A Study on Customers Satisfaction towards Credit Card Services Provided by State Bank of India, with Special Reference to Coimbatore City

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ABSTRACT

The concept of credit can be said to date back to at least 5,000 years ago in ancient Mesopotamia. Inscriptions on clay tablets from that time period show a record of transactions between Mesopotamian and neighbouring merchants from Harappa, and are among the earliest known examples of an agreement to buy something in the moment but pay for it later. SBI Cards & Payments Services Pvt . Ltd. (SBICPSL) is a payment business in India. It is incorporated as a joint venture between the State Bank of India, India's largest bank and GE Capital. They are headquartered in Gurgaon, Delhi and have branches in 50 cities across India as of January 2012, SBI Cards has 2.171 million credit cards, but no doubt still credit card conscious is lacking among the people. Majority of the respondents hesitated to comment on the statement Plastic money leads to debt trap. The suggestions are implemented properly it to improve the services to the customer.

INTRODUCTION

A credit card is an instrument that allows you to make instant purchases for various goods & services, for which you can pay later. Every credit card account is assigned a credit limit and you can utilise the card till the assigned limit. Once you make the payment at the end of the pre-specified credit period, your credit limit will be restored.

Unlike a debit card which is linked directly to your bank account, credit card offers the flexibility to make transactions, independent of the balance available in your bank account.

ABOUT SBI

State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations. SBI the largest Indian Bank with 1/4th market share, serves over 48 crore customers through its vast network of over 22,405 branches, 65,627 ATMs/ADWMs, 76,089BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability. The Bank has successfully diversified businesses through its various subsidiaries (i.e) SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 235 offices in 29 foreign countries. Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable Banking solutions

ABOUT SBI CREDIT CARDS

A credit card is a payment card, usually issued by a bank, allowing its users to purchase goods or services or withdraw cash on credit. Using the card thus accrues debt that has to be repaid later. Credit cards are one of the most widely used forms of payment across the world. In contrast, credit cards allow the consumers to build a continuing balance of debt, subject to interest being charged. A credit card differs from a charge card also in that a credit card typically involves a third-party entity that pays the seller and is reimbursed by the buyer, whereas a charge card simply defers payment by the buyer until a later date. A credit card also differs from a debit card, which can be used like currency by the owner of the card.

NEED FOR THE STUDY

Credit cards typically offer all kinds of perks and benefits, including a one-time signing bonus for a new cardholder, cash back for purchases, rewards points, and frequent flyer miles. Credit cards provide a level of safety for the user that a debit card and cash can't: fraud protection. This study made to know the extent of credit facilities available to the customers in various activities and their satisfaction towards such facilities.

OBJECTIVES OF THE STUDY

- ✤   To study the impact of SBI Credit Cardholders on their attitude towards SBI Card.

- ✤   To observe the relationship between Customer and the SBI Credit Card

- ✤   To compute the contentment level of customer about the resource provided by SBI.

- ✤   To explore the factors that contribute to SBI Credit Card in a banking sector.

LIMITATIONS OF THE STUDY

1.   The study was confined to Coimbatore City only and therefore the findings of the study cannot be extended to other areas.

2.   The study is purely based on primary data. The subjectivity of the respondents may reflect on the study.

3.   The study is confined to SBI credit cardholders only.

REVIEW OF LITERATURE

- M. Reddy and H. Ramana in their article "Marketing approach in Banking" states that banking industry indirectly can survive only by adopting efficient marketing strategy. These strategies are used to gain the positive response of the customers and to win the positive competitive market in future.

- Sanjay Shankar in his article, "Marketing of Banking Ser-vices", discusses the necessity of marketing of banking service such a frequent meeting with customers, marketing services to attract NRI deposits and application of special technique etc.

- R. Karpagavalli, "A study on Kisan Credit Card of Canara Bank". Her study reveals that the validity period of the card can be increased. The maximum ceiling of this loan per card can be increased.

- R. Sangeetha's study is based on the "Customer awareness and satisfaction regarding services rendered by commercial bank with reference to State Bank of India and ICICI Bank". It reveals that gender, occupation, monthly income, type of account and period of holding account with bank is not associated with awareness level.

- A study conducted at Purdue University by Prof. Richard a fein bery of purchase of Purdue's Department of consumer science and retailing. He found that credit cards to lead over spending and impulse buying. "Simply carrying credit cards or being around them can stimulate consumers not only to spend but to spend freely and quickly.

ANALYSIS AND INTERPRETATION

Analysis and interpretation of data is the process of assigning meaning to collected information and determining the conclusions, significance and implication of the findings. It is an important and exciting step in the process of research. In all research studies, analysis follows data collection.

The statistical tools are

- O   Percentage analysis

- O   Ranking analysis

- O   Chi –Square analysis

PERCENTAGE ANALYSIS

A percentage analysis is used to interpret the data by the researcher for the analysis and interpretation. Though the use of percentage the data or reduced in the standard from with the base equal to 150 which fact facilitates relating comparison. In the percentage analysis percentage is calculated by multiplying the number of respondents in to 150 and it is divided by the same size.

FORMULA:

Simple percentage=   No .of respondent   * 100

          Sample size

Table 1   The Table shows the gender of the respondents

Gender	Frequency	Percentage
Female	**63**	42.7%
Male	**85**	56%
Others	**2**	1.3%
Total	**150**	**100**

SOURCE: Primary Data **Interpretation:**

The above table indicates the 56.4% of the respondents are male, 42.1% respondents are female and 1.5% are others.

Chart 1   The Chart shows the gender of the respondents
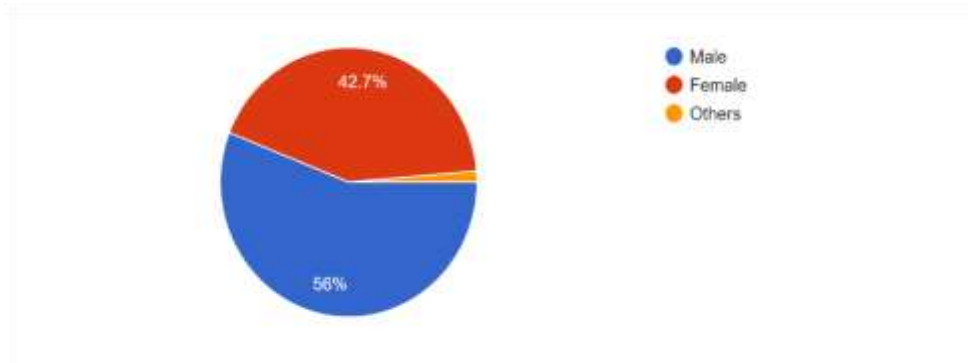
RANKING ANALYSIS

        A ranking is a relationship between a set of item such that, for any two items, the first is either 'ranking higher than', 'ranked lower than' or ' ranked equal to' the second. In mathematics, this is known as a weak order or total pre order of objects. It is not necessarily a total order of objects because two different object s can have the same rating. The ranking themselves are totally ordered, for example, materials are totally pre ordered by hardness, while degree of hardness are totally ordered.

        By reducing detailed measures to a sequence of ordinal numbers, ranking make it possible to evaluate complex information according to certain criteria. Thus, for example, an Internet search engine may rank the pages it funds according to an estimation of their relevance, making it possible for the user quickly to select the pages they are likely to want to see. Analysis of data obtained by ranking commonly requires non-parametric statistics.

Table 4.2.1   Table showing the Satisfactory Towards SBI Credit cards

Satisfactory	1	2	3	4	5	Total	Rank
Online Transaction	18	30	50	61	33	637	1
Security Measures	20	22	38	33	5	335	4
Term and Condition	5	21	31	50	25	465	2
Satisfaction	5	32	38	33	25	440	3
Convenient	21	32	31	33	2	320	5

INTERPRETATION

The above table depicts that the satisfactory towards SBI Credit cards that the Highest rank towards Online Transaction , Second rank towards the Term and Conditions, Third rank towards Satisfaction, Fourth rank towards Security Measures and Fifth rank towards Convenient.

CHI –SQUARE ANALYSIS

Chi-square test is the non-parametric test of significant differences between the observed distribution of data among the observed distribution of data among categories and the expected distribution based on the null hypothesis. The test (Pronounced as chi square test) is one of the simplest and most widely used non-parametric test in statistical work. The symbol is the Greek letter Chi. The test was first used by Karl person in the 1900.

Table Showing the Relationship between age and Salary

AGE/SALARY	Below 15,000	15,000 - 30,000	30,000 - 50,000	Above 50,000	TOTAL
18 - 25	28	18	11	7	**64**
26 - 35	4	25	9	4	**42**
36 - 45	2	5	14	1	**22**
46 - 55	4	4	4	8	**20**
Above 56	1	1	0	0	**2**
TOTAL	**39**	**53**	**38**	**20**	**150**

O	E	O-E	$(O-E)^2$
28	16.64	11.36	129.0496
4	10.92	-6.92	47.8864
2	5.72	-3.72	13.8384
4	5.2	-1.2	1.44
1	0.52	0.48	0.2304
18	22.61	-4.61	21.2521
25	14.84	10.16	103.2256
5	7.77	-2.77	7.6729
4	7.06	-3.06	9.3636
1	0.7	0.3	0.09
11	16.21	-5.21	27.1441
9	10.64	-1.64	2.6896
14	5.57	8.43	71.0649
4	5.06	-1.06	1.1236
0	0.5	-0.5	0.25
7	8.53	-1.53	2.3409
4	5.6	-1.6	2.56
1	2.9	-1.9	3.61

8	2.6	5.4	29.16
0	0.26	-0.26	0.0676
TOTAL	149.85		474.0597

CHI-SQUARE VALUE (Σ) = $\dfrac{\text{(OBSERVED VALUE – EXPECTED VALUE)}^2}{\text{EXPECTED VALUE}}$

= 474.0597/149.85

= 3.16

DEGREE OF FREEDOM (ROW-1)* (COLUMN-1)\

=(4-1)* (5-1)

=3*4

=12

Calculation of X square	3.16
Degree of freedom	12
Critical value of chi-square	21.026

HYPOTHESIS

H_0: There is no significant relationship between the age and salary of the respondents.

H_1: There is a significant relationship between the age and salary of the respondents.

Level of Significance= 0.5% or 0.05

INTERPRETATION

In the above analysis the calculated value (3.16) is less than the Table Value (21.026) at the level of 5% Significance. Hence null hypothesis is accepted thus there is no significant relationship between the age and salary of the respondents.

SUGGESTIONS

- Though only 20% people feel that they are non cooperative but SBI needs to take care that the number should not increase as private sector banks are penetrating sharply. Many people say that the process of solving problems is too slow. Younger players (Pvt . Banks) are fast in this matter so SBI needs to fasten its services.

- Customer's training is required for expanded mindfulness and to make the best utilization of the card. Banks ought to draw in more customers by making the exchanges more straightforward and furthermore disentangle the procedures.

- Banks may lead periodical overviews and take customers' perspectives and assessments on the effortlessness and simplicity of activities.

- Banks should set up Credit bureau inside the banks to break down the credit value and reimbursement limit of the cardholders.

CONCLUSION

In summary, the study on consumer satisfaction towards credit card services provided by State Bank of India in Coimbatore underscores the bank's significant strides in meeting consumer needs and expectations. Despite areas for improvement identified, such as enhancing digital banking experiences and fee transparency, the overall positive sentiment reflects the effectiveness of State Bank of India in catering to its credit card customers. Going forward, prioritizing these areas of enhancement alongside leveraging existing strengths will be pivotal in ensuring sustained consumer satisfaction and loyalty, ultimately reinforcing State Bank of India's position in the competitive Coimbatore market.

Overall, the results of this study suggest that State Bank of India has been successful in building a strong rapport with its credit card customers in Coimbatore by delivering value added services and maintaining a customer-centric approach. By continuing to focus on enhancing customer experience and addressing specific areas of concern, the bank can further strengthen its position in the competitive credit card market in the region.

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