Is plastic Money Matter for Consumer Buying Behavior? An Empirical Analysis from Pakistan

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Abstract
This study has explored the impact of plastic money on consumer's buying behavior in case of Pakistan. A questionnaire based primary survey has been conducted for data collection. The questionnaire based survey is conducted among the customers in market place, supermarket, and grocery store by using convenience sampling techniques. SPSS system is used for managing and interpretation of the data. Simple linear regression analysis is used for checking the responsiveness of dependent variable due to independent variable. The independent variable is use of plastic money where as dependent variable is consumer buying behavior and reliability of data is 0.709

Keywords: plastic money, consumer behavior, empirical analysis.
JEL Code: P24, P46

I. Introduction

In this era of globalization, technology is changing every aspect of human life. With every passing day, the most of daily as well as other products of human use are becoming technology oriented. The most important medium of exchange is paper/metal money which is also impacted by advance technology. Now a days it gets most modern shape which we call plastic money. Generally, the plastic money is consisted of a magnetic card offered by banks and financial institutions for making payments. Plastic Money is a term used for all types of bank's cards such as Credit cards, Debit cards and all types of Smart cards for E-Payments. These are of alternative to cash or standard 'money'. Plastic Money refers to credit cards or debit cards that can be used to make purchases anywhere and anytime. The person who has a magnetic card no need to carry money in the form of cash with him/her. The people have magnetic cards in their wallets/purses and can use it where they like. Such cards contain the name of card holder, card number containing 16 digit, validity date, magnetic strip and a PIN etc. In other words Plastic Money is a term refers to hard plastic cards which can be used as actual bank notes. These are of different types such as credit cards, debit cards, cash cards, pre-paid cash cards, ATM cards and store cards. Electronic facilities and equipment's are provided by banks for using such cards.

The plastic money includes credit cards, debit cards, loyalty cards, etc. Plastic money encourages people to stop carrying out weighty wallets. In the condition of immediate need for money, a person can take out the card / withdraw the demanded cash amount from his account and avoids any risk. Now a day's every bank provides the facility of Credit cards as long as the account become active. As cash machines are also open 24 hours therefore a person does not have to wait for the banks to open, by using the card he takes out the money.

The concept of paper money was presented in China around the seventeen century. In 1994 the use of folding currency remerges. Paper notes are very small life due to time to time changing of ownership. While plastic notes have longer life and first introduce in Australia. Now day's people usually use plastic money as matched to paper money. Consumer makes buying by using plastic cards. Paper money is unsecured. People face a large problem when they bring a huge amount of money in travailing and for purchasing goods. Plastic note is protected as matched to paper money to bring a large amount of money along with. Consumer makes purchases by using credit card, smart card, and electronic money by (Ellis, 1998) Now the world is becoming globalized so everywhere cards are accepted. Different types of cards are Debit card, Credit card, prepaid card, Smart card, Master card and Visa cards etc. The cards are accepted worldwide, in which you can consume your own money. In this way buying behavior of consumer changes due to payment methods. So being a research student I am going to find that whether this development create the buying behavior of consumer or not. By using plastic money consumer behavior is change. By using credit cards customer purchase goods and services at the affordable price. In this research we find the plastic money usage and consumer buying behavior's relationship.

II. Literature Review

Now a day's Consumers have many options when they pay for their transactions or manage payment for their purchases. Conventional methods of payment instrument include paper money, cheques and any plastic money. Today's most reachable source of finance is Plastic money. Plastic money is suitable payment source of purchase and a way to preserve living standard even in short fall of income (Brumberg, 2004). Abdullah et al., (2013) mention that paper money is best medium of exchange.

For consumer plastic money cards complete two functions (including bank cards and store cards) a mean of payment and a foundation of credit (Chakravorti, 1997). When credit cards are used by consumers as a mode of financing, credit cards compete with form of financing and banks loans (Brio and Hartley 1995). In my observation impact of plastic money on consumer buying consumption is the alternative of cash. Plastic money is used to refer as credit cards, debit cards which are used by us to make purchases in every day. Plastic money is much convenient and source of carrying a huge amount of money with you. It is also protected to carry it along or to travel with it as one can consult the bank in case of steal of card. Bank will block the card and save your money from stolen. Plastic money is made of plastic card, and is an easy way of paying for goods and services. Plastic money was raise in 1950 and is now an essential form of money that reduces the risk of handling huge amount of cash. It consists of Credit cards, Debit cards, visa cards etc. Ab-bate and Snell explain advantages of electronic payment, saving of time, money convenience. According to literature of consumer behavior, benefit sought from product and service and consumer usage behavior is the best forecaster to explain the consumer purchase behavior (Peter and Olson 1999). Consumer's psycho graphic reasons towards the use of credit card differ from the behavior and attitude of the consumer (Naim, 1995). (Feinberg, 1986) says about the use of plastic money investigated the actual consumer consumption behavior while comparing the spending of consumer who paid through plastic money spend more in identical purchasing situation. Than those who use cash or cheques

III. Methodology

Primary data will be collected from survey questionnaires. Secondary data will be collected from different websites, books, internet, and past research paper. I will use the simple linear regression analysis to evaluate the impact of plastic money on buying behavior of consumer.

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IV. Sample

The target population of my study is the individual customer Okara, Sahiwal and Lahore in which I conduct the research. In my research there are 100 respondents and I collected the data from different consumers who use the debit cards, credit cards, or electronic money while they make purchases.

V. Hypothesis Development

H0: Plastic money has a positive impact on the consumer usage behavior.

**H1: P**lastic money has no significant impact on the consumer usage behavior.

VI. Research Questions

RQ#1: Is there a positive impact of convenience of plastic money on consumer usage behavior?

RQ#2: Is there a positive impact of security of plastic money on consumer usage behavior?

RQ#3: Is there a positive impact of mobility of plastic money on consumer usage behavior?

VII. Conceptual frame work
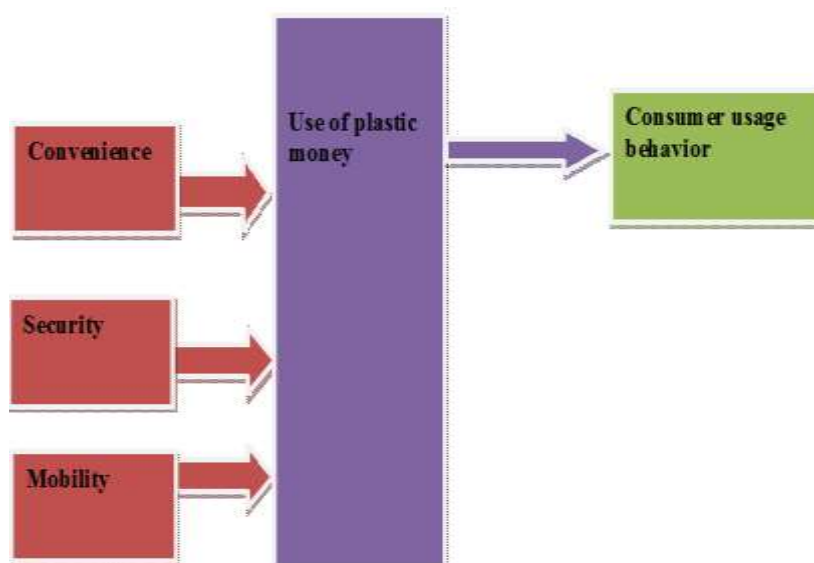
VIII. Research findings

Table 1
Reliability Statistics

Cronbach's Alpha	N of Items
.709	13

Interpretation The reliability of the data is 0.709

Table2

Statistics

		gender	age	Qualification
N	Valid	120	120	120
	Missing	20	20	20

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Interpretation
This table shows the valid number of respondents which gave their response towards my research total number of responded is 120 about which 20 of them are missing

Table 3

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 20	31	28.7	31.0	31.0
	above 20	69	63.9	69.0	100.0
	Total	100	92.6	100.0	
Missing	System	8	7.4		
Total		108	100.0		

Interpretation As this age table shows that below age 20 respondents are having frequency 31which is 28.7 % of total and above age 20 respondents are having frequency of 69 which is 63.9 % of total

Table 4

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	69	63.9	69.0	69.0
	Female	31	28.7	31.0	100.0
	Total	100	92.6	100.0	
Missing	System	8	7.4		
Total		108	100.0		

Interpretation This table indicates that the 69 of respondents are male which is 63.9 % of total and 28.7% of respondents are female which are having number 31 females.

Table 5

Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Graduate	37	34.3	37.0	37.0
	under graduate	55	50.9	55.0	92.0
	3.00	8	7.4	8.0	100.0
	Total	100	92.6	100.0	
Missing	System	8	7.4		
Total		108	100.0		

Interpretation This table shows that under graduate students are 55 which is 50.9% of total and graduates are 37 which is 34.3 % of total.

Interpretation If one unit is changed in convenience, mobility and security there will be .418 change in consumer usage behavior

Table 6

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647[a]	.418	.400	.21572

Table 7

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	3.215	3	1.072	23.026	.000[b]
1	Residual	4.467	96	.047		
	Total	7.682	99			

a. Dependent Variable: cu

b. Predictors: (Constant), mob, se, con

Table 8

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.827	.344		5.307	.000
	Security	.209	.053	.311	3.945	.000
1	Convenienc e	.118	.067	.168	1.772	.080
	Mobility	.290	.069	.402	4.220	.000

a. Dependent Variable: consumer   usage   behavior

Interpretation

Level of significance: 0.05 (p value). If security is .209 and if one unit change in security then it 20.9 effects on consumer usage behavior. If convenience is .118 and if one unit change in convenience then it 11.8 effects on consumer usage behavior. If mobility is .290 and one unit change in mobility then it 29.0 effects on the consumer usage behavior.

Table 9

Correlations

		Cu	Se	con	mob
	Pearson Correlation	1	.398**	.440**	.548**
Cu	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
	Pearson Correlation	.398**	1	.134	.159
Se	Sig. (2-tailed)	.000	S	.185	.115
	N	100	100	100	100
	Pearson Correlation	.440**	.134	1	.572**
Con	Sig. (2-tailed)	.000	.185		.000
	N	100	100	100	100
	Pearson Correlation	.548**	.159	.572**	1
Mob	Sig. (2-tailed)	.000	.115	.000	
	N	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation

The relationship between consumer usage and security is weak (.398). The relationship between consumer usage and convenience is weak (.440). The relationship between consumer usage and mobility is moderate (.548). The relationship between security and convenience is strongly weak (.134). The relationship between security and mobility is strongly weak (.159). The relationship between convenience and mobility is moderate (.572).

IX. Discussion

This study is about finding the impact of factors of consumer behavior on usage of plastic money and what is the behavior is performed by consumers when they are doing shopping through plastic money in their routine life? Firstly take a review of the literature from researches related to the study which are previously conducted. After that identified the methodology to conduct the study and analysis of results. Then, I selected instrument for data collection. The instrument I select is questionnaire which contains close-ended questions which were adopted from the base study and modify according to my research. After choose the instrument identify the target population to conduct the research. Target population I selected

was the consumers of Okara, Sahiwal and Lahore. A sample of 120 students was selected for data collection. From 120 questionnaires received back 100 questionnaires from respondents. The reliability of the data was 0.709 which is acceptable. Disruptive statistic methods apply for data analysis after checking the reliability. And frequency distribution was used to test the data. Survey showed Respondents most commonly used plastic money. While most of the respondents were agreed that using this mode of plastic money they will effectively do shopping and habit of this plastic money encourage them in saving also? So plastic money has a positive impact on consumer usage behavior

X. Conclusion
This study gives the confirming information because consumers feel comfortable in spending through plastic money .In recent years due to great development of technology usage of plastic money has become accepted all around the world. General public has also turned out to be a huge user of these plastic money modes. The basic purpose behind conducting this study was to observe the usage behavior of customer. The findings from conducted studies has find out to be mostly positive

XI. Future research
As usual all researches have some future scope, the currently study was also not free form that scope. Firstly due to shortage of time could not increase sample size from 100 by increasing sample size results may vary. The value of adjusted R square indicates that there is limitation and need of more in depth study in this field.

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Appendix
Is plastic money matter for consumer buying behavior? An empirical analysis from Pakistan
Age (under 20, above20) **Qualification** (undergraduate, graduate) **Gender** (male, female)

Sr. no	Questions	SD	D	N	A	SA
	Consumer usage behavior					
1	Consumer buys more when they use plastic money?					
2	Plastic cards give consumer more time to pay for purchasing?					
3	Consumer feels comfortable by paying through plastic money?					
4	Duplicity of paper money makes consumer to shift to plastic money?					
	Security					
5	Fear of robbery makes you shift to plastic money?					
6	The use of plastic money to be safest mode of transaction?					
7	I shift to plastic money because I feel secure by using plastic money in my routine life?					
	Convenience					
8	I shift to plastic money because it is convenience to carry?					
9	I shift to plastic money because it is easy to transfer funds from one place to another?					
10	Plastic money is convenient in shopping goods from market?					
	Mobility					
11	Plastic money is easy to take from one place to another?					
12	Is plastic money is popularized through its mobility?					
13	Is mobility of plastic money is high than paper money?					