



**FACTORS AFFECTING THE CUSTOMER'S DECISION  
IN CHOOSING PERSONAL CREDIT CARDS IN  
THAILAND**

**BY**

**MR. JATUPOOM PRACHYANGPRECHA**

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL  
FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF SCIENCE PROGRAM IN MARKETING  
(INTERNATIONAL PROGRAM)  
FACULTY OF COMMERCE AND ACCOUNTANCY  
THAMMASAT UNIVERSITY  
ACADEMIC YEAR 2015  
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INDEPENDENT STUDY

BY

MR. JATUPOOM PRACHYANGPRECHA

ENTITLED

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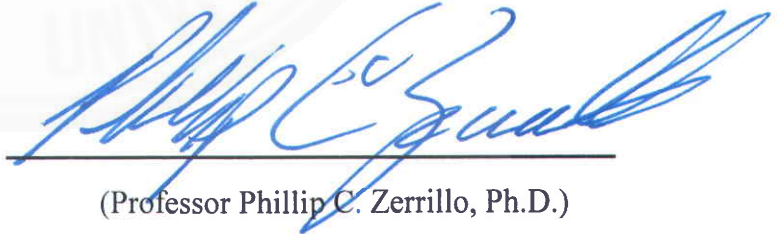
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## **ABSTRACT**

Personal credit cards in Thailand have gained popularity during the past decade. The growth in demand has created intense competition among card issuers. There have been several product launches, aimed at attracting customers to adopt and purchase more through personal credit cards.

This study aims to identify key factors that influence personal credit card adoption and to identify needs, wants and adoption decision of personal credit card. To obtain the required data, both primary and secondary research was conducted using a series of exploratory research steps which consists of interviews and descriptive research step which consists of surveys. Data gathered from secondary research and interviews was used for the development of questionnaires before findings are analyzed and concluded per study's objectives.

**Keywords:** Credit card, Customer's decision, Customer's needs and wants

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Mr. Jatupoom Prachyangprecha



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## CHAPTER 1

### INTRODUCTION

#### **Background**

Thailand was first introduced to personal credit cards approximately 46 years ago by Diners Club (Thailand). In the early stages of introduction, credit cards was not well accepted by Thai society due several reasons such as lack of awareness and understanding of products and benefits offered by card issuers. As the world evolves, financial market became more advanced and offered wider range of products. Supported by development technology and surge in consumer demands, credit card became widely accepted causing market to become highly competitive for card issuers.

Under Thai regulations, the credit card issuers can be foreign or local banks such as Kasikornbank, Siam Commercial Bank and Citibank or non-banks such as Aeon and Easybuy. However, the card issuers must acquire approval and be under supervision of the Bank of Thailand. As of December 2015, there are 14 bank card issuers. (Bank of Thailand, 2015).

The personal credit card market in Thailand is one of the most attractive markets for financial institutions given high growth potential. As of June 2015, there are 20,820,059 personal credit cards issued in Thailand, an increase of 39 percent from 14,925,400 cards as of June. As for credit card usage, the value of usage as of June 2015 is THB 139bn, an increase of 18 percent when compared to THB 118bn as of June 2013 (Bank of Thailand 2015).

Company	Number of cards	Percentage of market share
Krungsri Bank	3,200,000	19%
Kasikornbank	3,100,000	19%
Siam Commercial Bank	2,600,000	16%

Aeon	2,200,000	13%
Bangkok Bank	1,750,000	11%
Krung Thai Bank	1,570,000	9%
Citibank	1,300,000	8%
United Oversea Bank	600,000	4%
Thai Military Bank	250,000	2%
Total	16,570,000	100%

Table 1: Market share by number of cards as of 2013 (Marketinfo, 2015)

Table 1 shows market share categorized by major card issuers. The information provides some insights to the competitive landscape of the market. It can be seen that the top players in the market have similar levels of market share of around 10-20 percent, as the market is dominated by local banks. Foreign bank branches, Citibank, and non-bank like Aeon also earned top spots among local banks.

### **1.1 Problem Statement**

Given a high competitive nature of credit card market, card issuers bear excessive marketing expenses such as advertising, promotion/point costs, sales/commission and referral costs. Additionally, credit card users and potential users' needs and wants can be complex. Translation of those factors into marketing strategy can help improve the competitive edge.

### **1.2 Objectives of this Study**

Motivated by the lack of attention, this study aims to create a better understanding of the personal credit card market by examining the following areas. First, the objective is to identify keys factors which influence personal credit card

selection. And secondly, to identify needs, wants and adoption decision of personal credit card users and potential users.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **Contemporary Topic Description**

This study is a contemporary topic in applied marketing, pursuing the knowledge in the subject of society. The information gathered from the literature reviews will be used for analysis and development of primary research and to gain insights into credit card usage and adoption.

The section will be divided into two parts. Firstly, the academic literature, which has widely emphasized the area of consumer behavior with regards to credit cards adoption and usage. Secondly, this study analyzes the related online and offline articles.

#### **2.1 Academic Literatures**

There have been many research studies on the attitude and behavior of credit card usage as well as the promotion activities offered by card issuers to attract subscription of new credit cards. However, the findings do not conclude a certain single factor that triggers the behavior but rather other several things.

Credit cards plays an important role in replacing traditional buying behavior from cash to credit terms. (Plummer, 1971), conducted a study using analysis of subjects' lifestyles to identify credit card users demographic. It was found that credit card users are widespread among many demographic segments, however, results are more noticeable for better-educated, middle-aged and professional segments. As for the subjects' lifestyles, the results show that the active, upper socio economic, urban-suburban lifestyle and lifestyles with many interests outside the home, are the most significant.

Many earlier studies have focused on income as a behavioral indicator of social class membership. (Martineau, 1958), provided a more in-depth dimension from traditional views by using consumption patterns as a symbolic measure on class membership. Based on this concept, (Mathews, Slocum, & Jr, 1969) applied the concept to credit card users. The conclusion of the study showed that credit card users

classified as installment users representing the lower class have different usage patterns when compared to convenience users, which represent the upper class. The lower class is usually “in favor of instant spending” buys more expensive models and purchase in immediate needs such as car accessories and flashy clothes. The upper class behavior, on the other hand, follows a theory of deferred gratification (Schneider & Lysgaard, 1953) which emphasizes on saving money and postponing purchases. This group of credit card users use their cards for convenience (the study covers purchases such as swimming pools, hobbies, entertainment etc.)

(Mathews, Slocum, & Jr, 1969), also made a conclusion that the lower class uses their cards to express their aspiration for status, while the upper class uses theirs to fulfill their needs for distinction and achievement.

Another aspect of factor, which may influence credit card adoption and explain needs and wants of credit cards users, is the attitude towards using credit. (Chien & DeVaney, 2001), Using the theory of reasoned action proposed by (Fishbein & Icek, 1974) and possibly theory of hierarchy of effects (Krugman, 1965), explained that favorable attitude towards using credit can be used to predict the extent of use of credit cards. The psychological effect of the credit card expands beyond the attitude towards using credit facilities, (Prelec & Simester, 2001) found that using credit card instead of cash can increase the willingness to pay by 50-200 percent. The study refers this effect as a credit card premium.

It is important to note that not all studies say that the credit card adoption is solely driven by self-initiated desire. (Warwick & Mansfield, 2000), Indicated in their study on college students that only 15 percent of the students requested the credit card application, 37 percent received the credit card application via unsolicited mail and another 33.6 percent received the credit card application on campus. This suggested that credit card issuers play an important role in credit card selection process. Thus there is an activation component that drives adoption.

From the past literature reviews listed above, gaining an understanding of the attitude and behavior of credit card users as well as how credit cards are selected is important. It provides this study a starting point to explore keys factors which influence personal credit card selection. We have also learned some fundamental needs and wants of credit card users.

## **2.2 Online and Offline Articles**

Given current market conditions, many card issuers are competing to win new customers by several attractive methods such as launching a new brand of card that targets a specific group of users with different income bracket or lifestyles. In 2015, Krungsri Bank released a new card called Krungsri First Choice Visa Platinum, aimed to target office employees with income above 15,000 THB per month. To attract this group of customers, Krungsri Bank offered a promotion of 0% financing with 3 installments as well as other discounts with the co-outlets. The bank is targeting to issue 150,000 cards by the end of 2015 (Sanook, 2015). This heavy marketing plan was developed to attract specific lifestyles and can be seen in many other cases such as Citi new Prestige card that targets affluent customers that travel frequently. Within a few months after its launch, the bank management has set targets to issue 30,000 cards within 2015 (Pinijparakarn, 2015).

In addition to marketing attempts to attract adoption of cards, some articles suggest using a more aggressive approach to cross sell financial products through banking channels by creating a one stop service based on trust to maximize potential revenue, (Pipatpokakul, 2015) and (Ramshaw, 2015).

(Kraipruksri, 2015), Stated that in selecting credit card, an annual fee plays a significant part of the adoption decision as a majority of customers seek cards with no annual fee. Other factors include high incentives on promotion such as 0% installments and co-retailer discounts. This paper suggests various methods for increasing card adoption, and suggest card issuers stress differentiation by strengthening their relationships with the co-retailers to promote products and services to support an individual lifestyle.

In summary, we learned there are several factors that may influence the customer's decision in adopting a credit card. It can be the needs to use credit facilities to obtain certain goods or services that they feel they want at that moment or for the reason of convenience. These behaviors can be determined at the demographic level and characteristics such as level of income or social classes.

We also observed the importance of credit card offers that fit users' lifestyles and how the right promotion can contribute to higher rate of adoption and usage. Lastly, sales attempts such as unsolicited mail and sales booth may have the influence on subscription.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

To obtain the required data, both primary and secondary research were conducted. The objective of each research method was as follows;

#### **3.1 Secondary research**

The objective of the secondary research is to gather and identify information on the personal credit card industry status, stage of adoption, adoption behavior and previous academics findings to develop research hypothesis. The information was obtained from the following offline and online media sources;

Industry Overview: The information was gathered through published sources and websites. For example, the Bank of Thailand, industry/association reports, banks and payment network's websites.

Literature review: The information was gathered through academic journals, news and published articles and books.

#### **3.2 Primary research**

After the secondary research was conducted, an in-depth interview was carried out to identify consumer insights. In the study, ten people were interviewed with the main questions involving criteria in personal credit card adoption decision, what triggers the use of credit card and credit card users' needs and wants when considering personal card adoption. The questions were open-ended questions. The interviewees were divided into two groups; 1. Five interviewees aged 25-40 years old and 2. Five interviewees aged 41-55 years old. An example of the list of questions is provided in Appendix A.

##### **3.2.1 Descriptive research**

For descriptive research, the questionnaire was constructed and given out to at least 100 target respondents. The cover letter and respondent manual, including definitions, are provided in Appendix B. The questionnaire was composed of four parts as follows;

1. Screening Questions



2. Customer Adoption Process
3. Customer Needs and Wants
4. Demographic Information

The information obtained from the exploratory research was used to develop corresponding questions in the questionnaire. After the results were collected, the data was analyzed using the Statistical Package for Social Sciences (SPSS). The objective of the descriptive research was to identify the following.

1. Key factors which influence personal credit card selection
2. Needs, wants and adoption decision of personal credit card user and potential user

The variables applicable to this study are 1. Independent variable – characteristics of personal credit card consumers such as age, income and gender 2. Dependent variable - factors that influence adoption of personal credit cards such as awareness, co-promotions and fees.

### **3.2.2 Data collection**

The data collection procedure was based on convenience sampling focusing on the target respondent profile as follows:

1. Working males and females between 25-55 years old
2. Respondents must be users of at least one credit card, excluding supplementary cardholder
3. Socioeconomic Status (SES) as defined by the National Statistical Office of Thailand (NSO)
  - A: Monthly household income of 85,000 baht or more per month
  - B: Monthly household income of 50,000 to 85,000 baht per month
  - C: Monthly household income of 18,000 to 59,000 baht per month

The respondents passed the screening questions in order to be eligible for participation of the survey questionnaire. The questionnaire was expected to be completed in ten minutes.

The questionnaire was distributed through online and/or offline channels. For the online channel, the questionnaire will be shared via email and community

websites such as [www.pantip.com](http://www.pantip.com). For the offline channel, the area of distribution was in the central areas of Bangkok namely Siam, Sathorn, Asoke, Silom, Ladprao, Ari etc. in various places with high population density such as community malls, shopping complexes and offices to ensure a variety of responses.

### **3.3 Limitations of the study**

The limitations of the study are as follows;

1. Given limited time and resource constraints, this study was conducted using a convenience-sampling method. This means the result of market research can be subjected to selection bias stemming from sampling errors.
2. The location of this study was based within the Bangkok area and may not represent the entire Thai population.
3. The market research was based on a limited number including ten in-depth interviewees and a minimum number of 100 questionnaire respondents.
4. The selection criteria for market research were based on people who own at least one credit card excluding supplementary cards. The respondent must also use the card at least once in the past 3 months. Those who did not fall into the criteria were excluded from being a part of this research.

## CHAPTER 4

### DATA ANALYSIS AND RESULTS

#### **4.1 Key findings from exploratory research**

##### **4.1.1 Secondary research**

According published sources, articles and websites the following are key findings;

- From information observed credit card issuers have similar marketing strategies in looking for new credit card subscription. In achieving the awareness a few strategies identified included: friend referrals, signs and posts through co-retailers and outlets, advertising and others.
- The customer touch points for sales channels included bank branches, temporary booths, telesales and online queries.
- Some promotion strategies to encourage adoption included the use of premium goods upon signing up or first time card usage (For example giving a free travel bag). The credit card issuers may provide other one-off incentives such as extra redemption points or extra cash back on the first bill.
- The key differentiation for each card issuer is its unique credit card scheme and exclusivity. The credit card scheme refers to an arrangement that card issuers have with selected corporations or stores that allow credit card users to utilize the promotion when using the card such as point redemption, discount and, or, free product/service with the selected stores.

The following are highlighted needs and wants identified during secondary research for credit card users;

- Credit card users are looking for a credit card that fits their spending habits. This includes having promotions in the shop that credit card holder's often attend.

- No annual fee and low interest rate also an important factor as now most of the credit card offer no annual fee products and those who make minimum payment are sensitive to the interest rate charge.
- Easy and convenient repayment of the credit card bill. The credit card users want to have several channels of bill payment such as through branches, service counters and internet banking.

#### **4.1.2 In-depth interview**

The in-depth interviews were conducted on 10 people with the main questions involving criterions in personal credit card adoption decision, what triggers the use of a credit card and what are the credit card user's needs and wants when considering personal card adoption. The interviewees were divided into two groups 1) Five interviewees aged 25-40 years old and 2) Five interviewees aged 41-55 years old. All of the interviewees are credit card users and have been through a credit card application processes. The followings are key findings from the interviews;

##### **Awareness and adoption of credit card**

The respondents provided mix responses on how they became aware of their credit cards from friend's recommendations, advertising, online search and branches sales representative. Telesales were noted to be mentioned the most as card issuers can provide respondents with information respondents are seeking such as card features?, promotions and premium goods. The respondents stated if they are interested in applying for the credit cards they will approach bank branches or else contact telesales personnel.

##### **Purpose of credit card adoptions**

The respondents provided reasons for which they adopted credit cards as follows:

##### **1. Functional benefits**

Promotions and discount – all respondents are seeking benefits from credit card promotions through point exchange or non-point exchange schemes such as discount at selected stores, cash back and free samples. It was highlighted that some respondents are more attached or inclined to apply for a credit card if that credit card provides specific benefits that fit their lifestyle such as cards that have unique feature

for mile collections or exclusively co-branded with certain shops such as Central store.

Credit line and convenience – Some respondents are more inclined to choose credit card features to delay payment obligations, cash substitute and have the card for back up when cash is not sufficient.

#### 2. Premium goods

Free gift upon application of credit card or first use of credit card attracts respondent to apply such as free travel luggage and extra cash back can also lead to card applications.

#### 3. Emotional benefits

Although only 1 respondent stated that credit card brand is very important to him as getting an exclusive card make them more incline to accept the card. All respondents felt that credit card brands can signify certain social status upon card user.

Other desired characteristics of credit cards

No annual fees, privileges, no interest installment and double points.

Additionally, it was found that not only card brand is important some respondent found issuing bank brand is also important as they believe it will help the recognition of their credit card if it is being issued by a better known bank's brand.

## **4.2 Key findings from descriptive research**

The data were collected from 147 respondents. All of the respondents currently have at least one credit card and have been through credit card application process. The respondents have also used credit card in the past 3 months. The statistical methods adopted in this paper includes frequency distribution, t-test, Pearson's chi-squared, Cramer's V and Cronbach's alpha. The level of significance is set at 0.05 or 95% confident level for all significant tests.

### **4.2.1 Respondent's profile**

Demographic characteristics	n	Percentage
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<b>(n=147)</b>			
Gender	Male	62	42%
	Female	85	58%
Age	24 and below	0	0%
	25 - 40 years old	113	77%
	41 - 55 years old	34	23%
	More than 55	0	0%
Education level	High school	0	0%
	Bachelor degree	60	41%
	Master degree	86	59%
	Doctoral degree	1	1%
Occupation	Student	0	0%
	Corporate employee	102	69%
	Government employee	17	12%
	Entrepreneur	28	19%
	Self employed	0	0%
	Unemployed	0	0%
Monthly income	Less than 20,000 Baht	1	1%
	20,001-35,000 Baht	25	17%
	35,001-50,000 Baht	30	20%
	50,001-65,000 Baht	28	19%
	More than 65,000 Baht	63	43%
Marital status	Single	110	75%
	Married with children	25	17%
	Married without children	12	8%
	Divorced	0	0%

Table 2: Demographic characteristics of respondents

From the total of 147 respondents 58% are female respondents while 42% are male. The age of respondents are 77% between 25 to 40 years old and remaining 23% are 41 to 55 years old.

Of all respondents, 59% of the respondents have a highest education level at Master degree, while 41% have Bachelor degree and only 1 % have Doctoral degree. Given 6 types of occupations, 69% are classified as a corporate employee and the rests are entrepreneur and government employee at 19% and 12%.

The monthly income ranges were provided to the respondents 43% reported incomes of more than 65,000 Baht, 20% reported incomes in the range 35,001 to 50,000 Baht, 19% selected 50,001 to 65,000 Baht, 17% for 20,001 to 35,000 Baht and 1% for income less than 20,000 Baht.

For marital status of the respondents, 75% are single, 17% are married with children and the remaining 8% are married without children.

#### **4.2.2 Respondent's product profile and payment option**

<b>Respondent's product profile</b>		<b>n</b>	<b>Percentage</b>
Number of credit cards owned	1	18	12%
	2	42	29%
	3	18	12%
	4 or more	69	47%
Monthly use frequency	Less than 1 times per month	4	3%
	1-3 times per month	27	18%
	4-6 times per month	40	27%
	7-10 times per month	34	23%
	More than 10 times per month	42	29%

Table 3: Frequency distribution of respondent's product profile

All respondents were asked questions about their credit cards and payment behavior. Out of all respondents 47% have 4 or more credit cards, 29% have 2 credit cards and an equal number of respondent (18 people) or 12% having 1 and 3 credit cards. While the frequency of use ranges between less than 1 times per month to more than 10 times per month. 29% of total respondents use their credit card more than 10 times per month, follow by 27%, 23%, 18% and 3% for 4-6 times per month, 7-10 times per month, 1-3 times per month and less than 1 times per month.

Respondent's payment options		n	Percentage
Payment options	Full payment	111	76%
	Partial payment	32	22%
	Minimal payment	4	3%

Table 4: Frequency distribution of respondent's payment options

Table 4 shows respondent's payment options. The respondents can make a full payment and hence do not have to bear interest rate or partial payment and minimal payment given interest rates on the unpaid amount. Out of 147 respondents, 111 people or 76% usually make a full payment. 22% make a partial payment while 3% make a minimal payment.

#### **4.2.3 Adoption process and factors influence credit card selection**

		n	Percentage
Channel which create awareness	Bank Branch sales representative	29	20%
	Telesales representative	7	5%
	Friends or family	51	35%
	Booth sales representative	16	11%
	Co-retailers/outlets signs and posts	6	4%
	Card issuer advertisement	35	24%



	Bank website	3	2%
Most important information	Card special features and schemes	63	43%
	Fees and charges	44	30%
	Promotion details	40	27%
Channel for seeking further information	Bank Branch sales representative	47	32%
	Telesales representative	16	11%
	Booth sales representative	19	13%
	Online sources (Card issuer's website)	93	64%
	Friend and family who have experienced	6	4%
	Web board & Online Communities	1	1%
Channel for credit card application	Bank Branch sales representative	98	67%
	Telesales representative	35	24%
	Booth sales representative	42	29%
	Online or Bank invitation	7	5%

Table 5: Frequency distribution of channels and information seek by credit card users

This section shows the channels where respondents became aware of the credit card, where they sought information and the channel which they applied for the credit card. The majority of the respondents, 35%, became aware of the credit card through friends or family. While the second most answered channel is through advertisements at 24% and 20% through bank branch sales representative.

The information that is most important for respondents are card special features and schemes by 43%, follow up fees and charges at 30% and lastly promotion details at 27%. However, most respondents seek further information dominantly through online sources at 64%. While the second most popular channel is through a bank branch at 32%. The trend is opposite to channel for credit card application where

most respondents apply for the card through bank branches at 67% and least through online or bank invitation at 5%.

Based on the information, most respondents tend to become aware of the credit card through friends or family and they will seek future information on their own via online sources before applying the card through the branch.

<b>Factors influences credit card adoption</b>	<b>Mean</b>	<b>SD</b>
Convenient to apply	4.07	0.75
Know and understand card features	4.1	0.86
Good services from sales representative	3.91	0.91
Attractive sales representative	2.78	1.12
Help sales representative close the sale	3.02	1.24
Already using other services from the issue bank	3.25	1.06
Frequently contacted by the sales representative	1.87	1.04
Familiar with product from advertising and other marketing media	3.65	0.96
Gift upon applying for credit card such as travel bag	3.62	1.11
Special point and reward scheme for the card usage after approval such as extra cash back and extra point on top of standard scheme	4.21	0.92
Special card upgrade offers such as Platinum	4.14	0.88

Table 6: Frequency distribution of factors influences credit card adoption

The top five factors that influences credit card adoption are special point and reward schemes with a mean at 4.21, special card upgrade offers at 4.14, know and “understand card features” at 4.1, convenient to apply at 4.07 and lastly good service from sales representative at 3.91. This means that to encourage adoption, credit card issuer may design marketing strategy that fit target group needs such as special point reward to encourage card adoption.

<b>Influencer for credit card selection</b>	<b>n</b>	<b>Percentage</b>
Friends or family	66	45%
Celebrities	1	1%

Sales representative	16	11%
Reviewers (Blogs and online reviews)	0	0%
Marketing media	55	37%
No influencer	9	6%

Table 7: Frequency distribution of credit card users' influencer

To examine influences on the selection of credit card, friends and family is listed as the most influence factor at 45%. This is in line with the channel that creates awareness that listed friends and family as number one mean. Hence, word of mouth could be an important factor which encourage adoption of a credit card. Second most influence mean is marketing media at 37% followed by sales representative at 11%. Only 6% stated that there is no influencer and 1% stated that celebrities influences their decision in selecting the credit card.

#### **4.2.4 Needs and wants of personal credit card users**

Customer needs and wants	Mean	SD
<u>Product</u>	<u>3.92</u>	
Help to delay cash payment	3.93	0.96
Card issuer's brand is widely accepted	4.24	0.78
Need credit facilities to support lifestyle	4.51	0.66
Use in case of emergency	4.25	0.97
Easy and convenient to make a payment	4.46	0.69
Attractive or limited card design	3.06	1.17
Desire payment agent	3.63	1.14
Exclusiveness of card	4.2	0.83
Socially accepted and admired from using the credit card	2.97	1.36
<u>Pricing features</u>	<u>4.13</u>	
Free card registration and annual fees	4.69	0.58
Reasonable currency exchange rate fee	4.24	0.85
Reasonable interest rate charge	3.93	1.25
Reasonable cash advance charge	3.5	1.35
Reasonable other charges (transfer fee, cash advance, debt collection fee)	3.71	1.18
No extra charges when making purchase	4.7	0.58
<u>Place/location features</u>	<u>4.37</u>	
Widely accepted by merchants	4.61	0.63
Many card issuer branches	4.19	0.92
Available online banking service	4.33	0.83
Readily available phone service	4.39	0.86
Available global network	4.35	0.82
<u>Promotion features</u>	<u>4.5</u>	
Card scheme that fit certain lifestyle such as miles collection for frequent traveller	4.5	0.7
Widely available co-retailers/outlets for card promotions	4.52	0.68
0% interest and instalment options	4.54	0.7
Discount at selected exclusive stores e.g. Paragon, Makro	4.53	0.58
Exclusive lifestyle benefit such as reserve parking, air ticket upgrade and limousine	4.41	0.7
Cash rebate	4.46	0.72

Table 8: Frequency distribution of customer needs and wants

For credit card users' needs and wants, this paper classified factors into Product, Price, Place and Promotions.

For product, the two factors with the highest means are the needs of credit facilities to support lifestyle of 4.51 then followed by easy and convenient to make a payments at 4.46. Functional factors seems to be more dominant than emotional factors such as exclusiveness and socially accepted. However the mean for "exclusiveness" is still higher than the average mean at 4.2.

For pricing features, a majority of respondents are seeking for no extra changes when making purchases at 4.7 and free registration and annual fees at 4.69.

For place, the respondents are looking for cards that are widely accepted by merchants. This mean that the card must be generally accepted by shops.

For promotion features, this section received the highest mean in general at an average score of 4.5. The features that respondents wants are 0% interest and installment options at 4.54, discount at selected exclusive stores at 4.53, widely available co-retailers/outlets for promotion at 4.52, card scheme that fit user lifestyle at 4.5 and cash rebate at 4.46.

From this section, we can conclude that promotion factors are most influential to credit card users in term of meeting their needs and wants.

Credit cards features	Weight percentage of ranking	Rank (1=most important)
Card scheme that fit certain lifestyle such as miles collection for frequent traveller	65%	1
0% interest and instalment options	63%	2
Exclusive lifestyle benefit such as reserve parking, air ticket upgrade and limousine	57%	3
Discount at selected exclusive stores	56%	4
Cash rebate	54%	5
Widely available co-retailers/outlets for card promotions	54%	6

Table 9: Frequency distribution of credit cards features

When considering the ranking of credit cards features, card scheme that fit user's lifestyle seems to be the most important follow by 0% interest and installment options. With the result I can be viewed that in selecting a credit card, card scheme plays an important factor in meeting customer demand.

To further examine credit card users this paper segmented the respondents using 3 criterions. 1. Payment option 2. Number of credit cards 3 Income group.

#### **4.2.5 Payment option**

		Type of payments	
		Full payment	Partial/Minimal payment
		Column N %	Column N %
Gender	Male	38%	56%
	Female	62%	44%
Age	24 and below	0%	0%
	25 - 40 years old	78%	72%
	41 - 55 years old	22%	28%
	More than 55	0%	0%
Education level	High school	0%	0%
	Bachelor degree	35%	58%
	Master degree	64%	42%
	Doctoral degree	1%	0%
Occupation	Student	0%	0%
	Corporate employee	65%	83%
	Government employee	14%	6%
	Entrepreneur	22%	11%
	Self employed	0%	0%
	Unemployed	0%	0%
Monthly income	Less than 20,000 Baht	1%	0%
	20,001-35,000 Baht	14%	28%
	35,001-50,000 Baht	18%	28%
	50,001-65,000 Baht	21%	14%
	More than 65,000 Baht	47%	31%
Marital status	Single	72%	83%
	Married with children	19%	11%
	Married without children	9%	6%
	Divorced	0%	0%

Pearson Chi-Square Tests		Type of payments
Gender	Chi-square	3.499
	df	1
	Sig.	0.061
Age	Chi-square	0.579
	df	1
	Sig.	0.447
Education level	Chi-square	6.219
	df	2
	Sig.	.045*
Occupation	Chi-square	4.401
	df	2
	Sig.	0.111
Monthly income	Chi-square	7.195
	df	4
	Sig.	0.126
Marital status	Chi-square	1.832
	df	2
	Sig.	0.4

\* The Chi-square statistic is significant at the .05 level.

Table 10: Frequency distribution and Pearson Chi-Square Tests for type of payment by demographic

When grouping the respondents by type of payments table 10 presents a Pearson Chi-square significant result for education level at 6.219, p-value at 0.045, hence this can suggest those who fully pay on a credit card payment tend to have higher education and higher income level. While, those who pay partially are mainly corporate employee.

	Full payment	Partial/Minimal payment
	Mean	Mean
Convenient to apply	4.09	4.03
Know and understand card features	4.21	3.78
Good services from sales representative	3.97	3.72
Attractive sales representative	2.81	2.67
Help sales representative close the sale	3.05	2.92
Already using other services from the issue bank	3.36	2.92
Frequently contacted by the sales representative	1.83	2
Familiar with product from advertising and other marketing media	3.66	3.61
Gift upon applying for credit card such as travel bag	3.55	3.83
Special point and reward scheme for the card usage after approval such as extra cash back and extra point on top of standard scheme	4.31	3.92
Special card upgrade offers such as Platinum	4.12	4.19

Independent Samples Test	Levene's Test for Equality of Variances		t-test for Equality of Means			Mean Diff	Std. Error Diff
Levene's Test for Equality of Variances	F	Sig.	t	df	Sig. (2-tailed)		
Convenient to apply	2.987	0.086	0.432	145.000	0.667	0.062	0.144
Know and understand card features	0.504	0.479	2.664	145.000	0.009*	0.429	0.161
Good services from sales representative	0.087	0.768	1.436	145.000	0.153	0.251	0.175
Attractive sales representative	2.659	0.105	0.673	145.000	0.502	0.144	0.214
Help sales representative close the sale	0.004	0.950	0.576	145.000	0.566	0.137	0.239
Already using other services from the issue bank	0.004	0.951	2.214	145.000	0.028*	0.444	0.200
Frequently contacted by the sales representative	0.219	0.640	-0.861	145.000	0.391	-0.171	0.199
Familiar with product from advertising and other marketing media	0.425	0.516	0.253	145.000	0.801	0.047	0.184
Gift upon applying for credit card such as travel bag	0.114	0.736	-1.334	145.000	0.184	-0.284	0.213
Special point and reward scheme for the card usage after approval such as extra cash back and extra point on top of standard scheme	2.199	0.140	2.249	145.000	0.026*	0.390	0.173
Special card upgrade offers such as Platinum	0.747	0.389	-0.456	145.000	0.649	-0.077	0.169

\* The statistic is significant at the .05 level.

Table 11: Independent sample tests for factors influences credit card adoption

For factors which influences credit card adoption, there are four factors which show a significant difference under t-test. This includes know and understand card features, applying with existing banking relationship, special point and reward scheme for the card usage that full payment customers tends to apply the credit cards more than partial payment customers.

	Full payment	Partial/Minimal payment
	Mean	Mean
Help to delay cash payment	3.86	4.14
Card issuer's brand is widely accepted	4.24	4.22
Need credit facilities to support lifestyle	4.55	4.39
Use in case of emergency	4.22	4.36
Easy and convenient to make a payment	4.53	4.25
Attractive or limited card design	3	3.25
Desire payment agent	3.62	3.64
Exclusiveness of card	4.22	4.17
Socially accepted and admired from using the credit card	2.99	2.89



Free card registration and annual fees	4.72	4.61
Reasonable currency exchange rate fee	4.33	3.94
Reasonable interest rate charge	3.82	4.28
Reasonable cash advance charge	3.36	3.92
Reasonable other charges (transfer fee, cash advance, debt collection fee)	3.62	3.97
No extra charges when making purchase	4.74	4.58
Widely accepted by merchants	4.67	4.42
Many card issuer branches	4.25	4
Available online banking service	4.34	4.28
Readily available phone service	4.39	4.42
Available global network	4.33	4.39
Card scheme that fit certain lifestyle such as miles collection for frequent traveler	4.52	4.44
Widely available co-retailers/outlets for card promotions	4.57	4.36
0% interest and instalment options	4.53	4.56
Discount at selected exclusive stores e.g. Paragon, Makro	4.58	4.39
Exclusive lifestyle benefit such as reserve parking, air ticket upgrade and limousine	4.44	4.33
Cash rebate	4.53	4.25

Independent Samples Test	Levene's Test for Equality of Variances		t-test for Equality of Means			Mean Diff	Std. Error Diff
	F	Sig.	t	df	Sig. (2-tailed)		
Help to delay cash payment	Equal variances not assumed		-2.101	116.995	0.038*	-0.283	0.135
Card issuer's brand is widely accepted	3.838	0.052	0.140	145.000	0.889	0.021	0.150
Need credit facilities to support lifestyle	0.067	0.796	1.281	145.000	0.202	0.161	0.125
Use in case of emergency			-0.959	91.890	0.340	-0.145	0.151
Easy and convenient to make a payment	0.214	0.645	2.169	145.000	0.032*	0.282	0.130
Attractive or limited card design			-1.052	53.976	0.298	-0.250	0.238
Desire payment agent	1.447	0.231	-0.079	145.000	0.937	-0.017	0.219
Exclusiveness of card			0.348	73.150	0.729	0.050	0.142
Socially accepted and admired from using the credit card	0.404	0.526	0.390	145.000	0.697	0.102	0.262
Free card registration and annual fees	0.357	0.551	0.984	145.000	0.327	0.110	0.111
Reasonable currency exchange rate fee	0.007	0.934	2.435	145.000	0.016*	0.389	0.160
Reasonable interest rate charge	Equal variances not assumed		-2.405	94.971	0.018*	-0.458	0.190
Reasonable cash advance charge	Equal variances not assumed		-2.453	74.124	0.017*	-0.556	0.227
Reasonable other charges (transfer fee, cash advance, debt collection fee)	Equal variances not assumed		-1.787	77.950	0.078	-0.351	0.196
No extra charges when making purchase	1.938	0.166	1.406	145.000	0.162	0.155	0.111
Widely accepted by merchants	2.188	0.141	2.108	145.000	0.037*	0.250	0.119
Many card issuer branches	0.034	0.854	1.440	145.000	0.152	0.252	0.175
Available online banking service	0.120	0.729	0.405	145.000	0.686	0.065	0.159
Readily available phone service	2.178	0.142	-0.176	145.000	0.861	-0.029	0.166
Available global network	0.849	0.358	-0.350	145.000	0.727	-0.056	0.159
Card scheme that fit certain lifestyle such as miles collection for frequent traveller	0.447	0.505	0.583	145.000	0.560	0.078	0.134
Widely available co-retailers/outlets for card promotions	0.158	0.692	1.601	145.000	0.112	0.206	0.129
0% interest and instalment options	1.816	0.180	-0.177	145.000	0.860	-0.024	0.136
Discount at selected exclusive stores e.g. Paragon, Makro	0.328	0.567	1.707	145.000	0.090	0.188	0.110
Exclusive lifestyle benefit such as reserve parking, air ticket upgrade and limousine	3.975	0.048	0.803	145.000	0.423	0.108	0.135
Cash rebate	0.546	0.461	2.049	145.000	0.042*	0.282	0.137

\* The statistic is significant at the .05 level

Table 12: Independent Sample Tests for customer needs and wants

When examining full payment and partial payment customers against credit card needs and wants, the statistics shows 7 factors that have a p-value less than 0.05. From the result it can be concluded that partial payment customers are looking to delay payment, seek reasonable interest rate charges, and reasonable cash advance charges. While full payment customers are looking for a credit card that is widely accepted, provides cash rebates and is easy to make a payment.

#### 4.2.6 Number of cards

		No. of owned credit cards		
		1 card	2-3 cards	4 cards or more
Gender	Male	Column N %	Column N %	Column N %
				61%

	Female	39%	63%	58%
Age	24 and below	0%	0%	0%
	25 - 40 years old	78%	78%	75%
	41 - 55 years old	22%	22%	25%
	More than 55	0%	0%	0%
Education level	High school	0%	0%	0%
	Bachelor degree	61%	50%	28%
	Master degree	39%	50%	71%
	Doctoral degree	0%	0%	1%
Occupation	Student	0%	0%	0%
	Corporate employee	67%	68%	71%
	Government employee	6%	10%	15%
	Entrepreneur	28%	22%	15%
	Self employed	0%	0%	0%
	Unemployed	0%	0%	0%
Monthly income	Less than 20,000 Baht	0%	0%	1%
	20,001-35,000 Baht	22%	23%	10%
	35,001-50,000 Baht	17%	25%	17%
	50,001-65,000 Baht	33%	12%	22%
	More than 65,000 Baht	28%	40%	49%
Marital status	Single	78%	73%	75%
	Married with children	17%	17%	17%
	Married without children	6%	10%	7%
	Divorced	0%	0%	0%

Pearson Chi-Square Tests	No. of owned credit cards	
Gender	Chi-square	3.394
	df	2

	Sig.	0.183
Age	Chi-square	0.169
	df	2
	Sig.	0.919
Education level	Chi-square	10.939
	df	4
	Sig.	.027*
Occupation	Chi-square	2.944
	df	4
	Sig.	0.567
Monthly income	Chi-square	11.431
	df	8
	Sig.	0.178
Marital status	Chi-square	0.522
	df	4
	Sig.	0.971

\* The Chi-square statistic is significant at the .05 level.

Table 13: Frequency distribution and Pearson Chi-Square Tests for type of number of credit cards owned by demographic data

When viewing respondents by the number of cards they have, Pearson Chi-Square test suggests that the more those with credit cards owned tend to be more likely better educated.

		No. of owned credit cards		
		1 card	2-3 cards	4 cards or more
		Column N %	Column N %	Column N %
Most important information	Card special features and schemes	33%	45%	44%
	Fees and charges	39%	30%	28%
	Promotion details	28%	25%	29%
Influencer for credit card selection	Friends or family	72%	52%	32%
	Celebrities	0%	2%	0%
	Sales representative	11%	8%	13%
	Reviewers (Blogs and online reviews)	0%	0%	0%
	Marketing media	0%	37%	48%
	No influencer	17%	2%	7%

	Pearson Chi-Square Tests	No. of owned credit cards
Most important information	Chi-square	1.256
	df	4
	Sig.	0.869
Influencer for credit car selection	Chi-square	22.413
	df	8
	Sig.	.004*
	Cramer's V	0.276
* The Chi-square statistic is significant at the .05		

Table 14: Frequency distribution and Pearson Chi-Square Tests for number of credit cards by influencer and most important information

Table 14 shows no significant result for credit card special feature and number of card respondents have. Pearson Chi-Square test significant only for influencer whereby one card holder tends to rely on friends and family while 2 or more card holders depend on marketing media.

	No. of owned credit cards		
	1 card	2-3 cards	4 cards or more
	Mean	Mean	Mean
Convenient to apply	4	4.15	4.03
Know and understand card features	3.89	4.08	4.17

Good services from sales representative	3.78	3.95	3.91
Attractive sales representative	3.11	2.8	2.67
Help sales representative close the sale	2.67	2.92	3.2
Already using other services from the issue bank	2.67	3.32	3.35
Frequently contacted by the sales representative	1.78	2.03	1.75
Familiar with product from advertising and other marketing media	3.33	3.55	3.81
Gift upon applying for credit card such as travel bag	3.17	3.78	3.59
Special point and reward scheme for the card usage after approval such as extra cash back and extra point on top of standard scheme	3.78	4.2	4.33
Special card upgrade offers such as Platinum	3.94	4.08	4.23

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Already using other services from the issue bank	Between Groups	7.052	2	3.526	3.241	0.042*
	Within Groups	156.636	144	1.088		
	Total	163.687	146			

\* The mean difference is significant at the 0.05 level.

Table 15: Frequency distribution and ANOVA for credit card owned and factors influences the credit card adoption. The ANOVA table shows only significant factors

Based on table 15, those who have 2 or more cards tends to apply the credit card through issue bank that respondent already using other services than one card holder. This can suggest that there is an opportunity for issuing bank to sell different type of cards to the existing credit card holder to encourage more spending.

	No. of owned credit cards		
	1 card	2-3 cards	4 cards or more
	Mean	Mean	Mean
Help to delay cash payment	4.06	3.85	3.96
Card issuer's brand is widely accepted	4.28	4.33	4.14
Need credit facilities to support lifestyle	4.39	4.58	4.48
Use in case of emergency	4	4.57	4.04
Easy and convenient to make a payment	4.06	4.55	4.49
Attractive or limited card design	2.72	3.08	3.13
Desire payment agent	3.72	3.73	3.51
Exclusiveness of card	4.17	4.25	4.17
Socially accepted and admired from using the credit card	2.94	2.93	3
Free card registration and annual fees	4.39	4.8	4.68
Reasonable currency exchange rate fee	4.17	4.18	4.3
Reasonable interest rate charge	4.44	3.92	3.81
Reasonable cash advance charge	4	3.57	3.3
Reasonable other charges (transfer fee, cash advance, debt collection fee)	4	3.8	3.55
No extra charges when making purchase	4.5	4.78	4.68

Widely accepted by merchants	4.44	4.67	4.59
Many card issuer branches	4.11	4.33	4.09
Available online banking service	4.33	4.33	4.32
Readily available phone service	4.28	4.35	4.46
Available global network	4.44	4.37	4.3
Card scheme that fit certain lifestyle such as miles collection for frequent traveler	4.28	4.63	4.45
Widely available co-retailers/outlets for card promotions	4.28	4.48	4.61
0% interest and instalment options	4.33	4.67	4.48
Discount at selected exclusive stores e.g. Paragon, Makro	4.28	4.57	4.57
Exclusive lifestyle benefit such as reserve parking, air ticket upgrade and limousine	4.17	4.45	4.45
Cash rebate	4.22	4.55	4.45



ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Use in case of emergency	Between Groups	10.084	2	5.042	5.69	0.004*
	Within Groups	127.603	144	0.886		
	Total	137.687	146			
Easy and convenient to make a payment	Between Groups	3.503	2	1.752	3.878	0.023*
	Within Groups	65.041	144	0.452		
	Total	68.544	146			
Free card registration and annual fees	Between Groups	2.361	2	1.181	3.628	0.029*
	Within Groups	46.863	144	0.325		
	Total	49.224	146			

\* The mean difference is significant at the 0.05 level.

Table 16: Frequency distribution and ANOVA for credit card owned and customer needs and wants. The ANOVA table shows only significant factors.

Table 16 shows those who have 2-3 cards want to have credit card in case of an emergency and the credit cards tends to want free card registration and annual fee, easy and convenient to make a payment. Others are not different among groups.

#### **4.2.7 Income group**

		Less than 35,000 Baht	35,001-65,000 Baht	More than 65,000 Baht
		Column N %	Column N %	Column N %
Monthly use frequency	Less than 1 time per month	12%	2%	0%
	1-3 times per month	23%	12%	22%
	4-6 times per month	39%	35%	16%
	7-10 times per month	23%	21%	25%
	More than 10 times per month	4%	31%	37%
Payment options	Full payment	62%	74%	83%
	Partial payment	31%	24%	16%
	Minimal payment	8%	2%	2%

Pearson Chi-Square Tests		Monthly income
Monthly use frequency	Chi-square	24.108
	df	8
	Sig.	.002*
	Cramer's V	0.208
Payment options	Chi-square	6.093
	df	4
	Sig.	0.192

\* The Chi-square statistic is significant at the .05 level.

Table 17: Frequency distribution and Pearson Chi-Square Tests for income group by monthly use frequency and payment options

Table 17 shows significant means under credit card frequency use. This means that respondents with income levels tend to use a credit card more often. However, the strength of the relationship is weak as Cramer's V is only at 0.208.

	Monthly income		
	Less than 35,000 Baht	35,001-65,000 Baht	More than 65,000 Baht
	Mean	Mean	Mean
Help to delay cash payment	3.92	4.03	3.83
Card issuer's brand is widely accepted	4.38	4.34	4.08
Need credit facilities to support lifestyle	4.46	4.53	4.51
Use in case of emergency	4.54	4.14	4.24
Easy and convenient to make a payment	4.35	4.5	4.48
Attractive or limited card design	2.69	3.29	3
Desire payment agent	3.65	3.67	3.57
Exclusiveness of card	4.12	4.26	4.19
Socially accepted and admired from using the credit card	2.81	3.02	2.98
Free card registration and annual fees	4.62	4.67	4.75
Reasonable currency exchange rate fee	4.27	4.19	4.27
Reasonable interest rate charge	4.15	4.16	3.63
Reasonable cash advance charge	3.85	3.62	3.24

Reasonable other charges (transfer fee, cash advance, debt collection fee)	4.12	3.72	3.52
No extra charges when making purchase	4.73	4.71	4.68
Widely accepted by merchants	4.62	4.59	4.62
Many card issuer branches	4.31	4.24	4.1
Available online banking service	4.54	4.31	4.25
Readily available phone service	4.38	4.38	4.41
Available global network	4.58	4.17	4.41
Card scheme that fit certain lifestyle such as miles collection for frequent traveler	4.62	4.41	4.54
Widely available co- retailers/outlets for card promotions	4.58	4.5	4.51
0% interest and instalment options	4.73	4.59	4.41
Discount at selected exclusive stores e.g. Paragon, Makro	4.65	4.53	4.48
Exclusive lifestyle benefit such as reserve parking, air ticket upgrade and limousine	4.54	4.33	4.44
Cash rebate	4.46	4.5	4.43

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Reasonable interest rate charge	Between Groups	9.728	2	4.864	3.19	0.044*
	Within Groups	219.591	144	1.525		
	Total	229.32	146			

\* The mean difference is significant at the 0.05 level.

Table 18: Frequency distribution and ANOVA for income group and customer needs and wants. The ANOVA table shows only significant factors.

Table 18 shows significant F-test with p-value at 0.044 for reasonable interest rate charge. This means that those income range higher than 65,000 Baht are concerned more about interest rate charge than other groups.



## **CHAPTER 5**

### **SUMMARY AND CONCLUSION**

The objective of this study was to create a better understanding of the personal credit card market. It was mentioned at the beginning that this paper would examine the following areas. First, the objective was to identify keys factors which influence personal credit card selection. And secondly, to identify needs, wants and adoption decisions of personal credit card users and potential users.

From the primary and secondary research conducted, the following are results that have been identified in this paper;

#### **Keys factors which influence personal credit card selection**

From the total of 147 respondents for survey we have found that the top five factors that have the most influence on the personal credit card selections are 1. Special “point and reward schemes” 2. Special card upgrade offers 3. Knowing and understanding card features, 4. Convenient to apply, and 5. Good services from sales representative.

We also have found that both friends and family, and marketing media help to create awareness as well as playing a big part in influencing potential credit card users to apply for a credit card.

As for channels in communicating to the users and potential users, the results have shown that credit card users care about information for the credit card selection. The channels that they will approach mostly will be through online channel, while bank branches sales representative would also play a major part in providing necessary information.

The information which may influence the personal credit card selection the most will be card special features and schemes followed by “fees and charges” and promotion details.

#### **Needs, wants and adoption decision of personal credit card users and potential users**

As for credit card users and potential users' needs and wants. Under the framework of 4Ps, we have identified the top 10 most important factors including 1. No extra charges when making purchase 2. Free card registration and annual fees 3. Widely accepted by merchants 4. 0% interest and instalment options 5. Discount at selected exclusive stores e.g. Paragon, Makro 6. Widely available co-retailers/outlets for card promotions 7. Need credit facilities to support lifestyle 8. Card scheme that fits a certain lifestyle, such as miles collection for frequent travelers 9. Easy and convenient to make a payment and 10. Exclusive lifestyle benefit.

The most desired card feature is card scheme that fit certain lifestyle such as miles collection for frequent traveler.

In setting a marketing strategy it is important to consider the segments. This paper classified customers in to 3 main groups in an attempt to find further insights. First, payment options (full or partial). Secondly, the number of card subscriptions, and lastly, the income level.

For payment options, we have found that those who make a full payment are likely to be higher educated. They tend to seek more information and care about fees and charges. Most importantly, we have found that there are a different set of needs and wants among groups. As an example, that "partial payment" group is looking to delay the payment, seek reasonable interest charges, and reasonable cash advance charges. For the full payment group, they are looking for a card that can be widely accepted, offers a cash rebate, and easy to make a payment.

For number of card subscription, we have found that the more cards they have the better educated they tends to be. Additionally, for those new to credit card (first card acquirer) they will rely more on friends and family, while those who have many cards can be influenced by marketing media.

Lastly, for higher income group they tends to use more credit card than lower income. However, they are also concerns on pricing factors more than those in a lower income group.

In conclusion, this research provided some insights and guidelines on the studies of personal credit cards in Thailand. Gaining an understanding of these factors

which could encourage or influence personal credit card selection as well as gaining an understanding of credit card users' needs and wants may provide cost saving solutions to the credit card issuers in setting their marketing strategy. The research could also be used to further the study of the credit card industry to help gain insights into the consumer behavior in Thailand.



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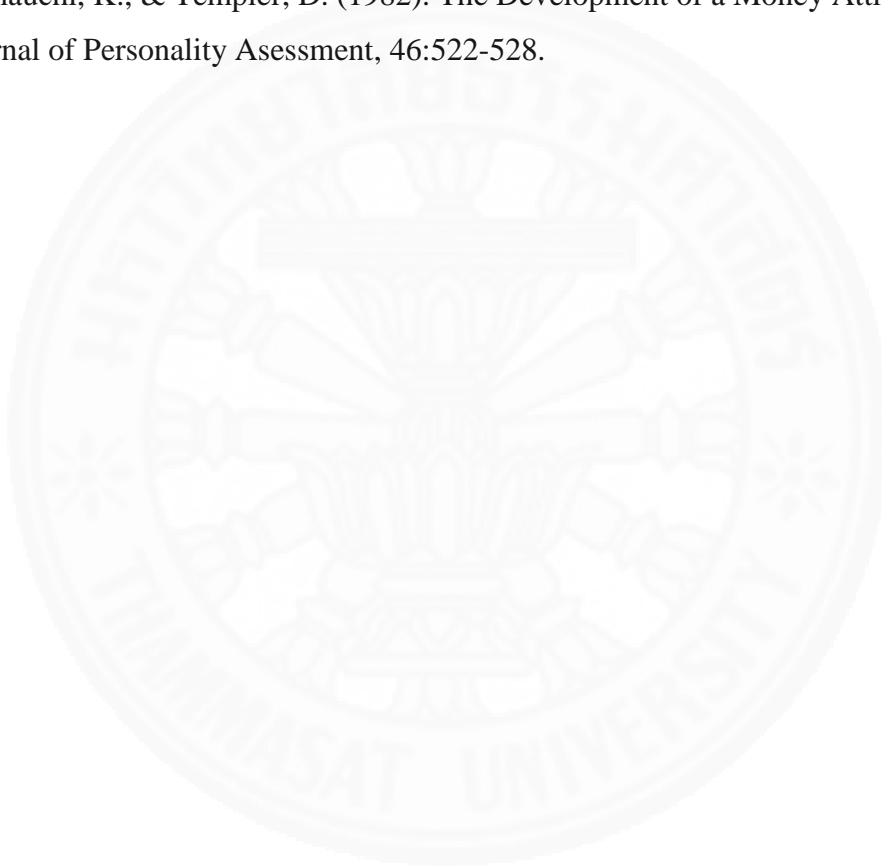


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**APPENDICES**

## **APPENDIX A**

### **IN-DEPTH INTERVIEW QUESTIONS GUIDELINE**

Following are some examples of in-depth interview questions. During the interview, the interviewer is not obliged to follow example of questions below as the intention is to provide the framework for the interview. The interviewer may explore possible insights by asking questions that aim to extract any insights from interviewees.

The questions are divided into four parts as follows; 1. Screening Questions 2. Customer Adoption Process 3. Customer Needs and Wants and 4. Demographic Information.

#### **Part 1: Screening questions**

1.1 Do you currently have a credit card?

An answer is required to continue the interview: Yes

1.2 Have you ever applied and gotten accepted for a credit card?

An answer is required to continue the interview: Yes

1.3 Have you used your credit card in the past 3 months?

An answer is required to continue the interview: Yes

#### **Part 2: Customer Adoption Process**

2.1 Where have you first heard or become known of your current credit card?

2.2 What did you do after you became aware of that particular brand of credit card?

2.3 Where do you seek further information on the credit card that you want?

2.4 What kind of information do you seek in evaluating the credit card?

2.5 How do you apply for the credit card?

#### **Part 3: Customer Needs and Wants**

3.1 What triggers your interest in selecting the credit card?

3.2 Please rank your most important characteristics of the card that contribute to adoption?

3.3 Please rank your most important characteristics of the card that contribute to utilization of your credit card?

3.4 Would you associate credit card type to social status?

3.5 Would you consider how card promotions facilitate your day-to-day life?

**Party 4: Demographic Information**

4.1 How many credit cards do you own?

4.2 Are you a frequent user of the credit card? How many times (transactions) do you use per month?

4.3 Do you make the full payment of credit card in each cycle? Or do you use credit terms?

4.4 How old are you?

4.5 What is your highest education level?

4.6 What is your occupation?

4.7 Are you self-employed, full time employee, unemployed or other?

4.8 What is your marital status?

**APPENDIX B**  
**COVERING LETTER AND RESPONDANT MANUAL**



MASTER'S DEGREE PROGRAM  
IN MARKETING



Master's Degree in Marketing, Faculty of Commerce  
Thammasat University

Dear Participants:

I am a graduate student from Thammasat University working on an Independent Study as part of the course requirement on completing the degree in Marketing. The Independent Study's research subject involves around gaining understanding and determination of needs and want as well as adoption decision of a customer in choosing personal credit cards. The questionnaire is targeting male and female credit card users.

Please kindly help us complete the enclosed questionnaire. There are four parts of questions including; 1. Screening Questions 2. Customer Adoption Process 3. Customer Needs and Wants and 4. Demographic Information. The questionnaire should take approximately ten minutes to complete. The information you provided will be kept strictly confidential and will be used only for research and educational purpose.

I sincerely appreciate your kind contribution to the research process. Thank you for your cooperation.

Sincerely,

Jatupoom Prachyangprecha

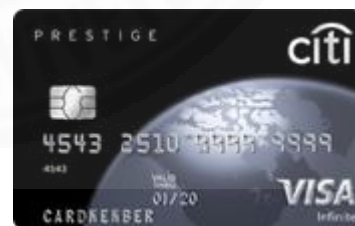
## RESPONDENT MANUAL

### **Instruction:**

To ensure the quality of this research, please fill in the questionnaire as per instruction highlighted above each section. This questionnaire is arranged in certain format, so please complete the questionnaire in the orderly manner as well as ensuring all the questions have been answered before moving on to the next section.

### **Terms and Definition:**

1. Credit card – a plastic card issued by card issuer for the purchase of goods and services on credit. Note that credit card is not the same as debit card (no credit facilities) and ready credit (advance cash from credit but not for the purpose of using the card to purchase goods or services). There are several product range for credit card such as Kbank Platinum, Wisdom, SCB Beyond Platinum and Citi Royal Orchid Plus.



2. Card issuer – bank or non-bank institution such as Kasikornbank, Siam Commercial Bank, Citibank or Krungsri Bank. Each card issuer may issue several card types.



3. Payment agent - such as Visa and Mastercard these are financial services facilitator for electronic funds transfer for card issuer.



4. Card benefits – card incentives that are given to credit card users such as points, rewards, travel benefits, discounts, cash back and add on services personal assistant.

5. Co-retailers/outlets – shops, restaurants, stores and any other retailers or outlets that provide additional incentive such as discounts, samples or premium goods.

## APPENDIX C

### EXAMPLE QUESTIONNAIRE

This questionnaire consists of 4 parts of questions including 1. Screening Questions 2. Customer Adoption Process 3. Customer Needs and Wants and 4. Demographic Information.

#### **Part 1: Screening Questions**

Please select **one choice** for each question that is the most suitable. For an answer selected, there is an instruction to proceed to the next question or stop the questionnaire.

SQ 1: Do you currently have a credit card?

Yes (Please proceed to SQ 2)

No (End of questionnaire)

SQ 2: Have you ever applied and gotten accepted for a credit card?

Yes (Please proceed to SQ 3)

No (End of questionnaire)

SQ 3: Have you used your credit card in the past 3 months?

Yes (Please proceed to SQ 4)

No (End of questionnaire)

SQ 4: How old you are you?

24 and below (End of questionnaire)

25 – 40 years old (Please proceed to Part 2)

41 – 55 years old (Please proceed to Part 2)

More than 55 (End of questionnaire)

#### **Part 2: Customer Adoption Process**

1. How many credit cards do you have in your possession? (Options: choose one)
2. Where did you first hear about your credit card? (Options: choose one)
3. Where do you seek more information about your credit card? (Options: multiple)
4. What information is the most important to you for accepting the choice of credit card? (Options: choose one)



5. How did you apply for your credit card? (Options: choose one)
6. Who is the most influential person on selecting a credit card? (List of items, choose 1 to 5 from least to most)

### **Part3 Customer Needs and Wants**

7. How much do you agree with following statements? (List of items, choose 1 to 5 from least to most) Options may include: need of credits, importance of promotion, convenience, brand, social status etc.)
8. Which factor is the most important characteristics of a personal credit card? (Options: choose one)
9. Rank what is the most important to you (List of items, force rank 1-7)

### **Part 4 Demographic Profile**

10. How many credit cards do you own? (Options: choose one)
11. Are you a frequent user of the credit card? How many times (transactions) do you use per month? (Options: choose one)
12. Do you make the full payment of credit card in each cycle? Or do you use credit terms? (Options: choose one)
13. How old are you? (Options: choose one)
14. What is your highest education level? (Options: choose one)
15. What is your occupation? (Options: choose one)
16. Are you self-employed, full time employee, unemployed or other? (Options: choose one)
17. What is your marital status? (Options: choose one)

## BIOGRAPHY

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