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Research Paper

Customer Satisfaction Towards Credit Card Services – A Study With Special Reference to Chennai Metro

Commerce

KEYWORDS : credit card, ANOVA, interest, cost and security.

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ABSTRACT

A study of customer satisfaction is an important aspect in a marketing research. Generally customers go for a product or service by considering various factors, but all the criteria related to the product may not give satisfaction to the customer or the level of satisfaction of the customer may vary from factor to factor. The study used primary data for analysis, data was collected from 600 respondents in Chennai city through a well structured questionnaire. The study used simple percentage and ANOVA for analysis. The study framed three appropriate hypotheses and tested subsequently. The study analyzed whether there is any significant difference between select demographical variables and level of satisfaction of the respondents on various factors. The study identified that majority of the respondents were male, a considerable number of respondents belonged to the age group of 31 to 40 years and a considerable number of respondents belonged to professional education. The study identified that there were significant difference between the demographical variables and most of the selected factors of satisfaction.

Introduction

Banking services are playing important role in modern era. Once banks were providing limited services only to their customers such as accepting deposits and lending loans, but over the period of time it increases its services in different aspects. E-banking services are becoming popular and it makes banking activities easy. In earlier customers carry cash to buy goods and consume services. Two decades ago banks provided Automatic Teller Machine (ATM) facility to the customers, from these facility customers need not to carry cash and they can have balance in their account and if they need money could be withdrawn any time from ATMs. But limitation in this system is the customer must have balance in their bank account. Latter banks introduced credit card services to its customers. It is the short-term credit provided by the banks to their customers in order to consume goods both in direct marketing and e-trading. Credit card is nothing but card issued by a financial company giving the holder an option to borrow funds, usually at point of sale. Credit cards charge interest and are primarily used for short-term financing. Interest usually begins one month after a purchase is made and borrowing limits are pre-set according to the individual's credit rating. As many people using credit cards especially in cities it is necessary to study the consumers' aspects of credit card services.

A study of customer satisfaction is an important aspect in a marketing research. Generally customers go for a product or service by considering various factors, but all the criteria related to the product may not give satisfaction to the customer or the level of satisfaction of the customer may vary from factor to factor. The study identified 22 aspects of services related to credit cards and analysis was made. The results of customer satisfaction of credit card holders in Chennai city are given subsequently. For this purpose simple percentage and ANOVA were used as statistical tools and the results are presented subsequently.

Objective

To study whether there is any significant difference between demographical variables and level of satisfaction of the respondents.

Methodology

The study used primary data for analysis, data was collected from 600 respondents in Chennai city through a well structured questionnaire. The study used simple percentage and ANOVA for analysis. The study framed three appropriate hypotheses and tested subsequently.

Results and Inference

Table 1 gives the results related to demographical background of the respondents. It gives gender, age and education-wise classification of the respondents.

Table –1
Demographical Background of the Respondents

	Frequency	Percentage
Gender		
Male	396	66.0
Female	204	34.0
Age		
21 to 30 Years	185	30.8
31 to 40 Years	236	39.3
41 to 50 Years	83	13.8
51 to 60 Years	74	12.3
Above 60 Years	22	3.7
Education		
School Education	11	1.8
Under Graduate Level	180	30.0
Post Graduate Level	190	31.7
Professional Education	195	32.5
Diploma and Others	24	4.0
Total	600	100.0
Source: Primary Data		

Table 1 shows that 66 per cent of the respondents were male and 34 per cent were female. It was also found that 39.3 per cent of the respondents came under the age group of 31 to 40 years, 30.8 per cent of the respondents belonged to the age group of 21 to 30 years, 13.8 per cent of the respondents were under the age group of 41 to 50 years, 12.3 per cent of the respondents belonged to the age group 51 years to 60 years and only 3.7 per cent of the respondents belonged to the age group of above 60 years. It was observed that 32.5 per cent of the respondents had completed professional education, 31.7 per cent of the respondents completed post graduate level of education, 30 per cent of the respondents completed under graduate level, 4 per cent of the respondents had diploma and other educational qualification and only 1.8 per cent of the respondents completed upto school education.

Gender and Satisfaction

In order to identify whether there is any significant difference between gender of the respondents and their satisfaction level on various factors of credit card, a null hypothesis was framed and it was tested by using ANOVA. Table 2 gives the results of mean score, standard deviation, F-statistics and P-value between gender of the respondents and their satisfaction level on various factors.

$H_{o:}$ There is no significant difference between gender of the respondents and their satisfaction level.

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Table – 2
Gender and satisfaction

Sl. No.	Variables	Male		Female		F-Stat	P Value
		Mean	SD	Mean	SD		
Procedure							
1	Procedures in buying credit card	3.79	0.62	3.76	0.66	0.221	0.638
2	Payment mode on dues of credit card	4.04	0.41	4.04	0.44	0.001	0.974
3 Procedure in renewing card 3.79			0.78	3.68	0.90	2.585	0.108
4	Procedure in blocking credit card	3.70	1.00	3.48	1.09	6.221	0.013
5	Mode of making complaints	3.60	0.86	3.63	0.88	0.149	0.700
Interest and Cost							
6	Initial cost of buying credit card	3.59	0.94	3.47	0.84	2.286	0.131
7	Interest-free credit period	3.33	0.81	3.35	0.86	0.058	0.809
8	Cash withdrawal limit	3.22	0.92	3.35	0.87	2.926	0.088
9	Annual charges on the card	3.27	0.93	3.25	0.89	0.036	0.849
10	Service charges of the card	3.19	0.91	3.20	0.83	0.034	0.854
Services							
11	Credit limit allowed for the card	3.77	0.91	3.81	0.88	0.317	0.574
12	Accessibility of the card by merchants	3.73	0.75	3.73	0.69	0.012	0.913
13	Promptness in sending statement	3.58	0.91	3.79	0.71	8.366	0.004
14	Interest rate and penalty on payment	2.93	1.04	3.22	1.03	10.143	0.002
15	International accessibility	3.33	0.72	3.50	0.76	7.188	0.008
16	Overall satisfaction of credit services	3.65	0.82	3.53	0.88	2.947	0.087
Customer Care							
17	Pre-indication of due amount and due dates through e-mail and SMS	3.68	0.81	3.64	0.78	0.373	0.542
18	Payment conformation through e-mail &SMS	3.84	0.80	3.78	0.66	0.821	0.365
19	Customer care service	3.56	0.83	3.80	0.69	12.893	0.000
20	Time taken for rectifying problems	3.32	0.91	3.59	0.77	13.325	0.000
Security							
21	Security system in direct purchase	3.67	0.95	3.62	0.74	0.459	0.498
22	Security system in online purchase	3.55	1.04	3.21	1.01	14.701	0.000

Source: Primary Data

Table 2 shows that the calculated value of F-statistics was significant for the factor procedure in blocking card among the factors which came under procedural aspects, hence null hypothesis for this case was rejected and therefore there was significant difference between gender of the respondents and their satisfaction level on Procedure in blocking credit card. The calculated value of F-statistics was not significant for other factors of procedural aspects, hence the null hypothesis was accepted for those cases and therefore there was no significant difference between gender of the respondents and their satisfaction level on those factors.

The calculated values of F-statistics was not significant for all the factors which came under interest and cost aspects, hence the null hypothesis was accepted and therefore there was no significant difference between gender of the respondents and their satisfaction level on the factors of interest and cost.

The calculated value of F-statistics for the factors of Credit limit allowed for the card, Accessibility of the card by merchants and Overall satisfaction of credit services who came under service aspects was not significant, hence the null hypothesis was accepted for these cases and therefore there was no significant difference between gender of the respondents and their satisfaction level on these factors. F-statistics was significant for other three factors which came under service aspects, hence the null hypothesis was rejected for these cases and therefore there was no significant difference between gender of the respondents and their satisfaction level on those factors.

The calculated values of F-statistics for the factors Pre-indication of due amount and due dates through e-mail and SMS and Payment conformation through e-mail &SMS which came under customer care aspects were not significant, hence the null hypothesis was accepted and therefore there was no significant difference between gender of the respondents and their satisfaction level on these factors. F-statistics was significant for the factors of Customer care service and Time taken for rectifying problems, hence the null hypothesis was rejected for these cases and therefore there was significant difference between gender of the respondents and their satisfaction level on these factors.

The calculated value of F-statistics was not significant for the factor Security system in direct purchase which came under security aspect, hence the null hypothesis was accepted and therefore there was no significant difference between gender of the respondents and their satisfaction level on Security system

in direct purchase. F-statistics was significant for the factors Security system in online purchase, hence the null hypothesis was rejected for these cases and therefore there was significant difference between gender of the respondents and Security system in online purchase.

Age and Satisfaction

In order to understand whether there is any significant difference between age of the respondents and their satisfaction level on various factors, a null hypothesis was framed and it was tested by using ANOVA. Age of the respondents was classified in to five, viz., 21 to 30 years, 31 to 40 years, 41 to 50 years, 51 to 60 years and above 60 years. The factors of satisfaction was classified into five major heads viz., procedural aspects, interest and cost, services, customer care and security aspects.

Ho: There is no significant difference between age of the respondents and their satisfaction level on various factors.

Table – 3
Age of the Respondents and Satisfaction

Sl. No.	Variables	21-30 Years		31-40 Years		41-50 Years		51-60 Years		>60 Years		F-Stat	P Value
		Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Procedure													
1	Procedures in buying credit card	3.98	0.57	3.81	0.64	3.69	0.54	3.43	0.66	3.36	0.66	14.464	0.000
2	Payment mode on dues of credit card	4.12	0.43	4.08	0.42	4.02	0.22	3.88	0.37	3.55	0.60	13.873	0.000
3	Procedure in renewing card	3.86	0.73	3.69	0.96	3.82	0.70	3.70	0.74	3.41	0.59	2.425	0.047
4	Procedure in blocking credit card	3.78	0.95	3.61	1.09	3.88	0.85	3.28	1.04	2.68	0.99	9.425	0.000
5	Mode of making complaints	3.66	0.90	3.74	0.77	3.87	0.62	3.11	0.92	2.59	0.96	19.152	0.000
Interest and Cost													
6	Initial cost of buying credit card	3.63	0.97	3.54	0.95	3.46	0.75	3.45	0.76	3.64	0.79	0.903	0.462
7	Interest-free credit period	3.37	0.90	3.39	0.84	3.22	0.61	3.16	0.79	3.45	0.86	1.752	0.137
8	Cash withdrawal limit	3.29	0.94	3.30	0.89	3.31	0.84	2.95	0.90	3.59	0.85	3.230	0.012
9	Annual charges on the card	3.20	1.03	3.29	0.85	3.23	0.74	3.50	0.94	2.77	1.11	3.118	0.015
10	Service charges of the card	3.26	0.87	3.22	0.85	2.96	0.86	3.27	0.98	2.86	1.08	2.674	0.031
Services													
11	Credit limit allowed for the card	3.89	0.92	3.85	0.86	3.48	0.89	3.58	0.98	3.95	0.65	4.469	0.001
12	Accessibility of the card by merchants	3.64	0.82	3.91	0.63	3.64	0.71	3.50	0.69	3.64	0.66	6.852	0.000
13	Promptness in sending statement	3.70	0.88	3.80	0.75	3.45	0.91	3.36	0.92	3.50	0.80	5.604	0.000
14	Interest rate and penalty on payment	3.23	1.05	3.06	1.09	2.81	1.05	2.70	0.81	2.91	0.75	4.755	0.001
15	International accessibility	3.38	0.82	3.34	0.76	3.42	0.66	3.45	0.53	3.64	0.58	1.048	0.382
16	Overall satisfaction of credit services	3.59	0.83	3.55	0.94	3.61	0.56	3.77	0.85	3.95	0.58	1.958	0.099
Customer Care													
17	Pre-indication of due amount and due dates through e-mail and SMS	3.97	0.81	3.61	0.75	3.37	0.82	3.53	0.71	3.36	0.73	11.994	0.000
18	Payment conformation through e-mail & SMS	3.98	0.80	3.83	0.66	3.65	0.89	3.74	0.68	3.36	0.66	5.558	0.000
19	Customer care service	3.63	0.89	3.74	0.74	3.46	0.83	3.57	0.66	3.64	0.73	2.230	0.064
20	Time taken for rectifying problems	3.55	0.93	3.50	0.82	3.13	0.78	3.01	0.88	3.59	0.80	8.300	0.000
Security													
21	Security system in direct purchase	3.82	0.95	3.69	0.84	3.41	0.75	3.46	0.89	3.32	0.84	5.228	0.000
22	Security system in online purchase	3.61	1.10	3.42	1.02	3.25	0.92	3.30	1.06	3.14	0.94	2.692	0.030

Source: Primary Data

Table 3 indicates that the calculated value of F-statistics was significant for the factors related to procedural aspect, hence the null hypothesis was rejected and therefore there was significant difference between age of the respondents and their satisfaction level on the factors related to procedural aspects. The calculated value of F-statistics was not significant for the factors Initial cost of buying credit card and Interest-free credit period which came under interest and cost aspect, hence the null hypothesis was accepted for these cases and therefore there was no significant difference between age of the respondents and their satisfaction level on these factors. The calculated value of F-statistics was significant for other three factors under the category of interest and cost, hence the null hypothesis was rejected and therefore there was significant difference between age of the respondents and their satisfaction level on those factors.

The calculated value of F-statistics was significant for the factors Credit limit allowed for the card, Accessibility of the card by merchants, Promptness in sending statement and Interest rate and penalty on payment which were categorized under services aspects, hence the null hypothesis was rejected for these cases and significant difference was found between age of the respondents and their satisfaction level on those factors. The F-statistics was not significant for the factors International accessibility and Overall satisfaction of credit services which came under the category of services aspect, hence the null hypothesis was accepted for these cases and therefore there was no significant difference between age of the respondents and satisfaction level on these factors.

It was also observed that the calculated value of F-statistics between age of the respondents and the factor of Customer care service was not significant, hence the null hypothesis was accepted and no significant difference was found between age of the respondents and their satisfaction level on this factor. The calculated value of F-statistics was significant between age of the respondents and the other factors which were categorized under customer care services, hence the null hypothesis was rejected and significant difference was found between age of the respondents and satisfaction level on these factors. The calculated value of F-statistics on all the factors which were categorized under security aspect were significant, hence the null hypothesis was rejected and therefore there was significant difference between age of the respondents and their satisfaction level on these factors.

Education and Satisfaction

The level of satisfaction may vary according to their educational level. In the view of understanding whether there is any significant difference between educational level of the respondents and their satisfaction level, a null hypothesis was framed and it was tested by using ANOVA.

Ho: There is no significant difference between education of the respondents and level of satisfaction.

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Table – 4
Education of the Respondents and Satisfaction

Sl. No.	Variables	School		UG		PG		Professional		Diploma		F-Stat	P Value
		Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Procedure													
1	Procedures in buying credit card	4.55	0.69	3.76	0.52	3.75	0.58	3.85	0.72	3.33	0.70	8.057	0.000
2	Payment mode on dues of credit card	4.82	0.40	3.98	0.29	4.03	0.33	4.12	0.49	3.58	0.58	21.871	0.000
3	Procedure in renewing card	3.73	0.90	3.62	0.80	3.78	0.82	3.88	0.83	3.42	0.72	3.461	0.008
4	Procedure in blocking credit card	2.82	2.09	3.56	0.99	3.66	0.94	3.80	1.01	2.83	1.09	7.061	0.000
5	Mode of making complaints	2.64	1.91	3.69	0.75	3.58	0.78	3.74	0.85	2.67	0.96	13.084	0.000
Interest and Cost													
6	Initial cost of buying credit card	4.36	1.03	3.54	0.88	3.50	0.82	3.55	0.99	3.58	0.83	2.399	0.049
7	Interest-free credit period	3.18	0.60	3.34	0.78	3.22	0.83	3.44	0.87	3.50	0.83	2.064	0.084
8	Cash withdrawal limit	3.82	1.40	3.16	0.80	3.40	0.87	3.16	0.98	3.63	0.82	4.459	0.001
9	Annual charges on the card	1.82	1.08	3.32	0.81	3.27	0.83	3.32	0.99	2.92	1.18	8.380	0.000
10	Service charges of the card	3.55	0.69	3.17	0.82	3.23	0.88	3.18	0.92	3.00	1.14	0.829	0.507
Services													
11	Credit limit allowed for the card	4.55	0.93	3.78	0.86	3.78	0.73	3.72	1.08	3.96	0.62	2.482	0.043
12	Accessibility of the card by merchants	3.64	0.92	3.60	0.74	3.71	0.65	3.89	0.76	3.63	0.65	4.186	0.002
13	Promptness in sending statement	3.09	1.38	3.56	0.85	3.55	0.81	3.89	0.82	3.54	0.78	6.405	0.000
14	Interest rate and penalty on payment	4.18	1.08	2.92	0.96	2.91	1.01	3.19	1.12	2.92	0.78	6.001	0.000
15	International accessibility	3.09	0.54	3.46	0.65	3.38	0.69	3.32	0.86	3.63	0.58	1.846	0.118
16	Overall satisfaction of credit services	4.27	1.19	3.53	0.77	3.58	0.83	3.64	0.91	3.96	0.55	3.248	0.012
Customer Care													
17	Pre-indication of due amount and due dates through e-mail and SMS	3.91	1.38	3.77	0.66	3.56	0.84	3.71	0.84	3.42	0.72	2.563	0.037
18	Payment conformation through e-mail & SMS	3.64	0.92	3.83	0.71	3.71	0.81	3.98	0.72	3.42	0.65	5.324	0.000
19	Customer care service	2.18	1.47	3.70	0.68	3.59	0.81	3.72	0.76	3.67	0.70	10.942	0.000
20	Time taken for rectifying problems	4.36	0.81	3.28	0.81	3.28	0.92	3.57	0.84	3.58	0.78	7.333	0.000
Security													
21	Security system in direct purchase	4.18	1.25	3.62	0.87	3.56	0.80	3.76	0.93	3.42	0.88	2.771	0.027
22	Security system in online purchase	4.45	0.93	3.35	1.05	3.24	0.97	3.66	1.05	3.25	0.99	7.374	0.000

Source: Primary Data

It could be noted from table 4 that the calculated value of F-statistics was found significant between educational level of the respondents and all the factors which were categorized under procedural aspect, hence the null hypothesis was rejected and therefore there was significant difference between educational level of the respondents and the level of satisfaction on the factors of procedural aspect. It was also found that the calculated value of F-statistics was not significant between education of the respondents and the factors of Interest-free credit period and Service charges of the card, which were categorized under interest and cost aspect, hence the null hypothesis was accepted and therefore there was no significant difference between education of the respondents and the level of satisfaction on these factors. The F-statistics was significant for other three factors under interest and cost category, hence the null hypothesis was rejected for these cases and therefore there was significant difference between education of the respondents and satisfaction level on these factors.

The calculated value of F-statistics was significant on the factors Credit limit allowed for the card, Accessibility of the card by merchants, Promptness in sending statement, Interest rate and penalty on payment and Overall satisfaction of credit services, which were categorized under services aspects, hence the null hypothesis was rejected and therefore there was significant difference between education of the respondents and level of satisfaction on these factors. The calculated value of F-statistics was not significant on the factor International accessibility, which came under services category, hence the null hypothesis was accepted for this case and therefore there was no significant difference between education of the respondents and the level of satisfaction on this factor.

The calculated value of F-statistics was significant between education of the respondents and all the factors of customer care aspects, hence the null hypothesis was rejected and therefore there was significant difference between education of the respondents and satisfaction level on customer care aspect. It was also found that the calculated value of F-statistics was significant between education of the respondents and the factors of security aspect, hence the null hypothesis was rejected and therefore there was significant difference between education of the respondents and the level of satisfaction on security aspect.

Conclusion

The study analysed whether there is any significant difference between select demographical variables and level of satisfaction of the respondents on various factors. The study identified that majority of the respondents were male, a considerable number of respondents belonged to the age group of 31 to 40 years and a considerable number of respondents belonged to professional education. The study identified that there were significant difference between the demographical variables and most of the selected factors of satisfaction.

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