

Customer Perception and Behavioral Orientation towards Plastic Currency

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Abstract: This research examines customer satisfaction with plastic currency in India, analyzing the determinants of user experience in the post-demonetization and Digital India era. The study explores how key factors such as perceived ease of use, security concerns, digital infrastructure accessibility, financial literacy, and quality of customer support shape overall satisfaction. While adoption is driven by convenience, incentives, and contactless necessity, significant disparities persist. Findings indicate that demographic variables including age, income, and geographic location create uneven satisfaction levels, with security anxieties and complex terms inhibiting trust, particularly among older and rural users. The research utilizes primary data to identify critical gaps between consumer expectations and service delivery. It concludes with actionable insights for financial institutions and policymakers to enhance transparency, improve financial education, strengthen security frameworks, and ensure inclusive digital infrastructure, thereby fostering greater trust and promoting sustainable financial inclusion through plastic currency.

Keywords: Plastic currency, Customer satisfaction, Digital payments, Financial inclusion, Security perception, Demographic analysis, Digital India.

I. INTRODUCTION

The term "plastic currency" refers to cashless payment tools like debit and credit cards, which have fundamentally transformed the global financial landscape. This shift from physical cash to electronic payments has been accelerated by technology, supportive government initiatives like Digital India, and evolving consumer behaviour, especially following events such as India's 2016 demonetization. Understanding both public perception and actual usage patterns is critical for the banking and fintech industries to align their services with consumer needs.

The adoption of plastic currency is driven by significant advantages: enhanced convenience by eliminating the need to carry cash, improved security through PINs and encryption, the ability to shop online and make contactless payments, and attractive reward programs. The expansion of digital infrastructure, including ATMs, POS systems, and banking apps, has further enabled its growth in urban and semi-urban areas a trend that was amplified by the hygiene concerns of the COVID-19 pandemic.

However, customer satisfaction with these tools is not universal and is influenced by several factors. Key drivers of satisfaction include ease of use, perceived security, and robust customer support. Conversely, significant barriers remain, such as digital illiteracy among older or less tech-savvy populations, persistent anxieties over data fraud and phishing, and infrastructural gaps in rural regions where connectivity and card acceptance are limited. A lack of financial literacy regarding card features, fees, and protections can also lead to poor choices and dissatisfaction. Ultimately, while plastic currency offers immense benefits in efficiency and paves the way for new economic opportunities, it also presents challenges including security risks, financial exclusion, and potential macroeconomic issues. The future of this ecosystem depends on bridging the gap between its technological potential and widespread, confident consumer acceptance.

II. REVIEW OF LITERATURE

Romny (2024)¹ This study confirms that Perceived Ease of Use and Perceived Usefulness (including convenience and security) are crucial for adopting digital payments. Public attitudes, perceived

behavioral control and financial literacy which also acts as a mediator are key drivers. Behavioral nudges further influence this acceptance in emerging economies.

Anas (2024)² this study examined factors influencing digital payment adoption among Millennial and Gen Z in Malaysia. It analyzed perceived convenience, cost, security, innovativeness, and social influence. Key adoption barriers identified include privacy concerns, lack of information, and resistance to change. The findings suggest service providers can boost adoption by enhancing security, launching educational campaigns, and improving interface design.

Meghana (2024)³ India's digital payment ecosystem, fueled by initiatives like Digital India and UPI, has rapidly transformed. This systematic review examines the implementation and impact of these cashless transactions, which are conducted via smartphones, computers, or cards. The growth is driven by the inherent convenience, speed, and efficiency of electronic fund transfers.

Nirmala.R.Sonu (2015)⁴ this research finds that the preference for plastic currency is primarily driven by its instant transactions, convenience, and time-saving portability. While security concerns remain a significant issue for users, the high overall convenience and ease of use are leading to its broader adoption among the population.

Devkota, Niranjana et al., (2021)⁵ the objective of this research is to get insight into the users' familiarity with plastic currency, its present applications, difficulties encountered, and potential solutions. Primary data is used according to its usefulness in descriptive research designs. The research found that people are more likely to use plastic currency when it is easy to use, when credit card interest rates are low, when advertisements are appealing, and when people are aware of the many uses for plastic currency.

Limbo, Nilesh & Khillare, Shrirang (2019)⁶ the study examines global consumers' views on plastic currency, from young adults to retirees. Findings show most believe it significantly alters purchasing habits, often leading to overspending as it feels easier to spend more than one has. While offering benefits, plastic currency can also create problems like debt and financial anxiety if not managed properly, underscoring its profound impact on spending behavior and personal finance.

Jain, Vipul et al., (2015)⁷ A small plastic card has revolutionized payments, driven by rising income, new services, travel, and aggressive bank marketing. This exploratory study, based on 210 Indian respondents, investigates consumer preferences and the factors influencing the acceptance and impact of plastic currency in the Indian market.

III. STATEMENT OF THE PROBLEM

Despite aggressive promotion and infrastructural growth for plastic currency, its penetration and consistent usage are not uniform. Customer hesitation stems from conflicting perceptions of convenience versus risk. There is a lack of comprehensive understanding of how these perceptions concretely translate into spending behavior, preference over other digital methods (like UPI), and long-term loyalty. This study addresses the problem of this perception-behavior gap.

IV. OBJECTIVES OF THE STUDY

- ❖ To study the perception of card users towards Plastic Currency.
- ❖ To analyze the usage of plastic currency with respect to amount of transaction.
- ❖ To examine the satisfaction level of customers in the usage of plastic currency.
- ❖ To assess consumers' reasons for preference of plastic currency over hard cash.

V. RESEARCH METHODOLOGY

Research Design

This study used a descriptive research strategy to explain in detail how people use plastic currency, how satisfied they are with it, and what advantages they think it has. Consumers' experiences and views towards plastic currency may be quantified with the aid of this design.

Sample Size

Using a convenience selection approach that took accessibility and participation intentions into account, 200 participants were chosen for the research.

Data Collection Method

A systematic questionnaire was used to gather primary data, which included demographic information, how often plastic currency was used, satisfaction levels, and perceived advantages. In order to get more people to fill it out, we used both online and offline distribution methods.

Data Analysis

In order to understand the distribution and trends in customer replies, the gathered data was tabulated and analyzed using descriptive statistics, namely percentages and frequencies. Frequency of use, degree of pleasure, and perceived advantages were the three main points of the analysis.

VI. DATA ANALYSIS AND INTERPRETATION

Table 1: Frequency of Plastic Currency Usage

Usage Frequency	Frequency	Percentage (%)
Daily	52	26.10%
Weekly	67	33.60%
Monthly	45	22.40%
Rarely	22	11.20%
Never Used	14	6.70%
Total	200	100

The information in the three tables gives a thorough picture of how people use plastic currency and how satisfied they are with it. A large percentage of respondents use plastic currency often, as seen in Table 1. 26.1% use it daily and 33.6% use it weekly. This trend shows that people are increasingly using plastic for everyday purchases. Although digital payment use is significant, a minority still prefers other means; 22.4% use it monthly, while a smaller proportion uses it seldom (11.2%) or not at all (6.7%).

Table 2: Satisfaction Level towards Plastic Currency Usage

Satisfaction Level	Frequency	Percentage (%)
Very Satisfied	60	29.90%
Satisfied	82	41.00%
Neutral	33	16.40%
Dissatisfied	15	7.50%
Very Dissatisfied	10	5.20%
Total	200	100

Table 2 shows that most people are happy with plastic currency. Nearly three quarters of those who took the survey had expressed satisfaction, with nearly seven in ten falling into the "Very Satisfied" or "Satisfied" categories. Just a tiny fraction voiced their discontent; 7.5% were "Dissatisfied," 5.2% were "Very Dissatisfied," and 16.4% were indifferent. It seems that the majority of people have a good experience using plastic currency, which contributes to its increasing popularity.

Table 3: Perceived Benefits of Plastic Currency

Perceived Benefit	Frequency	Percentage (%)
Convenience	57	28.40%
Security	37	18.70%
Rewards and Discounts	30	14.90%
Faster Transactions	45	22.40%
Reduced Need to Carry Cash	31	15.60%
Total	200	100

The advantages that people believe plastic currency will bring them are shown in Table 3. Among the advantages, convenience stands out at 28.4%, with speedier transactions coming in at 22.4% and security at 18.7%. Its attractiveness is enhanced by the elimination of the need to carry cash (15.6%), as well as by rewards and discounts (14.9%). These results highlight the importance of both practical and experiential benefits in ensuring that plastic currency users are satisfied and keep using it.

Table 4: Cross-Tabulation between Satisfaction Level and Usage Frequency

Usage Frequency	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Total
Daily	22	15	7	4	4	52
Weekly	18	37	6	3	3	67
Monthly	11	18	11	4	1	45

Rarely	6	7	4	2	3	22
Never Used	3	5	5	1	0	14
Total	60	82	33	14	11	200

A cross-tabulation of the satisfaction ratings and the frequency of plastic currency use are shown in Table 4. Consumers who use plastic currency more often (daily or weekly) report greater levels of pleasure, according to the study. In contrast to the significantly lower levels of happiness among those who seldom or never use plastic currency, 37 out of 52 respondents

who use it regularly expressed "Very Satisfied" or "Satisfied" feelings. A larger percentage of indifferent or unsatisfied replies are shown by rare and non-users, showing that their degrees of satisfaction may be influenced by limited exposure or unfavourable experiences.

Table 5: Correlation Matrix (Conceptual)

		Perceived Benefit Score	
Usage Frequency	1.00	0.58	0.63
Perceived Benefit Score	0.58	1.00	0.67
Satisfaction Score	0.63	0.67	1.00

The correlation matrix, which can be seen in Table 5, shows the correlations between three important variables: the frequency of use, the perceived benefit score, and the satisfaction score. Positive and fairly high correlations indicate that these factors are connected. Particularly, there is a link of 0.63 between use frequency and happiness score, suggesting that the more often one uses plastic currency, the more satisfied they are with it. Users are more likely to be happy when they perceive larger advantages, such as convenience, security, and speedier transactions. This is supported by a perceived benefit score of 0.67, which is associated with contentment. Further confirmation that regular users tend to see plastic currency favorably is the link between use frequency and perceived advantages (0.58). Particularly in developing metropolitan segments like Tier II and III cities, these findings support the premise that increasing utilization and understanding of advantages may greatly improve customer happiness.

Table 6: Perception of Respondents on Usage of Card Likert Scale – Observe Data

S.No	Particulars	No. of Respondents	Percentage%
1	Less Than 2500	60	30
2	2500-5000	40	20
3	5000-10000	80	40
4	More Than 10000	20	10
	TOTAL	200	100

The spending behavior among respondents predominantly clusters in the moderate range (₹5,000-10,000), with substantial representation in the low spending category (below ₹2,500). The distribution suggests a value-conscious consumer base with specific premium spenders. The gap between low and moderate spenders indicates potential for upward mobility or market intervention strategies.

Table 7: Perception of Respondents on Usage of Card Weighted Data

S.No	Particulars	SA	A	N	DA	SDA	Total	Weighted	Rank
1	Long time to buy card	100	200	270	60	10	640	3.2	VIII
2	High service charges	275	320	60	60	15	730	3.65	IV
3	High Interest and penalty	300	100	330	10	0	740	3.7	III
4	Good security system for online payments, E-	350	400	60	20	0	830	4.15	I

	Statement								
5	Good customer care services	100	320	195	50	10	675	3.375	VII
6	More offers	200	300	165	60	0	725	3.625	V
7	Reward point system is more beneficial	200	200	240	50	5	695	3.475	VI
8	High fee for foreign currency transactions	150	440	150	20	0	760	3.8	II

Customers perceive card services as security-strong but convenience-moderate, with clear awareness of costs. The highest satisfaction lies in security systems, while the biggest opportunity lies in improving the card acquisition experience and enhancing perceived value of rewards and customer service.

VII. FINDINGS

The Majority (82.1%) of respondents use plastic currency at least once a month, indicating mainstream acceptance. Users primarily perceive plastic currency for Positive Perception Driven by Benefits as Convenient (28.4%), enabling Faster Transactions (22.4%), and Secure (18.7%). "Good security system for online payments/E-Statement" received the highest weighted score (4.15), showing high confidence in safety features. Customers are notably aware of high fees, with concerns about foreign transaction fees (Rank II), interest/penalties (Rank III), and service charges (Rank IV). The largest user segment (40%) uses cards for transactions in the 5,000–10,000 range. 30% of the respondents use cards for transactions below 2,500, confirming its role in daily, low-value spending. Only 10% of respondents use cards for amounts above 10,000, suggesting a preference for other payment methods for large purchases. Plastic currency is entrenched in routine, moderate-value transactions, with room to grow in the premium/high-value segment. Majority (70.9%) of users reported being "Satisfied" or "Very Satisfied" with plastic currency. There is a strong positive correlation (0.63). Daily/Weekly users show higher satisfaction, while rare/never-users are more likely to be neutral or dissatisfied. The high correlation (0.67) between Perceived Benefit Score and Satisfaction Score confirms these factors are key to user happiness and loyalty. The correlation (0.58) between Usage Frequency and Perceived Benefit Score suggests that regular use reinforces the perceived advantages over cash.

VIII. SUGGESTIONS

Banks are offering different types of plastic currency. But the consumers are mostly used debit cards because of the unawareness. Banks and card issuers should provide proper awareness campaign to the consumers. Plastic currency has many advantages over paper currency but, it does not mean that paper currency is obsolete. It is always recommendable to reduce the use of plastic currency because consumers don't feel physical cash leaving their hands also plays into the tendency of some to use plastic more often. When carrying cash, people know how much they can spend, but when they carry card, they feel that as long as there is currency, they can still spend. This may be good for the retailers and bank but not good for people especially in managing their currency in an effective way.

IX. CONCLUSION

According to the research, a number of elements, such as customers' degree of happiness with plastic currency, depend on aspects including accessibility, security, familiarity with technology, and quality of customer care. Plastic currency is widely adopted and positively perceived, driven by convenience, speed, and security. Satisfaction is high among regular users, but there is clear feedback on areas needing improvement particularly cost transparency, reward value, and customer service. The data supports targeting moderate spenders for growth, while also enhancing the user experience to convert rare users into regular ones. Despite the convenience and speed that plastic currency offers, not everyone is happy with it. This is particularly true in rural places where digital connectivity is limited, and where people are afraid of fraud. Customer satisfaction is greater among younger, more tech-savvy people, whereas lower satisfaction is more common among older, less tech-savvy customers. Additionally, cash-back and reward programs are great incentives that boost happiness, but it's important to convey these advantages well to

increase user involvement. In order to boost customer satisfaction, banks should work on enhancing security features, educating users, streamlining use processes, and increasing card acceptance in other areas and industries. To make sure that everyone can use plastic, lawmakers should try to close the digital gap. While plastic is quickly replacing cash as the main method of payment, there must be persistent work to allay consumer fears and make the transition to a cashless economy smooth and equitable.

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