

ADOPTION OF CREDIT CARD SERVICES: A STUDY ON THE INDIAN EXPERIENCE

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ABSTRACT

Diffusion of credit card services is low in India compared to the international scenario. The existing literature on adoption behaviour particularly in terms of financial services is very scarce in the Indian context. Against this settings, the paper attempts to explore the adoption behaviour with respect to the credit cards. The influence of demographic variables and personality traits on adoption behaviour is highlighted. Attempt is made to analyse the difference in the adoption behaviour among the adopter categories. The variables discriminating the adopters and non-adopters are unraveled. Further the reasons for non-adoption of credit cards are explored. The findings would be useful for the marketing strategists in financial service sector to arrive at appropriate decision so as to enhance the rate of adoption of credit cards.

Keywords: Credit cards, Adoption behaviour, Adopter categories, Non-adopters Personality traits, Demographic variables

I. CONCEPTUAL BACKGROUND AND THE RESEARCH FRAMEWORK

Credit card, one of the major instruments of consumer transactions is a very important innovative financial product offered by banks. The diffusion of credit cards is very slow in India compared to the international scenario. The total universe of plastic cards issued – credit and debit is just over 30 million in India. In the United States, it is nearly 700 million. Japan with a population of 125 million has a plastic base of 400 million (Industry Report, 2005).

This scenario has enhanced the need for understanding the adoption behaviour which would enable to formulate strategies corresponding to the target markets' socio, economic, political, cultural and competitive settings at the macro level and adopter-centered approach at the micro level. Adoption behaviour is a subset of purchase behaviour in which the consumer for the first time evaluates the product or service and inclines positively towards the adoption of the same. It is the decision of prospective buyer to become a regular user of the product/service.

Across the world, while abundant literature is available addressing the overall purchase behaviour, the literature addressing the adoption behaviour is in paucity. This condition is especially applicable to developing countries in general and to India in particular. There appears a compelling necessity to systematically investigate the adoption behaviour in view of the slow diffusion of credit cards in India.

The adoption process of an individual is influenced by various factors. A diagnostic study in terms of the adoption behaviour would provide valuable input to the understanding of what, how, when, and why the credit cards are adopted. Such an understanding would serve as a backbone for formulation and implementation of successful marketing strategies to accelerate the diffusion of credit card. An individual's decision to adopt a product or service is not an instantaneous act, rather it is a process that occurs over a period of time consisting of decisions, actions and reactions.

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II. REVIEW OF LITERATURE

The review of literature pertaining to adoption behaviour reveals that such studies have been recognised in developed countries since 1960s onwards and since then it has been gaining momentum. The research fall into six main streams namely pre-adoption behaviour, post adoption behaviour, influences on adoption behaviour, adopter categorization and adoption behaviour and the adoption models. A few examples of studies carried out in the developed countries is mentioned below:

Moreau, *et al.* (2001) in their study examined the psychological process underlying the individual consumer's adoption decision. The knowledge transfer paradigm is used to demonstrate that both existing knowledge and innovation continuity are the major factors influencing the consumer's adoption process. Mukherjee and Hoyer (2001) in their study investigated the impact of the novel attributes on consumer judgment and choice. The study specifically investigated the role of product complexity when information search yields ambiguous information and unambiguous information about novel attributes. Findings indicate that novel attributes improve product evaluation for low complexity products but reduce product evaluation for high complexity products, although these effects are relatively weak before search. Ziamou and Ratneshwar (2002) in their study focused on the role of information in influencing perceptions of performance uncertainty of new product interfaces. Pereira (2002) in her study introduced an adopter-centered, process-oriented model to explore the behavioural process related to technology adoption. Saaksjarvi (2004) in her thesis examined consumer evaluation of hybrid innovations. The focus is on consumer categorization of such innovations and on factors contributing positively and negatively to their evaluation.

A review of related literature reveals that studies on adoption behaviour of financial products and the influencing factors have been very scarcely attempted in the Indian context. Further the need for the knowledge base pertaining to adoption behaviour is increasingly being recognized by the marketers on account of its contribution to frame successful marketing strategies. Hence this endeavour.

III. RESEARCH PROPOSITIONS

The research studies in the context of adoption behaviour is mostly related to products. Such studies attempts to explore the adoption behaviour in terms of pre adoption, adoption and post adoption behaviour. Further the studies attempts to highlight the influence of either the demographic variable and personality traits on the adoption behaviour. The previous research studies have not been undertaken in the context of financial product, further the influence of demographic variables and personality traits is not attempted in a single study. Also the reason for non adoption is not explored.

Against this background, the research study aims to explore the following research propositions.

- Do the demographic variables influence the adoption of credit cards?
- Will the personality traits of the adopters have an influence on the adoption behaviour?
- Do the adopter categories differ in their adoption behaviour?
- Is it possible to discriminate between adopters and non adopters of credit cards in terms of demographic variable and personality traits?
- What are the reasons for non adoption of credit cards?

There appears no empirically supported answer to these research questions which leads to the research gap. The present study is attempted to bridge the gap.

IV. OBJECTIVES

The study has been attempted with the following objectives;

(1) To explore the adoption behaviour of credit cards in the various stages of adoption process. (2) To analyse the influence of select demographic variables and personality traits on the adoption behaviour. (3) To explore the differences in the adoption behaviour of different categories of adopters. (4) To discriminate among the adopters and non adopters in terms of demographic variables and personality traits. (5) To study the barriers in the adoption process and (6) To offer suggestions based on the findings.

V. METHODOLOGY

The study assumes the characteristics of both exploratory and descriptive research. The study mainly depends on the primary data collected through specially designed interview schedule. The interview schedule consists of four sections and is structured as below; the first section deals with questions relating to the demographic profile of the respondents. The second section deals with questions relating to the details regarding the credit cards adopted by the respondents. The third section deals with questions relating to the adoption process, post-adoption behaviour and reasons for not adopting credit cards. The fourth section consists of questions aimed at analyzing the personality traits of the respondents by using a five point scaling technique. For this purpose the researcher has developed a Personality Inventory, drawing input from inventory models which were pre tested and proved by eminent researchers in the area of personality research. Five personality traits are identified for the study viz., venturesome, respect, deliberate, skeptical and traditional.

For the purpose of identifying the personality trait fifty statements have been developed, ten statements addressing each of the identified personality traits. These statements have been modified to the extent needed to meet the objectives of the study. Such modified statements have been tested for its validity, reliability and consistency. The classifications of the statements have also been statistically tested. Experts' opinion has also been obtained to ensure reliability. Responses to the statements have been elicited on a five point scale based on Likert's scale.

The interview schedule was pretested among select samples and based on the responses needful corrections were made. The interview schedule was also subjected to Cronbach Alpha reliability test. The reliability, validity, accuracy and authenticity of the interview schedule is ensured. The sample size constitutes 245 respondents who have adopted credit cards and 100 non adopters. The service users are identified on the convenience basis in Coimbatore district, Tamil Nadu, India. Tools used for analysis are descriptive analysis, mean score, chisquare analysis, ANOVA and discriminant analysis. SPSS package was used for analyzing the data.

VI. DISCUSSION

The findings are reported in the following sections.

Profile of the Adopters

The profiles of adopters in terms of select demographic variables are presented Table 1.

The demographic profile of the adopters of credit cards reveals that 77.5% are male. Regarding the age of adopters of credit cards most (40%) of the adopters are in the age group of 46 to 55 years. As regards the educational qualification most (48.6%) of adopters are graduates and the monthly income of the most (27.8%) of adopters is more than Rs.20,000. Analysis of the occupational status of adopters reveals that most (44.1%) of adopters run their own businesses. Majority (51.8%) of the adopters have four members in the family. 51.4% of the adopters have one earning member in the family and 55 % of the adopters originate from urban area.

Adoption Behaviour

This section explores the behaviour of adopters in the various stages of adoption process.

Analysis of the **need** for adoption of credit card reveals that safety is perceived as the most important need, followed by credit facility, ease in operation, related advantages, status and other needs. Regarding **information sources**, friends/relatives/neighbours is ranked as most important source followed by users of credit cards, sales person, advertisement, family members, showroom, sales letter and other sources.

Analysis of **role of media** in providing information reveals that television is the most important media followed by outdoor advertisement, print media and others. Analysis of the **role of family members** in information search reveals that adopter has played the major role followed by spouse, others, parents and children.

Analysis of **product (Credit card) variables** influencing the adoption behaviour, indicates that functional advantage is ranked as the most influencing variable followed by ease in operation, matching to need, technical superiority, complexity, consistency, price, observability and trailability. The influence of **market variables reveal**, availability as the most influencing variable followed by brand image, corporate image, advertisement, competing products, special offers and sales person. Analysis of **personal variables** influencing the adoption decision reveals expected benefit as the most influencing variable followed by personal belief, influence of family and influence of others.

Table 1: Profile of the Adopters

Variables	Respondents	
	Number	%
Gender		
Male	190	77.5
Female	55	22.5
Age		
Less than 25 years	21	8.6
26-35 years	59	24.1
36-45 years	52	21.2
46-55 years	98	40.0
Above 56 years	15	6.1
Education		
Informal education	1	.04
School Level	37	15.1
Graduation Level	119	48.6
Post Graduation Level	55	22.4
Profession qualification	30	12.2
Others	3	1.3
Monthly Income		
Less than 5,000	7	2.9
5,001-10,000	50	20.4
10,001-15,000	66	26.9
15,001-20,000	54	22.0
Above 20,000	68	27.8
Nature of occupation		
Agriculture	2	0.8
Business	108	44.1
Employed	102	41.6
Profession	17	6.9
Others	16	6.6
Family size		
Two	3	1.2
Three	58	23.7
Four	127	51.8
Above Four	57	23.3
Number of earning members		
One	126	51.4
Two	93	38.0
Three	26	10.6

Place of origin		
Rural	75	30.6
Semi-urban	34	13.9
Urban	136	55.5

Various **evaluation methods** are used in the adoption decision. Analysis using mean score reveals that consultation with users of credit cards is considered as the most significant method of evaluation, followed by consultation with experts, observing the performance, consultation with sales persons and self trail. Analysis of the **brands** of credit cards adopted by the respondents shows that 27% have adopted Citibank card, 20.8% have ICICI card, 20.4% have SBI card, 16.3% have other cards and 15.5% adopted SCB card in the study area. Analysis of post adoption behaviour in terms of **satisfaction level** reveals that most (41.6%) of adopters are very much satisfied.

Influence of Demographic Variables and Personality Traits on the Adoption Behaviour

This section deals with the influence of demographic variables and personality traits on the select aspects of adoption behaviour;

- Importance assigned to information sources
- Role of media
- Product variables, market variables, personal variables
- Method of evaluation and
- Level of satisfaction.

The demographic variables identified for the study are gender, age, education, income, occupation, family size, number of earning members and place of origin. The major hypothesis formulated for the purpose of analyzing the influence of demographic variables on the various stages of adoption process is,

H1: Demographic variables do not have a significant influence on the adoption behaviour

This hypothesis is divided into several sub hypotheses and tested throughout the various stages of the adoption process. Results of the chi-square analysis are presented in tables.

For the purpose of the study five personality traits are identified viz., venturesome, respect, deliberate, skeptical and traditional. The five personality traits are based on the ideal types advocated by Rogers and others. Ideal types are based on abstraction from empirical investigations and followed by notable personality researchers (Rogers, 1995, pp. 263-267). 'Venturesome' refers to the desire of the adopters to try new and innovative things at the cost of risk. 'Respect' refers to the need for being regarded highly by others and also desire to play role model for others. 'Deliberate' refers to being purposeful and intentional. 'Skeptical' refers to the trait of exercising more caution and care. 'Traditional' refers to being suspicious to novelties and relying to a greater extent on the established practices. It is likely that all the traits might be present in all the individuals. However the magnitude of the presence of the traits might differ. Attempt has been made to identify the personality trait that is dominant among the adopters. As described in the methodology, for the purpose of identifying the personality traits personality inventory has been developed and administered.

Analysis reveals that the personality trait venturesome is medium in the case of 42.9% of adopters, high in the case of 29.3% of adopters and low in the case of 27.8% of adopters. The personality trait respect is low in the case of 41.7% of adopters, high in the case of 31.8% of adopters and medium in the case of 26.5% of adopters. The personality trait deliberate is high in the case of 39.1% of adopters, low in the case of 32.7% of adopters and medium in the case of 28.2% of adopters. The personality trait skeptical is low in the case of 39.6% of adopters, medium in the case of 31.4% of adopters and high in the case of 29% of adopters. The personality trait traditional is low in the case of 40.8% of adopters, medium in the case of 30.2% of adopters and high in the case of 29% of adopters.

In order to analyze the influence of the above said personality traits on the select aspects of adoption behaviour mentioned above, the following major hypothesis is postulated:

H2: Personality traits have no significant influence on the adoption behaviour.

The above hypotheses relating to demographic variables and personality traits is divided into several sub hypotheses and tested. The results of the chi-square analysis (5% significance level) are discussed below;

Influence of Variables on the Importance Attached to Information Sources

The information sources considered for the study are, Advertisement (AD), visiting information centers at banks (IC), Sales Person (SP), Friends/Relatives/ Neighbours (F/R/N), Family (FY), Sales Letter (SL), Users (UR) and Others (OT). The influence of demographic variables and personality traits on the importance given to information sources is analyzed by means of Chi-square test (5% significance level). The chi-square values are presented in Table 2. Wherever there is a significant relationship, the cell value is highlighted.

Analysis of the influence of **demographic variables** on the importance given to information sources reveals that age of the adopter has a significant influence on the level of importance given to information collected from existing users of the credit card, education in the case of friends/relatives/ neighbours, income in the case of importance attached to family, Occupation on the importance attached to sales person and family size on the importance attached to advertisement.

Analysis of the influence of the **personality trait** on the importance given to information source reveals that the personality trait 'respect' has a significant influence on the level of importance given to the information received from others. 'Deliberate' in the case of information received from family, 'skeptical' in case of information received from others and 'traditional' in case of information received from centers at bank.

Table 2: Influence of Variables on Importance Attached to Information Sources

Variables\ Information source	AD	IC	SP	F/R/N	FY	SL	UR	OT
Demographic Variables								
Gender	1.404	2.075	3.306	0.321	0.032	1.474	0.716	2.339
Age	8.527	9.02	6.908	7.766	10.012	4.597	*21.592	5.082
Education	11.97	17.52	9.028	*24.232	11.306	8.925	10.89	7.991
Income	5.196	12.66	9.015	5.584	*18.437	5.656	9.526	10.638
Occupation	5.527	10.75	*21.75	11.949	8.231	6.444	3.396	8.756
Family size	*13.61	3.614	3.901	5.143	3.803	6.172	1.947	2.871
No of earning members	1.564	3.893	4.991	3.007	2.089	4.14	5.116	4.842
Place of origin	2.922	0.534	5.901	3.618	2.258	1.962	4.777	6.359
Personality Traits								
Venturesome	1.807	1.135	1.467	2.305	3.115	5.639	0.762	4.671
Respect	2.638	3.766	1.662	1.023	4.786	8.364	2.989	*6.546
Deliberate	7.911	4.103	5.361	3.296	*9.749	3.185	6.166	3.713
Skeptical	3.608	4.824	1.157	5.731	3.075	0.513	7.917	*10.891
Traditional	4.568	*12.2	2.216	7.772	3.907	0.213	6.364	3.018

Influence of Variables on the Importance given to Media

The media considered for the study are Television, print, outdoor and others. The influence of demographic variables and personality trait on the importance attached to media is analyzed through Chi-square test and result is shown below;

Table 3: Influence of Variables on the Importance given to Media

Variables\Media		TV	Outdoor	Print	Others
Demographic Variables	Gender	0.466	5.214	3.791	0.702
	Age	13.168	10.419	4.557	6.042
	Education	13.464	7.221	16.16	16.801
	Income	13.207	6.065	14.95	6.403
	Occupation	9.309	4.997	7.418	5.231
	Family size	7.151	8.197	5.481	6.637
	No of earning members	2.826	7.911	0.897	7.659
	Place of origin	2.933	1.176	3.599	2.17
Personality Traits	Venturesome	3.115	5.639	0.762	4.671
	Respect	4.786	8.364	2.989	*6.546
	Deliberate	*9.749	3.185	6.166	3.713
	Skeptical	3.075	0.513	7.917	*10.891
	Traditional	3.907	0.213	6.364	3.018

The above table shows that the demographic variables do not have a significant influence on the importance attached to the role of media. However in case of personality traits 'respect' and 'skeptical' both has a significant influence on the importance given to information collected from other sources. Personality trait 'deliberate' has a significant influence on the level of importance given to information obtained from television.

Influence of Variables on Importance given to Product Variables

The term product refers to credit card related variables viz., Technical Superiority (TS), Price (PR), Functional Advantage (FA), Ease in Operation (EO), Consistency (C), Matching to the Need (MN), Complexity (CO), Trialability (TR) and Observability (OB). The influence of demographic variables and personality trait on the importance attached to product variables is analyzed through Chi-square test and result is shown below;

Table 4: Influence the Importance Attached to Product Variables

Variables\ Product variables		TS	PR	FA	EO	C	MN	CO	TR	OB
Demographic Variables	Gender	1.395	2.06	3.32	0.44	2.85	1.315	7.359	1.62	*7.397
	Age	5.084	3.001	12	11.2	*15.68	8.656	12.992	11.7	4.351
	Education	10.25	6.42	6.72	11.2	13.041	11.599	10.007	9.542	12.861
	Income	9.247	7.68	8.13	6.06	11.3	4.514	8.088	9.519	6.979
	Occupation	5.568	6.51	5.33	10.9	10.3	3.775	11.387	6.096	4.025
	Family size	2.657	8.06	5.7	4.6	7.86	2.291	9.041	3.416	4.931
	No of earning members	1.963	7.03	2.1	1.82	1.67	1.492	1.719	0.694	2.671
	Place of origin	3.744	3.57	4.69	0.41	2.48	3.814	4.829	2.099	3.786
Personality Traits	Venturesome	2.201	8.913	7.725	*13.38	5.831	3.664	*20.97	6.211	6.738
	Respect	2.959	8.129	1.726	3.007	2.725	7.248	2.029	6.741	6.012
	Deliberate	4.331	11.431	*15.4	1.645	5.121	*13.48	3.737	3.864	0.888
	Skeptical	*9.473	3.672	3.408	2.601	3.275	7.514	2.394	8.573	*10.95
	Traditional	7.411	7.469	3.802	3.003	*10.96	7.863	8.626	3.181	*10.25

As regards the **demographic variables** gender of the adopter has a significant influence on the importance given to observability and age on the importance given to consistency.

In the case of **personality traits** 'Venturesome' has a significant influence on the level of importance given to ease of use and complexity. 'Deliberate' in the case of functional advantage and matching to need, skeptical in case of technical superiority and observability, Traditional in case consistency and observability.

Influence of Variables on Importance given to Market Variables

Table 5: Influence of Variables on the Importance given to Market Variables

Variables\ Market variables		AV	CI	BI	AD	SP	CP	SO
Demographic Variables	Gender	1.677	1.634	*12.087	5.044	4.063	2.916	5.481
	Age	7.668	9.537	11.36	10.898	6.264	11.187	*15.08
	Education	4.169	*19.69	6.263	9.702	11.388	16.086	11.633
	Income	*17.13	6.499	6.405	7.751	6.758	14.766	7.248
	Occupation	11.843	12.795	5.351	8.584	14.863	6.338	11.698
	Family size	7.792	4.325	7.376	7.671	6.625	4.501	5.191
	No of earning members	0.951	2.693	3.772	5.637	5.357	1.851	2.219
	Place of origin	3.731	1.105	4.786	4.135	2.706	4.012	6.865
Personality Traits	Venturesome	5.247	2.639	*14.334	6.855	7.937	4.702	5.134
	Respect	2.578	2.856	5.661	6.598	3.094	1.898	1.273
	Deliberate	4.802	3.968	5.629	4.812	0.914	4.578	8.232
	Skeptical	3.684	0.724	4.829	*19.323	2.323	1.335	2.334
	Traditional	0.677	7.198	4.461	3.277	1.659	4.381	0.443

The market related variables considered for the study are; Availability of the product (AV), Corporate image (CI), Brand image (BI), Advertisement (AD), Sales Person (SP), Competing Products (CP) and Special Offers (SO). The influence of demographic variables and personality trait on the importance attached to market variables is analyzed through Chi-square test and result is shown below;

Regarding the demographic variables gender has a significant influence on the importance given to brand image, age on the special offers, education on the corporate image and income on the importance given to availability.

As regards the personality traits 'Venturesome' has a significant influence on the level of importance given to brand image and 'skeptical' in case of advertisement.

Influence of Variables on Importance given to Personal Variables

The personal variables considered for the study are; Expected benefit (EB), Influence of family (IF), Personal belief (PB) and Influence of others (IO). The influence of demographic variables and personality trait on the importance attached to personal variables is analyzed through Chi-square test and result is shown below;

Table 6: Influence of Variables on the Importance given to Personal Variables

Variables\ Personal variables		EB	IF	PB	IO
Demographic Variables	Gender	4.115	0.055	1.885	0.569
	Age	*16.007	*15.002	12.06	16.961
	Education	15.847	13.253	7.217	16.076
	Income	3.619	3.875	6.361	12.753
	Occupation	11.177	14.009	*21.92	20.153
	Family size	1.439	5.944	5.327	9.421
	No of earning members	4.576	4.311	0.764	4.493
	Place of origin	1.846	*9.138	2.357	11.232
Personality Traits	Venturesome	*17.877	2.303	4.716	9.724
	Respect	*9.428	1.629	1.721	1.067
	Deliberate	3.571	0.742	0.636	5.519
	Skeptical	1.536	3.121	2.621	9.436
	Traditional	2.687	1.999	6.096	8.884

In case of demographic variables, age of the adopter significantly influences the importance given to expected benefit and family members. Occupation on the personal belief and place of origin has a significant influence on the importance given to influence of family.

Regarding personality traits 'venturesome' and 'respect' has a significant influence on the level of importance given to expected benefit

Influence of Variables on Importance given to Method of Evaluation

The evaluation methods considered for the study are; Consultation with product experts (EX), Consultation with users of product (UR), Consultation with sales persons (SP), Self trial (ST) and Observation (OB). The influence of demographic variables and personality trait on the importance attached to method of evaluation is analyzed through Chi-square test and result is shown below;

Table 7: Influence of Variables on the Importance given to Evaluation Method

Variables\ Evaluation method		EX	US	SP	ST	OB
Demographic Variables	Gender	0.065	*5.848	3.36	2.62	*5.017
	Age	7.831	*18.708	7.14	8.12	2.804
	Education	16.62	8.76	12.3	*24.067	14.578
	Income	9.581	*15.855	7.66	7.71	8.702
	Occupation	3.701	4.36	10.7	3.77	12.041
	Family size	3.561	6.35	5.22	1.98	6.172
	No of earning members	1.791	5.49	1.15	0.9	7.256
	Place of origin	3.686	2.05	1.11	*9.842	3.362
Personality Traits	Venturesome	4.045	4.437	6.66	3.807	2.901
	Respect	0.987	0.265	2.561	3.371	1.598
	Deliberate	2.845	7.493	0.843	*12.872	1.115
	Skeptical	4.507	2.296	3.093	2.932	4.732
	Traditional	3.592	8.151	3.676	3.841	1.405

Analysis of the influence of demographic variable on method of evaluation reveals that gender, age and income of the adopter has a significant influence on the importance assigned to existing user. Gender has significant influence on the importance assigned to evaluation through observation method. Education and place of origin has a significant influence on the importance assigned to self trail.

As regards personality trait 'deliberate' has a significant influence on the level of importance given to evaluation through self trail.

Influence of Variables on Level of Satisfaction

Analysis reveals that the demographic variables do not have a significant influence on the level of satisfaction regarding the adoption of credit card. Regarding personality traits 'skeptical' has a significant influence on the level of satisfaction derived from the adoption of the credit card.

Adopter Categories Vs Adoption Behaviour

Adoption of credit card may take place at different zone of time scale. Based on the time of adoption, adopters are categorized as innovator, early adopter, early majority, late majority and laggards. This approach is similar to the approach practiced by researchers on adoption behaviour across the world. Notable researchers include Rogers and others.

Analysis reveals that 40.7% of respondents belong to the category of late majority, 38.9% are laggards, 10% are early majority, 8.1% are early adopters and 2.3% are innovators.

Respondents belonging to different adopter categories may vary in their adoption behaviour. Analysis of variance technique is used in order to analyze whether the respondents belonging to different adopter categories mentioned above vary in their adoption behaviour. In this context the major hypothesis framed is given below:

H3: There is no significant difference in the adoption behaviour among the various categories of adopters.

As regards the importance given to information source, role of media and level of satisfaction there is no significant difference among the adoption categories. However the adopter categories significantly differ in case of importance given to product variables – technical superiority and ease of operation, personal variables – expected benefit and evaluation criteria – observation.

Key Variables Discriminating between Adopters and Non Adopters

In order to discriminate between adopters and non adopters of credit cards, discriminant analysis is performed. For this purpose data is collected from 100 respondents who have not adopted the credit cards. For the purpose of discrimination between adopters and non adopters select demographic variables and personality traits were taken into account. The demographic variables considered are gender, age, education, income, occupation, family size, number of earning members and place of origin. The personality traits considered are venturesome, respect, deliberate, skeptical and traditional.

Results reveal that the demographic variable-occupation and personality trait-skeptical, contributes more towards discriminating the adopters and non-adopters. Considering all the variables together, personality trait-skeptical contributes more towards discrimination.

Barriers to Adoption

Understanding the reasons for non adoption of credit cards would enable marketers to frame suitable strategies to convert the non adopters into adopters. For this purpose a set of probable reasons for non adoption was identified and responses were solicited. Finding shows 'Need for credit cards not felt' as the major reason for non-adoption. This is followed by the reasons viz., risk involved, satisfaction with existing system, lack of finance, expectation of advanced products, price related reasons, being doubtful about technical features and other reasons.

VII. SUGGESTIONS

The following suggestions emanates from the study:

- Findings reveals that majority of the adopters are male belonging to the age to age group of 46-55 years and are involved in business. The marketers can frame strategies to attract women, younger generation and people involved in other professions.
- Friends/relatives/neighbours are viewed as the most important information source. Strategies should revolve around them and the existing users to enhance the customer base.
- The influence of demographic variables and personality traits on the adoption of credit cards is revealed in the study. These variables should be used in market segmentation and designing strategies to attract new users.
- The demographic variable – occupation and personality trait – skeptical are the discriminating variables among the adopters and non adopters of credit card. Concentrating on the variables apart from the variables highlighted as barriers to adoption of credit cards will lead to conversion of the non- adopters into adopters.

VIII. CONCLUSION

The study has come out with interesting findings. The study reveals that the adoption behaviour revolves around the profile of the individual adopter in terms of the demographic variables and personality traits . As such the study provides input to formulate successful strategies so as to enhance the diffusion of credit cards. The strategies are expected to be adopter centered rather than product-centered or market-centered. On these lines this study is hoped to provide value-addition to enhance the diffusion of credit cards in the Indian context.

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