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A Study on Consumer Approach Towards Credit Cards -With Reference to Salem

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ABSTRACT

This paper is part of the consumer attitude towards in credit cards, to attempt used by empirical study of how ton credit card consumers respond to, and reveal their attitudes towards credit cards. To understand the usage patterns of credit cards by the consumers; To identify the grievances that the credit card holders face while using the credit cards; The study were used in simple random sampling technique. The sample size was used in 200 respondents. In the absence of secondary data, a questionnaire was administered to the respondents and primary data was collected. The attitudinal statements were created, and the instrument was tested for its validity and reliability. Chi Square test was conducted and the results were found to be statistically significant.

1. INTRODUCTION

Money lending is almost certainly one of the oldest professions in the world. In India money Lending has its origin in the Vedic period and there are evidences of activities such as acceptance of deposits and lending of money. In early primitive society, money (commodity money) took the form of cattle or a commodity depending upon various factors like the cultural and economic developments of a community, climate and location. This was the time when barter system was in prevalence. Then metals such as gold and silver were adopted as money for the purpose of exchange owing to the inconvenience, the metallic money was substituted with paper money (bank notes). Now in the present scenario paper money is being replaced by plastic money (credit cards) the world over. Taking cue from global economic India too has been rapidly venturing into the plastic money business, i.e. credit card business. In today's economy the credit cards are being widely used.

The credit cards are largely preferred because they are simple to operated and easy to carry. The holders are relieved from the risk of carrying cash or cheque book with them; owing to revolving nature of credit, the customers can take advantage of it, and when he pleases within the overall limit the purchasing power of the card holder increases to the extent of credit limit given in the card, if wisely used, credit cards can provide them extra money, interest free. All that one has to do is to settle the bills on time. Credit cards are now a part of our every day lives. The choices available in the market are many and most cards offer different features filling petrol on priority, easy overseas travel, special privilege for women a six by four centimeter plastic card makes possible all this and more. Plastic culture has caught on in India, the initial fears have been shed and cards have become virtual currency. No wonder the credit card industry's growth rate is 25-26 percent per annum.

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2. CREDIT CARD

Credit on commerce and finance term used to denote transaction involving the transfer of money or other property on promise of repayment usually at a fixed future date. The transferor thereby becomes a creditor, and the transferee a debtor; hence “credit” and “debt” are simply terms describing the same operation viewed from opposite stand points. According to Oxford English Dictionary credit card is defined as “A smack plastic card issued by a bank, building, society, etc., allowing the holder to purchase goods or services on credit”

3. SCOPE OF THE STUDY

The present study was undertaken to analyze the favorable and unfavorable factors of credit card holders in Salem City. The approach of the study was from the point of view of credit card holders and bankers. The study was designed to encourage the use of credit card by taking measures to overcome the problem faced by them. The study is limited for a period of one year. Thus the present study attempts to analyze the growth trends of credit card holders, its functional problems and the future prospects of the credit cards in Salem City.

4. OBJECTIVE OF THE STUDY

1. To analyze various rules and regulation implemented by certain banks for issuing credit cards.
2. To analyze various kind of services provided by banks to their customer through credit cards.
3. To study consumer attitude towards credit card with reference to Salem City.

5. SAMPLING DESIGN

The type of sampling taken for the study is convenience random sampling. The total number of respondent taken as sample for the study is limited to 200 and they consist of Salaried peoples, Professionals, Business men etc.

6. PERIOD OF THE STUDY

This study has been undertaken during the year 2017-2018. The primary data of the study were collected for 3 months from July 2017 to Sep 2018. The secondary data were collected from the newspapers, journals, periodical, Banks broachers, and internet and from credit card holders.

7. LIMITATION OF THE STUDY

The researcher had time constraints so he was able to take a sample size of 200 only. Hence, the inference derived cannot be generalized. Many of the card holders hesitate to give their free opinion on many questions and some of them refuse to furnish genuine information about their annual income, No. of Credit card they possess etc as the researcher is an outside person to them as they concerned.

ANALYSIS OF THE STUDY

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OCCUPATION OF RESPONDENTS

	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Salaried person	54	27.0	27.0
Business men	49	24.5	51.5
Professional	97	48.5	100.0
Total	200	100.0	

Source: Primary Data

TABLE NO 1

The above table shows that (27%) 57 of the respondents belongs to salaried income group (24.7%) of the 49 respondents comes under business income group and the balance (48%) of the 97 respondents are from professionals.

RESPONDENT'S PREFERENCE BY CARD

BRAND NAME	FREQUENCY	PERCENT	CUMULATIVE PERCENT
VISA	63	31.5	31.5
Master	79	39.5	71.0
Others	58	29.0	100.0
Total	200	100.0	

Source: Primary Data

TABLE NO 2

The above table shows that (31.5 %) 63 of the respondents are having the VISA brand card, (39.5%) of the 79 respondents have Master Card and the balance (29%) of the 58 respondents are having other branded like Amex, BoB etc.,

OCCUPATION AND LEVEL OF SATISFACTION

	LEVEL OF SATISFACTION			TOTAL
	HIGH	MEDIUM	LOW	
Salaried person	3	31	20	54
Business men	2	19	28	49
Professional	58	29	10	97
Total	63	79	58	200

Source: Primary Data

TABLE NO 3

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CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
Pearson Chi-Square	80.810[a]	4	.000
Likelihood Ratio	89.164	4	.000
Linear-by-Linear Association	47.459	1	.000
N of Valid Cases	200		

Source: Primary Data

TABLE NO 4

The above table explains at the 5 per cent level the hypothesis is accepted. Hence it is concluded that there is no significant relationship of the occupation and level of satisfaction.

EDUCATIONAL QUALIFICATION AND LEVEL OF ATTITUDE OF SATISFACTION

	Q9			TOTAL
	HIGH	MEDIUM	LOW	
School level	32	64	36	132
Degree level	31	15	22	68
	63	79	58	200

Source: Primary data

TABLE NO 5

EDUCATION AND ATTITUDE LEVEL – CHI-SQUARE TEST

	VALUE	DF	ASYMP. SIG. (2-SIDED)
Pearson Chi-Square	14.826[a]	2	.001
Likelihood Ratio	15.307	2	.000
Linear-by-Linear Association	1.955	1	.162
N of Valid Cases	200		

TABLE NO 6

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8. HYPOTHESIS

There is no significant relationship between Literacy Level and level of attitude of satisfaction. Since the calculated value is more than the Table value at 5 per cent level, the hypothesis is accepted. Hence it is concluded that there is a significant relationship between education and the level of attitude of satisfaction.

9. SUGGESTIONS

The bankers or issuers should only concentrate the credit card availability to salaries person only but also extend the facility to other sectors of people including small business man low income groups etc. The number of member establishment is too increased. For that the banker/issuer should reduce their commission regarding the transaction made. Card holders view point before choosing the credit card shop around for that are best suitable. Make sure that all the terms and condition regarding credit card plan are understood before accepting the card. Review the disclosures of terms and fees that appear on credit card. Pay the bills promptly to the finance charges as low as possible.

10. CONCLUSION

The researcher takes pleasure in presenting this report of the humble study that he has been made. The researcher has full satisfaction over the work that was done independently with the guidance of the supervisor. The may successful to make some improvement/changes in condition regarding credit cards which in turn provides benefits to society and country as a whole.

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