

CUSTOMER SATISFACTION TOWARDS USING DEBIT CARD**WITH REFERENCE TO COIMBATORE CITY****Author: Dr. G. SATHIYAMOORTY****Designation: Assistant Professor (SG)****Department: Department of Commerce with Business Process Services****Institution: PSG College of Arts & Science, Avinashi Road, Civil Aerodrome Post,
Coimbatore – 641014, Tamil Nadu, India****Email: sathyagls@gmail.com****Abstract:**

The author made an attempt to identify about the usage of debit card by the bank customer and also made an attempt to find out the satisfaction level of the debit card users for various purposes. The study reveals to examine the needs for using debit card, it shot with the perception of customers on shopping purposes by using the debit cards. It considers about the socio-economic factors with attributes to measure the satisfaction level of bank customers to understand about their usage of debit card. It provides to identify the frequency of using and the usage pattern of debit card. The statistical tools applied in the study are percentage analysis and weighted average score analysis for finding out the level of satisfaction of the customer towards the usage pattern. A total of 120 respondents information in Coimbatore City were included for analysis purpose. It was found out that majority of the customers used their debit card for the past two years and mostly they use for both shopping and withdrawal purposes.

Keywords: (i) Debit card, (ii) Frequency of using, (iii) Usage pattern and (iv) Withdrawal.

INTRODUCTION

A good banking sector with a good banking habit can accelerate the pace of development in a country. Banking is a key industry in the service sector and it can be considered as the financial nerve center of the economy. Banking sector can be divided mainly into four categories which are Nationalized Bank, Local Private Commercial Bank, Specialized financial institution and Foreign Bank. Despite many fundamental banking reformations, domestic banks are lagging behind on many fronts compared with foreign commercial banks with wide range of capitalization, overseas network, modern management expertise, experience, technological advancement, etc. The financial sector now operates in a more competitive environment than before and involves relatively large volume of international financial flows. In the wake of greater financial deregulation and global financial integration, the biggest challenge before the public sector banks is to match the market requirement. Quality in service is very important especially for the growth and development of service sector business enterprises.

Automated teller machine (ATM) banking is a popular access channel to banking products and services behind branch banking. Money is regarded as a medium of exchange and payment tool. Banks have been offering more access points to newer ATM technologies that are faster, secure and with a wider range of services that include cash depositing to achieve competitive advantage through the ATM banking. At present most of the banks have networking systems for their e- banking services like ATMs. A network connected ATMs of various banks had resulted in the improvement of customer's benefits and customers services.

Plastic Money business is definitely, going big time. Plastic cards are one of those types of innovations through which the customers can make use of banking services just by owning the card

issued by bank and that too without restricting himself in the official banking hours. Plastic cards as the component of e - banking have been in use in the country for many years now. The introduction of ATMs increases deposits at the expense of currency holdings, (**Jacob Paroushand David Ruthenberg, 1986**).The recent growth in the use of plastic money mainly credit and debit cards have been phenomenal. Thus, plastic cards are such payment tool which gives a customer an opportunity of non - cash payment of goods and services and are designed to facilitate small value retail payments by offering a substitute for bank notes and coins and thus to complement traditional payment instruments.

The plastic cards are gaining popularity among bankers as well as customers and getting accepted in the market place. It can be well imagined from the discussion that no doubt, the plastic cards market is growing at a large pace in India yet it has long way to go as it lacks behind if compared to the usage trends of other countries. Hence, it has become important that the payment system in India has to be modernized enough to be at par with the systems prevalent in other countries, since our domestic financial markets are increasingly getting integrated with markets abroad. RBI is also taking important steps in order to 4 enhance its usage and popularity through initiatives like regulating card market to maintain the security levels and to build up confidence of bankers and customers. The likes and dislikes of ATM users and the types of problems they typically have using ATMs, (**Wendy A Rogers et al. 1996**).Despite the strong advances in e-payments, an estimated 90 percent of personal consumption expenditure in India is still made with cash, which indicates the tremendous growth potential of this business.

Debit cards are like digitized versions of checkbooks; they are linked to your bank account (usually a checking account), and money is debited (withdrawn) from the account as soon as the transaction occurs. They can also be used to conveniently withdraw cash from ATMs. Credit cards have the advantage of rewards programs but such cards often require an annual fee to use. Financial

responsibility is a big factor in credit card use; it is easy to overspend and then get buried in overwhelming credit card debt at a very high interest rates.

Scope of the Study

This study was undertaken to identify the purpose and usage of debit card by the bank customers by and large. To measure these parameters the research approaches towards appropriate statistical tools so that the output of the result may be benefit for the large sector of financial aspirants. It will be useful for the banks to reduce the problems faced by the debit cardholders and to know the satisfaction level of customers by using debit cards and improve performance. The study concentrates on the usage of debit card for shopping purpose and to understand on the post purchase evaluation of the bank customer towards the usage and attitude of debit cardholders.

Statement of Problem

ATM technology has nowadays proliferated. Each bank has own network of ATMs in bank branches, shopping malls, universities, hospitals, service stations and other strategic locations to offer customers easy and timely access to banking products and services. ATMs have therefore become the second most used channel for accessing banking products behind branch banking. In the prevailing circumstances, continued enjoyment of competitive advantage through ATM banking comes from not only installing ATM technology but having ATMs with features that enhance the satisfaction of users. As the ATM technology continues to advance, managers of banks will have choices to make as regards which attributes offer customers what they expect from ATM banking in respect of huge investment required to afford ATMs. In this situation it became necessary to find out that what made the customers to prefer Debit cards? It is also necessary to know how does it is useful for them? And to understand at what level the bank customer satisfies and that will encourage them to use the debit card for various purposes? It made the researcher to find out the bank customer's dependence for the debit card in their day-today requirements.

Objectives of the Study

- To examine the needs of debit cards among customers.
- To understand the perception of customers towards shopping through debit cards.
- To determine the satisfaction level of customers towards debit cards.

Significance of the Study

The researcher made an attempt to understand the needs of the bank customer while using the debit cards. This study provides valuable information for the bank customer in taking precautionary measures in depending debit cards. It also informs the bankers to handle the critical situation faced by the customer and to provide a smooth and effective operation in the banking process with debit cards.

RESEARCH METHODOLOGY

Sampling Technique and Sampling Size

To analyze the data, a convenient sampling method was adopted for the purpose of the study. To enable the researcher to input the data by and large this method was adopted. A total of 150 bank customers with possessing debit card were approached in the study area, of those only 141 respondents have agreed to provide the information. Out of those collected data it was found that only 120 (80%) respondents information have qualified to be included for further analysis purpose.

Data Collection

The sources of data are generated from primary data. The data were collected from the users of debit card for withdrawal and shopping purposes. The respondents were identified based on the utilization of bank debit cards. Primary data is collected with an aid of a questionnaire. A pilot study was conducted among 15 respondents and with the responses from the pilot study, the final questionnaire was redrafted with the modifications and suggestions given by those participated in the pilot survey.

Area of the Study

The area that have taken for study is the Coimbatore city; the city is considered as the “Manchester of South India”, and it is one of the major hub of textiles and Small Scale & Engineering Industries; as it is also marching towards an information technology hub.

Tools Used for Analysis

The collected data has been processed by adopting statistical tools as with Simple percentage analysis and Weighted Average Score analysis.

Limitations of the Study

The area is limited to the Coimbatore city and the opinion of the customers from other cities remains unknown. The responses given by the respondents are subjected to personal bias.

Review of Literature

Adelowo Solomon Adepaju and Mohammed Enagi Alhassan, (1970), conducted a research on “Challenges of ATM Usage and Fraud Occurrences in Nigeria”, states that, Over time, consumers have come to depend on and trust the Automatic Teller Machine (ATM) to conveniently meet their banking needs. But in recent time there have been a proliferation of ATM frauds in the country even and across the globe. The ATM is only one of many Electronic Funds Transfer (EFT) devices that are vulnerable to fraud attacks. This paper carried out an empirical research to analyze the cases of ATM usage and fraud occurrences within some banks in Minna. The research identifies the common ATM fraud, how, where and when these frauds are perpetuated and then proffer security recommendation that should be adhered to by both the banks as financial institutions and the ATM users in order to eliminate or reduce it to the barest minimum.

Jacob Paroush and David Ruthenberg, (1986), conducted a research on “Automation of Retail Transactions”, states that this paper explores theoretical and empirical effect of automated teller machines (ATMs) technology on the share of demand deposits in the money supply. Our hypothesis

is that the introduction of ATMs increases deposits at the expense of currency holdings. This hypothesis is theoretically established within a framework of a simple model describing the individual's cost functions of holding demand deposits and currency and is empirically confirmed on the basis of the Israeli experience.

Awad B El-Haddad and Mohammad A. Almahmeed, (1992), conducted a research on “ATM Banking Behaviour in Kuwait”, states that there has been a growing interest among banks and financial institutions in encouraging bank customers to use automatic teller machines (ATMs). This study attempts to identify customers' awareness, usage patterns, reasons for using (not using) ATMs, new services required, as well as problems associated with using ATMs in Kuwait. Significant differences in attitudes and opinions among age, nationality, marital status, occupation, income, and educational level groups are also reported. Implications of the study are suggested regarding the role of electronic technologies in marketing development. Identifies some specific marketing strategy considerations designed to ensure retail customers' acceptance and usage of ATMs. In addition, reports recommendations for further research.

Wendy A Rogers et al. (1996), conducted a research on “Human factors”, stated that the purpose of this study was to analyze automatic teller machine (ATM) usage across the adult life span. We conducted an extensive survey of 9000 people in the Memphis and Atlanta metropolitan areas. Approximately 17% of those people responded. The survey assessed detailed demographic information, experience with technology in general, experience specifically related to ATMs, problems and dislikes with ATMs, and reasons that people do not use ATMs. The survey provided a valuable set of data. First, we have detailed information about the demographics and individual characteristics of ATM users and nonusers; importantly, these data are stratified across the adult life span. In addition, we know the likes and dislikes of ATM users and the types of problems that they

typically have using ATMs. Moreover, we have a detailed analysis of why adults of all ages may choose not to use ATMs. Training and design implications of these data are discussed.

Calvin Fei, Francis Jacobs and J Mark Stockton, (2003), conducted a study on “Method and apparatus for conducting transactions on an ATM”, states that a World Wide Web-enabled ATM provides messages, services and advertisements that are personalized and specifically targeted to the ATM user or that ATM user's market segment. The invention provides differentiated services to individual customers, targeted advertising to individuals and customer segments, quick transactions based on user-defined preferences, and customer-initiated electronic mail communication, which facilitates further marketing.

Jegade, CA, (2014), conducted a study on “Impact of ATM on banking services in Nigeria”, that investigates the effects of ATM on the performance of Nigerian banks. Available studies have concentrated on the significant dimensions of ATM (automated teller machine) service quality and its effect on customer satisfaction with a bias against ATM producers. The study is motivated by the astronomical challenges confronting the proliferation of ATM infrastructure and attendant financial loss to banks which are often underreported. Also, there are serious debates on the relevance of ATM technology as most countries in the world are moving away from the virus technology to the more secured chip cards free of credit and debit frauds. The results indicate that less than the benefits, the deployment of ATMs terminals have averagely improved the performance of Nigerian banks because of the alarming rate of ATM fraud. Similarly, ATM service quality is less correlated to security and privacy of users and providers.

Debit Cards – An Overview

A debit card is a payment card that deducts money directly from a consumer's checking account to pay for a purchase. Debit cards eliminate the need to carry cash or physical checks to make purchases. In addition, debit cards, also called check cards, offer the convenience of the credit

cards and many of the same consumer protections when issued by major payment processors like Visa or Master Card. Merchants may also offer cash back facilities to customers, so that a customer can withdraw cash along with their purchases. The monopoly banks have an incentive to restrict the number of ATMs to a minimum. More generally, the number of ATMs depends on competitiveness in the banking sector, (**Heli Snellman and Matti Viren, 2009**). The First National Bank of Seattle issued the first debit card to business executives with large savings accounts in 1978. The bank only issued debit cards to those customers who had a long history with the bank and were in good standing, because like a check, the funds were not immediately removed from the account. In 1984, Landmark implemented the first nationwide debiting system, built on the credit card infrastructure and ATM networks already in place. This is perceived to offer considerable benefits and challenges both to the banks and their customers, (**Emeka E Okafor and Favour N Ezeani, 2012**). By 1998, debit cards outnumbered check usage around the world.

All debit cards work in a similar way, functioning like a written check. When you make a purchase with a debit card, the amount of the purchase gets deducted from your checking account. You won't be able to spend more than what you have in your account, which is great when you're trying to stick to a budget. Most debit cards also function as ATM cards, allowing you to withdraw cash from your checking account. Again, you won't be able to withdraw more than you have in the account. As long as you have your PIN, you can withdraw cash from an ATM machine or store. The present invention provides methods and systems for promoting banking services to non-customers at an automated teller machine (ATM) through an incentive system, (**Howard A Schechtman and Peter Paradiso, 2008**). A debit card (also known as a plastic card, bank card, check card) is a plastic payment card that can be used instead of cash when making purchases. It is similar to a credit card, but unlike a credit card, the money is immediately transferred directly from the cardholder's bank account when performing any transaction. Some cards might carry a stored value with which a payment is made, while most relay a message to the cardholder's bank to withdraw funds from a payer's designated bank account. In some cases, the primary account

countries, such as most of Western Europe, the use of debit cards has become so widespread that their volume has overtaken or entirely replaced cheques and, in some instances, 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 began as a convenient method to exchange money for goods or services in the late 1970s and early 1980s, over writing checks. There are several types of debit card available. One type of debit card is a tangible card that resembles a credit card. Historically, banks and credit unions only have issued these cards. Retailers now issue prepaid debit cards in specific amounts, similar to gift cards, imprinted with Visa or MasterCard. These debit cards, unlike gift cards, can be used anywhere. A significant dimension of ATM service quality and its effect on customer satisfaction with a bias against ATM producers, (**Jegade, CA, 2014**) was to be considered. There are also intangible debit cards that transfer money from your bank account to a seller's bank account, like an ATM card, knowing your financial goals and challenges will help you choose the type of debit card that's right for you.

Table No. 1

Socio-Economic Profile of the Respondents

Socio-Economic Status	Factors	Frequency	Percentage
Gender	Male	78	65
	Female	42	35
Age	Below 21 years	65	54.1
	21-40 Years	32	26.6
	41-60 Years	16	13.3
	Above 60 Years	7	6
Marital Status	Married	29	24.2
	Unmarried	91	75.8
Education Level	No formal education	03	2.5
	School level	08	6.7
	College level	91	75.8
	Professional	18	15
Occupational Status	Agriculture	09	7.5
	Employee	29	24.2
	Business	20	16.6
	Professional	11	9.2
	Others	51	42.5
Monthly Income	Below ₹ 20,000	30	25
	₹20,000 to ₹ 40,000	43	35.8
	₹40,001 to ₹60,000	17	14.2
	Above ₹ 60,000	30	25
Number of Family Members	Up to 3 Members	41	34.2
	4 - 5 Members	75	62.5
	Above 5 Members	04	3.3

Interpretation

It is identified from the above table No.1, that out of 120 respondents taken for the study, 65% respondents are male and 35% respondents are female. It is evident that, out of 120 respondents taken for the study, 54.1 % of the respondents are below 21 years age category, 26.6% of the respondents are in the range between 21 years to 40 years category, 13.3% of the respondents are in 41-60 years category and 6% of the respondents are in Above 60years age category.

It is identified that, out of 120 respondents taken for the study, 24.2 % of the respondents are married and 75.8% of the respondents are unmarried. The above table indicates that, out of 120 respondents taken for the study, 2.5% of the respondents have no formal education, 6.7% of the respondents are qualified up to school level, 75.8% of the respondents are qualified up to College level, and 15% of the respondents are qualified up to Professional level. Out of the total respondents taken for study, 7.5% of the respondents are agriculturalist, 24.2% of the respondents are employees, 16.6% of the respondents are Business Persons and 9.2% of the respondents are professionals and balance 42.5% of the respondents are doing other businesses.

It shows that, out of the total respondents taken for study, 25% of the respondents' income level is above ₹ 20,000, 35.8% of the respondents income level lies between ₹ 20,000- ₹40,000, and 14.2% of the respondents income level is between ₹ 40,001 ₹ 60,000 and 25% of the respondents income level is above ₹ 60,000. It also indicates that, out of the total respondents taken for the study, 34.2% of the respondents' family size is up to 3 members, 62.5% of the respondents' family size is between 4-5 members and 3.3% of the respondents have above 5 members in their family.

Table No. 2**Type of bank the respondents having account**

Type of bank	Frequency	Percentage
Nationalized Banks	49	40.8
Private Banks	71	59.2
Total	120	100

Interpretation

The above table No.2 indicates that, out of the total respondents taken for the study, 40.8% of the respondents are using nationalized banks for having an account, 59.2% of the respondents prefers Private Banks.

Table No.3**Usage of Debit Card by the Respondents**

Usage of Debit Card	Variables	Frequency	Percentage
Period of using Debit Card	Less than 1 Year	26	21.7
	1 Year to 2 Years	42	35
	More than 2 Years	52	43.3
Monthly Withdrawal	Below ₹ 5,000	53	44.2
	₹5,001 to ₹10,000	33	27.5
	₹10,001 to ₹ 25,000	21	17.5
	Above ₹25,000	13	10.8
Frequency of using Debit Card in a Month	Less than 5	71	59.2
	5 - 10 times	37	30.8
	More than 10	12	10
Purpose of Using Debit Card	Withdrawal	38	31.7
	Point of Sale	16	13.3
	Both	66	55

Interpretation

The above table No.3 indicates that, out of the total respondents taken for the study, 21.7% of the respondents are having their accounts less than 1 year, 35% of the respondents is using banks for 1-2 years and 43.3 % of the respondents using banks for more than 2 years. Out of total respondents, 44.2% of the respondents are withdrawing below ₹5,000 as monthly limit, 27.5% of the respondents have monthly withdrawal limit for ₹ 5,001 to ₹ 10,000, 17.5% of the respondents have monthly limit as ₹10,001 to ₹25,000 and 10.8% of the respondents have monthly limit above ₹25,000. It is identified from the table No.6 that, 59.2% of the respondents using debit cards below 5 times, 30.8% of them using debit cards between 5-10 times and 10% are using debit cards more than 10 times. It is identified, out of the total respondents, 31.7% of the respondents use debit cards for withdrawals, 13.3% of the respondents are using debit cards for Point of Sale and 55% of the respondents using for both the purposes.

Table No. 4

Usage of the card

Particulars	Frequency	Percentage
Myself	84	70
Family members	11	9.2
Both	25	20.8
Total	120	100

Interpretation

It is identified from the above table No. 4 that, out of the total 120 respondents taken for the study, 70% of the respondents are using debit card only by themselves, 9.2% by family members and 20.8% by both themselves and by family members.

Weighted Average Score Analysis:**Table No. 5****Satisfaction level of the respondents**

Particulars		Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Total	Weighted Average score
Processing time	No	34	67	17	2	0	120	4.12
	Score	170	268	51	4	0	493	
Service charges	No	11	40	47	17	5	120	3.25
	Score	55	160	141	34	5	390	
Safety and security	No	23	49	39	6	3	120	3.69
	Score	115	196	117	12	3	443	
Withdrawal Limit	No	18	60	29	10	3	120	3.67
	Score	90	240	87	20	3	440	
Customer service	No	14	61	30	10	5	120	3.58
	Score	70	244	90	20	5	429	

Interpretation

The above table No. 5 shows that, the score given by the respondents regarding the satisfaction level of the respondents. It reveals that the respondents have scored highest (4.12) for processing time, scored second (3.69) for safety and security, scored third (3.67) for withdrawal limit, it was followed by customer service (3.58) and least score (3.25) for service charges.

Result and Discussion

It was found that out of 120 respondents a majority 78 (65%) of respondents are male and of those approached a majority of 65 (54.1%) of the respondents are in below 21 years of age category. The study has revealed that unmarried respondents and the educational qualification of the respondents were up to college level was 91 (75.8%). With the occupational status most of the respondents with 42.5% are in the others category and the monthly income of respondents are ranging between ₹ 20,000- ₹ 40,000 was 35%. The number of family members of the respondents ranging between 4-5 members in their family was 62.5%.

A majority 71 (59.2%) of the respondents are having their account in private banks. With regard to the debit card usage by the respondents, it was 52 (43.3%) respondents are using their debit card for more than 2 years, about 53 (44.2%) of the respondents use is to withdraw below ₹ 5,000 per month, about 71 (59.2%) of the respondents use their debit cards for only less than 5 times in a month and 66 (55%) respondents use their debit cards for both withdrawal as well as shopping. A majority of 84 (70%) respondents are using debit card only by themselves. As with the level of satisfaction, the study reveals that the weighted average score of 4.12 was considered as higher preference for processing time and the least level of satisfaction was considered with 3.25 for service charges by their bank while using the debit card.

It was informed that the ATM centers may be opened near public and private offices. Awareness about the ATM should be created among village people through advertisement. Proper guidance must be given by the banker to the cardholders. Necessary services should be made on every ATM centers to avoid failure of transactions which is a main problem faced among all the respondents. Procedure to withdraw cash should be similar in all ATM Centers.

Conclusion

A debit card is a plastic card that looks like a credit card. It allows to do the same things at a bank machine or Automated Teller Machine (ATM) as would at a bank and we can withdraw cash, deposit money, check account balances and receive a copy of statement all electronically by using debit card. Debit cards are popularly used by the cardholders for various purposes like shopping, booking tickets, to make payment in hotels etc. It is a computerized terminal providing cash dispensing and deposit acceptance banking transactions. Though ATM terminals have certain limitations, it become very popular in many parts of the world and provides individuals with 24-hour electronic access to their banking accounts without a banker.

Several studies on banking services have been done in the past, even though it is to be understood that a particular service of a bank in its regular activity has to be concentrated more. This study ensures on the satisfaction level of the bank customer and it has paid attention with debit card services for withdrawal and shopping purpose alone. The study may be further extended to identify the problems faced by the debit card holders while depending on the usage of debit card. In future the study may also be extended to other geographical areas in order to know about the customers' expectation and satisfaction on the service provided by the bank. Further problems faced by the bank customer in various stages while depending on the debit card has to be considered. It is also more important that the result on such studies may help the banking sectors to improve the services and that will be benefited for the economic development of a nation.

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