

Attitude of the Customers towards Plastic Money

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Abstract—Plastic money is the term used to refer to those cards which are used as an alternate to the cash or the money issued by the banks. The plastic money is called as plastic as it is made of the plastic, a polymer. These are the cards like credit cards, debit cards, cash cards, store cards, etc. The use of this plastic money is on rise due to the various reasons. These are preferred over the bank notes as they are very convenient to use. The customers do not have to carry the huge cash and face the risk of losing the amount. The plastic money can be used by the customers to do shopping, both online and offline. It can also be used for other purposes like booking online tickets, paying utility bills or doing banking transactions. The main objective of this paper is to understand the attitude of the customers towards the plastic money. This paper also throws light on the benefits and the problems of the plastic money experienced by the customers. For this purpose, both the primary and the secondary data are collected to analyse the attitude of the plastic money users. The questionnaire is used to collect the primary information and views of the customers. The secondary information is collected from various websites and from the reviews of the literature.

Keywords: plastic money, cards, customers, attitude

1. INTRODUCTION

Plastic money is the term used for those plastic cards that we use as an alternative to the cash or notes issued by the banks. They are called plastic as these cards are made up of plastic. These are the various cards that we use for purchase like credit cards, debit cards or store cards. The use of plastic

Money is increasing day by day because of the convenience and safety associated with it. It might be risky to carry huge amount of one for shopping or while travelling but very convenient and safe to carry the plastic money or cards. In case we lose the cards or it gets stolen, we can inform the same to the bank authorities so that they can block the card and can save our money from being stolen.

After the Prime Minister Narendra Modi has announced for the demonetization of the old Rs.1000.00 and Rs. 500.00 currency notes, the use of plastic notes increased due to the lack of the money in hand. Now also, the prime minister is encouraging the citizens to use more of the plastic money to help in making India a Digital India. The people are shifting the from physical monetary transactions to the virtual mode of transactions.

The public in India also understand the importance of using plastic money. The plastic money mainly the credit card and debit card are used for shopping both online and offline. These cards are also used for booking tickets or for bank transactions. People have started realizing the convenience and comfort in using the cards. Although many people are worried for the security concerns in leak of the confidential information but still this worry is overruled by the comfort and convenience of using these cards.

2. OBJECTIVES OF THE STUDY

- To understand the attitude of the customers towards plastic money.
- To analyse the benefits and the problems experienced by the customers.

3. RESEARCH METHODOLOGY OF THE STUDY

To analyse the attitude of the customers towards the plastic money, the data was collected both from primary and secondary sources. The primary data is gathered from a sample of size 200 by administering questionnaire to them. The sample is chosen through stratified random sampling method in Visakhapatnam city. The secondary data is gathered from the various books, websites and the literature.

4. REVIEW OF THE LITERATURE

According to P Manivannan (2013), most of the users of the plastic money and electronic transactions were associated with only high income class. But today, this service is also extended to the rural people. Even the fixed income group people are using the plastic money.

According to the research conducted by Subhan i(2011) on the "plastic money / credit cards, though there are pros and cons of using plastic money, but still people are using due to the convenience and affordability. Also people with the plastic money tend to spend less when compared to the physical cash.

Credit cards also serve as an open-ended, easily available credit source (Lee and Kwon 2002). When consumers use credit cards as a mode of financing, credit cards compete with bank loans and other forms of financing.

(Canner and Cyrmak, 1985)It has been suggested that positive changes in credit attitudes have led to an increasing willingness by consumers to use credit to finance current consumption, a large part of which is often in the form of credit card debt.

5. ANALYSIS OF THE STUDY

Table 1: Demographics of the sample

Demographic factors	No.	%
Gender		
Male	110	55
Female	90	45
Age(in yrs.)		
15-25	23	12
26-35	85	42
36-45	74	37
46 &above	18	9
Profession		
Student	17	9
Businessmen	79	39
Govt. employee	30	15
Pvt employee	70	35
Others	4	2
Income(in Rs.)		
1000-10000	5	3
10000-25000	43	21
25000-35000	60	30
35000-50000	74	37
50000 & above	18	9

A sample of size 200was collected through stratified sampling procedure. The respondents were chosen from different profession like students, businessmen, government employees, and private company employees. In a sample of 200 respondents, 55% are males and 45% are females. 12% of the respondents are from the age group 15-25 and most of them are students falling in the income group of Rs.1000.00-Rs.10000.00

Table 2: Type of plastic money used by the customer

Type of plastic money used	No.	%
credit card	38	20
debit card	118	62
Both	34	18
none	10	5

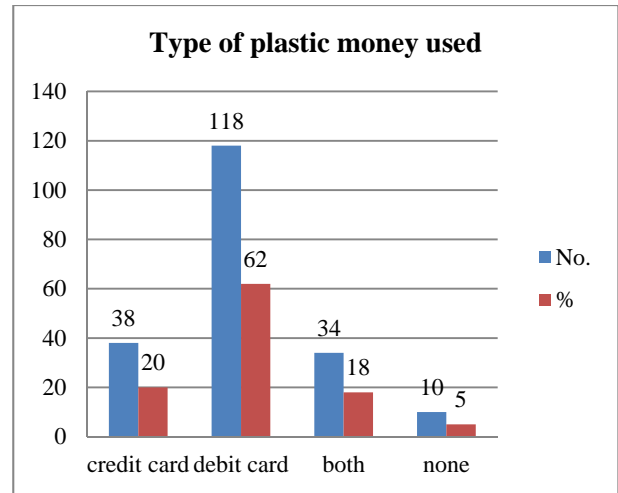


Fig. 1: Type of plastic money used by the customer

All the other questions were asked from the remaining 190 respondents as the other 10 respondents do not use the cards. 20% of the respondents are using only credit card, 62% using only debit card, 18% use both the cards and there are 5% of the respondents who have none of the cards as they are the students and yet to start earning.

Table 3: Convenient mode of payment

convenient mode of payment	No.	%
credit/debit card	171	90
cash	19	10

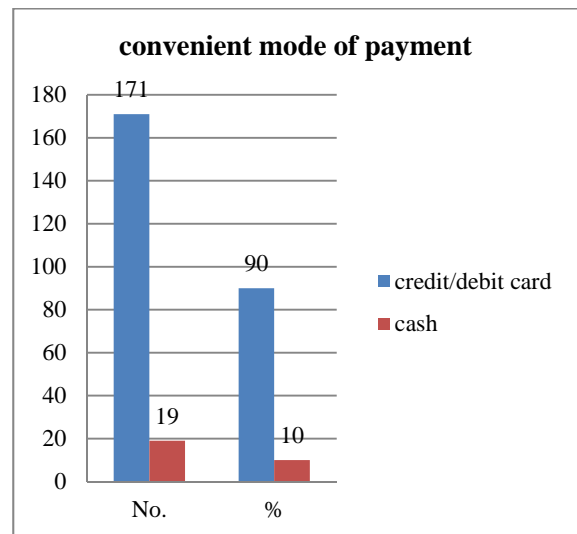


Fig. 2: convenient mode of payment

90% of the respondents feel that the cards are the convenient mode of payment. Only 10% of the respondents are of the opinion that cash is the convenient mode of payment.

Table 4: Benefits of using cards

Benefits of using cards	strongly agree	agree	Neu tral	Dis agree	Strongly Disagree
Convenience	108	41	27	8	6
no transaction cost	15	20	19	35	101
no risk to carry cash	28	64	49	36	13
easy to carry	58	51	36	26	19
card discount offer	11	25	31	52	71

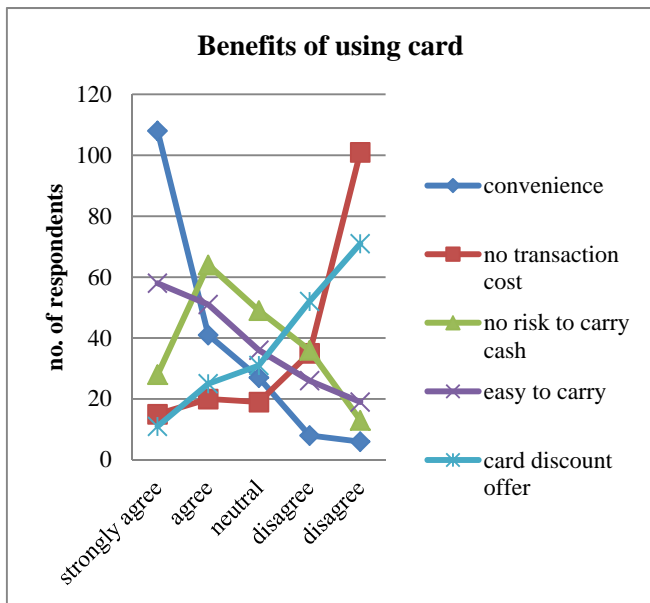


Fig. 3: Benefits of using card

108 respondents strongly agree and 41 agree (out of 190) that the plastic money is very convenient to use. 15 respondents strongly agree and 20 agree that they use plastic money as there is no transaction cost. 28 respondents strongly agree and 64 agree that they use cards as there is no risk in carrying cash. . 58 respondents strongly agree and 51 agree that they use plastic money as it is easy to carry. Only 11 respondents strongly agree and 25 agree that they use plastic money because of the card discount offer.

Table 5: Uses of cards

Uses of cards	strongly agree	agree	neutral	Dis agree	Strongly disagree
purchases/ shopping	47	35	10	47	51
online shopping	95	62	14	9	10
booking rooms /tickets	55	48	18	40	29
utility bills	30	32	11	68	49
banking	29	34	15	60	52

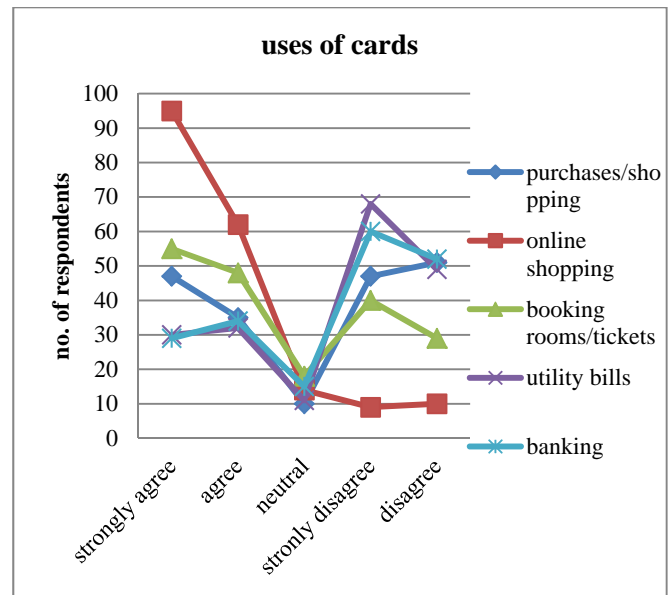


Fig. 4: uses of cards

47 respondents strongly agree and 51 respondents strongly disagree (out of 190 respondents) that they use the cards for purchasing or shopping. 95 respondents strongly agree and only 10 strongly disagree that they use cards for online shopping. 55 strongly agree and 48 agree that they use cards for ticket / room bookings. Only 30 strongly agree and 32 agree that they use cards for making payment of utility bills. Only 29 strongly agree and 34 agree that they use cards for the bank transactions.

Table 6: Reasons for not using cards

Reasons for NOT using cards	strongly agree	agree	neutral	disagree	Strongly disagree
insecurity	56	71	16	20	27
formalities	71	66	13	24	16
fear of losing cards	68	50	17	30	25

Unacceptability	17	45	29	59	40
technical problems	22	38	31	52	47

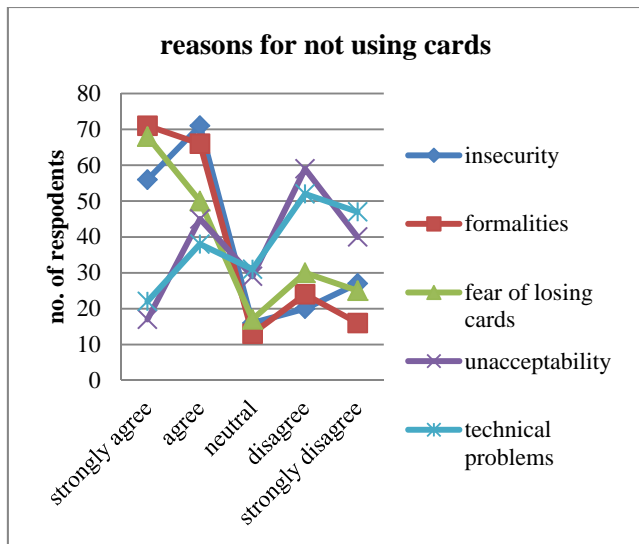


Fig. 5: Reasons for not using cards

56 respondents strongly agree and 71 respondents agree(out of 190 respondents) that they don't use cards for fear of insecurity. 71 respondents strongly agree and 66 respondents agree that they don't use cards due to unnecessarily formalities. 68 strongly agree and 50 agree that they don't use cards for fear of using it. Only 28 strongly agree and 38 agree that they don't use cards due to the technical problems.

Table 8: problems faced in using the cards

problems faced in using cards	strongly agree	agree	neutral	disagree	strongly disagree
lack of trust	49	68	21	30	22
Unacceptability	21	27	32	61	49
technical problems	20	29	26	55	60
terms and conditions of bank	22	29	31	62	46

49 respondents strongly agree and 58 agree(out of 190 respondents) that that lack trust in using cards. Only 22 strongly agree and 29 agree that they face the problems of terms and conditions of the bank. Only 21 strongly agree and 27 agree that they face the problems of unacceptability of the cards.

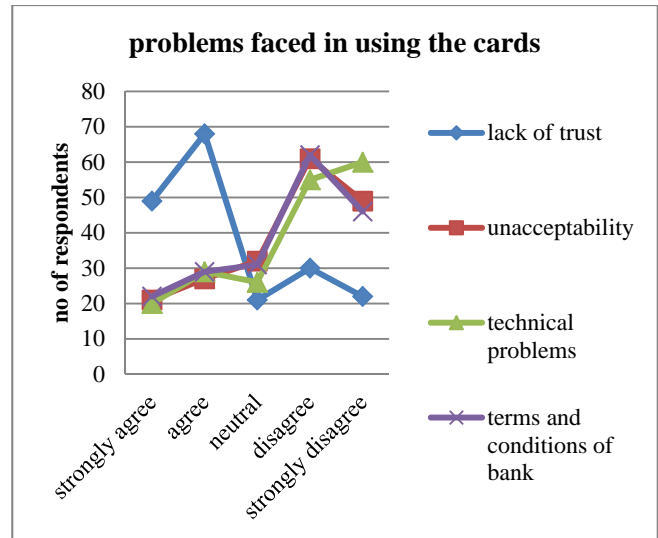


Fig. 6: problems faced in using the cards

6. CONCLUSION

It is evident from the analysis of the data gathered that most of the respondents use the plastic money or the cards as it is convenient to use and there is no risk in carting the huge amount of money. Most of the respondents are using cards for shopping and online shopping. But some of the respondents are not using the cards much as they have the fear of insecurity and some lack trust in using the cards.

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