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PLASTIC MONEY: ISSUES FACED BY CUSTOMERS IN CHENNAI CITY

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Abstract

Plastic money is generally a card with a magnetic strip offered by banks and financial organizations for withdrawal, payments and purchase. The researcher used linear multiple regression analysis to find the result. The customers are feeling that plastic money stimulates the customers to be purchasing more and it creates debt to the customers. Moreover the Bank charges high service charges for the usage of plastic money.

Keywords: Plastic Money, customer buying preferences, Interest rate.

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INTRODUCTION

Plastic money is gradually displacing cash in many areas such as daily consumer payments and even for corporate and government transactions. Cards offer greater convenience, security and flexibility than cash. It is a great payment tool that complements the modern life style of consumers providing them easy and safe payment channel.

Cardholders enjoy the convenience of plastic money as well as the line of credit offered by it. Merchants found that credit card customer usually spent more than what they had to pay with cash. Accepting cards was safer for the merchant than dealing with cash (more secure from internal and external theft and error) and less expensive than creating and maintaining a merchant specific credit program. Wider merchant acceptance of payment cards along with more ATM facilities could increase tourism expenditure and India's foreign exchange earnings. A currency conversion ranks as a major issue for incoming tourists; greater acceptance of payments cards by merchant establishments could boost tourism. Improvements in India's card payment infrastructure — better tele-communication, connectivity at lower cost, more advanced technology and equipment as well as wider card usage, the number of merchants accepting cards in India has been growing rapidly. Card offers a number of benefits and privileges.

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 months and due to the imposition of restrictions in the movement of banking capital, there is an enormous increase of internet banking transactions using the so called "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. Plastic money is a very recent context replacing the traditional concept of paying though 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.,

REVIEW OF LITERATURE

Nyasha Kaseke (2012) Cash Or Plastic Money – An Investigation Into The Payment Mode Post Multi-Currency Period In Zimbabwe. *International Journal of Advanced Research in Management and Social Sciences*. The study investigates how consumers use cash or electronic (plastic) money in the multicurrency period. The objective was to find out how easy consumers found plastic money use to be, whether they liked using it and in particular how they compared it to using cash. A qualitative survey of consumer use of plastic money, Debit/ATM cards, Credit cards and VISA/Master cards was undertaken. Attitudes and opinions were sought and were extracted using a questionnaire as research instrument. It was found that individual factors such as education level and gender had a bearing on the use of plastic money. The study also found a number of problems that were encountered by consumers in relation to security, speed and complexity of use, although in some situations it was a preferred alternative. The research concludes that these issues will need to be addressed and that plastic money may have advantages in certain situations but marketing effort should be concentrated on identifying niche opportunities or bundling appropriate services onto the card to provide a relative advantage for increasingly discerning consumers.

Anisha Bisht(2015) Analysis of the use of plastic money: A boon or a bane. *SIMS*

Journal of Management Research Volume no. 1. Keeping in mind the changing technology replacing the traditional concept of paying not through cash but by plastic money (credit and debit cards), this research was undertaken to study the awareness and use of plastic money among the consumers. The topic that was hence chosen for this research is "Analysis of the use of Plastic Money: A Boon or a Bane". It was found that consumers prefer plastic money over paper money and the major benefit that the card provides to the customers is the convenience and accessibility. The major problem according to them is the increased transactional costs 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 signatures.

Jaishu Antony (2018) A Study on the Impact of Plastic Money on Consumer Spending Pattern. Global Journal of Management and Business Research: G Interdisciplinary Volume 18 Issue 3 Version 1.0 Year 2018. The paper examines the perceptions of consumers regarding the impact of plastic money on their spending pattern. This study was conducted among the bank customers in UAE. A sample of 250 customers has been taken from UAE. The analysis was done to find out why consumers prefer plastic money even though they struggle to control their money while using plastic cards and the main reasons for which plastic money has a high impact on consumer spending pattern. Plastic money made a revolution in the banking industry across the world. Plastic money has many advantages when compared to paper money, but the convenience of plastic money makes it easy to spend beyond means. Plastic money is a good system but if you are not managing your plastic cards in a proper way that will lead to overspending, financial burdens, and financial stress.

Kavitha M, (Sep/2018) A Study On Customer Experience In E-Tailing And Retailing. Indian Journal of Public Health Research and Development. Vol:9, No.9, Sep 2018. ISSN : 0976-0245. The purpose of this paper is to explore the relationships between the various determinants and customer experience in the retail and e-tail markets which is widely seen in the Indian market place. The results included in this research about the demographic variables and the determinants of customer experience are focused on hyper and retail markets respectively. This paper provides retailers with specific knowledge of the determinants that the customer considers being most important and significant contributor to an enhanced customer experience.

Shuaib Ahmed (2020) Impact of Demonetization on Increased Use of Plastic Money With Special Reference to Vellore District of Tamil Nadu – India. The purpose of the present demonetization study on the greater use of plastic money, we refer to the act of eliminating the authorization of paper and currency as "Legal Offer". As a result, the appropriate number of citizens in the country has changed from cash to plastic money (debit / credit cards). The use of credit and debit cards has accelerated after the demonetization initiative. There is a great future for the use of plastic money in India. Unlike providing greater convenience to customers, plastic money can also guarantee the secrecy and integrity of transactions to customers. For the growth of plastic cards in the Indian market, plastic card issuers should provide greater security in customer service. This study focuses mainly on the impact of demonetization on the increased use of plastic money during the period. The selected sample consisted of consumers, including students, working professionals, government officials, housewives and the elderly. Primary data have been collected using a structured

questionnaire of 450 respondents selected as random bases.

Vishnu (2023) A Study On Customer Perception Towards Plastic Money Users With Special Reference Coimbatore District. International Research Journal of Modernization in Engineering Technology and Science. It is safer to carry when you are Travelling, even it is stolen, we can consult the bank and use those service that you are using and get it blocked. Hence saving your money from being stolen or lost. Nowadays even developing countries are encouraging the use of plastic money more than cash transactions. Plastic cards are one of those types of innovation through which the customers can make use of banking service just by owning the card issued by the bank and that too without restricting themselves from the official banking hours. Today, transactions made using plastic cards are worth billions of dollars and the recent experiment of demonetization has certainly given more impetus to cashless transactions. Plastic money is generally a card with a magnetic strip offered by banks and financial organizations for withdrawal, payments and purchase.

OBJECTIVES OF THE STUDEY

1. To study the socio economic profile of customers using plastic money
2. To find the Issues faced by customers while using plastic money

HYPOTHESES OF THE STUDEY

1. There is no significant difference among the factors determining consumer purchasing behavior using plastic money
2. There is no significant difference among the Issues faced by customers while using plastic money

ANALYSIS AND DISCUSSION

People do not prefer much use of plastic money because of high rate of interest and fraudulent transaction and increased burden of debt on consumers (Patil, 2014). This involves different type of risk that is physical risk, financial risk, performance risk, social risk. The cultural factors also restrict the use of plastic money like credit cards. The conservative nature of people restricts the adoption of credit cards.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-35	213	43.7	43.7	43.7
	36-45	185	38.0	38.0	81.7
	45 ABOVE	89	18.3	18.3	100.0
	Total	487	100.0	100.0	

Source-Primary data

From the above table it can be found that, the sample unit is represented by 43.7% of 20 -35 years age group followed by 38% in 36-45 age group, 18.3% of above 45 years of age group.

It shows that the sample unit is dominated by 20-35 years of age group.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	314	64.5	64.5	64.5
	Female	173	35.5	35.5	100.0
	Total	487	100.0	100.0	

Source-Primary data

From the above table it can be found that, the sample unit is represented by 64.5% of male customers followed by 35.5% female customers of the plastic money users. It shows that the sample is dominated by male customers.

It is concluded that the sample unit is dominated by male customers.

The Issues faced by the customers consist of six variables and it subsequent influence over customer buying preferences is measured through linear multiple regression analysis. The results are presented below

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674 ^a	.454	.446	3.442

a. Predictors: (Constant), I2, I5, I6, I3, I4, I1

Source-Computed data

From the above table it is found that R=.674 R square = .454 and adjusted R square .446. This implies the Issues faced by the customers affects 44% variance over the customer buying preferences. The cumulative impact on six variables over

customer buying preferences is ascertained through the following one way analysis of variance.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3989.234	6	664.872	56.121	.000 ^b
	Residual	4798.044	405	11.847		
	Total	8787.278	411			

a. Dependent Variable: Customer buying preferences
b. Predictors: (Constant), I2, I5, I6, I3, I4, I1

Source-Computed data

Table 4 presents that $f=56.121$ $p=.000$ are statistically significant at 5% level. This indicates all the six variables cumulatively affects the customer buying preferences.

The individual influence of all this six variables is clearly presented in the following co-efficient table.

Table 5 Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.811	.627		10.857	.000
	Online frauds	.613	.211	.154	2.913	.004
	Card stolen	.832	.170	.200	4.882	.000
	Bank charges	.684	.214	.164	3.189	.002
	Tax charges	1.053	.215	.245	4.892	.000
	High Interest	-.199	.253	-.051	-.786	.432
	Create debt	.713	.237	.185	3.006	.003

a. Dependent Variable: Customer buying preferences

Source-Computed data

From the above table it shows that Online frauds (Beta=.154, t=2.913, p=.004), Card stolen (Beta=.200, t=4.882, p=.000), Bank charges (Beta=.164, t=3.189, p=.002), Tax charges (Beta=.245, t=4.892, p=.000), Create debt (Beta=.185, t=3.006, p=.003) are statistically significant at 5% level. This indicates that the card stolen and creates debts are big issues faced by the customers while using plastic money.

FINDINGS AND CONCLUSIONS

Plastic money is generally a card with a magnetic strip offered by banks and financial organizations for withdrawal, payments and purchase. Today, transactions made using plastic cards are worth billions of dollars and the recent experiment of demonetization has certainly given more impetus to cashless transactions. Anyway, there are lots of issues faced by the customers while using plastic money. There are card stolen, online frauds, high interest creates debt and Bank charges. The customers are feeling that plastic money stimulates the customers to be purchasing more and it creates debt to

the customers. Moreover the Bank charges high service charges for the usage of plastic money.

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