

**THE ACCEPTANCE OF DEBIT CARDS AS MODERN-DAY
BANKING PRACTISES AMONG RURAL POOR – A CASE STUDY
OF BANTWAL RURAL**

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Abstract

Objective: - The perception on modern day banking practices in terms of acceptance of debit cards among rural poor people of bantwal rural is undertaken in the study

Methodology: - A case study approach with descriptive research and deductive reasoning is followed with mixed method sampling is adopted for the study. Stratified sampling helps to identify bantwalrural as the largest densely populated rural area among rural taluks of Dakshin kannada. Further under probability sampling, simple random technique is used to identify respondents who had bank accounts at nationalized commercial banks followed with non-probability sampling technique of convenience sampling was chosen to collect data from respondents using structured questionnaire.

Findings and Conclusions: - The findings indicate that though there is significant effect in debit card acceptance of modern-day banking practice with male having upper hand. This leads us to future research on what makes women less accept a debit card as part of the modern-day banking practices with few women confirming on a fragile note that though they had bank accounts with basic minimum cash whose transactions laid at hands of their better half or their husband; the male head of the family contouring them only as symbolic representative of bank accounts.

Key Words: -Debit cards, Modern day banking practices, rural, male and female

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Introduction: - In an economy there is a need to classify and specify who uses debit cards (Porter, Swerdlow, & Staples, 1979). Banking Institutions play a central role in the financial system (Cousin, 2011) with traditional banking practices effecting modern banking practices (Mittal & Agrawal, 2016). Further despite the growing importance of the debit card in most developed countries, there are relatively few academic studies that analyze the impact of such evolution on the demand for cash with use of debit cards. Beyond data availability, this research is complicated by the fact that the debit card provides two services for consumers - cash withdrawal and payment - that have contrasting effects on cash holdings and cash usage.

Research Question: - What are the determinants of rural customer perception on acceptance of debit cards for banking transactions?

Research Objective: - To examine rural customer perception of acceptance of debit card for banking transactions.

Literature Review: -

Safety of cash holdings: -

Banks safety nets have information issues (Ponce, 2006). Regulating bank safety ensures enhanced performance and the postmodern bank safety net differs from premodern bank safety nets (Calomiris, 1997). Thus Banks usher to act as a safety net ensuring prompt resolution against financial crisis that touches the central nerve of the economy untethering financial instability (Cousin, 2011). However this could vehemently impact Consumers' payment preferences which are strongly influenced by their views on the safety of payment instruments (Wironen, 2013). Further the current migration of banking systems to software defined networks has made consumers all sceptical of their acceptance of modern banking practises especially among rural areas (Yuan, Huang, Ma, & Zhang, 2017).

Adopting Banking Instruments: -

Debit card is the key to online banking (Jones, 2005). Electronic banking instruments have an impact on monetary policy efficiency (Tuaneh & Ewubare, 2016) where ICT is an instrument for enhanced banking system (Ekwonwune, Egwuonwu, Elebri, & Uka, 2017). Thus financial

instruments are key in promoting banking (Núñez Ferrer, 2018) with money acting as a specific good with maximum Liquidity level (Barasheva, 2018). Hence debit cards via E-banking has an impact on quality of banking services in public commercial banks (Aboujdiryha, 2019)

Acceptance of Debit Cards: -

There is a need for update on trends in debit cards (Cheney, 2007) because the banking system has observed that use of debit cards has the enhanced risk of frauds (Worthington, 2009) therefore knowledge about debit card policy and procedures could be of help (Salzman & Ruble, 2010). People should accept debit cards as a means of payment (Kim & Lee, 2010) as payment methods are the determinants of debit cards acceptance (Ismail, Bakri, Zulkepli, Adnan, & Azizi, 2014). Further the use of debit cards has a direct relationship with demand for cash (David, Abel, & Patrick, 2016) because there is a positive relationship between cost of cash and the need for debit cards (Abele & Schaefer, 2016).

The above literature review leads to the following formation of Conceptual Framework: -



The Study perpetuates the following research hypothesis: -

H₁: Acceptance of debit cards as modern-day banking practice does not vary by gender among rural poor of bantwal rural

H_{1a}: Acceptance of debit cards as modern-day banking practice does vary by gender among rural poor of bantwal rural

Methodology: -

A case study approach with descriptive research and deductive reasoning is followed with mixed method sampling is adopted for the study. Stratified sampling helps to identify bantwal rural as the largest densely populated rural area among rural taluks of Dakshin kannada. Further under probability sampling, simple random technique is used to identify respondents who had bank accounts at nationalized commercial banks followed with non-probability sampling technique of convenience sampling was chosen to collect data from respondents using structured

questionnaire with one item measured as “Do you accept debit card as essential part of modern day banking practice “ with nominal categorical scale of ‘yes’ and ‘no’ between male and female.

Data Analysis, Findings and Conclusions: -

The independent t – test was used to analyse the data $n = 96$ where on average male accepted debit card as part of modern day banking practice with ($M = 5$, $SE = 0.48$) than female accepting debit card as part of modern day banking practice with ($M = 4.28$, $SE = 0.78$). The difference - 2.25, BCa 95%, CI [-2.706, 0.125] was significant $t(24) = -2.31$, $p = 0.03$ with medium sized effect of $d = 0.56$.

The findings indicate that though there is significant effect in debit card acceptance of modern-day banking practice with male having upper hand. This leads us to future research on what makes women less accept a debit card as part of the modern-day banking practices with few women confirming on a fragile note that though they had bank accounts with basic minimum cash whose transactions laid at hands of their better half or their husband; the male head of the family contouring them only as symbolic representative of bank accounts.

Limitations: - It is a cross sectional study for a limited period of 15 days used to collect data from respondents. The respondents were limited to the commercial bank set up at bantwal rural only.

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