CHAPTER VII

SUMMARY AND CONCLUSION
in 1960s, but the credit card services gained momentum in the country only after the later half of the 90s.

Credit cards were priorly issued as a travel and entertainment, card, now various types of credit cards are being issued keeping in mind which card will attract more of which class of the society. Of late issuing banks and other issuers are offering an exclusive credit card to doctors, agriculturists, etc. as a way of attracting more customers. Of the various credit cards issued in India Mastercard, Visa Card, Amex card and Diners club cards occupy a prominent place. These cards are issued through banks and private institutions which are called issuers, some issuers issue cards in the own name apart from issuing the above mentioned cards and these cards are called proprietary cards. In India cards issued under the name of Master card or Visa card is welcomed more among the customers rather than the proprietary cards. Among the many banks issuing credit cards Citibank has been occupying a dominant position for quite some time. Cards are also issued by the issuing banks with the assistance of other affiliate banks.

Marketing of credit cards in the potential Indian market, has proven to be beneficial to the issuers of credit cards. The issuers through their various marketing strategies try to woe in more people to buy credit cards and also make the existing cardholders to use more of their cards. To promote the usage of cards among the cardholders issuers have started to expand the various services being rendered to the cardholders, offering attractive incentives to regular card users also globalised this service by offering global cards.
To attract more customers, issuing banks engage in a wide advertising campaign as well as employ outsiders to sell credit cards. This measure taken by the issuing banks, has reduced the burden of employing sales force for the work. Having tasted the benefit of employing outsiders in selling of cards, which has boosted credit cards sales, the issuers have now allocated even application processing work, monthly statement preparation and collection of money from delinquent cardholders to the private agencies. Appointment of private agencies in the various activities of credit card business, even though has been profitable and beneficial to the issuers, has had its own repercussions.

Card users face a lot of problems in the process of acquiring and usage of cards. Of the many problems that they face, the service related problems, service charges and fraud related problems seem to occupy the foremost place. Due to frauds occurring in the credit card service, issuing banks have started to adopt various fraud prevention measures. They are proving to be more effective and also educating the customers about how important their cards are and how they should be safeguarded, has made cardholders realise the importance of this credit instrument.

In the fourth chapter, analysis has been made to identify the awareness and satisfaction of cardholders on the forty six services identified as the important services rendered by issuing banks to its cardholders. To identify the awareness level among the cardholders, Yes or No pattern had been followed. In identifying the satisfaction level five point scale has been utilised. The five point scale is categorised into highly satisfied, satisfied, neutral, dissatisfied and highly dissatisfied. Then the perception of cardholders on the awareness and satisfaction upon the services were analysed to know whether any relationship exists between these two perceptive factors. For the
purpose of which the forty six services, which included thirty six domestic services, and ten global services, were classified into six namely member establishment services, insurance services, credit services, general services, innovative services and global services.

This chapter also includes the analysis on whether relationship exists between the demographic features of cardholders with their perceptions on awareness, satisfactions and problems encountered on credit card usage. For the purpose of this analysis the eight demographic features of sex, age, education, occupation, income, marital status, percentage of expenditure through cards and years of card usage were used for analysis. The satisfaction, awareness and problem perceptions of respondents were compared and analysed with above mentioned demographic features of cardholders to arrive at the results.

The fifth chapter is about the analysis of the satisfaction among cardholders on the various services based on categorisation into single cardholders and multiple cardholders. To enable this analysis the total respondents were categorised into two single cardholders and multiple cardholders based on the number of cards held by them. The satisfaction level of these two categories of cardholders were identified and compared to find out if there exists any significant difference in the satisfaction level of these two categories of cardholders.

This chapter also includes the analysis for establishing that difference exists in the awareness, satisfaction and problems of cardholders based on the categorisation of cardholders holding cards in only Indian banks, in only Foreign banks and in both Indian as well as in Foreign banks.
In chapter six, the perceptions of cardholders on problems and its resolution has been analysed. The thirty one problems stated, have been grouped into six, namely ATM related problems, service charges related problems, issuing banks related problems, member establishment related problems, frauds and other problems. To evaluate perceptions on problems of cardholders five point scale has been utilised. The five point scale is categorised into strongly agree, agree, no opinion, disagree and strongly disagree. In order to evaluate and find out whether any relation exists between the complaining behaviour of the cardholders and resolution of their problems, the total respondents were divided into cardholders having problems and not having problems based on their response to the problems that they encountered during usage of cards. The cardholders who encountered the problems were further classified into cardholders who complained their problems to the issuing banks and cardholders who did not communicate their problems. Based on this categorisation the resolution of problems was analysed to evaluate whether the problems are being solved after the complaints are made and if solved at what time?. It has been identified from the analysis that the problems are getting solved only on complaints made by cardholders.

7.1 MAJOR FINDINGS OF THE STUDY

i. When a sample of 448 respondents were analysed in the process to find out whether there is a relation between awareness and satisfaction which was done after dividing the 46 services into six categories namely member establishment services, insurance services, general services, credit services, innovative services and global services, it was found that there existed a significant relationship between the awareness of cardholders on these six categories of services and the
satisfaction on the same. The cardholders whose awareness level was more seemed to be more satisfied than the cardholders whose awareness level was less.

ii. The cardholders' awareness level was more towards the services offered at member establishments; similarly the cardholders' satisfaction was also the highest towards this service. The cardholders' awareness as well as the satisfaction level was the lowest towards the various global services offered on cards by the issuing banks. The ranking of the awareness and satisfaction of the six category of the services reveal the same order where member establishment services was placed first in the ranking order, followed by general services, then by insurance services, followed by credit services, innovative services and global services.

iii. When the cardholders' demographic features of sex, age, education, occupation, income, marital status, monthly expenditure through cards, were compared with their respective awareness, satisfaction and problems, it was found that the cardholders' occupation, income and years of usage influence the awareness level of cardholders. Where as cardholders' sex, income, monthly expenditure and years of usage influence the cardholders' satisfaction. It was also found that problems encountered by the cardholders, is not under the influence of any of these eight demographic characteristics of cardholders.
iv. When the satisfaction level of single cardholders and multiple cardholders were analysed, it was found that multiple cardholders were more satisfied with the credit card services offered by the issuing banks than the single cardholders.

v. When the awareness, satisfaction and problems were analysed of the cardholders holding cards in Indian foreign or in both the banks making use of the overall mean score, it was found that cardholders holding credit cards in Indian as well as foreign banks had a higher awareness and satisfaction and experienced more problems than the cardholders holding credit cards either in Indian banks or in Foreign banks respectively. From the analysis it was found that there existed a significant difference in the awareness and satisfaction level among these three categories of cardholders, but when problem perceptions of cardholders on their problems was taken up for analysis, there did not exist any significant difference. It has been proved that there does not exist any significant difference in the problems experienced by these three category of cardholders.

vi. Eventhough the overall means score stated that cardholders were dissatisfied with the card services, when each individual respondent's satisfaction was evaluated it had been found that majority of the cardholders (50%) were satisfied with the credit card services and equal proportion (i.e 25% each) cardholders were highly satisfied and dissatisfied with the services offered on cards by the issuing banks.
vii. When cardholders' perceptions on the 31 problems listed in the questionnaire were analysed after categorisation into problems related to member establishments, ATMs, issuing banks, service charges, frauds and others, it was found that cardholders viewed ATMs related problems as the foremost problem encountered by them, which is followed by problems related to service charges, issuing banks, member establishments, frauds and others.

viii. When analysis pertaining to existence of relationship between problems with awareness and satisfaction was done, it was found that the awareness and satisfaction of cardholders on credit card services are independent of the problems experienced by the cardholders during card usage.

ix. Out of the total sample of 448 respondents only 54 (12.05%) respondents did not face any problems, the remaining 394 (87.95%) of the respondents faced some problem or the other on card usage. Out of the 394 cardholders respondent who faced problems only 186 of them complained to the issuing banks about their problems complaining about the problem they face.

x. In another analysis it has been found out that majority of the cardholders (80%) viewed that the problems get solved only after making complaints to the card issuing banks.
xi. Majority of the respondents used telephone as a mode of communicating their problems and it was also found that the cardholders had to contact the issuing banks more than once (56.45%) to get their problems solved.

xii. It has been found out that 51.78 percentage of respondents were satisfied with the steps taken by the issuing banks in solving this problems and an average of 8.38 percentage of cardholders were dissatisfied that immediate steps were not taken by the issuing banks on complaints.

xiii. It was also found that in majority cases the respective issuing banks resolve the problems within seven days.

xiv. The 208 (52.79%) of cardholders who experienced problems did not contact the issuing banks under the presumption that the issuing banks will rectify their problems in the course of time even without making complaints.

7.2 SUGGESTIONS

Based on the above findings, the following suggestions are made:

i. The credit cards services of the issuing banks have been widely welcomed by the people, which is evident from the phenomenal increase in the credit cardholders in the country. The issuing banks, thus enjoying the fruits of this credit card service, should maintain a
good customer relationship, to continue reaping the benefits from the
The card issuing banks should always try to be in touch with
cardholders, so that they will be knowing about the cardholders
behaviour, their expectations, their attitudes, etc. Personal attention by
the issuing banks would positively show an improvement in the
cardholder base and an increased usage of cards, as it creates a sense
of belongingness, satisfaction and loyalty in the minds of the
cardholders. This attitude can be developed by the issuing banks by
holding cardholders’ meetings and getting feedback about the
cardholders’ expectations and their grievances.

ii. The growth in the credit card population in the country has been very
beneficial to the issuing banks by way of increased profits. In reaping
such returns on credit cards by way of subscription, service charges,
interest, penalty, etc., issuing banks should not charge the cardholders
exorbidantly on this service. In Western countries where credit cards
are used as a substitute for cash, the issuing banks do not charge
customers annual subscription and such a facility may be introduced by
the issuing banks in our country also. Not only this, even issuing banks
can reduce the interest rates on outstanding amount, cash withdrawal,
revolving credit etc. so as to encourage frequent card usage by the card
holders, which will increase the turn over of credit card transactions.

iii. Issuing banks depending on affiliates for selling of credit cards and
various other related services, should make these affiliates to render
complete information about the credit card services, the various charges
levied upon these services and other related matters, while selling credit cards. The affiliates should be made accountable for any lapses, which may cause difficulty to cardholders.

iv. Periodical refresher training should be arranged by the issuing banks to their staff, to update them on the various improvements and changes brought in the usage of cards. This will reduce the cardholders’ difficulty in availing information about the various services and benefits on cards.

v. Eventhough some ATMs and collection boxes are available for cardholders to make payments, it is not widely available in accessible places. Also a cardholder making payment by way of cheque on the last day, is levied with late payment penalty eventhough the delay is due to the collection process of cheques.

vi. Issuing banks must take steps to send regularly newsletters, circulars, etc. to update the knowledge and awareness of the cardholders, on the recent changes in the terms and conditions of cards issue and usage and also about the additional services and benefits made available on cards from time to time.