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**FACTORS INFLUENCING THE USAGE OF CREDIT CARD
OF
MAB BANK STAFF**

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Factors Influencing the Usage of Credit Card of MAB Bank Staff

A thesis paper submitted in partial fulfillment of the requirement for Degree of Master of Banking and Finance (MBF).

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ABSTRACT

The study aims to analyze factors influencing the usage of credit card of MAB bank staff. The objectives of the study are to identify the credit card policy and procedure and to analyze the factors influencing the usage of credit card of bank staff. This study used convenience sampling and was conducted where data was obtained from card center staffs. Both of primary data and secondary data are collected. Primary data are collected from card operations bank staff by using structured questionnaires. Secondary data are obtained from previous studies, reports, related books, journals, literature review, and internet websites. A sample of 120 bank staffs who used credit card is selected from among 328 staff of card operations department of MAB bank. This study observes factors influencing the usage of credit card such as personal financial knowledge on credit card, attitude towards credit card usage, easy access to credit, aggressive promotion by credit card provider and minimum payment requirement on the usage of credit card. The study used both descriptive and analytical methods. The finding revealed that the results of regression analysis, easy access to credit, and minimum payment requirement attitude have a positive and significant influence on credit card usage. Aggressive promotion by credit card provider has a negative and significant influence on credit card usage. According to the results, attitude towards credit card usage and personal financial knowledge on credit card do not have significant influence on the usage of credit card. According to the results of the statements of attitude towards credit card usage and personal financial knowledge on credit card, it was found that respondents were fairly agreed on over limit fees and also fairly agreed on do not care on deferred payment. It means that bank needs to educate to its customer for improvement of their product and usage knowledge on credit card. This study suggested that the bank should improve on defined policy to efficient and effective credit approval criteria of credit policy and the bank should control aggressive promotional programs. This study may assist to set efficient and effective credit approval criteria of credit policy for credit card lending product.

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LIST OF ABBREVIATIONS

ATM	-	Automated Teller machine
AYA	-	Ayeyarwady Bank
AGD	-	Asia Green Development Bank
BOD	-	Board of Director
CBM	-	Central Bank of Myanmar
CDD	-	Customer Due Diligence
CMS	-	Card Management System
CB	-	Co-operative Bank
CEO	-	Chief Executive Officer
COO	-	Chief Operation Officer
CBO	-	Chief Business Officer
Dy. COO	-	Deputy Chief Operation Officer
Dy. CBO	-	Deputy Chief Business Officer
E-commerce	-	Electronic Commerce
HR	-	Human Resources
KBZ	-	Kanbawza Bank
KYC	-	Know Your Customer
JCB	-	Japan Credit Bureau
MAB	-	Myanma Apex Bank
MMK	-	Myanmar Kyat
MPU	-	Myanmar Payment Union
MOB	-	Myanmar Oriental Bank
MIS	-	Management Information System
MASTER CARD	-	Master Card World Wide Pte Ltd.
NRC	-	National Registration Card
POS	-	Point of Sales
PIN	-	Personal Identification Number
UPI	-	Union Pay International
USA	-	United State of America
VISA	-	Visa International Settlement Association

CHAPTER I

INTRODUCTION

In today's economy, credit cards represent an important part of household, business and global activity which is popular payment medium used by people in Myanmar. Normally, Credit cards charge financial interest and fees which is type of short-terms consumer retail lending product without collateral. Credit card which is a type of interest-free loan, assuming cardholders can make repayment within the stipulated period of 45-50 days, depending on the issuing bank.

The way people look at Credit cards have changed as money. The most common feature among the credit card holders is that they carry forward their payment and cash advance. The spending on credit cards varies from person to person based on their behavior and profile. Credit card holders gain in terms of convenience where they can access funds at any time and almost anywhere in the world in order to purchase goods and services. Items purchased using credit card is more expensive than the actual cost of goods and services. Postponing payments multiplies bills that too at a High interest rate of 16-20 per annum, penalty for late and partial payment fees, pushing the card holders into a debt trap. This could cause financial burden such as overdue payments if consumers are not able to pay back the credit card loan. The problem among card holders was many were struggling to pay back their debts. Recently, competitions among credit card players is intense. Offering benefits like reward point is just another way of luring customers into debt trap.

In early of 2012, the Central Bank of Myanmar permitted to issue credit card among domestic banks. The country has only recently returned to true credit card, which disappeared in the wake of the 2003 banking crisis. In order to lessen the handling of currency notes, the Central Bank of Myanmar has been focusing and guiding to improve payment methods. Credit card has also become the primary sources of unsecured open-end revolving credit, they have been replacing the existing payment method with cash. There are advantages & disadvantages of using credit card as a payment instrument. The spending of credit cards has been promoting purchasing power. It becomes secured and save payment method in the market. Besides that, not only number of people holding credit card increased, but also the

aggregate number of credit cards supply increased in Myanmar. Since 2012, In order to improve cashless society and generate interest and fee-based income, there are leading domestic banks such as KBZ, CB, MOB, AYA, MAB, AGD etc. has been offering credit card to their existing and potential customers. Today credit card industry is highly competitive and most of the banks are offering credit cards in association with Visa, Mastercard, Union Pay International and MPU.

This study attempts to observe the relationship between the five essential factors namely Easy access to credit, Aggressive Promotion by credit card provider, Low minimum payment requirement, Attitude towards credit usage and Credit card related knowledge that lead to credit card usage among bank staff.

1.1 Rationale of the Study

Credit cards play as an important role to promote **consumption power of the country and** by offering merchants a guaranteed method of payment and providing consumers with a convenience way to make payments in times of emergency. The role of credit card is not only important for individuals and corporate. Regarding in aspect of **continued economic growth, credit cards are playing as very important role.** For face-to-face transactions cash works in the best and checks take time to convert cash. Credit cards act like electronic payments, make functioning in a globally much easier. There is no border or long-distance to make credit card transactions, Credit card create more gross domestic product and consumption and which indirectly lead to create more job opportunity.

These cards are positioned in a manner which gives an impression that the cards can be acquired by people from not only the upper class but also the middle- income categories. The unsecured loans, in the form of credit cards are increasing day by day. Since the credit card debt is clean and unsecured loans, where no collateral is required, Banks are exposing themselves to higher risks and covering the cost from the end consumers in return.

Credit card acquisitions are considered as high-risk and usage of credit cards falls under unsecured lending. In order to reduce credit risk in Myanmar banks, CBM want to control and make it more systematic. When compared to other countries, current Myanmar credit card market remains unsaturated and the number of

cardholders exist is lower than other developing countries. Now a day, Myanmar financial market was being developed with the new products and new technology innovation by competing between among the banks both privates and government. Among these new products, credit card is most popular financial instrument to make payment for purchases to merchants, government, etc. In currently, not only the private label (MPU) and international label (VISA, MASTER CARD, JCB, UPI) credit card issuer banks are MAB, KBZ, CB, AYA, AGD and MOB but also the rest of the banks are planning to issue credit card.

In order to get better and accurate results in credit card business, it is important to examine factors influencing credit card usage. This is the main motivation factor for many researchers to investigate the relationship between credit card usage and factors influenced the usage.

1.2 The Objectives of the Study

The objectives of the study are:

- (1) To identify the credit card policies and procedures of MAB Bank and
- (2) To examine the factors influencing on the usage of credit card of bank staff.

1.3 Scope and Method of the Study

In this study, the primary data were collected through consumer surveys administered 120 credit card holders who are working in card operation department of MAB bank in Yangon. Questionnaires were being used to collect the primary data and information. The questionnaire has two different sections including the demographic section and another section was focused on the five independent variables which instructed in five points Likert-scale Format. The study used both descriptive and analytical methods. Secondary data are obtained by relevant Text book, theses, research papers, journals from internet websites and other related information resources.

1.4 Organization of the Study

This paper divided into five chapters Chapter one includes the introduction, rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter two describes theoretical background of the study with topic of research and conceptual framework of the study. Chapter three presents profile of Myanma Apex Bank and its credit card policies and procedures. Chapter four describes analysis on factors influencing credit card usage of MAB bank staff and Chapter five concludes the study with findings, discussions, suggestions, recommendations and needs for further research.

CHAPTER II

THEORETICAL BACKGROUND

This chapter introduces background of credit card and the various factors which were found to have influences on the credit card usage, based on the findings from previous studies.

2.1 Background of Credit Card

A credit card is a convenient form of payment issued to users (cardholders) to enable the cardholder to pay a [merchant](#) for [goods and services](#) based on the cardholder's promise to the [card issuer](#) to pay them for the amounts plus the other agreed charges with the concept of “Buy now, Pay later”. The card issuers (usually a bank or financial institution) creates a [revolving credit account](#) and sets a [line of credit](#) limit to the cardholder based on individual's credit rating, from which the cardholder can use up on pre-set credit limit for the payment to a [merchant](#) or as a [cash advance](#).

In early of twentieth, credit cards were first issued in the United State of America. Since then, they have become a major system for exchange of transactions (or payments) that stimulated household and personal spending even in many developing countries of the world (Watkins, 2000). The growth in credit card usage is parallel with the growth in other types of consumer credit such as overdrafts, hire purchase and others. With the developing technology, the need for alternative payment tools to meet the ever-increasing needs of individuals has led to the emergence of credit card payment systems by improving payment instruments (Kaya, 2009).

Credit cards are also a source of revolving credit which provided by card issuers and works like a bank overdraft. It simply means that the cardholder is allowed to effectively borrow money, up to certain pre-set level, from the card issuer again and again. Once all of part of the amount paid back, the cardholder has an automatic right to borrow again, up to his credit limit. It differs from a personal loan in that, with a loan, once the amount has been repaid. It can't be borrowed again without a new agreement (Ian Lindsey,1994). In 1894, the first credit card was issued by the Hotel Letter Credit Company based in United State. The first credit card was

released to the market in Turkey which was called as the "Dinners Clubs" in 1968. Which know as charge card, the debt on card must be repaid in full, monthly or charges will be incurred (Ian Lindsey,1994).

There are many advantages by using credit cards. First of all, risks arising as a result of carrying cash are eliminated. Also, it provides facility as multi-currency to make payment for purchasing goods and services around the world. As well as these, with the recent developments in technology the competition among credit card issuers escalates. This competition encourages financial institutions issuing credit cards to offer a wide range of products which enables individuals to acquire a credit card easier. Therefore, credit card usage increases and its area broaden day by day (Çeker, 1997).

The economic crisis in 2001 has been influential on the strengthening of the Turkish banking sector and, accordingly on the development of the banking and credit card markets. Thus, the number of credit cards increased by 137% between 2002 and 2007, and reached to 37.3 million, and the credit card expenditures reached to 141.5 billion TL as of 2007. There was also an increase in the rate of credit card usage between 2008 and 2016, but this increase was not as large as in previous periods. As a result of the developments experienced, the number of credit cards increased from 671 thousand in 1991 to 58.8 million in 2016.

Barker (1992), In his research, Globalization of bank credit cards usage: The situation of a developing economy” examine the mind-set of Turkish customers towards credit cards. The most important factors for using a bank credit cards were “ease of payment”, followed by “risk of carrying cash” that the utilization and the management of bank credit cards are affected very much by the infrastructure of the nation and hence, creditors have to alter their marketing and management techniques rather than following a consistent strategy.

2.2 Consumer Behavior and Credit Card Usage

Consumer behavior is an inter-disciplinary social science that defined as the study of the buying units and the exchange process involved in acquiring, consuming and disposing of goods, services, experiences, and ideas (Mowen and Minor, 1998).

Credit Card Usage is the amount of charges made by a credit card holder either through purchases of goods and services or cash advances made through ATM machines provided by credit cards issuers. The usage of credit card is categorized under consumer credit which is defined as the usage of finance for personal use, not for business purposes (Lee Chin Yen, 1980).

2.3 Factors Influencing Credit Card Usage

The following factors were found to be influential on the level of credit card usage.

2.3.1 Easy Access to Credit

In the modern society, the credit card which increasing importance as a mode of payment, the usage of a credit card has an influential impact on consumers' well-being. Several empirical studies have been conducted on various aspects of credit card usage. The study supports that easy access to credit, particularly through credit card, results in consumers to be over-spending and being in debts that they could not handle on it (Juliet B. Schor, (1998). By allowing consumers to buy things with unparalleled convenience and speed, they tend to spend more; often more than their income and what they have in the bank. This condition related well with that credit card directly fueled an explosion in consumer debt (Sapsford, J., 2004).The geographical location between the north and south is one of the important factors for having and used the credit card in Italy, whereby the easier location for the card to be used is the more preferable compared to the uneasy location (Alessandra, A., P. Alfonso and S. Luca, 2016).

2.3.2 Aggressive Promotion by Credit Card Provider

Some of the bank are targeting self-employee, business owner and career people as a customer. Mass advertisement and promotions conducted to draw the attention those people to obtain a credit card and spend as a shopping means. Various strategies used by sales people to promote credit cards to the targeted group. The mismanagement and usage of credit cards have become one of the reasons to the

increased of credit card debt among credit card providers (issuing banks). The study which showed an interesting finding, whereby the discount offers or other card facilities in the result of aggressive promotions also drive and encourage credit card holders to use their credit cards frequently (Dewri, L.V., M.R. Islam and N.K. Saha, 2016).

2.3.3 Low Minimum Payment Requirement

Since 1990s credit card companies are competing with each other to have more customer by lowering payments to attract customers (Tamara, D. and S. Javier, 2004). By lower the requirements payment which will attract regardless any targeted groups, especially young and adult career peoples. Studies show that the one of competitive strategy is the reduction in the minimum payment requirement from 30% to between 10% of the balance in current credit card industry of Myanmar.

2.3.4 Attitude towards Credit Card Usage

The widespread use of credit cards reflects consumer preference regarding prearranged lines of credit, and technological developments have made it much easier for creditors to offer revolving credit (Durkin, T.A., 2000). Not only the ability of consumers to borrow could influence the households' amount of debt but also their willingness to borrow (Godwin, 1997). Consumers' attitudes toward credit use might partly cause the dramatic increase in credit use from the 1930s to the 1990s According to (Norton, 1993). The study reported that there is a positive relationship between consumers' general attitudes toward using credit and the increase in consumer debt from 1983 to 1989 (Godwin ,1998). It stated that consumers' attitudes have significant relationship to both instalment debt and credit card debt, even after accounting for the impact of demographic and socio-economic variables (Chien and Devaney, 2001). There are several studies showed that a person who more likely to have more than one credit card and have a significant amount of debt with a positive attitude towards credit card usage (Chen and Devaney, 2001; Davies and Lea, 1995; Hayhoe, Leach, and Turner, 1999).

2.3.5 Credit Card Related Knowledge

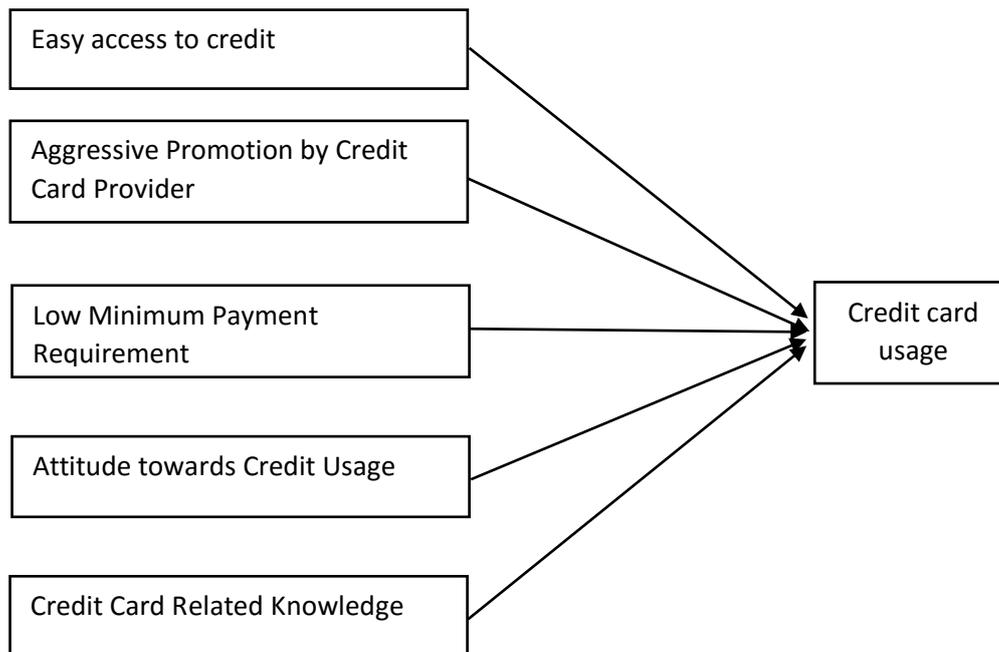
Hilgert and Hogarth, (2003) stated that experience, friends and family, with personal experience are the most important way of learning to use credit effectively and they are also the main sources of financial knowledge. According to Warwick, J. and P. Mansfield, (2000) focuses on the knowledge and awareness and behavior relating to credit card usage among consumers. To improve consumers' knowledge on credit card usage, it is necessary to understand how the gap can be narrowed between consumers' credit card knowledge, the factors that are influencing on it. Moreover, personal financial knowledge on credit card is an important component in consumer decision making. The knowledge relating to credit card use, for example, might be useful when promoting personal finance education among high school and college students (Robb, C.A. and D.L. Sharpe, 2009). The education, religious education level, gender and religious level also influence the selection and the usage of the credit cards (Dali, N.R.S.M., S. Yousafzai, S. and H.A. Hamid, 2015).

2.4 Previous Study

There are several studies regarding factors influencing the usage of credit card. This section presents a review of some previous related studies.

Mohamed S., Shahdon N., Sham R (2016) analyzed factors influencing on credit card usage among 120 credit card holders in the KLM private hospital staff. The study found that only credit card related knowledge is significant and positively influence to credit card usage. Julie Makio M., (2006) also analyzed the factors affecting the usage of credit cards among 23 staff of other department and staff of card center of Post Bank. The study found that credit card related knowledge significant and positively influence to the credit usage. The study examined how the independent variables (easy access to credit, aggressive promotion by credit card provider, low minimum payment requirement, attitude towards credit usage and credit card related knowledge) influenced the dependent variable (credit card usage). The conceptual framework of the previous study can be seen in below.

Figure (2.1) Conceptual Framework of A Case Study on Factors Influencing Credit Card Usage

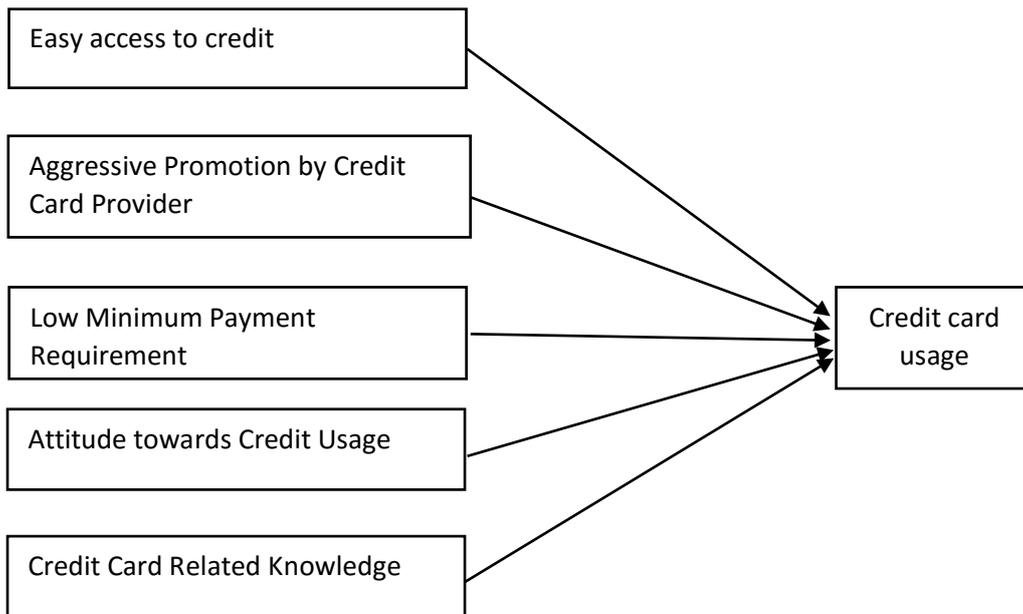


Source: Mohamed S., Shahdon N., Sham R (2016)

2.5 Conceptual Framework of the Study

The conceptual framework for this study can be seen in Figure 2.2. This study tried to look at the possibility of the significant correlation between dependent variable credit card usage and independent variables such as easy access to credit, aggressive promotion by credit card provider, low minimum payment requirement, attitude towards credit card usage and credit card related knowledge.

Figure (2.2) Conceptual Framework of the Study



Sources: Adopted from Mohamed S., Shahdon N., Sham R. (2106).

CHAPTER III

PROFILE AND CREDIT CARD POLICIES AND PROCEDURES OF MAB BANK

This chapter includes four sections which are profile of Myanmar Apex Bank, organization structure of Myanmar Apex Bank, payment card services provided by Myanmar Apex Bank and the credit card policy and procedure of the bank. Card services provided by Myanmar Apex Bank are Debit card, Credit Card, Prepaid Card and local and international card acceptance services such as ATM and POS.

3.1 Profile of Myanmar Apex Bank

Myanmar Apex Bank Ltd which know as MAB was incorporated as a private bank limited on 2nd July 2010 in Naypyidaw. Over the past ten years, bank have progressively increased its branch network to serve better services to the people in Myanmar based on growing commercial and consumer's needs across the country. The service delivery standard and reliable performance have propelled MAB to a new level of customer satisfaction and trust among the Myanmar people. The bank has played an important role with stability and success in domestic banking in Myanmar by contributing its efficient and reliable services to the promotion of financial intermediation in the country.

The bank provides banking facilities and other financial assistance to its customers in the form of commercial financing, overdraft and hire purchase options for all small and medium businesses, customer's deposit offerings, institutional banking, wealth banking internet banking, mobile banking, debit, credit and prepaid card services and ATM, POS facilities for the promotion of electronic payment system in the country. In addition, Cross- border trade, that provides businesses with foreign trade finance, gift cheques, payment orders, remittance and other ancillary services.

The bank has been invested and nurtured both local and external talents with a good mix of professional experiences in domestic and international banking industry. Technologically, bank also keep abreast of disruptive trends and changes. The bank is upgrading and stay in competitive, agile in meeting the future growth and challenges. Bank's people, technology readiness and product development stand ready to grow of

digitalization in banking industry in the years to come. The vision and mission of the bank are as follows:

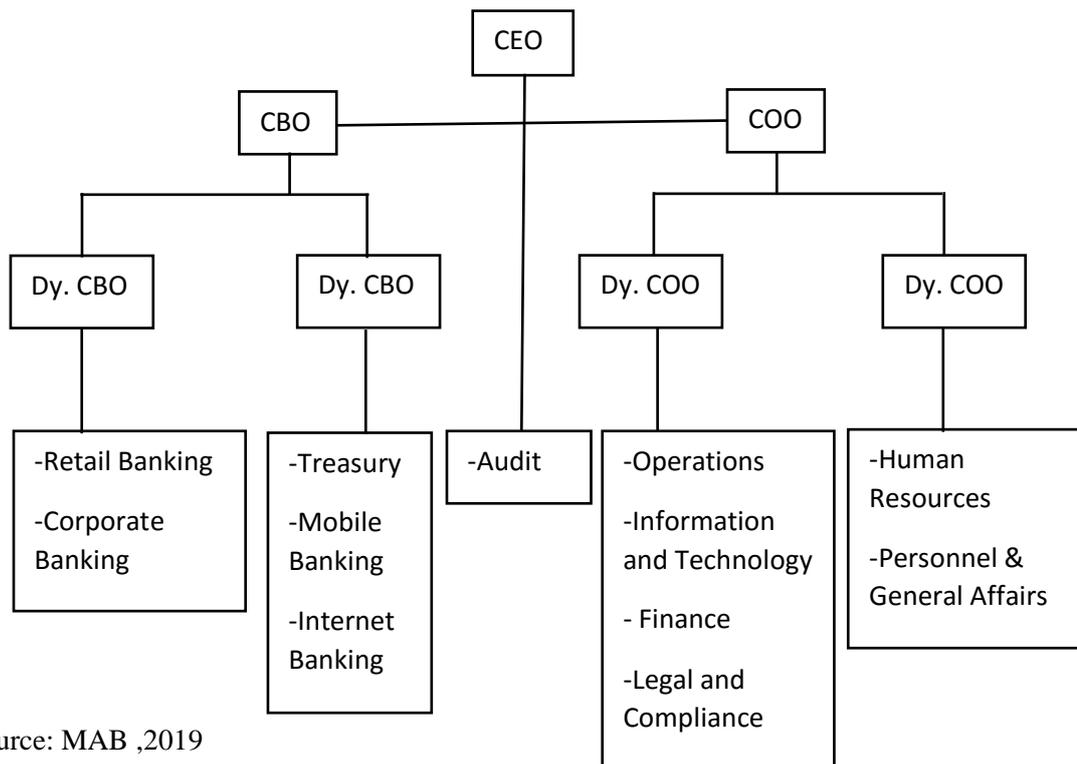
Vision: The vision statement of MAB Bank is “to be leading customer centric bank built on safe, sound and trustworthy principles”.

Mission: The mission statement of MAB Bank is “to be a multi-service bank providing financial solutions to both individual and corporate customers, in accordance to their needs, while maintaining excellence in our customer service at all times”.

3.2 Organizational Structure of MAB Bank

There are many departments and branches in MAB Bank. Each department has Head of department and each branch has branch manager and second incharge. MAB Bank Limited is established a board of director (BOD) and senior management team. There are one chief executive officer (CEO), one chief business officer (CBO), one chief operating officer (COO), two deputy chief business officer (Dy. CBO) and two deputy chief operating officer (Dy. COO) Bank. Organizational structure of MAB Bank is as follows:

Figure (2.2) Organizational Structure of MAB Bank



Source: MAB ,2019

3.3 Card Services Provided by MAB Bank

Now a day, the card services are potential and popular services of the bank. MAB has been providing the prepaid card, debit card and credit card to its customers. The bank has been also providing the ATM and POS, merchant acquiring services to local brand MPU and international brand such as Visa, Master Card, UPI and JCB card, these cards were used in merchant of MAB. In details, the bank has been providing both private label MPU/ UPI co-branded debit card which will be accepted in both local and overseas and the international label cards such as Visa credit and prepaid, Master prepaid which allow to use in globally.

3.3.1 MPU/UPI Co-branded Debit Card

As a member of MPU, MAB has been issuing MPU/UPI Co-branded Debit Card, which is a plastic card with Chip and PIN that can be used to withdraw cash at any ATMs both domestic and outside Myanmar. In addition, it can also be used as retails purchase for goods and services via point of sale transactions (POS) terminal or via e-commerce websites. Customers can make payment at merchants such as hotels, mini marts, shopping centers and restaurants via online without the hassle of carrying cash all the time.

3.3.2 Visa/ Master Prepaid Card

MAB has been collaborating with Visa/ Master Card worldwide to issue prepaid cards. MAB allowed its customers to have prepaid cards to use in globally with both international VISA & Master Card Scheme. MAB Prepaid Card provides a secure and convenient way to make payments when traveling overseas and across the country. Consumers can also easily check history of card transactions and their card account balance by logging MAB internet banking or through ATMs. Which are not only suitable for travelers to foreign countries, students going abroad for further studies and those who want to make online payment via e-commerce website but also who want to make cash advance transactions at ATMs.

3.3.3 Visa Credit Card

In late 2018, MAB was introduced Visa credit card to its customers. MAB Visa credit card is a kind of unsecured retail lending product type provided through a

plastic card with Chip and PIN, which can be made payment for goods & services or cash advance. The Visa credit card allows customer to use up on pre-defined credit limit set by bank and can be made repayment later on. Three types of Visa credit card issued by MAB Bank are Platinum & Classic and Gold Wealth cards with contactless function. MAB VISA Pay Wave is tag and go method of payment. It is simple, secured and can be made quick payment method at location of merchants. The technology enables cardholders to ‘tap’ their card on a contactless POS terminal to make the transactions at merchants rather than swiping or dipping their card into POS terminals.

3.3.4 Card Acceptance Services

MAB Bank started both domestic and international card acquiring business in December 2012. All of VISA, Master Card, Union Pay International, JCB Cards and MPU which issued by local and outside Myanmar cards are allowed to use at all MAB ATMs and Point of Sale terminals. For MPU, the maximum amount per withdrawal is MMK 300,000 and the daily maximum amount of withdrawal is MMK 1,000,000. For International card schemes, the maximum amount per withdrawal is MMK 300,000 and the daily maximum amount of withdrawal is based on the policy of related issuing bank.

3.4 Credit Card Policy and Procedure of MAB Bank

Credit card falls into the category of Payment Card. Credit Card Product is a type of cash flow lending products to individuals and employees of an organization or a corporation. The nature of the product is an unsecured, general purpose, revolving line of credit made available through the use of a plastic card for retail purchases, or emergency cash advance, both locally and overseas. Repayment of credit relies on the individuals’ (or corporation’s) willingness to repay and sufficient recurrent cash flow to clean up the loan partially or entirely, voluntarily or when asked to do so. Credit card have three main functions (not all of which will apply to each type) which are means of paying for good and services, obtaining cash and source of revolving credit. A guarantor or collateral is not normally required. Application of credit card can be made by mail, through branches, take-one box, merchants, or any other non-personal electronic means. Customer relationship is managed through providing prompt and

reliable customer service, attractive usage benefits, and customer loyalty incentive programs such as bonus reward system, cash rebate incentive.

3.4.1 Credit Card Policies

There are three types of credit card which was classified to base on income level and credit limit such as Classic, Gold and Platinum. Local resident who between ages 21 and above with annual income of MMK 3,000,000 and above are eligible to apply credit card. There are two types of card member fall into each classified card type which are primary card member and supplementary card member.

Regarding for the underwriting and Approval process, issuing banks defined the basic requirements information on applying of credit card. Which divided into three parts. They are:

- (i) personal information
- (ii) financial and employment related information and
- (iii) personal references and delivery instructions.

According to the rules and regulation of credit card of Central Bank of Myanmar. MAB defined the applicant must have an account with the bank and must provide required documents such as a clear copy of NRC or Passport for expatriates, copies of latest three months bank statement or audited financial statement for self-employees or business owners, copy of employment letter through HR or Business registration copy and income tax return of salary statement. In others, sufficient proof of income and source of income must be provided for the retired, landlords, dependents, etc.

Bank defined the plastic card validity is five years which means the card will be expired after five years from the issued date. The credit cards will be issued in Chip and PIN base. Cardholders will be given with a PIN and they are required to key in their PIN as electronic signature to signify their agreement to the transactions. New and replacement cards will be mainly distributed through bank branches. Cardholders are required to call to Card Centre or by using internet banking channel to activate their cards before use. Cardholders will be asked with several questions over phone to verify their identities before Card Centre activate their cards.

Based on applicant's stability of income and job, ability to pay, credit experience, past credit performance and bank references issuing bank considered to

set realistic credit limit and card type to each applicant. The approval and credit limit are defined by bank, it subject to the bank's discretion.

MAB bank allows credit card holders to use up to 100% of available of credit limit. For cash advance the bank allows to make cash withdraw transaction up to 30% of credit limit which pre-set limit by bank. Regarding the over limit the bank's system allow to use up to 110% automatically which defined and configured by bank. But for cash advance transaction, over limit option is not allowed by bank. All transaction details will be grouped and staged under billing statement and it will be sent out to its credit card holders on 26th of the month. There will be Due Date within 15 days after billing statement date, card holder must pay at least minimum payment 10% of total outstanding balance or above.

Fees and Charges policies defined by MAB bank based on the level of card product types. Typically, financial interest charges and transaction fees are same on different card types but other fees such as annual fee and card replacement fee are differ from one card type to another card types.

3.4.2 Credit Card Issuing Procedure

Based on the pre-set guidelines and information provided by the applicant, the bank will evaluate the application carefully from KYC and financial points of view. After considering all relevant information and related issues, issuing bank will approve or decline the relevant application. In generally, MAB bank credit card issuing procedure are divided into four parts which are (i) Application screening process (ii) Underwriting and Approval process, (iv) Account management process and (v) Collection, Recovery and Risk Management policies. There are as follows:

Application screening process, MAB bank defined the screening and verification process to get accurate data and information to proceed underwriting and credit approval process. The applicant must be filled and signed on application form. The control of credit and fraud losses is critical. All new applications must go through a review against pre-defined credit criteria and negative checking. New applications will be required to submit through bank branches in person, applicant's identities will be verified and confirmed before submitting the applications to Card Centre for further processing.

Underwriting and Approval process, the bank defined the basic requirements information on applying of credit card. Which are details of personal information,

financial and employment related information and personal references and delivery instructions. Credit card application form was made based on legal point of view, income point of view, KYC/CDD point of view. Therefore, applicant must be 21 years old and above with minimum income level.

Based on provided information by applicants, the bank run underwriting and approval process. Underwriting process is intended to determine the credit needs, the quality of collateral assets to use to support the borrowing and the borrower's ability to repay on the debt. Upon completion of underwriting process and based on credit score points issuing banks will either approve or reject on the request for credit card lending. Underwriting process is a critical step credit analysis and risk management process for the credit card business of the bank. The applicant should not be in black list or with bad credit history. In approval process all applications are judged by credit approvers based on acceptance criteria. The approval of an application is based on the demographic data supplied by the applicant. The critical criteria are Age: Minimum age of 21 years and above, A permanent resident of Myanmar or foreigner with passport, proven annual salaries not less than minimum income requirements set by MAB bank for each card type such as classic card gold and platinum card and latest 3 month bank documents showing minimum balance not less than the floor limit of deposit set by bank at any time.

Account management process, MAB have been using the CMS (Card Management System) as a base of transaction processing, to maintain customer information, transaction history. It can provide daily/ Monthly transaction reports, financial related reports such as Trial balance and General Ledger, Collection reports and MIS reports to analysis the customer's spending/ payment behavior. For transaction processing, settlement and clearing process the bank use CMS (Card Management System).

Collection, Recovery and Risk Management policies, MAB were established the sound of proper policies and procedure for collection, recovery and risk management. In regularly, bank generated the credit card billing statement and sent out to card holders at the billing cycle end. Card holder have to pay at least minimum 10% of the statement balance before due date. If they missed for payment those accounts will be fall into delinquent stage. In order to manage on delinquent accounts, the reports such as the coincident, flow rate, lagged delinquency and other credit indicators are in use to compare with market trend for predicting any credit risk. A

well-defined collection process will be in place by using collection module in CMS to follow-up on delinquent accounts, over-limit and first payment default accounts. All accounts with 60 Days past due will be blocked and restricted from further usage.

CHAPTER IV

ANALYSIS ON THE INFLUENCING FACTORS ON THE USAGE OF CREDIT CARD OF BANK STAFF

This chapter is a presentation of results and findings obtained from field responses and data, divided into five parts. They are Survey design, the background information of the respondents, factors influencing the usage of credit card, analysis of relationship between influencing factors and credit card usage and the last section presents the study as analyzed factors influencing on the usage of credit card of bank staff of MAB bank.

4.1 Survey Design

In order to understand the level of credit card usage and factors influencing usage of credit card, the questionnaire for this study were asked to the respondents by using sample random sampling method. The questionnaire survey through a sample 120 credit card holders who are working in card operation department of MAB bank in Yangon. Questionnaires were being used to collect the primary data. The questionnaire has two different sections including the demographic section and another section was focused on the five independent variables which instructed in five points Likert-scale Format. And then this study also used descriptive and analytical research method. Secondary data are obtained by relevant Text book, theses, research papers, journals from internet websites and other related information resources. This study is confined to credit card holder who staff of card operations department of MAB.

4.2 Background information of Respondents

This section analyzes the gender, age, education level, monthly income level and position of respondents.

(a) Gender of Respondents

Table 4.1 state the result from the analysis on gender background of respondents through questionnaires.

Table (4.1) Percentage of Respondents by Gender

Gender	No. of Respondent	Percentage
Male	38	31.7
Female	82	68.3
Total	120	100

Source: Survey data (2019)

According to the result of this above table, the male response rate is less than female response rate. This outcome indicates the number of Male is half of Female and gender differentiation may affect the result of this study. This implies that most of Female are used credit card.

(b) Age Level of Respondents

Table 4.2 state that the result from the analysis on age level of respondents through questionnaires.

Table (4.2) Percentage of Respondents by Age Level

Age Level	No. of Respondent	Percentage
21-30 Years	65	54.2
31-40 Years	34	28.3
41-50 Years	19	15.8
51-60 Years	2	1.7
61& above	-	0
Total	120	100

Source: Survey data (2019)

The above table (4.2) indicated the number of respondents between 21 and 30years are 54.2%, between 31and 40 years are 28.3%, between 41and 50 years are15.8%, between 51 and60 years are 1.7%and over 61 years are not used respectively. Among them, the most of 21-30 years old respondents are frequently used credit card.

(c) Education Level of Respondents

Table 4.3 state that the result from the analysis on education level of respondents through questionnaires.

Table (4.3) Percentage of Respondents by Education Level

Education Level	No. of Respondent	Percentage
Doctorate	-	0
Post Graduate	29	24.2
Graduate	90	75.0
Under Graduate	1	0.8
Total	120	100

Source: Survey data (2019)

As the result of the above table, it was not founded that doctorate level of respondents. From the result of the survey, graduated respondents are 90 and under graduated respondent is only 1. As almost all of the respondents are graduated, it is easier to understand better perform the credit card usage.

(d) Monthly Income Level of Respondents

Table 4.4 state that the result from the analysis on monthly income level of respondents through questionnaires.

Table (4.4) Percentage of Respondents by Monthly Income Level

Monthly Income Level	No. of Respondent	Percentage
150,000-300,000	51	42.5
300,001-500,000	26	21.7
500,001-1,000,000	20	16.7
1,000,001-2,000,000	14	11.7
2,000,001-4,000,000	5	4.2
4,000,001& above	4	3.3
Total	120	100.0

Source: Survey data (2019)

According to Table (4.4), it was founded that the highest respondent with monthly income level of respondent under kyats 150,000-300,000 is 42.5% .But it was found that 21.7%, between kyat 300,001 and 500,000 and 16.7%, between kyat 500,001 and 1000,000.And then 11.7% are between kyat 1000,001 and 2000,000 and 4.2% between kyat 2000,001 and 4000,000 and 3.3% over 4,000,001 is the lowest respondent rate respectively.

(e) Position of Respondents

Table 4.5 state that the result from the analysis on position of respondents through questionnaires.

Table (4.5) Percentage of Respondents by Position

Position	No. of Respondent	Percentage
Executive	15	12.5
Manager	35	29.2
Supervisor	18	15.0
Office Staff	52	43.3
Total	120	100.0

Source: Survey data (2019)

Position of employees is classified into four groups. It is found that sample includes 15 executives, 35 managers ,18 supervisor level and 52 office staff. In term of percentage office staff share is the largest portion in respondents while executives share is the smallest portion in response.

4.3 Factors Influencing the Usage of Credit Card

Regarding the Factors Influencing the Usage of Credit Card, the agreement of the respondent on personal financial knowledge on credit card, attitude towards credit card usage, easy access to credit, aggressive promotion by credit card provider and minimum payment requirement are studied. This section is made up of five-point Likert scale model from strongly disagree to strongly agree. Ranking from strongly disagree is equal to 1, disagree is equal to 2, Moderate is equal to 3, Agree is equal to 4 and Strongly agree is equal to 5. Fifty-five questions are asked in the survey in order to collect data.

(a) Easy Access to Credit by respondent

Ten questions are designed to obtain influence of easy access to credit on the usage of credit card. In order to see the extent to which factor influencing the usage of credit card, the descriptive statistics like mean and standard deviation are calculated and presented in Table (4.6).

Table (4.6) Easy Access to Credit

Factor	Mean	Std. Dev.
As a banker, to apply and obtain a credit card is very easy for me.	3.82	0.809
I manage my debt very well.	3.88	.891
I allocate a certain amount of my money each month to make payment for credit card outstanding.	3.93	0.663
I like using credit card because I do not need to carry too much cash	3.99	0.893
Credit card is more convenience than cash when I travel to abroad.	3.96	.834
Credit card allows me to use at wide variety of acceptance areas all over the country & globally.	3.94	.823
The use of credit card allows me to use cash for other purposes. I like using credit card because of it transact money of more than one currency, from one country to another.	3.77	.786
I like using credit card because of speed authorization of cards and advance technology such as EMV technology, PCI Data Security Standard for security.	3.84	.799
I like using credit card when I make payment at merchant with contactless function. It saved my time.	3.88	.717
I use credit card only for emergencies.	3.26	1.025
Overall Mean	3.82	

Source: Survey data (2019)

Based on analysis in Table (4.6), it was noted that overall mean of easy access to credit factors is 3.82. It was founded that most of the respondents strongly agreed on the statement “I like using credit card because I do not need to carry too much cash” with the highest mean score of 3.99. Also it was found that most of the respondents agreed that because all of mean score of easy access to credit factors are greater than 3.5.

(b) Aggressive Promotion by Credit Card Provider

Ten questions are designed to obtain influence of aggressive promotion by credit card provider on the usage of credit card. In order to see the extent to which factor influencing the usage of credit card, the descriptive statistics like mean and standard deviation are calculated and presented in Table (4.7).

Table (4.7) Aggressive Promotion by Credit Card Provider

Factor	Mean	Std. Dev.
I like to obtain credit card to spend with waiver annual fee.	3.89	0.933
I like using credit card, because I earn cashback, bonus point and merchant discount & promotion when I make payment with credit card.	3.74	.884
I like using credit card because I feel like fees and financial charges is fairly set by bank.	3.45	0.868
Penalty fees on late to pay back credit card debts are very high.	3.51	0.953
I prefer to make payment with credit card because the credit limit assigned by bank is realistic limit for me.	3.63	.709
I prefer to use credit card because when I performed transaction, bank sent SMS notification to my mobile for security purpose.	4.13	.766
I prefer to use credit card because bank provide 24 hours call center service for any inquiry or request.	3.92	.717
I like to make cash withdraw transaction at ATM by credit card because of 24 hours services.	3.94	2.871
I like using credit card because I can perform e-Commerce transaction globally.	3.96	.715
I spend more with credit card because of aggressive advertisement.	3.17	.813
Overall Mean	3.73	

Source: Survey data (2019)

Based on analysis in Table (4.7), it was noted that overall mean of aggressive promotion by credit card provider factors is 3.73. It was founded that most of the respondents strongly agreed on the statement “I prefer to use credit card because when I performed transaction, bank sent SMS notification to my mobile for security purpose” with the highest mean score of 4.13. It means that respondents prefer to have bank’s prompt transaction alert for security purpose and happy in strength of technologies. Also, it was found that most of the respondents agreed that because all of mean score of aggressive promotion by credit card provider factors are greater than 3.5.

(c) Low Minimum Payment Requirement

Ten questions are designed to obtain influence of low minimum payment requirement on the usage of credit card. In order to see the extent to which factor

influencing the usage of credit card, the descriptive statistics like mean and standard deviation are calculated and presented in Table (4.8).

Table (4.8) Low Minimum Payment Requirement

Factor	Mean	Std. Dev.
I like credit card because concept of “buy now, pay later”.	3.99	0.815
I like credit card because of revolving credit nature	3.73	.850
I like using credit card because of I only need to make 10% minimum payment on total outstanding amount of each billing statement.	3.83	0.803
I prefer to spend more with credit card if bank defined minimum payment requirement on credit card payment is 5% to between 2-3% of the balance	3.23	0.877
By lower on the minimum payment requirements which will easy to make payment for credit card debts by card holder	3.57	.807
I prefer to spend more with credit card if bank defined minimum payment requirement on credit card payment is 30% or 50% of the balance.	2.87	.907
By Higher on the minimum payment requirements which will easy to make payment for credit card debts by card holder.	3.0	.948
I prefer to make minimum payment on credit card outstanding.	3.54	0.766
I prefer to make partial payment on credit card outstanding.	3.43	1.045
I prefer to make full payment on credit card outstanding.	2.94	.813
Overall Mean	3.41	

Source: Survey data (2019)

Based on analysis in Table (4.8), it was noted that the overall mean of minimum payment requirement factor is 3.41. It was founded that most of the respondents strongly agreed that on the statement “I like credit card because concept of “buy now, pay later”. with the highest mean score of 3.99. Also, it was found that most of the respondents fairly agreed on the statement “I prefer to spend more with credit card if bank defined minimum payment requirement on credit card payment is 30% or 50% of the balance” with the lowest score of 2.87. It means that the respondents more

prefer to make low minimum payment on billing statement balance.

(d) Respondent’s Attitude towards Credit Card Usage

Ten questions are designed to obtain influence of attitude towards credit card usage on the usage of credit card. In order to see the extent to which factor influencing the usage of credit card, the descriptive statistics like mean and standard deviation are calculated and presented in Table (4.9).

Table (4.9) Respondent’s Attitude towards Credit Card Usage

Factor	Mean	Std. Dev
I feel proud when using credit cards	3.52	1.045
I like to buy goods or services using a credit card	3.87	.819
The use of credit card allows me to obtain goods or services within the shortest period.	3.68	0.79
I still use a credit card upon purchases, even though I could buy with cash.	3.48	0.840
I do not care about the deferred payment	2.83	.911
Credit card causes me to make unplanned purchases	3.45	.924
The use of credit card allows me to use cash for other purposes.	3.36	.877
I like to buy new goods using a credit card even the old stuffs can still be used.	3.16	.953
By using a credit card, it can solve my financial problems.	3.5	.898
Usage of Credit card is convenient payment made for me.	3.74	.728
Overall Mean	3.45	

Source: Survey data (2019)

Based on analysis in Table (4.9), it was noted that overall mean of respondent’s attitude towards credit card usage factors is 3.45. It was founded that most of the respondents strongly agreed on the statement “I prefer to buy goods or services using a credit card” with the highest mean score of 3.87. It means that they love credit cards. The statement of “I do not care about the deferred payment” it means that respondents were fairly agreed on that.

(e) Respondent’s Personal Financial Knowledge on Credit Card

Ten questions are designed to obtain influence of attitude towards credit card usage on the usage of credit card. In order to see the extent to which factor influencing the usage of credit card, the descriptive statistics like mean and standard deviation are calculated and presented in Table (4.10).

Table (4.10) Personal financial knowledge on credit card

Factor	Mean	Std. Dev.
In bank policies, to apply credit card, the applicant must earn at least an annual income of 1,800,000 MMK and above.	3.42	1.120
There are three types of credit cards, namely Classic, Gold and Platinum which are issued based on your income level and other criteria set by the bank.	4.08	.729
There are interest charges for every purchase by using credit card. If you do not make paid in full.	3.34	1.119
Goods or services paid by cash is cheaper than by credit cards.	3.00	1.243
There is no over limit fee even though purchases made exceeded the credit card limit.	2.86	1.125
By using Credit card, it increases the current purchasing power but reduces the purchasing power of the future.	3.03	.943
When short of cash the use of credit cards can obtain the early use of goods	3.88	.700
By using Credit card. it increases the current purchasing power but reduces the purchasing power of the future.	3.36	1.060
Late payment of credit cards after payment due date involves additional fees charged.	3.6	.902
Even though you do not use the credit card you will have to pay the annual fee.	3.14	1.190

Overall Mean	3.37
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Source: Survey data (2019)

Based on analysis in Table (4.10), it was noted that overall mean of personal financial knowledge on credit card factors is 3.37. It was founded that most of the respondents strongly agreed on the statement of “There are three types of credit cards, namely Classic, Gold and Platinum which are issued based on your income level and other criteria set by the bank.” with the highest mean score of 4.08. Also it was found that most of the respondents fairly agreed on the statement of “Over limit fees will not be charged even though purchases made exceeded the credit card limit” with mean score of 2.86.

(f) Credit Card Usage

Five questions are designed to obtain the level of agreement of respondents on the usage of credit card. In order to see the extent to which factor influencing the usage of credit card, the descriptive statistics like mean and standard deviation are calculated and presented in Table (4.11).

Table (4.11) Credit Card Usage

Factor	Mean	Std. Dev.
However, credit card fees and interest charges are higher, I prefer to use it because of “Buy now, Pay later”.	3.41	.630
Owning a credit card makes one more confident to me because it is a status symbol in society.	3.40	.612
Credit Card are more convenient to use in comparison to other mode that encourage to me applying credit card.	3.38	.586
I like to make retail purchase transaction rather than ATM cash advance transaction.	3.69	.554
Minimum payment requirement is only 10 % of total outstanding balance, that’s why I prefer to use credit card.	3.65	.521
Overall Mean	3.51	

Source: Survey data (2019)

Based on analysis in Table (4.11), Due to the highest mean score of 3.69 on the statement, It was showed that most of the respondents strongly agreed on the statement “I like to make retail purchase transaction rather than ATM cash advance transaction. Which means that respondents more prefer to use credit card in retail purchase because of ATM fees and charges rate are higher. For retail purchases, there is no fees charged from card holders. It was noted that overall mean of credit card usage is 3.51. It was found that most of the respondents agreed on statements.

(f) Summary of Overall Means Scores

Summary of overall mean scores in the table (4.12), The survey results showed that the factor easy access to credit is the highest score in among factors. It means that respondents were strongly agreed on that statement and they like to use credit card for their consumptions and in emergencies.

Table (4.12) Summary of Overall Mean Scores

Factor	Overall Mean	Level of Agreement
Easy access to Credit	3.82	High
Aggressive Promotion by Credit Card Provider	3.73	High
Low Minimum Payment Requirement	3.41	High
Attitude towards Credit Usage	3.45	High
Credit Card Related Knowledge	3.37	High

Source: Survey data (2019)

4.4 Analysis of Relationship between Influencing Factors and Credit card Usage

In this section, it analyzes the results of correlation with regard to achieve the objective of the study. Therefore, it analyzes the influencing factors on credit card usage. The independent variables, credit card related knowledge, attitude towards credit card usage, easy access to credit, aggressive promotion by credit card provider and minimum payment requirement are tested to show their correlation with dependent variable credit card usage.

Correlation is the statistical technique that can determine whether and how strongly pairs of variables are related. Correlation coefficient(r) ranges from -1.0 to

+1.0. If the value is positive, it means that as one variable gets larger, the other gets larger. If the value is negative, it means that as one variable gets larger, the other gets smaller.

Table (4.13) Correlation between Influencing Factors and Credit card Usage

Sr. No.	Variables	Pearson Correlation	P-value
1	Easy access to Credit	.724 ^{**}	0.000
2	Aggressive Promotion Provided by Credit Card provider	.691 ^{**}	0.000
3	Low Minimum Payment Requirement	.820 ^{**}	0.000
4	Attitude towards Credit Card Usage	.618 ^{**}	0.000
5	Credit Card Related Knowledge	.359 ^{**}	0.000

Source: Survey Data (2019), SPSS output

Note: **. Correlation is significant at the 1% level,*. Correlation is significant at the 5% level

Table above (4.13) showed that the independent variables are significantly correlated with credit card usage at 1% level. Positive relationship consists of credit card related knowledge ($r = 0.359$), attitude ($r = 0.618$), easy access to credit ($r = 0.724$), aggressive promotion ($r = 0.691$), minimum payment requirement ($r = 0.820$). This means that correlation results among credit card related knowledge, attitude towards credit card usage, easy access to credit, aggressive promotion by credit card provider and minimum payment requirement and credit card usage have a significant relationship.

4.5 Analysis of Influencing Factors on Credit card Usage

This section presents the multiple regressions analysis was performed to observe the relationship between the independent variables (Influencing Factors) and dependent variable (credit card usage). The results of multiple regression analysis are shown in Table (4.14).

Table (4.14) Factors Influencing the Usage of Credit Card

Independent Variable	Unstandardized Coefficients		t	Sig	VIF
	B	Std. Error			
(Constant)	.054	.151	.361	.719	
Easy access to Credit	.424**	.044	9.677	.000	2.268
Aggressive promotion provided by Credit Card Provider	.059**	.038	1.555	.123	2.156
Low Minimum Payment Requirement	.587**	.038	15.506	.000	1.670
Attitude towards Credit card Usage	-.021	.048	-.430	.668	2.069
Credit Card Related Knowledge	-0.070	.037	-1.873	.064	1.265
R ²	.882				
Adjusted R ²	.877				
F statistics	170.595				

Source: Survey Data (2019), SPSS output

Statistically significant indicate ***at 1%, ** at 5%, * at 10% level respectively.

According to the results of regression analysis, easy access to credit, and low minimum payment requirement attitude have a positive and significant influence on credit card usage and aggressive promotion by credit card provider has a negative and significant influence on credit card usage. According to the results, attitude towards credit card usage and credit card related knowledge do not have a positive and significant influence on the usage of credit card. The survey results showed that the R-squared for the regression model is .882, it means that the data points are closer to the regression line.

The regression coefficient of easy access to credit is .424 at 1% significance level. This is because credit card payment system and method may be more useful

than the traditional ways of purchasing. The regression coefficient of subjective personal financial knowledge is -0.070 at 10% significance level. This may be because of respondents' financial knowledge on credit card is good and familiar with credit card policy than external customers. The regression coefficient of low minimum payment requirement is $.587$ at 1% significance level. This is because respondents may have planned and effort to make minimum payment regularly and spend again after paid in minimum. It can be concluded that aggressive promotion and attitude towards credit card usage do not have significant influence on the usage of credit card.

CHAPTER V

CONCLUSIONS

This chapter consists of three sections; they are conclusion of research, including findings of the research, suggestions and needs for further study. These sections are discussed based on factors influencing the usage of credit card of MAB bank staff.

5.1 Findings and Discussions

The objectives of this study had been served. The results have clearly indicated that credit card provider must focus on factors influencing the usage of credit card.

According to the survey, the male response rate is less than the female response rate. This outcome indicates the number of Male is half of Female and gender differentiation may affect the result of this study. This implies that most of female are used credit card. Indicated the large number of respondents were fell into the age category of between 21 and 30 years. From the result of the survey on educational level, graduated respondents are the highest in response. As almost all of the respondents are graduated, it is easier to understand better perform the credit card usage. The survey results of monthly income level of respondent indicated that the income range 150,000-300,000 is the highest rate in response.

Position of employees is classified into four groups. It is found that Office staff share the largest portion in response rate. Conclusion in the results of Socio-Demographic showed that credit card practices and usage popular in among working adults MAB bank staff. The bank also should be controlled aggressive promotion and continuous education to card holders.

It was founded that most of the respondents strongly agreed on the statement “I like using credit card because I do not need to carry too much cash” with the highest mean score of 3.99. It means respondents were used card for payment instead of cash payment and they did not want to carry too much cash. Also, it was found that most of the respondents agreed that because all of mean score of easy access to credit factors are greater than 3.5.

It was founded that most of the respondents strongly agreed on the statement “I prefer to use credit card because when I performed transaction, bank sent SMS notification to my mobile for security purpose” with the highest mean score of 4.13. It

means that respondents prefer to have bank's prompt transaction alert for security purpose and happy in strength of technologies. So, bank should be maintained this kind of alert services in order to protect its customers. Also, it was found that most of the respondents agreed that because all of mean score of aggressive promotion by credit card provider factors are greater than 3.5.

It was founded that most of the respondents strongly agreed that on the statement "I like credit card because concept of "buy now, pay later". with the highest mean score of 3.99. It means that respondents were really willing to get goods or services in advances and they want to make payment later on. Also, it was found that most of the respondents fairly agreed on the statement "I prefer to spend more with credit card if bank defined minimum payment requirement on credit card payment is 30% or 50% of the balance with the lowest score of 2.87. It means that the respondents more prefer to make payment with low minimum amount.

It was founded that most of the respondents strongly agreed on the statement "I prefer to buy goods or services using a credit card" with the highest mean score of 3.87. The statement of "I do not care about the deferred payment" with the lowest mean score of 2.83, it means that respondents were fairly agreed on that.

It was founded that most of the respondents strongly agreed on the statement of "There are three types of credit cards, namely Classic, Gold and Platinum which are issued based on your income level and other criteria set by the bank" with the highest mean score of 4.08. Because of all of the respondents were bankers and all of they are familiar with basic of credit card policy. Also, it was found that most of the respondents fairly agreed on the statement of "Over limit fees will not be charged even though purchases made exceeded the credit card limit" with mean score of 2.86.

The finding of survey showed that the independent variables are significantly correlated with credit card usage at 1% level. This means that correlation results among credit card related knowledge, attitude towards credit card usage, easy access to credit, aggressive promotion by credit card provider and minimum payment requirement and credit card usage have a significant relationship.

According to the results of regression analysis, easy access to credit, and low minimum payment requirement attitude have a positive and significant influence on credit card usage and credit card related knowledge has a negative and significant influence on credit card usage. According to the results, attitude towards credit card usage and aggressive promotion by credit card provider do not have a positive and

significant influence on the usage of credit card. The survey results showed that the R-squared for the regression model is .882, it means that the data points are closer to the regression line.

The regression coefficient of easy access to credit is .424 at 1% significance level. This is because credit card payment system and method may be more useful than the traditional ways of purchasing. The regression coefficient of credit card related knowledge is -0.070. This may be because of respondents' financial knowledge on credit card is good and familiar with credit card policy than external customers. If they improve their knowledge on credit card, they can be aware of credit card usage and debts. The regression coefficient of low minimum payment requirement is .587 at 1% significance level. This is because respondents may have planned and effort to make minimum payment regularly and spend again after paid in minimum. It can be concluded that aggressive promotion and attitude towards credit card usage do not have significant influence on the usage of credit card.

5.2 Suggestion and Recommendation

The purpose of this study is to determine influencing factors and credit card usage of bank staff in MAB. This study evaluated banking industry on the important of credit risk management process. Therefore, this study attempts to answer the question what is impact of credit risk management process and their impact on financial performance in the banking industry.

The finding of survey results It found that correlation results among credit card knowledge, attitude towards credit card usage, easy access to credit, aggressive promotion by credit card provider and low minimum payment requirement and credit card usage have a significant relationship.

According to the results of regression analysis, easy access to credit, low minimum payment requirements have a positive and significant influence on credit card usage. It showed that bank staffs were very easily access to credit and obtain credit card with no reality credit approval process. Aggressive promotion and minimum payment requirement are the factors which were attracted bank staff to spend more and more. It had led to the increment of credit card debts.

The bank should consider and define the specific credit card policies for its staff or should apply with defined credit card policy as normal customer. It can be concluded that aggressive promotion and attitude towards credit card usage do not

have significant influence on the usage of credit card. However, bank should be controlled on aggressive promotion programs in future because it can create the credit risk to the bank.

According to the results, easy to credit is the most influence factor on credit card usage. It determined that bank should do proper underwriting process and should approve on the applicant who are qualified. By competing in the market, credit card providers were reduced low minimum payment requirement to 10% to generate interest income and charges. The finding of survey showed that low minimum payment requirement is a positive and significant influence on credit card usage. So, bank should not be reduced the level of minimum payment requirement.

5.3 Needs for Further studies

The purpose of this study was only limited to identify the existing relationship between factors influencing on the usage of credit cards of bank staff in financial institutions. The direct focus of this study was MAB Bank and its bank's credit risk. The results therefore were limited with regards to generalization, and therefore are not a complete representation of the entire organization and other banking industry.

Considering the numerous topic issues that surround the topic of factors influencing on the usage of credit cards that have not been addressed by this study, additional research should be carried out in order to improve the current study and increase information and understanding to effective credit risk management process.

In future, the researchers must consider this point to establish causality. The scope and sample size may have been increased by including the card holders of the private banks in Myanmar.

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APPENDIX(A)

Questionnaires for Factors Influencing the Usage of Credit Cards of MAB Bank Staff

Section (A) Socio-Demographic Factors of Respondent

Please Tick “√” in the box that best describes you.

1. Gender

- Male Female

2. Age

- 21-30 Years 31-40 Years 41-50 Years 51-60 Years 61&
above

3. Marital Status

- Single Married

4. Education Level

- Doctorate Post Graduate Graduate Under Graduate

5. Position

- Executive Manager Supervisor Office Staff

6. Monthly Income (Kyat)

- 150,000-300,000 300,001-500,000 500,001-1,000,000
 1,000,001-2,000,000 2,000,001-4,000,000 4,000,001& above

Section (A) Easy Access to Credit

Please Tick “√” on one answer.

(1) Strongly Disagree, (2) Disagree, (3) Moderate, (4) Agree, (5) Strongly Agree

Q-No.	Factor	1	2	3	4	5
1	As a banker, to apply and obtain a credit card is very easy for me.					
2	I manage my debt very well.					
3	I allocate a certain amount of my money each month to make payment for credit card outstanding.					
4	I like using credit card because I do not need to carry too much cash.					
5	Credit card is more convenience than cash when I travel to abroad.					
6	Credit card allows me to use at wide variety of acceptance areas all over the country & globally.					
7	I like using credit card because of it transact money of more than one currency, from one country to another.					
8	I like using credit card because speed authorization of cards and advance technology such as EMV technology, PCI Data Security Standard for security.					
9	I like using credit card when I make payment at merchant with contactless function. It saved my time.					
10	I use credit card only for emergencies.					

Section (B) Aggressive Promotion by Credit Card Provider

Please Tick “√” on one answer.

(1) Strongly Disagree, (2) Disagree, (3) Moderate, (4) Agree, (5) Strongly Agree

Q-No.	Factor	1	2	3	4	5
1	I like to obtain credit card to spend with waiver annual fee.					
2	I like using credit card, because I earn cashback, bonus point and merchant discount & promotion when I make payment with credit card.					
3	I like using credit card because I feel like fees and financial charges is fairly set by bank.					
4	Penalty fees on late to pay back credit card debts are very high.					
5	I prefer to make payment with credit card because the credit limit assigned by bank is realistic limit for me.					
6	I prefer to use credit card because when I performed transaction, bank sent SMS notification to my mobile for security purpose.					
7	I prefer to use credit card because bank provide 24 hours call center service for any inquiry or request.					
8	I like to make cash withdraw transaction at ATM by					

	credit card because of 24 hours services.					
9	I like using credit card because I can perform e-Commerce transaction globally.					
10	I spend more with credit card because of aggressive advertisement.					

Section (C) Low Minimum Payment Requirement

Please Tick “√” on one answer.

(1) Strongly Disagree, (2) Disagree, (3) Moderate, (4) Agree, (5) Strongly Agree

Q-No.	Factor	1	2	3	4	5
1	I like credit card because concept of “buy now, pay later”.					
2	I like credit card because of revolving credit nature.					
3	I like using credit card because of I only need to make 10% minimum payment on total outstanding amount of each billing statement.					
4	I prefer to spend more with credit card if bank defined minimum payment requirement on credit card payment is 5% to between 2-3% of the balance.					
5	By lower on the minimum payment requirements which will easy to make payment for credit card debts by card holder.					
6	I prefer to spend more with credit card if bank defined minimum payment requirement on credit card payment is 30% or 50% of the balance.					
7	By Higher on the minimum payment requirements which will easy to make payment for credit card debts by card holder.					
8	I prefer to make minimum payment on credit card outstanding.					
9	I prefer to make partial payment on credit card outstanding.					
10	I prefer to make full payment on credit card outstanding.					

Section (D) Respondent's Attitude towards Credit Card Usage

Please Tick "√" on one answer.

(1) Strongly Disagree, (2) Disagree, (3) Moderate, (4) Agree, (5) Strongly Agree

Q-No.	Factor	1	2	3	4	5
1	I feel proud when using credit cards					
2	I like to buy goods or services using a credit card.					
3	The use of credit card allows me to obtain goods or services within the shortest period.					
4	I still use a credit card upon purchases, even though I could buy with cash.					
5	I do not care about the deferred payment.					
6	Credit card causes me to make unplanned purchases.					
7	The use of credit card allows me to use cash for other purposes.					
8	I like to buy new goods using a credit card even the old stuffs can still be used.					
9	By using a credit card, it can solve my financial problems.					
10	Usage of Credit card is convenient payment made for me.					

Section (E) Respondent's Credit Card Related Knowledge

Please Tick "√" on one answer.

(1) Strongly Disagree, (2) Disagree, (3) Moderate, (4) Agree, (5) Strongly Agree

Q-No.	Factor	1	2	3	4	5
1	In bank policies, to apply credit card, the applicant must earn at least an annual income of 1,800,000 MMK and above.					
2	There are three types of credit cards, namely Classic, Gold and Platinum which are issued based on your income level and other criteria set by the bank.					
3	There are interest charges for every purchase by using credit card. If you do not make paid in full.					
4	Goods or services paid by cash is cheaper than by credit cards.					
5	There is no over limit fee even though purchases made exceeded the credit card limit.					
6	By using Credit card. it increases the current purchasing power but reduces the purchasing power of the future.					
7	When short of cash the use of credit cards can obtain the early use of goods					
8	Outstanding balance for credit card must be paid in full by the payment due date.					

9	Late payment of credit cards after payment due date involves additional fees charged.					
10	Even though you do not use the credit card, you will have to pay the annual fee.					

Section (F) Credit Card Usage,

Please Tick “√” on one answer.

(1) Strongly Disagree, (2) Disagree, (3) Moderate, (4) Agree, (5) Strongly Agree

Q- No.	Factor	1	2	3	4	5
1	However, credit card fees and interest charges are higher, I prefer to use it because of “Buy now, Pay later”.					
2	Owning a credit card makes one more confident to me because it is a status symbol in society.					
3	Credit Card are more convenient to use in comparison to other mode that encourage to me applying credit card.					
4	I like to make retail purchase transaction rather than ATM cash advance transaction.					
5	Minimum payment requirement is only 10 % of total outstanding balance, that’s why I prefer to use credit card.					

****THANK YOU****