

# Debit Card Use in Dhaka City: A Survey to Identify the Problems and Prospects

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## Abstract

*Debit card is one of the prominent card services which offers customers 24- hours banking access, such as cash withdrawal, purchasing of goods and services, etc. But sometimes customers are to face many problems i.e. non-availability of Taka, network problem, lack of desired value denominated notes and so on. This paper investigates the customer satisfaction in this regard. From the study it was found that although people of our country were reluctant to use technology, people seem to get more comfortable to technology now. For the blessing of debit card, users really don't need to stand on queue in the bank for transaction. By using debit card consumers can perform secure & quick transactions in their accounts but sometimes they get serious trouble on their account like ID theft, account hacking, mistransaction etc. For these reasons, consumers have mixed opinion on satisfaction. By improving network service, providing receipt after transactions and solving of problems promptly, banks can make their debit card users fully satisfied.*

## 1. Introduction

Since the beginning, private banks have been trying their best to keep their customers satisfied. Debit card service is one of their latest services and it let customers bank any time. Debit card was first introduced in 1967 at Barclays Bank in Enfield in London by the Scottish Scientist Shephard Baron. The study is aimed to explain the present scenario of existing ATM services & to analyze the satisfaction level of consumer.

The persistent influence of information technology is felt robustly in the banking sector of Bangladesh. The advance of communication and computer technology and the availability of the Internet have made it possible that one can do most banking transactions from a remote location even without stepping into a physical financial structure - that is, the emerging of e-banking. E-banking is now a global phenomenon. The developed country as a part and

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parcel of their economy is now using electronic banking or online banking. The most popular e-banking service is the debit card, the present study aims to reveal its problems and prospects.

## 2. Objectives of the Study

The study is broadly aimed at explaining the present scenario of existing ATM services & to analyze the satisfaction level of consumer. This study is specifically conducted with a view:

- To assess the extent and dimension of debit card using in Dhaka City.
- To investigate the problems and prospects of debit card using in Dhaka City.
- To reveal the customer satisfaction of debit card using in Dhaka City.

## 3. Research Methodology

### 3.1 Sample Size Determination

We know that, for an assumed proportion, the sample size is determined by the following formula

$$n = \frac{z^2 pq}{d^2}$$

Where, n = desired sample size,

z = standard normal deviate, usually set at 1.96 (at 95% confidence level)

p = assumed proportion in the target population estimated to have a particular characteristic = 0.22 (Here assumed that 22% of the customers use E-banking).

q = 1-p = 1-0.22 = 0.88

d = degree of accuracy desired in the estimated proportion = 0.05 (at 95% confidence level)

Now putting the values in the above mentioned formula we get the desired sample size,

$$n = \frac{z^2 pq}{d^2} = 263.68$$

Hence, we set the sample size as 264. In this study 264 customers using E-banking were selected for the interview, 5 customers refused to participate in the interview, due to non-response of 5 individuals, the actual sample size became 259. Out of this 259 users of E-banking 216 were found to use debit card.

### 3.2 Sample Selection Method

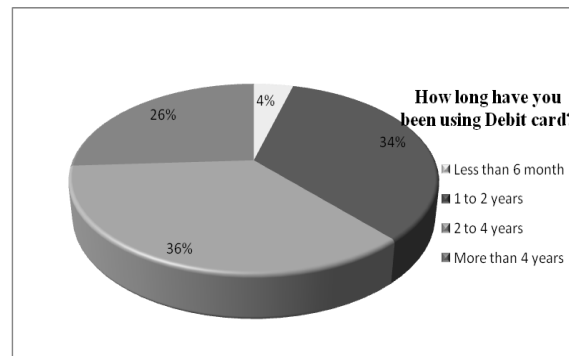
The method of sampling used in this study was convenience sampling. Non-probability samples that are unrestricted are known as convenience sampling. Though it is less reliable, this method is applied in this study because of low cost and less time. So our sample of this

study consists of respondents living in a easily accessible locality and those who are willing to response.

## 4. Findings and Discussion

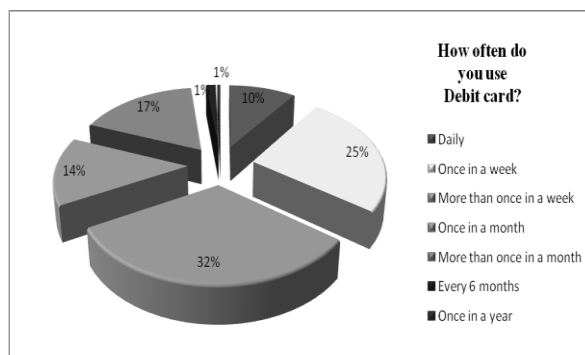
### 4.1 Extent and Dimension of Using Debit card

It was found from the study that respondents have been using debit card for long time. Most of them are using it for *2 to 4 years*. A good proportion has been using it for *more than 4 years*. But the percentage of new adopters that is users of *less than 6 month* is very few. We can explain this situation with the adoption years of debit card. Banks of our country has adopted debit card service long ago. This results long time users of debit card. But after the arrival of the debit card service, debit card has lost its popularity due to the more attracting features of debit card.



**Figure 1: Pie chart showing Years of using debit card**

Among the respondents, 32% use debit card *more than once in a week*. The second highest percentage (25%) belongs to those respondents who use debit card *once in a week*. This proves consumers use debit card on a regular basis. They use debit card for doing most of their banking transactions in their day to day life.



**Figure 2: Pie chart showing frequency of using Debit card**

**Table 1: Distribution of transactions done through debit card**

Transactions	Make payment		Balance inquiries		Transferring fund		Withdrawal		Making deposit	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Never	97	44.9	12	5.6	113	52.3	18	8.3	100	46.3
Rarely	35	16.2	32	14.8	30	13.9	20	9.3	42	19.4
Sometimes	50	23.1	95	44.0	54	25.0	54	25.0	57	26.4
Frequently	34	15.7	77	35.6	19	8.8	124	57.4	17	7.9
<b>Total</b>	216	100.0	216	100.0	216	100.0	216	100.0	216	100.0

Most frequently done transaction is the withdrawal of cash through debit card. A big proportion of debit card users (leaving some peoples as exceptions) either *frequently* (124) or *sometimes* (58) *withdraw cash*. Only 18 respondents out of all debit card users have *never withdrawn cash*. The transaction that most of the respondents *sometimes* do is *balance inquiries*. Another big proportion says they also do it *frequently*. But the transactions that people usually *never* do are *making payments, transferring fund* and *making deposit*.

#### 4.2 Problems in Using Debit card

It can be seen that people (44%) *sometimes* have to adjust with slow speed of the ATM machine. 14.4% respondents are exceptions saying that they have to work with the slow ATM machine *frequently*. Some respondents (12.5%) totally opposed that, which is *never*.

**Table 2: Frequency distribution for machine working too slowly**

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Never	27	12.5	12.5	12.5
Rarely	63	29.2	29.2	41.7
Sometimes	95	44.0	44.0	85.6
Frequently	31	14.4	14.4	100.0
<b>Total</b>	216	100.0	100.0	

Machine running out of money does not happen *frequently*, which is evident from the statement of only 11.6% of the respondents. It happens *sometimes* to 34.3% respondents and the rest of the respondents are approximately equally divided in stating that it has *never* happened and it has happened *rarely*.

**Table 3: Frequency distribution for machine running out of money**

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Never	55	25.5	25.5	25.5
Rarely	62	28.7	28.7	54.2
Sometimes	74	34.3	34.3	88.4
Frequently	25	11.6	11.6	100.0
<b>Total</b>	216	100.0	100.0	

People seem to be very cautious about remembering their respective secret code. We can conclude this, since a huge percentage (63.4%) of the respondents has *never* forgot the secret code. Although some people (9.7%) has admitted that they forget the code *sometimes* but *frequently* forgetting the code (2.3%) is not an usual thing to happen.

**Table 4: Frequency distribution for forgetting secret code**

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Never	137	63.4	63.4	63.4
Rarely	53	24.5	24.5	88.0
Sometimes	21	9.7	9.7	97.7
Frequently	5	2.3	2.3	100.0
<b>Total</b>	216	100.0	100.0	

It is evident that most of the respondents (52.3%) *never* had the problem of machine keeping card. *Rarely* machine keeps card in case of 35.2% respondents which is not also a small proportion. But only 4 respondents, that is only 1.9% respondents *frequently* face this rare problem.

**Table 5: Frequency distribution for machine keeping card**

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Never	113	52.3	52.3	52.3
Rarely	76	35.2	35.2	87.5
Sometimes	23	10.6	10.6	98.1
Frequently	4	1.9	1.9	100.0
<b>Total</b>	216	100.0	100.0	

ATM machine seems to function well in printing slips when demanded. We can say that on the basis of the response (*never*) of 46.3% respondents. But this problem occur *rarely* (28.7%) and *sometimes* (22.2) also.

**Table 6: Frequency distribution for ATM not able to print slips when demand**

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Never	100	46.3	46.3	46.3
Rarely	62	28.7	28.7	75.0
Sometimes	48	22.2	22.2	97.2
Frequently	6	2.8	2.8	100.0
<b>Total</b>	216	100.0	100.0	

It is obvious from the figure that theft/losing the card rarely happen, as it is noticed that a major proportion (73.6%) of the respondents have *never* lost their cards by theft or on their own. And also, not a single person (0%) from our sample has ever faced this problem *frequently*.

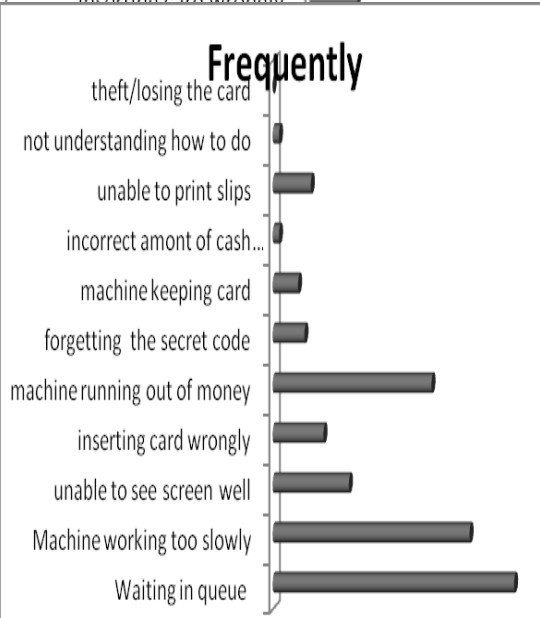
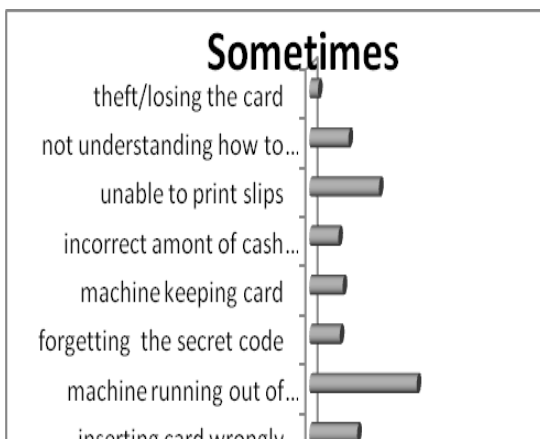
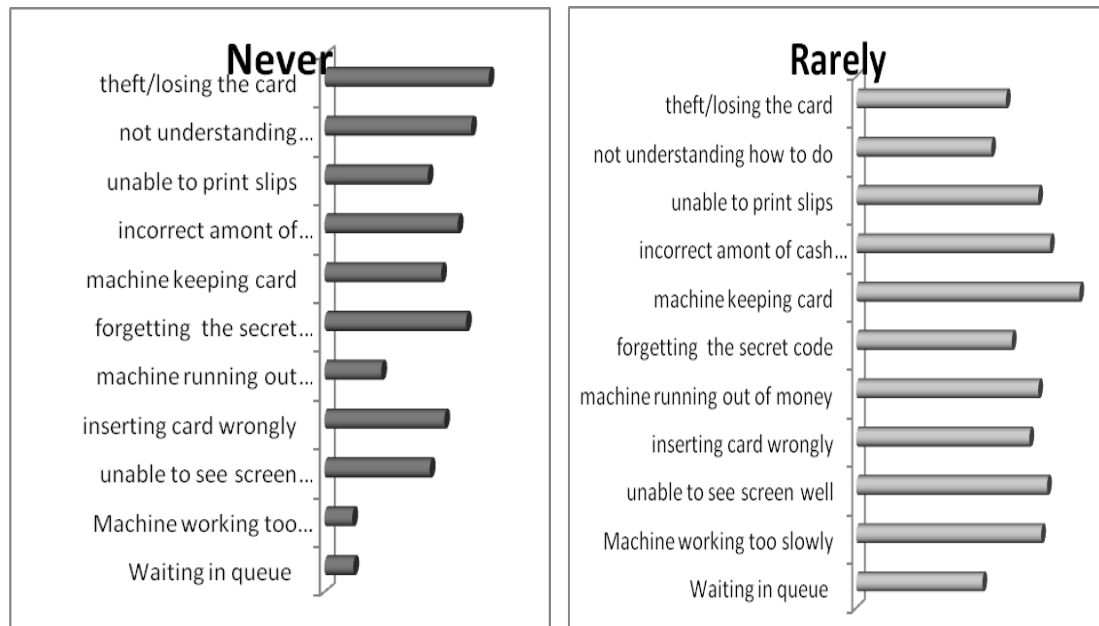
**Table 7: Frequency distribution for theft of card/losing the card**

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Never	159	73.6	73.6	73.6
Rarely	51	23.6	23.6	97.2
Sometimes	6	2.8	2.8	100.0
<b>Total</b>	216	100.0	100.0	

### 4.3 Comparison of the Problems Faced in Using Debit Card

The comparison of the different problems faced by the debit card users are shown in the following figure:

**Figure 3: Comparison of problems in using debit card**



**5. Conclusion and Policy Recommendations**

From the study findings, it seems to have more than one difficulty people never face usually. But ‘*waiting in queue*’, ‘*machine working too slowly*’, ‘*machine running out of money*’ are the exceptions, these three got the lowest responses. Rests have approximately same responses. But we can definitely say that that ‘*theft/losing the card*’, ‘*not understanding how to do what to do*’, ‘*forgetting the secret code*’ are the difficulties that most of the people *never* face. It seems all of the difficulties happen rarely to the

respondents. But '*machine keeping the card*' is the rarest thing to happen to most of the respondents. The problems that happen sometimes to most of the respondents are '*waiting in queue*', '*machine working too slowly*', '*machine running out of money*'. The frequently happening problem to most of the respondents are '*waiting in queue*', '*machine working too slowly*', '*machine running out of money*'. So we can draw the conclusion that the main difficulties in ATM booth for card users are '*waiting in queue*', '*machine working too slowly*', '*machine running out of money*'. And the difficulties about which peoples are least bothered are '*theft/losing the card*', '*not understanding how to do what to do*', and '*forgetting the secret code*'. For better debit card service, the following strategies are recommended:

- Banks should improve the network service quality so that customers are not refused when they go to ATM booth.
- As customers want to be updated about their account balance, debit card transaction should provide receipt always.
- Banks should increase their own booth. As own booth is cost free, customers always prefer to use it.
- Some customers have recommended that banks should reduce the transaction cost of debit card. They have to pay this cost when use other bank's ATM booth.
- Sometimes customers do not get Taka from booth though that is automatically reduced from their account. This is a main factor for users' dissatisfaction. Banks can take initiatives to solve this problem promptly.
- As users need different value denominated notes, banks should keep most of the value denominated notes in the booth (Taka 100 multiples).

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