

## **Analysis of perception and attitudes toward consumer use of financial products: Case credit cards**

### **Análisis de la percepción y aptitud de los consumidores hacia el uso de productos financieros: Caso tarjetas de crédito**

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#### **Abstract**

This article analyzes the perception and attitude of Consumers towards the use of financial products based on the case of credit cards, the main objective of esta research is to find the correlation That exists Between the perception of Mexican Consumers With respect to Whether the lowering of interest rates and promotions to months without the interest is positive, trying to verify if it impacts on an Increase in consumption and use of the credit card. The Paradigm for This research was selected with a correlational quantitative explanatory scope and the technique used will be based on a probabilistic sampling method called a simple random sampling.

#### **Consumer perception, Attitude of the consumer, Financial products**

#### **Resumen**

Este artículo realiza u análisis con respecto a la percepción y actitud de los consumidores hacia el uso de los productos financieros basándose en el caso de las tarjetas de crédito, el objetivo principal de esta investigación es encontrar la correlación que existe entre la percepción del consumidor mexicano con respecto a si la baja de las tasas de interés y las promociones a meses sin intereses es favorable pretendiendo comprobar si impacta en un aumento al consumo y uso de la tarjeta de crédito. El paradigma seleccionado para esta investigación fue cuantitativo con un alcance correlacional explicativo y la técnica que se emplea estará basada en un método de muestreo probabilístico llamado muestreo aleatorio simple. Los resultados y conclusiones de este artículo son muy relevantes para el sector financiero ya que ha permitido identificar la aptitud y percepción que se tiene respecto a este producto financiero y su importancia en trabajar ambos atributos para su posicionamiento.

#### **Percepción del consumidor, Actitud del consumidor, Productos financieros**

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## Introduction

For many years the cash was synonymous with success, security, confidence and financial stability he says Lanzagorta (2009), however, today, the importance of credit goes much further: today it is very difficult to buy a house or apartment get a good job or life insurance with preferential rate if you do not have a good credit rating. According Orphan (2010), the second report "Financial Inclusion" of the National Banking and Securities Commission (CNBV), the debit card is the banking product that use is in Mexico, with 720 cards per 1,000 adults, representing an increase of 10% in March 2010 compared to June 2009 where the same indicator was 652, according to data from the CNBV.

According to the CNBV, credit card (TDC) is one of the financial products increased penetration in Mexico, there are 17.3 million TDC with a portfolio of 240,000 million pesos. 131 brands of credit cards that are offered by 16 banks.

Thus he says the CNBV given the current portfolio through credit cards has increased from 0.59% to 2.38% as a percentage of GDP from 2001 to 2007. Past due loans as a percentage of total portfolio has varied 14.6% to 6.4% from 1999 to 2007, occupying a minimum value of 2.8% in 2004.

Credit card is an excellent means of payment, depending on how it is used can improve the quality of life of individuals and households, or be a nuisance to fall into debt overhangs. For this reason this research given the importance of this financial product in the economy of a country and the detection of perception and ability of consumers buying developed.

Two important factors to be analyzed in this study are perception and suitability of financial products such as the credit card so justify this study begins with a description of what is perception: "Consumers buy perceptions, not products "(Lozano, 2010). Purchase of a product by a consumer is not an isolated event, but its performance will be the result of a process that will go beyond the purchase itself. This process consists of a series of steps once recognized an existing problem (the dissatisfaction of some need and / or desire) and information needed to fix sought.

While the attitude for purposes of this study the concept of Michael R. Solomon, which defines it as "an enduring overall assessment of people (including himself), objects, advertisements or other issues considered. Anything to what one has an attitude is the attitude object ". (R. Solomon, 2008). In short, attitude is a learned predisposition to behave favorably with respect to a given object. Buying habits and especially the payment become relevant today mainly because mismanagement of these products can lead to debt.

## Groundwork

Some researchers such as Ruiz Molina rescue turn key elements that complement the concept of attitude, mentioning that the perceived value can influence the attitude of the client, such as literature widely evidence. Thus, the concept refers to the attitude learned predisposition to respond favorably or unfavorably to a consistently object. Since attitudes are learned, they are affected by the information and experiences (Wilkie, 1994).

According to the theory of reasoned action (Ajzen & Fishbein, 1980), consumer behavior influences the purchasing behavior of consumers. According to this theory, behavior is determined by intentions, which in turn are influenced by attitudes and subjective norms. The relationship between attitudes and behavioral intentions has been widely discussed and empirically supported (Kim & Hunter, 1993). Also an attitude is considered enduring because it tends to stay with the passage of time. According to Katz identifies four basic functions of attitudes:

- a. Utilitarian function. Utilitarian function is related to the basic principles of reward and punishment. That is, we developed some attitudes towards the products simply based on whether we cause pleasure or pain.
- b. Expressive value function. Attitudes play an expressive value function express the core values of the consumer or their self-concept. That is, when a person is not an attitude toward a product for its objective benefits, but what the product says about her as a person.
- c. I advocate function. Attitudes that we are to protect us, either from external threats or internal sense, play a role of defending myself.

- d. Function knowledge. We are certain attitudes by the need for order, structure or meaning. This need arises when an individual is in an ambiguous or when confronted with a new product situation.

On the other hand, most researchers agree that the attitude is composed of three elements: affection, behavior (behavior) and cognition. The first, affection, refers to what a consumer feels an object of his attitude, while the behavior involves the intentions of an individual to do something related to the object of his attitude. Likewise, cognition refers to beliefs that a consumer has the object of their attitude, these three elements are identified as the ABC model of attitudes.

This particular model emphasizes the interrelationships between knowing, feeling and doing. Attitudes that have a consumer towards a product cannot be determined simply by identifying their beliefs about it. Also some researchers developed a new concept to explain the relative impact of these three components, hierarchy of effects. (Solomon R., 2008)

### **Problem Statement**

Solomon says "Perception is the process by which people select, organize and interpret sensations." (P. 49) and from these sensations or stimuli is that "a meaningful and coherent picture of the world" is formed (Shiffman, 2005, p. 158)

The process of perception takes place through our five senses (hearing, taste, sight, touch and smell), which is why the main factors affecting this perception have to do with issues such as colors, sizes, movement, etc.

For purposes of perception applied in the use of credit cards, different values should be included because this product is an intangible asset. Bet perception to develop these products is not representing the plastic credit card, but in the "power" that this creates in the consumer; credit card becomes the means not the end for him, so you can buy countless products that generate satisfaction with any of the senses you use.

For this, the challenge for this product is created in the process of "subliminal perception" correct messages; This is according to Solomon (2008) must "create messages that are above the threshold for consumers to perceive it" (p. 63) and as he explains in this reference, "Subliminal perception happens when the stimulus is below the level of consumer awareness."

Through the process of subliminal techniques either auditory or visual channels; for example advertising MASTER CARD "... For everything else, there MASTER CARD" getting put in the right place intangibility of the product in a second but more important term, because the purchasing power of credit card is what they achieves those purchases that otherwise could not afford.

At a time when the economy is not in their best levels we can see how the tendency to not use this instrument is considerable, such a strategy to encourage the user must come from places where impact on the most important needs, such as "because emergencies do not tell, lives assured that you will be there "MASTER CARD accepted also in hospitals and pharmacies." This not only consider this product as superfluous, it is also functional for emergency expenses.

### **Research question**

Due to the above raised the following research question:

- How do you see the Mexican consumer a decline in interest rates and promotions months without interest in using credit cards?

### **Investigative course**

Derived from the above approach the following assumption was made: The perception of the Mexican consumer to the low interest rates and promotions months interest is favorable, which impacts an increase in consumption and the use of the card of credit.

### **Overall objective**

Variables determine whether the Mexican consumer perception fitness impact on the consumption and use of credit cards.

## Method description

The paradigm selected for this research was quantitative with correlational technical explanatory scope and is used will be based on a probability sampling method called random sampling. According to (Anderson, Sweeney & Williams, 2008) probabilistic method is one that is based on the principle of equiprobabilidad. That is, one in which all individuals have the same probability of being selected to form part of a sample and consequently all possible samples of size  $n$  has the same probability of being chosen. Only these probability sampling methods ensure the representativeness of the sample taken and are therefore the most recommended. In the random sampling each possible sample size  $n$  has the same probability of being selected.

Age: over 18 and under 65.

Genre: Indistinto

Status: Indistinto

Schooling: From upper secondary education Upper middle class, upper middle and: socioeconomic status

## Sample

Regarding the sample size, the formula proposed by the authors (Anderson, Sweeney and Williams, 2008) is used. When the data are qualitative, ie for the analysis of social phenomena or when nominal scales are used to verify the absence or presence of the phenomenon to be studied, using the following formula it is recommended:

$$n = \frac{n'}{1+n'/n} \quad (1)$$

Being (2) knowing that:  $n' = \frac{s^2}{\sigma^2}$

$\sigma^2$  is the variance of the population on certain variables.

$s^2$  is the sample variance, which can be determined in terms of probability as  $s^2 = p(1 - p)$

se is standard error is given by the difference between) the population mean and the sample mean.  $(\mu - \bar{x}$

$(se)^2$  is the standard error squared, which will help us to determine, so is the population variance.  $\sigma^2 \sigma^2 = (se)^2$

According to CONDUSEF (2010), in early 2010 the country has 23 credit cards per 100 inhabitants, which is estimated to be nearly 25 million people who use this financial instrument. With this information, and with a lower standard error of 0.015 to 90% reliability we proceed to calculate the sample size:

$$N = 25\,000.000$$

$$se = 0.015$$

$$\sigma^2 = (0.015)(0.015) = 0.000225(se)^2$$

$$s^2 = P(1-p) = (0.9)(1-0.9) = 0.09$$

$$So = 400n' = \frac{s^2}{\sigma^2} \frac{0.009}{0.000225}$$

$$\frac{400}{1 + \left(\frac{400}{25,000,000}\right)} = 399.99$$

The sample is 400 people.

To prepare the questionnaire the following scales taken from Bruner II, GC (2009) were used:

- # 011 Ad-evoked product usage thoughts
- # 014 Affective response (general)
- # 050 Attitude toward the act (purchase)
- # 069 Attitude toward the article
- # 071 Attitude toward the brand & product category
- # 072 Attitude toward the brand (search costs)
- # 078 Attitude toward the company (general)
- # 087 Attitude toward the object (affective)
- # 090 Attitude toward the objet (general)
- # 085 Attitude toward the loyalty program
- # 092 Attitude toward the political ad
- # 097 Attitude toward the product (knowledge function)
- # 098 Attitude toward the product (necessity-luxury status)
- # 106 Attitude toward the product price

## Results

The results of the analysis led us to accept or reject the following assumptions:

## Null hypothesis

Mexican consumer perception regarding low interest rates and promotions months interest is favorable, which impacts an increase in consumption and the use of credit card.

Favorable attitude Greater than or equal 188  
(Very interested)

Unfavorable attitude or less 212  
(Ignoring, or does not like)

**Alternative hypothesis:** Mexican consumer perception regarding low interest rates and promotions months interest is unfavorable, which impacts on a drop in consumption and the use of credit card.

Favorable attitude 188  
Unfavorable attitude 212

**Sample size** 400  
**Sample mean** 50.5  
**Sample Std. Deviation** 29.01149198

If 51% of users expressed feeling very interested in loyalty programs, there is a favorable attitude towards such programs and promotions months without interest.

**hypothesized Value** 51

**Standard Error** 2,901  
**Test Statistic t** -0,172  
**Degrees of Freedom** 99

**p-value (Lower Tail)** .4318  
**p-value (Upper Tail)** .5682  
**p-value (Two Tail)** .8635

**Table 1** Hypothesis testing for population mean.  
*Source: Self Made*

The p value obtained for this test of the lower tail is 0.4318 and as is greater than 0.05 data, the null hypothesis is accepted and it is concluded that the perception of the Mexican consumer to the low interest rates and promotions months interest is favorable, which impacts an increase in consumption and the use of credit card.

## Conclusions

The use of credit cards has increased as banks not only give cards to people with high economic resources now more easily give credit to middle- and low-income and can use them to pay in installments items they could not acquire cash. Currently are not only adults over 30 who have access to these mostly young cards begin to have credit history from most age through an additional to that of their parents or their own income card.

Similarly it was identified that the market more likely to use credit cards are profesionista public, 65% of cardholders show a degree of higher education. Thus it can be seen that the strategy of credit institutions focuses more on those prospects who can register a higher level of income according to their schooling, so does the level of information to the market involves more technical language in relation the use and benefits of this financial product.

The success of this financial product is mainly on practicality and pleasure that gives consumers to use their credit card, because 87% of respondents expressed some sense of pleasure when using this product. On the other hand, the market has shown misinformation regarding your product, because 28% of respondents said not knowing the uses and benefits of your credit card, while 39% said they know partially, this manifests communication strategies for consumers, have not been entirely effective, either; neglect by the customer, the existence of too technical, difficult to understand for the user, or how to present this information to the client has not been adequate.

On the other hand, credit cards require a repositioning in the consumer's mind, because 19% of respondents stated that credit cards will generate more problems than solutions in their daily lives, therefore the strategy employed by credit institutions still leaves market to address and correct points. Proof of this is 25% of consumers rate credit card use as necessary, 24% considered preventable, 36% think it is bad, proving once again that market sentiment is not entirely positive.

In conclusion it validated the hypothesis statistically and is generally observed an attitude and ambivalent or ambiguous perception regarding credit cards on one side causes them pleasure buy because we always credit cards have cash available are a powerful weapon, but on the other hand the lack of training on the use of this financial tool, the little involvement that achieve commercial financial institutions as well as the procedures for collecting delinquent customers and little reward frequent customers cause a bad impression to cardholders and consequently leads them to think more carefully before re-using their cards.

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