



An Empirical Study Of Customer Behaviour Towards Plastic Money By Youth To Promote Digital Financial Inclusion In Rajasthan State

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Abstract

The present paper attempts to study the customer behaviour towards Plastic money. Plastic money has gained wide popularity these days due to its ease and convenience. Ample acceptance of digital modes has contributed in promoting digital financial inclusion. The study has been carried out with the objective of analyzing the usage habits of youth towards Debit and Credit cards in Rajasthan state. The preferences towards plastic money are studied along with the motivational factors and challenges being faced by the users. The study has been done to investigate any association between gender of the user and usage of Plastic money. The study was conducted with primary data collected through a structured questionnaire. The sample size was 20 & convenience sampling method was used. A pilot study was done and internal consistency was checked through reliability test. Chi square test was performed to test the hypothesis. The test results revealed acceptance of null hypothesis. The paper concluded with recommendation that for higher penetration of technology strong security measures are to be implemented and technology driven threats need to be minimized.

Keywords –Plastic money, Customer behaviour, Debit card, Credit card, E-channels & Security

Introduction

The last decade of the economy has witnessed vast growth in the innovative channels. The demonetization drive has contributed in transforming the cash economy to a digital economy. With this there has been a rapid shift from traditional modes to digital modes. Technology has played an important role in this major transformation. Amongst the various digital modes, plastic money has gained much popularity and acceptance by the public due to its advantages and mobility. These have helped public to move with new technology and to align with innovative transit. Plastic money is beneficial for performing various online financial activities with convenience & ease, thus by providing quality services to the potential customers. Plastic money includes Debit cards, Credit cards, ATM and other cards. But in the present study, we have undertaken the study of debit and credit card only, as these are most common and widely known. The preferences and the purpose of using plastic cards have been discussed. Plastic money has many advantages as well as disadvantages. The advantages include easy to use, safe, increases purchasing power, mobility factor, save time, secure, digital record, fast, easy to carry etc. Whereas the disadvantages include hidden charges, non acceptance by some merchants, higher service charges, technology risks, theft, card related frauds, less world wide access, excess budget expenditures, security issues and many more.

Review of Literature

Bhatt Dr A Kaushal (2015) examined the socio economic factors and investigated the association with use of debit and credit cards. The paper also studied the benefits of plastic money by card holders and merchants in business deals and further analyzed the problems in plastic money deals. The sample size was 384. The tool used was one way ANOVA. The paper suggested for security for plastic money.

Jayaraj Aparna (2019) analyzed the factors influencing possession of debit & credit cards and cardholder's attitude towards it. The paper tried to understand the choices and preferences towards the usage of debit & credit cards. The sample size was 60. The tools used were Percentage and Weighted average for analysis.

Kaur Sukhwinder (2018) studied the relevance of Plastic money and examined its impact on consumer preferences. The paper investigated the acceptability of the cards among the Indian consumers and factors influencing the card choices. Percentages and diagrams were used for analysis.

Mukaria Bhawana (2018) studied the challenges and future prospects of plastic money in India. The paper studied the growth of plastic money and the challenges were discussed in detail.

Nair Sreeja Sivankutty & Manoraj Dr S John (2017) studied the problems and challenges faced by the customers and Banks after demonetization by focusing specially on Plastic Money and also studied the opportunities in usage of plastic money. The sample size was 75 and percentage was used for analysis. It was concluded that demonetization will lead to digitalization and there will be tremendous increase in use of plastic money in future.

Prasanth Mr A, Kumar Mr S Gokul, Sowmiya Ms M, Keerthana Ms K and Ms Priyanka (2019) examined the socio economic factors and investigated association of such factors with uses of different cards. The tools used were Correlation, Regression and Score Analysis. The paper concluded that maximum customers are satisfied with plastic money.

Viji G. (2018) studied the impact of demonetization on increased use of Plastic Money during pre and post demonetization period. The sample size was 50 and Mean and Percentage were used for analysis.

Statement of Problem

The demonetization drive has pushed us towards digitalization and towards acceptance of plastic money. This transformation has demanded an in-depth understanding of the virtual mechanism. Various modes have been promoted by government to go cashless in this digital era. Amongst them the most popular and widely known mode is plastic money. Both debit and credit cards are used and various functions are being performed using these. This study attempts to evaluate the changing customer behaviour towards plastic money, preferences and its contribution in digital financial Inclusion. Also the plastic money has many advantages. But despite of these, growing risks and frauds have created an environment of insecurity and lack of trust in Plastic money. Therefore the challenges need to be addressed on priority to make the customer feel safe and satisfied.

Objectives of the study

- To study the usage of Plastic money by the youth
- To find out the association between Gender of user and Usage of Plastic Money
- To analyze the motivational factors and challenges in usage of Plastic Money

Scope of the study

The study is confined to understand the customer behaviour of Youth towards Plastic money. The study has been carried out with making a survey of 20 respondents by convenience sampling method of Kota, Rajasthan state using structured questionnaire.

Limitations of the study

- The study is conducted in the limited geographical boundaries of Kota, Rajasthan.
- Among the Plastic Money only Debit card and Credit card have been taken for the study.
- The sample size was small of 20 respondents only.
- Convenience sampling was used which has its own pros and cons.

Hypothesis

H₀₁: There is no significant association between Gender and Usage of Plastic Money.

Research Design and Methodology

The study is descriptive. Primary data is used for analysis.

Sources of Data

Primary Data was collected through a structured questionnaire. Secondary data has been gathered from books, Journals, publications and websites.

Sampling Technique & Tools - Convenience sampling was used for data collection and tools used for analysis were percentage and Chi square Test.

Data Analysis and Interpretation

Demographic profiles – (Table 1 – Table 3)

Table 1: Age

Age	Frequency	Percentage	Valid Percentage	Cumulative Percent
18-25	07	31.81	35	35
25-30	11	50	55	90
Above 30	02	9.09	10	100
Total	20	90.90	100	
Missing System	02	9.09		
Total	22	100		

Interpretation:

As we have focused on youth in our study, the maximum 55 percent respondents are in the age group of 25-30 years, 35 percent respondents are in the age group of 18-25 years and minimum 10 percent respondents are in the age group of above 30 years.

Table 2: Gender

Gender	Frequency	Percentage	Valid Percentage	Cumulative Percent
Male	10	45.45	50	50
Female	10	45.45	50	100
Total	20	90.90	100	
Missing System	02	9.09		
Total	22	100		

Interpretation:

As per the requirement of the study, 50 percent respondents are males and 50 percent are females.

Table 3: Educational Qualification

Education	Frequency	Percentage	Valid Percentage	Cumulative Percent
Graduation	06	27.27	30	30
Post graduate	10	45.45	50	80
Professional	04	18.18	20	100
Total	20	90.90	100	
Missing System	02	9.09		
Total	22	100		

(Source: Primary data)

Interpretation:

The maximum 50 percent respondents are post graduates, 30 percent respondents are graduates and minimum 10 percent respondents possess professional qualification.

Socio-economic profiles – (Table 4 – Table 6)

Table 4: Family Income

Family Income (Monthly)	Frequency	Percentage	Valid Percentage	Cumulative Percent
Below 20000	05	22.72	25	25
20000-50000	08	36.36	40	65
Above 50000	07	31.81	35	100
Total	20	90.90	100	
Missing System	02	9.09		
Total	22	100		

Interpretation:

The maximum 40 percent respondents have monthly family income in the scale Rupees 20000-50000, 35 percent respondents have monthly family income in the scale of Rupees above 50000, and minimum 25 percent respondents have monthly family income in the scale of Rupees below 20000.

Table 5: Marital Status

Age	Frequency	Percentage	Valid Percentage	Cumulative Percent
Married	07	31.81	35	35
Un-married	13	59.09	65	100
Total	20	90.90	100	
Missing System	02	9.09		
Total	22	100		

Interpretation: Amongst the youth, 65 percent respondents are un-married and 35 percent respondents are married.

Table 6: Residential Area

Residence	Frequency	Percentage	Valid Percentage	Cumulative Percent
Rural	04	18.18	20	20
Semi-urban	05	22.72	25	45
Urban	11	50	55	100
Total	20	90.90	100	
Missing System	02	9.09		
Total	22	100		

(Source: Primary data)

Interpretation:

The maximum 55 percent respondents reside in urban area, 25 percent respondents reside in semi-urban area and 20 percent respondents reside in rural area.

Table 7: Usage of Plastic money

Gender Using Plastic money	Male		Female	
	Frequency	Percentage	Frequency	Percentage
Yes	09	90	06	60
No	01	10	04	40
Total	10	100	10	100

(Source: Primary data)

Interpretation:

Out of 20 respondents, 15 respondents are using plastic money and 05 respondents are not using plastic money. Out of 10 male respondents, 90 percent respondents are using plastic money and 10 percent respondents are not using plastic money. Whereas in female respondents, only 60 percent respondents are using plastic money and 40 percent respondents are not using plastic money in any form.

Table 8: Preference in Plastic money

Preference	Gender	Male		Female	
		Frequency	Percentage	Frequency	Percentage
Debit card		04	40	05	50
Credit card		05	50	01	10
(Not using)		(01)	(10)	(04)	(40)
Total		10	100	10	100

(Source: Primary data)

Interpretation:

Out of the male users of plastic money, 50 percent respondents are using Credit cards and 40 percent respondents are using debit cards. Whereas amongst the female users of plastic money, 50 percent respondents are using debit cards and only 10 percent respondents are using credit cards.

Table 9: Purpose of using of Plastic money

Preference	Gender	Male		Female	
		Frequency	Percentage	Frequency	Percentage
Banking Services		04	40	02	20
Recharge		03	30	00	--
Utility bills		02	20	00	--
Travelling services		00	--	03	30
Online shopping		00	--	01	10
(Not using)		(01)	(10)	(04)	(40)
Total		10	100	10	100

(Source: Primary data)

Interpretation:

Out of the male users, maximum 40 percent respondents are using plastic money for banking services, 30 percent respondents are using for recharges and 20 percent are using for payment of utility bills. Whereas amongst the female users of plastic money, 30 percent respondents are using it for travelling services, 20 percent are using for banking services, 10 percent are using it for online shopping.

Table 10: Motivational factor in usage of Plastic money

Preference	Gender	Male		Female	
		Frequency	Percentage	Frequency	Percentage
Convenience		04	40	02	20
Mobility		03	30	00	--
Security		00	--	01	10
Faster		02	20	03	30
(Not using)		(01)	(10)	(04)	(40)
Total		10	100	10	100

(Source: Primary data)

Interpretation:

For the male users of plastic money, Convenience is the motivational factor for usage of plastic money for 40 percent respondents, Mobility for 30 percent respondents and for 20 percent respondents the fastness is the motivational factor. Amongst the female users of plastic money, Fastness is the motivational factor for 30 percent respondents and Convenience for 20 percent respondents and security for 10 percent respondents.

Table 11: Challenges in Usage of Plastic money

Preference	Gender	Male		Female	
		Frequency	Percentage	Frequency	Percentage
Fear of losing Card		04	40	05	50
Fear of Insecurity		03	30	03	30
High interest rates		01	10	00	--
Complex procedure		00	--	02	20
Hidden charges		02	20	00	--
Total		10	100	10	100

(Source: Primary data)

Interpretation:

As per the study, 40 percent male respondents face challenges of fear of losing card, 30 percent respondents face challenges due to fear of insecurity, 20 percent respondents face challenges of hidden charges and 10 percent respondents face challenges due to high interest rates. Whereas in female respondents, 50 percent female respondents face challenges of fear of losing card, 30 percent respondents face challenges due to fear of insecurity and 20 percent respondents face challenges of complex procedure in usage of plastic money.

Testing of Hypothesis

H₀₁: There is no significant association between Gender and Usage of Plastic Money.

H_{a1}: There is significant association between Gender and Usage of Plastic Money.

The chi-square test is used to find out the association between Demographic factors and Usage of Plastic Money. Amongst the demographic factors, we have taken only one factor to test the hypothesis. In the study, Gender is taken as the demographic factor for analysis.

Chi-square value is $\chi^2 = \sum \frac{(O-E)^2}{E}$

Table 12:

Usage Gender of Respondents	Using Plastic money	Not-using Plastic money	Total
Male	09	01	10
Female	06	04	10
Total	15	05	20

Chi-Square Test				
	Value	d f	Tabled Value	Asymp. Sig.
Pearson Chi-Square	2.4	1	3.841	.121

Not Significant

Primary data based calculation

Inference

The result of chi-square test to prove the association between Gender of the user and Usage of Plastic Money is as follows:

Calculated value of χ^2 is = 2.4

Tabled Value = 3.841

Since the calculated value is less than the tabled value, at 5% significance level & 1 degree of freedom, it is concluded that null hypothesis (H₀₁) is accepted. The chi square test proved

that there is no significant association between Usage of plastic money and gender of the user. This implies that both males and females equally have usage of plastic money.

Major Findings of the study

- The Age group (25-30 years) constitutes the maximum 55% of the respondents amongst the youth.
- As per requirement of study, male and female respondents are taken equally constituting 50% of the population each.
- In the study, maximum 50% coverage is of respondents who possess post graduation educational qualification.
- In the study, maximum 40% respondents are in the family income group of Rupees 20000-50000 per month.
- In the research, 35% respondents are married and 65% are un-married respondents of Kota, Rajasthan state.
- Amongst the population, maximum 55% respondents are residing in urban areas.
- Out of total respondents, 15 respondents are using plastic money and 05 respondents are not using plastic money. 90 percent males are using plastic money whereas only 60 percent females are using plastic money.
- As per the study, 50 percent male respondents prefer Credit card whereas in females 50 percent respondents prefer Debit card amongst the users of plastic money.
- Amongst the male users, maximum 40 percent respondents are using plastic money for banking services whereas amongst the female users of plastic money, 30 percent respondents are using it for travelling related services.
- For the male users of plastic money, convenience is the motivational factor for usage of plastic money for maximum 40 percent respondents whereas amongst the female users of plastic money, fastness is the motivational factor for maximum 30 percent respondents.
- As per the study amongst the total population, the maximum 40 percent male respondents face challenges of fear of losing card whereas amongst the female users maximum 50 percent respondents face the same challenge.
- The Chi-square test is performed as per the requirement of the study to test the hypothesis at 5% significance level.
- As per the results, the null hypothesis (H_{01}) is accepted.
- Finally it is concluded that there is no significant statistical association between usage of plastic money and gender of the user.

Conclusion

In the nutshell, it can be stated that digitalization has provided us an opportunity to grow with the virtual and digital innovations. The technology acted as the key for wide acceptance of digital modes. Due to ample benefits of plastic money, these have wider usage in the urban areas but on the same time, the rural population has still not showed much interest due to lack of awareness & digital literacy in the rural areas. Efforts at the bottom of the pyramid are needed for better penetration of technology in urban as well as rural areas and removal of roadblocks. Awareness programmes are needed to educate & encourage people. Moreover digital literacy campaigns are to be organized especially in rural areas.

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