[304]
[305]**Online Transaction**	[306]Yes	[307]138	[308]74.49	[309]10279.00
	[310]No	[311]12	[312]87.17	[313]1046.00
	[314]Total	[315]150	[316]	[317]

From the above table it shows that there is a difference in mean ranks between preference of plastic money and no preference of plastic money. Customers prefer to use plastic money having higher mean rank in all the variables. It can also see that customers seem much more enthusiastic to prefer plastic money regarding *'consumer durables'* and *'utility billing'*

Table: Mann-Whitney U Test

[319]S. No.	[320]**Variables**	[321]**Mann-Whitney U**	[322]**Wilcoxon W**	[323]**Z Value**	[324]**Asymp. Sig. (2-tailed)**	[325]**Null Hypothesis Accepted/Rejected**
[326]1	[327]**Apparel**	[328]**786.5**	[329]**10377.5**	[330]**0.289**	[331]**0.020**	[332]**Rejected**
[333]2	[334]**Banking Services**	[335]**800**	[336]10391	[337]0.203	[338]0.039	[339]**Rejected**
[340]3	[341]**Consumer Durables**	[342]**723**	[343]10314	[344]0.757	[345]0.029	[346]**Rejected**
[347]4	[348]**Utility Billing**	[349]**758.5**	[350]10349.5	[351]0.486	[352]0.027	[353]**Rejected**
[354]5	[355]**Online Transaction**	[356]**688**	[357]10279	[358]0.978	[359]0.032	[360]**Rejected**

From the above table, it is evident that in all identified variables null hypothesis is rejected as sig. value is less than 0.05 in all the variables. In other words, it can be concluded that there is a significant difference between the preferences of customers

using plastic money regarding apparel, banking services, consumer durables, utility billing and online transaction. It denotes that in all the identified variables customers prefer to use plastic money.

VII.   LIMITATIONS OF THE STUDY

- The foremost limitation of the study is small sample size.
- Sample may not represent the true population.
- The conclusions drawn in the study cannot be stated as universally acceptable.
- Preference level to environment factor may differ from person to person.
- Study may be absolute because of changing environment and needs.

VIII.   FINDINGS OF THE STUDY

- The majority of the people prefer to use plastic money specially in banking services, apparels, consumer durables and in billing of various services.
- Both men and women these days are well equipped with plastic money and are using them without any hesitation. There were only few respondents who still choose to stay with cash in hand and use it for all the purposes.
- Plastic money is mostly preferred by the young generation though from the research we can say that still there are people from age group of above 45 years who still like to use cash instead of plastic money and do not trust it much.
- People with high education level prefer plastic money over cash.
- People from lower income group use plastic money as much as people from higher income group.

IX.   CONCLUSION OF THE STUDY

The field of modern banking techniques and payment system behave with extreme rationality. From the research conducted we could also conclude that education plays an important use and it also affects the perception and preference of different people towards plastic money. In the end from this research we could conclude that plastic money is being used by most of the people these days for different uses and mostly for billings of different services used by them in their daily life.

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