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## Research Paper

## CONSUMER PERCEPTION TOWARDS PLASTIC MONEY WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

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### ABSTRACT

**I**n India, banks are widely using information technology for developing the quality of customer service. The e-transaction have also become more secure, more convenient, authentication and made ecommerce safer. Plastic money is replacing traditional concept of paying through cash. It is secured and cannot be copied. It accepted worldwide. This study was conducted to know about the awareness and use of plastic money among the consumers

**KEYWORDS:** banks, e- Payment, clinet, Debit card, Charge card, microprocessor chip,

### INTRODUCTION

In India, banks are increasingly using information technology for improving the quality of customer service and also for better marketing of their products. This technology has converted the traditional banking into e-banking. The electronic transaction have also become more secure, more convenient, authentication and made ecommerce safer. The country robust demand growth will necessitate the need for quicker, simpler, frictionless payment and we will see not only shift from cash to e- Payment but newer modes of e - Payment growing and replacing existing technologies.

Plastic money is replacing traditional concept of paying through cash. It increasing number of transactions taking place on the part of consumer paying for transaction incurred by them to purchase goods and services physically virtually.

Now a day's modern clinet cannot think of without the facility of plastic card. The plastic money comprising credit cards, smart card, Debit card, Charge card, stored value cards, petro card etc.

### TYPES OF CARDS

#### CREDIT CARD

A credit card is a card issued by a financial company giving the holder an option to borrow funds, usually at point of sales. Credit card charges interest and are primarily used for short term financing. Interest usually begins one month after a purchase is made, and borrowing limits are pre-set according to the individual's credit rating

#### DEBIT CARD

Debit cards are also known as a bank card or check card .it is a plastic payment card that can be used instead of cash when making purchases. it is similar to a credit card, but unlike a credit card ,the money comes directly from the user's bank account when performing a transaction

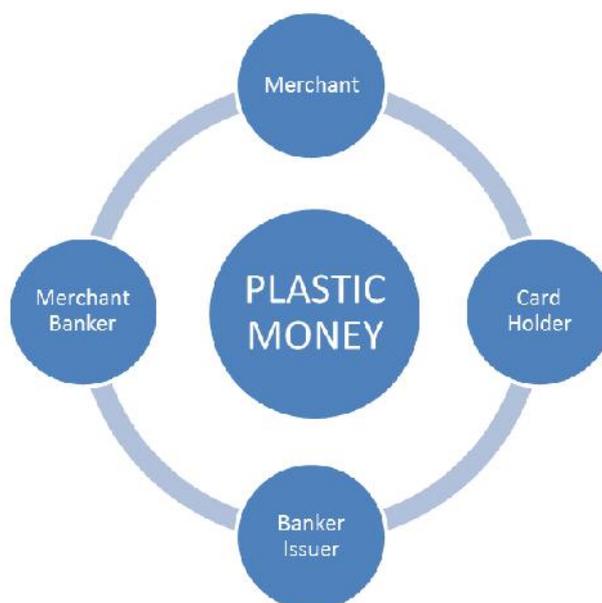
#### SMARD CARD

The smart card is a relative new comer in the retail payment system. It is e- money with a huge potential usage. It has an integrated circuit with a microprocessor chip, embedded in it, which gives it wide capacity in performing many calculations, faster and

accurately than an accountant. It does maintain records, statements and acts as an electronic purse, storing e – money. It is useable for drawing cash and makes

payments with automatic facility of keeping accounts of balances of the party.

### STRUCTURE OF E-PAYMENT SYSTEM IN PLASTIC MONEY



#### SCOPE OF THE STUDY

The paper money has small life cycle and it cannot be recycled as compared to plastic money because which has long life cycle and can be recycled for further utilization. Due to this problem faced with the paper not the invention of payment has be introduced.

It is secured and cannot be copied. It accepted worldwide and one can keep the huge amount with oneself while going anywhere in the world.

#### OBJECTIVES OF THE STUDY

- To study the awareness and use of plastic money among the consumers
- To analyse the factors for adoption of payment that replaces the paper or cash money.
- To find problems of using payment.

#### REVIEWS OF LITERATURE

**Worthington, Steve (1992)** in this paper “Plastic cards and consumer credit”, discussed how recent changed in credit card terms and societal attitudes influence the consumer borrowing. It is also said that plastic cards in general will be used more as paper transactions decline. In Europe there may be convergence of plastic cards usage with eventual reduction in the number of credit card issuers.

**Rangaswamy and Ramesh Kumars S. (2007)** in this article “plastic money in retail distribution “highlighted the growth of plastic money particularly ATM cum debit

cards, its importance in retail distributions, cost effects, benefits, suggest some tips to avoid frauds and necessity of increasing its usage.

#### CONCLUSION

First money had become nothing but guaranteed, alphanumeric data recorded in valueless paper and metal. It would eventually become guaranteed data in the form of arranged electronics and photons which would move around the world at the speed of light. The modern day, Indian customers find it easier to make physical payment (credit card or debit card payments), rather than carrying too much cash contributing to the growth of plastic money in the country. To sum up, increasing acceptance of plastic money has become a source of income to banks and facilitates the public transactions. The currency management is made easier and cost lower. It economies the use of currency and increases the bank credit and money with the public. The banks and the public both stand to gain by usage of plastic money. As such, plastic money is fast catching the imagination of the people, in particular, the younger generation in big way.

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