



## "POPULARITY OF PLASTIC MONEY AMONG WOMEN IN KANNUR DISTRICT"

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### ABSTRACT

*Many banking companies realized that it is more difficult to make their physical products differ from the competitors than before. So they started trying for differentiation in services. Use of familiarity of plastic money is increasing very rapidly. The present study is attempted to analyze the popularity of plastic money among women. The study also considers the popularity, its advantages, disadvantages and attitude of people towards the use of plastic money*

**KEYWORDS :** PLASTIC MONEY, CREDIT CARD DEBIT CARD, ATM

### AN OVERVIEW

Before the economic reforms, most of the banks were concentrating on mass banking products. Consequent upon the introduction of reforms, to withstand competition and maintain existence, massive expansion in products and services have taken place in the banking sector and the focus has shifted from mass banking to class banking with value added and customized products. Thus with the objective of providing customer services banks started new delivery channels like Automatic Teller Machine, Tele banking, Internet banking etc. by providing anywhere and anytime banking facilities. All these leads to the emergence of a new banking system commonly known as Electronic banking..

### REVIEW OF LITERATURE

Swan (2004) made a survey on credit cards," A credit card: A competitive market". It observed that with the more entrants in the field of credit cards, major players are trying to gain a market share with aggressive promotional strategies and additional value added services. Some banks though offer international level of services and credit support to card holders but had failed to make an impression in the market due to lack of awareness and low key advertising. It also observed that in spite of aggressive effort of the banks, vast majority of the Indian population is yet to come to grips with credit cards.

Saha, Tapash Ranjan (2006) 70, in the article "Debit cards overtaking credit cards in India", provided comparative features of both credit cards and debit cards and its volume of transactions from 1995 to 2005, shows that debit cards growth is out placing the credit cards.

### OBJECTIVES OF THE STUDY

The present study is under taken with the following specific objectives.

- To study the different types of plastic money used by women customers.
- To assess the advantages and disadvantages of plastic money.
- To know the acceptability of plastic money among the women.
- To know about the risk factor in case of plastic money and measures to avoiding the misuse of plastic money in general.

### METHODOLOGY

Both primary and secondary data were collected for the study. Primary data required for the study were collected from women customers of selected commercial banks of Kannur District who are using credit cards and debit cards. The secondary data for the study were collected from books, journals, periodicals and other publications of banks. The sample size of the study includes 100 women customers of commercial banks in Kannur District

### PLASTIC MONEY

Plastic money or polymer money, made out of plastic is a new and

easier way of paying for goods and services. Plastic money was introduced in the 1950s and is now an essential form of ready money which reduces the risk of handling a huge amount of cash. It includes debit cards, ATM, smart cards etc. Plastic money is the generic term for all types of bank cards, that is, credit cards, debits cards, smart cards etc. They are the alternative to the cash or the standard money.

In countries like India, America, China the term plastic money can refer to credit cards and debit cards, but in some countries it refers to the bank notes or bills that are made out of a type of plastic. Plastic money is a money that is in the form of credit card or debit card that we use to shop anything, anywhere.

### CREDIT CARD

Credit card is a small plastic card issued to users as a system of payment. Credit card allows the holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grant a line of credit to the consumer or the user from which the user can borrow money for payment to a merchant or as a cash advance to the user. Credit cards allow the customers a continuing balance of debt, subject to interest being charged. Most credit cards are issued by banks or credit unions.

- **Master Card And VISA Card** are the global players in the credit card market. Master card is a product of master card international and along with VISA is distributed by financial institutions around the world. VISA card is a product of VISA USA and along with master card is distributed by financial institutions around the world

### DEBIT CARD

The use of debit card is growing day by day because these cards are providing number of alternative services to the card holder. The first debit card was issued by Seattle's first national bank for preferred customers in 1978. Debit card is a plastic card issued to a customer having a deposit account in a bank. Debit card combine the benefits of cash and cheque because without carrying either of these two the card holder can meet his requirements. Just like credit card, the debit card holder can present the card to the merchant, sign sales slip and forget about it. The purchase amount is automatically deducted or debited to the account of card holder. To fulfill the growing demand for debit cards different types of debit cards with various features are offered by the companies. There are two types of debit cards. They are virtual debit cards and Physical debit cards.

### ATM CARDS

The cash machine or ATM as it is more formally known is the most visible and perhaps most revolutionary element of virtual banking revolution. ATM are self regulatory vendor machine that help the banks to provide round the clock banking services to their

customers at convenient places without visiting to the bank premises. They enable the banks to transact more business by offering various services in cost effective way on one side and to get more customer satisfaction on the other.

To avail the ATM services customers are provided with ATM card which is a small plastic card with magnetic strip, containing information about the name of bank, name of the customer, card number, validity period and signature panel. The magnetic scrip contains information about the customer which enables the banks to verify the identity when the card is inserted at the slot providing in ATM. There are several different types of cards that fall under the category of an ATM card. They are as follows:

- **BASIC ATM CARD**
- **A ATM CREDIT CARD**
- **TM DEBIT CARD**
- **IDENTIFICATION CARD**

#### DATA ANALYSIS

**Table: 1.1 Classification Of Respondents On The Basis Of Card Ownership**

Category	No. of Respondents	Percentage of Respondents
Debit card & ATM	56	56
Credit card & ATM	12	12
ATM	12	12
All	20	20
Total	100	100

Source: Primary data

**Table: 1.2. Response Rate To Plastic Money On Selected Criteria**

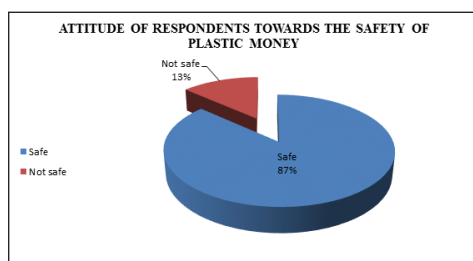
Category	No. of Respondents	Percentage of Respondents
Unstable income	42	42
Lack of knowledge	8	8
Technical problem	50	50
Total	100	100

Source: primary data

**Table 1.3 Clasification On The Basis Of Mode of Payment**

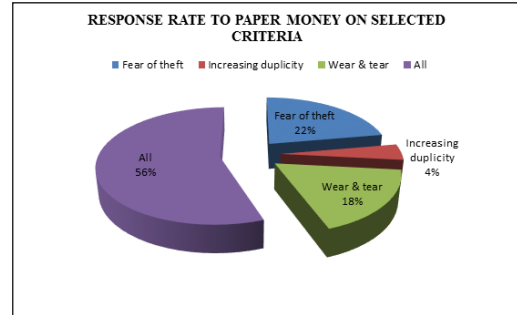
Category	No. of Respondents	Percentage of Respondents
Cash	78	78
Cheque	0	0
Card	22	22
Other	0	0
Total	100	100

Source: primary data



**Figure1.1**

Source: Primary data



**Figure 1.2**

Source: primary data

#### FINDINGS

- All the 100 females selected as sample respondents were familiar with use and existence of plastic money.
- The respondents suggested that card is a convenient way of payment
- respondents prefer cash payment for their house hold consumption purchases.
- Majority of the respondents. agree with the safety of plastic money over cash/cheque.
- More than 60 percent respondents suggest that card is easy to keep for a longer period than cash or currency.
- Majority of the respondents opined that the use of plastic money is reduced because of technical problems.
- Around 56 percent respondents avoid paper money because of fear of theft, wear and tear and increasing duplicity.
- Around 98 percent respondents were the opinion that plastic money is the easiest way to make payment.

#### SUGGESTIONS

- Attempt should be made to educate women the technicalities of the use plastic money, which will help to improve the use of plastic money in all occasions.
- The future growth of the use plastic money is likely to depend on the promotional efforts by banks.
- Banks and other institutions are to motivate people to open account with banks and insist people to use plastic money in their regular business dealings.

#### CONCLUSION

From the study it is clear that plastic money is a convenient electronic instrument for using in modern society in case of cash or currency. The popularity of plastic money is increasing rapidly among women. Measure may be taken to improve the use of plastic money by increasing the awareness among women about its utility and usefulness.

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