



## The impact of overconfidence bias, herding behavior, and financial literacy on credit card usage behavior among Indian credit cardholders: A study of Haridwar

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### Abstract

This study shows that the increasing phenomenon of the adoption of credit cards in India, especially in the semi-urban areas, has brought about a major shift in the behaviour of consumers and raised important questions about prudent credit management practices. This assumes significance as neoclassical financial theories rely on rational behaviour for decisionmaking; conversely, the field of behavioural financial theories advocates the countervailing influence of mental biases and financial literacy in affecting consumer behaviour with respect to credit management practices. It is within this context that the paper will focus on the influence of overconfidence bias, herding behaviour, and financial literacy on the adoption practices of credit card holders in the Haridwar district of India.

The research uses a descriptive and empirical research design with primary data collection techniques. A total of 100 credit card consumers were surveyed for data collection using a structured questionnaire. The data has been analyzed using descriptive statistics and simple regression analysis. The research has tried to assess the individual influence as well as the combined influence exerted by the behavioural as well as knowledge attributes considered on the usage of the credit card. Demographic variables like age, sex, occupation, income level, and experience with the use of credit cards have been analyzed.

The results indicate that financial literacy and herding action influence the usage of the credit card significantly and positively. On the other hand, overconfidence bias was spotted to influence the usage of the credit card positively but insignificantly. This confirms that reliance on financial knowledge and herding action by consumers is essential in determining the usage of the credit card. On the other hand, mere reliance on the overconfidence bias does not have any significant effect on determining the usage of the credit card. This shows that the proposed model is robust.

The findings in the research show that the behavior of credit card use is not only reliant on convenience and income but is also largely impacted by the behavioral and cognitive aspects. The results highlighted the importance of improved financial literacy and awareness for prudent use of credit cards and minimizing financial stress. The research findings are extremely helpful in developing credit strategies and awareness programs for banks, policymakers, and educators in semi-urban areas in India.

**Keywords:** Credit card usage behaviour, overconfidence bias, herding behaviour, financial literacy, behavioural finance, consumer credit, semi-urban India

### Introduction

The rising incorporation of digital finance into the fabric of daily living has also had a major influence on the behavior associated with the management of payments and short-term credit by consumers. Among the spectrum of financial products, the credit card has become a widely adopted instrument due to the ease it offers in terms of convenience, accessibility, and flexibility. In India, the development and acceptance of cashless transactions linked to the expansion of the online shopping sector and the provision of financial facilities by banks have mobilized the widespread adoption of credit cards not only in urban areas but also in semiurban areas like Haridwar.

Although credit cards offer benefits in terms of financial convenience, misuse of credit cards can result in overspending, late payments, and accumulation of debts. The standard assumption in economic theory states that people take wise and informed financial choices after proper consideration and analysis of costs and benefits associated with a particular financial proposition. In reality, though, people do not act as assumed in economic theory, and their financial choices get driven by psychological and social factors as discussed in the theoretical domain of behavioural finance.

One of the behavioral variables, which influences consumer behavior in credit, is overconfidence bias. People who exhibit overconfidence behavior often underestimate the risks connected with using credit cards. Overconfidence can lead people to make frequent use of credit cards since they feel they will be able to reimburse them in a short while. Herding behavior is also a behavioral element of influence in credit. It refers to when people seek advice from other people in matters of making financial decisions. In credit card use, herding behavior might make people use credit cards due to their popularity.

In addition to these behavioral biases, financial literacy can play an equally important role in defining how effectively and irresponsibly credit card consumption is practiced by customers. Financial literacy can be defined as an individual's comprehension of financial terms like interest rates, billing cycles, repayment terms, and budgeting skills. Customers with proper financial literacy can effectively handle credit cards and are less likely to indulge in wasteful and heavy borrowing. It has been observed that financial literacy is a concern in semiurban areas.

Most of the previous work done on the usage of credit cards has either been conducted among the urban population or

has analyzed the presence of behavioural bias and financial literacy separately. There is very little research-based evidence available, which has explored the role of overconfidence bias, herding, and financial literacy together towards understanding the usage of credit cards in the semi-urban areas of India. The current research fills the research gap as it tries to determine the effect of biases in behavior and awareness of personal finance on credit card behavior. The research targets credit card users in the town of Haridwar. The research applies quantitative analysis methods on primary research data in a bid to have a holistic approach to behavior affected by knowledge in the field of consumer behavior related to credit card use amongst credit card users. The research findings have the capability of improving knowledge in behavior finance theory.

## Review of Literature

### 1. Overconfidence Bias and Credit Card Usage Behaviour

Overconfidence Bias occurs when an individual believe their financial knowledge or abilities are much greater than they actually do. Many people think they can manage money better than others, which leads to the Overestimation of payment ability and Perceived financial skill than the average user.

According to researchers like Barber and Odean (2001) [5, 20] stated that this overconfidence leads individuals to take more financial risks because they trust their own judgment too much. Pompian (2006) [13] also explained that such people often ignore potential problem and engaged in Minimized credit risk, falling to see the true danger in the decision.

This bias strongly influences an individual's in terms of Credit Card Usage Behaviour, because they wrongly assume they can easily repay what they owe, overconfident individuals may use their credit cards more often, impacting the Frequency of credit card use. This belief that future income will cover expenses Chawla, J. A. (2025) [7, 22] can also result in higher Average monthly spending. Akhtar and Das (2019) [3, 18] found that overconfident consumers commonly underestimate interest rates and repayment difficulties, which leads to Revolving balance behaviour and delays in Timely repayment / late payment. Chawla (2025) [7, 22] also showed that overconfident users believe future income will cover increasing expenses, which results in higher Average monthly spending.

This shows that Overconfidence Bias plays a strong role in shaping Credit Card Usage Behaviour, particularly influencing Frequency of credit card use, high Average monthly spending, and late repayments.

### RQ1: How does Overconfidence Bias influence Credit Card Usage Behaviour among credit cardholders in Haridwar?

### 2. Herding Behavior and Credit Card Usage Behaviour

Herding Behavior happens when people follow the decisions and actions of others instead of thinking independently. Banerjee (1992) [4, 19] explained that individuals often copy large groups because they believe the group knows better. Bikhchandani *et al.* (1998) [6, 21] also noted that people rely on others' behaviour when they lack knowledge.

In India, herding plays a major role in financial behaviour. Prosad *et al.* (2015) [14, 28] found that consumers frequently

exhibit following others' credit card use, especially within family and peer groups. Adil (2022) [1] stated that Influence of social opinions and trends is common among young credit card users. Kapoor and Singh (2021) [9, 24] reported that many people begin using credit cards due to using popular offers/trends, such as festive discounts, cashbacks, or online promotions.

Such influences lead to increased Frequency of credit card use, higher Average monthly spending, and riskier Revolving balance behaviour. Sharma (2023) [15, 29] even highlighted that social media influencers cause people to adopt credit cards without proper financial understanding.

Thus, Herding Behavior clearly affects Credit Card Usage Behaviour by encouraging trendbased spending and social imitation.

### RQ2: How does Herding Behavior affect the Credit Card Usage Behaviour of credit card users in Haridwar?

### 3. Financial Literacy and Credit Card Usage Behaviour

Financial Literacy means having the knowledge to make good money decisions. This includes Understanding credit terms, having Awareness of charges, and having the Ability to budget/manage money. Lusardi and Mitchell (2014) [11, 26] explained that higher financial literacy helps people avoid unnecessary debt. OECD (2018) also noted that financial knowledge reduces financial mistakes.

In India, Financial Literacy strongly influences how people use credit cards. Uddin (2020) [16] found that those who understand interest rates and fees use credit cards more responsibly. Chincholkar and Patil (2021) [8, 23] showed that financially literate individuals avoid Revolving balance behaviour and try to maintain Timely repayment / late payment discipline. Agarwal *et al.* (2018) [2, 17] showed that financial knowledge helps people avoid overspending and control Average monthly spending.

People with higher literacy also show better Ability to budget/manage money, resulting in healthier Credit Card Usage Behaviour such as controlled Frequency of credit card use and improved repayment habits (Lee & Chen, 2019) [10, 25].

### RQ3: How does Financial Literacy impact the Credit Card Usage Behaviour of consumers in Haridwar?

### 4. Research Gap

This study shows that most of the literature on the credit card usage behavior drawn from past studies, therefore, relates to urban populations, developed economies, and metropolitan cities where access to financial services, financial awareness, and consumer behavior is considerably different from that of semi-urban, emerging regions. Though a few studies have focused on some of the behavioral biases such as overconfidence and herding behavior, or financial literacy, these elements generally remain in pieces rather than being integrated into one framework. Most of the earlier studies also draw on general investment behavior, stock market participation, or consumer finance, with relatively little emphasis being placed on credit card usage behavior as such, especially in the Indian context. Such studies which focus on credit card usage also tend to reflect demographic or economic perspectives, rather than psychological and behavioral aspects that govern spending frequency, repayment habits, and revolving credit card behavior.

Moreover, the lack of region-specific empirical evidence, particularly for tier-2 and semi-urban cities like Haridwar, is prominent, wherein socio-economic characteristics, cultural influences, and peer effects may eventually result in shaping financial decision-making differently from that in metropolitan cities. The existing body of research also relies heavily on either secondary data or small, non-representative samples, thereby constraining the generalizability of findings. Further, very few studies employ robust quantitative techniques to study the combined impact of behavioural biases and financial literacy on credit card usage behaviour with primary data. The present study, therefore, attempts to fill these gaps by presenting an in-depth, location-specific analysis of overconfidence bias, herding behaviour, and financial literacy and their collective influence on credit card usage behaviour among credit cardholders in Haridwar, with meaningful insights for both academic literature and practical financial policy discussions.

**5. Research Objective**

1. To evaluate the Overconfidence Bias among Credit Card Usage Behaviour of credit card holders in Haridwar.
2. To asses the Herding Bias among Credit Card Usage Behaviour of credit card holders in Haridwar.
3. To examine the level of Financial Literacy on the Credit Card Usage Behaviour of credit cardholders in Haridwar.

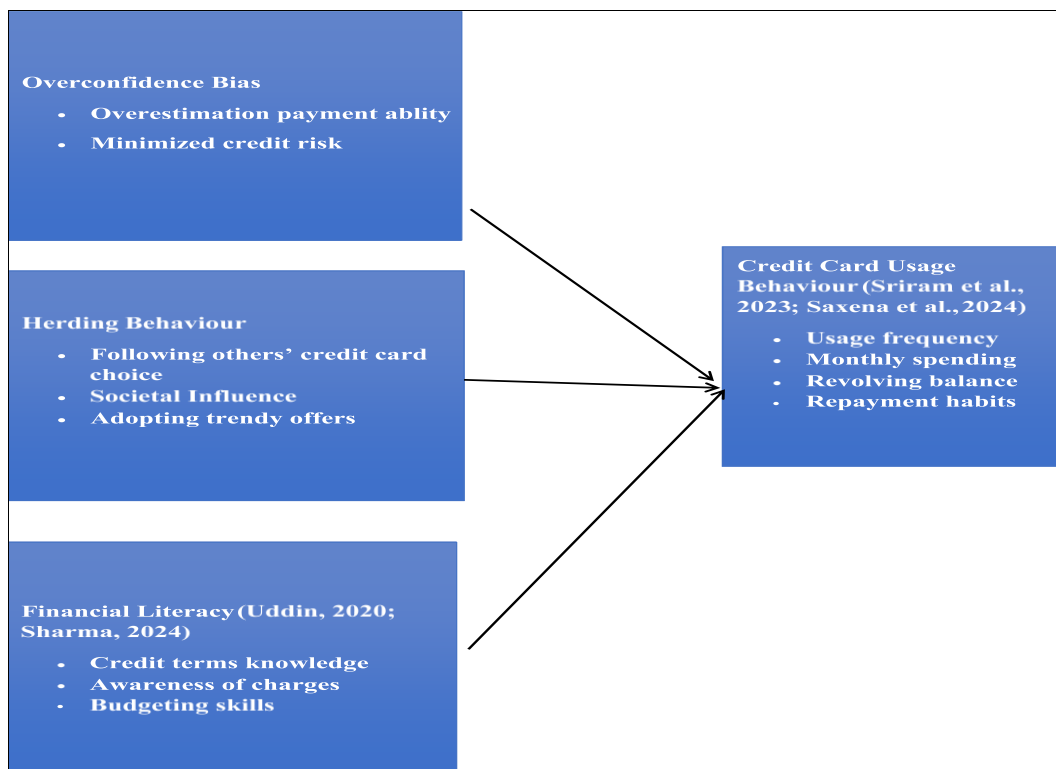
**6. Hypothesis**

**H1:** Overconfidence bias is positively and significantly related to credit card usage behavior among the credit card holders in Haridwar.

**H2:** Herding bias significantly influences the credit card usage behavior of credit card holders in Haridwar.

**H3:** Financial literacy significantly affects credit card usage behaviour of credit cardholders in Haridwar

**Conceptual Framework**



The theoretical framework of the study has been made to scrutinize the effect of behavioural biases as well as financial knowledge on credit card usage behaviour of the consumers in Haridwar. It links three major independent variables—Overconfidence Bias, Herding Behaviour, and Financial Literacy—with one dependent variable, Credit Card Usage Behaviour.

**3. Research Methodology**

This study uses a descriptive and empirical research design to look at how Overconfidence Bias, Herding Behaviour, and Financial Literacy affect the Credit Card Usage Behaviour of consumers in Haridwar. A descriptive design

works well because it explains the characteristics, attitudes, and behaviour patterns of credit card users. An empirical approach is fitting since the study relies on real primary data gathered from respondents through a structured questionnaire.

The study used a quantitative approach, and a Google Forms survey was used to gather numerical data. This approach makes it possible to examine the relationship between the variables using statistical tools like regression, correlation, and descriptive statistics. Because they enable the measurement of psychological variables and the use of mathematical models to forecast financial behaviour, quantitative designs are frequently employed in behavioural finance research

### 1. Ampling Design

#### 1.1 Population of Study

The population of the research study is composed of all credit card users who are located in the geographic region of Haridwar, Uttarakhand.

#### 1.2 Sampling Frame

Since there is no accurate list of all credit card users available, participants will be identified using a sampling frame made up of persons living in:

S.No.	Area of Haridwar District	Respondent Type		Headquarters / Locality	No. of Respondents
1.	Haridwar City	Mixed (Businessmen, Employees)	n, Govt. Private	Har Ki Pauri	20
2.	Jwalapur	Businessmen, Employees	Private	Jwalapur	15
3.	Kankhal	Govt. Employees, Businessmen		Kankhal	15
4.	BHEL Township	Govt. Employees		Ranipur	15
5.	SIDCUL Area	Private Sector Employees		Bahadrad	15
6.	Shivalik Nagar	Mixed (Private Employees, Businessmen)		Shivalik Nagar	20
Total	6 Areas	—		—	100

#### 1.3 Scale Development

The Likert scale is the most widely used scale in attitude measurement studies in social sciences and behavioral research. In this study, a five-point Likert scale is used in this research to gauge respondents' attitude and behavioral tendencies in relation to credit card usage. The statements

were scored using five levels of attitude: Strongly Disagree (1) Disagree (2) Neutral (3) Agree (4) Strongly Agree (5).

This scale assists in describing the intensity of response among researcher participants and is widely used in studies concerning consumer behavior and financial decisions (Mueller, 1986).

S. No.	Name of Variable	Nature Psychological Variables	of	Authors	Scale Items
1.	Overconfidence Bias	Behavioral Factor		Barber & Odean (2001) [5, 20]; Pompian (2012); Statman (2014)	4
2.	Herding Bias	Behavioral Factor		Banerjee (1992) [4, 19]; Shiller (2000); Bikhchandani & Sharma (2001)	4
3.	Social Influence	Behavioral Psychographic Factor	/	Bearden <i>et al.</i> (1989); Cialdini (2009)	7
4.	Financial Literacy	Psychographic Factor		Lusardi & Mitchell (2011); OECD (2018)	7
5.	Credit Card Usage Behaviour	Behavioral Factor		Norvilitis <i>et al.</i> (2006); Xiao <i>et al.</i> (2015)	5

#### 1.4 Sample Size Determination

Since it was not known how many people in Haridwar use credit cards, I used the formula for determining sample size for an infinite population, as suggested by Cochran in 1977. This has been found to be a very accepted form in science for determining sample sizes in social sciences the formula is:

$$N = Z^2 * p (1 - p) / C^2$$

Where:

- $Z = 1.96$  (for 95% confidence level)
- $p = 0.5$  (proportion of population, used when actual estimate is unknown) •  $C = 0.05$  (margin of error)

#### Substituting the values

$$n = 1.96^2 \times 0.5 \times 0.5 / 0.05^2 \quad n = 3.8416 \times 0.25 / 0.0025 \quad n = 0.9604 / 0.0025 = 384.16$$

Therefore, the minimum recommended sample size is:  
= 385 RESPONDENTS

However, considering time, availability, and response limitations, the study practically aims to collect 150–200 responses, which is acceptable for behavioural studies and regression analysis.

#### 1.5 Design of Sampling

A combination of Convenience Sampling and Snowball Sampling methodologies has been adopted.

**Convenience Sampling:** The respondents were chosen for their easy accessibility (in offices, shops, hostels, banks, coaching institutes, and residential areas).

**Snowball Sampling:** Participants were able to share this Google Form with other users of credit cards in Haridwar, which in turn allowed for increasing access to a pool of respondents.

These methods were needed, since it would not be possible to compile a list of all credit card users.

#### 1.6 Why We Use This Sampling Method

- Credit card users cannot be easily identified through a traditional database.
- The sampling frame methods help to identify a broad range of possible participants living in a semi-urban area.
- By using Snowball Sampling, there is chances of reaching active credit card

#### Summary

##### Correlation and Regression Analysis

Multiple regression analysis was carried out to achieve the objective of the study and to test the hypothesis formulated. Prior to conducting regression analysis, the assumptions of regression such as normality and linearity were checked, and the data were found to be normally distributed with a linear relationship among the variables.

OUTPUT						
<b>REGRESSION STATISTICS</b>						
<b>MULTIPLE R</b>	0.800547241					
<b>R SQUARE</b>	0.640875885					
<b>ADJUSTED R SQUARE</b>	0.629653257					
<b>STANDARD ERROR OBSERVATIONS</b>	0.494775644					
<b>OBSERVATIONS</b>	100					
<b>ANOVA</b>						
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>	
<b>REGRESSION</b>	3	41.93891794	13.97963931	57.10568437	2.84468E-21	
<b>RESIDUAL</b>	96	23.50108206	0.244802938			
<b>TOTAL</b>	99	65.44				
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
<b>INTERCEPT</b>	0.126129568	0.257608702	0.489616875	0.625521986	-	0.637478799
<b>OVERCONFIDENCE BIAS</b>	0.104019591	0.093175315	1.11638572	0.267043551	-	0.28897113
<b>HERDING BEHAVIOUR</b>	0.394880496	0.112463812	3.511178308	0.000681523	0.171641594	0.618119397
<b>FINANCIAL LITERACY</b>	0.458257741	0.11652187	3.932804554	0.000158629	0.226963657	0.689551825

**Regression Equation**

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where,

- Y = Credit Card Usage Behaviour (Dependent Variable)
- a = Constant (Intercept)
- X<sub>1</sub> = Overconfidence Bias
- X<sub>2</sub> = Herding Behaviour
- X<sub>3</sub> = Financial Literacy
- b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub> = Regression coefficients
- e = Error term

**Model Summary**

The regression model summary indicates a Multiple R value of 0.801, showing a strong correlation between the dependent and independent variables. The R Square value of 0.641 suggests that 64.1% of the variation in credit card usage behaviour is explained by overconfidence bias, herding behaviour, and financial literacy. The Adjusted R Square value of

0.630 confirms the goodness of fit of the model.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.801	0.641	0.630	0.495

**ANOVA (Test of Model Fitness)**

The ANOVA results show an F-value of 57.11 with a significance value of 0.000, which is less than the 0.05 level of significance. This indicates that the regression model is statistically significant and fit for prediction.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	41.939	3	13.980	57.106	0.000
Residual	23.501	96	0.245		
Total	65.440	99			

**Dependent Variable:** Credit Card Usage Behaviour  
**Predictors:** (Constant), Overconfidence Bias, Herding Behaviour, Financial Literacy  
**Source:** Primary Data

Variables	Unstandardized Coefficient (B)	Std. Error	t-value	Sig. (p-value)
Constant	0.126	0.258	0.490	0.625
Overconfidence Bias	0.104	0.093	1.116	0.267
Herding Behaviour	0.395	0.112	3.511	0.001
Financial Literacy	0.458	0.117	3.932	0.000

**Interpretation of Regression Coefficients**

The coefficient results reveal that Herding Behaviour and Financial Literacy have a positive and statistically significant impact on credit card usage behaviour, as their p-values are less than 0.05. This implies that social influence and financial knowledge significantly affect how individuals use credit cards.

On the other hand, Overconfidence Bias does not show a statistically significant impact on credit card usage behaviour, indicating that overconfidence alone does not strongly influence credit card usage decisions in the presence of other factors.

**Hypothesis Testing**

S. No.	Objectives	Hypothesis	Analysis Tool	Result
1.	To examine the impact of overconfidence bias on credit card usage behaviour among credit card holders in Haridwar.	Overconfidence bias is positively and significantly related to credit card usage behaviour among credit card holders in	Multiple Regression Analysis	Rejected

		Haridwar.		
2.	To analyze the influence of Herding behaviour on credit card usage behaviour among credit card holders in Haridwar.	Herding behaviour significantly influences the credit card usage behaviour of credit card holders in Haridwar.	Multiple Regression Analysis	Accepted
3.	To study the effect of Financial literacy on credit card usage behaviour among credit card holders in Haridwar.	Financial literacy significantly affects credit card usage behaviour of credit card holders in Haridwar.	Multiple Regression Analysis	Accepted
4.	To assess the combined impact of behavioural biases and financial	Behavioural factors and financial literacy jointly	Multiple Regression Analysis	Accepted
	Literacy on credit card usage behaviour.	Have a significant impact on credit card usage behaviour.		

**Findings**

1. The research shows a positive significance of financial literacy on credit card usage behavior, which implies that financially literate people handle credit card usage in a more prudent manner.
2. One area where herding behavior affects credit card purchases is in the reliance on friends, family, and social trends when credit card selections are being made.
3. The overconfidence bias demonstrates a weak and non-significant effect, which confirms that overconfidence is not a factor in using credit cards.
4. A majority of the respondents think they can repay credit card debts on time, despite when expenses are high.
5. A good number of respondents do plan their budget before using credit cards.
6. A considerable level of awareness among the population with regards to credit card charges, interest charges, GST, and penalties is observed.
7. A good majority of respondents keep track of their spending in order not to over-spend and end up in a credit trap.
8. Brand image and trust in banks have a major influence in making decisions when using credit cards.
9. The respondents assess risk considerations such as high interest charges and overspending before acquiring a credit card.
10. Moreover, social recommendations from relatives, friends, and bank personnel are a critical motivation for respondents to acquire credit cards.
11. The regression analysis shows a large explanatory power for the regression model in describing credit card usage behavior, ensuring the validity of this research.

**Limitations of the Study**

**1. Small Sample Sizes**

Although this study is based on a sample of 100 observations, it may not be sufficient to represent the whole population of credit cardholders. A larger sample size will allow for more accurate results to be established.

**2. Dependence on Primary Data**

The research will largely use primary information gathered from a questionnaire. The information can be tainted with personal views, assumptions, or misconceptions on the part of the respondent, which may have an impact on the accuracy of results.

**3. Possibility of Response Bias**

As these responses are self-reported, there could be a possibility of response bias. Some participants might have

overreported or underreported their credit card usage behavior and financial awareness.

**4. Limited Number of Variables**

However, this research takes into consideration only three independent variables: overconfidence bias, herding behavior, and financial literacy. Other important variables such as income level, credit limits, bank policies, and lifestyle factors were not considered.

**5. Time Constraint**

The research took place in a short time span. Thus, behavioral shifts of consumers in different time spans or in different economical settings cannot be detected.

**6. Comprehension of Financial Terminology**

Some participants may not have comprehended technical financial jargon associated with credit cards, such as interest calculations or penalty fees, which might have influenced their responses.

**7. Geographic Limitation**

The study is limited to a particular geographic location. Therefore, the results may not be generalized to credit card consumers in other regions or other countries with different banking structures.

**8. Changing Economic Conditions**

The above research does not take into consideration any modifications in economical circumstances such as inflation, interest rate fluctuations, or any new banking rules & regulations affecting credit card usage behavior.

**9. Behavioural Complexity**

Consumer behavior is rather complicated and is driven by a variety of psychological and emotional considerations. Their research may not include all these behavior-driven factors impacting credit card usage behavior.

**10. Absence of Longitudinal Study**

The research is cross-sectional and lacks analysis on consumption behavior over a very long time concerning credit card usage. Long-term research may have given better perspectives on behavioral trends.

**Importance of the Study**

The significance of this research work lies in understanding the elements which impact credit card usage behavior among credit card consumers in Haridwar. Due to the increased adoption of online payment systems and an increased dependency on credit cards, credit card usage

behavior not only in economic dimensions but in behavioral and psychological factors as well needs to be studied. To a large extent, this research work will be helpful in generating insights into behavioral tendencies such as overconfidence and herding behavior, which will throw light on financial consumer behavior in an Indian setting.

The results of this research are especially helpful to banks and other financial institutions because they assist in identifying customer behavior and financial awareness related to credit card usage. The results can help banks in developing an effective credit card product with a responsible marketing strategy and educating customers so that credit card misuse can be avoided. The research emphasizes financial awareness and says it is important to communicate credit card terms, interest rates, and charges to people in a way that they understand.

### Policy and theoretical contribution

This paper adds significance to research in behavioural finance in a way that it tries to conduct a research study in Haridwar, which remains a less-explored area in relevant literature. As stated above, this topic will be very important in terms of practical implementation because it increases awareness among people about financial matters. Furthermore, this research study will aid policymakers in providing financial awareness to people so they can show good credit card behaviours.

In conclusion, this research is important in bridging the gap existing in literature between behavioral finance theory and credit card usage practice, providing invaluable information to consumers, financial institutions, academicians, and policymakers.

### Conclusion

The factors influencing credit card usage behaviour were explored in the present study, focusing on certain behavioural aspects such as overconfidence bias, herding behaviour, and financial literacy. The results of the study show that not only convenience and financial needs but also psychological and social factors play a role in influencing credit card use.

It is concluded that financial literacy is an influential factor in using credit cards responsibly. Those respondents who were familiar with the terms of credit cards, charges applicable, rates of interest, and fines imposed used credit cards with more care than those who had no awareness of these factors; hence, they were able to keep themselves out of trouble regarding finances. This portrays how financial education can help in bringing good changes in credit behavior.

Further, the study discovers that herding behavior significantly influences credit card purchase and usage decisions. Many respondents reported influence due to friends, family members, social trends, and recommendations, which indicate that social acceptance and peer influence are among the important determinants of credit card usage.

Overconfidence bias, on the other hand, depicts a weaker influence on the credit card usage behavior. Though many of the respondents seemed so confident about their estimated capability in managing credit cards, overconfidence solely does not strongly determine the usage patterns unless supported by proper financial knowledge.

The study, thus, concludes that a balanced combination of financial literacy and social influence shapes credit card usage behaviour. These findings underscore the importance for banks and policy makers to be more concerned with improving people's financial awareness and encouraging responsible credit-card use to avoid financial stress and falling into credit traps.

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