ORIGINAL RESEARCH PAPER

Commerce

A STUDY OF CONSUMPTION BEHAVIOUR OF PLASTIC CARD HOLDERS OF AHMEDABAD CITY

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ABSTRACT

This paper titled A Study of Consumption Behaviour of Plastic Card Holders of Ahmedabad City is aimed at knowing which types of plastic cards (credit card, debit/ATM card, charge card and smart card) are held by respondents and out of them which is the most used plastic card, the number of plastic cards used, most popular card issuing bank and most preferred brand of plastic card of respondents of Ahmedabad city. The findings are that majority of card holders have debit card and it is the most preferred card for purchasing goods and services by respondents. Respondents possess more than one cards. Only 32% card holders have only one card and nearly 68 % card holders have more than one card. Axis bank is the most popular card issuing bank (20.2%) amongst majority of respondents followed by SBI. The majority of respondents (34.6%) are using Classic brand plastic card. This revels that other brands like Classic Plus, Edge, Global, Gold, Neo, Platinum, Priority, Privilege, Titanium etc. are less popular.

INTRODUCTION

With rapid technological development and information revolution, customers can enjoy global standards of service at any time by choosing a wide range of banking products. The success of retail banking largely depends on more than one banking services provided by banks such as Internet banking, Tele-banking, Mobile banking and Card Banking.

These self-service channels together constitute the major portion of E-banking (Electronic banking), even though EFT (Electronic Fund Transfer), ECS (Electronic Clearing Services), EDI (Electronic Data Interchange) and EBPP (Electronic Bill Presentation and Payment) have played significant roles in the growth of E-banking.

E-banking is one of the fast-growing sectors of modern banking system using plastic money for cash dealings. Important card banking products include Debit Cards, Credit Cards, Charge cards, Smart cards etc. which are popularly known as 'Plastic Money'.

LITERATURE REVIEW AND RESEARCH GAP

- Rangaswami and Ramesh Kumar S. (2007) in his 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.

- Rajani V., (2009) in her Ph.D. thesis "An Evaluation of Business Deals Using Plastic Money in Kerala" has explained a descriptive note on various aspects of debit cards and credit cards from the point of view of both the cardholders and merchant establishments in Kerala.

- Joji Alex. N, (2010) in his Ph.D. thesis "Compulsive Buying Behaviour and Its Relationship on Credit Default" has explained that the presence of credit cards has changed the pattern of their spending, credit card influencing factor which leads to card usage pattern, and extent of influence of the variables on credit default.

- Mandeep Kaur, (2011) in his Ph.D. thesis "Perception of Card Users and Member Establishments Towards Plastic Money in India" aimed to study the origin and development of plastic money, to study the procedural aspect in the operation of plastic money, to analyse the risk factors involved in the usage of plastic money and legal protection existing for cardholders, examine the present position and future prospects of plastic money in India.

- Surya Pratim Kesh, (2017) in his Ph.D. thesis "Usage of Plastic Money and Virtual Wallet as Modes of Payments" has included the evaluation of the awareness and preference of banking customers who uses plastic money as well as non-users of plastic money regarding non cash payment system and transactions through bank branches vis-à-vis through Plastic Money and Virtual Wallet Services of respondents of Bangalore city.

From the reviewed literature researcher has not come across any research done at the micro level as far as Ahmedabad city is concerned. This study fills the gap regarding spending behaviour plastic card holders of Ahmedabad city and give necessary suggestions.

OBJECTIVES

- To know which types of plastic cards are held by respondents and out of them which is the most used plastic card.
- To know the number of plastic cards used by respondents.
- To find out type of most used plastic card held by respondents
- To know most popular card issuing bank and most preferred brand of plastic card by respondents.

RESEARCH METHODOLOGY
Data Collection Method

- This research work is based on the survey method. The main source of collection of data in the present study was primary data which was supported by the secondary data. The researcher has used the questionnaire method for collecting the primary data. A well-structured questionnaire was administered to 500 respondents. The questionnaire covered various MCQ type questions to know demographic profile as well as consumption behaviour of plastic card holders.
- The secondary data was collected from the records, documents, books, trade journals, E- resources, past theses, and other publications and various websites for the purpose of review of literature.

Sample Design

For the present study, population of the study is Ahmedabad city from which 500 respondents have been taken as sample using convenience sampling method by the researcher. The researcher has taken care to cover all the sample respondents

representing all demographic groups of Ahmedabad city.

Statistical tools used
• Percentage analysis is used to analyse huge data summarised in tabular form.

ANALYSIS AND INTERPRETATION OF DATA
Table - 1 – Demographic Profile of Plastic Card Holders

Sr. No.	Demographic Factor	Sub Categories	Frequency	Percentage
1	Gender	Male	250	50%
		Female	250	50%
		Total	500	100%
2	Age	Up to 20	34	6.80%
		21 – 30	90	18.00%
		31 – 40	133	26.60%
		41 – 50	119	23.80%
		51 – 60	95	19.00%
		61 & above	29	5.80%
		Total	500	100%
3	Marital status	Married	361	72.2%
		Unmarried	95	19.0%
		Divorcee	12	2.4%
		Widow/ widower	32	6.4%
		Total	500	100%
4	Education Qualification	Up to SSC	34	6.8%
		Diploma/ Technical	38	7.6%
		HSC	55	11.0%
		Graduate	143	28.6%
		Post Graduate	220	44.0%
		Others	10	2.0%
		Total	500	100%
5	Occupation	Government employee	75	15.0%
		Private employee	82	16.4%
		Business	76	15.2%
		Profession	74	14.8%
		Student	65	13.0%
		Retired	56	11.2%
		Housewife	72	14.4%
		Others	0	0%
		Total	500	100%
6	Monthly Family Income	20,000 & less	24	4.8%
		20,001-30,000	31	6.2%
		30,001-40,000	41	8.2%
		40,001-50,000	76	15.2%
		50,001-60,000	150	30.0%
		60,001 & above	178	35.6%
		Total	500	100%
7	Number of Family Members	1	0	0%
		2	50	10.0%
		3	117	23.4%
		4	174	34.8%
		5 or more	159	31.8%
		Total	500	100%
8	Number of Dependents in Family	1	35	7.0%
		2	100	20.0%
		3	204	40.8%
		4	127	25.4%
		5 or more	34	6.8%
		Total	500	100%

(Source: Compiled and Calculated from the Questionnaire)

Table 2 - Classification of Respondents According to Type of Plastic Card Held

Sr. No.	Type of plastic card held	No. of Respondents	Percentage
1	Credit card	256	51.2%
2	Debit card /ATM card	496	99.2%
3	Charge card	30	6.0%
4	Smart card	31	6.2%
5	Others(Specify in box)	25	5.0%
	Total cards held by 500 respondents	838	167.6%

(Source: Compiled and Calculated from the Questionnaire)

The above table – 2 represents classification of type of plastic card held by respondents. The respondents have more than one card. Out of 500 respondents 496 (99.2%) respondents have debit card, 256 (51.2%) respondents have credit cards.

Table 3 - Classification of Respondents According to Most Used Plastic Card Held

Sr. No.	Most Used plastic card held	No. of Respondents	Percentage
1	Credit card	138	27.6%
2	Debit card /ATM card	362	72.4%
3	Charge card	-	-
4	Smart card	-	-
5	Others (Specify in box)	-	-
	Total	500	100%

(Source: Compiled and Calculated from the Questionnaire)

The above table – 3 represents percentage wise classification of respondents according to MOST USED plastic card by respondents. It can be observed that respondents are using mostly only two types of plastic cards although they have different types of plastic cards. 138 (27.6%) respondents are using mostly Credit cards whereas 362 (72.4%) respondents are using mostly Debit cards.

Table 4-Classification of Respondents According to No. of Plastic Cards Held

Sr. No.	Number of plastic cards held	No. of Respondents	Percentage
1	1	162	32.4%
2	2	136	27.2%
3	3	101	20.2%
4	4	78	15.6%
5	5 or more	23	4.6%
	Total	500	100%

(Source: Compiled and Calculated from the Questionnaire)

The above table – 4 represents percentage wise classification of respondents according to number of plastic cards held by respondents. It can be observed that there are 162 (32.4%) respondents have only 1 plastic card; 136 (27.2%) respondents have 2 plastic cards; 101 (20.2%) respondents have 3 plastic cards; 78 (15.6%) respondents have 4 plastic cards; whereas 23 (4.6%) respondents have 5 or more plastic cards.

Table 5 - Classification of Respondents According to Name of Card Issuing Bank.

Sr. No.	Name Of Banks	Number of Respondents	Percentage
1	Alhabad Bank	13	2.6%

2	Axis	101	20.2%
3	Bank Of Maharashtra	3	0.6%
4	BOB	27	5.4%
5	BOI	51	10.2%
6	Canara Bank	11	2.2%
7	Central	17	3.4%
8	City Bank	14	2.8%
9	Dena Bank	19	3.8%
10	HDFC	25	5.0%
11	HSBC	12	2.4%
12	ICICI	64	12.8%
13	Indian Overseas Bank	6	1.2%
14	Indusind Bank	2	0.4%
15	Kotak	13	2.6%
16	SBI	94	18.8%
17	Syndicate Bank	6	1.2%
18	Union Bank on India	18	3.6%
19	Yes Bank	4	0.8%
	Total	500	100.0%

(Source: Compiled and Calculated from the Questionnaire)

The above table – 5 and represents percentage wise classification of respondents according to name of card issuing bank of most used plastic cards held by respondents. It can be observed that the highest number of respondents 101(20.2%) are mostly using Axis bank's plastic card. The second highest number of respondents 94 (18.8%) are mostly using SBI's plastic card. Whereas only 2 (0.4%) respondents are mostly using plastic cards of Indusind bank and only 3 (0.6%) respondents are mostly using plastic cards of Bank of Maharashtra.

Table 6- Classification of Respondents According to Brand of Most Used Plastic Card

Sr. No.	Brand Of Plastic Card	Number of respondents	Percentage
1	Classic	173	34.6%
2	Classic Plus	23	4.6%
3	Edge	4	0.8%
4	Global	34	6.8%
5	Gold	55	11.0%
6	Neo	2	0.4%
7	Platinum	33	6.6%
8	Priority	52	10.4%
9	Privilege	12	2.4%
10	Solid Gold	70	14.0%
11	Titanium	42	8.4%
	Total	500	100.0%

(Source: Compiled and Calculated from the Questionnaire)

The above table – 6 represents percentage wise classification of respondents according to brand of most used plastic card held by respondents. It can be observed that the highest number of respondents 173(34.6%) are mostly using Classic plastic cards. Whereas only 2 (0.4%) respondents are mostly using Neo plastic cards.

FINDINGS
- The majority of respondents have debit card and debit card is the most preferred card for purchasing goods and services.
- It was found that respondents possess more than one cards. Majority of respondents have debit cards and credit cards. Only 32% card holders have only one card and nearly 68% card holders have more than one card.
- Axis bank is the most popular card issuing bank preferred

by of majority of respondents (20.2%) followed by SBI with 18.8% respondents.
- The majority of respondents (34.6%) are using Classic brand plastic card followed by Solid Gold brand plastic card preferred by 14% respondents. The least preferred brand of plastic card by respondents is Neo (0.4%).

LIMITATIONS
- The data were collected through questionnaire; there are chances of biased information provided by the respondents.
- The present Study is limited to only 500 respondents only and Ahmedabad City only so results do not have universal applicability.
- The research is based on the primary data and the tools used have their own Limitations.
- Some of the respondents might not have able to either express their views accurately to the close ended questions.
- The researcher has considered only plastic cards issued by banks for the analyzing spending behaviour of card holders through plastic cards.
- Some of the card holders may have more than one plastic card with equal usage rate of less than 10 times per card per month. Thus, by imposing the condition of focusing only on the most active card to answer the questions, it may have caused bias to inactive cardholders.
- Convenient sampling has been used. Which has its own limitations.

FUTURE SCOPE OF THE STUDY
- This is an exploratory study of spending behaviour of plastic card holders of 500 respondents of Ahmedabad city. Further work is needed to be undertaken in other areas of Gujarat state as well as national level.

- The present study is undertaken by collecting 500 responses only so further research can be undertaken by collecting data from more respondents for generalizing the result.

- Other researchers can use stratified random sampling for better results.

- Further research also can be undertaken by focusing on more plastic cards and other cashless payment methods issued by banks as well as non- banking institutions.

- Similar researches can be done by researchers to compare two states or two countries to compare plastic card holders' behaviour.

- There is also scope for further study by using questionnaire comprising of open-ended questions to make results more appropriate and to get concrete suggestions directly from the users.

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