

1 E-Banking Based Facilities to the Modern Living an Empirical 2 Study in Punjab

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7 **Abstract**

8 Now day's a new culture has been cultivated of not carrying the money with you but still you
9 can buy whatever you want this is known as plastic money culture and become plastic money
10 fanatics. Mostly people are carrying debit/credit cards in their pockets every time for our day
11 to day requirements. But still people are not fully benefited with the advantages of these
12 cards. Therefore this paper is an attempt to find that all features are used by the customers
13 or not. If not than what are the reasons behind that. The paper contains qualitative as well
14 as quantitative analysis. This study is based on information obtained from primary sources
15 which includes 200 customers which are taken from the selected cities of Punjab state names
16 Jalandar, Ludhiana, Kapurthala, Patiala and Amritsar. The customers in the sample include
17 40 customers each from selected five banks.

18

19 **Index terms**— Debit and Credit Cards, Features, Usage and non-usage, Responsible authority.

20 **1 I. INTRODUCTION**

21 Banks are the financial intermediaries and it appears in several forms. The main services provided by banks
22 includes acceptance of deposits and facilitating loan facilities. In old day's bank provided the services of even
23 the customer can pay their bill through bank. Bank is providing the services of investment to the customer one
24 important service which we cannot ignore that is the service of plastic money which make the customer able to
25 carry any amount from one place to another without putting it into his pocket and use the money anywhere in
26 the world the plastic money refer to the Debit and Credit card. Most banks have chip and Pin card. To use
27 these cards the customer must have PIN and each card has different PIN assigned for use of the card. Today's
28 world the plastic money is very popular in customer due to its benefit of safety security, convenience in carrying
29 and of its liquidity. One of the main benefits of credit cards, for both buyer and seller, is that the transaction is
30 instantaneous. The customers do not need to complete any additional steps to finalize their purchases, and they
31 can make spur-of-the-moment decisions. Basically banks have to type of cards as follows:

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34 Punjab. E-mail : rkuppal_mlt@yahoo.com Debit Card Debit card is a card which allowed a customer to access
35 immediate to his fund electronically. Plastic card giving consumers access to their funds electronically. Debit
36 cards act like checks when paying for goods and services or withdrawing cash at automated teller machines.
37 Debit cards with MasterCard or Visa logos are more readily accepted than checks in many retail establishments.
38 Consumer purchases with a debit card, unlike a credit card, do not offer the convenience of paying over time,
39 because funds are withdrawn immediately (date of purchase with online transactions, or in the next two to three
40 days with Off-Line transactions). Debit card purchases are free of finance charges, making them advantageous
41 for lowdollar purchases.

42 Common Features Of Debit Card 1. No fuel surcharge many debit card holder need not to pay fuel surcharge
43 while using their debit card for payment transaction 2. Availability of the ATM location all over the world the

3 REVIEW OF LITERATURE

44 ATM locations is available in all over the world so immediate requirement of liquidity can fulfill 3. Banking cum
45 shopping facility Debit card has the feature of banking cum shopping facility the debit card holder can shop any
46 outlet where debit card is acceptable. 4. More withdrawal limit for every platinum card holder for Platinum
47 card holder the withdrawn limit is more than any other debit card the maximum withdrawal limit provided by
48 the bank is Rs.2,00,000 5. More amounts required as deposits for platinum card holder the requirement of the
49 deposit amount is more than any other debit card. 6. Cash back offer -The banks are giving some percentage of
50 cash back on debit card while using it in any restaurant suggested by the bank for dining.

51 2 Credit Card

52 A credit card allows consumers to purchase products or services without cash and to pay for them at a later date.
53 To qualify for this type of credit, the consumer must open an account with a bank or company, which sponsors a
54 card. They then receive a line of credit with a specified dollar amount. They can use the card to make purchases
55 from participating merchants until they reach this credit limit. Every month the sponsor provides a bill, which
56 tallies the card activity during the previous 30 days. Depending on the terms of the card, the customer may
57 pay interest charges on the amount that they do not pay for on a monthly basis. Also, credit cards may be
58 sponsored by large retailers (such as major clothing or department stores) or by banks or corporations. The
59 bank who issued credit card make there profit in three ways: Firstly, they charged interest on unpaid amount.
60 Secondly, they charged an annual fee from the customer. Thirdly, from the merchants the sponsors make money
61 by charging merchants a small percentage of income for the service of the card. This arrangement is acceptable
62 to the merchants because they can let their customers pay by credit card instead of requiring cash.

63 Common Features Of Credit Card 1. Global acceptance in this study this is found that mostly every card has
64 the feature of global acceptance. The credit cards are world-wide acceptable 2. Fuel Surcharge waiver every fuel
65 credit card has fuel surcharge waiver there can be difference between the reward points. But as per the waiver
66 there are 0%-2.5% fuel surcharge waiver on fuel 3. Cash advance facility the holder can get the cash advance on
67 its credit card. 4. Loan facility on credit card the holder has the facility to get the loan on that 5. EMI Facility
68 the credit card holder can purchase any good on EMI basis through the credit card 6. Insurance benefit: the
69 credit card holder got the insurance benefit on the credit card. 7. Loss Liability: the credit card holder have
70 the facility of blocking the card at the time of its lost and he need not to pay the amount up to certain limit
71 if he registered the complaint within the timeframe. 8. Billing Statement: every credit card holder has billing
72 statement facility which they can get easily by online.

73 9. Reward program: every credit card has the feature of reward points which the holder can redeem any outlet
74 suggested by the particular bank. 10. Low interest credit card most of the bank having lower interest rate option.
75 These types of card segmented as the name of low interest credit card. 11. Dining credit card:-in this credit
76 card there are benefits or waiver related to having dinner at any hotel suggested by the bank. 12. Railway card:
77 mostly bank that issued railway credit card has the facility to get the waiver in the railway fare up to a certain
78 limit. 13. Joining fee and annual fee: almost every credit card has some joining fee and annual fees range is
79 between 200-500 Above mentioned are the common features of various debit and credit cards offered by selected
80 banks that are Citibank, Standard Chartered Bank, HSBC and State Bank of India (SBI) and Bank of Baroda.
81 ii.

82 3 REVIEW OF LITERATURE

83 Jonas (??008) discussed that the credit card holder can take the help of solicitor to write off the credit card
84 unpaid loan. If the loan is too old or before 2007 then it will automatically written off otherwise solicitors can
85 arrange written of loan by taking some fees on that this scheme help the credit card holder to save him in poor
86 credit rating. Jessy (??10) study was based on written of the credit card debt in full. If the debt is old or
87 the customer can be able to prove that any debt is unauthorized then the debt can be written off in full. The
88 author has mainly discussed that if the credit card holder did not informed by the credit card company about
89 the changing interest rate and the charges then the debt will be written off in full. Lamaute ??2011) expressed
90 that credit card is the best option when other source of credit is hard to available. Some people are tapping
91 their retirement accounts to pay off their high credit card debt. Tapping one's nest egg should be used only as
92 a last measure, but for those who decide to go that route getting a 401(k) loan may be a smarter move than
93 taking a distribution from an Internal Revenue Service (IRA) or 401K and being hit with taxes and a 10% early
94 withdrawal penalty. That's because with a 401K loan. There are no taxes and penalty on early withdrawal as
95 long as the loan is repaid on time according to the loan terms and less rate of interest. Strauss (2011) expressed
96 the effect of debt written off against the credit card if there is a default in the payment of the credit card instead
97 of giving the debt account in the hand of collection agency hired by the credit card company it is much better
98 to take the help of the lawyer who must be expert in his field and able to arrange benefit of negotiation from
99 creditor for the credit card holder. ??aheshwari (2011) expressed that the number of debit card and credit card
100 are going to increase vary rapidly in India. The study was based on rational statistics and it was proved that
101 the debit and credit card has increased usage in India. This study also provides extensive information on the
102 traditional markets along with the emerging markets.

103 4 iii. NEED OF STUDY

104 There were so many studies which are based on the plastic many services but no one has discussed about the
105 usage of all the available features of the cards by customers. This study includes that how many customers are
106 using the complete features of the debit and credit cards. In case of non-usage of some features then what are
107 the reasons behind. And what are those features which are not commonly used by the customers. If there lack
108 of awareness about the usage of available features than who is responsible either government, bank or customer
109 itself to make them aware for the same.

110 IV.

111 5 OBJECTIVES

112 To study the existing features of the debit and credit cards issued by selected banks.
113 To find the reasons behind the usage and non usage of some features of the cards by the customers.
114 In case of non-usage of some features than who is responsible to make the customers aware about the same.
115 To find the extra features required to be added with existing features.

116 V.

117 6 RESEARCH METHODOLOGY

118 As this study is empirical in nature so that primary data was collected with the help of a structured questionnaire.
119 To study the usage of available features of debit and credit cards, primary data was collected from 200 customers,
120 40 customers from each selected bank in the sample named Citibank, Standard Chartered Bank, HSBC, State
121 Bank of India (SBI) and Bank of Baroda from Punjab state in northern India with the help of convenient sampling
122 method. . And secondary data has been collected from internet, journals, articles and other publications.
123 Statistical comparisons are made with the tables, graphs and ratio analysis. Fig 8 shows that 56 % of the
124 customers having debit cards are not using all other features than money withdrawn because they are not aware
125 for other features offered with their cards. It shows that non-usage of all features of cards has one reason that
126 was due to lack of awareness about all the features of the cards. 37 % people responded that the reason behind
127 the nonusage of some features was that those features are not profitable for them. And 33% of total respondents
128 were not used the features of debit cards because banks has extra charges for the same and 7% people thought
129 that they have no need of these features only money withdrawn was enough feature for them. But the basic
130 condition behind that was customers has to pay some charges for the same. 53% customers have used credit
131 cards for fuel surcharge waiver. 42% of the total credit card holder used the reward point system.

132 7 VI. FINDINGS AND INTERPRETATION

133 Here it was also felt that percentage customer was more who used credit card features in comparison to debit
134 card features. that bank was taking extra charges for that so they are not interested in these features. 55%
135 respondents said that the services are not profitable. Fig11 : Responsibility to make the respondents aware

136 It is found in table 8 and table 10 maximum no. of respondents reply that they are not aware about all the
137 features available in their debit and credit cards.

138 Then it has been asked to the all the respondents that whose responsibility was that to make them aware
139 about the usage of the features of cards with them. 71% respondents answered that bank should remind the
140 customer for the features available in their cards, 3% said government (Monetary regulatory authority) should
141 make them aware through advertisements, and 26% answered that it was there own duty to get the information
142 from the bank regarding the features of the cards and to read the available leaflet given with the cards as shown
143 in fig 11 ?? VII. RECOMMENDATIONS 1. Renewal fees should not be there at the time of card renewal. 2.
144 World-wide accepted credit cards should be offered. 3. Password is required at the time of swapping of cards. 4.
145 Annual fee should not be charged on credit cards. 5. Extra charges should not be there for any add on features.

146 6. No marketing call should be there. 7. Information should be given by notice. 8. Customer relationship
147 should be strong in public banks. 9. One of the respondent told SBI debit card with world wide acceptance
148 features hasn't worked in Nepal. That type of complaints should be taken care very seriously.

149 VIII.

150 8 STRATEGIES TO ENHANCE E-CUSTOMER BASE IN 151 BANKS

152 1. The bank can convert the non users into users by providing some features free of cost to the customers. 2.
153 Customer Relationship Management should be stronger in all the banks.
154 3. Credit cards features should be available at lesser charges and if possible some features should be free of cost
155 to make their usage popular as the main reason behind the popularity of debit cards then credit cards is that the
156 debit cards having no annual fee which can generate customer interest. 4. Send features update along with the
157 monthly statement. 5. Arrange customer meeting periodically to get the service feedback from the customers.
158 6. There should be strong awareness program like advertisements about banking services for the customers. 7.
159 There should a security key or password requirement available for the card holder at the time of swapping.

160 Because at the time of swapping swap machine never ask for password which can be a cause of bad transaction
161 and customer face the problem due to security reasons. 8. No extra charges should be deducting without prior
162 information to the customers about the features available with some charges. Some message alerts can be used
163 for the same. 9. Banking regulatory authority should work for the popularity of usage of swapping machines.
164 10. Interest rate should be less in credit cards. 11. There should be proper assessing late fees and no charges to
165 the customers for the services which they never ordered like credit insurance.

166 IX.

167 9 CONCLUSION

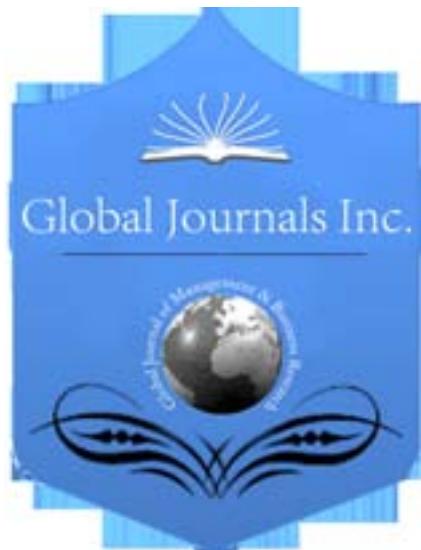
168 Finally it can be concluded that plastic card facility is good for all but credit cards are very costly in term of more
169 interest charges, annual fees, renewal fees etc. There should be fewer charges for the same and customer should
170 be made aware about the features given by the bank to the customer along with the cards. So that customer
171 is able to use these facilities. And banks should take the responsibility of making their customers aware for the
172 features in cards at proper time and also inform to the customers for all extra charges for their services.

173 10 Annexure

174 11 QUESTIONNAIRE

175 I am conducting a survey on "E-Banking Based Facilities to the Modern Living" for my research paper. Kindly
176 devote some time to answer the questions. This information should be used only for research paper and kept
177 confidential.

178 12 Personal profile



1

Figure 1: Fig 1

179 1 2 3 4

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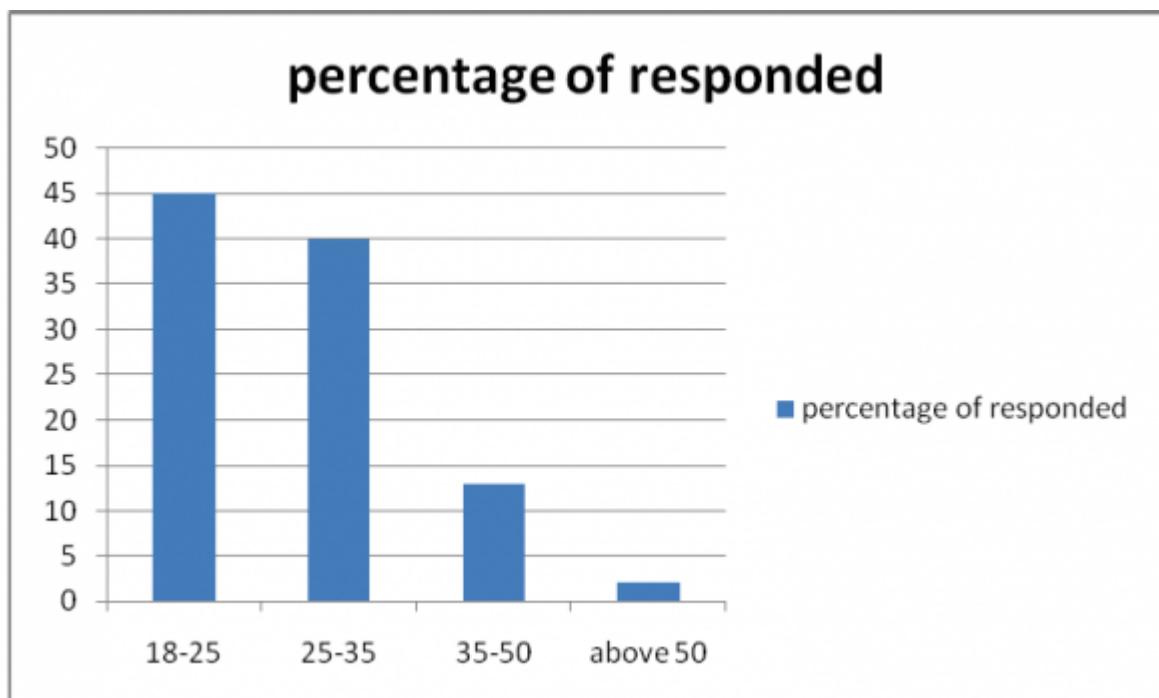


Figure 2: .

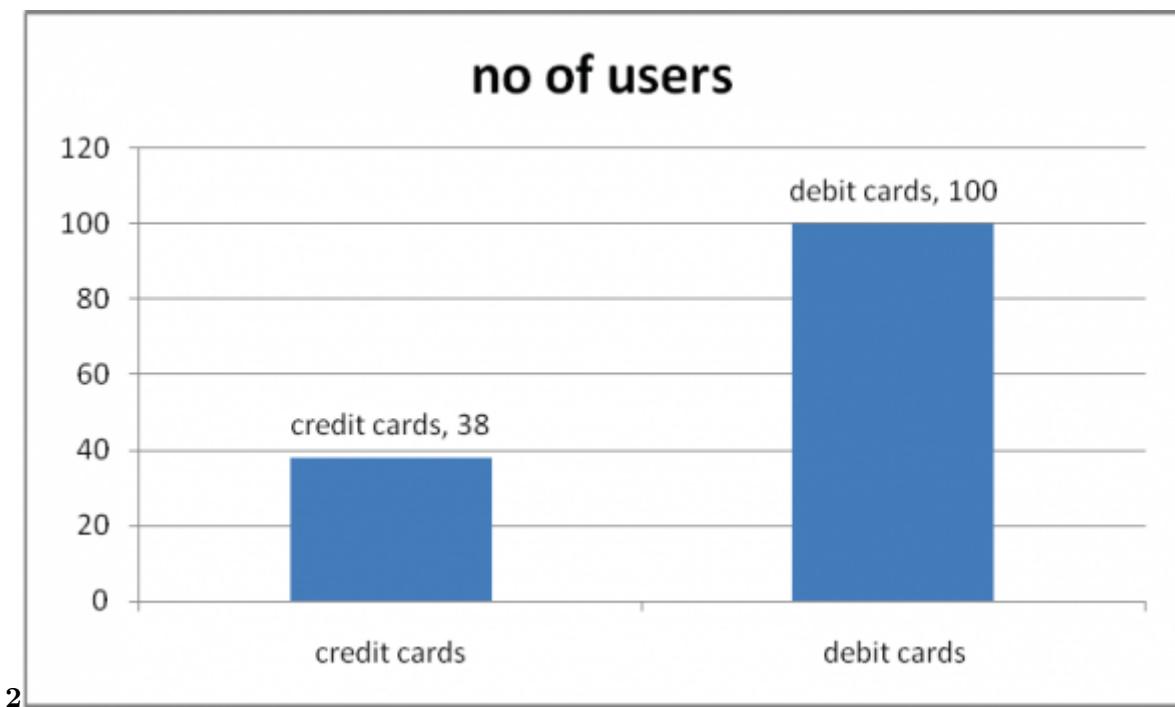


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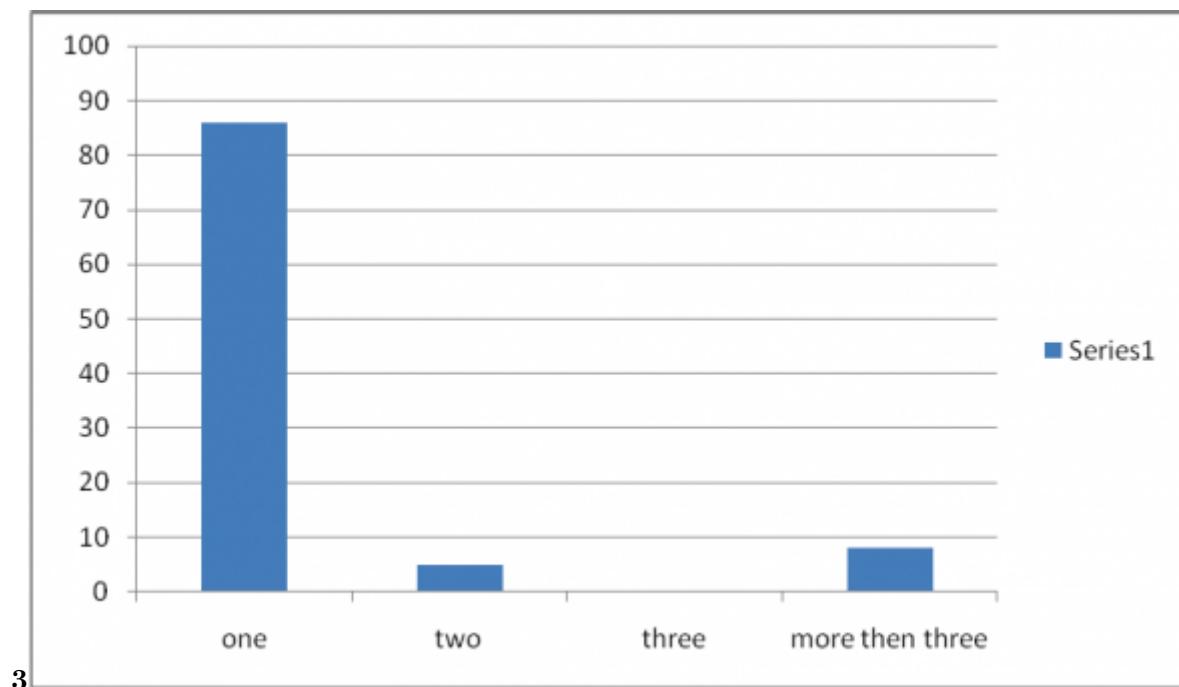


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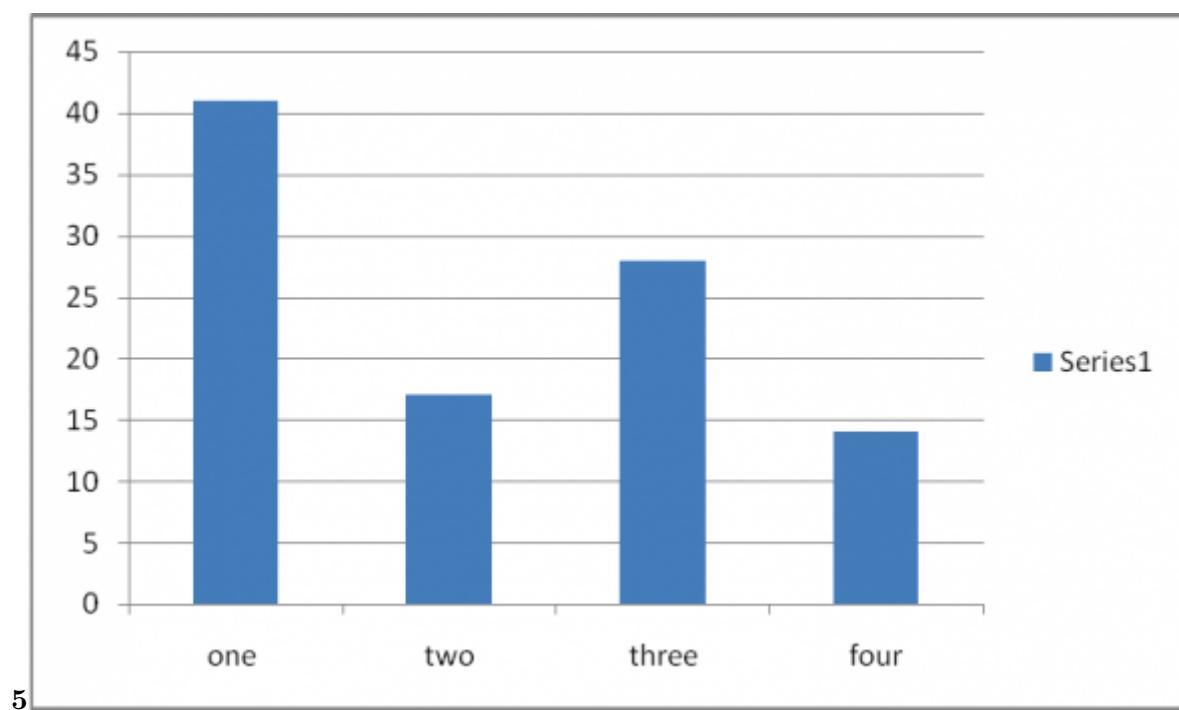


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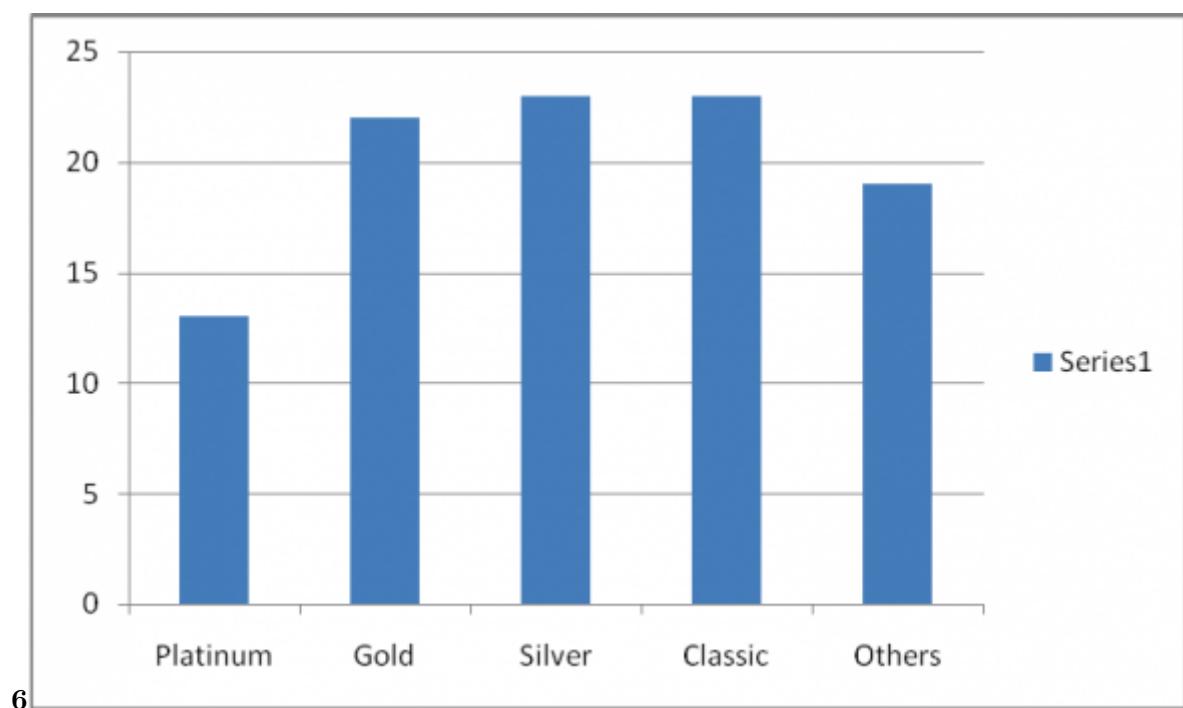


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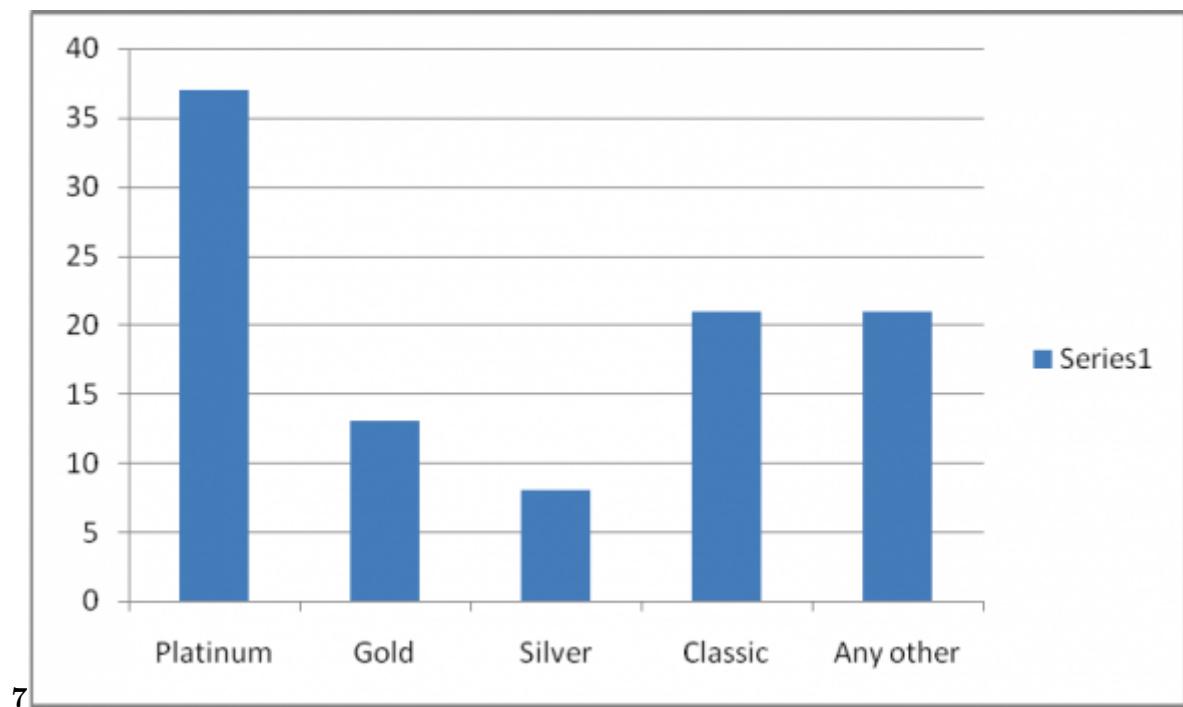


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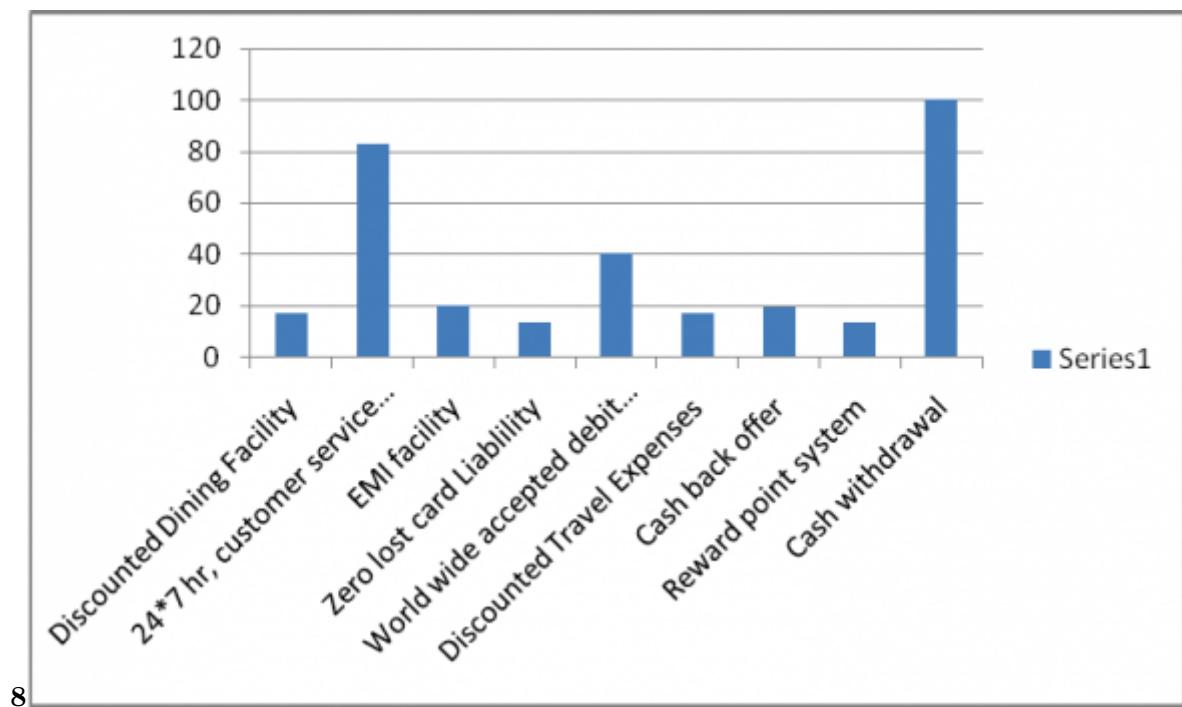


Figure 8: Fig 8 :

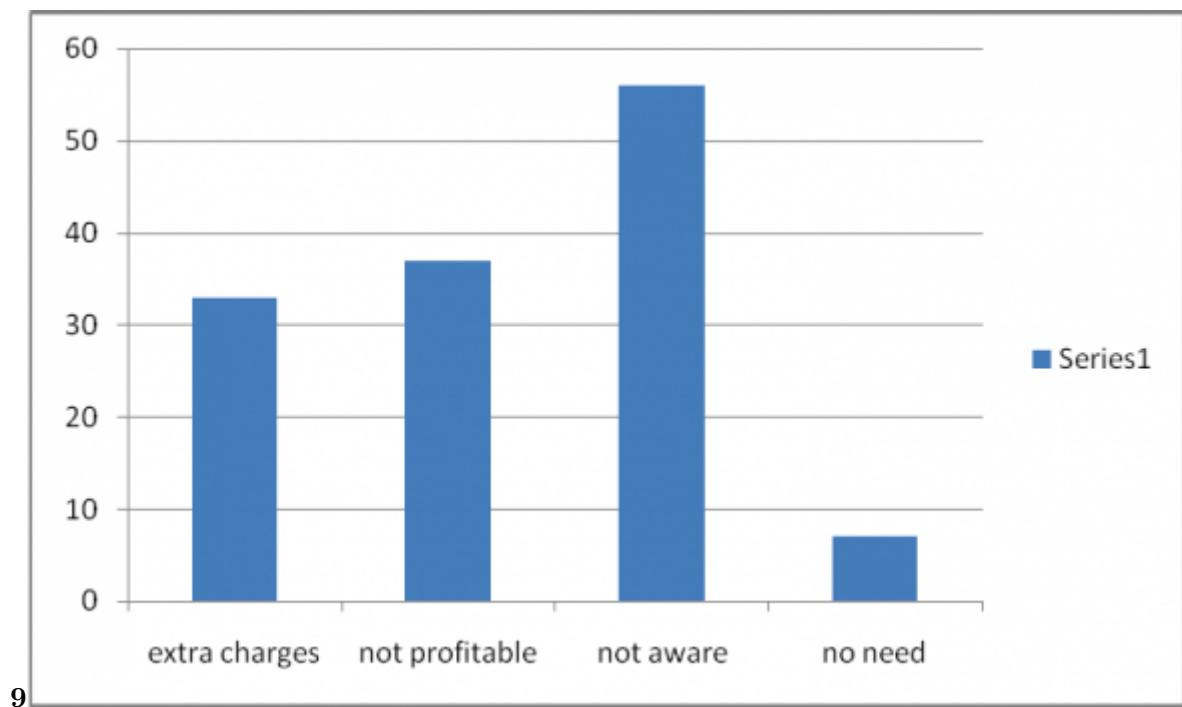


Figure 9: Fig 9 :

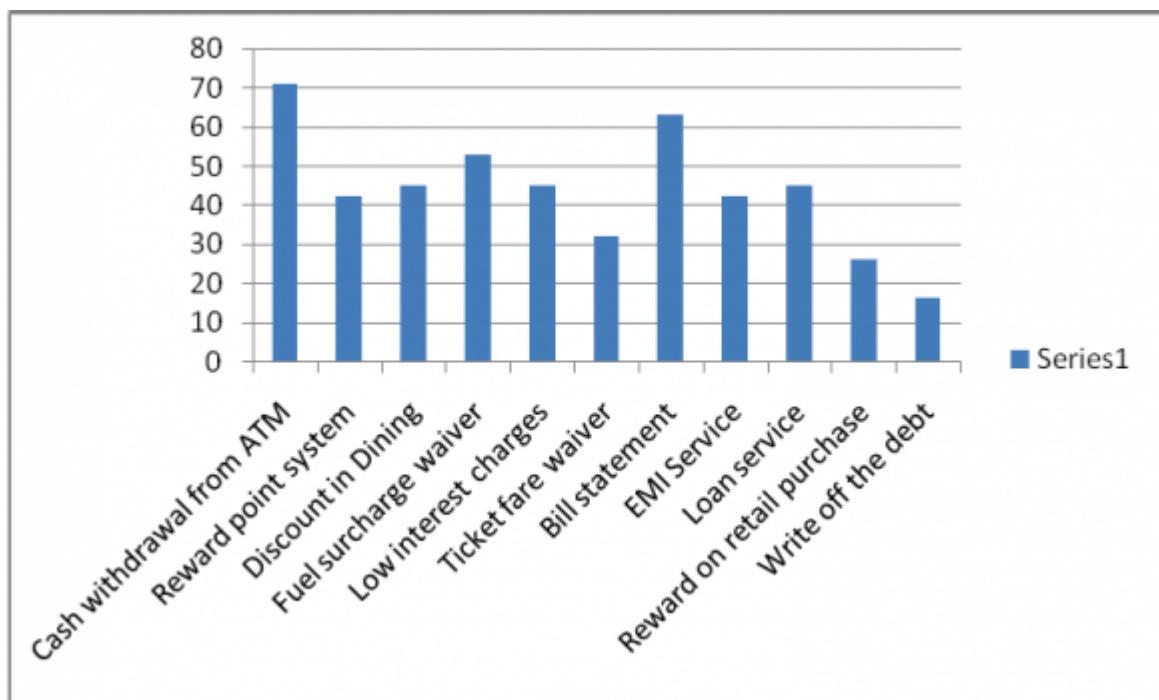


Figure 10: 69

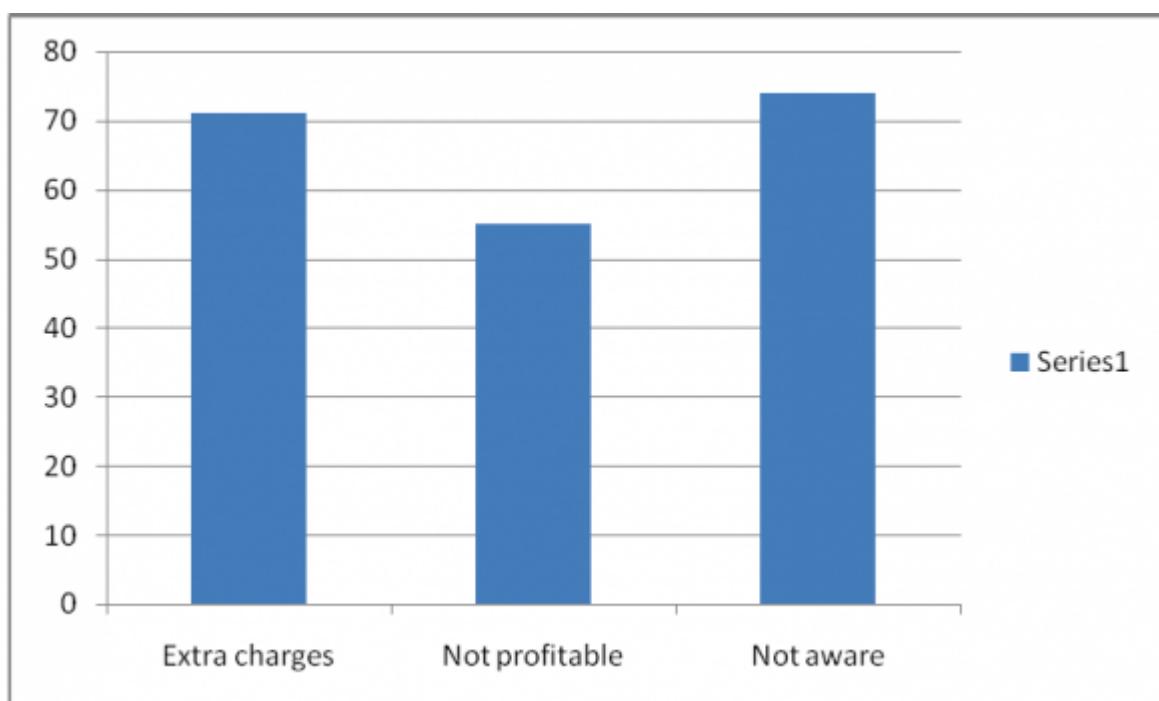


Figure 11:

11

Responsible Percentage respondents	
Bank	71
Government	3
Self	26

Figure 12: Table 11 :

180 X.

.1 IMPLICATIONS OF THE STUDY

182 This study is very fruitful for the banking sector as they can make their card features better and customer
183 friendly. Banks can also rework on their customer relationship management system as sometimes bank employees
184 behavior is not right with the customer so they never ask for any add on services from bank. Banks can take
185 some more initiatives in the direction of conversion of their non-user customers in user customers which enhance
186 the productivity of the banks. Customers also get benefitted with this study as they can get much better services
187 and good features availability for their routine transactions. . If the answer is not aware for the above mentioned
188 features of the card then who is responsible to make you aware for that.

.2 XI. SCOPE FOR FURTHER STUDY

.3 Bank

191 Govt. Self 12. Please suggest the feature except above which you think to be required:

192 In debit card?????????????????????????
193 In credit card ????????????????????????

194 [?Can-Credit-Card-Debt-Be-Written-Off-in-Full?id=4795846] ?Can-Credit-Card-Debt-Be-Written-Off-in-
195 Full?&id=4795846, <http://ezinearticles.com/>

196 [banking-articles/onlinebanking-services-can-help-preventlong-lines-in-the-banks-3403003] banking-
197 articles/onlinebanking-services-can-help-preventlong-lines-in-the-banks-3403003, <http://archives.chennaionline.com/columns/variety/2007/07article26.asp> <http://www.answers.com/topic/charge-card#ixzz1IdE7r9co> (Can-Credit-Card-Debt-Really-Be-Written)