

CHAPTER 5: CONCLUSION & RECOMMENDATIONS

Summary and Conclusion

This research's objective is to identify the factors that affect Malaysian consumers' behavioral intention to use debit card as a means of payment and its extent to affect the usage intention compared to cash; especially when transaction value and rewards offering are taken into consideration. From the results obtained, rewards offerings have a significant strong effect on the consumers; especially young executives on their intention to opt debit card as their preferred payment method. Besides, consumers are also considering the benefits as well as the perception of the debit card where it covers the security, satisfaction and the after effect benefits; such as purchase tracking and record keeping.

Referring to the research questions at the earlier chapter of this research; the result has shown that performance expectancy has a stronger effect on consumers' behavioral intention to use debit card as a means of payment compared to effort expectancy. Performance expectancy comes as a second strongest factor after rewards program and followed by effort expectancy, facilitating conditions, social influence and transaction value.

The transaction value has the least effect among all factors even though it is significant on consumers' behavioral intention to use debit card as a means of payment compared to all the factors. Hence, it answers the research question that transaction value is not a stronger factor compared to social influence. From this finding, it can be concluded that the consumers are not really concern on the value of transaction when it comes to the method of paying their purchases. However, the result still proves that consumer's decision to use cash, cheque, debit or credit card at retail point of purchase can be significantly influenced by the size of the transaction involved as per research done by Alhassan G. Abdul-Muhmin (2010).

In previous study, Kennickell and Kwast (1997), Stavins (2001) and Hayashi and Klee (2003) found that adoption of new technologies, such as online purchases and direct deposits, influences consumer's new payment method adoption decision of debit cards and online bill payments. Hence, there is a link with the finding whereby intention to use debit card at the point of payment will be higher when the action or decision made does carry the weightage in showing to others that they are technological savvy, educated and they have the ability to pay the purchases in cash term and not financing it with credit card. Ching and Hayashi (2008) also found that consumer will only use credit card when they feel it is natural to borrow from their future incomes when purchasing items that are relatively more expensive.

Rewards program has a stronger effect compared to facilitating conditions in influencing consumers' behavioral intention to use debit card as a means of payment. However, facilitating conditions; such as the availability of outlets that accepting debit card is also an important and significant factor to influence consumers' behavioral intention to use debit card as a means of payment. Banks and debit card issuers should take note of this finding and pursuing more programs in terms of adding the number of retail outlets that accepting debit card as well as carrying out promotions that rewarding their customers whenever they use debit card. Currently, paying using debit card at the retail outlets is common among consumers; but debit card acceptance facility should not be limited to only retail outlets. Debit card acquirers and issuers should also focus on other avenues such as hotels, parkings, cinemas, restaurants, toll plazas, and utilities payment.

Since rewards program has comes first in terms of factor that most influencing consumers' behavioral intention to use debit card as a means of payment, debit card issuers should leverage this opportunity in promoting their debit card program. Not only giving out monetary incentives, the banks should also explore the loyalty program, cash back program and points redemption program. Besides increasing the number of debit card transactions from the existing cardholders, it would also attract new customers to the bank to open up accounts and become the new debit card holders. The new segment that debit card issuers should

focus now is the premium customers. In other words, since credit card issuers are continuously introducing gold, platinum and even titanium credit card that shows the segmentation of their customers; this strategy should be also adopted by debit card segment which introduces not only generic debit card but also premium debit card to the customers that own big accounts in the bank.

Limitations of the Research

The research is done based only on Malaysian debit card issuers and consumers within Klang Valley area. The economic situation, purchasing power of consumers and government incentives in other regions towards debit card program may produce different results. Hence, this research's results cannot be generalized to the whole country.

Suggestions for Future Research

Since the results of this research show that rewards program does significantly affect the consumers' behavioral intention to use debit card as a means of payment, a future research should be done to study the average cost of reward programs per average debit card transactions in Malaysia. From there, it could calculate the loss or benefit of the rewards program established and the way to manage it.

Research Implications

Previously, there is no known research being made in terms of identifying the behavioral intention of consumers to use debit card as a means of payment in Malaysian context. Hence, this research could help the Malaysian banks and debit card issuers to strategize their plan in regards to debit card programs.

Last but not least, Malaysian banks could also leverage the results obtained in this research in increasing the usage of debit card on their existing customers and at the same time introduce new debit card product that would benefit not only the bank but also the merchants and general consumers.