



People's attitude towards Plastic Money

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ABSTRACT:

The concept of using money instead of barter trading system has a long history. It started from using coins made out of gold, silver, bronze etc., to today's currency notes. With the help of new technologies, the banking system is continuously becoming stronger than ever before. The country is now increasingly adopting the concept of Plastic Money. Plastic Money is a very recent context replacing the traditional concept of paying through cash. Plastic Money is a term coined keeping in view the increasing number of transactions taking place on the part of consumer for paying for transactions incurred by them to purchase goods and services physically and virtually. It includes credit cards, debit cards, pre-paid balance cards, smart cards etc. Consumers prefer plastic money over cash. Plastic money is more convenient and easy method of payment. It is more secure way of payment as well as it can be anytime & anywhere access. It eliminates need of carrying cash, and it is helpful for instant transaction so it is time saving. It was also founded that people not using plastic money because of lack of knowledge and lack of trust, fraud issue and transaction charges and unstable income can be also one of the reasons for the same.

Key Words: Plastic Money, Attitude, Factors, Debit card, Credit card, Transactions

Introduction:

More and more often, we are increasingly dependent on new technologies to make our transactions fast and efficient. The continued and rapid growth of technology has brought about significant changes in our everyday lives. During the last few years and there is an enormous increase of internet banking transactions using the so "Plastic Money" instead of cash. Plastic money is an alternative to the cash or the standard "Money". Plastic money is referring to the credit cards or the debit cards that we use to make purchases. The current study makes an attempt to know the people's attitude towards usage of Plastic Money. Technology has drastically changed all the sectors including the financial sector, and the transactions in the banking system have also undergone a remarkable change. The traditional concept of payment through cash is replaced by the credit cards or the debit cards called 'Plastic Money' that people are using to draw money or to make purchases. In this paper I tried to identify the customer attitude towards Plastic Money as well as the risks that affect the consumer's decision while choosing various option of Plastic Money card available. This exacting research also focuses on the opinion about the acceptance of Plastic Money, its usability and affordability while they are making an impact on its preference of use.

Review of Literature:

Patil (2014) in his study "Impact of Plastic Money on Banking Trends in India." The main objectives of this study were to study the development of banking industry in plastic cards usage trends, to analyse the factors for adoption of plastic money this replaces the paper or cash money, and to study the future plans made by various banks and institutions for avoiding frauds raised due to plastic cards. The Study is been carried out by taking a survey of 100 respondents by non-probabilistic convenience sampling method from a city of Mumbai by using structured questionnaire and interview technique. The findings reveal that the use of Plastic card is increasing day by day for online payment. The factors for adoption of plastic money over the cash and paper money are no hassles of carrying cash, Security of money, Hassle free EMI's, Easy to use, Personal loan on credit card.

Bisht, Nair, Dubey & Hajela (2015) they studied "Plastic Money –A Way Forward for Cashless Transactions." It's main objectives were to study the perception of card users towards Plastic Money in India, to study the impact of Plastic Money on banking trends in India, and to study the issues and challenges faced by banks for using plastic money. About 200 responses were collected to conduct the study. A quantitative research design was adopted to perform the test of hypotheses. It was found that consumers prefer plastic money over paper money and the major benefit that the card provides to the customer is the convenience and accessibility. The major problems according to them is the increased transactional cost and unnecessary formalities to procure the cards from the financial institutions. They felt that the future of plastic money is bright and according to them, the next thing to come via technology would be the use of Digital signature.

Kaseke (2012) they investigated Cash or Plastic Money the Payment Mode post Multi-Currency Period in Zimbabwe." The main objective was to find

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out how easy consumer found plastic money to use. In carrying out the study, a descriptive survey design was used. A total of 200 questionnaires were personally administered to respondents. It was found that individual factors such as education level and gender had a bearing on the use of plastic money. The study also founded a number of problems that were encountered by consumers in relation to security, speed and complexity of use. The research concluded that these issues will need to be addressed and that plastic money may have advantages in certain situations but marketing efforts should be concentrated on identifying niche opportunities or bundling appropriate service onto the card to provide a relative advantage for increasingly discerning consumers.

Sharma, Fazal & Jain (2014) they studied "An Evaluation of Consumer Perception and Attitude towards the Usage of Plastic Money" Main objectives of this study were to identify the attitude of customers towards Plastic Money services, and to analyse the socio, economic and demographic profile of respondents. The data was collected through the source directly, i.e., Primary Data. The data collected through the source was via a questionnaire or survey format. The Study is been carried out by taking a survey of 212 respondents. It was found that consumers prefer plastic money over cash and usage of Plastic Money is increasing.

Hogarth, Kolodinsky & Gabor (2008) they investigated the choice of payment while purchasing goods. The main objectives of this study were to shed some light on the combinations of electronic payment choices that consumers utilise and to identify the socio-economic, demographic, and attitudinal characteristics of groups of consumers that fall within those choice sets. The Surveys of Consumers were initiated in the late 1940s by the Survey Research Center at the University of Michigan. The purpose of these surveys was to measure changes in consumer attitudes and expectations with regard to consumer finance decisions. Each monthly telephone survey of 500 households includes a set of core questions covering consumer attitudes and expectations along with socio-economic and demographic characteristics. It was found that younger, married, more highly educated, higher income, higher asset households were more likely to adopt a broad range of electronic payment choices. They also found that those consumers' attitudes and perceptions of Plastic money, in terms of security and privacy, convenience, and familiarity and ease of use, were significant correlates of payment choices.

Research Methodology:

The objectives of this study are (1) To know the attitude of people towards plastic money, (2) To study the purpose for use of plastic money, and (3) To study the awareness for the benefit of using plastic money. The research is an exploratory followed by descriptive one because the entire project is based on questionnaire and analysis which is of exploratory nature followed by the detailed description and analysis so the project is of descriptive design also. researcher have used primary data for the present study. Primary data were generated through questionnaire for this study from 140 respondents from Surat district. A well structured questionnaire was prepared and distributed to collect information. The sampling techniques used in this study is non-probability convenience sampling. In such a technique research seeks his or her own convenience to reach the ultimate target group. Statistical techniques like simple percentage analysis, Frequency distribution table, Crosstabulation between different variables, One Sample T-test, various charts by MS Excel & SPSS has been used for data analysis.

Analysis:

Table 1 - Demographic Information

Gender		Location	
Male	103	Rural	102
Female	37	Urban	28
		Suburban	10
Age		Education Qualification	
18 - 24	25	Higher Secondary	30
25 - 34	49	Under Graduate or Graduate	39
35 - 44	34	Post Graduate	56
45 - 54	30	Professional	2
55 or above	2	Other	13
Occupation		Monthly Income	
Student	8	Less than 10,000	18
Businessman	22	11,000 - 25,000	58
Employee	49	26,000 - 50,000	60

Farmer	30	More than 50,000	4
Housewife	22		
Other	9		

Table2 - Which of the plastic card are you aware of?

Particular	Frequency	Percentage (%)
Credit Card	5	3.60%
Debit Card	33	23.50%
Both	102	72.90%
None	0	0%
Total	140	100%

According to the survey, 4% (5 respondents) are aware about credit card, 23.60% (33 respondents) are aware about debit card, While Majority 72.90% (102 respondents) are aware about both credit card and debit card.

Table 3 - How many plastic cards you own?

Particular	Frequency	Percentage (%)
One	78	55.70%
Two	60	42.90%
Three	2	1.40%
More than three	0	0%
Total	140	100%

According to the survey, Majority 56% (78 respondents) only use 1 plastic money card, 42.90% (60 respondents) owns 2 plastic money cards, and only 1.40% (2 respondents) owns 3 or more than 3 plastic money cards.

Table4- Which payment processing network does your card belong to?

Particular	Frequency	Percentage (%)
Mastercard	11	7.90%
Visa	36	25.70%
RuPay	93	66.40%
Other	0	0%
Total	140	100%

According to the survey, Majority 66.40% (93 respondents) have RuPay card, 25.70% (36 respondents) have Visa card, and 7.90% (11 respondents) have Mastercard.

Table 5- How often do you use your plastic money?

Particular	Frequency	Percentage (%)
Daily	1	0.70%
Weekly	37	26.40%
Monthly	70	50%
Rarely	32	22.90%
Total	140	100%

According to the survey, Half of the respondents (70 respondents) uses their card monthly, and 26.40% (37 respondents) uses their card weekly, 22.90% (32 respondents) rarely uses their plastic money card and only 1 respondent out of 140 uses card daily.

Table 6 - Where do you spend most using plastic money card?

Particular	Frequency	Percentage (%)
Online payment	130	92.90%
Shopping	117	83.60%
Traveling	102	72.90%
Entertainment	72	51.40%
Ticket reservation	69	49.30%
Restaurant	44	31.40%
Fees payment	42	30%
Home appliance	36	25.70%
Health	17	12.10%

According to the survey, Most of the respondents uses their cards for Online payments, Shopping, Traveling, Entertainment and Ticket reservation.

Table7 - Crosstabulation between Education of the respondents & Respondents' awareness for plastic cards.

Education	Which of the card are you aware of?			Total
	Credit Card	Debit Card	Both	
Higher Secondary	4	13	13	30
Under graduate or Graduate	0	2	37	39
Post Graduate	1	11	44	56
Professional	0	2	0	2
Other	0	5	8	13
Total	5	33	102	140

According to the survey, most of the respondents who are graduate and post graduate are more aware with both cards.

Table8 - Crosstabulation between Monthly income of the respondents & Paymentprocessing networks of respondents' plastic money card.

Monthly Income	Which payment processing network does your card belong to?			Total
	Mastercard	Visa	RuPay	
Less than 10,000	3	1	12	16
11,000 - 25,000	3	21	34	58
25,000 - 50,000	3	16	43	62
More than 50,000	1	0	3	4
Total	10	38	92	140

According to the survey, most of the respondents who have income between 26,000 – 50,000 are using RuPay card.

Table 9 -Crosstabulation between Gender of the respondents & Where respondents use their plastic money card mostly.

Where does respondents spend most using plastic money card?	Gender		Total
	Male	Female	

Online payment	96	34	130
Shopping	84	33	117
Traveling	81	20	101
Entertainment	53	19	72
Ticket reservation	54	15	69
Restaurant	37	7	44
Fees payment	34	7	41
Home appliance	28	9	37
Health	15	3	18

According to the survey, most of the males and females use their plastic money cards for online payment, shopping, traveling and entertainment purpose.

Table 10 -Rate the following reasons for preference towards plastic money.

Particular	Strongly Disagree	Disagree	Agree	Strongly Agree
More convenient and easy method of payment	7	9	55	69
More secure way of payment	3	12	59	66
Anytime & anywhere access	3	9	56	72
Eliminates the need of carrying cash	3	8	59	70
Instant transaction	2	10	57	71
Time saving	3	8	55	74

According to the survey, plastic money is more convenient and easy method of payment, It is more secure way of payment, It can be anytime & anywhere access, It eliminates need of carrying cash, and it is helpful for instant transaction so it is time saving.

One Sample T-Test:

Table11 - According to you why people avoid using plastic money?

Particular	Mean	Test Value = 3					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of Difference	
						Lower	Upper
Unstable income	3.29	4.014	139	0.000	0.286	0.14	0.43
Lack of knowledge	3.44	7.458	139	0.000	0.436	0.32	0.55
Lack of trust	3.44	7.348	139	0.000	0.436	0.32	0.53
Fraud	3.41	5.524	139	0.000	0.407	0.28	0.55
Malpractices by outlet owners	3.34	5.073	139	0.000	0.336	0.20	0.47
Transaction charges	3.38	6.27	139	0.000	0.379	0.26	0.5
Documentation	3.25	3.631	139	0.000	0.250	0.11	0.39

H0:People doesn't avoid using plastic money because of above reasons.

H1: People avoid using plastic money because of above reasons.

From the above table p-value of all the variables are less than 0.05 so it can be concluded that null hypothesis are rejected, It can be said that respondents avoid using plastic money because of some reasons like unstable income, lack of knowledge, lack of trust, fraud, malpractices by outlet owners, transaction charges, documentation etc.

Findings:

It was founded that almost 97.90% of the respondents have an idea about plastic money. Majority 72.90% of the respondents are aware about both credit and debit cards. Majority 55.70% of the respondents owns one plastic money card while 42.90% are having two plastic money cards. Majority 66.40% of the respondents have RuPay card, 25.70% have Visa card, and only 7.90% have Mastercard. Half of the respondents uses their card monthly, 26.40% uses their card weekly. Most of the people use their plastic money cards for Online payment, Shopping, Traveling, Entertainment and Ticket reservation. Almost 95% of the respondents are agree that more card transaction will help to curb black money circulation in economy. 82% of the respondents are agree that plastic money will penetrate in society more in future. Young generation is more aware about the plastic money cards. Respondents from 18 – 24 and 25 – 34 are mostly use their plastic money cards for online payment, shopping, traveling, and entertainment purpose. Consumers prefer plastic money over cash. Plastic money is more convenient and easy method of payment, It is more secure way of payment, It can be anytime & anywhere access, It eliminates need of carrying cash, and it is helpful for instant transaction so it is time saving. It was also founded that people not using plastic money because of lack of knowledge and lack of trust, fraud issue and transaction charges, Unstable income can be also one of the reason for not using plastic money.

Conclusion:

This research projects shows that majority of the people's uses and prefers Plastic money. Most of the people prefer using both credit card and debit card over cash and they mostly use it for online payment, shopping, traveling and entertainment purpose. The people prefers Plastic money because it is more convenient and easy method of payment, It eliminates the need of carrying cash and it is helpful for instant transaction so it is time saving. People also strongly agree that there are some problems related to plastic money due to unstable income, lack of knowledge, lack of trust, fraud issue and transaction charges etc. It can't be used for daily needs in country like India. The other factors influencing the use of plastic money can be age, location, income, education qualification and occupation. The project highlights some of the advantages like more convenient, easy and secure way of payment; anytime & anywhere access etc. The project also shows disadvantages of plastic money like it can't be used for daily need, service charges and higher chances of frauds.

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