USERS STAIFACTION TOWARDS CREDIT CARD OF PRIVATE SECTOR BANKS, WITH SPECIAL REFERENCE TO NAGERCOIL CITY

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ABSTRACT

The concept of using a card for purchases was described in 1887 by Edward Bellamy in his utopian novel Looking Backward. Bellamy used the term credit card eleven times in this novel, although this referred to a card for spending a citizen's dividend rather than borrowing. It was first used in the 1920s, in the United States; the design of the credit card itself has become a major selling point in recent years. The value of the card to the issuer is often related to the customer's usage of the card, or to the customer's financial worth. This study attempts to identify the factors influencing credit cards usage in Private Sector Banks as well asgender wise opinion regarding credit card in Private Sector Banks. Finally, is to identify the satisfaction level of credit card users and also examine the risk tolerance of credit card users in Private Sector Banks. Data has been collected from 110 respondents from the study area. Convenience sampling method is used while selecting the samples.Tools and techniques- F Statistics, 't' Statistics, Percentage,Rankis used for this paper work.

KEYWORDS: Credit Cards, Private Sector Banks, Satisfaction Level, Risk Tolerance.

INTRODUCTION

A credit card is a type of credit facility, provided by banks that allow customers to borrow funds within a pre-approved credit limit. It enables customers to make purchase transactions on goods and services.

A credit card is a payment card issued to users (cardholders) to enable the cardholder to pay a merchant for goods and services based on the cardholder's accrued debt (i.e., promise to the card issuer to pay them for the amounts plus the other agreed charges). The card issuer (usually a bank or credit union) creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as

a cash advance. There are two credit card groups: consumer credit cards and business credit cards. Most cards are plastic, but some are metal cards (stainless steel, gold, palladium, titanium) and a few gemstone-encrusted metal cards.

A regular credit card is different from a charge card, which requires the balance to be repaid in full each month or at the end of each statement cycle. In contrast, credit cards allow the consumers to build a continuing balance of debt, subject to interest being charged. A credit card differs from a charge card also in that a credit card typically involves a third-party entity that pays the seller and is reimbursed by the buyer, whereas a charge card simply defers payment by the buyer until a later date.

A credit card also differs from a debit card, which can be used like currency by the owner of the card. Alternatives to credit cards include debit cards, mobile payments, digital wallets, cryptocurrencies, pay-by-hand, bank transfers, and buy now, pay later. As of June 2018, there were 7.753 billion credit cards in the world. In 2020, there were 1.09 billion credit cards in circulation in the U.S and 72.5% of adults (187.3 million) in the country had at least one credit card.[1]

DESCRIPTION OF CREDIT CARD
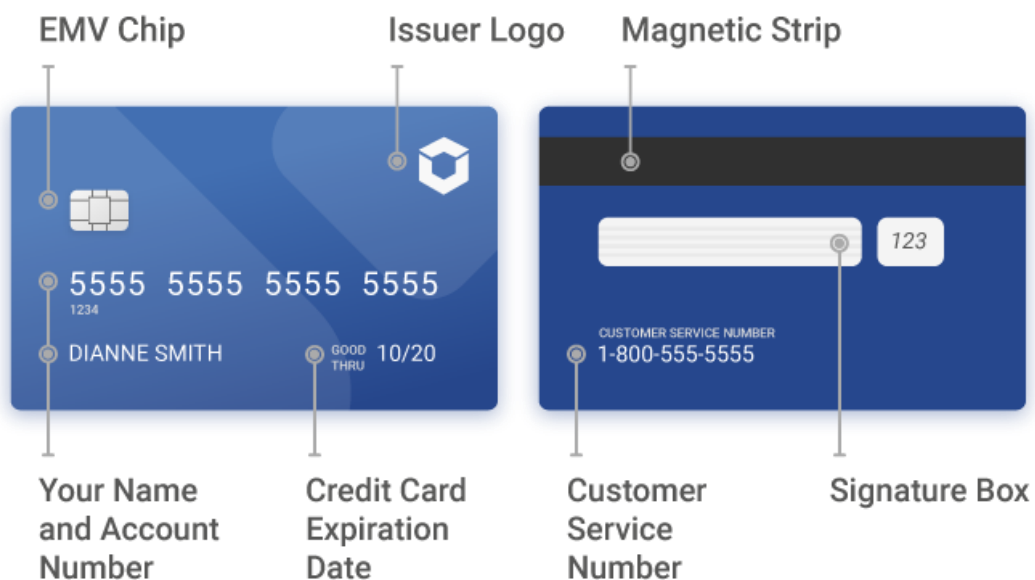
STATEMENT OF THE PROBLEM

However, there are merits there are also demerits in the use of credit card. There is a chance of fraudulent practice arising on the base of credit card facilities. This study says to

discover the factors influencing credit cards usage in Private Sector Banks and the various problem faced by them in using the Card. This study made to know the extent of credit facilities available to the customers in various activities and their satisfaction towards such facilities.

OBJECTIVE OF THE STUDY

- To find out the factors influencing credit cards usage in Private Sector Banks
- To identify the gender wise opinion regarding credit card in Private Sector Banks
- To identify the satisfaction level of credit card users and also examine the risk tolerance of credit card users in Private Sector Banks

REVIEW OF LITERATURE

- **S.SathyaMoorthi (2019)** "Users Satisfaction towards Credit Card of Various Banks"in his article he states that Banking plays a vital role in our day to day life. In this competitive world everything comes in our hand. Banking sector offers many schemes and services. In that the best part is Credit card. Credit card is given by the bank or some Financial institutions. It is the plastic card. The main Moto of credit card is "buy now pay later" that means we can buy the goods by the credit card and pay it at a period of time as described by the bank. In his paper is all about the knowledge and satisfaction of customers towards credit card facilities.
- **Vismaya (2022)** "Kisan Credit Card Scheme: Knowledge and Constraints" This study is to analyse the knowledge level of sample respondents about KCC Scheme, socio-economic factors determining the knowledge level of farmers and constraints of utilising the KCC Scheme.

RESEARCH METHODOLOGY

Research methodology is the specification of methods and procedures for acquiring the information needed to structure or solve problems. It is the overall operational pattern or framework of the project that stipulates the information to be collected, its sources and with varying procedures.

Universe of the study- Private Sector Banks-Credit Card users in Nagercoil City.

Data collection- Primary Data and Secondary Data

Primary Data: Primary data are those that are gathered for a specific purpose or for a specific research project. The information will be collected through a structured questionnaire.

Secondary Data: Secondary data means data that has already been collected and analysed. The sources that are used to collect these types of data are: Books, Journals and Websites.

Sample design- Convenience Sampling Method

Sample size-110

Sample unit- Age group between 25- Above 50 years

Tools and techniques- F Statistics, 't' Statistics, Percentage,Rank

FINDINGS

FACTORS INFLUENCING CREDIT CARDS USAGE IN PRIVATE SECTOR BANKS

In order to find the relationship between age group of respondents and their factors influencing credit cards usage in Private sector banks, "ANOVA" test is used.

TABLE 1

S.NO	FACTORS	AGE GROUP (Mean Score)						F Statistics
		25-30	31-35	36-40	41-45	46-50	Above 50	
1	Convenient	4.15	4.21	4.30	4.44	4.17	4.24	0.189
2	Status Symbol	3.92	4.08	4.16	4.27	3.95	3.92	1.112
3	Facilitate large quantity of purchase without cash	4.12	4.17	4.31	4.46	4.13	4.23	0.047*

4	Useful in emergency	4.62	4.20	4.73	3.85	4.84	4.34	0.000*
5	Provides Discount	4.19	4.05	4.22	3.92	3.92	3.97	0.017*
6	Good Customer Service	4.17	3.77	3.47	4.12	4.24	3.99	0.001*

Source: Primary Data

From the above table, it is understood that Useful in emergency and Provides Discount the important factors influencing Credit card usage in private sector Banks among the respondents who are in the age group of 25-30 years as their mean score are 4.62 and 4.19 respectively. It is further understood that Convenient and useful in emergency are the important factors influencing credit card usage in Private sector banks among the respondents who are in the age group of 31-35 years as their mean score of 4.21 and 4.20 respectively. Table further shows that Useful in emergency and Facilitate large quantity of purchase without cash are the important factors influencing credit card usage in Private sector banks among the respondents who are in the age group of 36-40 years as their mean score are 4.73 and 4.31 respectively. Table further reveals that Facilitate large quantity of purchase without cash and Convenient are the important factors influencing credit card usage in private sector banks among the respondents who are in the age group of 41-45 years as their mean scores are 4.46 and 4.44 respectively. Table shows that Useful in emergency and Convenient are the important factors influencing credit card usage in private sector banks among the respondents who are in the age group of above 50 years as their mean score are 4.34 and 4.24 respectively.

Regarding, the factors influencing credit card usage in Private sector banks, the significant difference among the different age group of respondents are identified in the case of "Facilitate large quantity of purchase without cash", "Useful in emergency", "Provides Discount" and "Good Customer Service" since the respective 'F' statistics are significant at 5 percent level.

GENDER WISE OPINION REGARDING CREDIT CARDS IN PRIVATE SECTOR BANKS

In order to identify the gender wise opinion regarding credit cards in private sector banks 't' statistics is used.

TABLE 2

GENDER WISE OPINION REGARDING CREDIT CARDS IN PRIVATE SECTOR BANKS

S.NO	OPINION REGARDING CREDIT CARDS	MEAN SCORE		T-SATISTICS	P-VALUE
		MALE	FEMALE		
1	Essential	4.82	3.29	13.982*	.000
2	Less Formalities	4.97	3.00	11.192*	.000
3	Comfortable	4.94	3.40	16.813*	.000
4	Luxury	4.28	2.94	14.173*	.000

Source: Primary Data

From the table, it is seen that among male customer's opinion regarding credit cards in private sector banks is high for the variables, "Less Formalities", "Comfortable" since they have the highest mean scores of 4.97, 4.94 and 4.82 respectively. They have the lowest for the variable, "Luxury", since it has the lowest mean scores of 4.28 respectively.

It is observed that, Female customer'sopinion regarding credit cards in private sector banks have the highest for the variables, "Comfortable" "Essential", since they have the highest mean scores of 3.40 and 3.29 respectively. They have the lowest in "Luxury" since they have the lowest mean scores of 2.94 respectively.

Regarding, the customer's opinion regarding Credit cards in private sector banks in gender there is a significant difference have been identified in the case of all the four variables they are "Essential", "Less Formalities", "Comfortable", "Luxury", since their respective 't' statistics are significant at 0.05 per cent.

SATISFACTION LEVEL OF CREDIT CARD USERS IN PRIVATE SECTOR BANKS

TABLE 3

SATIFACTION LEVEL OF CREDIT CARD	NO OF RESPONDENTS	PERSENTAGE

USERS		
Highly Satisfied	41	37
Satisfied	31	28
Neutral	20	18
Dis-Satisfied	16	15
Highly Dis-Satisfied	2	2
TOTAL	**110**	**100**

Source: Primary Data

Majority (37%) of the Respondents Are Highly Satisfied category, remaining (28%) of the respondents are Satisfied category, (18%) of the respondents are Neutral category, (15%) of the respondents are Dis-satisfied category, (2%) of the respondents are Highly Dis-satisfied category.

RISK TOLERANCE OF CREDIT CARDS USERS IN PRIVATE SECTOR BANKS

TABLE 4

S.NO	RISK TOLERANCE	SCORE	RANK
1	High Interest Rate	61.7	I
2	Credit Card Fraudulence	58.8	IV
3	Easy to overuse	61.4	II
4	Hidden cost	59.1	III
5	Minimum due trap	54.3	V

Source: Primary Data

In Garrett's Ranking, it shows that majority of the respondents feels that "High Interest Rate" in risk tolerance of credit card users in private sector banks is taking first rank. Followed by second rank is for "Easy to overuse" with a mean score of 61.4. Third rank is for "Hidden cost" with a mean score of 59.1. Fourth rank is for "Credit card Fraudulence" with a mean score of 58.8. Last rank is for "Minimum due trap" with a mean score of 54.3 respectively.

SUGGESTIONS

- ❖ It is found that majority of customers has the problem in rate of interest charged. The rate of interest levied normally range 2.5% to 5% or Rs.75 that can be reduced in order to increase the number of cardholders to the bank.

- ❖ It is suggested that Photo Card can be provided to the cardholders. Hence it can avoid many fraudulent activities and it would be helped in case of loss of Credit Cards.

- ❖ Many of the cardholders are attracted with the insurance coverage provided in the Credit Card. It is found that there exists delay in the insurance coverage payment to the cardholders. Therefore, this term may be proper consideration to avoid misattitude of the cardholders.

CONCLUSION

In the study the careful analysis of the Credit Cardholders has been taken up. Credit Card has performed well to the needs of the people. At the time of introduction, the people does not welcome it, because it is mostly used for a particular activity only, but today it is boon to all the mankind, but still Credit Card consciousness is lacking among many people. This is mainly due to the card fee and interest charges. So the immediate need is to take more effective measures so as to make Credit Card attractive. Such an attempt will enable Credit Card to achieve greater heights in banking sectors.

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