



A Study on Consumer Perception towards the Usage of Plastic Money

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ABSTRACT

The present research makes an attempt to know the consumer attitude towards usage of plastic money. Technology has drastically changed every 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. This current research focuses on the idea about the acceptance of plastic money, its usability and affordability while they are making an impact on its preference of use in Coimbatore.

INTRODUCTION

Now a day, a card payment is largely being used in the place of actual cash. It is the new way of Making a payment. The use of plastic money came through technology. Due to the technological Revolution in financial sectors, the payments in banking system have undergone tremendous Change. Basically plastic money made up of plastic material. Plastic money refers to cards. Plastic money is an alternative to cash or the standard 'money'.

Plastic money has made easier For us to make out a transaction in our day to day lives. It is referring to the credit card or the Debit cards that we use to make purchase in our day to day lives. . Plastic money became a basic Need in today's scenario. Plastic money is a debit card and debit card, although it can also refer To the wire transfers of funds from one bank account to another account. Therefore, more and More people today are turning to use the plastic money instead of cash. No paper required for the Usage of plastic money.

OBJECTIVES OF STUDY

The present study is undertaken with the following objectives

- To analyze the factors influencing the usage of plastic money.
- To assess the problems and reasons for usage of plastic money.
- To know the satisfaction level of customers in the usage of plastic money.
- To study the present position and future prospects of plastic money.

STATEMENT OF THE PROBLEM

Plastic money is a very recent context replacing the traditional concept of paying through cash. Plastic money which is an important component of modern banking industry has become a popular payment and borrowing instrument in developed and developing countries due to its various advantages to customers, merchants and banks. It is used as a convenient mode of carrying money and also to supplement the paper money. Main problem faced in the modern banking technology is the people are not aware of the concept of plastic money at all and also most of the consumers preferred using Debit card over Credit card. The study shows that the preference to go for plastic money has a positive association with the easy use of plastic money because the precept of credit card usability is linked with a psychological phenomenon that people are likely to spend less with credit card and spend more with the same amount of cash on hand in the same budget and this precept also linked with the consumer self convenience. People are not aware of the concept of plastic money at all. Most of the respondents use plastic money for their transactions and possess at least one such card. The Study is conducting mainly for understand the problems related with the plastic money and mainly focusing on plastic cards such as debit card and credit card in order to find out the attitude of consumers towards plastic money.

SCOPE OF STUDY

The present study has been conducted in the state of Coimbatore which is one of the fastest

growing city of tamilnadu. The study has been divided into two parts. The first part discusses the operation and risk associated and the future prospective of plastic money in India. The second part reveals the experience of the credit holders collected through a customer survey. The present study covers four different types of cards i.e. Debit Card, Credit Cards, Store Cards and Smart Cards.

RESEARCH METHODOLOGY

The research methodology is a way to systematically solve the research problem. The science of method is termed as methodology. It includes techniques that have been used for conducting the research. The methodology includes the following details

- Data collection
- Area of study
- Nature of population
- Sample size
- Sample method

TOOLS ANALYSIS

- Simple Percentage analysis
- Rank analysis

LIMITATIONS OF STUDY

- Information provided by the respondents is just assumed to be true.
- In this study, the sample collection from particular region in Coimbatore, which may not Reflect the whole of India.
- However the major drawbacks in the study is the time allocated for the completion of the Study.

REVIEW OF LITERATURE

A number of studies have been done regarding the plastic card usage. Following are few of them:

- Rangaswamy and Ramesh Kumar's S. (2007) in this article "plastic money in retail distribution" highlighted the growth of plastic money particularly ATM cum debit cards, its importance in retail Distributions, cost effects, benefits, suggest some tips to avoid frauds and necessity of increasing its use
- Siddiqui and Anjum (2013) research paper shows the result that some age and Sex differences exist in the credit card usage. The research focuses on credit card services in Pakistan: further research from dispersed geographic areas may be necessary before generalization can be made on the entire service industry. Service providers can use this model for their market segmentation and targeting activities leading to better positioning their products/services in the competitive banking Services.
- P Manivannan (2013) "Plastic money means less payment of cash checking system" said that use of plastic money is the measure of a luxury credit card, and the need. The plastic money and the electronic payments and used by people of higher income category. The extension of this facility is not only meant for customers in urban areas or cities, but also is for customers who live in rural areas. However, today, with the development of banking industry, fixed income group also begins the use of plastic and electronic money payment systems and especially credit cards.
- Dr. Jaideo Lanjewar (2015), "Changing Attitude of Customers towards Plastic Money", More transactions take place in plastic money than paper notes because paper money is more risky than plastic money. People can enjoy benefits of credit period. It is also observed that there are frauds in plastic money some of them can be solved and some of them cannot be solved. Consumers prefer these cards mostly for online shopping. At last it is concluded that plastic money has a very bright future in the coming years because of the increasing trend of e-commerce.
- Gupta Promod (2004) in his article The Future of Plastic Money, discussed the use of Plastic Money and its growth in India in recent years. He identified that the Use of Plastic Money is growing at an unprecedented rate in India. Lesser number of installed Points-of-Sale (POS) terminals is the major obstacle in the growth of debt cards. Smart Card has many innovative features which may spurt the use of cards in India. Smart Card is safer to use in electronic form than the present form of cards.

DATA ANALYSIS AND INTERETATION

Data analysis is defined as a process of cleaning, transforming, and modelling data to discover useful information for business decision-making.

Data interpretation refers to the process of using diverse analytical methods to review data and arrive at relevant conclusions.

SIMPLE PERCENTAGE ANALYSIS

It refers to a special kind of rates, percentage are used in making comparison between two or more series of data. A percentage is used to determine relationship between the series.

$$\text{Simple percentage} = \frac{\text{Number of Respondents}}{\text{Total number of Respondents}} \times 100$$

Demographic Characteristics of respondents:

Gender: 57.8% (59) of the respondents are male group and the rest 42.2% (43) of the respondents fall in the female group.

Age: The study covers the age group between 18-25 years account for the highest percentage of 74.5% (76) out of 102 respondents. The least group representing 3% (3) belongs to the age group of above 45&above years. 18.4% (19) of the respondents belongs to the age Group of less than 25-35 years. 3.9% (4) of respondents belongs to the group of 35-45years.

Profession: 70.6% (72) of the respondents are students and 17.6%(18) of the Respondents are Business. And 6.8% (7) of the respondents are Home Maker.4.9% (5) of the respondents comes under Government employee.

Income: 33.3% (34) of the respondents are earning a monthly family income of Rs.30000-

50000. 17.6% (18)respondents are earning 18000-30000.26.5% (27) are earning Rs 18000.

22.3% (23) of the respondents are having no income.

Family member : 72.5%(74) respondents family are 0-4 members. And 27.5% (28) respondent's family are above 4 members.

PARTICULAR	NO OF RESPONDENTS	PERCENTAGE
IDEA ABOUT PLASTIC MONEY		
YES	97	95.1%
NO	5	4.9%
TYPES OF CARD POSSESSED		
CREDIT CARD	19	18.6%
DEBIT CARD	51	50%
ATM CARD	30	29.4%
NONE	2	2%
CONVINENTS TO USE		
PLASTIC MONEY	39	38.2%
PAPER CASH	31	30.4%
BOTH	32	31.4%
RISH ASSOCIATED WITH PLASTIC MONEY		
SECURITY ISSUE	19	18.6%
NETWORK ISSUE	35	34.3%
NOT SUITABLE FOR PARTICULAR REGION	27	26.5%
NONE	21	20.6%
SECURITY MESURES REQUIRED IN USE OF PLASTIC MONEY		
PASSWORD	21	20.6%

PHOTOCARD	19	18.6%
BIOMETRIC IMPRINT	33	32.4%
PIN	29	28.4%
PLASTIC MONEY PENETRATE MORE ON SOCIETY		
YES	65	63.7%
NO	9	8.8%
MAYBE	28	27.5%

RANK ANALYSIS

Rank analysis refers to observations are assigned rank scores, usually from smallest to largest.

PARTICULAR	1	2	3	4	5	TOTAL	RANK
Customer care service provided by the credit or debit card provider	14	19	19	30	20	329	5
The OTP(one time protection)is enough for any online transaction.	13	16	15	35	23	345	3
prefer to pay utility bill through plastic card	11	12	22	30	27	356	2
Make payment for purchase of durable goods using plastic card	14	14	26	28	20	332	4
Security of money	11	18	7	30	36	368	1

FINDINGS

- Majority 57.8% of the respondents are male.
- Majority 74.5% of the respondents are 18-25 years.
- Majority 70.6% of the respondents are students.
- Majority 33.3% of the respondents are earning 30000-50000.
- Majority 72.5% of the respondent sfamily are 0-4 members.
- Majority 95.1% of the respondents are having idea about plastic money.
- Majority 50% of the respondents are having debit card.
- Majority 38.2% of the respondents are convenient to use plastic card.
- Majority 34.3% of the respondents are facing network issues in usage of plastic money.
- Majority 32.4% of the respondents are suggested biometric imprint as a security measure.
- Majority 63.7% of the respondents thinks plastic money will penetrate the society in future.

SUGGESTIONS

1. The card issuer's should take necessary steps to improve the awareness among female cardholders, higher age group, low income groups in order to improve the usage of plastic money.
2. Banks are offering different types of plastic money. But the consumers are mostly used debit cards Because of the unawareness. Banks and card issuers should provide proper awareness campaign to the consumer
3. Plastic money has many advantages over paper money but, it does not mean that paper money is Obsolete. It is always recommendable to reduce the use of plastic money because consumers don't Feel physical cash leaving their hands also plays into the tendency of some to use plastic more Often.

4. When carrying cash, people know how much they can spend, but when they carry card, they feel That as long as there is money, they can still spend. This may be good for the retailers and bank but Not good for people especially in managing their money in an effective way.
5. It was found that people in Coimbatore don't prefer to pay their utility bills like Telephone Bill , Electricity Bill etc by Plastic cards. In the changing scenario of today where everything is going paperless and cashless, there is a great need to educate and motivate the People to pay their utility bills by Plastic money.

5.3 CONCLUSION:

Now-a-days, transactions over plastic money become easier as there is no need to have paper money. To conduct with the overseas shopping, usage of plastic money is increasing day by day. In Coimbatore, prevalence of Plastic money usage starts from lower-middle class people and perceived advantages of plastic cards are similar to all people. There is positive view toward such technological adoption of sustainable banking. People do not need to think about the money they have or not, but to carry only a plastic chip into wallet. The findings disclose that customers' positive view towards plastic money is significantly influenced by usage benefits, financial benefits, shopping benefits and convenience factor. But shopping benefits can't influence positive view of customers. So, banks should undertake proper steps so that customers find shopping more useful by using plastic money. Some problems also have been identified in the card usage. Banks should also take note the problems customers face and initiate to take proper necessary steps to ensure sustainable and effective banking in Coimbatore.

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