



A STUDY ON CUSTOMERS PERCEPTION TOWARDS PLASTIC MONEY –CREDIT CARDS WITH REFERENCE TO RAMNAD DISTRICT

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ABSTRACT

Credit cards are innovative ones in the line of financial services offered by commercial banks. The idea of credit card was first developed by a Bavarian Farmer, Franz Nesbitum an American business who found himself without cash at a weekend resort founded Diner's card in 1950. Right from that time, the commercial banks and non-banking companies in USA adopted the idea of credit card to develop their business. Barclay's Bank was the first bank to introduce credit card in 1966 in Britain. Credit card culture is an old hat in western countries. In India, it is relatively a new concept that is fast catching on the present trend indicates that the coming years will witness a burgeoning growth of credit cards which will lead to a cashless society. Contrary to middle-eastern economics credit cards industry in India is still at a nascent stage with only 14% Indian respondents owning a card.

Key words- card, culture, growth, business

INTRODUCTIUON

Meaning

A credit card is a card or mechanism which enables card holders to purchases goods, travel and dines in a hotel without making immediate payments. The holders can use the cards to get credit from banks up to 45 days. The credit card relieves the consumers from the botheration of carrying cash and ensure safety. It is a convenience of extended credit without formality. Thus credit card is safe, convenient and adds prestige.

Definition

A credit card is a financial instrument, which can be used more than once to borrow money or buy products and services on credit. Banks, retail stores and other business generally issue

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credit cards. The word credit comes from a Latin word meaning trust. It is a plastic card which allows the holder to borrow money or to buy goods without paying for them immediately with the help of a smart card.

Statement of the Problem:

A credit card is more than simple, piece of plastic card it is a first and foremost flexible payment and the credit card is issued to consumer for short term without any interest a credit card is assets to the life style. It offers free use to funds and provides the consumers always pay their balance in free on time. It is more convenient to carry than cash and help them to establish a good credit history.

Review of literature:

Brooker (2004) examines the creation of the credit card how it has revolutionized American business. The author points out the impact of credit cards in modern day business such as FedEx Wal-Mart and eBay

Hogarth (2002) explains consumer complaint resolution and the elasticity of the credit card market. (Dr.S.Sudhagar, 2012). Many people have knowledge about credit cards, but do not possess credit cards because of the fear of falling into debt trap. High income earners and highly educated class use credit cards more by availing high credit limits

Scope of the study:

The present study discusses the customers' perception towards plastic money –credit cards with reference to Ramnad district. The study also analyses the features, credit limits, extent of satisfaction of credit cards by card holders and the level of awareness, services and perception of card holders.

Objectives of the study:

1. To identify the features which enables the customers to apply for a premium credit card
2. To find out the frequency of usage of credit cards for daily purpose.
3. To find out the satisfaction level of the customers using credit cards.
4. To offer suggestions for further improvement.

Methodology:

The study is based on Primary data and the required data for the study was collected through the structured questionnaire from 100 respondents from Ramnad district. They were selected on the basis of simple random sampling method. The secondary data were collected from books, Journals and magazines.

Sample size:

The size of the sample taken for the study was 100. They were selected by simple random sampling method.

Analysis of Data:

Statistical tools such as chi-square & correlation have been used by the researcher to analyze the primary data.

Limitations of the Study:

Due to constraints of time and resources the researcher has selected only 100 respondents. Therefore the findings of the study cannot be generalized at all places.

Chapter Scheme

It has been divided into five chapters.

1. The first chapter is titled as “Introduction and Design of the study” It Includes introduction, Statement of the problem, objectives, scope, period of study, methodology, and sample size, Analysis of Data, Limitations of the study and chapter scheme.
2. The second chapter deals with the origin and growth of credit cards
3. The third chapter deals with the analysis and interpretation of data
4. The fourth chapter gives a summary of the findings of the study and offers a few suggestions for further improvement of the study

Table 1

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

S.No.	Age	Frequency	Percentage
1	Below 23	18	18
2	23 – 33	28	28
3	33 – 43	32	32
4	43 above	28	28
Total		100	100

. **Marital status of respondents**

S.No.	Marital Status	Frequency	Percentage
1	Single	38	38
2.	Married	62	62
Total		100	100

Education Level of respondents

S.No.	Education Level	Frequency	Percentage
1	School Level	28	28
2.	U.G	36	36
3.	P.G	20	20
4.	Professional qualification	16	16
Total		100	100

Occupation level of respondents

S.No.	Occupation	Frequency	percentage
1	Student	16	16
2.	Govt. Employee	18	18
3.	Business/Profession	34	34
4.	Private Employee	32	32
Total		100	100

Monthly Income of the respondents

S.No.	Income	Frequency	percentage
1	Below 50,000	32	32
2.	50,000 – 1,00,000	38	38
3.	above 1,00,000	30	30
Total		100	100

Table 2

Types of Cards used by the Respondents

S.No.	Bank Cards	Frequency	percentage
1	SBI	25	25
2.	HDFC	16	16
3.	ICICI	15	15
4.	CITI Bank	18	18
5.	HSBC	26	26
Total		100	100

From the analysis it is clear that majority of the respondents are highly interested to use credit cards issued by HSBC

Table 3

Source of Information

S.No.	Sources	Frequency	percentage
1.	Newspapers	18	18
2.	TV	26	26
3.	Internet	13	13
4.	Friends	28	28
5.	Dealers	15	15
Total		100	100

From the table it is depicted that friends have been a source of inspiration to buy credit cards

Table 4

Features

S.No.	Credit Limit	Frequency	percentage
1	Highly Attractive	21	21
2.	Attractive	24	24
3.	Neutral	25	25
4.	In attractive	18	18
5.	Highly in attractive	12	12
Total		100	100

From the above table it is clear that 21per cent of respondents opine that the credit limit is highly attractive and 24Per cent of the respondents opine that they are attractive and 25per cent says that the credit limit is neutral and 18per cent says that it is in attractive and 12 per cent are of the opinion that the credit limits are highly in attractive

Table 5

Satisfaction towards Feature

S.No.	Satisfied Feature	Frequency	percentage %
1	Extremely satisfied	13	13
2.	Satisfied	32	32
3.	Neutral	28	28
4.	Dissatisfied	14	14
5.	Extremely Dissatisfied	13	13
Total		100	100

Source: Primary Data

From the above table it is clear that 13per cent of the respondents are extremely satisfied and 32per cent of the respondents are satisfied and 28per cent of the respondents are neutral and 14per cent of the respondents are dissatisfied and 13per cent of the respondents are extremely dissatisfied

FRAMING OF HYPOTHESIS

There is no association between the type of cards used by the respondents and the opinion of the respondents.

Bank	Excellent	Good	Average	Bad	Total
Opinion					
SBI	8	7	6	4	25
HDFC	3	4	2	7	16
ICICI	4	2	6	3	15

CITI	5	4	6	3	18
HSBC	2	16	4	4	26
Total	22	33	24	21	100

The calculated value of Chi square 6.26 is less than the table value 21. Therefore hypothesis is accepted. Hence, it can be concluded that there is no association between the type of cards used by the respondents and the opinion of the respondents.

FINDINGS, SUMMARY AND CONCLUSION

It is addressed that the majority own multiple cards. Few pay of their balances each month and a significant number have missed payment practices. It has been observed that most of the respondents are receiving low amount of salary and rely on credit cards to pay for their school – related expenses. Credit card holders are happy that it saves their time and they need not search for an ATM machine or keeping cash in hand. Some cards even provide year-end summaries that really help out at tax time. Card holders are satisfied with Instant cash facility. But sometimes it enables the card holders to spend beyond their means. The high interest rates and annual fees associated with credit cards often outweigh the benefits received.

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