

Comparison of Two Alternative Choice Mechanisms for Combo Cards

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ABSTRACT

The competition in combo card market has become fierce in the recent years. Under the circumstance of intensively competitive environment and anticipating severe finance challenges in the future, it is imperative that credit-card issuing organization has to continue enhancing the quality of assets, creating revenue profit and expanding market share in order to pursue a sustaining advantage. The purpose of the study focuses on understanding the development of combo card in Taiwan. And we explore the actual financial environment and consumer needs of the combo card. This study investigates the socioeconomic factors and the personal attitude affecting the choice behavior of combo card. The choice model of consumer's choice among different bank's combo cards is explored. This research is inputted by the data from two-step survey of the top five banks in Taiwan. These customer data are calibrated by two types of logit model: the ordered-response logit and the multinomial logit. Two calibrated results are compared by each fitness of logit model. The major contribution of this study is to provide insights into factors that influence the choice behavior of combo card. The implications are available for related marketing strategies in the future.

Keywords : ordered-response logit, multinomial logit, combo card, consumer

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