CHAPTER EIGHT

FINDINGS AND RECOMMENDATIONS

8.1 BACKGROUND
In the present study, an attempt has been made to examine the factors that help in building the satisfaction of credit cardholders. Credit cards are an important component of the service industry and as mentioned earlier, the importance of customers is supreme in the service industry because of continuous customer interface. The quintessential question therefore is what attributes make credit cardholders satisfied & what retains or defects them to a particular brand of a credit card. The perception towards the various attributes is what makes a customer satisfied or dissatisfied. The ultimately test of a particular brand of credit card lies in how it has performed for its various attributes and can performance of its' attributes enable the credit cardholders to retain their credit cards.

8.2 OBJECTIVES
The major objectives of the study were as follows:

- To track satisfaction of credit cardholders in a cycle of three phases.
- To study the perceptions of credit cardholders towards different attributes of a credit card and its usage.
- To study the association between the cardholders’ satisfaction Vs the status of membership (i.e. renewed or not renewed membership of credit cards)
- To study the association between credit cardholders’ satisfaction and the kind of bank card possessed. (i.e. Private banks Vs National banks)
• To determine meaningful clusters on the basis of the perception of respondents towards various attributes of credit cards.

• To find out the “Customer Satisfaction Scores” on the basis of three summary questions (i.e. overall satisfaction with the credit card, the reuse of credit card & recommendation of their credit card to others).

• To study the various customer satisfaction strategies adopted by the credit card issuing banks.

8.3 METHODOLOGY

To achieve the objectives of the study, research was carried out on the ‘silver,’ or ‘classic,’ or ‘exclusive,’ (as in case of BOB Exclusive credit card that has same features as that of other silver or classic credit cards) category of credit cards. The research was conducted at the level of credit card holders only so as to retain the focus of the study.

At the credit cardholders’ level, a sample of 150 respondents i.e. (30 for each bank of Citibank Silver credit card, Standard Chartered Classic credit card, ICICI Sterling Silver credit card, SBI Classic credit card and BOB Silver credit card respectively) from the city of Baroda, in Gujarat (India) was planned.

The respondents were selected on the basis of stratified judgment sampling. However, an attempt for appropriate representation was made to include demographic characteristics like age, education, occupation & income. Data were collected with the help of a pre-tested, structured and a non-disguised questionnaire.
Three different questionnaires were designed for three different phases, where each phase aimed to measure one or the other attribute in different credit card encounters. The various attributes measured over three phases were application form; sales executive; service manual; fee and interest structure; benefits; acceptance of and transactions with the credit card; statements and payments; customer service & benefits. The respondents were asked to rate these statements on a five-point 1-5 Likert scale. After the completion of the three phases the respondents were asked about the status of membership of the existing credit card i.e., whether the membership of the existing credit card had been renewed or not renewed.

Data were analyzed with the help of various statistical tools namely Percentages, Weighted Average Scores, Discriminant Analysis and Cluster Analysis.

8.4 SALIENT FINDINGS OF THE STUDY

The salient findings of the study regarding “The perception towards different attributes of the credit cards: An Individual and a comparative analysis of five different credit cards”, “Mapping the profile of two segments (Renewals Vs Non-renewals) – An application of a two – group Discriminant Analysis”, “Mapping the profile of two segments (Private banks Vs Nationalized banks) – An application of a two – group Discriminant Analysis”, “Profiling the meaningful clusters on the basis of cluster analysis” and “Evaluation of customer satisfaction scores on the basis of three summary questions” have been indicated as below.

8.4.1 PERCEPTION TOWARDS VARIOUS ATTRIBUTES OF CREDIT CARD

The perception towards the various attributes of credit card has revealed the following:-
- **Perception towards various attributes of the Citibank Silver credit card** -
  Perception towards the various attributes of Citibank Silver credit card reveals that it has performed satisfactorily for statements and payments, application form, and service manual respectively. It has performed neither satisfactorily nor dissatisfactorily for the sales executive, acceptance of and transactions with the credit card, customer service, benefits and schemes offered respectively. It has performed dissatisfactorily for fee and interest structure.

- **Perception towards various attributes of Standard Chartered Classic credit card** -
  Perception towards the various attributes of the Standard Chartered bank credit card reveals that it has performed neither satisfactorily nor dissatisfactorily for statements and payments. It has performed neither satisfactorily nor dissatisfactorily for application form, service manual, acceptance of and transactions with the credit card, benefits, sales executive, customer service and schemes. It has performed dissatisfactorily for fees and interest structure.

- **Perception towards various attributes of the ICICI Sterling Silver credit card** -
  Perception towards the various attributes of the ICICI bank Sterling Silver credit card has revealed that it has performed satisfactorily on attributes such as statements and payments and service manual respectively. It has performed neither satisfactorily nor dissatisfactorily for acceptance of and transactions with the credit card, sales executive, benefits and customer service respectively. It has performed dissatisfactorily for schemes & fees and interest structure.
Perception towards various attributes of the SBI Classic credit card

Perception towards various attributes of the SBI Classic credit card has revealed that it has performed satisfactorily for statements and payments, application form and service manual respectively. It has performed neither satisfactorily nor dissatisfactorily for attributes such as acceptance of and transactions with the credit card, sales executive, benefits, schemes and customer service respectively. It has performed dissatisfactorily for fee and interest structure.

Perception towards various attributes of the BOB Silver credit card

The ratings for the various attributes of the BOB Exclusive credit card have revealed that it has performed satisfactorily on statements and payments. It has performed neither satisfactorily nor dissatisfactorily for application form, sales executive, service manual, customer service, acceptance of and transactions with the credit card respectively. It has performed dissatisfactorily on fee and interest structure.

A comparative analysis of all the credit cards for perceptions towards various attributes of credit cards

A comparative analysis of the various attributes across the five credit cards has revealed that both the Citibank and the SBI have performed satisfactorily on the application form. Though, none of the banks have performed satisfactorily nor dissatisfactorily on the remaining attributes except for the fees and interest structure, yet, some of the banks have performed better than other banks. In case of sales executive, the Citibank has performed better than other banks. Similarly, in case of service manual the ICICI bank has performed better than the other banks. In case of benefits, the Standard Chartered Bank
and the BOB have performed better than other banks. Further, in case of acceptance of
and transactions with the credit card, the Citibank has performed better than the other
banks. In case of, statements and payments, the Citibank has performed better than other
banks. In case of customer service, the Citibank has performed better than other banks.
Similarly, in case of schemes, the Citibank has performed better than other banks. Last
but not the least, in case of fee and interest structure, all the banks have performed
dissatisfactorily, however, the SBI bank has performed better than other banks.

- **Overall perception towards various attributes of all the credit cards**
  The overall perception towards all the attributes of credit cards taken together reveals that
  all the banks irrespective of their nationalized or private status, have performed neither
  satisfactorily nor dissatisfactorily in the overall perception toward all the attributes of
  credit card taken together.

8.4.2 USER PROFILE: A STUDY OF USER STATUS AND USAGE RATE OF
CREDIT CARDHOLDERS

In marketing literature, user status and usage rate have been key variables in defining the
market segmentation and hence an attempt was made to understand the user status of credit
cardholders on the basis of places and facilities of use, situation of use, etc. Similarly, an
attempt was made to understand the user status based on credit card usage.

8.4.2.1 USER PROFILE BASED ON PLACES AND FACILITIES OF CREDIT
CARD USE
In order to identify the profile of various users of credit cards, common places and facilities were identified on the basis of extensive research. An individual as well as comparative user profile was composed on the basis of usage pattern of various credit cardholders with respect to common places and facilities of use such as airlines, hotels, buying consumer durables, etc.

- **USER PROFILE OF THE CITIBANK CREDIT CARDHOLDER**

The findings reveal that Citibank credit cardholder uses the Citibank credit card often at restaurants. It is used sometimes at hotels; retail outlets; to buy consumer durables. It is used very rarely at petrol bunks; to withdraw cash from the cash withdrawal facility; to purchase airline tickets and for online shopping respectively.

The overall weighted score for the user profile reveals that it is used sometimes at various places and facilities of use.

- **USER PROFILE OF THE STANDARD CHARTERED BANK CREDIT CARDHOLDER**

The study reveals that the Standard Chartered bank credit cardholder use the Standard Chartered credit card sometimes at retail outlets; hotels; restaurants and to purchase consumer durables respectively. It is used very rarely to withdraw cash from ATM; for online shopping; at petrol bunks and to buy airline tickets respectively.

The overall weighted score reveal that the Standard Chartered bank credit card is used very rarely at various places and facilities of use.
• USER PROFILE OF THE ICICI BANK CREDIT CARDHOLDER

The analysis reveals that the ICICI bank credit cardholders uses the credit card sometimes at hotels; restaurants; retail outlets; to buy consumer durables; to withdraw cash from the ATM, respectively. It is used very rarely to withdraw cash from cash withdrawal facility; to purchase airlines tickets and for online shopping.

The overall weighted score for the ICICI bank credit card reveals that it is used very rarely at various places & facilities of use.

• USER PROFILE OF THE SBI BANK CREDIT CARDHOLDER

The analysis for the SBI credit cardholders reveal that it is used very often at restaurants. It is used sometimes at hotels; retail outlets and buying consumer durables respectively. It is used very rarely at petrol bunks; to withdraw cash from the ATM; for online shopping; to withdraw cash from cash withdrawal facility and to purchase airlines tickets, respectively.

The overall weighted score for the user profile of the SBI bank credit cardholders reveals that it is used very rarely at various places & facilities of use.

• USER PROFILE OF THE BOB BANK CREDIT CARDHOLDER

The study reveals that the BOB credit cardholder uses the card sometimes at restaurants; retail outlets; hotels and to withdraw cash from the cash withdrawal facility respectively. It is used very rarely at the petrol bunks; to withdraw cash from the ATM; for online shopping; to buy airline tickets; to buy consumer durables at petrol bunks respectively.
The overall weighted score for the user profile of BOB credit cardholders reveals that it is used very rarely at various places & facilities of use.

• OVERALL ANALYSIS FOR ALL CREDIT CARD BASED ON ALL PLACES AND FACILITIES OF USE

In the overall analysis of all the credit cards taken together, it was observed that the usage at various places and facilities varies from sometimes to rarely. As indicated above, the usage varies from sometimes to very rarely with the Citibank leading the usage followed by the ICICI bank and SBI bank at par with each, followed by Standard Chartered bank and BOB, respectively.

In the overall analysis of usage at various places and facilities of use, credit card of all the banks are used sometimes at restaurants; hotels and the retail outlets respectively. The credit cards of all the banks are used rarely to buy consumer durables; to withdrawal cash from the ATM; at the petrol bunks; to withdrawal cash from cash withdrawal facility; online shopping and to buy airlines tickets.

8.4.2.2 USER PROFILE BASED ON SITUATION OF USE OF CREDIT CARD

The user profile based on situation of use of credit card, observes the kind of user of credit card i.e. convenient, compulsive or any other kind of credit card uses, based on the situation of use. Three such situations were identified in order to label the credit cardholder as the above mentioned. ‘Convenient users’ of credit cards are those who have sufficient cash money yet want to defer the cash payment by using the credit card.
‘Compulsive user’ of credit cards are those who do not have sufficient cash money and hence use their credit card and are accordingly labeled as ‘Compulsive users’. Those credit cardholders who do not use their credit card for any of the above two situations, and use it for any other reason are labeled as ‘any other user’. The following will look at the findings based on the individual as well as comparative analysis. The following section will first look at the individual analysis of the user profile of the individual credit card based on situation of use of credit card

- USER PROFILE OF THE CITIBANK CREDIT CARDHOLDER BASED ON SITUATION OF USE
The study reveals that the user profile of the Citibank credit cardholder has leading number of convenience users following by compulsive users and then followed by any other type users.

- USER PROFILE OF THE STANDARD CHARTERED CREDIT CARDHOLDER BASED ON SITUATION OF USE
The study reveals that the Standard Chartered bank credit cardholder user profile has leading number of compulsive users followed by convenience users and then followed by any other type of users.

- USER PROFILE OF THE ICICI BANK CREDIT CARDHOLDER BASED ON SITUATION OF USE
The study reveals that the ICICI bank credit cardholder user profile has leading number of compulsive users followed by convenience users and then followed by any other type of users.

• USER PROFILE OF THE SBI BANK CREDIT CARDHOLDER BASED ON SITUATION OF USE
The study reveals that the SBI bank credit cardholder user profile has leading number of compulsive users followed by convenience users and then followed by any other type of users.

• USER PROFILE OF THE BOB BANK CREDIT CARDHOLDER BASED ON SITUATION OF USE
The study reveals that the BOB bank credit cardholder user profile has equal number of compulsive users & convenience users and then they both are followed by any other type of users.

• COMPARATIVE AND OVERALL ANALYSIS FOR USER PROFILE OF ALL CREDIT CARDS BASED ON SITUATION OF USE
The findings reveal that considering the user profile of the banks taken together, the SBI bank has leading umbers of compulsive users followed by Standard Chartered bank; ICICI bank; BOB bank; and the Citibank. For convenience users, there is leading number of BOB card holders, followed by Citibank; at par with each other are the Standard Chartered & SBI bank; followed by ICICI bank. ‘Any other user’ is lead by Citibank followed by BOB, ICICI bank, Standard Chartered and SBI.
The overall analysis reveals that there are leading numbers of compulsive users followed by convenience users and then followed by any other reasons than these two.

8.4.2.3 PROFILE OF CREDIT CARD HOLDERS BASED ON MODES OF PAYMENT

A profiling of credit cardholders based on modes of payment was done in order to determine the preference of credit cardholders for different modes of payment and the frequency of opting for the different modes of payment. Again, an individual as well as a comparative analysis was conducted in order to understand the payment behavior of the credit cardholders.

• PROFILE OF CITIBANK CREDIT CADHOLDER BASED ON MODES OF PAYMENT

The findings revealed that the Citibank credit cardholders often use the charge option of payment, while they sometimes use the revolver option of payment.

• PROFILE OF STANDARD CHARTERED BANK CREDIT CARD HOLDER BASED ON MODES OF PAYMENT

The findings revealed that the Standard Chartered bank credit cardholders use the charge option of payment often, while revolver option of payment very rarely.

• PROFILE OF ICICI BANK CREDIT CARDHOLDER BASED ON MODES OF PAYMENT
The findings revealed that the ICICI bank credit cardholder use the charge option of payment often, while revolver option of payment very rarely.

• PROFILE OF SBI BANK CREDIT CARDHOLDERS BASED ON MODES OF PAYMENT
The findings reveal that SBI bank credit cardholders use the charge option of payment often, while the revolver option of payment very rarely.

• PROFILE OF BOB CREDIT CARDHOLDERS BASED ON MODES OF PAYMENT
The findings reveal that the BOB credit cardholders use the charge option of payment very often, while the revolver option of payment sometimes.

• THE COMPARITIVE AND OVERALL ANALYSIS OF ALL CREDIT CARDHOLDERS BASED ON MODES OF PAYMENTS
A comparative analysis of the modes of payment for all the credit cardholders taken together revealed that the charge option of payment is most used by the ICICI bank credit cardholders followed by the BOB credit cardholders; Standard Chartered bank credit cardholders; Citibank credit cardholders; and the SBI bank credit cardholders. The findings revealed that the revolver option of payment is used from sometimes to rarely.

The Citibank credit cardholders sometimes use the revolver mode of payment followed by the BOB credit cardholders. The revolver option of payment is also used very rarely. The ICICI bank credit cardholders very rarely followed by the Standard Chartered bank credit
cardholder and the SBI bank credit cardholders respectively use the revolver option of payment.

- **PROFILE OF CREDIT CARDHOLDER BASED ON CHANGE IN BENEFITS**
  The credit card comes along the four major benefits apart from many other benefits offered by them. These four major benefits offered by them are credit limit, cash limit, credit period and reward points. A study of how these benefits can increase the average credit card spend, revealed the following set of findings.

8.4.2.4 **PROFILE OF CITIBANK CREDIT CARDHOLDERS BASED ON CHANGE IN VARIOUS BENEFITS SUCH AS CREDIT LIMIT, CASH LIMIT, CREDIT PERIOD AND REWARD POINTS**

The findings for the Citibank credit cardholder reveal that a majority of the Citibank credit cardholder would increase their average spend on their Citibank credit card with an increase in the above mentioned four benefits. Some of the Citibank credit cardholder would not increase their average spend on their Citibank credit card with an increase in the above mentioned four benefits. A few of the Citibank credit cardholders were undecided whether they would increase their average spend on their Citibank credit card with an increase in the four above mentioned benefits.

- **PROFILE OF THE STANDARD CHARTERED BANK CREDIT CARDHOLDERS BASED ON CHANGE IN VARIOUS BENEFITS SUCH AS CREDIT LIMIT, CASH LIMIT, CREDIT PERIOD AND REWARD POINTS**
The findings for the standard chartered bank credit cardholders reveal that a majority of the standard chartered bank credit cardholder would increase their average spend on their Standard Chartered credit card with an increase in the above four mentioned benefits. Some of the Standard Chartered bank credit cardholder would not increase their average spend on their Standard Chartered credit card with an increase in the four above mentioned benefits. A few of the Standard Chartered bank credit cardholder were undecided whether they would increase their average spend on their Standard Chartered credit card with an increase in the four above mentioned benefits.

• PROFILE OF ICICI BANK CREDIT CARDHOLDERS BASED ON CHANGE IN BENEFITS SUCH AS CREDIT LIMIT, CASH LIMIT, CREDIT PERIOD AND REWARD POINTS

The findings for the ICICI bank credit cardholders revealed that a majority of them would increase their average spend on their credit card, with an increase in the above four benefits. Some of them, would not increase their average spend on their ICICI bank credit card with an increase in the above four benefits. A few of them were undecided as whether they would increase their average spend on their ICICI bank credit card with an increase in the above four benefits. The exception here in this case being that almost half of the respondents would not increase their average spend on the ICICI bank credit card & slightly less than half the respondents would increase their average spend on their ICICI credit card with an increase in cash limit.
• PROFILE OF SBI BANK CREDIT CARDHOLDERS BASED ON CHANGE IN BENEFITS SUCH AS CREDIT LIMIT, CASH LIMIT, CREDIT PERIOD AND REWARD POINTS

The findings for the SBI bank credit cardholders reveal that a majority of the SBI bank credit cardholders would increase their average spend on the SBI bank credit card with an increase in the above four mentioned benefits. Some of them would not increase their average spend on their SBI credit card with an increase in the four above mentioned benefits. A few of the respondents were undecided as to whether they would increase their average spend on their SBI credit card with an increase in the above mentioned benefits or not.

• PROFILE OF BOB CREDIT CARDHOLDERS BASED ON CHANGE IN BENEFITS SUCH AS CREDIT LIMIT, CASH LIMIT, CREDIT PERIOD AND REWARD POINTS

The findings for the BOB credit cardholders reveal that a majority of the BOB credit cardholders would increase their average spend on their credit card with an increase in credit limit, cash limit, credit period. However, very few of the BOB credit cardholders would increase their average spend on their credit card with an increase in reward points. Quite a few of the BOB credit cardholders would not increase their average spend on their credit card with an increase in cash limit, credit period and reward points. However, the exception being, a very few of the BOB credit cardholders would not increase their average spend on their credit card with an increase in credit limit. Some of the BOB credit cardholders were undecided whether they would increase their average spend on their credit card with an increase in the above discussed four benefits or not.
OVER ALL PROFILE OF ALL THE CREDIT CARDHOLDERS ON THE BASIS OF INCREASE IN BENEFITS SUCH AS CREDIT LIMIT, CASH LIMIT, CREDIT PERIOD AND REWARD POINTS

A study of all the credit cardholders taken together, revealed that a majority of the credit cardholders would increase their average spend on their credit card, with an increase in benefits some of the credit cardholders would not increase their average spend on their credit card with an increase in the above four mentioned benefits. Very few of the credit cardholders were undecided whether they would increase their average spend on their credit card, with an increase in the benefits.

PROFILE OF CREDIT CARDHOLDERS BASED ON FREQUENCY OF CREDIT CARD USE

This section of findings attempts to find out the frequency of credit card use. The frequency of credit card use which was based month wise, was calculated. The analysis revealed the following findings :-

USER PROFILE OF CITIBANK CREDIT CARDHOLDERS BASED ON FREQUENCY OF CREDIT CARD USE

The findings reveal that a majority of the Citibank credit cardholders use their credit card one in 2-3 months; many of the Citibank credit cardholders use their Citibank credit card 1-2 times a month; quite a few of the Citibank credit cardholders use their Citibank credit card, 3-4 times a month and a few Citibank credit cardholders use their Citibank credit card
3-4 times a month and a few Citibank credit cardholders use their Citibank credit card more than 4 times a month.

• USER PROFILE OF STANDARD CHARTERED CREDIT CARDHOLDERS BASED ON FREQUENCY OF CREDIT CARD USE.
The findings reveal that some of the Standard Chartered bank credit cardholders use their Standard Chartered bank credit card once in 2-3 months and an equal number of standard chartered credit cardholders use their Standard Chartered bank credit card.

• USER PROFILE OF ICICI BANK CREDIT CARDHOLDERS BASED ON FREQUENCY OF USE
The user profile of the ICICI bank credit card holders based on the frequency of use reveals that quite a few of the ICICI credit cardholder use their ICICI bank credit card once in 2-3 months; a majority of the ICICI bank credit cardholders use their ICICI bank credit card 1-2 times a month, very few ICICI bank credit cardholders use their ICICI bank credit card 3-4 times a month and none of the ICICI bank credit cardholder use the ICICI bank card more than 4 times a month.

• USER PROFILE OF THE SBI BANK CREDIT CARDHOLDERS BASED ON FREQUENCY OF USE
The user profile of the SBI bank credit card holders based on the frequency of use reveals that quite a few of the SBI credit cardholders use their SBI bank credit card once in 2-3 months; a majority of the SBI bank credit cardholders use their SBI bank credit card 1-2 times a month. A few of the SBI bank credit cardholders use their SBI bank credit card 3-4 times a month.
times a month. However, none of the SBI bank credit cardholder uses the SBI bank credit card 4 times a month.

- USER PROFILE OF THE BOB CREDIT CARDHOLDERS BASED ON FREQUENCY OF CREDIT CARD USE

The findings for the user profile of the BOB credit cardholders reveal that quite a few of the BOB credit cardholders use their credit card once in 2-3 months and an equal number of the BOB credit cardholders use their BOB credit card 1-2 times a month, some of the BOB credit cardholders use their BOB credit card 3-4 times a month. A few of the BOB credit cardholders use their BOB credit card more than 4 times a month.

- OVERALL USER PROFILE BASED ON FREQUENCY OF CREDIT CARD USE

The overall user profile of credit cardholders based on frequency of credit card use reveals that majority of the credit cardholders use their credit card 1-2 times a month, a few of the credit cardholders use their credit card once in 2-3 months; some of the credit cardholders use their credit card 3-4 times a month and very few credit cardholders use their credit card more than 4 times a month.

Among the credit cardholders who use their credit card 1-2 times a month, the usage is lead by the Standard Chartered bank credit cardholders, SBI bank credit cardholders followed by ICICI bank credit cardholders, Citibank credit cardholders and the BOB credit cardholders. Among the credit cardholders who use their credit card 3-4 times a month the usage is lead by the BOB credit cardholders followed by the Standard Chartered bank
credit cardholders; Citibank credit cardholders; SBI bank credit cardholders and the ICICI bank credit cardholders. Among the credit cardholders who use their credit card more than 4 times a month, the usage is equally lead by three banks credit cardholders namely, Citibank, Standard Chartered bank and the BOB. However, this frequency does not exist for the SBI and the ICICI bank credit cardholders.

**COMPARATIVE USER PROFILE OF CREDIT CARDHOLDERS BASED ON FREQUENCY OF CREDIT CARD USE**

The findings based on the comparative user profile of the credit cardholders based on the frequency of credit card use reveal that among the credit cardholders who maximum use their credit card once in 2-3 months, the usage is lead by Citibank credit cardholders followed by ICICI bank credit cardholders, the SBI bank credit cardholders, the BOB credit cardholders and the Standard Chartered bank credit cardholders.

**8.4.2.5 USER PROFILE OF CREDIT CARDHOLDERS BASED ON VALUE OF CREDIT CARD USE**

The user profile of credit cardholders on the basis of value spend on the credit card use was conducted in order to better understand the pattern of value spend by the credit cardholders. The findings revealed the following patterns that are discussed below.

**USER PROFILE OF CITIBANK CREDIT CARDHOLDES BASED ON VALUE OF CREDIT CARD USE**

The findings for the user profile of Citibank credit cardholders based on the value of credit card use revealed that quite a few of the Citibank credit cardholders spend less than 1000
INR/month on their Citibank credit card; a majority of the Citibank credit cardholders spend between 1000-3000 INR/month on their Citibank credit card and a few of the Citibank credit cardholders spend between 3000-5000 INR/month on their credit card. However, none of the Citibank credit cardholder spends more than 5000 INR/month on the Citibank credit card.

• USER PROFILE OF THE STANDARD CHARTERED BANK CREDIT CARDHOLDERS BASED ON VALUE OF CREDIT CARD USE

The user profile of the Standard Chartered bank credit cardholders based on value of credit card use reveals that quite a few of the Standard Chartered bank credit cardholders spend less than 1000 INR/month on their Standard Chartered bank credit cardholders & an equal number of Standard Chartered bank credit cardholders spend between 3000-5000 INR/month on their Standard Chartered bank credit card. A majority of the Standard Chartered bank credit cardholders spend between 1000-3000 INR/month on their Standard Chartered bank credit card. A few of the Standard Chartered bank credit cardholders spend more than 5000 INR/month on their Standard Chartered bank credit card.

• USER PROFILE OF THE ICICI BANK CREDIT CARDHOLDERS BASED ON VALUE OF CREDIT CARD USE

The user profile for the ICICI bank credit cardholders based on value of credit card use reveals that quite a majority of the ICICI bank credit cardholders use their ICICI bank credit card spend less than 1000 INR/month.
• USER PROFILE OF THE SBI BANK CREDIT CARDHOLDERS BASED ON VALUE OF CREDIT CARD USE

The findings revealed based on the user profile of the SBI bank credit cardholders that a majority of the SBI bank credit cardholders spend less than 1000 INR/month on their credit card; quite a few of the SBI bank credit cardholders spend between 1000-3000 INR/month on their credit card; a few SBI bank credit cardholders spend between 3000-5000 INR/month on their SBI credit card. Very few of the SBI bank credit card holders spend more than 5000 INR/month on their SBI bank credit card.

• USER PROFILE OF THE BOB CREDIT CARDHOLDERS BASED ON VALUE OF CREDIT CARD USE

The findings based on the user profile of the BOB credit cardholders based on value of credit card use reveals that a majority of the BOB credit cardholders spend less than 1000 INR/month on their BOB credit card; quite a lot of BOB credit cardholder spend between 1000-3000 INR/month on their BOB credit card; a few BOB credit cardholder spend between 3000-5000 INR/month and some of the BOB credit cardholders spend more than 5000 INR/month on their credit card.

• OVERALL USER PROFILE OF CREDIT CARDHOLDER BASED ON VALUE OF CREDIT CARD USE

The majority of the credit cardholders spends less than 1000 INR/month on their credit cards; followed by credit cardholders who spend between 1000-2000 INR/month; followed by credit cardholder who spend between 3000-5000 INR/month and credit cardholders.
**COMPARATIVE USER PROFILE OF CREDIT CARDHOLDERS BASED ON THE VALUE OF CREDIT CARD USE**

The overall usage rate of credit cardholders based on the value of credit card use reveals that among the credit cardholders who spend less than 1000 INR/month on the credit card, the usage value is lead by the ICICI bank credit cardholders followed by the SBI bank credit cardholders; BOB credit cardholders; Standard Chartered bank credit cardholders and the Citibank credit cardholders. Among the credit cardholders who spend between 1000-3000 INR/month, the usage value is lead by Citibank credit cardholders followed by the SBI bank credit cardholders; Standard Chartered credit cardholders and the BOB credit cardholders together and finally by the ICICI bank. Among the credit cardholders who spend between 3000-5000 INR/month the usage value is lead by the Standard Chartered bank credit cardholders followed by the Citibank credit cardholders; ICICI bank credit cardholders; SBI bank credit cardholders and BOB credit cardholders. Among the credit cardholders who spend more than 5000 INR/month, the usage value is lead by the BOB credit cardholder, followed by the Standard Chartered credit cardholder. This usage value does not exist for the Citibank credit cardholder and the ICICI credit cardholder.

8.5.1 MAPPING THR PROFILE OF TWO SEGMENTS (RENEWALS Vs NON-RENEWALS) – AN APPLICATION OF A TWO - GROUP DISCRIMINANT ANALYSIS.

From the marketing management point of view, behavioral segmentation is of particular interest where buyer are divided into groups on the basis of their knowledge of, attitude towards, use of or response to a product. Many marketers believe that behavioral variables – occasion, benefits, users status, loyalty status, and attitudes are the best starting point for
constructing marketing segments (Kotler 2003, p 293). The perceptions of two different segments – renewals and non renewals of credit cardholder’s and their perception towards different attributes of credit card and its usage are different.

In order to understand their responses to various attributes of credit card, the respondents were divided into two loyalty segments – Renewals and Non-renewals.

An examination of the differences & the measures that are important to one segment but unimportant to another segment, was undertaken with the help of a two – group Discriminant Analysis. The respondents were categorized according to their status of membership i.e. renewals or non-renewals. This categorical measurement was taken as dependent variable. Respondents were asked to respond to various attributes of credit card and its usage. These attributes included the application form, sales executive, service manual, benefits, acceptance of and transactions with the credit card, statements and payments, customer service and schemes, were considered as independent variables. And, the profiles of each category of loyalty segments are as follows:

Renewals are those category of credit cardholders who are strongly influenced (in the order of the most to the least influencing attributes) by the following attributes respectively than the non-renewals. Firstly, they are influenced by acceptance of and transactions with the credit card i.e. the wide network of merchant establishments; wide acceptability; wide ATM network, availability of discounts and the absence of surcharge. Secondly, it is positively influenced by customer service i.e. timeliness of the problem solved; sincerity, accuracy, quickness and courtesy of the staff in resolving the problem. Thirdly, it is positively
influenced by statements and payments i.e. statements being sent on time; accuracy, ease of understanding and credited to one’s account. Fourthly, it is positively influenced by sales executive i.e. in giving complete, correct and updated information and to be able to handle the queries of the clients. Fifthly, it is positively influenced by schemes offered by the banks i.e. in the number as well in the quality of schemes. Sixthly, it is positively influenced by the benefits offered i.e. the cash limit, credit limit, credit period and reward points by the bank. Seventhly, it is positively influenced by the application form in terms of its organization, matter, language and length. Eighthly, it is positively influenced by the service manual i.e. in terms of complete, correct and up dated information; simple language and ease of understanding. Finally, the renewals are least affected by the fee and interest structure i.e. in terms of joining, renewal fees and the interest rates charged by the bank. Conversely, Non-renewals are those categories of credit cardholders that are negatively influenced by these attributes respectively.

8.5.2 MAPPING THE PROFILE OF TWO SEGMENTS (PRIVATE BANKS Vs NATIONALIZED BANKS) – AN APPLICATION OF A TWO – GROUP DISCRIMINANT ANALYSIS.

The tussle between the private and the domestic banks has been a subject of eternal debate in marketing. In order to better understand the perceptions of the two categories of credit cardholders i.e. the ones that have a Private Bank Card and the ones that have a Nationalized Bank Card. These private banks are the Citibank, Standard Chartered bank and ICICI bank. On the other hand, the Nationalized banks are the SBI and the BOB.
In order to understand their responses to various attributes of credit card and its use, respondents were divided into two categories i.e. the private bank credit cardholder and the nationalized bank credit cardholder. An examination of the differences and the measures that are important to one segment but unimportant to another segment was undertaken with the help of two-group Discriminant Analysis.

As stated, the respondents were categorized according to the kind of bank card they possessed (i.e. Private Vs Nationalized banks). This categorical measurement was taken as a dependent variable. Respondents were asked to respond to various attributes of credit card and its usage. These attributes include the application form, sales executive, service manual, benefits, acceptance of and transactions with the credit card, statements and payments, customer service and schemes, were considered as independent variables.

The comparative profiles of the two membership segments (Private Vs Nationalized banks) are as follows:

The nationalized bank credit cards that is, the SBI bank and BOB are considered to be most satisfactory on the fees and interest structured, as their interest rates range from 2-2.5% per month, and on other attributes such as statements & payments associated with the credit card and benefits offered by the issuing bank. However, they are least satisfactory on attributes such as acceptance of and transaction with the credit card, service manual, customer service, sales executive and the application form.
On the other hand, the private banks, the Citibank, the Standard Chartered Bank and the ICICI bank were rated as dissatisfactory on fees and interest structure, statements and payments, schemes and benefits.

8.6 PROFILING THE MEANINGFUL CLUSTERS ON THE BASIS OF CLUSTER ANALYSIS.

Cluster analysis is a class of a technique used to classify objects into a relatively homogeneous groups called as cluster objects. Cluster analysis has been used in marketing for segmenting the market i.e. consumers may be clustered on the basis of benefits sought or satisfaction from a set of attributes. Each cluster would consist of consumers who are relatively homogeneous in terms of benefits, they seek.

This approach is called as 'benefit segmentation,' and in this case, it refers to the various benefits the person seeks from various attributes or set of attributes of credit card and its usage.

The non-hierarchical clustering was conducted on the set of various attributes such as application form, sales executive, service manual, fee and interest structure, benefits, acceptance of and transactions with the credit card, statements and payments, customer service, and schemes.

The cluster analysis using the non-hierarchical clustering procedure, revealed a set of two distinct clusters that are as follows: Cluster 1 which is low on variables consisting of ‘fee and interest structure,’ and ‘schemes.’ It can be labeled as ‘monetary benefits wise satisfied.’
Cluster 2 which consists of other remaining variables such as application form, sales executive, service manual, benefits, acceptance of and transaction with the credit card, statements and payments and customer service. This cluster can be labeled as ‘other benefits wise satisfied.’ As mentioned earlier these two clusters can be of tremendous help to the marketers in segmenting the credit cardholder on the basis of benefits sought.

The cluster analysis also reveals that the lesser number of cases belong to ‘monetary benefits wise satisfied.’ The reason being the various fees associated with the credit card ranging Rs 500-1000 INR/year towards membership and other charges and the interest rates range from 2% - 3% /month which needs to be lowered in order to make credit card a popular payment device. Further, more number of worthwhile schemes should be introduced in order to promote the use of credit cards. The other cluster, high on the remaining variables indicates that most of the cases are satisfied with remaining variables. And, hence this cluster can be targeted with higher fees but at the sometime, the banks need to improve other variables accordingly to bring them at par with the higher fees and interest rates charged by the banks.

8.7 EVALUATION OF CUSTOMER SATISFACTION SCORES ON THE BASIS OF THREE SUMMARY QUESTIONS.

Customer satisfaction scores are evaluated on the basis of three summary questions. These summary questions are based on the credit cardholders' responses towards the overall satisfaction with their credit card, reuse and recommendation of their credit card. These three questions represent a summary opinion statistics that has been reliable, valid and a predictive measure of customers’ perceptions and reveal the respondents view on the overall satisfaction with their credit card, loyalty for the credit card being used and the advocacy of
their credit card. The consumer behavior studies in the past have used these scores to obtain
the bird’s eye view of the situation. A study of these three summary questions on the three
summary attributes reveals that on the overall satisfaction parameter the Citibank has
performed satisfactorily followed by the Standard Chartered bank & SBI bank. The banks
that have performed neither satisfactorily nor dissatisfactorily are the ICICI and the BOB
respectively. On the parameter of reuse of the credit card all the banks have performed
neither satisfactorily nor dissatisfactorily. However, the Citibank has performed better than
the other banks while being followed by the Standard Chartered, SBI bank, ICICI bank and
the BOB respectively. Similarly, on the parameter of recommendation of their credit cards to
others, all the banks have performed neither satisfactorily nor dissatisfactorily. However, the
Standard Chartered bank has performed better than others while being followed by the
Citibank, SBI, BOB and ICICI respectively.

Also, the overall satisfaction ratings Vs the overall ratings on the attributes reveal that the
banks have been rated higher on the overall satisfaction than on the overall ratings and
perceptions towards various attributes of the credit card. It indicates that many other factors
such as advertisement, introduction of newer schemes, use of better technology, could have
contributed to higher overall satisfaction. Also, attribute ratings are more specific in nature,
than the overall satisfaction with the credit card that is the respondents would have
experienced all the attributes at one or the other point of time, and hence have been more
objective in their ratings.
8.8 CONCLUSIONS

- Perception towards various attributes of the Citibank has performed satisfactorily on three attributes namely statements and payments, application form and the service manual. Again it has performed neither satisfactorily not dissatisfactorily on the remaining attributes such as sales executive, acceptance of and transactions with the credit card, customer service, schemes and benefits. It has performed dissatisfactorily on fees and interest structure.

- Perceptions towards various attributes of the Standard Chartered bank have revealed that it has performed satisfactorily on only one attribute i.e. statements and payments. The bank has performed neither satisfactorily nor dissatisfactorily for application form, service manual, acceptance of and transactions with the credit card, benefits, sales executive, customer service and schemes. Also, it has performed dissatisfactorily for fees & interest structure.

- Perception towards various attributes of the ICICI Sterling Silver credit card has revealed that it has performed satisfactorily for statements and payments, service manual & application form. It has performed neither satisfactorily nor dissatisfactorily for acceptance of and transactions with the credit card, sales executive, benefits and customer service. It has performed dissatisfactorily for schemes & fees and interest structure.

- Perception towards various attributes of the SBI bank Classic credit card has revealed that it has performed satisfactorily for statements and payments, application form and
service manual. It has performed neither satisfactorily nor dissatisfactorily for attributes such as acceptance of and transactions with the credit card, sales executive, benefits, schemes and customer service respectively. It has performed dissatisfactorily for fee and interest structure.

- Perception towards various attributes of the BOB Silver credit card has revealed that it has performed satisfactorily on statements and payments. It has performed neither satisfactorily nor dissatisfactorily for application form, sales executive, service manual, customer service, acceptance of and transactions with the credit card. It has performed dissatisfactorily on fee and interest structure.

- The comparative analysis of various banks with their perception towards various attributes of credit card and its usage concludes that the Citibank and the SBI have performed satisfactorily for the application form. On the remaining attributes of credit card and its usage, all the banks have performed neither satisfactorily nor dissatisfactorily. Though, none of the banks have performed satisfactorily, yet some of the banks have performed better than others. Citibank clearly emerges as a winner as it has performed better than other on attributes such as sales executive, acceptance and transactions, statements and payments, customer service and schemes. However, other banks such as the ICICI have done better in service manual and in case of benefits the Standard Chartered bank and the BOB have performed better than other banks. It, therefore, can be concluded that Citibank has performed better than other banks in the perception towards various attributes.
• From the overall perception towards the various attributes of credit card, it can be concluded that all the banks have performed neither satisfactorily nor dissatisfactorily.

• The usage rate for credit cardholders varies from sometimes to very rarely at various places and facilities of credit card use. The credit card of all the banks taken together, at various places and facilities of credit card use revealed that they are used sometimes at restaurants; hotels and retail outlets respectively. They are used very rarely to buy consumer durables; to withdraw cash from the ATM; at the petrol bunks; to withdraw cash from cash withdrawal facility; for online shopping and to buy airlines tickets. The usage rate for various places and facilities of credit card use are lead by Citibank, the ICICI bank and the SBI bank at par with each other, followed by the Standard Chartered bank and the BOB respectively.

• The usage rate of credit cardholders based on situation of use revealed that there is more number of “Compulsive Users”, followed by “Convenience Users” and finally followed by “Any Other Users”. SBI bank has leading number of “Compulsive Users” of credit card followed by Standard Chartered bank; ICICI bank; BOB and the Citibank. BOB has leading number of “Convenience Users” of credit card users followed by Citibank; Standard Chartered bank and the SBI bank at par with each other and the ICICI bank. Citibank has leading number of “Any Other Users” of credit card followed by the BOB, the ICICI bank; Standard Chartered and the SBI bank.
• The charge option of payment is most used by the ICICI bank credit cardholders followed by the BOB credit cardholders, Standard Chartered bank credit cardholders, Citibank and the SBI bank credit cardholders. The revolver option of payment is used from sometimes to rarely. The Citibank credit cardholders sometimes use the revolver mode of payment followed by the BOB credit cardholder. The revolver option of payment is used very rarely by credit cardholders. The ICICI bank credit cardholders very rarely use the revolver mode of payment followed by the Standard Chartered bank and the SBI bank credit cardholders.

• A study credit cardholders taken on the basis of increase in four benefits revels that a majority of the credit cardholders would increase their average spend on their credit card with an increase in the given four benefits. Some of the credit cardholders would not increase their average spend on their credit cards with an increase in the given four benefits. Very few of the credit cardholders were undecided about whether they would increase their average spend on their credit card with an increase in the give four benefits.

• A majority of the credit cardholders use their credit card 1-2 times a month. In this category the usage is lead by the Standard Chartered bank credit cardholders followed by the SBI bank credit cardholders; ICICI bank credit cardholders; Citibank credit cardholders and finally the BOB credit cardholders. A few credit cardholders use their credit card 2-3 times a month. Some of the credit cardholder uses their credit card 3-4 times a month. The usage rate in this category is lead by the BOB credit
cardholders followed by the Standard Chartered bank credit cardholders; Citibank credit cardholders; SBI bank credit cardholders and the ICICI bank credit cardholders. Very few of the credit cardholders use their credit card more than 4 times a month. The usage rate in this category is lead by three banks credit cardholders namely Citibank credit cardholders, Standard Chartered bank credit cardholders and the BOB bank credit cardholders. However, this frequency does not exist for the SBI bank and the ICICI bank credit cardholders.

- It can be concluded that almost all the banks be it private or national, have performed satisfactorily for statements and payments, service manual and the application form. Yet, non of the banks have performed satisfactorily on the remaining attributes such as sales executive, benefits, acceptance of and transactions with the credit card, customer service and schemes indicating that the banks are not performing to the requisite level of service as desired by the credit cardholder. The attributes where the banks have performed neither satisfactorily nor dissatisfactorily are important and continuous points of service encounters. Therefore, unless, the banks work upon improving the important and continuous points of service encounter, chances of retaining a customer will diminish. Another area where the banks have performed dissatisfactorily is the fee and interest structured indicating that the banks need to cut down on the variety of fees and the interest levied on the customers in order to make it a popular payment device.

- The Discriminant Analysis conducted on two groups of credit cardholders namely renewals and non-renewals, reveals the same picture as revealed by the perception
ratings towards various attributes of credit card and its usage. From the discriminant analysis conducted, it could be concluded that the favorable performance of other attributes has offset the unfavorable performance of fees and interest structure, for credit cardholders who have renewed their credit card, than for those who have not renewed their credit card. From the discriminant analysis conducted on two groups of credit cardholders namely private and groups of credit cardholders namely private and nationalized, reveals that the nationalized banks i.e. the SBI and BOB have been rated favorable on the fee & interest structure & the schemes offered by the banks have been rated as unfavorable on the remaining attributes such as application form, sales executive, service manual, benefits, acceptance of and transactions with the credit card, statements & payments, and customer service. It, therefore, can be concluded that, the nationalized banks have gained acceptance and popularity among the masses because of their lower fees and interest rate structure and the number and kind of schemes offered unlike their private counterparts. And, this could be one of the reasons that though the SBI launched its credit card as late as in the year 1998-99 it is the third largest credit card issuer in India.

- From the cluster analysis conducted, set of two distinct clusters emerges. One cluster is high on one set of attributes and the other cluster is low on another set of attributes. Cluster one is set of attributes other than fees & interest structure and schemes while the cluster two consists of fees & interest structure and schemes. It, therefore, can be concluded that these two distinct clusters represent two distinct sets of benefits that a credit cardholder may be seeking from a given set of attributes. The numbers of cases that have got divided into two cluster are 109 & 45 respectively indicating that, more
number of credit cardholders are satisfied with attributes other than fees & interest structure and schemes, and lesser number of credit cardholders are satisfied with fees & interest structure and schemes. As the analysis reveals in the perception ratings towards various attributes & the discriminant analysis, the banks have not performed satisfactorily in the attribute. Therefore, it can be concluded that lesser the fees & interest structure, the more popular, credit cards would be.

- From the analysis of customer satisfaction scores on the basis of three summary questions i.e. overall satisfaction with the credit card, reuse and recommendation of the credit card, it can be concluded that the Citibank has performed better than the other banks followed by the Standard Chartered bank, the SBI, ICICI and BOB. However, the performance of the ICICI has been trailing and is not at par with the other private banks such as the Citibank and the Standard Chartered banks. The reasons for better overall satisfaction is case, of the Citibank and the Standard Chartered bank can be attributed to their brand image, early entry into the credit card market, well equipped infrastructure and international expertise. In case of reuse of their credit card all the banks have performed neither satisfactorily nor dissatisfactorily. The reasons could be many ranging from low overall satisfaction attribute ratings to a wide variety of substitute choices such as availability of ATM and debit cards. On the recommendation part, all the banks have performed neither satisfactorily not dissatisfactorily and once again the reasons could be many ranging from low overall satisfaction, poor performance of various attributes of credit card and its usage etc.
A study of renewals and the non-renewals and its association with the perception towards various attributes of credit card has revealed that a positive association does exist between the two, that is, the better the performance of the banks on the various attributes the more the number of people who have renewed their credit card. The number of renewals has exceeded the number of non-renewals in case of credit cardholders (109:41).

8.9 RECOMMENDATIONS

Customer satisfaction is a function of expectations; perceptions, past experiences of and attitudes about the particular credit card acquired over a period of time. These expectations, perceptions, experiences and attitudes are being constantly built at all points of experiences with the credit card. Customer satisfaction calls for understanding and tracking the expectations, perceptions of consumers towards various attributes of credit card, identifying the position of the credit card vis-à-vis competitors brand, or other substitutes such as the ATM and debit cards available in the market, and not only satisfying the customer, but moving a step ahead by delighting the customer & taking them by surprises.

Specifically, the following recommendations are to be made to the banks taken into account for the study,

- Understanding the importance of what a credit card means to an average Indian consumer. It is important for the banks to understand the psyche of an average Indian consumer as to how he views credit card. It should be known as to what images, perceptions and associations are attached to a credit card. This will help the banks to...
take effective decisions related to promoting the use of credit cards and offering features and benefits that suit the needs of an Indian consumer.

➢ **Banks should be able to deliver more benefits than what the consumer truly desires.**

The benefits delivered by the banks both tangible and intangible should be more than consumer expectations. So the banks should continuously endeavor to uncover the unmet needs and wants of consumers and should focus on maximizing the customers' credit card experience.

➢ **Banks can use multiple price points to develop a simple price/sales.** In early credit card concept testing to assess price sensitivity with respect to credit limit, interest charges and annual charges. Bank can use full profiling pricing scenarios to develop a much more sophisticated category pricing model that allows banks to predict the impact on purchasing when the client or competitions run discount price promotions or introduce new price points / value benefits for existing credit cards.

➢ Banks can test various alternatives for positioning of their credit cards, such as, on quality of service, on various benefits, on low cost, on use or on acceptability etc.

➢ **Banks, in order to make credit cards a popular payment device, should lower the fees and interest structure.** The banks must realize that an average Indian consumer is still vary prudent, self-dependent, and calculative, when it comes to spending unlike its' U.S. counterpart. A recent UK survey on credit cardholders found that interest rate is still the topmost factor motivating the choice of credit cards². Credit cardholders
motivated by price are also the most likely to participate in balance transfer interest rates and the most likely revolvers.

- **Banks should be able to put the whole system into its' place.** Right from appointing the Direct Sales Associate, monitoring the training of sales executive and customer service department etc, till the consumer decides to renew or forgo or switch over to another credit card.

- **Customer base can be segmented on the basis of different loyalty or membership or user segments.** The banks should evaluate the quality as well as the quantity of customer base. Decomposing the consumers according to their needs or a meaningful basis would help the banks to better cater to consumers.

- **Banks still consider credit cards as their ancillary product and not as their core product.** Credit cards are considered as gateways to bring other customers in for the core businesses of the banks that makes the difference they deal with the product and its consumers.

### 8.10 DIRECTIONS FOR FUTURE STUDIES

The field of customer satisfaction being multi-dimensional with various inputs from consumer behavior, psychology and sociology, no single study can cover all the aspects. However, the studies in the following directions can be pursued for meaningful insights into the topic.
- Research related to credit card use and attitudes can be undertaken to peep into the psyche of the average Indian consumer. Research can also be undertaken to compare credit cards vis-à-vis other cards such as the ATM and the debit card.

- More demographic variables can be added and research concerning various categories can be conducted in order to understand the behavior of credit cardholders, in different categories.

- This research is a product specific. The present study can act as a guideline for understanding researches related to other cards such as ATM, debit and smart cards.

- This research can be used to develop a customer relationship management program or a customer grievance management.

REFERENCES
