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INDIVIDUAL'S BEHAVIOR AND PERCEPTION TOWARDS CREDIT CARD ADOPTION

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Abstract

This study investigates how people use credit cards and how they behave. The focus is on rewards, interest rate risks, security risks, and demographics. The motivations for this study are the increasing prevalence of credit cards in modern society and the need to understand the factors influencing consumers' decisions to use credit cards. It examines how various factors influence people's opinions about using credit cards, how rewards programs offered by the credit card industry influence people's opinions, how security Risks and interest rate risks affect people's opinions, and how satisfied and knowledgeable people are about credit cards. Three hundred respondents in Karachi, Pakistan, were divided into two groups for a cross-sectional study: credit card users and non-users. Surveys and structured interviews were used for data collection, and SPSS was used for analysis. The results showed how important demographic factors, security concerns, and incentives influence people's opinions about credit card use. To encourage greater adoption of credit cards, the study recommends increasing consumer awareness of the benefits of credit cards, prioritizing security measures, and addressing concerns about fees and interest rates.

Keywords: Demographic Factors (Age, Gender, Income), Rewards, Interest Rate, Security Risk.

Introduction

In the contemporary era, plastic money has seamlessly integrated into our daily lives, symbolizing the technological advancements pervading every sector worldwide. Whether private or governmental, the banking industry has embraced technological progress to align with the times and enhance customer convenience, ultimately bolstering profitability. Plastic money, a term synonymous with non-cash transactions, has been widely adopted in several developed nations like the United States, Turkey, Malaysia, and Sri Lanka. These countries spearheaded the introduction of plastic money in the 19th century to propel their economies towards advancement and development. Plastic money encompasses various forms of bank cards, including credit cards, debit cards, ATM cards, and smart cards, each bearing essential details such as the cardholder's name, validity period, issuing institution, signature, a magnetic strip for scanning, and typically a 16-digit PIN code (Smith, 2020).

Over the past decade, there has been a notable shift from traditional paper currency to plastic money globally. The advent of plastic money has significantly streamlined individuals' lives, offering unprecedented convenience and efficiency. Today, it is commonplace to find individuals carrying plastic cards in their wallets, whether for ATM withdrawals or credit and debit transactions. Numerous research

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studies conducted across different regions have delved into various aspects of credit card usage, highlighting the multifaceted factors associated with them. Initially, when numerous organizations and multinational corporations introduced and adopted credit cards, financial analysts observed challenges related to conducting business transactions via credit cards. As widely acknowledged, the primary drawback stems from the fundamental principle of credit cards: "Buy Now, Pay Later." While this feature may seem appealing, especially in immediate financial constraints, it entails future repayment with accrued interest rates, posing a financial burden. Additionally, the usage of credit cards carries inherent security risks (Jones & Patel, 2018).

Despite these challenges, most participants concur that credit cards offer exclusive benefits to customers, businesses, and banks providing credit card services. In contemporary society, credit cards are indispensable in facilitating various day-to-day expenses, including purchases, dining experiences, and family vacations. The diverse array of credit cards, such as Network, American Express, Discover, MasterCard, Visa, Issuers, Account Now Prepaid Cards, and Capital One, cater to consumer needs and preferences. MasterCard and Visa have emerged as the two dominant players, commanding widespread usage globally (Brown & Lee, 2019).

Scope of the Study

This study delves into the perceptions and behaviors surrounding credit card adoption among individuals in Karachi, Pakistan. By examining various factors such as demographics, income levels, lifestyle patterns, and perceived benefits and concerns, the research aims to shed light on the drivers of credit card usage. Through a convenient sampling method and descriptive statistics, data from 300 respondents were analyzed to uncover insights into credit card adoption trends.

Problem Statement

In contemporary society, credit cards have evolved into indispensable financial instruments, facilitating numerous transactions and seamlessly integrating into daily activities. While they are primarily known for their borrowing capabilities, their association with fluctuating interest rates and experiential nature has led to compulsive consumer buying behaviors. Despite the extensive research on credit cards, this study aims to delve into the various factors influencing individuals' perceptions and behaviors toward credit card adoption, specifically within Karachi, Pakistan. It seeks to understand individuals' beliefs and feelings regarding credit card usage while exploring the experiences of credit card users. Additionally, the study aims to identify the challenges individuals face, such as security concerns and fluctuating interest rates, which may hinder credit card adoption. The study focused on demographic factors, reward systems, interest rates, and security risks that impact credit card usage.

Research Questions

This study addressed the following questions:

- What factors affect consumers' attitudes toward adopting credit cards?

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Volume 3, Issue 1, Page 23-40, June 30, 2023

- Is there a discernible difference in perceptions and attitudes between male and female credit card holders?
- Do preferences vary based on demographic factors such as age, income, education, occupation, or family size?
- How do reward systems, such as discounts and reward points, influence individual perceptions and attitudes toward credit card adoption?
- What recommendations can policymakers make to encourage credit card adoption among individuals?

Objectives of the Study

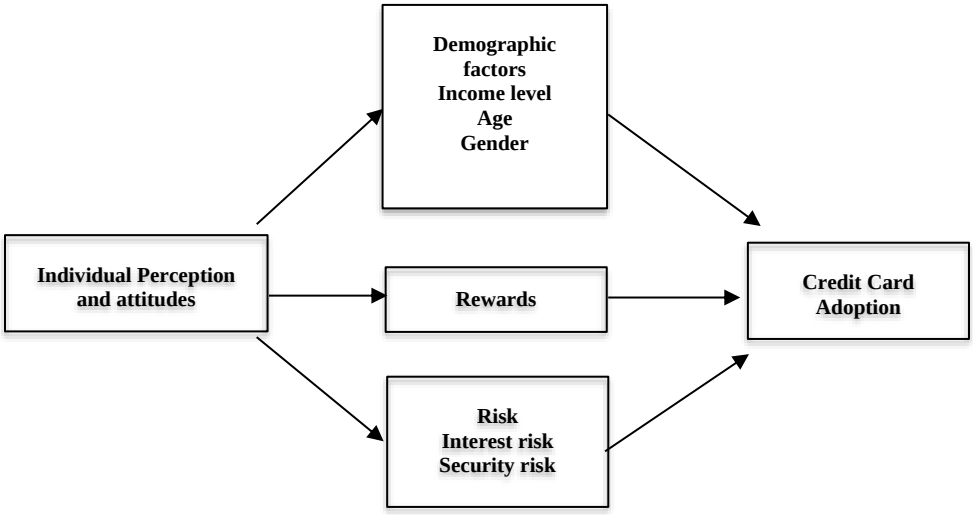
There has been no recognized study in the area (Karachi) of Pakistan; this study aims to find how different factors perceive individuals' attitudes towards credit cards. This sample help the banks to know about the individuals' behaviors towards credit cards and the perceived barriers that stop individuals from adopting credit cards. The objectives of this study are as follows:

- To provide insights into how different factors influence individuals' attitudes and determinants towards credit card usage.
- To investigate how rewards offered by the credit card industry influence individual perceptions.
- To examine how security and interest risks associated with credit cards influence consumer attitudes.
- To evaluate consumer satisfaction, credit card awareness, and understanding among individuals.

Theoretical Framework

Understanding individual behavior and perception towards credit card adoption is essential in navigating the complexities of consumer finance. Drawing upon various psychological and sociological theories provides insights into the decision-making process behind credit card usage. The Theory of Planned Behavior suggests that attitudes, subjective norms, and perceived behavioral control influence intentions to adopt credit cards. Behavioral economics highlights the role of cognitive biases, such as loss aversion and present bias, in shaping credit card decisions. Social Learning Theory emphasizes observational learning and modeling, where individuals may adopt credit card usage based on the observed behaviors of others. The Diffusion of Innovation Theory offers insights into the spread of credit card adoption within society. At the same time, the Financial Socialization Theory underscores the influence of early financial experiences and socialization processes on credit card perceptions. Integrating these theories provides a holistic understanding of factors driving credit card adoption, aiding in developing effective strategies for promoting financial literacy and responsible credit card usage.

Conceptual Framework



Literature Review

In Pakistan, Khalid, Butt, Khizar, and Murtaza (2003) conducted exploratory research focusing on the barriers hindering individuals from obtaining credit cards. The study sampled users and non-users of credit cards to identify various barriers impacting credit card usage and adoption. Utilizing statistical analysis, particularly the t-test, the study revealed that demographic factors such as income, age, gender, marital status, occupation, and education significantly influence individuals' perceptions. Moreover, negative perceptions regarding overspending, unpredictable interest rates, lack of knowledge about credit card usage, and security concerns were found to deter individuals from owning or using credit cards.

Wong (2015) conducted a three-part research study in New York. The first part investigated the implications of credit cards on consumers' minds. The second part examined the perception of easy money associated with credit cards and its impact on consumer behavior. The third part analyzed how credit cards lead consumers to spend more than initially intended. Employing a qualitative approach, particularly a psychologically oriented approach, the study conducted interviews revealing that while individuals are enticed by easy access to money anytime and anywhere, they are deterred by the responsibilities and risks associated with credit card usage. Additionally, the study highlighted consumers' tendency to overspend when presented with credit card services, often leading to debt accumulation and subsequent avoidance of credit card usage.

Lim, Chin, and Boo (2014) conducted research in Australia to understand young consumers' perceptions of credit card usage. Using an exploratory approach, the researchers randomly selected fifteen qualitative interviews from young consumers aged 18 to 30. The study revealed that approximately 50% of these individuals faced

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Volume 3, Issue 1, Page 23-40, June 30, 2023

bankruptcy due to credit card usage. Findings suggested that consumers who made purchases using credit cards tended to overspend unintentionally compared to those who used cash or checks. This overspending often resulted in bankruptcy as individuals struggled to repay their debts.

Maheswari and Palaneeswari (2017) conducted a study on customer satisfaction with credit cards within private banks in Sivakasi. The study surveyed 150 customers, examining satisfaction levels across various demographic factors such as gender, occupation, marital status, and age groups. Utilizing the chi-square test for analysis, the study suggested that many individuals found credit card usage complicated, highlighting the need for better education on credit card services, protection against operational and security risks, and clarification regarding the specific purposes of credit cards.

Robert (2008) explored how credit card advertisements influence consumer purchasing behavior in his research study. The study collected data from approximately 150 consumers in Melbourne. Results indicated that the impact of credit card advertising varied among consumers based on their understanding of credit card services and their attitudes toward credit card usage.

In Pakistan, a survey was conducted among individuals holding either no or at least one card. This survey analyzed the demographic factors contributing to card selection. It revealed a positive correlation between income level and credit card ownership. Additionally, variables such as bank names, profession, and regulatory factors, including marketing campaigns, sales, and retailers accepting credit cards alongside cash and interest rates, played pivotal roles in credit card adoption (Ahmed & Ahmed, 2009).

An analytical study utilizing the tri-component (ABC) model reviewed various literature on credit cards. Mansfield and Pinto (2015) analyzed 537 research articles from 1969 to 2012, indicating that credit card spending is influenced by consumers' emotions, behavior, and acceptance. Emotional responses such as control, impulsivity/compulsivity, anxiety, materialism, and self-esteem shape individuals' attitudes toward credit card spending. For instance, self-control was found to directly relate to attitudes towards credit card spending, although not with the level of debt. Materialism findings varied across studies, yielding both positive and negative results. Behavioral attitudes were influenced by the number of cards held, balance availability, debt repayment, and credit card security, which depended on credit card knowledge and experience.

Shakya (2010) investigated consumer behavior regarding credit card usage in India. Using a questionnaire method with 100 respondents, the study concluded that customers were dissatisfied with credit card services. Participants believed credit cards increased expenditure by removing cash shortage concerns, leading to overspending. Additionally, respondents reported falling into lousy debt while using credit cards, contributing to declining acceptability.

A survey among 111 young adult credit card consumers from Indonesian universities revealed tendencies towards overspending due to the convenience of credit cards. Participants acknowledged exceeding their budgeted spending due to the

absence of cash constraints and free usage authority. The study suggested that planned behavior significantly influences overspending on credit cards (Halim, Adiwijaya, Haryanto, & Firmanzah, 2016).

A study on credit card usage and satisfaction among customers in Krishnagiri district (Deviranjitham & Thamilarasa, 2014) utilized multi-stage sampling with 500 respondents. Results indicated higher credit card usage among middle-aged individuals (31-40 years), predominantly males, married individuals, graduates, and employees. Lack of credit card knowledge or reluctance to use credit cards due to potential debt traps were critical factors affecting usage.

An investigative study on credit card consumers' perceptions found a strong correlation between income levels and interest in credit card usage (Ahmed, Amanullah, & Hamid, 2009). Demographic variables such as age groups, income levels, and gender differentiation were employed to derive insights from credit card users and non-users.

Parimala (2001) highlighted the significant impact of credit card marketing, particularly advertising, on individuals in her thesis research. Conducted in Tiruchirappalli, India, her study revealed a lack of awareness among individuals regarding credit cards. Furthermore, credit card holders expressed dissatisfaction with the services offered by banks, attributing this dissatisfaction to inadequate advertisement and publicity. Parimala recommended that issuers focus more on marketing campaigns to address this lack of awareness.

Barboza and Boubacar (2017) investigated financial anxiety and consumer behavior related to credit card repayment in Pennsylvania. Their research, involving 1150 college students from various cohorts, highlighted the influence of demographic factors such as age, education, and income level, as well as behavioral and financial education, on credit card repayment anxiety levels.

Jacob and Thomas (2014) examined the perceptions of selected credit cardholders in Chennai city. Their study suggested that single cardholders were less satisfied compared to multiple cardholders. Additionally, cardholders holding Indian and foreign bank cards demonstrated greater awareness of credit card services, leading to higher satisfaction.

Yong (2013) explored factors affecting spending behavior and attitudes toward money among Malaysian credit card holders. Through a structured questionnaire administered to 150 credit card holders, demographic factors such as age group, gender, income level, and occupation were considered. The results indicated correlations between demographic characteristics and spending behavior, while occupation and qualification showed no significant relationship with spending habits.

Koparal (2014) surveyed bank customers in Eskisehir, Turkey, utilizing stratified sampling among 880 eligible respondents. Employing the Chi-square test, the study revealed that 50% of consumers in Eskisehir used at least one credit card. Additionally, the research highlighted the relationship between demographic behaviors and factors such as self-esteem, default on credit card loans, compulsive buying behavior, and excessive credit card usage.

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Volume 3, Issue 1, Page 23-40, June 30, 2023

Sahoo, Poonam, and Sarkar (2014) identified multiple factors influencing Indian bank credit card holders' brand selection, including income level, target market, brand identity, and advertisement. Their study confirmed that income level correlated with the selection of credit card brand categories.

Amendola, Pellecchia, and Sensini (2016) explored determinants influencing credit card ownership in North and South Italy. Using a count data model, they found that families with higher education levels and larger sizes in North Italy tended to hold more credit cards than those in South Italy. Economic stability and socio-demographic factors like education level and marital status played crucial roles in credit card ownership.

Ullah, Din, Anjum, and Latif (2014) surveyed to understand why Pakistanis hesitate to use plastic money. Based on various demographic factors, their findings revealed that most Pakistanis lacked proper knowledge of plastic money services, harbored misconceptions, and were deterred by poor bank services and insecurities associated with plastic money usage.

Khare and Singh (2012) examined the Multi-Item List of Values (MILOV) control properties for credit cards, including customer age, gender, lifestyle, credit card usage, usage patterns, and, among Indian consumers, credit card status. Their findings suggest that demographic factors and MILOVs' personality characteristics are decisive in credit card ownership. Additionally, he emphasized the importance of ease of use of credit cards to increase consumer confidence and encourage credit card adoption.

Nyatsambo (2018) observed that plastic money has become a substitute for traditional currency among Zimbabweans. The study examined security concerns associated with plastic money transactions using a random sample of 300 respondents and chi-square tests. The results show that Zimbabweans prefer ATMs and debit cards for security reasons.

Nagaraju (2017) emphasized the importance of plastic money in enabling instant payments without worrying about late fees or bounced cheques. In a study conducted on consumer perception and awareness of plastic money in India, most residents preferred ATM cards over credit or debit cards due to the lack of risk of debt.

Saralitha (2016) examined factors influencing consumer attitudes toward credit card use among Sri Lankan university faculty members. The study used Google Forms to assess aspects such as knowledge of credit cards, their utility, and functions. Multiple regression tests revealed that individual intentions to use a credit card were influenced by perceived usefulness and experience. In contrast, the purpose of using a credit card and the availability of information influenced attitudes.

Bukhari, Ashraf, and Qureshi (2015) developed a structured questionnaire for a convenience sample of 300 credit card users and non-users in Pakistan. Their study identified several variables that hinder the acceptance and use of credit cards among the Pakistani population, including security concerns, religious beliefs about interest, and high financial costs. They emphasized the need for increased brand promotion and attention from the financial sector to overcome these barriers.

Palan, Morrow, and Blackburn (2011) aimed to present a new measure of vulnerability to credit card abuse and indebtedness among young credit card holders (aged 18-25) in Malaysia, Singapore, and the UK. Their research focused on factors contributing to compulsive buying behavior and credit card misuse among college students. The results indicated a direct link between compulsive buying behavior, credit card abuse, and indebtedness among young consumers, highlighting the need for interventions to address these issues.

Credit Card

According to Houghton (2009), credit cards are the category of plastic money that allows individuals to buy objects if they are out of cash (paper money). It is a standard method of payment worldwide that enables customers to purchase goods and services on a credit basis, and its payment can be made sometime in the future.

Origin of Credit Card

Plastic money consumption in the United States began in the 19th century; large businesses, such as hotels or oil companies, used cards to make payments for business transactions. According to Jacob and Thomas (2014), in February 1949, a man named Frank McNamara went to dinner with his wife and colleagues in a New York restaurant. At the time of payment, he discovered that he left cash in another suit. From that day, he came up with an idea to present the world's first card. After one year, he explained that first card to the same restaurant where he had an idea. He named that card The Diners Club.

Credit Card Usage in Pakistan

Habib Bank Limited, the country's first and most prominent bank, first introduced credit cards. Credit card usage in Pakistan gained much popularity, especially when the Credit Gold Card was launched by Habib Bank a couple of decades ago. After the Gold Card in the 1990s, Citibank attracted aggressive marketing, a vast investment amount, and lots of customers diverted to Citibank's new Visa Card product. This product made Citibank a leader in Pakistan's banking industry and proved a significant turning point in Pakistan's credit card history.

There are various types of Credit Cards in Pakistan that you can select from; these types can depend on your family income, living style, and according to your family needs.

Some of the credit cards offered by different banks in Pakistan are:

- World MasterCard Credit Card
- Cash + Shop Visa Debit Card
- Platinum Visa Credit Card
- Titanium MasterCard
- VISA Gold & Classic Credit Cards

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Volume 3, Issue 1, Page 23-40, June 30, 2023

- mc2 Credit Card
- Air Blue Credit Card
- Green Credit Card
- FuelSaver Credit Card
- Galleria Card
- PSO Auto Credit Card

Different banks offer all these cards and contain different credit criteria; among them, some of the cards might provide you with extra benefits on travel, some of them help you in doing good shopping, or some of them, such as PSO Auto Credit Card or FuelSaver Credit Card, give you a discount on fuel. These cards have different qualities, so you can pick one that fits your needs.

According to the statement of the State Bank of Pakistan (SBP), in March 2018, the total number of plastic cards that are issued in Pakistan had reached 40.1 million by 31st March 2018; this value increased by 1.8% from 39.3 million, which is the result SBP got from the previous quarter of 2017.

Credit Card edges range from PKR 25,000 up to PKR 2,000,000, based on your family income and financial situation. The payment for the bill Credit Card must be paid monthly; the banks give you at least 20 to 25 days for your bill payments after the due date. If you fail to pay the entire bill within the due date, the markup charges will be added to your actual bill amount. The markup charge in Pakistan ranges from 37- 43%.

Consumers Perception and Attitudes Towards Credit Card

College Student's Usage

Lim and Chin research young consumers' use of credit cards. The result of their study finds out that credit cards have a negative consequence on young consumers as they don't understand credit cards' disadvantages. The most negative impact is overspending, where the youngsters spend freely on cards, and their parents pay the bills for the cards. Parents also learn about the over-usage of money at the end of the month when they receive bills. Furthermore, youngsters believe that owning credit cards makes a good impression on other fellows as they can show off their high-income status.

Motivational Policies

Many banks offer benefits to consumers of credit cards as an incentive to increase their number of customers. These benefits contain different point rewards, airline discounts, installment payment plans, and discount packages. Consumers have faith in credit card companies that they offer them attractive rewards. According to Chakravorti's (2003) study, consumers say that credit cards provide them with some exchange gifts without demanding excessive money from their pockets; these gifts

create perceived value that attracts customers and makes them spend more by credit cards.

Methodology

The goal of this study changed to expand a complete know-how of human perceptions and attitudes closer to credit scorecard attractiveness in the context of Karachi, Pakistan. The observation was carried out using a pass-sectional design concerning three hundred respondents, divided into agencies - humans with credit score playing cards and people without credit score cards. Fair illustration of the populace changed into ensured via using convenience and stratified sampling techniques that considered different factors along with profit level, age, circle of relative's length, perception of rewards, hobby quotes, and credit playing cards. Security risks associated with use.

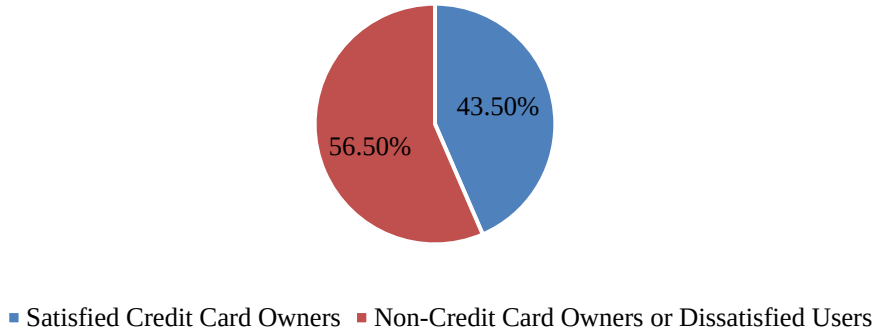
For the fact's series, dependent interviews and surveys were carried out to accumulate applicable demographic information and recognize individuals' perspectives on credit cards. Throughout the investigation, moral concerns were given significance, and all necessary steps were taken to ensure knowledgeable consent, confidentiality, and compliance with moral principles.

The Statistical Package for the Social Sciences (SPSS) began to facilitate data evaluation via calculating descriptive information and speculation tests to identify broad relationships and differences. Despite the constraints of the move-sectional nature of the research and sampling bias, the methodology was supposed to offer meaningful insights into the dynamics of credit card adoption in Karachi. Overall, this look aims to maintain moral integrity and rigor by imparting valuable information about human attitudes and practices closer to credit scorecards in Karachi, Pakistan.

Analysis and Interpretation

This research study has been conducted to analyze and compare individuals' perceptions and behavior toward credit card adoption and usage. A structured questionnaire was prepared and distributed to 300 respondents to collect data for analysis, of which 250 were returned. However, only 230 were deemed suitable for further study, as 20 forms within the collection were inappropriate and incomplete. The sampling technique used for data gathering is convenient sampling. Descriptive statistics were used to provide a simple summary presented in pie charts, depicting percentages of the questions asked by respondents, which identifies the different characteristics that can affect individuals' attitudes. Respondents for this research have been divided into two groups: one represents individuals who have and use credit cards, while the other represents non-users of credit cards.

Figure 01: Credit Card Ownership and Satisfaction



According to Figure 01, it can be concluded that 43.5% of the respondents are individuals who have credit cards and are satisfied with their usage. In comparison, the remaining 56.5% are individuals who do not possess credit cards or have stopped using them due to various issues they face while owning cards.

Figure 02: Gender Proportion

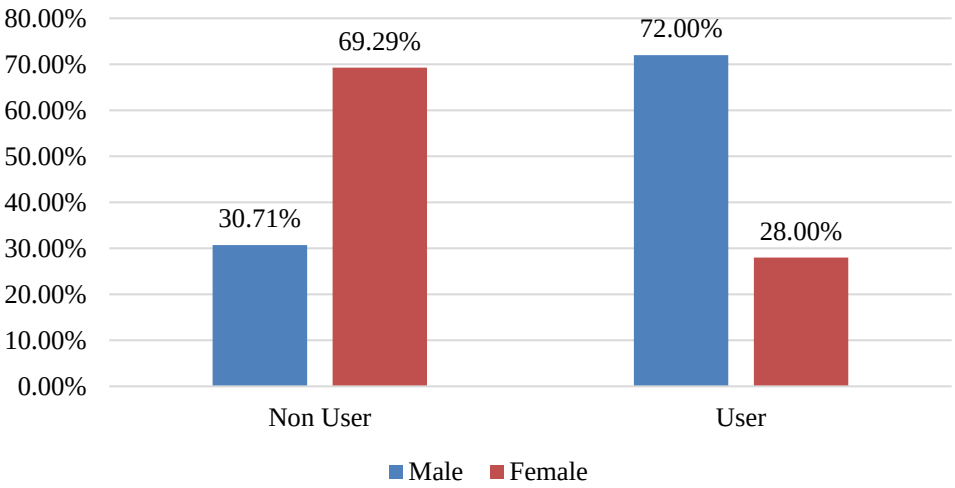


Figure 2 illustrates the gender disparity among respondents and aims to determine whether gender inequality influences perception factors. As depicted in the graph, 72% of the respondents are males who utilize credit card services, while only 28% are female credit card users. Studies by Khalid, Butt, Khizar, & Murtaza (2003) and Deviranjitham & Thamilarasa (2014) also indicate a higher tendency for males to use credit cards compared to females. This suggests that in Pakistan, males typically bear the family's financial responsibility.

Figure 03: Age groups of respondents and their credit card usage

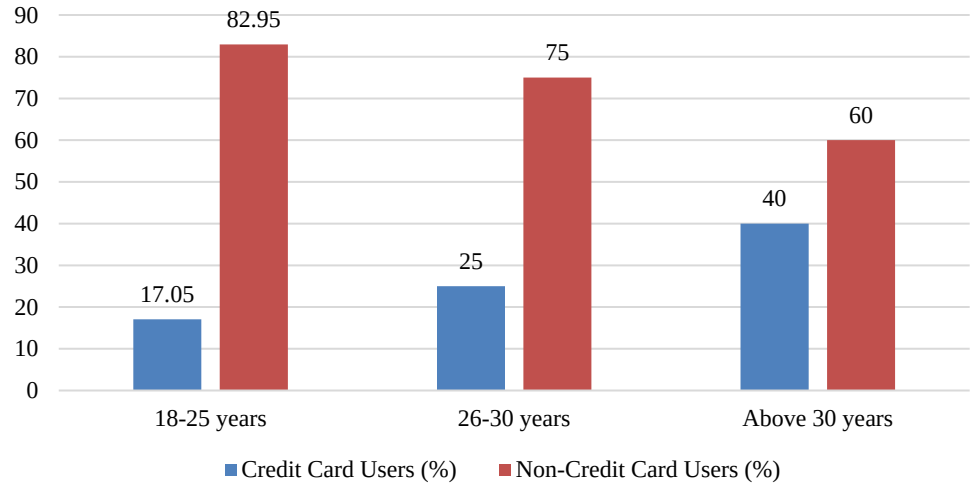


Figure 3 depicts the distribution of respondents across different age groups. The majority, comprising 82.95%, belong to the young age bracket (i.e., 18-25 years), with 17.05% being credit card users. Previous research has also indicated that while younger individuals may initially own credit cards, their limited knowledge and lower income levels, often restricted to pocket money, hinder their usage. On the other hand, 65% of respondents aged 26 years and above utilize credit cards, with 25% falling within the 26-30 age range. Moreover, the majority, constituting 40%, belong to the age group above 30 years, suggesting that they are more likely to responsibly own and use credit cards due to their maturity and financial stability.

Figure 04: Marital status of respondents and their credit card usage

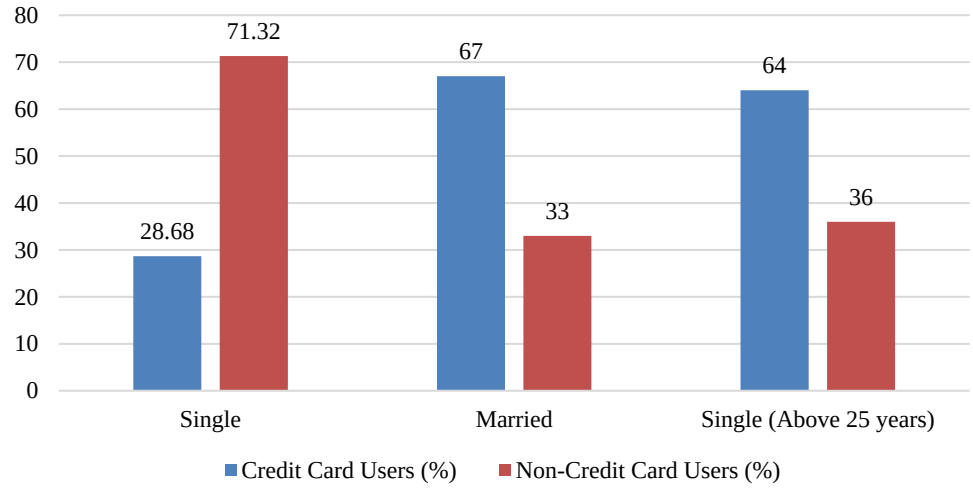


Figure 4 illustrates that single individuals living alone use credit cards less frequently, with 71.32% of respondents stating that they do not use credit cards. This majority consists primarily of individuals aged 18-25, who are typically young and

reliant on financial support from their parents due to their limited income. Conversely, 33% of married respondents reported using credit cards, as the financial responsibilities of marriage often necessitate alternative means of financing expenses. Additionally, 36% of credit card users are single individuals above 25, indicating that their age and income levels enable them to own and use credit cards more responsibly.

Figure 05: Influence of income on credit card ownership

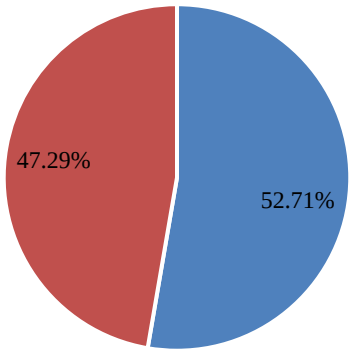


Figure 5 highlights the significance of income in the issuance of credit cards. It is evident from the figure that individuals do not have credit cards because of their low income, with 52.71% of respondents citing this as the main deterrent. Conversely, individuals with higher income levels may be influenced by various other factors, such as security concerns or unpredictable interest rates.

Figure 06: Reasons why individuals do not use credit cards

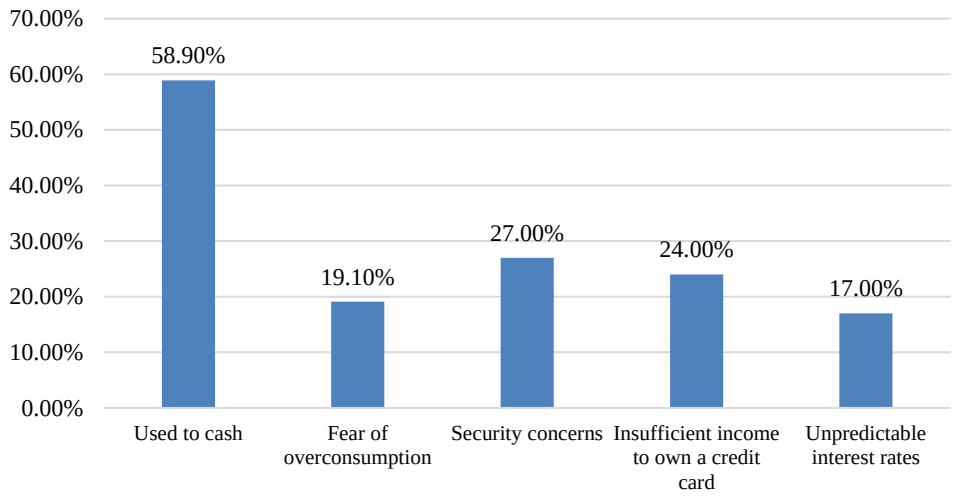


Figure 6 provides a summary of the reasons why most individuals do not use credit cards. Most respondents (58.9%) indicate they are accustomed to using cash. In comparison, 19.1% believe that credit cards lead to overconsumption due to the lack of concern about available funds while shopping with card access. Additionally, 27% of respondents express security concerns, fearing potential financial loss if their card is lost or stolen. Another 24% attribute their lack of credit card ownership to insufficient income, while the remaining 17% cite unpredictable interest rates charged by credit card companies, which can lead to debt traps.

Figure 07: Reasons individuals use credit cards

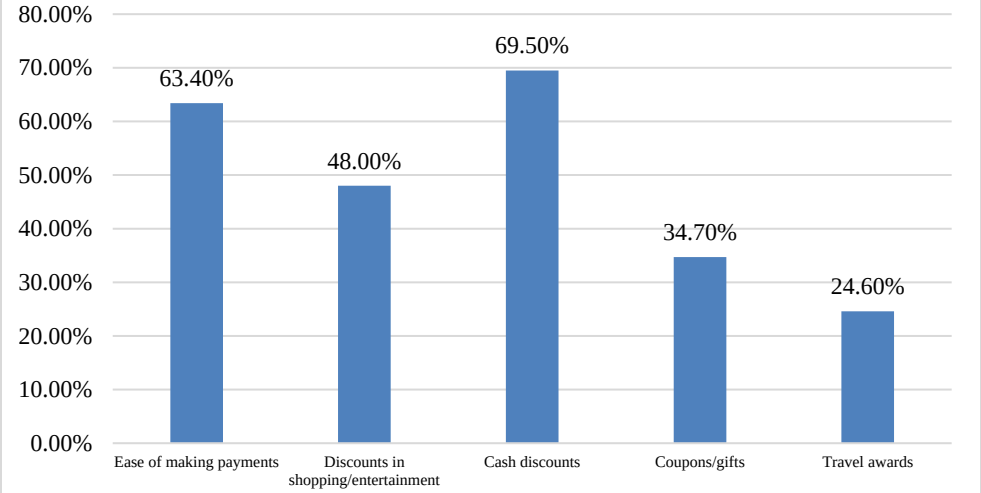
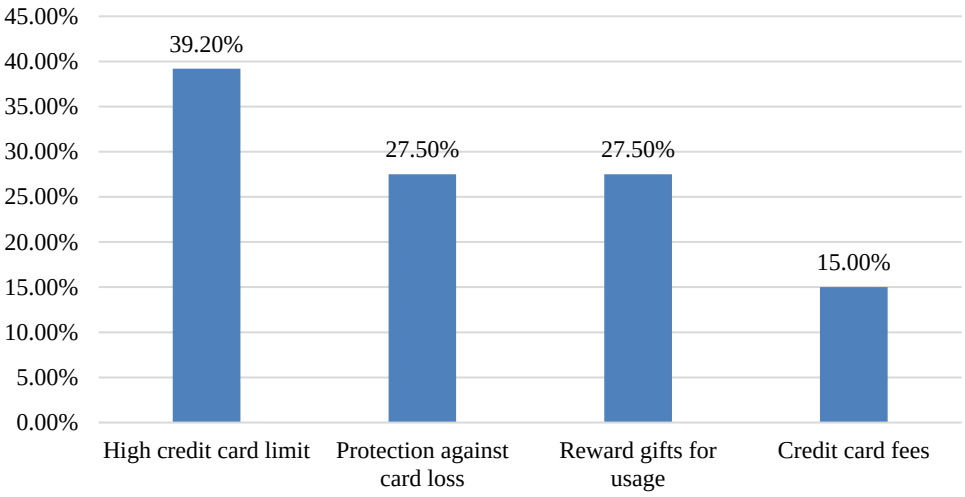


Figure 7 suggests that the majority (63.4%) of respondents use credit cards because they find it convenient for making payments. Additionally, 48% of respondents mention receiving discounts while shopping or during entertainment activities as an incentive for credit card usage. Specifically, 69.5% of respondents receive cash discounts, 34.7% receive coupons or gifts, and 24.6% receive travel awards, which motivates them to own and use credit cards.

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Volume 3, Issue 1, Page 23-40, June 30, 2023

Figure 08: Concerns of individuals while adopting credit cards



When adopting credit cards, individuals consider various factors. Figure 8 illustrates that 39.2% of respondents are concerned about the high credit card limit, while 27.5% worry about the protection they receive in case of card loss. Similarly, another 27.5% of respondents use credit cards solely because of the rewards or gifts offered. Additionally, 15% of respondents are concerned about credit card fees.

Significance

Financial Institutions can leverage the findings to facilitate technology transfer and better prepare new entrants for the challenges of the credit card market. Bank managers stand to gain insights into customer satisfaction and usage patterns, enabling them to tailor services to meet customer needs effectively. Additionally, the government of Karachi can use the research outcomes to craft policies supporting the credit card industry, enhancing the city's economic infrastructure, and promoting financial inclusion and economic growth.

Conclusion and Findings

This study aims to uncover the factors influencing individuals' behavior and perception regarding adopting and using credit cards. By analyzing credit card and non-user responses, the research seeks to identify critical drivers shaping consumer decisions in this context. It is evident from the exploration that demographic factors play a significant role in influencing behaviors. Preferences vary across different age groups, and income level is a crucial determinant of card ownership. Family size can also affect an individual's decision regarding credit card usage.

Furthermore, the study highlights financial costs such as high interest rates, additional charges, and unsatisfactory credit limits as deterrents to credit card adoption and usage. Moreover, incomplete information about card usage and security risks are identified as contributing to consumer reluctance. On the other hand, enticing reward schemes may incentivize increased usage of credit cards.

Recommendations

The study underscores a prevalent concern among individuals regarding the safety of credit card transactions. To foster greater adoption of credit cards, it is imperative to prioritize the security of these transactions. Implementing robust security measures and ensuring transparency in transaction processes can help alleviate customer apprehensions and instill confidence in the usage of credit cards.

Moreover, enhancing awareness among individuals about the myriad benefits of credit cards is crucial. Organizing awareness programs such as workshops, seminars, and research conferences can serve as effective platforms to dispel misconceptions and educate individuals about the advantages of using credit cards. By elucidating the potential benefits, individuals may be more inclined to embrace credit card usage as a viable financial tool.

Furthermore, addressing concerns related to fees and fluctuating interest rates is paramount. Establishing a transparent fee structure that delineates charges and hidden fees can mitigate apprehensions surrounding credit card usage. Providing individuals with comprehensive information regarding fees and interest rates empowers them to make informed decisions and fosters trust in the credit card system. By enhancing transparency and clarity, the credit card industry can engender greater confidence and promote widespread consumer adoption.

Limitations of the Study

Several limitations constrain this research paper. Firstly, using the convenience sampling method may introduce bias and limit the sample's representativeness. Secondly, variability in responses and incomplete questionnaires could affect the accuracy and reliability of the data collected. Thirdly, constraints in time and financial resources may have hindered the depth and scope of the study, potentially limiting the comprehensiveness of the findings. Finally, the limited context and sample size may restrict the generalizability of the results to a broader population.

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