

## Credit Card Market in Dhaka City: An analysis of the Issuers, existing card holders and merchants

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### Abstract

*Information technology (IT) has changed most of the functions in banking business. Now-a-days, most of banking activities are being conducted based on electronic banking. E-banking such as the use of credit card has changed banking habit of the customers and activities of the bankers. The present study provides a brief idea about credit card facility of the banks in Dhaka, the different aspects of credit cards and customer satisfaction from existing credit card users and problems faced by cardholders and merchants in order to get a clear picture about overall credit card market in Dhaka City. Primary data have been collected from 122 cardholders, 25 merchants and 8 card offering organizations. Problems and prospects of this study have been identified from their views. The findings reveal that card market is in booming condition and it has high potentiality in Bangladesh. Recommendations have been drawn for issuers and merchants so that they can sustain existing cardholders, increase prospective cardholders and expand the overall market.*

**Keywords:** Acquirer, Issuer, Merchant, Cardholder.

### 1. Introduction

Credit Card is an electronic based plastic card bearing an account number assigned to a cardholder with a credit limit that can be used to purchase goods and pay for services with a credit facility and without cash/currency note transactions from the appointed merchants of issuer of the card and to obtain cash disbursements on credit, for which the card holder is subsequently billed by an issuer for repayment of credit extended at once or on an installment basis. It is argued that markets are competitive when consumers have a significant range of options, including with respect to price. Therefore, Credit card market in Bangladesh might be considered competitive, although there is a high degree of similarity in banks' offerings. However, today, most observers agree that credit cards offer unique benefits to consumers and merchants and profit opportunities to banks. In this paper we try to give an idea about the present status of credit card market, response of the credit issuers, card holder and merchants from different aspects and find out the problems and draw some recommendations. This study reveals through its three chapters. First section of this study shows present status of the credit card issuers. The second section painstakingly attempts to demonstrate the consumer reaction to credit card. In the third section, the present situation of the Merchant has been attempted to find out.

### 2. Objectives of the study

The objective of this paper is to analyze the credit card market of Dhaka City from the perspective of issuers, cardholders and merchants. Specifically the study is aimed at: (i) providing an understanding of the present status of Credit Cards in Dhaka (ii) Evaluating the past performance of different outcome (iii) Reviewing the effect of existing facilities (iv) Recommending the ways and means to enhance the satisfaction level of cardholders.

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### **3. Literature Review**

Credit cards offer the most flexible form of short-term borrowing and repayment terms available. Credit cards are a widely used source of convenient credit for restaurants, hotels, mail order, on-line shopping, gasoline stations, grocery stores, dental and medical care, church bazaars, as well as telephone and television advertised products. There are many advantages of using credit cards, but the consequences of misuse can be drastic and painful. (McKenna, J and Makela, C,/ 2005). Even though most households pay more than the minimum each month, more and more people find themselves perpetually indebted to the credit card industry (Center for Responsible Leading, A resource for predatory lending opponent). The pressures of globalization are rapidly driving convergence in card usage, except in those countries that have adopted substantial "speed bumps" to slow the growth of cards (Ronald J.Mann, 2004). Households are more likely to be rejected or to be granted a lower-than-desired credit limit when applying for new credit, and so may find it difficult to switch from one card issuer to another (Calem, Mester, 1994). There might be no competition on the interest rate and credit limit, even if more than one firm is in the market and even if the consumer accepts only one card.(Elif Incekara,2006). A low introductory card rate (teaser rate) is an effective way to avoid the adverse selection problem when asymmetric information is mainly about the future-period, as opposed to the present-period, riskiness of borrowers ( SangkyunPark,2000). McKenna and Makela, advised to compare fees, terms, and interest rates of at least three lenders when selecting a credit card. Credit cards provide benefits to consumers and merchants not provided by other payment instruments as evidenced by their explosive growth in the number and value of transactions over the last 20 years. (Sujit Chakrabarti,2003). In a recent study regarding the selection of credit card issuer Thomson (2006) found that 36 per cent of the customers thought the interest rates it offered and across cardholders from all providers this fell to 22 per cent. Around 17 per cent of people said they had chosen their credit card because they had an existing relationship with the provider, while 10 per cent said they had opted for a particular card because it had been offered to them. Routledge mentioned that, a low interest rate did not seem to be top of the agenda for customers, despite the much reported phenomenon of "rate tarts" (customers who jump from card to card to take advantage of low-rate introduction offers). American Express ranks highest among credit card issuers in overall customer satisfaction, according to the J.D. Power and Associates 2007 Credit Card Satisfaction Study SM released recently. The inaugural study measures customer satisfaction with credit cards by examining five key factors. In order of importance, they are: benefits and features (34%); rewards (25%); billing and payment process (21%); fees and rates (16%); and problem resolution (4%).

Though the use and importance of credit card is increasing day by day, no work has yet been done in Bangladesh about credit card market. The present study is the pioneer in that sense which aims to analyze credit card market from viewpoint of issuers, existing card holders and merchants.

### **4. Scope of the study**

This study covers the period from 2001 to 2006. It covers the cardholders (convenient sample size of 122), merchants (sample size of 25) and 8 issuers namely Standard Chartered Bank (SCB), VANIK Bangladesh Limited (VBL), Prime Bank Limited (PBL), National Bank Limited (NBL), Dhaka Bank Limited (DBL), Dutch Bangla Bank Limited, The City Bank Limited and BRAC Bank Limited.

### **5. Methodology**

The study is exploratory in nature. The data for the study have been collected from both primary and secondary sources. Primary data sources are the cardholders, merchants and card offering organizations. For this, interview and observation methods were followed. Different executives of

the local banks were interviewed in person and over phone to find out their business volume. A checklist was prepared along with a questionnaire. The cardholders for the study was selected purposively since the complete list of population was not available. The target cardholders were financially solvent . The cardholders were interviewed during time period of June 2007 to October 2007. Cardholders workplace motijheel, dhanmondi, gulsan. The secondary data sources are annual reports, prospectus, newspapers, publications and the bank's internal records, the organization booklets of charges and fees, application forms, credit card agreements of the card offering organizations.

The data were analyzed with simple statistical tools such as, measures of central tendency, correlation, Mean Score Relative Importance (MSRI), data range and arithmetic comparison and percentage of representation in addition to the model.

## **6. Limitations of the study**

Almost every bank is now offering credit card. But It was not possible to work with all banks' information. If the total population were analyzed, the paper could have a more accurate analysis. It was not possible to interview international cardholders, who are very high-profiled personnel and more frequent users of credit cards.

## **7.1 History of the Credit Card**

The payment system in today's economy has come a long way since the days of barter. The most recent form of this system is the use of credit card. Western Union introduced the concept of cards or plastic money in the United States in 1914. In 1926, General Petroleum Corporation of California introduced its own fuel card to be used by the customers for buying gas from any of its oil stations all over the country instead of cash.

The earliest form of the bank credit card was *Charge-it*, a system of credit developed by John Biggins in 1946; which allowed customers to charge local retail purchases. The system paved the way for the first bank credit card circulated by The Franklin National Bank of New York, presently known as European American Bank; which formalized the practice by introducing the first modern credit card in 1951.

In 1958, American Express Bank introduced its corporate cards. In 1959 many card issuers were offering an added service of revolving credit. At this stage, California-based Bank of America extended the idea through out the United States by introducing the BankAmerica (now VISA Card) in 1960 and franchising a single bank in each major city as its local affiliates.

On August 16, 1966, the group of fourteen banks formed the Inter bank Card Association (ICA), which later became Master Charge International. Later, Inter bank (Master Charge) and Bank of America (BankAmerica) created international processing system to handle the exchange of money and information and establish an arbitrary procedure to settle disputes between members. As a result Interbank and Bank of America emerges as the leading bankcard system. In 1977, BankAmerica becomes *Visa USA/Visa International*. In 1979, Master Charge changed its name to *MasterCard* to reflect its expanding service.

## **7.2 Credit Card Industry in Bangladesh**

ANZ Grindlays Bank (now Standard Chartered Bank, SCB) has been the market leader in this particular market since they first introduced the local currency based Credit Card in Bangladesh in January 1997. But ANZ Grindlays Bank commenced its credit card operations in 1991, initially for acquiring merchant transaction for VISA International and MasterCard International, followed by JCB cards. The program was relatively low scale, accommodating the five star hotels and the few of the up market tourist oriented retailers, with a total of 29 merchants accepting VISA and

MasterCard. Cash advance facilities were provided only through the ANZ Grindlays Main Office in Dhaka. After having been granted the license to issue credit cards from both VISA and MasterCard and with increased 850 merchants in total, ANZ Grindlays Bank launched its local currency based credit cards in January 1997.

National Bank Limited (NBL) also started issuing credit card in the late march 1997. VANIK Bangladesh Limited (VBL) entered into the market in July 1997. In 2003 VANIK was acquired by Lanka Bangle. Prime Bank Limited (PBL) started its credit card business in the early 1999 and quickly came across to the front line. Dhaka Bank Limited (DBL) is the newest competitor in the business - starting its operation in September 2001. VBL offers their own branded card only for domestic (Dhaka-based) use. DBL card is, in nature, a proprietary card that is issued, managed, serviced by the bank and co- branded with VBL. Later on, almost every bank launch Credit card at different point of times.

## 8. Analysis of Credit Card Market:

Here credit card market has been analyzed from three different perspectives: (i) Issuers (ii) Cardholders (iii) Merchants

**8.1 Issuers:** This section includes market share analysis, merchant coverage, service offerings and pricing /charges & fees of different cards of different issuers.

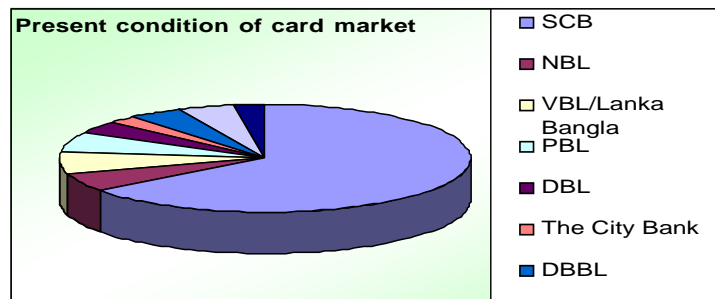
### 8.1.1 MARKET SHARE ANALYSIS

The credit card industry in Bangladesh involves some players; namely Standard Chartered Bank (SCB), VANIK Bangladesh Limited (VBL)[Later on Lanka Bangla], Prime Bank Limited (PBL), National Bank Limited (NBL), The city Bank, Premier Bank, Southeast Bank, NCC Bank, UCBL, Mercantile Bank and Dhaka Bank Limited (DBL). Appendix-1 illustrates the increase of the market size and Annual Growth Rates (AGR) of different issuers.

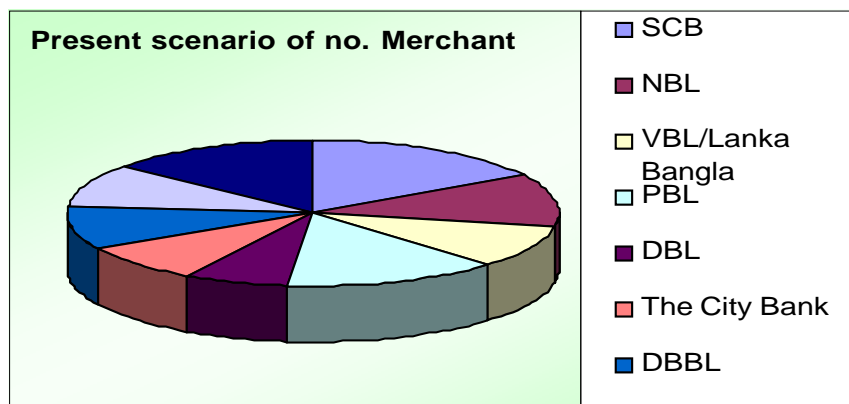
The table reflects that there has been a substantial increase in the size of credit card market over the years. But the growth rate was diminishing and then increasing, indicating that the market is not being saturated yet. So, this is the high time to enter into the business before market's saturation.

SCB has always been the market leader– a long way ahead of its competitors, based on market size. But compared to the average annual growth rate of the total market (67%), SCB is behind PBL, the average annual growth rate of which (101%) is above the industry average. And, although NBL entered into this business the same year as SCB, its growth rate is very slow.

**Figure 1: Present condition of credit card market**



**8.1.2 Merchant Coverage:** The merchant coverage of SCB is quite obviously the highest in the market with 7310,



**Figure 2:** Present number of merchants of different issuers

and followed by PBL, which has increased its merchant size to 6287 within this short span of time. But compared to the average annual growth rate of the total market (34%), the highest average growth rate in the merchant size is of SCB (59%), which is above industry average and the lowest is of BRAC (13%). It is important to mention that there are about 3500 merchants in the market, which are the common merchants of all the issuers. For details see Appendix-2.

The merchant coverage of SCB is available all around Bangladesh. NBL and PBL also have merchant coverage outside Dhaka – in the major cities like Chittagong, Rajshahi, Sylhet, Moulavi Bazar etc. VBL, BRAC, DBBL, DBL, Others and The city bank is going to extend its merchant coverage outside Dhaka within the month of June this year – initially at Chittagong and Rajshahi.

### 8.1.3 Service Offerings

Different types of services offered by different issuers are listed in appendix-3. The following are the highlights of them.

### 8.1.4 Card Processing & Delivery Time

The average time for processing the card (after receiving application from the applicant) and delivery is only 2 days of NBL, 10 days of SCB and 7 days for other banks. From appendix-3 we see PBL is enjoying a competitive edge both in case of *grace period* and *payment due date from statement date* by providing the maximum of 50 days and 20 days compared to 45 days and 15 days provided by the other issuers respectively. All the issuers provide *cash advance facility* of 50% of the credit limit, except VBL, which provides only 10% of with ATM (Automated Teller Machine) facility for credit card, which is very convenient for the cardholders to draw cash from ATM rather than going to the bank. The average *time for the disbursement of fund* (through cheque or pay order) to the merchants is 1 day of SCB, 1-2 day(s) of VBL and DBL, and 3 days of PBL and NBL. VBL has been the leader in this area of operation for a long time and for so has been able to win the hearts of many merchants. SCB is providing a wider range of this facility in the form of *utility bill payment*; mobile bills of AKTEL, Grameen Phone (GP), Bangla Link and City Cell and also the Internet Service Providers' (ISP) bills. Usually *Merchant Price* rate of 3% is prevalent in the market. SCB takes as less as 1.5% from some merchants and VBL (LBL) takes 2% from some merchants.

## 8.2 CARDHOLDERS' RESPONSES

This section focuses on analyzing cardholders' responses regarding their credit limit, card usage pattern, credit card transaction habit, purposes of card transaction and satisfaction level of the services of a particular bank/FI etc.

### 8.2.1 Demographic Profile of the Cardholders.

**Sex and Marital Status:** Most of the respondents were male and the male female ratio was 83:17%; and, 65% of them were married and the rest 35% were single

**Table 1:** Distribution of sex and marital status of the cardholders

Sex	Marital Status					
	Single		Married		Total	
	F	%	f	%	F	%
Male	39	32	62	51	101	83
Female	4	3	17	14	21	17
<i>Total</i>	43	35	79	65	122	100

**Age and Income:** The group with the maximum frequency was of age group of 26-35 belonging to the income level of Tk.25000-39000

**Table 2:** Distribution of income level and age group of the cardholders

Income Level	Age Group											
	25 or less		26 - 35		36 - 45		46 - 55		56 & above		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Tk 10000-24000	12	10	15	12	3	2	-	-	-	-	30	25
Tk 25000-39000	-	-	28	23	7	6	-	-	-	-	35	29
Tk 40000-54000	-	-	6	5	5	4	10	8	2	2	23	19
Tk 55000-69000	-	-	-	-	10	8	6	5	3	2	19	16
Tk 70000-84000	-	-	-	-	2	2	4	3	2	2	8	7
Tk 85000 & above	-	-	-	-	1	1	3	2	3	2	7	6
<i>Total</i>	12	10	49	40	28	23	23	19	10	8	122	100

### 8.2.2 Credit Limit

The largest portion (35.25%) of the respondents has the limit of Tk 10000 to Tk 24000. The second highest portion has the limit of Tk 25000 to Tk 39000 comprising 25.41%. And, as many as 80% cardholders have the limit of Tk 54000 or less. So, it is clear that the respondents are mostly of middle income-level category.

**Table 3:** Credit limits of the cardholders

Range	Frequency (f)	Percentage (%)
Tk 10000 - 24000	43	35.25%
Tk 25000 - 39000	31	25.41%
Tk 40000 - 54000	24	19.67%
Tk 55000 - 69000	12	9.84%

Tk 70000 - 84000	6	4.92%
Tk 85000 – 100000	6	4.92%
Total	122	100%

### ***Satisfaction Level Regarding Credit Limit***

All the PBL cardholders responded that they are satisfied with credit limit. 30% of NBL cardholders and 15.48% of the SCB cardholders are not satisfied with their credit limit. For details please see appendix -4.

### **8.2.3 Usage Pattern**

Transaction habit: 33.6% of cardholders responded that they use their cards once a week and 28.7% cardholders use their cards once in every 15 days. And, it was found that almost 70% of the respondents use their credit cards once in every 15 days or more frequently.

**Table 4: Frequency of credit card transaction by the cardholders**

<b>Response</b>	<b>F</b>	<b>%</b>
More than once a week	9	7.38%
Once a week	41	33.61%
Once in every 15 days	35	28.69%
Once a month	23	18.85%
Once in every 2 months	14	11.48%
<b>Total</b>	<b>122</b>	<b>100.00%</b>

### **8.2.4 Monthly Average Credit Card Transaction Amount**

On an average, 36% of the respondents spend less than Tk 5000 but not less than Tk 2000 monthly; 22% respondents spend more than Tk 5000 but less than Tk 10000. And, a little more than 50% of the respondents spend Tk 5000 or more.

**Table 5: Average monthly credit card transaction amount of the cardholders**

<b>Amount</b>	<b>F</b>	<b>%</b>
Less than Tk 2000	16	13.11%
Tk 2000 – 4999	44	36.07%
Tk 5000 – 9999	27	22.13%
Tk 10000 – 19999	22	18.03%
Tk 20000 or more	13	10.66%
<b>Total</b>	<b>122</b>	<b>100.00%</b>

### **8.2.4 Purpose of Using Credit Card**

The main purpose that people use credit cards is *Food and meal* as it is ranked first in the Means Score Relative Importance or MSRI scale with 10.66 points. The second important purpose is *Cloths/Garments* with 9.76 points, followed by *chain shop* with 9.71 points. The numbers of fast food shops, convenient stores and chain shops are increasing day by day in our country for the convenience of shopping and people like to shop those places using credit card. For details see appendix-5.

**MSRI Calculation:** 
$$\frac{\sum W + (N - 1)n}{N}$$

MSRI for Food & meal= 
$$\frac{454 + (122 - 1)7}{122} = 10.66$$

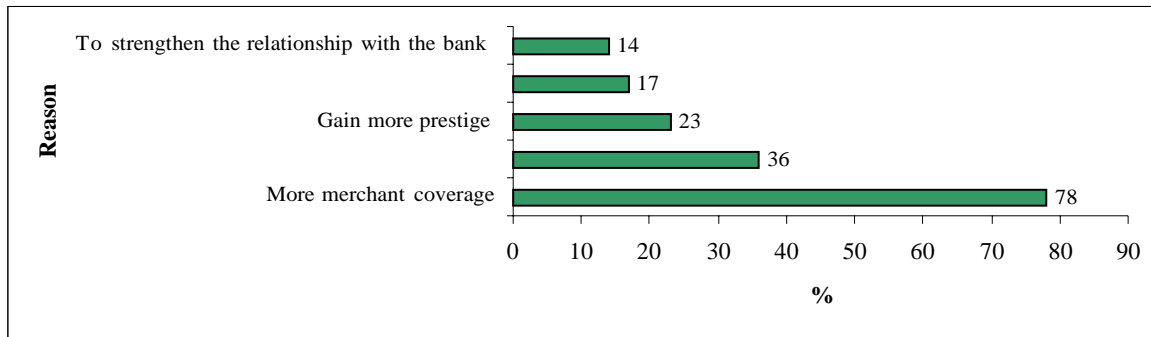
**Keeping Cards of Multiple Issuers**

An astonishing 67.2% of the respondents use multiple (more than one) credit cards, 32.8% use single card and significantly to say that most of them are relatively new users of credit cards. The reasons for using multiple cards are presented in Figure-3.

**Table 6:** Cardholders according to single/multiple card user

Type	F	%
Single card user	40	32.8
Multiple card user	82	67.2
Total	122	100

**Figure3:Reasons behind using multiple cards**



**8.2.5 Satisfaction Level**

**Reasons for Using Credit Card:**

The most important reason, as mentioned by the respondents, for using credit card is *easy to carry*, which is ranked as one in the MSRI scale with 10.97 points. The second ranked reason is *security* with 10.69 points, followed by *deferred payment for purchase* with 10.15 points and *cash withdrawal facility* with 10.02 points. For details see appendix-6.

**8.2.6 Satisfaction Level of Cardholders:**

This section seeks to rank different issuers according to CPA on specific issues like cash withdrawal, discount, customer service, merchant coverage, grace period and fees etc.

**A. Cash Withdrawal Facility**

The cardholders of SCB are highly satisfied with CPA of 4.09 and that of VBL (LBL) is in lowest position with CPA of 2.63. For details please see appendix-7.

**B. Discount Facility**

Regarding discount facility, none of the issuers is at a very comfortable position. The discount facility of SCB is in high position 3.93 and DBBL in lowest position. For details please see appendix-8.



### **C. Utility Bill Payment Facility**

Although the situation is not very convincing for any of the four issuers, this is not an area of improvement for SCB. The reason is that the govt. utility departments are not so technologically advanced.

### **D. Interest Charges & Fees**

It is very clear that none of the issuers' position in this regard is very good. If the Bank is able to offer the same service with less charge than the present issuers are getting, it will be able to convince a lot of existing cardholders as well as prospective cardholders. For details please see appendix-9.

**E. Grace Period:** The grace period or interest free period for repayment that PBL offers is 50 days as compared to 45 days of other issuers. The outcome in the Table 2.20, as only SCB has a CPA equal to 4.0 and the PBL is 3.90. For details pls see appendix-10.

**F. Customer Service:** Although NBL is one of the earliest issuers of credit card, the customer service of NBL is not very good as it is depicted in table no. It could be a determining factor for the slow growth rate in credit card business of that bank. For details please see appendix-11.

## **8.3 MERCHANTS**

### **Merchants' preferences for issuers and their reasons:**

The analysis shows that LBL and SCB are preferred by the merchants. VBL is ranked 1<sup>st</sup> according to the responses of the merchants. For details please see appendix-12.

There are only two reasons that they mentioned for prioritizing these two issuers; 70% mentioned about early disbursement and 30% mentioned about lesser merchant pricing of the issuer. Usually the merchant price is 3%, but SCB and VBL take 1.5-2% from some of the merchants. It is noticeable here that the survey was conducted only on those merchants who are the common merchants of all the issuers and it was done before SCB's fund disbursement time was enhanced recently to 1 day.

### **9. Recommendations:**

In this study it was found Standard Chartered Bank is the market leader in credit card market in Bangladesh in terms of number of cardholders, merchant coverage and others facilities to the customer. Accurate assessment of the credit worthiness of the prospective cardholders should be ensured. The applicants can be asked to propose his/her own credit limit and then to call for verification by the bank. The card delivery time should not be more than a week or less than 5 days. The possibility of incorrect assessment of the creditworthiness of the applicants would be very high then. Grace period of 50 days availed by PBL should be taken. Cash advance facility should not be less than 50% of credit limit; and, the *E-cash* ATM facility would be an advantage for the bank to provide ATM facility to its cardholders.

In case of determining the charges and fees the bank should follow the least price strategy, at least initially, while entering the market, to attract the customers. Subsidiary charges should be reduced. Since the cardholders of any of the issuers, except those of NBL, are not at all satisfied with the interest charges, it should be fixed at 2% or less. Finally, by conducting a differential cost benefit analysis, an ultimate cost-mix should be developed. 53% of the cardholders responded that the merchants asked them whether s/he has the card of a particular issuer which discourages them in using credit card. This type of problems should be removed. Sometimes the cardholders are confronted with a situation when the merchants charge extra 3% in case of credit card transaction after the price of the commodity having been fixed by the both parties. Almost 62 % of the cardholders are faced with this problem. Although this case happens only in the shops where prices of commodities are not fixed and there is a scope for bargaining, this is an alarming sign for the issuers. This things demoralizes discourages the cardholders for credit card transaction. So, necessary steps should be taken to remove this harassment.

The bank should be selective in appointing merchants. In choosing merchant locations, fast food shop and restaurants should be given the priority as the study reveals that those are the most places that cardholders charge their cards. Merchants should be providing products or services at fixed price so there will be no scope for charging extra 3% from the cardholders. Merchants should be encouraged to open an account (preferably savings) at a nearby branch of the Bank, so that funds can easily be transferred as soon as authorization is confirmed rather than issuing cheques or pay order. So there will be minimized of fund disbursement time without any hassle; and merchant dissatisfaction will not be arisen. Merchant pricing should be competitive. Depending upon the volume of businesses (credit card transaction), merchants could be given discounts on merchant commission (which should be a maximum 2%).

## **10. Conclusion:**

From the above analysis, it is obvious that there is a lot of market potential in the Credit Card Business and some areas of improvement are there. From the market share analysis we found that 150,000 of the market size has already been saturated. But since the market yields a high growth potential and bank having basic infrastructure and a larger client base this is the high time for the bank to enter into the business. Initially, it will require a huge investment, but the bank is financially sound to incur such amount of investment in new line of business.

The government of Bangladesh is taking initiative to invite foreign investors to the country and offering various incentives to encourage foreign investment. It is expected that Bangladesh will experience a great inflow of foreign companies investing in various sectors especially in IT and Gas and Oil Exploration and processing. This will give birth to various ancillary industries and services, which will ultimately increase the purchasing power of people. This factor enhances the chance of an up-coming growing population of the community who want convenience of not carrying cash and the use of credit card is the easiest way of doing so.

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#### Appendix-1: Issuer Coverage

Issuers / Year	Number of cardholders at the year-end							
	1999	2000	2001	2002	2003	2004	2005	2006
SCB	4000	15000	28000	45000	68000	90000	132300	251406
AGR		275.00%	86.67%	60.71%	51.11%	32.35%	47.00%	90.03%
NBL	1000	2000	4000	6500	8500	10500	16275	21000
AGR		100.00%	100.00%	62.50%	30.77%	23.53%	55.00%	29.03%
VBL/Lanka Bangla		2000	5000	7500	11000	15000	21300	26199
AGR			150.00%	50.00%	46.67%	36.36%	42.00%	23.00%
PBL			1500	4500	8000	13500	23760	24000
AGR				200.00%	77.78%	68.75%	76.00%	1.01%
DBL					500	2500	7500	14250
AGR						400.00%	200.00%	90.00%
The City Bank					400	2350	6750	8300
AGR						487.50%	187.23%	22.96%
DBBL						1200	8000	16000
AGR							566.67%	100.00%
BRAC						1100	12000	17000
AGR							990.91%	41.67%
Others						1800	4900	10000
AGR							172.22%	104.08%

Total	5000	19000	38500	63500	96400	137950	232785	388155
AGR		280%	103%	65%	52%	43%	69%	67%

Appendix-2: Merchant Coverage

Issuers / Year	Number of merchants at the year-end							
	1999	2000	2001	2002	2003	2004	2005	2006
SCB	850	1400	1800	2300	2800	3500	4585	7310
AGR		65%	29%	28%	22%	25%	31%	59%
NBL	200	500	900	1450	1800	2500	3975	5168
AGR		150%	80%	61%	24%	39%	59%	30%
VBL/Lanka Bangla		350	800	1200	1700	2250	3330	4196
AGR			129%	50%	42%	32%	48%	26%
PBL			400	1000	1700	2500	4475	6287
AGR				150%	70%	47%	79%	40%
DBL					1700	2250	2450	3087
AGR						32%	9%	26%
The City Bank					1800	2355	2700	3700
AGR						31%	15%	37%
DBBL						1900	3500	4100
AGR							84%	17%
BRAC						2300	3800	4300
AGR							65%	13%
Others						3500	4400	6200
AGR							26%	41%
Total	1050	2250	3900	5950	11500	23055	33215	44348
AGR		114%	73%	53%	93%	100%	44%	34%

Appendix-3: Card Processing & Delivery Time

Facility	Issuers																	
	SCB		LBL		PBL		NBL		DBL		DBBL		Brac		TCB		Others	
Type	Master Card	VISA	Master Card	Master Card	Master Card	Master Card	Co-barnded vanik	Visa	Visa	Visa	Visa	Visa	Visa	Visa	Visa	Visa	Visa	
Avg. Card delivery and Processing	10 days		7 days		7 days		2 days		7 days		7 days		7 days		7 days		7 days	
Avg. Fund Disbursement Time	1 days		2 days		3 days		3 days		2 days		2 days		2 days		2 days		2 days	
Grace Period	45 days		45 days		50 days		45 days		45 days		50 days		52 days		52 days		48 days	
Payment Due Date From Statement Date	15 days		15 days		20 days		15 days		15 days		15 days		15 days		15 days		15 days	
Cash Withdrawal/advance Facility	50%		10%		50%		50%		50%		upto 100000		10%		10%		Mix Response	
ATM Facility	Available		Unavailable		Available		Unavailable		Available		Available		Available		Unavailable		Mix Response	
Utility Bill Payment	Available		Available		Unavailable		Unavailable		Available		Available		Available		Unavailable		Mix Response	
Merchant Price	1.5% - 3%		2%-3%		3%		-		-		-		3%		3%		2%-4%	

Appendix-4: Satisfaction Level Regarding Credit Limit

Response	SCB		LBL		PBL		NBL		DBL		DBBL		Brac		TCB		Others	
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%
Yes	19	70%	6	60%	7	78%	12	60%	7	70%	8	80%	6	60%	5	50%	14	56%
No	8	30%	4	40%	2	22%	8	40%	3	30%	2	20%	4	40%	5	50%	11	44%
Total	27	100%	10	100%	9	100%	20	100%	10	100%	10	100%	10	100%	10	100%	25	100%

Appendix-5 The purpose of use of credit cards by the cardholders

Purpose	1 <sup>st</sup> Priority (wt=5)		2 <sup>nd</sup> Priority (wt=4)		3 <sup>rd</sup> Priority (wt=3)		4 <sup>th</sup> Priority (wt=2)		5 <sup>th</sup> Priority (wt=1)		MSRI	Ranking
	F	W	F	W	F	W	F	W	F	W		
Chain shop	39	195	19	76	16	48	7	14	5	5	9.71	3
Cloths/Garments	26	130	27	108	24	72	15	30	4	4	9.76	2
Food & meal	28	140	45	180	33	99	8	16	19	19	10.66	1
Household	19	95	15	60	17	51	38	76	26	26	9.47	4
Jewelry			6	24	9	27	16	32	18	18	7.77	6
Electronics					11	33	23	46	25	25	7.8	5
Others					2	6	5	10	8	8	7.14	7
No response	10		10		10		10		17			
<b>Total</b>	<b>122</b>		<b>122</b>		<b>122</b>		<b>122</b>		<b>122</b>			

**Appendix-6:** Reasons behind the use of credit cards given by the cardholders

Facility	1 <sup>st</sup> Priority (wt=5)		2 <sup>nd</sup> Priority (wt=4)		3 <sup>rd</sup> Priority (wt=3)		4 <sup>th</sup> Priority (wt=2)		5 <sup>th</sup> Priority (wt=1)		MSRI	Ranking
	F	W	F	W	F	W	F	W	F	W		
1.Easy to carry	46	230	24	96	13	39			5	5	10.97	1
2.Security	35	175	21	84	18	54	8	16	7	7	10.69	2
3.A source of financial support	23	115	17	68	9	27	19	38			9.97	5
4.Deferred payment	5	25	22	88	23	69	36	72	16	16	10.15	3
5.Cash withdrawal facility			19	76	29	87	27	54	37	37	10.02	4
6.Status	7	35	12	48	16	48	18	36	11	11	9.39	6
7.Utility facility			3	12			7	14	15	15	8.27	7
8.Discount facility					5	15			6	6	8.11	8
Others	2	10			5	15	3	6	17	17		
No response	4		4		4		4		8			
<b>Total</b>	<b>122</b>		<b>122</b>		<b>122</b>		<b>122</b>		<b>122</b>			

W = Total weight for the factor on a scale F = Frequency of the factor

**Appendix-7:** Satisfaction level regarding cash withdrawal facility

Issuer	Very Satisfied (5)		Satisfied (4)		Indifferent (3)		Dissatisfied (2)		Very Dissatisfied (1)	Total Points	# Of Res.	CPA
	F	W	F	W	F	W	F	W	F			
	SCB	9	45	20	80	2	6	2	4			
VBL (LBL)	0	0	2	8	1	3	5	10		21	8	2.63
DBL	3	15	6	24	1	3	1	2		44	11	4.00
PBL	1	5	6	24	6	18	2	4		51	15	3.40
NBL	2	10	3	12	1	3	1	2		27	7	3.86
DBBL	2	10	6	24	1	3	1	2		39	10	3.90
BRAC	3	15	2	8	1	3	1	2		28	7	4.00
TCB	0	0	5	20	1	3	2	4		27	8	3.38
OTHERS	3	15	11	44	6	18	3	6		83	23	3.61
<b>TOTAL</b>	<b>23</b>	<b>115</b>	<b>61</b>	<b>244</b>	<b>20</b>	<b>60</b>	<b>18</b>	<b>36</b>	<b>0</b>	<b>455</b>	<b>122</b>	<b>32.8567</b>

**Appendix-8:** Satisfaction level regarding discount facility

Issuer	Very Satisfied (5)		Satisfied (4)		Indifferent (3)		Dissatisfied (2)		Very Dissatisfied (1)	Total Points	# Of Res.	CPA
	F	W	F	W	F	W	F	W	F			

	F	W	F	W	F	W	F	W	F			
SCB	3	15	24	96	1	3	2	4		118	30	3.93
VBL (LBL)	2	10	4	16	1	3	3	6		35	10	3.50
DBL	2	10	5	20	2	6	1	2		38	10	3.80
PBL	2	10	4	16	3	9	1	2		37	10	3.70
NBL	1	5	2	8	4	12	3	6		31	10	3.10
DBBL	0	0	2	8	5	15	3	6		29	10	2.90
BRAC	1	5	2	8	5	15	2	4		32	10	3.20
TCB	0	0	5	20	3	9	2	4		33	10	3.30
OTHERS	1	5	12	48	7	21	2	4		78	22	3.55
TOTAL	12	60	60	240	31	93	19	38	0	431	122	30.9788

Appendix-9: Satisfaction level regarding interest charges & fees

Issuer	Very Satisfied (5)		Satisfied (4)		Indifferent (3)		Dissatisfied (2)		Very Dis-satisfied (1)	Total	# Of Res.	CPA
	F	W	F	W	F	W	F	W	F	Points		
	SCB	0	0	22	88	1	3	7	14			
VBL (LBL)	0	0	2	8	3	9	5	10		27	10	2.70
DBL	1	5	3	12	4	12	2	4		33	10	3.30
PBL	0	0	3	12	2	6	5	10		28	10	2.80
NBL	0	0	3	12	3	9	4	8		29	10	2.90
DBBL	0	0	0	0	6	18	4	8		26	10	2.60
BRAC	1	5	3	12	5	15	1	2		34	10	3.40
TCB	0	0	4	16	2	6	4	8		30	10	3.00
OTHERS	1	2	14	56	3	9	4	8		75	22	3.41
TOTAL	3	12	54	216	29	87	36	72	0	387	122	27.6091

Appendix-10: Satisfaction level regarding grace period

Issuer	Very Satisfied (5)		Satisfied (4)		Indifferent (3)		Dissatisfied (2)		Very Dis-satisfied (1)	Total	# Of Res.	CPA
	F	W	F	W	F	W	F	W	F	Points		
	SCB	12	60	10	40	4	12	4	8			
VBL (LBL)	3	15	4	16	1	3	2	4		38	10	3.80
DBL	3	15	1	4	6	18	0	0		37	10	3.70
PBL	5	25	1	4	2	6	2	4		39	10	3.90
NBL	1	5	2	8	4	12	3	6		31	10	3.10
DBBL	3	15	4	16	1	3	2	4		38	10	3.80
BRAC	2	10	4	16	2	6	2	4		36	10	3.60
TCB	1	5	3	12	2	6	4	8		31	10	3.10
OTHERS	4	2	10	40	5	15	3	6		63	22	2.86
TOTAL	34	152	39	156	27	81	22	44	0	433	122	31.864

Appendix-11: Satisfaction level regarding customer service

Issuer	Very Satisfied (5)		Satisfied (4)		Indifferent (3)		Dissatisfied (2)		Very Dis-satisfied (1)	Total	# Of Res.	CPA
	F	W	F	W	F	W	F	W	F	Points		

	F	W	F	W	F	W	F	W	F			
SCB	5	25	17	68	3	9	5	10		112	30	3.73
VBL (LBL)	1	5	3	12	2	6	4	8		31	10	3.10
DBL	3	15	1	4	6	18	0	0		37	10	3.70
PBL	4	20	2	8	3	9	1	2		39	10	3.90
NBL	0	0	2	8	2	6	6	12		26	10	2.60
DBBL	3	15	4	16	1	3	2	4		38	10	3.80
BRAC	1	5	2	8	4	12	3	6		31	10	3.10
TCB	3	15	5	20	0	0	2	4		39	10	3.90
OTHERS	2	2	11	44	2	6	7	14		66	22	3.00
<b>TOTAL</b>	<b>22</b>	<b>102</b>	<b>47</b>	<b>188</b>	<b>23</b>	<b>69</b>	<b>30</b>	<b>60</b>	<b>0</b>	<b>419</b>	<b>122</b>	<b>30.8333</b>

Appendix-12: Merchants' preferences for accepting different issuers' cards

Issuers	1 <sup>st</sup> Priority (wt-3)		2 <sup>nd</sup> Priority (wt-2)		3 <sup>rd</sup> Priority (wt-1)		$\Sigma\Omega$	MSRI	Rank
	F	W	F	W	F	W			
VBL /LBL	8	24	8	16	0	0	40	3.34	2
DBL	1	3	0	0	1	1	4	1.18	7
SCB	7	21	12	24	6	6	51	4.00	1
PBL	2	6	2	4	5	5	15	1.84	3
NBL	1	3	1	2	4	4	9	1.48	4
DBBL	0	0	0	0	2	2	2	1.06	6
BRAC	3	9	1	2	0	0	11	1.60	6
TCB	2	6	0	0	3	3	9	1.48	5
OTHERS	1	3	1	2	4	4	9	1.48	5
<b>Total</b>	<b>25</b>		<b>25</b>		<b>25</b>		<b>150</b>		