



A STUDY ON CREDIT CARD UTILIZATION OF CREDIT CARD WITH REFERENCE TO COIMBATORE CITY

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ABSTRACT

The study is to examine the consumer level of satisfaction towards using credit card in Coimbatore city. The data has been collected by survey methods through questionnaire with 120 respondents. Tools used in this project were simple percentage analysis, likert scale analysis and rank analysis. On the basis of study, it is found that the customers are using credit cards often in shopping. Customers expect low rate of interest. These are some findings of the study. Thus the study concluded that customers are mostly satisfied of using credit card often in shopping.

KEY WORDS: *Customer satisfaction, Credit card utilization.*

1. INTRODUCTION

A mastercard may be a method of payment which enables the cardholder to get goods or service without paying cash up front. Having a mastercard may be a convenient thanks to buy almost anything but it's important to recollect that a mastercard may be a sort of unsecured loan.

Credit cards are fundamentally different from the opposite payment method therein they involve extending mastercard instead of drawing on an existing on a store of funds.

2. STATEMENT OF THE PROBLEM

In Morden days a plastic money service is of greater utility to the society altogether ways and means. It gives benefits to the customer and it

creates competition among bankers. because the use of plastic money is increasing day-to-day, it's important to review the customer preference towards use of plastic money in Coimbatore. The researcher has attempted to review these problems, other associated problems of not only the banks but also the mastercard holders and therefore the members establishments. Hence, the study.

3. OBJECTIVE OF THE STUDY

- To study about the customer awareness about credit card.
- To measure the level of satisfaction of credit card holder.
- To study about problem faced by customer.

4. RESEARCH METHODOLOGY

Source of Data	Primary and Secondary data
Sampling technique	Convenient sampling
Sample size	120 respondents
Tools and Technique	Simple percentage analysis, Likert scale analysis, Ranking scale analysis



5. STATISTICAL TOOLS

- Simple Percentage Analysis
- Likert Scale Analysis
- Ranking Scale Analysis

6. REVIEW OF LITERATURE

Nagaraju K (2017), 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 surrender their credit cards the banks customer prefer cards. The credit cards too 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 (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 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. (2015), 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.

7. TABLE

7.1 SIMPLE PERCENTAGE ANALYSIS

Percentage is used to find out the percentage value of all the entirely different question used infindings comparison between two or more series of data.

FORMULA

$$\text{Percentage Analysis} = \frac{\text{No. of Respondents}}{\text{Total No. of Respondents}}$$

TABLE 7.1
Often Credit Card Usage of Respondents

Particulars	No. of Respondents	Percentage
SHOPPING	60	50
RESTAURANT	21	17.8
FUEL	7	6
OTHERS	32	26.2
TOTAL	120	100

INTERPRETATION

The above table 4.1.11 shows that, 50% use credit cards for shopping; 17.8% use credit cards for

restaurant; 6% use credit cards for fuel; 26.2% use credit card for other usage.

The majority of the respondents use credit card for shopping (50%).

7.2 RANKING ANALYSIS

Customer Overall Satisfaction towards Credit Card

S.No	Factor	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total	Rank
1	Does customer care respond you at all times	65(5) 325	28(4) 112	11(3) 33	10(2) 20	6(1) 6	496	1
2	Credit card is cheaper	36(5) 180	38(4) 152	26(3) 78	14(2) 28	6(1) 6	444	5



3	Beneficial to use	48(5) 240	27(4) 108	25(3) 75	15(2) 30	5(1) 5	459	3
4	Satisfied with the privacy of transaction	47(5) 253	30(4) 120	20(3) 60	15(2) 30	8(1) 8	471	2
5	How would you rate your bank credit card	43(5) 215	33(4) 132	20(3) 60	16(2) 32	8(1) 8	447	4

INTERPRETATION

The table shows that out of 120 respondents, customer care respond you all time in the rank 1, satisfied with the privacy of transaction in the rank 2, beneficial to use in the rank 3, and rank 4 for the bank credit card, and credit card is cheaper in the rank 5.

INFERENCE

This is resulted that customer care respond all time is in the rank 1 of the credit card.

FORMULA

Likert scale = $(FX)/\text{Total number of respondents}$
 F = Number of respondents
 X = Likert scale value
 (FX) = Total scale

7.3 LIKERT SCALE ANALYSIS

A Likert scale analysis is a method of meaning attitude. Ordinal scale of responses to a question or statement, ordered in hierarchical from strongly negative to strongly positive. Used mainly in behavioural science, in Likert's method a person's attitude is measured by combining (adding pr averaging) their responses all items.

Table Showing High Interest Rate on Credit Card

Factors	No. of Respondents (F)	Likert Scale Value (X)	Total Score (Fx)
STRONGLY AGREE	64	5	320
AGREE	31	4	124
NEUTRAL	13	3	39
DISAGREE	9	2	18
STRONGLY DISAGREE	3	1	3
TOTAL	120		504

Likert scale = $\sum (FX)/\text{Total number of respondents}$
 = $504/120$
 = 4.2

INTERPRETATION

The likert scale value is 4.2 which is greater than mid value (3) which shows that the customer are agree with the high interest rate on credit card.

FINDINGS FROM PERCENTAGE ANALYSIS

- Majority (5.3%) of the respondents are female.
- Majority (66%) of the respondents are between 21 – 30 years.

- Majority (72.5%) of the respondents are unmarried.
- Majority (60.8%) of the respondents are Graduate.
- Majority (31%) of the respondents are doing other jobs.
- Majority (35.9%) of the respondent's income between 20,000 – 50,000.
- Majority (48.3%) of the respondent's family members are 4.
- Majority (33.3%) of the respondents are in rural area.



- Majority (41.7%) of the respondent's credit card knowledge from friends and family.
- Majority (30%) of the respondents are using VISA Credit card.
- Majority (50%) of the respondents are using credit card for shopping.
- Majority (47.9%) of the respondents are agree that credit card is best substitute for cash.
- Majority (37.8%) of the respondents are using other bank credit card.
- Majority (60.8%) of the respondents are satisfied the service provided by bank.
- Majority (34.7%) of the respondents are satisfied the fees for credit card.
- Majority (50.9%) of the respondents are spend between 2000 – 5000.
- Majority (47%) of the respondents are being lifetime credit cardholder.
- Majority (50.4%) of the respondents are use domestic credit card only.

FINDINGS FROM LIKERT SCALE ANALYSIS

- The Likert scale value is 4.2 which is greater than the mid-value (3) which shows that the customer satisfied with the high interest rate on credit card.
- The Likert scale value is 4.12 which is greater than the mid-value (3) which shows that the customer satisfied with the more security issued by bank.
- The Likert scale value is 4.09 which is greater than the mid-value (3) which shows that the customer satisfied with the proper record made by bank.
- The Likert scale value is 3.88 which is greater than the mid-value (3) which shows that the customer satisfied with the credit card is more important.
- The Likert scale value is 3.86 which is greater than the mid-value (3) which shows that the customer satisfied with the credit card will cover risk.

FINDINGS FROM RANK ANALYSIS:

- Customer care respond the people all time is in rank 1 of the customer overall satisfaction towards credit card.
- Facilities are provided in more No. of expenses than other bank is in the rank 1 of the customer rating towards banking service credit card.

8. SUGGESTIONS

- Now a days frauds are increased using credit cards. in order that they must take some initiative to enhance their security.

- Interest rate for the quantity used is extremely high. If the purchasers paid on time they also get more interest. Hence steps should be taken to scale back some rate of interest .
- Credit must need some advanced updations for straightforward access and to scale back the frauds.
- Updations in offline transactions are got to improve.
- Some of the Indian credit cards aren't accepted in foreign countries so extend the world of using credit cards.
- Because of having the mastercard the worth decision changes and that they purchase beyond their capacity.

9. CONCLUSION

Today credit line is within the sort of a mastercard developed very quickly and has come up as most ordinarily held economic tool by various households everywhere the world . The several comforts that credit cards provide such as-cashless dealings, tele-purchases and interest shopping, the pliability of deferring payment to a future date allows customers to affect temporary financial crunch. Also the dissatisfaction level amongst consumers is being very high, escalating rather due to high interest rates. Credit cards provide a convenience to consumers, acting as both a way of payment and a versatile credit instrument.

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