

Summary of Macro Research Report

S.No	PARTICULARS	DETAILS
1	Research Project Title	Issues and Challenges in moving towards a Digital and Cashless Banking Economy
2	Nature of Project Authorised	Macro Research Project Grants for the year 2018-19
3	Name of the Researchers	Dr. Karabi Goswami & Dr. Shazeed Ahmed
4	Institution of Affiliation	ASSAM INSTITUTE OF MANAGEMENT (A Government of Assam Society), Bigyan Path, West Boragaon, Guwahati, Assam
5	Need of the Study	It is felt that digitalised economy is a boon for the country. But there is a long way to go. The study would help to delve deeper into to identify issues and challenges to ensure a totally digitalised and cashless banking economy.
6	Objectives of the Study	<ul style="list-style-type: none"> (i) To study the current perception of common mass towards digitalization and cashless transactions. (ii) To identifying key persons in a family who conducts digital transactions. (iii) To identifying the impending barriers in inculcating a culture of digital and cashless banking. (iv) To know the present status with respect to penetration of digital transaction in the daily life of the urban/rural masses. (v) To explore the scope of social marketing in creating a positive environment towards digital and cashless banking (based upon the findings from objective 1 - objective 4). (vi) To explore the scope of using SHG's for promoting cashless banking to the illiterates in the rural areas and building mechanism for the same.
7	Research Questions	<ul style="list-style-type: none"> (i) Does Social Marketing does not have any role in creating a positive environment towards digital and cashless banking economy? (ii) Does SHG's have any role in promoting and building the mechanism towards a digital and cashless banking economy?
8	Research Methodology	Research Design: Exploratory cum Descriptive research Sample Size: 2000 units (1616 rural and 384 urban) Sample unit: Individual household Sampling Technique: Proportionate Sampling Pilot Survey: 30 respondents were taken Reliability of Scales by: Cronbach's Alpha
9	Questionnaire	Questionnaire consist of questions to know demographic information, use of attitudinal statements to know perception towards demonetization and barriers towards digitalization (uses three-point rating scale), identification of key persons in a family who conducts digital transactions (uses multiple choice options) and knowing the status of use of digital facilities / products / services (using options like aware and using, aware but not using, not aware)
10	Geographical Area	Confined within the state of Assam (covering 10 districts namely Kamrup, Bongaigaon, Goalpara, Barpeta, Kokrajhar, Nalbari, Tinsukia, Jorhat, Nowgaon and Sonitpur.
11	Time Period	The study was for 6 months from July to December, 2019
12	Analysis Techniques (& Inferential Statistics)	ANOVA, t-test, Chi Square Test, Counts, Percentages, Mean
13	Pictorial Representations of data	Bar Diagram, Pie Charts and Models

MAJOR FINDINGS

OBJECTIVE # 1: PERCEPTION OF COMMON MASS TOWARDS DIGITALIZATION

1. Respondents are most agreeable to the statement that digital and cashless economy will help reduce the risk of holding cash followed by the statement that it is very convenient as it is anytime anywhere banking.
2. Respondents are least agreeable to the statement that banks should discourage branch visits to encourage digital transactions.
3. There is a significant difference in the perception that digital banking is meant for tech savvy people and that digital and cashless economy will be very convenient for all as it is anytime anywhere banking with respect to respondents from urban and rural areas.
4. Respondents in the rural areas are more agreeable to the statement that digital banking is meant for tech savvy people.
5. Respondents in the urban areas are more agreeable to the statement that digital and cashless economy is very convenient for all as it is anytime anywhere banking.
6. Respondents in the age group of 18-25 are more open to the concept of digitalization and cashless banking than respondents in the senior age groups viz. 45 and above.
7. Respondents with relatively higher education level are more positive towards embracing digitalization and cashless banking than respondents with lesser education.
8. Discounts and offers help attract people in the lesser income levels towards digitalization and cashless banking more than people in the higher income levels.
9. Public sector /Government employees feel that digitalization is meant for tech savvy people, they also feel that it is very convenient and helps avail various offers and discounts.

10. Self-employed people do not feel that it is convenient or very safe way of transacting. They also do not feel that digitalization will lead to overall progress and development of the country.

OBJECTIVE # 2: KEY PERSONS IN A FAMILY WHO DOES DIGITAL TRANSACTIONS

11. Majority of the respondents opine that their children are the ones in the family who are the most Phone/Tech savvy.
12. Wives are found to be the least Phone/Tech savvy in the family.
13. It is also interesting to observe that 10 percent of the respondents have opined that nobody in the family is Phone/Tech savvy.
14. Majority of the respondents in the rural areas have said that children are the most Phone/Tech savvy person in the family whereas majority of the respondents in the urban areas have said that husbands are the most tech savvy person in the family.
15. Respondents also opine that it is mostly the children in the family who conduct digital transactions or make online purchases.
16. Also respondents from both rural areas as well as the urban areas have said that children are the ones who mostly conduct digital transactions or makes online purchases
17. Wives are again identified as the ones who normally do not conduct digital transactions or make online purchases.
18. It is also seen that 11.7 percent of the respondents have said that no one in the family conducts digital transactions or makes online purchases.

OBJECTIVE # 3: BARRIERS IN DIGITAL AND CASHLESS BANKING

19. Respondents perceive electricity and internet connectivity issues as barriers to digitalization and cashless transactions.
20. Also they perceive that people are not aware of all the digital products which are available and its usage

21. Also it is observed that respondents do not perceive digital transactions to be very complicated and full of hassles. Hence, from the study perspective this is not an impending barrier to digitalization and cashless transactions.
22. Respondents in the rural areas are more agreeable to the statements that that digital transactions are very complicated and full of hassles, in digital transactions, there is perceived risk of fraud, a culture of digital and cashless banking is missing, people are not aware of all the digital products which are available and its usage, there is a risk of committing errors and losing money, the processes involved in conducting digital transactions are not easy to understand, it is a technical subject and beyond the comprehension of common masses and that electricity and internet connectivity issues are involved

OBJECTIVE 4: STATUS OF PENETRATION OF DIGITAL TRANSACTION

PENETRATION OF DIGITAL FACILITIES / PRODUCTS

JAN DHAN ACCOUNT: Jan Dhan Account has low penetration with 28.20 percent on an overall basis with 25.60 percent in rural areas and 26.60 percent in the urban areas. This indicates that there is massive scope for opening Jan Dhan Account. But a major segment of the population considers Jan Dhan Accounts as poor man's bank account.

SAVINGS BANK ACCOUNT: Savings Bank Account is popular and has high penetration with 90.50 percent on an overall basis with 90.80 percent in the rural areas and 89.60 percent in urban areas. Opening of such account enables safe cum secured banking transactions and enables to availing various bank benefits.

AADHAAR CARD: Aadhaar Card issuance is not cent percent complete and has more than average penetration with 76 percent on an overall basis with 73.60 percent in rural areas and 85.90 percent in

urban areas. Aadhaar Card till now is not compulsory in the north eastern part of the country due to the ongoing NRC (National Register of Citizens) Exercise.

MOBILE PHONES: Mobile phones are very popular and have high penetration with 94.40 percent on an overall basis with 93.90 percent in the rural areas and 96.40 percent in the urban areas. Among the population possessing mobile phones, 83.90 percent are Android Phone owners (with 84.60 percent in rural areas and 82.50 percent in urban areas). Features phones are slowly phasing out.

PENETRATION OF VARIOUS MODES OF BANKING SERVICES

VISITING BANK PERSONALLY: The most popular mode as revealed by the field work is by visit to the bank personally. Availing banking service by personally visiting the bank is 84.40 percent (on an overall basis) out of which 82.1 percent is in rural areas and 94.10 percent is in urban areas. Culturally the people are still emotionally attached with availing banking services by visit to the bank personally as customers get personalized services.

SERVICES OF BANKING CORRESPONDENT / AGENTS: The percentage of people availing the services of banking correspondent/agents is 29.80 percent (on an overall basis) out of which 28.50 percent is in rural areas and 35.40 percent is in urban areas. It is an extension of normal banking service to maintain individual USP's. Further it is convenient for people who are engaged in multiple activities and have no spare time.

ONLINE MODE THROUGH MOBILE PHONE / COMPUTERS: The percentage of people availing online mode of banking services is 55.20 percent (on an overall basis) out of which 52.90 percent is in rural areas and 64.80 percent is in urban areas. The percentage in the urban areas is more than rural areas. This is a reflection that urban people are more techno savvy and comfortable with banking services through online mode. It also saves time, cost and is convenient for them.

CHECKLIST OF PENETRATION OF DIFFERENT DIGITAL TRANSACTIONS

TYPE OF TRANSACTIONS	OVERALL	RURAL	URBAN
Online Payment of Mobile Phone Bill	MEDIUM	MEDIUM	MEDIUM
Online Payment of Electricity Bill	LOW	LOW	MEDIUM
Online Payment of Property Tax Bill	LOW	LOW	LOW
Booking of LPG Gas online / SMS mode	MEDIUM	MEDIUM	MEDIUM
Online Payment for LPG Gas refilling	LOW	LOW	LOW

TYPE OF TRANSACTIONS	OVERALL	RURAL	URBAN
Online Net Banking/Mobile Banking	MEDIUM	MEDIUM	HIGH
Cashless (Debit Card /Card/Paytm) Payment	MEDIUM	MEDIUM	HIGH
Buying goods / services online	HIGH	MEDIUM	HIGH
Transactions through Cash on Delivery mode	HIGH	MEDIUM	HIGH

Benchmarking of High-Medium-Low Penetration given as per Table 10.1 in Appendix

ACTION FOR INCREASING PENETRATION BASED ON ABOVE FINDINGS

	TYPE OF TRANSACTIONS	ACTION REQUIRED / TOOLS
1	Online Payment of Mobile Phone Bill	Create more awareness, holding Workshops and Consumer Awareness Program by mobile phone companies as part of CSR activities, increase the cash back offers to motivate, engagement of SHG's in the rural areas for capacity building, holding live demonstrations in social and cultural platforms
2	Online Payment of Electricity Bill	Create more awareness through consumer awareness programs by the Electricity company as part of CSR activities, technical issues related to bill payment non updation needs to be sorted out
3	Online Payment of Property Tax Bill	Create more awareness through consumer awareness programs by the respective local Municipality Corporation as part of CSR activities, engagement of SHG's in rural areas
4	Booking of LPG Gas online / SMS mode	Create more awareness, rural as thrust area, instructing distributors to promote online booking, face to face advice, attaching condition that subsidy will be credited to bank account provided online payment is made
5	Online Payment for LPG Gas refilling	Issue instruction to the LPG Distributor to promote online payment for refilling, formulating schemes for the rehabilitation of the delivery man, attaching condition that subsidy will be credited to bank account provided online payment is made
6	Online Net Banking/Mobile Banking	Need for organizing customer awareness programs by banks on online banking, educating customers on the do's and do not's of net banking / mobile banking to boost confidence on its use, making helpline numbers very receptive, engagement of SHG's in the rural areas for capacity building, targeting students of educational institutions to promote at respective homes
7	Cashless (Debit Card / Card/Paytm) Payment	Confidence building measures, educating on the do's and do not's of net banking / mobile banking, engagement of SHG's in the rural areas for capacity building
8	Buying goods / Services Online	Engagement of SHG's in the rural areas, for urban areas holding periodic Customers Awareness Meets on the do's and do not's in conducting online transactions
9	Transactions through Cash on Delivery Mode	Engagement of SHG's in the rural areas, for urban areas no action is required

STATUS OF AWARENESS AND USE OF DIGITAL PRODUCTS / SERVICES

		OVERALL	RURAL	URBAN
1	Debit cards/ Micro ATM	High	High	High
2	Credit Cards	Low	Low	Medium
3	Mobile Banking (USSD/ UPI)/	Medium	Medium	Medium
4	NEFT (National Electronic Fund Transfer)	Low	Low	Medium
5	RTGS (Real Time Gross Settlement)	Low	Low	Low
6	ECS (Electronic Clearing System)	Low	Low	Low

		OVERALL	RURAL	URBAN
7	IMPS (Immediate Payment Service)	Low	Low	Low
8	AEPS (Aadhaar Enabled Payment System)	Low	Low	Low
9	E wallets / Mobile Wallets	Medium	Low	Medium
10	Bank Prepaid Cards	Low	Low	Low
11	Digishala	Low	Low	Low
12	Green Channel / Green Pin	Low	Low	Low

Benchmarking of High-Medium-Low Penetration given as per Table 10.2 in Appendix

ACTION FOR INCREASING PENETRATION BASED ON ABOVE FINDINGS

S.No	PRODUCT	ACTION REQUIRED
1	ATM / Debit Cards/ Micro ATM	Overall no major action is required, holding Customers Awareness Meets on the do's and do not's of using ATM / Debit Cards to reeducate from time to time periodically
2	Credit Cards	Research required to make the product more customer friendly, create more awareness through advertisements to make the due amount of credit cards on time, motivating banks to promote credit cards by outsourcing the task of accessing credit worthiness of customers to third parties
3	Mobile Banking	Policy issues are involved, requires promotional offers, hold customers' awareness meets for confidence building against misconceptions on online frauds, remove skepticism on the utility of the service by live demonstration through social and cultural platforms
4	NEFT	Research required to make the product more customer friendly, educate customers on the registration process for availing NEFT, make the specific software /portal for its use user friendly by including provisions of error checks / balances through checker verifier concepts.
5	RTGS	Research required to make the product more customer friendly, the policy of allocating limit for RTGS transaction may be reworked, policies related to regulate RTGS transaction may be made more flexible, need for creating awareness through advertisement for the unreached
6	ECS	Research required to evaluate policy issues are involved in rural operation, requirement of more empanelment of remote area banks under the Bank's mapping for inclusive growth, there is a need for creating awareness in rural areas
7	IMPS	Research required to evaluate policy issues, need for creating awareness of IMPS in general, scope to rework on the amount of transaction fee charged to make it more acceptable, educate on the mandatory seven digits Mobile Money Identifier (MMID) number that is required for IMPS and holding customers meet for spreading awareness on the process of its usage
8	AEPS	Policy issues are involved, further research required to make the product more customer friendly, need to solve technical issues in remote areas related to transaction failure, process of lodging complains in case of transaction failure needs to be streamlined, policy issues are involved as Aadhaar Cards is still not mandatory in this part of the country, create awareness of DigiShala to promote AEPS, role of SHG's to promote it in the rural areas may be stressed.
9	E wallets / Mobile wallets	There is a need for creating awareness, product may be made more customer friendly to be accessible by the general mass, special role of SHG's to promote it in the rural areas may be stressed.
10	Bank Prepaid Cards	Policy issues are involved, requirement of institution of some nominal protection by bank for card holders if it is to be promoted, procedural process of availing Prepaid Cards may be made more user friendly.
11	Digishala	Need for creating mass awareness by organizing customer awareness meets on the DigiShala Service, need for engagement of SHGs for capacity building in the rural areas, to educate people on the use of DigiShala, master trainers may be used. Such master trainers may be selected and properly trained at designated Nodal Centres and then deputed for imparting trainings in respective districts.
12	Green Channel (SBI) / Green Pin	Need for creating mass awareness by organizing customer awareness meets on the use of Green Channel (SBI) / Green Pin by live demonstrations. Stress on the need to use Green Channel (SBI) / Green Pin as a part of the Green Marketing drive to save paper and the planet and sustain the future generation. Customers may be educated by direct face to face interaction, role of SHG's in rural areas.

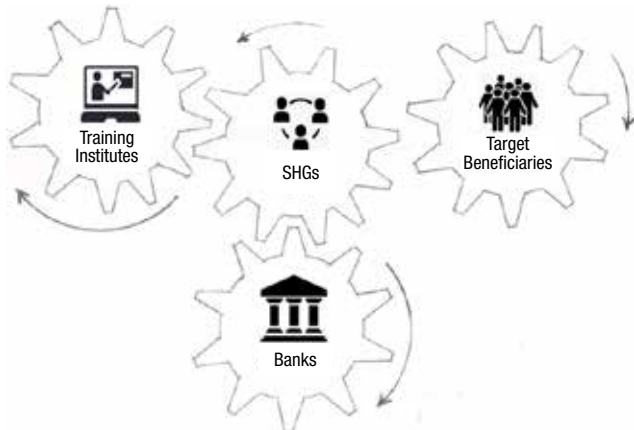
OBJECTIVE 5: ROLE OF SOCIAL MARKETING TOWARDS DIGITALISATION

Based upon the findings of the fieldwork related to the current perception of common mass towards digitalization, identification of key persons in a family who conducts digital transactions, identifying the impending barriers in inculcating a culture of digital and cashless banking and the present status

with respect to penetration of digital transaction in the daily life of the urban and rural masses, several advertisement themes has been identified as well as developed and relevant advertisement copy has been developed for each theme as selected. The themes are both in English and Assamese versions.

OBJECTIVE 6: MODEL OF USING SHG'S TOWARDS DIGITALISATION

A suggestive model is proposed for the promotion of digital movement in the state of Assam. The model comprises of four entities. They are the Banks, the Self Help Groups, the Training Institutes and the Target Beneficiaries as shown below



A MODEL FOR CAPACITY BUILDING TOWARDS DIGITALISATION

The primary goal of the Model is to create effective linkage of the mentioned four entities so as to educate the SHGs and the common mass in the aspect of financial literacy and processes related to availing digital products and services.



Bank Quest Articles - Honorarium for the Contributors

S.No.	Particulars	Honorarium Payable
1	Invited Articles	₹7000
2	Walk-in Articles	₹4000
3	Book Review	₹1000
4	Legal Decisions Affecting Bankers	₹1000

BANK QUEST THEMES

The themes for “Bank Quest” are identified as:

1. April – June, 2021: Infrastructure Financing – New Normal.
2. July – September, 2021: Evolution & future of Monetary & Fiscal Policies – Sub Themes: Regulatory Framework, Monetary Framework, Fiscal Framework.
3. October – December, 2021: International Financial Centers.
4. January – March, 2022: Effective resolution of stressed assets.