

A STUDY ON CUSTOMER SATISFACTION TOWARDS CREDIT CARDS WITH SPECIAL REFERENCE TO KANNUR DISTRICT

Dr. Majeesh T

Associate Professor and Head
Department of Commerce
N A M College Kallikkandy, Kannur, Kerala

Abstract: In today's world, banks play a crucial role, even as there's a growing movement against plastic usage. However, one sector that continues to thrive is the credit card industry. Nowadays, many Indians feel that a wallet without a card is incomplete. Given the increasing importance of credit cards, it's crucial to understand cardholders' satisfaction levels and the challenges they face. This study specifically aims to assess credit cardholder satisfaction in Kannur. It will explore demographic profiles, banking behaviours, the practical utility of credit cards, and reasons motivating their usage.

Key words: *Plastic Money, Credit Card*

INTRODUCTION

Credit cards have become essential in our daily lives due to their convenience and flexible repayment options. They offer unmatched discounts and deals compared to other financial products. However, misuse can lead to debt problems if users spend beyond their means. Despite growing concerns about plastic consumption, the credit card industry continues to thrive.

Several factors contribute to this growth. Firstly, credit cards promote cashless transactions, which can boost economic transparency and tax revenues. Secondly, they facilitate online commerce, supporting the digital economy. Thirdly, they reduce the need for printing physical currency, which is cost-effective for governments. Recently, the government has lifted restrictions on credit card usage, further bolstering industry growth.

Advancements in technology and changing attitudes, especially among the younger generation entering the workforce, have also fueled this growth. Many young people now prefer using credit cards over traditional cash. Continuous innovation and the expanding networks of banks have played significant roles in this industry's expansion.

Given the increasing importance of credit cards, it's crucial to understand cardholders' satisfaction levels and the challenges they face. This study specifically aims to assess credit cardholder satisfaction in Kannur. It will explore demographic profiles, banking behaviors, the practical utility of credit cards, and reasons motivating their usage.

STATEMENT OF THE PROBLEM

Credit cards are widely used for purchasing goods and services, relying on the promise to repay later. Nearly all commercial banks issue credit cards, making them prevalent among various segments of society. This study seeks to comprehensively analyze credit card users' behavior in Kannur, focusing on satisfaction levels and motivational factors associated with credit card usage.

OBJECTIVES OF THE STUDY

1. To determine key factors that influence credit card holders' preferences.
2. To assess the extent of satisfaction among credit card holders.
3. To examine the level of credit card usage among customers.

SIGNIFICANCE OF THE STUDY

While previous research has covered various aspects of credit cards, this project is uniquely focused on understanding customer satisfaction with leading banks in Kannur. It aims to delve into the specifics of banking transactions, how credit cards are utilized, and the motivations behind their usage. This knowledge can provide insights for banks and policymakers to enhance service quality and address customer concerns effectively.

REVIEW OF LITERATURE

“Nirmala. R. Sonu (2015): In her research on Analysis of the Use of Plastic Money emphasizes the advantage of instant transactions as a significant factor driving the preference for plastic money over physical currency today”. According to the study, plastic money's convenience and ease of doing business are the primary psychological reasons behind its adoption. Furthermore, the research highlights the time-saving benefits and portability of plastic money during payments and shopping. However, security concerns emerge as a major issue among users of plastic money. Overall, the study concludes that due to its high levels of convenience and ease of use, the population is increasingly inclined to adopt plastic money on a broader scale.

“P. Manivannan (2013): In his research paper titled Plastic Money: A Way for Cashless Payment System," P. Manivannan discusses how credit cards were once considered a luxury but have now become a necessity. Initially, these electronic payment methods were predominantly used by higher-income groups, including both urban and rural customers. However, due to advancements in banking and trade activities, even fixed income or salaried classes have begun adopting credit cards and other electronic payment systems today.

“Anupama Sharma (2012): In her research paper titled Plastic Card Frauds and Countermeasures: Towards a Safer Payment Mechanism,” Anupama Sharma highlights a significant rise in fraud cases involving plastic cards. The paper emphasizes that merchants are primarily responsible for losses caused by fraud, while banks also incur costs, including indirect costs. In contrast, cardholders are relatively less impacted by limited consumer liability. Sharma departs that prudent use of technology and appropriate countermeasures can mitigate these losses effectively.

“Bansi Patel and Urvi Amin (2012): In their paper Plastic Money: Roadway Towards a Cashless Society,” discuss the prevailing trend in modern transactions is the use of plastic card. They argue that its integration makes transactions easier and promotes societal development. Additionally, they emphasize that plastic money aids in controlling money laundering and enhances the efficient utilization of the financial system, thereby supporting effective tax legislation.

Mandeep Kaur (2011): The study explores the perspectives of both credit card users and member establishments on the use of plastic money. It examines key aspects such as challenges faced by customers and bankers, the perceived value of adopting plastic money, factors influencing its use, and analyzes current trends in plastic money usage in India.

RESEARCH METHODOLOGY

This study is an analytical nature, incorporating both primary and secondary data. Primary data was gathered from credit card holders by employing a well-structured questionnaire. Secondary data, drawn from published journals, newspapers, various websites, and related publications, supports the analysis. Fifty customers were interviewed using a structured questionnaire, selected through convenient sampling. The study was conducted in the Kannur District. Analytical methods include percentage analysis, Average Analysis and other statistical techniques

DATA ANALYSIS AND DISCUSSION

Bank Account

Table 1. Respondents' Bank Account

Bank Account	Frequency	Percentage
ICICI Bank	10	20
Federal bank	13	26
HDFC Bank	12	24
SBI Bank	15	30
Total	50	100

Based on the given table, it is noted that 20% of responder use ICICI Bank credit cards, 26% use Federal Bank credit cards, 24% use HDFC Bank credit cards, and 30% use SBI Bank credit cards.

Type of Credit Card

Table 2. Type of Credit Card

Type of Credit Card	Frequency	Percentage
Master card	23	46
Visa card	16	32
Gold card	6	12
Silver card	4	8
Others	1	2
Total	50	100

Table 2 reveals that 46% of respondents use MasterCard, 32% use Visa cards, 12% use Gold cards, 8% use Silver cards, and the remaining 2% use other types of cards not categorized under the aforementioned types.

Factors Influencing Credit Card Holders' Preferences

Table 3.1 Reason behind the Selection of Bank

Reason	Frequency	Percentage
The service quality of the bank	10	20
Reputation of the bank	8	16
I have an account with this bank	30	60
Others	2	4
Total	50	100

According to the table above, 60% of credit card holders choose their credit card provider because they already have an account with that bank. Another 20% opt for credit from a different bank due to the superior service quality it offers. Additionally, 16% select their credit provider based on the bank's reputation. The remaining 4% fall into other categories.

Table 3.2. Reasons for Choosing Credit Card

Factors	Mean Value	Rank
Easy credit facility	4.22	III
Make a payment on time	5.60	I
Convenient purchase	4.90	II
Build positive credit	3.64	V

Purchase protection	3.82	IV
Low cost loans	2.96	VI
Rewards	2.94	VII

The table provides information about what influences people to choose a particular credit card. It shows that the most significant factor for them is making timely payments, which scored an average of 5.60. Following that, convenience when making purchases was rated at 4.90, and having easy access to credit received an average score of 4.22.

Respondents also mentioned that purchase protection (average score of 3.82) and building a positive credit history (average score of 3.64) are important motivators for their choice of credit card. On the other hand, factors like low-cost loans and rewards have lower average scores of 2.96 and 2.94, respectively, suggesting they are less influential in their decision-making process.

Utility of Credit Card

Table 4. Utility of Credit Card

Utility	Mean Value	Percentage
Cash withdrawal	2.12	VI
Purchase and online shopping	4.94	I
Travel assistance	3.66	III
Investment reward	2.82	V
Bill Payment/ EMI/Other Payment	4.60	II
Convenient and Safety	3.04	IV

The table illustrates how people find credit cards useful in various ways. It shows that most credit card users primarily use their cards for online shopping and buying goods, rating this utility at an average of 4.94. Next in line is using credit cards for bill payments, EMIs, and other payments, which scores an average of 4.60.

Following these uses, some users value credit cards for travel assistance, giving it an average score of 3.66, and for the convenience and safety they offer, which scores an average of 3.04. On the other hand, the least preferred use of credit cards, as indicated by the table, is for cash withdrawals.

Extent of Satisfaction

Table 5. Extent of Satisfaction among Credit Card Holders

Attribute	Satisfaction	
	Mean	SD
Services Provided by the Bank	3.92	1.23
Bank Charges	2.90	0.95
Safety in Carrying Credit	4.14	1.03
Rectify the error (duration)	1.88	1.14
Overall Satisfaction	3.42	1.10

The satisfaction levels among credit card holders are detailed in the distribution. They express high satisfaction with the safety aspect of carrying a credit card, giving it a mean value of 4.14, with SD of 1.03. Additionally, they rate the service provided by their bank quite positively, with an average score of 3.92 and a SD of 1.23. In terms of overall satisfaction, respondents average a score of 3.42, with a SD of 1.10, indicating moderate satisfaction across various aspects of their credit card experience.

However, there is noticeable dissatisfaction with bank charges, which receive an mean rating of 2.90 and a SD of 0.95, suggesting that respondents find these charges less agreeable. The area of least satisfaction among credit card holders, according to the distribution, is the time it takes for the bank to rectify errors.

RESULTS OF THE STUDY

In today's world, credit cards have become widely available through all commercial banks, catering to diverse segments of society. This study aims to thoroughly examine the behavior of credit card users in Kannur, focusing on their satisfaction levels and the factors that motivate their credit card usage.

The study findings indicate that the majority of credit card holders prefer using MasterCard or Visa. The primary reason for choosing a particular credit card provider is typically because they already hold an account with that bank. Among the factors influencing their choice of credit card, the most important is the ability to make timely payments. Following this, convenience during purchases and easy access to credit are also significant considerations.

Credit card users primarily use their cards for online shopping and purchasing goods. The next most common uses are for bill payments, EMIs (Equated Monthly Installments), and other types of payments. The least preferred use of credit cards is for withdrawing cash.

Users express high satisfaction with the safety features of credit cards and the overall service provided by their bank. However, when it comes to overall satisfaction with their credit card experience, the study shows a moderate level of satisfaction across various aspects. One notable area of dissatisfaction among credit card holders is the time it takes for banks to rectify errors.

RECOMMENDATIONS

- Credit card companies should lower interest rates and reduce hidden fees for customers who use their cards frequently.
- Special offers and discounts should be offered during festive seasons to make using credit cards more appealing.
- Credit limits should be improved to better meet the needs of customers.
- Errors in credit card statements need to be promptly corrected.

- Effective measures should be in place to address customer complaints promptly and fairly.
- Customers should receive clear information about the advantages and disadvantages of credit cards to make informed decisions.

CONCLUSION

In today's world, banks play a crucial role, even as there's a growing movement against plastic usage. However, one sector that continues to thrive is the credit card industry. Nowadays, many Indians feel that a wallet without a card is incomplete. Over the last decade, the issuance and use of credit cards has increased significantly. The card issuer creates a current account and gives the cardholder a credit limit, who can use it to make purchases from merchants or withdraw cash as needed.

Several multinational corporations and private banks are entering the credit card market to maximize profits and deliver excellent services across various sectors. It's crucial to educate consumers about the advantages and disadvantages of credit cards. This effort can elevate the credit card industry to new heights by empowering users to make informed decisions.

REFERENCES

- Bansi Patel and Urvi Amin (2012), Plastic Money: Road may Towards Cash Less Society, Paripex Indian journal Of Research, Vol. 1, No. 11, ISSN-2250-1991
- Joji Alex. N, (2010), Compulsive Buying Behaviour and Its Relationship on Credit Default, Ph.D. Thesis, Department of Management Studies, Kunnar University.
- Kannan and Sobha (2007), Credit Card Business Set for Over 30 per cent Growth, The Hindu Business Line, 19 July.
- Mandeep Kaur and Kamalpreet Kaur(2008), Development of Plastic Cards Market: Past, Present and Future Scenario in Indian Banks, Asia-Pacific Business Review, Vol. IV, No.4, pp. 62-74, ISSN: 0973-2470
- Mandeep Kaur, (2011). Perception Of Card Users and Member Establishments Towards Plastic Money in India. Ph.D. Thesis. Department Of Commerce and Business Management Guru Nanak Dev University, Amritsar.
- Manivannan P. (2013), Plastic Money a way for cash Less Payment System, Global Research Analysis journal, Vol. II, No. I, Jan 2013, ISSN No2277 – 8160
- Prof. E. Gordon and Dr. K. Natarajan (2003), Banking Theory Law and Practice.
- Rajani V, (2009), An Evaluation of Business Deals Using Plastic Money in Kerala, Ph.D. Thesis, School of Management Studies, Cochin University of Science and Technology, Kochi.
- Rangaswamy and Ramesh Kumar 2007, Plastic Money in Retail Distribution NISMA, Journal of Department of Management Studies, Vol 1, No.11, Pp 27-30
- The Journal of Banking Studies
- Vimala V and Dr. Sarala K.S., (2013), Usage and perception of plastic money among the customers of BOI Asian Journal of Research in business Economics and Management, Vol. 3, Issue 4, pp 24-37
- www.wikipedia.com
- www.federal.com
- www.hdfc.com
- www.sbi.com
- www.icici.com
- www.shodganga.com

