MAJOR RESEARCH PROECT
ON

PERCEPTION TOWARDS CREDIT CARDS IN INDIA
A STUDY TO UNDERSTAND THE FACTORS AFFECTING THE PURCHASE OF CREDIT CARDS

Submitted By

Shubham Garg

2K21/DMBA/120

Under the Guidance of

Mr. Chandan Sharma

Assistant Professor

DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

CERTIFICATE

This is to certify that **Mr. Shubham Garg**, has completed the project titled **"Perception towards credit cards in India. A Study to Understand the factors Affecting the Purchase of credit cards**" under the guidance of **Mr. Chandan Sharma** as a part of Master of Business Administration (MBA) curriculum of Delhi School of Management, New Delhi. This is an original piece of work and has not been submitted elsewhere.

Dr. Archana Singh	**Mr. Chandan Sharma**
Head of Department	**Assistant Professor**
Delhi School of Management	**Delhi School of Management**
Delhi Technological University	**Delhi Technological University**

DECLARATION

I, **Shubham Garg,** student of Delhi School of Management, Delhi Technological University hereby declare that the project dissertation report on "**Perception towards credit cards in India. A Study to Understand the factors Affecting the Purchase of credit cards"** submitted in partial fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA) is the original work conducted by me. I also confirm that neither I nor any other person has submitted this project report to any other institution or university for any other degree or diploma. I further declare that the information collected from various sources has been duly acknowledged in this project.

Shubham Garg
2K21/DMBA/120

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to all those who enabled me to successfully complete this project report. I extend my heartfelt thanks to my mentor, **Mr. Chandan Sharma**, Assistant Professor at Delhi School of Management, Delhi Technological University, for providing invaluable guidance and support throughout the project report.

The knowledge and experience gained during the competition of this project report are immeasurable. I would like to extend my appreciation to all those who provided their support through their valuable feedback and constructive criticism, as their inputs played a vital role in the successful completion of the project report.

Shubham Garg
2K21/DMBA/120

EXECUTIVE SUMMARY

A credit card is a little plastic payment card that is given out to customers. It enables its holder to make purchases of goods and services on the promise that they will be paid for. The card's provider establishes an account which is revolving (Revolving account) and offers the cardholder (or user) a line of credit from which they can borrow money to pay a merchant or receive a cash advance.

Indian banks are currently giving credit cards to prospective consumers in a flood. International banks with operations in India have also jumped on board, enticing devoted credit card customers with aggressive advertising and supposedly competitive incentive programmes. The four primary components of a bank's credit card revenue are the yearly fee, interchange fee, revolving fee (interest on revolving credit), and additional fees. According to credit card providers, the Indian credit card market is expanding at a rate of between 20 to 25 percent yearly. In July 2022, there were 78 million credit cards in use. Also, in May 2022, the total amount spent on credit cards rose to INR 1.13 lakh crore, a record high. The COVID-19 pandemic caused the growth trajectory to drop during FY 2020–21, when credit card spending climbed only significantly by 9%. This is despite the significant total increase in credit card spending. Also, the Reserve Bank of India (RBI) took a few actions that prohibited some of the biggest credit card providers from issuing new cards in India.

A drive towards a cashless economy and the promotion of digital transactions was made using credit cards. In the case of India, is it possible? India is a developing country, and many regions still need to be developed. According to this perspective, the goal of this research work is to determine how individuals feel about digital payments in general and credit card payments in particular. The study included 114 respondents from India as its sample. In order to make wise judgements, policymakers and the government will benefit from this research.

TABLE OF CONTENTS

Certificate i
Declaration ii
Acknowledgement iii
Executive summary iv
Chapter 1: Introduction 1
1.1 Background 1
1.1.1 Credit Card Market in India 2
1.1.2 Analyzing India's Credit Card Industry using PESTEL Framework 4
1.2 Problem Statement 5
1.3 Objectives of The Study 5
1.4 Scope of The Study 5
Chapter 2: Literature review 6
Chapter 3: Research methodology 9
3.1 Research design 9
3.2 Sampling 9
3.3 Sources of data 10
3.3.1 Primary data 10
3.3.2 Secondary data 10
3.4 Development of constructs 10
3.5 Proposed research model 12
3.6 Data analysis 13
3.6.1 Statistical tools for data analysis 13
Chapter 4: Analysis and discussion 14
4.1 Descriptives 14
4.1.1 Age (years) 14
4.1.2 Gender 14
4.1.3 Current location 15
4.1.4 Occupation 15
4.1.5 Annual income (Rs.) 16
4.2 Reliability analysis 16
4.3 Regression analysis 17
4.3.1 Analyze whether features and benefits have a significant impact on customer perception of credit card 17

4.3.2 Analyze whether Reputation of brand (Rep) have a significant impact on the perception of credit cards ... 18
4.3.3 Analyze whether Interest Rate has a significant impact on the Customer Perception of credit cards. ... 20
4.3.4. Analyze whether the Credit Limit has a significant impact on the Customer perception of credit cards. ... 21
Chapter 5: Conclusion ... 24
5.1 Results ... 24
5.2 Practical implications ... 24
5.3 Limitations ... 25
References ... 26
Plagiarism report ... 27

CHAPTER 1: INTRODUCTION

1.1 Background

Over the past century, there has been a significant change in the method of payment that consumers use to buy products and services. The majority of consumer transactions took place at that time in cash, while company payments were made using checks or cash.

According to Stan Sienkiewicz's "Credit Cards and Payment Efficiency" report for the Philadelphia Federal Reserve, department stores and oil firms in the early 1900s developed their own proprietary cards (August 2001). Just the business that issued the card and a select few other businesses would accept such cards. These earlier cards were created with the intention of fostering customer loyalty and enhancing customer service, whereas modern credit cards are mostly used for convenience.

The next development in credit cards was the Diners Club Card. A Diners Club representative claimed that the incident started in 1949 over a business dinner at Major's Cabin Grill in New York City. The man's name was Frank McNamara. Frank discovered he had left his wallet at home when the bill came. He was able to escape the jam, but he thought there ought to be an alternative to cash. In February 1950, McNamara and his accomplice Ralph Schneider visited Major's Cabin Restaurant once more and paid the bill with a tiny cardboard card. The first credit card that was widely used was the Diners Club Card, which was created and is mostly used for travel and leisure. These earlier cards were created with the intention of fostering customer loyalty and enhancing customer service, whereas modern credit cards are mostly used for convenience.

According to MasterCard, the ability to keep a revolving balance was first established in 1959. Hence, cardholders were no longer required to pay off their whole balance at the conclusion of each billing cycle. While there was a chance that loan costs may accrue, customers had more financial freedom as a result.

1.1.1 Credit Card Market in India

In the late 1980s and early 1990s, the Indian credit card market expanded steadily, but it has since plateaued. Customers can get credit card services from Indian banks like State Bank, Citi Bank, Axis Bank, Bank of Baroda, and HDFC. The use of credit cards is significantly influenced by the rising income of the upper middle class. In the Asia Pacific area, credit card use was $1.3 trillion in 2007, accounting for 30% of all credit card transactions worldwide (KPMG, 2009). In terms of total credit card transactions ($209 billion), Japan led the area, followed by south Korea.

Figure 1.1: Benefits for India to make payments through credit cards

Source: Paytm

The post-pandemic credit card market has seen a significant transformation and is continuously changing as a result of the development of e-commerce, the adoption of contactless payments, and changes in the value proposition. During FY 2022, there was a 15% growth in credit card issuance. However, the top six issuers in the nation account for 80% of the credit card market. Three banks have become issuers of credit cards in the past three years. The credit card business is also anticipated to grow at approximately three times the rate in the following four years as a result of current and prospective innovations in the sector. Along with the issuing of credit cards, there has been a huge increase in transaction volume, value, and average ticket size. The total transaction spend for FY 2021–226 was INR 11.5 trillion, an increase of 1.8 times over FY 2020–21, when it was INR 6.3 trillion. For the following four years, card-based transactions are anticipated to expand by 16%7 annually. Additionally, according to RBI Payments Vision 2025, there will be 250 lakh touchpoints for card acceptance, which would increase the number of transactions in India. After rebounding from the decline in FY 2019–20, the average ticket size has seen a steady increase of 7.3%. This demonstrates the customers' growing propensity for using credit cards as a form of payment for expensive products. Despite this, only 3% of people in India currently have a formal credit card, making it a largely untapped market. When it comes to utilising credit cards, Indians have historically operated in a conservative manner and are often reluctant to do so. By introducing cutting-edge innovations and increasing public awareness of the advantages of using credit cards for routine purchases, major players in the payments ecosystem are currently making an effort to change this reality. In the sections that follow, these advancements and the ensuing shift in consumer behaviour will be covered in further detail.

Figure 1.2: Credit cards

Source: Google Images

Like any other business, cards payments business has been undergoing churning and revolution triggered by innovation in technology and competition that is knocking the door. Broadly speaking we can categorize these challenges into three areas technological, traditional and cultural.

Banks have been impacted by technological advancement since it has made them adopt new, more advanced payment methods and stop viewing credit and debit cards as the main means of payment from clients. Digital payments are now required in a variety of payment methods and are no longer a choice.

The disruption from players outside the business, like telecommunications giant Vodafone is doing with mPesa or coffee chain Starbucks is doing with Starbucks card, is the second and much bigger issue that technological innovation is bringing about.

Another cause for concern is the presence of established rivals. Due to the high profitability of the credit card industry, a lot of new companies have entered the market, which is causing the pie to get smaller and smaller.

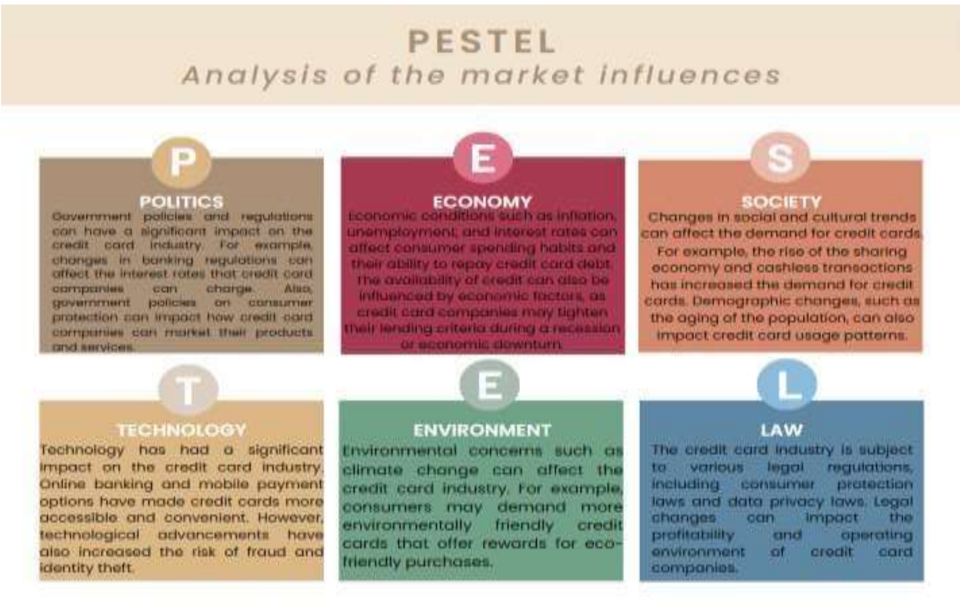
One of the benefit of replacing cash with credit card was to make customer's purse become lean. But with so many competitors around wallets have gained too much of fat and now individuals carry a deck of credit cards with them. One of the biggest challenge that we face now is to get a bigger and better part of our customer's purse. With no point of differentiation between credit cards issued by different banks it is difficult to influence customer decision.

Cultural changes in form of customers loosing trust in financial firms is also taking customers away. Most banks now have a bad reputation due to the recent financial crisis and several incidences of bank fraud. This has dented the trust that our customers had in the institute.

<u>1.1.2</u> <u>Analyzing India's Credit Card Industry using PESTEL Framework</u>

The PESTEL analysis is a strategic tool employed for evaluating the external macro-environmental aspects that impact a business or an industry. It comprises the examination of political, economic, social, technological, environmental, and legal factors. figure 1.3 presents the PESTEL analysis of India's Credit Card industry.

Figure 1.3: PESTEL analysis of India's Credit Cards industry



Source: Own Analysis

1.2 Problem Statement

To investigate the general perception and penetration of credit cards in India as a viable means of Payment and to explore the factors influencing consumers' intention to adopt this method of payment from various alternatives available at this point.

1.3 Objectives of The Study

- To examine the general perception towards credit card usage among credit card holders.
- To study the relationship between customers’ knowledge and awareness about credit cards and credit card usage.
- To study the relationship between the demographics of customers and credit card usage.
- To examine the general perception towards credit cards among non-credit cardholders

1.4 Scope of The Study

The scope of the study is to examine the current state or perception in India's for credit card as a method of Payment and to understand the factors that influence consumers' intentions to adopt credit card as the method of payment. These factors include:

- Credit Limit
- Interest Rate
- Features and Benefits
- Brand Reputation

The study entails surveying a representative sample of the Indian population of metropolitan cities to determine their inclination toward credit cards. Based on the results, the study offers recommendations of industry players, and other stakeholders on how to encourage the widespread adoption of credit cards in the country.

CHAPTER 2: LITERATURE REVIEW

Khare, Khare, Singh (2012) It is impossible to overstate how important the research's conclusions are for both researchers and practitioners. The lifestyle factors that were looked at in this study can assist credit card businesses in creating client profiles for the Indian market. The sample included is of clients from various Indian locations. While developing marketing tactics, it is important to consider how credit card owners in India perceive the risk and benefits of having one. Lifestyle appears to be a significant factor in credit card usage. While income levels have increased recently, lifestyle credit card marketing can aid positioning and segmentation methods.

Khare (2016) The current study set out to investigate the effects of age, gender, credit card use, and money attitudes on Indian consumers' compulsive purchasing activity. If there are any distinctions between developing and developed country markets, it would make it easier to grasp them. Credit card firms can assist educate consumers about overspending and debt by gathering knowledge about consumer attitudes towards credit cards and money. It also makes an effort to comprehend how compulsive scales and money attitudes apply to Indian consumers. The findings imply that money attitudes of power and price sensitivity have an impact on compulsive purchase behaviour.

Tripathy, Naliniprava, Prasad, and Rao. (2012) This exploratory study shows that customers' preferences might alter as value added services offered by various credit card brands change. Both MDS I and MDS II, which were completed at different times with distinct samples of participants, gave SBI and ICICI, respectively, the same kind of perceptual map of top rank. Consumers have given things like risk-free factors and service the highest priority.

Pradhan, D., Israel, D. and Jena, A.K. (2018) This Paper aims to investigate the effects of materialism on the use of credit cards (CC), impulsive buying (IB), and compulsive buying (CB). Additionally, it evaluates whether CC use and IB behaviour mediate the link between materialism and CB behaviour.

Yüksel, (2016) This study aims to pinpoint the macroeconomic variables that affect credit card use in Turkey. Quarterly data were used in this study from January 2005 to February 2016 within this scope. In order to accomplish this, the MARS (Multivariate Adaptive Regression Splines) approach was also taken into account. The study's conclusions indicate that there is a bad correlation between using credit cards and unemployment. Another finding from this study is that when interest rates are high, Turkish citizens utilise credit cards more frequently.

Sari, Rofaida, (2011) This study used the Theory of Planned Behavior model method to gain understanding of and evaluate the factors that affect credit card usage in the UPI university community. Explaining the direct and indirect effects of attitude, subjective norm, and behavioural control on credit card usage intention and behaviour using the path analysis method.
The results showed that all respondents had a positive attitude towards using credit cards, had high levels of subjective norm impact, behaviour control, and intention to use credit cards, and all respondents used credit cards responsibly. The intention to use a credit card, either simultaneously or partially, and behavioural attitudes, subjective norms, and behaviour control all showed positive and significant relationships.

Liu, M. T., Brock, J. L., Singh, R., Chu, R., & Sy-Changco, J. (2012) This study examines the effect of reward point programmes on Indian credit card users' spending habits from the viewpoint of consumer involvement. An online poll of Indian credit card users yielded a total of 125 valid replies. The study discovered that consumers' input is minimal and has little bearing on their loyalty (frequency of card use and usage expenditure). The frequency of use and total number of credit cards used had a considerably positive impact on redemption behaviour. Both academics and credit card companies should take note of the findings of this study.

Goyal, A. (2004) The goal of the current study is to comprehend the value of supplemental services as a non-personal source of information for consumers to consider before making a credit card purchase. In other words, whether knowledge of supplemental services can aid customers in their evaluation of credit cards prior to purchase. Together with pre-purchase evaluation, the effect of supplemental services on post-purchase evaluation of credit card services is also researched. Marketers can use supplemental services that are offered as a part of full-service products as a useful tool to pique consumer interest and spread awareness.

CHAPTER 3: RESEARCH METHODOLOGY

The process of identifying and describing research problems is followed by a systematic and scientific approach to solving them, known as the research methodology. It involves outlining the specific steps taken to address the research problems.

3.1 Research design

The research design is a framework or plan that specifies how the necessary data will be gathered, processed, and analyzed in a study. It offers a methodical, well-thought-out strategy for solving the research problem. Exploratory and descriptive research designs are the two main categories. Before formulating a specific strategy, exploratory research aims to develop a deeper understanding of the research problem and identify potential courses of action. Analyzing secondary data and carrying out qualitative research are common tasks in this kind of study. Comparatively, descriptive research focuses on outlining the traits of a population or sample and typically collects information through survey and observation methods. Its main objective is to provide an accurate and comprehensive portrayal of the subject being studied.

In this study, a descriptive research design is employed, which is complemented by a cross-sectional configuration. This method enables the collection of information from a single sample of population components at a particular time.

3.2 Sampling

To conduct a population study, it is often impractical to include every individual, so researchers opt for a sample selection. Probability sampling ensures an equal likelihood of selecting each element in the population, while non-probability sampling relies on expert judgment rather than chance. In this study, non-probability convenient sampling is used, where expert opinions determined the sampling frame. Data is gathered from individuals/customers aged 18 and above residing in metropolitan cities (114 respondents), with availability and references serving as the criteria for selecting participants within the sampling frame.

3.3 Sources of data

3.3.1 Primary data

A structured questionnaire is employed to collect primary data for this study. This approach allowed for a comprehensive and efficient data collection process, incorporating the opinions of a wide range of individuals. The questionnaire statements are developed based on an extensive literature review and adapted to suit the research objectives and area of study. The questionnaire is designed using a 5-point Likert scale, varying from strongly disagree to strongly agree, with demographic questions included at the start to establish rapport.

3.3.2 Secondary data

Secondary data collection is done through reports of McKinsey & Company, PWC, scholarly articles, and other relevant databases. In order to propose a conceptual framework, a thorough review of the literature is conducted, and consultations are held with experts and academicians in the field.

3.4 Development of constructs

Consumer perception of credit card in India is the dependent variable, which describes how consumers view credit cards in the Indian market. The perspectives of credit cards as a practical method of payment, the benefits and drawbacks of using credit cards, and the general standing of credit cards in India can all be included.

These are the independent variables:

- Credit card features and benefits: This refers to the different features and advantages that credit cards offer, such as cashback incentives, reward points, savings, and other rewards. Consumers may see credit cards more favourably if they provide appealing features and advantages that match their spending preferences and spending habits.
- Brand reputation of the credit card issuer: This speaks to the credit card issuer's general standing and representation in the Indian market. Consumers might be more inclined to trust and select credit cards from reputed issuers who have a

solid track record of offering dependable products and excellent customer service.

- Credit limit offered by the credit card issuer: This refers to the highest credit limit that the lender will grant the customer. Consumers might like credit cards with bigger credit limits since they give them more freedom and purchasing power.
- Interest rates and fees associated with the credit card: This refers to the interest rates and costs the credit card company levies for a variety of products and services, including cash advances, balance transfers, and late payments. Consumers may see credit cards more favourably if the interest rates and costs are competitive, acceptable, and low, whereas high rates and fees may deter customers from using credit cards.

Overall, these independent variables can have a significant impact on customer perception of credit cards in India, and credit card issuers may use these variables to differentiate their products and appeal to specific customer segments.

Table 3.1: List of selected constructs

Construct	Type	Questions
Customer Perception (CP)	Dependent	CP_1: In the future, I intend to purchase a credit card. CP_2: If credit card become prevalent among the majority, I would think about getting one.
Features and Benefits (Ben)	Independent	Ben_1: Credit cards help me in getting good deals. Ben_2: The credit cards offer me purchase protection. Ben_3: Credit Cards offer me a source of emergency funds in case of unexpected expenses or emergencies.

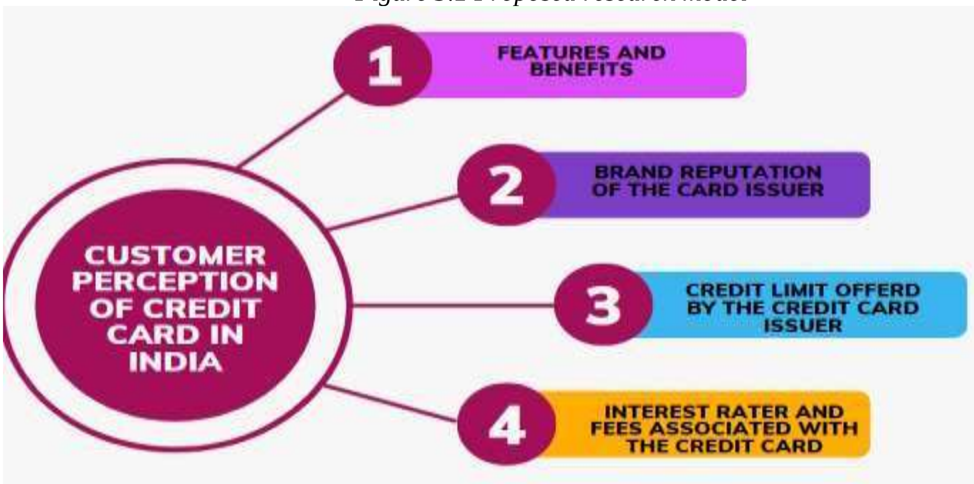
Interest Rate (Int)	Independent	Int_1: A low interest rate offered will impact my decision of choosing Credit card as mode of payment. Int_2: Interest rate influences the decision of choosing a brand. Int_3: I am willing to pay higher interest rates if the card offers valuable rewards or benefits
Reputation of brand (Rep)	Independent	Rep_1: The Brand reputation impacts my decision of buying their product Rep_2: I feel more trust and feel comfortable using credit cards from well-known and established companies
Credit Limit (Limit)	Independent	Limit_1: I think higher credit limit can give me more purchasing power. Limit_2: I prefer upgradation in my credit limit by the provider

Source: Own analysis

3.5 Proposed research model

The research objectives and literature review have led to the development of a research model, which is presented in figure 3.1.

Figure 3.1 Proposed research model



Source: Own analysis

3.6 Tools for Data analysis

Data analysis involves the cleaning, transformation, and examination of raw data to derive valuable and relevant information that can aid in making informed decisions. In this study, SPSS is used to conduct data analysis, using various statistical tools to comprehend and draw conclusions.

3.6.1 Statistical tools for data analysis

1. Descriptives: Frequency, mean, and standard deviation.
2. Reliability Analysis: Reliability analysis measures the internal consistency of the constructs in the study.
3. Regression Analysis: An analysis and modelling of the relationship between a dependent variable and an independent variable is the goal of the statistical approach known as linear regression.

CHAPTER 4: ANALYSIS AND DISCUSSION

Data analysis is a crucial step in the research process, as it involves transforming raw data into meaningful and useful information that can inform decision-making and hypothesis testing. The statistical tools and techniques employed for data analysis are descriptives, reliability test, and regression.

4.1 Descriptives

4.1.1 Age (years)

Table 4.1: Age (years)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	77	67.5	67.5	67.5
	26-30	18	15.8	15.8	83.3
	31-35	7	6.1	6.1	89.5
	36-40	10	8.8	8.8	98.2
	41-45	2	1.8	1.8	100.0
	Total	114	100.0	100.0	

Source: SPSS output

4.1.2 Gender

Table 4.2: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	63	55.3	55.3	55.3
	Male	51	44.7	44.7	100.0
	Total	114	100.0	100.0	

Source: SPSS output

4.1.3 Current location

Table 4.3: Current location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Ahmedabad	2	1.8	1.8	1.8
	Bangalore	3	2.6	2.6	4.4
	Delhi NCR	87	76.3	76.3	80.7
	Himachal Pradesh	1	.9	.9	81.6
	Hyderabad	3	2.6	2.6	84.2
	Kolkata	6	5.3	5.3	89.5
	Mumbai	11	9.6	9.6	99.1
	Noida	1	.9	.9	100.0
	Total	114	100.0	100.0	

Source: SPSS output

4.1.4 Occupation

Table 4.4: Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business/Self employed	9	7.9	7.9	7.9
	Housewife	1	.9	.9	8.8
	Professional/Job	29	25.4	25.4	34.2
	Student	75	65.8	65.8	100.0
	Total	114	100.0	100.0	

Source: SPSS output

4.1.5 Annual income (Rs.)

Table 4.5: Annual income (Rs.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 10 lakhs	75	65.8	65.8	65.8
	11-15 lakhs	23	20.2	20.2	86.0
	16-20 lakhs	9	7.9	7.9	93.9
	21-25 lakhs	3	2.6	2.6	96.5
	26-30 lakhs	1	.9	.9	97.4
	31 lakhs and above	3	2.6	2.6	100.0
	Total	114	100.0	100.0	

Source: SPSS output

4.2 Reliability analysis

The constructs' internal consistency is gauged by their reliability. A construct is reliable if the Alpha value is greater than 0.70 (Hair et al., 2013). Construct reliability is assessed using Cronbach's Alpha in SPSS. The reliability results are summarized in table 4.6.

Table 4.6: Reliability statistics

Construct	Number of Items	Alpha
Customer Perception (CP)	2	.827
Features and Benefits (Ben)	3	.838
Reputation of brand (Rep)	2	.784
Interest Rate (Int)	3	.907
Credit Limit (Limit)	2	.933

Source: Own analysis

The reliability of all the factors is above 0.70.

4.3 Regression analysis

A statistical method called linear regression seeks to understand and explain the relationship between a dependent variable and an independent variable. Finding the linear equation that best captures the relationship between the variables is the primary objective of linear regression. In SPSS, regression analysis is used to determine how the dependent variable and independent variables are related.

4.3.1 Analyze whether features and benefits have a significant impact on customer perception of credit card

H0: There is no impact of **Features and Benefits** on the **customer perception** of credit card

H1: There is a significant impact of **Features and Benefits** on the **customer perception**

Table 4.7: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.441[a]	.195	.188	.75877

a. Predictors: (Constant), Ben

Source: SPSS output

According to table 4.7, the simple correlation between the independent variable **Features and Benefits** and the dependent variable **customer perception** of credit card is represented by an R-value of 0.441. This indicates a weak positive correlation between the two variables. Additionally, the R^2 value of 0.195 suggests that only a small proportion (19.5%) of the total variation in the dependent variable can be explained by changes in the independent variable.

Table 4.8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.608	1	15.608	27.110	.000[b]
	Residual	64.482	112	.576		
	Total	80.090	113			

a. Dependent Variable: AI

b. Predictors: (Constant), Tech

Source: SPSS output

Table 4.9: Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.957	.355		5.515	.000
	Tech	.481	.092	.441	5.207	.000

a. Dependent Variable: AI

Source: SPSS output

Based on the information presented in table 4.8 and table 4.9, it can be inferred that the regression model successfully predicts the dependent variable. The "Sig." column provides information about the statistical significance of the regression model, and if the p-value is less than 0.05, then there is a significant relationship between the independent and dependent variables.

As the p-value in the "Sig." column is 0.000 which is less than 0.05, it can be inferred that the null hypothesis can be rejected. This indicates that there is a statistically significant impact of **Features and Benefits** on the **customer_perception** of credit card, characterized by a low degree of positive correlation.

<u>4.3.2 Analyze whether Reputation of brand (Rep) have a significant impact on the perception of credit cards.</u>

H0: There is no impact of the **Reputation of brand (Rep**) on the **Customer perception of credit cards**

H2: There is a significant impact of **Reputation of brand (Rep)** on the **Customer perception of credit cards**

Table 4.10: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.353[a]	.124	.117	.79126

a. Predictors: (Constant), Rep

Source: SPSS output

According to table 4.10, the simple correlation between the independent variable **Reputation of brand (Rep)** and the dependent variable **Customer perception** of credit cards is represented by an R-value of 0.353. This indicates a weak positive correlation between the two variables. Additionally, the R^2 value of 0.124 suggests that only a small proportion (12.4%) of the total variation in the dependent variable can be explained by changes in the independent variable.

Table 4.11: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.967	1	9.967	15.919	.000[b]
	Residual	70.123	112	.626		
	Total	80.090	113			

a. Dependent Variable: CP

b. Predictors: (Constant), Rep

Source: SPSS output

Table 4.12: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.456	.337		7.288	.000
	Rep	.389	.097	.353	3.990	.000

a. Dependent Variable: CP

Source: SPSS output

Based on the information presented in table 4.11 and table 4.12, it can be inferred that the regression model successfully predicts the dependent variable. The "Sig." column provides information about the statistical significance of the regression model, and if the p-value is less than 0.05, then there is a significant relationship between the independent and dependent variables.

As the p-value in the "Sig." column is 0.000 which is less than 0.05, it can be inferred that the null hypothesis can be rejected. This indicates that there is a statistically significant impact of **Reputation of brand (Rep)** on the **Customer perception of credit cards**, characterized by a low degree of positive correlation.

4.3.3 Analyze whether Interest Rate has a significant impact on the Customer Perception of credit cards.

H0: There is no impact of **Interest Rate** on the **Customer Perception of credit cards.**

H3: There is a significant impact of **Interest Rate** on the **Customer Perception of credit cards.**

Table 4.13: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585[a]	.342	.337	.68570

a. Predictors: (Constant), Int

Source: SPSS output

According to Table 4.13, the simple correlation between the independent variable **Interest Rate** and the dependent variable **Customer Perception of** credit cards is represented by an R-value of 0.585. This indicates a moderate positive correlation between the two variables. Additionally, the R^2 value of 0.342 suggests that only a small proportion (34.2%) of the total variation in the dependent variable can be explained by changes in the independent variable.

Table 4.14: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.429	1	27.429	58.337	.000[b]
	Residual	52.661	112	.470		
	Total	80.090	113			

a. Dependent Variable: CP

b. Predictors: (Constant), Int

Source: SPSS output

Table 4.15: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.456	.309		4.706	.000
	Int	.592	.077	.585	7.638	.000

a. Dependent Variable: CP

Source: SPSS output

As per the information presented in table 4.14 and table 4.15, it can be inferred that regression model successfully predicts the dependent variable. The "Sig." column provides information about the statistical significance of the regression model, and if the p-value is less than 0.05, then there is a significant relationship between the independent and dependent variables.

As the p-value in the "Sig." column is 0.000 which is less than 0.05, it can be inferred that the null hypothesis can be rejected. This indicates that there is a statistically significant impact of **Interest Rate** on the **Customer Perception** of credit cards, characterized by a moderate degree of positive correlation.

<u>4.3.4. Analyze whether the Credit Limit has a significant impact on the Customer perception of credit cards.</u>

H0: There is no impact of **Credit Limit** on the **Customer's Perception** of credit cards.

H4: There is a significant impact of **Credit Limit** on the **Customer Perception** of credit cards.

Table 4.16: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.357[a]	.127	.120	.78997

a. Predictors: (Constant), Limit

Source: SPSS output

According to table 4.16, the simple correlation between the independent variable **Credit Limit** and the dependent variable **Customer Perception** of credit cards is represented by an R-value of 0.357. This indicates a weak positive correlation between the two variables. Additionally, the R^2 value of 0.127 suggests that only a small proportion (12.7%) of the total variation pertaining to dependent variable can be justified by changes in the independent variable.

Table 4.17: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.196	1	10.196	16.338	.000[b]
	Residual	69.894	112	.624		
	Total	80.090	113			

a. Dependent Variable: CP

b. Predictors: (Constant), Limit

Source: SPSS output

Table 4.18: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.602	.298		8.746	.000
	Limit	.318	.079	.357	4.042	.000

a. Dependent Variable: CP

Source: SPSS output

Based on the information presented in table 4.17 and table 4.18, it can be inferred that the regression model successfully predicts the dependent variable. The "Sig." column provides information about the statistical significance of the regression model, and if the p-value is less than 0.05, then there is a significant relationship between the independent and dependent variables.

As the p-value in the "Sig." column is 0.000 which is less than 0.05, it can be inferred that the null hypothesis can be rejected. This indicates that there is a statistically significant impact of **Credit Limit** on the **Customer Perception** of credit cards, characterized by a low degree of positive correlation.

CHAPTER 5: CONCLUSION

5.1 Results

The purpose of the study is to investigate the factors that influence the perception of credit card use as a method of payment for Indian customers. It used exploratory factor analysis to identify Five factors (Perception of credit cards, Credit limit, Features and Benefits, Brand Reputation and Interest Rate), and the reliability of all the factors is found to be above 0.70, which suggests good internal consistency.

The study conducted a regression analysis on the variables of Credit limit, Features and Benefits, Credit Limit, and Interest Rate. The results showed that all these variables have a statistically significant impact on the perception of credit card use as a method of payment. In particular, the study found that Interest rates and fees associated with the credit card had a moderate positive correlation with the perception of credit card use as a method of payment for Indian customers, while the impact of Credit limit, Features and Benefits, and Brand reputation on the perception of credit card use as a method of payment for Indian customers but to a lower degree than the first factor.

Overall, the results suggest that a combination of these factors can influence individuals' Perception to adopt credit cards as a mode of payment.

5.2 Practical implications

The findings have several practical implications for policymakers, Credit Card Issuers, and marketers who are interested in promoting the adoption of Credit cards.

The Indian credit card market is well-positioned to advance the industry. The RBI standards will also help this predicted exponential growth in the following years. This expansion will be driven by a number of market players, and in order to expand their credit card businesses, they will all need to set up their own regulations. With the RBI supporting and regulating the market, a fair playing field might be created, inspiring participants to offer more innovative goods and services.

It is projected that all of the most recent developments in the credit card industry will target underserved client categories by delivering innovative new products through a variety of online, offline, and transit payment methods.

The need to create specialised mobile applications for credit cards that support end-to-end customer services is critical because standard mobile banking applications are underpowered and customers must mostly rely on websites for their payment needs.

Ultimately, a credit card is a terrific product that appeals to both Gen Z and millennials while cross-selling additional goods and services. The number of partnerships to enhance the services available in this area may potentially rise in the future. Also, an intriguing period is ahead for the credit business due to the changing models and changes in the credit card industry.

5.3 Limitations

The limitations of the present study provide significant opportunities for further research.

- The study is limited to the perspective of a non-probabilistic convenient sample of 114 respondents residing in metropolitan cities of India.
- The study only measures the Perception towards credit cards and does not investigate whether intention translates to actual adoption.
- The study only considers four factors (Credit limit, Features and Benefits, Brand Reputation, and Interest Rate), which may not be exhaustive in determining the factors that influence the adoption.

Due to the limitations of the study, it is advisable to conduct similar studies under different conditions and in different regions to validate the findings.

REFERENCES

- Khare, A., Khare, A., & Singh, S. (2012). Factors affecting credit card use in India. Asia Pacific Journal of Marketing and Logistics.
- Khare, A. (2016). Money attitudes, credit card and compulsive buying behaviour: a study on Indian consumers. International Journal of Business Competition and Growth, 5(1-3), 49-71.
- Tripathy, Naliniprava, Saraju Prasad, and SV Ramana Rao. "Changing Perception of Indian Customers' towards Credit Cards-An MDS Analysis." International Journal of (2012).
- Pradhan, D., Israel, D., & Jena, A. K. (2018). Materialism and compulsive buying behaviour: The role of consumer credit card use and impulse buying. Asia Pacific Journal of Marketing and Logistics, 30(5), 1239-1258.
- Serhat Yüksel (2016), Identifying the Macroeconomic Factors Influencing Credit Card Usage in Turkey by Using MARS Method, China-USA Business Review, Dec. 2016, Vol. 15, No. 12.
- Sari, M., & Rofaida, R. (2015). Factors affecting the behavior of university community to use credit card. International Research Journal of Business Studies, 4(3).
- Liu, M. T., Brock, J. L., Singh, R., Chu, R., & Sy-Changco, J. (2012). What drives Indian consumer credit card loyalty? The perspective of involvement in reward programmes. The International Review of Retail, Distribution and Consumer Research, 22(4), 365-383.
- Goyal, A. (2004). Role of supplementary services in the purchase of credit card services in India. Asia Pacific Journal of Marketing and Logistics.

PLAGIARISM REPORT

turnitin

Similarity Report ID: oid:27535:34392198

- 7% Overall Similarity

Top sources found in the following databases:

- 4% Internet database
- 1% Publications database
- Crossref database
- Crossref Posted Content database
- 4% Submitted Works database

TOP SOURCES

The sources with the highest number of matches within the submission. Overlapping sources will not be displayed.

1	dspace.dtu.ac.in:8080 Internet	1%
2	Higher Education Commission Pakistan on 2022-10-26 Submitted works	1%
3	directives.sc.egov.usda.gov Internet	<1%
4	researchgate.net Internet	<1%
5	University of Adelaide on 2022-10-12 Submitted works	<1%
6	emeraldinsight.com Internet	<1%
7	Indian Institute of Mangement Rachi Suchana Bhawan on 2023-02-08 Submitted works	<1%
8	Universiti Teknologi MARA on 2016-06-18 Submitted works	<1%

Sources overview

turnitin Similarity Report ID: oid:27535:34392198

9	University of Wales Institute, Cardiff on 2022-10-22 Submitted works	<1%
10	environment.sa.gov.au Internet	<1%
11	ijrcm.org.in Internet	<1%
12	acikbilim.yok.gov.tr Internet	<1%
13	tandfonline.com Internet	<1%