

A Study on Customer Preference and Satisfaction towards using credit cards with special reference to Coimbatore city

Divya E, Dr. C. Karthick

*Student, Department of Commerce, Dr. N.G.P Arts and Science College, Coimbatore, India.
Assistant Professor and Head, Department of Commerce, Dr. N.G.P Arts and Science College, Coimbatore, India*

Submitted: 15-09-2021

Revised: 25-09-2021

Accepted: 28-09-2021

ABSTRACT: The purpose of this study on customer satisfaction will help us to understand the needs & Wants of the customers towards credit cards. The study could provide appropriate and timely information about the position of preference level of customer towards credit cards. As the objectives of this study is to analyze the customer satisfaction and to find out the consumer preference towards the usage of credit cards. 150 customers were selected and obtained the various responses based on the questionnaire method.

KEYWORDS: Credit card , Bank, Customers, Customer satisfaction, Customer preference.

I. INTRODUCTION

A credit card is a way of payment by using the plastic cards which are issued to customers for their payment. Credit cards are different from the debit cards. Credit cards work differently from the debit cards it is issued after a credit card application has been made to the issuer. The issuer then lends money to the credit card holder generally on different rates of interest. And if a customer is using credit cards, then it means he can reconcile his balance at the cost of charging interest and it would make his payment period longer than before. Every credit card is supported by a credit card companies. Some of credit cards companies are best and they offer very user friendly credit cards. This kind of credit card is one of the best credit card and their characteristics with any other type of credit cards. In these cards the widely known cards are Visa Credit Cards and Master Credit Cards they are used all over the world. You can apply for credit card in any credit card company, or in a bank or you can also apply online for getting a credit card. Different credit card companies and credit banks also maintain a system of credit check to get their credit in times. So a

consumer will not be able to deserve them by using their credit cards.

II. STATEMENT OF THE PROBLEM

It has been a revolution in the banking services by the adoption of new technology. The usage of credit card in India is increasing day by day. But there are a lot of technical problems in the transaction of credit cards. Credit card is the best way for carrying non-cash money with us always where ever we go and whenever we need. The drawing limit for the credit card is fixe by the bank according to the capacity of the card holders. The business people gain's more advantages by using credit cards. The credit card transactions carry a higher risk, but the credit card opens a way for business growth.

III. SCOPE OF STUDY

To analyse the current status and the structure of credit card and the impact of the consumers spending via credit cards. The study covers the financial aspects, consumer psychology spending the via credit cards. This study covers the factors which affects the usage of credit cards among people which banks like private or public sector are providing satisfying services to the credit card holders. This study is done with the help of a questionnaire which contains questions to find the impact of credit cards. This study helps to know about the usage pattern of credit card users and their opinion.

IV. OBJECTIVE OF THE STUDY

- To study the demographic factors influencing the use of credit cards.
- To know the preference of the consumer towards credit cards usage.

- To know the level of satisfaction of customers towards credit cards.
- To identify the spending behaviour of the customers.

V. LIMITATIONS OF THE STUDY

- This study is confined to Coimbatore city only.
- The study is purely based on 150 respondents.
- In some cases the credit card holder is not fully aware of his bank credit card.
- During the collection of data, the respondents are not responding with their full interest.
- It presents an incomplete view of the findings of your credit card impacts.

VI. REVIEW OF LITERATURE

TabrezHaq and BushraMalik,(2016) “Consumer response towards the usage of plastic money” with emphasis on increase of shift of plastic money in India by consumers from credit cards and Debit cards – The distribution of plastic money has increased due to the fact that banking sector has become more aggressive. Moreover, duplication of users is an important area of concern for the industry which can exaggerate the number of active users. The present paper makes an attempt to understand the after effects of recession on plastic money industry and its impact on consumer preferences. The paper duly investigates the acceptability of the cards among the Indian consumers and the factors influencing the card choice.

Sushma Patil(2014) in her research paper “Plastic cards frauds and the countermeasures towards a safer payment mechanism” have thrown light on the number of frauds increased considerably in the usage of plastic card as in case of plastic card frauds the most affected parties are the merchants of goods and services as they have to bear the full liability for losses due to frauds, the banks also bears some especially the indirect cost whereas the cardholders are least affected because of limited consumer liability and concluded that all these losses can be dealt with by making the prudent use of the new technology and taking the respective counter measures.

P Manivannan (2013) in his research paper “Plastic Money a way for cash less payment system” examined that plastic money i.e. usage of credit cards was measured a luxury, and has

become needed. The plastic money and electronic payments was and used by only higher income group. This facility extended not only to customers in urban areas or cities, but also to customers residing in rural area. However, today, with development of banking and trading activity, the fixed income group or salaried classes are also start using the plastic money and electronic payment systems and particularly credit cards.

Vimila V. and Dr. Sarla K.S.(2013) “Stressed on the usage and perception of plastic money among the customers of BOI” with emphasis of the awareness level, perception and usage of new innovative services in regards to plastic money.

VII. RESEARCH METHODOLOGY

SAMPLE DESIGN:

Population: Population for this search is set of customers those who are using credit cards in Coimbatore city.

Sample size: The sample size is 150.

Sampling method: The method used for sample technique was an area sampling method where there are more number of users. This method was used because it was known that our target population of who are the age 18 and above.

SOURCE OF DATA:

- ❖ Primary data.
- ❖ Secondary data.

Primary data:

- Personal evolution based on pre designed format of structure questionnaire, which helps to read the consumers.
- Short interview with the consumers.

Secondary data:

- Websites
- Business magazines
- Trade rights
- Published data on credit card

TOOLS FOR DATA COLLECTION:

- Simple percentage analysis
- Chi – square test analysis
- Weighted average analysis
- Correlation co-efficient analysis

i. SIMPLE PERCENTAGE ANALYSIS

BANK CREDIT CARD OF THE RESPONDENTS

Particulars	No. of respondents	Percentage
HDFC	34	22.6
ICICI	42	28
SBI	42	28
OTHERS	32	21.3
TOTAL	150	100.0

INTERPRETATION:

The above table shows that 22.6% respondents have HDFC bank credit card; 28% respondents have ICICI bank credit card; 28% respondents have SBI bank credit card and 21.3% use other bank's credit card.

Majority of

respondents have ICICI and SBI bank credit cards (28%).

TYPE OF CREDIT CARD OF RESPONDENTS

Particulars	No. of respondents	Percentage
MASTER	46	30.6
VISA	48	32
RUPAY	32	21.3
OTHERS	24	16
TOTAL	150	100

INTERPRETATION:

The above table shows that 30.6% of respondents use MASTER card; 32% of respondents use VISA card; 21.3% use RUPAY and 16% use other card.

Majority of the respondents use VISA card (30.6%).

**ii. CHI-SQUARE TEST ANALYSIS
AGE AND USAGE OF CREDIT CARDS:**

AGE	USE OF CREDIT CARD				
	Shopping	Fuel	Restaurants	Others	Total
Below 20 years	21	3	10	5	39
21-30 years	24	16	12	8	60
30-40 years	8	14	9	8	39
Above 40 years	3	1	3	5	12
TOTAL	56	34	35	26	150

Factor	Calculated value	D.F	Table value	Remarks
Age	20.409a	9	16.919	Accepted

INTERPRETATION:

The calculated value of Chi square is more than the table value. Hence, the hypothesis is accepted stating that there is no significant relationship between the age and usage of credit cards.

**iii. WEIGHTED AVERAGE ANALYSIS
RANKING OF CUSTOMERS**

Factors	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Mean score
Credit card is cheaper	65	46	34	4	1	150	4.133
Beneficial to use	32	18	10	8	1	620	
Service by bank	39	84	21	5	1	150	4.033
Privacy of transaction	19	33	63	10	1	605	
	36	63	43	5	3	150	3.826
	18	25	12	10	3	574	
	0	2	9				
	51	50	38	3	8	150	3.886
	25	20	11	6	8	583	
	5	0	4				

INTERPRETATION:

The above table justifies the ranking of the customers. The highest mean score or average is 4.133 for the factor of ranking of the customers for the credit cards.

iv. CORRELATION CO-EFFICIENT ANALYSIS

AGE AND TYPE OF CREDIT CARD

S.no.	Age	Type of credit card
1	39	46
2	61	48
3	38	32
4	12	24
Total	150	150

The correlation co-efficient value is 0.871129.

INTERPRETATION:

The above table shows the correlation co-efficient between two variables. It indicates that there is positive relationship between age and type of credit card.

The correlation co-efficient value is 0.871129.

CONCLUSION

Today consumer credit is in the form of a credit card has developed very quickly and has come up as most commonly held economic tool by various households all over the globe. The several comforts that credit cards provide such as cashless dealings, tele-purchases and internet shopping, the flexibility of deferring payment to a future date allows customers to deal with temporary financial crunch. The echelon of credit card usage is still less in proportion to credit card holders. Also the dissatisfaction level amongst consumers is being very high, escalating rather because of high interest rates. Credit cards provide a convenience to consumers, acting as both a method of payment and a flexible credit instrument. We may

expect then that most consumers would pay a modest net monetary cost to access this convenience. But the wide distribution of cost and benefits across cardholders instead suggests extensive variation in the credit card market, with some consumers paying relatively high net costs and others receiving substantial net monetary benefits.

REFERENCE

Books referred:

- [1]. RESEARCH METHODOLOGY: METHODS AND TECHNIQUES – C. R. Kothari
- [2]. ESSENTIALS OF RESEARCH DESIGN AND METHODOLOGY – Geoffrey R. Marczyk
- [3]. BANKING AND INSURANCE: PRINCIPLES AND PRACTICE – Neelam C. Gulati
- [4]. MODERN BANKING AND INSURANCE: PRINCIPLES AND TECHNIQUES - J.N Jain & R. K. Jain



List of articles referred:

- [5]. International Journal of science and research (ISR) ISSN: 2319-7064
- [6]. International Journal of Development Research vol 07. Issue, 10, pp.16328-16330, October 2017
- [7]. Journal of Management (JOM) vol 4, Issue 2, July- December 2017, pp, 117117, Article ID: JOM_04_02_013