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Credit cards trends in 2017 and future of credit cards

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ABSTARCT

After demonetization, the Indian economy has found various ways of cash transactions. The government of India has introduced many alternatives to hard cash through Aadhaar Enabled Payment System (AEPS), unstructured supplementary Service Data (USSD), Unified Payments Interface (UPI), digital wallets etc. Many credit card offers, cash-backs, and benefits that have enabled individuals to prefer credit cards over hard cash were provided by the banks after demonetization.

Keywords: Credit future, Credit Cards and Trend.

1. CREDIT CARDS TRENDS IN 2017 AND FUTURE OF CREDIT CARDS

After demonetization, the Indian economy has found various ways of cash transactions. The government of India has introduced many alternatives to hard cash through Aadhaar Enabled Payment System (AEPS), Unstructured Supplementary Service Data (USSD), Unified Payments Interface (UPI), digital wallets etc. Many credit card offers, cash backs and benefits that have enabled individuals to prefer credit cards over hard cash were provided by the banks after demonetization.

2. INTRODUCTION

Future of credit card

Looking at the drastically changing environment in online payment we can say that online payment, mobile wallet, card payment will be the integrated part of our lives in near future. So looking at the changing environment and demand banks are offering credit cards to the potential customers. Even the multination banks have entered in this race and have started offering various schemes for loyalty programs. These activities are done by the bank to capture the new customer and retain the existing one. India being a growing economy the banks is focusing more Indian Market as it is going to grow and flourish in coming year.

Many people are inclined towards internet when it comes to banking procedure. Online services are provided by various banks, in which customer can observe their transaction, account balance, deposited and withdrawals. Customer can do money payment and transfer process online.

Now-a-days we are mostly depending on the online world which also helps to obtain real time information. Some banks provide facilities only online. Described as "Banking 2.0," Simple eschews brick-and-mortar stores in favors of an all-online format. Simple customers receive proprietary cards that can be used just like bank or ATM card. We can handle the process on website and we can also link the banking process with smart phones so that all alerts and notification can be easily viewed.

There are some banks that cares customer provide convenience, limited fee promise. Examples include:

- Ally Bank
- ING Direct
- Connexus Credit Union
- Bank of Internet USA

Even though many banks are becoming popular the main issue is about customer security. In addition to other security measure online banks require very strong password .While many customers prefer personal interaction with bankers leading to no use of online banking.

Every customer should analyse the benefit and drawbacks and then match the bank as per their lifestyle. In this advanced era of artificial intelligence in near future the mag strip and the strip of the credit card will be replaced by the person (card holders) pulse rate pattern, biometrics or face detection which will be verified during the time of payment. Even we will be identified by our own physical form and video recognition. So the chances of fraudulency will be prevented in near future.

After few decades the physical form of the credit card will be no longer used by the due changing in technology and advancement in mobile app, net banking and other new technology which would be more advanced, secure and easy to use than credit card.

Company should also know that the future of the credit card industry is depended on two factors efficiency and speed. Company should understand changing trend in payment to be ahead of others and should also keep in mind the two factors that are important for their target customer and also to gain new customer. Most of the people have stop using money and have managed using electronic payment facility.

Increasing in fraudulency a new type of credit card with microchip technology has become a ubiquitous everywhere taking into consideration the security aspect. The microchip containing card is known as smart card which has capability of storing dynamic data. So even if a credit card is stolen by any theft he will not be able to change the chip unless and until he known the original pin. Chip is also more the duplication of the original pin more different so the chances of misusing the card are difficult in it.

New trend of mobile banking are shifting the peoples experience from credit card to mobile device, even new startup are coming up with different payment making facilities at the point to purchase at any departmental store or shopping mall. So these companies are making the mobile phone payment machine. This is even making the shopping experience more pleasant by making the mobile app in your device so advance that we don't even have to stand in a queue.

Financial start-ups are also providing an interest rate which is less than 3.5% on every transaction which is offered by the banks on credit card transactions. They are even making the process fast, hassle free and flexible and keeping the charges not zero but at least less 3.5%.

Merchants using the credit card facilities are not happy because of the higher interchange cost. Merchant may think of or are trying to shift the focus from credit card to some other payment facilities which will be more profitable and flexible while using.

3. CONCLUSION

Credit cards issuers should use a rewards system on tracking system where the customer should know how much they are going to earn with every purchase. As there are different types of product in terms of offerings, but the majority of credit cards are perceived as the same credit card, so differentiation must be communicated to target groups and they should encourage target groups to choose their card wisely.

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