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A STUDY ON CREDIT CARD USERS IN VIJAYAWADA

Dr. D.PRASANNA KUMAR¹, K. SUNIL KUMAR²

¹Associate Professor, Department of Management, K L University, Vaddeswaram, Guntur
District, AP, India

²MBA Student, Department of Management, K L University, Vaddeswaram, Guntur District,
AP, India



ABSTRACT

A credit card is a small plastic card issued to users as a system of payment. It allows its holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user. The use of sophisticated technologies particularly by the foreign banks has sizably increased the expectations of customers. In the years to come, more sophistication in the information technologies is expected. This is likely to bring about a radical change in the marketing of banking services. In an age of electronic banking, the manually operated public sector commercial banks would find it difficult to survive. This makes it essential that even the public sector commercial banks promote the use of technologies. It is high time that they innovate their marketing efforts and continue to keep their market share high. Of course, the RBI was obstructing the development processes by regulating business conditions but at the same time, the policy makers working with negative attitudes. An attitudinal change in the boardrooms is thus a crying need of the hour. The banking and other service generation. They have thought that their services are not engineering a foundation for value degeneration. They in addition to the generation of profits have also to search ways for user's satisfaction and social orientation.

Keywords: Credit card, Customer, Electronic banking and satisfaction.

Introduction

Money is the beginning and end of all human problems. It is essential to carry out all economic transactions in today's world. No man can survive without money. Gone are the days when people believed 'a penny saved is a penny earned'. The age old adage 'beg, borrow or steal' is more true today than ever before. All economies of the world believe in this philosophy, be it the United States of America or India, What holds good for the nation is also true for an individual. Today all

marketing concepts revolve around the fulfilment of the psychological needs of the consumer for which he is willing to pay a price. A want is created and the consumer is made to believe that the want is a need which has to be fulfilled. The demand is expanded through aggressive advertisement. When the consumer becomes desperate to fulfil his wants he has to either, beg, borrow or steal. No respectable person would resort to begging or stealing, the only alternate left is to borrow. Traditionally Indians by nature are pragmatic and do not unnecessarily like to borrow except in case of dire needs. In the earlier times loans were taken from sahkars and moneylenders for farming or money would be borrowed from banks for business activities. Loans for purchase of consumer goods or for conspicuous spending were ruled out.

But of late people all over the world have been using credit as a means of acquiring things of consumption as well as objects of desire to enhance their social status. Indian bankers realized that like in the west there was a ready market of self employed and young professionals who could be encouraged to take credit through the use of credit cards to attain a higher standard of living. The mindset of the Indians 'save and then buy, sacrifice today to enjoy tomorrow' could be changed to 'buy now and pay later, enjoy today and pay when able'. With this in mind the Banks introduced the concept of credit cards in India. It was "in 1980 that the Credit card was first introduced in India by two banks viz. Central Bank of India and Vijaya Bank". (First Bank to offer Credit Cards in India, n.d.). Initially these credit cards were offered only to the rich and the famous. Their exclusivity made them desirable to the elite giving them respectability in their social circles. Greater status was enjoyed by those who possessed a number of credit cards.

The banking sector too plays a significant role in shaping the economy of a nation. The Indian banking sector too is contributing to the development of the nation by offering innovative payment mechanisms and thus bringing about a sea change in the life styles of the people. Traditional services are gradually paving the way for better and newer products and services. There is already a "debate to move into a chequeless and cashless society" (Perry S., 2012). He further states that "by 2018 the cheques would be dead". Dealing of money in the traditional way is undergoing a revolutionary change with ECS and 'plastic money' is the only way to transact on the internet. For purchases of higher values plastic money has displaced traditional currency notes in most of the metro areas. People are using credit cards, debit cards, ATM cards and Merchant cards, so much so "the BEST bus services have launched Smartcards in Mumbai" (Sen S., 2011) that eliminate the need to pay the bus fare in coins and rupee notes. Today Indian consumers are using bank credit cards more than ever before.

The banking sector in India is on a growing trend. It has vastly benefitted from the surge in disposable income of individuals in the country. There has also been a noticeable upsurge in transactions through ATMs, and also internet and mobile banking. Consequently, the different banks, viz public, private and foreign banks have invested considerably to increase their banking network and thus, their customer reach. The banking industry in India has the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 according to a KPMG-CII report. Over the next decade, the banking sector is projected to create up to two million new jobs, driven by the efforts of the RBI and the Government of India to integrate financial services into rural areas. Also, the traditional way of operations will slowly give way to modern technology.

STATEMENT OF PROBLEM

The credit card users are spread though out the length and breadth of the country though mainly concentrated in the urban areas. Looking at the rampant use of credit cards amongst the educated class the researcher believes that the average user of cards needs to be educated about the different types of credit cards available. This study proposes to examine the experiences of the credit card users, the benefits that accrue to them as well as the problems they face. The difficulties that the credit cards users encounter in its day to day usage. The precautions to be taken by the card users while using the credit cards. The remedies and the redressal that is available to them in case of loss or

theft of their cards. An awareness is to be created amongst the credit card users about the frauds that take place and the precautions and safety measures to be adopted. To encompass all these conditions which are related to the development of the economy and vary from one nation to another, the researcher has decided upon the title, 'A Study of Credit Card Users'.

OBJECTIVES OF THE STUDY

- To assess the experiences of Credit Card users amongst the credit card holders of Vijayawada
- To promote awareness about the credit card – its contents and security features.
- To identify the need and preferences of the people for possessing credit card.
- To study the problems and difficulties faced by the users of credit cards.
- To study the effectiveness of the services provided by the issuing establishments.

MARKET SIZE: The Indian banking sector is fragmented, with 46 commercial banks jostling for business with dozens of foreign banks as well as rural and co-operative lenders. State banks control 80 percent of the market, leaving relatively small shares for private rivals. Banks have opened 7.73 crore accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY) till November 19, according to Ms Snehlata Shrivastava, Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India. Of the 77.3 million accounts, public sector banks have opened 62.1 million accounts with a total balance of Rs 4,946.03 crore (US\$ 802.64 million), and have distributed RuPay debit cards to around 43 million accounts. Total banking sector credit is anticipated to grow at a CAGR of 18.1 per cent to reach US\$ 2.4 trillion by 2017. The total banking assets in India touched US\$ 1.8 trillion in FY13 and are anticipated to cross US\$ 28.5 trillion in FY25

GOVERNMENT INITIATIVES: There have been a lot of developments in the Indian banking sector to help Micro Small and Medium Enterprises (MSME), RBI has permitted setting up of an exchange-based trading platform to facilitate financing of bills raised by such small entities to corporate and other buyers, including government departments and PSUs. The Government of India plans to reduce its stake in public sector banks to 52 per cent. The reduction of stake is expected to fetch the government Rs 89,120 crore (US\$ 14.46 billion) on the basis of the share prices as on November 21, 2014. The Government of India has cleared a proposal by HDFC Bank Ltd, to increase the foreign investment limit in the lender while taking the view that the stake held by its parent Housing Development Finance Corp Ltd (HDFC) amounts to overseas investment. The Foreign Investment Promotion Board (FIPB) has approved HDFC Bank's proposal to increase foreign investment in the bank to 74 per cent. The Reserve Bank of India (RBI) has created four verticals, which will be looked after by each of the deputy governors, as part of organisational restructuring move. To give a boost to ship building in the country, the Export-Import Bank of India (Exim Bank) is planning to set up a dedicated Rs 1,500 crore (US\$ 243.37 million) fund with Government support.

REVIEW OF LITERATURE

Research on Credit Cards

Credit card originated in the United States of America in the early 40s and now seventy years later its presence can be felt on a wide scale. (Humphrey D. B.2004) through an econometric model proves that "during a twenty five year period the use of cash has fallen as people are going in for cashless transactions. Cash was replaced by cheques, cheques were replaced by credit cards and now debit cards have replaced cheques and cash". Thus economies all over the world are moving from cash to cards in their day to day transactions. "With heavy dependence on credit and debit cards, the recent marketing techniques adopted by the banks have affected credit card users of all ages from the teenagers to the senior citizens. Emphasis is also given on reforms to ease the credit card crunch to the average credit card holder as well as on the financial well being of the world economy." (Tidwell.et al, 2010). Chakravorti S. (2003) studied the benefits and costs that accrue to various parties involved in online transactions carried out using Credit cards, viz. credit card users, merchants, issuers, acquirers and the networks on which the credit cards are used. He has also studied "the economic models affecting the inter-related bilateral relationships and has offered guidelines to the policy makers."

Researchers have established that the “credit limit impacts the propensity to spend, as the general perception was that those having higher credit limit had potential to higher future earning hence they were willing to spend more and take advantage of the enhanced credit offer, whereas those with lower credit limits are cautious while spending, hence require and get low credit limits” (Sonam D. & Cheema A., 2002).

Credit Card Usage in various Countries

Much work has been done by researchers about credit card usage in their respective countries. Safakli O. V. (2006) belies the general assumption that product or service will be uniform all over the world. He states that in an Islamic country like Turkish Republic of Northern Cyprus (TRNC) differences exist in cost and services charges. The main reason being that, in an Islamic country the concept of making profits cannot be implied in banking business. Moreover, the differences in the financial markets, demographic structure and cultural factors also come into play. In a developing country like Malaysia the use and ownership of credit cards is on the rise. Zafer et al. (2007) have studied the psychographic factors of the Malaysians and tried to find and understand their attitude and spending behavior while using credit cards. Whereas Khatibi A. et al (2006) point out that “the number of educated ‘Ethnic Chinese’ in Malaysia who are computer literate is on the rise since the last decade. They are making all their purchases through e-commerce.” Their research studies and evaluates the characteristics of the Online shoppers in order to know the use and abuse of credit cards in the virtual world. Erdem C. (2008) states that “Credit card debt has become a major problem in Turkey and it has an impact on the credit card business. The consequence of Credit card debt is socioeconomic in nature, as income levels are low due to large families and low education levels.” Mann J. R. (2002) on the other hand compares the use of credit cards in Japan vis-a-vis United States. He states that “Japan being a smaller country than United States, the telecommunication costs are high which affects the retailers. The attitude of the Japanese is different from the Americans. Unlike the Americans the average spending of the Japanese is lower and they prefer to pay and clear their dues in one go on the due date.” Mathew Lee & Slocum John (1969) comment on the usage of credit cards on the basis of the activities, interests and opinions (AIO) of the card users. This ‘Lifestyle’ research differentiated between the users and non-users of a product in terms of their living styles or activities. They found that “members of the lower social classes tend to use their credit cards for installment purposes and upper classes for conveniences”. Mathew Lee & Slocum John (1970) stated the “the upper classes are generally favourable towards using credit cards to purchase ‘luxury’ goods, and the lower class users tend to use their credit cards for ‘durable’ and ‘necessity’ goods”.

Students and Credit cards

Arias J. C. & Miller R., (2009) have made a thorough study of the attitudes of the students towards the use of Credit cards by combing demographics attributes and attitudinal variables. According to them, “as compared to men, women clearly understand the implications of credit card debt and are more aware of interest rates and other charges on their credit cards.” The use of credit cards was rampant in the US Universities and cutting across all barriers of racial background, economic condition and education levels it was established that College students are living on the edge of a financial crisis and were heavily in credit card debts.” In a developing country like Turkey – having a circulation 32 million credit cards, Ucal M. et al. (2011), conducted a research on usage of credit cards based on gender of University students. The gender biases were marked as the comparisons showed that: “the male students spent more money and have more credit cards, whereas the girl students were prompt in clearing their debts and spent most on purchasing clothes. One third of the girl students used family cards and felt it was prestigious to use credit cards.” Xiao J. et al. (1995) have concluded that “while most college students now have credit cards, they appear to be using credit cards responsibly and are not accumulating large amounts of debt.” Hayhoe C. et al. (2000) concluded that “the American and the European students ran huge debts while using credit cards as compared to Asian

students whose debts were normally cleared by the due dates. Girls were more careful as compared to boys while running up sizable debts.”

Credit Cards usage and its effect on Health: Research conducted by Berg C. et al. (2010), have found that “among college students, high-risk health behaviors including smoking, drinking, and a low level of exercise. Greater number of poor mental health days was associated with those students having high levels of credit card debt (i.e., \$1,000 or more) that led to violent behavior and low self esteem.” They suggested further investigation to determine psychosocial factors that best predict high-risk behaviors among college students and for developing interventions for addressing these behaviors so as to promote more adaptive functioning and improve the quality of life of college students in the long term. Thomas M. et al. (2011) compared the buying behaviour of the customer by comparing purchases made by payment in cash or through credit cards. It was established that “when the payment is made by credit cards the customer indulges himself by spending on fast food, aerated drinks, cigarettes, alcohol etc. even buying goods which may not be actually required. On the other hand while purchasing on cash basis only goods having high utility were given preference. Conspicuous consumption often adversely affected the health of the Credit card users.”

The Credit Card effect: It was in 1986 that Feinberg propounded the theory of “The Credit Card Effect”. He stated that “Credit card stimuli directed spending such that the probability, speed, or magnitude of spending was enhanced in the presence of credit card cues”, and “Consumers report that they spend more with credit cards as they facilitate spending”. (Feinberg R. A., 1986), McCall M. & Belmont H. J. (2002), proved that the Credit Card effect was not a myth but a reality and they proved it by verifying the same by co-relating ‘Tipping at restaurant with credit card insignia’. They found that “credit cards cues were indeed ‘spending – facilitating stimuli’ i.e. credit cards facilitate an inflated spending response as diners tipped 4.29% more in

the presence of credit cues.” Research done two decades later, in 2000, by Shimp T. A. & Moody proves otherwise. They concluded “Feinberg’s findings as appealing and possessing information but were inconsistent, unexpected and implausible” (Shimp & Moody, 2000) and added that “Feinberg findings were due to the lack of credit card experiences as in 1980s it was considered prestigious to possess a credit card as it was associated with high economic status. But by 2000 the credit cards had lost their sheen and became a common man’s substitute for currency and thus the credit card effect lost its glamour”.

E-Commerce and Credit Cards

“In offline marketing, demographics plays a vital role in understanding buying behavior of consumers belong to different segments which would enable companies to develop products / services according to their specific requirements. In India as the occupation plays a vital role in deciding the buying power and social status. Non availability of time might motivate the people to use services online as they might not find time to avail services offline. Hence, the internet plays a vital role of the enabler. It shows the evolving scenario in India as consumers are slowly adapting to internet usage and availing services and goods.” (Sakkthivel A. M., 2006) For availing services and goods through the internet, payments have to be made by credit or debit cards and hence the need for plastic money is going to rise. Hence its awareness is a must. However with the use of credit card became universal and with the coming of internet where purchases could be made Online on the internet, fraudsters became active and starting duping card users of their hard earned money. Much work has been done worldwide to make the credit cards safer – free from frauds – in the hands of the users. Researchers all over the world have suggested ways in which these credit cards can be made fraud free.

Credit Card Frauds: Bhatla T. P. et al. (2003) have described the various ways in which a credit card holder may be a victim of fraud, the impact of frauds on the Credit cardholders, the merchants and the issuer banks. They have touched upon the various fraud prevention technologies and have suggested innovative methods to be adopted to make them smart cards to curb frauds. Taking ‘True

Life Cases' Rizzardi enlightens us about the various ways in which Credit card frauds take place. "Most Credit card frauds are committed through data mining, manipulation in accounts, skimming and phishing". (Rizzardi R., 2008) At the same time he suggests a number of tips from the simple to the complex how frauds can be avoided and Credit cards be used safely in day to day transactions. Delamaire et al. (2009) have analysed the different types of credit card frauds and have reviewed the suitability of various techniques used in fraud detection.

Identity Theft and ways to overcome it: Identity Theft is becoming a major concern the world over. As estimated by FTC as many as 9 million Americans have their identities stolen every year. It takes place when someone uses your personally identifying information such as your name, Social Security number, or credit card number, without your permission, to commit a monetary fraud or some other crime. Matejkovic J. E. & Lahey K. E.,(2001) have discussed at length "the inadequacy of legislation to tackle this problem of identity theft, as the victims of fraud have no recourse or remedy and they suffer heavy losses". Mainly in developing countries, a key reason for fall in use of credit cards. Although improvements are being made to make the credit cards safe and fraud free as in the case of 'smart cards' (Integrated or Chip cards) where Chip and PIN are used, Murdoch et al., (2010) have found a lacuna in its system due to a protocol flaw which can circumvent the security net, and proved that these cards too are not totally safe in the hands of a techno savvy person. They have also provided a solution to the card issuers to improve the technology and come out with the next improved version of EMV (Europay, Mastercard and Visa) cards. make them smart cards to curb frauds. Taking 'True Life Cases' Rizzardi enlightens us about the various ways in which Credit card frauds take place.

Credit Cards in India: Much work has not been done on credit cards in India as they are comparatively a new phenomenon. Credit cards have yet to penetrate the rural markets in a big way; its reach being limited only in the urban areas that too amongst the employed and economically sound people,

Survey has been conducted by the magazine 'Business World India' titled 'The Trapped Feeling' that "one out of every five credit card customer feels trapped". The customers' dissatisfaction is visible in case of all banking companies without exceptions. Moreover, in comparison with other industries, the customer loyalty is among the lowest in this case." He further concluded that "the major problem with the banks today is not only of popularizing the credit card concept but also of increasing the credit card usage." Even after two decades much has not changed. As Das A. & Agarwal R., (2010) state that "although electronic payment systems have been in existence for many years, the retail sector still has predominance of cash transactions, and payment through cards is yet to pick up. Even though Cards (both credit and debit) are one of the most secure and convenient modes of cashless payment in retail market". They studied the "costs involved in India by holding independent interactions with all players in the system - the banks, the card companies and the merchants; and by comparing the practice in different countries. They concluded that, with the rationalization in costs, the banks and card companies would continue to gain, as revenues would increase due to increase in usage and user base. Additionally, for the Government, with the new pricing the gain will be twofold - firstly there will be sizable reduction in the growth of currency management cost, and secondly, the system will generate volumes of data on spending behaviour of individuals that could be used by the Government for developmental planning and by RBI and Government to further their endeavour towards bringing in an efficient cashless payment system in the country

RESEARCH METHODOLOGY

The study was conducted through a self-administered questionnaire which is distributed among the population of Vijayawada. Each respondent received a survey as well as an informed consent form. The first section of the survey included a series of statements about the personal use of credit cards. Respondents were asked to rate their level of agreement or disagreement to each statement. In the

second section, respondents were asked to rate their level of satisfaction with about the service provided and various other contents for measurement purpose.

FORMULATION OF HYPOTHESIS

Hypothesis:1

- H0: There is no effectiveness of the services provided by different credits
- H1: There is effectiveness of the services provided by different credits

Hypothesis:2

- H0: There is no awareness of Credit Card users amongst the credit card holders of Vijayawada
- H1: There is awareness of Credit Card users amongst the credit card holders of Vijayawada

SAMPLE DESIGN

Sample design: Sample designs are basically of two types, non-probability sampling and probability sampling.

Random sampling: Simple random sampling is the basic sampling technique where we select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection.

POPULATION OF STUDY

To conduct the study the researchers considered the population to be the individuals in Vijayawada.

SAMPLING FRAME

Various groups of population belonging to different sector are taken for the study as a sample.

SAMPLING SIZE: 120

SURVEY INSTRUMENT

Questionnaire

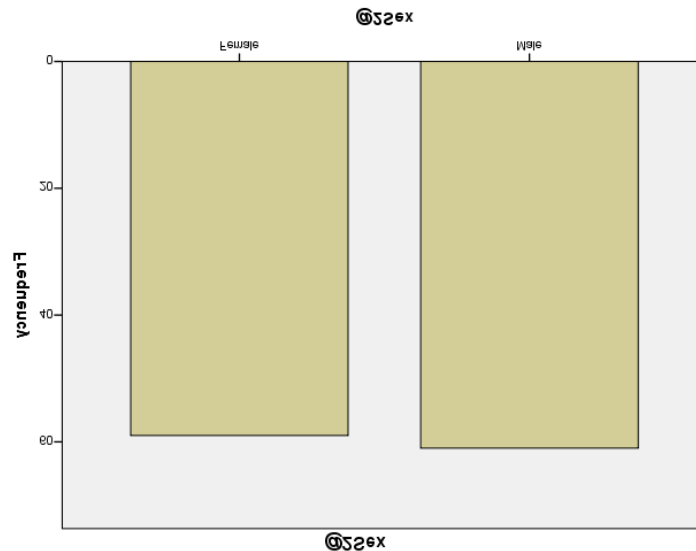
Primary data is the original source from which the researcher directly collects the data. It is the data that has not been previously collected. Primary form of data collection which is carried out by conducting the survey which involves distributing of questionnaire to the population of Vijayawada. This survey involves direct distribution of questionnaire and finally interpreting the results. Questionnaire is a research instrument used for securing answers to the set of questions from the respondent. A detailed questionnaire was presented with 20 questions. A sample size is 120. Sample is the small part drawn from whole population. It is selected through convenience sampling. Data is analyzed by using SPSS .

DATA ANALYSIS

Table-1 Frequency Table

@2Sex

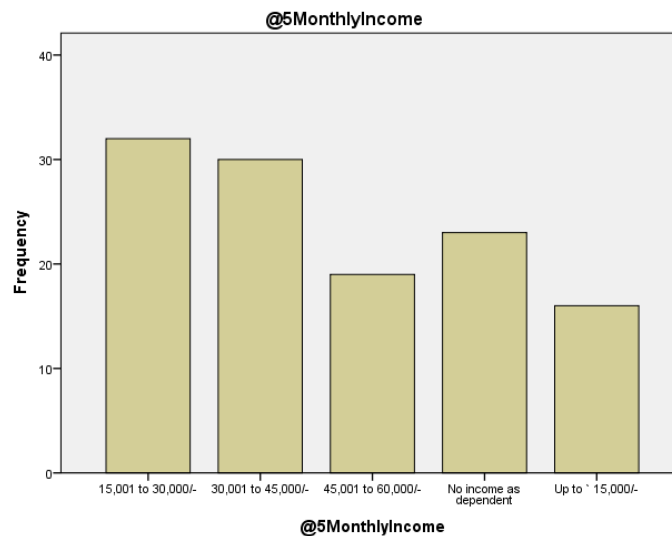
		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Female	59	49.2	49.2	49.2
	Male	61	50.8	50.8	100.0
	Total	120	100.0	100.0	



A total 120 respondents are collected and in that 49.2% are female and 50.8% are males

Table -2 @5MonthlyIncome

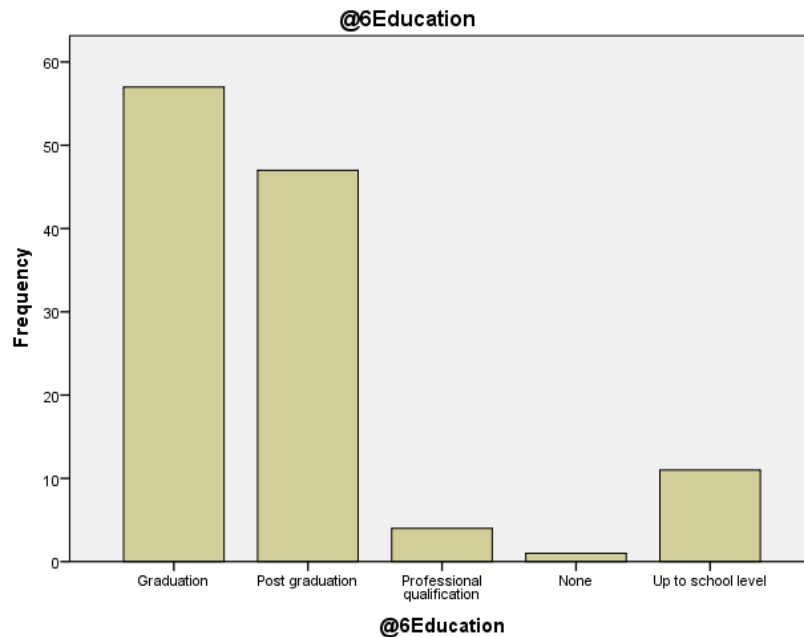
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 15,001 to 30,000/-	32	26.7	26.7	26.7
30,001 to 45,000/-	30	25.0	25.0	51.7
45,001 to 60,000/-	19	15.8	15.8	67.5
No income as dependent	23	19.2	19.2	86.7
Up to ` 15,000/-	16	13.3	13.3	100.0
Total	120	100.0	100.0	



From the above data, 26.7% are between 15001 to 30000,25% are between 30001 to 45000,15.8 are between 45,001 to 60,000,19.2 are income as dependent,13.3 are upto 15000.

Table -3 @6Education

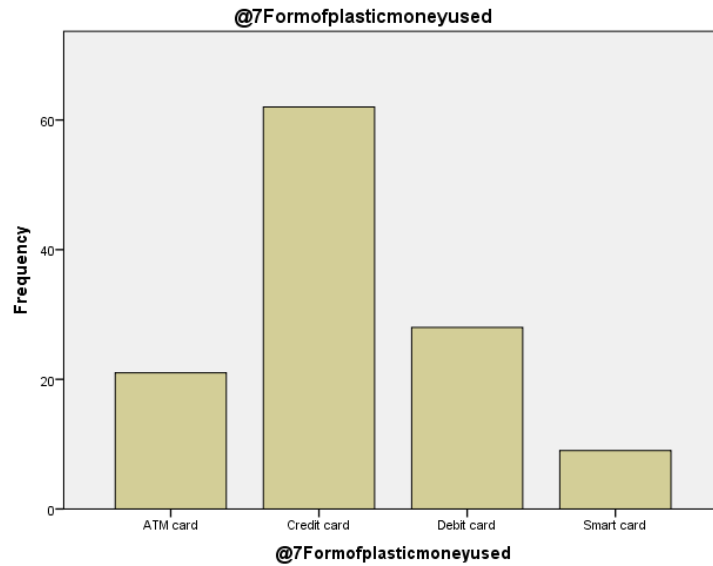
	Frequency	Percent	Valid Percent	Cumulative Percent
Graduation	57	47.5	47.5	47.5
Post graduation	47	39.2	39.2	86.7
Professional qualification	4	3.3	3.3	90.0
None	1	.8	.8	90.8
Up to school level	11	9.2	9.2	100.0
Total	120	100.0	100.0	



From the above data, 47.5% are graduation, 39.2% post graduation, 3.3% are professional qualification, 0.8% none, 9.2% upto school level

Table -4@7Formofplasticmoneyused

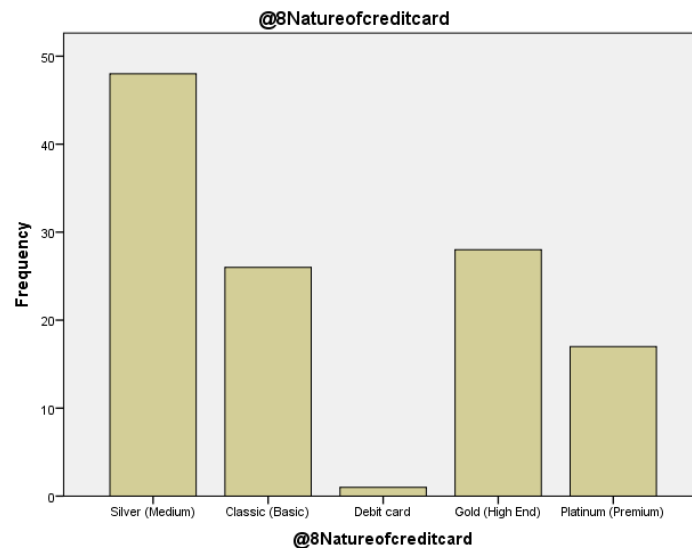
	Frequency	Percent	Valid Percent	Cumulative Percent
ATM card	21	17.5	17.5	17.5
Credit card	62	51.7	51.7	69.2
Debit card	28	23.3	23.3	92.5
Smart card	9	7.5	7.5	100.0
Total	120	100.0	100.0	



From the above bar diagrams,17.5 % has debit card,51.7% has credit card,23.3% has debit cum atm,7.5% smart card

Table -5 @8Natureofcreditcard

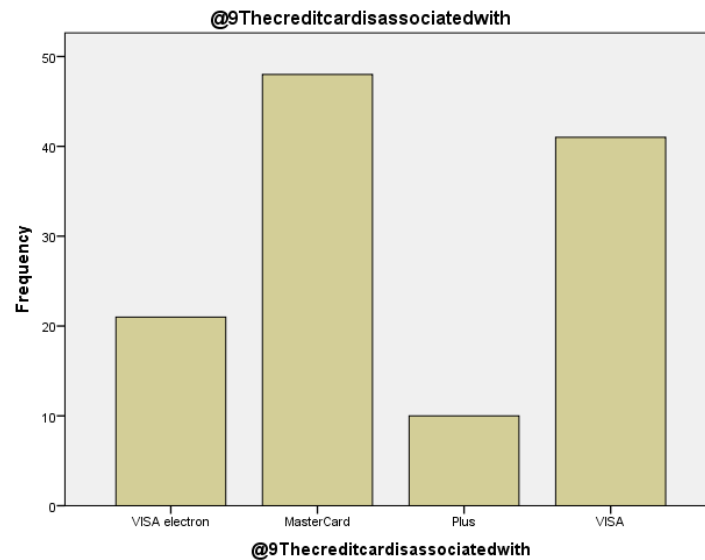
	Frequency	Percent	Valid Percent	Cumulative Percent
Silver (Medium)	48	40.0	40.0	40.0
Classic (Basic)	26	21.7	21.7	61.7
Debit card	1	.8	.8	62.5
Gold (High End)	28	23.3	23.3	85.8
Platinum (Premium)	17	14.2	14.2	100.0
Total	120	100.0	100.0	



From the above data,40% of people has silver card,21.7% are classic cards,23.3% has gold cards,14.2% platinum

Table -6 @9Thecreditcardisassociatedwith

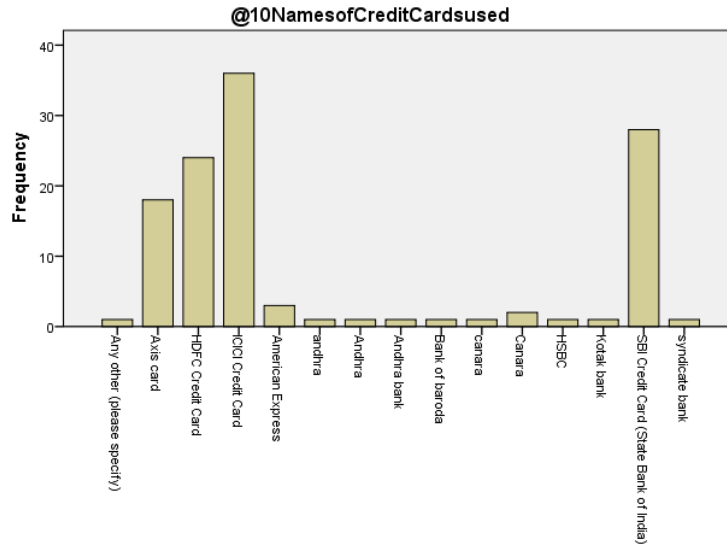
	Frequency	Percent	Valid Percent	Cumulative Percent
VISA electron	21	17.5	17.5	17.5
MasterCard	48	40.0	40.0	57.5
Valid Plus	10	8.3	8.3	65.8
VISA	41	34.2	34.2	100.0
Total	120	100.0	100.0	



From above data,17.5% has visa type cards,40.0% has master cards,8.3% has plus cards,34.2 has visa cards.

Table -7 @10NamesofCreditCardsused

	Frequency	Percent	Valid Percent	Cumulative Percent
Any other (please specify)	1	.8	.8	.8
Axis card	18	15.0	15.0	15.8
HDFC Credit Card	24	20.0	20.0	35.8
ICICI Credit Card	36	30.0	30.0	65.8
American Express	3	2.5	2.5	68.3
andhra	1	.8	.8	69.2
Andhra	1	.8	.8	70.0
Valid Andhra bank	1	.8	.8	70.8
Bank of baroda	1	.8	.8	71.7
canara	1	.8	.8	72.5
Canara	2	1.7	1.7	74.2
HSBC	1	.8	.8	75.0
Kotak bank	1	.8	.8	75.8
SBI Credit Card (State Bank of India)	28	23.3	23.3	99.2
syndicate bank	1	.8	.8	100.0
Total	120	100.0	100.0	



@10NamesofCreditCardsused

From above data ,15% has Axis card 24% has HDFC Credit Card 30% has ICICI Credit Card 2.5% has American Express 8% has Andhra bank

CHI Square Test

Here chi square Test has done between name of credit card use and remaining variables:

- Obtaining credit card
- Credit card statement
- Expiry of old and new card
- Knowledge of interest rate
- Knowledge of terms and conditions
- Card stolen or lost
- Mode of payment

Table -8 : @10NamesofCreditCardsused * Obtaining credit card

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	91.392 ^a	42	.000
Likelihood Ratio	42.361	42	.455
N of Valid Cases	120		

a. 52 cells (86.7%) have expected count less than 5. The minimum expected count is .02.

Chi square test is done between name of credit card and obtaining credit card there is no much difference between these two as there is chi square value 91.3,d=0.00

Table -9 : @10NamesofCreditCardsused * Credit card statement

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	58.300 ^a	42	.048
Likelihood Ratio	44.245	42	.377
N of Valid Cases	120		

a. 51 cells (85.0%) have expected count less than 5. The minimum expected count is .09.

Chi square test is done between name of credit card and credit card statement there is no much difference between these two as there is chi square value 58.30,d=0.48

Table -10 : @10NamesofCreditCardsused * expiry of old card,new card issued

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	58.300 ^a	42	.048
Likelihood Ratio	44.245	42	.377
N of Valid Cases	120		

a. 51 cells (85.0%) have expected count less than 5. The minimum expected count is .09.

Chi square test is done between name of credit card and expiry of old card,new issued there is no much difference between these two as there is chi square value =58.3,d=0.40

Table -11 : @10NamesofCreditCardsused * Knowledge of interest rate

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	125.477 ^a	56	.000
Likelihood Ratio	60.920	56	.303
N of Valid Cases	120		

a. 65 cells (86.7%) have expected count less than 5. The minimum expected count is .03.

Chi square test is done between name of credit card and Knowledge of interest rate there is no much difference between these two as there is chi square value=125.47,d=0.00

Table -12 : @10NamesofCreditCardsused * Knowledge of terms and conditions

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	99.524 ^a	56	.000
Likelihood Ratio	64.665	56	.200
N of Valid Cases	120		

a. 65 cells (86.7%) have expected count less than 5. The minimum expected count is .06.

Chi square test is done between name of credit card and Knowledge of terms and conditions there is no much difference between these two as there is chi square value 99.52,d=0.00

Table -13 : @10NamesofCreditCardsused * Mode of payment

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.144 ^a	56	.328
Likelihood Ratio	56.107	56	.471
N of Valid Cases	120		

a. 66 cells (88.0%) have expected count less than 5. The minimum expected count is .07.

Chi square test is done between name of credit card and mode of payment there is difference between these two as there is chi square value =60.144,d=0.328

Table -14 : @10NamesofCreditCardsused * Card has been stolen or lost**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.385 ^a	56	.094
Likelihood Ratio	57.083	56	.435
N of Valid Cases	120		

a. 65 cells (86.7%) have expected count less than 5. The minimum expected count is .10.

Chi square test is done between name of credit card and card has been stolen or lost there is difference between these two as there is chi square value 70.385,d=0.094

DISCUSSION OF RESULTS:

The findings from the culmination of all research, as based on the information assimilated from various sources we can arrive at a conclusion. The views of the respondents of the survey after being analysed have paved the way for achieving the objectives which had envisaged for this research.

Findings

For better understanding, findings have been grouped into various categories and have been listed.

Demographic

- In the sample under the study of the 120 respondents, were 50.8% males and 49.2% were women.
- The modal age of the respondents is 34.6 year an indication that average credit card user is a middle aged person who is well aware of his responsibilities in life.
- Nearly all (95.4%) of the respondents are educated; 47.5% are graduates, 39.2% are post graduates, 3.3% have professional qualifications. Merely 9.2% are those who have studied up to the school level. This is a clear indication that those who are educated understand the pros and cons of using the credit cards and avail its benefits.
- The credit card holders are mainly people who are employed with 31.2% in the private sector, 27% in the public sector, 49% are entrepreneurs having their own businesses and 10% are professionals. A fact to be noted here is that 8.5% are students who have add – on cards provided by their parents in addition or in lieu of their pocket money.
- Nearly 59.7% of the respondents fall in the middle income group earning between fifteen to sixty thousand rupees a month. It is this group which uses the credit card to defer their payments and pay as soon as they get their next pay cheques. 13% of the respondents use credit card although they have no income whatsoever, payments are made either by their parents or spouses.

Plastic money and Credit cards

- The use of plastic money is on the rise with 64.8% of the respondents using both credit and debit cards, 51.7% use credit cards and 58.3% use credit, debit and smart cards.
- Among the issuers ICICI leads the pack (30%), followed by SBI (17%),HDFC (24%),15% has Axis card American Express (2.5%) and 8% has Andhra bank amongst others.
- The most popular 40.0% has master cards,17.5% has visa type cards, ,8.3% has plus cards,34.2 has visa cards

Services offered by the Issuer (Bank)

- The first step is procuring the credit card. 77.6% of the respondents were approached by their bankers whereas 14.2% of the respondents approached the banks for getting the cards. 1.8% of the respondents who had more than one card reported that for the first credit card they approached the banks but the subsequent ones were offered by the banks themselves.
- 86.4% of the credit cardholders faced no difficulty in getting their cards, 6.4% had some difficulty while others had mixed experiences.

- 75.8% of the credit card users received their statements well before the payment dates (agree) whereas the remaining 17.8% (disagree) received it a few days in advance. None of them complained of not receiving the statements.
- 66.1% (agree) of them received their replacement cards well before the expiry of their credit cards, while 27.5% (disagree) stated that they got their replacement cards within a few days of the old one expiring.

Credit card Users attitudes and habits

- 80.6% of the respondents strongly agree that the payments themselves and for the other disagree (13%) payments are made by their guardians or spouses on their behalf.
- 63.9% of the credit card users strongly agree under the survey prefer to make payments by cheques as it is convenient while 13.3% are neutral, 9.1% disagree.
- 48.5% of the respondents agree to the use of credit cards both offline as well as online
- for them the use of credit cards have become a habit and is a substitute for cash and cheque. 38.8% disagree as they use it only offline and free themselves of refilling their purses and wallets every time they step out of their homes.
- Credit cards are popular mainly because of its convenience. Payments can be deferred; unplanned purchases can be made apart from getting bonus points and cash discounts.

Frauds

65 of the respondents informed that they agree to the fact credit cards had been stolen misplaced or lost. 58 of these respondents disagree as they could block their credit cards by contacting the 'Helplines'

CONCLUSIONS

An attempt has been made to map the history of credit cards, features, types, workings, frauds and precautions to be taken while using the credit card giving valuable insight to readers as well as to the credit card users. Consolidating the results of the tests we can summarise that the needs and expectations of the credit card users are satisfied with the services provided by the issuers. The credit card holders are happy as they get proper bills on time, credit cards are renewed and sent even before the old ones expire, points are redeemed they are not misled by false promises and new charges or charges are revised only after proper intimation is given. Some women respondents were please with the points that would accumulate and the products they got in exchange from the issuers. Whereas men on the other hand preferred money back to adjust the same against charges or annual fees provided such a scheme was available. Moreover the 'Helplines' are reachable day and night, lost or stolen credit cards get blocked and problems get resolved by approaching these 'Helplines'.

India being a patriarchal society it reflects upon the people who use the credit cards. As compared to women the men have greater awareness about the terms and conditions, interest rates and details about other charges levied by the issuers. However the usage of credit card does not depend upon the marital status of the credit card user, as married as well as singletons shows the same preference towards credit cards. The correlation results establish the fact that the frequency of usage of credit cards and the number of credit cards possessed by an individual go hand in hand. The minor problems associated with cards too will disappear as the world will move towards a cashless society.

SUGGESTION

Those 5 respondents (1.5%) who have rated their experiences as 'poor' and 'very poor' have suffered monetary losses and they feel that their requests and complaints were not given the importance that was necessary. To protect oneself from monetary losses and inconveniences due to credit cards getting misplaced lost or picked it is advisable to opt for the credit card protection policy which is available at a nominal value with the issuers. A credit card user must register for the SMS services so that information is relayed every time the credit card is used and frauds (if any) can be detected early. The credit card user can always take recourse under Section 27 of the Consumer

Protection Act 1986, if threatened by recovery agents using coercive and intimidatory tactics for recovery of outstanding amounts under dispute.

RECOMMENDATIONS

As the major issue is related to the loss of card and recovery process Dharamshi K. suggests "10 Steps that can protect you from loss:

- Register for transaction alerts via SMS and e-mail.
- If you change your mobile number, update it with the bank.
- Reduce the limit on your credit card if you use it sparingly.
- Use virtual cards for e-shopping.
- Make use of the virtual keyboard wherever possible.
- Instead of going to the bank's Website using links in e-mails, type the Web address directly.
- Memorise the 3-digit CVV number at the back of the card and scratch it out.
- Do not leave unwanted photocopies of essential documents at the photocopier.
- If you lose your phone, deactivate all banking services linked to that number.
- Place your Internet router away from doors and windows and switch it off when not in use." (Dharamshi K., 2011)

LIMITATIONS

An obvious limitation to this study was the use of in Vijayawada population .The sample could be considered a sample of convenience because it was solely comprised of a very few respondents belonging to a particular area. This should be considered when generalizing the results of this study, as they may not apply to all the rest of the regions.

The users experience regarding the use of credit cards has to be studied and examined father.

FUTURE RESEARCH

From the data available it has been observed that the number of debit cards in circulation is more as compared to the number of credit cards although in terms of monetary transactions the credit cards fare better than the debit cards. It could be a topic for study to compare and investigate the reason for this phenomenon. Another area on which work could to be done is to explore the attitudes and the preferences of those who use 'add-on cards' especially college going students and homemakers. This would help the credit card issuers in expanding their base by catering to the needs of this segment of credit card users.

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