MEASURING THE EFFECT OF CREDIT CARD USAGE ON CONSUMER BUYING BEHAVIOUR WITH REFERENCE TO CHENNAI CORPORATION, TAMILNADU

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Abstract
Credit cards play a major role in consumers' life. It is affecting negatively most of the time for the economic conditions of the consumer by various aspects such as increasing credit level of people, impulsive and unplanned buying behaviors. As well as from the bankers' perspective, increasing bad debtors etc. and it will affect to the country's economic condition. Then it is important to achieve above objectives in order to minimize these negative consequences. The main objective of this study was to identify the relationship between credit cards usage on consumer purchasing behavior in selected research region. Further it was aimed to identify the impact of credit usage on purchasing behavior, consequences of using credit cards and analyze the trends in credit card market. According to the present context, credit cards play a major role in consumers' life. It is affecting negatively most of the time for the economic conditions of the consumer by various aspects such as increasing credit level of people, impulsive and unplanned buying behaviors. As well as from the bankers' perspective, increasing bad debtors etc. and it will affect to the country's economic condition. Then it is important to achieve above objectives in order to minimize these negative consequences with respective to measuring the effect of credit card usage on consumer buying behaviour in Chennai corporation, Tamilnadu. This research based on both primary and secondary data.

Keywords: Credit card, Consumer behaviour, Banking Sector.

Introduction
A credit card association such as Visa and MasterCard, issue general-purpose credit cards as part of a system of payments named after the small plastic card issued to users of the system. The issuer of the card grants a line of credit to the consumer from which the user can borrow money for payment to a merchant or as a cash advance to the user. A credit card is different from a charge card, where a charge card requires the balance to be paid in full each month. In contrast, credit cards allow the consumers to 'revolve' their balance, at the cost of having interest charged. The card holders have the option to settle the monthly statement in full or take credit and pay a specified minimum every month. The use of credit cards plays a very important role in online purchasing and contributes significantly to the economy of one nation. The choices available in the market are money and most cards offer different features filling petrol on priority, easy overseas travel, special privilege for women a six by four-centimeter plastic card makes possible all this and more plastic culture has caught on in India, the initial years have been shed and cards have become virtual currency. Late fees can impact your pocketbook, and late or missed payments can also have a negative effect on your credit score. Also pay attention to all mail received from your credit card company. This kind of credit card is one of the best credit cards and their characteristics have no comparison with any other type of credit cards. Credit cards work in a very simple way, a consumer is issued a credit card after his application for a credit card has been approved by concerned authorities and a credit company shows its consent to issue the applicant a credit card. Now the customer who has purchased the credit card will be able to buy things on credit up to the limit

of credit which was agreed upon by both parties in terms and conditions. A consumer can also use credit card online facilities to get benefit from his credit card. This online credit card facility is easy to use and it is faster than the actual procedures of cash transactions.

A credit card is a payment card provided to the customers for a payment of goods and services, based on the cardholder's promise to the card issue to pay them for the agreed charges in addition to the amount provided by the bank. The bank provides a revolving account to the customer for a purchase or for payment to the merchant and it is considered as borrowed money and it has to be returned within a given due date. A charge card is something that requires the balance to be repaid in full each month and it is different from a credit card. In contrast, credit cards allow the consumers to pay the debt in dues with its interest charged. A cash card is something that can be used like currency by the card holder. A credit card made of plastic which represents a line of credit. A line of credit is an account in which you can borrow money repeatedly. In most cases, customers give more preference to credit cards in comparison to line of credit. They prefer fund providers like chase or Citibank. You will usually have more than one issuer for single card. A certain period of time will be given to you to pay back the borrowed money from the date of application. Then you can swipe your card as needed to spend money out of the money you spend on a credit card has to be paid back. If you fail to repay the payments within the given time, you will have to pay the interest and extra charges.

Review of literature

Parimala (2001) in her Ph. D. thesis described the level of marketing done in credit cards in Tiruchirappalli. Her major findings are not sufficient to get the complete details as the cardholders were not aware of all services offered by the issuers because of lack of sufficient advertisement and publicity. The suggestions given in her study to overcome these reasons for less awareness and reduce charges for penalty, interest, annual charges are very helpful for growth and expansions of credit cards market.

Swarnalatha (2002) in her Ph. D. thesis highlights the services rendered in credit cards. The study based on the view of the card holders of various banks in Chennai city. This research concluded that, based on the hypothesis, customers who hold single cards are less satisfied when compared to multiple cardholders. Further the study also resulted that there are customers who have cards in both Indian and foreign banks are seen to be more aware of the services and have greater satisfaction.

V. K. Anitha (2003) in her study analyzed the purchasing standards of customers and their satisfaction level towards credit cards with regard to the services offered by City Bank through its agencies and their functioning. The Merchant Establishments should be encouraged to accept more cards as a part of sales promotion. It was concluded that the service centers must maintain good and healthy relationship with their customers so that they could sort out their problems if any and could clarify their doubts.

Mandeep Kaur (2011) the study examines the point of view of credit card users as well as member establishments towards the usage of plastic money. It focuses on some important aspects in usage such as challenges experienced by customers and bankers, value attribution to plastic money adaptation and some factors influencing them to use plastic money. It also analyses the current position and trends of plastic money in India.

Sudhakara, A. M. (2012) this thesis aims to review the technological progress made by the banking industry in India in ensuring the security to its customers in the light of continuous cyber race between creators of security standards and the fraudsters who hack such security standards.

Schiffman & Kanuk, (2000) argued that attitude has three characteristics which are critical to understanding the role of attitudes in consumer behaviour. Attitude as an object represents the summary evaluation of an object. Attitude as a learned predisposition which means attitude are learned. Attitude relevant to purchase behaviour are formed as a result of direct experience with the product, word of mouth information, acquired from others or exposure to mass media advertising, the internet and various forms of direct marketing. Attitudes are relevant consistent with the behaviour they reflect. Despite their consistency attitudes are not necessarily permanent they do change.

Serem (2011) describes attitude as having three components, namely i.e., an affective component, which consists of the individual feelings about the attitude object, a cognitive component, which is the individual‟s beliefs or knowledge about the attitude object, a behavioral component, which is the individual‟s predisposition to act toward the attitude object in a particular way.

Schiffman & Kanuk, (2010) depicted cognition as the knowledge that is acquired by a combination of direct experience with the attitude object and related information from the various sources. This knowledge and the resulting perceptions commonly take the form of beliefs that is the consumer believes that the attitude object possess various attributes and that specific behavior will lead to specific outcomes.

Objectives of the Study
The objective of this study is to determine the influences of consumer attitudes on the uptake of credit cards, and measuring the effect of credit card usage on consumer buying behaviour in Chennai Corporation, Tamilnadu.

Research Methodology
A quantitative approach was used for collecting data. A questionnaire consisting of a five-point Likert scale was used to measure subjects' attitude towards credit cards. The questionnaire consists of four parts: Section one: this section collected the demographic variables. Section two: this section measured the cognitive component of attitude and also measured level of awareness and knowledge of credit cards. Section Three: this section evaluated the affective component i.e., the feelings of the consumer towards credit cards. Section four: measured the conative components i.e., the attitude towards adoption of credit cards. The self-administered questionnaire was issued to selected customers through convenience sampling. The respondents were selected randomly from the Banking halls.

Data Analysis
Descriptive and inferential statistics such as measures of central tendency, ANOVA, regression along with percentages was used to organize and summarize numerical data whose results was presented in tables, pie charts, column and bar graphs. Descriptive and inferential statistics was selected in order to identify the differences of attitudes with the different customer characteristics and their influences on credit card uptake. The statistical package for social sciences (SPSS) was used to aid in analyzing data.

Influence of Attitude towards Adoption of Credit Cards
The study sought to determine the influence of attitude on the adoption of credit card services.
The findings are illustrated in Table 1

Research Paper
Impact Factor: 6.462
Peer Reviewed & Indexed Journal
www.ijmsrr.com

IJMSRR
E- ISSN - 2349-6746
ISSN -2349-6738

Attitude towards Adoption of Credit Cards

Attitude		
	Mean	Std. Dev
I definitely will apply for a card in the future	4.35	0.94
Credit card services allow small short-termloans to be quickly made hence motivate their adoption.	4.25	0.58
Banks offer many types of credit cards in order to improve on the consumer's attitude and facilitate adoption of the credit card services.	4.10	0.87
Banks have adopted Chip-and-PIN technology to reduce fraud this has resulted in positive customer attitude towards credit cards and hence motivated them to adopt credit cards.	3.96	1.85
The loyalty programs implemented by Bankshave improved the attitude and adoption of the credit cards.	4.13	0.43

From the analysis of the in Table 1 it was established that majority of the respondents indicated that they would definitely apply for a card in the future. This was noted true from the mean calculated in the SPSS of 4.35. The standard deviation calculated of 0.94 indicated uniformity in the responses from the respondents. Also established in the analysis was that majority of the respondents indicated Credit card services allow small short-term loans to be quickly made hence motivate their adoption. This was noted by the mean calculated in the analysis of 4.25. The standard deviation of 0.58 indicated uniformity in the responses from the respondents. The study also established that most respondents strongly agreed that several credit cards are geared to improve on the consumers" attitude and facilitate adoption of the credit card services. This was noted so by the mean of 4.10 and the standard deviation of 0.29 indicated that most respondents were of a similar opinion.

The study also noted that most respondents also agreed that Chip-and-PIN credit cards designed to reduce fraud are motivating the attitude and adoption of the credit card services as noted by the mean of 3.96. It was thus generally noted that the attitude of consumers influenced the uptake of credit cards by consumers in commercial banks.

Correlation Analysis
The Pearson product-moment correlation coefficient (or Pearson correlation coefficientfor short) is a measure of the strength of a linear association between two variables and is denoted by r. The Pearson correlation coefficient, r, can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variableincrease so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases.

Correlation coefficient Organization Resources

	Awareness & Knowledge	Feelings towards credit cards	Attitude towards adoption
Awareness & behaviour	1		
Emotional state towards credit cards	0.8345	1	
Attitude towards adoption	0.8507	0.8679	1

The study established that there was strong positive relationship between feelings towards credit cards and the Attitude towards adoption (correlation coefficient 0.8679), Awareness & Knowledge and Attitude towards adoption (correlation coefficient 0.8507), Awareness & knowledge and feelings towards credit cards (correlation coefficient 0.8345). The study established generally that there was a significant correlation between each independent variable with the other but no autocorrelation was detected hence the variables were relevant in the study of the uptake of credit cards by consumers in commercial banks.

Conclusion
From the analysis in the SPSS, majority of the respondents indicated that they were aware of what a credit card is. This was noted by the highest mean calculated of (4.92). This indicated that majority of the respondents strongly agreed that they were aware of what a credit card is. The standard deviation calculated from the analysis of 0.05. A significant number of the respondents indicated they were aware their Bank offers credit cards services. This was inferred from the mean value calculated in the analysis of 4.52**.** The standard deviation of 0.21 calculated in the SPSS indicated that majority of the respondents were of a similar opinion. The study thus saw the need to provide sufficient knowledge and awareness on the uptake of credit cards and measuring the effect of credit card usage on consumer buying behaviour in Chennai corporation, Tamilnadu. This is in accordance to Kotler, (2008) who noted that consumer behaviour as a multi-step decision-making process where people take part in it and it also include the actions consumers take to satisfy their needs and wants in the marketplace.

Based on the analysis of the findings, it was noted that majority of the respondents strongly agreed that it is cumbersome to shop with a credit card at a retail outlet. This was noted true from the mean calculated in the SPSS of 4.79. The standard deviation calculated of 4.79 indicated uniformity in the responses from the respondents.

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Research Paper
Impact Factor: 6.462
Peer Reviewed & Indexed Journal
www.ijmsrr.com

IJMSRR
E- ISSN - 2349-6746
ISSN -2349-6738

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