Using Plastic Money (Cards) in Kathmandu Valley: Users' Knowledge, Current Use, Challenges and Way-forward

Niranjan Devkota^{1*}, Bikesh Shakya¹, Seeprata Parajuli¹, Udaya Raj Paudel¹

¹Quest International College, Pokhara University, Gwarko, Lalitpur, Nepal

Email: niranjandevkota@gmail.com

Abstract

This study aims to understand the users' knowledge about plastic money, its current use, challenges they faced and way-forward. Based on descriptive research design, primary data is used for the purpose as per its suitability. A structured questionnaire has been arranged with the help of Kobo and devised for the information assortments from 404 plastic money users. Results found that people who use plastic money usually work in banks and financial institutions (33.87%) and are from the nuclear family (62.62%), with income between 25001 – 50000 (56%). 95.79 % of the respondents know about plastic money, and 86.3 % have plastic money. 88 % of respondents said they feel safe while using plastic money. 40.72% of respondents have faced challenges and problems while using plastic money. The majority (79.28%) of respondents believed that using the bank's services could be solved. It can be solved by giving training (34.85%), quick response to the problem raised by users (44.32%), update technology (34.47%) and keep a good network in the ATMs (71.79%) and quick solutions to the user's problems (75.76%). This study concludes that hassle-free transactions, a low-interest rate of credit cards, attractive advertisement, and awareness of how plastic money can use help and attract users of plastic money.

Keywords: Plastic Money, User Knowledge, Challenges, Way-forward, Kathmandu Valley, Nepal

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1. Introduction

Plastic money is the conventional term for a wide range of bank cards, debit cards, credit cards, and so on (Singh, 2017; Raviprolu, 2017). It is a term utilized overwhelmingly about the hard plastic cards we utilize each day instead of banknotes (Negi, 2014). ICMR (2002) stated that the development of plastic money goes back to the 1920s when the first payment card was presented in the USA. Diners Club and American Express propelled the world's first plastic card in the USA in 1950. In the late 1990s, plastic cards turned out to be exceptionally usual, and by 2001, plastic cash had become a primary type of 'ready money'. Plastic money is

an alternate and better method for paying for products and services and is utilized each day instead of genuine monetary certificates (Antony, 2018). As Cohen (2009) and Fung and Halaburda (2016), people worldwide use cards more than cash. There is also an increase in several Debit and Credit card users.

Plastic money is an ongoing use in this 21st century as it is highly advantageous and safe to convey for shopping or voyage. The nations are currently progressively receiving the idea of plastic money. With this, different worries emerge in the customer's brain, some authentic, and some emerge because of the absence of awareness (Jain, 2016). Credit and debit cards' accommodation, security, and prize ideas keep customers utilizing their cards instead of money (Singh, 2017). However, Debit cards permit individuals the accommodation of cards without the stress of piling on unpaid debt. On the off chance, if lose the card or it gets stolen, one can inform the bank and block the card and can save their cash from being stolen (Raviprolu, 2017).

In the Nepalese context, banks seem to be improving in the part of plastic money these days. From the consumer's side, an ever-increasing number of Nepali individuals think it is helpful to convey plastic money in their wallets rather than hard money (Khalti, 2018). Looking into the historical backdrop of banking in Nepal, the first credit card in Nepal was presented by Nabil Bank in 1990, and the Himalayan Bank presented the first ATM in 1995 (Nepal Rastra Bank, 2019). Now all the commercial banks in Nepal issued plastic money. Also, banks and financial institutions have brought up different schemes for the cards. Dhungel et al. (2012) find that people in Kathmandu valley has also started to adopt plastic money more than paper money, and it is expected to increase in future. At present, there are more than 9 ATMs for each one thousand grown-ups in Nepal, having a place with various banks in different locales of the nation (Fintech Trends, 2018).

ICT has progressed in Nepalese commercial banks, and significant headway is in the field of ATM, mobile banking, web banking have a considerable on account of banks reliable endeavours of making customers mindful on different financial facilities (Banstola, 2007). In Nepal, debit and credit cards are readily available once the bank account is opened. After a week in Kathmandu valley, the bank will provide you with the cards and 15 – 30 days outside the valley. Today, most of the cards issued in Nepal are accepted in the ATM of Nepal and India (Republica, 2019). Due to this feature, there is an increase in purchasing goods and services and making payments electronically or through the point of sale (POS). The features of plastic money are that it is readily accepted outside the valley or country, so it is safe as one do not need to carry cash or cheque book. As Shrestha and Tamang (2020), it is safe and helpful to withdraw cash from bank employees. Similarly, Dhungel et al. (2012) state that plastic money will grow in future because of its more straightforward process, security, efficiency and more convenient banking system.

Despite little evidence, a study has not been conducted in the context of Nepal. Still, banks and financial institutions have a paucity of information on why people are not using plastic money. On the other side, many people still do not have a bank account, and most having plastic money do not know how to use the card because of no proper knowledge. It indicates that a communication gap prevails in Nepalese banks to promote and attract customers towards their service and product. In their study, Paudel et al. (2020), Parajuli et al. (2020)

and Shrestha et al. (2020) find that banking communication plays a vital role to promote and control services provided by the bank among their staff and customers.

Further, Devkota et al. (2021) argued that Nepalese bankers and banking customers are less aware of those banking practices, which makes classless transactions and helps to promote green banking practices. Outside the country, people mostly use cards to make the payment, but in Nepal, still, people do not use them (Hernandez, Jonker, & Kosse, 2017). Hence, this study aims to identify the user's knowledge about plastic money, its current use, challenges they faced and way-forward.

Other sections of this study include a review of the literature followed by methods used in the study with findings of the study and finally, the study's conclusion.

2. Literature Review

2.1. History of Plastic Money in World

Plastic Money is a term that is utilized overwhelmingly in reference to the hard plastic cards we utilize each day instead of bank notes (Negi, 2014). They can come in many different forms such as debit cards, credit cards, pre-paid cash cards and store cards. ICMR (2002) states that development of plastic money goes back to the 1920s, when the first payment card was presented in the USA. Diners Club and American Express propelled the world's first plastic card in the USA, in 1950. The first credit card was presented by Diners Club in 1951. In any case, the plastic cards started to be broadly utilized simply after 1970, when the particular gauges for magnetic strip were set. In the late 1990s, plastic cards turned out to be exceptionally normal and by 2001, plastic cash had become a basic type of 'ready money'. To contend in mechanical world, credit and debit cards have gotten progressively effective and in a flash available over numerous mediums. With new advances, for example, portable stages, this shows various open doors for merchants and shoppers the same (Mukaria, 2018). The evolution of plastic cards in presented in the table 1.

Table 1. The Evolution of Plastic Money

First Phase: 1900-1950's	
The Beginnings	With a background marked by "plastic money", you can't disregard charge cards. Charge cards laid the basis for debit and credit cards. Organization gave charge cards can be found as far back as the mid 1900's. These cards primarily simply stayed with clients faithful to the company (Cashco Financial Inc, 2016).
Charg-it	"Charg-it" was the primary real bank card and was given in 1946. The card was designed by an investor in Brooklyn, by the name of John Biggins (Mukaria, 2018).
The Diners Club Card	The idea of the credit card was at first followed up on by Frank McNamara. After dinner with a kindred business partner, Frank wound up short on money subsequent to overlooking his wallet. What followed was a revelation that drove him to think about a charge card. This card, later known as the "Diners Club Card", could be utilized at numerous areas. This clever thought turned into the principal genuine model of the multipurpose charge card (Peach, 2018).
American	American Express gave their first charge card in 1958. Because of their

Express	worldwide nearness, the Green Charge Card was all around acknowledged. This turned into the principal globally accessible charge card (Cashco Financial Inc, 2016).
Bank Americard	In 1958 Bank of America presented a one of a kind card that could be utilized to buy anything at taking an interest vendor. As it were, it was an all-inclusive card so the cardholder didn't require different cards for explicit goals. This card likewise set industry standards, for example, 25-day elegance periods, credit limits, and floor limits. The test case program in 1959 at first had 60,000 clients and was a tremendous achievement. The program was then turned out state wide in California (Mukaria, 2018).
Mag Stripe	Credit and debit cards would not be what they are today without the Mag Stripe. This pivotal jump in card innovation showed up when the CIA employed IBM to connect a magnetic stripe to their identity cards. The innovation was at that point accessible; be that as it may, the fundamental issue was for all time joining the stripe to the card without wrinkles (Cashco Financial Inc, 2016). While taking a shot at this issue, Forest Perry got back home from work to discover his wife other pressing his clothes. At the point when he referenced the issue about the stripe, Forest's wife requested to see the prototype card. Utilizing the iron, she figured out how to liquefy the stripe to the card wrinkle-free. This tackled the whole issue, which permitted IBM to go into full creation with the Mag Stripe on the entirety of their cards (Laura, 2019).
Second Phase: 1970s – 1990s	
VISA	Initially the Visa card began as the Bank Americard program and was never expected to go national or worldwide so far as that is concerned. In 1965 BankAmerica start a permitting program with banks around California. After enough banks bought in to the program, BankAmerica had the option to make a joint endeavour bank affiliation. This in the long run turned out on a worldwide scale and BankAmerica changed the name of their card to VISA International. They additionally made a local America version named VISA U.S.A (Cashco Financial Inc, 2016). Two card frameworks permitted VISA International to be all the more handily acknowledged across different nations due to having no relationship with America. The abbreviation VISA represents Visa International Service Association; BankAmerica felt the name change was proper since VISA would be in a split second perceived in a wide range of dialects (Laura, 2019). Their prosperity proceeded and in the long run they joined the Plus ATM organizes getting much increasingly available to clients around the globe. These key marking decisions permitted VISA to get one of the most conspicuous and effective customer marks today (Mukaria, 2018).
Mastercard	While the BankAmericard was expanding perspective around California, in Kentucky their resistance was in like manner expanding strong ground. Crocker National Bank, Wells Fargo, and Bank of California got together and pushed the Interbank Card Association (ICA) in 1966. Following three years, Mastercard changed their logo and turned out with the famous red and orange covering circle. Regardless, it was not until ten years sometime later

	when Mastercard turned into the Mastercard we know today (Peach, 2018). The 80s were likewise a progressive decade for MasterCard. They discharged their crisis card substitution program; they entered the Pacific Rim, and obtained Cirrus which was the biggest ATM organizes on the planet. After such a fruitful decade, MasterCard benefited from their headways and turned into the other key player in the market alongside VISA (Cashco Financial Inc, 2016).
Discover Card	The Discover Card was a progressive card during the 1980s. It explicitly displayed Sears and Roebuck and Co. clients with another credit card alternative. This card was the first of its sort to have no yearly expense, money back, and high credit limits (ICMR, 2002). The main issue was that since it was related with Sears, different retailers where were prepared to acknowledge it, as they would support their opposition. In the long run Discover understood that their image expected to totally isolate from Sears thus they continued to do as such. Isolating from Sears made Discover increasingly alluring for different traders to embrace the card. By the mid-1990s, Discover turned out to be extraordinarily effective and was a viewed as a contender of legitimacy to Visa and MasterCard (Peach, 2018).
Third Phase: 1990s – Today	
Chip and Pin	One of the more troublesome changes to plastic money accompanied the reception of chip and pin innovation. This system has gotten a standard with credit and debit cards and is linked to the magnetic stripe. Chip and Pin innovation makes cards substantially more secure and individual data is difficult to take as a result of the encoded chip (Laura, 2019). A cloned chip can in like manner be speedily obvious as a beguiling card, as each individual chip is expressly encoded for each individual card. In spite of the way that this card development has been around since the 1990's, it has gotten broadly utilized across Canada, and has been compulsory in the United States from 2015 (Cashco Financial Inc, 2016).
Square	As ready to acknowledge exchanges through a cell phone is a distinct advantage for organizations. This was generally made conceivable by an organization called Square. Square permitted a phone to be utilized as a retail location framework and acknowledge card instalments anyplace (ICMR, 2002). The gadget basically connects to the earphone jack and has a card space for the client to swipe their card. Acquainted with the market with a 2.75% level rate expense, portable card per users have certainly a noteworthy commitment to plastic cash. Square has opened the entryway for some private companies over the world that would now be able to offer their customers more approaches to pay (Mukaria, 2018).
YesCard	The YesCard is another method for getting to online advances and getting cash in a flash. The old methods for taking advances as a cheque or cash, sitting tight days for preparing and afterward setting aside the effort to deposit the cash are no more! The Yes Card permits you to access and utilize your credits whenever wherever and quicker than anyplace else (Laura, 2019).

2.2. History of Plastic Money in Nepal

The historical backdrop of banking in Nepal goes back to the year 1937 AD with the foundation of Nepal Bank Limited as the principal business bank in Nepal. It was built up as a semi-government manage an account with metallic coins worth NRs 10 million as the approved capital. Banknotes in Nepal weren't presented up until the mid-1940s (Khalti, 2018). It was in the year 1945 that the soonest banknotes were given by the treasury "Sadar Muluki Khana". These notes were marked by a "Khajanchi", the leader of the treasury who additionally was a high Hindu Priest (Fintech Trends, 2018). Later in the year 1955, Nepal Rastra Bank Act was defined for a better banking system and Nepal Rastra Bank was set up in 1956 as the Central Bank of Nepal likewise. After this date, the banknotes were given by the Central Bank with the marks of the governors of the organization (Nepal Rastra Bank, 2019). Till the 1980s, the banking sector was completely possessed by the government, with Agriculture Development Bank, Rastriya Banijya Bank, NBL and NRB being the mainstays of financial organization in Nepal. 1984 saw the beginning of the private banking industry with the foundation of Nabil Bank and the introduction of outside banks, for example, the Nepal Arab Bank, Nepal Indosuez Bank and Nepal Grindlays (Fintech Trends, 2018). The financial segment in Nepal has confronted numerous obstacles and hindrances. It has experienced different political clashes and unsteadiness. However, today, it stands more changed and modernized. There are different kinds of banks working in the cutting edge banking framework in Nepal.

The development in the banking sector has radically changed the paying propensities for individuals. It wasn't quite a while in the past when individuals just managed hard money. Lining in banks to pull back the littlest measure of cash likewise wasn't abnormal. Be that as it may, today, an ever increasing number of Nepali individuals think that it's helpful to convey plastic money in their wallets rather than hard money (Khalti, 2018). On the off chance that we think over into the historical backdrop of banking in Nepal, the first credit card in Nepal was presented by Nabil Bank in 1990, and the first ATM was presented by the Himalayan Bank in 1995 (Nepal Rastra Bank, 2019). In any case, it couldn't bring a quick jump into individuals' conduct. In spite of the fact that ATM was introduced, it wasn't in a sufficient sum at that point. Be that as it may, presently, there are in excess of 9 ATMs for each one thousand grown-ups in Nepal, having a place with various banks in different locales of the nation (Fintech Trends, 2018). Nepal Rastra Bank (2020) as on mid-December, there are 7,669,827 debit cards in which 7,379,610 is of grade 'A' banks, 251,848 is of grade 'B' banks and 38,369 is of grade 'C' banks. There are 168,682 credit cards issued till now by grade 'A' banks and other doesn't have it as per Nepal Rastra Bank rule. There are total of 4191 ATM booth in which 3831 is of grade 'A' bank, 309 is of grade 'B' banks and 51 is of grade 'C' bank in Nepal.

3. Research Methods

3.1. Study Area, Population, Sample Selection and Data

Nepal Rastra Bank listed that among 27 commercial banks of the country, all of them have their headquarters in Kathmandu (Nepal Rastra Bank, 2019). Relevant data and a significant

number of users' can be held from different banks and its system in the network, which will be invaluable for the study. The researcher's motivation for choosing the territory is to obtain the data on how correspondence is rehearsed in the bank and saw by users' as the banks inside Kathmandu valley is by all accounts adjusting with the modernized technology and rehearsing it. Thus, Kathmandu Valley is chosen for the study (Figure 1). Kathmandu Valley includes three districts, Kathmandu, Lalitpur, and Bhaktapur, which spread a zone of 899 square kilometres, while the zone of the Valley overall is 665 square kilometres (Shrestha et al., 2020; Tandukar et al., 2021). The valley encases the whole territory of the Bhaktapur region, 85% of Kathmandu district and half of Lalitpur district. Kathmandu Valley lies between the latitudes 27° 32' 13" and 27° 49' 10" north and longitudes 85° 11' 31" and 85° 31' 38" east and is situated at a mean rise of around 1,300 meters (4,265 feet) above ocean level (Pant & Dongol, 2009; Adhikari et al., 2021).

Figure 1. Study Area

Source: Made with ArcGIS 10.2

This study is based on descriptive research design and primary data. Primary data are collected with the help of a questionnaire. Currently, there are 6,819,602 users of debit cards combining users' of all A, B, C grade banks, and 137,656 users' of credit cards as of the end of mid-December 2019 (Nepal Rastra Bank, 2019). So, all banking customers inside Kathmandu valley are regarded as the population for this study.

This study follows a convenient sampling technique, as there is no proper record of the customers and their time to come and go to the banks and use plastic money. The sample size for the study is determined with the help of Singh & Masuku (2014), Paudel et al. (2020). The formula used to derive the sample size is $n = z^2 pq / e^2$ (Singh & Masuku, 2014). Where,

n_0 = sample size required for study, Standard tabulated value for 95% confidence level (z) = 1.96, p = Prevalence of customer satisfaction on plastic money 50 % = 0.5, So, $p = 0.5$, $q = 1 - p$, = 0.5, allowable error that can be tolerated (e) = 5 %. Total population for the study $n_0 = z^2 pq / e^2 = (1.96)^2 \times 0.5 \times 0.5 / (0.05)^2 = 384.16$. We also undertake 5% non-response error i.e. $384.16 \times 5 / 100 = 19.20$. Thus, the sample size taken for the study was $(384.16 + 19.20) = 403.36 (\approx 403)$. Based on the sample calculator, the sample size taken for the study is 404. A structured questionnaire has been arranged with the help of KOBO and devised for the information assortments, which are taken from 404 plastic money users. Once collected, data is processed and analyzed using Ms Excel.

4. Results and Discussion

4.1. Socio-Demographic Characteristics

Socio-demographic characteristics such as sex, age, education level, family type, profession and income of 404 respondents were interviewed in three districts, i.e. Kathmandu, Lalitpur, Bhaktapur, to identify the use of plastic money. For this study, 57 % of respondents were male, and 43 % were female, which depicted that most plastic money users are male than female (Table 2). Lanjewar (2015), in his study, found that 52.66 % are male respondents and 47.34 % respondents are female respondents, which is similar to our study. Devlin et al. (2007) found that 53.3 % are male, and the remaining is female in his study. This demonstrates that males utilize and embrace more plastic cards than females. This is because females are, as yet by and large, monetarily reliant on their families.

Table 2. Socio-Demographic Characteristics

S. N.	Number	Percentage
Gender		
Male	231	57%
Female	173	43%
Age		
16-20	25	6.19%
21-30	235	58.17%
31-40	123	30.45%
Above 40	21	5.2%
Level of Education		
Below SEE/ SLC	7	2.23%
SEE/SLC	107	5.2%
10+2	190	17.33%
Bachelor	70	47.03%
Masters	21	26.49%
Above Masters	3	1.73%
Income		
Below 10000	2	1%
10001-25000	57	18%
25001-50000	176	56%
50001-100000	57	18%
Above 100000	21	7%
Family type		
Nuclear	253	80.94%
Joint	54	17.57%
Profession		
Agriculture	12	3.83%

Banking and Financial Institution	106	33.87%
Industry Sector	11	3.51%
Own Business	32	10.22%
Teaching	7	2.24%
Government Employees	26	8.31%
Health Professional	20	6.39%
Service	71	22.68%
Others	28	8.95%

Qureshi et al. (2018) has found that most between 30-36 use plastic money in Pakistan. Also, Raviprolu (2017) has concluded that age between 26-35 uses the card more. Our study has found that most plastic money users (58.17%) are ages 21-30. This study shows that most of the respondents are educated, and the majority (47.03%) are bachelor degree holders. Bansal (2018) mentioned that under-graduates use plastic money more, which is similar to the result of our study. Bansal (2018) also found that most plastic money users were students, but our study shows that most users work in banks and Financial Institutions. Even the result shows that most of the people who use plastic money are from a nuclear families. 56 % of the respondents who uses plastic money have income between 25001- 50000. Two-third of respondents have an income of more than Rs. 25000 so they find it easier to use plastic money rather than using paper money. Jain (2016) has found that 59 % of the respondents have a monthly income between 21000 – 50000 uses plastic money to a greater extent which shows a similar result with our study. The study further shows that people who use plastic money usually work in banks and financial institutions (33.87%) and are from nuclear families (62.62%).

4.2. Knowledge about Plastic Money by the Users

This section deals with knowledge about debit and credit cards. This part portrayed the general understanding of plastic money that includes users bank account related information, their knowledge about plastic money, type and use of plastic money that users hold and other security-related information. Results from the study found that 93.07 % of the respondents had a bank account. It also revealed that a single customer had more than one bank account. 77.39 % of respondents who had bank account had 2-5 bank accounts, and 34 respondents had six and above bank accounts. This shows that the majority of the respondents who have two to five bank accounts are aware of the importance of the bank account. As Sharma et al. (2015), they use the bank account for the transaction of cash as they feel secure and easy.

In terms of knowledge about plastic money, 95.79 % of the respondent knows about the plastic money. Two hundred forty-eight respondents learned about plastic money from the bank, and 236 respondents also knew about plastic money from formal education. There was also the response that the respondents know about the plastic money from a newspaper, pamphlet and hoarding board, and television. It shows there is available information about plastic money. In their study, Ismail et al. (2014) found that most of the respondents get knowledge about ATM cards from the bank.

Table 3. Type of Plastic Money

Type of card	Number of cards				Total	Total (Percentage)
	1	2 – 3	4 - 5	Six and above		
Credit Card	4	3	0	0	7	2.1

Debit Card	50	151	52	2	255	76.35
Both	0	23	39	10	72	21.55
Total	54	177	91	12	334	
Total (Percentage)	16.16	53	27.25	3.64		100

Source: Survey data

86.3 % out of 404 of the respondents had a debit card or credit card or had both types of card. 53 % of the respondents have 2 – 3 cards, where 3.64 % of respondents have a six and above a number of the card. Most respondents have a debit card, i.e. 76.35 %, 21.55 % of respondents have both the debit card and credit card. Table 3 shows that the majority of the respondents have a debit card. People are still unaware of credit cards, or they think they spend more if they use them. Some of them also said they do not want to pay interest. People use debit cards more than credit cards as credit cards can cause financial trouble to them. Antony (2018) has found out that credit users are more than debit card users, but in our study, we can see debit card users are more than a credit cards.

Table 4 illustrates the use of plastic money by the users in a month. The result shows that the highest number of respondents, i.e. 62.57 %, uses the card six to ten times in a month where out of 62.57 % respondents, 61.07 % respondents use plastic money for an amount between 10001 – 50000 in a month. Only 0.6 % of respondent uses the card for more than 21 times in a month. 96.11 % of the respondents use the card for withdrawing money from ATMs, 59.28 % of respondents use the card for online purchases on eCommerce. Respondents also use cards to buy personal items and clothes, use them in restaurants, in the entertainment sector, and buy groceries. 83.49% of respondents use plastic money because of the instant transaction, while 61.32 % of respondents use plastic money because of its ease of use as per the study conducted in India (Sharma et al., 2015).

Table 4. Use of Plastic Money

Time Used Card	Transaction Amount					Total	Total (Percentage)
	500-5000	5001 - 10000	10001 – 50000	50001 - 100000	100001 and Above		
1 – 5	30	34	29	0	0	93	27.85
6 – 10	2	16	164	24	3	209	62.57
11 – 20	0	0	11	14	5	30	8.98
21 and More	0	0	0	2	0	2	0.6
Total	32	50	204	40	8	334	
Total (Percentage)	9.58	14.97	61.07	11.97	2.41		100

Source: Survey data

Similarly, 91.62 % of the respondents deposit or pay the amount for the card by themselves. 9.58 % respondent has said that their guardians or parents deposit for the plastic money they use. Most of the respondents deposit in the bank account by themselves. However, some respondents are spouse, partner, and parents pay for the plastic money. This shows that the majority of respondents pays for themselves (Worthington, 1996). Also, it is observed from the analysis that 60 % of respondents have said both English and Nepali language is available in the ATM they use. 39 % of respondents have said only the English language is available in the ATM they use. Language plays a vital role in understanding the message (Abuarqoub,

2019). Most of the respondents said it is available in both English and Nepali languages in ATMs they use. 25% of respondents said it is available in the English language only. The study conducted in Ghana has found that the ATM uses the primary language spoken in the country (Larkotey, Danso Ansong, Damoah, & Laryea, 2012).

It is also found that 74.55 % of respondents have said they do not use other banks ATMs, whereas 25.45 % of respondents have said they use other bank ATMs. Out of 25.45 % respondents, 55.29 % respondents have said that they use the card 1-2 times a month in another bank ATMs. 4.71 % of respondents have said that they use for five times or more in another bank ATMs. In Finland, the consumer's financial losses vary between 140 and 22540 Euros, and the users do not use other banks ATMs (Koivunen & Tuorila, 2015). Figure 2 shows that most of the users do not use other bank ATMs. They said they need to pay an extra amount if they use it. Some of the respondents said they use other banks ATMs also to draw money. This study finds that 88 % of respondents had said they feel safe while using plastic money, whereas 12% have said they do not feel safe while using the plastic money

The majority of the users think they feel safe while using Plastic Money. They feel secured while using the card. Most of the respondents said they carry plastic money only because of safety. Lower and middle-income families considered the credit facility a cheerful bit of leeway, while high league salary families discovered security and accommodation to be certain favourable circumstances (Negi, 2014). The analysis found that 34 respondents who do not use plastic money had said that they never needed to use the card, whereas 25 respondents had said they are not financially disciplined. They have also said that they do not use it because they do not know how to use it.

Figure 2. Do not use Plastic Money

Source: Survey Data

The bar diagram shows the reasons why users do not use plastic money. Respondents had said they did not need plastic money and they are not financially disciplined. Some of them also said they do not want to pay ATM fees, do not know how to use it, may overspend and feel unsafe to use the card. 98.11 % of respondents do not use plastic money because of fear of losing a card, whereas 12.26 % do not want to pay ATM fees as per the study results conducted in India (Sharma et al., 2015).

4.3. Challenges and Problems faced during use of plastic money

In Nepal, the traditional payment system is still dominant. Therefore, there are numerous challenges in the use of plastic money. In their study, Hernandez et al. (2017) concluded that 13 % of respondents face problems, whereas 47 % of respondents said they had not faced any problems. The study revealed that 40.72% of respondents had faced challenges and problems while using plastic money and 48.65% of respondents perceive that they can get into financial trouble using plastic money. Likewise, 9.84% of plastic money users feel that problems can be solved easily without contacting banks, whereas 4.15% stated that problems are not solved even after contacting banks.

For considering the problems being faced by customers while using plastic money, banks may start to consider having a direct telephone line to the cards division appended to the ATMs. This would help clients report their difficulties promptly without strolling or travelling to the bank for their issues (Larkotey et al., 2012). Another challenge is the improper functioning of the POS machine, which deducts the amount even in the case of transaction failure. ATMs not working correctly and timely, stocking of cards into machine, deducting amounts from the account, and not being able to get money from ATM are unnecessary problems customers face for using plastic money. Therefore, banks need to consider all the challenges and problems while using plastic money and provide a secure and comfortable environment for encouraging customers to use plastic money. The bank must work precisely to solve the problems so that their relationship with the customer does not end up in negative relation. The bank should minimize the insecurity that users felt by giving them accurate information and proper training about being safe from cybercrimes.

Eucheuma (2004) found that customers have never faced any loss because of the use of plastic money. On the contrary, to his findings, our study revealed that in Nepal, 81.82 % of plastic money users faced loss between the amounts of Rs. 500 – 5000 and 15.15% had said that they had to face a loss of Rs.5001- 10000. Further, there are various other reasons why people do not use plastic money. Some of the primary reasons for people being reluctant to use plastic money are fears shop charges more (14.71 %) while paying with plastic money, fees charged by the bank is high (59.46 %), fear of hackers (28.23%), commission of the bank they charged are high (77.48 %). Lack of education prevented the customer from using the ATM (Larkotey et al., 2012). Because over spending, immediate spending of income and no long-term planning and investment have prevented using plastic money (Hernandez et al., 2017).

Table 5: Problem faced while using Plastic Money

Problem faced while using Plastic Money	Yes	Yes (%)	No	No (%)
Do not know how to use Card	50	15.02	283	84.98
Amount debited but cash not Dispensed	107	32.13	226	67.87
Debited amount more than Once	93	27.93	240	72.07
Less Cash Dispensed	81	24.32	252	75.68
Debited without the use of Card	65	19.52	268	80.48
Theft / Loss	123	36.94	210	63.06
Forgot Pin	197	59.16	136	40.84
Card was Stocked	103	30.93	230	69.07
Problem while Contacting Customer Service Department	95	28.53	238	71.47
Network Problem	122	36.64	211	63.36

Trouble in Finding ATM	104	31.23	229	68.77
NRB Policy	108	32.43	225	67.57
Card Not received in time	133	39.94	200	60.06
Hack by Hacker	8	2.4	325	97.6
Others	52	15.62	281	84.38

The study also revealed that 15.02 % of respondents do not know how to use a debit card (Table 5). 32.13% faced the amount debited from their account, but cash was not dispensed. 27.93 % of user's amount was debited more than once from their account, and 24.32 % of user's cash was dispensed less than the actual amount. Also, 19.52 % of the user's account was debited without using the card, whereas 36.94 % lost their card.

Hernandez et al. (2017) has concluded that most of the respondents have faced financial problems because of plastic money. 59.16 % of users forgot the PIN of the card. 30.93 % user's card was stuck in ATMs. 28.53 % of users could not use ATMs because of network problems. 31.23 % revealed that it was hard to find ATMs of the bank they have an account with. Because of the change in the policy of Nepal Rastra Bank on magnetic Strip card to the chip card, 32.43 % were not able to use the card. It also shows a lack of information dissemination by banks. 39.94 % had a problem because they did not receive the card on time. 2.4 % user's account was hacked, and 15.62 % faced several other problems while using ATMs.

4.4. Managerial Suggestion

The majority (79.28%) of respondents believed that using the bank's services could be solved. 34.85 % said it could be solved by training to use the card for the first time to the user. 44.32 % said that banks should have a quick response to the problem which users raise. 34.47 % said the bank should use updated technologies, and 71.59 % said that the bank should keep a good network in the ATMs. Further, 75.76 % said the bank should give quick solutions to the user's problems. However, 20.72 % of respondents said the problems are not manageable because of the improper management of the bank.

Figure 3. Customer Attraction

If banks provide cashback offers while using the cards, they can attract customers, as revealed by 59.16% of users. 45.65 % of respondents responded that users would use the card more to do the online transaction without any problems (Figure 3). If the interest rate of

credit cards is low, then users of credit cards will increase as per 18.62 % of respondents. 64.56 % of respondents said there should be an awareness program about how can use of plastic money help people and make it easier. 81.08 % stated that attractive advertisements could attract plastic money users.

5. Conclusion

Based on the finding above, this study concludes that males are prone to use plastic money compared to females in Nepal. This may be because still, the male carries more responsibilities related to transactions, payments than females. Also, traditional payment is still dominant in Nepal though banks and other sectors are offering and accepting cards and POS machines. In addition, it concludes that the most significant challenges in accepting plastic money forget the PIN of the card, card not received on time, theft/loss, fear of hacking and similar others. Respondents feel that cashback offers, low interest in credit cards, attractive advertisements and awareness programs on the use and benefits of using plastic money could attract customers to use plastic money. It is also revealed that the most economically active group (who earns 25001-50000) and those above 21 years to 30 years actively use plastic money. So, this study recommends that attractive advertisements be led by organizations stating they accept plastic money and can access various facilities through plastic money.

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