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**FACTORS INFLUENCING THE CREDIT CARD USAGE
IN MYANMAR PRIVATE BANKS**

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(EMBF – 5th BATCH)**

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Factors Influencing the Credit Card Usage in Myanmar Private Banks

A thesis submitted as a partial fulfillment towards the requirements for the degree of Executive Master of Banking and Finance (EMBF).

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ABSTRACT

This study aimed to analyze the factors influencing the credit cards usage in Myanmar Private Banks. To collect the primary data, a number of total 200 users of private commercial banks that they offer credit card service in Yangon are randomly selected. This study uses both primary and secondary data. To collect primary data, personal interviews with well-organized questionnaires are applied. To collect secondary data information are gathered from various sources of previous research papers. The survey includes respondents are credit card users who have relationship with credit card issuing banks in current period 2018-2019. Descriptive method is mainly used in the study.

This study analyses the four factors which are compulsive buying, impulsive buying, unique features of credit cards and cost of credit cards influencing the credit card usage. According to the survey result, compulsive buying and impulsive buying are relationship with credit card usage. Their credit card usage is affected by not only unique features of credit cards usage and but also cost of credit cards. Consequently, the credit card users and their usage are growing up and the credit card issuing banks face with risk of credit and customer complaint for their trouble in credit card usage. Thus, the credit card issued banks should not only review their credit policy, rules and regulations and also provided good service performance using advanced technology to their customers.

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List of Abbreviations

AGD	-	Asia Green Development
APAC	-	Asia Pacific
AWB	-	Asia Wealth Bank
ATM	-	Automatic Teller Machine
AYA	-	Ayarwaddy Bank
CB	-	Cooperative Bank
CBM	-	Central Bank of Myanmar
CEMA	-	Consolidation, Extension and Modification Agreement
EMV	-	Europay Master Card and Visa
JCB	-	Japan Credit Bureau Card
KBZ	-	Kanbawza Bank
MAB	-	Myanmar Apex Bank
MICB	-	Myanmar Investment Commercial Bank
MFTB	-	Myanmar Foreign Trade Bank
MPU	-	Myanmar Payment Union
MUB	-	Myanmar Universal Bank
POS	-	Point of Sales
QR	-	Quick Response
UAB	-	United Amara Bank
UPI	-	Union Pay International
US	-	United States of America

Chapter 1

Introduction

Application of Technology has transformed very lifestyle of the people and the entire world is dependent on it. In service sectors like banking, education, health, retailing, etc. technology has become the main player. Integration of banking services with the technology has given rise for new 'technology-driven' services, apart from enhancing overall efficiency of the banking industry in serving customers. Credit card facility of banks combines technology with the flow of credit and serves the needs of customers. As civilization progressed, the support systems in the society got transformed with improved techniques and technology. Banking is one of such support systems. Today, banking system has been transformed by the technology from traditional, manual system to modern technology-driven industry. In this transformation, the role played by credit card is very significant.

Nowadays, credit card is the one of worldwide payment device that consumer use as a medium of payment. A credit card can simply be regarded to as a token issued by a financial institution, giving the holder the option to borrow funds usually at point of sale. Credit cards were widely used in international business and are strongly recommended by National Central Banks that were keen to promote the use of non-cash and more efficient payment systems, flexibility and security (Payments Council, 2010). Credit cards were as well viewed as instruments that can contribute to the promotion of financial inclusion as has been clearly demonstrated in economies where cards are a common tool for the settlement of financial transactions (Payments Council, 2010).

There are many credit cards all over the world and some of them are most popular. Credit cards are issued by Banks and Financial Institutions such as Credit Union. Credit Card issuers who are lenders offer credit cards and they have to comply with government regulations to issue credit cards. Credit card issuers cannot make all process of credit card. They need operation of payment processing networks such as Visa and Master cards. They work with together credit card operations but American Express and Discover provide as both the credit card issuers and the payment processing network for their credit cards. The credit cards are being widely used in today's economy. Market share globally is being gained by cards. Credit card growth

rate was at 10.9% during 2016. Credit card transaction volumes grew in North America, Mature APAC, and Latin America, while dipping in Europe, Emerging Asia, and CEMA. The US, South Korea, Japan combined account for 64.9% of total Global credit card volume_ The alone accounts for 39.1% of Global volumes. According to the Credit Card Usage and Ownership Statistics (world Payments Reports, 2019), the credit card industry has a huge effect on everyday life in the U.S. The average American owns multiple credit cards with balances reaching thousands of dollars (Worlds Payments Report, 2018).

In Myanmar, the credit card was firstly introduced by Asia Wealth Bank in 2000. The Central Bank of Myanmar has allowed licenses to open domestic private banks since 1992. And then Central Bank of Myanmar has issued licenses to foreign banks to open their branch offices in Myanmar. There are 13 branches during 2018 until now they have been prohibited to operate in retail banking. According to the press conference held by Central Bank of Myanmar (17th May 2019), Central Bank of Myanmar has plan to permit retail banking for Foreign bank subsidiaries. Currently, there are four state-run banks, eleven semi government banks and seventeen private banks, totally 31 banks are operating in Myanmar. Myanmar Payment Union was made up of state owned and private banks in 2011. MPU is to provide the ATM and POS switching services among the banks that is the purpose of MPU. Card issuing and acquiring process is road map of MPU and Myanmar Payment Union cards have already been issued in September 14, 2012. As a result, all bank card holders can withdraw and check their balance and remittance their fund at any ATM among the banks. MPU operates the settlement process.

1.1 Rationale of the Study

Credit card service is a type of consumer banking which is retail banking. Consumer banking provides retail loans and payments. Credit card issuing licenses have been granted by Central Bank of Myanmar to private banks since 24th July 2015. Seven Myanmar private banks which are KBZ, AYA, CB, MAB, AGD, UAB and MOB are offering credit cards in associate with payment networks which are Visa, Master, JCB and MPU-UPI. They have been issued various types of credits cards which are silver, classic, gold and platinum. The number of private banks issuing credit cards has increased significantly. Around two million credit cards have been

issued in Myanmar (Myanmar Times June 03, 2019). The numbers of MPU card transactions are 1.8 million in 2017-2018 (MPU 2017-2018 Annual Report).

Therefore, banks need to have a clear understanding of the factors affecting of their credit card holders' credit card usage. Credit card features and cost of credit are various in type of credit card that credit limit which are normal and revolving, aids payments in domestic and foreign currency, record keeping, regular charges, grace period or grace day, higher fees on cash withdrawals, additional charges, transaction speed, service charges, interest rate, minimum repayment limit, convenience for card holder, cards services for secure, rewards, getting information, technical support and customer complaints are influencing factors which are accessed by credit card users.

Several researchers have also analyzed factors influencing credits card usage. Joy, Athena 2015 finds that the present generation is using credit cards for their daily needs instead of using cash due to the reason it is easy to handle, zero interest rate for certain period and global acceptance of everywhere. The empirical results conducted by Rajat Deb, Shantanu Lodh, 2015, have indicated unique feature as influencing factors: and a significant relationship has been established between the demographics, impulsive and compulsive buying and associate problems in accessing credit cards. To know the factor influencing the credit card usage on private bank in Myanmar, This study focus on influencing factors on accessing credit cards services. Hence, this study seeks to answer the question: what is the factor influencing credit card usage in Myanmar Private Banks.

1.2 Objectives of the Study

The two objectives of the study are as follow:

- (1) To identify credit card services of Myanmar private banks.
- (2) To analyze factors influencing the credit card usage in Myanmar private banks.

1.3 Scope and Methods of Study

This study only focuses on factors which affecting of credit card usage in Myanmar private Banks. Both primary and secondary sources of data were used for the study. Primary data were collected by face to face interview with the credit card users of seven credit card issued banks. The sample includes 200 credit card users from seven private credit card issuing banks in Myanmar which were randomly

selected. Structured questionnaire peppered by five-point Likert scale were used in face to face interview during the month of June 2019. Secondary data was collected from various books, previous research papers, research paper from Yangon Institute of Economic, internet websites and credit card policies and procedure of private banks. This study mainly used descriptive method in analyzing data.

1.4 Organization of the Study

This study is divided into following five chapters. Chapter one Introduction includes rationale of the study, objectives of the study, scope and methods of the study and organization of the study. Chapter two literature review involves prominent role of cashless transaction, types of credit cards used for payment, consumer buying behavior and conceptual frame work of the study. Chapter three represents history of banking industry and credit card services in Myanmar. Chapter four describes analysis on the field data according to survey answer and last Chapter five covers findings from the study were discussed and suggestions for improvement of credit cards service.

Chapter 2

Literature Review

In this chapter is about role of cashless transaction, types of credit cards and used for payment, about the customer behavior of compulsive buying and Impulsive buying credit cards, unique features, cost of credit cards and explain the conceptual framework of Independents variables and independent variable.

2.1 Prominent Role of Cashless Transaction

Cashless transaction is a process of buying goods and services against money where there is no physical currency is involved. The physical currency is replaced by a number of methods that were powered by digital information technology and were capable to transfer money from one person's bank account to another people. All these money transfer three methods have their own, features, qualities, and mechanisms that work together with other devices or equipment.

As for any trading activity, the issue of safe and reliable money exchange between transacting parties is also essential. In a cashless environment, payments take the form of money exchange in an electronic form which makes it safe and reliable. Merchant sells the goods to customer and customer pays the price with the help of cashless methods with safety and reliability where as in offline world the payments were made with cash or through cheques that may be counterfeited.

There were many reasons behind the people's choice to do cashless transactions like convenience, improved and trusted digital technology, need to acquire things faster and cheaper along with maintaining a track record for the taxation purposes. The credit and Debit cards were the most common for cashless transactions and consumers' behavior, characteristic of credit card and cost of credit were influent on card usage.

Electronic payments replaced clumsy and expensive to handle coins and notes This e-payment were efficient initiated by various types of plastic cards that have a influencing prospect for the twenty-first century. There were various cashless transaction methods such as cheques, demand drafts, credit cards, debit cards and prepaid cards, mobile/e-Wallets, ATM money transfers, Internet banking transfers, Unified Payment Interface (UPI), NEFT and RTGS transfers and, E-cash coupons.

2.2 Types of Credit Cards Used for Payment

As technology advances and competition increases, banks were offering different types of services to stay current and attract customers. There were retail banking, corporate banking and digital banking. Retail banking also known as consumer banking which banks provide a variety of services to assist individuals' customers rather than corporate includes facilities of checking account, savings accounts, debit card, credit card, e-banking services, insurance, investment, phone banking, and consumer lending.

All payments cards still dominate the ecommerce market, while in emerging economies; cards have found a good ally in digital wallets. Payments interfaces make it easier for consumers to link their cards with their e-wallets account. Banks will typically offer retail bank services include credit cards services. Credit cards were used as a means of payment and a source of credit. Credit cards were the most used online payment method. Credit can be easily used to make payment worldwide.

Credit cards had replaced cash and cheque in many kinds of transactions. Credit cards had replaced cash and cheque in many kinds of transactions. In the retail industry, the use of "non-store" credit cards, such as Visa, MasterCard and American Express, had also grown rapidly. In 1978, non-store cards were used in almost three per cent of all transactions in departmental stores with over \$1 million in sales. By the end of 1980, non-store cards had increased to eight per cent of the transactions. On the other hand, in specialty stores with over \$1 million sales, credit cards accounted for ten per cent of the dollar sales volume in 1978. In 1980, credit cards sales had increased dramatically to seventeen per cent of the dollar sales volume (Worthington, 1990). In the retail industry, the use of "non-store" credit cards, such as Visa, Master card and American Express, had also grown rapidly.

Consumers are helped to carry forward by the use of credit card their payments against their daily expenditures. In this situation for bank, payments are received by travel and entertainment cards, retailers from card issuer such as banks and hotels who acted as third party in billing customer at the end of the month. It had become a well-known practice for most of the card issuers to provide revolving credit facilities for their cardholders by magnificent up to 1.5% of interest charges per month. However, to avoid unnecessary interest charges, cardholders were also allowed to pay their bill before the due date. 'The current practice of all financial

institutions were to impose twenty days grace period between the statement date and payment due date'(Lee and Toh, 1995).

Using a credit card is making it easier to spend money. There were many credit card networks in the world and in the United States, the four major credit card networks were: American Express (Amex), Discover, Master card and Visa card. In contrast, most credit cards operating on the Master card and Visa cards networks were really issued by a secondary bank, such as Capital One and Chase etc. On the other hand, the Discover credit card is solely a Discover card, because Discover is both credit card network and the issuing bank.

They make how to improve their credit card customers and easy to use credit. They use techniques on consumer buying behavior which impulsive buying and compulsive buying. In this study, credit cards services and factors influencing on usage of credit cards were included that buying behavior, unique feature of credit cards and cost of and credit cards.

Unique Features in Credit Card

Credit cards are issued by the banks, credit union and other financial institutions. They offer the various types of credit cards. Many banks and financial institution intend to expand their credit card issuing by providing unique features. They provide easy to use credit card not to use pin code, giving cash back, rewards points, travel perks, purchase perks, big sign up bonus, no annual fees, no penalty fees, no interest rate, no zero percent interest rate and no foreign transaction fee.

The unique features in credit cards helped consumers to carry forward their payments against their daily expenditures. In the case of bank, travel and entertainment cards, retailers received payment from card issuer such as banks and hotels who acted as third party in billing customer at the end of the month. It had become a common practice for most of the card issuers to provide revolving credit facilities for their cardholders by imposing up to 1.5% of interest charges per month. However cardholders are also allowed to pay their bill before the due date to avoid unnecessary interest charges. The current practice of all financial institutions were to impose twenty days grace period between the statement date and payment due date (T. Ramayah and Aizzat Mohd. Nasurdin, January 2002).

Cost of Credit Card

Credit card is the plastic money and it is used to instead of cash against the short term loan without collaterals. It is not secure for bank. Banks collect more interest and other charges from card users. If card users cannot make any payment in time, they charged penalty fees. The credit cards user face with paying many hidden charges. Many credit card users claimed that the price for using credit is high for many reasons from banks called hidden charges. The calculation of minimum credit card payments which are also called the interest rate and principle, can increase or decrease for many reasons, including the fact that a customer constantly pays the minimum each month.

There are many problems that can give issues for users to use credit card. Numerous studies have showed that the high price of using credit cards (Parlor and Rajan, 2001; Nazwereno, 2008; Agarwal et al. 2010; Jiang and Dunn, 2013); high exchange costs (Zywicki, 2000; Calem and Mester, 1995); the psychological costs associated with high debt (Norvilitis and Santa María, 2002; Roberts and Jones, 2001; Holub, 2002) create problems for users. According to some research, many credit card users claimed that the price for using credit is high for many reasons from different banks.

2.3 Consumer Buying Behaviors

Buying Behavior is the decision processes for buying and acts of people involved in buying and using products. Sometimes people instantly buy the products and services without thinking of useful. This behavior is seen in compulsive buying and impulsive buying.

Compulsive Buying

Compulsive buying is a defined as "chronic, repetitive Purchasing that becomes a primary response to negative events or feelings'(O' Guinn and Faber,1989). In some of theories described 'compulsive buying behavior is a negative form of behavior that leads to overspending'. (Faber and (O'Guinn (1989) determined compulsive buying as an addictive behavior and defined this particular behavior as a response to an overwhelming drive or desire for acquiring, using or experiencing a sensation, material, or movement that urges the consumer to repeatedly involve in a harmful behavior for self or others. Later on, (Faber and (O'Guinn, 1992) redefined

the compulsive buying as some chronic, irresistible repetitive purchasing behavior that developing from adverse feelings or happenings resulting into damaging consequences. It is noteworthy that definition given by (O'Guinn and Faber, 1989) is not only sufficiently for compulsive buying but also suffices for non-purchase consumption (e.g, anorexia/bulimia, or gambling The early work by Faber et al. (1988a) was further carried out and refined by Valence et al. (1988) when they developed the first scale of compulsive buying behavior.

Impulsive Buying

The impulse purchase is defined as a sudden and powerful impulse in the consumer to buy immediately. It occurs when the desire for a product or brand exceeds the willpower to resist. Impulsive buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately (Beatty and Ferrell, 1998). The impulse purchase is largely unplanned and occurs at the time in reaction to an external trigger, such as viewing the desired item in the store (Hartney, 2019). It includes moods, personality characteristics and situational factors such as proximity and exhaustion of the resources necessary for self-control (Faber, 2010).

To define impulse buying, researchers benefit from the terms planned and unplanned purchasing. Unplanned purchasing is defined as “a buying action undertaken without a problem having been previously recognized or a buying intention formed prior to entering the store” (Engel and Blackwell 1982, p.483). On the contrary, the definition of planned purchasing is just the opposite when there is a recognized problem and prior intention to buy. It is possible to say that impulse purchases are some type of unplanned buying situation or an advanced form of unplanned buying (Stern 1962, Kollat and Willet 1967).

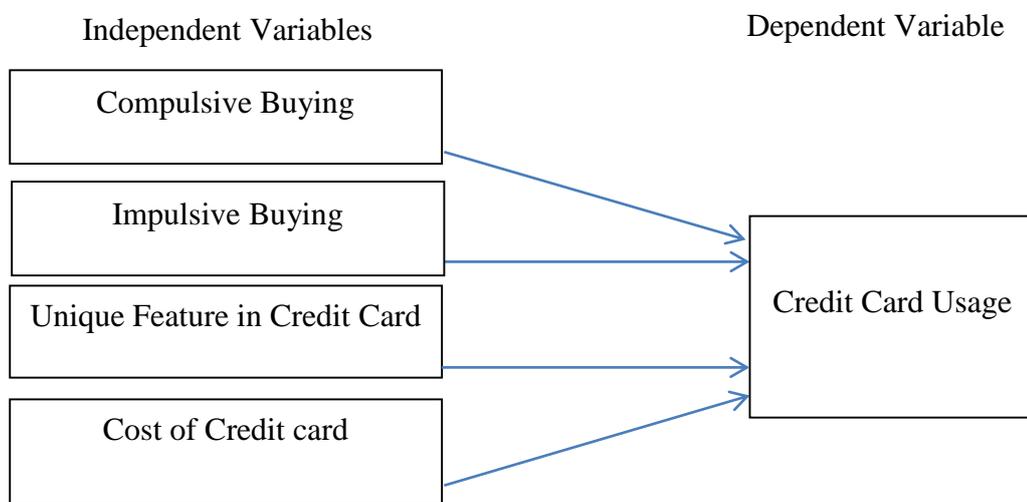
2.4 Conceptual Framework of the Study

This section is to construct the concept for of this study paper which analyzes the factor influencing the credit card use in Myanmar Private Banks. For that reason all the related variables were used in the two previous research paper were applied for the analysis. First paper is the study focused on the compulsive buying and credit cards misuse among credit card holder (Nor Asia Omar, Ruzita Abdul Ramin, Che Aniza Che Wel, Syed Shah Alam, 2013). The study has been conducted in Malaysia

by using 150 respondents of credit card user working adult in malaysia. The finding showed a significant contribution that credit card usage as a dependent Variable has a significant effect on compulsive buying as a independent variable also there is a significant relationship between both.

Another study (Rajat Deb, Shantanu Lodh, 2015) seeks to identify the motivating factors of the respondents for using credit cards and to report the problems they were exposed to. The variable of in this study were categorized as prediction which include selective demographic factors, compulsive buying, impulsive buying, cost of in use and unique feature of credit cards; the outcomes – use of credit cards. The paper is based on a pre-tested interview-schedule, with a sample size of 156 respondents, the empirical results have indicated unique feature of credit cards benefits as influencing factors; and a significant relationship has been established between the demographics, impulsive and compulsive buying, and associated problem or cost of in accessing credit cards.

Figure 2.1 Conceptual Framework of the Study



Source: Adapted from Eze, (2012)

According to figure 2.1, dependents variables are compulsive buying, Impulsive buying, unique features in credit card and cost of credit in credit cards usage and independent variable are credit card usage. This study analyzes relationship between these independents variables and dependent variable.

Compulsive Buying: a compulsive buyer is an individual who experiences and routinely acts on powerful, uncontrollable urges to purchase (Edwards, 1993; Goldsmith and McElroy, 2000). Compulsive buyer is likely to have more credit cards and use these cards frequently (O'Guinn and Faber, 1989 Hanley and Wilhelm, 1992).

Impulsive Buying: people tend to spend more and act on impulse when they use credit cards than cash payment (Rook and Fisher, 1995; Baumeister, 2002; Strayhorn, 2001; Raghurir and Srivastava, 2008)

Unique Features and Credits Cards: 'Deb and Lodh' (2016) described about the unique features and credit card that credit cards are used as a means of payment and source of credit (Chakravorti and Emmons, 2001; Slocum and Matthews, 1970; Starvins, 2000), a substitute for cash, checks and bank cards (Yeo, 1990); a source of renewable credit and a technology that facilitates lifestyle (Starvins, 2000; Bernthal, Crockett, and Rose, 2005); needs management (Davies and Lea, 1995; Lyons, 2004). Banks to banks offer a wide range of credit services to customers, as well as loans with or without collateral, loans and other financing for major purchases, such as cars, home loans and financing, and home loans. Most banks also suggest the convenience of bank credit cards widely recognized by stores and which can be used for cash advances in many banks. The most common alternative payment methods are debit cards, debited cards, prepaid cards, direct debit, bank transfers, digital wallets, telephone and mobile payments, checks, money orders and cash payments.

Cost of Credit Cards: there are many problems that can give issues for users to use credit card. Numerous studies have showed that the high price of using credit cards (Parlor and Rajan, 2001; Nazwereno, 2008; Agarwal et al. 2010; Jiang and Dunn, 2013); high exchange costs (Zywicki, 2000; Calem and Mester, 1995); the psychological costs associated with high debt (Norvilitis and Santa María, 2002; Roberts and Jones, 2001; Holub, 2002) create problems for users. According to some research, many credit card users claimed that the price for using credit is high for many reasons from different banks. For customer, a minimum amount of credit card payment can be a mysteriously changing amount that can have a significant impact on their monthly budget. credit limit, interest-free repayment period, annual fee, application approval period, ancillary functions, handling of cardholders' complaints, card design, leaflet to describe the card, and advertising by the issuing bank.

Chapter 3

Background Study of Credit Card Service in Myanmar

This chapter is background study of credit card service in Myanmar. It is organized by overview of banking system in Myanmar, cashless system in Myanmar and credit card service in Myanmar.

3.1 Overview of Banking System in Myanmar

Given the role that a well-functioning financial sector plays in enabling the growth of the private sector and banking-sector development in particular has become a major focus of recent reforms. CBM provides to develop the banking sector included both investments and policy reforms in the payment infrastructure. The CBM legislated several new laws, including the Foreign Exchange Management Law 2012, the Central Bank of Myanmar Law 2013, and the Financial Institutions Law 2016. These laws terminated Myanmar's system of dual exchange rates, established central bank independence, and set strong prudential standards for the banking sector. At the same time, the government has also taken tentative actions to enable foreign participation in the banking sector. The history of the 2003 banking crisis is still strong, and there is a lack of public trust in the banking system as a whole. The deepening and strengthening of the banking sector may in fact be inhibited some current regulations. The market was opened again to privately owned banks in the early 1990s, but the 1997 Asian financial crisis, Myanmar's 2003 domestic banking crisis, and international sanctions severely impaired the development of the sector. Since 2011, the government has legislated a series of reforms meant to develop the financial sector.

There are 31 domestic banks operating in Myanmar. This number includes four state-run banks, three banks owned by municipal governments, 8 semi-private banks that trade privately but are partially owned by, or closely associated with, government agencies, and 16 privately owned banks. Myanmar established the independence of the Central Bank of Myanmar (CBM) as the banking-sector regulator under Central Bank of Myanmar Law 2013 and the Financial Institutions Law (FIL) 2016, the country's heavy reliance on cash as the basis for financial transactions is one of the fundamental problems to financial-sector development in Myanmar is. As

recently as 2014, government transfers, utility payments and virtually all salary payments are made in cash in Myanmar. Economic development by slowing the pace of financial transactions, increasing transactions costs, and creating opportunities for corruption can be hold back the dominance of cash.

Until recently, bank transfers, even between branches of the same bank, frequently involved physically transporting sacks of cash from one location to another. Checks also are manually, increasing the risk of errors and delays. The past few years, though, have been a period of reform and progress. The government has worked closely with the Japanese International Cooperation Agency to implement an automated clearance system for the CBM. The resulting CBM-Net, the country's first real-time gross settlement (RTGS) system, became operational on January 6, 2016.

At around the same time, the Financial Institutions Law was passed the government in 2013, which empowers the CBM to issue regulations for an electronic payment system and to give the banking sector instructions for installing electronic payment infrastructure. Currently, CBM-Net facilitates large transactions between banks, but there are plans to expand its use to interbank foreign exchange auctions and for trading government bonds. As of 2016, joined the global SWIFT messaging system parallel to these developments, three-quarters of Myanmar banks had this SWIFT, The number of ATMs in the Myanmar has grown rapidly, from several hundred in 2013 to near 1,700 by early 2016.

During the same time, the number of point-of-sale (POS) terminals has quadrupled, from about 700 in 2014 to over 2,800 in 2016. Much of the credit for these advances can be claimed the Myanmar Payment Union (MPU). MPU, the business association, which has 23 out of 31 Myanmar banks as members, has also been successful in implementing a national payment switch to facilitate non-cash payments and transfers. The MPU members issuing 1.1 million debit cards between 2012 and 2015. Master card and Visa are both partnering with MPU members to issue co-branded credit cards, with CB Bank leading much of this engagement. The Credit Bureau has established in Myanmar. Central Bank of Myanmar passed licenses to 13 foreign banks.

3.2 Cashless System in Myanmar

According to the Collins dictionary, 'Cashless payments are made using cards or electronic methods rather than physical money'. As for any cash based activity, paper money exchange between transacting parties is also essential, in a cashless activity, payments are made money exchange without physical money in an electronic form which makes it safe and reliable. In Myanmar banking system, there are various cashless transaction methods. Cheques and Demand drafts are used in paper based of traditional banking. Debit cards, Pre-paid cards, Credit cards, Mobile/E Wallets, ATM money transfers, Internet banking transfers, Mobile Banking, Unified Payment Interface (UPI), NEFT and RTGS transfers and, E-cash coupons are used in electronic based method of modern banking.

Cheques and demand draft are consists of negotiable instruments. Specific cheques are issued to specific account holder by the bank. The cheques holder who has a current account or transaction checking account which is his money is kept. The check holder orders a bank to pay a specific amount of monetary from a person's account to the person in whose name which endorses by account owner the cheque is issued by bank. Cheque can be make payment accounts to accounts easily without payments. A demand draft may be payment order and similar to a bill of exchange. A bank (drawer) issues a payment order to a person who applies to issue this draft, ordering another bank (drawee) or one of its own branches to pay a specific amount to the specified party (payee). It is made transferring money from one place to another. It is very convenient and safely.

Debit Card and Pre-paid Card

It is also known as ATM card and is made by Plastic. ATM card's holder has to open an account with the issuing bank which gives debit card with a personal ID Number, when he makes a purchase or making bill payment he use his pin number on POS .The issuing bank whether to accept or decline the transaction the customer can never because the banks rejects any transaction which exceeds the balance in his account. In Myanmar, eighteen banks are issuing MPU debit cards and also offering Visa, Master, JCB and UPI debit card service. A pre-paid card is similar about the size of debit card but card's holder has not to open an account but card holder deposit to his card at any accepted card agent. It can be used to purchase goods and services and pay to billing at accepted merchant. Prepaid cards are provided by banks and

other financial institution. Both debit card and credit card can provided cradles system with QR code.

Credit Card

A credit card is a piece of plastic offered from JCB, Master, MPU, UPI, Visa card or any other network which allows paying for a purchase or billing by borrowing credit from the banks or other financial institutions. It can be used to purchase goods from merchant who accepts credit card and to pay the billing. Card user can get some features and benefit which are convenience, cashless, shopping discount and rewards, fraud protection and worry free cross-border spending because of using credit card. Credit card balance can be easy to transfer any other cards. It can be used outside country and used as worldwide payments instrument.

Mobile Payment / E Wallets

An electronic wallet is a method which is very useful for frequent online shoppers. It is commercially available for pocket as palm-sized, hand held, and desktop PCs. It offers a secure, convenient, and portable tool for online shopping. It stores personal and financial information such as credit cards, passwords and, pins or QR code to facilitate the credit-card order process. Many mobile payments in Myanmar are Wave pay, OK pay, MPT pay, Mytel pay, KBZ pay, CB pay and etc.

Internet Banking/ Mobile Banking

Online banking transfer is also known as internet banking, E-banking or Virtual banking transfer. It is an electronic payment system that enables customers of a bank or any other financial institution to conduct arrange of financial transactions through the financial institution's website. The online banking system typically connects to the core banking system operated by a bank to its branch banking with the help of internet and bank's own intranet.

CBM-Net System

CBM- Net is a nation-wide payment system facilitating one-to-one funds transfer. Under this system, individuals, firms and corporates can electronically transfer funds from any bank branch to another bank branch.

3.3 Credit Cards Services in Myanmar

In 1988, Myanmar has started to open the market economy and consequently, the financial sector, took step to reform in accordance with the new economic system. In furtherance of the development of the market economic system, the new banking laws namely, the Central Banks of Myanmar law, the Financial Institutions of Myanmar Law and the Myanmar Agricultural and the Development Bank Law were enacted in 1990. At 1990, issuing credit card Foreign Company of American Express Cards, Master, Visa, Dinner, and JCB Cards were distributed credit card to Myanmar acquiring System MFTB and MICB, not distribute to private banks in Myanmar. Authorized credit card distributor of MFTB and MICB issued. In Myanmar, 1993 Private Bank (AWB, YOMA and MUB) issue Credit Cards to customers from 1990 to 2003 before American sanction, credit card is widely used in Myanmar. At 2003, American sanction agreement and contract between MFTB and MICB bank, these credit cards (American Express Cards, Master Visa, Dinner, and JCB cards) release from Myanmar. At 2003, due to bank crisis from private bank (AWB, Yoma and MUB) Credit card is automatically stopped.

As the financial law liberalization of Central Bank of Myanmar in 2015 upon the credit cards issuing, credit cards users involve from the year 2016 to 2019 in current period Myanmar has changed rapidly in terms of political, legal, economic sector since 2011, the very new era of democracy government. In banking sector also changed rapidly, the entry and opening of foreign banks' representative office, liberalization of Central Bank of Myanmar. Credit card issue licenses have been granted by Central Bank of Myanmar to private banks since 24th July 2015. Myanmar private bank provide to issue MPU credit cards and attracting their customer. International cards network known as JCB, Master, Visa, UPI agreed contract with CB, KBZ, AYA, MAB, AGD, UAB and MOB banks. Myanmar private banks are trying to make the most effective and less risk factor for the card user by using advanced and secured technologies.

Union Pay International (UPI) previously known as China Union Pay (CUP) is a leading payment card brand similar to other International card brands such as Visa, MasterCard and American Express. The Union Pay card is increasingly becoming one of the most important credit cards in Asia. The Union Pay merchant acceptance network extends to over 160 countries and at over 7,000 merchant acceptances in Myanmar.

Visa credit card is a kind of unsecured personal loan delivered through a “plastic card” which can be used for payment of goods & services or cash withdrawal. Visa cards are used with pay wave function which technology enables cardholders to ‘tap’ their card on a contactless POS terminal to make transactions up to the amount set by merchant’s acquiring bank, rather than ‘swiping or Pay Wave is a contactless method of payment – the latest evolution in Visa payments. It is simple, secure and quick payment method dipping’ their card into POS terminals. The cards contain a tiny antenna embedded into the chip which securely transmits payment instructions to and from a specially adapted card terminal. Visa and Master cards can be used in world wide. JCB is an international payment brand from Japan and credit card (MPU-JCB Co-Brand) in more than 190 countries including Myanmar.

Among the credit card issuing banks, besides UPI, JCB, Visa and Master, MOB offers also MOB MPU credit card and VISA credit cards. CB bank issue MPU-UPI Co-Branded credit cards, CB Master Card credit card, Manchester United Credit Card (Visa), CB Telenor Visa credit card and Visa Signature credit card. These credit cards can be different credit limit which are offered depending on customer's income. KBZ, UAB, MAB and AGD issue Visa credit card only. AYA offers three brand names of credit cards also known as AYA Universal Credit Card (MPU-JCB Co-Brand), AYA Visa Credit Card and AYA Universal Credit Card (MPU-UPI Co-Brand). MPU credit cards and MPU/UPI CO-Branded credit cards are product of MOB bank.

Credit cards issuing banks in Myanmar are issued different type of credit cards. Basically, there are three types in credit card, Silver card or Classic card, Gold cards and Platinum Cards. They are classified by minimum monthly income. Credit card holder can spend up to three times their monthly salaries. All of credit card issuing banks offer various types of cards depending on customers' income. Maximum credit limit is 5,000,000 or up to 2 times of income, cash advance limit is 30% of credit limit and over limit are 10% of credit limit. Grace period or interest free period are depend on types of credit cards and issuing banks.

Credit cards issuers must send cardholders a notice 45 days before they can increase or change certain fees. This includes annual fees; cash withdraw fees, late fees, withdraw transaction fees, interest fees and bank statements fees. Over-limit fees which are major fees are late or overdue payments, charges that result in beyond the credit limit on the card (whether intentionally or by mistake). This over limit fees is

13% and late fees 1%. Transaction fees collected on one transaction MMK 3000 kyats. Transaction in a foreign currency (as much as 3% of the amount). Exchange rate loading fees collected USD \$3 at any amount cash withdraw. POS transaction fees and E commerce transaction fees are not collected from any customers. CB banks collect interest and other charges and fees are same rate in various issuing cards.

Card issuer banks collect fees and interest which depends on type of credit cards from customers. Some types of cards can be offered free from application fees. Late payments fees, Collection Fee, Legal Processing Fee, Cross Currency Transactions fees (per transaction), Penalty fees, Over limit fees, Pin replacement fees, Lost/stolen card replacement fee, Account statement copy fees, Voucher Retrieval fee per voucher, balance inquiry from another bank ATM fees, cash advanced interest, oversea ATM cash withdrawal fees, local ATM withdrawal fees, Partial Payment Fee and other fees are collected from customers.

Chapter 4

Analysis on Factors Influencing the Credit Card Usage in Myanmar Private Banks

In this chapter, it interprets the results from the analysis on factors influencing state of credit cards usage in Myanmar Private Banks. The survey consists of profile of respondents, compulsive buying, impulsive buying, unique feature and cost of credit affecting the credit cards usage in Myanmar private banks.

4.1 Research Design

This study presents of factors influencing the credit cards usage in Myanmar private banks. To find the assessment, the collecting data was through survey. Structured questionnaires were used in this survey. Four main parts were included in this survey. The target population of the study was 200 credit card users of the seven Myanmar Private Banks that offers credit cards services. This survey used a quantitative approach for collecting data.

The main parts were organized by five point Likert scale (ranging from "Strongly disagree=1" to "Strongly agree", which measures the factors influencing the credit card usage. Random sampling method is also used in this study. The questionnaire consists of five parts. The section one collected the demographic data of respondents. The section two collected the usage of credit cards of respondents. The section three and four were measured the compulsive buying and impulsive buying in credit cards usage. The section five evaluated the unique features and the last section measured the cost of credit cards. The respondents were randomly selected from the banks. The questionnaires were shown in Appendix.

Data analysis used descriptive statistics such as measure of central tendency and It was used to organize, summarize and analyze the numerical data whose survey result was presented in tables.

4.2 Demographic Factors of Respondents

Section one of the study analyzes the demographic factors of respondents from seven banks. This section contains gender, marital status, age group, education, occupation and monthly income.

Table (4.1) Percentage of Respondents by Gender

Gender	No. of Respondents	Percent
Male	113	56.5
Female	87	43.5
Total	200	100

Source: Survey Data (2019)

As this Table (4.1), the survey result from gender respondents were 113 numbers of male and 87 numbers of female. The result shows 56.5% were male and 43.5% were female.

Table (4.2) Percentage of Marital Status

Marital Status	No. of Respondents	Percent
Single	107	53.5
Married	93	46.5
Total	200	100

Source: Survey Data (2019)

Table (4.2) shows the number of respondents by marital status. 107 respondents in single group were 53.5% of total respondents and 93 number of respondents in married group were 46.5% of total numbers of respondents.

Table (4.3) Percentage of Age Group

Age	No. of Respondents	Percent
≤ 25 years	17	8.5
26-40 years	80	40.0
41-60 years	80	40.0
>60 years	23	11.5
Total	200	100

Source: Survey data (2019)

Table (4.3) shows the number of respondents by age grouped. 17 respondents in under 25 year age group were 8.5% of total respondents, 80 respondents in 26-40 years age group were 40.0% of total respondents, 80 respondents in 41-60 years group

were 40.0% of total respondents and 23 respondents in 60 years above age group were 11.5% of total respondents. The most respondents were found in between 26-40 years and 41- 60 years groups.

Table (4.4) Percentage of Educational Qualification

Educational Qualification	No. of Respondents	Percent
Under graduate	-	-
Graduate	84	42.0
Post graduate	41	20.5
Master degree and above	67	33.5
Professional	8	4.0
Total	200	100

Source: Survey data (2019)

Table (4.4) interprets 84 respondents in graduated were 42% of total respondents. 41 respondents Post graduate were 20.5% of total respondents. The professional of 8 respondents is 4.0% of total respondents. In this finding, the most respondents were in graduate group.

Table (4.5) Percentage of Occupation

Occupation	No. of Respondents	Percent
Employee	105	52.5
Self-Employed	76	38.0
Dependent	8	4.0
Other	11	5.5
Total	200	100

Source: Survey data (2019)

Table (4.5) presents respondents' occupation. In this survey 52.5% of total respondents were 105 respondents who were employee and 38% of total respondents were 76 respondents who were self-employed. 8 numbers of respondents who dependent were 4% of total respondents, 11 numbers of respondents were other and 5.5% of total respondents. From this result, it was noted the most respondents were in employee group.

Table (4.6) Percentage of Monthly Income

Income (MMK)	No. of Respondents	Percent
≤300,000	15	7.5
300,001-500,00	44	22.0
500,001- 1,000,000	47	23.5
1,000,001- 2,000,000	46	23.0
2,000,001- 5,000,000	48	24.0
> 5,000,000	-	-
Total	200	100

Source: Survey data (2019)

Table (4.6), respondents monthly income level were grouped into six: Under 300,00 group, MMK300,001-500,00, MMK 500,001- 1,000,000, MMK 1,000,001- 2,000,000, MMK 2,000,001- 5,000,000 and above MMK 5,000,000. In this survey as percentage 7.5%, 22.0%, 23.5%, 23.0% and 24.0% and the last was 0%. From the finding, the least respondents of group were monthly income under 300,000.

4.3 Usage of Credit Cards of Respondents

In this part, there is 9 items of the analyzing in usage of credit cards from 200 numbers of respondents. This section consist 7 questions which were frequency of using credit cards, terms of using credit cards, influencer of taking credit card, Mostly used in credit cards, regular or emergency use, use of credit cards limit and barrier for credit cards usage.

Table (4.7) Percentage of Frequency of Using Credit Card per Month

Times	No. of Respondents	Percent
< 3 times	16	8.0
From 3 - 5 times	39	19.5
From 6 - 8 times	7	3.5
From 9 - 10 times	136	68
> 10 times	2	1
Total	200	100

Source: Survey data (2019)

Table (4.7) conduct the number of respondents by frequently use of credit cards. 8% of respondents were under 3times, 19.5% of respondents were From 3 up to 5 times, 3.5 respondents were From 6 up to 8 times,136 respondents were From 9 up to 10 times, 5%respondents were above 10 times. As the result, the most of respondents were use credit card in 9-10 times per month.

Table (4.8) Percentage of Terms of Using Credit Card

Terms	No. of respondents	Percent
< 6 months	66	33.0
6 months - 1 year	17	8.5
> 1 year	117	58.5
Total	200	100

Source: Survey Data (2019)

Table (4.8) shows the number of respondents by using credit cards. 66 respondents were 33.0% of total respondents in under 6 months group, 17 respondents were 8.5% of total respondents in 6 months to 1 year, 1170 respondents were 58.5% of total respondents in More than 1 year. From this finding, the most of credit card users were more than one year of terms of using credit cards.

Table (4.9) Percentage of Influencer of Taking Credit Card

Influencer of Taking Credit Cards	No. of Respondents	Percent
Family	27	13.5
Other advertisement	173	86.5
Total	200	100

Source: Survey Data (2019)

As shown in Table (4.9) is the survey result of influence of taking credit card. From the analysis 13.5% of respondents in family group and 86.5% of respondents were in other advertisements group. As this finding, other advertisements groups were more than family groups.

Table (4.10) Percentage of Mostly Used Credit Card

Mostly Used Credit Cards	No. of Respondents	Percent
Purchasing Goods	50	25
Hotel stay, Bar and Restaurant	89	44.5
Travelling	29	14.5
Bill and Payment	20	10.0
Short Term Financing	12	6.0
Total	200	100

Source: Survey Data (2019)

Table (4.10) showed the analyzing of mostly used credit cards. It was found 25% of respondents were 50, 44.5% of respondents were 89, 14.5% were 29 number of respondents, 10.0% were 20 number of respondents and 6% were 12 number of respondents. As the result of Table (4. 10), the most of respondents were in hotel stay, bar and restaurant group.

Table (4.11) Percentage of Use of Credit Card

Use of Credit Card	No. of respondents	Percent
Regular use	172	86
Emergency use	28	14
Total	200	100

Source: Survey Data (2019)

As result of Table (4.11), the survey conducted that the number of respondents in regular use was more than the number of respondents in emergency use.

Table (4.12) Percentage of Use of Credit Card Limit

Use of Credit Card Limit	No. of respondents	Percent
Less than credit limit amount	93	46.5
Same as the credit limit amount	107	53.5
Total	200	100

Source: Survey Data (2019)

According to Table (4.12), the numbers of respondents in same as the credit limit amount group were more than the number of respondents in less than credit limit amount group.

Table (4.13) Percentage of Barrier for Using Credit Card

Barrier for Using Credit Card	No. of respondents	Percent
Internet connection	21	10.5
POS Machine availability	18	9.0
Outlet preference physical cash more than credit payment	161	80.5
Total	200	100

Source: Survey Data (2019)

There were four groups of barrier for using credit cards among the respondents in this Table (4.13). The most percentage of respondents was in outlet preference physical cash more than credit payment group.

4.4 Analysis of Compulsive Buying in Credit Card Usage

This part of study is analyzing the compulsive buying in credit cards usage on credit cards users by using six questionnaires with five points Linkert scale measurements.

Table (4.14) Analysis of Compulsive Buying in Credit Card Usage

No	Factors	Mean	Std. Deviation
1	You prefer to use credit card for compulsive buying.	4.01	0.86
2	You may earn additional points while shopping in the POSs with which your credit cards have tied up.	3.85	0.99
3	I often have an unexplained urge, a sudden and unplanned desire, to go into a shop and buy something in a store using credit card.	3.80	0.85
4	As soon as I enter a shopping center, I have an irresistible urge to go into a shop and buy something in a store using credit card.	3.87	0.90
5	I have often bought a product that I did not need, while knowing that I have very little money left in credit card.	3.75	1.10
6	There were times when I have a strong urge to buy books, clothes, etc.	3.01	1.27
Overall Mean		3.72	0.99

Source: Survey Data (2019)

Based on analysis in Table (4.14), it is noted the most of respondents agreed that they use credit card for compulsive buying because the mean score is 4.01 and standard deviation is 0.86. And then it was found the most of the respondent neither agree nor disagreed that there were times when they have a strong urged to buy books, clothes, etc. because the mean score is 3.01 and standard deviation is 1.27. The overall mean score is 3.72 and standard deviation is 0.99. It indicated that the respondents agreed the statement they compulsively buy goods and services using credit.

4.5 Analysis of Impulsive Buying in Credit Card Usage

The second factor on credit card usage analysis is Impulsive Buying. This factor includes compulsive buying behavior in purchasing goods with credit cards. Card users were requested to answer the (11) item of their impulsive buying behavior with the use of five points linkerts scale. The result of their behavior level is shown in Table (4.15).

Table (4.15) Analysis of Impulsive Buying in Credit Card Usage

No	Factors	Mean	Std. Deviation
1	Prompt for impulsive buying using credit card.	4.00	1.29
2	You can only get a credit card with a very low credit limit and you have a hard time staying under the balance.	3.91	0.70
3	I buy something if I think I instinct need it, even though I went shopping for other purposes using credit card.	3.80	0.85
4	I buy to try out merchandise with a new feature using credit card.	3.71	0.96
5	I expect to find something I want to buy when I get to the store using credit card.	3.90	0.88
6	I buy merchandise with a new style if I see it using credit card.	3.20	1.13
7	By using credit card, I can't resist buying merchandise if I really like it.	3.74	0.86
8	I am less concerned with price when using credit card.	3.41	1.09
9	I buy something using credit card if it reminds me of an item I want.	4.11	0.91
10	I buy merchandise using credit card I had looked for before, even though I went shopping for other items.	3.87	0.90
11	I buy anything I suddenly feel compelled to buy using credit card.	3.60	0.94
Overall Mean		3.75	0.95

Source: Survey Data (2019)

According to the result of Table (4.15), the majority of respondents were agreed that they buy something using credit card if it reminds me of an item they want because the mean score of it is 4.00 and standard deviation is 0.95. Also it was found that the most respondents neither agreed nor disagree that it is they buy merchandise with a new style if they see it because the mean score of it is 3.20 and standard deviation is 1.13. The overall mean score is 3.75 and standard deviation is 0.95. It described the majority of respondents are agreed that they impulsively buy merchandise using credit card.

4.6 Analysis of Unique Features of Credit Card

The third factor on credit card usage analysis is unique features of credit card. This factor includes unique features in credit cards . Card users were requested to answer the (11) item of unique features of credit cards with the use of 5 points linkerts scale. The result is shown in Table (4.16).

Table (4.16) Analysis of Unique Features of Credit Card

No.	Factors	Mean	Std. Deviation
1	Credit cards do not require any pin code and it differs from debit card.	4.71	0.85
2	Credit cards have a variety of characteristics from which customers can choose.	4.15	0.84
3.	Credit card is relatively better paying option rather than Debit card.	4.66	0.87
4	During travelling credit cards were used extensively as it is safe and convenient to carry instead of liquid cash.	4.41	0.89
5	Credit card can also be used to withdraw money against the credit limit extended to the card.	4.74	0.51
6.	Credit card gives you reward points, cash back offers, gift vouchers why you use.	4.80	0.84
7.	Credit card provides financial back up in the event of an emergency, such as an unexpected health care cost, job loss or auto repairs.	4.09	0.81
8	Credit cards allow you the right to settle disputed billing errors and defective merchandise.	4.70	0.85
9.	Credit cards can also be differentiated on whether they charge fixed or variable rates.	4.10	0.82
10.	When customers establish a good reputation with their current card issuer they were granted favorable credit limits compared to those offered by a rival issuer.	4.72	0.81

11.	I like credit cards because they provide an additional line of credit.	4.60	0.85
	Overall Mean	4.51	0.84

Source: Survey Data (2019)

Based on analysis in Table (4.16), it was noted the most of respondents strongly agreed that Credit card gives them reward points, cash back offers, gift vouchers why they use because the mean score is 4.80 and standard deviation is 0.84. And then it was found the most of the respondent agreed that Credit card provides financial back up in the event of an emergency, such as an unexpected health care cost, job loss or auto repairs because the mean score is 4.09 and standard deviation is 0.81. Overall mean score is 4.51 and standard deviation is 0.84 that the majority of respondents were strongly agreed. They agreed that unique features of credit card urged to use their credit card.

4.7 Analysis of Cost of Credit Card

The fourth factor on credit card usage analysis is cost of credit in credit cards. Credit card users were requested to answer the (10) item of their impulsive buying behavior with the use of 5 points linkerts scale. The result of their behavior level is shown in Table (4.17).

Table (4.17) Analysis of Cost of Credit Card in Credit Card Usage

No	Factors	Mean	Std. Deviation
1	Credit card has many hidden charges which should be clearly disclosed.	4.83	0.676
2	The provision of caution deposit for poor credit history should be scrapped.	4.47	0.520
3.	Interest and late fee charges were high for payment defaults.	4.90	0.367
4	Credit cards keep a record of your expenses, helping you to monitor your financial activities.	4.45	0.499
5	Credit card fraud is another problem to hold or to get a credit card service.	4.84	0.368
6	Customer's complaints redresses were a slow process.	4.85	0.372
7.	The fees for exceeding your credit limit were costly.	4.84	0.301
8	Customers with high outstanding balances find it more difficult to switch because issuers were concerned about default risk.	4.89	0.301
9.	The minimum payment amount might also be used to weaken adverse selection.	4.90	0.238

10	Your bank does not provide provides complete and sufficient information on credit cards.	4.94	0.287
Overall Mean		4.75	0.393

Source: Survey Data (2019)

Based on analysis in Table (4.17), it was noted the most of respondents strongly agreed that your bank does not provide complete and sufficient information on credit cards. The overall mean score is 4.75 and standard deviation is 0.393. The majority of respondents were strongly agreed that cost of credit affected their credit card usage.

4.8 Overall Analysis of Factors Influencing the Credit Card Usage

This analysis is calculated from all respondents of 200 participated in survey based on each type of questionnaire of four factors influencing the credit cards usage.

Table (4.18) Overall Analysis of Factors Influencing the Credit Card Usage

No	Factors	Mean	Std. Deviation	Ranking
1	Cost of Credit Card	4.75	0.393	I
2	Unique Features of Credit Card	4.51	0.84	II
3	Compulsive buying in Credit Card Usage	3.71	0.99	III
4	Impulsive buying in Credit Card Usage	3.75	0.95	IV
	Over all Mean	4.18	0.79	

Source: Survey data (2019)

According to Table (4.18) indicates the over-all result of factors influencing the credit cards usage. Result from the analysis shows that factor of cost of credit was the vital factors. The overall mean score was 4.18 and standard deviation was 0.79. It described all these factors influence credit cards usage. Cost of credit mean score is highest and impulsive buying in credit card usage mean score is lowest. It indicated that cost of credit was the most influence in credit card usage.

Chapter 5

Conclusion

The conclusion consists of three parts, Findings represent why the research survey was conducted what aspect of the problem were considered, what the outcomes was and it consists of the findings to the factors influencing the credit cards usage. The second part presents recommendations and the last parts of this chapter mention about suggestion for further study.

5.1 Findings

The objective of the study is to analyze the factors influencing the usage of credit cards in Myanmar Private Banks, is to examine factors were compulsive buying, Impulsive buying, unique feature of credit cards and cost of credit. The result can identify what factors were influencing on credit cards usage.

In this survey, Most of respondents were in their occupation is employee group. Respondents of monthly income under MMK 300,000 group were the less numbers of using credit card. Most of respondents of frequency of using credit cards were in 9-10 times group. The respondents were in more than 1 year using credit cards is the most population. The most respondents were in used credit cards in hotel stay, bar and restaurant group. The most of respondents were in regular use group. The most of respondents used same as credit limit amount. Most of respondents have barriers for using credit card that outlet preference physical cash more than credit payment.

The majority of the respondents agreed that they preferred to use credit cards for compulsive buying and impulsive buying through credit cards. Mean score of compulsive buying and impulsive buying were calculated under the overall mean value. This indicated compulsive buying and impulsive buying behavior were fairly effect on credit card usage.

From the analysis, factor of unique features of credit cards, the most of respondents strongly agreed that credit cards gives you rewards points, cash back offers, gift voucher. It indicates card users like that their banks offer incentives of their credit cards. This factor mean value was calculated above overall mean value. This indicated that unique feature of credit card has relationship with usage of credit

card. In the other hand, the factor of cost of credit card, most of respondents were highly agreed that their bank does not provide complete and sufficient information on credit cards. Result also led to the conclusion is customer wants to know the credit cards information in timely and the banks provide sufficient information to their customers.

In this survey result, over-all analysis find out that factor of cost of credit was the vital factors. It was described that the credit cards user were more need information from banks and customer' complaints redresses were slow process. Sometimes card user payment is late, the bank concerned about default risk. This situation, card user is bad in his credit history. And then cards user face in hidden charges and costly interest. This findings imply that cost of credit in credit cards has significant effect on credit card usage.

5.2 Recommendations

The recommended that banks should emphasize on useful information on social sites with regard to finding a customer's most recent location. In addition the study recommends that the banks should provide sending credit cards information through email or SMS. In addition banks should collect information from sensitive customers on credit card issues. Banks should collaborate with retail outlet supplier to improve card holder experience while using credit card POS machine. Another suggestion is that the banks should have to solve the customer complaint fast. In addition, the study suggests that the banks should give customer a chance to suggest on noted service failure.

Consequently, the credit card users and their usage are growing up and the credit card issuing banks face with risk of credit and customer complaint for their trouble in credit card usage. Credit card can be misuse because of credit card user preferred compulsive buying and impulsive buying. Thus, the credit card issued banks should not only review their credit policy, rules and regulations to reduce credit risk and to avoid credit card misuse by customer. And also the banks provided good service performance using advanced technology to their customers. The banks should enhance their card performance by high technology and collaborate with customers to mitigate fraud and errors.

5.3 Needs for Further Study

This study mainly focused on the factors influencing the credit cards usage in Myanmar Private Banks. These factors were buying behavior of card user, unique feature of credit cards and cost of credit. This study only focuses on Yangon region. Future studies were needed to make in the outside region were where the different types of credit card user. There were also needed to analyses the number of POS machines outlets availability in the regions. This study is only focused on credit cards users and do not include which factors effect of credit cards receivers (outlet owners) and card issuer. Since the success of credit cards usage culture in heavily relied not only on credit card users but also on credit cards payments receivers.

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Appendix

Questionnaire

Dear Sir/ Madam,

I would like to seek your truthful opinion of the matters emphasized in this questionnaire. This is only for a survey the factor effecting on credit card usage in Myanmar Private Banks to use in thesis for the degree of Master of Banking and Finance (MBF) Programme. This is not related to any other purpose.

Thank you for your intently participation.

Section 1. Demographic Factor of respondents

- | | | |
|--------------------------------|--------------------------|--------------------------|
| 1. Gender : | Male | <input type="checkbox"/> |
| | Female | <input type="checkbox"/> |
| 2. Marital Status : | Single | <input type="checkbox"/> |
| | Married | <input type="checkbox"/> |
| 3. Age Group : | | |
| | 18 - 25 years | <input type="checkbox"/> |
| | 26 - 30 years | <input type="checkbox"/> |
| | 31 - 35 years | <input type="checkbox"/> |
| | 36 - 40 years | <input type="checkbox"/> |
| | 41 and above | <input type="checkbox"/> |
| 4. Educational Qualification : | | |
| | Under Graduate | <input type="checkbox"/> |
| | Graduate | <input type="checkbox"/> |
| | Post Graduate | <input type="checkbox"/> |
| | Master and above | <input type="checkbox"/> |
| | Professional | <input type="checkbox"/> |
| 5. Occupation : | | |
| | Student | <input type="checkbox"/> |
| | Employ | <input type="checkbox"/> |
| | Self-Employ | <input type="checkbox"/> |
| | Dependent | <input type="checkbox"/> |
| | Other | <input type="checkbox"/> |
| 6. Monthly income: | | |
| | Under 300,000 | <input type="checkbox"/> |
| | MMK 300,001- 500,000 | <input type="checkbox"/> |
| | MMK 500,001- 1,000,000 | <input type="checkbox"/> |
| | MMK 1,000,001- 2,000,000 | <input type="checkbox"/> |
| | MMK 2,000,001- 5,000,000 | <input type="checkbox"/> |
| | Above MMK 5,000,000 | <input type="checkbox"/> |

Section II
Usage of Credit Cards

7. Frequency of using credit card per month
- < 3 times
 - From 3 to 5 times
 - From 6 to 8 times
 - From 9 to 10 times
 - >10 times
8. Terms of using credit cards
- Under 6 months
 - Over 6 months to 1 year
 - More than 1 month
9. Influencer source of Credit card:
- Family
 - Other Advertisement
10. Mostly used Credit Card
- Purchasing Goods
 - Hotel stay, Bar and Restaurant
 - Travelling
 - Bill and Payment
 - Short Term Financing
11. Using credit cards regular or emergency
- Regular use
 - Emergency use
12. Using amount of credit card limit
- Less than credit limit amount
 - Same as the credit limit amount
13. Barrier for using credit card?
- Internet connection
 - POS Machine availability
 - Outlet preference physical cash more than credit payment
 - Other (Please specify)

Section (III)

Compulsive Buying in credit card usage

Please specify your response by altering the response category into 5-Point Likert scale as: **1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree** and tick your response in this scale in the given box.

Q No.	Statements	1	2	3	4	5
1	You prefer to use credit card for compulsive buying.					
2	You may earn additional points while shopping in the POPs with which your credit cards have tied ups.					
3	I often have an unexplained urge, a sudden and spontaneous desire, to go into a shop and buy something in a store.					
4	As soon as I enter a shopping center, I have an irresistible urge to go into a shop and buy something in a store.					
5	I have often bought a product that I did not need, while knowing that I have very little money left in the credit card.					
6	There are times when I have a strong urge to buy books, clothes, etc.					

Section (IV)

Impulsive Buying in credit cards usage

Please specify your response by altering the response category into 5-Point Likert scale as: **1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree** and tick your response in this scale in the given box.

No.	Statements	1	2	3	4	5
1	Prompt for impulsive buying using credit cards.					
2	You can only get a credit card with a very low credit limit and you have a hard time staying under the balance.					
3	I buy something using credit card if I think I instinct need it, even though I went shopping for other purposes.					
4	I buy to try out merchandise with a new feature using credit card.					
5	I expect to find something I want to buy when I get to the store.					
6	I buy merchandise with a new style if I see it.					
7	I can't resist buying merchandise if I really like it.					
8	I am less concerned with price when using Credit card.					
9.	I buy something if it reminds me of an item I want.					
10	I buy merchandise I had looked for before, even though I went shopping for other items.					
11	I buy anything I suddenly feel compelled to buy.					

Section(V)

Unique features in credit card

Following statements in table affect your credit card usage. Please specify your response by altering the response category into 5-Point Likert scale as: **1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree** and tick your response in this scale in the given box.

No.	Statements	1	2	3	4	5
1	Credit cards do not require any pin code and it differs from debit card.					
2	Credit cards have a variety of characteristics from which customers can choose.					
3	Credit card is relatively better paying option rather than Debit card.					
4	During travelling credit cards are used extensively as it is safe and convenient to carry instead of liquid cash.					
5	Credit card can also be used to withdraw money against the credit limit extended to the card.					
6	Credit card gives you reward points, cash back offers, gift vouchers.					
7	Credit card provides financial back up in the event of an emergency, such as an unexpected healthcare cost, job loss or auto repairs.					
8	Credit cards allow you the right to settle disputed billing errors and defective merchandise.					
9	Credit cards can also be differentiated on whether they charge fixed or variable rates.					
10	When customers establish a good reputation with their current card issuer they are granted favorable credit limits compared to those offered by a rival issuer.					
11	I like credit cards because they provide an additional line of credit.					

Section(VI)

Cost of Credit Card

Following statements in table affect your credit card usage. Please specify your response by altering the response category into 5-Point Likert scale as: **1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree** and tick your response in this scale in the given box.

No	Statements	1	2	3	4	5
1	Credit card has many hidden charges which should be clearly disclosed.					
2	The provision of caution deposit for poor credit history should be scrapped.					
3	Interest and late fee charges are high for payment defaults.					
4	Credit cards keep a record of your expenses, helping you to monitor your financial activities.					
5	Credit card fraud is another problem to hold or to get a credit card service.					
6	Customer's complaints redresses are a slow process.					
7	The fees for exceeding your credit limit are costly.					
8	Customers with high outstanding balances find it more difficult to switch because issuers are concerned about default risk.					
9	The minimum payment amount might also be used to weaken adverse selection.					
10	Your bank does not provide complete and sufficient information on credit cards.					