



A Study on Customer Preference and Satisfaction Towards Using Credit Cards with Reference to Cuddalore District

Ms.K.Kalaivani., M.Com., M.Phil., PGDCA.,

Assistant Professor

Department of Commerce- Thanthai Hans Roever College (Autonomous)-Perambalur¹

Dr.C.Prakash., M.Com., M.Phil., Ph.D.,SET.,

Assistant professor

PG. Department of Commerce-119-Government Arts and Science College -Tittagudi²

ABSTRACT:

The rationale of this research on customer satisfaction will assist us to know the requirements and the Wants of the customers over credit cards. The significance of credit card usage in online shopping is very crucial and plays a significant role in the economy of one country. The research might give relevant and timely facts on the preference level of customer with respect to credit card. Since the aims of this research are to examine the customer satisfaction and to determine the consumer preference towards the usage of credit cards, 150 customers were taken, and received the different responses according to the questionnaire method.

KEY WORDS: Credit card, Customer satisfaction, Customer preference, Online purchasing.

I. INTRODUCTION

A credit card is a method of payment using the plastic cards that are given to clients to pay. There exists a difference between credit cards and the debit cards. A credit card is issued following a credit card application to the issuer and functions in contrast to the debit cards which it is issued. It is then the issuer who lends money to the credit card holder at usual varying rates of interest. And in case a customer is on credit cards, then it would imply that he is free to balance his balance at the expense of paying interest and would extend his payment period than previously. All credit cards have an associated credit card company. Credit card companies are not all bad and some provide highly convenient credit cards. It ranks among the most suitable credit card and their features with any other type of credit cards. Visa credit cards and Master credit cards are the most common cards in these cards and they are used everywhere in the world. Different credit card firms

and credit banks also possess their system of credit check in order to get their credit when in need. So Consumer will not be able to deserve them by using their credit cards.

II. STATEMENT OF THE PROBLEM

It has been a revolution in the banking services by the adoption of new technology. The usage of credit card in India is increasing day by day. But there are a lot of technical problems in the transaction of credit cards. Credit card is the best way for carrying non-cash money with us always where ever we go and whenever we need. The drawing limit for the credit card is fixe by the bank according to the capacity of the card holders. The business people gain's more advantages by using credit cards. The credit card transactions carry a higher risk, but the credit card opens a way for business growth.

III. SCOPE OF STUDY

To an Alyse the current status and the structure of credit card and the impact of the consumers spending via credit cards. The study covers the financial aspects, consumer psychology spending the via credit cards. This study covers the factors which affects the usage of credit cards among people which banks like private or public sector are providing satisfying services to the credit card holders. This study is done with the help of a questionnaire which contains questions to find the impact of credit cards. This study helps to know about the usage pattern of credit card users and their opinion.

IV. OBJECTIVE OF THESTUDY

- To study the demo graphic factors in flouncing the use of credit cards.
- To know the preference of the consumer towards credit cards usage.
- To know the level of satisfaction of customers towards credit cards.
- To identify the spending behaviour of the customers.

V. Limitations of the Study

- This study is geographically limited to the Cuddalore district, and therefore the findings may not be generalizable to other regions.
- The study is based on a sample size of only 150 respondents, which may not fully represent the entire credit card user population.
- In some cases, respondents lacked complete knowledge or understanding of the features and terms of the credit cards issued by their banks.
- During the data collection process, some respondents appeared disinterested or did not provide responses with full sincerity, which may have affected the accuracy of the data.
- As a result, the study may present only a partial or limited view of the actual impact and usage patterns of credit cards.

VI. REVIEW OF LITERATURE

Tabrez Haq and Bushra Malik (2016) “Consumer response to using plastic money with the emphasis on the development of plastic money substitution between credit cards and Debit cards - The proliferation of plastic money has been propagated by the fact that the banking sector has become more aggressive. Further, user duplication is a key issue of concern to the industry that can inflate the count of active users. The current paper attempts to comprehend the post-recession repercussions on plastic money industry and its consequences on the consumers choice. The paper provides a diligent study into the acceptability of the cards on the part of the Indian consumers and the variables that affect the card selection.

In her research paper Plastic cards frauds and the countermeasures towards a safer payment mechanism Sushma Patil (2014) has illuminated the number of frauds which is grossly not handled when using the plastic card because in case of plastic card frauds it is the merchants of goods and services who are most concerned in this issue since they have to face the entire burden of loss to frauds, the banks too have their role to play particularly the indirect cost and has recorded the number of the losses as a fraud can be countered by the careful use of the new technology and by.

In his research article Plastic Money: A Way for Cash-Less Payment System, P. Manivannan (2013) experimented with the thesis that plastic money, i.e., payment with credit cards, was a luxury in the past that has become a necessity. Only the high- income group had access to plastic money and electronic payments. This facility was not only for urban or city customers, but also for rural area customers. But in modern times, as the banking And trade activity is developed, the group of fixed income or the salaried classes begins to use the plastic money and electronic payment systems, or more specifically, credit cards.

Vimila V. and Dr. Sarla K.S(2013) that occurs under stress on the usage and the perception of the plastic money among the customers of BOI with the concentration on the level of awareness, perception and the usage of the new innovative services in as far as plastic money is concerned. Kotler and Armstrong (2012) define customer satisfaction as the degree to which a product's perceived performance corresponds to the expectation of buyers. Customer satisfaction consists of service indicators, namely loyalty, satisfaction, repurchase interest, small desire to make a complaint.

VII. RESEARCH METHODOLOGY

SAMPLE DESIGN:

Population: Population used in this search is set of customers using credit cards in Cuddalore district.
Sample size: The sample sizes 150.

Sampling procedure: The procedure applied in sampling technique was an area sampling procedure where there are a greater number of users. The rationale behind this method was that we knew that our target population are the age 18 and above.

DATA

1. **Primary data.**
2. **Secondary data.**

Primary data:

- Individual development preset scheme the structure questionnaire, which assists in reading the consumers.
- Short tinted review with the consumers.

Secondary data

1. Websites
2. Business magazines
3. Trade rights
4. Published data on credit cards

VIII. TOOLS FOR DATA COLLECTION

1. Simple percentage analysis
2. Chi-square test analysis
3. Weighted average analysis
4. Correlation coefficient analysis

IX. Tools for Data Collection

The following statistical tools were used to analyze and interpret the data collected from the respondents:

1. Simple Percentage Analysis

Simple percentage analysis is one of the basic statistical tools used to represent raw data in a meaningful form. It helps in understanding the distribution and comparison of responses.

- **Purpose:** To determine the proportion of respondents falling into various categories (e.g., age group, income level, frequency of credit card usage).

2. Chi-Square Test Analysis

The Chi-square test is a non-parametric test used to determine the relationship or association between two categorical variables.

- **Purpose:** To test the independence or association between demographic factors (like age, income) and credit card usage behaviour.

$$\chi^2 = \sum (O - E)^2 / E \dots \dots \dots 1$$

Where:

- O= Observed frequency
- E = Expected frequency

Application: Useful in identifying whether variables like education level and frequency of credit card use are related.

3. Weighted Average Analysis

Weighted average analysis is used when different factors contribute unequally to the overall result. It assigns weights to various options based on their importance or impact.

Purpose: To prioritize various features or satisfaction factors related to credit card usage.

Correlation Coefficient Analysis

Correlation coefficient analysis measures the strength and direction of a linear relationship between two continuous variables.

Purpose: To understand the relationship between two variables, such as income level and credit card spending.

SIMPLE PERCENTAGE

BANK CREDIT CARD OF THE RESPONDENTS

Particulars	respondents	Perecentage
HDFC	34	22.6
ICICI	42	28
SBI	42	28
OTHERS	32	21.3

INTERPRETATION:

The table above indicates that 22.6% of the respondents hold HDFC bank credit card; 28% respondents have ICICI bank credit card; 28% respondent shave SBI bank credit card and 21.3% use other bank's credit card.

Particulars	No. of respondents	Percentage
MASTER	46	30.6
VISA	48	32
RUPAY	32	21.3
OTHERS	24	16
TOTAL	150	100

INTERPRETATION:

As indicated in the table above, 30.6 percent of the respondent use MASTER card; 32 percent of the respondent use VISA card; 21.3 percent use RUPAY and 16 percent use other card.

INTERPRETATION:

Chi-squares of more than theta bled aloe were calculated. Therefore, the hypothesis is accepted as follows: the there is no significant correlation between the age and credit card use. Majority of respondents have ICICI and SBI bank credit cards(28%).

X. TYPEOF CREDIT CARD OF RESPONDENTS

Majority of the respondents use VISA card (30.6%).

i. CHI-SQUARETESTANALYSIS

AGEANDUS AGE OF CREDIT CARDS:

- WEIGHTED AVERAGE NALYSIS
- RANKING OF CUSTOMERS

	Factors	1(5)	2(4)	3(3)		Tot al 4(2) 5(1)	Mean score
Credit card is cheaper	65	46	34	4	1	150	4.133
	325	18	10	8	1	620	
		4	2				
Beneficial to use	39	84	21	5	1	150	4.033
	19	33	63	10	1	605	
	5	6					
Service By bank	36	63	43	5	3	150	3.826
	18	25	12	10	3	574	
	0	2	9				
Privacy of transaction	51	50	38	3	8	150	3.886
	25	20	11	6	8	583	
	5	0	4				

INTERPRETATION:

The table above justifies the ranking of the customers. The highest core or average is 4.133 of the factor of ranking of the customers of the credit cards.

S.no.	Age	Type of credit card
1	39	46
2	61	48
3	38	32
4	12	24
Total	150	150

The correlation co-efficient values 0.871129.

INTERPRETATION:

The above table shows the correlation co-efficient between two variables. It indicates that there is positive relationship between age and type of credit card.

The correlation co-efficient values 0.871129.

CORRELATION CO-EFFICIENT ANALYSIS AGE AND TYPE OF CREDIT CARD

The reason is increasing rather due to high interest rates. Credit cards are convenient to end users, as a payment option and flexible credit tool. Then we can assume that a majority of consumers will incur small net financial expense in order to enjoy this convenience..

Conclusion

Consumer credit in the form of credit cards has evolved rapidly and emerged as one of the most widely used financial tools by households across the globe. Credit cards offer numerous conveniences, such as cashless transactions, telephone purchases, internet shopping, and the flexibility to defer payments. These features make credit cards a useful tool for addressing short-term financial needs and emergencies. However, despite the widespread ownership of credit cards, actual usage levels remain relatively low in comparison. Moreover, a significant level of consumer dissatisfaction persists. This dissatisfaction may stem from factors such as high interest rates, hidden charges, inadequate customer service, lack of transparency, or difficulties in managing debt. To ensure that credit cards remain beneficial financial instruments, there is a need for greater financial literacy among consumers and more responsible lending practices by credit card companies. Only then can the full potential of this financial innovation be realized in a sustainable and consumer-friendly manner.

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