



ROLE OF COVID 19 PANDEMIC IN SHAPING CASHLESS SOCIETY

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Abstract

Cashless Society is one of the important dimension of digital India. Though initially people hesitated to go for cashless mode Covid 19 Pandemic has forced society to shift to online modes of payments. The present paper aims to study the impact of Covid 19 pandemic on cashless habits of people. It also aims to know the future digital era of payments after pandemic situation

Key Words: *Cashless transactions, Covid 19, Pandemic, Digital payments.*

Introduction

Cashless Economy can be seen as Win Win situation. It is convenient for individuals as they don't need to carry cash. In case of Cash transaction security is an important issue. Cash can be very easily stolen .Even same can happen with debit cards, but at least the thief needs to know the PIN number. In such situations mobile payments, banks biometrics, are more secure. Now a days sellers gain convenience and security in cashless transactions. Cash management is very painful and expensive in many types of business. Banks are distinctly interested in increasing the share of cashless transactions made by customers, as this brings a lot of precious data that can be converted into sales.

The Digital India program is a flagship program of the Government of India. In this prograame the vision is to transform Indian society into a digital society and a knowledge economy. "Faceless, paperless, cashless" is basic objective of Digital India .There are various digital payment methods available as a part of promoting cashless transactions and converting India to a country with less cash transaction, there are various digital payment methods available. Demonetization is likely to be described as game changers of the Indian economy. It is anticipated that in this futuristic world, all payments will be made by contactless cards, mobile phone applications and other electronic means. The currency notes and coins will stand abolished.

The COVID-19 pandemic has resulted in severe and prolonged disruptions to the livelihoods of people all around the world, both in developing and developed countries. As a part of the global response to COVID-19, the digital finance industry is playing key role in developing and providing services .

Statement of Problem

India is very large cash economy. Producing such a large amount of currency is expensive. Both the Government and RBI are keen in moving India towards a less cash economy by encouraging people to shift from cash to electronic payments for all transactions. Digital payments ensure accountability in all the transactions. There is always a way to verify and track transactions since everything is digitally recorded. It has been observed that Covid 19 pandemic has pushed people from all sects towards cashless mode. But there is long way to go. It is necessary to understand the future of cashless economy after pandemic is over. It is also important to understand if there is any change in spending habits due to cashless move.



Objectives of Study

1. To know the effect of Covid-19 pandemic on cashless modes of payments
2. To compare the preferences of individuals before pandemic and during pandemic with reference to payment habits
3. To analyze preferences of individuals regarding different digital payment mode
4. To know the future of cashless payment trend after Covid 19 pandemic ends.

Research methodology

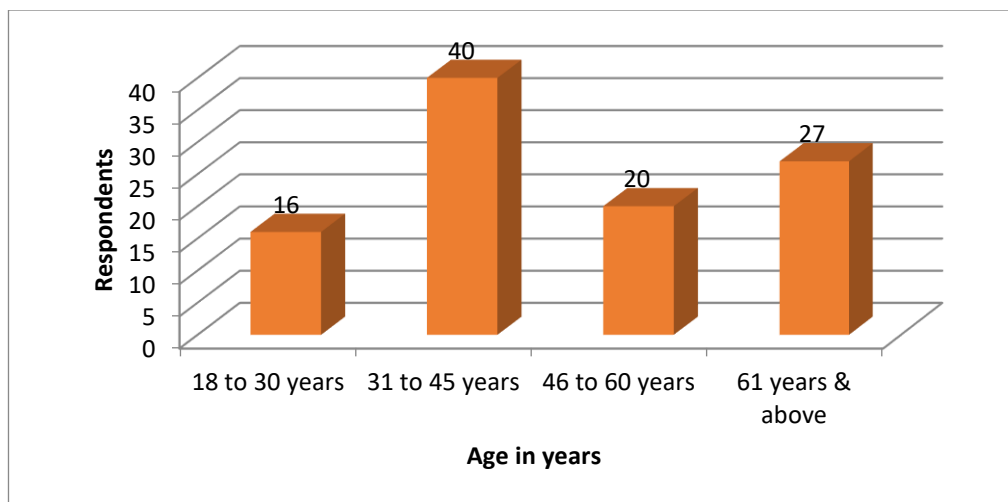
The data for this research is collected from both primary & secondary sources. Primary data has been collected from 75 respondents with the help of Google questionnaire The data is properly analyzed with appropriate statistical tools for the purpose of study.

Analysis of Data

- 1) The demographic attribute of sample was as under

- a) Age wise Composition

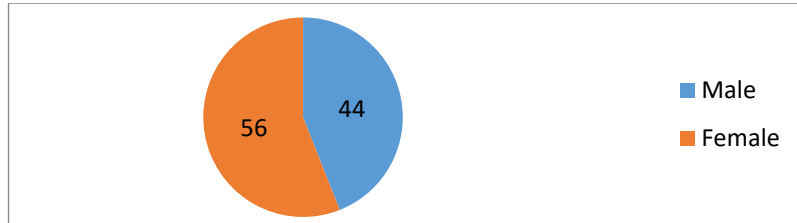
Age Group	Number of respondents
18 to 30 years	16
31 to 45 years	40
46 to 60 years	20
61 years & above	27
Total	100



This shows good number of respondents (27%) are senior citizens belonging to age group of 61 years & above.

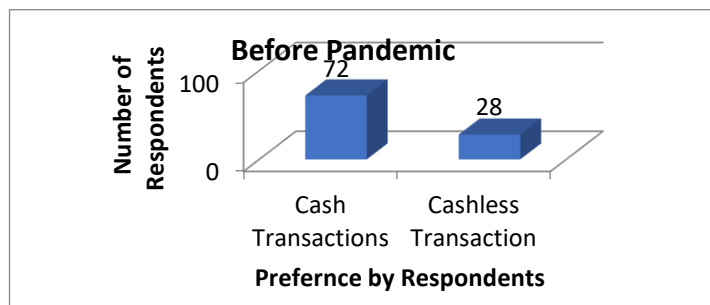
- b) Gender wise Composition:

Gender	Number of respondents
Male	44
Female	56
Total	100



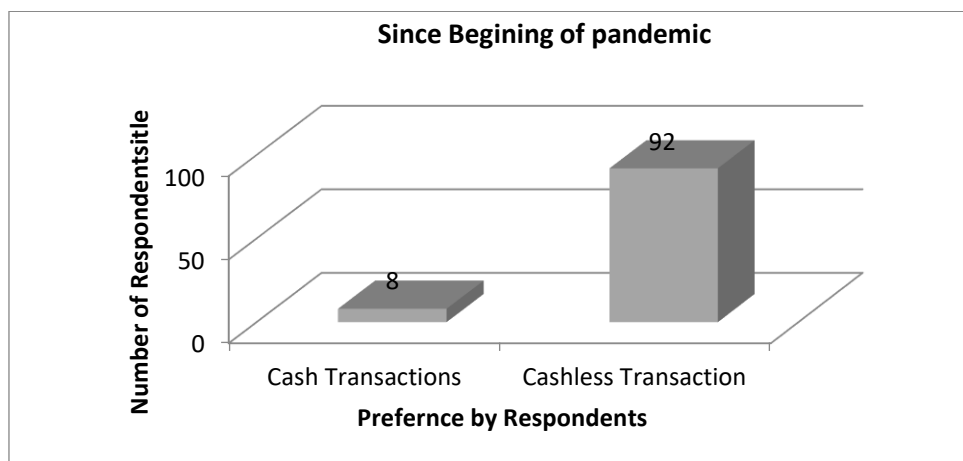
2) The analysis of mode of transaction you preferred by respondents **before Covid 19** pandemic. showed following Results

Preference	Number of respondents
Cash Transactions	72
Cashless Transaction	28
Total	100



3) The analysis of mode of transaction you preferred by respondents **since beginning of Covid 19** pandemic. showed following Results

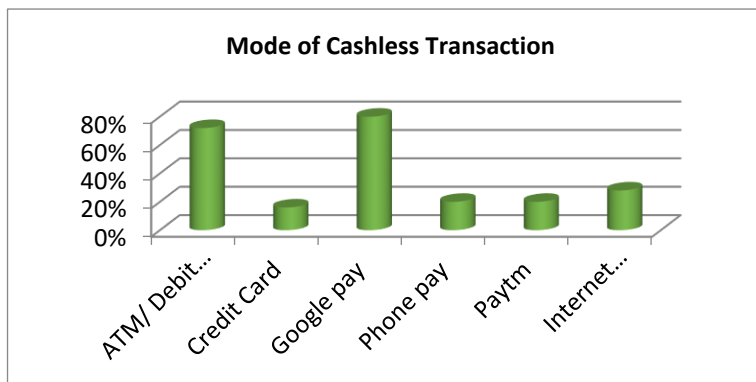
Preference	Number of respondents
Cash Transactions	8
Cashless Transaction	92
Total	100





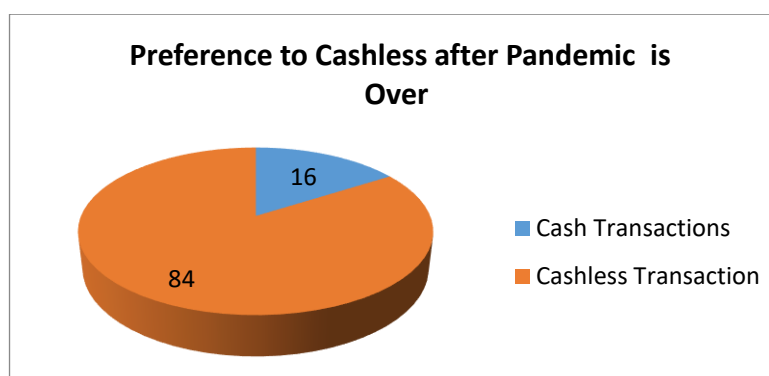
- 4) The study of mode of Cashless transaction is normally used by respondents for making cashless payments showed following results.

Preference	% of Respondents
ATM/ Debit card	72 %
Credit Card	16%
Google pay	80%
Phone pay	20%
Paytm	20%
Internet Banking	28%



- 5) The study of respondent's preferences to continue with cashless instruments after End of Pandemic revealed following

Preference	Number of respondents
Cash Transactions	16
Cashless Transaction	84
Total	100



Observations

- 1) Demographic composition shows that people from all age groups and Both Male & Female are moving towards Cashless Payments.



- 2) Before Covid 19 , 72% respondents preferred cash transactions and only 28% were preferring Cashless instruments. This shows the proportion of cash transaction was much more than cashless.
- 3) Since the beginning of Covid 19 pandemic only 8 % are in favour of Cash transactions and 92% are preferring Cashless transactions
- 4) It has been observed that people faced number of difficulties in the beginning of this phase of shift. This includes lack of technical knowledge, fear of being cheated, lack of proper internet facilities and fear of committing mistakes
- 5) In spite of many hurdles respondents have learned to go with cashless mode and 84 % would like to continue with the same cashless mode.

Conclusion

In spite of many difficulties people are getting aware about cashless mode. This shows Covid 19 pandemic has an important role in Shaping Cashless Society

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