A Study on Customers Satisfaction Towards Credit Card Services Provided by State Bank of India, with Special Reference to Coimbatore 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 has led to the rise of Co-Brand and Affinity cards, where the card design is related to the affinity. SBI Cards & Payments Services Pvt. Ltd. (SBICPSL) is a payment business in India. It is incorporated as a joint venture between the State Bank of India, India's largest bank and GE Capital. They are headquartered in Gurgaon, Delhi and have branches in 50 cities across India as of January 2012, SBI Cards has 2.171 million credit cards, but no doubt still credit card conscious is lacking among the people. Majority of the respondents hesitated to comment on the statement Plastic money leads to debt trap. The suggestions are implemented properly it to improve the services to the customer.*

Introduction

The credit card system, in its simplest form is a method of obtaining credit on hire purchase, whereby the cardholder can make purchases on credit up to an amount agreed by him with the credit card company by presenting the card in lieu of cash. Hence credit cards are termed as convenient money and plastic money. For the credit cardholder, credit cards are an innovative way to pay for the purchases. They can go for instant purchases without checking their liquidity. Really sense of feeling assured is there. With credit cards in pocket, emergencies are not felt so by cardholders. They exude a sense of confidence. Perhaps taking the use of the above feeling Cancard tells, "You won't need anything else". To ensure that one feels assured, the American Express Card tells, "Don't leave home without it". The best way to pay is the slogan is that credit card services, No doubt credit card are a new means of consumer finance. The American Express Bank therefore projects that its "credit card is not plastic, its prestige". The job of card issuer is to serve as a conduct between the client cardholder and the client merchant establishment is affecting a transaction payment being made to receive by, as the case may be the card issuer.

About SBI Cards

1998 saw a new vista opening for the Indian credit card users. GE Capital Services, the largest issuer of private label credit cards in the world and State Bank of India, the largest Indian bank created two companies to address the market: namely, SBI Cards and Payment Services Ltd. (SBICPSL) and GE Capital Business Process management Services ltd. (GECBPMSL). The joint venture was set up to leverage the brand equity, customer relationship and the unparalleled network of SBI and the technological processes and service capabilities of GE Capital to offer you products that are value for money and supported by quality and service.

SBI issues various types of Cards. They are

- SBI Gold Card
- SBI Card for Doctors
- SBI International Card
- SBI Employee Card.

Need for the study

The present study is undertaken to know how far this service reaches the customers, their responses towards the using Credit Cards, their attitude towards the usage of the Cards 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.

Objectives of the study

- ❖ To study about the awareness of the SBI Credit Cardholders and their attitude towards SBI card.
- ❖ To review the extent of utilization of SBI Credit Card.
- ❖ To measure the satisfaction level of customer about the services provided by SBI.
- ❖ To offer effective suggestions in order to increase the efficiency of SBI Card Scheme.

Limitations of the study

1. The study was confined to Coimbatore City only and therefore the findings of the study cannot be extended to other areas.
2. The study is purely based on primary data. The subjectivity of the respondents may reflect on the study.
3. The study is confined to SBI credit cardholders only.
4. Time and cost are other factors limiting the study to a sample of 200 respondents.
5. People are reluctant to give information for the fear of being used against them.

Review of Literature

- ➢ M. Reddy and H. Ramana in their article "Marketing approach in Banking" states that banking industry indirectly can survive only by adopting efficient marketing strategy. These strategies are used to gain the positive response of the customers and to win the positive competitive market in future.
- ➢ Sanjay Shankar in his article, "Marketing of Banking Services", discusses the necessity of marketing of banking service such a frequent meeting with customers, marketing services to attract NRI deposits and application of special technique etc.
- ➢ R. Karpagavalli, "A study on Kisan Credit Card of Canara Bank". Her study reveals that the validity period of the card can be increased. The maximum ceiling of this loan per card can be increased.
- ➢ R.Sangeetha's study is based on the "Customer awareness and satisfaction regarding services rendered by commercial bank with reference to State Bank of India and ICICI Bank". It reveals that gender, occupation, monthly income, type of account and period of holding account with bank is not associated with awareness level. On the other hand there is association between ages, education-

al qualification awareness level.

➢ A study conducted at Purdue University by 8Prof. Richard a fein bery of purchase of Purdue's Department of consumer science and retailing. He found that credit cards to lead over spending and impulse buying. "Simply carrying credit cards or being around them can stimulate consumers not only to spend but to spend freely and quickly.

Methodology
Research Design
A research design is a clear plan about the research. There are various types of research such as Fundamental Research, Experimental Research, Descriptive Research and Analytical Research.

Method of data collection
The task of data collection begins after a research problem has been defined and research design chalked out. The data collected are primary and secondary data.

Sampling Methods
The sampling design of the research study consists of the following categories namely students, employed persons, professionals and others. Random sampling techniques are adopted. It is a probabilistic sampling method where the samples were drawn from the various places of the city. The respondents of the sample size are 200.

Sample design
The sample design used is convenience sampling. When the population elements are selected for inclusion in the sample based on the ease of access, it is called Convenience sampling. This method is also known as accidental sampling because the respondents whom the researcher meets accidentally are included in the sample.

Statistical Tools Adopted
The following statistical tools were employed for data analysis and interpretation of the survey data.

❖ Percentage Analysis
❖ Chi Square Analysis

Period of the Study
The "A Study On Customers Satisfaction Towards Credit Card Services Provided By State Bank Of India, With Special Reference To Coimbatore City" is related to the academic year June 2011 – March 2012

Analysis and Interpretation
CHI SQUARE ANALYSIS
In order to study whether there is any association between two attributes namely socio-economic characteristics such as age, sex, occupation, education, and income with reasons to become credit card holder and opinion about the use of credit card Chi square analysis is performed and the results are presented in the following tables.

$$\text{Chi} - \text{Square} = \sum \frac{(O - \sum)^2}{E}$$

Where O = Observed Frequency
E = Expected Frequency

The expected frequency were calculated by multiplying the corresponding row total with column total and divided by grand total. This Chi – Square follows Chi – Square distribution with (r-1) (c-1) degrees of freedom, 'r' indicates the number of rows and 'c' indicates the number of columns.

TABLE 1
Sex Of The Customer And Reasons To Become Credit Card Holder
Null Hypothesis:
There is no association between sex of the customer and reasons to become credit card holder.

Contingency Table

Reasons	Sex		Total
	Male	Female	
Safety	20(21)	33(22)	43
Status	33(35)	40(38)	73
Convenience	44(41)	40(43)	84
Total	97	103	200

Source: Primary data
Expected frequencies are given in the parenthesis
Chi-Square Value: 0.892ns D.F: 2 p =. 314

Since the calculated χ^2 value is non significant, the Null Hypothesis of no association between attributes is accepted and there is association between sex of the customer and reasons to become credit card holder

TABLE 2
Age Of The Customer And Reasons To Become Credit Card Holder
Null Hypothesis
There is no association between age of the customer and reasons to become credit card holder.

Contingency Table

Reasons	Age				Total
	20-30	30-40	40-50	50 and above	
Safety	15(14)	6(11)	15(11)	7(7)	43
Status	20(23)	21(18)	21(19)	11(13)	73
Convenience	29(27)	22(20)	16(22)	17(15)	84
Total	64	49	52	35	200

Source: Primary data
Expected frequencies are given in the parenthesis
Chi-Square Value: 7.080 ns D.F: 6 p= .314
Since the calculated χ^2 value is non significant, the Null Hypothesis of no association between attributes is accepted and there is no association between age of the customer and reasons to become credit card holder.

TABLE 3
Education of the customer and reasons to become credit card holder.
Null Hypothesis:
There is no association between education of the customer and reasons to become credit card holder.

Contingency Table

Reasons	Education				Total
	School	Graduate	Post graduate	Professionals	
Safety	12(9)	12(12)	12(13)	7(9)	43
Status	11(16)	22(20)	17(21)	23(16)	73
Convenience	21(19)	21(23)	29(24)	13(18)	84
Total	44	55	58	43	200

Source: Primary data
Expected frequencies are given in the parenthesis
Chi-Square Value: 10.08 ns D.F: 6 p = .12
Since the calculated χ^2 value is non significant, the Null Hypothesis of no association between attributes is accepted and there is no association between education of the customer and reasons to become credit card holder.

TABLE 4
Occupation Of The Customer And Reasons To Become Credit Card Holder.
Null hypothesis:
There is no association between occupation of the customer and reasons to become credit card holder.

Contingency Table

Reasons	Occupation				Total
	Business-men	Profes-sionals	Employee	Others	
Safety	12(10)	5(10)	17(15)	9(8)	43
Status	22(18)	25(16)	15(25)	11(14)	73
Convenience	15(21)	15(19)	36(8)	18(16)	84
Total	49	45	68	38	200

Source: Primary data
Expected frequencies are given in the parenthesis
Chi-Square Value: 17.354** D.F: 6 p = .008

Since the calculated χ^2 value is significant, the Null Hypothesis of no association between attributes is rejected and there is association between occupation of the customer and reasons to become credit card holder.

TABLE 5
Income Of The Customer And Reasons To Become Credit Card Holder.
Null Hypothesis:
There is no association between income of the customer and reasons to become credit card holder.

Contingency Table

Reasons	Income (Rs. in 000's)				Total
	Rs.50-75	Rs.75-100	Rs.100-150	Rs.150and above	
Safety	7(7)	12(11)	10(9)	14(16)	43
Status	6(12)	25(19)	11(15)	31(27)	73
Convenience	20(14)	14(21)	20(17)	30(32)	84
Total	33	51	41	75	200

Source: Primary data
Expected frequencies are given in the parenthesis
Chi-Square Value: 13.103* D.F: 6 p = .041
Since the calculated χ^2 value is significant, the Null Hypothesis of no association between attributes is rejected and there is association between income of the customer and reasons to become credit card holder.

Findings :
√ Based on the study it is clear that there is no relationship between the sex of the customer and reasons to become Credit Cardholder.

√ The age of the customers holding the Credit Cards have no association between reasons to become Credit Cardholder.

√ The education of the customers has no significant relationship with the reasons to become Credit Cardholder.

√ Based on the study it is clear that there is no relationship below the occupation of the customer and the reasons to become Credit Cardholder.

√ The study reveals that, there is a relationship between the income of the customer and reason to own the Credit Card.

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.

√ The service centers are now a day increased in many areas to attract the customers. This is an appreciatable one. Still, there are many cardholders who don't receive the service properly. This is to be noted for such the customers' satisfaction is the boon to the marketing.

√ It is found that Additional Card introduced by the State Bank of India attracted many customers. This is an appreciatable one. Still, there are many cardholders who hesitate to get Additional Card due to the card fee, which is Rs.250 or Rs.500. To increase the number of cardholders to the bank the card fee to be reduced.

√ In the study we found that most of the customers hold Credit Card for the withdrawal of cash. They do not use the card for the booking of railway ticket or pay to petrol or others, this is due to the surcharge levied which runs to Rs.30 + 2.5%. So the State Bank of India should try to reduce the charge.

√ The credit period can be extended from 50 days and cash limit can also be extended from Rs.12, 000 which help the business people to utilize the Credit Card.

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 activities only, but today it is boon to all the mankind. In India the entry of Credit Card is success due to the join hand of GE Capital and State Bank of India, no doubt 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. Majority of the respondents hesitated to comment on the statement "Plastic money leads to debt trap".

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