

Literacy And Satisfaction Level of Credit Card

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Abstract- *The credit card system, in its simplest form is a method of obtaining credit on hire purchase, whereby the cardholder can make purchases on credit up to an amount agreed by him with the credit card company by presenting the card in lieu of cash. Hence credit cards are termed as convenient money and plastic money. The best way to pay is the slogan is that credit card services The present study is undertaken to know how far this service reaches the customers, their responses towards the using Credit Cards, their level of satisfaction towards the usage of the Cards and the various problem faced by them in using the Card*

Keywords- Credit Card, Level of satisfaction, Knowledge regarding credit card, Utilization

I. INTRODUCTION

There is growing popularity of credit cards being used as a mode of payment as opposed to other modes of payment like cash and cheque. The credit card offers the users the benefit of acquiring goods and services without having the burden of carrying cash. It also offers access to credit without having to go through the elaborate paperwork involved in case of a loan. As the credit card ownership and use has expanded around the world, credit cards have become a major source of financing consumer purchases as well as a method of money transmission.

OBJECTIVES OF THE STUDY

- To know the demographic characteristics of credit card users.
- To know the reasons for using credit cards.
- To study about the Customer awareness about credit card.
- To measure the level of satisfaction of credit cardholder.
- To study about problem faced by Credit card user.

RESEARCH METHODOLOGY

Research Methodology is a systematic way to solve research problems. It is the science of studying how research is to be carried out. Its Aim is to give work plan of research. The following includes on it.

SAMPLING TECHNIQUES:

The methodology adopted for collecting data and interpretation of data is presented below.

TECHNIQUES OF DATA COLLECTION:

For the purpose of collecting primary data from customers relating to the selected area questionnaire have been designed and supplied to the respondents.

SAMPLE SIZE:

The size of sample is 120. It was decided arbitrarily

SAMPLING TECHNIQUES

The methodology adopted for collecting data and interpretation of data is presented below.

SOURCE OF DATA:

- Primary data
- Secondary data

Primary data

Primary data was collected from various people and their opinion and information for the specific purposes of study helped to run the analysis. The data was collected through questionnaire to understand their experience and preference towards their loyal company.

Secondary data

Secondary data were collected for the study from magazines, newspaper and websites.

TOOLS FOR ANALYSIS

The tools used for analysis are

- Simple percentage analysis
- Rank scale analysis
- Likert scale analysis
- Mean, Standard deviation

LIMITATIONS OF THE STUDY

- The study is applicable only to the credit card holder. It is not being fully applicable to other card holders.
- During the collection of data, respondents are not responding with their full interest.
- In some cases, the card holder is not fully aware about their bank credit card.

II. REVIEW OF LITERATURE

- **Nagaraj K (2022)**, the present study made an attempt that consumer awareness and preparation 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 their credit cards the banks customer prefer cards.

The credit cards to help credit them avoid carrying cash and enables with drawl of cash through ATM and they need not to be afraid of falling into debt trap as in the case of credit cards.

- **R. Maheswari, T. Palaneeswari (2021)**, 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 customer to know how to operate the credit cards for specific purpose. In order to facilitate the customer to carry the cards with them, effective protective measures must be taken to protect the cards against operational and security risk.
- **Athena Joy. (2020)**, in her study, “A Study on Customers’ Perception towards Credit Card”, have concluded that occupation type, marital status and type of card has no association whereas annual income has direct impact on frequency of use of credit card in Lottayam district. Income found to be most important factor not only for selection but also use of credit card in Lottayam district.

III. OVERVIEW OF CREDIT CARD

WHAT IS A CREDITCARD?

“Credit Cards- It's credit to you!”

A Credit Card is referred to as 'plastic money'. Carrying a lot of cash on you can be cumbersome, risky and sometimes, you run short of it, just when you most need it. (Remember the SALE at your favorite ready-mades store?). A Credit card is the smart solution to these problems. It is a convenient and safe alternative for cash.

CREDIT CARDS IN INDIA

In the 1960s, people who lived or traveled to foreign countries were the only ones who opted for the Diners Card offerings in India. The adoption towards credit cards was so slow that it took 15 years to reach 8,000 Diners Card registered users in India. The Central Bank of India launched the first bank credit card in 1980, which was followed by Andhra Bank in the same year – both were of the Visa brand. MasterCard was introduced to Indian consumers by Vijaya Bank in 1988. The key differentiator then was that Vijaya Bank allowed customers to withdraw cash from their branches.

The study was conducted to know the level of satisfaction and nature of customers using credit cards. The study was based on credit card holders of different banks.

Majority of the respondents were card holders of SBI bank. Customers choose their bank which provides better services and advance facilities to the card holder. So overall the customers are satisfied with the credit policies.

IV. ANALYSIS AND INTERPRETATION

TABLE 4.1
TABLE SHOWING BANK OF CREDIT CARD

BANK OF YOUR CREDIT CARD	NO.OF RESPONDENTS	PERCENTAGE
SBI Bank	40	36.4%
Axis bank	26	23.6%
IOB bank	21	19.1%
Others	23	20.9%
TOTAL	110	100

INTERPRETATION

It is observed from the above table that 36.4% of the respondents are using SBI bank credit card, 23.6% of the

respondents are using Axis bank ,19.1% of respondents are using IOB Bank and 20.9% of the respondents are using other banks.

INFERENCE :

Most (36.4%) of the respondents are using SBI bank credit card

TABLE 4.2TABLE SHOWING THE PURPOSE OF USING CREDIT CARD

Purpose of using credit card	No of Respondents	Percentage
Avoid carrying cash	21	19.1%
To purchase more	29	26.4%
To pay later	36	32.7%
Easy shopping	23	20.9%
Others	1	0.9%
TOTAL	110	100

INTERPRETATION

It is observed from the above table that 19.1% of the respondents are using credit card to avoid carrying cash,26.4% of the respondents are using credit card to purchase more, 32.7% of respondents are selected credit card to pay later, 20.9 % of the respondents are selected credit card for Easy shopping, 0.9 % of the respondents are selected others.

INFERENCE:

Most (32.7%) of the respondents are selected to pay later.

MEAN

To analyze the data, mean score method was used. Mean score was calculated on the basis of the questions asked on a 10-point scale. The respondents were asked to indicate their perception regarding various attributes and aspects relating to credit card defaults.

Mean scores was calculated for the analysis with the help of the following formula;

$$\text{Mean score} = \frac{\sum X_i}{n}$$

Where,

X_i = each individual variable

n = Number of variables

STANDARD DEVIATION

Standard deviation is the measure of the variability or dispersion of population, a data set, or a probability distribution. A low standard deviation indicates that there is low level of variability in the data, while a high standard deviation indicates a high level of variability in the data.

Standard deviation is calculated using the following formula;

$$S = \sqrt{\frac{\sum (x - \bar{x})^2}{n - 1}}$$

X = The value in data distribution

\bar{x} = The sample mean

n = Total number of observation

4.1 KNOWLEDGE REGARDING CREDIT CARD

To study the Respondents knowledge regarding credit card, 10 Point scale is used where 1 means that the respondent has no knowledge and 10 means that the respondent has complete knowledge. The mean of the data is 11 and standard deviation is 2.144 which means that level of knowledge amongst respondents regarding credit card agreement is not too high

SUGGESTION

- Better customer care support should be provided to the customers for a lifelong usage of credit cards.
- Provide advance facilities to the credit card holders to keep the customers from changing their bank.
- Give discounts to customers those who maintain their credit level.
- Give proper records and statements of the credit account to the customers to increase the knowledge of customer about the credit policies.
- Ensure steps to reduce the attempts of fraud and also to increase confidence among customers.

V. CONCLUSION

The study was conducted to know the level of satisfaction and nature of customers using credit cards. The study was based on credit card holders of different banks.

Majority of the respondents were card holders of SBI bank. Customers choose their bank which provides better

services and advance facilities to the card holder. So overall the customers are satisfied with the credit policies.