

CREDIT CARD USE AMONG BANGKOK CARDHOLDERS: AN EXPLORATION INTO CREDIT CARD ATTITUDES, DEBT AND STRATEGY IMPROVEMENT

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การศึกษากลุ่มตัวอย่างผู้ถือบัตรเครดิตในกรุงเทพฯ พบว่ามีความสัมพันธ์ทางบวกระหว่างภาระหนี้สินและทัศนคติด้านความตั้งใจในการใช้บัตรเครดิต ผู้ที่มีทัศนคติที่ดีต่อการมีหนี้สินใช้บัตรเครดิตเป็นจำนวนครั้งมากกว่าและมียอดหนี้คงค้างในบัญชีบัตรเครดิต ผู้หญิงมีทัศนคติเชิงลบต่อการเป็นหนี้บัตรเครดิต ผลการศึกษา ยังพบว่ามีความสัมพันธ์ทางตรงระหว่างทัศนคติของผู้ใช้บัตรเครดิตและความเป็นไปได้ในการใช้บัตรเครดิต ผู้ถือบัตรเครดิตที่ไม่ชำระยอดหนี้ในบัตรเครดิตเต็มจำนวนและผู้ถือบัตรเครดิตหลายใบมีทัศนคติที่ดีต่อการใช้บัตรเครดิต นอกจากนี้ระดับการศึกษาและอายุการทำงานมีความสัมพันธ์กับความตั้งใจในการใช้บัตรเครดิต การศึกษาได้ให้ข้อเสนอแนะด้านนโยบายบัตรเครดิตและกลยุทธ์การตลาดด้วย

Abstract

The study of a sample of Bangkok credit cardholders found positive relationships between both debt and credit card holder attitudes towards the intention to use credit cards. Those who showed pro-debt attitudes used credit cards more frequently and maintained some card debt. Females were indicated to show adverse perception to debt. The findings also detected credit card attitudes to be directly related to the likelihood of credit card use. Individuals who did not pay monthly balances in full, as well as those who had multiple cards, were shown to have more positive attitudes towards credit cards. Besides, education level and the length of working experience were shown to associate with the intention to use credit cards. Implications for credit card policies and marketing strategies are discussed.

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OVERVIEW OF THAILAND'S CREDIT CARD INDUSTRY

In the past, the credit card industry was at a low-growth stage as its products were only offered to the rich who had means and purchasing power. Today, besides the intrinsic convenience of the ease in using credit cards instead of cash payment, consumers are encouraged to spend via cards in response to card issuers' launching of attractive campaigns to promote spending. Commonly, cardholders could get discounts for bills at stores, restaurants and petrol stations if they paid via particular credit cards (Srisukkasem 2007). What's more, reward points collected through card spending could be used to redeem attractive gifts.

No doubt, the economic slowdown and political uncertainty affected domestic consumption. This, in turn, exerted negative factors on the credit-card loan market, in terms of the expansion of the card base and increase in bad debts (Srisukkasem and Banchongdaung 2007). Increased personal debt and spending has been commonly associated with the increased usage of credit cards. Around 50% of households in Bangkok have some credit-card debt (The Nation 3 November 2007). The rising amount of card spending, unpaid balances and cash advances made from credit cards, suggest the increased use of credit facilities and the willingness to pay interest. In addition, defaults on credit-card loans have been on an upward trend (Srisukkasem and Banchongdaung 2007).

The rapid credit card consumption and the probable accumulation of Non-Performing Loans (NPLs) in Thailand were observed during 2001-2002. These trends called for

the Bank of Thailand to strengthen credit card regulations. In 2003, a reduction in growth rates was observed in card application (19.6%), credit balances outstanding (30.1%), and total card spending (25.6%). During 2006-2008, the total number of cards in circulation expanded at a steady pace and stood at 12.97 million cards in 2008 (Table 1). A similar trend was observed in total spending and credit balances. The figures for cash advances grew only marginally. This reflected cautious card spending and lower debt accumulation among consumers in times of economic hardship.

LITERATURE REVIEW

1. Debt Attitudes

The investigation into personal debt issues covers a range of social science disciplines including economics, demography, sociology and social psychology (Livingstone and Lunt 1991). While Ford (1988) argued that the causes of housing debt problems are economic, Lea, Webley and Levine (1993), Livingstone and Lunt (1992) and Tokunaga (1993) maintain that debt attitudes are strongly correlated with the extent of debt that people take on. Simply put, if people cannot avoid getting into debt, they will adjust their attitudes to become more tolerant of it (Festinger 1962, Bem 1972). A study by Davies and Lea (1995) on college students indicated that tolerant attitudes toward debt increased after individuals became indebted: signifying a unique relationship between debt and pro-debt attitudes. Credit attitudes are thus

Table 1: Credit Card Market 1999-2008

CARD TYPE	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. No. Card (Card)	1,629,301	1,765,640	2,567,961	5,633,363	6,734,901	8,648,100	10,010,203	10,900,566	12,003,369	12,971,694
Growth	-	8.4%	45.4%	119.4%	19.6%	28.4%	15.8%	8.9%	10.1%	8.1%
2. Spending (Million Baht)	151,944.55	178,812.99	233,614.31	270,739.29	419,732.12	535,967.32	625,583.06	755,275.87	840,480.59	920,994.44
Growth	-	17.7%	30.6%	15.9%	55.0%	27.7%	16.7%	20.7%	11.3%	9.6%
3. Credit Balance (Million Baht)	151,988.46	128,642.38	145,424.75	180,005.72	334,254.99	428,051.97	1,568,157.98	1,862,523.48	2,046,704.61	2,153,050.80
Growth	-	-15.4%	13.0%	23.8%	85.7%	28.1%	266.3%	18.8%	9.9%	5.2%
4. Cash Advance (Million Baht)	n.a.	n.a.	n.a.	n.a.	79,491.30	121,185.00	148,456.19	186,128.76	204,000.74	209,894.45
Growth	-	-	-	-	-	52.5%	22.5%	25.4%	9.6%	2.9%
5. Spending/ Card (Baht)	93,257.5	101,273.8	90,972.7	48,060.0	62,321.9	61,975.2	62,494.5	69,287.8	70,020.4	71,000.3
Growth	-	8.6%	-10.2%	-47.2%	29.7%	-0.6%	0.8%	10.9%	1.1%	1.4%
6. Credit Balance/Card (Baht)	93,284.5	72,858.8	56,630.4	31,953.5	49,630.3	49,496.6	156,656.0	170,864.8	170,510.8	165,980.7
Growth	-	-21.9%	-22.3%	-43.6%	55.3%	-0.3%	216.5%	9.1%	-0.2%	-2.7%
7. Cash Advances/ Card (Baht)	n.a.	n.a.	n.a.	n.a.	11,802.9	14,012.9	14,830.5	17,075.1	16,995.3	16,181.0
Growth	-	-	-	-	-	18.7%	5.8%	15.1%	-0.5%	-4.8%

Source: The Bank of Thailand 2009

Notes: n.a. = not available

Non-Bank institutions were formerly under the Ministry of Commerce and transferred to the BOT by the end of 2002. The information on total industry cash advances and non-bank data were not available prior the last quarter of 2002.

deemed good indicators of an individual's card spending patterns and thus used to predict the degree of card usage. Credit card debt-tolerant attitudes are observed to increase after one becomes indebted, indicating a possible cyclical relationship between debt and pro-debt attitudes.

Interestingly, Lea, Webley, and Levine (1993) envisioned the possibility of a growing 'culture of indebtedness' supported by the awareness and reaction of others toward oneself (and vice versa) regarding debt status. Plainly, debtors are more likely to put themselves in a community where debt was more common and thus, in due course, become more debt-tolerant. A study conducted by Livingstone and Lunt (1992) in Britain, reported an in-depth survey of the social, economic, and psychological factors related to debt. The results showed that those in debt were significantly younger. Socio-demographic factors, such as, disposable income, social class, and educational qualifications were found to exert marginal consequence on personal debt and debt repayment. Higher debt levels were observed among younger people and credit card debts were most associated with people from middle and higher socioeconomic groups and/or with higher incomes (Katona 1975).

Looking at the general use of credit cards by Thai consumers, it was found that those who earned less than 50,000 baht tend to spend more than their income, while those who earned more spent less in proportion (Thannews 2007). Importantly, card debtors held more tolerant debt attitudes and reckoned that their debt levels were below their income. They were thus not very bothered by their current debt status. Compar-

ing the situations in 2006 to 2007 in terms of card use habits, 84% of the respondents experienced increased card spending attributed to an increased credit limit. At the same time, only 10.1% of respondents controlled their expenditure due to worries about debt. Besides the use of credit card as a transaction tool, card ownership was reported to reflect one's financial and social status.

2. Credit Card Attitudes

The role of credit card use receives much attention as it has been reasonably associated with the country's economy. Kaynak, Kucukemiroglu, and Ozmen (1995) contended that card usage particularly increases in developing countries which experience increased level of socio-economic and technological development. Given movements toward privatization and free markets, the wealthier middle class emerges to support increased credit card usage (Lucas 1991), making the credit card industry a big business (Jacquelyn and Phylis 2000). What's more, consumers who have been accustomed to debt and using credit freely may have varied notions about credit cards. Some perceived card transactions to be abstract and unreal (Roberts 1998), while others noted that it was equivalent to obtaining additional income. Mapother (1999) maintained that these free attitudes toward credit could simply aggravate credit card debt and personal bankruptcy, especially when expenditures consistently exceed income. Particularly, the study by Hayhoe, Leach and Turner (1999) detected college students with four or more credit cards to score higher on the affective credit attitudes. This supports the findings of Xiao, Noring,

and Anderson (1995) that students with credit cards scored higher on the affective credit attitudes dimension.

In many studies, credit card attitudes have been noted to influence consumer's credit card spending. Incentives such as favorable card features act as important cue to encourage card usage and influence attitudes (Chan 1997, Meidan 1996). Lunt (1992) added that generous credit limits, quality customer service, fair credit card fees, and fair interest rates can stimulate credit card point-of-sale purchases. While the study posited that cardholders generally do not absolutely prefer to use one credit card to the exclusion of all others, those with more generous credit use attitudes are more likely to be in debt. Further, Kim and DeVaney (2001) supported the notion that credit attitudes exert significant influence on card use. The study found the presence of positive attitudes toward credit, among other factors, to increase the amount of the outstanding credit card balance. The findings maintained that consumer's preference to use credit to reflect their willingness to borrow is based on psychological factors. Consequently, credit card companies would seek a wider variety of outlets to boost large volume of credit card use (Levin 1993).

In terms of card use factors, Kaynak, Kucukemiroglu, and Ozmen (1995) found 'availability of emergency funds through credit cards', 'convenience during travel' and 'shopping without paying cash immediately' to be important reasons in using credit cards for their convenience value. Bei (1993) and Steidle (1994) noticed a significant relationship between having positive general attitudes toward credit and revolv-

ing credit card use. Further, many studies revealed that those who use credit facilities hold favorable attitudes towards credit, and tend not to feel adversely affected by the experience of owing money. Both Berthoud and Kempson (1990) and Livingstone and Lunt (1992) ascertained that the role of credit attitudes was an important predictor of debt/credit borrowing. Those who perceive credit as being useful, convenient, and part of modern life tend not to avoid debt but rather accept it as a means of satisfying needs and wants (Livingstone and Lunt 1992). The study on payment method for gasoline purchases by Carow and Staten (1999) in US, substantiated that debit and credit card users were likely to be males, younger, more educated, and hold more credit cards. This is confirmed by previous findings that credit cards are, in general, well-received by younger and more educated citizens. Also, Barker and Sekerkaya (1992) discovered that credit card usage in Turkey was prominent among better educated upper-middle class consumers.

3. Credit Card Money

Person's use and perception of money distinguishes money from non-money (Dodd 1994). Notably, the social network of trust has made credit cards a tool for money transaction of which such money in a modern economy does not always exhibit traditional functions (Singh 2004). Electronic money only works if there is an established network of trust and meanings around that form of money. Bernthal, Crockett, and Rose (2005) highlighted that card's transactional convenience relieves consumers' concerns of having to carry cash in their hands. Fur-

ther, Devlin, Worthington, and Gerrard (2007) acknowledged that cardholders usually carry two types of credit cards at the same time: main cards (most often used cards) and subsidiary cards (rarely used cards for stand-by purposes).

According to Tae and Guonan (2007), credit cards serve the purposes of payment and financing. The 'transactors' would use credit cards mostly for payment convenience, while the 'revolvers' borrow regularly on their cards. Between the two, the revolvers tend to be inherently riskier personal borrowers, exposing themselves to the high-yield unsecured personal card lending business. The study by Brito and Hartley (1995) agrees that card borrowing has become another important credit card service with high interest rates, but lower transaction costs than bank loans. The understanding of factors determining credit card adoption is, thus, critical in marketing strategy development for banks and nonbanks (Chirapanda and Yoopetch 2008). Credit card operators have been offering different services and building long-term customer loyalty. Marketing campaigns with attractive instalment plan choices and point redemption are initiated to make credit cards more widely used and to increase credit card adoption. Subsequently, Carow and Staten (2002) affirmed that such strategies require collaboration among banks and other businesses to share higher the benefits from the greater numbers of card users.

In the times of economic hardship and aggressive campaigns from card issuers, card usage is no longer strictly viewed as borrowing money. Instead, consumers use card payment as facilitating tools in managing their finances. Preferences of card use

do not contribute to the notion of debts. In Thailand, it was found that nearly equal proportion of card applicants showed no specific preference of cards in terms of issuers/banks (*Thannews* 2007). A report from Kasikorn Research Center in the first quarter of 2008 on Thai consumers' credit card use (*Siam Turakij* 2008) also found a similar indication. The survey found that 77.5% of the survey sample owned credit cards and the average number of cards was two. Particularly, the respondents mentioned that such ownership of several cards allowed them to tap different competitive card benefits.

METHODOLOGY

1. Hypotheses

Research questions address two specific areas of how debt and credit card attitudes influence intention to use credit cards among cardholders in Bangkok.

H 1: Debt attitudes are positively related to the intention to use credit cards.

H.2: Credit card attitudes are positively related to the intention to use credit cards.

2. Data Collection

Survey teams were stationed at Maboonkrong (MBK) Shopping Center where a wide array of consumer response was collected. The fieldwork began on the 4th of January 2010 and ended on the 30th of January 2010: a period of four weeks. The team approached only adults and individuals above the age of 18 years. Those who were identified to hold credit cards (one

or more cards) were requested to voluntarily take part in this survey. The study distributed 350 survey forms and obtained 329 completed questionnaire responses from credit card holders.

3. Research Instrumentation

The 38-question survey was divided into 4 sections: demographics and card use behavior (11 items), debt attitudes (11 items), credit card attitudes (12 items) and intention to use credit cards (4 items). Davies and Lea's (1995) debt attitudes scale and Chan's (1997) credit attitudes items were used to measure debt and card attitudes from the responses. The intention to

use credit cards was measured by asking for the likelihood that an individual will use a credit card to make purchases instead of using cash in various circumstances.

ANALYSES AND RESULTS

1. Descriptive Results

The sample yielded 329 completed and useable questionnaires with a 3: 7 male-to-female ratio (Table 2). Of this, the largest proportion belonged to the 25-35 years old group (63.8%). By marital status, the majority was married (66.9%) and the respondents had mostly obtained at least a Bachelor's or Master's degree (55.6% and 35.9% respectively). The great majority

Table 2: Demographics and Card use Information

Variable	Frequency	% of total	Variable	Frequency	% of total
1. Gender			6. Occupation		
Male	105	31.9	Government official	8	2.4
Female	224	68.1	Private company employee	229	69.6
2. Age			State enterprise employee	54	16.4
Below 25 years old	35	10.6	Freelancer	13	4.0
25-35 years old	210	63.8	Own company	7	2.1
36-45 years old	64	19.5	Others	18	5.5
Over 45 years old	20	6.1	7. Length of Work Experience		
3. Marital Status			1-10 years	240	72.9
Single	220	66.9	11-20 years	66	20.1
Married	104	31.6	21-30 years	21	6.4
Divorced	5	1.5	Over 30 years	2	0.6
4. Educational Level			8. Number of Cards Owned		
Lower than bachelor's degree	27	8.2	1-2 cards	163	49.5
Bachelor's degree	183	55.6	3-4 cards	113	34.3
Master's degree	118	35.9	5-6 cards	41	12.5
Doctoral degree	1	0.3	Over 6 cards	12	3.7
5. Monthly Income			9. Card Use Frequency/week		
Below 15,000 baht	53	16.1	1-2 times	219	66.6
15,000-35,000 baht	155	47.1	3-4 times	80	24.3
35,001-45,000 baht	67	20.4	5-6 times	17	5.2
Over 45,000 baht	54	16.5	Over 6 times	13	4.0
			10. Card Debt Repayment		
			Pay in full	237	72.0
			Do not pay in full	92	28.0

earned between 15,000-35,000 baht (47.1%) and worked for private companies (69.9%). Examining the credit card use profile, a great bulk of individuals held 1-2 cards (49.5%), often used their cards 1-2 times a week (66.6%), and paid card balances in full each month (72.0%).

2. Scale Reliability

Table 3 presents the scale fit of this survey. All items have shown reasonable acceptability with Cronbach's alphas of above

0.70 and inter-item correlations of above 0.30. Only the inter-correlation value of debt attitudes is marginally below the standard.

3. Factor Analysis

Principle Component Analysis (PCA) reduced the sets of variables to be used in the subsequent multiple regression analysis. Table 4 identifies useful factors with loadings of at least the minimal 0.30 for practical significance (Hair et al 2007, pp.128).

Table 3: Scale Reliability

Variable	Cronbach's Alpha	Inter-item Correlation	
		Range	Mean
1. Debt Attitudes	0.770	-0.121-0.719	0.281
2. Credit Card Attitudes	0.847	0.107-0.705	0.366
3. Card Use Intentions	0.872	0.445-0.908	0.720

Table 4: PCA Factor Analysis

Variables	Factor Loadings	Communalities
(I) Debt Attitudes (DA)		
Borrowing money could happen to anyone	0.423	0.179
People have to go into debt	0.782	0.612
It is OK to borrow money in order to buy food	0.632	0.400
Debt is an integral part of today's lifestyle	0.781	0.610
It is ok to use credit cards	0.547	0.299
It is better to have something now and pay for it later	0.596	0.355
Taking a loan is good because it allows you to enjoy life	0.714	0.510
(II) Credit Card Attitudes (CC)		
My cards are widely accepted by retailers of various kinds	0.713	0.508
I can settle my credit card bills via convenient methods	0.691	0.477
The interest-free repayment period is a good credit facility	0.697	0.486
My cards enjoy very low annual fees or they are waived	0.633	0.401
My card application approval period is short	0.646	0.417
My cards can perform other credit functions	0.699	0.489
The cards have a good image among the public	0.622	0.387
(III) Card Use Intention (INT)		
I always try to pay by credit card where it is accepted	0.801	0.642
I am always try to shop where credit cards are accepted	0.917	0.840
I prefer to shop at outlets where credit cards are accepted	0.908	0.825
I hesitate to buy at outlets where credit cards are not accepted	0.776	0.603

4. Multiple Regression Assessment

Table 5 exhibits three multiple regression equations each generated with debt attitudes (DA), credit card attitudes (CC) and intention to use credit cards (INT) as dependent variables.

4.1. DA as Dependent Variable

Gender was found to be significantly and negatively related to debt attitudes ($b =$

-0.090 , $p < 0.1$). This implies that females showed adverse perception to debt. In addition, both the card use frequency ($b = 0.109$, $p < 0.1$) and card debt repayment habit ($b = 0.263$, $p < 0.01$) were directly associated with debt attitudes. The findings suggested that individuals who used cards often and maintained card debt were likely to have favorable attitudes towards debt.

Table 5: Multiple Regression Equations

Independent Variables	Dependent Variable		
	DA	CC	INT
Gender	-0.090^* (0.100)	0.037 (0.497)	-0.011 (0.833)
Age	-0.052 (0.493)	-0.030 (0.695)	-0.400 (0.573)
Marital status	0.060 (0.333)	-0.051 (0.412)	0.060 (0.298)
Educational level	-0.074 (0.252)	0.053 (0.414)	0.145** (0.017)
Monthly income	-0.020 (0.792)	0.102 (0.192)	-0.044 (0.531)
Occupation	0.055 (0.313)	0.023 (0.671)	-0.023 (0.646)
Length of working experience	0.029 (0.701)	0.018 (0.816)	0.234*** (0.001)
Length of card ownership	-0.100 (0.156)	-0.008 (0.908)	-0.002 (0.978)
Number of cards owned	0.034 (0.563)	0.178*** (0.003)	-
Card use frequency/week	0.109* (0.062)	0.046 (0.432)	-
Card debt repayment	0.263*** (0.000)	-0.122^{**} (0.029)	-0.014 (0.801)
Debt Attitudes (DA)	-	-	0.357*** (0.000)
Credit Card Attitudes (CC)	-	-	0.173** (0.001)
Std Error of Est.	0.960	0.967	0.900
F-statistics	3.564***	3.094***	7.992***
R	0.332	0.311	0.466

Notes: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

4.2. CC as Dependent Variable

While the number of cards showed positive relationship with credit card attitudes ($b = 0.178$, $p < 0.01$), the opposite was observed for card debt repayment ($b = 0.122$, $p < 0.05$). The results confirmed that those who owned multiple cards showed positive card use attitudes, while those who used cards with caution usually tried not to maintain any card debt balances.

4.3. INT as Dependent Variable

Demographics variables which showed significant associations with the inclination to use credit cards were educational level ($b = 0.145$, $p < 0.05$) and length of working experience ($b = 0.234$, $p < 0.01$). These suggested that those who were better educated and had been working longer were more likely to spend via credit cards. Number of cards owned and card use frequency were not included in this regression analysis as they are not independent variable of card use intention. Lastly, card debt attitudes ($b = 0.340$, $p < 0.01$) and credit card attitudes ($b = 0.127$, $p < 0.05$) both showed positive relationships with card use intention. The results proposed that those who have favourable views of card debt and credit card use are more likely to use credit cards for purchases. Therefore, both the hypotheses H1 and H2 are accepted.

CONCLUSIONS

1. Debt Attitudes

The positive relationship between debt attitudes and the intention to use credit card affirms consumers' awareness of debt from

the use of credit cards. The recognition of the card use (whether as a transaction or borrowing instrument) which draws on future money has been mentioned by Kim and DeVaney (2001) to reflect an individual's willingness to borrow. This compliance subsequently translates to some degree of card debt acceptance. Besides, credit card use has also been noted to be closely associated with some extent of debt tolerance (Davies and Lea 1995, Thannews 2007). By and large, consumers use credit cards as a cash substitute for use convenience, to obtain discounts, as well as, to collect reward points with purchases. As such, it can be understood that the card privileges obtained, not only bring contentment to the users, but are perceived as respectable by others.

2. Credit Card Attitudes

From this study, favorable credit card attitudes were found to increase the likelihood of credit card use. The result agrees with past studies which asserted the positive relationship between credit card attitudes and usage rate (Meidan 1996, Chan 1997, Kim and DeVaney 2001). The favorable card features operationally act as an important cue to encourage card use and influence cardholders' attitudes. In addition, the study also found card users who did not pay their monthly balances in full to have more positive attitudes towards credit card. This is inline with the studies by Berthoud and Kempson (1990), Lunt (1992), and Livingstone and Lunt (1992) which agree that individuals with generous credit use attitudes are more likely to incur debt. Further, those who hold multiple cards are con-

firmed to uphold favorable credit card attitudes (Hayhoe, Leach, and Turner 1999, and Xiao, Noring, and Anderson 1995). The cardholders generally believe that multi-card ownership allows them to tap the individual card's benefits.

3. Other Observations

Looking at research sample profiles, education level and the length of working experience were shown to relate to intention to use credit cards. With better education, individuals gain more knowledge to better manage their finances. The outcome is not surprising. While Carow and Staten (1999) mentioned that credit card users tend to be more educated and hold many credit cards, Barker and Sekerkaya (1992) discovered credit card usage to be more evident among the better educated upper-middle class individuals.

DISCUSSIONS

1. Credit Card Control Policy

Consumer credit has shown strong growth in emerging and newly industrialised Asian economies in recent years. While credit card lending has helped smooth consumer spending and improved the profitability of financial institutions, it also represents a new source of risk (Yao, Effie and Li 2008). Although the reduction of physical money circulation helps lessen the government's expenses in producing banknotes, credit card use and lending also represent additional risks to the financial system. There is a need for the policymakers

to place emphasis on detecting early warning signs of excessive card imbalances in the system. Admittedly, the rapid growth in indebtedness itself can pose a new risk which could lead to a consumer debt crisis. Government agencies should enhance the provision of information to the consumer credit market, to mitigate against information asymmetries between lenders and borrowers. It is hoped that timely disclosure of issuer information could help the financial market exercise its disciplinary role.

As observed before, the ownership of multiple cards has been shown in this study to be related to favourable card attitudes. While multiple cards are held for various purposes (Devlin, Worthington, and Gerrard 2007), consumers usually apply for many credit cards in order to manage their cash flow (Bumroongpuk 2008b). Saengmanee (2009) has contended that cardholders may seek to repay the debt balance on one card by making a loan from another card. The cycle repeats as consumers buy time and delay the responsibility of paying off the actual debt amounts. This 'debt circulation' tactic could help clear off current card balances in the short-term, but nonetheless, in essence, it creates an endless evil cycle of accumulating credit card interest charges.

Indicated by Kang and Ma (2007), Asian markets have witnessed episodes of credit card lending booms and busts. As such, with deregulation and growing consumer finance, the policymakers need to appreciate the risks arising from consumer lending and put in place appropriate and prudent supervisory measures to contain risks. Again, both the policymakers and the credit bureau need to deploy these measures pre-emptively, ahead of anticipated

structural changes and deregulation, to emphasize both identifying indicators of excessive credit growth and reacting to them.

2. Credit Card Marketing Strategies

The nature of card use exhibited by consumers induces card issuers to actively continue offering attractive benefits and loyalty programs to stimulate card use. Common promotional campaigns range from attractive discounts at department stores and restaurants, or cash-back at petrol stations, to tempting reward point redemption after spending with cards at participating outlets. It is also in Bielski's (2001) agreement that the development of loyalty programs could add to a high quality customer experience for credit card businesses. Moreover, those programs can attract and retain credit card users. As such, consumers are not only encouraged to hold multiple cards, but also to increase card use frequency, as well as, the amount spent (Bumroongpuk 2008a).

When it comes to online payments, the marketing strategies previously used to stimulate card spending at physical stores do not entirely apply in the same way that they used to. A social network of trust must be created to encourage consumers to embrace new transaction channels. This is especially so in Thailand. It is a new challenge to explore online channels where credit card use takes a non-traditional form in terms of money transaction. By and large, online payments in e-commerce are usually carried out with credit cards because they are the most convenient method to use. Web sites that do not accept credit cards may risk losing their customers (Ekasornkorn, Corbitt and Phalavonk 2003). Yet, poten-

tial customers do not include only credit card holders. There are a lot of potential customers who do not have credit cards. Some for cultural reasons, others because of trust implications, and others because of cost. Even among those who have credit cards, some do not buy online just because they do not feel safe revealing their card information. There is a serious antipathy towards using credit cards online because of mistrust and potential fraud. Similar problems are faced in general electronic money transfer operations. Consumers may feel a lack of trust in electronic networks and the security of the exchange between the two parties. In all, electronic money will work only when an established network of trust is formed (Singh 2004). Therefore, attention should be given to the building of consumer's confidence and facilitating the ease of credit card use to encourage greater numbers online transactions.

3. Research Limitations

Lastly, several improvements could be made for future studies. The research could have secured a larger sample size taken from various parts of Bangkok to represent a more heterogeneous city population. Notably, the current sample of respondents was more clustered in terms of gender, age, monthly income, and occupations. A more representative sample composition may have revealed a different outlook of perceptions of the general Thai population.

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