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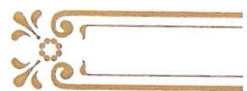


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National Conference on “**TRANSFORMATIONAL IMPACT OF AI IN BANKING,
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(Banking & Insurance), PSG College of Arts & Science, Coimbatore on 24th September 2024.


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One Day National Conference

On

Transformational Impact of AI in Banking, Financial Service, and Insurance Sector

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CONSUMER ATTITUDE TOWARDS USAGE OF PLASTIC MONEY

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ABSTRACT

Money plays most important medium of exchange as a payment tool. Plastic Money is a term that is used predominantly in reference to the hard Plastic Cards which is used every day in place of actual bank notes. They can come in many different forms such as cash cards, credit cards, debit cards, pre - paid cash cards and store cards. Plastic Money is one of the most evolved forms of financial products. The term 'Plastic Money' is predominantly used in reference to the hard plastic cards we use in place of cash. Initially barter system was used, over the years, money has changed its form coins to paper cash and today it is available in formless form as electronic money or plastic card (Ramasamy et. al, 2006). Nowadays the society has become cashless transactions. Being an smart technology development various transactions are been take placed instead of money like phonepe, Google pay, plastic money is considered as a great tool. It is an important and valuable mean of transaction in the modern society. Plastic money ensures that very easy transactions to the people. The study concluded that the usage of plastic money has been increased and accordingly safety measures have to be provided by the banks.

Keywords: *Cash, Plastic Money, Transactions, Cards.*

INTRODUCTION

The Plastic Money is one of those rare moments in history when that agreement shifts and one payment form overtakes another as the preferred way to pay. Plastic money has become the order of the day. Plastic Money or Polymer Money, made out of plastic, is a new and easier way of paying for goods and services. Plastic Money is undergoing tremendous changes across the globe. Coins dominated trade up to 2000 years, until the introduction of cheque, by Italian merchants in the middle Ages. In 1690, Massachusetts became the first of the colonies to introduce paper money. Cash took decades to gain broad acceptance, but eventually became the standard of payment for the next three centuries. Australia was the first country to develop the plastic notes which have longer life but after wore they are recycled for further utilizing.

Plastic Money is a term that is used predominantly in reference to the hard Plastic Cards which is used every day in place of actual bank notes. They can come in many different forms such as cash cards, credit cards, debit cards, pre - paid cash cards and store cards. Cash Cards - A card that will allow you to withdraw money directly from your bank via an authorized Automatic Teller Machine (ATM) but it will not allow the holder to purchase anything directly with it.

1.1 Statement of the Problem

There has been a drastic change in the banking products and the services by use of new technology. Usage of Plastic Money such as Debit Cards and Credit Cards started increasing in India over a period of time. Most banks now issue Debit Cards, where they have already converted all their ATM Cards into Debit cards or ATM -um - Debit Cards. The reason banks are so eager to push debit cards that it helps them to cut costs significantly. But, this has created lot of confusions among the customers regarding their usage and benefits. Such cards have overcome the delayed payment process of cheques, due to which sometimes merchants have to suffer. Still, there are lot of technical problems involved in transactions, PIN and other operational aspects. It is used as a convenient mode of carrying money and also to supplement the Paper Money. Apart from the benefits to individuals, the business as a whole gains advantages from accepting of Plastic Money as a medium of payment.

1.2 Review of Literature

Alvares, Clifford (2009)The article reports on the problem regarding fake currency in India. It is said that the country's battle against fake currency is not getting easier and many fakes go undetected. It is also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes. According to chief economist Soumendra K. Dash, the solution to the problem is to provide people incentive to use plastic cards and make cashless transactions.

In this Project, we revisit the contents and method of Keynes's Indian Currency and Finance(1971). By focusing on the rationale of his proposal for a new international monetary system combining cheapness with stability, we argue that Keynes's analysis of monetary developments in Asia in the first years of the twentieth century may provide useful hints for an overall rethinking of the major faults of today's Bretton Woods II system. (2010–11).

Subhani in 2011 conducted a study on 'Plastic Money/Credit Cards Charisma for Now and Then'. The study was based to find out the charisma of plastic money, its usability and affordability and its impact on its preference to use. The research found that the preference to use of plastic money/ credit card has its pros and cons with its usability and affordability. According to the consumer behaviour, plastic money is a form of conditioning and acts as a stimulus which qualifies a consumer to spend. 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 phenomena 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, i.e. convenience and easy use which delves into spending.

Khurana, Sunayna1,Singh, S. P.(2011)In today's busy world, nobody has the time to withdraw money from the bank account for shopping. Everybody is interested in carrying the plastic money (credit card and debit card) in their wallet for shopping as it gives convenience, safety, easiness and even style. In this cutthroat competition, banks have to work hard to gain market share and to meet the expectations of customers so that they can delight their customers. This study is carried out to identify customer preferences and expectations from credit/debit card services. The main objective is to identify the factors that influence the choice of credit cards, customer

satisfaction, and consumer behavior regarding the credit card in Tier-III cities. Primary data was collected from 200 16 respondents by the questionnaire method. Results show that the choice of credit card depends upon income, gender and profession of the respondent. Customer satisfaction depends upon income, frequency of usage in a month and amount of usage per month.

Loewenstein and Hafalir in 2012 conducted a study on “The Impact of Credit Cards on Spending”. The study focused on two types of customers, revolvers (who carry debt) and convenience users (who do not carry debt), and measured the impact of payment with credit card as compared with cash by an insurance company employees spending on lunch in a cafeteria. It was found that there was change in the diner’s payment medium from cash to a credit card when an incentive to pay with a credit card was given. It was then found out that credit cards do not increase spending. However, the use of credit cards has a differential impact on spending for revolvers and convenience users. Revolvers spend less when induced to spend with a credit card, whereas convenience users display the opposite pattern.

1.3 Objectives of the Study

- To reduce the expenditure on printing notes.
- To make the monetary transactions more transparent.
- To provide convenience. There is no need to carry big bulks of cash in the wallet. Saves the time spent on repeated visits to the banks.
- To ensure safety and security. If a card is lost the owner can ask the bank to block the payment. In this way he does not lose any money.
- To obtain a durable form of money. Plastic money is more durable than paper notes.

RESEARCH METHODOLOGY

The primary data used in this study through questionnaire method. The secondary data were collected from various books, journals, magazines and websites. The sample size has been taken among 100 respondents. The random sampling technique used in this study.

2.1 Statistical Tools for Analysis

The following statistical tools are used in this study for the purpose of analysis:

- Simple Percentage Analysis
- Chi-square analysis

2.2 Limitations of the Study

- This study is based on the opinion of customers.
- Time constraint in the major limit of the study.
- This study is restricted to Coimbatore city.

ANALYSIS& INTERPRETATION OF DATA

3.1 Demographic Profile Sample Respondents

Factors	No. of Respondents	Percentage
Gender		
Male	40	40.00
Female	60	60.00
Total	100	100.00
Age		
Below 20 years.	39	39.00
20-30 years.	15	15.00
30-40 years.	40	40.00
Above 40 years.	6	6.00
Total	100	100.00
Educational Qualification		
School level	34	34.00
Graduate	52	52.00
Professional	10	10.00
Others	4	4.00
Total	100	100.00
Occupation		
Business	44	44.00
Employees	28	28.00
Housewife	9	9.00
Others	10	10.00
Total	100	100.00
Family Monthly Income		
Below 10000	15	15.00
Rs 10001-20000	25	25.00
Rs 20001-30000	17	17.00
Rs 30001-40000	15	15.00
Above 40000	28	28.00
Total	100	100.00
Marital Status		
Married	35	35.00
Un Married	65	65.00
Total	100	100.00

Interpretation

The above exhibit states that 40% respondents are male, 60% respondents are female. 39% respondents are in the age group of below 20 years, 15% respondents are in the age group of 20-30 years, 40% respondents are in the age group of 30-40 years, 6% respondents are in the age group of above 40 years.

The above exhibit represents that 34% respondents are school level, 52% respondents are graduate, 10% respondents are professional, and 4% respondents are others.

The above exhibit portrays that 15% respondents are below 10000, 25% respondents are Rs. 10001-20000, 17% respondents are Rs. 20001-30000, 15% respondents are Rs 30001-40000 and 28% respondents are above Rs 40000.

The above exhibit describes that 35% respondents are married and 65% respondents are not married.

3.2 Factors Influencing Usage of Plastic Money

Influences to Use the Plastic Money	No of Respondents	Percentage
Media	15	6.80
Family members	35	25.00
Friends	35	23.20
Government policies	9	8.20
Bank	56	36.80
Total	150	100.00

Interpretation:

From the above table it depicts that the usage of plastic money influenced by 36.8 per cent of the respondents by bank, 23.2 per cent of the respondents by friends, 25.0per cent of the respondents by family members, 8.2per cent of the respondents is influenced by government policies and 6.8 per cent of the respondents by media

3.3 Chi-Square Analysis

3.3.1 Comparison between Marital Status and Frequent Usage of Plastic Money

- **Null Hypothesis (H₀):** There is no significant relationship between Marital status frequently usage of plastic money
- **Alternative Hypothesis (H₁):** There is a significant relationship between Marital status frequently usage of plastic money.

Chi-Square Tests

Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	6.190 ^a	3	.103
Likelihood Ratio	6.263	3	.100
Linear-by-Linear Association	.000	1	.993
N of Valid Cases	150		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.32.

Interpretation

The result of Chi square test reveals that the calculated chi square at 5% level of significance and therefore, there is no significant relationship between marital status and usage of plastic money. Hence, the null hypothesis is accepted.

FINDINGS OF THE STUDY

4.1 Chi -Square Analysis

- The result of Chi square test reveals that the calculated chi square at 5% level of significance and therefore, there is no significant relationship between marital status and usage of plastic money. Hence, the null hypothesis is accepted.

SUGGESTIONS

- The respondents are using the debit card and it is very convenient for using various purposes. So the bank has to improve their service quality.
- Some of the people feel that the plastic money is not safer for transaction. So that the bank must provide the proper security to the users.
- Some of the discounts or any offers like cash back should be provided for the frequent usage of the plastic money to the people.
- To develop more in future on usage of plastic money the various technologies has to be adopted.

CONCLUSION

The arrival of malls, multiplexes, online shopping stores and shopping complexes encourage the customer to make use of the plastic cards. The modern day, Indian customers find it easier to make physical payment rather than carrying too much cash. The banks can also provide them facility to use plastic cards on trial basis so that they can become more confident while using their own cards.

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