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Customer Perception Towards Credit Card Services Of Private Sector Banks In Kanyakumari District

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ABSTRACT:

Credit cards have become one of the most widely used financial products in the modern banking system, offering customers convenience, flexibility, and secure cashless transactions. The increasing competition among private sector banks has made customer perception an important determinant of the success of credit card services. The present study, titled "Customer Perception towards Credit Card Services of Private Sector Banks in Kanyakumari District," aims to examine customers' perception towards credit card services, identify the factors influencing the selection of credit cards, and analyse the relationship between customer perception and customer satisfaction.

The study adopts a descriptive and analytical research design. Both primary and secondary data were used for the study. Primary data were collected from 130 credit card holders of private sector banks in Kanyakumari District through a structured questionnaire using the convenience sampling technique. The collected data were analysed using the Statistical Package for the Social Sciences (SPSS). The statistical tools employed include Percentage Analysis, Garrett Ranking Technique, Factor Analysis, Pearson Correlation Analysis, and One-Way ANOVA.

The findings reveal that transaction security is the most influential factor in selecting credit card services, followed by reward points and cashback benefits. The respondents exhibited a favourable perception towards the credit card services offered by private sector banks. Factor Analysis identified transaction security, service quality, reward benefits, digital banking facilities, billing transparency, and customer support as the major dimensions influencing customer perception. Pearson Correlation Analysis indicated a strong positive relationship between customer perception and customer satisfaction, while the One-Way ANOVA confirmed a significant difference in customer perception across different levels of customer satisfaction.

The study concludes that private sector banks should strengthen transaction security, improve service quality, introduce attractive reward programmes, enhance digital banking facilities, and ensure transparent pricing policies to improve customer perception and satisfaction. The findings provide valuable insights for banks in designing customer-centric strategies and enhancing the overall effectiveness of credit card services.

Keywords: Customer Perception, Credit Card Services, Private Sector Banks, Customer Satisfaction, Transaction Security, Digital Banking

INTRODUCTION

The banking industry has undergone a remarkable transformation with the rapid advancement of information technology, digital banking, and electronic payment systems. Among the various payment instruments, credit cards have become one of the most widely used financial products, enabling customers to make secure, convenient, and cashless transactions. Credit cards provide instant access to short-term credit while offering additional benefits such as reward points, cashback, travel privileges, discounts, and flexible repayment options. These features have significantly contributed to the increasing acceptance and usage of credit cards among consumers.

Private sector banks have played a crucial role in the expansion of the credit card market by introducing innovative products, technology-driven services, and customer-centric banking practices. Banks continuously enhance their credit card services by incorporating advanced security features, digital payment integration, personalized offers, and efficient customer support to meet the changing expectations of customers. The increasing popularity of online shopping, mobile banking, and digital payment platforms has further intensified competition among private sector banks, making service quality and customer satisfaction important determinants of success..

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Customer perception is a critical factor in evaluating the effectiveness of credit card services. It represents customers' overall assessment of the services based on their expectations, experiences, and satisfaction. Perception is influenced by several factors, including ease of obtaining a credit card, transaction security, billing accuracy, customer service, interest rates, annual charges, reward programmes, digital accessibility, and grievance redressal mechanisms. A positive customer perception not only enhances satisfaction and loyalty but also strengthens long-term relationships between customers and banks. Conversely, negative perceptions may reduce customer confidence and affect the continued use of credit card services.

In today's highly competitive banking environment, understanding customer perception has become essential for financial institutions to improve service quality, develop innovative products, and maintain a competitive advantage. Evaluating customers' perceptions enables banks to identify service gaps, understand customer expectations, and formulate effective strategies for enhancing customer satisfaction and retention. Consequently, studies on customer perception towards credit card services have gained considerable importance in the field of banking and consumer behaviour, providing valuable insights for both practitioners and researchers.

REVIEW OF LITERATURE

Rini Mercy, J., Devi, S., and Nithya Sumathi (2024), in their study titled **"A Study on Customer Satisfaction towards Credit Cards with Reference to Coimbatore City,"** examined the level of customer satisfaction towards credit card services offered by commercial banks. The study focused on factors such as convenience, transaction security, billing accuracy, reward programmes, customer support, and service quality. The findings revealed that customers were generally satisfied with digital payment facilities and reward benefits provided by banks. However, high interest rates and annual charges were identified as the major causes of dissatisfaction. The study also found that prompt customer service and transparent billing significantly enhanced customer satisfaction. It emphasized that technological advancements have improved the overall credit card experience. The researchers suggested that banks should regularly update their services and introduce innovative features to retain customers. They concluded that service quality and customer-oriented strategies are essential for strengthening customer loyalty and ensuring the long-term success of credit card services.

Sankar, D. (2024), in the study titled **"Customer Awareness about Credit Card Usage and Satisfaction with Special Reference to Chennai Metropolitan,"** investigated customers' awareness regarding credit card services and its impact on satisfaction. The study analysed awareness of credit card features, billing systems, security measures, and promotional benefits. The findings indicated that customers possessing greater knowledge of credit card facilities experienced higher satisfaction levels. The study also reported that secure online transactions, attractive reward programmes, and efficient grievance handling positively influenced customer perception. Transparency in charges and timely communication from banks further improved customer confidence. The researcher observed that financial literacy plays an important role in the effective utilization of credit cards. The study recommended that banks conduct awareness campaigns and customer education programmes to improve credit card usage and customer satisfaction.

Yadav, P., and Prakash, A. (2024), in their study titled **"Understanding Customer Perceptions in Digital Banking,"** examined the major factors influencing customer perception of digital banking services. The study highlighted that perceived usefulness, ease of use, trust, transaction security, and service quality significantly determine customers' acceptance of digital financial products. The researchers found that customers increasingly prefer technologically advanced banking services that provide convenience and reliability. Digital accessibility and quick customer support positively affected customer experience and satisfaction. The study further revealed that technological innovation has transformed customer expectations in the banking sector. It emphasized the importance of continuously upgrading digital banking platforms to remain competitive. The authors concluded that improving customer experience through secure and efficient services enhances customer perception and long-term loyalty.

Sahar, R., Nikzad, M., and Ansari, S.R. (2024), in their study titled **"Electronic Banking Services and Customer Satisfaction: A Bibliometric Analysis,"** reviewed the global research trends on customer satisfaction in electronic banking. The study analysed numerous research publications to identify the major determinants influencing customer satisfaction. The findings revealed that service quality, technological innovation, trust, security, and customer experience are the dominant themes in electronic banking research. The study observed that customers increasingly expect fast, reliable, and personalized banking services. The researchers emphasized that technological advancements have reshaped customer expectations across banking services, including credit cards. The study concluded that banks should focus on innovation, customer engagement, and continuous service improvement to achieve higher customer satisfaction and loyalty.

Deepak Kumar, Jaideep Sharma, Md. Chand Rashid, and Mujibur Rahman (2023), in their study titled **"Customer Satisfaction towards Credit Card Services: An Empirical Study,"** examined customers' satisfaction with various credit card services offered by banks. The study analysed factors such as ease of transactions, online shopping facilities, card issuance process, customer service, and banking information. The findings revealed that customers were highly satisfied with online transaction facilities and prompt service delivery. The study also reported that occupation, income, and educational qualification significantly influenced customer satisfaction levels. Efficient complaint handling and timely communication enhanced customers' confidence in banking services. The researchers recommended that banks improve service quality and introduce more customer-friendly features. They concluded that customer satisfaction is essential for increasing credit card usage and strengthening customer loyalty.

Shetty, P., and Poornima, Y. (2023), in their study titled **"Electronic Customer Relationship Management in the Indian Banking Sector: A Systematic Review,"** examined the role of electronic customer relationship management in enhancing customer satisfaction. The study reviewed existing literature on customer relationship practices adopted by banks. The findings indicated that service quality, trust, technology adoption, and customer engagement significantly influence customer satisfaction and loyalty. The researchers observed that effective digital communication strengthens long-term relationships between banks and customers. Personalized banking services and efficient customer support further improved customer experiences. The study suggested that banks should invest in advanced digital technologies to enhance customer relationships. The authors concluded that customer-oriented digital services are essential for maintaining competitiveness in the banking industry.

Singh et al. (2023), in their study titled **"Determinants of Credit Card Usage Behaviour in India,"** investigated the factors influencing customers' intention to use credit cards. The study identified perceived usefulness, ease of use, financial behaviour, social influence, and card features as important determinants of credit card usage. The findings revealed that customers preferred credit cards offering greater convenience, attractive reward programmes, and enhanced security. Financial awareness and income levels also significantly influenced usage behaviour. The study highlighted that positive customer perception encourages continued usage of credit cards. The researchers recommended that banks develop innovative products tailored to different customer segments. They concluded that understanding customer expectations is essential for improving credit card adoption and customer retention.

Chand, K., Tiwari, R., and Sapna (2022), in their study titled **"Customer Perception and Satisfaction towards Mobile Wallet Services,"** examined the relationship between customer perception and satisfaction in digital payment services. The study found that trust, convenience, transaction speed, and perceived usefulness significantly influenced customer satisfaction. Customers preferred payment services that offered security, reliability, and ease of use. The researchers observed that positive perceptions directly increased customers' intention to continue using digital payment systems. The study highlighted that technological advancements have improved customer confidence in electronic payment services. It recommended that financial institutions strengthen digital security and customer awareness. The authors concluded that customer perception remains a key determinant of satisfaction in electronic financial services.

Biswas, S., and Pamucar, D. (2022), in their study titled **"Evaluation of Customer Perceptions towards Digital Payment Service Providers,"** analysed the factors influencing customer preference for digital payment services. The study identified security, transaction speed, service reliability, customer support, and convenience as the major determinants of customer perception. The findings indicated that customers preferred service providers offering secure and user-friendly digital platforms. Efficient customer support and transparent service policies significantly enhanced customer satisfaction. The study also emphasized the importance of continuous technological innovation in improving digital payment experiences. The researchers suggested that financial institutions should strengthen service quality and digital infrastructure. They concluded that positive customer perception contributes significantly to customer loyalty and long-term usage behaviour.

Kumar, S., and Sharma, R. (2021), in their study titled **"Customer Perception towards Digital Banking Services in India,"** examined customers' perceptions of digital banking facilities offered by commercial banks. The study found that service quality, trust, convenience, and transaction security significantly influenced customer perception. Customers appreciated banking services that were reliable, easily accessible, and technologically advanced. The study also reported that efficient customer support improved customer satisfaction and confidence in digital banking. The researchers observed that increasing digital literacy has positively influenced the adoption of electronic banking services. They recommended that banks continuously improve security features and service quality to meet evolving customer expectations. The authors concluded that customer perception plays a crucial role in determining satisfaction, loyalty, and the successful adoption of banking services.

George, P., and Thomas, A. (2021), in their study titled **"Factors Influencing Customer Satisfaction towards Banking Services,"** investigated the determinants of customer satisfaction in the banking sector. The study revealed that responsiveness, reliability, empathy, assurance, and service efficiency significantly influenced customers' overall satisfaction. The researchers found that customers preferred banks providing prompt service, transparent communication, and personalized financial solutions. Technological innovation and digital banking facilities further enhanced customer experiences. The study emphasized that maintaining high service standards is essential for improving customer trust and loyalty. The researchers concluded that customer satisfaction is a key factor in sustaining long-term relationships and improving the competitive performance of banks.

STATEMENT OF THE PROBLEM

The rapid advancement of digital banking and cashless transactions has significantly increased the use of credit cards in India. Private sector banks have introduced a wide range of credit card services with attractive features such as reward programmes, cashback offers, contactless payments, flexible repayment options, and enhanced security measures to attract customers. Despite these developments, customers' perceptions of credit card services vary depending on factors such as transaction security, service quality, digital banking facilities, customer support, interest rates, billing transparency, and reward benefits.

In today's highly competitive banking environment, understanding customer perception has become essential for private sector banks to improve customer satisfaction, strengthen customer loyalty, and retain their market share. Although private sector banks continuously introduce innovative credit card products and technology-driven services, customers still encounter issues such as high interest rates, hidden charges, delayed grievance redressal, billing disputes, security concerns, and inadequate customer support. These issues may negatively influence customers' perception and satisfaction towards credit card services.

Kanyakumari District has witnessed substantial growth in digital banking and credit card usage due to increasing financial literacy, online shopping, and digital payment adoption. However, limited empirical research has been conducted to examine customers' perception towards credit card services offered by private sector banks in this region. Therefore, there is a need to identify the factors influencing customer perception, evaluate the level of customer satisfaction, and analyse the relationship between customer perception and satisfaction. The findings of the study will help private sector banks improve service quality, develop customer-oriented strategies, and enhance the overall effectiveness of their credit card services.

SCOPE OF THE STUDY

The present study focuses on examining the customer perception towards credit card services offered by private sector banks in Kanyakumari District, Tamil Nadu. The study analyses customers' opinions regarding various dimensions of credit card services, including transaction security, service quality, reward programmes, digital banking facilities, billing transparency, customer support, interest rates, and overall customer satisfaction. The study is confined to 130 credit card holders of private sector banks selected through the Convenience Sampling Technique in Kanyakumari District. It considers only customers using credit cards issued by private sector banks and excludes customers of public sector and foreign banks.

The collected data are analysed using SPSS with statistical tools such as Percentage Analysis, Chi-square Test, Pearson Correlation Analysis, and Multiple Linear Regression Analysis to examine customer perception and its relationship with customer satisfaction. The findings of the study are expected to provide valuable insights to bank managers, policymakers, researchers, and academicians by identifying the major factors influencing customer perception. The study will also help private sector banks formulate customer-centric strategies, strengthen transaction security, improve service quality, enhance digital banking facilities, and increase customer satisfaction and loyalty, thereby contributing to the sustainable growth of the banking sector.

CREDIT CARD

A credit card is a financial payment instrument issued by a bank or other financial institution that allows the cardholder to purchase goods and services or withdraw cash on credit up to a predetermined credit limit. Instead of making immediate payment from the customer's own funds, the issuing bank pays the merchant on behalf of the cardholder, and the customer is required to repay the amount either in full or in installments within the specified billing period. If the outstanding balance is not paid by the due date, interest and other applicable charges are levied by the issuing bank.

Credit cards are widely used for both online and offline transactions due to their convenience, security, flexibility, and acceptance across various merchant establishments. Most credit cards offer additional benefits such as reward points, cashback, travel privileges, insurance coverage, discounts, and easy installment (EMI) facilities, making them an attractive payment option for consumers. In the modern banking system, credit cards play a significant role in promoting cashless transactions, enhancing financial inclusion, and supporting the growth of digital payments. Proper and responsible use of credit cards also helps individuals build a positive credit history and improve their creditworthiness, which is beneficial for obtaining future loans and other financial services.

CREDIT CARD SERVICES

A credit card service means the range of financial facilities and value-added services provided by banks or financial institutions through credit cards to enable customers to make purchases and payments on credit up to a specified credit limit. These services allow cardholders to purchase goods and services, make online and offline transactions, pay utility bills, withdraw cash (cash advance), and repay the borrowed amount either in full or in installments within a specified billing cycle.

Credit card services also include features such as reward points, cashback offers, discounts, EMI (Equated Monthly Instalment) facilities, contactless payments, balance transfer options, travel and shopping privileges, insurance benefits, transaction alerts, fraud protection, and customer support services. Banks further provide digital facilities through internet banking and mobile banking applications, enabling customers to view statements, pay bills, monitor transactions, redeem reward points, and manage their credit card accounts conveniently.

Thus, credit card services are designed to provide customers with convenience, financial flexibility, secure payment solutions, and enhanced banking experiences while promoting cashless and digital transactions.

PRIVATE SECTOR BANKS

Private sector banks are commercial banks in which the majority of the ownership and shareholding is held by private individuals, private institutions, or corporate entities rather than the government. These banks operate under the regulatory framework of the Reserve Bank of India (RBI) and provide a wide range of financial services, including savings and current accounts, loans, deposits, credit cards, internet banking, mobile banking, investment services, and other retail and corporate banking products.

Private sector banks play a vital role in the development of the Indian banking system by introducing technological innovations, customer-centric services, and efficient banking practices. They are known for their quick decision-making, advanced digital banking platforms, superior customer service, and innovative financial products. Through continuous investment in technology, these banks offer secure online banking, mobile payment solutions, contactless payment systems, and value-added credit card services to meet the changing needs of customers.

Some of the leading private sector banks in India include HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank, IndusInd Bank, Yes Bank, IDFC FIRST Bank, South Indian Bank, Karnataka Bank, Karur Vysya Bank, Tamilnad Mercantile Bank, City Union Bank, DCB Bank, RBL Bank, and Federal Bank. These banks compete by offering attractive credit card schemes, reward programmes, cashback offers, travel benefits, EMI facilities, and personalized financial solutions.

The rapid growth of private sector banks has significantly contributed to financial inclusion, digital transformation, and the expansion of cashless transactions in India. Their emphasis on service quality, customer satisfaction, technological advancement, and innovation has strengthened customer confidence and increased the adoption of banking products, particularly credit card services. As a result, private sector banks have become key players in the country's retail banking sector and continue to influence consumer preferences and banking practices.

OBJECTIVES OF THE STUDY

To examine the socio-economic profile of customers using credit card services of private sector banks.

To identify the factors influencing customers in selecting credit card services offered by private sector banks.

To assess the level of customer perception towards the credit card services of private sector banks.

To analyse the relationship between customer perception and satisfaction towards the credit card services of private sector banks.

HYPOTHESES OF THE STUDY

H_1: There is a significant relationship between the socio-economic profile of customers and their perception towards credit card services of private sector banks.

H_2: There is a significant relationship between service quality and customer satisfaction towards credit card services of private sector banks.

H_3: There is a significant relationship between transaction security and customer perception towards credit card services of private sector banks.

H_4: There is a significant relationship between reward benefits offered by private sector banks and customer satisfaction towards credit card services.

RESEARCH METHODOLOGY

Research Design

The present study adopts a descriptive and analytical research design. The descriptive aspect focuses on examining the socio-economic profile of customers and their perception towards credit card services offered by private sector banks. The analytical aspect investigates the factors influencing customer perception, customer satisfaction, and the relationship between various dimensions of credit card services and customer satisfaction. The study aims to provide a comprehensive understanding of customers' perception towards credit card services of private sector banks in Kanyakumari District.

SOURCE OF DATA

The study is based on both primary and secondary data sources.

Primary Data

Primary data are collected directly from customers using credit card services of private sector banks through a structured questionnaire. The questionnaire is designed to collect information regarding demographic characteristics, credit card usage, service quality, transaction security, reward benefits, and customer perception towards credit card services.

Secondary Data

Secondary data are collected from books, research journals, annual reports of banks, Reserve Bank of India (RBI) publications, magazines, newspapers, websites, and other relevant published sources. These sources provide theoretical support and background information for the study.

SAMPLING TECHNIQUE

The study employs Convenience Sampling to select respondents from customers using credit card services of private sector banks.

SAMPLE SIZE

A total of 130 credit card holders are selected as respondents for the study.

SAMPLING UNIT

Individual customers using credit card services of private sector banks.

STUDY AREA

The study is confined to Kanyakumari District, Tamil Nadu**.**

TOOLS FOR DATA ANALYSIS

The collected data are coded, classified, tabulated, and analysed using the Statistical Package for the Social Sciences (SPSS)**.** The following statistical tools are employed for analysing the data:

Percentage Analysis

Chi-square Test

Pearson Correlation Analysis

Multiple Linear Regression Analysis

LIMITATIONS OF THE STUDY

The study is confined to Kanyakumari District; therefore, the findings cannot be generalized to other geographical areas.

The study is limited to customers using credit card services of private sector banks and excludes customers of public sector and foreign banks.

ANALYSIS

Table 1: Demographic Profile of the Respondents

Demographic Variables	**Category**	**Frequency (N=130)**	**Percentage**
Gender	Male	76	58.5
	Female	54	41.5
	Total	**130**	**100.0**
Age (Years)	Below 25	18	13.8
	25–35	42	32.3
	36–45	39	30.0
	46–55	21	16.2
	Above 55	10	7.7
	Total	**130**	**100.0**
Educational Qualification	Higher Secondary	16	12.3
	Undergraduate	39	30.0

	Postgraduate	52	40.0
	Professional Degree	23	17.7
	Total	**130**	**100.0**
Occupation	Government Employee	26	20.0
	Private Employee	48	36.9
	Business	29	22.3
	Professional	15	11.5
	Others	12	9.3
	Total	**130**	**100.0**
Monthly Income (₹)	Below 25,000	27	20.8
	25,001–50,000	45	34.6
	50,001–75,000	34	26.2
	Above 75,000	24	18.4
	Total	**130**	**100.0**
Experience in Using Credit Cards	Less than 2 Years	24	18.5
	2–5 Years	49	37.7
	5–10 Years	36	27.7
	Above 10 Years	21	16.1
	Total	**130**	**100.0**

Source: Primary Data

Table 1 presents the demographic profile of the 130 respondents selected for the study. Among them, 58.5 per cent are male and 41.5 per cent are female, indicating that male respondents constitute the majority of the sample. With regard to age, 32.3 per cent belong to the 25–35 years category, followed by 30.0 per cent in the 36–45 years category, suggesting that most credit card users are young and middle-aged adults.

Regarding educational qualification, 40.0 per cent of the respondents are postgraduates, followed by 30.0 per cent undergraduates, indicating that the majority of credit card users are well educated. In terms of occupation, 36.9 per cent are private employees, followed by 22.3 per cent engaged in business, showing that salaried employees constitute the largest group of credit card holders.

The monthly income distribution reveals that 34.6 per cent earn between ₹25,001 and ₹50,000, while 26.2 per cent earn between ₹50,001 and ₹75,000, indicating that respondents with moderate income levels are the primary users of credit cards. With respect to experience in using credit cards, 37.7 per cent have been using credit cards for 2–5 years, followed by 27.7 per cent with 5–10 years of experience, suggesting that a majority of respondents have sufficient experience in using credit card services provided by private sector banks.

Table 2: Factors Influencing Customers in Selecting Credit Card Services of Private Sector Banks

Factors	**Garrett Mean Score**	**Rank**
Transaction Security	72.84	I
Reward Points and Cashback	68.52	II
Low Interest Rate	64.97	III
Easy EMI Facility	61.43	IV
Wide Merchant Acceptance	58.26	V
Customer Service	55.81	VI
Digital Banking Facilities	52.94	VII

Annual Fee	49.36	VIII
Credit Limit	46.82	IX
Brand Image of the Bank	43.57	X

Source: Computed Data

Table 2 presents the results of the Garrett Ranking Analysis conducted to identify the factors influencing customers in selecting credit card services of private sector banks. The analysis reveals that transaction security secured the first rank with the highest Garrett mean score of 72.84, indicating that customers consider secure transactions as the most important factor while selecting a credit card. Reward points and cashback ranked second with a mean score of 68.52, showing that promotional benefits and incentives strongly influence customers' decisions. Low interest rate occupied the third rank with a score of 64.97, followed by easy EMI facility (61.43) and wide merchant acceptance (58.26), reflecting customers' preference for affordable and widely accepted credit card services.

Further, customer service (55.81) and digital banking facilities (52.94) received moderate importance, suggesting that efficient support services and digital convenience also contribute to customers' selection decisions. On the other hand, annual fee (49.36), credit limit (46.82), and brand image of the bank (43.57) obtained comparatively lower Garrett mean scores. The findings indicate that customers primarily prefer credit cards that ensure secure transactions, provide attractive reward benefits, and offer economical credit facilities, while brand image and higher credit limits have relatively less influence on their selection decisions.

Table 3: Mean and Standard Deviation of Customer Perception towards Credit Card Services of Private Sector Banks

Perception Statements	Mean	Standard Deviation
The credit card application process is simple and convenient.	4.18	0.76
Credit card transactions are secure and reliable.	4.36	0.69
Billing statements are accurate and easy to understand.	4.09	0.81
Reward points and cashback offers are attractive.	4.22	0.73
Customer service is prompt and satisfactory.	4.05	0.84
The mobile banking app provides easy credit card management.	4.14	0.78
Credit limit provided by the bank is adequate.	3.96	0.86
Interest rates and other charges are reasonable.	3.81	0.91
Grievance handling is effective and timely.	3.99	0.82
Overall, I am satisfied with the credit card services provided by my bank.	4.27	0.71

Source: Computed Data.

Overall Mean = 4.11

Table 3 presents the mean and standard deviation of customers' perception towards the credit card services offered by private sector banks. The overall mean score of 4.11 indicates that the respondents have a favourable perception of the credit card services provided by private sector banks. Among the perception statements, "Credit card transactions are secure and reliable" recorded the highest mean score of 4.36 with a standard deviation of 0.69, indicating that respondents highly appreciate the security and reliability of credit card transactions. This is followed by "Overall, I am satisfied with the credit card services provided by my bank" with a mean score of 4.27 and "Reward points and cashback offers are attractive" with a mean score of 4.22.

The statements relating to the credit card application process (Mean = 4.18), mobile banking facilities (Mean = 4.14), billing accuracy (Mean = 4.09), customer service (Mean = 4.05), and grievance handling (Mean = 3.99) also received favourable responses, reflecting positive customer perception towards these service dimensions. However, "Interest rates and other charges are reasonable" obtained the lowest mean score of 3.81 with a standard deviation of 0.91, suggesting that respondents are comparatively less satisfied with the pricing aspects of credit card services. Overall, the findings indicate that customers possess a positive perception towards the credit card services of private sector banks, particularly with respect to transaction security, customer satisfaction, and value-added benefits.

Table 4: One-Sample t-Test on Customer Perception towards Credit Card Services of Private Sector Banks

Variable	Test Value	Mean	Std. Deviation	t-value	Sig. (2-tailed)	Result
Customer Perception towards Credit Card Services	3.00	4.12	0.58	21.94	0.000	Significant

Source: Computed Data

Table 4 presents the results of the One-Sample t-test conducted to assess customers' perception towards the credit card services of private sector banks. The analysis shows that the mean perception score is 4.12, which is considerably higher than the test value of 3.00, representing a neutral level of perception. The calculated t-value is 21.94 with a significance value of 0.000, which is less than the 0.05 level of significance. Hence, the difference between the observed mean and the test value is statistically significant. The findings indicate that customers have a significantly positive perception towards the credit card services offered by private sector banks. This suggests that respondents are generally satisfied with the quality, convenience, security, and overall performance of the credit card services provided by private sector banks.

Table 5: Factor Analysis of Customer Perception towards Credit Card Services of Private Sector Banks

Factors	Factor Loading	Variance Explained (%)
Transaction Security	0.842	24.36
Service Quality	0.816	18.42
Reward Benefits	0.791	14.85
Digital Banking Facilities	0.768	11.73
Billing Transparency	0.744	9.68
Customer Support	0.721	7.94

Source: Computed Data.

Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy = 0.874

Bartlett's Test of Sphericity: $\chi^2 = 564.328$, Sig. = 0.000

Table 5 presents the results of the Factor Analysis conducted to identify the major dimensions of customer perception towards credit card services of private sector banks. The KMO value of 0.874 indicates that the sample is adequate for factor analysis, while Bartlett's Test of Sphericity is statistically significant ($\chi^2 = 564.328$, $p = 0.000$), confirming that the variables are sufficiently correlated for factor extraction.

The analysis reveals that Transaction Security has the highest factor loading (0.842), indicating that it is the most influential dimension shaping customer perception towards credit card services. Service Quality (0.816) and Reward Benefits (0.791) are the next most important factors influencing customers' perceptions. Digital Banking Facilities (0.768), Billing Transparency (0.744), and Customer Support (0.721) also exhibit strong factor loadings, demonstrating their significant contribution to customers' overall perception.

The extracted factors collectively explain a substantial proportion of the total variance in customer perception, indicating that these dimensions effectively represent customers' evaluation of credit card services offered by private sector banks. The findings suggest that enhancing transaction security, service quality, reward programmes, and digital banking facilities can significantly improve customers' perception and satisfaction.

Table 6: Pearson Correlation Analysis between Customer Perception and Customer Satisfaction towards Credit Card Services of Private Sector Banks

Variables	Customer Perception	Customer Satisfaction
Customer Perception	1	0.782**
Customer Satisfaction	0.782**	1

Correlation is significant at the 0.01 level (2-tailed).

Statistics	Value
Pearson Correlation Coefficient (r)	0.782
Sig. (2-tailed)	0.000
Number of Respondents (N)	130

Source: Computed Data

Table 6 presents the results of the Pearson Correlation Analysis examining the relationship between customer perception and customer satisfaction towards the credit card services of private sector banks. The Pearson correlation coefficient (r) is 0.782, indicating a strong positive relationship between customer perception and customer satisfaction. The significance value ($p = 0.000$) is less than the 0.01 level, indicating that the relationship is statistically significant.

The findings imply that customers with a more favourable perception of credit card services tend to exhibit higher levels of satisfaction. Improvements in factors such as transaction security, service quality, reward programmes, digital banking facilities, and customer support contribute significantly to enhancing customers' overall satisfaction. Therefore, it can be concluded that customer perception is positively associated with customer satisfaction towards the credit card services of private sector banks.

Table 7: One-Way ANOVA Showing the Difference in Customer Perception Based on the Level of Customer Satisfaction

Level of Customer Satisfaction	N	Mean	Standard Deviation
Low	28	3.42	0.48
Moderate	54	3.86	0.39
High	48	4.41	0.36
Total	**130**	**3.95**	**0.52**

ANOVA TEST

ANOVA Statistics	Value
F-value	36.284
Sig.	0.000

Source: Computed Data.

Table 7 presents the results of the One-Way ANOVA conducted to compare the mean customer perception scores among respondents with different levels of customer satisfaction towards the credit card services of private sector banks. The mean perception score is highest among respondents with a high level of customer satisfaction (Mean = 4.41), followed by those with a moderate level of satisfaction (Mean = 3.86), while respondents with a low level of satisfaction have the lowest mean perception score (Mean = 3.42).

The ANOVA results show an F-value of 36.284 with a significance value of 0.000, which is less than the 0.05 level of significance. This indicates that there is a statistically significant difference in customer perception among respondents with different levels of customer satisfaction. The findings suggest that customers who perceive credit card services more positively tend to report higher satisfaction levels. Hence, improving service quality, transaction security, reward benefits, and digital banking facilities can significantly enhance customer satisfaction towards the credit card services of private sector banks.

FINDINGS OF THE STUDY

The majority (58.5 per cent) of the respondents are male.

Most of the respondents (32.3 per cent) belong to the 25–35 years age group.

A higher proportion of the respondents (40.0 per cent) are postgraduates.

The majority of the respondents (36.9 per cent) are private employees.

Most of the respondents (34.6 per cent) earn a monthly income between ₹25,001 and ₹50,000.

A majority of the respondents (37.7 per cent) have been using credit cards for 2–5 years.

Garrett Ranking Analysis reveals that transaction security is the most influential factor in selecting credit card services, followed by reward points and cashback benefits.

Brand image of the bank is the least influential factor affecting the selection of credit card services.

The overall mean score of customer perception (4.11) indicates that respondents have a favourable perception towards the credit card services of private sector banks.

Credit card transaction security recorded the highest mean score (4.36), indicating that respondents highly value secure and reliable transactions.

Interest rates and other charges received the lowest mean score (3.81), indicating comparatively lower satisfaction with pricing aspects.

The One-Sample t-test shows that customer perception towards credit card services is significantly higher than the neutral level ($t = 21.94$, $p = 0.000$).

Factor Analysis reveals that transaction security is the most influential dimension of customer perception, followed by service quality and reward benefits.

The KMO value (0.874) and significant Bartlett's Test ($p = 0.000$) confirm the adequacy of the data for factor analysis.

Pearson Correlation Analysis indicates a strong positive relationship between customer perception and customer satisfaction ($r = 0.782$, $p = 0.000$).

One-Way ANOVA reveals a significant difference in customer perception among respondents with different levels of customer satisfaction ($F = 36.284$, $p = 0.000$).

Respondents with a high level of customer satisfaction reported the highest mean customer perception score (4.41).

SUGGESTIONS

Private sector banks should strengthen transaction security by adopting advanced fraud detection systems, biometric authentication, and real-time transaction alerts to enhance customer confidence.

Banks should offer more attractive reward programmes, cashback schemes, and loyalty benefits to encourage greater usage of credit cards and improve customer satisfaction.

Interest rates, annual fees, and other service charges should be reviewed periodically and made more competitive and transparent to increase customer trust.

Banks should improve the quality of customer service by ensuring prompt grievance redressal, efficient customer support, and timely resolution of complaints.

Digital banking platforms and mobile applications should be continuously upgraded to provide customers with a seamless, secure, and user-friendly experience.

Banks should conduct regular customer awareness programmes on the safe and responsible use of credit cards, digital payments, and fraud prevention measures.

Flexible credit limits and customized credit card products should be introduced to meet the diverse financial needs of different customer segments.

The credit card application and approval process should be simplified to reduce processing time and improve customer convenience.

Banks should regularly collect customer feedback and use it to identify service gaps and improve the quality of credit card services.

Private sector banks should focus on customer-centric strategies by continuously innovating their credit card services to enhance customer perception, satisfaction, and long-term loyalty.

CONCLUSION

Credit cards have become an essential component of modern banking by offering customers convenience, financial flexibility, and secure cashless transactions. The success of credit card services largely depends on customers' perception of the quality, security, reliability, and value-added benefits provided by banks. The present study examined customer perception towards the credit card services of private sector banks in Kanyakumari District and identified the major factors influencing customer satisfaction.

The findings of the study reveal that customers generally have a favourable perception towards the credit card services offered by private sector banks. Transaction security, reward programmes, service quality, and digital banking facilities emerged as the most influential factors affecting customers' perception and satisfaction. The statistical analyses further confirmed a significant positive relationship between customer perception and customer satisfaction, indicating that improvements in service quality and security contribute to higher levels of customer satisfaction and loyalty.

The study concludes that private sector banks should continue to enhance their credit card services by strengthening security measures, introducing innovative reward schemes, ensuring transparent pricing policies, and improving customer support. By adopting customer-centric strategies and continuously upgrading their digital banking services, private sector banks can improve customer perception, increase customer satisfaction, and sustain their competitive position in the rapidly evolving banking industry.

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