

# Impact of Technology on Society through Cashless Transactions

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**Abstract**— Technology is a combination of techniques, tools, methods and application of knowledge designed by individuals to fulfil their requirements. Technology has provided much needed boost to economical sector by providing concept of cashless transactions. Cashless transaction is a system in which transactions are made without cash. Everything will be done online through electronic interface and technology. In India, there is excess burden on the service sector due to increasing population. It has wide impact on transport sector. There is wastage of time and resources. If technology is used effectively then it is possible to minimize wastage of time and resources. Presently, India is using the cashless transaction system. But if we see the statistics analysis it doesn't show much awareness in using this system. There are various reasons behind this situation such as human behaviour, problems of services offered etc. This paper tried to give overview in this regard by providing different options available for doing cashless transactions in India. The study also focuses on advantages and limitations of cashless transactions to common person of India. It also highlights some suggestions for making India a cashless country.

**Keywords-** Cashless Transaction, Payment, Customer, Technology, Internet.

## INTRODUCTION

Technology has changed lives of human beings. The most important things are their needs, likes and dislikes in day to day life. The innovation through technology helps to do their routine works in somewhat different manner. Technology is related to handling their needs easily, much faster and at very affordable rate. Cashless transaction is one step towards the innovation through technology. Cashless transaction means making and accepting payment without using cash. There are many modes of cashless transactions available to us. All these modes are very safe, user friendly and are available at cheaper rates. Human behaviour plays very important role in cashless transactions. Human behaviour has positive and negative impact on cashless transactions. Mental attitude and resistance to change are two important parameters of human behaviour. Every human being has different mindset which changes frequently. This paper has given overview of different modes of cashless transactions, their benefits and highlights some limitations for cashless transactions in India.

## RESEARCH METHODOLOGY

The study for this paper is descriptive in nature. The data collection technique used for present research study is from secondary data sources such as previous research papers, newspapers, journals, websites, books, project reports, published and unpublished data, expert opinions, information collected from various people working in the same area and so on. This available secondary data will be analyzed by the researcher to fulfill the objectives of the present research work.

## **OBJECTIVES OF THE STUDY**

There are following objectives of research study:-

1. To study the concept of Cashless transactions.
2. To study the different ways of doing Cashless transactions.
3. To study the human behaviour towards cashless transactions.
4. To identify the parameters to promote cashless transactions.

## **CASHLESS TRANSACTIONS**

There are following ways of Cashless transactions:

### **Debit Cards:**

Debit card is payment card which is used to make a payment for any kind of purchases without physically carrying cash. Debit card is plastic card provided by banks to carry out cashless transactions. We can use debit cards at ATM, POS and for various online services of banks. Account holders could continue their transactions till the balance is available in the bank. Bank deducts nominal transaction fees for every cashless transaction. Validity of card is finalized by the banks from time to time.

### **Credit cards:**

This card is also called as post-paid card. It is similar to debit card. In this, customer could spend money by doing various transactions and bill of the same will be paid later at the end of the month. Interest will be applied on late paid bills. Validity of card and transactional fees are finalized by the respective banks from time to time. Customers have to apply separately to get credit card. Bank initially studies transactional history of concern customers and offer them some financial limit to do the transactions. Credit cards could be used at ATM, POS and for various online service systems of banks.

### **Prepaid cards:**

It is also called store card or gift card. It is used for various kinds of transactions. These cards are available at shops or banks. It is somewhat different from debit and credit card. The money need to be loaded into this card before we start using this card. It is safe because it is not directly connected to customers account. Customer has to pay nominal monthly fees to use this card. It useful to the students who are in other cities for higher studies.

### **POS: (Point of Sale)**

It is called as point of sale. Nowadays we see POS terminals at various places such as mall, theatre, cloth merchants etc. We can make payment using credit and debit cards at POS. We just enter our pin number and amount immediately gets transferred to merchants account. It is very popular and easy to use mode of doing cashless transactions in India.

### **UPI: (Unified Payment Interface)**

Using UPI it is possible for two persons to send and receive money at a same time. Different bill payments and online shopping can be done by using UPI. Sender must know the virtual payment address of receiver to send money. Initially customer has to download necessary app to use UPI. Sender has to create his own ID, MPIN number to start transactions. Various popular UPI apps are available in the market namely Google pay, Phone pay, BHIM app etc.

### **AEPS: (Aadhaar Enabled Payment System)**

AEPS helps us for using banking services like deposit, withdrawal, money transfer and banking statements through aadhaar card number. Customer transactions are carried out at POS or bank ATM. Customer has to provide information like aadhaar number, bank name, verification code through finger print and type of transaction he wish to make. This is

very user friendly option available for cashless transactions. Here seller has to use customer aadhaar number and fingerprint for verification to transfer money to his account.

**QR Codes: (Quick Response Code)**

It is contactless payment system available for cashless transactions. It is popular, safe and easy to use method of cashless transaction. QR codes can be used in various types of payment such as hotels, travel, petrol, grocery, fruit vendors, auto rickshaw drivers etc. Payment through QR code requires smartphone. Customer scans QR code of the seller, enters transactional amount and makes a payment to seller.

**Mobile Banking:**

Customer could use this facility with or without internet. Various banks have provided their own apps to facilitate mobile banking. USSD (Unstructured Supplementary Service Data) is most frequently used mobile banking service. To start this service user has to connect his mobile number to account number. USSD service can be used by dialling number \*99#. Customer have to enter recipients account number and IFSC code to transfer amount.

**Internet Banking:**

It is also called e-banking or online banking. This facility requires smartphone with internet connection. This service is available for 24 hours. The services provided through internet banking are NEFT, RTGS, ECS and IMPS.

IMPS (Immediate Payment Service) – This service is managed by National Payment Corporation of India. Customer will be provided with MMID (Mobile Money Identification Number) after registration. The information of sender like MMID number, mobile number and name is necessary. The information of receiver like Name, account number and IFSC code is necessary.

**ECS (Electronic clearing system)** – This service can be used for frequent and periodic transactions. This service can be used for monthly payments such as salary, pension, loan instalment, insurance premiums etc.

**E-Wallet:**

This service can be done through credit and debit cards using smartphone. Initially user has to download any e-wallet application available such as Paytm, Speed Pay or Jio Money into his smartphone. User will be provided ID and password after registration process. E-wallet account is always connected to debit, credit or internet account. E-wallet is not connected to customer account directly so it is safe to use.

**Advantages of online transactions:**

- It is easy to study transactional details of any particular account which will help control frauds and thefts.
- It will improve routine banking system.
- It is safe because it is not necessary to carry cash for any transaction.
- Many business owners offer discounts on online transactions.
- It is possible to control our spending habits because we have written record of all transactions.

**HUMAN BEHAVIOR TOWARDS CASHLESS TRANSACTIONS**

Human behaviour study is very important towards cashless transactions. In India, both government and private sectors promote their consumers to use online facilities for various transactions. They have introduced facilities like discount, 24-hour service, different offers to boost the online transactions. But habit of using cash for transactions has much dominance on the Indian people. It is observed that there is resistance to change is high in India. People are reluctant to use new information technology services. They are not willing to come out of their comfort zone of payments. Social influence and willingness to pay by cash

has major impact on the Indian people. So it is important to train them by repeated communication programme. They need to be told and convinced several times about benefits of cashless transactions through variety of sources. It is necessary to design a time bound programme to make India a digital India.

## **CONCLUSION**

During study it has been observed that some important things need to be followed for effective implementation of cashless transactions in the society.

1. 24 hours internet service should be available everywhere with very minimum rates.
2. A very attractive incentive scheme should be provided for at least first 100 transactions of each consumer.
3. All ATM should be in working conditions with both deposit and withdrawal facilities.
4. A separate employee should be hired by banks to promote cashless services.
5. A fine should be imposed on government authorities who are not promoting cashless services.
6. Frauds related to online transactions should be solved within 24hours otherwise fine should be imposed on concern authorities.
7. Service interfaces should be very user friendly and there should not be hidden charges on services offered.
8. Some poor people does not afford to purchase a smartphone so some new schemes like USSD should be introduced which can be used on any mobile because of cost.
9. It should be compulsory to make transactions online for some services.
10. Central government should design one time bound program me to promote cashless transaction in India.
11. People fear that they will do something wrong and lose their money.

## **FUTURE RESEARCH**

The study was limited to collecting information of different modes of cashless transactions. It is possible to do demographic study of users of cashless transactions. It is also possible to study urban, rural and semi urban users to have complete analysis of study. The sector wise and region wise study will also highlight some important aspects of the study. It is necessary to introduce a model for effective implementation of cashless service by considering human behavioral aspect.

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