

# A STUDY ON CUSTOMERS SATISFACTION TOWARDS CREDIT CARD SERVICES PROVIDED BY HDFC BANK.

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**Abstract:** *The present study aims to investigate the level of customer satisfaction towards the credit card services provided by HDFC Bank. The study uses a descriptive research design and a sample of 125 credit cardholders of HDFC Bank, randomly selected from various regions of India. Data is collected through a structured questionnaire that consists of five dimensions of customer satisfaction: product quality, service quality, convenience, trust, and value-added services. The study also identifies some areas for improvement, such as enhancing the security features, reducing hidden charges, and improving the responsiveness of customer service. The findings of this study can help HDFC Bank to develop strategies and policies that can enhance customer satisfaction and loyalty towards its credit card services.*

**Key Words:** *customer satisfaction, HDFC Bank, credit card services,*

## 1. INTRODUCTION:

HDFC Bank is one of the top most private sector bank in India. The bank was founded on the year of august-1994. The headquarters of the HDFC bank is located in Mumbai. HDFC bank provided the credit card services also. This bank credit card was first introduced in the year july-2004. In the speedy growth of the e-commerce, the customers use a credit card as a cash less transaction. Customers purchase gadgets, home appliances etc. in the office and the online mode of transaction by using a credit card. Now in the study, we are going to analyse the satisfaction of customers and interest rate towards HDFC credit card.

## 2. REVIEWS OF LITERATURE:

**George(1995):**'The card majors lead the way' shows that VISA and master card play an important role in any international payment system. Both VISA and master card act as guarantors of payment to merchants who are willing to accept the cards. VISA and master card each have nearly 22000 banks all over the world as their members and handle several millions transaction each day. This gives them a transaction handling capacity unmatched by any individual bank. They provide a global network that allows authorization, clearing and settlement of card transaction of credit card.

**Worthington(1995):**'The cashless society' paper describes the cashless society, where clumsy-to handle coins and notes are replaced by efficient electronic payments initiated by various types of plastic cards. This is a boom for the twenty-first century. Some of the interested parties stand to gain more than others if the cashless society becomes a reality. Paper outlines the rationale of those who are keen to promote the cashless society and the implication for marketers charged with winning consumer acceptance for payment by plastic card. The plastic card payment product is analyzed under the three headings of pay later, pay now and pay before and a view is offered as to the future prospects for each type of plastic card in contributing to the development of the cashless society.

**Subhani(2008):'Plastic money/credit card charisma for now and then'**. The study was based to find out the charisma of plastic money, its usability and affordability and its impact on its preference to use. The research found that the preference to use of plastic money/credit card has its pros and cons with its usability and affordability. According to the consumer behaviour, plastic money is a form of conditioning and acts as a stimulus which qualifies a consumer to spend. The study shows that the preference to go for plastic money has a positive attitude that it is easy to use. The perception of credit card usability is associated with a psychological phenomenon that people are likely to spend less with credit card and spend more with the same amount of cash on hand in the same budget and this percept also linked with the consumer self-convenience.

**P.Manivannan(2013):'Plastic money means less payment of cash checking system'** said that use of plastic money is the measure of a luxury credit card, and the need. The plastic money and the electronic payments and used by people of higher income category. The extension of this facility is not only meant for customers in urban areas or cities, but also is for customers who live in rural areas. However, today with the development of banking industry, fixed income group also begins the use of plastic and electronic money payment systems and especially credit cards.

### 3. STATEMENT OF PROBLEM:

Now a days, the majority of people using a credit card because of easy buying of cash less transaction of both offline and online mode. But at the same time the customers face the risk of financial frauds. Credit card declined while in a purchasing or in a restaurant with family. Card holder face another problems of annual fees is too high. These problem changes a card holder to apply a various bank credit card. The credit card is not working outside the country and also in a other country websites. It leads to the customers to not buying of credit card. This factor is more important for the bank to control the frauds towards credit card.

### 4. OBJECTIVES OF THE STUDY:

- To study about the benefits of HDFC credit card.
- To analysis the factor influencing to select the HDFC credit card.
- To study about the customers satisfaction on HDFC credit card services.

### 5. NEED FOR STUDY :

It is essential to analysis the factor influencing to select the credit card and the customers satisfaction on the credit card services. The customers should be benefited by the best credit card services with low interest rate and with higher benefits. This study is in aim of giving the best and accurate information about hdfc credit card.

### 6. SCOPE OF STUDY:

This present study is focuses on the issues and financial frauds that faced by the credit card holders while using the credit card. Because of these issues customers have a negative thought about buying of credit card. This analysis is to make positive thoughts and utilization of the credit cards among all the customers.

### 7. RESEARCH METHODOLOGY:

The methodology used to get information about the customers satisfaction towards the credit card. The questionnaire is designed and distributed via google forms. A sample of people who responded to a questionnaire on general questions like age, gender, occupation, qualification so the satisfaction towards the credit card will be used as a sample.

#### 7.1 RESEARCH DESIGN

7.1.1 NATURE OF THE STUDY: This study involves analytical research method as research design for study.

7.1.2 NATURE OF THE DATA : Both primary and secondary data are collected for the purpose of the study.

#### 7.1.3 SOURCE OF DATA:

Primary Data: It is the original data collected from the respondents. This was collected through structured questionnaire.

Secondary Data: This project includes in the websites, newspapers and journals in the form of review of literature with reference.

#### 7.1.4 SAMPLING DESIGN

7.1.5 NATURE OF POPULATION: The respondents of this study considered were the customers who use a HDFC credit card.

7.1.6 SAMPLING SIZE: The sample size of the study is 125 respondents.

7.1.7 TOOLS FOR ANALYSIS: This study is based on both primary and secondary data. The tools which is used for this research are,

- Simple Percentage Analysis
- Rank Analysis
- Chi Square Analysis

### 8. LIMITATIONS OF THE STUDY:

- The study takes into analysis only the customer satisfaction of the credit card holders of HDFC Bank in Coimbatore only.
- The result is obtained only by means of responses from the respondents, so there is a chance for misstatement.
- The research has been restricted up to 125 respondents only.

### 9. ANALYSIS AND INTERPRETATION:

Analysis and Interpretation refers to a systematic and critical examination of the financial statements. It not only establishes cause and effect relationship among the various items of the financial statements but also presents the financial data in a proper manner. The main purpose of analysis and interpretation is to present the financial data in a such manner that is easily understandable and self-explanatory

#### 9.1. SIMPLE PERCENTAGE ANALYSIS :

Simple percentage analysis refers to a special kind of rates, percentage are used in making comparison between two or more series of data. A percentage is used to determine relationship between the series. It plays a crucial role in comparing and contrasting various topics. The percentage is used to evaluate extensive data and hence presents an accurate value. A percentage is a number or ratio that can be expressed as a fraction of 100.

#### FORMULA

To determine the percentage, we have to divide the value by the total value and then multiply the resultant by 100.

Percentage formula = (Value/Total value) × 100

**Table 9.1.1 SOCIO ECONOMIC PROFILE**

Particulars	Variables	No of respondents	Percentage
AGE	Below 20years	14	11.20%
	20-25years	30	24%
	25-30years	56	44.80%
	More than 30years	25	20%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
	Male	67	53.60%
	Female	58	46.40%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>

<b>QUALIFICATION</b>	HSC	14	11.20%
	UG	58	46.40%
	PG	53	42.40%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>MARITAL STATUS</b>	Married	71	56.80%
	Unmarried	54	43.20%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>OCCUPATION</b>	Self employed	31	24.80%
	Employed	41	32.80%
	Professionals	36	28.80%
	Student	17	13.60%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>MONTHLY INCOME</b>	20000-25000	29	23.20%
	25000-30000	22	17.60%
	30000-50000	44	35.20%
	More than 30000	30	24%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>USAGE OF CREDIT CARD</b>	Yes	106	84.80%
	No	19	15.20%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>NO. OF CREDIT CARDS</b>	1 TO 2	98	78.40%
	2 TO 3	22	17.60%
	More than 3	5	4%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
	It was given to me by my organization	26	20.80%
	I use a supplementary credit card	14	11.20%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>FREQUENT USE OF CREDIT CARD</b>	Daily	14	11.20%
	Weekly	13	10.40%
	Monthly	64	51.20%
	Occasionally	34	27.20%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>TYPE OF CARD</b>	Rupay	40	32%
	Master	41	32.80%
	Visa	32	25.60%
	American Express	12	9.60%
	<b>TOTAL</b>	<b>125</b>	<b>100.00%</b>
<b>LIMIT OF THE CARD</b>	10000-25000	30	24%
	25000-30000	32	25.60%
	30000-50000	42	33.60%
	Above 50000	21	16.80%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
<b>HOW LONG USING A CREDIT CARD</b>	Less than 1year	39	31.20%
	Between 1-2years	46	36.80%
	Between 2-3years	27	21.60%
	More than 3years	13	10.40%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>

<b>SATISFACTION ON CARD SERVICES</b>	Satisfied	53	42.40%
	Very satisfied	64	51.20%
	Unsatisfied	8	6.40%
	<b>TOTAL</b>	<b>125</b>	<b>100.00%</b>
<b>FACTOR INFLUENCING TO SELECT CREDIT CARD</b>	Credit limit	54	43.20%
	Interest rate and fees	51	40.80%
	Cash backs	20	16%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>

<b>CREDIT CARD USAGE HABITS</b>	Use a domestic credit card	71	56.80%
	Use a foreign credit card	28	22.40%
	Use both domestic and foreign credit card	21	16.80%
	Use credit card when I travel overseas	5	4%
	<b>TOTAL</b>	<b>125</b>	<b>100.00%</b>
<b>SATISFACTION ON CARD BENEFITS</b>	Satisfied	60	48%
	Very satisfied	56	44.80%
	Unsatisfied	9	7.20%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>
Cashless transaction	By advance, pay later	48	38.40%
		56	44.80%
	Security	21	16.80%
	<b>TOTAL</b>	<b>125</b>	<b>100%</b>

### INTERPRETATION:

The table describes that out of the 125 respondents. In age 56(44.8%) were 25-30years. In gender 67(53.6%) were male. In qualification 58(46.4%) were UG. In marital status 71(56.8%) were married. In occupation 41(32.8%) were employed. In monthly income 44(35.2%) were 30000-50000. In usage of credit card 106(84.8%) were Yes. In number of credit cards 98(78.4%) were 1-2. In apply of credit card 85(68%) were applied for it. In frequent use of credit card 64(51.2%) were monthly. In type of card 41(32.8%) were master. In limit of the card 42(33.6%) were 30000-50000. In years of using a credit card 46(36.8%) were between 1-2years. In satisfaction on credit card services 64(51.2%) were very satisfied. In factor influencing to select the credit card 54(43.2%) were credit limit. In credit card usage habits 71(56.8%) were domestic credit card. In satisfaction on credit card benefits 60(48%) were satisfied. In like to use credit card 56(44.8%) were cashless transaction.

### 9.2 RANK ANALYSIS :

The RANK Function is categorized as an Excel Statistical function. The function returns the statistical rank of a given value within a supplied array of values. Thus, it determines the position of a specific value in an array.

### FORMULA

=RANK(number, ref ,[order])

**Table 9.2.1 SHOWING THE RATING FOR CREDIT CARD**

FACTOR	RANK	1	2	3	4	5	WEIGHTED SCORE	MEAN SCORE	RANK
	STAR	5	4	3	2	1			
BENEFITS	NO.OF RESPONDENTS	28	31	28	30	8	125	83.2	1
	STAR	140	124	84	60	8	416		

SERVICES	NO. OF RESPONDENTS	33	39	20	10	28	125	81.8	2
	STAR	165	136	60	20	28	409		
CASH BACKS	NO. OF RESPONDENTS	14	16	64	24	7	125	76.2	3
	STAR	70	64	192	48	7	381		
INTEREST RATE	NO. OF RESPONDENTS	18	32	11	40	24	125	71	4
	STAR	90	128	33	80	24	355		
ANNUAL FEE	NO. OF RESPONDENTS	32	12	2	21	58	125	62.2	5
	STAR	160	48	6	42	58	311		

#### INTERPRETATION:

From the above table, most of the customers gave credit card benefits as 1st rank with the rank score of (83.2), credit card services as 2nd rank with the rank score of (81.8), cash backs as 3rd rank with the rank score of (76.2), interest rate as 4<sup>th</sup> rank with the rank score of (71) and finally annual fee as 5<sup>th</sup> rank with the rank score of (62.2).

#### 9.3 CHI SQUARE ANALYSIS:

A chi square analysis is a statistical hypothesis test used in the analysis of contingency tables when the sample size large. This is an important test amongst the several tests of significance. It is used in the context of sampling analysis for comparing a variance to a theoretical variance.

#### FORMULA

$$\text{Chi square} = X^2 = \sum(O_i - E_i)^2/E_i$$

**Table 9.3.1 CASE PROCESSING SUMMARY**

	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
What is the limit of your card? * What is your monthly income?	125	100.0%	0	0.0%	125	100.0%

**Table 9.3.2 CROSS TABULATION**

	Monthly Income	20000-25000	25000-30000	30000-50000	More than 50000	Total
		Credit card limit	10000-25000	19	6	4
	25000-30000	5	7	15	5	32
	30000-50000	5	6	20	11	42
	Above 50000	0	3	5	13	21
Total		29	22	44	30	125

**Table 9.3.3 CHI SQUARE TEST**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	56.483 <sup>a</sup>	9	<.001
Likelihood Ratio	55.682	9	<.001
N of Valid Cases	125		

a. 2 cells (12.5%) have expected count less than 5. The minimum expected count is 3.70.

**INTERPRETATION:**

Since the calculated significant value is lesser than the prescribed level. That is (<.001). Therefore, the hypothesis is being accepted. Hence there is significant relationship between credit card limit and monthly income.

**RELATIONSHIP BETWEEN OCCUPATION AND FREQUENCY OF USING CREDIT CARD**

**Table 9.4.1 CASE PROCESSING SUMMARY**

	Valid		Missing		N	Percent
	N	Percent	N	Percent		
OCCUPATION * How often do you make transaction with your credit card?	125	100.0%	0	0.0%	125	100.0%

**Table 9.4.2 CROSS TABULATION**

		Daily	Monthly	Occasionally	Weekly	Total
OCCUPATION	Employed	2	26	9	4	41
	Professionals	6	21	4	5	36
	Self employed	5	16	9	1	31
	Student	1	1	12	3	17
Total		14	64	34	13	125

**Table 9.4.3 CHI SQUARE TEST**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	30.374 <sup>a</sup>	9	<.001
Likelihood Ratio	32.590	9	<.001
N of Valid Cases	125		

a. 9 cells (56.3%) have expected count less than 5. The minimum expected count is 1.77.

**INTERPRETATION :**

Since the calculated significant value is lesser than the prescribed level. That is (<.001).Therefore the hypothesis is being accepted. Hence there is significant relationship between occupation and frequency of using credit card.

**RELATIONSHIP BETWEEN AGE AND NUMBER OF CREDIT CARDS**

**Table 9.5.1 CASE PROCESSING SUMMARY**

	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
AGE * How many credit cards do you own?	120	96.0%	5	4.0%	125	100.0%

**Table 9.5.2 CROSS TABULATION**

		How many credit cards do you own?		Total
		1 to 2	2 to 3	
AGE	20-25 years	26	3	29
	25-30 years	42	13	55
	Below 20 years	13	1	14
	more than 30 years	17	5	22
Total		98	22	120

**Table 9.5.3 CHI SQUARE TEST**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.724 <sup>a</sup>	3	.293
Likelihood Ratio	4.107	3	.250
N of Valid Cases	120		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.57.

**INTERPRETATION:**

Since the calculated significant value is higher than the prescribed level. That is (.293 and .250). Therefore the hypothesis is not being accepted. Hence there is no significant relationship between age and number of credit cards.

**10. FINDINGS OF PERCENTAGE ANALYSIS:**

- Most of the customers benefited of HDFC credit card.
- Credit limit is the satisfied factor that influencing to select the credit card.
- Customers satisfied with the HDFC credit card services.

**FINDINGS OF RANK ANALYSIS:**

According to rank analysis customers gave the credit card benefits as 1st rank, credit card services as 2nd rank, cash backs as 3rd rank, interest rate as 4th rank and finally annual fee as 5th rank.

**FINDINGS OF CHI SQUARE ANALYSIS:**

- There is a significant relationship between credit limit and monthly income.
- There is a significant relationship between occupation and frequency of using credit card.
- There is no significant relationship between age and number of credit card

**11. CONCLUSION:**

HDFC bank is a popular and well-regarded bank in India, offering a range of financial services and benefits, including credit card and offer factors that influencing to select the credit card. Customers satisfaction towards bank and its credit card seems to be generally positive with many customers appreciating the banks customers services, ease of use, and attractive cashbacks. Customer satisfaction towards HDFC bank and its credit card is largely positive, with many customers enjoying the banks services and benefits. Overall, HDFC banks focus on providing a high level of customers services and benefits to the customers. So the bank can continue to build a loyal customers base and maintain its position as a leading financial institution in India.



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