

From private name to co-marked Mastercard: an evaluation of the effect of an adjustment of offer over client esteem discernment and friends esteem catch

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Abstract

Purpose: The aim of this paper is to evaluate the success of a value proposition over time, considering two aspects: customer's perceived value and value capture. **Research Design:** The survey was conducted in a Brazilian retail credit card issuer, originally of the "private label" type, that changed to a co-branded operation. Aside from the research on customer's perceived value, a survey was performed on the actual transactions made by cardholders in order to measure value captures, before and after the credit card offering change. **Findings:** The results confirmed that changes in value proposition, from private label to co-branded credit card, have a positive impact in customers' perceived value and in company's value capture. One year after the credit card service changed, there was an increase on both perceived value, considering all the variables involved, such as quality, price and benefit; and value capture, measured by the amounts spent by customers, number of transactions completed and credit limit usage. **Research limitations/implications:** There might be a selection bias since we sent the questionnaire via email, reaching only those respondents who had access to and opened the email. These respondents may be (and probably are) different from other users (e.g., older, less educated, etc. credit card holders). Therefore, for future research we suggest a new study with a more democratic instrument. It is also noteworthy that this study was not concerned with an understanding of all the process of value capture, other factors than the considered here can influence the company's value capture. **Practical implications:** No matter how good the company's understanding of its customer basis is, it can never be sure beforehand of the impact of such actions on customer perceptions, i.e. whether the new value proposition will be perceived as attractive enough to allow for actual value capture. **Originality:** The originality of this study lies in how it evaluates a change in value proposition through the impact on customers' perceived value and value capture. Previous works have measured usage patterns and perceptions, but all of them are focused on actual patterns and perceptions among existing credit cardholders, and thus encourage use of m-banking application. The results cannot be generalised since data was collected only from northern part of India.

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