



**CONSUMER PERCEPTION REGARDING PLASTIC MONEY- CHANGING
DIMENSION AND ITS IMPACT**

**Sheetal Mangla, Asstt Prof. of Commerce,
Smt. A.A.A. Govt. PG College, Kalka**

ABSTRACT

Every business, including the financial sector, has been significantly impacted by technology improvements, which have also had a substantial impact on the transactions that take place within the financial savings system. People are increasingly adopting credit cards, sometimes referred to as "plastic cash," in place of the more conventional cash payment method to make purchases and withdraw money from banking institutions. This specific research focuses on the understanding of how plastic money's acceptability, ease of use, and rationality are influencing its propensity to be utilized in Bangladesh. The study specifically examines how these elements are affecting its propensity to be used. The data was gathered from 202 respondents using a loosely structured survey. Students, leaders of government-funded groups, officials from commercial organizations, and experts were among the responders. It has been noted that a sizeable part of the respondents often utilizes plastic money for shopping, foreign transactions, and moreover the purchase of pricey items. With the goal of learning the numerous factors that affect the perception left by using plastic currency, the usage of plastic money has been submitted to a factor analysis. Three hidden characteristics of the factors—the one that encourages the use of plastic money, the one that makes it useful, and the one that raises issues—were discovered via an examination of the factors. To ascertain the extent to which the observed factors have influenced the various variables, a correlative factor analysis has also been done. Additionally, research has revealed that one of the things that influence individuals to use plastic money is the idea that it somehow improves their way of life. This is the most probable argument to convince people to use plastic money. The major practical benefit of utilizing plastic money, according to the survey's conclusions, is that it provides a

safe transaction. The inaccessibility of cash at Automated Teller Machine (ATM) corners, the inaccessibility of the technology required to make payments using plastic money at purchase points, and the mechanical difficulties faced by cardholders are among the challenges associated with using plastic money, according to the findings of an investigation into corroborating factors.

Keywords:*plastic money, customer perception, plastic money users.*

INTRODUCTION

Banks, who act as middlemen in this process, make it easier for money to flow from savings to consumers. This movement of money is called "intermediation." It is necessary for banks to acquire the confidence of the public as well as the businesses and people with whom they do business for them to be able to carry out these responsibilities in a way that is both secure and effective. In addition to their basic functions, which include taking deposits and making loans, modern commercial banks provide clients with a wide range of services, both financial and non-financial in nature. These services may be broken down into two categories: financial and non-financial. This is done to accommodate the growing requirements that the community has posed. Developments that followed the liberalization and globalization process that was initiated in 1991 have had a deep and major influence on the financial systems in India, most notably the banking sector. These developments came about as a direct consequence of the liberalization and globalization process. Because of the lightning-fast pace of technological advancement, the working environment of the banking industry has experienced a clear and substantial transition in recent years.

This is directly attributable to the acceleration of technological progress. It is said that the only thing that will stay the same is change, as part of the drive to bring the banking standards and practices of India's financial system up to speed with those of the rest of the world. This is a statement that, upon further investigation, was shown to be accurate. To paraphrase what Professor Sayers had to say about banks, "A bank is an institution whose debts are widely accepted in settlement of other people's debts to each other." Within the context of this concept, Sayers puts a significant amount of focus on the transactions that take place as a direct result of the loans that are obtained by a financial institution. According to the Indian Banking Companies Act of 1949, "a banking company means any company that transacts the business of banking." This definition may be found in the act. The concept of "banking" relates to the habit of "accepting deposits of money from the public for the purpose of lending

investment capital, payable on demand or otherwise and withdrawing money by check, draught, or other means." Today's banking is virtual banking. It is the discipline of providing customers with banking services and other services that are related to banking via the extensive use of information technology, but without needing them to physically visit the bank. This approach is referred to as "virtual banking." A virtual banking service may be broken down into its component parts, which include automated teller machines, electronic funds transfer at point of sale (EFTPOS) cards, smart card stored value cards, and phone banking. As a direct consequence of this, the traditional approach to banking has been subjected to a significant degree of change as a direct result of the advent of online banking. Cash, a more traditional means of payment, was only very recently superseded by the usage of plastic money, which was introduced quite lately. Plastic money is a notion that was established in response to the rising number of transactions that consumers are participating in to pay for transactions that they have incurred to buy goods and services both in-person and online.

This was done because customers are engaging in more transactions to pay for transactions that they have incurred to acquire goods and services. This category includes a variety of different types of cards, including credit cards, debit cards, smart cards, and pre-paid balance cards. Because we are interested in discovering how consumers see credit cards and debit cards, as well as how effective these means of payment are in daily life, we are putting our whole attention on credit cards and debit cards in this specific phase of our study. In addition to this, we would investigate the specific areas in which consumers prefer to spend more money using these cards, as well as which mode of payment, out of the two, they like more often overall. In India, the system of bartering has, over the course of time, given way to other, more complicated types of monetary arrangements, which has led to the creation of an organized mechanism of payment, just as it has in other countries around the globe. This is like what has happened in other parts of the world. During the entire 20th century, the most frequent types of payment utilized for settlement across India were coins, cash, and cheques. As we have progressed farther into the 21st century, the conventional means of monetary transaction, such as cash and cheques, have been subjected to substantial changes.

TYPES OF PLASTIC MONEY

1. Credit cards

Most individuals use credit cards as their primary source of funding when they want a short-term personal loan. It is by far the most typical kind of plastic money on the market. Credit card technology has evolved throughout the years, but the foundations have remained constant. A plastic card or, in certain premium variations, a metal card that is given to the cardholder is connected to a credit card account. Up to your credit limit, which is decided based on your capacity to pay (such as your salary and other sources of credit, among other things), you have the option of drawing (purchasing products or withdrawing cash). You will be given a certain number of interest-free days, during which you may completely or partially pay off whatever debt you have on your card without being charged any further costs. If you don't make the full payment on your credit card each month, be prepared to pay interest on the debt. You must, in any case, pay the Minimum amount due at the end of each billing period. This sum equates to 5% of the whole balance owing. Credit cards are revolving credit instruments since they allow for many payments. Additionally, depending on the credit card, you could or might not be required to pay an annual fee.

2. Debit cards

When customers use their debit cards, their respective bank accounts are immediately and inexorably linked to the transactions. When you use your debit card to make a transaction, the money necessary to cover the cost of the purchase will be deducted from your checking account instantly. It is the optimal replacement for the utilization of cash. Your cash is kept secure in a bank account, where it is earning interest (even if the rate may be low), and you are still free to use it anytime you want, anywhere you want, if the location accepts debit cards. Although a debit card may only be used to withdraw cash from an ATM, the terms ATM card and debit card are used interchangeably in India. This is even though the latter cannot be used for any other purpose. However, the use of debit cards encompasses a far wider scope than just expediting access to cash, although this is certainly one of the ways in which they may be put to work. In addition to this, you may use it to check your balance, transfer money between other cards (known as "card-to-card" transfers) and pay for products. However, since it is linked to an existing account, the maximum amount of money that you are allowed to spend is restricted to the amount of money that is presently available in that account. You are not

allowed to spend any more than that (although some accounts could give you the option to overdraw your balance). In circumstances such as this one, having a credit card may be of great assistance. The maximum amount of money that may be taken out of an ATM in a single day is always fixed and is often between 40,000 and 1,000,000 rupees. This limit is in place to prevent people from abusing the system.

3. Charge card

Charge cards are quite like credit cards in several important respects. Charge cards were the progenitors of all credit cards that came after them. You are not allowed to carry a balance from one billing cycle to the next with most credit cards, in contrast to charge cards and other types of credit cards, which often provide you the option to do so. Because, unlike with credit cards, you are not provided a line of credit when you use a charge card, you are unable to carry a debt from one billing cycle to the next with a charge card. Because of this, you will be responsible for making a payment that covers the whole balance that is owed on the account at the end of each month. If payments are not made within the allotted time frame, a charge for late payments will be applied. The penalty for late payments, also known as the overdue fee, is often set at a higher level for charge cards to promote prompt payments.

ADVANTAGES OF PLASTIC MONEY

- It is simple to insert the cards into the wallet.
- There will be a lower overall crime rate:
- Makes available a credit facility
- Transaction monitoring is simplified
- Interest-free payment plans are available
- Allows for easy payment processing from the comfort of one's own home
- Meets international standards

DISADVANTAGE OF PLASTIC MONEY

- The mere possession of paper currency is not always of assistance.
- Plastic money is not completely secure.
- There is a required minimum number of purchases.
- There may be a service charge in some circumstances
- Card too might get damaged
- Interest, accrued due to late payment

OBJECTIVES OF STUDY

- Examine consumer attitudes about utilizing plastic money in your study.
- To investigate the level of customer satisfaction with the usage of plastic money.

METHODOLOGY

1. Data Collection

The information was acquired from a range of sources, including primary and secondary ones. We were able to collect first-hand information from the participants using a questionnaire that was distributed in the field. To increase the response rate, the researchers opted to present the questionnaire to the study participants in person. They did this so they could get a more accurate response. The whole data gathering procedure for this inquiry included survey questionnaires. There was a cover letter that described the study's history and goals and was attached to each questionnaire. Additionally, it made sure that responses were kept private. Just before we collected data from the final group of respondents, a specialist in the subject reviewed the instrument to make sure it was accurate in terms of the content it was assessing. For the purposes of this study, the researchers used a practical sampling technique to gather a total of 100 responses. The information was acquired from a range of sources, including primary and secondary ones. The study's participants were surveyed on the spot to get first-hand information. The study's secondary data came from previously published sources, including books on research endeavors and other comparable publications as well as journals, magazines, and other periodicals. The most current information was also obtained from several websites via internet services.

2. Sampling Design

The sample frame for this research is made up of individuals who hold credit cards and who are clients of significant local banks in INDIA. Convenient sampling is a method that has been used throughout this study. According to the INDIA central bank, there are now 23 local banks operating in INDIA. For the purposes of this research, five financial institutions were randomly chosen from this group of 23 financial institutions. The whole data gathering procedure for this inquiry included survey questionnaires. Primary data were collected from 100 respondents using a structured questionnaire, with 20 respondents coming from each of

the five banks. Numerous factors, including age, gender, and wealth, among others, were considered while selecting an answer.

3. Techniques for Analyzing Data

The chi-square test is the main method used in this inquiry to determine whether the premise that attributes are connected is true. To assess whether or whether the percentage (ratio of the number of respondents who voted in favor to the total number of respondents) is more than 0 p (50% in our case), we use the statistics where x is the number of respondents who voted in favor, n is the total number, and $q = 1 - p$. The proportional test, which assesses whether the percentage is bigger than $0 < p < 1$, uses this to make that determination.

Table 1: Age of respondents

Age	Frequency	Percentage
Below 25	7	7%
26-35	24	24%
36-45	28	28%
Above 45	41	41%
Total	100	100%

The provided table represents the age distribution of individuals in Sample 100. The data allows us to gain insights into the composition of different age groups within the sample. Upon looking at the table, it becomes apparent that there is a variation in the number of individuals across different age categories. Among the individuals in Sample 100, 7% were below the age of 25, comprising a relatively small portion of the sample. The age group of 26-35 years old constituted a slightly larger proportion, with 24 individuals accounting for 24% of the sample. The next age group, ranging from 36 to 45 years old, had 28 individuals, representing 28% of the sample. Interestingly, the largest age group in the sample was those above the age of 45. This group accounted for 41% of the total sample, indicating a significant presence of individuals in this age bracket. The provided table sheds light on the age distribution of individuals in Sample 100, showcasing the varying proportions of individuals in different age groups. Such information can be valuable for understanding the demographics and characteristics of the sample population.

Table 2: Sex of respondents

Sex	Frequency	Percentage
Male	65	65%
Female	35	35%
Total	100	100%

The provided table represents the sex distribution within Sample 100, showcasing the frequency and percentage of individuals in each sex category. Upon analyzing the table, the following observations can be made In Sample 100; males constitute most of the individuals, with a frequency of 65 and accounting for 65% of the total sample. This indicates a significant presence of males within the sample population. Females, on the other hand, make up a smaller but still substantial portion. With a frequency of 35, they represent 35% of the total sample. The presence of females in the sample indicates a diverse representation of both sexes. The table also includes a "Total" row, indicating that the sample size is 100, which encompasses all individuals in the dataset.

Table 3: Income of respondents

Income	Frequency	Percentage
Below 10,000	1	1%
10,000 - 20,000	79	79%
More than 20,000	20	20%
Total	100	100%

Among the individuals in Sample 100, a minimal proportion falls below the income threshold of 10,000, accounting for just 1% of the sample. This suggests that only a small number of individuals have income levels below this threshold. Most individuals, 79% of the sample, fall within the income range of 10,000 to 20,000. This indicates that a significant portion of the sample has income levels in this range. A smaller, yet still notable, proportion of individuals, comprising 20% of the sample, have incomes exceeding 20,000. This suggests the presence of individuals with relatively higher income levels in the sample.

Table 4: Perception of plastic money users towards the impact of plastic money on their spending pattern

Rate the impact of plastic money	Frequenc	percentage
High impact	62	62
Some impact	28	28
No impact	10	10
Total	100	100

The findings of this study are shown in Table 2, which illustrates the thoughts of people who use plastic money on the impact that its usage has on the buying behavior of those individuals who make use of plastic money. Out of a total of 100 respondents, the views of 62 percent of those polled felt that the uses of plastic money have a substantial influence on their shopping pattern. 28 percent of those interviewed feel that the uses of plastic money have some type of influence on their buying patterns, while 10 percent of those asked say that the uses of plastic money have no bearing whatsoever on their spending habits. The polling results may be seen in the table below. Considering the material that has been presented so far, the following hypothesis has been developed and will be put to the test: Plastic money has no effect whatsoever on the buying behavior of consumers, as this hypothesis proposes. To provide concrete evidence for this claim, we carried out the appropriate tests, which the number that was tabulated, 1.645, was significantly different from the value that was computed, Z, which was 3.7947. The value Z was significant at the 5% level. The first hypothesis is false since the estimated amount is more than the value shown in the table. Because of this, we are in a position to reach the conclusion that the pattern of consumer spending is substantially impacted by the use of plastic money. For the sake of this study, those who use plastic money are separated into several categories based on their ages, genders, and income levels. a) The connection that exists between the age of people who use plastic money and their perception of how plastic money affects their spending pattern a) the connection that exists between the age of people who use plastic money and their perception of how plastic money affects their spending to demonstrate that there is a correlation between the age of the users of plastic money and their impression of the influence that plastic money has on their spending pattern, the following hypothesis will be formulated and put to the test in order to demonstrate that this correlation exists. For instance, according to the H0 hypothesis, there is no correlation between the age of those who use plastic money and their assessment of the influence that

using plastic money has on their spending pattern. This is because the H₀ hypothesis implies that there is no correlation between the two variables. The purpose of testing this hypothesis is to provide evidence that there is a connection between the two elements in question. The Chi-Square test for independence is going to be used so that we can figure out whether or not H₀ is correct.

RESULT

The following is the result of doing a Chi-square test to see whether there is a link between the age of persons who use plastic money and their perception of the impact that using plastic money has on their spending pattern. The purpose of this test was to determine whether there is a correlation between these two factors.

According to the computation, the value of χ^2 is 7.898; however, the number on the table is 9.488.

As a result of the fact that the value that was discovered in the table is higher than the number that was calculated, the numeric hypothesis that was tested (H₀) cannot be rejected. Therefore, it has been established that there is no close association between the age of people who use plastic money and their appraisal of the impact that using plastic money has on their buying habit. This conclusion was reached because of the findings presented in the previous sentence.

b) The association between the gender of people who use plastic money and their opinions of the impact that using plastic money has on the way that they spend their money and the gender of people who use plastic money. The following hypothesis has been formulated and put to the test to demonstrate that there is, in fact, a correlation between the gender of those who use plastic money and their impression of the effect that using plastic money has on their spending pattern. This hypothesis was developed and put to the test to demonstrate this point. For instance, the H₀ hypothesis argues that there is no association between the sex of those who use plastic money and their impression of the influence of plastic money on their purchasing habit. This is because the H₀ hypothesis implies that there is no relationship between these two factors. The purpose of testing this hypothesis is to demonstrate that there is, in fact, a connection between the two components in question. To assess whether the null hypothesis H₀ is correct, a test known as the Chi-square test for independence is carried out.

Table 5: Impact of Plastic Money on Spending Pattern Based on The Sex of The Plastic Money Users

Cross Tab			Income			
			>20,000	10,000-20,000	<10,000	Total
Impact of plastic money on spending	Some Impact	Count	6	9	55	70
		% Within income	30.0%	20.9%	29.4%	28.0%
	High Impact	Count	12	27	117	156
		% Within income	60.0%	62.8%	62.6%	62.4%
	No Impact	Count	2	7	15	24
		% Within income	10.0%	16.3%	8.0%	9.6%
Total		Count	Count 20	43	187	250
		% Within income	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests					
		Value	df	Tabled	Sig.
Pearson	Chi-	0.215	1	3.841	0.643
Not Significant					

The following is the result of running a Chi-square test to see whether there is a connection between the gender of individuals who use plastic money and their thoughts on the impact that using plastic money has on their buying habits. The test was designed to determine whether there is a correlation between the gender of people who use plastic money and their purchasing habits.

The computation yields a value of 0.215 for the number 2, but the table yields a value of 3.841 for the number 2.

Given that the number that was calculated was less than the value that was discovered in the table, the Null Hypothesis (H0) may be said to have been proven correct. Therefore, it is feasible to arrive at the conclusion that there is not a close link between the gender of the individuals who use plastic money and their view about the impact that using plastic money has on their buying behavior. This can be deduced from the fact that there was no significant correlation between the two factors.

CONCLUSION

The advent of plastic money brought about a shift in the financial industry all over the globe. This was a consequence of the transformation. Plastic money is more portable than paper cash, which has a variety of advantages. Despite these advantages, however, it is still quite easy to spend more than one can afford while using plastic money. Plastic money is a valuable approach; but, if you do not properly manage your plastic cards, it may lead to excessive spending, which in turn may lead to financial troubles and stress linked to money concerns. Plastic money is more convenient, less dangerous, and safer than paper money; nevertheless, it is necessary to bear in mind that it is not mandatory for you to use plastic money, especially if you are unable to manage your money while using plastic cards. Paper money is more secure, less hazardous, and safer than plastic money. When we use cash to make purchases, there is a mental and emotional suffering that comes with parting with our money and the clear reality that we now have less of it in our wallets. This anguish is compounded by the stark realization that we now have less money overall. When paying with cash, the buyer gets to experience the quick, obvious, and tangible exchange of genuine money for the things being purchased. When a plastic card, on the other hand, is swiped, there is no feeling of loss experienced at that same instant. Even if a message is sent to the individual, by the time they understand that the money has been spent, the damage has already been done, and it is difficult to restore the damage that has been done. Therefore, when selecting a form of payment, you should base your decision on the technique that gives you better control over the money that you have labored so hard to collect.

REFERENCES

1. Robert et. al, (2001) "Attitudes and Intentions towards Credit Card Use and Compulsive Buying among American College.
2. C. Prakash (2003) "Impact of Credit Cards on Spending Patterns".
3. Elif et. al, (2009)" The Impact of Credit Cards on Spending: A Field Experiment".
4. Sebastien and Cathy (2012) "Paper or Plastic? Money and Credit as Means of Payment".
5. Credit Cards Industry - Use and abuse", Business World; July 2007; pp. 54-59.
6. Slocum, J. and L-. Mathews (1970)', in their study "Social class and Income indicators of consumer credit behavior".

7. Bist, A., Nair, P., Dubey, R., & Hajela, T. (2015). Analysis of Use of Plastic Money: A Boon or a Bane. *SIMS Journal of Management Research*, 1(2), 34-51.
8. Deviranjitham, S. (2015). A study on utilization of credit cards by customers in Krishnagiri district.
9. ANBARASU, S. (2012). A study on customers perception towards retail banking services of commercial banks in erode district.
10. Angamuthu, B. (2016). EFFECTIVENESS OF MOBILE BANKING TECHNOLOGY-ENABLED FINANCIAL SERVICES IN THE PRIVATE SECTOR BANKS (GROWTH AND CUSTOMER PERCEPTION). *BVIMSR's Journal of Management Research*, 8(2), 115.
11. PURULIA, P. O. M. S. I., & DISTRICTS, B. No. TITLE & NAME OF THE AUTHOR (S).
12. Mosoti, Z., & Mwaura, R. W. (2014). An Investigation on Slow Adoption of Agent Banking Services in Kenya as Strategic Response by Commercial Banks: A Case Study of Roysambu Constituency.
13. Sudalaimuthu, S., & Angamuthu, B. INFLUENCING FACTORS ON ADOPTION OF MOBILE BANKING TECHNOLOGY BY THE BANKERS OF INDIA.
14. Malik, B. H., & Haq, T. (2014). Consumer response towards the usage of plastic money: An empirical study in Jammu region. *ZENITH International Journal of Multidisciplinary Research*, 4(5), 93-102.