ABSTRACT

Demographic Segmentation Analysis and the Usage Pattern of Credit Card Holder Based on Payment Method

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The objective of this research is to identify demographic segmentation of credit card holder based on payment pattern and related variables that differentiate both groups. Data source in this research is 1976 secondary data extracted from nine cities; Jabotabek (Jakarta, Bogor, Tangerang, dan Bekasi), Bandung, Semarang, Surabaya, Medan, Palembang, Denpasar, Makasar, dan Manado. This research shows that 38.8% respondents pay cash (group 1) while the rest (61.2%) prefer to pay credit (group 2). Discriminant analysis shows that there is a significant difference between these two groups. Variables which differentiate the two groups are expenditure, income, number of credit cards, transaction in average, education and occupation (employees, government official, and entrepreneur). There is a significant difference in respondents’ consideration in choosing credit cards issuer; respondent with the full payment prioritize service factor, comparing to those with credit payment prioritize interest factor. This research also shows that there is a tendency that respondents have more than one credit card. The three main reasons of this fact are respondents are interested to apply for another credit card offered by good sales person, lower interest rate, and over limit of the old credit card. Variables used in discriminant model are income, number of credit cards, transaction and occupation (entrepreneur). There is a big percentage difference between group with credit payment; 60.8% prefer to defer while the rest 39.2% not. The main reason why respondents defer their payment is the lack of cash. Credit card issuer should put more attention on recruiting new credit card customers to avoid or lessen the possibilities of embraced non-potential customers who prefer to defer with inability to pay.