



A Research on Purchasing by Credit Card Operations

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ABSTRACT:

The main aim of the research is to conduct a thorough analysis of consumer spending behaviors through credit card transactions. In today's increasingly digital economy, credit cards are an essential instrument for conducting business. By examining consumers' purchasing patterns, preferences, and the variables influencing their credit card decisions, this study aims to give light on the dynamics of consumer behavior. The research will employ a multifaceted methodology that integrates quantitative and qualitative techniques for data collection and analysis. The process of quantitative analysis will entail the gathering and review of transaction data from different financial institutions and credit card issuers. Statistical methods will be applied to this data to detect patterns in spending across various product categories, geographic regions, and demographics.

Introduction:

Due to the surge in technology advancements over the last few decades, payment options have developed at a rapid pace. Apart from traditional cash, people also utilize credit or debit cards, as well as mobile payments, for both online and offline transactions. Since the COVID-19 outbreak, there has been a noticeable increase in the use of mobile payments (Shearman, 2020). According to Huet and Murray (2020), there are experts and observers who even think that the COVID-19 situation could hasten the transition to a cashless society. In the current digital era, how do cashless payment options like credit cards and mobile payments affect customers' purchasing decisions? The current investigation was driven by this query.

During the COVID-19 epidemic, consumers' financial situation improved earlier than expected. However, since 2021, there has been an increase in credit card revolving and delinquencies in terms of both the percentage of accounts and average amounts. Due to a greater rise in credit card delinquencies and revolving balances than credit card holders in other income cohorts, lower-income cardholders are particularly stressed out financially. This is in line with lower-income groups' greater depletion of extra reserves. Utilization rates, revolving amounts, and delinquencies all continue to climb, which shows a deterioration in consumption due to the increasing financial stress. Lower-income consumers' delinquent account balances are getting close to their credit limits. These cardholders may need to reduce their spending because their average utilization rates range from 80 to 90 percent. A period of unemployment could worsen the situation.

A single card may be linked to several issuers, each of which offers a different time frame for paying back borrowed funds starting on the application date. The era of plastic money began at this point, and international banks dominated the market because of things like brand awareness, operational strength, and experience. These cards are positioned to appeal to middle-class consumers as well as members of the upper class, thanks in part to newly relaxed eligibility requirements from private banks. There is no need to explain the worth of credit or money. A number of industries have changed as a result of technological improvements, including retail, banking, and education. Technology and finance have come together to create tech-driven

platforms that improve banking customer service. In order to thrive and remain competitive in the modern economy, credit and debit cards are essential instruments. These cards provide users with advantages such

Objective of the study:

- To research credit card holders' demographic characteristics.
- To understand why credit card users use their cards.
- To evaluate how credit card holders' behavior has changed.
- To assess credit card customers' consumption habits. %.
- To determine the degree of contentment among current credit card users.
- To recommend actions to enhance Indiana's credit card system

Scope of the study:

The purpose of this study is to ascertain and assess several facets of the consumer's awareness and preferences about the use of credit cards from different banks. to learn about complaints made by clients regarding credit card services from different banks. should be aware of the elements influencing a customer's decision to use a credit card as a form of payment. to research consumer satisfaction levels.

Limitations of the study:

- Most of the responders were helpful, some of them may have influenced their responses to some delicate questions.
- Additionally, the length of the study aligns with the curriculum's academic goal.
- The time constraint in the pursuit of academic exercise has also introduced certain restrictions into the study.

Research methodology:**Research design:**

This project is based on a descriptive type. Its most basic form, the outline of a study that directs the gathering and processing of data.

Source of data

The study is based on primary and secondary data. They are collected through

Surveys

Interviews

Observation

Primary Data Collection Method:

The primary data for the study was gathered from credit card customers via the use of a carefully constructed and organized questionnaire, surveys, Interviews.

Secondary Data Collection Method:

I obtained secondary data from their records, journals, appraisal form specimens, etc. And I obtained rudimentary knowledge from newspapers, publications, articles, the internet, etc.

Sampling Plan

Target Population: Credit Card Holders

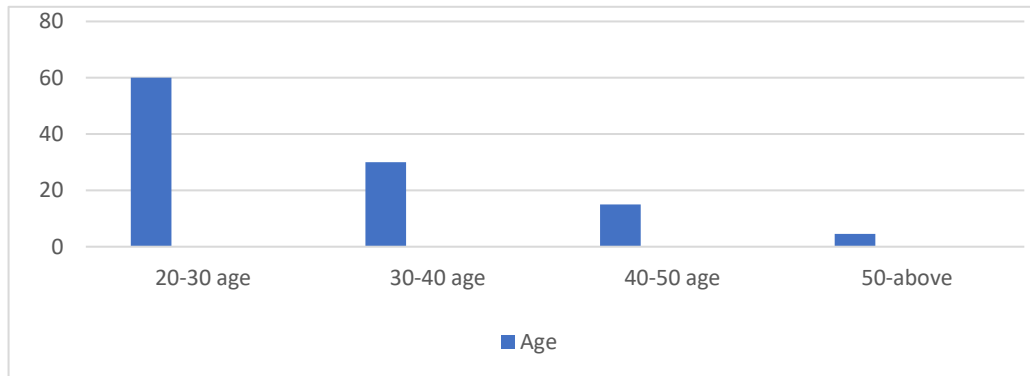
Sample Size: 100 respondents

Sampling technique: Convenience sampling

Q1: Age of the respondents:

- 20-30 age,

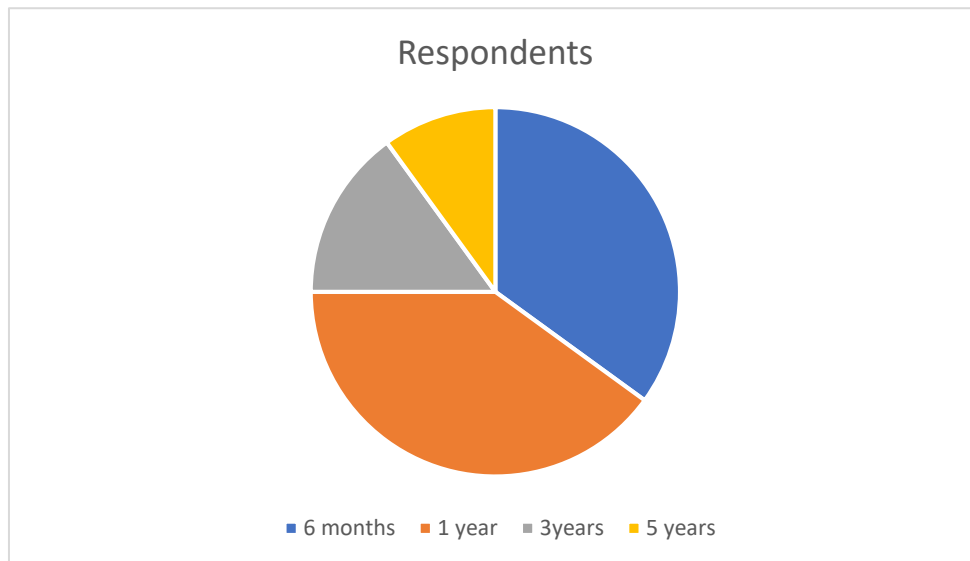
- 30-40 age,
- 40-50 age,
- 50-above ages



The above table shows that majority of the respondents that is 60 % of the respondents are at the age of 20 to 30age, 30% of the respondents are at the age of 30 to 40 age, and 5 % of the respondents are at the age of above 50. Majority 60 % of the respondents are between 18 to 30 years of age.

Q2 Number of years of using credit card.

- 6months
- 1 years
- 3 years
- 5 years



The above pie chart shows that majority of the 40 %respondents are using the credit card for 1 year,35 % of the respondents are using the credit card for 6 months,15 % of the respondents are using the credit since 3 years, 10 % of the respondents are using the credit card since 5 years.

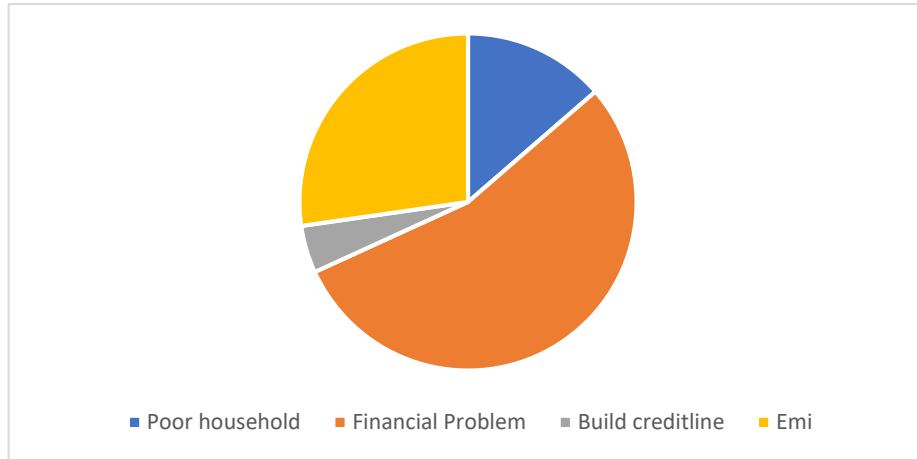
Q3: What is major reasons to use credit card

Poor Household

Financial Problem

Building a credit line

Emi Facility



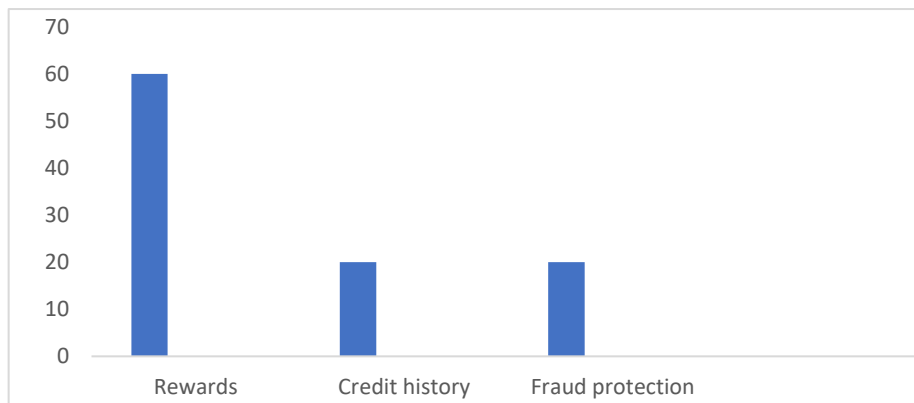
The above pie chart shows that majority of the 60 % of respondents are using the credit card for financial problems,30% of the respondents are using for poor household ,15% of respondents are using the credit card for Emi, 10% of the respondents are using for building credit line

Q4 Uses of credit cards.

Rewards

Building credit history

Fraud Protection



The above graph shows that majority of 60 % respondent use the credit cards for rewards,20% of the respondents use for credit history,20% of the respond use for fraud protection

FINDINGS:

Majority of the respondents are at the age group of 20-30 age.

Majority of the respondents are using the credit card for 1 year.

Majority of the of respondents are using the credit card for financial problems.

Majority of respondent use the credit cards for rewards.

The reason for using credit cards is extended payment period

The usage of credit is likely benefitted to the customers.

Most of the respondents are aware of credit card features

Suggestion:

Pay all your monthly bills.

Pay on time

Take careful measures to both increase and decrease fraud attempts and policies.

Keep an eye out for modifications within the terms of your account.

Give credit card holders advance options to ensure that they continue to use their cards for the rest of their lives.

Conclusion

This research is essential to understanding how credit card customers see various characteristics and factors associated with credit card defaults. It helped to analyze the uses of the credit card. It helped in understanding the mindset of the credit card users. Helped to understand the needs of using credit cards. Before providing consumers with credit cards, banks should make sure they fully understand the terms of the arrangement. In a same vein, clients must be completely informed of the repercussions of disputing a card.

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