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A STUDY ON CUSTOMER SATISFACTION TOWARDS CREDIT CARDS IN AHMEDABAD

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ABSTRACT

Credit card could be a tiny plastic card issued to users as a system of payment. It permits its holder to shop for product and services supported the holder's promise to purchase these product and services. The issuer of the card creates a revolving account and grants a line of credit to the buyer (or the user) from that the user will borrow money for payment to a merchandiser or as an advance to the user. The main objective of the study is to find out that the customers are satisfied with the credit card or not. This study is carried out by primary data analysis. For the purpose of the primary data analysis we have collected 300 samples from Ahmedabad. On the basis of the sample, level of satisfaction of the customer towards credit card is find out.

Keywords: Credit Card, Customer, Perception, Banking

INTRODUCTION

Credit cards are basically different from the other payment ways therein they involve extending credit instead of drawing on an existing store of funds. Banks in conjunction with credit card associations such as Visa and Master card, issue all-purpose credit cards. Department shops also issues credit card to be used for purchases at that specific store. Like Electronic Fund Transfer, payment by credit card isn't anonymous. Since paying with a credit card doesn't

involve a store of funds, deposit insurance and reserve needs aren't directly relevant. The bank that issues the card is liable and therefore merchants are paid if the cardholders default. If the issuing bank fails, the credit card association guarantees payment to merchants with outstanding transactions and so has a creditor's claim on failed banks. A credit card is a component of a system of payments named after the small plastic card issued to users of the system. The issuer of the card grants a line of credit to the buyer (or the user) from that the user will borrow money for payment to a businessperson or as a cash advance to the user. A credit card is totally different from a charge card, where a charge card needs the balance to be paid in full every month. In distinction, credit cards permit the customers to 'revolve' their balance, at the value of getting interest charged. This study target the demographic profile of the respondents, details of banking transactions, utility of usage of credit cards by the card holders, reasons for using credit cards and level of satisfaction towards credit cards.

REVIEW OF LITERACHER

Nagaraju K (2017), the present study made an attempt that consumer awareness and perception about credit cards: a preliminary study. For this purpose the researcher used the primary data, the required data has been collected by using

structured questionnaire and statistical tools like, Mean, Percentage and Chi Square have been used for the purpose analysis. Finally the study reveals that, the scenario of credit cards during present day is very significant many card holders surrender their credit cards and instead of using credit cards the banks customers prefer cards. The credit card too helps credit them avoid carrying cash and enables with drawl of cash through ATM and they need not be afraid of falling into debt trap as in the case of credit cards R. Maheswari, T.Palaneeswari (2017), Customer satisfaction in e-environment is determined by the website of the bank, efficiency of the bank, competency of the bank and information provided by the bank. Due to the complexity in the usage of credit cards, it is necessary to make the customers to know how to operate the credit cards for specific purpose. In order to facilitate the customers to carry the cards with them, effective protective measures must be taken to protect the cards against operational and security risk. B S Hugar , Basavaraj C S (2015), the study reveals that occupation and usage of CC are dependent in Kalaburagi (but not in Yadgir), membership duration and age of the CC users is dependent in Kalaburagi (but not in Yadgir) and income and usage of CC are dependent in both the districts. It is also revealed that the correlation between CC limit and monthly spending of the respondents is significant in Kalaburagi (but not in Yadgir). Visa card is very popular as more than 75% of CC holders hold it. More than 90% of CC holders have a single card. Sudershan K., & P.O. Padhiana (2013), the objectives of this study are threefold: To understand the usage patterns of credit cards by the consumers; To identify the grievances that the credit card holders face while using the credit cards; and, To study if the card issuers make any efforts to remove these

grievances. The stratified random sampling technique was used to determine the size of sample. The sample size was 165. In the absence of secondary data, a questionnaire was administered to the respondents and primary data was collected. Likert Scale was used for this purpose. The attitudinal statements were created, and the instrument was tested for its validity and reliability. Chi Square test was conducted and the results were found to be statistically significant. Consumers appeared to be generally satisfied with the use of their credit cards even though they have different views regarding other users. S. Sudhagar, (2012), the credit card issue in terms of number of credit cards witnessed a whopping growth during the past five years. In terms of key players ICICI has notched the landmark figure of 90 lakh credit cards by 2008 taking the position of number one player in the segment. It is further concluded that there are a number of bank customers who do not have any knowledge about credit cards. Many people have knowledge about credit cards, but do not possess credit cards because of the fear of falling into debt trap. High income earners and highly educated class use credit cards more, availing high credit limits.

RESEARCH OBJECTIVE

To find out that the credit card holders are satisfied with the credit card or not.

To provide suggestion for future improvement.

RESEARCH METHODOLOGY

Primary Data: To measure the level of satisfaction of the customers towards the credit card primary data analysis is used. Primary data is collected using structured questionnaire. For the purpose of the study a sample of 300 respondents is collected from Ahmedabad.

Sampling Design: For the purpose of collecting samples from 300 customers convenient sampling method is used. Out of this 300 respondents 150 are male

respondents and 150 are female respondents. Businessman, Salaried, Professional, Government Employees and House-wives etc. are given due weightage in identifying the sample.

Statistical Tools: The questionnaire was based on 5-point (Likert) scale ranging from 1= Highly Satisfied to 5= Highly Dissatisfied. In this study, convenient sampling technique was used. On the basis of 5 point Likert scale analysis are carried out.

Table 1

Level of Satisfaction								
Sr. No.	Particulars	No. of Respondents					Mean	Standard Deviation
		HS	S	N	DIS	HDIS		
1	Credit cards provide more convenience and wide acceptance	36	70	90	56	48	2.97	1.24
2	Interest rate and other charges on credit card is reasonable	30	66	68	54	82	2.69	1.35
3	Comfortable to pay electrically/ telephone/ utility bills	90	58	74	50	28	3.44	1.32
4	Credit limit on credit card is adequate	50	34	34	80	102	2.5	1.47
5	Banks attend to credit card queries promptly	56	44	50	90	60	2.8	1.4
6	Grievances of credit card holders settled satisfactorily	70	56	68	66	28	3.33	1.33
7	Knowing your spending Patten by way of regular updated monthly bills	76	66	46	68	44	3.21	1.42

From the table data it is said that comfortable to pay bills, grievances of credit card holders settled satisfactorily and knowing your spending pattern by way of regular updated monthly bills are agreed by the respondents and the remaining parameters are dis agreed by the cardholders.

Suggestions:

- (1) Banks require to reduce the interest rate charged in credit card so that customer are satisfied and the burden of interest is reduced.
- (2) Banks require to solve the query of the customer immediately so the satisfaction level is increased.
- (3) Some time or in some places credit card are not accepted. Banks required to make arrangement that the cards are widely accepted.
- (4) Some customers may not satisfied with the credit limit. Banks required to take care of the credit limit of the customer.

- (5) Banks require to motivate all age groups to select credit cards for their personal use to make payment in the shop.

CONCLUSION

There is a wide growth of credit card in upcoming year. But it is find out that there are many bank customers who have not knowledge about credit card, how credit card is used and what is the benefit of the credit card. If the banks makes the arrangements for seminars/ conferences than the knowledge of the customer may increase. And it may help in growth of credit card business. High interest is also one of the factor that demotivate customer. Banks required to reduce interest rate so that customer are increased to get the facility of the credit card. In order to facilitate the customers to carry the cards with them, effective protective measures must be taken to protect the cards against operational and security risk.

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