A Study among Customers of Bhat-Bhateni Supermarket and Departmental Store on Debit Cards Payment Behavior*

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Abstract

This paper attempts to identify different factors affecting consumers on adoption of debit cards with reference to Bhatbhateni Supermarket and Department Store (BSDS) in Kathmandu Valley. With this view, a month long survey was conducted among consumers of Kathmandu, who shopped at BSDS in which 175 respondents were interviewed using convenient sampling. Two different models devised for the study were: (i) evaluation of debit payment behavior, and (ii) evaluation of non-debit payment behavior. For first model: demographic variables, perceived ease of use and usefulness, security, trust, incentives and external influence were taken as independent variables; while for second model, the variables were: demographic variables, unawareness, transaction fee, distrust, and unfamiliarity.

Upon entire analysis of the collected data it was revealed that 61.1% used their debit card to withdraw cash and only 5.7% used it solely for making payments but significant number i.e. 33.1% used the card for both withdrawal and payments. Likewise, 59.4% used the card for purchasing while 40.6% preferred using cash. Visa debit card was the most preferred one. Maximum number of debit card users under demographic characteristics were female (60.5%), married (65.30%), job holders (68.8%) who aged between 36-55 years (90.9%) and earned above NRs. 51000 per month (70.6%). Besides departmental stores, debit cards were used at clothing stores, and restaurants. Respondents were satisfied from such service and used it regardless of any incentives but encountered problems relating to its acceptance, inaccessibility of card line, twice debit of amount, among others while paying at Bhat-Bhateni. It was also determined that debit payment behavior varied across nationality and income of the debit card users and most significant factor was perceived ease of use and usefulness of card. Moreover, it was known that the non-debit users were well aware of the service and transaction fees but major factor for them to not use the card for purchasing remained undetermined. Although their non-debit payment behavior varied across the age group, they had high interest and intention to use it in near future.

It was recommended that authorities at Bhat-Bhateni solve the debit cards payment system related problems and ensure effective persuasion to encourage debit payment since customers were not informed by the tellers about such service. Marketers and different concerned authorities are required to devise strong incentive and marketing programs to promote such service and thus create value to the consumers. Furthermore, researchers can conduct further study taking nationally representative sample to investigate most influential factors for non-debit payment behavior so that the service can be extended to new users.

Key words: Bhatbhateni supermarket, debit card payment behavior, descriptive statistics point of sales, primary survey

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