

Impact of Country of Origin and Customer Involvement on Brand Preference – Discriminant Modeling in Indian Credit Card Business

Tapan K Panda*

The paper provides insights into factors driving customer preference in the financial services industry. In particular, it aims at understanding the role of Country of Origin (COO) (and also customer involvement) in brand choice behavior of Indian customers in selecting credit card services from banks. The parameters which are considered in this empirical research are customer involvement, COO and brand choice behavior. Through statistical analysis of consumer responses, the researcher established a relationship among these three parameters.

Introduction

Financial services industry is the mainstay of the Indian economy, and is the key reflector of the financial health of the country. The credit card industry in India is flooded with many players and is made up of 18 major banks and financial institutions, which are offering credit cards. With a sizeable percentage of consumers banking online, quick banking and any time cash have become highly preferred features, which are expected of every bank. Credit cards are just one of the many financial services offered by the banking sector.

In today's world, understanding customers' sentiments and knowing whether customers feel and think positively about their brand and its associated products and services gives banks a quick health check of their business. The most important insights that organizations are getting from customers are feedback regarding their service quality levels. This empirical study is a means to understand and analyze what services and features in services matter to the customer. What drives the customer to a bank for availing a credit card service? Is it simply brand or the origin of the bank, or the mere quality of services offered by the bank?

Literature Review

Country of Origin (COO) effect is a widely studied phenomenon in international marketing, and has been an important area of research in the field of consumer behavior and consumer brand choice decisions. Literature review suggests three broad periods into which the study of COO can be classified. A summarization of the same is presented in the subsequent paragraphs.

* Professor and Dean, Jindal Global Business School, OP Jindal Global University, India.
E-mail: tapanpanda@gmail.com