

## **A Study On Impact of Cashless Transactions on Sale of Branded Household Durables With Respect To Chickballapura and Kolar Districts**

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### **Abstract:**

The cashless transactions after digitalization and demonetization have gained a wide scope. Each and every disciplinary area is implementing the various means of applications for going non cash payments. As the study is related to impact of cashless transactions on sale of branded household durables, the focus is made towards knowing how the dealers are aware of different modes of cashless transactions and also the dealer's perception towards cashless transactions. This paper provides understanding of how cashless transactions will have impact on sale of household durables with respect to Chickballapura and Kolar region. In the recent day's rural market have acquired significance and attract the attention of dealers towards marketing of branded household durables and with several changes in the financial system the sale asks to do with cashless transactions. So the dealers are looking for extending their way of selling products categories using non cash payments applications in the region of Chickballapura and Kolar districts. Changes come more often and faster as the world grows more and more accustomed to internet. Hence the objective of study requires data about cashless transactions on sale of branded durables. The structured questionnaire is used to draw the data for the study. The data is analysed using percentage method. This paper provides perspectives of cashless transactions and some suggestions towards on sale of branded household durables by means of digital transactions.

Keywords: Brands, Cashless Transactions, Digitalization, Demonetization, Durables.

## Introduction

The Indian government has brought a major change in economic environment by demonetizing the high value currency notes of – Rs.500 and Rs.1000 from 8th November 2016 and push India towards cashless economy. A cashless economy is one in which all the transactions are done through electronic channels such as debit/credit cards, Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT) and Immediate Payment Service (IMPS). Minimizing the circulation of physical currency is one of the objective of the move. The Indian economy continues to be driven by the use of cashless mode less than 5% of all payments happen electronically. Electronic based transaction seeks to drive the development and modernization of India's payment system. The principle of the policy is to shift the economy from a cash based economy to a cashless one. Efficient and modern payment system is a key enabler for driving growth and development. The policy also aims at improving the effectiveness of monetary policy, managing inflation in the economy, maintaining stable pricing system. The government is working at various levels to reduce the dependence on cash. Our Prime Minister Sri Narendra Modi ji unveiled two schemes –Lucky GrahakYojna, Digi DhanVyapaarYojna for customers and traders respectively to cashless payments. To encourage and strengthen cashless economy it's important to inculcate the habit of making e-payments. Government encourages cashless transactions like mobile banking, Ru-pay cards, UPI, USSD, these are means and methods of digital payments. Less cash economy is in the interest of everyone and it will help in creating a cleared and cleaned economy in future. Government have also introduced Aadhar based payment system, this is for those people who don't have cards or mobile phones. Reducing Indian economy's dependence on cash is desirable for a variety of reasons. To control counterfeit notes that could be contributing to terrorism, It also affect the monetary policy of our country and to eliminate the —black money, hawala transfers can't be made without paper currency, Curbs illegal activities altogether. A large part of black money is generated in illegal trades like selling drugs therefore without cash or less cash illegal trade might become difficult.

Present study on impact of cashless transactions on Sale of Branded Household Durables With Respect To Chickballapura and Kolar Districts, is conducted with the objective of understanding how dealers of various household durable goods have accepted this cashless economy concept and to identify what best can be done regarding implementation of cashless payments system in market, Rural areas in particular.

## Literature review

- **Geeta Rani Asst. Professor. Department of Commerce, B.P.S.M.V. KHANPUR, R.C. Kharal, Jind, Haryana, India:** Effects of demonetization on retail outlets, The study shows that initially the demonetization effects on market were painful but this also instigate the shopkeepers and consumers to adopt cashless means such as paytm,

debit card use, internet banking to buy goods. By adopting the cashless means economy will be sound in coming time and Indian Economy will get benefits of early and hassle free transactions. Demonetization effect will be positive in coming time for Indian Economy. Indian consumers will strive to learn new ways of cashless transactions. By adopting the cashless means certainly there will be a check on black money.

- **Geeta Rani Assistant Professor, Department of Commerce, B.P.S.M.V, Khanpur, R.C. Kharal, Jind, Haryana, India. Role of rural women in purchasing consumer products**, This study indicates that in purchasing convenience goods & other household goods women play a vital role and their behaviour of purchasing affected by many factors. TV media is most effective tools of advertisement in rural sector. So marketing companies must focus on rural women purchasing behaviour.
- **Worthington, Steve (1995), in the paper “The cashless society”**, outlined the rationale of those who are keen to promise the cashless society and the implications for marketers charged with winning consumer acceptance for payment by plastic card. Commencing with a European wide view of the European plastic card market, focuses on recent developments within the U.K in the use of plastic cards as a means of payment. The plastic card payment product is analysed under the three headings of pay later, pay now and pay before and a view is offered as to the future prospects for each type of plastic card in contributing to the development of the cashless society.
- **Rangaswamy and Ramesh Kumar S. (2007)** in his article “Plastic money in retail distribution“ highlighted the growth of plastic money particularly ATM cum debit cards, its importance in retail distributions, cost effects, benefits, suggest some tips to avoid frauds and necessity of increasing its usage.
- **Jia Loke Yiing (2007) in his study “Determinants of merchant participation in credit card payment scheme”** aimed to empirically establish the determinants of merchant participation in credit card payment schemes. It is also found that a merchant’s personal background, type of business and total value of sale are significant in determining a merchant’s acceptance of cards in payment transactions. Further, it is also found that customer’s usage of credit cards and other merchants acceptance of credit cards in payments have a significant influence on a merchants decision. Findings also indicated that non-pecuniary strategic factors are stronger drivers and barriers to a merchant’s participation in credit card payments services compared to monetary related factors.

- **Bansal, N. K. (2006) in his article" Plastic card currency — A convenient mode of payment"**, explained the role of plastic money, its various forms and the positive impact of plastic money on the lives of people of all walks of life and being accepted as a convenient mode of payment in the modern era of electronic technology driven commerce.

### **Research Gap:**

By reviewing the available literature, it is clearly noticed that, many authors have conducted research on cashless transactions. However, the impact of cashless transactions on the sale of branded household durables of Chickballapura and Kolar region has not been given much importance and scope in any of the studies. Hence, the researchers are interested in knowing its impact on the sale of branded household durables of Chickballapur and Kolar region.

### **Objectives:**

- ✓ To study dealers awareness towards different means of cashless transactions.
- ✓ To analyse the impact of cashless transaction on sale of branded household durables.
- ✓ To understand dealers perception towards cashless transaction.

### **Scope of the study:**

The present study is confined to cashless transactions effect on sale of branded household durables. The research study can be applied for any kind of durables that dealers deal within the region of Chickballapura and Kolar districts. The study reveals the impact of cashless transactions on the sale of branded household durables and also the dealers' perception towards cashless transactions. This study has covered all the taluks of Chickballapura and Kolar region.

### **Limitations:**

- The outcome of research has drawn from the data given by the dealers only and no way concerned with the customers.
- The study is limited to only Chickballapura and Kolar districts and hence the results may not be generalised to whole state or country.

- The outcome cannot be generalized to the entire market as the selected sample may not be true representative of population.

## **Research Methodology**

### **a. Research Design**

The present study has adopted descriptive research design.

### **a. Sampling Method**

The convenient sampling method is used to select the samples.

### **b. Sample size**

100 dealers across Chickballapura and Kolar districts have been selected for the study.

### **c. Sampling unit**

Dealers of branded household durables.

### **d. Sources of data collection**

Primary data is collected through personal interview using structured questionnaire.

Secondary data through published articles, journals and internet.

### **e. Instrument for Data Collection:**

A structured questionnaire designed specifically for capturing the required data for study. The said questionnaire has been designed in such a way that the variables identified in the literature review have been considered and incorporated.

### **f. Data analysis tool**

For the analysis purpose, only Percentage Analysis has been applied.

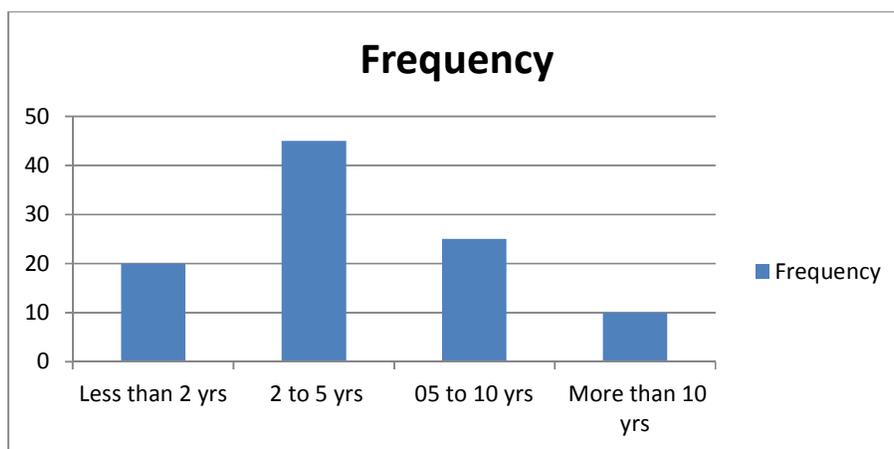
## **Data analysis**

A structured questionnaire designed specifically for capturing the required data has been used in this study. The said questionnaire has been designed in such a way that the variables identified in the literature review have been considered and incorporated.

For the analysis purpose, only Percentage Analysis has been applied.

**Table – 1:** Age of business

Sl. No	Particulars	Frequency	Percentage
1	Less than 2 yrs	20	20
2	2 to 5 yrs	45	45
3	05 to 10 yrs	25	25
4	More than 10 yrs	10	10
Total		100	100

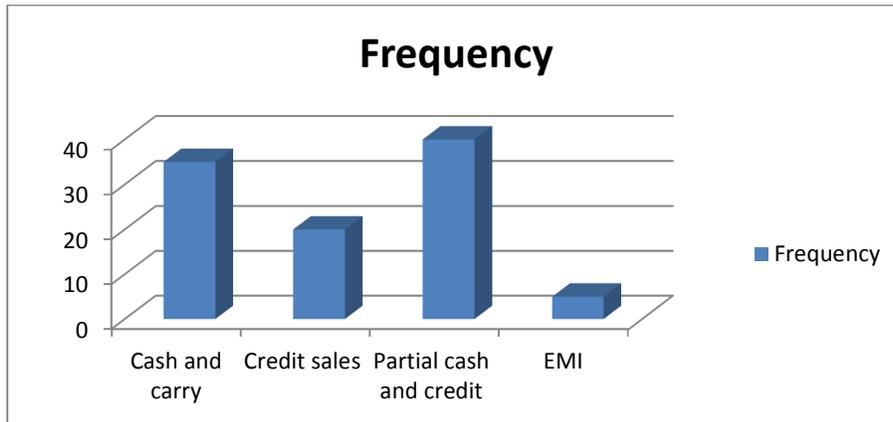
**Graph 1:** Age of business

**Interpretation:** Majority of the respondent's i.e., 45% in the business for past 2 to 5 yrs. 25% of the respondents are in business for past 5 to 10 yrs. 20% of the respondents are in business for less than 2 yrs. Remaining 10% are in the business for more than 10yrs.

**Table – 2:** The most frequently used modes of transactions for your business

Sl. No	Particulars	Frequency	Percentage
1	Cash and carry	35	35
2	Credit sales	20	20
3	Partial cash and credit	40	40
4	EMI	05	5
Total		100	100

**Graph 2-** The most frequently used modes of transactions for your business

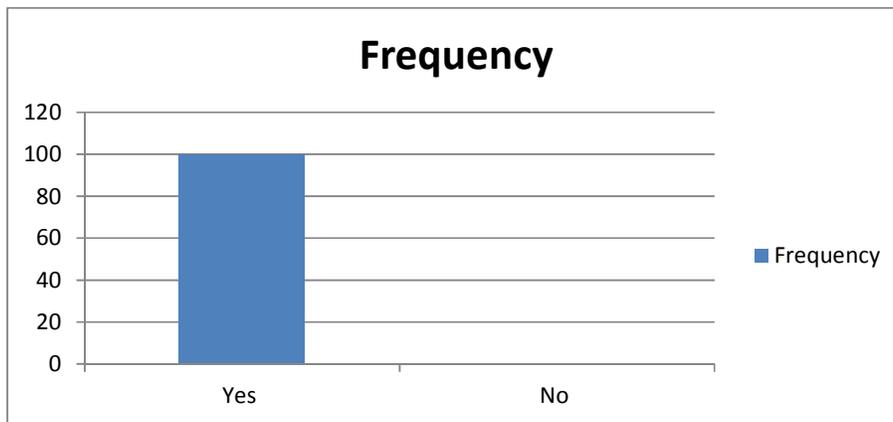


**Interpretation:** 40% of the respondents said that they are selling durable goods on partial cash and credit mode, 35% dealers on cash and carry mode, 20% dealers on credit basis and remaining 5% on instalment mode. This shows that majority of the customers are looking for credit period by paying some partial amount.

**Table 3-** Awareness of cashless transactions

Sl. No	Particulars	Frequency	Percentage
1	Yes	100	100
2	No	0	0
Total		100	100

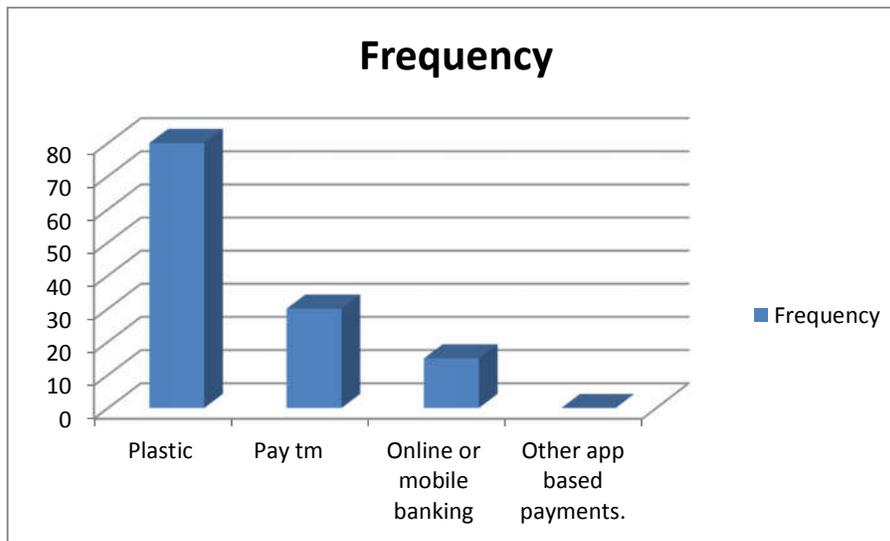
**Graph 3-** Awareness of cashless transactions



**Interpretation:** Above statistics shows 100% of respondents are aware of cashless transactions.

**Table 4-** The different means of cashless transactions dealer dealing with

Sl. No	Particulars	Frequency
<b>1</b>	Debit/credit card payment	<b>80</b>
<b>2</b>	Pay tm	<b>30</b>
<b>3</b>	Online or mobile banking	<b>15</b>
<b>4</b>	Other app based payments.	<b>0</b>

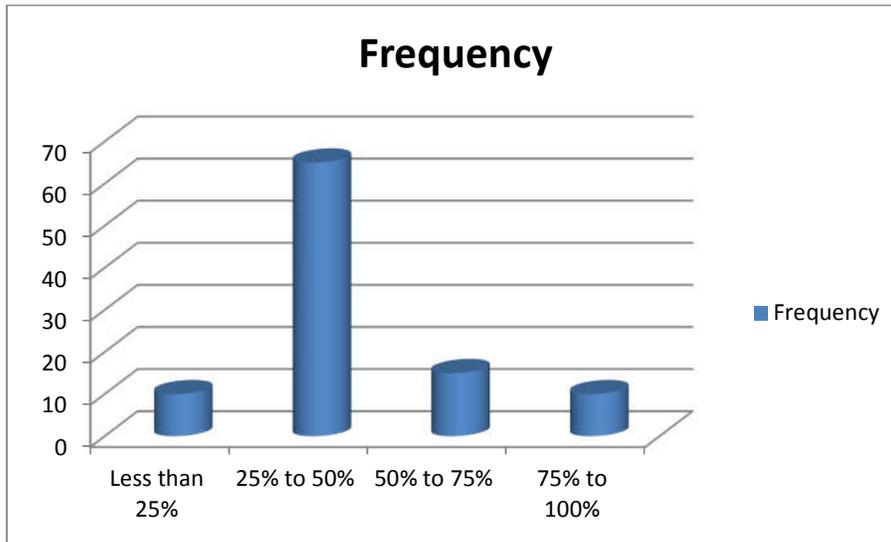
**Graph 4-** The different means of cashless transactions dealer dealing with

**Interpretation:** Most of the dealers are accepting plastic currency i.e. debit or credit cards for the bill payment. Other mode of cashless transactions like paytm, online or mobile banking are still in infant stage and yet to receive consideration by these dealers.

**Table 5-** percentages of goods are sold on cashless basis

Sl. No	Particulars	Frequency	Percentage
<b>1</b>	Less than 25%	<b>10</b>	<b>10</b>
<b>2</b>	25% to 50%	<b>65</b>	<b>65</b>
<b>3</b>	50% to 75%	<b>15</b>	<b>15</b>
<b>4</b>	75% to 100%	<b>10</b>	<b>10</b>
Total		<b>100</b>	<b>100</b>

**Graph 5-** percentages of goods are sold on cashless basis

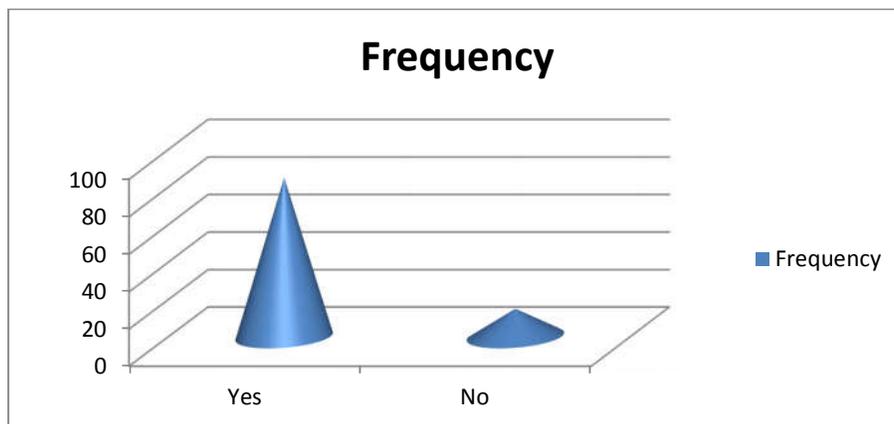


**Interpretation:** 65% of the dealers are selling 25 to 50% of durable goods on cashless basis, 15% dealers are selling 50 to 75% of durable goods on cashless basis, 10% of dealers are selling less than 25% of durable goods and remaining 10% dealers are selling a 75 to 100% of durable goods on cashless basis. This clearly shows that

**Table 6-** Whether customers prefer cashless transactions

Sl. No	Particulars	Frequency	Percentage
1	Yes	85	85
2	No	15	15
Total		100	100

**Graph 6-** Whether customers prefer cashless transactions

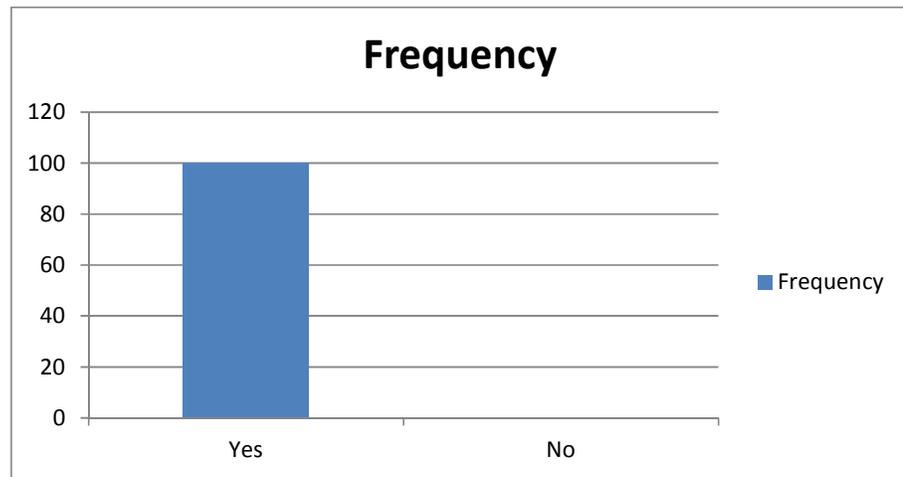


**Interpretation:** Above statistics clearly shows that customers prefers cashless mode of transactions while buying household durables. Survey tells 85% of the customers prefers cashless transactions.

**Table 7-** Demonetization and digitalisation decisions lead to more cashless transactions

Sl. No	Particulars	Frequency	Percentage
1	Yes	100	100
2	No	0	0
Total		100	100

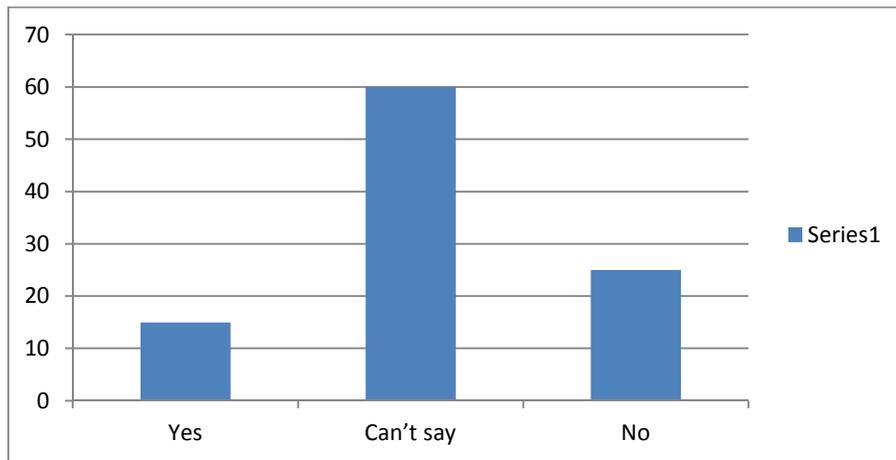
**Graph 7-** Demonetization and digitalisation decisions lead to more cashless transactions



**Table 8-** Cashless transactions have made increase in sales

Sl. No	Particulars	Frequency	Percentage
1	Yes	15	15
2	Can't say	60	65
3	No	25	20
Total		100	100

**Graph 8-** cashless transactions have made increase in sales

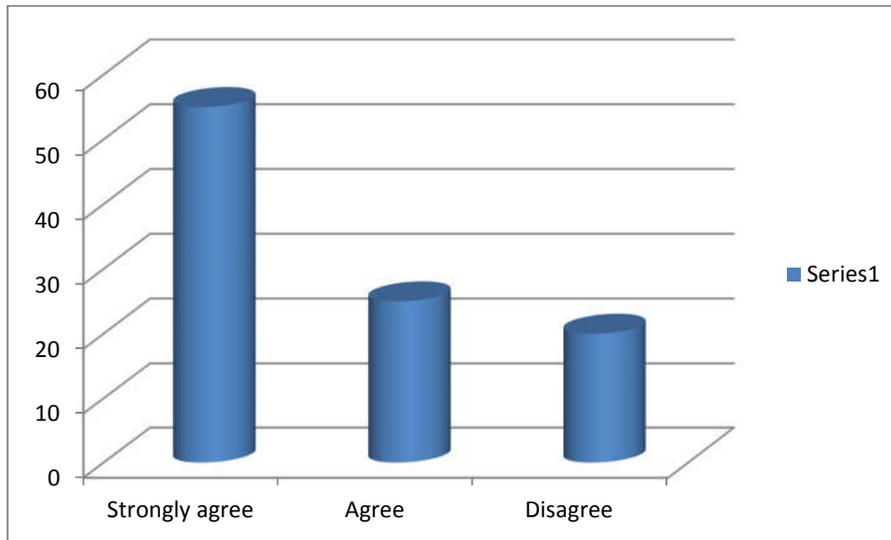


**Interpretation:** Study shows there is no clear picture about whether cashless transactions have made impact on increase on sales of durables. 65% of respondents have opined that they can't say anything about whether cashless transactions have increased sales. Only 15% of respondents said there is increase in sales.

**Table 9-** cashless transactions have improved profit margin of your business

Sl. No	Particulars	Frequency	Percentage
1	Strongly agree	55	55
2	Agree	25	25
3	Disagree	20	20
Total		100	100

**Graph 9-** cashless transactions have improved profit margin of your business

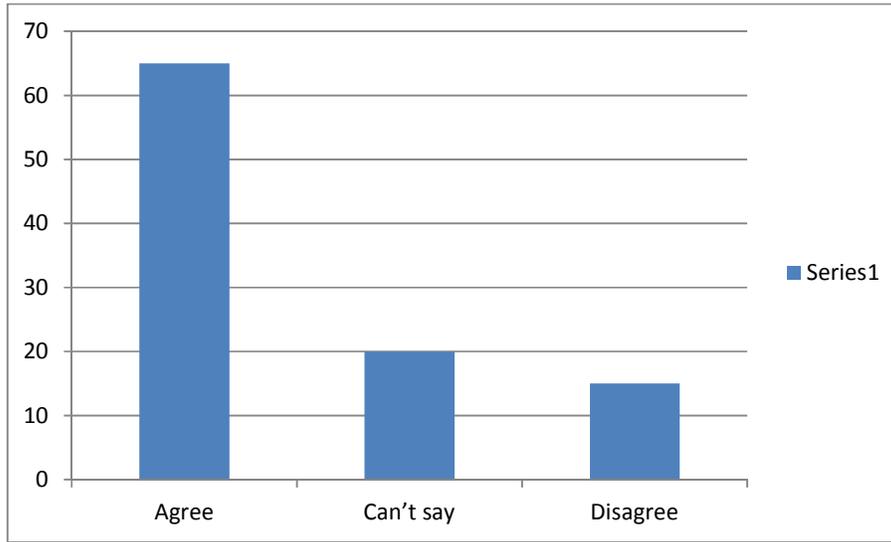


**Interpretation:** Majority of the respondents said they are strongly agreeing that profit margin of their business improved because of the cashless transactions. 55% of respondents strongly agreeing for cashless transaction have resulted in increase in profits and 25% of respondents agreed for the same, and remaining 20% disagree for the statement.

**Table 10-** Increase in cashless transactions have reduced bad debts for the sales of branded durables.

Sl. No	Particulars	Frequency	Percentage
1	Agree	65	65
2	Can't say	20	20
3	Disagree	15	15
Total		100	100

**Graph 10-** increase in cashless transactions have reduced bad debts for the sales of branded durables.

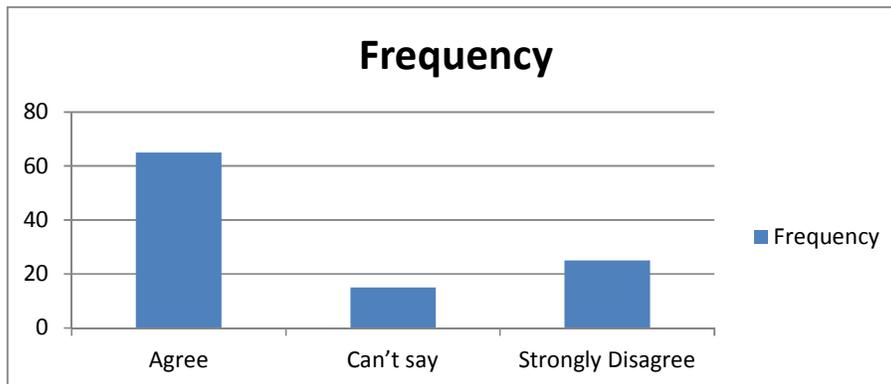


**Interpretation:** With 65% of respondents agreeing for the statement that cashless transactions have reduces bad debts, it is clear that introduction of cashless transactions system is advantage for dealers as it reduces the risk of bad debts.

**Table 11-** Cashless transactions reduced risk of loss in your business of branded household durables

Sl. No	Particulars	Frequency	Percentage
1	Agree	65	65
2	Can't say	15	15
3	Strongly Disagree	25	25
Total		100	100

**Graph 11-** Cashless transactions reduced risk of loss in your business of branded household durables

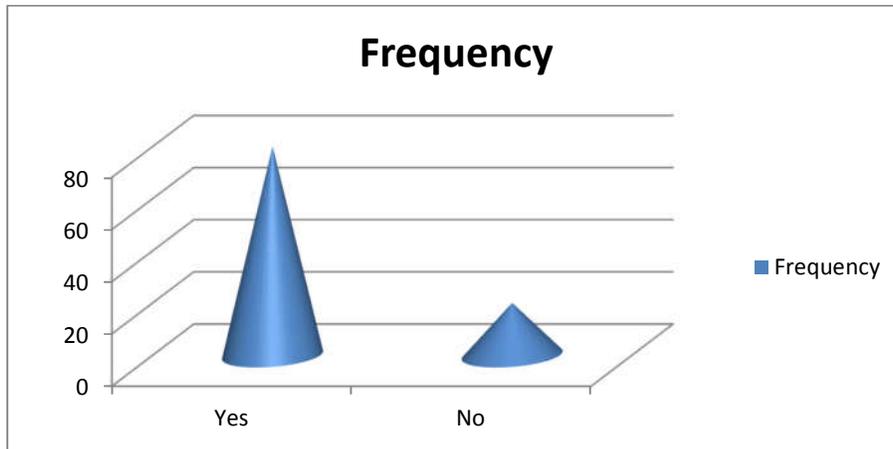


Interpretation: Majority of the (65%) agreed for the statement that cashless transactions have reduced the risk of loss in dealing with durables. It shows that dealers have accepted cashless transactions as it is benefited them.

**Table 12-** cashless transactions provides business security

Sl. No	Particulars	Frequency	Percentage
1	Yes	80	80
2	No	20	20
Total		100	100

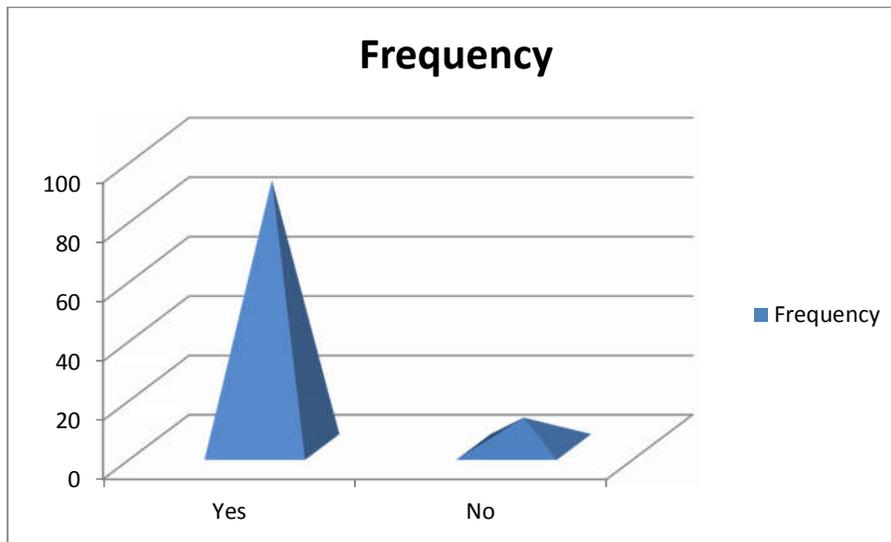
**Graph 12-** Cashless transactions provides business security



**Interpretation:** 80% of respondents have opined that cashless transactions provides security for their business as it reduces the risk of loss and loss due to bad debts.

**Table 13-** satisfaction of dealers with the concept of cashless transactions

Sl. No	Particulars	Frequency	Percentage
1	Yes	90	90
2	No	10	10
Total		100	100

**Graph 13-** satisfaction of dealers with the concept of cashless transactions

**Interpretation:** Majority of the respondents with 90% frequency are satisfied with the concept of cashless transactions.

## Findings

1. Majority of the dealers that is 65% are in business from past 5years and remaining dealers are of more than 5years of age. This shows most of the dealers are of fair experience in their business.
2. Most of the dealers are using partial cash and carry mode of transactions in dealing durable products.
3. Cent % dealers are aware about cashless transactions.
4. Using Debit or credit cards are the most common means of cashless transactions.
5. Most of the dealers are selling 50% of their goods through cashless mode of transactions.
6. Majority of the customers prefer non cash payment for purchasing durable goods.
7. Demonetization and digitalization had much impact on cashless transactions.
8. There is no clarity whether non cash payments have increased in sales.
9. Cashless transactions have resulted in increase in profit margins of dealers.
10. Cashless transactions have reduced bad debts of business.
11. Cashless transactions have reduced risk of loss of business.
12. A cashless transaction provides business security for dealers.

13. Majority of the dealers are satisfied with the concept of cashless transactions.

### **Suggestions**

1. Since most of the dealers are well experienced in the business, Bankers can educate and promote them to go for cashless transactions.
2. Government should encourage dealers to go for cashless transactions.
3. Since plastic money like debit or credit cards are most popular means of cashless transactions, banks should provide these services to general public at lesser charges.
4. Bank should withdraw service charges for dealers on card payments.
5. App based payment systems have to be encouraged.
6. Maximum limit for payment should be extended for app based payments.

### **Conclusion**

Cashless transactions are one which is gaining more prominence nowadays. As this has gained much scope and initiated by government, dealers are in use of this cashless transaction in selling branded household durables. Cashless transactions can be applied for any product category of the business, hence the suggestions can be generalised to any business sector. There is a need of proper infrastructure facility first to make them aware about technology so that the use of non cash payment will become easier for both dealers as well as customers.

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