

# **THE AWARENESS AND PERCEPTION OF STREET VENDORS REGARDING CASHLESS TRANSACTIONS IN KADAPA**

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## **ABSTRACT**

Transactions and payments are essential to our everyday lives. Before quite recently, the majority of these transactions were made in cash. As an alternative to cash, the cashless mode of transaction has developed and is becoming more popular. One of the few nations where cash is used the most is India. The majority of individuals first began utilizing plastic money in the form of debit cards, credit cards, etc. after demonetization. The government has been promoting cashless, plastic, and electronic payments through initiatives. Increased ease, convenience, and transparency in financial transactions are brought about by cashless transactions. Non-cash transactions also improve banking system liquidity and, in turn, slow the flow of black money, both of which contribute to the eventual growth of the Indian economy. The use of non-cash transactions has expanded as a result of the growth of the telecom industry, the rise in Smartphone users, and the development of numerous digital payment platforms such as Paytm, UPI APPs, mobile wallets, smart cards, etc. India is moving toward being a cashless society. Indian street vendors, however, continue to dominate the cash transaction market. Many street sellers still only accept cash payments. The adoption of cashless transactions by street vendors is crucial to the progress towards a cashless economy, given the substantial volume of financial transactions that occur in this sector. The objective of the study is to ascertain the awareness of street vendors of Kadapa regarding digital payment and their attitude toward cashless transactions. Further, the study aims to find out what according to street vendors are the benefits and problems of using digital payment methods. The study covers two aspects- one, how street vendors are accepting payment from consumers, and second, how they are making payment to suppliers. Keywords: Cashless Economy, Digital Payment, street vendors, Digital payment modes.

## INTRODUCTION

The term "Cashless Transaction" describes financial transactions that are carried out without actual cash. It simply refers to any type of financial transaction involving the use of digital payment mechanisms. Because they are transparent and accountable, cashless transactions are thought to be more efficient than cash transactions. The Indian government is working hard to move the country toward a cashless economy by encouraging citizens to use digital payment methods instead of cash. Two of the most significant actions the government has made to promote the cashless movement are the Digital India project and the abrupt demonetization. A cashless economy merely attempts to reduce the amount of currency used; it does not mean doing away with cash entirely (Deepshikha Mahanta, Gourab Jyoti Kalita 2021)

The variety of online payment platforms and rapid digitization have led to a gradual growth in the volume of cashless transactions in India. However, a sizable segment of the populace still does not use digital payment methods in today's culture. People have just recently begun to understand the significance of becoming cashless following the government's demonetization initiative. Since the Indian market is still used to cash transactions, all of the key participants—consumers and retailers—must fulfill their respective roles for the market to become cashless (Shashwati Bhowmick, Sujit.G. Metre 2021)



The purpose of the study, "Awareness and Perception of Street Vendors towards Cashless Transaction in Kadapa, is to know the awareness of street vendors about different modes of cashless transaction, whether they adopted cashless transactions or not.

## TYPES OF CASHLESS TRANSACTIONS

1. Credit Cards: Credit cards allow users to borrow funds from a financial institution to make purchases. The cardholder can pay off the borrowed amount later, often with interest. Credit cards are widely accepted and can be used for in-store, online, and contactless payments.
2. Debit Cards: Debit cards are linked to the user's bank account and allow for direct withdrawals of funds during transactions. They are often used for point-of-sale purchases and ATM withdrawals. Debit cards can also be used online and for contactless payments.

3. **Mobile Payments:** Mobile payment systems enable users to make transactions using their smartphones or other mobile devices. These payments can be made through apps or digital wallets, which store credit/debit card information or connect directly to bank accounts. Examples include Apple Pay, Google Pay, Samsung Pay, and various banking apps.



4. **Online Banking:** Online banking allows users to transfer funds, pay bills, and make purchases electronically through their bank's website or mobile app. This method is commonly used for internet shopping and bill payments.
5. **Digital Wallets:** Digital wallets are applications or services that store payment information securely, allowing users to make transactions without using physical cards. They may also support loyalty cards, coupons, and other features. Examples include PayPal, Venmo, and Cash App.
6. **Contactless Payments:** Contactless payments utilize Near Field Communication (NFC) technology to enable transactions by tapping or waving a card, smartphone, or wearable device near a compatible terminal. This method is fast and convenient for small purchases, reducing the need for physical contact and handling of payment cards.
7. **QR Code Payments:** QR code payments involve scanning a QR code displayed by the merchant to initiate a transaction. The customer's smartphone scans the code, and the payment is processed through a linked bank account or digital wallet app. This method is popular in many countries, particularly in Asia.
8. **Biometric Payments:** Biometric payments authenticate users based on their unique physiological characteristics, such as fingerprints or facial recognition. Once authenticated, the payment is processed automatically. Biometric payment methods offer enhanced security and convenience. (Prachi Pandey-2023)

### **BENEFITS OF CASHLESS TRANSACTIONS:**

- **Convenience:** Cashless transactions offer a convenient way to make payments without the need to carry physical cash. This is particularly useful for online shopping and transactions where carrying cash may not be feasible.
- **Security:** Cashless transactions can be more secure than carrying cash, as there is less risk of theft or loss. Additionally, many cashless payment methods offer fraud protection and encryption to safeguard personal and financial information.
- **Record-keeping:** Electronic transactions leave digital records, making it easier to track and manage expenses for both individuals and businesses. This can be helpful for budgeting, accounting, and tax purposes.

- **Accessibility:** Cashless transactions can be conducted from virtually anywhere with an internet connection, providing greater accessibility compared to cash, which may require physical presence.
- **Promotion of financial inclusion:** Cashless transactions can help promote financial inclusion by providing access to banking and financial services for individuals who may not have access to traditional banking infrastructure.

### **SIGNIFICANCE OF THE STUDY**

The purpose of the study was to find out how street sellers in Kadapa felt about cashless transactions. The study will aid in understanding street sellers' knowledge of various cashless payment methods and their involvement in the shift toward a cashless society. Future scholars have a lot of opportunities to work with this data.

### **REVIEW OF LITERATURE**

Various studies have explained the importance of the cashless transaction in the existing literature and a few are mentioned here. Kanchi, S., Joglekar, S., & Manjare, R. (2023), have examined the impact of the technology adoption and perceived usefulness in Indian context. The study which consists of 140 respondents revealed that the education of the respondents significantly influences the adoption of the cashless transactions. In a study, C.E. Rudresha (2019) discovered that there is cause for grave concern over cashless transactions due to cybercrime and unauthorized access to client accounts. In this regard, he has recommended bolstering internet security. According to Yuvaraj S. and Eveline N. Sheila (2018), most customers find that using a credit or debit card is the most convenient way to make cashless transactions. They found that the main factors influencing consumers to use cashless transactions are convenience, security, and privacy. While Tushar Chaudhari (2017) revealed that the Government research should focus on infrastructure that provides internet access because cashless transaction solutions are impossible to implement without it. In particular, local markets ought to have free Wi-Fi areas. Every large bank needs to have a distinct counter that is specifically intended to offer support and advice for the cashless transaction system. It is necessary to stop adding extra fees to cashless transactions. It is recommended that all cooperative societies implement mandatory cashless transactions, specifically for demand drafts and checks. There should be some benefits for those who use cashless transactions. In addition to developing cashless transactions, a massive advertising effort that offers helpful guidance in their use must be started. In addition to these studies, Mukhopadhyay (2016) added few more interesting elements for the literature of cashless transactions. He examined India's slow shift to a cashless economy. The author discovered that money entering the accounts is what makes cashless payments possible in the first place. The author made recommendations for potential governmental responses based on his findings.

### **OBJECTIVE OF THE STUDY**

- Based on the above-mentioned literature and the research gaps the present study aims to measure the perceptual awareness levels of street vendors about cashless transactions in the Kadapa town.

## RESEARCH METHODOLOGY

The study employs a descriptive research design that incorporates primary and secondary data sources. A questionnaire was sent to respondents to gather primary data, while other websites were used to gather secondary data. The study has chosen an 80-respondent as sample size and the data is collected using convenience sampling. The investigation was carried out in Kadapa town covering street sellers from the old collectorate to the new collectorate of Kadapa town. Vendors channels included were mainly Tiffin and tea stalls, groceries, garments, vegetables, fruits, fast food, chicken pakodi, etc., Convenience sampling method has been chosen to select the respondents. (Deepshikha Mahanta, Gourab Jyoti Kalita 2021).

## RESULTS AND DISCUSSION

The number of cashless transactions is increasing daily and is now at record levels. Individuals who live in rural areas are more likely to use cashless transactions. The Indian government claims that the cashless policy will lower the risk of carrying cash by increasing employment and decreasing robberies related to cash. A cashless approach will also draw in more international investment and lessen corruption tied to cash. It is anticipated that it will have an impact on the upgrading of payment systems and the decrease in banking service costs.

### Perception of Street Vendors on Cashless Transactions:

**Street vendor's awareness levels about cashless transactions:** The following table explains the street vendors perceptions about the cashless transaction in the Kadapa town. The responses were pooled on dichotomous questions such yes or no. the results pertinent to the awareness are listed below.

**Table 1:**  
**Aware of cashless transaction**

	Number of respondents	Percentage
<b>Yes</b>	<b>58</b>	<b>73</b>
<b>No</b>	<b>22</b>	<b>27</b>
<b>Total</b>	<b>80</b>	<b>100</b>

### Source: field survey data

Among 80 respondent's majority (73%) respondents aware of cashless transactions whereas 27% of the respondents are not aware of cashless transactions.

### Street vendors adoptions of cashless transactions:

To know whether the street vendors in Kadapa's market have adopted cashless transactions or not: -

**Table 2:  
Whether street vendors adopted cashless transactions or not**

	Number of respondents	Percentage
<b>Adopted</b>	<b>49</b>	<b>61</b>
<b>Not adopted</b>	<b>31</b>	<b>39</b>
<b>Total</b>	<b>80</b>	<b>100</b>

**Source: field survey data**

Among 80 respondent’s majority (61%) of respondents adopted cashless transactions whereas 39% of the respondents are not adopted of cashless transaction.

**Findings relating to objective (3)-** To determine whether cashless transactions are advantageous from the perspective of street sellers: -

**Table -3**

<b>advantages of cashless transaction from the point of view of street vendors</b>	<b>Number of respondents Percentage</b>
Convenient	52.8%
Secured	33.4%
Relief from maintaining petty cash	13.8%

*Source Field Study*

- a) Among the respondents who accept cashless payment 52.8% respondents feels that cashless transaction is convenient, 33.4% respondents are of the opinion that cashless transactions are secured. On the other hand, 13.8% respondents consider relief from maintaining petty cash as the benefit.
- b) The majority of respondents in the grocery and petty store group acknowledged that the ability to take digital payment methods is giving them more relief because they are no longer needed to keep track of petty cash and return small amounts of cash to clients.

**Findings relating to objective (4):-** To analyzes the issues that street vendors encounter while utilizing cashless transactions.

**Table -4**

<b>Issues that street vendors encounter while utilizing cashless transactions</b>	<b>Number of respondents Percentage</b>
Internet Traffic	79.6%
Transaction cost	20.4%

*Source Field Study*

- a). 79.6% respondents who accept digital payment considered internet traffic as one of the major problems faced by them. Other 20.4% respondents considered transaction cost as a problem as bank charges a certain amount for transactions. Moreover, street vendors are required to pay a monthly rental for using POS machine.

b). The survey reveals that certain supermarket and petty cash sellers previously accepted payments via Paytm or UPI Apps; but, because of issues with internet traffic and security concerns, these vendors have not fully embraced cashless transactions.

## **IMPLICATIONS**

The findings of the study show that India in terms of using digital payment methods is still very poor in comparison to other developed countries in the world. As many countries are already adopted payment system in an economy, India is in its developing phase and most of the populations are dependent on cash-based transaction because of unavailability of proper internet connectivity, lack of information and knowledge of financial transaction, charges on card payments and operational bank accounts.

India needs to come up with the new policies of electronic transactions. It is recommended that government should promote their agencies and private sector service providers to spread financial literacy at a great extend especially in urban and rural areas. Government should provide extra benefits on digital transaction payments and offer extra incentives or interest rate on cash saving in bank accounts. At the same time reduction in charges for digital transactions or an exemption completely on digital banking should be offered for a few initial years which can be more helpful for speeding up the process of digitalization of payments in India.

## **LIMITATIONS AND FUTURE DIRECTIONS OF THE STUDY**

Just like all the studies will have certain limitations, the present study also possesses a few.

1. The study considered only Kadapa town and future studies can consider other regional places,
2. The study focused only the street vendors and other studies can think about women street vendors, and male street vendors specifically.
3. The study examined only the perceptions about cashless transactions but future studies can examine the user experience, user satisfaction with the cashless transactions may be a good choice of research,

## **CONCLUSION**

The study concludes that cashless transaction economy is one of the good and strong decisions of government of India. Many people accept the concept of cashless transactions system. It helps to fight against major illegal or unethical activities in the economy like terrorism, corruption, money laundries etc. but street vendors in the markets of Kadapa town adopting cashless transaction is very low. Their level of awareness and knowledge about various digital payment techniques is not satisfactory. Both the merchants and consumers of Kadapa are accustomed to cash transactions that they are failing to recognize the benefits of digital payment techniques. The prime reason for the majority of street vendors of Kadapa for not adopting cashless transaction is the sheer lack of relevance of digital payment in their lives. Their consumers do not show interest to make payment digitally and their distributor/suppliers also hesitate to receive payment digitally.

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