

Perception of Customers towards Debit cards in Online shopping with special reference to Madurai City

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Abstract: After the pandemic COVID-19, there is a notable increase in the volume of online sales. Customers have become accustomed to shopping online rather than wasting time waiting in long queues for billing and purchasing goods. With the involvement of internet in financial transactions, customers have got a wide range of payment methods to opt from. There are payment methods which allow making cashless transactions with minimum cost and user-friendly procedures. Debit cards are one of the most widely used payment instruments for online transactions. It allows users to make payments through both payment processing machines and mobile applications. Though debit cards are not being used as widely as Unified Payment Interface (UPI) applications, they have been ruling the payment industry, being a constant method of making cashless transactions. This study examines the perception of customers towards debit card usage in online shopping, with special reference to Madurai City in Tamil Nadu. The findings indicate that convenience, ease of transaction, and direct deduction from bank accounts are the major factors influencing the use of debit cards for online shopping. However, concerns regarding transaction security, fraud risk, and refund delays continue to affect customer confidence to a moderate extent.

Key words: Debit cards, Online Shopping, Method of payment

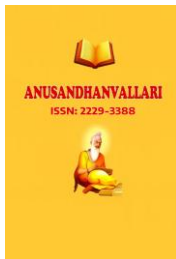
Introduction

The rapid expansion of e-commerce has significantly transformed consumer buying behaviour, particularly with the growth of digital payment systems in India. Initiatives such as Digital India and regulatory support from the Reserve Bank of India have encouraged the adoption of electronic payment methods, including debit cards, for online shopping. Debit cards are widely preferred due to their convenience, direct linkage to bank accounts, spending control, and enhanced security features. The increasing popularity of e-commerce platforms has further strengthened digital payment usage across urban centres. Changing consumer lifestyles, improved internet access, and growing digital awareness have influenced the use of debit cards for online transactions. However, customer perception varies based on factors such as security concerns, ease of use, trust, and transaction reliability. This study aims to examine customers' perceptions toward debit card usage in online shopping in Madurai City.

Review Of Literature

(Dr. Amit Verma, 2022) Most of the consumers prefer debit cards while making cashless transactions. The e-payment service providers must advertise their services on televisions or use other popular promotional techniques to make the consumers aware about the availability and benefits of their services.

(Dr. Ranjith Somasundaran Chakkambath, 2021) Debit card and cash on delivery are the most preferred modes of payment. And that family's income influences the choice of cash on delivery. And the authors have suggested that the banks and other parties involved should make the users feel safe in order to make them use the other modes of payment. (Raju, 2020) Flipkart is the most preferred shopping portal for a majority of the customers and most of them use debit cards to make payments while shopping online. And the customers feel that making payments through debit cards is secure. Mukund and Tripathi (2024)



Online Shopping

Online shopping, a type of electronic commerce, enables consumers to purchase goods or services directly from a seller via the Internet, utilizing a web browser or a mobile app. Consumers can locate desired products by either visiting the retailer's website or exploring various vendors through a shopping search engine.

Payment methods

The online shopping service providers, provide their customers with a lot of payment methods which are readily available. Customers can choose the method of payment which cater to their needs and feasibility. The payment methods available in online shopping are Cash on delivery, Debit card, Credit card, Equal Monthly Installments, Unified Payment Interface, Buy-Now-Pay-Later, E-Wallets, Gift cards and the like.

Debit card

A Debit Card is a plastic card which allows the customers to make payments without carrying cash. Customers can access the funds from their savings or current account through ATMs or PoS terminals. The transaction is directly reflected in the customer's bank account. These cards are issued by bank to their customers. VijayaKumar. (2024)

Objectives

- i. To analyze the awareness about Debit cards as a method of payment in online shopping among customers.
- ii. To assess the preference of customers towards Debit cards.
- iii. To find out the problems faced by the customers' in using Debit cards.

Methodology

The sample size taken for this study is 50. The sampling design adopted for the study is Convenience sampling. Questionnaire was prepared to obtain the required primary data. The data collected through questionnaire was transferred to a master table from which various tables were prepared for further analysis. The secondary data was collected from the internet.

Framework of analysis

To analyse the primary data, the researcher has used the following tools:

- Percentage analysis
- Chi-Square test
- Garrett's Ranking

Hypothesis

- There is no significant relationship between the occupation of the respondents and their preference towards Debit cards.

Limitations of the study

- The study was restricted only to the respondents in Madurai city.
- The sample size is 50, it does not represent the whole population in the city.

Findings

- **Results of Percentage Analysis:**

Table 1: Demographic Characteristics of Sample Respondents

DEMOGRAPHICS	NO. OF RESPONDENTS (N = 50)	% OF RESPONDENTS
A. Gender:		
Male	25	50
Female	25	50
B. Age:		
Below 25 years	17	34
25 years – 50 years	19	38
50 years – 75 years	10	20
Above 75 years	4	8
C. Educational Qualification:		
HSC	12	24
UG	25	50
PG	10	20
Professional course	3	6
D. Occupation		
Student	20	40
Homemakers	5	10
Agriculturist	2	4
Self-Employed	4	8
Professional	19	38
E. Family's monthly income:		
Below ₹25,000	12	24
₹25,000 - ₹50,000	22	44
₹50,000 - ₹75,000	8	16
₹75,000 - ₹1,00,000	5	10
Above ₹1,00,000	3	6

Table 1 shows the demographic characteristics of the sample respondents. 50% of the respondents are male; 38% of them are between 25 to 50 years of age; A majority of 50% of the respondents have completed Under graduate courses; 40% of the respondents are students and 44% of them are between the ₹25,000 - ₹50,000 income category.

Table 2: Awareness and Consumer behaviour towards Debit cards

PARTICULARS	NO. OF RESPONDENTS	% OF RESPONDENTS
A. Source of Awareness:		
Word-of-mouth	26	52
Shopping Websites / Apps	3	6
Advertisements	4	8
Others	17	34
B. Frequency of using Debit cards in online shopping:		
Daily	1	2
Weekly	10	20
Monthly	25	50
Very frequently	9	18
Rarely	5	10
C. Maximum amount spent through Debit cards in online shopping per month:		
Below ₹20,000	32	64
₹20,000 - ₹40,000	16	32
₹40,000 - ₹60,000	1	2
Above ₹60,000	1	2
D. Duration of usage:		
Less than 1 year	2	4
1 to 5 years	7	14
More than 5 years	41	84
E. Problems faced:		
Security Concerns	3	6
Temptation to overspend	26	52
Dependency on Technology	14	28
Transaction Failures	4	8
Others	3	6

Table 2 interprets the awareness and consumer behaviour of the sample respondents towards Debit cards in online shopping. A majority of 52% of the respondents have come to know about the Debit cards through Word-of-mouth; 50% of the respondents use debit cards in online shopping once in a month; 64% have spent only Below

₹20,000 through Debit cards every month; 84% of the respondents have been using Debit cards for more than 5 years; 52% of the respondents opine that Debit cards creates a Temptation to overspend. Pal and Chaudhary (2024)

➤ Results of Chi-Square test

Hyp: There is no significant relationship between the family's monthly income of the respondents and the amount spent through Debit cards in online shopping.

Table 3: Chi-Square Tests (Family's monthly income & amount spent through Debit cards in online shopping)		
Calculated value	Degrees of freedom	Table value at 5% significance level
25.56	12	21.026

Since the Table value is greater than the Calculated value of Chi-Square, the null hypothesis is rejected. Hence there is significant relationship between the family's monthly income of the respondents and the amount spent through Debit cards in online shopping.

➤ Results of Garrett's Ranking

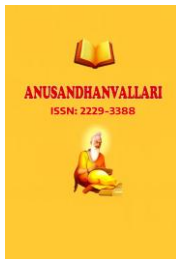
Table 4: Factors considered before choosing Debit cards in online shopping		
Factors	Mean Scores	Rank
Security	49.28	IV
User experience	42.49	VI
No burden of credit	58.72	I
Track expenses	54.33	II
Fees and costs	44.86	V
Integrity	40.66	VII
Lower Fees	38.92	VIII
Easier procedures	50.54	III

The factors considered by the customers before choosing Debit cards in online shopping were ranked using Garrett's Ranking. The Factor, "No burden of credit" was ranked first and the last rank was given to the factor "Lower Fees".

Suggestions

➤ A majority of the respondents use debit cards only once in a month. Which means, they prefer using different payment methods other than debit cards. The service providers should pay attention to this and should introduce reward programs for debit card users, which would attract them in using debit cards more frequently.

➤ The factor 'Lower fees' has got the last rank while ranking the factors considered by the customers before choosing Debit cards in online shopping. This means, debit cards are being charged higher when compared to the other payment methods, which makes the user to switch on to other methods. The policy makers should address this concern and reduce the fee charged on payments made using debit cards.



Conclusion

The study on the Perception of Customers towards Debit cards in Online shopping with special reference to Madurai City highlights certain concerns, particularly regarding higher fees, integrity and complicated user experience. Although banks and financial institutions have implemented advanced security measures such as OTP verification and secure payment gateways, some customers remain hesitant due to perceived risks associated with online transactions. Furthermore, demographic factors such as age, education level, occupation, and income significantly influence customers' perception and usage pattern of debit cards. Younger and more educated respondents show a higher level of confidence and frequency of usage in online shopping compared to older age groups.

In conclusion, the perception of customers in Madurai City towards debit cards in online shopping is largely positive, with increasing acceptance and usage. Nevertheless, there is a need for continuous efforts by banks, e-commerce platforms, and regulatory authorities to enhance cybersecurity measures, conduct awareness programs, and build greater trust among users. Strengthening digital literacy and ensuring secure transaction environments will further promote the adoption of debit cards and contribute to the growth of cashless transactions in Madurai City.

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