International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

A Comparative Study of Cashless Transaction Perception Among Generation X and Y in Sagar City of Madhya Pradesh

Aadil Khan[1], Dr. Seema Badgaiyan[2]

[1]Research Scholar, School of Commerce, Eklavya University, Damoh, Madhya Pradesh, India
[2]Professor, School of Commerce, Eklavya University, Damoh, Madhya Pradesh, India

Abstract
This research compares the perceptions towards cashless transactions among Generation X (individuals born between 1965 and 1980) and Generation Y (individuals born between 1981 and 1996) in Sagar City, Madhya Pradesh. It is essential for policymakers and companies to understand the variations in acceptance and perception across different generations in relation to digital payment systems, since these technologies are continuously transforming the financial industry. The main data was gathered to examine attitudes, habits, and obstacles regarding cashless transactions. The research seeks to determine whether there is a notable difference in the acceptability and usage of cashless transactions between the two generations, while also investigating possible reasons that may contribute to any observed variances. The findings might provide valuable insights for developing specific approaches to improve financial inclusion and digital literacy across various age demographics in Sagar City and similar regions.

Keywords: Cashless Transactions, Digital Payment System, Generation X, Generation Y, Perceptions.

1. Introduction:

The growth of payment systems has been revolutionary in an age of fast technology innovation, with cashless transactions emerging as a key component of modern trade. The rise of digital payment platforms has not only made it easier to send and receive money, but it has also caused changes in how people behave and what they like. It is very important for policymakers, financial institutions, and businesses who want to adapt to changing market conditions to understand how cashless transfers work, especially when it comes to differences between generations.

The focus of this study is on how two different generations, Generation X and Generation Y, feel about and act towards cashless transactions in Sagar City of Madhya Pradesh. For people born between 1965 and 1980 known as Generation X (Frandsen, 2009) saw the birth of digital tools and the internet when they were young. According to (Alsop R., 2008), Generation Y, on the other hand, was born between 1981 and 1996, and they grew up in a world that became more and more digital, with smartphones, social media, and online shopping being normal.

Comparing these groups of people from different generations gives us a unique way to look at how people adopt and accept cashless transactions, as well as the factors that affect their views. By looking at how Generation X and Generation Y feel about, prefer, and use cashless payment methods, this study aims to find out if there is a big difference between the generations in how they use digital financial technologies.

In the past few years, digital infrastructure and financial inclusion programmes have grown a lot in Madhya Pradesh, which is one of India's biggest and most popular states. Sagar City, which is in the middle of this changing environment, is a great place to look into how age differences affect the acceptance of cashless transactions. This study looks into the nuances of customer behaviour and the socio-economic factors that affect people's choices about cashless transactions. The aim is to give useful information to those who want to improve financial inclusion and digital literacy across all age groups.

2. Review of Literature

(Fathima et al., 2022) stated in their study that as the world swings toward E-commerce, digital transactions have risen substantially, leading to technical improvements in digital payments and limiting the world into a single market. India, with a fifth of the world's population, is increasingly adopting digital payments. With an average age of 29 and 65% under 35, India has a Millennial majority. The survey found that this tech-savvy generation embraced digitalization faster than Generation X. Generation X must gradually convert to digital payments as the younger generation did. From toll gates to invoices and taxes, this survey found all payments are digital. This has expanded our fintech dependence, hence fintech infrastructure must be developed.

(Shree et al., 2021) employ a web-based survey to assess Indian customers' digital payment habits. It examines how 'perception,' 'trust' in digital payments, and online fraud affect consumer payment choices. The research indicated that age, gender, and income affect digital payment system acceptance. A structured online questionnaire gathered primary data on demographics, technology use, digital payment channels, purchase behaviors, fraud experiences, and awareness activities. The survey found that Indian customers prefer digital payment systems' convenience and are generally favorable about them. The study presents a definition for digital transactions and notes that digital, paperless, and cashless transactions are interchangeable in common language.

(Mohd. & Pal, 2020) found that government reforms and technical advances have increased payment alternatives. India is diverse and has infrastructural deficiencies, making it difficult to execute the system properly. The research examines cashless transaction advantages, drawbacks, and customer understanding. Researchers found that respondents face several hurdles when completing cashless transactions, including insufficient security, poor network access, a lack of digital awareness, illiteracy, and difficulty making modest payments. Few people know about the latest electronic payment solutions.

3. Objectives

1. To compare the awareness levels of Generation X and Y towards cashless transactions.
2. To examine the difference in the perceived benefits and challenges of cashless transactions faced by Generation X and Y of Sagar City.
3. To suggest the ways for the improvement of cashless transactions.

4. Hypothesis

H_{01}: There is no significant difference in the perceived benefits of cashless transactions between Generation X and Generation Y in Sagar City.

H_{A1}: There is a significant difference in the perceived benefits of cashless transactions between Generation X and Generation Y in Sagar City.

H_{02}: There is no significant difference in the perceived challenges of cashless transactions between Generation X and Generation Y in Sagar City.

H_{A2}: There is a significant difference in the perceived challenges of cashless transactions between Generation X and Generation Y in Sagar City.

5. Research Methodology

The study is descriptive and analytical in nature. The primary data was collected using stratified random sampling method for selecting the respondents. The data was collected through questionnaire which was distributed to the users of cashless transactions in Sagar district of Madhya Pradesh. Questionnaire were collected from a total 250 respondents consisting 125 each from both Generation X (age 40 to 56) and Generation Y (age 25 to 40) respectively and simple random sampling was used to draw the sample from different stratas. A Chi-square test was conducted to assess the association between the chosen variables (jmp.com, 2023). A statistical test called the Z-test for two-sample means is used to see if the difference between the means of two groups is statistically significant (vitalflux.com, 2023).

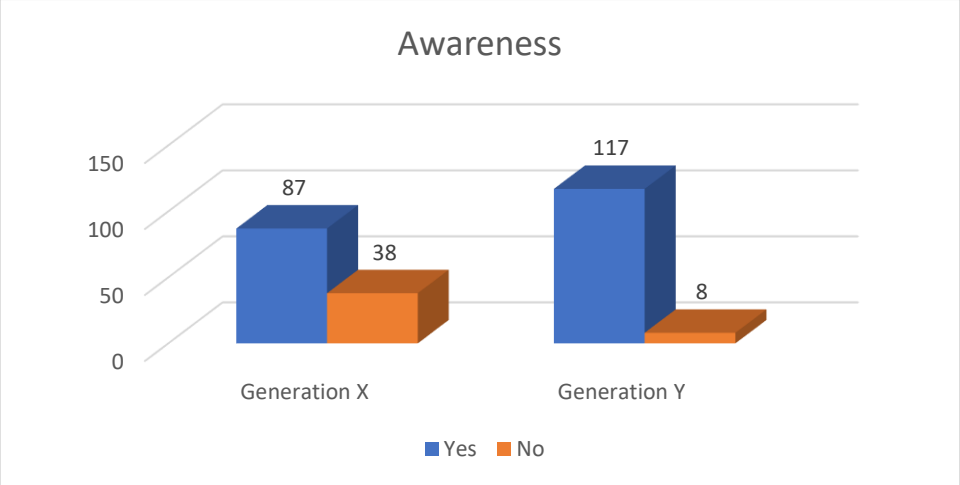
6. Data Analysis and Findings

Table No. 1 Do you know about the Cashless Payment System?

Awareness	Number of respondents				Total	%
	Generation X		Generation Y			
	Number	%	Number	%		
Yes	87	69.6	117	93.6	204	81.6
No	38	30.4	8	6.4	46	18.4
Total	125	100	125	100	250	100

Source: Primary data-through questionnaire

Figure No. 1



Source: Table No. 1

The data shows that there is considerable awareness of the cashless payment system among respondents, with 81.6% of the total aware of it. Generation Y exhibits a notably higher awareness level (93.6%) compared to Generation X (69.6%). Conversely, the proportion of respondents unaware of the system is higher among Generation X (30.4%) compared to Generation Y (6.4%). This indicates a significant

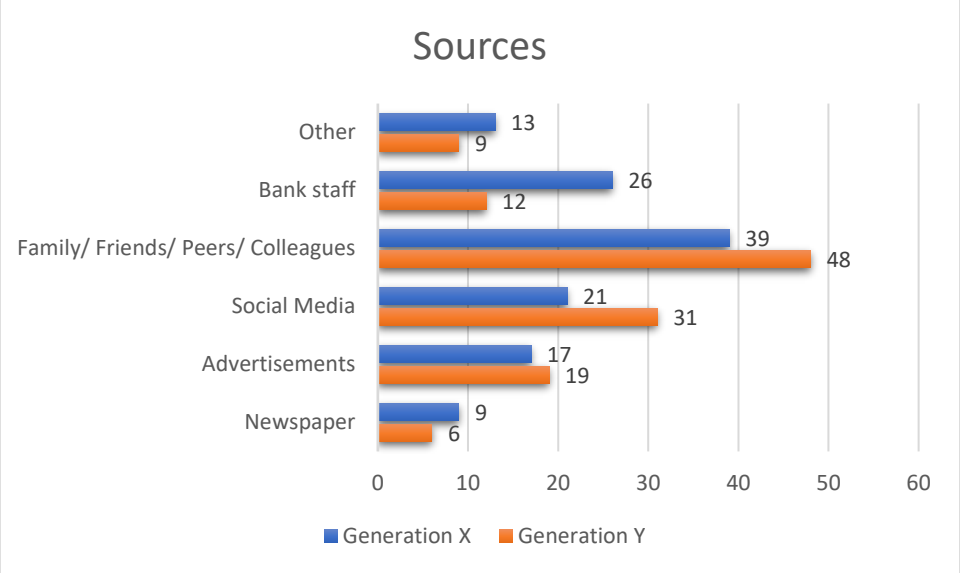
generational gap in awareness, suggesting that younger individuals are more informed about cashless payment systems compared to their older generations.

Table No. 2 How were you made aware of the Cashless Payment System?

Sources	Number of respondents				Total	%
	Generation X		Generation Y			
	Number	%	Number	%		
Newspaper	9	7.2	6	4.8	15	6
Advertisements	17	13.6	19	15.2	36	14.4
Social Media	21	16.8	31	24.8	52	20.8
Family/ Friends/ Peers/ Colleagues	39	31.2	48	38.4	87	34.8
Bank staff	26	20.8	12	9.6	38	15.2
Other	13	10.4	9	7.2	22	8.8
Total	125	100	125	100	250	100

Source: Primary data-through questionnaire

Figure No. 2



Source: Table No. 2

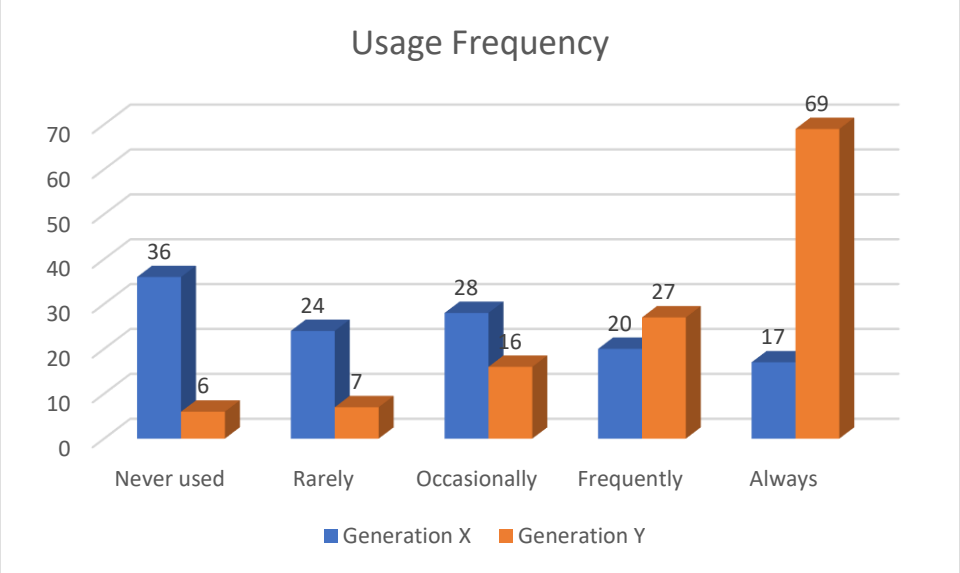
The data indicates that awareness of the cashless payment system primarily comes from personal networks and social media. Among Generation X, 31.2% learned through Family/Friends/Peers/Colleagues, followed by 20.8% from Bank Staff, and 16.8% from Social Media. Generation Y shows a similar trend but with higher reliance on Family/Friends/Peers/Colleagues (38.4%) and Social Media (24.8%). Advertisements informed 13.6% of Generation X and 15.2% of Generation Y. Newspapers and other sources were less impactful. Overall, interpersonal connections (34.8%) and social media (20.8%) are the leading sources of awareness, highlighting their significant roles in information dissemination.

Table No. 3 How often do you use Cashless Payment System

Usage Frequency	Number of respondents				Total	%
	Generation X		Generation Y			
	Number	%	Number	%		
Never used	36	28.8	6	4.8	42	16.8
Rarely	24	19.2	7	5.6	31	12.4
Occasionally	28	22.4	16	12.8	44	17.6
Frequently	20	16	27	21.6	47	18.8
Always	17	13.6	69	55.2	86	34.4
Total	125	100	125	100	250	100

Source: Primary data-through questionnaire

Figure No. 3



Source: Table No. 3

The data reveals differing usage patterns of the cashless payment system between generations. Among Generation X, 28.8% have never used it, while 13.6% use it always. In contrast, only 4.8% of Generation Y have never used it, with a significant 55.2% using it always. Occasional and frequent use is more balanced in Generation X (22.4% and 16%, respectively) compared to Generation Y (12.8% and 21.6%). Rare usage is higher in Generation X at 19.2% versus 5.6% in Generation Y. Overall, 34.4% of respondents always use cashless payments, indicating higher adoption in Generation Y compared to Generation X.

7. Hypothesis Testing

Table No. 4 Perceived Benefits of Cashless Transactions

Perceived Benefits	Mean Scores	
	Generation X	Generation Y
Enables convenient and hassle-free transaction methods	2.68	4.18
Reduces the risks associated with carrying physical cash	3.34	4.10
Ensures the safety and security of payments.	3.18	3.80

Facilitates high-speed transactions	3.25	4.00
Simplifies record-keeping processes	3.16	4.16
Provides additional benefits such as cashback, rewards, and discounts.	2.61	3.58
Helps in controlling black money	3.27	3.71
Enhances transparency by enabling traceable transactions, thereby reducing corruption	2.79	3.67

Source: Primary data-through questionnaire

Table No. 5

z-Test: Two Sample for Means		
	Generation X	*Generation Y*
Mean	3.035	3.9
Known Variance	0.0854	0.056771429
Observations	8	8
Hypothesized Mean Difference	0	
z	-6.488658783	
P(Z<=z) one-tail	4.33019E-11	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	8.66038E-11	
z Critical two-tail	1.959963985	

Source: calculated by researcher through MS-Office 2021

The z-test results indicate a statistically significant difference in the perceived benefits of cashless transactions between Generation X and Y in Sagar City. The calculated z-value of -6.489 is substantially lower than the critical z-value of 1.960 for a two-tailed test, and the p-value is extremely low (8.66038E-11), well below the conventional threshold of 0.05.

Therefore, we reject the null hypothesis (H_{02}) that there is no significant difference in perceived benefits and accept the alternative hypothesis (H_{A2}) that there is a significant difference. This suggests that Generation X and Y in Sagar City hold differing perceptions regarding the benefits of cashless transactions. Specifically, it appears that Generation Y perceives cashless transactions to be more beneficial compared to Generation X.

Table No. 6 Perceived Challenges of Cashless Transactions

Perceived Challenges	**Mean Scores**	
	Generation X	**Generation Y**
Security Concerns	3.43	2.89
Unreliable Internet Connectivity	2.74	2.48
Absence of Motivating Incentives	2.63	2.44
Insufficient Infrastructure	3.14	2.95
Limited Digital Literacy or Knowledge Gaps	3.57	1.98
Charges Associated with Online Transactions	2.47	2.28

Absence of Effective Grievance Redressal Mechanisms	3.14	2.72
Lack of Universal Acceptance	2.86	2.41

Source: Primary data-through questionnaire

Table No. 7

z-Test: Two Sample for Means		
	Generation X	*Generation Y*
Mean	2.9975	2.51875
Known Variance	0.150564286	0.104441071
Observations	8	8
Hypothesized Mean Difference	0	
z	2.681508195	
P(Z<=z) one-tail	0.003664556	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.007329112	
z Critical two-tail	1.959963985	

Source: calculated by researcher through MS-Office 2021

Based on the z-test results, there is a statistically significant difference in the perceived challenges of cashless transactions between Generation X and Y in Sagar City. The calculated z-value of 2.682 is greater than the critical z-value of 1.960 for a two-tailed test, a statistically significant difference in the perceived challenges of cashless transactions between Generation X and Y in Sagar City. The calculated z-value of 2.6815 exceeds the critical z-value of 1.959 for a two-tailed test, and the p-value is below 0.05 (0.0073), indicating significance.

Therefore, we reject the null hypothesis (H03) that there is no significant difference in perceived challenges and accept the alternative hypothesis (HA3) that there is a significant difference. This suggests that Generation X and Y in Sagar district encounter different challenges when utilizing cashless transactions. Specifically, it appears that Generation X faces more challenges compared to Generation Y.

8. Suggested ways for the improvement of cashless transactions

Based on the data analysis and findings from the study on the perceived benefits and challenges of cashless transactions between Generation X and Generation Y in Sagar City, several areas for improvement can be identified to enhance the adoption and effectiveness of cashless payment systems. Here are some suggested ways for improvement:

- **Workshops and Seminars:** Conduct workshops and seminars specifically targeting Generation X to educate them about the benefits and security measures associated with cashless transactions.
- **Digital Literacy Programs:** Implement digital literacy programs that focus on enhancing the digital skills of older generations, ensuring they are comfortable and confident in using digital payment methods.
- **Cashback and Rewards Programs:** Offer attractive cashback, rewards, and discount programs to motivate users to adopt cashless transactions.
- **Loyalty Programs:** Develop loyalty programs that provide additional benefits to frequent users, enhancing their engagement and satisfaction.

- **User-Friendly Applications:** Design intuitive and user-friendly mobile applications that cater to both tech-savvy and less tech-savvy users, ensuring ease of use.
- **Multi-Language Support:** Provide multi-language support in digital payment applications to cater to a diverse population.
- **Efficient Customer Support:** Establish efficient and responsive customer support services to address user grievances promptly.

9. Conclusion

In conclusion, this study sheds light on the contrasting perspectives and behaviours of Generation X and Generation Y towards cashless transactions in Sagar City, Madhya Pradesh. While both generations exhibit a growing awareness of digital payment systems, significant differences emerge in their adoption rates and perceived benefits and challenges. Generation Y, having grown up in a digitally-immersed environment, demonstrates higher levels of awareness and utilization of cashless transactions compared to Generation X. Moreover, Generation Y perceives cashless transactions to offer greater benefits and encounters fewer challenges than their older counterparts. To bridge the generational gap and further promote cashless transactions, targeted educational initiatives, digital literacy programs, and incentivized schemes should be implemented. By addressing the specific needs and concerns of each generation, stakeholders can foster a more inclusive and seamless transition towards a cashless economy in Sagar City and beyond.

10. References

1. Alsop R. (2008). *The trophy kids group up: How the Millennial generation is shaping up the workplace.* Jossey-Bass/Wiley.
2. Fathima, S., Narayanan, Vinmalar, & Stanis, A. (2022). Are Generation X Inching Towards Digital Transactions Post Pandemic? *Journal of Positive School Psychology*, *6*(6), 2918–2922. http://journalppw.com
3. Frandsen, B. M. (2009). DON'S CORNER-Leading by Recognizing Generational Differences. *Long-Term Living*, *58*(2), 34–35.
4. jmp.com. (2023). *Chi Square Test*. https://www.jmp.com/en_in/statistics-knowledge-portal/chi-square-test.html
5. Mohd., S., & Pal, R. (2020). Moving from cash to cashless economy: - A study of consumer perception towards digital transactions. *PRAGATI: Journal of Indian Economy*, *7 (1)*, 1–13. https://doi.org/10.17492/pragati.v7i1.195425
6. Shree, S., Pratap, B., Saroy, R., & Dhal, S. (2021). Digital payments and consumer experience in India: a survey based empirical study. *Journal of Banking and Financial Technology*, *5*(1), 1–20. https://doi.org/10.1007/s42786-020-00024-z
7. vitalflux.com. (2023). *z-test*. https://vitalflux.com/two-sample-z-test-for-proportions-formula-examples/