



A STUDY ON CUSTOMER SATISFACTION TOWARDS USAGE OF DEBIT CARD

Mrs. R. Swarnalakshmi M. Com (CS), M.Phil., (Ph.D.)¹, Mr.M.Vijay Krishna²

¹Assistant Professor

²III B.COM CS CA

Department Of Commerce with Corporate Secretaryship
Dr. N.G.P. Arts and Science College, Coimbatore-48

ABSTRACT

A debit card is a payment card that can be used in place of cash to make purchases. It is similar to a credit card, but unlike a credit card, the money for purchase must be in the cardholder's bank account at the time of a purchase and is immediately transferred directly from that account to the merchant's account to pay for the purchase. Debit card is also called "check cards" or "bank cards, they can be used to buy goods or Services, or to get cash from an automated teller machine or a merchant who'll let you add and enter an amount onto a purchase. Debit cards are usually daily limits on the amount of cash that can be withdrawn. Most debit cards are plastic but there are cards made of metal, and rarely wood. Although you have to be aged at least 11 before you are allowed to own a debit card, most types of debit card are not available to fewer than 18. Customer satisfaction (often abbreviated as CSAT) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals

KEY POINTS: Customer, Debit card, Usage

INTRODUCTION

The study tries to find out the customer satisfaction towards debit cards. In the era of electronic banking the importance of debit card has increased tremendously. Card appears as a powerful economic engine stimulating growth and generating new opportunities. Therefore, it is important to measure the customer satisfaction debit cards in this electronic era, and also through the study I am trying to find out the factors which influence the usage of debit card. Debit cards are a great way to get more financial freedom without the risk of falling into debt. While most people probably have a debit card from their bank, knowing more about them can make it even more useful for everyday spending. Unlike credit and charge cards, payments using a debit card are immediately transferred from the cardholder's designated bank account, instead of them paying the money back at a later date. Debit cards usually also allow for instant withdrawal of cash, acting as an ATM card for withdrawing cash. Merchants may also offer cash back facilities to customers, where a customer can withdraw cash along with their purchase. Some debit cards carry a stored value with which a payment is made (prepaid card), but most relay a message to the cardholder's bank to withdraw funds from the cardholder's designated bank account. In some cases, the payment card number is assigned exclusively for use on the Internet and there is no physical card. This is referred to as a virtual card.

In many countries, the use of debit cards has become so widespread they have overtaken checks in volume, or have entirely replaced them; in some instances, debit cards have also largely replaced cash transactions. The development of debit cards, unlike credit cards and charge cards, has generally been country-specific, resulting in a number of different systems around the world, which were often incompatible. Since the mid-2000s, a number of initiatives have allowed debit cards issued in one country to be used in other countries and allowed their use for internet and phone purchases.

Debit cards usually also allow an instant withdrawal of cash, known as a cash advance, acting as an ATM card for this purpose. Merchants may also offer cashback facilities to customers, so that a customer can withdraw cash along with their purchase. There are usually daily limits on the amount of cash that can be withdrawn. Most debit cards are plastic, but there are cards made of metal, and rarely wood.



STATEMENT OF THE PROBLEM

In this project 'A study on customer's satisfaction towards debit cards' aims at **identifying** the customer satisfaction towards debit cards. In this electronic world, debit card is very popular in customers for different uses. Because it is entirely different from older version of banking system. Using debit cards, the people can handle their money without carrying. They feel very safe and secure because they can deal their own money without any help of other third party. So, this project tries to find out the customer satisfaction towards debit card, how the people use debit cards in their daily life for different purpose and how they utilised its benefits.

OBJECTIVE

- To study the satisfaction level of customers towards debit cards.
- To find the willingness of the customer to use debit cards for different purposes
- To find out the difficulties faced by the customers while using debit cards
- To find the Benefit of customer satisfaction

RESEARCH DESIGN

Research Methodology

Research can be defined as "an activity that involves finding out, in a more or less systematic way, things you did not know". Research Methodology chapter of a research describes research methods, approaches and designs in detail highlighting those used throughout the study, justifying my choice through describing advantages and disadvantages of each approach and design taking into account their practical applicability to our research.

AREA OF THE STUDY

The study has been covered only in Coimbatore city with specification of SBI employees.

DATA COLLECTION METHOD

Data was collected by primary and secondary data method. Primary data was collected through questionnaires from the debit card users, Coimbatore city; while Secondary data were collected from the Research papers, Articles, Internet research.

PERIOD OF THE STUDY

The study has been conducted for a period of 3 months (January 2023 – March 2023). **SAMPLING TECHNIQUE**
To collect the sample for the purpose of research a sampling was used on the sample size of 137 people.

TOOLS FOR ANALYSIS

The main tools for analysis are

- Simple percentage analysis
- Chi square test

HYPOTHESIS

- **H01:** There is no significant relationship between annual income of the respondents and factors that influence to use debit card.
- **H01:** There is no significant relationship between annual income of the respondents and satisfaction level of customers towards debit card

II. THEORETICAL FRAMEWORK

WHAT IS A DEBIT CARD?

Debit cards are issued by your bank and work as a combination ATM card and credit card. However, unlike a credit card, a debit card links directly to your bank account, using the money you have on deposit to pay for your purchase or make your ATM withdrawal digitally.

HOW DOES A DEBIT CARD WORK?

Debit cards partner with major credit card brands, such as VISA, Mastercard and RuPay, to allow you to use your debit card for payment anywhere those branded cards are accepted. When using your debit card for an in-person purchase, you'll swipe, insert or use contactless pay at the card terminal just like a credit card. You'll then enter your personal identification number (PIN) into the machine, although



some merchants allow you to use your debit card without a PIN. Your PIN is a security measure that verifies your identity. Once your bank verifies you have the money to make the purchase, your transaction is approved. If you look at your bank statement, you might see that your purchase is pending, which means your bank hasn't yet transferred the money to the merchant, even though they've debited your account. When the bank sends the money to the merchant, your transaction will appear approved. When you use your debit card to pay for a purchase or get money from an ATM, you can complete the transaction because you already have the money necessary in your linked account.

TYPES OF DEBIT CARDS

There are four main types of debit cards. The key difference between the types is generally the entity issuing the card.

VISA DEBIT CARDS

Visa belongs to an American multinational financial services corporation. It is universally used and accepted. It is spread over 15,500 financial and government institutions of across 200 countries. The 24 hours of security monitoring is impressive. Visa debit card comes with Visa's zero liability policy which protects the card holders from unofficial charges in case of the stolen or lost card. The continuous monitoring of the card helps them to detect any suspicious activities. It is easy to use, globally accepted and can make online transactions smooth. It is popularly used and available in India.

VISA ELECTRON DEBIT CARDS

The characteristics of Visa debit card and Visa Electron debit cards are almost the same. The purchases are simpler and faster with a Visa Electron Debit Card. You cannot overdraft in case of funds shortage, which makes this card ideal for students or people with limited budgets. Due to its minimum expenditure, there's a control over the money you spend, that makes the demand for this card high.

RUPAY DEBIT CARDS

RuPay is an Indian multinational financial services and payment service system launched in the year 2012 by the National Payment Corporation of India. Reserve Bank of India initiated RuPay with a vision of establishing a national, international and open system of payment. RuPay emphasizes "rupee" and "payment" launched by our country for card payments. It is a widely accepted card at ATMs, point of sale devices and online transactions. The security system is amazing, as it has an embedded microchip that provides additional security against fake cards and also protection against anti-phishing.

MASTERCARD DEBIT CARDS

MasterCard is an American multinational financial services corporation. It is accepted worldwide at over 480 destinations. MasterCard debit cards makes transactions easy at restaurants, shopping malls, online purchases and even monthly bills. The security system is appreciable with zero liability protections and provides ID theft resolution. The 24/7 assistance also monitors issues related to identity theft. It is a famously used debit card in India.

III. ANALYSIS AND INTERPRETATION

SIMPLE PERCENTAGE

DEBIT CARD BENEFITS

Debit card benefits	No. of respondents	Percentage (%)
Online Purchasing	25	18.5
Shopping	46	33.8
Ticket Reservation	23	16.9
Money Transactions	31	22.3
Option 5	12	8.5
Total	137	100.0

(Source: Primary data)

INTERPRETATION

The above table exhibit that 33.8% of the respondents are benefited through Shopping, 22.3% of the respondents are benefited through Money Transactions 16.9% of the respondents are benefited through Ticket Reservation 18.5 of the respondents are benefited through Online Purchasing 8.5% of the respondents are benefited through option 5.



INFERENCE

Hence, most (33.8%) of the respondents are benefited through shopping

CHI-SQUARE TESTS

Chi-Square Tests			
	Value	df	Asymptotic(Significance 2-sided)
Pearson Chi-Square	36.966 ^a	12	<.001
Likelihood Ratio	38.065	12	<.001
N of Valid Cases	105		
a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .34.			

INTERPRETATION

H01: There is no significant relationship between annual income of the respondents and factors that influence to use debit card

Ha1: There is a significant relationship between annual income of the respondents and factorsthat influence to use debit card

From the above table, there is no significant relationship between annual income of the respondents and factors that influence to use debit card as significant value is <.001 which is more than 0.05 level of significant.

INFERENCE

Hence, there is no significant relationship between annual income of the respondents and factors thatinfluence to use debit card

Chi-Square Tests			
	Value	df	Asymptotic (Significance 2-sided)
Pearson Chi-Square	32.844 ^a	12	.001
Likelihood Ratio	37.926	12	<.001
N of Valid Cases	105		
a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .34.			

INTERPRETATION

H01: There is no significant relationship between annual income of the respondents and satisfaction level of customers towards debit card

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INFERENCE

Hence, there is no significant relationship between annual income of the respondents andsatisfaction level of customers towards debit card

SUGGESTION

- The bank should reduce the debit card cost in order to allow clients to acquire a greaternumber of business transaction.
- The banks should sensitize the clients on how to use debit cards effectively in order toallow their clients to use the service worldwide without much problems.
- In order to acquire loans from the banks, they should make sure that the debit card is a mustfor the clients and this will encourage them in use of credit cards effectively.
- The debit card issuer should protect debit card holders' privacy. High interest rate leads toreduction in debit card usage



CONCLUSION

The debit card issue in terms of number of debit cards witnessed a whopping growth during the past five years. In terms of key players SBI has touched the landmark figure of 90 million debit cards by 2015 taking the position of number one player in the segment. It is further concluded that there are a number of bank customers who do not have any knowledge about debit cards. Many people have knowledge about debit cards, but do not possess debit cards because he/she felt rate of service charges high. High income earners and highly educated class use debit cards more, availing debit card limits. Extent of usage of debit cards is smaller among higher proportion of the card holders. Customers' satisfaction is found to be less because of the high rate of service charges. Customers perceived core services and facilitating services at higher level.

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