

**INFLUENCE OF CONSUMER ATTITUDES ON THE UPTAKE OF CREDIT
CARDS BY CUSTOMERS OF COMMERCIAL BANKS WITHIN KITENGELA
TOWNSHIP**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF SCIENCE
IN MARKETING, SCHOOL OF BUSINESS, THE UNIVERSITY OF NAIROBI**

SEPTEMBER 2015

DECLARATION

I, the undersigned, declare that this project is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

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This research project has been submitted for examination with my approval as the University supervisor.

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ACKNOWLEDGEMENT

I thank the Almighty God for seeing me through the entire research period. Many thanks go to my supervisor Mr. Victor Ndambuki for his guidance, relentless support and patience during this entire research period. I am indebted to you for your guidance and mentorship. I would also want to thank Prof. Justus Munyoki and his office for their contribution to the success of this project. In addition, I acknowledge my colleagues, friends and classmates for their encouragement and support during this entire period. I am also grateful to my family members for their encouragement, advice and instilling in me a sense of discipline and love for education.

DEDICATION

This research project is dedicated to my lovely children, Jaden Kinyua, Melissa Wangui and Alvin Wahome. The world is yours for the taking. I also want to dedicate to my mother Lydiah Wanjiku for the unending love of education she has instilled in me.

ABSTRACT

In the last decade the Banking industry in Kenya has been carrying out campaigns to encourage adoption of plastic money. This has seen a remarkable uptake of plastic money like debit cards. However credit cards uptake has lagged behind. This formed the backbone of this study. The objective of the study was to determine the influence of consumer attitudes on the uptake of credit cards by customers of commercial banks within Kitengela Township. The study applied descriptive research design. The target population was the customers of Commercial Banks offering credit cards in Kitengela Township. A sample size of 70 customers was selected that is 10 customers from each Commercial Bank under the study. A quantitative approach was used to collect data. A questionnaire was administered to respondents at the Banking halls. The study found out that there is high level of awareness of credit cards as indicated by a mean of 4.92. The study also found out that it is cumbersome to shop with a credit card at a retail outlet as demonstrated by a mean of 4.79. The interest rates charged on credit cards was considered high as indicated by a mean of 4.12. Majority of the respondents disagreed that Banks give complete and sufficient information to consumers. This was noted so by the mean calculated in the analysis of 2.04. All this factors influenced attitude towards credit cards which eventually influenced adoption of credit cards. There was found to be a positive relationship between attitude and adoption of credit cards services. Attitude influence the way people behave and are therefore important for marketers to study them so as to understand how consumers behave. Credit cards contribute positively to customer satisfaction and also they are a good source of generating income it is hence important for Commercial Banks to understand their attitude so as to influence thier uptake. Commercial Banks hence need to improve on Awareness, Knowledge, Feelings, and Attitude towards adoption of credit cards inorder to ensure efficiency in the uptake of credit cards. The researcher recommended further research so as to address the limitation of the study which was only conducted in one urban centre and also involved seven Commercial Banks while Kenya has got forty three Commercial Banks. The study also recommended that Commercial Banks should collaborate with Retail companies to improve customer experience while using credit card Point of Sale machines. Credit cards substitute loans hence there is need for further research to be done on the impact of credit cards on the loan volume granted by the Commercial Banks.

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ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
FDI	Foreign Direct Investment
TRA	Theory of Reasoned Action
USA	United States of America
ATM	Automated Teller Machines
FSD	Financial Sector Deepening
KBA	Kenya Bankers Association
SPSS	Statistical Package for Social Sciences
ANOVA	Analysis of Variance

CHAPTER ONE INTRODUCTION

1.1: Background of the study

Consumer Behaviour entails all consumer activities associated with the purchase, use, and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that determine, or follow these activities. (Kardes, Cronley, & Cline, 2011). Knowing why and how people consume products helps the marketers understand how to improve existing products, what types of products are needed in the market place and how to attract consumers to buy their products. (Blackwell, Miniard & Engel, 2005). Attitudes consist of constant interaction between beliefs, emotions and behaviour. Attitudes influence consumer's purchase and consumption intentions, companies are very interested in knowing about consumer's attitudes toward their products. This is because it will heavily influence how they go about building marketing and promotional campaigns. (Wright Ray, 2006).

The development of the conceptual framework was based on the two theories i.e. Theory of Reason Action (TRA) and Information Integration Theory. (Ajzen & Fishbein, 1980). According to the TRA, two components are expected to influence behavioral intention. These are attitude and the subjective norm. According to TRA theory, behavior is predicted using attitudes toward a specific behavior and subjective norms to form a behavioral intention that determines the actual behavior. The study will also be based on Information Integration theory which explores how attitudes are formed and changed through the integration of new information with existing cognitions or thoughts.

Credit cards allow the cardholder to pay for goods and services based on the holders promise to pay for them. They can also be used for balance transfers and withdrawing money from an ATM. Credit cards enable the holders to obtain credit and withdraw cash up to a prearranged ceiling (Pallister and Isaacs, 2002). Several studies indicates that the use of debit/credit cards have been on the increase over the recent past world over. This rise can be attributed to the improvement in the information technology. (Chorofas 1987; Livy,1981). The use of plastic cards has grown in Kenya over the years. However Kenyans are yet to adopt the culture of using credit cards when carrying financial transactions in comparison to other countries around the world. (Simiyu, Momanyi,

Nasibei, & Odonde, 2012). According to Central of Kenya, in February 2015 there were 200,047 credit cards issued in comparison to 12,266,529 debit cards. This is an indication that Kenyans have not embraced credit cards as fast as the debit cards. It is therefore of research interest to investigate influences of consumer attitude towards credit cards.

Financial Sector Deepening Kenya, FSD (2015) in their research on plastic card money found out that the slow uptake of cards in Kenya is largely attributed to the fact that consumers find card usage cumbersome and they have limited acceptance. This means that problems associated with card payments are found across the whole cycle of payments that is with consumers, merchants, telcos, acquirers, regulators, card producers, card issuers and schemes. It is hence important to understand what the attitude of customers towards credit cards is. This is what formed the motivation to carry out this study. The findings can be used by the Banking industry players to understand how consumer beliefs, emotions and behaviour interact together when forming attitudes about credit cards. This will heavily influence how they go about building marketing and promotional campaigns.

1.1.1: Concept of Consumer Behaviour

Consumer Behaviour examines the products and services consumers buy and use and how these purchases influence their daily lives. Consumer Behaviour is the study of the processes involved when individual or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs or desires. (Solomon, 2013). It is the study of the processes involved when consumers acquire, consume and dispose of goods, services, activities, ideas in order to satisfy their needs and desires. (Noel, 2009). When making purchase decision a consumer is motivated by certain needs and goals. He/she gathers information from the environment and responds to the information according to his predispositions and the influences of the physical, economic, psychological, social and cultural factors. These factors are both internal and external. Internal factors include demographics, psychographics, Personality, motivation, knowledge, attitudes, beliefs and feelings. External influences include culture, sub culture, family, social class, past experience, reference groups, lifestyle and market mix factors. (Hoyer, MacInnis, & Pieters, 2012).

The need to understand buyer or consumer behaviour and reasons for purchase is central to the concept of marketing goods and services to end consumers and business customers (Wright Ray, 2006). Marketers who study consumer behaviour generally desire to influence or change the behaviour of consumers in some way. (Blackwell et al, 2005).

Hawkins & Mothersbaugh, (2012) found out that successful marketing decisions by commercial firms, non-profit Organisations and regulatory agencies require extensive information about consumer behaviour. All marketing strategies and tactics are based on explicit or implicit beliefs about consumer behaviour. Decisions based on explicit assumptions and on sound theory and research are more likely to be successful than are decisions based solely on hunches or intuition.

1.1.2: Concept of Consumer Attitude

Blackwell et al, (2005) argued that attitude are evaluative judgments or ratings of how good or bad, favourable or unfavourable or pleasant or unpleasant consumers find a particular thing, issues, place or person. Attitudes are learned predispositions that project a positive or negative behavior consistently toward various objects. An attitude satisfies a personal motive and at the same time affects the shopping and buying habits of consumers.

Consumer attitudes has three components i.e. Affective, behavioral and cognitive. Affective refers to the emotional reaction towards an object. The affective component focuses on a consumer's emotions or feelings with respect to a particular product or service. It determines an individual's overall assessment of the attitude object in terms of favorableness rating. Behavioral component refers to the way one behaves when exposed to an attitude object. Cognitive component refers to the thoughts and beliefs one has about an attitude object. It is concerned with the likelihood that a consumer will act in a specific fashion with respect to attitude object. The cognitive component is frequently treated as an expression of consumer's intention to buy. (Hawkins & Mothersbaugh, 2012)

Attitudes often follow from belief. When consumers believe that a new product has many features that match their needs they are likely to form positive attitudes about the product.

Attitude relevant to purchase behaviour are formed as a result of direct experience with the product, word of mouth information required from others or exposure to mass advertising, the internet and various forms of direct marketing. (Schiffman & Kanuk, 2010). Attitude influence the way people behave and are therefore important for marketers to study them so as to understand how consumers behave. (Blackwell et al, 2006). Wright Ray, (2006) also argued that it is important for marketing people to understand how consumer beliefs, emotions and behaviour interact together when forming attitudes about products and brands.

1.1.3: Banking industry in Kenya

According to Central Bank of Kenya, Commercial Banks in Kenya are licensed and regulated pursuant to the provisions of the Banking Act, the Company Act and the regulations and prudential guidelines issued there under. They are the dominant players in the Kenyan Banking system and closer attention is paid to them while conducting offsite and onsite surveillance to ensure they are in compliance with the laws and regulations. Central Bank of Kenya (CBK) indicated as at 30th May 2015 the Banking sector comprised 43 commercial banks, 1 mortgage finance company, 10 microfinance banks, 8 representative offices of foreign banks, 86 foreign exchange bureaus, 14 money remittance providers and 2 credit reference bureaus. Out of the 44 institutions, 31 are locally owned and 13 are foreign owned. The locally owned financial institutions comprise 3 banks with significant shareholding by the government and the state corporations, 27 commercial and 1 mortgage finance institution. (CBK, 2015).

The banking industry has undergone tremendous changes in the last two decades. According to CBK (2015), the Banking Sector in the first quarter recorded impressive performance with the size of net assets standing at Ksh. 3.37trillion, loans & advances worth Ksh 2.04 trillion, while the deposit base was Ksh.2.41 trillion and profit before tax of Ksh. 37.3 billion. The number of bank customers' deposit and loan accounts stood at 29,714,738 and 5,354,017 respectively.

Nyamongo, (2009) in his study on credit credit cards discussed that within the Medium Term Plan (2008-2012) of Kenya government under vision 2030, some of the target areas include development of a safe and reliable payments system that will ensure smooth transfer and settlement of funds between customers and banks as well as between banks. Towards this end, the use of mobile phone networks, internet, payment cards, operational resilience and security will be pursued in order to increase trust, integrity and confidence in the ICT based payment systems

Kitengela town is located in Kajiado County just 30 kilometers south of Nairobi. The town is part of the Nairobi Metropolitan Area. According to Kenya National Bureau of Statistics in 2009 census, Kitengela town had an urban population of 8,378 and a total population of 58167. The town hosts 9 commercial Banks. These are Equity Bank, Kenya Commercial Bank, Co-operative Bank, Bank of Africa, Standard Chartered, Eco Bank, National Bank of Kenya, Family Bank and Jamii Bora. This study will focus on seven Banks and will exclude Jamii Bora because it does not offer credit card services.

1.1.4: Credit Cards

Globally, the development of credit card is probably the most significant phenomenon in the banking industry. Since the first credit card was first issued in 1730. There has been a tremendous increase in use of plastic cards in the purchase of goods and services as corporate and individual consumers seek to avoid the inconvenience and risks of cash-based transactions, including fraud, robbery, and violence. (Kiarie, Nzuki, Gichuhi, 2013).

The first plastic card in Kenya was launched in 1967 by Diners club Africa limited. However the peak in usage of cards was not realized until 1980's. The first Credit card in Kenya was issued by Barclays Bank of Kenya. They however have a much longer history in the developed world. Credit card use started in United States of America in 1949 when Diners Club introduced a card that allowed its users to purchase goods and services at a variety of establishments across the United States. Since then the use of credit cards has become not only prolific in the developed world but a rather defining characteristic of consumer spending. The societies have essentially become cashless and consumers are able to pay for most (if not all) goods and services using their credit cards. Nyaga (2012).

Credit cards have several advantages. They offer an alternative method of settling payments by consumers in addition to or in substitution of the use of cash, debit cards and cheque. Credit card offer easy way to credit particularly in case of emergencies. By using credit cards regularly consumers can build credit history that tells potential lenders they can be trusted. Credit holders have access to a variety of rewards and benefits. (Foscht Maloles, Swobodia & Chia, (2009) also said that Credit cards facilitate internet commercial transactions. Overseas hotel reservation and airline purchases are made primarily using credit cards. In this age of globalization, credit cards with global acceptability are the preferred payment method for international travelers and business executives as they reduce the need to exchange and carry various currencies

1.2: Research Problem

Consumer behavior combines factors from psychology, sociology, anthropology and economics and attempts to understand the buyer decision-making process individually and in groups. (Doodoo, 2007). Chaipornmetta, (2010), Soloman, (1999) discussed that one of the main factors that help a company to formulate effective marketing strategies is the knowledge of their customers and market through focusing on their customers, learning more about the market and construction a good relationship between brands and customers. According to Chakravorti, Sujit and Emmons, William R. (2001) companies are interested in knowing consumers attitudes toward their products because this influences consumer purchase and consumption intention. To change people's behavior you must change their intentions to perform. To change intentions, you must change either their attitudes or their norms regarding the behaviour (or both). To change attitude you must change beliefs concerning the behaviour. Attitude is an important concept in social judgments and behaviours and thus is one of the most important concepts in decision making.

Mandell, (1990) described Credit card as a convenient form of payment and are accepted everywhere. It allows consumers to obtain goods and services with the concept of 'buy now, pay later'. There are many advantages of using credit card as a payment instrument. Credit cards allow consumers to borrow money for emergency or for leisure. Credit cards provide convenience, they are easier to carry than check books and more secure to carry

than cash. Credit cards also make consumers avoid Bank charges for ATM charges. Credit cards also help consumers travelling in foreign country because they don't have to carry around foreign currency. The consumers will forgo international ATM fees of cost of travellers' cheque.

Despite all this benefits delivered from credit cards the uptake of credit cards in Kenya has been very low. Moyabi (2013) in his study of factors influencing use of credit cards in Kenyan Commercial Bank, indicated that there has been a campaign to shift from hard currency to plastic money from Central Bank of Kenya and Kenya Credit and Debit card association. For the last two years Central Bank of Kenya has reported a significant increase in use of plastic cards on shopping transactions. The increase in cashless transactions is associated with the expanded coverage of plastic acceptance as a mode of payment in the country. Regardless of the efforts to push adoption of plastic money, credit card adoption has lagged behind other plastic money. CBK in February 2015 reported that only 200,047 credit cards had been issued.

Chang and Hanna, (1992) on their study of consumer credit search behavior, discussed the benefits and costs of search for credit, including immediate benefits such as a lower interest rate and finance charge and indirect benefits including better money management, greater savings and convenience from using appropriate credit and gains in financial knowledge and experience gathered from the search process. Canner and Cynrak, (1986) in their study of determinants of consumer credit card usage patterns among U.S.A families, found out that convenience, easy acceptance and improvement in standard of living and instant purchasing power are widely accepted as reasons for credit card use. A study by Feinberg, (1996) found out that credit cards served the customers satisfactorily since in the event that a customer's wallet or purse was stolen, credit cards offered more protections and recourse than cash hence reduce cash based crimes

Odhiambo & Memba, (2012) in their study on Credit cards and performance of Commercial Banks portfolio in Kenya, found out that credit holders who were dissatisfied, argued that the use of credit card for repayment could be expensive due to hidden monthly charges and when one defaults, credit card attracts more charges. They

also concluded that credit card required maximum discipline or else one could go into bad debt. Nyaga (2012) study on determinants of credit card demand in Kenya revealed that credit card demand is negatively impacted by the presence of reward programmes, the availability of personal loans and the consumers' fear of debt. Gan, Maysami, & Koh, (2008)) in thier study of Credit cards as spending facilitating stimuli, found out that the number of credit cards owned increases the frequency of use or amount of purchases charged to the credit cards.

From the above studies it is evident that no study has been done to study the influences of consumer attitude towards credit cards in Kenya. Similar studies have been undertaken in other countries such as Malaysia, Singapore and USA. The researcher acknowledges that other several researchers have also identified credit cards as their subject of their research; however they have not established what influences consumer uptake of credit cards in Kenya. This study intends to determine what consumers feel, belief and intent on credit cards and what influences those feelings, so that the findings could help in addressing the challenges facing the uptake of credit cards. Hence this study seeks to answer the following questions: What are the influences of consumer attitudes on the uptake of credit cards, by customers of Commercial Banks' in Kitengela?

1.3: Objectives of the Study

The objective of this study is to determine the influences of consumer attitudes on the uptake of credit cards, by customers of Commercial Banks in Kitengela.

1.4: Value of the Study

In order to take adequate measures to revert uptake of credit cards, policymakers need to have a clear understanding of the factors that are likely to increase uptake of credit card. This study aids in such understanding of consumer attitude towards credit cards and factors that influence their uptake. Commercial Banks need to have a clear understanding of consumer attitude towards credit cards and what exactly influences these attitudes. Identifying such influences helps to provide better information to direct future planning of credit card services. Importantly, this study will provide valuable insight for bank managers to effectively plan and oversee credit card services. Retail companies will also be interested to know what the attitude of their customers towards credit cards. This will

help them in planning their method of payments and also how to promote credit cards as a form of payment. The consumers of credit cards will gain knowledge from the study to educate themselves on the impact of holding a credit card.

The study adds to the available pool of knowledge in attitude towards credit cards since the area is still suffering from a dearth of information. In addition, the findings of this study will provide beneficial inputs for further research in this area.

CHAPTER TWO LITERATURE REVIEW

2.1: Introduction

This chapter reviews the literature on customer attitude towards credit cards. This chapter describes the theoretical theories, the concept of credit cards, consumer attitude towards credit cards, factors that influences credit cards practices and benefits of using credit cards.

2.2: Theoretical Foundation

The theory of Reasoned Action and Information Theory describe the formation of attitude.

2.2.1: Theory of Reasoned Action (TRA)

This theory suggests that beliefs are added together to form attitudes and as number of belief increases the amount of favourable attitudes also increases. The theory also suggests that attitudes influence intentions which subsequently influence behaviour. As attitude favourableness toward a product increases, intentions to buy the product increase as a result consumers are more likely to actually purchase the product. Variables other than attitudes also influence intentions. Subjective norms or social rules for behaviour also influence consumer intentions. Attitudes plus normative beliefs influence intentions and as intentions increase consumers are more likely to buy a product. Consumers use attitude formation and subjective norms to form their intentions to purchase and purchase intentions often predict actual purchase. (Kardes, et al., 2011).

Theory of reasoned action is based on the assumption that human beings usually behave in a sensible manner; that they take account of available information and implicitly or explicitly consider the implications of their actions. The theory postulates that a person's intention to perform or not to perform behaviour is the immediate determinant of that action. A person's intention is a function of two basic determinants; one personal in nature and the other reflecting social influence. The personal factor is the individual's positive or negative evaluation of performing the behaviour. The second determinant is the person's perception of the social pressures put on him to perform or not perform the

behaviour in question. Generally people intend to perform behaviour when they evaluate it positively and when they believe that important others think should perform it. (Ajzen & Fishbein, 1980).

2.2.2: Information Integration Theory

Information Integration theory explores how attitudes are formed and changed through the integration (mixing, combining) of new information with existing cognitions or thoughts. The Theory states that when we obtain new information (often from persuasive messages), those new pieces of information will affect our attitudes. They won't replace our existing attitudes. The theory further suggests that that each bit of information has two important qualities, weight and value. Both factors influence our attitudes. Information that is high in value, highly favorable (or highly unfavorable), and high in weight (is very important to us) will have more influence on our attitudes than information low in value or weight. Information with low value (slightly favorable or slightly unfavorable) and low weight will have the least influence on our attitudes. This model forms a theoretical framework for the study of attitude formation towards credit card usage. (Anderson, Norman, & Graesser, 1976).

2.3: Consumer Purchase Behaviour

Consumer behaviour has been always of great interest to marketers. The knowledge of consumer behavior helps the marketer to understand how consumers think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, the reference groups, family, and salespersons and so on. A consumer's buying behavior is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behavior of the consumers. (Brosekhan & Velayutham, 2012).

Kotler, (2008) described consumer behaviour as a multi-step decision-making process where people take part in it and it also include the actions consumers take to satisfy their needs and wants in the marketplace. The study of customer behaviour is therefore mainly focused on consumer buying behaviour, in that the customer plays three essential roles:

user, payer as well as buyer. Peter and Olson (2005) assert that consumer buying behavior can be defined in the light of interactions and exchanges of experiences. They defined that consumer behavior involves the thoughts and feelings people experience and the actions they perform in consumption processes. It also includes comments from other consumers, advertisements, price information, packaging, product appearance; is dynamic, involves interactions and exchanges. Solomon (2009) however takes a more holistic view of the concept encapsulating the marketing of a product offering (broadly defined) from inception to obsolescence, consumer behavior is "the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.

Schiffman and Kanuk (2000) understanding consumer behavior and by defining the firm's business domain as market-oriented, managers and their organizations are able to satisfy consumer needs by monitoring closely evolving lifestyles and trends and anticipate consumer needs. This enables them to respond promptly with products and promotional campaigns to meet those needs. Consumer behavior plays a role in the evaluation of consumer groups with unsatisfied needs or desires. Organizations should not only recognize consumers' unmet needs but also understand whether those needs will be expressed as economically feasible markets and what organizational response is required for success in selling to those markets. (Engel, Blackwell, & Kollat, 1978)

According to Loudon and Bitta (1979), a sound marketing understanding of consumer behavior is essential to the long run success of any marketing program. In fact, consumers and their wants are seen as the cornerstone of the marketing concept, an important orientation or philosophy of many marketing managers. The importance of understanding consumer is further exemplified by Hutt and Speh (1991), who asserts that a core element in firm's capability to achieve and to maintain a competitive advantage is its ability to satisfy the needs of consumers more fully and more rapidly than competitors in the market place. Tyagi & Kumar (2004) urged that an individual's purchase behaviour is influenced by his personality traits, attitudes, perception, motivation, system of the organization where he works and social and cultural factors.

2.4 : Formation of Consumer Attitudes.

(Garrison and Magoon, 1972) defines attitude as “a readiness or predisposition to respond in a certain way and may be inferred from observation and/or measurement” and (Gagne ,1985) operational definition of attitude as “a state that influences or modifies the individual choices of personal action”. Attitudes are dislikes, likes, and feelings for and against something or somebody. They are important because they determine the response of a person or people towards something or somebody. According to Katz (1960), opinion is the verbal expression of an attitude, although attitudes can also be expressed in non-verbal manner. All attitudes include beliefs but not all beliefs are attitudes. The intensity of an attitude refers to the strength of the affective component – feeling for and/or against something or somebody. When specific attitudes are organized into a hierarchical structure, they comprise value systems.

Schiffman & Kanuk, (2000) argued that attitude has three characteristics which are critical to understanding the role of attitudes in consumer behaviour. Attitude as an object represents the summary evaluation of an object. Attitude as a learned predisposition which means attitude are learned. Attitude relevant to purchase behaviour are formed as a result of direct experience with the product, word of mouth information, acquired from others or exposure to mass media advertising, the internet and various forms of direct marketing. Attitudes are relevant consistent with the behaviour they reflect. Despite their consistency attitudes are not necessarily permanent they do change.

Serem (2011) describes attitude as having three components, namely i.e. an affective component, which consists of the individual feelings about the attitude object, a cognitive component, which is the individual’s beliefs or knowledge about the attitude object, a behavioural component, which is the individual’s predisposition to act toward the attitude object in a particular way.

Schiffman & Kanuk, (2010) depicted cognition as the knowledge that is acquired by a combination of direct experience with the attitude object and related information from the various sources. This knowledge and the resulting perceptions commonly take the form of beliefs that is the consumer believes that the attitude object possess various attributes and that specific behavior will lead to specific outcomes. A consumer’s emotion or feelings

about a particular product constitute the affective component of an attitude. Research indicate such emotional states may enhance or amplify positive or negative experiences and that later recollections of such experiences may affect what comes to mind and how an individual acts. Conation is concerned with the likelihood that an individual will undertake a specific action or behave in a particular way with regard to the attitude object.

2.5: Empirical Review

Extensive studies have been done on credit cards worldwide. Brito and Hartley (1995) study on Consumer Rationality and Credit Cards, revealed that when consumers use credit cards as a mode of financing, credit cards compete with bank loans and other forms of financing. They allow consumers to access credit without transaction costs, which also include the time spent when obtaining a loan from a Bank or a financial institution. This convenience makes many consumers to go for credit card advances, rather than going to the Bank to apply for a conventional loan with a lower interest rate.

Yieh, (1996) study showed that there is a significant relationship between age and credit usage, when the head of a householder was younger, the probability of having a negative attitude toward installment debt declined and reaching the lowest point at age 43 and then increasing sharply. Armstrong & Craven, (1993) in his study proved that females tend to have a higher number of credit cards than males but on the other hand they carry lower balances compared to males. According to the study conducted by Jean Kinsey, (1981) the probability of having credit cards and the number held was correlated highly with age and occupation. However these two characteristics were less important than the place of residence, use of checking and savings accounts, and attitude towards credit.

Ahmed, Amanullah & Hamid, (2009) study found a positive relationship between the income level of a person and his/her possession of the credit card. The profession of the person seems to play a very interesting role with their behavior towards credit cards. They further found out that with the increase in the income level, the customers average transaction per month increases. The two variables are positively correlated at a significantly high level Lie, Hunt, Peters, Velu, & Harper, (2010)) found that debtors are more likely to be women than men. Adding to these Xiao, Noring & Anderson, (1995) found that men have more favorable attitudes than women in terms of credit cards use.

Jusoh and Lin, (2012) carried out a study on personal financial knowledge and attitude towards credit cards practices among working adults in Malaysia and found out that education levels are able to influence credit card practices among working adults. The study also showed that there is no significant relationship between personal financial knowledge and credit card practices and also between personal attitude and credit card practices. Experience, friends and family with personal experience are the most important way of learning to use credit effectively and they are also the main sources of financial knowledge. (Hilgert and Hogarth, 2013).

A study by Alhassan, Muhmin & Umar, (2007) indicated that demographics characteristics like gender, age, income, marital status culture and attitude influence credit ownership and usage. Ausubel (1991) study revealed that consumers do not search for low credit card interest rates because they expect to use the cards only for convenience, rather than source of credit. Durkin, (2000), in his study found that consumer's opinions about credit cards varied depending on their use of and experience with cards. Less enthusiastic viewpoints are somewhat more common among those who use credit cards as credit devices rather than primarily as substitutes for cash or checks. Specifically cards were viewed less positively by those who had three or more cards and had an outstanding balance of more than \$1500 have transferred a balance between cards, hardly ever pay their outstanding balance in full, hardly ever pay more than the monthly minimum or have received a collection call. Other researches on the credit card market have been focused on revenue contribution of credit cards to the banking sector. Nash (1993) found out that credit card lending specialization gives higher and more volatile returns than achieved by banks with conventional product mixes. Odhiambo, Memba, (2012) study on credit cards and performance of Commercial Banks portfolio in Kenya revealed that the adoption of credit cards has a strong effect on the overall banking performance in relation to customer satisfaction and revenue generation.

CHAPTER THREE RESEARCH METHODOLOGY

3.1: Introduction

This chapter outlines the method that was used for the study. The chapter describes the research design, target population and data collection and analysis methods.

3.2: Research Design

A research design helps to control the experimental, extraneous and error variables of a particular research problem being investigated. The study employed descriptive design. This design allowed a depth analysis of the attitudes that influence adoption of credit card and able to generalize the findings to the study population. The purpose of descriptive design according to Ezeani (1998) is to collect detailed and factual information that describes existing phenomenon.

3.3: Target Population

The study was carried out in Kitengela Township. The target population of the study was customers of the 8 Commercial Banks that offer credit card services in the town. The number of customers in each Bank could not be obtained. The total population was unknown. According to Mugenda and Mugenda (2003) population refers to an entire group of individuals, events or objects having a common observable characteristic. Mugenda and Mugenda (2003) explain that the target population should have observable characteristics to which the researcher intends to generalize the result of the study.

3.4: Sample Selection

The population of this study was unknown hence the formula of calculating of unknown population was used to calculate the sample size. The formula is $\text{Sample Size} = (Z\text{-score})^2 * \text{StdDev} * (1\text{-StdDev}) / (\text{margin of error})^2$. Where Z-score is the confidence level, stddev is the standard deviation and the margin of error is the confidence interval.

For the purpose of this study a 95% confidence level, 0.5 standard deviation, and a margin of error (confidence interval) of +/- was chosen. The sample size is then calculated as below:

$$((1.96)^2 \times .5(.5)) / (.05)^2$$

$(3.8416 \times .25) / .0025$

$.9604 / .0025$

384.16

The population that was expected to be used is 385. Because of constrain of time and money the study used a sample size of 70. This was 10 respondents from each Bank. Purposive sampling method was used for selecting the respondents. This method was selected because the list of customers could not be obtained to allow probability sampling.

3.5 : Data Collection

A quantitative approach was used for collecting data. A questionnaire consisting of a five-point Likert scale was used to measure subjects' attitude towards credit cards. The questionnaire consists of four parts: Section one: this section collected the demographic variables. Section two: this section measured the cognitive component of attitude and also measured level of awareness and knowledge of credit cards. Section Three: this section evaluated the affective component i.e. the feelings of the consumer towards credit cards. Section four: measured the conative components i.e. the attitude towards adoption of credit cards.

The self-administered questionnaire was issued to selected customers through convenience sampling. The respondents were selected randomly from the Banking halls.

3.6: Data Analysis

Descriptive and inferential statistics such as measures of central tendency, ANOVA, regression along with percentages was used to organize and summarize numerical data whose results was presented in tables, pie charts, column and bar graphs. Descriptive and inferential statistics was selected in order to identify the differences of attitudes with the different customer characteristics and their influences on credit card uptake. The statistical package for social sciences (SPSS) was used to aid in analyzing data.

CHAPTER FOUR DATA ANALYSIS, RESULTS AND DISCUSSION

4.1: Introduction

This chapter is a presentation of results and findings obtained from field responses and data, broken into two parts. The first section deals with the background information, while the other section presents findings of the analysis, based on the objectives of the study as explored by the questionnaires where both descriptive and inferential statistics have been employed.

4.2: Response Rate

It was noted from the data collected, out of the 70 questionnaires administered to the customers of Commercial Banks, 60 questionnaires were completed. This represented an 85.71% response rate, which is considered satisfactory to make conclusions for the study as shown in Table 4.1. According to Mugenda .A and Mugenda. L (2003) a 50% response rate is adequate, 60% good and above 70% rated very well. This also collaborates with Bailey (2000) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertion; the response rate which was calculated in this case was according to Mugenda .A and Mugenda. L & Bailey very good.

Table 4.1: Response Rate

Response rate	Frequency	Percentage
Complete Questionnaires	60	85.71%
Incomplete questionnaires	10	14.29%
Total	70	100%

4.3: Pilot Test

To establish validity, the research instrument was given to experts who were experienced to evaluate the relevance of each item in the instrument in relation to the objectives. The same were rated on the scale of 1 (very relevant) to 4 (not very relevant). Validity was determined by use of content validity index (CVI). CVI was obtained by adding up the items rated 3 and 4 by the experts and dividing this sum by the total number of items in the questionnaire. A CVI of 0.776 was obtained. Oso and Onen (2009), state that a validity coefficient of at least 0.70 is acceptable as a valid research hence the adoption of the research instrument as valid for this study.

The questionnaires used had Likert scale items that were to be responded to. For reliability analysis Cronbach's alpha was calculated by application of SPSS. The value of the alpha coefficient ranges from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/or multi-point formatted questionnaires or scales (i.e., rating scale: 1 = poor, 4 = excellent). A higher value shows a more reliable generated scale. Cooper & Schindler (2008) indicated 0.7 to be an acceptable reliability coefficient. Since, the alpha coefficients were all greater than 0.7, a conclusion was drawn that the instruments had an acceptable reliability coefficient and were appropriate for the study.

4.4: Demographic Information

The demographic data seeks to establish the general information of the respondents. From the questionnaire, the following demographic statistics were established, gender of the respondents, age bracket of the respondents, highest level of education and the ownership of credit cards. They are explained in the subsections below.

4.4.1: Gender of the Respondents

This section shows the gender disparity in the respondents. The study sought to determine the gender distribution of the respondents in order to establish if there is gender disparity of the customers in the Commercial Banks chosen for the study in Kitengela. From the findings as indicated in Figure 4.1, majority (58.33%) were male respondents with (41.67%) being female respondents. The study deduced that there were more male

respondents than female respondents but the disparity was not large enough to create any biasness on the study on influence of consumer attitudes on the uptake of credit cards by customers of Commercial Banks within Kitengela Township.

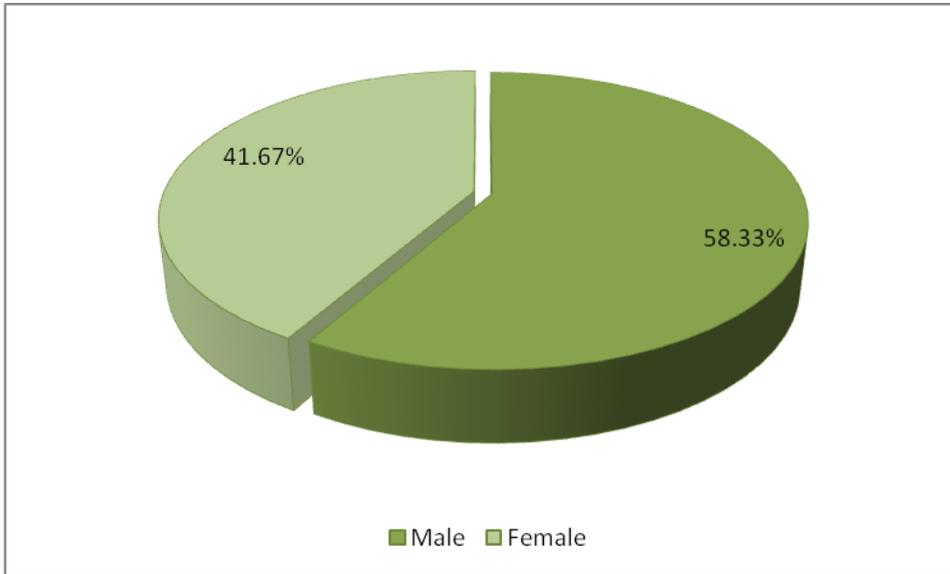


Figure 4.1: Gender of the respondents

4.4.2: Age brackets of the Respondents

This section sought to determine the ages of the respondents at the Commercial Banks in Kitengela Township. The findings are shown in Figure 4.2

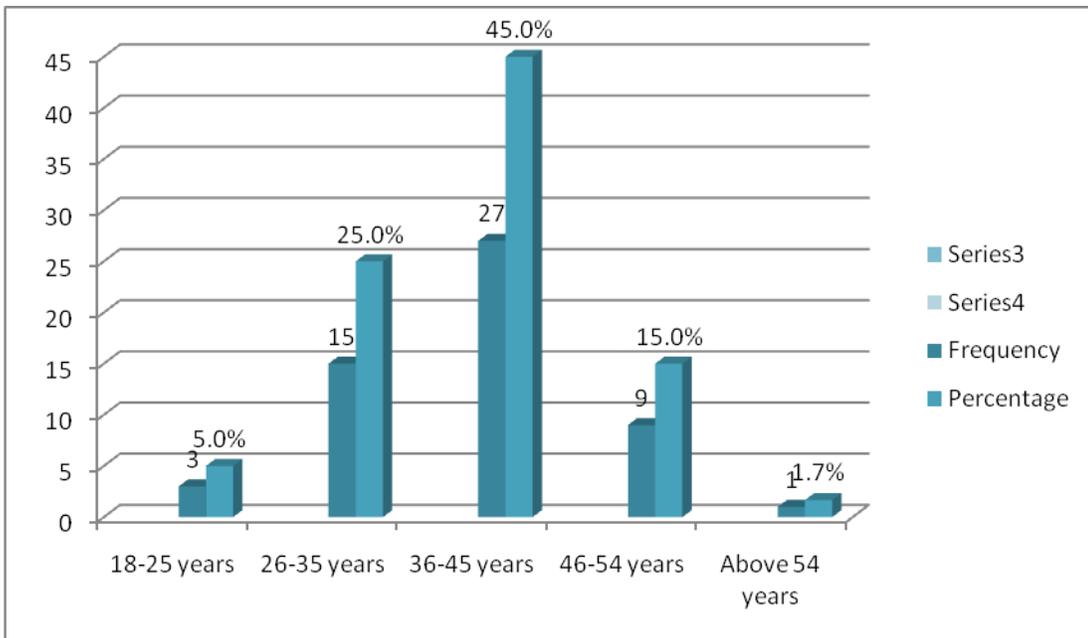


Figure 4.2: Age bracket of the Respondents

From the findings, it was noted that most respondents were aged between 36-45 years. This was noted so since the highest frequency of the respondents (27) stated so, this calculated to 45.0%. Closely after were respondents who stated that they were aged between 26 and 35 years which covered 25% of all the respondents. This age bracket was noted to have a frequency of 15 respondents. 15.0% of all the respondents were noted to be aged between the ages of 46 and 55 years old. This was calculated from a frequency of 9 respondents. 3% of the respondents stated that they were aged between 18-25 years old while the least group was of respondents who stated that they were aged above 54 years. From the findings, it can be inferred that the respondents were old enough to provide reliable insights relevant to the study.

4.4.3: Highest Level of Education of the Respondents

The study sought to determine the highest level of education of the respondents taken in the Commercial Banks in Kitengela Township. The Figure 4.4 shows the findings on the level of education of the respondents.

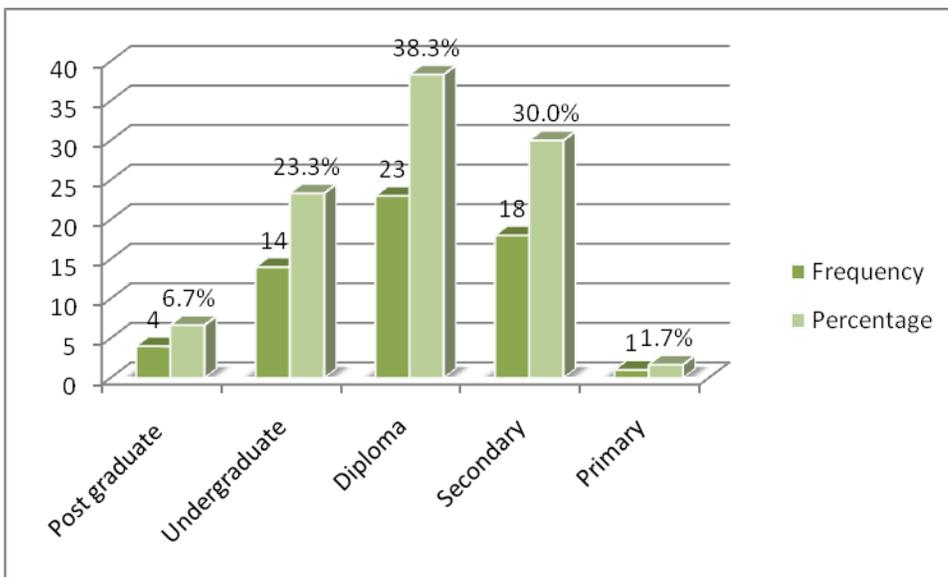


Figure 4.3: Level of Education

From the responses in the questionnaires it was noted that majority of the respondents (58.3%) indicated to have a diploma as their highest form of education. This was closely followed by respondents who stated that their highest level of education was secondary

school education. This covered a frequency of 18 respondents and was about 30.0% of the total respondents. Respondents who stated that they had their highest level of education as an undergraduate degree followed closely after with a frequency of 14 respondent which was calculated to be 23.3% of the total respondents. 6.7% of the respondents indicated that their highest level of education was a post graduate degree while the least response was of respondents who indicated that their highest level of education was primary school education. The study, from this findings could generally infer that most respondents were well educated and knowledgeable to provide the theoretical information relating to the influence of consumer attitudes on the uptake of credit cards by consumers of Commercial Banks in Kitengela Township.

4.4.4: Ownership of Credit Cards

The study sought to determine whether any of the respondents taken in the sample owned a credit card. The findings are shown in the Figure 4.4 below

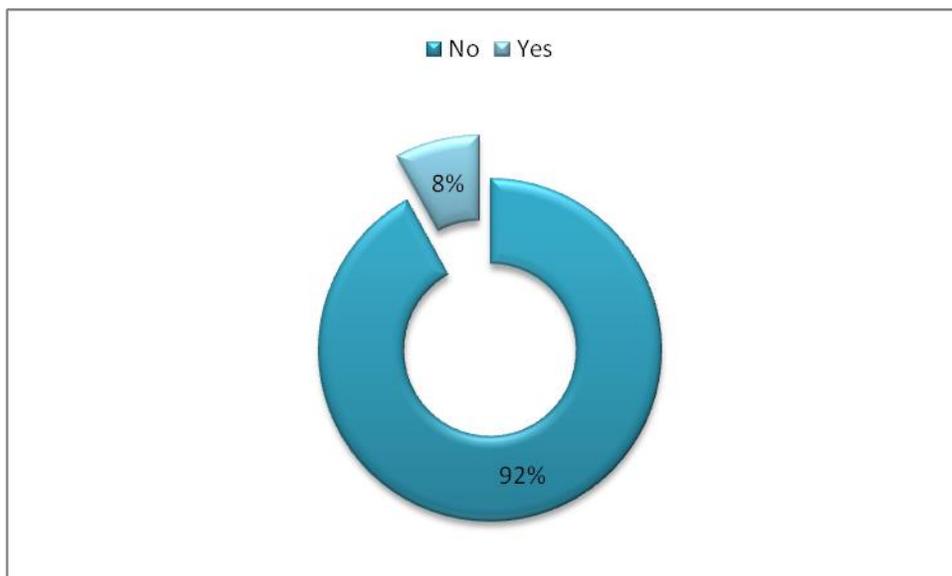


Figure 4.4: Ownership of Credit Cards

From the analysis of the findings it was noted that majority of the respondents (92%) of the respondents indicated that they did not own a credit card while only a mere (8%) of the respondents indicated that they owned a credit card. From the findings it was accurate to note that the most respondents had not used a credit card and

would therefore provide information on consumer attitudes on the uptake of credit cards of Commercial Banks in Kitengela Township as most of them were not consumers.

4.5: Descriptive Statistics

The study sought to establish the influence of consumer attitudes on the uptake of credit cards by consumers of Commercial Banks in Kitengela Township. The respondents were asked to Rate how they felt about different variables related to the attitude of the uptake of credit cards in a five point Likert scale. The range was from strongly agree (5) to ‘strongly disagree’ (1. The score of 1 represented “strongly disagree” 2 represented “disagree”, 3 represented “neutral”, 4 represented “agree” and five represented “strongly agree”

4.5.1: Awareness & Knowledge

The study sought to determine whether awareness and Knowledge had any influence on the uptake of credit cards in commercial banks. The Table 4.7 shows the findings of from the respondents.

Table 4.2: Awareness and Knowledge

Awareness and Knowledge		
	Mean	Std. Dev.
I am aware of what a credit card is.	4.92	0.05
I am aware of where I can apply for a credit card	4.55	0.16
I am aware my Bank offers credit cards services	4.52	0.21
My Bank provides complete and sufficient information on credit cards.	2.15	0.325

From the analysis of the in the SPSS, majority of the respondents indicated that they were aware of what a credit card is. This was noted by the highest mean calculated of highest of mean (4.92) meaning that majority of the respondents strongly agreed that they were

aware of what a credit card is. The standard deviation calculated from the analysis of 0.05 indicated a dismal variation in the responses from the respondents. Also noted was that a great number of the respondents strongly agreed that they were aware of where they can apply for a credit card. This was supported by the mean value calculated of 4.55. The standard deviation calculated of 0.16 indicated uniformity in the responses from the respondents. A significant number of the respondents indicated they were aware their Bank offers credit cards services. This was inferred from the mean value calculated in the analysis of 4.52. The standard deviation of 0.21 calculated in the SPSS indicated that majority of the respondents were of a similar opinion. The study also noted that majority of the respondents indicated that their bank did not provide complete and sufficient information on credit cards. This was noted by the mean calculated of 2.15 which implied that most respondents disagreed with the statement their banks provided sufficient information on credit cards. The standard deviation calculated of .325 indicated little variation in the responses. The study thus saw the need to provide sufficient knowledge and awareness on the uptake of credit cards in Commercial Banks in Kitengela Township.

4.5.2: Feelings towards credit cards.

The study sought to establish the influence of the consumers’ feelings on the uptake of credit cards in Kitengela Township. The findings are illustrated in Table 4.3,

Table 4.3: Influence of Feelings toward Credit Cards

	Mean	Std. Dev
I like Credit cards because they provide an additional line of credit	4.26	0.21
Credit cards are more convenient to use in comparison to other mode of payments.	4.33	0.48
It is easy to get a credit card from a Bank.	3.98	0.79
It is cumbersome to shop with a credit card at a retail outlet.	4.79	1.09

Banks give complete and sufficient information to consumers	2.04	0.29
Credit cards terms and condition are favourable.	3.61	0.45
The interest rates charged on credit cards are high.	4.12	0.45
One is hesitant to use credit cards transactions because they often fail when one is carrying out transactions.	4.22	0.19
Many people do not apply for credit card for fear of debt.	3.89	.49
Owning a credit card makes one more confident because it is a status symbol in society.	4.44	0.36

Based on the analysis in Table 4.3, it was noted that majority of the respondents strongly agreed that it is cumbersome to shop with a credit card at a retail outlet. This was noted true from the mean calculated in the SPSS of 4.79. The standard deviation calculated of 4.79 indicated uniformity in the responses from the respondents. Also established in the analysis was that majority of the respondents indicated that they like Credit cards because they provide an additional line of credit. This was noted by the mean calculated in the analysis of 4.26. The standard deviation of 0.21 indicated uniformity in the responses from the respondents. The study also established that most respondents strongly agreed that one is hesitant to use credit cards transactions because they often fail when one is carrying out transactions. This was noted so by the mean of 4.33 and the standard deviation of 0.29 indicated that most respondents were of a similar opinion.

Most respondents also agreed that credit cards are more convenient to use in comparison to other mode of payments as noted by the mean of 4.22. The study noted that majority of the respondents disagreed that Banks give complete and sufficient information to consumers. This was noted so by the mean calculated in the analysis of 2.04. The standard deviation calculated of 0.29 indicated little variation from the mean and uniformity in the responses.

4.5.3: Influence of Attitude Towards Adoption of Credit Cards

The study sought to determine the influence of attitude on the adoption of credit card services. The findings are illustrated in Table 4.9,

Table 4.4: Attitude towards Adoption of Credit Cards

Attitude		
	Mean	Std. Dev
I definitely will apply for a card in the future	4.35	0.94
Credit card services allow small short-term loans to be quickly made hence motivate their adoption.	4.25	0.58
Banks offer many type of credit cards in order to improve on the consumer's attitude and facilitate adoption of the credit card services.	4.10	0.87
Banks have adopted Chip-and-PIN technology to reduce fraud this has resulted in positive customer attitude towards credit cards and hence motivated them to adopt credit cards.	3.96	1.85
The loyalty programs implemented by Banks have improved the attitude and adoption of the credit cards.	4.13	0.43

From the analysis of the in Table 4.4, it was established that majority of the respondents indicated that they would definitely apply for a card in the future. This was noted true from the mean calculated in the SPSS of 4.35. The standard deviation calculated of 0.94 indicated uniformity in the responses from the respondents. Also established in the analysis was that majority of the respondents indicated Credit card services allow small short-term loans to be quickly made hence motivate their adoption. This was noted by the

mean calculated in the analysis of 4.25. The standard deviation of 0.58 indicated uniformity in the responses from the respondents. The study also established that most respondents strongly agreed that several credit cards are geared to improve on the consumers' attitude and facilitate adoption of the credit card services. This was noted so by the mean of 4.10 and the standard deviation of 0.29 indicated that most respondents were of a similar opinion.

The study also noted that most respondents also agreed that Chip-and-PIN credit cards designed to reduce fraud are motivating the attitude and adoption of the credit card services as noted by the mean of 3.96. It was thus generally noted that the attitude of consumers influenced the uptake of credit cards by consumers in commercial banks.

4.6: Inferential Statistics

This section presents a discussion of the results of inferential statistics. Correlation analysis was used measure the strength of the relationship between the independent variables i.e. the relationship between Awareness & Knowledge, Feeling and Attitude towards adoption of credit cards. Regression analysis established the relative significance of each of the variables on uptake of credit cards in commercial banks.

4.6.1: Correlation Analysis

The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) is a measure of the strength of a linear association between two variables and is denoted by r . The Pearson correlation coefficient, r , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases.

Table 4.5: Correlation coefficient Organization Resources

	Awareness & Knowledge	Feelings towards credit cards	Attitude towards adoption
Awareness & Knowledge	1		
Feelings towards credit cards	0.8345	1	
Attitude towards adoption	0.8507	0.8679	1

The study established that there was strong positive relationship between feelings towards credit cards and the Attitude towards adoption (correlation coefficient 0.8679), Awareness & Knowledge and Attitude towards adoption (correlation coefficient 0.8507), Awareness & knowledge and feelings towards credit cards (correlation coefficient 0.8345). The study established generally that there was a significant correlation between each independent variable with the other but no autocorrelation was detected hence the variables were relevant in the study of the uptake of credit cards by consumers in commercial banks.

4.6.2: Regression Analysis

The following are the results of regression analysis.

Table 4.6: Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.913 ^a	.834	0.769	.475764

a. *Predictors:* (Constant), Awareness & Knowledge, Feelings towards credit cards, Attitude towards adoption.

b. *Dependent Variable:* Uptake of credit cards.

Analysis in table above shows that the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables) R square equals 0.834, that is, (Awareness & Knowledge, Feelings towards credit cards and Attitude towards adoption) when put together explained 83.4% changes in the uptake of credit cards by consumers of Commercial Banks in Kitengela.

4.6.3: Analysis of Variance (ANOVA)

The researcher sought to compare means using analysis of variance. ANOVA findings (P-value of 0.00) in table 4.6 show that there is correlation between the predictors' variables (Awareness & Knowledge, Feelings towards credit cards and attitude towards adoption) and the response variable (uptake of credit cards).

Table 4.7: Analysis of Variance (ANOVA)

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.852	4	.213	1.242	.000
Residual	20.35	119	.171		
Total	22.64	123			

Predictors: (Constant), Awareness & Knowledge, Feelings towards credit cards, Attitude towards adoption.

Dependent Variable: Uptake of credit cards.

4.9: Regression coefficients

Table 4.8 shows the results of the regression coefficients required to form the multiple regression models.

Table 4.8: Regression coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	0.903	0.123		7.367	0.000

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	0.903	0.123		7.367	0.000
Awareness & Knowledge	0.56	0.028	0.158	2.021	0.045
Feelings towards credit cards	0.58	0.027	0.101	1.157	0.210
Attitude towards adoption.	0.36	0.030	0.105	1.194	0.234

a. Dependent Variable: Uptake of credit cards

b. Predictors: (Constant), Awareness & Knowledge, Feelings towards credit cards and Attitude towards adoption.

From the Regression results in table below, the multiple linear regression models finally appear as;

$$Y = 0.903 + 0.56X_1 + 0.58X_2 + 0.36X_3 + 0.123$$

Where:

X₁ = Awareness & Knowledge

X₂ = Feelings towards credit cards

X₃ = Attitude towards adoption

The multiple linear regression models indicate that all the independent variables have positive coefficient. The regression results above reveal that there is a positive relationship between dependent variable (uptake of credit cards) and independent variables (Awareness & Knowledge, Feelings towards credit cards, and Attitude towards adoption). From the findings, one unit change in Awareness and Knowledge results in

0.56 units increase in uptake of credit cards. One unit change in feelings towards credit cards results in a 0.58 increase in the uptake of credit cards. A unit increase in attitude towards adoption results to a 0.36 unit increase in the uptake of credit cards.

The t-test helps in determining the relative importance of each variable in the model. As a guide regarding useful predictors, we look for t values well below -0.5 or above +0.5. In this case, the most important variables were feelings towards credit cards, awareness and Knowledge and attitude towards adoption respectively.

CHAPTER FIVE SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1: Introduction

This chapter presents the summary of finds, conclusion, recommendations and suggestions for further research derived from the findings. The chapter also presents the limitations that were encountered with suggestions for further research.

5.2: Summary of Findings

The objective of the study was to determine the influence of consumers' attitudes on the uptake of credit cards by consumers of Commercial Banks in Kitengela Township. The study findings noted that majority of the respondents (92%) indicated that they did not own a credit card while only a mere (8%) of the respondents indicated that they owned a credit card hence a need to provide information on the influence of consumer attitudes on the uptake of credit cards by customers of Commercial Banks.

From the analysis in the SPSS, majority of the respondents indicated that they were aware of what a credit card is. This was noted by the highest mean calculated of (4.92). This indicated that majority of the respondents strongly agreed that they were aware of what a credit card is. The standard deviation calculated from the analysis of 0.05. A significant number of the respondents indicated they were aware their Bank offers credit cards services. This was inferred from the mean value calculated in the analysis of 4.52. The standard deviation of 0.21 calculated in the SPSS indicated that majority of the respondents were of a similar opinion. The study thus saw the need to provide sufficient knowledge and awareness on the uptake of credit cards in Commercial Banks in Kitengela Township. This is in accordance to Kotler, (2008) who noted that consumer behaviour as a multi-step decision-making process where people take part in it and it also include the actions consumers take to satisfy their needs and wants in the marketplace

Based on the analysis of the findings, it was noted that majority of the respondents strongly agreed that it is cumbersome to shop with a credit card at a retail outlet. This was noted true from the mean calculated in the SPSS of 4.79. The standard deviation calculated of 4.79 indicated uniformity in the responses from the respondents. Generally

from the analysis of the findings that the feelings of consumers towards adoption influenced the credit cards uptake in commercial banks.

Also noted from the analysis of findings was that attitude influenced the uptake of credit cards by consumers of commercial banks. This was noted true by the responses from the questionnaires. For instance, majority of the respondents indicated that they would definitely apply for a card in the future. This was noted true from the mean calculated in the SPSS of 4.35. The standard deviation calculated of 0.94 indicated uniformity in the responses from the respondents. Also established in the analysis was that majority of the respondents indicated Credit card services allow small short-term loans to be quickly made hence motivate their adoption. This was noted by the mean calculated in the analysis of 4.25. The standard deviation of 0.58 indicated uniformity in the responses from the respondents. This was in agreement with Garrison and Magoon (1972) who said that attitude influences or modifies the individual choices of personal action.

The regression results revealed that there is a positive relationship between dependent variable (uptake of credit cards) and independent variables (Awareness & Knowledge, Feelings towards credit cards, and Attitude towards adoption). While the Analysis showing the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables) R square calculated to 0.834, which indicated, (Awareness & Knowledge, Feelings towards credit cards and Attitude of credit card adoption) when put together explained 83.4% changes in the uptake of credit cards by consumers of Commercial Banks in Kitengela.

5.3: Conclusion

The study concluded that there is high level of awareness of credit cards as indicated by a mean of 4.92. The study also found out that it is cumbersome to shop with a credit card at a retail outlet as demonstrated by a mean of 4.79. The interest rates charged on credit cards was considered high as indicated by a mean of 4.12. Majority of the respondents disagreed that Banks give complete and sufficient information to consumers. This was noted so by the mean calculated in the analysis of 2.04. There was found to be a positive relationship relationship between attitude and adoption of credit cards services. The Commercial Banks hence need to improve on Awareness, Knowledge, Feelings, and

Attitude towards adoption of credit cards in order to ensure efficiency in the uptake of credit cards.

The findings is consistent with Schiffman & Kanuk, (2010) who said that Attitude influence the way people behave and are therefore important for marketers to study them so as to understand how consumers behave. Credit cards contribute positively to customer satisfaction and also they are a good source of generating income it is hence important for Commercial Banks to understand their attitude so as to influence thier uptake.

5.4: Recommendations from the study

Commercial Banks should collaborate with Retail companies to improve customer experience while using credit card Point of Sale machines. Most transactions by consumers takes place at shopping malls and petrol stations. Currently very few consumers hold credit cards due to the poor experience and lack of sufficient information . Commercial Banks should carry out heavy awareness campaigns in order to expand the market segments for consumers who are qualified to use credit cards so as to improve the consumers attitude on the uptake of credit cards. However, both standard and enhanced due diligence should be conducted before issuing credit cards to consumers. Banks should also enhance credit risk management by incorporating high technology to mitigate cases of fraud and credit loss provisions and so as to encourage the adoption credit card services. The Central Bank of Kenya should revise the policies and regulation of credit cards so as to improve the terms and conditions for Credit card offered by Banks.

5.5: Limitation of the Study

The study used a sample of seven Commercial Banks in Kitengela Township. However, the sample size used is not representative of the population of the study considering that there are over forty three Commercial Banks in Kenya. Inference from the finding would therefore be misleading for policy makers. The researcher encountered quite a number of challenges related to the research and most particularly during the process of data collection. Due to inadequate resources, the researcher conducted this research under constraints of finances and therefore collected data from one urban center. Lack of cooperation is undoubtedly the greatest challenge that was witnessed by the researcher. Respondents were naturally suspicious and uneasy when directed to cooperate in a study

that they were not aware of its consequences. To further calm and set at ease the respondents, the researcher explained the nature of the study and its intended purpose and that it was purely an academic undertaking and that information divulged would be held in confidentiality by the researcher.

5.5. Suggestions for Further Research

Future studies should use a representative sample of the Commercial Banks in investigating the the influence of consumers attitude on the uptake of credit cards by ccustomers of Commercial Banks. Although the Commercial Bank customers were fit for giving reliable data, there's a possibility that the information from these customers was not the only source of information. It may be vital to use information from the Bank Managers and compare with views from other stakeholders like the competitors and suppliers.

Credit cards provide an easy access to money which consumers can repay with interest after a certain period of time. Credit cards therefore substitute loans hence there is need for further research to be done on the impact of credit cards on the loan volume granted by the Commercial Banks.

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SECTION THREE: FEELINGS TOWARDS CREDIT CARDS

Please indicate the extent to which you agree or disagree with the following statements

1=not at all 2=small extent 3=moderate extent 4=Great extent 5=very great extent

	1	2	3	4	5
I like Credit cards because they provide an additional line of credit					
Credit cards are more convenient to use in comparison to other mode of payments.					
It is easy to get a credit card from a Bank.					
It is cumbersome to shop with a credit card at a retail outlet.					
Banks give complete and sufficient information to consumers					
Credit cards terms and condition are favourable.					
The interest rates charged on credit cards are high.					
One is hesitant to use credit cards transactions because they often fail when one is carrying out transactions.					
Many people do not apply for credit card for fear of debt.					
Owning a credit card makes one more confident because it is a status symbol in society.					

SECTION D: ATTITUDE TOWARDS ADOPTION OF CREDIT CARD SERVICES

Indicate to what extent you agree with the following statements in relation to attitude of consumers on the uptake credit cards in a likert scale form as shown.

1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly agree

	1	2	3	4	5
I definitely will apply for a card in the future					
Credit card services allow small short-term loans to be quickly made hence motivate their adoption.					
Banks offer many type of credit cards in order to improve on the consumers' attitude and facilitate adoption of the credit card services.					
Banks have adopted Chip-and-PIN technology to reduce fraud this has resulted in positive customer attitude towards credit cards and hence motivated them to adopt credit cards.					
The loyalty programs implemented by Banks have improved the attitude and adoption of the credit cards.					

14. What are some of the challenges you have faced while accessing credit card services?

15. How can you advice the bank to overcome these challenges?

THANK YOU!!

APPENDICES II: LIST OF BANKS

1. Equity Bank
2. Ecobank Kenya
3. Cooperative Bank of Kenya
4. Kenya Commercial Bank
5. Bank of Africa
6. Standard Chartered Bank
7. Family Bank
8. National Bank of Kenya