THE ANALYSIS OF CONSUMER BEHAVIOR AND CUSTOMER SATISFACTION TOWARD CREDIT CARD CONSUMPTION

Charly Hongdiyanto

Department of International Business Management, Ciputra University, Surabaya, Indonesia
charly@ciputra.ac.id

ABSTRACT

The topic of this research is to analyze the relationship between consumer behavior and customer satisfaction towards credit card consumption of HSBC in Surabaya. This study is performed to find out whether consumer behavior and customer satisfaction collectivity or partially influence credit card consumption of HSBC cardholders.

Right now, there are around 5 million cardholders in Indonesia, roughly 50% from the target market. So, in order to get the remains 50%, credit card providers trying hard to promote themselves in searching for customers. In this research, writer wants to reveal, the effect of consumer behavior and customer satisfaction towards credit card consumption.

The research use descriptive method by collecting the primary data. This process is done using questionnaires. The result obtained processed with statistical software to answer the hypothesis. Multiple Regression Analysis instrument is used to test if each variable is significantly affecting the consumption decision. As the result, both consumer behavior and customer satisfaction have positive influence towards consumption.

Keywords: consumer behavior, customer satisfaction, consumption

1. INTRODUCTION

1.1. Background

Definition of Credit card is a card for deferring payment issued by a bank or credit provider that allows somebody to purchase goods and services and pay for them later, often with interest. When a purchase is made, the credit card user agrees to pay the card issuer.

The cardholder indicates their consent to pay, by signing a receipt with a record of the card details and indicating the amount to be paid or by entering a Personal Identification Number (PIN). Also, many merchants now accept verbal authorizations via telephone and electronic using the Internet, known as a Card Not Present (CNP) transaction.

The credit card user is sent a statement indicating the purchases with the card, fees, and the total amount each month. After receiving the statement, the cardholder may claim any charges that he or she thinks are incorrect. Otherwise, the cardholder must pay a minimum proportion of the bill by a due date, or may choose to pay a higher amount up to the entire amount owed. The credit provider charges interest on the amount owed.

When someone does not have the cash right now, credit card can simply be used as a way of purchasing something. The concept of using a card for purchases was invented in 1887 by Edward Bellamy and described in his utopian novel, and then the concept of paying merchants using a card was invented in 1950 by Ralph Schneider and Frank X McNamara in order to consolidate multiple cards. And now, there are countless variations on the basic concept of revolving credit for individuals.

Introduced in Indonesia in 1977 by Citibank, there are around 5 million cardholders in 2009, and there are around 10 million credit cards spread, with ratio 1:2 (one person having two credit cards). The amounts of the card holder are almost half of the target market which are 10 million people (assumed that 5% are the target market from the 200 million of Indonesia's citizen). So, due to dominate the market, credit card providers are racing to get the costumer.

Using promotions which is part of consumer behavior as well as try to satisfied