

CUSTOMERS' ATTITUDE TOWARDS DEBIT CARDS - A STUDY

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ABSTRACT

Banks are playing vital role in the economic development of a country. A sound and effective banking system is the backbone of an economy. The emergence of private/new generation banks has been changed the entire banking operations drastically by the use of sophisticated new technologies like internet banking, ATMs (Automated Teller Machines), EFT (Electronic Fund Transfer), Debit cards, Credit cards, Mobile banking, etc., are accessible to customers on a 24x7 basis across the world. These modern technologies enable the bankers to overcome the barriers of time and space in extending their customer services.

Keywords: Debit , customer, card , banking

INTRODUCTION

Banks are playing vital role in the economic development of a country. A sound and effective banking system is the backbone of an economy. The emergence of private/new generation banks has been changed the entire banking operations drastically by the use of sophisticated new technologies like internet banking, ATMs (Automated Teller Machines), EFT (Electronic Fund Transfer), Debit cards, Credit cards, Mobile banking, etc., are accessible to customers on a 24x7 basis across the world. These modern technologies enable the bankers to overcome the barriers of time and space in extending their customer services.

DEBIT CARD

A debit card is also called as 'plastic money'. Physically, it resembles a credit card. It is a better alternative way of carrying cash or cheque book. It is an electronic card serving as a convenient payment mechanism. Debit card allows the customers to spend only upto the limit of balance available in their account.

NEED FOR THE STUDY

Now a days, most of the banks are providing diversified facilities to its customers. Out of various facilities debit card is taking lead and has become the most popular and convenient mode of banking facility amongst the customers. This present study is confined to the choice and preference of customers towards the usage of debit card issued by the various private sectors banks in Salem city of Tamil Nadu.

OBJECTIVES OF THE STUDY

- * To study the socio - economic background of the sample debit cardholders.
- * To study the pattern of usage of debit cards by the sample customers.
- * To study the customers' choices and preference in the usage of debit cards.

HYPOTHESIS

* There is no significant association between the personal factors i.e., age, sex, education, occupation, monthly income and using of Debit Cards.

RESEARCH METHODOLOGY

Survey Method has been followed for the study. Both primary and secondary sources of data are used. Well structured questionnaire is designed to elicit necessary data and details from the consumers of

retail stores. The secondary data were collected from the books, journals, magazines and web portals.

A proportionate random sampling method was employed to elicit the necessary information from the debit cardholders in Salem city. The sample size of 200 respondents, representing 40 in each of 5 private sector banks viz., ICICI Bank, HDFC Bank, Corporation Bank, Karur Vysya Bank (KVB) and Ing Vysya Bank in Salem city, has been duly selected to represent the entire universe.

The primary data collected from the respondents has been analyzed with the help of Statistical Package for Social Sciences (SPSS). Percentage analysis and Chi-square test has been employed for testing the hypothesis.

PROFILE OF THE RESPONDENTS

Age: The study covers the age group between 21-40 years accounts for the highest percentage of 38% (76) out of 200 respondents. The least group representing 12% (24) belongs to the age group of below 20 years. 31.5% (63) of respondents belong to the age group of 41-60 and 18.5% (37) of the respondents belong to 60 years and above.

Sex: 69.5% (139) of the respondents are male group and the rest 30.5% (61) of the respondents fall in the female group.

Educational Qualification: 45% (90) of the respondents are graduates, 21.5% (43) of the respondents are educated up to SSLC/HSC qualification, 16% (32) of the respondents are Diploma holders and 17.5% (35) of the respondents are Professionals.

Occupation: 29.5% (59) of the respondents are doing business, 17.5% (35) of the respondents are professionals, 32% (64) of the respondents are employed and 21% (42) of the respondents belong to other occupations.

Income: 13% (26) of the respondents are earning a monthly income of Rs.5000 and below, 41.5% (83) of the respondents are earning Rs.5001-10000, 23.5% (47) of the respondents are earning Rs.10001-15000 and 22% (44) of the respondents are earning Rs.15001 and above.

CHOICES AND PREFERENCES OF DEBIT CARDHOLDERS

Table - 1

Nature of Account	No of Respondents	%
Savings A/C	98	49
Current A/C	102	51
Total	200	100

Source: Primary Data

The table-1 shows that 49% of the respondents are savings bank account holders. Majority (51%) of the respondents are current account holders.

Table 2: Duration of Holding Debit Card

Years	No of Respondents	%
Below 2	47	23.5
2-4	78	39.0
4-6	49	24.5
Above 6	26	13.0
Total	200	100

Source: Primary Data

The table-2 reveals that 23.5% of the respondents are using Debit Card for the period of less than 2 years. 39% of the respondents are using the debit card for the period of 2-4 years, 24.5% of the respondents are using the debit card for the period of 4-6 years and 13% of the respondents are using the debit card for the period of more than 6 years.

Table 3: Sources of Information

Sources	No of Respondents	%
Perception/ Belief	69	34.5
T.V/ News paper/ Magazines	46	23.0
Family members/ Relatives	56	28.0
Banker/ Representatives	29	14.5
Total	200	100

Source: Primary Data

The table-3 shows that the majority (34.5%) of the respondents came to know about the Debit Cards through their own experience and belief, 23% of the respondents through Television, News papers and Magazines, 28% of the respondents through family members and relatives and 14.5% of the respondents through banker and representatives.

Table 4 : Frequency of Using Debit Card

Frequency	No of Respondents	%
Daily	28	14.0
Weekly	67	33.5
Fortnightly	48	24.0
Monthly	41	20.5
Occasionally	16	08.0
Total	200	100

Source: Primary Data

The table-4 reveals that 33.5% of the respondents are using Debit Card weekly once, 14% of the respondents are using the debit card daily, 24% of the respondents are using the debit card once in every fortnight and 20.5% of the respondents are using the debit card once in a month and 8% of the respondents are using the debit cards occasionally.

Table 5: Reasons for Using Debit Cards

Reasons	No of Respondents	%
ATM facility	107	53.5
Shopping	20	10
Avoid carrying cash	45	22.5
All the above	28	14
Total	200	100

Source: Primary Data

The table-5 reveals that the majority (53.5%) of the respondents are using Debit Cards for the purpose of deposit or withdrawal of cash through ATM. 22.5% of the respondents are using to avoid carrying cash, 10% of the respondents are using Debit Cards for shopping and 14% of the respondents are using Debit Cards for all the above reasons.

CUSTOMERS' SATISFACTION WITH DEBIT CARDS OF PRIVATE SECTOR BANKS

Table 6: Customers' satisfaction on Debit Card Receiving Procedures

Banks	Level of Satisfaction			Total
	Highly Satisfied	Satisfied	Dissatisfied	
ICICI	24 (60.0)	14 (35.0)	02 (05.0)	40 (100)
HDFC	19 (47.5)	16 (40.0)	05 (12.5)	40 (100)
Corporation	23 (57.5)	13 (32.5)	04 (10.0)	40 (100)
KVB	24 (60.0)	15 (37.5)	01 (02.5)	40 (100)
Ing Vysya	18 (45.0)	16 (40.0)	06 (15.0)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-6 depicts the customers opinion about the receiving procedures involved in debit cards. Only 5% of ICICI Bank customers are dissatisfied whereas 57.5% of the Corporation Bank customers and 60% of the KVB customers are highly satisfied and 40% of the customers are satisfied in HDFC Bank and Ing Vysya Bank with the debit card receiving procedures.

Table 7: Customers' satisfaction on Availability of ATMs

Banks	Level of Satisfaction			Total
	Highly Satisfied	Satisfied	Dissatisfied	
ICICI	25 (62.5)	11 (27.5)	04 (10.0)	40 (100)
HDFC	14 (35.0)	10 (25.0)	16 (40.0)	40 (100)
Corporation	06 (15.0)	25 (62.5)	09 (22.5)	40 (100)
KVB	11 (27.5)	07 (17.5)	22 (55.0)	40 (100)
Ing Vysya	07 (17.5)	15 (37.5)	18 (45.0)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-7 inferred that the availability of ATMs. ICICI Bank customers are highly satisfied than other banks. 62.5% of the Corporation Bank customers are satisfied and 55% of the KVB customers and 45% of the Ing Vysya customers are dissatisfied with the availability of ATMs.

Table 8: Customers' satisfaction on withdrawals limits through ATMs per day

Banks	Level of Satisfaction			Total
	Highly Satisfied	Satisfied	Dissatisfied	
ICICI	14 (35.0)	17 (42.5)	09 (22.5)	40 (100)
HDFC	13 (32.5)	16 (40.0)	11 (27.5)	40 (100)
Corporation	09 (22.5)	19 (47.5)	12 (30.0)	40 (100)
KVB	26 (65.0)	12 (30.0)	02 (05.0)	40 (100)
Ing Vysya	16 (40.0)	11 (27.5)	13 (32.5)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-8 shows the customers' satisfaction on per day withdrawal limits. 65% of the customers of KVB are highly satisfied, 42.5% of ICICI Bank customers and 47.5% of Corporation Bank customers are satisfied and 27.5% of customers of HDFC Bank and 32% of Ing Vysya Bank customers are dissatisfied.

Table 9: Customers' opinion on usage of Debit Cards

Banks	Opinion			Total
	Highly Satisfied	Satisfied	Dissatisfied	
ICICI	24 (60.0)	14 (35.0)	02 (05.0)	40 (100)

HDFC	14 (35.0)	17 (42.5)	09 (22.5)	40 (100)
Corporation	21 (52.5)	13 (32.5)	06 (15.0)	40 (100)
KVB	19 (47.5)	16 (40.0)	05 (12.5)	40 (100)
Ing Vysya	18 (45.0)	13 (32.5)	09 (22.5)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-9 reveals that 60% of ICICI Bank customers and 52.5% of Corporation Bank customers are highly satisfied with the usage of debit card. 42.5% of HDFC Bank customers and 40% of KVB customers are satisfied, 22.5% of the Ing Vysya customers are dissatisfied with the usage of debit card.

Table 10: Customers' opinion on Service Charges

Banks	Opinion			Total
	High	Moderate	Low	
ICICI	25 (62.5)	11 (27.5)	04 (10.0)	40 (100)
HDFC	12 (30.0)	21 (52.5)	07 (17.5)	40 (100)
Corporation	16 (40.0)	19 (47.5)	05 (12.5)	40 (100)
KVB	19 (47.5)	13 (32.5)	08 (20.0)	40 (100)
Ing Vysya	14 (35.0)	16 (40.0)	10 (25.0)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total

It is clear from the table -10, 62.5% of the ICICI Bank customers are opined that the service charges are high. 52.5% of HDFC Bank customers and 47.5% Corporation Bank customers are opined that the service charges are moderate and 25% of the customers of Ing Vysya Bank opined that the service charges are low.

Table 11: Customers' opinion on Tie up with other Banks

Banks	Opinion			Total
	Highly Sufficient	Sufficient	Insufficient	
ICICI	22 (55.0)	13 (32.5)	05 (12.5)	40 (100)
HDFC	19 (47.5)	10 (25.0)	11 (27.5)	40 (100)
Corporation	13 (32.5)	16 (40.0)	11 (27.5)	40 (100)
KVB	09 (22.5)	14 (35.0)	17 (42.5)	40 (100)
Ing Vysya	07 (17.5)	12 (30.0)	21 (52.5)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-11 provides the opinion of respondents about tie up with other banks. This tie up with other banks facilitates the customers to have access the debit card with other bank ATMs. 55% of the ICICI Bank customers and 47.5% of the HDFC Bank customers are opined highly sufficient, 40% of the Corporation Bank customers are opined sufficient and 42.5% of the KVB customers and 52.5% of the Ing Vysya customers are opined insufficient.

Table 12: Customers' opinion on Tie up with Merchandise Establishments

Banks	Opinion			Total
	Highly Sufficient	Sufficient	Insufficient	
ICICI	26 (65.0)	10 (25.0)	04 (10.0)	40 (100)
HDFC	17 (42.5)	14 (35.0)	09 (22.5)	40 (100)
Corporation	06 (15.0)	18 (45.0)	16 (40.0)	40 (100)
KVB	04 (10.0)	15 (37.5)	21 (52.5)	40 (100)
Ing Vysya	03 (07.5)	11 (27.5)	26 (65.0)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-12 shows that the tie up between the Merchandise establishments and the banker. 65% of the ICICI Bank customers and 42.5% of HDFC Bank customers are opined highly sufficient, 45% of the Corporation Bank customers are opined sufficient and 52.5% of the KVB customers and 65% of Ing Vysya customers are opined insufficient.

Table 13: Customers' opinion on Free withdrawals from other Bank ATMs

Banks	Opinion			Total
	Highly Sufficient	Sufficient	Insufficient	
ICICI	07 (17.5)	21 (52.5)	12 (30.0)	40 (100)
HDFC	03 (07.5)	18 (45.0)	19 (47.5)	40 (100)
Corporation	02 (05.0)	14 (35.0)	24 (60.0)	40 (100)
KVB	05 (12.5)	19 (47.5)	16 (40.5)	40 (100)
Ing Vysya	01 (02.5)	17 (42.5)	22 (55.0)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-13 reveals that the customers' opinion on free withdrawals from other bank ATMs. Most of the banks are allowing only five free withdrawals per month. 45% of the HDFC Bank customers and 47.5% of the KVB customers are opined sufficient, 17.5% of the ICICI Bank customers are opined highly sufficient and 60% of the Corporation Bank customers and 55% of the Ing Vysya Bank customers are opined insufficient about the free withdrawals from the other bank ATMs.

Table 14: Customers' opinion on Life Time of Debit Cards

Banks	Opinion			Total
	Highly Sufficient	Sufficient	Insufficient	
ICICI	06 (15.0)	25 (62.5)	09 (22.5)	40 (100)
HDFC	02 (05.0)	20 (50.0)	18 (45.0)	40 (100)
Corporation	08 (20.0)	15 (37.5)	17 (42.5)	40 (100)
KVB	12 (30.0)	22 (55.0)	06 (15.0)	40 (100)
Ing Vysya	10 (25.0)	18 (45.0)	12 (30.0)	40 (100)
Total				200 (100)

Source: Primary Data *Figures in the () are % to Row total.

The table-14 indicates that the opinion of respondents about the life time of debit card. At present all banks are issuing not less than five years of validity. 30% of the KVB customers and 25% of the Ing Vysya customers are opined highly sufficient, 62% of the ICICI Bank customers are opined sufficient. 45% of the HDFC Bank and 42.5% of the Corporation bank customers are opined insufficient regarding the life time of debit card.

SIGNIFICANT ASSOCIATION BETWEEN THE PERSONAL FACTORS AND USING THE DEBIT CARDS

Null Hypothesis (H₀): There is no significant association between the personal factors and using the Debit Cards.

Table 15: Personal Factors Vs. Usage of Debit Cards

S.No.	Personal Factors	Pearson's Chi-square Value	Result
1.	Age	33.80	Significant
2.	Sex	60.84	Significant
3.	Education	85.30	Significant
4.	Occupation	11.32	Significant
5.	Monthly Income	34.20	Significant

The results of Chi-square test indicated that there is significant relationship between personal factors and usage of a Debit Card. Hence, the hypothesis is rejected.

MAJOR FINDINGS OF THE STUDY

* Majority (51%) of the Debit Card holders are maintaining current accounts.

* Majority (34.5%) of the respondents came to know about the Debit Card through their own experience and belief.

* 39% of the respondents are using Debit Card for the period of 2-4 years.

* 33.5% of the respondents are using Debit Card once in a week.

* 53.5% of the respondents are using Debit Card for withdrawal of cash through ATM.

* The ICICI Bank and the KVB customers are highly satisfied with the Debit Card receiving procedures and the availability of ATMs.

* In withdrawal limits per day the KVB customers are highly

satisfied.

* Only 5% of the ICICI Bank customers are dissatisfied with the usage of Debit Cards.

* 52.5% of the HDFC Bank customers are opined that the service charges are moderate.

* 52% of the Ing Vysya customers are opined insufficient with regard to the tie up with other banks.

* 45% of the Corporation Bank customers opined sufficient about the tie up with Merchandise establishments.

* 55% of the Ing Vysya customers are opined insufficient about free withdrawals from other bank ATMs because of the Ing Vysya ATM outlets are less in the city compared with other banks.

* 55% of the HDFC Bank customers are opined sufficient regarding the life time of Debit Cards.

SUGGESTIONS

* The maximum amount of withdrawal per day through ATM should be increased at least upto Rs. 75,000.

* More number of ATM centers should be opened especially at important places of the city and outside the city.

* Create more awareness among the customers about the depositing cheque/cash through ATM which facilitates to reduce work burden of the bank branches.

* All banks should increase tie up with more number of merchandise establishments without any service charges.

* The Debit Card is used only as a substitute for ATM cards. There is no awareness among the customers about the other uses like shopping and on-line shopping. The customers should be educated about these services.

* Most of the banks are maximum allowing five withdrawals between tie up banks that should be increased more. In future, all the public sector, private sector and foreign banks should create tie up among themselves for the withdrawal of cash through ATMs without any service charges or any restrictions.

* All banks should also take necessary actions to promote all of their modern operations through proper media of advertising. Extensive and aggressive advertising is must for capturing stable position among the public.

CONCLUSION

On the basis of the study, it can be concluded that the customers of ICICI Bank are highly satisfied on Debit Card receiving procedures, usage of Debit Card, ATM availability, tie up with Merchandise establishments expect the collection of service charges. The rivalries should provide innovative and better services in all of their branches in order to retain the customers and sustain in this competitive scenario.

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