

## Summary of Macro Research Report

### Sustainability of Cashless Banking in Unorganized Retail Sector:

#### A Comparative Study of two districts of Telangana

Dr. Archana Srivastava and Dr. Rishi Kumar, BITS-Pilani Hyderabad Campus

There has been a tremendous effort to financially integrate the various sections of the society, be it rural, urban or a semi-urban area. The level of deepening and integration need much serious attention when it comes to its implementation in rural or semi-urban areas where unorganized retail sector dominates. The literature reveals that although the efforts have changed the overall transactions mode scenario from cash to cashless yet there is a lot to be done to gain the sustainability of the above. The study is focused on semi-urban areas where the possibility of success of financial inclusion in terms of cashless economy would be more as compared to rural areas. The main aim of the study is to explore the sustainability of cashless economy drive with two major objectives: (1) Factors determining the usage of cash or cashless payment modes and (2) Issues and challenges faced by the local unorganized sector retailer. The state under focus for this study is Telangana and the two districts viz. Nalgonda and Mahbubnagar were selected for field study, which were the best and the worst performing districts, respectively, in terms of CRISIL Inclusix ranks, 2018 which assess the extent of financial inclusion. The total sample size of the study is 519 unorganized retailers with permanent/ fixed shops. Our study found that mobile based apps like Paytm, Googlepay, etc. are far more popular

than any other mode of digital transactions among the unorganized retailers and the reasons cited for the same included low transaction costs, easy to handle and use, aggressive marketing by wallet companies, no paper documentation or physical visits for installing mobile based wallets. Further, the logistic regression analysis of the data showed that male owners have higher odds of accepting digital payments as compared to the female. At the same time, shops with younger owners have higher odds of using digital payments. As far as shops' characteristics are concerned, rented shops and shops with GST registration have higher odds of accepting digital services for payments. Also, shops with access to internet as well with stable internet in their shops have higher odds of accepting digital payments. From policy point of view, our study highlights the importance of basic infrastructure like high internet speed, smooth internet etc. if the usage of digital payment modes is to be encouraged further. The results also make a case for better and focused training for the older generation about the adoption of the digital modes of payments as they are at an disadvantage when it comes to using the technology based modern payment systems.



### IIBF releases the “Banking and Finance Yearbook”

IIBF releases the “Banking & Finance Yearbook” updated up to December, 2021. It is a comprehensive digest of all major developments, trends, expert views and regulatory changes across different verticals in Banking & Finance domain including the extracts of important speeches rendered by senior officials of RBI, select articles published in IIBF's journal Bank Quest for giving the reader a wholesome reading experience. The book is available on Amazon both as a paperback and as a Kindle edition. The book will also be available in the retail outlets of our publisher, M/s Taxmann Publications (Pvt.) Ltd.