

## **A study of customer's satisfaction towards Plastic money in Bhopal (M.P.)**

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### **Abstract**

During the past few decades, the role of plastic money has gained importance as compared to the physical cash. There have been many reasons behind this transition towards plastic money like the disposable income of people has increased, technological innovation in products as well as services, increase in travel and the growing entertainment sector has actually created an impact on the usage of plastic money. There are different types of plastic money like smart card, credit card, debit card and many more. The attitude, perception and satisfaction level among customers towards plastic money changed. With demonetization, there has been an increase in the use of plastic money. There are many advantages that exist in plastic money as compared to currency notes. Currency notes get damaged with use, whereas plastic money could be used for a period of 5 years. People have to be very cautious while using plastic money. There are many people who have already learnt about the use of plastic money and they are much more satisfied as compared to those who have not started using plastic money so frequently. This study is based on the customer satisfaction level towards plastic money in Bhopal. A sample of 200 has been taken in this study. The data was collected through primary data. The data was analyzed through frequency, percentage and ANOVA. The testing of hypothesis indicated there is a significant association between gender, profession, annual income of customers and customer satisfaction level towards use of plastic money.

**Keywords : plastic money, satisfaction, ANOVA**

### **Introduction**

In our country, banks and other financial institutions are using technology to a great extent for improving quality in customer service. Technology is also being used for marketing of products and services. There has been a transition from the traditional banking to electronic banking. This transition has brought in many benefits and has made electronic transactions more convenient, secure, quick, simple etc. Demonetization has also added to this change. Plastic money has replaced the traditional way of making payment through cash. There are different types of plastic money which are being provided to customers and they are dependent upon the purpose for which it is being issued. Plastic money comprises smart card, credit card, debit card and many more. There are different types of plastic money like smart card, credit card, debit card and many more. The attitude, perception and satisfaction level among customers towards plastic money changed. Currency notes get damaged with use, whereas plastic money could be used for a period of 5 years. People have to be very cautious while using plastic money. There are many people who have already learnt about the use of plastic money and they are much more satisfied as compared to those who have not started using plastic money so frequently.

### **Forms of Plastic money**

There are different types of plastic money which are being used by customers. Some of the commonly used plastic money has been mentioned below:

## **Credit card**

Credit card is issued by Banks and financial institutions. In such cards, a limit is sanctioned to the customers and they can easily make use of that limit for making online payments, cash withdrawal, shopping and other purposes. The customer has to be very cautious about making the payment of the limit back to the banks or financial institution within a period of one month instead of delaying the payment as an interest will be levied on total amount due.

## **Debit card**

Debit cards are issued by banks. People who are having saving account or current account could use their account balance through different ways. They could use through internet banking, mobile banking, use plastic money or could go physically to the bank branch. Debit card has made transactions very easy. There are different purposes for which debit card could be used like funds transfer, online bill payment, online shopping, POS transaction at the vendor's outlet, cash withdrawal etc.

## **Smart card**

Smart cards contain a chip which is electronic in nature and it is used for storing cash. Such type of card is helpful in making small purchases like coffee shop, in fairs etc. Once any transaction is made with the help of this card, the balance of the card comes automatically down. Smart cards could serve the purpose of ATM or credit pay, the main difference exists in the amount which is being paying paid with the help of Smart card.

## **Advantages of plastic money**

- Power of purchasing
- Saves time
- Safety in use
- Credit limit
- Additional features

## **Disadvantages of plastic money**

- Increases debt
- Rate of interest is high
- Over budget
- Frauds

## **Research Methodology**

### **Problem statement**

The role of plastic money has gained importance as compared to the physical cash. People have become much aware about the uses of plastic money and are inclined towards its use because of the benefits that it offers. There are many people who find it very easy to use plastic money, they know how to handle plastic money easily, know how to perform operations in a correct manner, etc. The secret of customers being more satisfied towards the use of plastic money lies in changing the attitude of people towards plastic money. People are now becoming more aware about the speed of

operations, security features and benefits of using plastic money. It is very important for the banks and financial institutions to focus on customer satisfaction and then in this way evaluate the satisfaction level of the customers towards plastic money usage and then try to improve the facilities being provided through plastic money. Once the customer satisfaction level is evaluated, it will become easier to overcome the problems, if any being faced by customers. In this study, an attempt was made to analyze the customer's satisfaction level towards Plastic money in Bhopal (M.P.).

### **Objectives of the study**

- To understand the advantages and disadvantages of plastic money
- To evaluate the customer's satisfaction level towards plastic money in Bhopal (M.P.)
- To find the association of customer's satisfaction level with the demographic variables

### **Hypothesis**

H<sub>01</sub> – There is no significant association between customer satisfaction level towards plastic money and gender of the customers

H<sub>11</sub> – There is a significant association between customer satisfaction level towards plastic money and gender of the customers

H<sub>02</sub> – There is no significant association between customer satisfaction level towards plastic money and profession of the customers

H<sub>22</sub> – There is a significant association between customer satisfaction level towards plastic money and profession of the customers

H<sub>03</sub> – There is no significant association between customer satisfaction level towards plastic money and annual income of the customers

H<sub>33</sub> – There is a significant association between customer satisfaction level towards plastic money and annual income of the customers

### **Data collection method**

This study is based on primary data. The data was collected from 200 customers from Bhopal, who have been using plastic money since last many years. A structured questionnaire was designed for the purpose of collecting primary data. This questionnaire consists of two sections, one section is related to demographic profile and the other section is based on the satisfaction level of customers. The second section is based on satisfaction level and it involves a 5 point likert scale where the answer varies from strongly dissatisfied to strongly satisfied. The customers who have been using plastic money were analyzed, these holders are customers of different banks like Public sector banks, Private sector banks and other financial institutions.

**Data analysis****Age of the customers****Age**

	Freque ncy	Percent	Valid Percent	Cumulative Percent
Valid 18 - 30 years	88	44.0	44.0	44.0
31 - 45 years	56	28.0	28.0	72.0
46 - 60 years	33	16.5	16.5	88.5
61 and above	23	11.5	11.5	100.0
Total	200	100.0	100.0	

Majority customers are of the age between 18 – 30 years i.e. 44%. The usage of plastic money also varies with age. Customers those who are aged 61 and above may not be using all the facilities available in the plastic money as compared to a person between the age of 18-30 years or 31-45 years.

**Gender of the customers****Gender**

	Freque ncy	Percent	Valid Percent	Cumulative Percent
Valid Female	118	59.0	59.0	59.0
Male	82	41.0	41.0	100.0
Total	200	100.0	100.0	

Majority customers are females i.e. 59%. Plastic money is being used by males as well as females. The uses for which it is being used might vary, like the females might be using it for online shopping, bill payment etc. and the males might also be using them for the purpose of their business.

**Qualification of the customers****Qualification**

	Freque ncy	Percent	Valid Percent	Cumulative Percent
Valid Under Graduate	6	3.0	3.0	3.0
Graduate	90	45.0	45.0	48.0
Post Graduate	81	40.5	40.5	88.5
Professional	23	11.5	11.5	100.0
Total	200	100.0	100.0	

Majority customers are graduates i.e. 45%. The use of plastic money also varies with the education level. The satisfaction among the customers is dependent upon the attitude, perception and use of plastic money. The customers having higher qualification might be using plastic money more often and also with lesser stress and more ease as compared to the lesser educated ones.

## Profession of the customers

**Profession**

	Frequency	Percent	Valid Percent	Cumulative Percent
Student	18	9.0	9.0	9.0
Home maker	24	12.0	12.0	21.0
Service in Private sector	34	17.0	17.0	38.0
Valid Service in Public sector	66	33.0	33.0	71.0
Professional	21	10.5	10.5	81.5
Retired	1	.5	.5	82.0
Business	36	18.0	18.0	100.0
Total	200	100.0	100.0	

Majority customers are working in public sector i.e. 33%. Customers having different profession were made a part of this study, as the purpose of using plastic money will vary among them. A person working as a professional and business might make use of plastic money in their profession as well. A home maker might use plastic money for buying groceries or other household items.

## Annual income of the customers

**Annual income**

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 100000	42	21.0	21.0	21.0
100000 - 200000	21	10.5	10.5	31.5
200000 - 300000	24	12.0	12.0	43.5
Valid 300000 - 400000	29	14.5	14.5	58.0
400000 - 500000	23	11.5	11.5	69.5
Above 500000	61	30.5	30.5	100.0
Total	200	100.0	100.0	

Majority customers are having annual income above 500000 i.e. 30.5%. The use of plastic money also varies with the annual income of a customer. Customers having more money in their account or more limit in their credit card will be making use of their plastic more often and the amount will be high as compared to a customer having lower income.

**Type of Bank Account held with Bank****Type of Bank Account held with Bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Saving Account	164	82.0	82.0	82.0
Current Account	17	8.5	8.5	90.5
Cash Credit Account	17	8.5	8.5	99.0
Others	2	1.0	1.0	100.0
Total	200	100.0	100.0	

Majority respondents are having saving account i.e. 82%. The level of satisfaction towards plastic money might be more among the current and cash credit account holders as they are using plastic more often as compared to the ones having saving account. Nowadays, people have started using plastic money more as compared to physical cash.

**Type of plastic money being used****Type of plastic money being used**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Debit Card	156	78.0	78.0	78.0
Credit Card	44	22.0	22.0	100.0
Total	200	100.0	100.0	

Majority customers are having debit card i.e. 78%. A customer could use his or her own money through a debit card. There are many customers who are not much interested in using a credit card as it increases burden on them about paying the amount which has been used through credit card. Debit card does not involve much charge as compared to a credit card.

**Customer's Satisfaction level towards use of plastic money****Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
1. Easy handling	200	1	5	3.92	1.140
2. Correct operations	200	1	5	3.38	1.005
3. Speed	200	1	5	3.48	1.012
4. Knowledge related to products and services	200	1	5	2.85	1.155
5. Understanding benefits of using plastic money	200	1	5	3.11	1.325
6. Positive approach towards Plastic Money	200	1	5	3.07	1.304
7. General assessment about the service	200	1	5	2.67	1.199

The customer satisfaction level was evaluated through the use of 5 point likert scale where the answer varies from strongly dissatisfied to strongly satisfied. A smaller mean will indicate dissatisfaction and a higher mean indicates satisfaction. In the above table, the mean for all variables mentioned above for customer satisfaction varies from 2.67 to 3.92. The mean indicates that customers are satisfied with plastic money. The level of satisfaction only varies among the different variables. Customers are more satisfied with the easy handling of plastic money, correct operations, speed, understanding benefits of using plastic money and positive approach towards plastic money. Customers are less satisfied with knowledge related to products and services and general assessment about the service.

### Testing of hypothesis

**H<sub>01</sub> – There is no significant association between customer satisfaction level towards plastic money and gender of the customers**

**H<sub>11</sub> – There is a significant association between customer satisfaction level towards plastic money and gender of the customers**

#### ANOVA

##### Customer\_satisfaction\_mean

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.564	1	4.564	7.356	.007
Within Groups	122.856	198	.620		
Total	127.420	199			

The significant value in table above is 0.007 which indicates that the null hypothesis has been rejected since the significant value is less than 0.05. The alternate hypothesis i.e. “H<sub>11</sub> – There is a significant association between customer satisfaction level towards plastic money and gender of the customers” has been accepted. The use of plastic money varies among people with different gender. The females might be using plastic money for online shopping, bill payment, buying groceries or any other household items. It is possible that they are more satisfied with plastic money as they are using them less often. The male and female customers who are lesser aware about plastic money, may not be satisfied.

**H<sub>02</sub> – There is no significant association between customer satisfaction level towards plastic money and profession of the customers**

**H<sub>22</sub> – There is a significant association between customer satisfaction level towards plastic money and profession of the customers**

## ANOVA

## Customer\_satisfaction\_mean

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.841	6	1.473	2.398	.029
Within Groups	118.579	193	.614		
Total	127.420	199			

The significant value in table above is 0.029 which indicates that the null hypothesis has been rejected since the significant value is less than 0.05. The alternate hypothesis i.e. “H<sub>22</sub> – There is a significant association between customer satisfaction level towards plastic money and profession of the customers” has been accepted. The customers who are home makers, retired, students are using plastic money lesser often as compared to the ones who are working in private or public sector. The customers who are working as professionals or are having business might be using plastic more often as their profession also demands the use of plastic money.

**H<sub>03</sub> – There is no significant association between customer satisfaction level towards plastic money and annual income of the customers**

**H<sub>33</sub> – There is a significant association between customer satisfaction level towards plastic money and annual income of the customers**

## ANOVA

## Customer\_satisfaction\_mean

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.567	5	1.913	3.150	.009
Within Groups	117.853	194	.607		
Total	127.420	199			

The significant value in table above is 0.009 which indicates that the null hypothesis has been rejected since the significant value is less than 0.05. The alternate hypothesis i.e. “H<sub>33</sub> – There is a significant association between customer satisfaction level towards plastic money and annual income of the customers” has been accepted. The use of plastic money also varies with the annual income of a customer. Customers having more money in their account or more limit in their credit card will be making use of their plastic more often and the amount will be high as compared to a customer having lower income.

## Findings

- Majority customers are of the age between 18 – 30 years i.e. 44%.
- More customers in this study are females i.e. 59%.
- Majority customers are females i.e. 59%.



- More customers in this study are working in public sector i.e. 33%.
- Majority customers are having annual income above 500000 i.e. 30.5%.
- More customers in this study are having debit card i.e. 78%.
- The mean for all variables mentioned above for customer satisfaction varies from 2.67 to 3.92. The mean indicates that customers are satisfied with plastic money.
- There is a significant association between customer satisfaction level towards plastic money and gender of the customers
- There is a significant association between customer satisfaction level towards plastic money and profession of the customers
- There is a significant association between customer satisfaction level towards plastic money and annual income of the customers

## Conclusion

The level of satisfaction only varies among the different variables. Customers are more satisfied with the easy handling of plastic money, correct operations, speed, understanding benefits of using plastic money and positive approach towards plastic money. Customers are less satisfied with knowledge related to products and services and general assessment about the service. The use of plastic money varies among people with different gender. The females might be using plastic money for online shopping, bill payment, buying groceries or any other household items. It is possible that they are more satisfied with plastic money as they are using them less often. The male and female customers who are lesser aware about plastic money, may not be satisfied. The customers who are home makers, retired, students are using plastic money lesser often as compared to the ones who are working in private or public sector. The customers who are working as professionals or are having business might be using plastic more often as their profession also demands the use of plastic money. Customers having more money in their account or more limit in their credit card will be making use of their plastic more often and the amount will be high as compared to a customer having lower income.

## Suggestions

- The banks and financial institutions issuing plastic money should make their customers aware about the uses of plastic money.
- The interest rate and the other charges related to debit card (if applicable) and credit card should be explained to the customers well in advance.
- There should be awareness programmes run by banks and financial institutions to make people aware about the services which could be availed through debit and credit card
- The banks and financial institutions should make an attempt to provide training to customers about the security and safety which is involved while using plastic money
- The reasons for resistance towards use of plastic money should be found and there should be an effort from the issuers to work upon them to encourage more use of plastic money

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