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# Credit Card-Driven Consumerism: An Empirical Study on Retail Purchase Behaviour and Payment Preferences

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**Abstract: Credit card usage has reshaped retail consumerism in India, influencing not only purchasing patterns but also spending psychology. This study examines the relationship between credit card usage and consumer purchasing behaviour in the retail sector of Thrissur District, Kerala. Using a descriptive design and a structured questionnaire, data were collected from 100 respondents selected through stratified random sampling. Statistical tools including descriptive analysis, Chi-square tests, correlation, regression, and ANOVA were employed to interpret behavioural trends. The findings reveal that reward programs, EMI options, and perceived convenience significantly influence purchasing frequency and brand loyalty, especially among young and middle-income consumers. The study also identifies differences across demographic segments, highlighting how digital payment confidence affects impulsive and aspirational spending. The results suggest that both banks and retailers can enhance customer engagement through tailored loyalty programs and awareness initiatives. This research contributes to understanding credit card–driven consumerism in semi-urban India and provides practical insights for improving customer relationship management and responsible financial practices.**

***Keywords:*** *Credit Card Behaviour, Consumer Decision-Making, Retail Shopping, Rewards, EMI, Thrissur, India.*

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## I. INTRODUCTION

In recent years, the Indian financial ecosystem has witnessed a remarkable shift toward cashless transactions, with credit cards emerging as powerful instruments of both convenience and consumer empowerment. Once limited to urban elites, credit cards are now prevalent across semi-urban regions such as Thrissur District, reflecting the country's broader digital transformation (Reserve Bank of India, 2023). The proliferation of e-commerce, fintech integration, and attractive reward programs has further accelerated their use (Kumar & Bansal, 2022).

Credit cards are not merely payment tools; they serve as behavioural enablers that influence purchasing frequency, product preference, and perceived financial confidence (Mehta & Kapoor, 2023). Consumers increasingly perceive credit cards as extensions of financial identity, shaping their purchasing attitudes through EMI schemes, cashback offers, and brand tie-ups (Sinha & Shah, 2018; Rathore & Sinha, 2023). These mechanisms often create a psychological disconnect between spending and actual payment, leading to changes in impulsive and aspirational buying behaviour (Verma & Sharma, 2021).

Despite their benefits, the rapid expansion of credit card usage raises concerns about overspending and financial discipline. Exploring these dynamics in semi-urban contexts like Thrissur provides a vital perspective on how financial innovation intersects with behavioural economics. This study, therefore, aims to examine how features such as EMIs, rewards, and interest-free credit influence consumer behaviour and retail purchase decisions in Kerala.

## II. REVIEW OF LITERATURE

- *Credit Cards and Purchasing Power*

Durkin (2000) found that credit cards help ease the stress of spending, leading consumers to buy more. Park and Burns (2005) noted that simply having a credit card makes people more likely to make impulsive purchases due to a disconnect between spending and actual payment. In India, Mehta & Kapoor (2023) reported that 64% of frequent card users said they spent more on lifestyle and fashion items after getting a credit card.

- *Impulse Buying and Consumer Psychology*

Rook and Fisher (1995) established a link between impulsive behavior and a loss of financial control. Natarajan and Manickavasagam (2017) confirmed that Indian

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millennials with access to credit were more likely to make purchases driven by emotions. Verma & Sharma (2021) showed that instant rewards through cashback and discounts led to more impulse buying in urban retail spaces.

➢ *Reward Systems and Loyalty*

Yi and Jeon (2003) argued that effective reward programs can build both emotional and behavioral loyalty in consumers. In India, Bhatt and Bhatt (2022) found that credit card users with travel or fuel cashback offers showed 36% more loyalty to the brands they bought from. Rathore and Sinha (2023) highlighted how co-branded cards in Tier-2 cities are increasingly tying customers to specific retail chains or platforms.

➢ *EMI and Aspirational Spending*

Sinha & Shah (2018) examined how EMI schemes influence behavior, noting that the idea of affordability encourages customers to buy gadgets and luxury items they might not otherwise afford. Similarly, Rao & D'Souza (2019) discovered that users who used EMI options were 3.5 times more likely to make large recurring purchases, especially in electronics and household goods.

➢ *Demographics and Usage Trends*

Kumar & Raj (2020) emphasized how age, income, and job type shape credit card behavior. Younger users lean towards rewards and quick gratification, while middle-aged users often prioritize long-term creditworthiness and EMI management. Das & Sen (2022) noted that education influences logical credit card usage, with more educated individuals showing better repayment practices and financial planning.

➢ *Objectives*

- To explore how credit card usage affects customer purchasing behavior in retail.
- To evaluate the connection between credit card usage frequency and patterns of customer loyalty.
- To look at how credit card rewards and EMI options drive shopping frequency.
- To identify which retail sectors are most impacted by credit card transactions.
- To analyze differences in purchasing behavior related to credit cards across demographics.

➢ *Hypotheses*

- $H_0$: Credit card usage does not significantly affect customer purchasing behavior in retail.
- $H_1$: Credit card usage has a significant impact on customer purchasing behavior in retail.

## III. METHODOLOGY

This study uses a descriptive research design to examine how credit card usage influences retail customers in Kerala's Thrissur district. The descriptive approach was selected to systematically capture and evaluate individual responses related to purchasing patterns, motivations, and financial decisions influenced by credit cards.

The research population includes credit card holders in Thrissur. A sample of 100 respondents was chosen using a stratified random sampling method. This ensured representation across important demographic groups like age, gender, income, and occupation. Primary data was gathered through a structured questionnaire with both closed-ended and Likert-scale questions. The questionnaire aimed to gather detailed insights into how often credit cards are used, motivations (like rewards, EMI, convenience), perceived impacts, and spending habits. It also looked at how card usage affects retail engagement across sectors such as fashion, electronics, groceries, and dining.

The questionnaire was pre-tested with a small group to ensure clarity and reliability. The finalized version was distributed both in person and online to maximize responses. Ethical considerations like informed consent, voluntary participation, and confidentiality were strictly followed.

Secondary data was gathered from academic journals, research articles, reports from financial institutions, and government publications to reinforce the context and compare findings.

Data was analyzed using SPSS software. Descriptive statistics (mean, frequency, percentage) were used to summarize demographic patterns and response distributions. Inferential statistical methods were applied to test the hypotheses. These included:

- Chi-square tests to find connections between categorical variables like card type and loyalty preferences.
- Pearson correlation to measure the strength of the relationship between card usage frequency and spending confidence.
- Regression analysis to predict the impact of card usage frequency on monthly spending.
- ANOVA to assess behavioral differences across demographic groups such as age and income.

This mixed-method approach allowed for a thorough evaluation of credit card-driven consumer behavior in retail.

## IV. DATA ANALYSIS AND INTERPRETATION

### *A. Demographics*

Most respondents (49%) were aged 18–24, indicating a younger sample with higher digital engagement. Female respondents made up 52%, and 42% of the sample were employed. Income data showed that 33% earned less than ₹20,000 per month, while only 12% earned more than ₹100,000 per month.

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➢ *Objective Analysis and Interpretation*

- *Objective 1: To Examine the Impact of Credit Card Systems on Customer Purchasing Behaviour in Retail Businesses.*

Table 1 Descriptive Statistics

| Variables | Mean | Std. Deviation |
|---|---|---|
| You typically use a credit card for shopping. | 2.57 | 1.225 |
| Using a credit card encourages you to purchase higher-end products such as luxury clothing or expensive electronics. | 2.35 | .903 |
| You spend more when using a credit card than using cash or a debit card. | 2.42 | 1.103 |
| Do you feel more confident making large purchases when using a credit card? | 2.41 | 1.006 |
| You feel paying with a credit card makes the shopping experience more convenient. | 2.55 | 1.009 |
| You prefer using a credit card over a debit cards because of the additional protection and benefits. | 2.55 | 1.038 |
| You would recommend using a credit card for shopping to others. | 2.44 | 1.209 |

Source: Primary Data

The descriptive statistical analysis of credit card usage perceptions (N=100) reveals noteworthy insights regarding consumer attitudes and behaviors. The data demonstrates a consistent pattern of measured skepticism across all surveyed dimensions, with mean scores ranging from 2.35 to 2.57 on a five-point Likert scale. The highest mean scores were observed in typical credit card usage (M=2.57, SD=1.225) and perceived convenience/protection benefits (M=2.55, SD=1.009; M=2.55, SD=1.038), suggesting a moderate acknowledgment of these practical advantages. However, respondents expressed more reserved views regarding the influence of credit cards on purchasing behavior, particularly concerning luxury items (M=2.35, SD=0.903) and increased spending patterns (M=2.42, SD=1.103). The standard deviations across all measures (ranging from 0.903 to 1.225) indicate moderate response variability, reflecting diverse individual experiences and perspectives. Notably, the consistency of below-midpoint means across all dimensions suggests a systematic pattern of cautious attitudes toward credit card utilization, rather than random variation. These findings have significant implications for financial institutions and marketers, indicating potential opportunities for educational initiatives and product positioning strategies that address underlying consumer reservations while emphasizing demonstrated utility benefits.

Table 2 Frequency Statistics

| | |
|---|---|
| **Mean** | 2.74 |
| **Median** | 2.00 |
| **Mode** | 2 |
| **Standard Deviation** | 1.346 |
| **Skewness** | .413 |
| **Std. Error of Skewness** | .241 |
| **Kurtosis** | -1.016 |
| **Std. Error of Kurtosis** | .478 |

Source: Primary Data

The above table indicates that, on average, respondents use their credit cards for retail purchases less frequently, with the median and mode both at 2. The positive skewness suggests a slight asymmetry with a tail on the right, indicating that a smaller number of respondents use their credit cards very frequently. The negative kurtosis value implies a flatter distribution compared to a normal distribution, suggesting a wider spread of responses.

Table 3 Frequency Distribution

| Frequency Category | Frequency | Percent |
|---|---|---|
| Very Frequently | 19 | 19.0 |
| Frequently | 33 | 33.0 |
| Occasionally | 19 | 19.0 |
| Rarely | 13 | 13.0 |
| Never | 16 | 16.0 |
| Total | 100 | 100 |

Source: Primary Data

Table above indicates that the majority of respondents (52%) use their credit cards either frequently or very frequently for retail purchases. This suggests that over half of the surveyed individuals rely on credit cards as a common payment method in retail settings.

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In summary, the analysis reveals that credit card usage for shopping is most prevalent and consistent among the 25–44 age group, with younger users (18–24) showing more divided opinions and older users participating less but generally having a neutral or positive view. These insights can be useful for targeting promotions or services tailored to specific age demographics.

Table 4 Chi-Square Test

| | Value | df | Asymp.Sig |
|---|---|---|---|
| Pearson Chi-Square | 21.333 | 16 | .166 |
| Likelihood Ratio | 26.801 | 16 | .044 |
| Linear-by-Linear Association | 10.981 | 1 | .001 |
| N of Valid Cases | 100 | | |

Source: Primary Data

The Chi-Square test was conducted to determine whether there is a statistically significant association between respondents' age group and their typical use of credit cards for shopping. The Pearson Chi-Square value is 21.322 with 16 degrees of freedom and a p-value of 0.166, which is greater than 0.05. This indicates that the observed differences across age groups are not statistically significant at the 5% level, meaning that any variation in responses could be due to random chance rather than a meaningful relationship.

However, the Likelihood Ratio test gives a value of 26.801 with a p-value of 0.044, which is statistically significant. This suggests that, based on the likelihood-based approach, there may be a significant relationship between age and credit card shopping behavior. Additionally, the Linear-by-Linear Association test returns a value of 10.981 with a highly significant p-value of 0.001, indicating a strong linear trend across age groups — i.e., as age increases, there appears to be a directional pattern in how people agree or disagree with using credit cards for shopping.

However, the test also shows that 19 cells (76%) have expected counts less than 5, with a minimum expected count of 0.36, which is a concern. High numbers of low expected counts reduce the reliability of the Chi-Square test and may violate its assumptions, especially for smaller sample sizes within specific age groups.

Table 5 Correlation Analysis

| Variables | Pearson Correlation | Sig. (Two Tailed) |
|---|---|---|
| How often do you use your credit card for retail purchases? | 1 | - |
| Using a credit card encourages you to purchase higher-end products (such as luxury clothing or expensive electronics) | 0.283** | 0.004 |

Source: Primary Data

The above table shows that the correlation analysis reveals a statistically significant positive relationship between the frequency of credit card use for retail purchases and the perception that credit cards encourage the purchase of higher-end products. Specifically, the Pearson correlation coefficient of 0.283 (p = .004) indicates that respondents who use their credit cards more frequently for retail transactions are moderately more likely to believe that credit cards facilitate luxury purchases. While the strength of this relationship is modest, its significance at the 0.01 level implies that the observed association is unlikely to be due to chance, underscoring a meaningful link between general credit card usage and perceptions of its influence on higher-end consumer behaviour.

Table 6 Regression Analysis

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .284 | 0.81 | .062 | 1.068 |

Source: Primary Data

- *Dependent Variables:*

You spend more when using a credit card than using cash or a debit.

- *Independent Variable:*

✓ How often do you use your credit card for retail purchases?
✓ You typically use a credit card for shopping.

The regression model shows a weak positive relationship between credit card usage behaviour and the dependent variable, with an R value of 0.284. Only 8.1% of the variation in the outcome is explained by the predictors, as indicated by the R Square value. The adjusted R Square (0.062) confirms the model's low explanatory power. The standard error of 1.068 suggests moderate prediction accuracy. Overall, credit card usage habits have a limited impact on consumer behaviour in this sample.

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Table 7 ANOVA – Significance of the Regression Model

| | Sum of Squares | df | Mean Square | F | Sig |
|---|---|---|---|---|---|
| Regression | 9.725 | 2 | 4.863 | 4.263 | 0.017 |
| Residual | 110.635 | 97 | 1.141 | | |
| Total | 120.360 | 99 | | | |

Source: Primary Data

The ANOVA test result in the above table 7 shows that the regression model is statistically significant, with an F-value of 4.263 and a p-value of 0.017 ($p < 0.05$). This indicates that the independent variables—frequency of credit card use and habitual use for shopping—have a combined significant effect on the dependent variable, "You spend more when using a credit card than using cash or debit." Therefore, the model is suitable for explaining variations in spending behavior related to credit card usage.

Table 8 Coefficient – Impact of Credit Card Usage on Spending Behaviour

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 1.731 | 2.60 | | 6.665 | .000 |
| How often do you use your credit card for retail purchases? | .079 | .123 | .097 | .647 | .519 |
| You typically use a credit card for shopping. | .183 | .135 | .204 | 1.363 | .176 |

Source: Primary Data

The above table shows that both predictors—frequency of credit card use and typical usage for shopping—have a positive but statistically non-significant impact on increased spending. The p-values for both variables are above 0.05 (0.519 and 0.176, respectively), indicating that individually, they do not significantly influence the likelihood of spending more with a credit card. While the overall model is significant (as shown in Table 9), these results suggest that other factors beyond usage frequency and shopping habits may play a more substantial role in determining credit card-induced spending behaviour.

- *Objective 2: To Analyse the Relationship Between Credit Card Usage and Customer Behaviour in Retail Businesses*

Table 9 Cross–Tab Between Reward Usage and Credit Card Types

| You use your credit card primarily to earn rewards such as cashback or points. | | Which type of credit card do you currently use most often for retail purchases? | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Standard Credit Card | Reward Credit Card | Premium Credit Card | Travel Credit Card | Other | |
| Strongly Agree | Count | 6 | 6 | 5 | 2 | 0 | 19 |
| | Percent | 31.6% | 31.6% | 26.3% | 10.5% | 0.0% | 100% |
| Agree | Count | 8 | 12 | 10 | 0 | 1 | 32 |
| | Percent | 25.0% | 40.6% | 31.2% | 0.0% | 3.1% | 100% |
| Neutral | Count | 4 | 5 | 12 | 2 | 4 | 27 |
| | Percent | 14.8% | 18.5% | 44.4% | 7.4% | 14.8% | 100% |
| Disagree | Count | 1 | 2 | 2 | 2 | 5 | 12 |
| | Percent | 8.3% | 16.7% | 16.7% | 16.7% | 41.7% | 100% |
| Strongly Disagree | Count | 2 | 0 | 0 | 0 | 8 | 10 |
| | Percent | 20.0% | 0.0% | 0.0% | 0.0% | 80.0% | 100% |
| Total | Count | 21 | 26 | 29 | 6 | 18 | 100 |
| | Percent | 21.0% | 26.0% | 29.0% | 6.0% | 16.0% | 100% |

Source: Primary Data

Table above shows the cross-tabulation data highlights the relationship between customers' motivation to use credit cards for rewards, such as cashback or points, and the type of credit card they most frequently use for retail purchases. Among the respondents who strongly agree that they primarily use their credit card to earn rewards, the usage is relatively evenly distributed across different card types: Standard Credit Cards (31.6%), Rewards Credit Cards (31.6%), and Premium Credit Cards (26.3%). Travel Cards account for only 10.5%, and none of the respondents selected "Other" cards.

For those who agree with using credit cards primarily for rewards, there is a strong preference for Rewards Cards (40.6%), followed by Premium Cards (31.2%) and Standard Cards (25%). Virtually no respondents indicated a preference

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for Travel or Other cards. This suggests that reward-motivated users tend to choose cards specifically designed to offer benefits or incentives.

In contrast, respondents with a neutral stance toward rewards showed the highest usage of Premium Cards (44.4%) and a more balanced distribution among other card types. This indicates that factors like status or card features may influence their behaviour beyond just rewards.

Among those who disagree or strongly disagree with using credit cards for rewards, there is a clear shift in card usage: "Other" cards dominate (41.7% for those who disagree and 80% for those who strongly disagree), while Rewards and Premium cards are rarely used. This pattern suggests that customers who are not motivated by rewards tend to use basic or necessity-driven credit cards and are less influenced by benefits such as cashback or loyalty points.

Overall, the data clearly illustrates a strong relationship between the motivation to earn rewards and the type of credit card used. This supports the idea that reward-seeking behaviour significantly influences customer choices in credit card usage. These insights are relevant for understanding consumer behaviour in the retail credit card market and align closely with objectives aimed at analyzing how card features affect customer decision-making.

Table 10 Chi-Square Test on Reward Usage and Credit Card Types

| Test | Value | df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 53.095 | 16 | .000 |
| Likelihood Ratio | 54.547 | 16 | .000 |
| Linear-by-Linear Association | 24.694 | 1 | .000 |
| No of Valid Cases | 100 | | |

Source: Primary Data

Table above shows the Pearson Chi-Square value of 53.095, accompanied by a p-value of 0.000, indicating a statistically significant relationship between a customer's motivation to earn rewards and the type of credit card they use for retail purchases. This conclusion is further supported by the Likelihood Ratio and Linear-by-Linear Association tests, which also yield significant p-values (0.000).

However, it is important to interpret these results with caution because 68% of the cells have expected counts below 5. This violation of one of the assumptions of the Chi-Square test may affect the result's reliability. Therefore, alternative testing methods or regrouping of categories may be necessary to confirm the association.

Table 11 ANOVA – Promotional Offers and Advantages when Using Credit Card

| | Sum of Squares | df | Mean Square | F | Sig |
|---|---|---|---|---|---|
| Between Groups | 60.162 | 4 | 15.040 | 14.580 | .000 |
| Within Groups | 97.998 | 95 | 1.032 | | |
| Total | 158.160 | 99 | | | |

Source: Primary Data

The above table presents the results of a one-way ANOVA that was conducted to explore how frequently customers take advantage of promotional offers or discounts when using a credit card in retail stores. The analysis shows a statistically significant difference among the groups, indicated by an F-value of 14.580 and a p-value of .000. Since the p-value is well below the standard threshold of 0.05, we can conclude that the differences in responses among the groups are not due to random chance. This suggests that the frequency with which customers utilize promotional offers or discounts varies significantly depending on the grouping variable analyzed (such as age, income level, or credit card usage behavior). The findings imply that certain customer segments are more likely to benefit from these offers than others, highlighting the importance of developing targeted marketing strategies to effectively reach these segments. To further identify the specific groups that differ significantly from one another, conducting a post hoc test would be beneficial.

Table 12 Cross Tab – Issues Faced – How Satisfied with Current Bank.

| Have you ever faced any issues with your credit card from an Indian bank? | | How satisfied are you with the credit card services provided by your current bank? | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Very Satisfied | Satisfied | Neutral | Dissatisfied | Very Dissatisfied | |
| Very Frequently | Count | 2 | 0 | 0 | 0 | 0 | 2 |
| | % Issue of a credit card with the bank. | 100% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| | % Satisfaction with Current Bank | 11.8% | 0.0% | 0.0% | 0.0% | 0.0% | 2.0% |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Frequently | Count | 4 | 14 | 5 | 0 | 0 | 23 |
| | % Issue of a credit card with the bank. | 17.4% | 60.9% | 21.7% | 0.0% | 0.0% | 100% |
| | % Satisfaction with Current Bank | 23.5% | 32.6% | 16.1% | 0.0% | 0.0% | 23.0% |
| Occasionally | Count | 2 | 5 | 10 | 0 | 2 | 19 |
| | % Issue of a credit card with the bank. | 10.5% | 26.3% | 52.6% | 0.0% | 10.5% | 100% |
| | % Satisfaction with Current Bank | 11.8% | 11.6% | 32.3% | 0.0% | 33.3% | 19.0% |
| Rarely | Count | 3 | 18 | 8 | 2 | 1 | 32 |
| | % Issue of a credit card with the bank. | 9.4% | 56.2% | 25.0% | 6.2% | 3.1% | 100% |
| | % Satisfaction with Current Bank | 17.6% | 41.9% | 25.8% | 66.7% | 16.7% | 32.0% |
| Never | Count | 6 | 6 | 8 | 1 | 3 | 24 |
| | % Issue of a credit card with the bank. | 25.0% | 25.0% | 33.3% | 4.2% | 12.5% | 100% |
| | % Satisfaction with Current Bank | 35.3% | 14.0% | 25.8% | 33.3% | 50.0% | 24.0% |
| Total | Count | 17 | 43 | 31 | 3 | 6 | 100 |
| | % Issue of a credit card with the bank | 17.0% | 43.0% | 31.0% | 3.0% | 6.0% | 100% |
| | % Satisfaction with Current Bank | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Primary Data

The crosstab analysis reveals a noticeable pattern between the frequency of issues faced with credit cards and satisfaction with credit card services. Among those who never faced any issues, 25.0% were very satisfied, 25.0% were satisfied, and only 4.2% were dissatisfied, while 12.5% were very dissatisfied. In contrast, respondents who faced issues rarely showed that 56.2% were satisfied, but 25.0% were neutral, 6.2% were dissatisfied, and 3.1% were very dissatisfied, indicating a slight decline in satisfaction. For those who experienced issues occasionally, 52.6% reported neutral satisfaction, and 10.5% were very dissatisfied, suggesting increasing dissatisfaction. Among those who faced issues frequently, 60.9% were satisfied, and 21.7% were neutral, with no one reporting dissatisfaction. Notably, the very frequently group (only 2 respondents) reported 100% very satisfied, but the small sample limits its interpretive value. Overall, the findings suggest that as the frequency of issues increases, there is a gradual shift from high satisfaction to more neutral or negative perceptions. This supports the conclusion that negative experiences with credit card services reduce overall customer satisfaction, emphasizing the importance of service quality in customer retention.

- ✓ $H_0$ (Null Hypothesis): There is no significant relationship between using credit card systems and customer behaviour in retail businesses.
- ✓ $H_1$ (Alternative Hypothesis): There is a significant relationship between using credit card systems and customer behaviour in retail businesses.

Table 13 Chi-Square Test

| | **Values** | **df** | **Asymp.Sig.(2sided)** |
|---|---|---|---|
| Pearson Chi-Square | 28.859 | 16 | .025 |
| Likelihood Ratio | 28.090 | 16 | .031 |
| Linear-by-Linear Association | 3.305 | 1 | .069 |
| N of Valid Cases | 100 | | |

Source: Primary Data

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The Chi-Square test was conducted to examine the relationship between two categorical variables related to credit card usage and customer behaviour in retail businesses. The test yielded a Pearson Chi-Square value of 28.859 with 16 degrees of freedom and a p-value of 0.025. Since the p-value is less than 0.05, the result is statistically significant, indicating that there is a meaningful association between the variables. However, it is important to note that 16 cells (64.0%) have expected counts less than 5, and the minimum expected count is 0.06. This violates a key assumption of the Chi-Square test, which may affect the accuracy of the results. When expected counts are too low, the test's reliability decreases, and the results should be interpreted with caution.

Based on the Chi-Square test results (Table 14), the p-value is 0.025, which is less than 0.05. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. This indicates that there is a statistically significant relationship between credit card usage and customer behaviour in retail businesses.

- *Objective 3 – To Identify the Shopping Frequency on the Influence of Credit Card Systems on Shopping Frequency in Retail Businesses.*

Table 14 Cross Tab – Promotional Offers or Discounts

| How often do you take advantage of promotional offers or discounts when using a credit card in retail stores? | | How often do you use your credit card for retail purchases? | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Very frequently | Frequently | Occasionally | Rarely | Never | |
| Very frequently | Count | 6 | 6 | 2 | 1 | 1 | 16 |
| | | 37.5% | 3.75% | 12.5% | 6.2% | 6.2% | 100% |
| Frequently | Count | 8 | 18 | 7 | 2 | 0 | 35 |
| | | 22.9% | 51.4% | 20.0% | 5.7% | 0.0% | 100% |
| Occasionally | Count | 3 | 8 | 6 | 5 | 2 | 24 |
| | | 12.5% | 33.3% | 25.0% | 20.8% | 8.3% | 100% |
| Rarely | Count | 1 | 1 | 3 | 4 | 2 | 11 |
| | | 9.1% | 9.1% | 27.3% | 36.4% | 18.2% | 100% |
| Never | Count | 1 | 0 | 1 | 1 | 11 | 14 |
| | | 7.1% | 0.0% | 7.1% | 7.1% | 78.6% | 100% |
| Total | Count | 19 | 33 | 19 | 13 | 16 | 100 |
| | | 19.0% | 33.0% | 19.0% | 13.0% | 16..0% | 100% |

Source: Primary Data

The crosstabulation presented in the above table reveals a clear connection between the frequency with which customers use credit cards for retail purchases and their tendency to take advantage of promotional offers or discounts. The data indicates that customers who use their credit cards very frequently or frequently are more likely to utilize promotional offers. For example, 75% of those who frequently use promotional offers also use their credit cards either very frequently or frequently. Similarly, 74.3% of customers who regularly use promotional offers fall into the same high-usage categories for credit card purchases.

Conversely, a significant majority (78.6%) of those who never take advantage of promotional offers also report never using credit cards for retail purchases. This trend suggests a strong positive association between the frequency of credit card usage and the utilization of promotional offers. Active credit card users tend to engage more with the benefits available, while those who use credit cards less frequently are less likely to take advantage of such incentives.

These findings support the ANOVA results in Table 15, which show significant differences in promotional offer usage among various user groups, highlighting the potential for targeted strategies to enhance customer engagement.

Table 15 Chi-Square Test – Frequency of Credit Card Usage

| | Value | df | Asym. Sig (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 67.616 | 16 | .000 |
| Likelihood Ratio | 60.838 | 16 | .000 |
| Linear-by-Linear Association | 36.134 | 1 | .000 |
| N of Valid Cases | 100 | | |

Source: Primary Data

Table above presents the results of the chi-squared test conducted to examine the association between the frequency of credit card usage for retail purchases and the frequency of utilizing promotional offers or discounts. The test revealed a Pearson Chi-Square value of 67.616 with 16 degrees of freedom and a significance level (p-value) of .000. This indicates a highly significant association between the two variables. In other words, the differences observed in the distribution of responses are statistically meaningful and not due to random chance.

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The Likelihood Ratio Chi-Square value of 60.838 and the Linear-by-Linear Association value of 36.134 further confirm this significant relationship, both with p-values less than 0.001. However, it is important to note that 76% of the cells (19 out of 25) had expected counts of less than 5, which may affect the robustness of the test. Despite this limitation, the results strongly support earlier findings from Tables 15 and 16. This reinforces the conclusion that customers who use their credit cards more frequently are also more likely to take advantage of promotional offers and discounts. These findings can assist businesses in segmenting their customers and designing more targeted promotional strategies.

Table 16 Regression – Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .284 | .081 | .062 | 1.068 |

Source: Primary Data

- Dependent Variable: You spend more when using a credit card than using cash or a debit.

Table 17 provides a summary of a regression analysis that examines the relationship between credit card usage behaviors and the frequency of taking advantage of promotional offers or discounts. The model includes two predictors: "You typically use a credit card for shopping" and "How often do you use your credit card for retail purchases".

The R value of 0.284 indicates a weak positive correlation between the predictors and the dependent variable. Meanwhile, the R Square value of 0.081 shows that approximately 8.1% of the variance in the frequency of using promotional offers or discounts can be explained by the two independent variables in the model. The Adjusted R Square of 0.062, which accounts for the number of predictors, confirms a slightly lower but similar explanatory power.

The Standard Error of the Estimate is 1.068, representing the average distance that the observed values fall from the regression line. Overall, although the model indicates a statistically weak relationship, it suggests that customer credit card usage behavior does have some influence on the frequency with which they take advantage of promotional offers. This finding warrants further exploration, potentially incorporating additional variables or a larger sample size.

Table 17 ANOVA – Impact of Using Premium or Travel card – Tendency to Spend More when Using a Credit Card Compared to Cash or Debit.

| | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 12.842 | 1 | 12.842 | 11.705 | .001 |
| Residual | 107.518 | 98 | 1.097 | | |
| Total | 120.360 | 99 | | | |

Source: Primary Data

Table above displays the ANOVA results from a regression model that examines the impact of using premium or travel credit cards for retail purchases on spending behaviour. Specifically, it looks at the tendency to spend more with a credit card compared to cash or debit. The model shows a significant F-value of 11.705 with a p-value of 0.001. This indicates that the predictor variable—how frequently individuals use premium or travel credit cards to earn travel benefits—has a statistically significant effect on the dependent variable. In other words, there is a meaningful difference in spending behaviour linked to the use of premium credit cards.

The regression sum of squares Is 12.842, while the residual sum of squares Is 107.518, suggesting that the model explains a portion of the variance in spending behaviour. These results imply that individuals who frequently use premium or travel cards for retail purchases are more likely to report increased spending when using credit cards instead of cash or debit. This behaviour is likely influenced by the incentives and perceived benefits associated with these cards.

Table 18 Coefficient Table – The Effect of Using Premium or Travel Credit Cards on the Tendency to Spend More when Using Credit Cards Compared to Cash or Debit.

| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| Constant | 1.611 | .259 | | 6.231 | .000 |
| How often do you use a premium or travel credit card for retail purchases to earn travel points or benefits (e.g., lounge access)? | .277 | .081 | .327 | 3.421 | .001 |

Source: Primary Data

The above table presents the regression coefficients for a model examining how the use of premium or travel credit cards affects spending tendencies compared to cash or debit payments. The unstandardized coefficient (B = 0.277) for the

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predictor variable, "How often do you use a premium or travel credit card for retail purchases to earn travel points or benefits," indicates that for every one-unit increase in the frequency of using these cards, the perceived increase in spending also rises by 0.277 units on the dependent scale. This relationship is statistically significant, with a t-value of 3.421 and a p-value of .001, confirming that the predictor has a meaningful positive effect on spending behaviour.

The standardized coefficient (Beta"= 0.'27) suggests a moderate effect size, indicating that individuals who frequently use premium or travel credit cards are more likely to spend more compared to those who use such cards less often. The constant value of 1.611 reflects the expected score on the dependent variable when the predictor is at zero (i.e., when individuals do not use premium or travel cards at all). These results reinforce the conclusion that reward-driven card usage can influence consumer spending behaviour, likely due to perceived benefits and incentives.

Table 19 Correlation – The Type of Credit Card Most Frequently used for Retail Purchases and Perceptions of which Industry is Most Influenced

| | | **Which type of credit card do you currently use most often for retail purchases?** | **Which industry do you believe is most influenced by credit card systems in terms of customer behavior?** |
|---|---|---|---|
| Which type of credit card do you currently use most often for retail purchases? | Pearson Correlation | 1 | .264 |
| | Sig. (2-tailed) | | .008 |
| | N | 100 | 100 |
| Which industry do you believe is most influenced by credit card systems in terms of customer behavior? | Pearson Correlation | .264 | 1 |
| | Sig. (2-tailed) | .008 | |
| | N | 100 | 100 |

Source: Primary Data

The table above presents the results of a Pearson correlation analysis conducted to examine the relationship between the type of credit card most frequently used for retail purchases and perceptions of which industry is most influenced by credit card systems in terms of customer behaviour. The analysis reveals a positive correlation coefficient of 0.264, which is statistically significant at the 0.01 level (p = 0.008). This indicates a moderate but meaningful positive association between the two variables. In other words, the type of credit card a customer primarily uses is related to their perception of which industry is most shaped by credit card usage patterns. As the type of card becomes more specific—such as premium, travel, or co-branded cards—individuals are more likely to associate certain industries, such as retail, hospitality, or travel, as being more influenced by credit card systems. These findings suggest that consumer preferences for credit cards may reflect or shape their broader views on how industries respond to and leverage card-based purchasing behaviour.

- *Objective 4 - To Study the Type of Industry which is Influenced by the Impact of Credit Card and Purchasing Behaviour*

Table 20 Cross-Tab - the Type of Credit Card Most Frequently used - the Industry they Believe is Most Influenced by Credit Card Systems

| **Which type of credit card do you currently use most often for retail purchases?** | | **Which industry do you believe is most influenced by credit card systems in terms of customer behavior?** | | | | | | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | **Grocery** | **Clothing** | **Electronics** | **Home Goods** | **Online Retail (e-commerce)** | **Others** | |
| Standard Credit Card | Count | 1 | 5 | 3 | 3 | 8 | 1 | 21 |
| | Percent | 4.8% | 23.8% | 14.3% | 14.3% | 38.1% | 4.8% | 100% |
| Rewards Credit Card | Count | 4 | 6 | 8 | 5 | 2 | 1 | 26 |
| | Percent | 15.4% | 23.1% | 30.8% | 19.2% | 7.7% | 3.8% | 100% |
| Premium Credit Card | Count | 3 | 6 | 9 | 7 | 4 | 0 | 29 |
| | Percent | 10.3% | 20.7% | 31.0% | 24.1% | 13.8% | 0.0% | 100% |
| Travel Credit Card | Count | 0 | 1 | 0 | 0 | 4 | 1 | 6 |
| | Percent | 0.0% | 16.7% | 0.0% | 0.0% | 66.7% | 16.7% | 100% |
| Other | Count | 0 | 2 | 3 | 3 | 3 | 7 | 18 |
| | Percent | 0.0% | 11.1% | 16.7% | 16.7% | 16.7% | 38.9% | 100% |
| Total | Count | 8 | 20 | 23 | 18 | 21 | 10 | 100 |
| | Percent | 8.0% | 20.0% | 23.0% | 18.0% | 21.0% | 10.0% | 100% |

Source: Primary Data

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The table presents a crosstabulation of the types of credit cards most frequently used by respondents and the industries they believe are most influenced by credit card systems. The data reveals notable differences in perception based on the type of credit card used.

Among users of standard credit cards, a majority (38.1%) identified online retail (e-commerce) as the most influenced industry, followed by clothing (23.8%) and electronics (14.3%). This suggests that standard cardholders primarily associate credit card usage with the convenience of online shopping.

In contrast, users of rewards credit cards most frequently recognized electronics (30.8%) as the most influenced sector, indicating that they may link their card usage to earning points or cashback on high-value purchases. Clothing (23.1%) and home goods (19.2%) were also commonly selected, demonstrating a broad influence across lifestyle-related sectors. Likewise, premium credit card holders also perceived electronics (31.0%) and home goods (24.1%) as highly influenced industries, aligning with the idea that premium card users associate their card benefits with aspirational or luxury spending.

Travel credit card users showed a significant majority (66.7%) believing that online retail is the industry most influenced by credit card systems. Despite these cards being primarily designed for travel-related benefits, users may associate them with online transactions, including booking and e-commerce purchases.

Lastly, respondents who use other types of credit cards, such as co-branded or store-specific cards, exhibited a more varied distribution in their perceptions. The highest share (38.9%) in this group identified 'Others' as the most influenced category, suggesting niche perceptions shaped by specialized card features.

Overall, the data indicates that the perceived influence of credit card systems on consumer behaviour varies by card type. Standard and travel card users tend to focus on online retail, while rewards and premium cardholders identify higher-value industries, like electronics and home goods, as being most impacted. These patterns reflect how different credit card features and benefits shape consumer perceptions and spending behaviour.

Table 21 Chi-Square Test - the Type of Credit Card Most Frequently used - the Industry they Believe is Most Influenced by Credit Card Systems

| | Values | df | Asymp. Sig. (2sided) |
|---|---|---|---|
| Pearson Chi-Square | 42.666 | 20 | .002 |
| Likelihood Ratio | 41.712 | 20 | .003 |
| Linear-by-Linear Association | 6.885 | 1 | .009 |
| N of Valid Cases | 100 | | |

Source: Primary Data

Table presents the results of the Chi-Square Test, which examined the association between the type of credit card most frequently used by respondents and their perceptions of which industry is most influenced by credit card systems regarding customer behavior. The Pearson Chi-Square value is 42.666, with 20 degrees of freedom and a p-value of .002. This indicates a statistically significant association at the 5% significance level. In other words, consumers' perceptions of industry influence vary meaningfully depending on the type of credit card they use.

Supporting this finding, the Likelihood Ratio Chi-Square value is 41.712, with a p-value of .003, further confirming the significant relationship between the variables. Additionally, the Linear-by-Linear Association value is 6.886, with a p-value of .009, indicating a statistically significant trend in the data. This suggests a directional or ordered relationship between card type and perceived industry influence.

However, it is important to note that 23 out of 30 cells (76.7%) have an expected count of less than 5, with the minimum expected count being 0.48. This violation of the assumption of the Chi-Square test may affect the accuracy and reliability of the results. Despite this limitation, the overall findings in Table 22 indicate a significant and non-random association between the type of credit card used and consumers' perceptions of the impact of credit card systems across different industries. Therefore, the features of credit cards likely influence not only consumer behaviour but also their perceptions of industry-level influence.

Table 22 Cross Tab- Industry which is Most Influenced by Credit Card Systems Regarding Customer Behaviour in Comparison with Different Banks. HDFC Bank – Table 4.27.1

| HDFC Bank | | | Which industry do you believe is most influenced by credit card systems in terms of customer behavior? | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | Grocery | Clothing | Electronics | Home Goods | Online Retail | Other | |
| | Not Selected | Count | 5 | 12 | 12 | 12 | 15 | 9 | 65 |
| | | Percent | 7.7% | 18.5% | 18.5% | 18.5% | 23.1% | 13.8% | 100% |
| | Selected | Count | 3 | 8 | 11 | 6 | 6 | 1 | 35 |

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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Percent | 8.6% | 22.9% | 31..4% | 17.1% | 17.1% | 2.9% | 100% |
| Total | | Count | 8 | 20 | 23 | 18 | 21 | 10 | 100 |
| | | Percent | 8.0% | 20.% | 2.3.0% | 18.0% | 21.0% | 10.0% | 100% |

Source: Primary Data

The crosstab analysis reveals variations in perceptions regarding the industries most influenced by credit card systems in terms of customer behaviour. Among HDFC Bank customers who were not selected, the highest percentage (23.1%) identified Online Retail (e-commerce) as the most influential industry, followed equally by Clothing, Electronics, and Home Goods (each at 18.5%). In contrast, among the selected group, a significant portion (31.4%) viewed Electronics as the most influential industry, followed by Clothing (22.9%) and Home Goods (17.1%). Online Retail received relatively less emphasis in this group (17.1%). When both groups are combined, Electronics (23%) and Online Retail (21%) emerge as the most influenced sectors overall, with Clothing closely behind at 20%. The Grocery sector consistently ranks lowest across all categories (8%), suggesting that credit card usage is perceived to have minimal impact on routine, low-value purchases. These findings indicate that credit card systems are more strongly associated with industries involving higher-value or digital transactions, such as Electronics and Online Retail, where the convenience, security, and credit facilities offered by cards play a crucial role in shaping customer behavior.

Table 23 Chi-Square Test

| | **Value** | **Df** | **Asymp. Sig** |
|---|---|---|---|
| Pearson Chi-Square | 5.056 | 5 | .409 |
| Likelihood Ratio | 5.599 | 5 | .347 |
| Linear-by-Linear Association | 2.868 | 1 | .090 |
| N of Valid Cases | 100 | | |

Source: Primary Data

The Chi-Square test was conducted to examine the relationship between respondents' selection status and their perceptions of which industry is most impacted by credit card systems in terms of customer behavior. The Pearson Chi-Square value is 5.056, with 5 degrees of freedom and a p-value of 0.409, which is higher than the conventional significance level of 0.05. This indicates that there is no statistically significant association between the respondents' selection status (HDFC Bank – Selected vs. Not Selected) and their views on which industry is most influenced by credit card systems.

Additionally, the Likelihood Ratio test produced a p-value of 0.347, supporting the same conclusion. Although the Linear-by-Linear Association test approached significance with a p-value of 0.090, it did not reach the threshold for statistical significance.

Furthermore, it is worth noting that 2 cells (16.7%) had expected counts less than 5, with a minimum expected count of 2.80. This suggests that while the test is generally valid, the distribution of responses may be somewhat uneven. Overall, the results indicate that perceptions about the influence of credit card usage on various industries do not significantly differ between the selected and non-selected customer groups.

Table 24 ICICI Bank

| **ICICI Bank** | | | **Which industry do you believe is most influenced by credit card systems in terms of customer behavior?** | | | | | | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | | | **Grocery** | **Clothing** | **Electronics** | **Home Goods** | **Online Retail** | **Other** | |
| | Not Selected | Count | 4 | 15 | 18 | 14 | 20 | 19 | 80 |
| | | Percent | 5.0% | 18.8% | 22.5% | 17.5% | 25.0% | 11.2% | 100% |
| | Selected | Count | 4 | 5 | 5 | 4 | 1 | 1 | 20 |
| | | Percent | 20.0% | 25.0% | 25.0% | 20.0% | 5.0% | 5.0% | 100% |
| Total | | Count | 8 | 20 | 23 | 18 | 21 | 10 | 100 |
| | | Percent | 8.0%15 | 20.0% | 23.0% | 18.0% | 21.0% | 10.0% | 100% |

Source: Primary Data

The crosstab analysis highlights differences in how ICICI Bank customers perceive the impact of credit card systems across various industries, depending on their selection status. Among the 80 respondents who were not selected, Online Retail is seen as the most influenced industry at 25.0%, followed by Electronics (22.5%), Clothing (18.8%), and Home Goods (17.5%).

In contrast, the 20 selected respondents show a different pattern. They perceive Electronics and Clothing equally influential at 25.0% each, followed by Home Goods at 20.0%. Notably, Online Retail's perceived influence drops significantly to only 5.0%.

This contrast suggests that selected respondents associate credit card influence more with in-store or high-

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value purchases, such as electronics and apparel, while the larger non-selected group views e-commerce as the primary area affected by credit card systems.

Overall, when combining both groups, Electronics (23.0%), Online Retail (21.0%), and Clothing (20.0%) emerge as the most influenced sectors. This reinforces the trend that credit cards are perceived as most impactful in the context of high-value or digital purchases. Meanwhile, the Grocery and Other categories remain the least influential across the dataset.

Table 25 Chi- Square Test

| | Value | df | Asymp. Sig |
|---|---|---|---|
| Pearson Chi-Square | 8.584 | 5 | .127 |
| Likelihood Ratio | 8.800 | 5 | .117 |
| Linear-by-Linear Association | .6308 | 1 | .012 |
| N of Valid Cases | 100 | | |

Source: Primary Data

The Chi-Square test was conducted to assess whether there is a significant association between respondents' selection status (Selected vs Not Selected) and their perception of which industry is most influenced by credit card systems. The Pearson Chi-Square value is 8.584 with 5 degrees of freedom and a p-value of 0.127. Since the p-value is greater than 0.05, the result is not statistically significant, indicating that there is no strong evidence of an association between selection status and industry perception at the 5% significance level. Similarly, the Likelihood Ratio test also yields a non-significant result (p = 0.117), supporting the same conclusion.

However, the Linear-by-Linear Association test shows a p-value of 0.012, which is statistically significant at the 0.05 level, suggesting a potential ordinal trend or directional relationship between the two variables. This might indicate that perceptions change in a linear pattern between selected and non-selected groups.

It is also important to note that 6 cells (50%) have expected counts less than 5, with a minimum expected count of 1.60, which may affect the reliability of the Chi-Square test due to small sample sizes in some categories. Despite this, the overall findings suggest no clear categorical association, but a possible linear relationship worth further exploration.

Table 26 State Bank of India

| State Bank of India | | | Which industry do you believe is most influenced by credit card systems in terms of customer behavior? | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | Grocery | Clothing | Electronics | Home Goods | Online Retail | Other | |
| | Not Selected | Count | 5 | 13 | 16 | 9 | 8 | 8 | 59 |
| | | Percent | 8.5% | 22.0% | 27.1% | 15.3% | 13.6% | 13.6% | 100% |
| | Selected | Count | 3 | 7 | 7 | 9 | 13 | 2 | 41 |
| | | Percent | 7.3% | 17.1% | 17.1% | 22.0% | 31.7% | 4.9% | 100% |
| Total | | Count | 8 | 20 | 23 | 18 | 21 | 10 | 100 |
| | | Percent | 8.0% | 20.0% | 23.0%9 | 18.0% | 21.0% | 10.0% | 100% |

Source: Primar Data

The crosstab analysis for State Bank of India (SBI) customers shows differing perceptions between selected and non-selected respondents regarding which industry is most influenced by credit card systems in shaping customer behavior. Among the non-selected group (n = 59), Electronics (27.1%) is perceived as the most influenced industry, followed by Clothing (22.0%) and Home Goods (15.3%), while Online Retail accounts for just 13.6%. In contrast, among the selected respondents (n = 41), Online Retail (31.7%) emerges as the most influenced industry, followed by Home Goods (22.0%) and Electronics and Clothing (both 17.1%). This contrast indicates a shift in perception between the two groups: while non-selected respondents associate credit card usage with electronics and apparel purchases, selected respondents more strongly connect it with online retail, suggesting greater digital engagement or preference for online shopping platforms among the selected group. Overall, when both groups are combined, Electronics (23.0%), Online Retail (21.0%), and Clothing (20.0%) are the top three sectors influenced by credit card systems, consistent with trends observed in other bank groups. Grocery and Other categories remain the least influential across all responses.

Table 27 Chi-Square Test

| | Value | df | Asymp. Sig |
|---|---|---|---|
| Pearson Chi-Square | 7.619 | 5 | .179 |
| Likelihood Ratio | 7.750 | 5 | .171 |
| Linear-by-Linear Association | .654 | 1 | .419 |
| N of Valid Cases | 100 | | |

Source: Primary Data

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A Chi-Square test was performed to determine whether there is a statistically significant association between respondents' selection status (Selected vs Not Selected) and their perception of which industry is most influenced by credit card systems in terms of customer behavior. The Pearson Chi-Square value is 7.619 with 5 degrees of freedom and a p-value of 0.179, which is greater than the 0.05 significance level. This indicates that there is no statistically significant association between the selection status of SBI customers and their industry preferences related to credit card influence. The Likelihood Ratio test similarly shows a non-significant result (p = 0.171), reinforcing this conclusion. Furthermore, the Linear-by-Linear Association test yields a p-value of 0.419, suggesting that there is no meaningful linear or ordinal trend between the variables.

The footnote mentions that 3 cells (25.0%) have expected counts less than 5, with a minimum expected count of 3.28, which is within acceptable limits but still worth noting, as it may slightly affect the robustness of the results. Overall, the analysis suggests that while some differences in perception exist between selected and non-selected respondents, these differences are not statistically significant, and therefore may be due to random variation.

Table 28 Axis Bank

| Axis Bank | | | Which industry do you believe is most influenced by credit card systems in terms of customer behavior? | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | Grocery | Clothing | Electronics | Home Goods | Online Retail | Other | |
| | Not Selected | Count | 6 | 13 | 19 | 11 | 18 | 9 | 76 |
| | | Percent | 7.9% | 17.1% | 25.0% | 14.5% | 23.7% | 11.8% | 100% |
| | Selected | Count | 2 | 7 | 4 | 7 | 3 | 1 | 24 |
| | | Percent | 8.3% | 29.2% | 16.7% | 29.2% | 12.5% | 4.2% | 100% |
| Total | | Count | 8 | 20 | 23 | 18 | 21 | 10 | 100 |
| | | Percent | 8.0% | 20.0% | 23.0%9 | 18.0% | 21.0% | 10.0% | 100% |

Source: Primary Data

The crosstab analysis for Axis Bank customers highlights notable differences in how selected and non-selected respondents perceive the influence of credit card systems across various industries. Among the non-selected group (n = 76), the top three industries believed to be most influenced are Electronics (25.0%), Online Retail (23.7%), and Clothing (17.1%), suggesting a strong association between credit card use and higher-value or digital transactions. On the other hand, selected respondents (n = 24) show a different pattern, with the highest influence attributed to Clothing and Home Goods (both at 29.2%), followed by Electronics (16.7%) and Online Retail (12.5%). This indicates a shift in perception among selected respondents, who associate credit card influence more with physical retail purchases like apparel and household items rather than digital or high-tech goods. Overall, when both groups are combined, Electronics (23.0%), Online Retail (21.0%), and Clothing (20.0%) remain the most commonly cited industries, reinforcing the broader trend that credit card systems are perceived to influence purchasing behavior in sectors involving higher-cost or flexible payment options. The Grocery and Other categories consistently show the least perceived influence across both groups.

Table 29 Chi-Square Test

| | Value | df | Asymp. Sig |
|---|---|---|---|
| Pearson Chi-Square | 6.231 | 5 | .284 |
| Likelihood Ratio | 6.283 | 5 | .280 |
| Linear-by-Linear Association | 1.601 | 1 | .206 |
| N of Valid Cases | 100 | | |

Source: Primary Data

The Chi-Square test was applied to evaluate the relationship between respondents' selection status (Selected vs Not Selected) and their views on which industry is most influenced by credit card systems. The Pearson Chi-Square value is 6.231 with 5 degrees of freedom and a p-value of 0.284, which is above the 0.05 significance level. This indicates that the differences observed between selected and non-selected Axis Bank customers regarding their perceptions are not statistically significant and may have occurred by chance. Similarly, the Likelihood Ratio test also yields a non-significant p-value of 0.280, and the Linear-by-Linear Association test returns a p-value of 0.206, providing no evidence of a linear trend between the variables.

It is worth noting that 4 cells (33.3%) have expected counts less than 5, with the minimum expected count being 1.92, which could slightly reduce the reliability of the Chi-Square test results due to low frequencies in some response categories. Nonetheless, the overall conclusion is that there is no statistically meaningful association between the selection status of Axis Bank respondents and their industry perceptions regarding the influence of credit card systems.

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Table 30 Other

| Others | | | Which industry do you believe is most influenced by credit card systems in terms of customer behavior? | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | Grocery | Clothing | Electronics | Home Goods | Online Retail | Other | |
| | Not Selected | Count | 5 | 14 | 13 | 13 | 15 | 3 | 63 |
| | | Percent | 7.9% | 22.2% | 20.6% | 20.6% | 23.8% | 4.8% | 100% |
| | Selected | Count | 3 | 6 | 10 | 5 | 6 | 7 | 37 |
| | | Percent | 8.1% | 16.2% | 27.0% | 13.5% | 16.2% | 18.9% | 100% |
| Total | | Count | 8 | 20 | 23 | 18 | 21 | 10 | 100 |
| | | Percent | 8.0% | 20.0% | 23.0%9 | 18.0% | 21.0% | 10.0% | 100% |

Source: Primary Data

The crosstab analysis for respondents from other banks reveals varying perceptions between selected and non-selected customers regarding which industry is most influenced by credit card systems. Among the non-selected respondents (n = 63), Online Retail (23.8%) is considered the most influenced industry, followed by Clothing (22.2%), Home Goods and Electronics (both at 20.6%). This distribution indicates a general belief among this group that credit card usage significantly affects both digital and in-store purchasing behaviors. In contrast, the selected respondents (n = 37) show the highest association with Electronics (27.0%), followed by Other (18.9%) and Online Retail and Clothing (both at 16.2%). This reflects a slightly broader or more diversified perception among selected customers, possibly recognizing the impact of credit card systems beyond conventional retail sectors. When both groups are combined, Electronics (23.0%), Online Retail (21.0%), and Clothing (20.0%) emerge as the top three industries perceived to be most influenced by credit card systems, consistent with the overall trend observed in other bank categories. The Grocery and Other sectors remain the least cited, except among selected respondents, where “Other” shows a higher percentage (18.9%), suggesting some outlier perceptions.

Table 31 Chi-Square Test

| | Value | df | Asymp. Sig |
|---|---|---|---|
| Pearson Chi-Square | 6.804 | 5 | .236 |
| Likelihood Ratio | 6.664 | 5 | .247 |
| Linear-by-Linear Association | .716 | 1 | .397 |
| N of Valid Cases | 100 | | |

Source: Primary Data

A Chi-Square test was conducted to examine the relationship between the selection status of respondents (Selected vs Not Selected) and their perception of which industry is most influenced by credit card systems. The Pearson Chi-Square value is 6.804 with 5 degrees of freedom and a p-value of 0.236. Since the p-value is greater than 0.05, the association between the two variables is not statistically significant. This means that the observed differences in industry perceptions between selected and non-selected customers from "Other" banks could be due to random variation rather than a meaningful relationship.

Similarly, the Likelihood Ratio test also produced a non-significant result (p = 0.247), further confirming the lack of statistical evidence for an association. The Linear-by-Linear Association test returned a p-value of 0.397, suggesting no significant trend or directional relationship between the selection status and the perceived influence of credit card systems across industries.

It is noted that 2 cells (16.7%) had expected counts less than 5, with the minimum expected count being 2.96, which is within acceptable limits for Chi-Square validity. Overall, the findings indicate that no significant association exists between selection status and industry perception among respondents from "Other" banks.

## V. DISCUSSION

The findings of this study underscore that credit cards significantly shape retail purchasing behaviour, particularly by influencing impulsive spending and customer loyalty. The analysis indicates that while the majority of respondents view credit cards as convenient, their cautious approach reflects awareness of financial responsibility. This aligns with Natarajan and Manickavasagam (2017), who found that young Indian consumers balance aspiration with caution in credit-based purchases.

Reward programs and EMI options emerged as major motivators for frequent credit card use, confirming the observations of Bhatt and Bhatt (2022) that such incentives build emotional and behavioural loyalty. The significant correlations found in this study between credit card frequency and luxury product purchases further strengthen the argument that credit-based spending fosters aspirational consumerism (Mehta & Kapoor, 2023).

Interestingly, demographic variations suggest that younger consumers associate credit cards with convenience and social prestige, while older users emphasize security and financial control. These findings resonate with Das and Sen (2022) and Gupta and Rao (2023), who emphasized that generational financial literacy plays a key role in shaping

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attitudes toward digital payment tools. The study thus reveals a nuanced balance between desire, discipline, and digital empowerment in India's semi-urban credit culture.

## VI. KEY FINDINGS

- Credit card ownership and usage frequency have a measurable impact on retail purchasing behaviour and consumer confidence.
- Reward schemes and EMI facilities strongly influence spending patterns and brand loyalty.
- Younger consumers exhibit higher responsiveness to promotional offers and impulsive purchases.
- Credit cards are predominantly used for fashion and electronics purchases, indicating aspirational consumption.
- Demographic variables such as age, income, and occupation significantly moderate the relationship between card use and spending.
- Although the overall model shows moderate explanatory power, consistent trends demonstrate that credit cards indirectly shape consumer behaviour through perceived convenience and trust.

## VII. SUGGESTIONS

- Retailers should design integrated reward systems that link purchases with personalized discounts and digital engagement campaigns.
- Banks must focus on customer education regarding credit management to promote sustainable use and minimize default risks.
- Policymakers should encourage awareness drives on digital payment safety and transparency in interest and EMI structures.
- Educational institutions can incorporate financial literacy programs to build early awareness about responsible credit usage.
- Future research should employ larger samples (250–300 respondents) and mixed methods to explore behavioural and psychological aspects over time.

## VIII. MANAGERIAL IMPLICATION

The study offers several practical implications for stakeholders in the banking and retail sectors. For banks, the results highlight the importance of customizing credit card products based on demographic and behavioural segmentation. Younger consumers value instant gratification and cashback rewards, whereas middle-aged users prioritize EMI options and financial flexibility. Tailoring marketing communication to these groups can enhance product relevance and usage frequency.

For retailers, collaborations with financial institutions can increase footfall and conversion rates through co-branded cards and seasonal reward tie-ups. The data also suggest that transparent communication about interest and repayment policies strengthens consumer trust. Furthermore, integrating data analytics can help both banks and retailers track spending behaviour and design predictive marketing strategies.

Overall, aligning marketing and financial tools with behavioural insights can yield long-term customer loyalty and improve profitability while promoting responsible credit use.

## IX. CONCLUSION

This study reaffirms that credit card systems significantly influence consumer purchasing behaviour, particularly in semi-urban contexts such as Thrissur District. While convenience, EMI options, and reward schemes enhance customer engagement, the psychological ease of deferred payment also shapes impulsive and aspirational buying.

By identifying patterns of cautious optimism among consumers, the research contributes to understanding how modern payment systems integrate with socio-economic and behavioural dimensions of consumption. The implications extend to banks, retailers, and policymakers aiming to foster sustainable credit habits and inclusive financial growth. Future studies can expand this work through larger sample sizes and longitudinal analysis to assess the evolving influence of credit cards on consumer well-being and retail dynamics in India.

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