REVIEW OF LITERATURE

1. Subhani in 2008 conducted a study on ‘Plastic Money/Credit Cards Charisma for Now and Then’. The study was based to find out the charisma of plastic money, its usability and affordability and its impact on its preference to use. The research found that the preference to use of plastic money/credit card has its pros and cons with its usability and affordability. According to the consumer behavior, plastic money is a form of conditioning and acts as a stimulus which qualifies a consumer to spend. The study shows that the preference to go for plastic money has a positive attitude that it is easy to use. The perception of credit card usability is associated with a psychological phenomena that people are likely to spend less with credit card and spend more with the same amount of cash on hand in the same budget and this precept also linked with the consumer self convenience.

2. Lowenstein and Hafalir in 2012 conducted a study on “The Impact of Credit Cards on Spending”. The study focused on two types of customers: one who carry debts and the one who do not carry debt. The one who carry debt are known as the Revolvers and the one who do not carry debt are called the convenience users. The study measured the impact of payment with credit card as compared to cash by an insurance company employees spending on lunch in a cafeteria. It was found that there was change in the payment medium of people from cash to a credit card when an incentive to pay with a credit card was given. It was then found out that credit cards do not increase spending. However, the use of credit cards has a differential impact on spending for revolvers and convenience users. Revolvers spend less when induced to spend with a credit card, whereas convenience users display the opposite behavior.

3. JiaLokeYiing (2007) Review of network Economics, December, 6 (4). In his study “Determinants of merchant participation in credit card payment scheme" aimed at establishment of the determinants of merchant participation in credit card payment schemes. It is also found that a merchant’s personal background, type of business and total value of sale play an important role in determining a merchant’s acceptance of cards in making payments and it is also found that customer’s usage of credit cards and other merchants’ acceptance of credit cards in payments have influenced a merchant’s choice significantly. Findings suggest that non-pecuniary strategic factors are the strong drivers and barriers to a merchant’s involvement in credit card payments services as compared to the monetary factors.

4. Santomero (1996) analyzed the various alternative forms of money such as prepaid cards, cash cards electronic purse, smart cards etc and their demand for medium of exchange with the help of Baumol-Tobin Model. It was found that range of use of asset decreases with the fall in household income, usage patterns of medium of exchange differ with the same income but different allocation of income among consumption of goods and households tend to use the higher
interest medium of exchange to buy the good that constitutes the largest amount of its income etc.

5. P Manivannan (2013) in his research paper "Plastic money means less payment of cash checking system " said that use of plastic money is the measure of a luxury credit card, and the need. The plastic money and the electronic payments and used by people of higher income category. The extension of this facility is not only meant for customers in urban areas or cities, but also is for customers who live in rural areas. However, today, with the development of banking industry, fixed income group also begins the use of plastic and electronic money payment systems and especially credit cards.

6. Subhani in 2011 conducted a study on the "plastic money / credit cards for prestige between now and then." The study was based on knowledge of the charisma of plastic and its impact on the choice for the use of money. The research found that the preference for the use of plastic money / credit card has several pros and cons although it is easy to use and affordable. According to the consumer behavior it is stated that plastic money is a form of motivation for a consumer to spend. The study suggests that the preference to use plastic money to have a positive relationship with the easiness of use because the principle of a credit card has been linked to usage with psychological phenomena that people tend to spend less with a credit card and spend more with the same amount of cash in hand.

7. Ramasamy S R., 2006, in his research Problems and Prospects of Plastic Money in Bangladesh said that money is always considered as an important medium of exchange. But over the past few years, money has changed its form from coins to paper cash and today it is available in electronic form of money or plastic card. Hence, the major changes which has been brought in banks is through introducing products that can be used as an alternative to paper money. Plastic cards are a kind of innovations through which the customers can avail the banking services just by owning the card issued by their bank and that too without going to bank and engage himself in the official banking hours. Plastic money is mainly debit and credit cards that facilitates cash to be drawn from an ATM booth or shop on credit. Both these modes eliminate the need of actual cash in hand at the time of purchase.

8. Brito and Hartley 1995 in his research found that consumers prefer purchasing through credit cards because of its ease and convenience of use irrespective of its rate of interest. He said when consumers use credit cards as a mode of financing, credit cards compete with bank loans and other forms of financing.

9. Barker (1992) in his study, Globalization of credit card usage: The case of a developing economy" investigate the attitude of Turkish consumers towards credit cards, and the approach of card issuers. The better educated, middle aged members of the upper middle class were the prime focus; the most important reasons for using a credit card were “case of payment”, along with the “risk of carrying cash”. Non holders do not carry credit cards because they do not know
much about it. The usage and the administration of credit cards are influenced by
the infrastructure of the country and therefore, credit card companies have to
modify their marketing procedures rather than following a standardized
approach.

been attempted to know that to what extent the credit cards are utilized by the
cardholders and the factors influencing them. The study is confined to cards
issued by the Canara Bank... Chi square test has been conducted to know the
level of utilization by taking into consideration ten components i.e., numbers of
purchases, shops, percentage of purchases, place, frequency, type of product,
type of services, cash withdrawal facilities, add on facility, insurance schemes
etc. the test reveals that sex, age, educational qualification of card holders has no
relationship with utilization of the card rather the occupation, income,
employment status of spouse, mode of getting card is related with utilization of
credit Cards.

Card play an important role in any international payment system. Both VISA
and Master Card act guarantor of payment to merchants who are willing to
accept the cards. VISA and Master card each have nearly 22000 banks all over
the world as their members and handle several million transactions each day.
This gives them a transaction handling capability unmatched by any individual
bank. They provide a global network that allows authorization, clearing and
settlement of card transactions, both of credit and debit card.

study evaluates the potential use of behavioral and physiological techniques in
the battle against credit card fraud in the retail environment. It discusses
different techniques such as automatic speaker, dynamic signature verification,
fingerprint, facial recognition, retinal and iris scanning, hand and finger
geometry. Author feels that while biometric technologies have the potential to
reduce plastic card fraud there are several problems which must be addressed
before they can be used in retail environments, like the recognition
performance, speed of use, usability, customer acceptance, device cost
are considered along with industry standards for biometric devices.

society, where clumsy -to handle coins and notes are replaced by efficient
electronic payments initiated by various types of plastic cards is a boom for the
twenty-first century. Some of the interested parties stand to gain more than
others if the cashless society becomes a reality. Paper outlines the rationale of
those who are keen to promote the cashless society and the implications for
marketers charged with winning consumer acceptance for payment by plastic
card.. The plastic card payment product is analyzed under the three headings of
pay later, pay now and pay before and a view is offered as to the future prospects
for each type of plastic card in contributing to the development of the cashless
society.
14. Joshi (1996), “Variants in plastic.” His analysis says that card issuers seeks to introduce the emerging payment card technology like debit and smart cards. Credit cards are being gradually revolutionized by various factors: friendly technology, a competitive marketing environment, the rise of the financially sophisticated consumer who avoids paying interest and the emergence of new competitors. The concept of debit cards as a new payment system has gained acceptance in the Asia-Pacific region in past few years. Being a new concept, mass acceptance is gradual. It shows that spending on credit cards is higher than debit cards but the number of transactions is more on debit cards. There are technological and infrastructure hurdles for debit cards as it is significantly different from credit cards. Study shows that profit margins in debit cards are one-third than those from credit cards.

15. Maganty (1996), “Changing Dimension.” the author studies the emerging trend and importance of debit card in daily lives of Indian society. Debit cards are expected to be in use in places where most transactions are done by cash or cheque in supermarkets, petrol stations, convenience stores. There cards are designed for customers who like paying by plastic card but do not want credit. These cards not only keep the cardholder debt free but also provide a detailed account of spending. These types of cards are ideal for those who have a tight budget and want to keep within it. Study shows that there are two types of debit cards i.e. on line and off line debit cards. With the computerization and modernization plastic money will become the status symbols in the 21st century of Indian traditional bound society.

16. Radhakrishan (1996) study on “DEBIT CARDS” shows that the debit cards also have found wide acceptability than credit cards because of assurance of payments to retailers, switching of cardholders to debit card because of using interest free period to avoid high interest cost, annual charges as compared to debit cards etc. The study shows that the growth of service industry in the country, electronic fund transfer, point of services offer a large potential for banks to cutting down cost associated with the paper based clearing and payment services. The introduction of debit cards can take place subsequently and the objective should be to attain a critical mass in issuing number of such cards so that the operation becomes cost effective.

17. Worthington (1996), “Smart Card and retailer-who stand to benefit?” Paper describes the major current payment options which are open to consumers, and accepted by retailers with a review of the costs and benefits of each payment option. Retailers, as the merchant acceptors of payment by suffer from the introduction of the smart card. Article sets out to explore the pros and cons of the smart card for retailers. The introduction of the smart card will not eliminate any of the existing method of payment and it is probable that the smart card will even introduce new means by which nonfinancial data, such as purchase patterns, can be collected and exchanged. There will also be substantial costs involved for retailers such as upgrading thousand of stores and head office systems, replacement of point-of-service terminals, training to thousands of
cashiers for the acceptance of smart cards. The smart card could be a useful addition to the existing payment options at the point of service. It could offer retailers to access to new delivery channels and better communication channels and help to maintain relationship with customers.

18. Chan Ricky (1997), “Demographic and attitudinal differences between active and inactive credit cardholders–the case of Hong Kong.” The study was to examine the demographic and attitudinal differences between “inactive” and “active bank credit cardholders in Hong Kong. The groups of card holders have been classified according to their differences in usage rates. Active card holders” in this study were operationalized as those whose monthly card usage rate was over ten times, whereas as “inactive card holders” were those whose monthly card usage rate was below ten times. As far as, demography is concerned, income was found to be the single most important variable influencing the card usage rate. Specifically inactive card holders were found to earn less than their active counterparts. Paper also examine, to induce less resourceful card holders to increase there card usage rate, card issuers are advised to strengthen their co-operation with various retailers so as to turn their cards into the most preferred mode of payment.

19. Gambir (1998), “Credit cards in India”. He describes that credit cards are relatively new to India. Treated as a status symbol and as a vehicle of consumerism Indian banks burst this business. Till recently as it did not go along very well with the spirit of people because they do not have much money to spend because of bad economic conditions. But with increasing economic and financial liberalization and growing prosperity of the urban middle class banks fells that it is desirable to enter into this line of business. Author feels that Credit Cards and money transfers with latest technological changes would definitely reduce the burden on cash in our system. Therefore, RBI has to give an impetus to the popularity of plastic money which is consistent with present policy of economic and monetary liberalization.

20. Carow and Kenneth (1999), “Debit, Credit, or Cash: Survey evidence on Gasoline Purchases.” analyzed the consumer’s payment option to use debit, general purpose credit cards, gasoline credit cards, or cash. Based on the results from a nested multinomial logit model, author’s found consumers are more likely to use cash when they have less education, lower incomes, are middle-aged and own fewer credit cards. Debit and credit card users are younger, more educated and hold more credit cards. Respondents who use their debit card are less likely to use their gasoline credit card. The result suggests that greater debit card usage will place the greatest competitive pressure on the gasoline credit card program.

21. Caskey and Sellon (1994), in a study analyzing factors that influenced the success of debit cards, suggested that debit cards could be especially useful for those who did not have access to the complete range of existing payment services. For example, for those who did not have credit cards, they might find
that a debit card could meet their desire to carry less cash or to make payments where checks were not acceptable. It might be easier to get a debit card than a credit card because there was no extension of credit and it could be obtained by anyone who had a transaction account. They also proposed that consumers who used credit cards for the benefit of having credit available were unlikely to be interested in debit cards. Most consumers based their decision of using debit cards on non-price factors such as convenience and availability.

22. Mandeep Kaur and Kamalpreet Kaur (2008), in their article, “Development of Plastic Cards Market: Past, Present and Future Scenario in Indian Banks” conclude that Indian banking sector technology as all the groups of bankers have now recognized it as essential requirement for their survival and growth in future. Despite the strong advances in e-payments, an estimated 90 percent of personal consumption expenditure in India is still made with cash which indicates the tremendous growth potential of this business. So this can be considered as mere beginning which indicates the bright future prospects of plastic card market in India.

23. P Manivannan (2013) in his research paper “Plastic Money a way for cash Less Payment System” examined that Plastic Money i.e. usage of Credit card was measured a luxury, and has become needed. These plastic money and electronic payments was and used by only higher income group. This facility extended not only to customers in urban areas or cities, but also to customers residing in rural area. However, today, with development of banking and trading activity, the fixed income group or salaried classes are also start using the plastic money and electronic payment systems and particularly Credit cards.

24. Anupama Sharma (2012) in her research paper “Plastic card frauds and the countermeasures: towards a safer payment mechanism” have thrown light on the number of frauds increased considerably in the usage of plastic cards as in case of plastic card frauds the most affected parties are the merchants of goods and services as they have to bear the full liability for losses due to frauds, the banks also bears some cost especially the indirect cost whereas the cardholders are least affected because of limited consumer liability and concluded that all these losses can be dealt with by making the prudent use of the new technology and taking the respective counter measures.

25. Bansal Patel and Urvi Amin (2012) in their research paper “Plastic Money: Roadway Towards Cash Less Society” discussed that now days in any transaction Plastic money becomes inevitable part of the transaction and with it life becomes more easy and development would take better place and along with the plastic money it becomes possible that control the money laundry and effective utilization of financial system would become possible which would also helpful for tax legislation.

26. Canner and Luckett (1992) Credit cards allow consumers to borrow within their credit limit without transaction costs, which includes all the time and effort involved with obtaining a loan from a financial institution. This convenience attracts many consumers to pay high interest on outstanding credit card balances,
rather than taking the time to apply for a loan with a lower interest rate. As a result, credit cards account for a substantial and growing share of consumers' debt.

27. Chakravorti (1997), (2000); Chakravorti and Emmons (2001); The popularity of credit cards as a payment medium has been attributed to the convenience of not carrying cash and checks, the limited liability of lost/stolen cards, and additional enhancements, such as dispute resolution services and perks (i.e., frequent-use awards programs). They are frequently used for convenience, telephone and Internet transactions.

28. (Murali D. and Jaishankar P., 2007) analyzed in his research that banks in India are looking at deploying biometric ATMs targeted to reach the unbanked population in rural India. Using thumbprint and voice guidance in ATMs reduces literacy requirements to a considerable extent. Thus, establishing the identity of a rural depositor through biometrics makes it possible for illiterate or barely literate people to become part of the banking user community.

29. Mandeep Kaur and Kamaldeep Kaur (2008) Development of plastic cards market: past, present and future scenario in Indian banks found that plastic money in the form of cards has been actively introduced by banks in India in 1990's. But it was not very popular among Indian consumer at the time of its introduction. The change in demographic features of consumers in terms of their income, marital status, education level etc. and up gradation of technology and its awareness has brought the relevant changes in consumers' preferences. These changing preferences have also modified their outlook and decision regarding the acceptance and non-acceptance of particular product and services in the market. Thus, the plastic cards are gaining popularity among bankers as well as customers and getting accepted in the market place.

30. Nirmala. R. Sonu (2015): ANALYSIS OF THE USE OF PLASTIC MONEY highlighted the advantage of instant transaction as one of the major factors favoring the use of plastic money over real money by the population today. It has already been highlighted by the study that convenience of not carrying cash and ease of transaction is one of the major psychologically influencing factors that encourage the use of plastic money instead of real money. Additionally, the results of the study have also stressed upon the convenience and ease of use while paying or shopping by plastic money. The saving of time and the fact that the plastic money seems to be more portable also seems to further the cause of a possible change in the scenario of money usage in the economy. On the other hand, Security comes forward as a major cause for concern for the population using plastic money. Therefore, it is easy to conclude that the population is ready as ever to use plastic money at a greater level due to its high levels of ease and convenience.