

A STUDY ON THE SATISFACTION LEVEL OF DEBIT AND CREDIT CARD HOLDERS OF NATIONALISED BANKS IN AMRAVATI CITY

Ms. Harsha S. Parecha*
Dr. Mahesh C. Dabre**

ABSTRACT

The research study is based on the satisfaction level of debit card holders and credit card holders of public banks in Amravati city. Debit and credit card have 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. As the world is moving towards digitalization in all the fields, debit card and credit card have become an important payment mode rather than cash. The study has primarily taken into consideration the satisfaction aspect of debit card holders. The study has used Pearson Correlation and 'T-test' for the analysis of primary data. Whereas the secondary data was collected from various sources like books, journals, articles etc.

KEYWORDS: Digitalization, Pearson Correlation, Nationalised Banks, Secondary Data, Primary Data.

Introduction

The introduction of the electronic fund transfer system in late 1970s created ways for the advent of ATMs, Direct Deposit of Payroll, Pay by Phone, Point of Sale, Credit card and Debit card, Automated Clearing House, Cash Deposit Machines, Auto-banking etc. Before debit and credit cards were developed, merchants would issue a line of credit to customers who did not have the funds to purchase their product.

We are living in such a dynamic country where opportunities get multiplied and create bigger opportunities. Opportunities for all kinds of business, goods, services and that is how, there is a grant and huge market for Debit and Credit card. The concept of card and its usage is not new to Indian customers. Cards have made significant growth in past decade in India. And the current era is experiencing a different spirit in people with regard to card or cashless society. Plastic money has caught the attention of Central Banks, financial authorities, law enforcement agencies etc. As today with the growing technology people are becoming smart and they need smarter ways to live their life in all aspects (Gomez & Capie, 2003). People are willing to pay for almost everything with card, it is because of its convenience. Technology has provided a helping hand to banking sector.

Highly educated people use credit card more, availing high credit limits. The usage extent of credit card is smaller among higher proportion of the card holders. Due to high rate of interest customer satisfaction is less (Deviranjitham & Thamilarasan, 2014). E-banking will be successful for banks only when they have commitment to e-banking along with a deeper understanding of a customer needs. She stated that different age group of customers have different perception towards the e-banking services (Fozia, 2013). The satisfaction of the customer is the primary aim of banking sector thus widening the scope of banking services. Consumers who prefer convenience are more likely to get attracted towards debit card. The evolution of electronic money is a striking trend in the area of Retail Payments (BOJ, 2008).

* M.Com, M.Phil., M.A. (Eco), NET, SET, M.A. (Pol. Sci), Ph.D. Scholar.

** Professor, Smt. L. R. T. College of Commerce, Akola, Maharashtra, India.

Recent Changes in Card Services by Reserve Bank of India

On 16th March 2020, the Reserve Bank of India has changes rules and regulations regarding cards and also announced some new features that will assist customers in various means and ways.

The recent changes by the RBI are as follows:

- The RBI has directed banks to allow only domestic card transactions at ATMs and Point of Sale (PoS) terminals in India at the time of issuance/re-issuance of the card.
- The card holder now has to choose an option for their debit or credit card international transaction, online transaction, contactless transaction etc. which was earlier available by default to all the card holders.
- A card holder can change the limit of transaction within the overall card limit for all different types of transactions. All the customers from now on are allowed to set up their transaction limits for the debit or credit card.
- RBI has asked all the banks and card issuing companies to disable online payments for all those debit and credit cards which have never been used for online or contactless transactions in India or abroad.

Review of Literature

Kosse. A (2013) discussed about the safely measures of cash and debit cards. They determined that customer's preference in case of payment is strongly influenced by their views on safety of payment instrument. **Bachas et al. (2017)** suggested that trust in any financial institution is not a sufficient condition but a necessary condition. **Mynuddin (2016)** found that Debit card is highly related to Modern Economy. Commercial Banks in Bangladesh must look into the identified factors before issuing debit card to the users. They must educate consumers about the services and benefits of the Debit card. **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. **Radhika and Devi (2018)** revealed that in the case of transactions, more than 50 percent of respondents choose cash payment for the values less than 10,000. This indicates that customers prefer cash payment for low value transactions. **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 Research

- To study the relation between age and satisfaction level of card holders in Amravati city.
- To find out whether there is any difference in the satisfaction level of debit card holders and credit card holders.

Hypothesis of the Research

H₁: There is a relation between age and satisfaction level of card holders in Amravati city.

H₂: There is difference in the satisfaction level of debit card holders and credit card holders.

Limitations of the Research

- The study includes only debit card and credit card holders of public sector banks.
- 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, 100 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, 'F-test' was used. The study has used Microsoft excel for analyzing the data and interpreting the results.

Data Analysis and Interpretation

Table No. 1: Hypothesis 1

H₀: There is no relation between age and satisfaction level of card holders in Amravati city.

H₃: There is a relation between age and satisfaction level of card holders in Amravati city.

Correlations			
		Age	Satisfaction
Age	Pearson Correlation	1	-.095
	Sig. (2-tailed)		.349
	N	100	100
Satisfaction	Pearson Correlation	-.095	1
	Sig. (2-tailed)	.349	
	N	100	100

The mean of Age of the respondents is calculated as 2.5 and mean of satisfaction level is 2.91. In this case, the standard deviation of age is 1.12 and satisfaction is 0.427. According to the analysis, the values show that there is Low Negative correlation between age and satisfaction among the card holders of Amravati city. The p-value is greater than the significance value of 0.05, so we can say that correlation is not statistically significant.

Table No. 2: Hypothesis 2

H₀: There is no difference in the satisfaction level of debit card holders and credit card holders.

H₃: There is a difference in the satisfaction level of debit card holders and credit card holders.

T-test						
	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)
Satisfaction (debit-credit card holders)	-.00222	.77745	.10995	-.020	49	.984

In the above table we can see, the difference in the mean of both the group is -.00222, the standard deviation is .77745. As we can see from the table, the significance value of t-test is 0.984 which is much higher than 0.05, we will accept the null hypothesis. Hence, we can conclude that there is no difference in the satisfaction level of the debit card holders and credit card holders.

Conclusion

The use of debit card and credit card is increasing continuously. More or less consumers prefer to pay with card nowadays. Payments through debit or credit card has been increased especially in the pandemic situation of COVID-19. Customers used their card for almost every single thing they buy. The research study focused on the satisfaction of the card holders. It was found that there has been a very low negative association among the age and the awareness level of the respondents. Also, there was no difference in the satisfaction level of the debit and credit card holders. It can be concluded that whether it's a debit card holder of a public bank or a credit card holder.

References

1. Bachas, P., Gertler, P., Higgins, S., & Seira, E. (2017). Banking on Trust: How Debit Cards Help the Poor to Save More. National Bureau of Economic Research, w23252, pp. 1-52.
2. Deviranjitham, S., & Thamilarasan, S. (2014). A Study on Usage and Satisfaction of Credit Cards by customers in Krishnagiri District. *International Journal of Business and Administration Research Review*, 2(4), pp. 160-165.
3. Developments in Electronic Money in Japan during Fiscal. *BOJ Reports and Research Papers*, (2008).
4. Fozia. (2013). A Comparative Study of Customer Perception toward E-banking Services Provided by Selected Private & Public Sector Bank in India. *International Journal of Scientific and Research Publications*, 3(9), pp. 1-5.
5. Gormez, Y., & Capie, F. (2003). *Prospects for Electronic Money: A US – European Comparative Survey*. The Central Bank of the Republic of Turkey, Turkey.
6. Kosse, A. (2013). The Safety of Cash and Debit Cards: A Study on the Perception and Behaviour of Dutch Consumers. *International Journal of Central Banking*, 9(4), pp. 77-98.
7. Mynuddin. M. (2016). Debit Card Adoption Attributes and Customer Satisfaction: A Study on Dutch Bangla Band Ltd. *Journal of Business and Technology (Dhaka)*, 11(01), 129-140.
8. Prasanth A., Kumar S. G., Sowmiya M., Keerthana K. & Priyanka M. (2019), Customer Perception Towards Plastic Money. *International Journal of Advance Research and Innovative Ideas in Education*, 5(1), pp 422-433.
9. Radhika, K. P., & Devi. A. (2018). Use of Electronic Payment Instruments and Effect on Cash Management: A Micro Analysis. *Economic Affairs*, 63(3), pp. 717-723.
10. Sultana, N., & Hasan, M. (2016). Investigating the Consumers' Perception Towards Usage of Plastic Money in Bangladesh: An Application of Confirmatory Factor Analysis. *South East Asia Journal of Contemporary Business, Economics and Law*, 9(2), 16-24.

