CHAPTER – I
INTRODUCTION AND DESIGN OF THE STUDY

шло INTRODUCTION 1
шло STATEMENT OF THE PROBLEM 5
шло SCOPE OF THE STUDY 8
шло OBJECTIVES OF THE STUDY 9
шло HYPOTHESES 9
шло OPERATIONAL DEFINITIONS 13
шло METHODOLOGY 14
шло FRAMEWORK OF ANALYSIS 22
шло LIMITATIONS OF THE STUDY 23
шло ORGANISATION OF THE STUDY 24
CHAPTER I
INTRODUCTION AND DESIGN OF THE STUDY

INTRODUCTION

Banking in India has come a long way from the pre liberalisation days when it was a sellers market to the post liberalization era, where it has become a buyers market. Banking just as in the FMCG sector or the consumer durables goods sector has evolved into a marketing game. For decades, banks in India have been offering mass banking products, most common products being Savings Bank, Recurring Account, Fixed Deposits and lending products being Cash Credit, Overdraft facilities and Term Loans. The stock market boom in the early 90s, the negative ramification on certain banks notwithstanding and the financial sector reforms brought about a drastic change in the way they structure their portfolios. As consumerism took root, banks opened their purses to aid customers upscale their lifestyle. Today the customer has a choice of products available to him.

An innovation in consumer banking is the introduction of 'Plastic Money' to facilitate electronic payment. One of the forms of plastic money is credit cards. A credit card is a plastic card with a magnetic strip on which the required vital information of identity like the name of the card holder, Account number, Credit limit, Date of validity, Issuing organization, specimen signature of the card holder etc. is enclosed. A credit card enables the holder to the cashless purchase of goods and services at selected places.
Credit card can be called as an equivalent of a loan sanctioned by the bank to the customer. Credit card facilitates and makes it possible to ‘use first and pay later’.

**ORIGIN OF CREDIT CARDS**

On February 28, 1950 – A Diners club card, the first multi-use credit card was issued. This marked the beginning of the era of plastic money. Diner’s card was positioned to become a budget of honour for upscale individuals. Diner’s card was launched in the Indian market in 1960. The Central bank of India was the first bank in the country to introduce credit card system in August 1980, followed by several other banks. In India, both foreign and Indian banks are doing credit card business.

The foreign banks have a dominant share due to various reasons like having been in the field for decades, sound operational and financial strength, strong brand reorganization etc. Later, with the aggressive entry of SBI, ICICI and HDFC Bank, the rules of the game changed. Among the banks issuing credit cards, the esteemed and well published cards are Citibank diners club card, Citibank Visa card and credit cards, Bank of Baroda’s Master cards, the SBI credit cards, Bank of India’s India card, Canara Banks Can card and ICICI Bank’s ICICI Card. These cards were positioned in a manner which gave an impression that the cards can be acquired by people from not only the upper class but also the middle income
categories. The new private sector banks like ICICI and HDFC have adopted a strategy of reaching lower down the income strata by lowering down their eligibility norms. Today credit card industry is highly competitive and almost all the banks are offering credit cards in association with Visa International or Master Card.

CREDIT CARD SYSTEM

Under the credit card scheme, an individual can get a credit card from a bank with a specified credit limit as determined by the bank based on his income, the bank in turn will enter into a contract with different shopping establishments all over the country, covering almost every aspect of human necessity, right from hotels and restaurants to departmental stores, petrol retail outlets, cloth shops, rail and air travel agencies and jewellery shops to sell goods on the basis of the credit card; the cardholders can buy goods from the affiliated member merchant establishments by producing his card and signing sales bills/charge-slips produced before him; the charge bills / sales bills, evidencing purchases made by the cardholders are transmitted by the shopping establishments to the banks which pays it, the cost of purchases by the cardholder directly after deducting in commission and the bank in due course, collects the amount from the cardholders; they have the option to settle the monthly statement in full or take credit and pay a specified minimum every month.
BENEFITS OF CREDIT CARDS

To the Cardholders

❖ It is convenient for him as it enables cash-less transaction. Thus the risk of carrying cash is avoided.
❖ He gets credit from the banks without going through the time consuming formalities.
❖ It inculcates a sense of financial discipline.
❖ The cardholder has the convenience of making a single payment for the purchases made during the month.
❖ It can become very handy in case of emergencies.
❖ It also facilitates insurance cover/discount.

To the Member Establishments

❖ Increase in sales because of increased purchasing power of the cardholders due to credit available to the cardholder.
❖ Systematic accounting, since sales receipts are routed through banking channels.
❖ Advertising and promotional support on a national level.
❖ Development of a prestigious clientele base.
❖ Assured and immediate payment by the banks.
❖ Avoids all the cost and security problems involved in handling cash.
To Banks

❖ Higher popularity and image for the banks.
❖ Substantial income through membership fees and by way of interest
❖ Helps in establishing banking relationship with new customers.
❖ Provides opportunity to render additional services to the existing clients.

CURRENT TRENDS IN CREDIT CARD INDUSTRY

There is now a flood of Indian banks offering credit cards to the potential customers. Multinational banks operating in India have also joined the bandwagon with high voltage advertising and seemingly competitive reward programmes for loyal credit card users. Banks’ income from credit cards can be divided mainly into four components namely annual fee, interchange charge, revolving fee (Interest charged for revolving credit) and other fees. Indian credit card market is growing at almost 30 to 35 per cent annually and the number of credit cards in circulation is thirteen million as reported by credit card issuers.

STATEMENT OF THE PROBLEM

Credit cards have become an indispensable part of modern day existence and no wonder the last few years saw a sea change in the attitude of people opting for this plastic currency. Credit cards have changed the way people look at money. Gone are the days when only the rich sported them at
limited counters in select cities. Today, they are a way of life for the middle class too, even in smaller locations across the country. The spending habits of people have undergone a phenomenal change. Credit card business has registered a 35 per cent growth rate during the current year reflecting the growing acceptance of the people and adaptability to the new age currency system.

The usage of credit cards in the lower and middle income groups has evolved at a faster rate in recent years. The plastic cards with attractive features like deferred payment facility, cashless transaction facility and the like have caught the eye of many a lower and middle class people.

Credit cards enable travellers to carry a small amount of cash. People also depend on credit cards for liquidity when their salary is delayed. It certainly helps to have a credit card. Most of the merchant outlets today accept plastic money. And with freebies like insurance cover, easy repayment options, bonus points and rewards on offer it pays to own a credit card.

The convenience in using credit cards makes it very popular throughout the world and any urban society cannot think without it. India is not an exception to it as the number of active credit cards which was only a few thousands in 1989, shot up to about 1 crore in 2005. However, this boom has brought in a lot of complications like credit card fraud, payment defaulting, unsolicited card, uncontrolled spending etc.
Rapid credit card growth has increased transaction efficiency. But it has also exposed individuals to sharp practices by banks and their agents. Till recently, the Indian consumer was using the credit card during the crunch season, but things have changed in the recent past with the consumers using it for as small sum as Rs. 100 to over a lakh of rupees. The most common feature among the credit card holders is they carry forward their payment. Postponing payments multiplies bills that too at a whopping rate of 36 to 40 per cent per year, pushing the card holder into a debt trap.

The utility of cards varies from person to person depending on their profile. In the initial years, the consumers deem it a privilege to hold credit cards. However, there is a feeling among card holders that the banks are charging hefty interest and other fees. Credit card issuers charge interest which works out to roughly 36 per cent per annum. Delays or defaults results in payment of penal interest on all incremental usage of the card till the payment is made. Once the outstanding pile up, it can be a serious hazard to one’s financial security.

Today, competition among credit card players is intense offering benefits like reward points is just another way of luring customers into debt trap. The biggest problems arise when one gets into what is called revolver mode of repayment.

The cases of credit card frauds are increasing where banking transactions are done through the internet. There is a dark side to the credit
card technology which is an avenue for sophisticated swindles. The convenience in using credit card has made it very popular. But the boom in credit cards has been accompanied by howls of protests from customers about a range of issues such as unsolicited cards, undisclosed charges, free cards that are charged for, sales calls at all times of the day, wrong billing, banks resorting to intimidation to recover disputed payments, rotating DSAs (Direct Selling Agents) who promise and vanish, bills coming too late to make timely payments and nowhere to complain.

In the light of these aspects, it seems pertinent to focus the study on the various aspects relating to credit cards. In this context, the following questions arise.

1. What is the level of awareness of bank customers about credit cards?
2. Are the credit cards used judiciously by the holders?
3. What is the reason why many of the bank customers do not possess credit card?
4. What is the extent of utilisation of credit cards?

**SCOPE OF THE STUDY**

The present study focuses on the perception of cardholders towards credit cards. The study was designed to gain a better understanding of the factors influencing possession of credit cards and cardholders' satisfaction.
The study also analyses the extent of utilisation of credit cards by cardholders and the level of awareness of bank customers about credit cards.

OBJECTIVES OF THE STUDY

The Objectives of the study are:

1. To determine bank customers’ awareness about credit cards.
2. To study the influence of demographic profile and banking related profile of the customers on possession of credit cards.
3. To identify the factors determining the credit limits availed by the cardholders.
4. To examine the extent of usage of credit cards by cardholders.
5. To find out the attitude of cardholders towards credit cards.
6. To measure the satisfaction of credit card holders and identify the influencing factors.
7. To understand the cardholders’ perception and experience regarding the role of core and supplementary service elements at the product level.

HYPOTHESES

The researcher has formulated and tested the following null hypotheses keeping in view the wider theoretical framework and objective two of the study.

1. There is no association between age and possession of credit cards.
2. Possession of credit card is not influenced by gender.

3. There is no association between level of education and possession of credit cards.

4. Occupation does not have significant influence over credit card holding.

5. There is no association between income and possession of credit cards.

6. Value of assets and credit card holding are not closely associated.

7. There is no association between type of bank account and credit card holding.

8. There is no association between customers’ frequency of transactions and their credit and holding.

To fulfil objective four of the study, the following null hypotheses were formulated and tested.

1. There is no significant difference in the mean usage scores, for different goods and services among the credit card holders.

2. Extent of usage credit card is independent of the level of education of the cardholders.

3. Extent of usage credit card is not influenced by cardholders’ occupation.
4. There is no significant association between cardholders’ income and extent of usage of credit cards.

5. Extent of usage of credit cards is not influenced by cardholders’ family income.

6. Size of family and extent of usage of credit cards are not significantly associated.

7. There is no association between credit card holders’ family expenditure and extent of usage of credit cards.

In line with objective six of the study, the following null hypotheses were formulated and tested.

1. There is no significant difference among credit card holders belonging to different age groups with respect to their level of satisfaction.

2. Mean satisfaction scores of the male and female cardholders do not differ significantly.

3. The mean satisfaction scores of the various occupational categories of respondents do not have significant differences.

4. There are no significant differences in the mean satisfaction scores of the credit card holders with different levels of education.

5. There is no significant difference in the mean satisfaction scores of the different income groups of credit cardholders.
6. There are no significant differences in the mean satisfaction scores of the cardholders holding different brands of credit cards.

7. Mean satisfaction scores of credit card holders with different periods of card holding do not differ significantly.

8. Mean satisfaction scores of cardholders do not differ significantly according to the differences in their eligible credit limit.

9. Mean satisfaction scores of the credit card holders with different credit limits do not have significant differences.

10. Mean satisfaction scores of the cardholders do not differ significantly according to the differences in the credit utilised by them.

11. Mean satisfaction scores of credit cardholders do not vary significantly according to the frequency of usage of their credit cards.

12. There are no significant differences in the mean satisfaction scores of the credit card holders differing in their attitude towards credit cards.

To fulfil objective seven of the study, the following null hypotheses were formulated and tested.

There is no significant gap between credit cardholders’ mean, perception and experience, scores on:

i) Core services

ii) Facilitating services and

iii) Supporting services.
OPERATIONAL DEFINITIONS

Various terms related to analysis made in the present study which are defined by well known authors are given as follows.

AWARENESS

Awareness indicates the knowledge and understanding of a situation or fact. In the present study ‘Bank Customers’ awareness shows their understanding about credit cards.

ATTITUDE

According to theorists, a person’s attitude towards an object is seen to be a function of (1) the strength of the number of beliefs the person holds about various aspects of the object and (2) the evaluation he gives to each belief as it relates to the object [D. Hindquist]. In this study, the attitudes of cardholders towards credit cards have been determined considering the strengths of the beliefs and evaluation of the respondents.

SATISFACTION

Satisfaction refers to the buyer’s a state of being adequately rewarded for the scarifies they have made. Consumers form certain expectations about the performance of the product / service, the costs and the service benefits. Once consumers use a product / service they may become satisfied or dissatisfied [L. Loudan]. Credit card holders’ satisfaction has been
determined in this study based on the various aspects such as issue, operation and charges on credit cards.

BANK CUSTOMERS

Bank customers are those who have an account with a bank. In the present study, bank customers are used to mean those respondents who have a deposit account with a commercial bank and are non-holders of credit cards.

METHODOLOGY

Sample Design

Multi-Stage sampling has been used in the study.

Selection of District

In the first stage, Erode District has been selected for convenience.

Selection of Sample Bank Branches

Since credit card is a banking product and banks are publicising credit cards, in the analysis of awareness, respondents were selected from among the bank customers. Therefore in the second stage, the researcher has identified the total number of Commercial Bank branches located in Erode District. The total number of Commercial bank branches in Erode district stood at 209 as on 31st March 2005, comprising of 144 Public sector and 65 Private Sector bank branches as per the Banking statistics published by Lead
bank Office, Canara Bank, Erode, 2004 -05. These 209 bank branches constituted the sample frame for the selection of banks. Twenty per cent of these banks were selected by drawing lots, which came to 42. For convenience, this was rounded off to 40. Twenty seven public sector and thirteen private sector bank branches were thus selected, which are given in Table 1.

**TABLE 1**

SAMPLE BANK BRANCHES

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Bank</th>
<th>Number of Branches</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Public Sector Banks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Andhra Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Allahabad Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Bank of Baroda</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Canara Bank</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Central Bank of India</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Corporation Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Dena Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Indian Bank</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Indian Overseas Bank</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Punjab National Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Syndicate Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>UCO Bank</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>State Bank of India</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>27</td>
</tr>
<tr>
<td></td>
<td><strong>Private Sector Banks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>The Federal Bank Ltd.</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The Lakshmi Vilas Bank Ltd.</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

15
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Bank</th>
<th>Number of Branches</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Lord Krishna Bank Ltd.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>City Union Bank Ltd.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The Catholic Syrian Bank Ltd.</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Tamilnadu Mercantile Bank Ltd.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>The Karur Vysya Bank Ltd.</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>ICICI Bank Ltd</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>HDFC Bank Ltd</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>13</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

Selection of Bank Customers

Since the number of customers in each of the selected bank branches was more than 15,000, it was found quite unwieldy to select certain percentage of the population as the sample frame. 10 customers were selected from the each of the 40 select bank branches on the basis of convenience. Thus 400 bank customers were selected as the sample for analyzing customer awareness about credit cards.

Selection of Credit Card Holders

From the survey conducted by the researcher and discussions made with the bank managers, it was found that the popular brands of credit cards in Erode District were ICICI Card, SBI Card, Can Card and Bob Card. ICICI Card holders were identified from the records of Silicon Marketing who are the franchisees for ICICI credit cards. The list of Can card holders were
obtained from Canara Bank, Erode and SBI card holders from SB! Cards and Payment Services Ltd (SBICPSL), Coimbatore.

In the case of Bob Cards, Bob Cards Limited, Coimbatore is directly connected with the issue of Bob Cards. Bob Card holders in Erode District were identified from their records. Thus it was found that the total number of Credit cardholders in Erode District were 8000. The researcher selected 5 per cent of the total number of credit card holders i.e. 400. The sample respondents were selected on a Convenience basis Thus 400 credit card holders were included in the sample.

The details of the sample covered in the study are tabulated in Table 2.

**TABLE 2**

**COMPOSITION OF SAMPLE**

<table>
<thead>
<tr>
<th>For Analysing Customer Awareness:</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Customers (Account holders not possessing credit cards)</td>
<td>400</td>
</tr>
<tr>
<td><strong>For the analysis pertaining to Credit Card holders:</strong></td>
<td><strong>No. of Respondents</strong></td>
</tr>
<tr>
<td>ICICI Card holders</td>
<td>116</td>
</tr>
<tr>
<td>SBI Card holders</td>
<td>79</td>
</tr>
<tr>
<td>Bob Card holders</td>
<td>104</td>
</tr>
<tr>
<td>Can Card holders</td>
<td>101</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>400</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>800</strong></td>
</tr>
</tbody>
</table>
DATA SOURCE

The study was based on primary data. The tools constructed for the collection of data were a set of interview schedule for the sample bank customers who do not possess credit cards and a set of questionnaire for the credit card holders. Demographic Profile pertaining to the respondents were included in Part-A of the Interview Schedule and Questionnaire. Part B included questions relating to the banking related Profile. Questions required for ascertaining bank customers’ awareness about credit cards have been given in Part C of the Interview Schedule for the respondents not possessing credit cards.

In the case of credit card holders, questions pertaining to credit card holding were included in Part C and reasons for buying credit card in Part D. Part E and F of the Questionnaire were designed to understand cardholders attitude and Satisfaction towards credit cards respectively. Questions in Part G and H included questions for ascertaining credit card holders’ perception and experience regarding the role of core and supplementary services at the product level.

PILOT STUDY AND PRE-TESTING

A pilot study was conducted on 25 respondents not possessing credit cards and 25 credit card holders in order to check the validity of the questions and to understand the difficulties of the respondents in giving their
responses. On the basis of the pilot study, the interview schedule and questionnaire were redesigned with suitable modifications.

FIELD WORK, DATA COLLECTION AND PROCESSING OF DATA

The researcher undertook field work during the period from November 2005 to May 2006. By using the interview schedule, the researcher interviewed the bank customers who do not possess credit cards. Interviews were conducted at the bank premises with the permission of the bank managers concerned. The questionnaire was issued to the credit card holders. Some of the credit card holders were contacted at their residence and others were sent the questionnaire by mail. The data thus collected were posted in the master table to facilitate further processing. Statistical analyses of the data were done through computers.

QUANTIFICATION AND MEASUREMENT OF VARIABLES AND CONSTRUCTION OF SCALES.

The first objective of the study is to determine customer awareness about credit cards. Customer awareness were measured on a three point scale. The scores awarded were; for the responses fully aware and full knowledge – 3 each, aware to a certain extent and just heard of responses – 2 each and for not aware and not heard of responses – 1 each.
In the analysis of the usage pattern of credit cards, a five-point scale was used. Scores were allotted for the usage such as very often - 5, often - 4, occasionally - 3, rarely - 2 and very rarely - 1.

For determining the attitude of cardholders towards credit cards 'Fishbeins' Attitude Model' has been adopted. Belief score and evaluation score were measured on bipolar scales which are given in Appendix - II.

The Sixth Objective of the study is to measure the satisfaction of the credit card holders which has been measured by constructing a scale. In this scale 9 components of satisfaction have been included under three heads namely, issue of credit cards, operation of credit cards and charges on credit cards.

A five point scale on the 'Likert Model' has been constructed. The scores awarded to the responses of each component were, highly satisfied-5, satisfied-4, No opinion -3, dissatisfied-2 and highly dissatisfied -1. The total of the scores of the three components under each head constitutes the satisfaction score of the respondent for that head.

The total scores awarded for all the 9 components of the three heads constitute the overall satisfaction score of each respondent. Further, mean satisfaction scores have been ascertained and standard deviation determined. Level of satisfaction has been classified into low, moderate and high. The respondents with satisfaction score upto mean minus standard deviation have been grouped under low satisfaction, those respondents with their
respective score above mean plus standard deviation under high satisfaction and respondents with scores between these two limits under moderate satisfaction. The details are given in Appendix - IV.

For the purpose of seventh objective of the study, for understanding cardholders perception and experience towards core services, facilitating services and supporting services, scores were allotted on a three point scale such as 3, 2, and 1 for responses 'Yes', 'Somewhat', and 'no' respectively.

The influence of demographic and socio-economic, banking related and credit card related profiles have been analysed in fulfilling various objectives of the study. They are given below:

**Demographic Variables**

1. Age,
2. Gender,
3. Education,
4. Occupation,
5. Income,
6. Regular family expenditure,
7. Asset Value,
8. Marital Status and
9. Size of family

**Banking Service usage related profile**

1. Type of Bank Account,
2. Frequency of transactions
Credit Card related profile

1. Brand of credit card,
2. Period of credit card holding,
3. Eligible credit limit,
4. Credit limit availed,
5. Credit utilised
6. Frequency of usage of credit cards and
7. Attitude towards credit cards

FRAMEWORK OF ANALYSIS

Statistical tools such as Descriptive Statistics, Chi-square test, Correlation, Multiple Regression, Discriminant function Analysis, Logit Analysis, Analysis of Variance, Factor Analysis, and ‘t’ test were used in the study.

For the purpose of the second objective of the study viz. analyzing the influence of demographic and banking related profile of customers on the possession of credit cards, Chi-square test has been applied. Chi-square test has also been applied in the analysis of extent of usage of credit cards.

Correlation and Multiple regression have been used to identify the factors determining credit limit actually availed by the cardholders.

Discriminant function analysis has been performed to measure the relative contribution of the chosen variables towards high and low credit limits availed by credit card holders.
Logit analysis has been applied in the analysis of the attitude of cardholders towards credit cards.

As regards the sixth objective of the study i.e. to measure credit cardholders’ satisfaction and identify the influencing factors, Analysis of Variance (ANOVA) has been used. The same tool has been used to find out the significance of the difference in the mean usage score for the respondents in their purchase of goods and services. Factor Analysis has been performed to assign the order of importance to the independent variables and to determine the percentage variance contributed by them towards satisfaction. Factor analysis has also been used in the analysis of credit card holders’ perception and experience regarding the role of credit card services at the product level.

Weighted average analysis has been used to determine the perception and experience scores of the credit card holders. In order to test the significance of the gap between perception and experience scores, ‘t’ test has been employed.

LIMITATIONS OF THE STUDY

This study is subject to the following limitations:

1. The study covers individual cardholders only. Corporate cardholders have been excluded from this study.
2. Credit card holders of MNC Banks have not been brought under the purview of the study.

3. Credit card holders and non-holders who do not have bank account are not included in this study.

ORGANISATION OF THE STUDY

The first chapter consists of the introduction and design of the study, comprising of statement of the problem, scope of the study, objectives, methodology, limitations and chapter Scheme.

The second chapter makes a review of earlier studies conducted by researchers in the area of credit cards.

The third chapter focuses on the growth of Credit Card Industry in India.

Statistical analyses and interpretations relating to customer awareness, influence of demographic and banking related profile on possession of credit cards, Factors determining credit limits, extent of usage of credit cards, satisfaction towards credit cards and cardholders’ perception and experience are presented in the fourth chapter.

The fifth chapter recapitulates the key findings of the study and offers suitable suggestions.