**Original Research Paper**     **Commerce**

# AN ANALYSIS OF CUSTOMER'S ATTITUDE TOWARDS DEBIT CARD USE WITH SPECIAL REFERENCE TO PUBLIC SECTOR BANK IN AMRAVATI CITY.

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**ABSTRACT** The research study is based on the customer attitude in case of debit card of public banks in Amravati city. Debit card has become an important part of the routine life of an ordinary person. Thus, it becomes very necessary to study the attitude of customers towards the card service. Card payment involves various benefits with it along with risk. The study has primarily taken into consideration the spending pattern of debit card holders. It also incudes the problems and benefits associated with the use of debit card. The study has used weighted average method and One way ANOVA for the analysis of primary data. Whereas the secondary data was collected from various sources like books, journals, articles etc.

**KEYWORDS :** customer attitude, weighted average, one way ANOVA.

## INTRODUCTION

The world today is seems to be incomplete without the use of plastic money, cards, ATMs etc. customers avail the service of plastic money in their day-to-day life for their daily expenses. Without going to bank we can utilize the services provided with the help of debit card, credit card, mobile applications etc. This makes the money management for the consumer very easy and convenient. On the other hand, for banks also it becomes very convenient to provide these services to their customers effectively and efficiently. Infact, the use of these financial products like debit card, credit card, google pay, Paytm and many more has increased manifolds after the demonetization of November 2016. The use of these products is still increasing with unbelievable numbers.

Some of the highlights of the use of these financial products immediate after demonetization are as follows.

After demonetization, Paytm received more than 25,000 signups, Razorpay, an application of paying online witnessed 150% spike on the next morning after the decision of demonetization was announced, which by afternoon, shot up to 200%. In addition to this, Mobikwik saw 15 times increase in traffic the next day of demonetization 2016. Freecharge reported 12 times jump in the average balance. Online food ordering and delivery start-ups were seeing an increase in sales by 40-50%. By February 2018, digital wallet companies had shown a growth of 271% for a total value of US$2.8 billion (Rs 191 crore in Indian currency).[12]

In most of the tier-II and tier-III towns, digital payments had doubled since demonetisation. From global technology giants to few of the country's biggest mobile wallets, including Paytm, MobiKwik all adopted the digital payments system around the time demonetisation took place. Mobile banking payments also saw a spike since September 2015. All the digital transactions collectively registered an increase of 440 per cent since demonetisation. Till December 2018, UPI managed transactions of more than Rs 1.02 trillion. National electronic funds transfer (NEFT) transactions saw an upsurge from Rs 9.88 trillion.[15]

Hence, we can say that demonetization had several effects on the economy of our country. There are some positive effects and some negative effects. it had affected the Digital payment industry as well as many other industries. Due to demonetization card payment and online transactions have been increased significantly. It has also given rise to mobile transaction with the help of various transactions.

## Review Of Literature

Sultana & Hasan (2016), stated that perception regarding usage of plastic money is broadly persuaded by 3 factors, namely, influential factors, beneficial factors, and the problems of using plastic money. Some problems faced by the users in Bangladesh were high interest rate, technological non availability etc. Podile & Rajesh (2017), mentioned few negative perceptions like security problems, poor network coverage, and lack of merchant willingness, high transactional costs, lack of users' knowledge on technology, defunct POS machines, delayed reimbursement in case of failed transactions, procedures and financial limits. These are holding back the customers from using the card. Also, after demonetization initiatives, most of the people in India started electronic payments for their transactions. According to Radhika and Devi (2017), socio-economic factors, bank profile, the pattern of usage of debit and credit card, frequency of card use had a direct impact on the spending pattern of customers. Ceasar (2018) stated that digital payment provides the greater freedom to individuals in paying their taxes, license fees, fines and purchases at any locations and at any time of 365 days. In addition to this, success of digital payment system also depends on the customer preferences, ease of use, cost, authorization, security, accessibility and reliability etc. Based on the review of his findings, it is clear that the internet is playing a more and more important role in the field of digital payment. Mukaria (2018) revealed that people like to make payment through debit or card cards rather than cash. According to Pattan & Agrawal (2018), Debit card is most frequently used e-payment system amongst e-commerce users in Indore city. Customers had given extremely positive response towards debit card.

They also found that customers use debit card almost daily and it is the most user friendly for e-commers users. Jayaraj (2019) found that it is easier to make physical payment (credit card or debit card payments) rather than carrying too much cash contributing to the growth of plastic. The population is ready as ever to use plastic money at a greater level due to its high levels of ease and convenience. Prasanth et al. (2019) found there is positive correlation between amount which is spend monthly through plastic money and frequency of using plastic money.

## Objectives Of The Study

1) To study the spending pattern of debit card holders.
2) To find out the problems faced by customers while using their debit card.
3) To evaluate the benefits attached to debit card.

## Hypothesis Of The Study

$H_0$: Customers does not face problems while using debit card.
$H_1$: Customers face problems while using debit card.
$H_0$: Customers does not get the benefits attached to debit card.
$H_2$: Customers get the benefits attached to debit card.

## Limitations Of The Research

1) The study includes only Debit card holders of public sector banks.
2) The sample taken for the study is restricted to Amravati City.

## Research Methodology

The study follows Descriptive method of research as it combines an observation, interview and survey. The data was collected from both the sources primary as well as secondary using simple random sampling method. In the study, 120 card holders were asked to fill the questionnaire. Secondary data was collected from various reports, papers, review articles, books, newspaper etc. For the analysis part, weighted average method and 'f-test' was used. The study has used Microsoft excel for analyzing the data and interpreting the results.

## Data Analysis And Interpretation
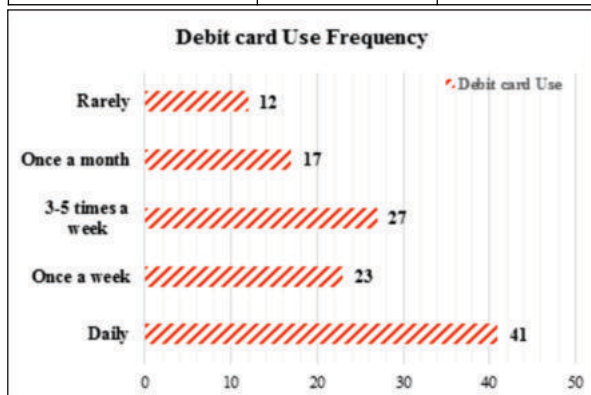
### 1) For The Present Study The Gender Ratio Is:

|  | Respondents | Percentage |
|---|---|---|
| Male | 68 | 57% |
| Female | 52 | 43% |
| Total | 120 | 100% |
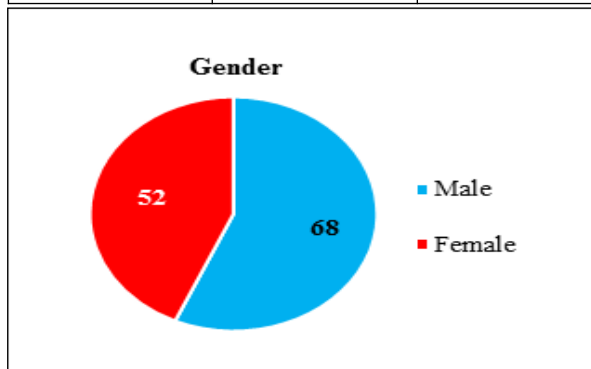


There were 68 male and 52 females with 57% and 43% respectively.

### 2) The Frequency Of The Use Of Debit Card For The Study Is As Follows:

|  | Respondents | Percentage |
|---|---|---|
| Daily | 41 | 34% |
| Once a week | 23 | 19% |
| 3-5 times a week | 27 | 23% |
| Once a month | 17 | 14% |
| Rarely | 12 | 10% |
| Total | 120 | 100% |



According to the data, 34% respondents use their debit daily, 19% once a week, 23% 3-5 times a week, 14% once a month and 10% rarely. Maximum debit card holders of public banks use their card daily in Amravati city.

### 3) Spending Pattern Of Debit Card Holders

| Categories | Preference 1 | Preference 2 | Preference 3 | Preference 4 | Preference 5 | Total | Weighted Average | Rank |
|---|---|---|---|---|---|---|---|---|
| Groceries | 60 | 22 | 16 | 12 | 8 | 118 | 118 | Rank I |
| Consumer Durables | 68 | 18 | 17 | 0 | 0 | 103 | 103 | Rank III |
| Clothing and Jewellery | 52 | 11 | 0 | 0 | 0 | 63 | 63 | - |
| Restaurants Bill payments | 0 | 0 | 26 | 14 | 38 | 78 | 78 | Rank V |
| Electronic | 42 | 36 | 19 | 13 | 5 | 115 | 115 | Rank II |
| Hotel accommodation | 29 | 21 | 18 | 0 | 0 | 68 | 68 | - |
| Airlines/railway tickets | 49 | 31 | 11 | 5 | 0 | 96 | 96 | Rank IV |

The above weighted average analysis shows that debit card holders gave rank I in case of spending from their debit card to groceries, Rank II to electronic, Rank III to consumer durables, Rank IV to airline/ railway tickets booking and Rank V to restaurant bill payment.

**Hypothesis 1**: Customers do not face problems for using their debit card.
Customers face problems for using their debit card.

| One way ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| Source of Variation | SS | df | MS | F | P-value | F crit |
| Between Groups | 31144.82 | 1 | 31144.82 | 5650.463 | 8E-168 | 3.880827 |
| Within Groups | 1311.833 | 238 | 5.511905 | | | |
| Total | 32456.65 | 239 | | | | |

The F-value for this hypothesis is found to be 5650.463 which is greater than the table value that is 3.880827. As the calculated value is greater than the table value, we reject the null hypothesis and accept the alternate hypothesis. Thus, we can conclude customers do face problems while using the debit card.

In this case, the F-value is smaller than the table value which is 0.213673, we reject the alternate hypothesis and accept the null hypothesis. Hence, we can say that customers do not get benefits attached to debit card in Amravati city.

**Hypothesis 2:** Customers does not get the benefits attached to debit card.

Customers get the benefits attached to debit card.

| One way ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| Source of Variation | SS | df | MS | F | P-value | F crit |
| Between Groups | 0.228167 | 1 | 0.228167 | 0.213673 | 0.644326 | 3.880827 |
| Within Groups | 254.1437 | 238 | 1.067831 | | | |
| Total | 254.3718 | 239 | | | | |

## CONCLUSION

Debit card and is services are an essential part of the banking products today. Customers use their card for various purpose almost daily. The paper has studied the spending pattern of debit card holders. In addition to this, the research study has also studied the problems and benefits attached with the service of debit card. The research study concluded that maximum debit card holders use their card daily. In case of spending by debit card holders the preference is groceries, electronic, consumer durables, airline booking and restaurant bill payment. The major part of the research focus on the problems and benefits with regard to debit card services of public sector bank. Even after using card daily customers face many problems while using the debit card. It was also found that customers do not get any major benefit for using their debit card. Hence, the public sector banks must focus more on the part of customer service with reference to the debit card services.

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