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Acceptance of cash less banking in post COVID Era in Indian perspective: A review

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Abstract
The economic impact of COVID-19 pandemic in India has become mostly disrupting. It has also become one of the biggest threats to the Indian economy and financial markets have become volatile like any other industry. India like any other country across globe is taking a lot of measures like nationwide lockdown, restrictive association of community, closure of public and crowded places and transport. Peoples are staying at home, maintaining social distancing and working from home. The economy is worst affected by this lockdown. Business has faced a lot due to the volatile Indian financial market from the beginning of the lockdown. Increasing concerns on the insecurity of potential cash flows and income were also witnessed during this lockdown time. To encourage touch less banking due to COVID-19, the usage of cash as means of exchange has reduced a lot. The fear of spread of corona virus through physical exchange of rupees and coins, less operating hours of banks, and inability to go out for cash transactions are some of the reasons for increment of digital cash less banking. Hence it is predicted that cashless payments would become an enduring fixture in the economic swap over network in future. For this reason physical exchange of currency is discouraged and digital payments are encouraged. Banks are envisaging new techniques to help customers by temporarily waiving of fund transfer charges by digital payment platforms like NEFT, RTGS, and IMPS etc. The support given by service providers during this time of crisis will everlastingly be bear in mind by the customers.

Due to many impediments it has become tough to complete a vigorous digital payment in our country. The hi-tech development, existing crisis and a requirement for cashless transactions have eliminated such hurdles to some extent.

An initial survey was taken from respondents in questionnaire form mainly with the following points: awareness of cash less banking mode, difference of customer attitude towards cash less banking in pre and post COVID-19 phase, its convenience, acceptability, privacy and danger. Correlation and hierarchical multiple regression analysis was used to establish whether the abovementioned factors influenced customers' approach and intent to use cash less Banking. Due to the global pandemic and the need to maintain social distancing, the touch less transaction has become the dire essential. The consumer behaviour has been effected at large due to the COVID-19 pandemic and its effect is going to last long.

Keywords: COVID-19, pandemic, digital payment, cashless banking

1. Introduction
Major population in developing world is now raising awareness in raising living standard and Cash less banking is a form of banking where financial transactions do not involve physical money like cash; coin etc. instead digital money is used in the form of cards. In India from last decades banks are using digital money and payments. But the usage of digital money has gained its momentum after monetization. India was moving slowly from cash to cashless economy. There was minimal circulation of physical money. But on a micro level its usage has started rapidly after the COVID-19 pandemic. This paper was a try to observe the customers' perception and attitude in India towards cashless digital banking during Pre and Post COVID situation and an attempt was also made to find out the factors responsible for it.

2. Objective
To find out the factor responsible for increment usage of cashless banking
To suggest measures to enhance digital banking.

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3. Literature Review

Demonetization has led to increase use of digital banking. When all the banking transactions are done through card or by digital means this is called cashless banking. More transactions through card means more transparency in business transactions, it also lessens the risk of carrying cash. (Podile & Rajesh, July 2017) [11]. The use of credit card enables more purchase than cash. (Hirschman, 1979) [4]. (Avery, 1986) [2]. He discovered a strong positive correlation between age, income, education, wealth like independent variables with dependent variable credit card use. (P.M Jain, 2006) [9]. He articulated that the increased use of digital payments reduce the flow of black money. In 21st century the use of electronic payment via plastic money is a good prospect in comparison to the awkward and costly use of cash in the form of rupees and coins. (Worthington, 1995) [14]. People are getting accustomed to use of electronic money and this is going to be an important currency in near future. (Al-Laham, 2009) [1]. The perception and attitude of some bank customers were analyzed by Dr. Sidhu. (Sidhu, 2013) [13]. The theoretic model developed by him suggested that convenience of cashless transaction weighed against all its drawbacks and risk associated with it. (Mukhopadhyay, 2016) [8].

4. Research Methodology

The data have been collected from various respondents working in different organizations categorized mainly as education sector, service sectors as banks, hospitals, etc. and Government and Public sector companies in the Kolkata metro area. The study consisted of 94 respondents. A five point Likert scale is used where 5 indicates strongly agree, and 1 indicates strongly disagree. 64.9% respondents are male and 35.1% are female. Educationally, 76.6% are undergraduates and 23.4% are post-graduates and above. Respondents working experiences are 22.3% below 3 years, 42.6% 3 years to 6 years and 35.2% are more than 6 years.

5. Research Instrument

The independent variables in this paper are demographic profile, and other variables. The validated questionnaire on Technology acceptance model by Ajzen, 1991, Ajzen & Fishbein, 1980 and Davis, 1989 are used. The questinnaire is divided mainly in two parts: (i) Online banking system used by the banks, (ii) Banks support and relationship management practices. SPSS 21 is used as a tool to analyze the data.

6. Analysis

The responses are presented in the Table 1 and Figure 1 below, indicating about the acceptance of Onli.

Table 1: Pre COVID acceptance of digital payments

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Awareness	16	35	23	13	7
Convenience	11	17	35	21	10
Acceptability	17	45	14	13	5
Privacy	18	43	16	9	8
Danger	2	5	18	51	18
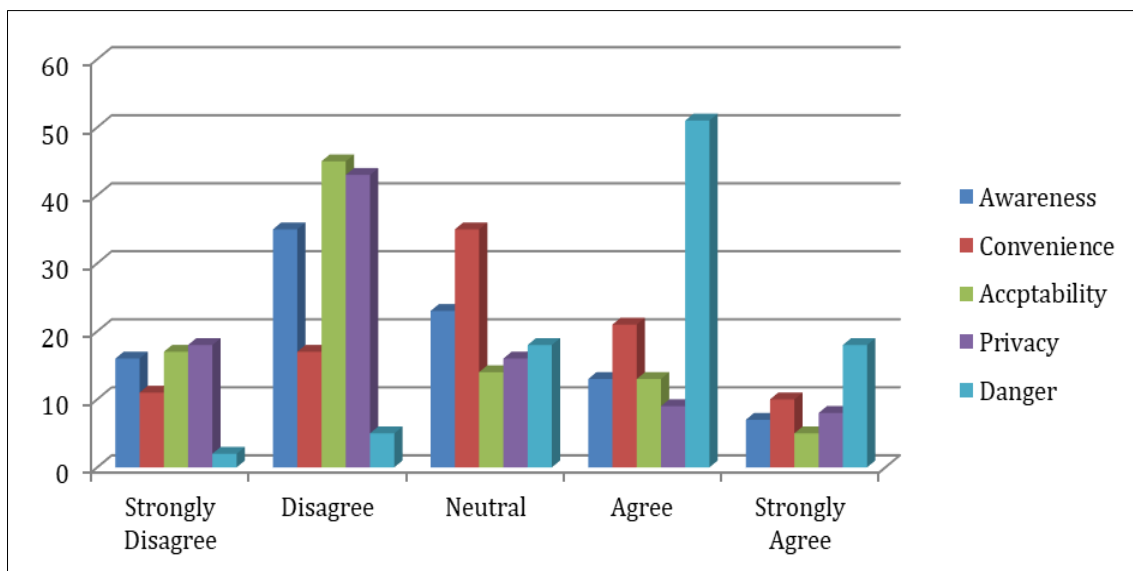
Source: Primary Data

Fig 1: Pre COVID Acceptance of Digital Payments

Calculation of Expected frequencies

Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Awareness	$\frac{94 \times 64}{470} = 12.8$	$\frac{94 \times 145}{470} = 29$	$\frac{94 \times 106}{470} = 21.2$	$\frac{94 \times 107}{470} = 21.4$	$\frac{94 \times 48}{470} = 9.6$	94
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Privacy	$\frac{94 \times 64}{470} = 12.8$	$\frac{94 \times 145}{470} = 29$	$\frac{94 \times 106}{470} = 21.2$	$\frac{94 \times 107}{470} = 21.4$	$\frac{94 \times 48}{470} = 9.6$	94
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$$\chi^2 = \frac{(16-12.8)^2}{12.8} + \frac{(35-29)^2}{29} + \frac{(23-21.2)^2}{21.2} + \frac{(13-21.4)^2}{21.4} + \frac{(7-9.6)^2}{9.6} +$$
$$\frac{(11-12.8)^2}{12.8} + \frac{(17-29)^2}{29} + \frac{(35-21.2)^2}{21.2} + \frac{(21-21.4)^2}{21.4} + \frac{(10-9.6)^2}{9.6} +$$
$$\frac{(17-12.8)^2}{12.8} + \frac{(45-29)^2}{29} + \frac{(14-21.2)^2}{21.2} + \frac{(13-21.4)^2}{21.4} + \frac{(5-9.6)^2}{9.6} +$$
$$\frac{(18-12.8)^2}{12.8} + \frac{(43-29)^2}{29} + \frac{(16-21.2)^2}{21.2} + \frac{(9-21.4)^2}{21.4} + \frac{(8-9.6)^2}{9.6} +$$
$$\frac{(2-12.8)^2}{12.8} + \frac{(5-29)^2}{29} + \frac{(18-21.2)^2}{21.2} + \frac{(51-21.4)^2}{21.4} + \frac{(18-9.6)^2}{9.6} = 133.9$$

Null Hypothesis H₀: Factors are independent of the behavioral degree of acceptance

Alternative hypothesis H$_A$: Factors are associated with the behavioral degree of acceptance.

Degrees of freedom (5-1)(5-1)=16. Now
$$\chi^2_{.05,16} = 26.30, \chi^2_{.025,16} = 28.85, \chi^2_{.01,16} = 32.00$$

As the χ^2 value calculated is more than the prescribed value even at .01 level of significance error, so null hypothesis is rejected and alternative hypothesis is accepted. Hence the conclusion is that Factors are associated with the behavioral degree of acceptance. Further the exact probability for association occurs at is .001 level of significance errors (approximately).
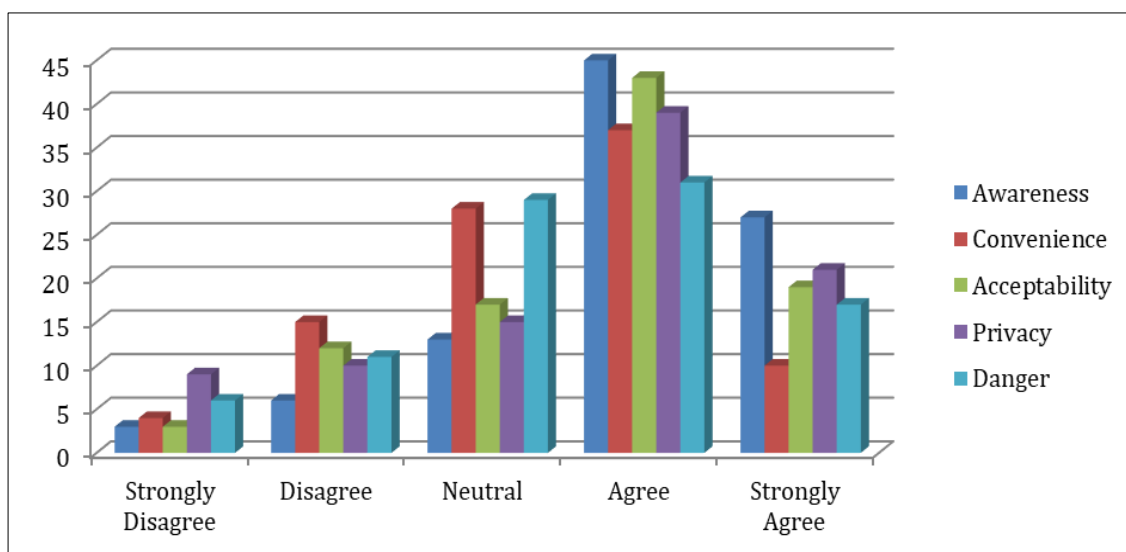
Source: Primary data

Fig 2: Post COVID acceptance of digital payments

Table 2: Post COVID acceptance of digital payments

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Awareness	3	6	13	45	27
Convenience	4	15	28	37	10
Acceptability	3	12	17	43	19
Privacy	9	10	15	39	21
Danger	6	11	29	31	17

Calculation of Expected frequencies

$$\chi^2 = \frac{(3-5)^2}{5} + \frac{(6-10.8)^2}{10.8} + \frac{(13-20.4)^2}{20.4} + \frac{(45-39)^2}{39} + \frac{(27-18.8)^2}{18.8} +$$

$$\frac{(4-5)^2}{5} + \frac{(15-10.8)^2}{10.8} + \frac{(28-20.4)^2}{20.4} + \frac{(37-39)^2}{39} + \frac{(10-18.8)^2}{18.8} +$$

$$\frac{(3-5)^2}{5} + \frac{(12-10.8)^2}{10.8} + \frac{(17-20.4)^2}{20.4} + \frac{(43-39)^2}{39} + \frac{(19-18.8)^2}{18.8} +$$

$$\frac{(9-5)^2}{5} + \frac{(10-10.8)^2}{10.8} + \frac{(15-20.4)^2}{20.4} + \frac{(39-39)^2}{39} + \frac{(21-18.8)^2}{18.8} +$$

$$\frac{(6-5)^2}{5} + \frac{(11-10.8)^2}{10.8} + \frac{(29-20.4)^2}{20.4} + \frac{(31-39)^2}{39} + \frac{(17-18.8)^2}{18.8} = 31.51$$

Null Hypothesis H₀: Null Hypothesis H_0: Factors are independent of behavioural degree of acceptance

Alternative hypothesis H_A: Factors are associated with behavioural degree of acceptance

Degrees of freedom (5-1) (5-1)=16. Now
$$\chi^2_{.05,16} = 26.30, \chi^2_{.025,16} = 28.85, \chi^2_{.01,16} = 32.00$$

As the χ^2 value calculated is far more than the prescribed value at .05 and .025 level of significance error, so the conclusion is that Factor and behavioral degree of acceptance are associated at .05 level and even at .025 level of significance error. The exact level of significance error for association is .005. But at .01 level of significance error, Factor and behavioral degree of acceptance are independent, as the calculated χ^2 value 31.51 is less than the prescribed value 32.00.

Thus there has been a remarkable change in the pre COVID and post COVID data. In fact, in the Pre COVID case, at .01 level of significance error, Factor and behavioural level of acceptance are associated, whereas at the same level of significance error they are independent in the Post COVID case. Again at .05 and .01 level of significance error Factor and behavioural level degree of acceptance are associated in Pre COVID as well as in Post COVID cases; but the exact level of significance error for association is different in two cases. In case of Pre-COVID state, it is at further end of the tale, the region of significance error. In case of Post COVID case it is little shifted back.

7. Implications
This epidemic has escorted in a novel digital way of life for many people. Due to lockdown many retailers, professionals, consumers faced challenges in adapting digital as new normal but after lockdown is relaxed the customers will take long time to revert back to their physical banking engagements, many even will not return. This paper has tried to understand peoples' perception and attitude about using digital banking both in pre and post COVID situation. This paper also tries to find out the dependency of different factors on the choice of selection of digital cash less banking system. It was discovered that there that there remains a noticeable difference between the people's perception on pre and post COVID scenario of the way of using cash less banking. Initially peoples were forced to use digital banking due to fear of spread corona virus through use of cash and coins and restricted banking hours. There was lack of awareness amongst users about the convenience of digital banking over physical banking. Moreover there was fear of digital threats. But after COVID once they started using it forcibly, Banks have created awareness about the digital banking mode and people opted it due to convenience and faster banking. This pandemic has hastened the digitalization inventiveness of many banks. It is suggested that Banks should not be convinced to stop their physical cash transactions altogether, however, a fusion of physical and digital mode is the best way forward which can be named as 'phygital'. We think that banks must improve the traditional branch banking and concentrate on how to deliver detailed, high value, physical interface and understanding that can match a digital banking center. Banks must consider twofold before going fully digital. A combination of the two models, a phygital strategy would be ideal to give them the edge in this new normal.

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