



## A STUDY ON PERCEPTION OF PEOPLE TO USE ELECTRONIC MONEY AND ITS IMPACT ON FUTURE ECONOMIC DEVELOPMENT WITH SPECIAL REFERENCE TO KALYAN CITY

*\* Shraddha Sunil Waghmare, \*\* Vaibhavi Dattatray Darekar & \*\*\* Mr. Suraj Agarwala*

*\* Student Researcher, \*\* Student Researcher & \*\*\* Research Guide, B.K. Birla College, Kalyan (Empowered Autonomous)*

### Abstract:

*In recent years, the global economy has experienced a notable shift towards digitalization, marked by the rise of electronic money (e-money) as a pivotal component of modern financial systems. This study investigates the perception of individuals towards e-money and its potential impact on economic development, focusing on Kalyan City, Maharashtra, India. The research employs a mixed-method approach, utilizing both primary data collected through a structured questionnaire from e-money users in Kalyan City and secondary data sourced from various scholarly works. Through statistical analyses including Chi-Square, Cramer's V, and Lambda, the study examines the relationship between gender, age, and trust in e-money. Despite security concerns and regulatory challenges, e-money holds promise for enhancing economic inclusivity and resilience in Kalyan City. The findings underscore the need for targeted interventions to bolster trust and adoption rates, particularly among diverse age groups, to realize the full potential of e-money in driving economic development.*

**Keywords:** *Electronic money adoption, future economic development, Kalyan City, usage, data*

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### Introduction:

In the last few years, the global economy has witnessed a significant shift towards digitalization, with electronic money (e-money) emerging as a prominent feature of modern financial systems. As digital payment methods gain traction worldwide, understanding the perception of individuals towards e-money and its potential impact on economic development becomes crucial. Kalyan City, situated in the Thane district of Maharashtra, India, represents a dynamic urban centre with a burgeoning economy. With the rise of digital payment platforms and mobile banking, e-money has become increasingly integrated into everyday transactions, offering convenience, efficiency, and accessibility. In Kalyan City, where traditional modes of payment coexist with modern financial technologies, assessing the readiness of

individuals and businesses to embrace e-money is essential for informed policy-making and strategic planning. However, despite the potential benefits of e-money, several challenges and risks need to be addressed to ensure its successful adoption and integration into the local economy. Security concerns, including the risk of fraud, data breaches, and cyber-attacks, pose significant barriers to trust and confidence in electronic transactions. Moreover, issues related to privacy, regulatory compliance, and infrastructure limitations may hinder the widespread adoption of e-money, particularly among segments of the population with limited access to digital technologies or financial services. Understanding these challenges and mitigating associated risks are imperative for building a resilient e-money ecosystem that fosters inclusivity and resilience.

A digital representation of money that is traded, transmitted, and kept electronically is referred to as electronic money. It includes a range of methods, such as mobile money, digital wallets, prepaid cards, and bank deposits. With the use of these currencies, transactions may be completed quickly and easily without requiring hard currency. To guarantee integrity and secrecy, transactions are carried out across electronic networks, such as the internet or mobile networks, utilizing secure protocols and encryption techniques. Regulators keep an eye on electronic money systems to make sure that financial rules are followed. In general, electronic money offers consumers and organizations in the current digital era ease and flexibility while completing financial transactions.

Positive and Negative Impacts of Electronic Money:-

**a) Positive Impacts:**

- Convenience: Offers quick transactions from anywhere with internet access.
- Financial inclusion: Facilitates access to banking services for those without traditional banking systems.
- Reduced transaction costs: Lower fees compared to traditional cash transactions
- Enhanced security: Features encryption and authentication to reduce theft or fraud risk.
- Improved tracking and record-keeping: Leaves digital traces for easier tracking and financial management.

**b) Negative Impacts:**

- Digital Divide: Not everyone has internet or electronic device access, creating a digital divide.
- Cyber security risks: Vulnerable to hacking, identity theft, and other cyber security threats.
- Dependency on Technology: Vulnerable to disruptions like power outages or system failure

- Privacy Concerns: Collection and storage of personal data raises privacy concerns.
- Exclusion of Cash-Dependent Individuals: Challenges in adapting to electronic payment methods.

**Research Methodology:**

The research is based on both primary as well as secondary data. The primary data is collected through a structured questionnaire from E-Money users in Kalyan City through Google Form. A Voluntary response sampling method is used. The sample size is only 63. The respondents are doctors, bank managers & employees, pharmacists, teachers, students, businessman, employed, etc. basically the e-money users. For data analysis Chi-Square, Cramer's V, and Lambda is applied.

Secondary data is retrieved from a broad range of study-relevant sources such as books, journals, theses, websites, and reports.

**a) Research Questions:**

- Evaluate electronic money adoption initiatives
- Risk related to e-money
- Rate your level of trust in electronic money as a secure payment method

**b) Objectives:**

- To understand Customer satisfaction & Consumer opinion on electronic money in Kalyan.
- Impact of e-money on future economic development in Kalyan.
- Customer usage, changes in current economic trends and its importance in economic development in Kalyan.

**c) Hypotheses:**

$H_0$ : There is no significant relationship between gender and people's perception on electronic money.

$H_1$ : There is a significant relationship between

gender and people's perception on electronic money.

H<sub>0</sub>: There is no significant relationship between gender and risk related to electronic money. H<sub>1</sub>:

There is a significant relationship between gender and risk related to electronic money.

H<sub>0</sub>: There is no significant relationship between age and trust on electronic money.

H<sub>1</sub>: There is a significant relationship between age and trust on electronic money.

#### d) Significance:

The research holds importance as it can provide valuable insights for policy formulation, tactical planning, and initiatives that promote the insertion of electronic money systems into Kalyan City's economy. Through comprehending people's attitudes, comfort levels, and usage habits related to electronic money, decision-makers and interested parties can customize programs to tackle certain issues and leverage prospects for financial growth. Furthermore, by shedding light on how e-money adoption may affect future economic growth, this research offers important insights into the workings of digital payment systems in urban settings. This study helps to build a robust and inclusive financial ecosystem in Kalyan City, which in turn improves the city's competitiveness and sustainability in the digital era by identifying factors influencing e-money's trust, security, and accessibility.

#### e) Methodology:

The research aims to understand the perception of people towards electronic money and its potential impact on future economic development, particularly in Kalyan City. It aims to provide empirical investigation into the factors influencing electronic money adoption and its implications for economic growth in the specific context of Kalyan City. Hypotheses are developed based on theoretical and empirical insights, including literature review, existing theories, and assumptions about variables like gender,

age, trust, and electronic money perception. The research problem is identified through literature review, societal trends observation, consultation with experts, and analysis of current events and issues. Data is gathered from both primary and secondary sources, including a structured questionnaire distributed to electronic money users and scholarly works. A mixed-method approach is employed, combining quantitative and qualitative analysis, to provide a comprehensive understanding of the research topic.

#### f) Limitations:

##### i. Sample Bias:

- The study's convenience sampling may introduce sample bias, affecting the generalizability of results.
- Certain demographic groups or individuals may be overrepresented or underrepresented in the sample.

##### ii. Validity and Reliability:

- The study's validity and reliability could be compromised due to self-reported data.
- Participants may provide responses based on their perceptions or beliefs, leading to potential inaccuracies or biases.
- Memory recall issues or social desirability bias could result in inflated or distorted findings.

##### iii. Response Bias:

- Participants may provide responses that align with societal norms or expectations, leading to overestimation or underestimation of certain variables.
- This could skew the results and hinder the study's ability to accurately assess relationships between variables.

#### Literature Review:

1. Putri et al. (2021) The study explores the use of e-money in promoting environmentally friendly finance post-Covid-19, highlighting its potential

- to support sustainable financial practices and address pandemic challenges, thereby influencing discussions on integrating electronic payment systems with green finance initiatives.
2. Widiyati and Hasanah (2020) The study explores the factors influencing the adoption and usage of electronic money in South Tangerang, including user attitudes, beliefs, and external influences, with the aim of gaining a deeper understanding of these factors.
  3. Gormez and Capie's (2000) The survey titled Surveys on Electronic Money offers a comprehensive analysis of electronic money's development and adoption rates, providing insights into public opinions, usage patterns, and adoption rates during the early 2000s, offering valuable insights into electronic payment systems.
  4. Soseco's (2016) The study examines the influence of electronic money on global economies, comparing its adoption with economic indicators, with a 12-page report expected to provide insightful insights.
  5. Widayat, Masudin, and Satiti (2020) The study aims to understand e-money adoption's evolution by examining customer preferences and technological drivers, thereby enhancing our understanding of the broader ecosystem of technological innovation and collaborative approaches.
  6. Qu, Wei, and Zhang (2022) The study offers insights into factors influencing digital payment acceptance and financial inclusion in China, useful for policymakers and companies aiming to promote digital financial inclusion.
  7. Qi, Saura Lacárcel, and Fan (2023) The study examines the influence of e-money on China's money supply, focusing on the relationship between usage and total available money, offering insights into digital payment methods' impact on Chinese government and bank management.
  8. Rahayu, S., Rahmatia, R., Hamrullah, H., & Setiawan, A. A. (2023) The study explores the influence of e-money on financial growth and development, focusing on factors influencing demand and its potential benefits in expanding financial access and inclusion.
  9. Khan (2021) The study examines netizens' perceptions of electronic cash in the virtual economy, focusing on Delhi-NCR, India. It provides insights into its role in everyday transactions and provides insights into the evolving landscape of computerized installments.
  10. Indrawati et al. (2020) The study investigates the influence of e-money adoption on the efficiency of monetary policy in Indonesia, focusing on the central bank's implementation of digital financial innovations. It provides empirical evidence on the relationship between e-money diffusion and macroeconomic stability.
  11. Wulandari and co.(2018) The review examines factors influencing electronic cash reception, including perceived value, usability, trust, security, and segment characteristics, providing insights for improving reception and promoting financial consideration.
  12. Wulandari et al. (2018) The review explores the factors influencing electronic cash reception, focusing on perceived value, usability, trust, security, and segment qualities. It provides insights into consumer behavior and suggests policymakers and organizations to improve electronic cash reception and encourage financial consideration.
  13. Surtikanti, Mustofa, and R. H.'s (2019) The article provides a comprehensive analysis of materials science and engineering, offering new insights and discoveries. Its thorough methodology and meticulous attention to detail make it a significant

addition to existing literature, demonstrating admirable scholarly rigor and meriting consideration by scholars and practitioners.

14. Gonzalez and Sova (2013) The paper explores user perspectives on electronic money, providing insights into recent advancements and trends. It analyzes changing dynamics and user behaviors, focusing on user experiences, contributing to the discussion on user-centered electronic money systems and enhancing our understanding.
15. Nizam, morning. (2022) The study examines the impact of cryptocurrencies on Bangladesh's money supply, offering policy implications and providing a nuanced perspective on the relationship between financial systems and digital currencies, thereby enhancing economic understanding.
16. Tanu, Komaladewi, and Iswati (2018) The article explores residents' attitudes towards e-money for highway service payments in Bandung City, revealing their acceptance and challenges in urban transportation services.
17. Alfanzhi and Daulay (2021) The UTAUT2 research

model investigates factors influencing millennials' electronic money usage, including performance expectancy, effort expectancy, social influence, and facilitating conditions, providing insights into their motivations and dynamics.

18. Fauziah and Nurhasanah (2020) The study explores the impact of students' attitudes towards electronic money on their spending behavior, aiming to understand the relationship between digital financial transactions and their consumption patterns.
19. Indrawana et al. (2021) The study, conducted by Binus Business School Master Program at Bina Nusantara University, investigates factors influencing millennials' acceptance of e-money applications in Jakarta, focusing on urban challenges.
20. Rahim et al. (2021) The study investigates the impact of non-cash payments on inflation during the Covid-19 pandemic, considering cash circulation and transaction dynamics, providing insights into economic dynamics and payment behavior during crises.

### Data Analysis & Discussions:

#### Hypothesis 1:

H<sub>0</sub>: There is no significant relationship between gender and people's perception on electronic money

H<sub>1</sub>: There is a significant relationship between gender and people's perception on electronic money.

Gender	Very effective	Effective	Neutral	Ineffective	Very ineffective	Total	Chi-square	df	P
Male	30	13	11	4	3	61	7.33	4	0.1194
Female	13	18	5	5	3	44	Cramer's V	0.2642	
Total	43	31	16	9	6	105			

**Table: 1– Source: Primary Data Analysis Tool: Chi-Square**

From the above table: 1, it is understood that the gap between gender and people's perception, p-value is more than the significant value of 0.05. Therefore, the researcher failed to reject the null hypothesis and concluded that there is no significant gap between gender and people's perception.



**Hypothesis 2:**

H<sub>0</sub>: There is no significant relationship between gender and risk related to electronic money.

H<sub>1</sub>: There is a significant relationship between gender and risk related to electronic money.

Gender	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total	Chi-square	df	P
Male	21	19	13	7	1	61	10.37	4	0.0346
Female	9	15	7	5	8	44	Cramers V	0.3143	
Total	30	34	20	12	9	105			

**Table: 2– Source: Primary Data Analysis Tool: Chi-Square**

The table: 2 illustrates that the gap between gender and risk, p-value is less than the significant value of 0.05. Therefore, the null hypothesis is rejected & alternative hypothesis is accepted, suggesting that there is a significant gap between gender and risk.

**Hypothesis 3:**

H<sub>0</sub>: There is no significant relationship between age and trust on electronic money.

H<sub>1</sub>: There is a significant relationship between age and trust on electronic money.

Age	Very high	High	Moderate	Low	Very low	Total	Chi-square	df	P
18-25	2	18	11	2	0	33	19.84	16	0.2275
26-35	4	13	6	5	2	30	Cramers V	0.2173	
36-45	6	11	7	1	1	26			
46-55	4	4	1	1	0	10			
55& Above	3	1	1	1	0	6			
Total	19	47	26	10	3	105			

**Table: 3– Source: Primary Data Analysis Tool: Chi-Square**

The table: 3 show that the gap between age and trust, here the p-value is more than the significant value of 0.05. Therefore, the researcher failed to reject the null hypothesis, indicating that there is no significant gap between age and trust.

**Summary of Findings:**

SR NO	Hypothesis	Test	Result
1	There is no direct relationship between gender and people's perception onelectronic money	Chi-Square, Cramer's V, and Lambda	Null hypothesis is accepted
	There is a direct relationship between gender and people's perception onelectronic money.		Alternative hypothesis is rejected
2	There is no significant relationshipbetween gender and risk related to electronic money.	Chi-Square, Cramer's V, and Lambda	Null hypothesis is rejected
	There is a significant relationship between gender and risk related to electronic money.		Alternative hypothesis is accepted
3	There is no significant relationshipbetween age and trust on electronic money.	Chi-Square, Cramer's V, and Lambda	Null hypothesis is accepted
	There is a significant relationship betweenage and trust on electronic money.		Alternative hypothesis is rejected
	There is a significant relationship betweenage and trust on electronic money.		Alternative hypothesis is rejected

**Suggestions:**

Key Recommendations for E-Money Integration in Kalyan City and India

- **Enhance Digital Infrastructure:** Prioritize investment in high-speed internet infrastructure and mobile network coverage for seamless access to e-money services.
- **Implement Financial Literacy Programs:** Implement comprehensive programs to educate citizens about the benefits and risks of digital transactions.
- **Collaborate with Stakeholders:** Leverage expertise and resources from government agencies, financial institutions, and technology providers to create innovative digital payment platforms.
- **Implement Enhanced Security Measures:** Implement robust security measures like two-factor authentication, encryption protocols, and fraud detection systems.
- **Establish a Comprehensive Regulatory Framework:** Establish guidelines for e-money providers, including minimum security standards, data protection requirements, and dispute resolution mechanisms.
- **Build Infrastructure Resilience:** Implement backup systems, redundancies, and contingency plans to ensure uninterrupted service during natural disasters or cyberattacks. Future of
- **Digital Payment in India:** - To guarantee a seamless shift to a cashless society, it is imperative to increase public awareness regarding the advantages of digital transactions and tackle the deficiency of digital literacy throughout India. Furthermore, the country needs a reliable, secure payment network in order to increase digital transactions even in the face of current incentives like cash back and special offers. In the end, this would help with the detection and removal of black money by fostering openness.

- Precautions: - Always use two-factor authentication. Users can choose to utilize an OTP, ATM pin, or secure password when making payments online. Users should make an effort to select a two-factor authentication solution in order to feel secure when transacting online.

### Conclusions:

In conclusion, this study offers a thorough analysis of the attitudes toward electronic money, or "e-money," and its possible effects on Kalyan City's economic growth. Using a mixed- method approach, the study examines the intricate relationship between gender, age, and e- money trust by combining primary data from e-money users with insights from secondary sources. E-money shows promise in promoting resilience and economic inclusivity in Kalyan City, even in the face of ongoing security threats and regulatory complexity. Notably, age appears to be a key factor impacting confidence levels in electronic transactions, even if no gender-based differences in attitudes regarding e-money were shown to be statistically significant. These results highlight the necessity of focused treatments meant to increase adoption and trust rates, especially among age groups that are not well-matched. By attending to these subtle aspects, interested parties can establish the foundation for a financial environment that is more inclusive and digitally empowered, so influencing the course of economic growth in Kalyan City and beyond.

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