

A CASE STUDY OF THE BANKAMERICARD HOLDERS
OF THE LIBERTY NATIONAL BANK AND TRUST
COMPANY OF OKLAHOMA CITY.

By

ROBERT G. LEE

Bachelor of Science

Northeastern State College

Tahlequah, Oklahoma

1972

Submitted to the Graduate Faculty of the
Department of Administrative Sciences of
the College of Business Administration
of the Oklahoma State University
in partial fulfillment of
the requirements for
the Degree of
MASTER OF BUSINESS ADMINISTRATION
July, 1974

Name: Robert G. Lee

Date Of Degree: August 2, 1974

Institution: Oklahoma State University

Location: Stillwater, Oklahoma

Title of Study: A CASE STUDY OF THE BANKAMERICARD HOLDERS OF THE
LIBERTY NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY.

Pages in Study: 93

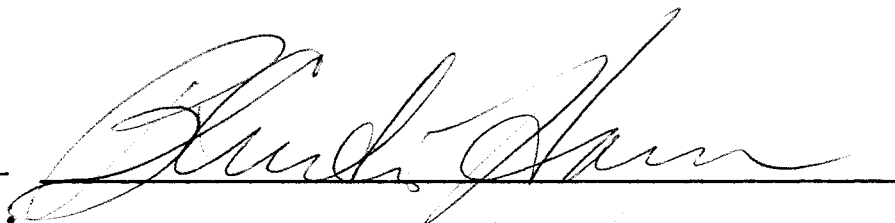
Candidate for Degree of Master of
Business Administration

Major Field: Business Administration

Purpose of Study: This study had five major objectives. First was to develop an economic, social, and demographic profile of the Bankamericard holder. Second, to determine cardholders reaction to descriptive billing and annual fees. Third, determine cardholders attitude toward the use of credit and their Bankamericard. Fourth, to determine what cardholders know about their Bankamericard, and fifth, determine the general usage and paying patterns of cardholders.

Findings and Conclusions: It was found that the average cardholder had been associated with Liberty National Bank for over three years, and that he also used the services of another bank for some of his financial needs. The average cardholder has lived in Oklahoma for over ten years, owns his own home, is married, over 25 years of age, and is not a college graduate. Eighty percent of the respondents have a yearly income in excess of \$10,000. Respondents reaction to descriptive billing and annual fees was negative. The majority of cardholders used credit of some type, but the fear of overspending and the preference for paying cash were the two most cited reasons for non-users not using their card regularly. Regular card users felt the convenience offered by the card was its greatest advantage. Cardholders were aware of the amount of their line of credit and of the interest rate charged on their unpaid balance, but many were not aware of their liability for a lost or stolen card, or of the cash loan service available with their card. The majority of cardholders use their card less than five times per month, with clothing, gifts, vacations, and gasoline being the most frequently purchased items. Cardholders average size charge is less than fifty dollars with installment users having a monthly balance in excess of one-hundred dollars. Respondents were evenly divided between installment and convenience users.

ADVISER'S APPROVAL



A handwritten signature in cursive script, written in black ink, is positioned above a solid horizontal line. The signature is highly stylized and appears to be the name of the adviser.

ACKNOWLEDGMENTS

As the author, I would like to express my gratitude and appreciation to Dr. B. C. Hamm for his assistance and guidance throughout the preparation of this paper and my graduate studies.

I would also like to express my gratitude to Dr. Willis Wheat of the Liberty National Bank for his most generous help in conducting the survey.

Two other important notes of gratitude are in order. One is to my mother, Mrs. Bob Lee for her many years of good advice and understanding. The other, and most special, is to my wife, Stacy, for her encouragement, support, and many sacrifices.

TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION	1
Project Objectives	1
Limitations of The Study	2
Organization of The Paper	3
II. REVIEW OF LITERATURE	5
Bank Card Usage	5
Implications of the Bank Credit Card	8
III. METHODOLOGY	17
Design of The Questionnaire	17
Sample Size	20
Tabulation of Data	20
IV. RESULTS OF THE SURVEY	23
Results of The Mail Survey	23
Part I: Analysis of Socio-Demographic Variables	24
Summary Profile of The BankAmericard Holder	36
Part II: Use of The BankAmericard	37
V. SUMMARY AND CONCLUSIONS	73
Summary	73
Conclusions	77
BIBLIOGRAPHY	80
APPENDIX A: Sample Questionnaire and Cover Letter	82
APPENDIX B: Recommended Standard Breakdown For Demographic Characteristics	87

LIST OF TABLES

Table	Page
III-1. Respondents' Length of Residence in Oklahoma	25
III-2. Respondents' Length of Association With Liberty National Bank	27
III-3. Husband's, Wife's, and Single Individual's Incomes	28
III-4. Age of the Household Head	30
III-5. Other Financial Institutions that Respon- dents Do Business With	31
III-6. Length of Time at Present Address	32
III-7. Own Or Rent Home	33
III-8. Marital Status	33
III-9. Education	35
III-10. Number and Ages of Children	34
III-11. Selected Socio-Demographic Characteristics of the Population and of the Sample	36
III-12. Length of Time Respondents Have Had a BankAmericard	38
III-13. Other Banks From Which Respondents Have BankAmericard	39
III-14. "Use" More Than One BankAmericard	40
III-15. How the Customer Acquired His BankAmericard .	41
III-16. Subjective Determination of Card Usage Frequency	41
III-17. Past Card Frequency Usage	42

III-18.	Why Cardholders Don't Use Their Cards. . . .	43
III-19.	If You Don't Use Your BankAmericard, Why Do You Have One?	44
III-20.	Believe You Should Buy Now and Pay Later, Or Save Till You Can Afford It	46
III-21.	Do You Ever Make Purchases On Credit?. . . .	47
III-22.	Attitude Toward Credit Cards and Credit. . .	48
III-23.	Monthly Card Usage Rate.	49
III-24.	How the Bill is Paid	50
III-25.	Types of Purchases	51
III-26.	Local Or Out-Of-Town Card Use.	52
III-27.	Would You Use Check, BankAmericard, Or the Store's Own Charge Program	53
III-28.	Average Size of Charge Made.	54
III-29.	Average Monthly Balance.	55
III-30.	Other Types of Credit Cards Held	56
III-31.	Summary of BankAmericard Advantage	59
III-32.	Do You Write As Many Checks Since Using Your BankAmericard	60
III-33.	Do You Feel You Pay More For Purchases . . .	61
III-34.	Who Uses the Card.	62
III-35.	Any Family Member May Use the Card	63
III-36.	Do You Know Your Total Credit Use.	63
III-37.	Stolen Card Liability.	65
III-38.	Knowledge of Availability of Cash Loan Through BankAmericard.	66
III-39.	Knowledge of Card's Interest Rate.	67
III-40.	Would Be Willing To Pay An Annual Fee. . . .	68
III-40a.	Annual Fee: Convenience and Installment Uses	69
III-41.	Reaction to Descriptive Billing.	71

CHAPTER I

INTRODUCTION

At the beginning of 1973 there were over 24 million BankAmericard holders in the United States. These individuals are making four and one-half billion dollars worth of purchases annually on their BankAmericards with this volume expected to increase in the future. To handle this volume of sales there were approximately one million merchant outlets honoring the card across the country and there were slightly over 4500 BankAmericard Banks.¹

The Liberty National Bank and Trust Company of Oklahoma City is one of these banks. On February 14, 1973, Liberty Bank issued its one millionth credit card. This one millionth Liberty credit card was issued just six and one-half years after the bank innaugurated its Liberty Card system in September, 1966. The Liberty Card later was merged in the nationwide BankAmericard system.²

This paper will report the results of a study designed to determine how Liberty Bank's BankAmericard holders feel about the use of their BankAmericard.

Objectives of the Project

The primary objectives of this study were:

1. Determine an economic, social, and demographic profile of the BankAmericard holder
2. Determine cardholders' attitudes toward descriptive billing and annual fees
3. Determine how the cardholders feel about credit and bank card usage
4. Determine what cardholders know about their BankAmericard
5. Determine the general usage and paying patterns of card users.

Limitations of the Study

The major limitations of the study were centered around the use of the mail questionnaire to gather data. Mail questionnaires face the problem of non-return. For an anonymous questionnaire there can be no follow up on non-respondents. This raises the possibility that those who answered the questionnaire may differ from the non-respondents, thereby biasing the sample.

There is the possibility of misinterpretation of the question by the respondent. There can be no follow-through on misunderstood questions or evasive answers, no observation of apparent reluctance or evasiveness.

For the mail questionnaire there is no control over who in the family completes the questionnaire. For example, with a married couple either the husband or the wife could have completed the questionnaire.

The length of this questionnaire was also a disadvantage. The final questionnaire used was three pages with 44 questions. This length was necessary to adequately cover the desired areas, but probably decreased the number of returned questionnaires significantly.

Another limitation is that the questionnaires were mailed to respondents during the Christmas and holiday period of the year. Many individuals may have felt themselves too busy to be bothered with a questionnaire of this length. In addition, during this period respondents may have been more aware than usual of credit spending, thus biasing their responses accordingly.

Organization of the Paper

Chapter I provides a general understanding of the problem and the objectives of the project. Chapter II is concerned with a brief review of the literature. Chapter III is an explanation of the project design. Chapter IV will present the data obtained by the questionnaire, and Chapter V will conclude with a summary and conclusion of the effort.

ENDNOTES

¹"Trends In Finance," Burroughs Clearing House, Vol. 57, April 1973, p. 3.

²Op. cit.

CHAPTER II

REVIEW OF LITERATURE

This chapter of the report will be divided into two sections. First, a brief summary of bank card usage patterns will be presented; then second, some of the working implications of the bank card programs for banks will be presented.

Bank Card Usage

The usage of bank cards can be divided into two classifications: the installment user and the convenience user.¹ A cardholder who elects to pay an amount less than the balance and pay interest charges on the unpaid balance is classified as an installment user. A cardholder who pays his balance within the billing cycle is considered to be using the card in lieu of cash as a convenience finance instrument and is defined as a convenience user.

Slocum and Matthews found that the percentage of installment use from upper class to lower class increases significantly.² Members of the lower classes tend to use their credit cards for installment financing to a greater extent than upper classes. Lloyd Warner has also reported that buying habits of lower-class persons are profoundly different from middle class persons.³ These findings were also supported

by the National BankAmericard Study, "The Public Appriases Bank Cards," where it was found that high frequency users tend to be better educated, more affluent, and more apt to have children.⁴

One differential consequence of class membership is the individual's ability to defer gratifications. Deferred gratification patterns are one of the major cultural patterns which establish and maintain boundaries between social classes in America.⁵ Middle class persons feel that they should save money, postpone purchases, and, in short, renounce a variety of gratifications.⁶

A study by Davis and Pollard indicated that "impulse following" was a characteristic of lower-class people and that "impulse renunciation" was a characteristic of the middle class. This pattern may help to explain the relationship between social class and convenience or installment usage. The lower class emphasizing immediate consumption and the upper classes being more concerned with not purchasing items until they can pay the full price of the item. But while upper classes would not use credit for installment purposes, there is no reason they would not use it for convenience.

Slocum and Matthews also attempted to determine which good(s) each social class considered acceptable to buy with credit. They found the majority of card users favor purchasing goods such as appliances, furniture, clothing, and gifts on credit. Individuals appear to feel that it is acceptable to purchase consumer durable goods, some necessities and

services, such as education and medical expenses, with credit. Fewer commercial bank credit card users find it acceptable to purchase items like furs, meals in restaurants, vacations, and antiques on credit.

Slocum and Matthews found convenience card holders felt gasoline, restaurant expenses, luggage, entertainment, groceries, hobbies, and swimming pools were more acceptable goods to charge than installment users. It is readily apparent that except for swimming pools, these are purchases where charging is merely a convenience. It was found that installment users were overwhelmingly of lower social classes and had a more favorable attitude toward purchasing consumer durable merchandise on credit. Indications from the Slocum and Matthews study were also that the upper classes were generally favorable toward using credit to purchase "luxury goods." Conversely, the lower classes restrict credit use to durable and necessity goods.⁸ Rainwater Coleman and Handel in Workingman's Wife⁹ and Vidich and Bensman in Small Town in Mass Society¹⁰ all suggest this phenomena.

On the basis of data gathered by Slocum, Matthews, and others, it appears that attitudes toward credit and actual use of the bank credit card are congruent.¹¹ That is, convenience users actually use their cards less than installment users.

Other conclusions of the Slocum and Matthews study were that installment users charge more items than convenience users and installment credit card holders tend to seek out stores honoring their cards.

Convenience users state that they do not seek stores accepting their bank card.¹² Other alternative charge arrangements seem to be used by convenience users.

Implications of the Bank Credit Card

As the bank credit cards became more fully integrated into the day-to-day usage patterns of individuals, more problems are developing that directly affect the banks handling the cards. The problems include these:

Accuracy.¹³ The public fears computerized accounting. The cases in which the computer has charged a cardholder large amounts through error and then continued to press these charges because of human failure or unwillingness to intervene are few, but they are well publicized. Holders of credit cards fear this happening to them, and, because of this, they remain uncomfortable with credit card usage.

Theft.¹⁴ Tied with this the cardholders fear that they will be billed for charges made on undelivered, lost, or stolen cards. For, again, though the cases are few in which the cardholder whose card was stolen has been held liable, they are well publicized.

Cost.¹⁵ The banks issuing cards have seen costs exceed expectations in many instances due to a number of factors. These include the high percentage of cards that have been used fraudulently with the bank accepting full liability, the cost of distribution of cards that are simply not used, the competition among banks that has sharply reduced dealer

discounts, and the high percentage of card users who pay in the 25-day grace period and thus are in effect given interest-free loans for up to 55 days.

Liability.¹⁶ While banks have been trying to build up their credit card volume, many are now realizing also that they have put an uncontrollable weapon in their customers' hands. For while banks control lending volumes and timing of loans on all other credits, credit card loans are initiated at the instigation of the customer. While no exact figures are available, it is estimated that banks have cards outstanding that could be used for \$25 billion of loans, while the actual volume of credit being used on them is about one-fifth that much. This means that \$20 billion of new credit demands could be generated automatically, with the banks having no choice but to meet these demands through reduction of other loans and sale of securities.

Image.¹⁷ On top of these problems, the banks find that their public image has been hurt by the irony that the credit card has had some of its greatest growth during a period of record credit restraint and unmatched interest rate levels. It is not easy for the public to understand why a mortgage loan request must be denied while at the same moment the potential home buyer is staring at an ad offering credit for a European vacation or a night on the town using that very bank's credit cards. On top of this, the public ties the bank credit card with inflation. It feels that the cards have caused some of the excess demand for goods and services,

and the retailers and service establishments have had to raise their prices further to cover the cost of credit card sales.

Competition.¹⁸ The banks in the past have experienced fierce competition to their card operations not only from other banks with the same or different cards, but also from oil companies, airlines, the travel and entertainment cards, and who have expanded their own card operations to provide revolving credit and thus compete directly with every feature of the bank card.

Work is being done in many of these areas to alleviate the problem.

Fraud Control. In controlling fraud and eliminating the public fear of liability for lost and stolen cards the work that is being done is largely aimed at the goal of positive personal identification combined with authorization at the point of sale. Authorities have suggested that the final credit card will not resemble today's card at all; for it will have a personal identification number--like the social security number--and it will have magnetic information on it that can be utilized for point of sale verification of identity, available funds, and credit limits.

Tied with such foolproof identification and automatic authorization will have to be on-line connection with national computer interchange network. And the job here will be to make costs of such networks low enough and benefits high enough that retailers, service establishments, and other

credit card using firms will be willing to utilize them.

To accomplish this the use of the network for credit authorization and billing will have to be tied in with other services, such as preparation of payrolls, tax preparation, and other services utilizing the data handles by the networks.

To help cover the cost of such installations banks are also considering several other steps that would be made possible by on-line authorizations. These include higher authorization limits so that each account can be more profitable; more frequent billing through an accelerated processing cycle, so the bank does not provide such lengthy interest-free loans; charging customers an annual fee to be able to keep and use their bank card; and descriptive billing so that the high cost of transferring the actual sales receipts back to the customer's bank and the cardholder himself can be eliminated. Banks are also considering a service charge on unused balances just as they assess a stand-by fee on some business credit lines. On-line processing could also help eliminate collection losses, while virtually wiping out fraud losses. All these factors can help cover the cost of such a network.

Growth. In other ways banks are also trying to improve the profitability of their card systems. These include aggressive expansion into the use of cards for tax payment, hospital bills, church donations, tuition, and other major service areas in the nation.

On top of this, banks have developed pre-authorization plans, so routine bills like utility fees are billed directly

to the bank rather than the cardholder with the bank handling the bill paying and providing credit if the customer wants to use a time plan for payment.

The growing fear of handling cash, especially in urban areas, has already led to rapid growth in credit usage for petroleum purchases and even for taxi fares and other convenience goods and services available 24 hours a day.¹⁹

As banks continue to develop their cards they see the credit cards that preceded them on the public scene fighting for their lives. The travel and entertainment cards are trying to expand their services to offset the inroads from the free bank cards and the petroleum companies are trying to make their card operations more profitable, or at least less costly. Finally, airlines have developed their own cards as the lines try to gain more of the revolving credit income and the department stores are fighting to maintain their own cards both for customer contact and income.

The card issuers have flooded the public with choices, but the typical individual wants only one card that will do everything, so he need not carry a ton of plastic in his wallet and need not fear the loss of all these various cards.

The banks feel they are winning, as their cards provide quickest receipt of funds to the merchants and are costless to the public. But with the problems inherent in today's credit card operations, it is obvious that what the banks now offer will not be enough if their competitors offer more foolproof cards that provide the same or more services.

Finally, bankers are wondering what the credit card will do to bank structure. Already more checks are cashed in supermarkets than in banks and the banks see the credit card as a way of giving a one-time credit authorization that can continue on a revolving basis year after year without a further visit to the bank.²⁰

As more payroll payments are deposited directly in banks, then the combination of supermarket check cashing and credit cards, coupled with the other features of the "checkless society," should lessen the convenience advantage that individual bank office and branches have in attracting public deposits.

The credit card is thus bringing with it the potential for more remote banking, with the competitor among banks far apart from each other far more keen than ever before. For once the initial account is opened the customer will seldom have to visit the bank, and salesmen from distant banks will thus be able to roam far and wide offering the advantage of their institutions to customers in distant areas. It is quite likely the credit card will help to reduce the need for bank branches in the nation, as more and more of our financial transactions are handled remotely and automatically.

Other Implications

Another area of immediate concern to the bank cards is the direct result of the shortage of automobile fuels. During the 1960s oil companies were so eager to boost sales that tie-in agreements were made with the bank card companies--

allowing many oil company service stations to honor the bank cards for purchases. Now as the oil companies are able to sell all the fuel they can produce, they are trying to eliminate these costly tie-in agreements.

As of April 1974, Atlantic Richfield stations have stopped accepting BankAmericard and Mastercharge cards.²¹ And on May 1, 1974, Shell will stop honoring the Mastercharge card.²²

If this trend continues, the future of the bankcards for gasoline and automobile accessory purchases could be seriously in question.

ENDNOTES

¹H. Lee Matthews, John W. Slocum, Jr., "Social Class and Commercial Bank Credit Card Usage," Journal of Marketing, (January 1969), p. 72.

²Ibid., p. 72.

³Lloyd Warner, Democracy In Jonesville (New York: Harper and Brothers, 1949), p. 187.

⁴Field Research Corporation, "The Public Appraises Bank Cards," Copyright 1971 by National BankAmericard Incorporated, p. 30.

⁵Richard P. Coleman, "The Significance of Social Stratification in Selling," Marketing: A Mature Discipline (Chicago: American Marketing Association, 1961), p. 180.

⁶Slocum and Matthews, op. cit., p. 72.

⁷A. Davis and J. Dollard, Children of Bondage (Washington: American Council on Education, 1948).

⁸Slocum and Matthews, op. cit., p. 72.

⁹Arthur Vidich and Joseph Bensman, Small Town in Mass Society (New York: Anchor Books, Inc., 1960), p. 185.

¹⁰Murray S. Straws, "Deferred Gratification, Social Class, and the Achievement Syndrome," American Sociological Review, Vol. 27 (June, 1962), pp. 325-335.

¹¹Slocum and Matthews, op. cit., p. 76.

¹²Ibid., p. 78.

¹³"Evolving Implications of the Bank Credit Card," Banking, Vol. 63 (October, 1970), pp. 37-39.

¹⁴Op. cit., p. 37.

¹⁵Op. cit., p. 37.

¹⁶Op. cit., p. 38.

¹⁷Op. cit., p. 38.

¹⁸Op. cit., p. 39.

¹⁹Op. cit., p. 39.

²⁰Op. cit., p. 39.

²¹"Many Companies Turning Down Credit Cards," Tulsa Daily World, March 24, 1974, p. 24.

²²Op. cit.

CHAPTER III

METHODOLOGY

This chapter will explain the mode of data collection and the subsequent analysis performed on the data. The chapter is organized into three parts: (1) design of the questionnaire, (2) sample size, (3) tabulation of data.

Design of the Questionnaire

A three-page mail questionnaire was constructed to collect the data used in this study (see Appendix A). The questionnaire was divided into two parts. Part I contained 33 questions aimed at determining how respondents felt about the use of their BankAmericard and other forms of retail credit, how well informed cardholders were about the BankAmericard program, and how respondents felt about annual fees and descriptive billing.

In Part II socio-demographic data was requested to be used in developing a profile of cardholders. Many of the demographic variables were scaled according to the Recommended Standard Breakdown for Demographic Characteristics as shown in Appendix B.

Although many of the questions had been tested and used by Liberty National Bank and other researchers in previous questionnaires, the overall construction of the questionnaire

involved many considerations.

Questionnaire construction is still much more of an art than a science. No procedures have been established which will automatically lead to a good questionnaire. Most of what is known about making good questionnaires is the result of general experience. No basis theory has been established, nor even a fully systemized approach to the problem. Nevertheless, the extensive experience of many researchers and a limited number of organized experiments have lead to a long list of "dos and don'ts" and rules of thumb.¹

The most common errors in questionnaire construction arise in connection with the types of questions asked, the form and wording of the questions, and the sequencing of the question.

The most common errors in regard to the types of questions asked are the inclusion of questions that cannot be answered, or would not be answered, or need not be answered, and the omission of other questions which should be answered.

Each question should also be checked to determine whether it is necessary in terms of the research objectives. The form should avoid questions that are just interesting (except for one or two to start the interview on a good basis) because they lengthen the session and try the respondents' patience.

Even when the types of questions have been decided upon, their form and wording can make a substantial difference to the response. For most information one has the option of using an open-ended or close-ended question. An open-ended

question is one to which the respondent is free to answer in his own words. The choice between open-ended and close-ended questions affects the thoughtfulness of responses, the costs of interviewing, and the quality of the subsequent analysis. Due to the volume of data in this study and its difficulty in classifying the responses to open-ended questions, primarily close-ended questions were used.

Even after the form of the question is determined, the choice of words calls for considerable care. In general, the designer should strive for simple, direct, unambiguous, and unbiased wording. A good practice is always to pretest the questions before they are used on a wide scale.

Other "dos" and "don't" arise in connection with the sequencing of questions in the questionnaire. The lead question should create interest, if possible. Open questions are usually better here. Difficult questions or personal questions should be used toward the end of the interview, in order to create no emotional reaction that may affect subsequent answers or cause the respondent to break off the interview. As for the body of neutral questions, they should be asked in as logical an order as possible in order to avoid confusing the respondent. Classificatory data on the respondent are usually asked last, because they tend to be less interesting and are on the personal side.²

These guidelines were adhered to as closely as possible in the construction of the questionnaire. All relevant questions were close-ended. The questions were asked, and a

selection of answers presented for the respondent to check which answer most appropriate to his circumstances.

The questionnaire was sent with a cover letter (Appendix A) signed by a bank Vice-President. The bank included an ink pen as a gratuity for the respondent's cooperation.

Sample Size

Liberty National Bank had a complete listing of Bank-Americard accounts issued by the bank. From this listing a random sample of 500 accounts was selected, with a questionnaire being mailed to each of the selected accounts.

Tabulation of Data

Due to the straightforwardness of the questions and answers used, all data was hand tabulated. The method of tabulating known as "making gates"³ was used. Each answer of the same kind was marked with a short vertical line, up to four tabs. The fifth is a diagonal line across the first four, and the five together resemble a gate. The number of gates is then totaled for each answer and multiplied by five, to give the number of respondents indicating that answer for each question. "No Answer," or the nonrespondents for each question, should be, and were, tabulated for all questions.⁴ For the majority of questions, the percentage of respondents checking each answer of a question was calculated. The percentage of nonrespondents for each question was also calculated and presented for the readers' consideration. For several

questions a mean response was also calculated and presented for consideration.

The rest of this paper will be devoted to a presentation of the data gathered.

ENDNOTES

¹Harper W. Body, Jr., and Ralph Westfall, Marketing Research, (Homewood, Illinois: Richard D. Irwin, Inc., 1972), p. 288.

²Philip Kotler, Marketing Decision Making, A Model Building Approach, (New York: Holt, Rinehart and Winston, 1971), p. 323.

³Paul L. Endes, Professional Mail Surveys, (New York: McGraw Hill Co., 1970), p. 162.

⁴Ibid.

CHAPTER IV

RESULTS OF THE SURVEY

This chapter deals with the analysis of the results of the survey. The results will be presented in three sections: (1) the results of the mail sample; (2) the results of the socio-demographic questions; and (3) the results of the BankAmericard survey questions.

Results of the Mail Sample

Of the 500 questionnaires mailed, 246 (approximately 50 percent) were returned and tabulated. For a questionnaire of three pages with 44 questions, this must be considered a good response. Many of the disadvantages of using such a long questionnaire were probably overcome by several important factors. First, all of the respondents were holders of a BankAmericard, which would increase their interest in responding to the questionnaire. Second, studies have shown that questionnaires containing a gratuity such as a quarter, in this case a free pen, will increase the number of responses significantly!

Several of the returned questionnaires were incomplete. But completed portions were included in tabulations with the number of nonrespondents for each question being indicated.

Analysis of Socio-Demographic Variables

The results of the questions designed to obtain a social, economic, and demographic profile of the BankAmericard holder are reported below.

Question 1. Approximately how long have you lived in Oklahoma?

As Table III-1 indicates, 84 percent of the respondents had lived in Oklahoma for over ten years. While only 1 percent had resided in the state for less than one year, 1.2 percent from one to two years, 6 percent from three to five years, and 8 percent from six to ten years. Thus, the majority of BankAmericard holders appear to be people that are firmly settled and move nationally very little.

Question 2. Approximately how long have you been a customer of Liberty National Bank?

Eighty-two percent of the respondents had been associated with Liberty National Bank for greater than three years. While only 21 percent had been with Liberty for over ten years, only 22 percent had been with Liberty from six to ten years, and 38 percent had been customers from three to five years. Nineteen percent of the respondents had been with Liberty less than two years.

Twelve percent (30 respondents) did not respond to this question directly. But many comments made on the question

TABLE III-1
RESPONDENTS' LENGTH OF RESIDENCE IN OKLAHOMA*

Less Than 1 Year		1 To 2 Years		3 To 5 Years		6 To 10 Years		Over 10 Years		Total	
n	%	n	%	n	%	n	%	n	%	n	%
2	.8	3	1.2	14	6	20	8	202	84	241	100

n = Number of responses.

*The 5 non-respondents were 2% of the total returned questionnaires.

All percentages were rounded to the nearest whole percent.

indicated these nonrespondents' only association with Liberty National Bank was through the BankAmericard program. See Table III-2.

Questions 3 and 4. Respondents' Incomes

Table III-3 gives the distribution of incomes for husbands, wives, and single individuals.

Eighty percent of the reported incomes of husbands are in excess of \$10,000 per year. With 95 percent being in excess of \$5,000 per year. This being consistent with the minimum requirements for acquiring a BankAmericard.

Sixty-one percent (121 respondents) of the married respondents' wives made less than \$3,000 per year. With 89 of these admitting their wives were actually unemployed and made nothing. It is suspected that a significant portion of the remaining 32 respondents were also unemployed with actual incomes approaching zero. Eight percent of the wives had incomes from \$3,000 to \$4,999, 17 percent had incomes from \$5,000 to \$7,999, and 6 percent had incomes from \$8,000 to \$9,999. Only nine wives had incomes in excess of \$10,000, and none had incomes exceeding \$15,000.

For the unmarried respondents only 4 percent had annual incomes of less than \$5,000. Each of these individuals were widows. Twenty-four percent had incomes between \$5,000 and \$7,999, 20 percent from \$8,000 to \$9,999, 16 percent from \$10,000 to \$12,499, with 18 percent (eight individuals) having incomes greater than \$12,500.

TABLE III-2

RESPONDENTS' LENGTH OF ASSOCIATION WITH LIBERTY NATIONAL BANK*

Less Than 1 Year		1 To 2 Years		3 To 5 Years		6 To 10 Years		Over 10 Years		Total	
n	%	n	%	n	%	n	%	n	%	n	%
16	8	24	11	83	38	48	22	45	24	216	100

n = Number of responses.

*The 30 non-respondents to this question were 12% of the total returned questionnaires.

All percentages were rounded to the nearest whole percent.

TABLE III-3

HUSBAND'S, WIFE'S, AND SINGLE INDIVIDUAL'S INCOMES

	Under \$3,000		\$3,000- 4,999		\$5,000- 7,999		\$8,000- 9,999		\$10,000- 12,499		\$12,500- 14,999		\$15,000- 24,999		\$25,000 and Over		Non- respondents		Total	
	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
Husband's Income	2	1	6	3	16	8	14	7	47	24	35	17	45	23	21	10	15	7	201	100
Wife's Income	121*	61	17	8	34	17	11	6	4	2	5	2	--	--	--	--	9	4	201	100
Single Indivi- dual's Income**	1	2	1	2	11	24	9	20	7	10	5	11	3	7	--	--	8	18	45	100

*89 of these respondents actually indicated the wife was unemployed and earned nothing.

**Single individuals: Singles, divorced or widowed. 18% of the total number of respondents were in this category.

All percentages were rounded to the nearest whole percent.

Question 5. Age of head of household?

The BankAmericard program seems to appeal to individuals over 25. This might be attributed to the minimum income and credit standing requirement. Individuals under 25 may not be well enough established in life to qualify for the card. For individuals over 25 the distribution of cards is uniform. There were 23 percent and 20 percent of the total sample in the brackets of 25-34 and 35-44, respectively. The age bracket 45-54 contained 28 percent of the respondents, while the over 56 bracket contained 21 percent of the total number of respondents. See Table III-4.

Question 6. If you do business with any of the following types of financial institutions, would you please indicate which you are now using?
Another bank, Credit union, Finance Company, Savings and Loan Association.

Seventy-two percent of the respondents indicated they do utilize the services of another bank. This percentage could be even greater. If a respondent did not answer this question it would be difficult to determine whether they were indicating they did not use another bank or were simply refusing to indicate they were utilizing the services of another bank. The same conclusion could be drawn from the other three financial institutions.

With respect to the indicated use of the other financial institutions, 40 percent used the services of a credit union,

TABLE III-4

AGE OF THE HOUSEHOLD HEAD*

Under 25 Years		25 - 35 Years		35 - 45 Years		45 - 55 Years		Over 56 Years		Non- respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%	n	%
14	6	57	23	50	20	69	28	52	21	4	2	246	100

n = Number of responses.

All percentages were rounded to the nearest whole percent.

34 percent used a Savings and Loan, and 11 percent used a Finance Company. See Table III-5.

TABLE III-5
Other Financial Institutions that Respondents Do Business With

	n	% of Total Respondents (246)
Another Bank	177	72
Credit Union	96	40
Savings and Loan	83	34
Finance Company	28	11

n = Number of respondents.

Question 7. How long have you lived at your present address?

Of the total number of returned questionnaires, 34 percent had lived at their present address in excess of ten years, 15 percent from one to two years, and 12 percent less than one year. These responses reflect the relative stability of this group. See Table III-6.

Question 8. Do you own or rent your home?

Table III-7 indicates that 83 percent of the respondents owned their homes, while only 15 percent rented their homes. Two percent did not respond to this question. The responses to this question tend to reinforce the conclusion of the

TABLE III-6
LENGTH OF TIME AT PRESENT ADDRESS*

Less Than 1 Year		1 To 2 Years		3 To 5 Years		6 To 10 Years		Over 10 Years		Non- respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%	n	%
30	12	35	14	38	15	59	24	81	34	3	1	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

previous question that BankAmericard holders are relatively stable and immobile.

TABLE III-7
Own or Rent Home

Own		Rent		Nonrespondent		Total	
n	%	n	%	n	%	n	%
205	83	37	15	4	2	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

Question 9. Marital Status.

Eighty-two percent of the respondents were married. Seven percent were single, 6 percent were widowed, and 5 percent were divorced. These statistics also suggest that the group is established part of the community.

TABLE III-8
Marital Status

Married		Single		Divorced		Widowed		Total	
n	%	n	%	n	%	n	%	n	%
201	82	16	7	14	5	15	6	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

Question 10. Education.

Forty-one percent of the respondents were college graduates with 13 percent having attended graduate school. Thirty-one percent had some college and 17 percent were high school graduates. Seven percent had some high school while 4 percent had only a grade school education. See Table III-9 for a complete presentation of results.

Question 11. The number of children for each age group living at home.

Of the total responding, 119, or 48 percent, did not indicate having any children. The table below reports in absolute numbers the distribution of those who did have children.

TABLE III-10
Number and Ages of Children

Ages	Number of Children							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Under 2 years	12	1	-	-	-	-	-	-
2-6 years	33	7	1	-	-	-	-	-
7-11 years	33	11	-	-	-	-	-	-
Over 11 years	34	29	6	3	1	-	-	8

TABLE III-9

EDUCATION

Grade School		Some High School		High School Graduate		Some College		College Graduate		Graduate School		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
11	4	16	7	41	17	75	30	66	27	32	13	5	2	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

Summary Profile of the BankAmericard Holder

A summary of the results of this section will help to develop a profile of the BankAmericard Holder.

TABLE III-11
Selected Socio-Demographic Characteristics
of the Population and of the Sample

BankAmericard Holders	Number*	Percent
Length of Time With Liberty		
Less than 2 years	40	19
3-5 years	83	38
Over 6 years	93	43
	<u>216*</u>	<u>100</u>
Who Use Another Bank		
Does	177	72
Does not	69	28
	<u>246</u>	<u>100</u>
Owns or Rents Home		
Owns	205	85
Rents	37	15
	<u>242*</u>	<u>100</u>
Marital Status		
Married	201	82
Single	16	7
Widowed	15	6
Divorced	14	5
	<u>246*</u>	<u>100</u>
Age of Household Head		
Under 25	14	6
25-35	57	28
35-45	50	20
45-55	69	29
Over 56	52	21
	<u>242*</u>	<u>100</u>
Education		
College graduate	98	41
Non-college graduate	143	59
	<u>241*</u>	<u>100</u>

Husband's Income		
Below \$10,000	38	20
\$10,000 - \$12,499	47	25
\$12,500 - \$14,999	35	19
\$15,000 and above	66	36
	<u>186*</u>	<u>100</u>

*Non-respondents were deleted from the base number.

Average BankAmericard Customer

The average BankAmericard Holder owns his home, is married, is over 35 years of age, is not a college graduate, and makes more than \$10,000 a year. The fact that the high income levels do not seem consistent with the educational level of card holders has a possible explanation. The majority of card holders are the older, more established segment of the community. Though not college educated, they have probably kept the same job for many years. By this stability they have increased their income to in excess of the \$10,000 per year level.

Use of the BankAmericard

This section of the report will present the results of the BankAmericard usage section of the questionnaire.

Question 1. How long have you had a BankAmericard?

As Table III-12 indicates, slightly over 75 percent of the respondents have had their BankAmericard over three years while 27 percent have had their card over six years. Only nineteen respondents (8 percent) have had their BankAmericard

TABLE III-12

LENGTH OF TIME RESPONDENTS HAVE HAD A BANKAMERICARD

Less Than 1 Year		1 To 2 Years		3 To 5 Years		6 To 10 Years		Non- respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%
19	8	29	12	124	50	67	27	7	3	246	100

n = Number of respondents.

All percentages rounded to the nearest whole percent.

less than a year. This, again, tends to indicate that the majority of current card holders are the older, more established segment of the community.

Question 2. Do you have a BankAmericard from a bank other than Liberty National Bank of Oklahoma City?

Forty-six respondents (19 percent of the returned questionnaires) indicated they have a BankAmericard from a bank other than Liberty.

Question 3. If you have a BankAmericard from another bank, from what other bank was the card issued?

Table III-13 presents a detailed breakdown of the other banks the 46 positive respondents have a second BankAmericard from. The table presents only one significant trend. Thirty-one of the 46 respondents have a second BankAmericard issued by First National Bank of Oklahoma City.

TABLE III-13

	Number
First (Oklahoma City)	31
First (Tulsa)	2
May Avenue	1
City National	3
Fidelity	2
Village Bank	1
First Midwest City	2
Commerce (Kansas City)	1

Hugo, Oklahoma	1
Memphis, Tennessee	1
Out of state (not specified)	1
	<u>46</u>

Question 4. Do you use a BankAmericard issued from more than one bank?

Table III-14 presents the responses of the 46 respondents who indicated in Question 2 that they have a BankAmericard from a bank other than Liberty.

TABLE III-14
"Use" More Than One BankAmericard

Yes		No		Sometimes		Total	
n	%	n	%	n	%	n	%
13	28	18	39	15	33	46	100

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 5. When you received your BankAmericard, did you request it or did the bank just send you the card?

Fifty-two percent of the respondents indicated the bank had just sent them the card. While 45 percent of the card holders had requested the card.

TABLE III-15

How the Customer Acquired His BankAmericard

Requested the Card		Bank Sent the Card		Non- respondent		Total	
n	%	n	%	n	%	n	%
110	45	130	52	3	1	246	100

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 6. Do you use your BankAmericard regularly?

Although this question required a subjective definition of the term "regularly" on the part of the respondents, 65 percent indicated they did use the card on a regular basis. While 34 percent indicated they did not use the card on a regular basis. See Table III-16.

TABLE III-16

Subjective Determination of
Card Usage Frequency

Yes		No		Nonrespondent		Total	
n	%	n	%	n	%	n	%
159	65	84	34	3	1	246	100

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 7. If "No" (to Question 6), have you ever used your BankAmericard regularly?

Of the 84 respondents who indicated they did not use their BankAmericard regularly 65 percent indicated they have never used their BankAmericard regularly, while 35 percent indicated that at some time they had used their BankAmericard regularly.

TABLE III-17
Past Card Frequency Usage

Yes		No		Nonrespondents		Total	
n	%	n	%	n	%	n	%
29	35	54	65	1	--	84	100

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 8. If you don't use your BankAmericard, why not?

The responses to this question fell into several unanticipated categories. Table III-18 presents a summary of the major categories developed from the respondents' comments. The total is based on the 84 respondents who indicated in Question 6 that they did not use their cards regularly. The greatest number indicated that they did not use their BankAmericards because they were afraid they might get in over their heads.

TABLE III-18

Why Card Holders Don't Use Their Cards

	n	%
*Feel that I might get in over my head	28	33
*Never think about it	6	8
Always pay cash	10	12
Don't use any credit card regularly	5	6
Use only for major purchases or emergencies	4	5
Don't feel I need it	3	4
Feel the interest is too high	2	2
Lost card	2	2
*Other (not specified)	13	15
*Don't know	4	5
Nonrespondent	<u>7</u>	<u>8</u>
Total	84	100

*Other responses summarized from comments.

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 9. If you don't use your BankAmericard, why do you have one?

The potential respondents to this question were the 84 respondents in Question 6 who indicated they did not use their BankAmericard regularly. As Table III-19 indicates,

these people seem to have the card for a convenient source of credit when needed. The comments made indicate this was the general feeling of many non-users.

TABLE III-19
If You Don't Use Your BankAmericard
Why Do You Have One?

	n	%
*Just to have it if I ever need it	59	70
*The bank just sent me one	4	5
*Other	2	2
*Don't know	--	--
Cash checks (Identification)	3	4
I sent it back	1	1
Nonrespondents	<u>15</u>	<u>18</u>
Total	84	100

*Other responses summarized from comments.

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 10. Do you believe that you should buy now and pay later or save the money till you can afford it?

The respondents to this question were fairly evenly divided as to whether they would buy now and pay later or save till they can afford it. Thirty-nine percent indicated they would buy now and pay later, while 45 percent indicated

they would save till they have the money with 9 percent admitting they didn't know how they felt about the question. Table III-20 presents in detail the results of the returned questionnaires.

Question 11. Do you ever make purchases on credit?

Table III-21 indicates 66 percent of the respondents do make some purchases on credit. This combined with the 28 percent of respondents who indicated they "sometimes" make purchases on credit indicates that 94 percent of the respondents do make some purchases on credit.

Question 12. Do you believe that with credit cards the average person might run up more bills than he can afford?

The results presented in Table III-22 indicate that 41 percent of the respondents feel the average person might run up more bills than he can afford with credit cards, 46 percent feel this might happen sometimes, and 10 percent feel that this could not happen.

Question 13. Approximately how many times a month do you use your BankAmericard?

In this question the respondents were asked to estimate the number of times a month they actually used the card. As Table III-23 indicates, the responses to this question are consistent with the responses to Question 6, where 159

TABLE III-20

BELIEVE YOU SHOULD BUY NOW AND PAY LATER,
OR SAVE TILL YOU CAN AFFORD IT

Buy Now		Save Till I Have The Money		Don't Know		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%
97	39	107	44	23	9	19	8	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

TABLE III-21

DO YOU EVER MAKE PURCHASES ON CREDIT?

Yes		No		Sometimes		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%
162	66	12	5	70	28	2	1	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

TABLE III-22

ATTITUDE TOWARD CREDIT CARDS AND CREDIT

Yes		No		Sometimes		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%
102	41	24	10	114	46	6	3	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

TABLE III-23
MONTHLY CARD USAGE RATE

Less Than 5		5 To 10		10 To 20		Over 20		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%
184	75	42	17	14	6	1	--	5	2	246	100

Mean usage is 4.2 times per month.

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

respondents indicated they did use their BankAmericard regularly. The responses to this question indicate the mean usage rate is 4.2 times per month, or about once per week with only 24 percent of the respondents indicating they used the card in excess of five times per month.

Question 14. Do you generally pay the bill upon receipt or do you pay it off in installments?

The responses to this question were fairly evenly divided between respondents who pay the bill upon receipt, 43 percent, and 55 percent of the respondents paying the bill off in installments.

TABLE III-24
How the Bill is Paid

Upon Receipt		In Installments		Nonrespondents*		Total	
n	%	n	%	n	%	n	%
106	43	134	55	6	2	246	100

*Nonrespondents include people who don't use their card.

n = Number of respondents.

All percentages rounded to the nearest whole percent.

Question 15. For what type purchases do you usually use your BankAmericard?

Table III-25 presents in absolute numbers the responses to this question. The results indicate that the BankAmericard is most used for clothing and gifts, followed by gasoline purchases and vacation expenses.

TABLE III-25
Types of Purchases

Purchase	n
Clothing	151
Gifts	138
Vacations	98
Gasoline	95
Business Travel	68
Restaurants	57
Appliances	41
Sporting Goods	39
Entertainment	37
Furniture	30
Jewelry	24
Medical Expenses	23
Hobbies	21
Other*	48

*Includes such purchases as cash advances, major purchases, auto repair, identification, etc.

n = Number of respondents indicating they usually used their BankAmericard for this type purchase.

Question 16. Do you use your BankAmericard to make local purchases or do you use it only when you are out of town?

The responses to this question indicate the majority of people (66 percent) use their BankAmericard for both local and out-of-town purchases, with 29 percent indicating they use the card for local purchases only, and 3 percent reserving the card for out-of-town purchases. See Table III-26.

TABLE III-26

Local or Out-of-Town Card Use

Both		Local		Out of Town		Nonres- pondents		Total	
n	%	n	%	n	%	n	%	n	%
162	66	70	29	6	2	8	3	246	100

n = Number of respondents.

All percentages rounded to nearest whole percent.

Question 17. If you are in a store that honors your BankAmericard, would you write a check or use your BankAmericard or the store's own charge program?

Forty-nine percent of the people indicated they would sometimes use BankAmericard and sometimes use a check. Twenty percent indicated they would always use their BankAmericard,

TABLE III-27

WOULD YOU USE CHECK, BANKAMERICARD, OR THE STORE'S OWN CHARGE PROGRAM

BankAmericard		Check		Store's Own Charge Program		Sometimes Bank-Americard, Sometimes Check		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%
50	20	41	17	30	12	121	49	7	2	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

17 percent would always use a check, and only 12 percent preferred the store's own charge program. The results indicate that holders of BankAmericard generally prefer to use their card whenever possible. See Table III-27.

Question 18. Could you give an estimate on the average size of charge that you make on your BankAmericard?

The responses to this question, as detailed in Table III-28, indicate 70 percent of the people make an average charge of less than fifty dollars, with the most popular size charges being five to twenty dollars, with 50 percent of the people falling in this category.

TABLE III-28
Average Size of Charge Made

Size	n	%
\$1 - \$5	6	2.4
\$5 - \$10	43	17.5
\$10 - \$15	46	18.7
\$15 - \$20	35	14.2
\$20 - \$25	15	6.1
\$25 - \$50	33	13.4
\$50 - \$75	21	8.6
\$75 - \$100	11	4.5
Over \$100	14	5.7
Nonrespondents*	22	8.9

Total

246

100

n = Number of respondents.

Question 19. Could you give an estimate of your average monthly balance?

Seventeen percent of the respondents indicate an average monthly balance between 0 and 25 dollars, 10 percent average from 25 to 50 dollars, 7 percent average from 50 to 70 dollars, 9 percent average from 75 to 100 dollar balances, 18 percent report their balance averages 100 to 200 dollars, and 24 percent estimate their average monthly balance exceeds 200 dollars.

The majority of respondents indicate their average monthly balances run either less than fifty dollars, 27 percent, or in excess of 100 dollars with 42 percent of the respondents falling in this category. Details are presented in Table III-29.

TABLE III-29

Average Monthly Balance

Balance	n	%
0 - \$25	41	16.7
\$25 - \$50	26	10.6
\$50 - \$75	17	6.9
\$75 - \$100	21	8.5

\$100 - \$200	44	17.9
\$200 - \$350	28	11.4
Over \$350	33	13.4
Nonrespondents	36	14.6
	<hr/>	<hr/>
Total	246	100.0

n = Number of respondents.

Question 20. What other types of credit cards do you have?

Two hundred and thirty-eight of the respondents indicate they have other credit cards. Gasoline and retail store cards are the most often held, with 83 percent and 77 percent, respectively of the respondents holding these types of cards.

TABLE III-30

Other Types of Credit Cards Held

Type	n	%*
Travel and Entertainment	35	14
Gasoline	204	83
Retail Store	189	77
Other Bank Cards	46	19
Other	14	6
None	4	2
Nonrespondents	4	2

n = Number of respondents.

*Percentages are the percent of 246 questionnaires returned by respondents indicating they held that particular type of credit card. All percentages were rounded to nearest whole percent.

Question 21. What advantages do you think a BankAmericard has?

Respondents were given three different advantages and asked to rank them 1, 2, and 3. Many respondents apparently were unable to decide on a ranking of the advantages, so simply checked the advantage they felt most important. Therefore, the responses to this question will be presented in two separate sections. First, the responses of those respondents who chose to rank the advantages will be presented, then, second, the responses of those who simply checked the advantages they felt most important will be presented.

The results of the ranking are presented below for the reader's consideration. Many of those who ranked the advantages did not indicate but a first and second preference; however, their partial rankings are included.

<u>Advantage</u>	<u>Ranking</u>	<u>Number Who Ranked</u>
Convenience	1	47
	2	37
	3	13
Easy Installment Credit	1	5
	2	24
	3	58

Good Almost Anywhere	1	41
	2	40
	3	12
No Advantages		4
Nonrespondents		5
*Other (advantages)		12

*Detailed breakdown of "other" advantages respondents indicated:

Advantage

Identification	6
Pay all bills at once	2
Cash if needed	1
In lieu of cash	1
Record of purchases	1
Free	<u>1</u>
	<u>12</u>

Many of these can be considered a specific interpretation of "convenience."

A summary of the results of those respondents who chose not to rank the advantages but simply indicate the advantages they felt most important is presented below.

<u>Advantage</u>	<u>Number Who Checked That Advantage</u>
Convenience	72
Easy Installment Credit	8
Good Almost Anywhere	75
Number Who Checked All Three	16

Conclusion

The results of the two sections are consistent with each other. The individuals who ranked the advantages felt the

convenience of the card was the most important advantage, followed second by the good anywhere advantage, and third by the easy access to installment credit.

The individuals who only checked the advantages they felt the card had thought the convenience and good anywhere advantages were both an important advantage of the card.

If we interpret the good anywhere advantage as simply another aspect of convenience, then we can conclude that both groups feel the access to easy installment is relatively unimportant. However, the convenience afforded by the card is an advantage both groups viewed the card as having.

TABLE III-31
SUMMARY OF BANKAMERICARD ADVANTAGES

	Those Who Ranked*	Those Who Did Not Rank**
Convenience	47	88
Easy Installment Credit	5	24
Good Almost Anywhere	41	91

*The number of respondents who ranked that advantage number one.

**Number of respondents who checked that advantage.

Question 22. Do you think you write as many checks each month since you have been using your BankAmericard?

Forty-seven percent of the respondents felt they were writing as many checks each month since they have been using their BankAmericard, while 39 percent felt they had not been writing as many checks. Since the responses were so evenly divided between the yes and no responses, it is difficult to draw any conclusions as to how the use of the card has affected the number of checks individuals now write.

Since the respondents' feelings on this question were not clearly defined, one of the advantages of the bank cards, that of only one monthly check to pay all your bills, is clearly in question. Table III-32 presents the complete details of the respondents' answers.

TABLE III-32

Do You Write As Many Checks Since
Using Your BankAmericard

Yes		No		Don't Know		Nonrespondents		Total	
n	%	n	%	n	%	n	%	n	%
114	47	95	39	35	14	2	--	246	100

n = Number of respondents.

All percentages are rounded to the nearest whole percent.

Question 23. Do you feel that you are paying more for purchases because of BankAmericard?

Sixty percent of the respondents felt they were not paying more for purchases because of BankAmericard.

TABLE III-33

Do You Feel You Pay More For Purchases

Yes		No		Don't Know		Nonrespondents		Total	
n	%	n	%	n	%	n	%	n	%
64	26	146	60	35	14	1	-	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

Question 24. Do you feel that because of BankAmericard that you are apt to spend more money than you do when you were writing checks and paying cash for your purchases?

Fifty-three percent, 131 respondents, felt they did not spend more money now that they were using BankAmericard, 38 percent, 91 respondents, felt they were spending more, 22 respondents, 9 percent, didn't know if their spending patterns had changed. There were two nonrespondents to this question.

Question 25. Who in the household uses the card most of the time?

The responses to this question also produced no clear indication of which family member is the dominant card user. Thirty-five percent indicated the wife was, 30 percent indicated the husband, and 26 percent indicated both the husband and wife used the card.

TABLE III-34

Who Uses the Card

Husband		Wife		Both		Children		Nonrespondent		Total	
n	%	n	%	n	%	n	%	n	%	n	%
73	30	86	35	65	26	-	-	22	9	246	100

n = Number of respondents.

All percentages are rounded to the nearest whole percent.

Question 26. Any member of your family may use your Bank-Americard to make purchases?

The respondents were evenly divided on this question with 46 percent thinking any member of their family could use the card and 43 percent thinking the card use was restricted to certain members only. Nine percent admitted they were unsure. Table III-35 shows details.

TABLE III-35

Any Family Member May Use The Card

Yes		No		Don't Know		Nonrespondent		Total	
n	%	n	%	n	%	n	%	n	%
113	46	105	43	23	9	5	2	246	100

n = Number of respondents.

Percentages rounded to the nearest whole percent.

Question 27. Do you know how much total line of credit you can receive from your BankAmericard account?

Seventy-one percent of the respondents indicated they did know how much their total line of credit was, while twenty-nine percent said they did not know how much they could receive from their BankAmericard. This indicates the majority of card holders are well informed about this aspect of their BankAmericard.

TABLE III-36

Do You Know Your Total Credit Line

Yes		No		Nonrespondents		Total	
n	%	n	%	n	%	n	%
174	71	70	29	2	-	246	100

n = Number of respondents.

Percentages rounded to nearest whole percent.

Question 28. How Much? (Total line of credit can you receive from your BankAmericard account.)

Unfortunately, the respondents' answers to this question were meaningless for two reasons. First, among the possible answers we offered the respondent was included an "other" category for the individual to indicate a line of credit amount different from the three answers we offered them. There should have been a blank next to the "other" answer for the respondents to actually indicate what they thought their line of credit was. Unfortunately, this blank was omitted from the finished questionnaire.

Second, we had no way to actually verify if what they thought their line of credit was is the actual line of credit the bank had assigned them. Consequently, the only value to be derived from Questions 27 and 28 is presented in the results to Question 27.

Question 29. If you notified the bank that your card had been stolen, how much would you be liable for if it were used by an unauthorized person?

As Table III-37 shows, there are several interesting trends to note from the responses to this question. First, 31 percent of the respondents felt they were not liable for the use of a stolen card. These respondents were probably people who either have their photograph on the card for

TABLE III-37
STOLEN CARD LIABILITY

Liable For Everything		Liable Up To \$50		Not Liable		Have No Idea		Non-respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%
12	5	80	33	76	31	76	31	2	--	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

identification, have the card insured against use by an unauthorized party, or were simply unaware of any contingent liability from loss of the card. Second, 33 percent of the respondents acknowledged a potential liability of up to \$50 for a stolen card. A third interesting trend is that 37 percent of the respondents felt they were either liable for everything or had no idea what the extent of their liability was. From these responses it would seem that a significant portion of card holders are not at all well informed about the potential liability they could incur from a stolen card.

Question 30. Your BankAmericard can be used to get a cash loan from the bank?

Sixty-five percent of the respondents knew their BankAmericard could be used to get a cash loan from the bank, while 4 percent felt this was not possible, and 31 percent indicated they did not know if this was possible or not.

TABLE III-38

Knowledge of Availability of Cash
Loan Through BankAmericard

Yes		No		Don't Know		Nonrespondents		Total	
n	%	n	%	n	%	n	%	n	%
159	65	10	4	75	31	2	--	246	100

n = Number of respondents.

Percentages were rounded to nearest whole percent.

Question 31. If you decide to carry over part of your charges on your BankAmericard from one month to the next, what would the interest rate on the unpaid balance be?

The respondents were well informed about the interest rate on their BankAmericard with 78 percent correctly indicating the interest rate on the unpaid balance would be 18 percent per year. However, 18 percent did not know what the interest rate they were paying was. This was 43 respondents who used the card and did not know what the card use was costing on either a monthly or yearly basis.

TABLE III-39

Knowledge of the Card's Interest Rate

1/4% per month		3/4% per month		1% per month		1 ¹ / ₂ % per month		No Idea		Total	
n	%	n	%	n	%	n	%	n	%	n	%
2	-	-	-	8	3	193	79	43	18	246	100

n = Number of respondents.

Percentages were rounded to the nearest whole percent.

Question 32. If it became necessary to charge bank card holders some annual fee to enable bank card systems to stay in operation, would you be willing to pay an annual fee for your BankAmericard to be able to keep and use it?

One objective of the study was to provide some indication of the degree of resistance and/or support that might be expected from cardholders in the event that it became necessary to charge an annual fee for the card. Seventy-five percent of the 246 respondents indicated they would not be willing to pay the annual fee to keep and use their cards. Many of these respondents indicated they felt this unreasonable since installment card users pay 18 percent interest to use the card, and merchants honoring the card also paid six percent.

Those respondents unwilling to pay the annual fee were fairly evenly divided between the installment users and the non-installment users. However, as Table III-40a indicates, the installment users were more likely to be willing to pay the fee.

TABLE III-40

Would Be Willing To Pay An Annual Fee .

Yes		No		Nonrespondents		Total	
n	%	n	%	n	%	n	%
41	17	189	76	16	7	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

TABLE III-40a

ANNUAL FEE: CONVENIENCE* AND INSTALLMENT USERS

Convenience Users Who:				Installment Users Who:				Total**	
Would Pay An Annual Fee		Would Not Pay An Annual Fee		Would Pay An Annual Fee		Would Not Pay An Annual Fee		n	%
n	%	n	%	n	%	n	%		
10	4	89	39	31	14	99	43	229	100

*Convenience Users are those respondents who indicate they do not use the extended pay feature.

**Based on those respondents who answered both questions.

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

Question 33. When you get your BankAmericard statement at the end of the month, Liberty Bank presently encloses copies of all your sales slips. Would you be just as satisfied to have an itemized listing of the purchases you have made?

The reaction to descriptive billing was generally negative with 56 percent of the respondents indicating they needed their sales slips. This was consistent with the national survey, "The Public Appraises BankAmericards," where the percentage of opposed BankAmericard customers was 53 percent.²

However, 35 percent of the customers indicated the itemized list was acceptable and another 2 percent felt the itemized list would be acceptable if it were detailed enough to allow matching of sales slips with the list. Another 5 percent were undecided, but there were indications that some in this category would not object to descriptive billing if the descriptions were detailed enough to allow matching with sales slips.

TABLE III-41
REACTION TO DESCRIPTIVE BILLING

Satisfied With An Itemized List		Need Sales Slip		Don't Know		Other*		Non- respondents		Total	
n	%	n	%	n	%	n	%	n	%	n	%
85	35	141	56	12	5	4	2	4	2	246	100

n = Number of respondents.

All percentages were rounded to the nearest whole percent.

*All four respondents in the "Other" category indicated no opposition to descriptive billing if it were detailed enough to permit matching with their sales slips.

ENDNOTES

¹Delbert C. Miller, Handbook of Research Design and Social Measurement. (New York: David McKay Company, Inc.)

²Field Research Corporation, The Public Appraises Bank Cards, National BankAmericard Incorporated, July-August 1971, p. 88.

CHAPTER V

SUMMARY AND CONCLUSIONS

This chapter is divided into two sections. The first section will present a summary of the survey methodology and findings. The second section will present several conclusions reached by the author based on the findings of the study.

Summary

This project was essentially a case study of the BankAmericard holders of the Liberty National Bank and Trust Company of Oklahoma City.

The project had five major objectives. First, to develop an economic, social, and demographic profile of this bank's BankAmericard holder; second, to determine cardholder's reaction to descriptive billing and annual fees; third, to determine how cardholders feel about the use of credit and their BankAmericard; fourth, to determine cardholder's level of knowledge about their BankAmericard; and fifth, to determine the general usage and paying patterns of cardholders.

From the total number of Liberty National Bank's BankAmericard accounts, a total of five hundred accounts were selected.

To gather the data from these five hundred selected accounts a three-page questionnaire was constructed and mailed.

Of the five hundred mailed questionnaires a total of 246, or 49.2 percent, were returned and tabulated. From these returned questionnaires a profile of the BankAmericard holder was developed. It was determined that the average cardholder had been associated with Liberty National Bank for over three years, and that he also used the services of another bank for some of his financial needs. The average cardholder has lived in Oklahoma for over ten years, owns his own home (83 percent), is married (82 percent), is over 25 years of age, and is not a college graduate. Eighty percent of the respondents have a yearly income in excess of \$10,000.

Respondent's reaction to descriptive billing was generally negative, with 56 percent of the respondents indicating they preferred receiving sales slips. Thirty-five percent of the respondents felt an itemized list would be acceptable, and 2 percent of the respondents commented that an itemized list would be acceptable if it were detailed enough to allow matching of their copy of the sales slip to the list.

Seventy-six percent of the 246 respondents indicated they would not be willing to pay an annual fee to keep and use their BankAmericards. Of the installment users, 76 percent said they would not pay the fee and 24 percent indicated they would be willing to do so. Eighty-nine percent of the convenience users are opposed to the annual fee.

Two hundred and thirty-eight of the respondents indicate they have credit cards other than their BankAmericard. However, the respondents were evenly divided between using credit to "buy now" or saving until cash could be paid for the purchase. But when asked if they ever made purchases on credit, 94 percent said they did use credit at times. Eighty-seven percent of the respondents felt an average person might abuse his credit privileges by running up more bills than he could afford.

The fear of overspending and the preference for paying cash were the two most cited reasons for non-users not using their BankAmericards regularly. However, these non-users still preferred to keep their cards "just to have it if they ever need it."

Respondents indicated that if given a choice between using their BankAmericard, or a check, or a store's own charge program, 49 percent would prefer BankAmericard or check.

Respondents felt the convenience offered by their BankAmericard was its greatest advantage although 47 percent of the respondents indicated they wrote just as many checks since they had been using their BankAmericard. Fifty-three percent of respondents felt they did not spend more money now that they were using BankAmericard while 38 percent felt they were spending more now.

Cardholder's level of knowledge about their BankAmericard was good in some areas and weak in other areas. Seventy-one

percent of the respondents were aware of their individual line of credit, 33 percent were aware of the \$50.00 liability limit for a lost or stolen card, 33 percent felt they were not liable for any losses (hopefully individuals with picture cards or card insurance) and 31 percent had no idea what their potential liability was.

Sixty-five percent of the respondents knew their BankAmericard could be used to get a cash loan from the bank and 79 percent were aware that the interest rate on the unpaid balance was 1-1/2 percent.

On the question of who in the family was authorized to use the card, 46 percent felt any family member could use the card and 43 percent felt card usage was restricted to certain members.

Seventy-five percent of the respondents use their card less than five times per month, with clothing, gifts, vacations and gasoline being the most frequently purchased items.

It was not clear which family member used the card the most, with 30 percent of the respondents indicating the husband, 35 percent indicating the wife, and twenty-six percent indicating both family members used the card.

Respondents' average size BankAmericard charge is less than fifty dollars, with 27 percent of the respondents having an average monthly balance of less than fifty dollars, and 42 percent having an average monthly balance in excess of one hundred dollars.

Respondents were evenly divided between convenience and installment users, with 43 percent of the respondents paying the bill upon receipt, and 55 percent paying the bill in installments.

This project was designed to gather data concerning BankAmericard holders of Liberty National Bank. However, the results do give a basis for some conclusions.

Conclusion

From a review of the data collected, several conclusions can be drawn.

The majority of cardholders are over twenty-five years of age and not college educated. The feasibility of introducing individuals under twenty-five to the BankAmericard program should be explored. Specifically, the age group of 21 to 25 includes many fresh college graduates earning significant yearly incomes, and many non-college graduates that have been working for several years and have now firmly established themselves in the community.

Seventy-two percent of the respondents indicated they use the services of another bank. These individuals could constitute a large group of potential customers which Liberty already has contact with. These individuals could offer the bank a large new market for its services.

There are two areas of general information where cardholders should be more effectively informed. First, 31 percent of the respondents did not know what their liability was

if their card was lost or stolen. Another 31 percent felt they had no liability. Hopefully, these are individuals with photo cards or with insured cards.

The second area where respondents lack information is in the availability of cash loans through their BankAmericard. Thirty-five percent of the respondents were not aware of this service.

An effort should be made to make cardholders aware of their lost or stolen card liability, and of the cash loan service available through their card.

There was indicated strong resistance to proposed annual fees, with 76 percent of the respondents indicating they would not be willing to pay the annual fee to keep and use their card. The greatest support for the proposed fees came from the installment users where 31 such respondents indicated they would be willing to pay the fee.

The author drew several conclusions from comments on this question and other comments presented by respondents throughout the questionnaire. The usage of the BankAmericard (or bank cards in general) has become an established part of the day-to-day buying activity for most cardholders. This convenience habit has become almost a necessity to many cardholders, and would be extremely difficult, if not impossible, for most to break. In theory, these people don't want to start paying for something they now feel they are getting free. And even if they would be willing to pay the fee, they probably answered this question negatively just to help

discourage the introduction of such a fee. In reality, however, both installment and convenience users would be willing to accept a minimal annual fee. Most installment users would hardly notice a yearly billing of ten or fifteen dollars, and convenience users, who in effect use the card free, would realize the convenience offered by the card is worth a few dollars a year.

Respondent's reaction to descriptive billing was generally opposed but not by a decisive majority. From comments made by the respondents, there is reason to assume very little opposition to descriptive billing would be encountered if the bill was detailed enough for customers to match their individual sales slips to purchases on the bill.

Customers need to be better informed about the limits of their liability for lost or stolen cards, and about the cash loan service offered through their BankAmericard. Any marketing effort aimed at improving customers' awareness could also include efforts aimed at convincing cardholders of the need for annual fees and the increased speed and efficiency to be derived from descriptive billing.

BIBLIOGRAPHY

- "Bank Credit Card With a \$10 Annual Fee." Business Week. March 3, 1973. p. 23.
- Boyd, Harper W., Jr., and Westfall, Ralph. Marketing Research. Illinois: Richard D. Irwin, Inc., 1972. p. 88.
- Endes, Paul L. Professional Mail Surveys. New York: McGraw Hill Co., 1970.
- Coleman, Richard P. "The Significance of Social Stratification in Selling," Marketing: A Mature Discipline. Illinois: American Marketing Association, 1961.
- Daves, A. and Dollard, J. Children of Bondage. Washington, D. C.: American Council on Education, 1948.
- Field Research Corporation. The Public Appraises Bank Cards. National BankAmericard Incorporated, 1971.
- Haas, Dr. Robert W., and Plummer, Dr. Joseph T. "Marketing The Bank Card to Users and Non-Users." Banking, Vol. 65 (September 1972), p. 25.
- Kotler, Philip. Marketing Decision Making, A Model Building Approach. New York: Holt, Rinehart and Winston, 1971. p. 383.
- "Marketing The Bank Card to Users and Non-Users." Banking. Vol. 65 (September 1972), p. 25.
- Matthews, H. Lee, and Slocum, John W., Jr., "Social Class and Commercial Bank Credit Card Usage," Journal of Marketing. January 1969. p. 72.
- Miller, Delbert C. Handbook of Research Design and Social Measurement. New York: David McKay Company, Inc., 1970.
- Nadler, Dr. Paul S. "Evolving Implications of the Credit Card," Banking. Vol. 63 (October 1970), pp. 37-91.
- Rosenblatt, Robert A. "Many Companies Turning Down Credit Cards." Tulsa Daily World, March 24, 1974. p. 24.

Straus, Murray S. "Deferred Gratification, Social Class, and the Achievement Syndrome." American Sociological Review. Vol. 27 (June 1962), pp. 325-335.

"Trends In Finance." Burroughs Clearing House, Vol. 57 (April 1973), p. 3.

Vidich, Arthur and Bensmon, Joseph. Small Town In Mass Society. New York: Anchor Books, Inc., 1960. p. 185.

APPENDIX A
SAMPLE QUESTIONNAIRE
AND COVER LETTER



WILLIS J. WHEAT
Senior Vice-President

December 6, 1973

Mr. Robert E. Thein
3225 Northwest 66th
Oklahoma City, Oklahoma 73116

Dear Mr. Thein:

Liberty National Bank is conducting a survey of BankAmericard holders. The purpose of the survey is to help us improve the BankAmericard program by understanding how card users feel toward the use of their BankAmericard.

The enclosed questionnaire requires only about four minutes to complete and return in the stamped, self-addressed envelope.

We have not asked that you sign the questionnaire and all responses are anonymous unless you care to write in your name.

We appreciate your cooperation in responding to this survey. The information will be used as a means of improving BankAmericard customer service.

Sincerely,

Willis J. Wheat
Senior Vice President - Marketing

WJW:mp
Enclosures

P.S. Please accept the enclosed pen as a token of our appreciation.



LIBERTY NATIONAL BANK

BANKAMERICARD SURVEY

Part I

1. How long have you had a BankAmericard?

Less than 1 year 1 to 2 years 3 to 5 years 6 to 10 years
2. Do you have a BankAmericard from a bank other than Liberty National Bank of Oklahoma City?

Yes No
3. If yes, from what other bank was the card issued?

First (Okc) First (Tulsa) Other (Please Specify) _____
4. Do you use a BankAmericard issued from more than one Bank?

Yes No Sometimes
5. When you received your BankAmericard did you request it or did the bank just send you the card?

requested the card the bank sent the card
6. Do you use your BankAmericard regularly?

Yes No
7. If no, have you ever used your BankAmericard regularly?

Yes No
8. If you don't use your BankAmericard, why not?

never think about it feel that I might get in over my head
 other _____ don't know
9. If you don't use your BankAmericard why do you have one?

just to have it if I ever need it the bank just sent me one
 other _____ don't know
10. Do you believe that you should buy now and pay later or save the money till you can afford it?

buy now save till I have the money don't know
11. Do you ever make purchases on credit?

Yes No Sometimes
12. Do you believe that with credit cards the average person might run up more bills than he can afford?

Yes No Sometimes
13. Approximately how many times a month do you use your BankAmericard?

less than 5 5 to 10 10 to 20 over 20
14. Do you generally pay the bill upon receipt or do you pay it off in installments?

upon receipt in installments
15. For what type purchases do you usually use your BankAmericard?

appliances gasoline sporting goods entertainment business travel
 furniture medical expenses jewelry hobbies other
 clothing gifts restaurants vacations

16. Do you use your BankAmericard to make local purchases or do you use it only when you are out of town?
 local out of town both
17. If you are in a store that honors your BankAmericard would you write a check or use your BankAmericard or the stores own charge program?
 BankAmericard check stores own charge program sometimes BankAmericard, sometimes check
18. Could you give an estimate on the average size of charge that you make on your BankAmericard?
 \$1 — \$5 \$5 — \$10 \$10 — \$15 \$15 — \$20 \$20 — \$25 \$25 — \$50
 \$50 — \$75 \$75 — \$100 over \$100
19. Could you give an estimate of your average monthly balance?
 \$0 — \$25 \$25 — \$50 \$50 — \$75 \$75 — \$100 \$100 — \$200 \$200 — \$350 over \$350
20. What other types of credit cards do you have?
 travel and entertainment gasoline retail stores other bank cards other
21. What advantages do you think a BankAmericard has? (Please rank 1, 2, 3)
 convenience easy installment credit good almost anywhere other _____ none
22. Do you think you write as many checks each month since you have been using your BankAmericard?
 Yes No don't know
23. Do you feel that you are paying more for purchases because of BankAmericard?
 Yes No don't know
24. Do you feel that because of your BankAmericard that you are apt to spend more money than you did when you were writing checks and paying cash for your purchases?
 Yes No don't know
25. Who in the household uses the card most of the time?
 husband wife both children
26. Any member of your family may use your BankAmericard to make purchases?
 Yes No don't know
27. Do you know how much total line of credit you can receive from your BankAmericard account?
 Yes No
28. How much?
 \$100 \$300 \$500 other
29. If you notified the bank that your card had been stolen, how much would you be liable for if it were used by an unauthorized person? (Check one).
 you'd be liable for everything they bought. you'd be liable only up to a limit of \$50.
 you are not liable for any of the charges. have no idea
30. Your BankAmericard can be used to get a cash loan from the bank?
 Yes No don't know
31. If you decide to carry over part of your charges on your BankAmericard from one month to the next, the interest rate on the unpaid balance would be: (check one).
 ¼% per month (4% per year) ¾% per month (8% per year)
 1% per month (12% per year) 1½% per month (18% per year)
 have no idea

32. If it became necessary to charge bank card holders some annual fee to enable bank card systems to stay in operation, would you be willing to pay an annual fee for your BankAmericard to be able to keep and use it?
 Yes No
33. When you get your BankAmericard statement at the end of the month, Liberty Bank presently encloses copies of all your sales slips. Would you be just as satisfied to have an itemized listing of the purchases you have made?
 Would be satisfied with an itemized list Need the sales slips
 Don't know other (Please Explain) _____

Part II

1. Approximately how long have you lived in Oklahoma?
 Less than 1 year, 1 to 2 years, 3 to 5 years, 6 to 10 years, over 10 years
2. Approximately how long have you been a customer of Liberty National Bank?
 Less than 1 year, 1 to 2 years, 3 to 5 years, 6 to 10 years, over 10 years
3. Husband's Occupation: _____
 Husband's income: under \$3000 \$3000 to \$4999 \$5000 to \$7999 \$8000 to \$9999
 \$10,000 to \$12,499 \$12,500 to \$14,999 \$15,000 to \$24,999 \$25,000 and over
4. Wife's Occupation: _____
 Wife's income: under \$3000 \$3000 to \$4999 \$5000 to \$7999 \$8000 to \$9999
 \$10,000 to \$12,499 \$12,500 to \$14,999 \$15,000 to \$24,999 \$25,000 and over
5. Age of head of household?
 under 25, 25 - 35, 35 - 45, 45 - 55, over 56
6. If you do business with any of the following types of financial institutions, would you please indicate which you are now using?
 Another Bank, Credit Union, Finance Company, Savings and Loan Association
7. How long have you lived at your present address?
 Less than 1 year 1 to 2 years 3 to 5 years 6 to 10 years Over 10 years
8. Do you own or rent your home Own, Rent
9. Marital Status: Married, Single, Divorced, Widowed
10. Education:
 Grade School, Some High School, High School Graduate,
 Some College, College Graduate, Graduate School.
11. Please indicate the number of children in each age group living at home?
 _____ None, _____ Under 2 years, _____ 2-6 years, _____ 7-11 years, _____ Over 11 years.

Thank You. Please use the enclosed envelope to return the questionnaire to us at your earliest convenience.

APPENDIX B

RECOMMENDED STANDARD BREAKDOWN
FOR DEMOGRAPHIC CHARACTERISTICS

RECOMMENDED STANDARD BREAKDOWN FOR
 DEMOGRAPHIC CHARACTERISTICS
 Revision of September, 1965

I. Data for Households	Minimum Basic Data	Additional Data Highly Desired
A. County size: (see Note 1)	A County size B County size C County size D County size	
B. Geographic area: (see Note 2)	Inside Standard Metropolitan Statistical area Outside Standard Metropolitan Statistical area Urban Rural Farm Non-Farm	Urban: Urbanized areas Central cities Urban fringe Other urban: Places of 10,000 or more Places of 2,500 to 10,000 Standard Metro- politan Statis- tical Area: 4,000,000 or over 1,000,000 to 3,999,999 500,000 to 9,999,999 250,000 to 499,999 100,000 to 249,999 50,000 to 99,999

C. Geographic region: (see Notes 3 and 4)	New England Metro New York Mid-Atlantic East Central Metro Chicago West Central South East South West Pacific	North East North Central South West
D. Ages of children:	No child under 18 Youngest child 6-17 Youngest child under 6	Youngest child 12-17 Youngest child 6-11 Youngest child under 2
E. Family size:	1 or 2 members 3 or 4 members 5 or more members	
F. Family income:	Under \$5,000 \$5,000 to \$7,999 \$8,000 to \$9,999	Under \$3,000 \$3,000 to \$4,999 \$10,000 to \$12,499 \$12,500 to \$14,999 \$15,000 to \$24,999 \$25,000 and over
G. Home ownership:	Own home Rent home	Residence five years prior to survey date: Lived in same house Lived in different house In same country In different country
H. Dwelling characteristic	Single family dwelling unit Multiple family dwelling unit	
II. Data for Individuals	Minimum Basic Data	Additional Data Highly Desired
A. Age:	Under 6 6 to 11	

12 to 17	
18 to 34	18 to 24
35 to 49	24 to 34
50 to 64	
65 and over	

B. Sex: Male
Female

C. Education: Grade school or less
(Grades 1-8)
Some high school
Graduated high school
(Grades 9-12)
Some college
Graduated college Some postgraduate college work

D. Marital status: Married
Widowed
Divorced or separated
Single (never married)

E. Occupation: (see Note 5) Employed:
Professional and technical
Managers, officials and proprietors,
Clerical; sales
Craftsmen, foremen
Operative; non-farm laborers; service workers; private household workers
Farmers, farm managers; farm laborers and foremen
Armed Services
Retired
Students
Housewives (not employed outside home)
Unemployed--looking for work
Other

F. Color: White
Non-white

III. Data for Household Heads	Minimum Basic Data	Additional Data Highly Desired
-------------------------------	--------------------	--------------------------------

- A. Sex: Male
Female
- B. Age: 24 and younger
25 to 34
35 to 49
50 to 64
65 and over
- C. Education: Grade School or less
(Grades 1-8)
Some high school
Graduated high school
(Grades 9-12)
Some college
Graduated college Some postgraduate college work
- D. Occupation: Employed:
Professional and technical
Managers, officials and proprietors, except farm
Clerical; sales
Craftsmen, foremen
Operative; non-farm laborers; service workers; private household workers
Farmers, farm managers; farm laborers and foremen
Armed services
Retired
Unemployed--looking for work
Other
- E. Color: White
Non-white
- IV. Data for Housewives Minimum Basic Data Additional Data Highly Desired
- A. Age: 24 and younger
25 to 34
35 to 49
50 to 64
65 and over
- B. Education: Grade school or less
(Grades 1-8)

Some high school
 Graduated high school
 (Grades 9-12)
 Some college
 Graduated college Some postgraduate
 college work

C. Employment:
 (see Note 5)

Employed outside the
 home
 Employed full time
 30 hours or more
 per week
 Employed part time
 Less than 30 hours
 per week
 Not employed outside
 the home
 Unemployed--looking
 for work
 Other

DEFINITIONS OF COUNTY SIZES, GEOGRAPHIC AREAS,
 AND GEOGRAPHIC REGIONS

- Note 1: County Size A - All counties belonging to the 26 largest metropolitan areas.
 County Size B - Counties over 120,000 population that are not in Class A, plus counties that are a part of the metropolitan area of cities in such B counties.
 County Size C - Counties not included in Class A or Class B having over 32,000 population plus counties that are a part of the metropolitan area of cities in such C counties.
 County Size D - All counties not included in Class A, Class B, or Class C.
- Note 2: As defined by the Bureau of the Census, U. S. Department of Commerce. See: U. S. Census of Population 1960, United States Summary, General Social and Economic Characteristics Final Report PC (1)--IC pgs: VII - X.
- Note 3: New England includes Maine, Vermont, New Hampshire, Massachusetts, Connecticut and Rhode Island.
 Metro New York includes New York, Kings, Queens, Richmond, Bronx, Westchester, Rockland, Nassau and Suffolk counties in New York State, and Bergen Essex, Hudson, Middlesex, Passaic, Union, Somerset and

Morris counties in New Jersey.
Metro Chicago includes Cook Du Page, Lake, Kane,
McHenry and Will counties in Illinois and Lake and
Porter counties in Indiana.

Note 4: As defined by the Bureau of Census, U. S. Department
of Commerce.

Note 5: As defined by the Bureau of Census, U. S. Department
of Commerce.