

# A Study of Customer Perception on Debit Card in Coimbatore

Dr. R Sridevi, S. Yosuva Gowtham

Assistant Professor, Department of B Com PA, Sri Ramakrishna College of Arts & Science, Coimbatore.  
Final Year Student, Department of B Com PA, Sri Ramakrishna College of Arts & Science, Coimbatore.

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## ABSTRACT:

Finance is the life blood of commerce nowadays. Banking sectors act as a modern business. A country's development mainly depends upon the banking sector. A bank is a financial institution which deals with money transaction like deposits, withdraw and advance and other related services. It receives money from those who want to save in form of deposits and it lends money to those need it. A debit card is a plastic card that can be used instead of cash. When using debit card the money is transferred directly from the cardholder's bank account when performing a transaction. The most of debit card are not available for age under 18.

**Keywords:** Customer perception, Banking Services, Debit card.

## I. INTRODUCTION:

Banks are playing vital role in the economic development of a country. A sound and effective banking system is the backbone of economy. Debit card were introduced in 1966 and have been around since. It is a payment card that can be used in place of cash to make purchase. The emergence of private/new generation banks has been changed the entire banking operations by the use of new technological like internet banking, ATMs (Automated Teller Machines), Debit cards, Credit cards, Mobile banking, etc., are accessible to customers on a 24\*7 basis across the world. The debit card is personal identification number (PIN) based card.

## II. STATEMENT OF THE PROBLEM:

This study will help in to understand the type of Debit card & plastic money system. Most Indian banks issues Visa Debit card, though some banks (like SBI and Citibank India) also issues Maestro cards. The Debit card transactions are routed through Visa and Master card in India and overseas rather than directly via the issuing bank.

Unlike credit card and other charge cards, payments using a debit card are immediately transferred from the cardholder's designed bank account, instead of them paying the money back at a later date. Debit card usually also allow for instant withdrawal of cash, acting as the ATM card for withdrawing cash. The study finds the status of use of Debit card and plastic money and measure the satisfaction of Debit cardholders about the service provided by the bank in Coimbatore.

## Objectives of the study:

1. To study the usage of Debit card among the respondents.
2. To know the customer preference in the usage of debit card.

## III. REVIEW OF LITERATURE:

Pravin and Hossain (2010) The study of customers usage of debit card either for money withdrawal or for purchase of goods and services. It shows that 80% respondents used debit card for money withdrawal, and 20% used debit card for purchase of goods and services. It also showed that 90% use debit card because it saves time.

Jinkook Lee and Abdul Rahman (2007) In his study of debit card usage of its impact on household debt. It has stated that how debit card customers are various from non-users of debit card, this study stated that usage of debit card is inversely proportional with household debt. Debit card usage discourage the accumulation of household debt rather than users tend to be financially conscientious.

Anitha KM (2019) The study of users satisfaction with electronic payment system. In this study different types of users would prefer to use e-wallet, and most of the respondents use it for recharge purpose (66.3%) followed by bill payment (61.7%) and money transfer (58.3%)

Thomas Foscht in his study that Austrian market in choice and usage of debit card and credit

card. The customer satisfaction on these two modes of electronic payment. He concluded that results show a person's preference on method of payment is dependent on personal characteristics.

Mariappan Raja (2015) In his study customers were not only use debit card for money transaction were also use for settle their dues. Customers are using their cards for mostly for shopping and e-commerce has given a better way to use the debit card.

**Scope of the study:**

The aim of the study is to know the perception and satisfaction level of Customers on Debit card. And also analyse the service provided by the private sector banks in Coimbatore.

**Research Methodology:**

Research methodology is a way to research on any specific problem. This methodology included collection of data, preparation of methodology, and descriptive statistics. This study has used primary data for collecting and gathering information by taking survey through Google forms to the individuals. The researcher collected 110 respondents by using Google form.

**Tools used for the study:**

Percentage Analysis Tool was used for the study.

**Sample Area:**

The study is within the Coimbatore city.

**Sample Size:**

110 respondents were collected for the study.

**IV. PERCENTAGE ANALYSIS METHOD**

TABLE 1: Shows the demographic analysis of the respondents

VARIABLE	CATEGORY	FREQUENCY	PERCENT
AGE	15 - 20	34	31
	21 - 25	44	40
	26 - 30	13	12
	Above 30	19	17
	TOTAL	110	100
GENDER	Male	90	82
	Female	20	18
	TOTAL	110	100
MARTIAL STATUS	Married	31	30
	Unmarried	79	70
	TOTAL	110	100
EDUCATIONAL QUALIFICATION	High school	19	18
	UG	69	62
	PG	10	9
	Others	12	11
	TOTAL	110	100
FAMILY SIZE	Nuclear Family	76	69
	Joint Family	34	31
	TOTAL	110	100
NO.OF EARNING PERSON	1 - 2	35	32
	2 - 3	44	40
	3 - 4	13	12
	Above 4	18	16
	TOTAL	110	100
OCCUPATION	Business	56	53
	Self employed	27	20
	Student	16	14
	Others	11	13

	TOTAL	110	100
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**Interpretation:**

The above table shows that the most of the respondents are between the ages categories of 21 to 25. It shows that Men use debit card more than Women. Most of the respondents are

unmarried. Around 53% of card holders are business people. And most of the respondents are degree holders. Majority of the respondents have 2 to 3 earning persons in their family.

Table 2: Shows the demographic analysis of the respondents

DESCRIBES YOUR DEBIT CARD	International	27	24
	National	83	76
	TOTAL	110	100
COMPANY CARD ARE USING	Master	17	15
	Visa	40	36
	Rupay	44	41
	Others	9	8
	TOTAL	110	100
BANK CARD ARE USING	SBI	37	34
	IOB	14	13
	Canara	23	20
	Axis	4	4
	Others	32	29
	TOTAL	110	100
PERIOD OF USING DEBIT CARD	Below 1 year	23	21
	1-2 years	43	38
	2-3 years	20	18
	More than 3	24	23
	TOTAL	110	100
SERVICE ON YOUR DEBIT CARD DO YOU OFTEN USE	Cash withdraw	66	60
	Cash deposit	14	13
	Balance enquiry	11	10
	Mini statement	7	6
	Others	12	11
	TOTAL	110	100
AVERAGE TIME OF USAGE OF DEBIT CARD	Daily	6	5
	2-3 times a week	37	34
	Once a week	36	33
	Hardly ever	31	28
	TOTAL	110	100
PREFER TO PAY FOR PURCHASE	Cash	63	57
	Debit card	47	43
	TOTAL	110	100
AVERAGE TRANSACTION AMOUNT	Below 5000	57	52
	5000-10000	35	32
	More than 10000	17	16
	Total	110	100
DEBIT CARD	Yes	28	25

PROVIDES REWARD POINTS	Maybe	59	54
	No	23	21
	TOTAL	110	100
PURPOSE OF DEBIT CARD	Money transaction	48	43
	Online purchase	22	21
	Shopping	23	21
	Ticket reservation	4	3
	Others	13	12
	TOTAL	110	100
PROBLEM FACED WHILE USING DEBIT CARD	ATM server down	32	30
	Safety & Security	17	15
	Cash withdraw limit	38	34
	Fraudulent charge	10	9
	Others	13	12
	TOTAL	110	100
USING ANY OTHER PAYMENT CARDS	Yes	52	48
	No	58	52
	TOTAL	110	100
OTHER THAN DEBIT CARD WHICH PAYMENT TYPE YOUR USING	Credit card	9	8
	Cheque	20	18
	Online payment	58	54
	Others	23	20
	TOTAL	110	100

### Interpretation:

The above table shows that most of the respondents are use National debit card (76%). Most of the respondents are have Rupay debit card (41%). And (34%) respondents are using SBI debit card compared to other banks. Most of the respondents (38%) are using debit card for 1 to 2 years. Majority of the respondents (34%) are facing problem on cash withdraw limit. (54%) of respondents are using online payment.

### V. FINDINGS:

- Most of the respondents are Students
- Most of the respondents are Male
- Most of the respondents are from 21-25 years
- Most of the respondents are Unmarried
- Most of the respondents are degree holders
- Most of the respondents have 2 number of earning person in their family
- Most of the respondents use National Debit card
- Most of the respondents have Rupay card
- Most of the respondents using State Bank of India (SBI) debit card

- Most of the respondents using debit card for 1-2 years
- Most of the respondents often used debit card only for Cash withdraw
- Most of the respondents only use 2-3 times a week
- Most of the respondents do not use debit card for Ticket reservation
- Most of the respondents prefer Cash to pay
- Most of the respondents maintain below 5000 is average transaction amount per month
- Most of the respondents have faced problem in Cash withdraw limit
- Most of the respondents does not use any other payment cards
- Most of the respondents giving importance to Online payments.

### VI. SUGGESTION:

The customers must know knowledge about debit card. And also awareness program on debit card helps the uneducated people knowledge about debit card. Every shop must accept card payments in order to satisfy customer. From the study majority of respondents are using SBI debit

card compared to other banks, so other banks like IOB, Canara and Axis banks must encourage customers in making use of their bank debit cards. Finally extra charges must be avoided while shopping, these charges affects benefits of customers.

## VII. CONCLUSION:

Debit card is the most popular plastic money and it is easier way of paying for goods and services. Now a day's debit card is essential form of ready money which reduces the risk of handling a huge amount of cash. And there is a positive relationship between the educational level and usage of Debit card. Usage of debit card increases, so the preference of the customer also changes. Customers using these cards mostly for money transaction and also E-commerce has given a better way of usage of debit card. At last that debit card has played major role in money transaction of customers and it improves the trend of e-commerce. The study on "CUSTOMER PERCEPTION ON DEBIT CARD" helps in knowing the customers perception and analysis on debit card.

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