

## USAGE OF CASHLESS PAYMENT SYSTEMS ACROSS CONSUMER DEMOGRAPHICS

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### ABSTRACT

Rapid technological advancements have resulted in the need for digital payments. The basic goal of any national payment system is to ensure that money flows smoothly. Cash has fallen out of favour as more and more cashless payment methods have gained acceptance among people globally. The current Covid-19 Pandemic has also contributed to an increase in the use of cashless payments. According to studies, consumers, who are the primary stakeholders in payment systems, are increasingly requesting cashless payment alternatives. The goal of this article is to provide insight into the benefits of using cashless payments as well as the nature of spending done using cashless payments. The study's findings show that when people use cashless payments, they have more diverse spending patterns and are more aware of the benefits of doing so. The findings highlight the continued need to give consumers with compelling reasons to use cashless payments through a variety of usable options and benefits.

**KEYWORDS:** Consumers, cashless payments usage, awareness, digital payments, Usage behaviour

### 1. INTRODUCTION

Cashless transactions, a new technological development in purchase behaviour without using real cash payment, gained popularity recently. Cash back, promotions, discounts provided by Credit and Debit cards, Paytm, PhonePe, PineLabs, Razorpay, BharatPe, Google pay attracted more users (Financial express, 2021)

The emergence of cashless transactions, such as grocery stores, hypermarkets, and electronic markets, as well as other innovative consumer offering products and services, can be seen in each market sector. The bulk of retail purchases are now completed via cashless payment methods such as credit cards, debit cards, and mobile payments (Nilson Report 2021). Customers are encouraged to move from cash-based to cashless systems as a result of the government's initiative to supply high-tech services in conjunction with other businesses, boosting efficiency and lowering process costs (Robertson 2019). As a result, the concept of a cashless, futuristic society has emerged. India, ahead of China and the United States, had the biggest number of real-time online transactions in 2020, due to Covid. The country executed

25.5 billion real-time payments transactions, followed by 15.7 billion in China, 6 billion in South Korea, 5.2 billion in Thailand, and 2.8 billion in the United Kingdom. (Financial Express, 2021).

Consumer choices and technical improvements enhances the commercial transactions to be performed without the use of cash, in all types of businesses. Payments are done at a breakneck speed, with new providers, platforms, and payment solutions appearing on a near-daily basis. The Omni commerce line or via a mobile device become more advanced as digital transition evolves resulted the businesses to swiftly, securely, and simply adapt to digital payments.

Exceptional customer experience through an ecosystem to support cashless payments is the prolonged vision of RBI for 2021. From a user's viewpoint, cash is considered to be better payment mode as compared to non- cash in terms of various facets such as awareness, adoption, speed, anonymity, cost, control over spending, etc (RBI, 2021). While some countries have accepted various noncash payment mechanisms and are attempting to become a cashless economy, many others remain averse to changing their cash-based habits.

In spite of increase in usage of digital payments, a survey of 6192 Indians from various parts of the country by central bank shows that nearly 54 percent prefers only cash payments. RBI found various reasons for cash inclination like, absence of smartphones, cash handling is comfortable, some shops like government owned handlooms not having e wallet, small payment in unorganised sector etc.,. In contrary, pandemic makes all to move towards online payment because of the covid safety measures that virus may spread through monetary transaction (Gardner, 2020). This led to the rigorous change of acceptance from cash to cashless economy. Moreover, this change aligns well with pandemic protocols like social distancing and “home stay”.

Keeping the wide acceptance of Cashless payments among the consumers and are not ready to accept cashless payment fully, it is an immense need to study the demographics of the Indian consumers and usage patterns of cashless payments.

## 2. REVIEW OF LITERATURE

### Consumers' cashless payments Acceptance level

In the consumer and merchant market, cash has a predominant role, and that role is tough to be replaced. Even though the majority of the world has adopted towards a cashless society, the behavior towards cashless transactions is different due to factors like trust, security, frauds, risks and so on (Kumar, 2015). The number of notes and coins in the economy as a percentage of GDP is 12.2percent, which is higher than countries such as Russia (11.9percent), Mexico (5.7percent), Brazil (4.1percent) and so on. (Joseph, Korenke, Mazzotta& Chakravorti,2013).

To achieve its inclusive financial aims, the RBI deliberately picked a bank-led strategy over a business-led or telecom-driven model. Aadhaar, an Indian identification scheme, would minimise the cost of serving the unbanked population. Despite the fact that the trend of going cashless has sparked throughout the country, there appears to be hesitation among stakeholders to abolish cash for a variety of reasons, one of which is the emotional and sentimental value

connected with currency. Despite the fact that the country's digital payments market has achieved exceptional development in recent years following demonetization in 2016, the COVID-19 outbreak has encouraged the growth and acceptability of online transactions in India (Fouillet, Guérin&Servet, 2021). UPI, along with other digital payment methods like as NEFT, IMPS, cards, and Prepaid Payment Instruments (PPIs), has expanded the consumer's options. The number of PoS (point of sale) terminals has increased by around 40 lakhs in the preceding five years (Shree et.al, 2021). According to a Capgemini survey of 11 countries, India has emerged as the global leader in digital payments during the pandemic, with older people leading the way and expected to rise by more than 40% internationally. In fiscal year 2019, India's digital payments market was valued at INR 1,638.49 trillion, and it is expected to expand to INR 4,323.63 trillion by 2024. (Nelito,2021).

### **Consumer payment behaviour**

Consumer payment behaviour has been a flourishing field of research and varies with product. Evidence gathered reveals a pattern of steady decline in the share of retail transactions conducted using cash (Foster *et al.*, 2020, Foster, Greene and Stavins, 2020). Individual payment behaviour varies with personal behaviour pattern speed of payment, secured, user friendly, privacy and trust (Png and Tan, 2020). Next, covered by government restriction for the pandemic, the rise of cashless payment changes the day-to-day life. Life style changes like preference towards online shopping, reduced mobility and consumption, work at home options also increases the consumer payment behaviour and the acceptance level of cashless payment (Bounie, Camara and Galbraith, 2020)

Despite the fact that worldwide online payment systems have seen a significant increase, e-commerce, which includes online shopping and video streaming, plays a little role in consumer payments. Even the pandemic makes the untapped market of e-commerce industry, 83 percent preferred Cash on Delivery as per the blog created by shopify (Vanhishikha Bhargava, 2020). Different businesses and economic areas that are not explicitly related with cashless or contactless payment have intensified the push toward a cashless economy.

Currency management becomes a difficulty due to the large number of private parties in the payment ecosystem and the absence of standardised payment infrastructure. Varied stakeholders have different perspectives on cashless transactions, and their behavioural intentions toward adopting and using cashless payments varies. In this regard, it is vital to examine the cashless payment system users' behaviour patterns.

### **RESEARCH GAP**

Transition in the payment now has become a challenging phenomenon for all type of stake holders whether consumers or providers or central banks. However, cash and payment habits are of great importance to the whole financial systems. Even though there are lot of researches done on the emergence of cashless economy incorporating its merits and demerits and reasons to why this technology replaces the cash usage; there are very few research which give importance to the primary demand-side stakeholders such as consumers and their intention of adopting cashless modes of payment in all aspects of purchase. Fears of getting the fatal

coronavirus have resulted in a worldwide reduction in cash usage and an increase in digital payments. As per the Mckinsey report 2020, more currency circulation is the main cause of cash transaction in India. In this scenario, the present study tries to identify the usage pattern of cashless payment and examine utilization of cashless payments across demographics. The study also examines the spending pattern cashless payments of varies items and its benefits for the using of such payment system.

### 3. RESEARCH OBJECTIVES

For substantiating the current study, the resulting objectives are selected after an in-depth analysis of the diverse literature and taking cues from several studies completed throughout the world.

- a. To understand the cashless payment systems among consumers.
- b. To examine the utilization of cashless payment systems across demographics

### 4. METHODOLOGY

The population for the study are the primary demand-side stakeholders of cashless payment systems. The primary demand side stakeholders are the consumers who are using any mode of cashless payment systems. The sample is confined to urban area - Bangalore where population is scattered across different occupation and varies income level. Also, Bangalore represents a good portion of different cultures and attitudes of the population. Therefore, criteria for the selection of samples are the consumers who use cashless payment modes for the past one year in Bangalore. For the study, snowball sampling through the purposive method was done, and 384 such samples were collected. The sample size was chosen in justification of the Krejcie and Morgan table, 1970 .

### 5. RESULTS AND DISCUSSIONS

- a. To understand the cashless payment systems among consumers.

Table 1: Consumers' Demographic Information

Measure	Items	Frequency	Percentage
Gender	Male	197	51.3
	Female	187	48.7
Age	15 – 25	163	42.4
	26 – 35	137	35.7
	36 - 45	68	17.7
	46 – 55	15	3.9
	56 - 60	1	.3
	60 & above	0	0.0
Marital Status	Unmarried	215	55.99
	Married	169	44.01
Income	Less Than 2 Lakhs	105	27.3
	2 Lakhs – 10 Lakhs	207	53.9

	10 Lakhs – 20 Lakhs	33	8.6
	20 Lakhs – 30 Lakhs	34	8.9
	Above 50 Lakhs	5	1.3
Educational Qualification	Primary	20	5.2
	Higher Secondary	49	12.8
	Graduation	117	30.5
	Post-Graduation	154	40.1
	Professional Qualification & Above	44	11.5
Occupation	Private Sector	52	13.5
	Public Sector	39	10.2
	Professionals	195	50.8
	Others	98	25.5

Source: Author's Compilation

Table 2: Usage pattern of different types of cashless payments

Types of Cashless Payments		Extent of usage	
		YES	NO
Mobile Banking	Frequency	256	128
	Percent	66.7	33.3
Online Payment System	Frequency	301	83
	Percent	78.4	21.6
Mobile Wallet	Frequency	141	243
	Percent	36.7	63.3
Debit Card	Frequency	319	65
	Percent	83.1	16.9
Credit Card	Frequency	146	238
	Percent	38	62
Cheques	Frequency	215	169
	Percent	56	44
Prepaid Cards	Frequency	63	321
	Percent	16.4	83.6
Bank Transfers (NEFT/ RTGS)	Frequency	216	168
	Percent	56.3	43.8
All of the cashless payments	Frequency	27	357
	Percent	7	93

Source: Author's Compilation

Table 3: Consumer spending pattern towards various expenses

Source: Author's Compilation

DESCRIPTION OF EXPENSES		Level of Spending		
		Low 1	Moderate	High 3
1.Grocery	Frequency	256	38	96
	Percentage	65.64	9.7	17.69
2.Food/ Beverages/ Restaurants/ Entertainment	Frequency	112	82	206
	Percentage	28.72	21.02	52.82
3.Utility Payments / Taxes/ Trading	Frequency	165	48	177
	Percentage	42.31	12.31	45.38
4.Shopping: Clothing / Accessories/ Jewellery	Frequency	85	67	238
	Percentage	21.79	17.18	61.02
5. Footwear / Others / Fees/ Books/ Gifts/ Donations	Frequency	155	64	171
	Percentage	39.74	16.41	43.85
6.Travel/ Hotel Booking/ Fuel	Frequency	97	60	233
	Percentage	24.87	15.38	59.74
7.Electronic Gadgets/ Home Appliances/ Durables	Frequency	108	85	197
	Percentage	27.69	21.79	24.87
8.Medical Expenses/ Pharmacy/ Hospitals	Frequency	145	103	142
	Percentage	37.18	26.41	36.41

Table 4: Reason for the usage of cashless payments

Incentives / Benefits		Types of benefits	
		YES	NO
Cashback / Rewards	Frequency	242	148
	Percent	62.05	37.95
Discount/Freebies/ Offers	Frequency	263	127
	Percent	67.44	32.56
Gift Coupons/ Promo Codes	Frequency	152	238
	Percent	38.97	61.03
Others	Frequency	15	375
	Percent	3.85	96.15

Source: Author's Compilation

It is essential to study cashless payment systems and how the respondents perceive this technology. For this purpose, Usage pattern of different types of cashless payments, consumer spending pattern towards various expenses, reason for the usage of cashless payments is analysed. Even though demonetization was a pull strategy of the government to make the citizens turn towards digital payments, they are willing to use and continue use to avail the benefits of discounts and offers compared to other incentives like coupon code, promo code, freebies, cashback, and rewards. The majority of the respondents used cashless modes of payment for their expenses relating to the shopping of apparel, footwear, and accessories and on food and beverages. Since this retail segment is enormous in our country and is continuing to make its massive mark in the retail sector, we can assume more digital transactions to take place in these sectors of expenditure. It was found that debit cards and online payment systems were at the highest usage with the respondents. Makers of different payment avenues should incorporate strategies to get all the age groups, mainly the elderly, to embrace cashless payments. The findings also suggest that various retail sectors are incorporating cashless payments.

From the consumers' perspective, the regulatory body and infrastructure governing the cashless payments must be more friendly and less rigid in terms of its imposition of rules. This will be a motivation for even the unorganized sectors of the country to fearlessly use cashless modes in their daily transactions, thus widening the range of people using and embracing this payment technology. The risks and security issues that are concerns from the consumer end will have to be checked and assured by the supply side so that the primary demand-side market remains loyal to the use of cashless payments, thus moving away from the habit of using cash. The marketers need to pay attention to the awareness of various cashless payments. The more informed the users are in terms of the technology, its application, and the security features, the more likely fast adoption will happen towards cashless payment systems.

It is evident that most of the respondents expect discounts, freebies, and offers as incentives for using cashless payments. Thus, from the above details, it is clear that consumers are to be provided with incentives on using digital payments. This will pave way and provide with reason for the non-users of digital payments to incorporate digital payments for their spending.

#### **b. To examine the utilization of cashless payment systems across demographics**

Cross-tabulation analysis, also known as contingency table analysis, is used to analyse categorical (nominal measurement scale) data the most. Cross tabulation is used to check the relation of consumers' cashless payments usage of various cashless payment modes.



Table 5: Cross Tabulation of Gender with Types of Cashless Payments

TYPES OF CASHLESS PAYMENTS		GENDER		TOTAL
		MALE	FEMALE	
Mobile Banking	YES	131	125	256
	NO	66	62	128
Online Payment System	YES	142	159	301
	NO	55	28	83
Mobile Wallet	YES	76	65	141
	NO	121	122	243
Debit Card	YES	158	39	319
	NO	161	26	65
Credit Card	YES	74	72	146
	NO	123	115	238
Cheques	YES	112	103	215
	NO	85	84	169
Prepaid Cards	YES	28	35	63
	NO	169	152	321
Bank Transfers (NEFT/ RTGS)	YES	112	104	216
	NO	85	83	168
All of the cashless payments	YES	16	11	27
	NO	181	176	357

Source: Author's Compilation

Table 6: Cross Tabulation of Age with Types of Cashless Payments

TYPES OF CASHLESS PAYMENTS		AGE					Total
		15 - 25	26 - 35	36 - 45	46 - 55	56 - 60	
Mobile Banking	YES	103	90	55	8	0	256
	NO	60	47	13	7	1	128
Online Payment System	YES	131	103	60	7	0	301
	NO	32	34	8	8	1	83
Mobile Wallet	YES	60	49	27	5	0	141
	NO	103	88	41	10	1	243
Debit Card	YES	132	108	66	13	0	319
	NO	31	29	2	2	1	65
Credit Card	YES	66	36	37	7	0	146
	NO	97	101	31	8	1	238
Cheques	YES	82	71	60	2	0	215
	NO	81	66	8	13	1	169
Prepaid Cards	YES	22	30	10	1	0	63



	NO	141	107	58	14	1	321
Bank Transfers (NEFT/ RTGS)	YES	87	65	62	2	0	216
	NO	76	72	6	13	1	168
All of the cashless payments	YES	10	14	1	1	0	27
	NO	153	123	67	14	1	357

Source: Author's Compilation

Table 7: Cross Tabulation of Marital Status with Types of Cashless Payments

TYPES OF CASHLESS PAYMENTS		MARITAL STATUS		TOTAL
		UNMARRIED	MARRIED	
Mobile Banking	YES	156	100	256
	NO	59	69	128
Online Payment System	YES	158	143	301
	NO	57	26	83
Mobile Wallet	YES	65	76	141
	NO	150	93	243
Debit Card	YES	197	122	319
	NO	18	47	65
Credit Card	YES	34	112	146
	NO	181	57	238
Cheques	YES	85	130	215
	NO	130	39	169
Prepaid Cards	YES	28	35	63
	NO	75	134	321
Bank Transfers (NEFT/ RTGS)	YES	112	104	216
	NO	103	65	168
All of the cashless payments	YES	16	11	27
	NO	199	158	357

Source: Author's Compilation

Table 8: Cross Tabulation of Income with Types of Cashless Payments

TYPES OF CASHLESS PAYMENTS		INCOME					Total
		Less than 2 lakhs	2 – 10 lakhs	10 – 20 lakhs	20 – 30 lakhs	Above 50 lakhs	
Mobile Banking	YES	65	141	24	25	1	256
	NO	40	66	9	9	4	128
Online Payment System	YES	91	153	24	28	5	301
	NO	14	54	9	6	0	83
Mobile Wallet	YES	44	71	12	13	1	141

	NO	61	136	21	21	4	243
Debit Card	YES	77	180	29	29	4	319
	NO	28	27	4	5	1	65
Credit Card	YES	48	65	17	16	0	146
	NO	57	142	16	18	5	238
Cheques	YES	51	123	18	22	1	215
	NO	54	84	15	12	4	169
Prepaid Cards	YES	12	38	8	4	1	63
	NO	93	169	25	30	4	321
Bank Transfers (NEFT/ RTGS)	YES	55	116	23	21	1	216
	NO	50	91	10	13	4	168
All of the cashless payments	YES	4	18	3	2	0	27
	NO	101	189	30	32	5	357

Source: Author's Compilation

Table 9: Cross Tabulation of Educational Qualification with Types of Cashless Payments

Types of cashless payments		EDUCATIONAL QUALIFICATION					Total
		Primary	Higher secondary	Graduati on	Post- graduatio n	Professi onals	
Mobile Banking	YES	15	34	63	113	31	256
	NO	5	15	54	41	13	128
Online Payment System	YES	16	41	89	122	33	301
	NO	4	8	28	32	11	83
Mobile Wallet	YES	7	24	37	60	13	141
	NO	13	25	80	94	31	243
Debit Card	YES	17	40	91	132	40	319
	NO	3	9	26	23	4	65
Credit Card	YES	6	20	40	66	14	146
	NO	14	29	77	88	30	238
Cheques	YES	12	26	54	104	19	215
	NO	8	23	63	50	25	169
Prepaid Cards	YES	0	11	12	25	15	63
	NO	20	38	105	129	29	321
Bank Transfers (NEFT/ RTGS)	YES	9	28	60	105	14	216
	NO	11	21	57	49	30	168
All of the	YES	2	0	11	12	2	27

cashless payments	NO	18	49	106	142	42	357
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Source: Author's Compilation

Table 10: Cross Tabulation of Occupation with Types of Cashless Payments

Types of cashless payments		OCCUPATION				Total
		Private sector	Public sector	Professionals	Others	
Mobile Banking	YES	32	52	135	62	256
	NO	20	13	60	36	128
Online Payment System	YES	31	33	163	78	305
	NO	15	6	38	20	79
Mobile Wallet	YES	20	10	78	39	141
	NO	32	29	117	59	243
Debit Card	YES	41	32	164	82	319
	NO	11	7	31	16	65
Credit Card	YES	19	12	72	43	146
	NO	33	27	123	55	238
Cheques	YES	18	27	126	40	215
	NO	34	12	69	58	169
Prepaid Cards	YES	12	16	28	7	63
	NO	40	23	167	91	321
Bank Transfers (NEFT/RTGS)	YES	27	22	127	40	216
	NO	25	17	68	58	168
All of the cashless payments	YES	7	2	13	5	27
	NO	45	37	182	93	357

Source: Author's Compilation

Among the various kinds of cashless payments available to the consumers in the Indian market, the prominent ones are Mobile payments, debit and credit cards, mobile wallets and bank transfers. From the above table, it is evident that there is a difference in usage of these payment avenues on the basis of consumer demographics. Nowadays, as the government is more supportive of using cashless modes among all the sections of society, more and more financial transactions are becoming formal and accounted for. People who are having the required facilities to use cashless payments are mostly aware of the new trends happening in the payments sector. Even though there were studies which stated that the men are more inclined towards adopting cashless payments (Ferreira et al., 2014), this research discovered

that the intention of consumers to use cashless payments is not distinct for gender groups which were predicted in the study done by Jaradat and Al Rababaa (2013) and Kabata (2015) in the context of Kenya.

In terms of age categories of the consumers, the younger generations are more inclined and using more of cashless payments compared to middle age groups. However, there are a lot of people in the middle age are willing to try out the various modes available at the comfort of their home. As more and more young population uses these non-cash payment avenues, it creates a future generation who would be using cashless modes and thus reducing the habit of using cash. A cashless society may help the middle age groups the most, as it necessitates less activity, travel, and personal safety threats. As a result of the pandemic, lockdown precautions and an expedited move to digital have been implemented which in turn gives them to experience the digital payments for their requirement at their ease. The demographic profile of the respondents shows that their age and educational qualification has a significant difference in them adopting the cashless payments. A younger age group is more exposed and friendlier towards adopting cashless payments when compared to a middle age group. However, there are respondents in the higher level of the age group who welcome change and like to have innovation and creativity in their payments.

Among the educational qualifications of these consumers, the study reveals that more usage pattern of various types of cashless payments are in undergraduates and postgraduates. The results show that the more educationally qualified a consumer is, the more acceptable to new technology like cashless payments as they are regularly updated and informed with the developments in the payments industry. Even though the study implies that educated people tends to use more of cashless payments, there are low qualified people who have started to use these modes. Through proper government strategy to reach out to such people via creating awareness and educating them about the benefits they could derive while using cashless modes, emphasizing on the benefits and incentives they could receive such as discounts, etc.; such people can be drawn towards using digital payments for their payment requirements. The government of India has initiated to avail digital payment facilities at lower costs to all sections of the society through various schemes such as Digital India Programme, Digi melas, digital marathon, etc. Despite all of the efforts, some people still do not have access to bank facilities. To address these issues, additional public awareness campaigns and training camps should be held in rural regions to educate people about the advantages of having a bank account and making digital payments. The less qualified consumers lack awareness and motivation for usage. Even though there are government initiatives like the Aadhar Enabled Payment System, Digidhan Abhiyaan, UPI, etc, the fact that technology use awareness lacking among the majority has impacted the usage levels of cashless payments. In terms of the marital status among the consumers surveyed, it shows that the majority of various cashless payments are used by the unmarried category. This result supports the age category of users who use digital payments.

The unmarried consumers surveyed shows an increased use of cashless payments compared to the married consumers. Our results however contradict with a study done in Punjab

in Gupta, Deepak &Pahwa, Asha. (2020).

The sample collected for the study had a varied occupation among the consumers such as private sector, public sector, professionals and others respectively. The majority of usage among the sample were found among the professionals and others which comprises of doctors, lawyers, accountants, teachers, engineers etc. This implies that majority of usage of digital payments are among those who know and continuously use systems at their work or occupation. These users are more likely to receive their salaries or wages online and thus an increase of digital payments in them. This is being validated in a study by the World Bank Global Findex in 2017.

In line with the income categories among the surveyed consumers, a better part of increased usage comes from middle income categories. Nowadays, with the increase in COVID-19 cases, even the lower income groups have started to use basic digital modes of payments like the Unified Payment Interface (UPI). The higher income groups are not much concentrated in this study due to lack of response from them.

## 6. SUMMARY OF THE STUDY

The adoption of cashless payment methods is accelerating. This technique of cashless payments has largely replaced the usage of cash in the majority of countries. Many stakeholders are embracing change and working toward a more prosperous economy. When demonetization hit India on November 8, 2017, all of the major players, including consumers, manufacturers, and merchants, were opposed to the idea of adopting cashless ways instead of cash. With the introduction of Covid 19, the cash payment market looks to be rapidly dwindling, owing in part to the younger generation's preference for not carrying cash and instead making electronic payments via mobile phones or watches. Cashless payment options have long been popular among millennials, but individuals of all ages are beginning to embrace them. According to MasterCard's 2020 research, there has been a significant shift toward contactless payments, especially in Asia Pacific. COVID-19 has changed the payment environment and paved the way for individuals to purchase in the future. Consumers have seen and experienced the long-term benefits of making payments in a better, safer, and faster manner, as well as becoming more socially responsible. Due to challenges such as a low rate of financial inclusion, network congestion and internet connectivity concerns, and a cultural preference for cash, consumers are hesitant to convert to digital payment platforms (Smeets, 2021). The outcomes of this study might help stakeholders build strategies to increase the adoption of digital payments.

It is essential to study cashless payment systems and how the respondents perceive this technology. For this purpose, the various types of cashless payments used by multiple respondents, the perceived incentives and benefits which the consumers expect from using cashless payments, and the extent of cashless spending done by respondents in different retail categories are analysed. It clearly shows that the majority of the consumers are gaining more information about cashless payments through advertisements from various sources. Younger generations are more inclined in using digital or cashless payments compared to the middle age groups. Simpler digital payment technology has made it easier for individuals to access and use digital payments. Even though demonetization was a pull strategy of the government to make

the citizens turn towards digital payments, they are willing to use and continue use to avail the benefits of discounts and offers compared to other incentives like coupon code, promo code, freebies, cashback, and rewards. To encourage businesses and customers to use digital payments, more incentive programmes should be implemented. The majority of the respondents used cashless modes of payment for their expenses relating to the shopping of apparel, footwear, and accessories and on food and beverages. Even though there are various programmes launched by the government in order to get the people to continuously use digital payments, there is low awareness of these initiatives and incentives given by the government among many. The reach of these initiatives are to be customised according to the change in demographic patterns of the consumers who are the main demand side stakeholders. Since this retail segment is enormous in our country and is continuing to make its massive mark in the retail sector, we can assume more digital transactions to take place in these sectors of expenditure.

## 7. CONCLUSION

Users of cashless payments are spread over the country, although are predominantly concentrated in metropolitan areas. This payment sector innovation has already matured and established itself in other nations. This study's focus is on determining customer acceptance of cashless payments. As the payment industry's principal stakeholder, understanding the dynamics that pushed customers to accept new technology was critical.

This study focused on customer demographics and their influence on the use of cashless payments. A diverse collection of demographics impacts customers' preference for cashless payments versus cash usage. This study will help customers establish a positive image of cashless payment solutions. Many people are opposed to this because many things would have to change, and it is always a difficulty to get customers to accept non-cash payments by completely eliminating the usage of cash payments. The country will only expand and modernise as it transitions to a cashless economy.

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