

# Feasibility Study on College Student Credit Card Business Restart

Taking the Universities of Xianning City as an Example

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**Abstract**—This essay investigates the credit card market of college students in Xianning city by using descriptive statistics, contingency table correlation analysis and binomial classification logistic regression analysis to analyze the degree of credit card, the number of online shopping, monthly living expenses, monthly liabilities and non-cash consumption, the influence of "New Normal State" on college student credit card market. Based on the results of empirical analysis, this essay puts forward some countermeasures and suggestions on the healthy development of college students' credit cards by referring to the development and management experience of foreign college students' credit cards and the actual situation of our country.

**Keywords**—college students; credit cards; commercial banks; correlation analysis; regression analysis

## I. INTRODUCTION

Since the issuance of the first college students' credit card in China in September 2004, the number of college students' credit card issuance in China has increased rapidly. However, the disorderly competition of "Happy Valley Enclosure" has brought adverse social impacts and brought great risks to the reputation of banks, also caused a large loss of bank resources. In response to this phenomenon, in July 2009, the People's Bank of China issued "Notice for further standardization of credit card", since the various commercial banks basically closed down college students' credit cards. March 31, 2015, the State Council promulgated the "Deposit Insurance Ordinance", and in May 1, 2015, the official implementation. In the "Deposit Insurance Ordinance" has been introduced, "bank bankruptcy law" can be described as ready to come out. On March 15, 2015, Premier Li Keqiang pointed out in his answer to the questions raised by the press conference that "the Internet +" new model means that the economy of China will fly up when it stands on the "Internet +" outlet, New normal under the consumption patterns will change. According to the Ministry of Industry and Statistics data show that in 2014 China's smart phone users more than 500 million, China has become the world's largest smart

phone users. The consumption of mobile terminals on the drive is considerable. The statistics of AIRUI Research show that China's e-commerce market transactions 12.3 trillion yuan in 2014, an increase of 21.3%, of which online shopping growth of 48.7%, the total retail sales of social consumer goods penetration exceeded 10% for the first time, which is to promote the development of e-commerce market of the important forces. Under the strong competitive pressures, the banking industry should strive to explore new profit growth and point in enhancing the service level based on continuously enhance the competitiveness. The market of college students' credit cards is broad, the only effective control risk of bank is to use rational card, in order to invincible position in the university student credit card market.

## II. AN ANALYSIS OF THE NECESSITY OF RESTORING UNIVERSITY STUDENT'S CREDIT CARD BUSINESS

### A. Competitive Analysis

1) *Competitive analysis of the industry*: Although the deposit insurance system is good for small and medium-sized banks to welcome the good, the potential competitive pressure is enormous. The introduction of the deposit insurance system means that the interest rate Market-oriented is accelerated. With the increasing degree of Market-oriented of deposits and loans, the survival of the fittest become the proper meaning. At the same time, the payment of some funds to specific institutions means that Banks can lend less, which means that the overall profit margins of the banking sector are squeezed. In this context, Banks must seek new sources of profit growth on the basis of improving their service level. As a source of bank profits, the credit card business can innovate in the traditional business. Although college students' credit cards exist, the business needs to be further cultivated in China. Under the condition that market access is almost limitless, developing

and researching the college student credit card market is a magic weapon for Banks to stay unbeaten in the fierce competition.

2) *Competitive analysis at home and abroad:* The entry of foreign Banks into our country is bound to bring a huge shock to the banking industry, which poses a challenge for domestic Banks. The CBRC's 2009 annual report shows that the profit growth of China's major commercial Banks has declined in varying degrees, with the overall profit of Banks falling from 32.85% in 2008 to 14.36% in 2009. The China banking regulatory commission's annual report in 2013 shows that bank profit growth is moderating. Compared with domestic commercial Banks, foreign Banks in China have a good brand advantage, a more mature management model and a perfect corporate governance structure. Foreign Banks have abundant experience in credit card operation and strong management ability. In the background of increasing openness, depth and speed, China's banking industry faces unprecedented competition.

#### *B. Demand Analysis of National Credit Information System*

TABLE I. WORLD CREDIT SYSTEM MODEL

United States	Market-driven	Private credit system	Experian
		Independent of the government and the financial system	Trans Union
		Market-led, for the purpose of profit	Equifax
The countries of continental Europe	Government-led	Central bank management, central bank supervision and bank credit services	Credit system consists of two parts
		By the market of credit agencies, and more engaged in personal credit information business	
Japan	membership	By the trade association led, the establishment of credit information center	Banking system
		Providing information exchange platform for individual members and enterprises of association members	Consumer credit system Sales credit system

<sup>a</sup>. Source: 21st Century Business Herald.

In "Table I", market economy is the credit economy; the essence of building a credit economy is to improve the social credit system, while the core of the construction of the social credit system is the construction of credit collection system. The reason for the establishment of a nationwide credit system is that: first, the credit collection activities have a strong scale effect. There are organizations, large-scale, specialized agencies that provide credit information services that are much less expensive than enterprises or individuals independently, and can save a great deal of non-productive

costs; Second, according to the accession agreement, the government allowed foreign investment in China's credit inquiry. Faced with the development of a mature credit industry giant in foreign countries, China's credit information system is full of loopholes, too naive and needs to be perfected. Thirdly, the current problems of lack of social integrity are outstanding, and the phenomenon of business fraud, counterfeiting, false reporting, and academic misconduct has been repeatedly banned, but these still does not work.

To establish and improve the credit information system covering the whole society, not only can provide effective reference information for enterprises to carry out their business, but also conducive to create honest, self-discipline, and trustworthy, mutual trust, social credit environment, create favorable conditions for market economy development. In 2014, the state council issued the outline of the plan for the construction of social credit information system (2014-2020), which requires that the system of credit information sharing based on credit information resources be basically completed by 2020. At present, the United States, Japan and the European Union countries have established their own credit system.

### III. FEASIBILITY ANALYSIS ON THE REOPENING OF UNIVERSITY STUDENTS' CREDIT CARD

#### *A. Analysis on the Prospect of University Students' Credit Card Market*

China has a large number of college students and strong consumption ability. Current Chinese college students on consumer spending per capita 945.6yuan, an annual per capita consumption totaled 11347yuan, more than 50% of the national urban per capita disposable income levels, more than 10% percentage of current liabilities consumption of college students, the huge consumption and lead the consumption idea of making college students become the main issue of credit card, effective development of university students' credit card market will inevitably bring great profit for the commercial bank credit card business.

Credit card marketing stresses the "first card" strategy: Under normal circumstances, people tend to have the highest loyalty to the first card in their life. Cardholders have a positive correlation between the inertia of a bank card and its age. After years of using it, the cardholder will gradually become a loyal customer of the bank's credit card. College students are often seen as students from the "small minority consumption" to "mass consumption," the starting point of change, which is the "first card" of the Banks.

In addition to the current interests, the bank issues university students' credit cards, and more importantly, the future interests, namely, the cultivation of future loyal customers. Although the students do not have a stable income source, this group of highly educated, good job prospects and development potential, is the main force of the future society, bank potential quality customers. In the era of college students to provide high quality financial services for students, guiding college students' rational consumption,

correct financial management, can improve college students' "financial", continuously consolidate college students' market, better working with them to lay the foundation for the future. According to the survey, the results show that if Banks can provide high-quality credit card services at the student stage, 79.3% of students will continue to use the bank's credit card after going to society. The corresponding development of college students' market can effectively improve the profit margin of Banks.

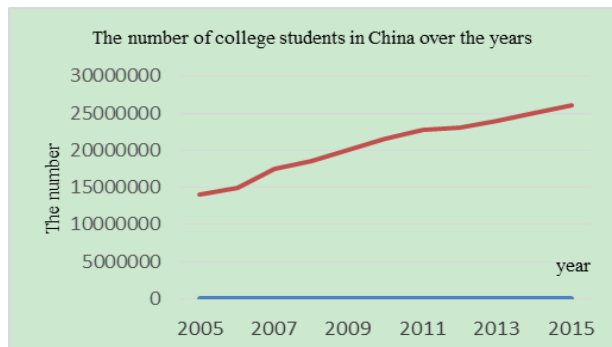


Fig. 1. Number of college students in China over the years.

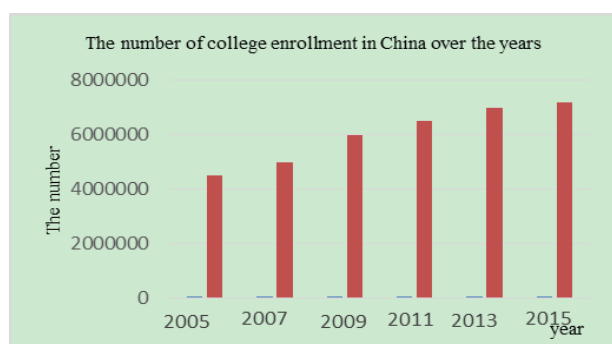


Fig. 2. The number of college enrollment in China over the years.

According to the data in "Fig. 1" and "Fig. 2", the number of college students and the enrollment of college students are on the rise in China. Therefore, the credit card market and potential market of college students in China are quite broad.

### B. An Analysis of College Students' Consumption

1) *Consumption level, consumer attitudes tend to rational*: College students are a special group of young consumers, due to age, experience and other factors, they are in a transitional period from immature to mature. At the beginning of the school, consumption basically meets the basic needs of life and traditional learning. However, with the increase of grade, the improvement of economic conditions, the growth of experience, the expansion of social contacts, the disposable personal income after graduation from higher expectations, rising consumer confidence index and consumption level, consumption idea more reasonable.

2) *Consumer activities both personalized and conformity*: 90" college students like to look at the world

with a critical eye, full of confidence, ideological emancipation, and distrust of tradition. On the one hand, in the consumption process, they tend to buy different products to achieve eye-catching or outstanding personality; on the other hand, under the influence of fashion trends, many college students in order to show their synchronization with fashion, hope to keep in step with others, and therefore has a more widespread conformity.

3) *Consumption structure diversification*: Diversified culture determines the diversification of college students' consumption structure. The diversification of college students' consumption structure is not only related to the development of social economy and the improvement of people's living standard, but also to the cultural accomplishment of college students themselves. In recent years, the consumption structure of college students has become more and more diversified, and the proportion of non-life necessities has accelerated, such as tourism and social spending. This change is in line with engel's coefficient—a gradual decline in food spending as a share of total income as economic development and living standards improve. At the same time, the economic aspect of college students' choice of consumer goods will be reduced, and the brand and quality of consumer goods will be improved.

4) *Emotional and communicative consumption increased significantly*: Nowadays, college students are open-minded and willing to try new things. However, because college students are not mentally sound, values and outlook on life are not fully formed, so the university campus love is often very short, and the resulting costs are high. In addition, accompanied by frequent consumption of the communication is not low, for example, eat, sing K, the field all consumes 100yuan or so. According to the survey, most of the students live on 1,000yuan each month.

5) *Consumption tends to network*: The development of Internet industry and telecommunication industry in China has promoted the change of college students' consumption mode. Research data show: China's online shopping market was 2.45 trillion yuan in 2014; Chinese electronic payment user educational characteristics - major students prefer PC terminals, undergraduate students prefer mobile terminals. At the same time, the university students understand the information platform is mainly the network, the network has been closely related to college students.

The consumption characteristics of college students have a new demand for the consumption characteristics of university students, such as the rising consumption level, the consumption concept becoming more reasonable, the diversification of consumption structure, the increase of individual consumption, the increase of the proportion of consumption and the consumption, in the face of such market, banks should integrate resources, optimize services, improve marketing capabilities to meet consumer demand for college students credit card, enhance the competitiveness of banks.

### C. Analysis on the Requirement of the Third Party Credit Agency

The main reason for the emergence of credit bureaus is information asymmetry, and information asymmetry is the main reason for credit card credit risk. Therefore, the development of credit institutions is the trend, and is also a necessary way to promote the development of credit card market in China. In January 2015, the People's Bank of China issued the Notice on the Preparation of Personal Credit Reporting Services, which required eight institutions, such as Sesame Credit Management Co., Ltd., and Tencent Credit Co., Ltd., to make preparations for personal credit investigation and prepare time is six months. Throughout the US credit industry, Experian, Trans Union and Equifax-based three major independent credit service companies, the average annual income of more than 10 billion US dollars. Compared with the United States, the potential of China's credit collection industry is enormous. The credit information industry in China is still in its initial stage, with a large population base and large stock of future credit information. These factors determine the broad prospect of the credit market. Real demand drives development of third-party credit bureaus.

The demand analysis of third-party credit bureaus is illustrated from three aspects: national policy, economic theory and reality in "Fig. 3". The improvement of the third-party credit collection system can guarantee the normal operation of college students' credit card issuing and credit card business.

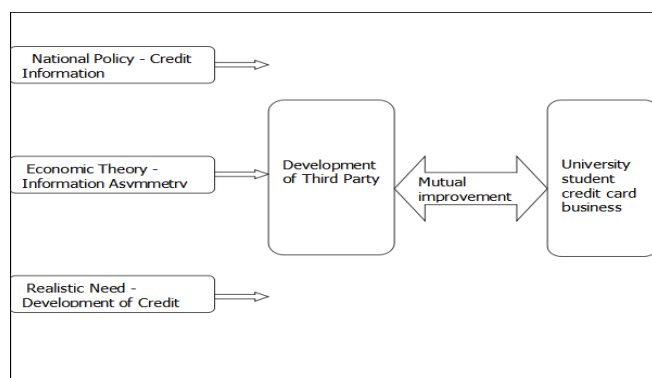


Fig. 3. Block diagram.

Since 2004, China issued the first college students credit card, and basically closed the credit card business in 2009. Compared with the development of Chinese and foreign college students' credit cards, it can be seen that the development of college students' credit card is backward and the development level is low. However, China's credit card market prospects for college students are very broad. [2]

## IV. EMPIRICAL ANALYSIS

### A. Research Design

1) *The sample source:* Taking the form of questionnaire survey to obtain the relevant data, the University of

Xianning (Hubei University of Science and Technology and Xianning Vocational Technical College), for example, to study the feasibility of the resumption of college students credit card. The questionnaire mainly covers the following aspects: basic information of college students, credit card information and consumption information of college students. A total of 310 copies were issued and 304 were collected, of which 291 were valid questionnaires, 252 in Hubei institute of technology and 39 in Xianning vocational and technical college.

#### 2) Hypothesis

- Hypothesis 1: credit card understanding is positively correlated with whether college students want to apply for a credit card.
- Hypothesis 2: non-cash consumption is positively correlated with whether college students want to apply for credit cards.
- Hypothesis 3: monthly living expenses and whether college students want to apply for credit CARDS are positively correlated.
- Hypothesis 4: monthly liabilities are positively correlated with whether college students want to apply for a credit card.
- Hypothesis 5: online shopping times are positively correlated with whether college students want to apply for a credit card.

3) *Variable selection:* There are many factors influencing the use of college students' credit cards. This paper selects five factors, including the degree of understanding of credit card, the amount of non-cash consumption, monthly living expenses, net purchase and monthly debt.

Y: college student credit card market, with the number of students who want to apply for student credit card to express; X1 - credit card understanding of the degree; X2 - non-cash consumption; X3 - monthly living expenses; X4 - monthly debt amount; X5 - number of online purchases. For X1, Using the Li Kete - five - dimensional scale, score "1", "2", "3", "4" and "5" respectively for "complete lack of understanding", "less understanding", "general", "comparative understanding" and "very understanding" as in "Table II".

TABLE II. STUDY VARIABLE DEFINITION TABLE

The type of the variable	Variable symbol	The variable name
Explained variable	Y	the number of who Want to bid for credit cards
Explanatory variables	X1	the degree of understanding the Credit card
	X2	Non-cash consumption
	X3	Monthly living expenses
	X4	Monthly Debt Amount
	X5	Number of online shopping



## B. Statistics and Analysis

### 1) Descriptive statistics

#### a) Analysis of Basic Information of College Students:

This paper will study college students as research objects,

and the basic information of college students includes sex, grade, monthly living expenses, home address, school and income source as in "Table III".

TABLE III. CREDIT CARD BASIC INFORMATION TABLE

Statistical characteristics	classification	Number of samples	Percentage (%)	Effective Percentage (%)
Have credit card or not	yes	63	21.6	21.6
	no	228	78.4	78.4
The degree of understanding the credit card	Very understand	10	3.4	3.4
	Some understand	42	14.4	14.4
	General understand	114	39.2	39.2
	Rarely understand	107	36.8	36.8
	Do not understand	18	6.2	6.2
want to apply for a credit card or not	yes	75	25.8	25.8
	no	216	74.2	74.2
Credit card limit	≤500	10	13.3	13.3
	500-1000	22	29.3	29.3
	1000-1500	19	25.3	25.4
	1500-2000	9	12	12
	2000 or more	15	20	20
Corresponding credit card bank	Nearest (CCB)	52	69.3	69.3
	Others (Other Banks)	25	30.7	30.7
Domestic and foreign banks	domestic	73	97.3	97.3
	foreign	2	2.7	2.7
The reasons that do not apply for credit card	No need	160	74.1	74.1
	Worry about bad credit	25	11.5	11.5
	Annual fees, high interest rates	5	2.3	2.3
	other	26	12.1	12.1

The number of male and female samples in this survey is 156 and 135 respectively, and the sex ratio is close to 1: 1, which is a good sample selection. Among them, freshman, sophomore, junior and senior accounted for 37.5%, 20.3%, 26.8% and 15.5% respectively. The difference in the number of grades is not large, the youngest sample of senior students, mainly because many senior students are outside the internship, and the questionnaire is a paper form of the questionnaire, so the proportion of seniority is lower.

The monthly living expenses of college students are mainly concentrated in the "RMB 501-1000yuan" and "RMB 1001-1500yuan", accounting for 48.1%, 36.8% respectively, and the total proportion reaches 85%. The proportion of "RMB 1501-2000yuan", "RMB 1501-2000yuan", "RMB 2,000yuan" and "above" respectively accounted for 6.2%, 7.9% and 1.0% respectively, and the proportion of college students' living expenses was in the shape of "rugby", with fewer and more middle Numbers.

There are two types of residential address: urban and rural areas, accounting for 41.6%, respectively, 58.4%. Xianning City is a prefecture-level city, so college students or mainly from rural students.

Base on the survey, 260 copies of the questionnaire in Hubei institute of science and technology, 50 copies of the questionnaire in Xianning Vocational and Technical College respectively, 252 and 39 were recovered, the proportion was 86.6%, 13.4% respectively, there is a huge number of differences because of Xianning vocational and technical college relatively fewer in number.

The income source of college students is divided into four categories: parents, work-study programs, scholarships and grants and other financial aid. In order to simplify the statistics, there were only two categories: parents and non-parents, accounting for 92.1% and 7.9% respectively. It indicates that a large part of the income of students from parents, only a small part of the income of students is not derived from their parents.

*b) Analysis of college students' consumption information:* Monthly non-cash consumption of college students accounted for the largest proportion of "RMB 101-200yuan", the percentage was 36.1%, followed by "RMB 201-500yuan", "≤ 100yuan", "more than 500yuan" Was 27.5%, 25.1% and 11.3% respectively. Monthly living expenses "≤ 500yuan" group, the largest number of non-cash consumption is "≤ 100yuan" group, the monthly living expenses "501-1000yuan" group, the number of students living expenses and monthly non-cash consumption amount of cross-analysis, Mostly in the "101-200yuan" group, the monthly living expenses "1501-2000yuan" group, the number of mostly distributed in the "201-500yuan" group, the monthly living expenses "≥ 200yuan" group, the number concentrated in "≥501yuan" group, indicating that college students non-cash consumption is very rational, able to live within our means as shown on "Table IV" and "Table V".

The largest proportion of college students' monthly online shopping was "no more than five times", which was 80.3%, while others "6-10", "11-15", "16 and above"

respectively accounted for 15.5%, 2.8% and 1.4% respectively.

The proportion of college students' fund gap (liabilities) is 0, the proportion is 68.0%. the other groups "300yuan or less", "301-500yuan", "501-1000yuan", "1001yuan or more" were 24.4%, 24.4%, 1.0% and 1.7%, respectively.

TABLE IV. CROSS-TABLE OF LIVING EXPENSES AND NON-CASH CONSUMPTION

		Amount of non - cash consumption				total
		≤100	101-200	201-500	≥501	
Monthly living expenses	≤500	12	5	1	0	18
	501-1000	37	61	33	9	140
	1001-1500	21	39	33	14	107
	1501-2000	3	0	12	8	23
	≥2001	0	0	1	2	3
	total	73	105	80	33	291

TABLE V. CONSUMPTION

Statistical characteristics	classification	Number of samples	Percentage (%)	Effective Percentage (%)
Amount of non-cash consumption	≤100	73	25.1	25.1
	101-200	105	36.1	36.1
	201-500	80	27.5	27.5
	500 or more	33	11.3	11.3
Monthly number of online shopping	≤ 5 times	233	80.3	80.3
	6-10times	45	15.5	15.5
	11-15times	8	2.7	2.8
	≥16times	4	1.4	1.4
Monthly funding gap (liabilities)	0	198	68.0	68.0
	≤300	71	24.4	24.4
	301-500	14	4.8	4.8
	501-1000	3	1.0	1.0
	≥1001	5	1.7	1.7

2) *Correlation analysis*: Analysis of Want (for credit card) and Understanding (credit card level of knowledge) chi-square test, found progressive Sig. = 0.05 < 0.07, the two are not significant, but close, so the regression analysis can be included in the variable.

TABLE VI. WANT\*UNDERSTANDING CHI-SQUARE TESTS (CHI-SQUARE TEST)

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	8.679a	4	.070

The analysis of the chi-square test for Want and Non-cash in "Table VI" shows that the progressive Sig. = 0.05 > 0.031 is significant, so it is possible to compare the non-cash consumption amount (non-cash consumption amount) Variables were included in the regression analysis.

TABLE VII. WANT\*NON-CASH CHI-SQUARE TESTS (CHI-SQUARE TEST)

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	8.908a	3	.031

Analysis of Want (for credit card) and Fee (monthly living expenses) chi-square test in "Table VII", found progressive Sig. = 0.05 < 0.499, the two is not significant.

TABLE VIII. WANT\*FEE CHI-SQUARE TESTS (CHI-SQUARE TEST)

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	3.365a	4	.499

Analysis of Want (for credit card) and Frequency (net purchase) chi-square test table in "Table VIII" shows that the progressive Sig. = 0.05 > 0.02, the two are significant, so Frequency (net purchase) can be used as one of the regression variables.

TABLE IX. WANT\*FREQUENCY CHI-SQUARE TESTS (CHI-SQUARE TEST)

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	9.837a	3	.020

Analysis of the chi-square test for Want and Debt in "Table IX" found that the progressive Sig. = 0.05 < 0.149, which is insignificant.

TABLE X. WANT\*DEBT CHI-SQUARE TESTS (CHI-SQUARE TEST)

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	6.758a	4	.149

Through the correlation analysis in "Table X", the regression analysis variables are Frequency, Non-cash, and Understanding.

3) *Logistic regression analysis of binomial classification*: According to the crosstab correlation analysis, the frequency (net purchases), Non-cash (non-cash consumption amount), Understanding (credit card understanding degree) three explanatory variables and explanatory variables Want (whether want to handle credit cards) make Logistic regression analysis:

TABLE XI. LOGISTIC REGRESSION ANALYSIS

Variables in the Equation (Variables in the equation)							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1a	Understanding	.300	.151	3.934	1	.047	1.350
	Non-cash	.352	.152	5.363	1	.021	1.422
	Frequency	.132	.237	.310	1	.578	1.141
	Constant	-2.901	.585	24.622	1	.000	.055

From the results of Logistic regression analysis in "Table XI", it can be seen that the non-cash consumption and the understanding degree are significant for Want at credit level (Sig = 0.05), Frequency (Number of online shopping) is not significant. So the standardized regression equation can be obtained as follows:

Want (for credit card) = - 2.901 + 0.3Understanding (credit card level) + 0.352Non-cash (non-cash consumption amount)

### C. Analysis Conclusion

- There is a significant positive correlation between credit card understanding and whether college students apply for credit cards. Hypothesis 1 is established. The consumption concept of college students tends to be rational, which determines that they are rational in choosing the consumption tool. They only make choices when they know better.
- There is a significant positive correlation between non-cash consumption and college students' application for credit CARDS. Hypothesis 2 is established. College students' non-cash consumption is mainly bank card consumption without credit card, and credit card consumption is one of the functions of credit card. Functional convergence and non-cash consumption may be the cause of significant positive correlation between the two.
- There is no significant positive correlation between the monthly living expenses and whether college students apply for credit cards. Hypothesis 3 is not established. Although the monthly living expenses is a measure of credit and assess the applicant can pay the debt of one of the indicators, students in Xianning living on the general low, to determine whether students apply for credit cards will be very cautious.
- There is no significant positive correlation between the monthly liability amounts and whether college students apply for credit card, hypothesis 4 is not established. From the survey results, students in Xianning monthly debt amount of 0 accounted for nearly 70%, which determines the credit card overdraft function for college students there is no corresponding market, so they choose not to apply for credit cards.
- There is no significant positive correlation between online shopping times and whether college students apply for credit cards, hypothesis 5 is not established. From the survey results, the number of college students in Xianning monthly net purchases  $\leq 5$  times the number accounted for more than 80%, which is mainly related to the economic development and consumption level in Xianning region. Although college students live on a monthly average of 1,000 yuan, food expenses account for nearly half of the total, and college students spend less on other consumption, [3] which determines their spending power.

### D. Research Defects

1) *Variable selection problem*: The factors that affect the development of college students' credit card business are multifaceted and multi-level. There are common factors such as the degree of understanding of credit card, the amount of non-cash consumption, and the special factors such as college students' consumption behavior and consumption psychology. While the indicators selected in this paper is narrow, there is no combination of consumer behavior and consumer psychology study, at the same time, the multicollinearity between variables, etc., all has certain effects on conclusion of the integrity and accuracy.

2) *Model selection problem*: The model of this paper is based on the cross-sectional data model, which is mainly based on the empirical data of credit card survey data of college students in Xianning area. However, due to the limited capacity of the author, some problems such as imperfect hypothesis and inaccurate model are unavoidable.

## V. PROMOTE THE HEALTHY DEVELOPMENT OF CREDIT CARD BUSINESS STUDENTS COUNTERMEASURES AND SUGGESTIONS

### A. To Deepen the Cooperation between Banks and Promote Credit Card Knowledge

Research on the development of credit cards in the United States and Hong Kong found that the establishment of cooperative relationships with business universities in order to get the support of schools and the community is a common mode of bank credit card business students. To establish a cooperative relationship with the university can build a good reputation for the bank and win wide popularity.

As a carrier of banking services, the degree to which college students know about credit cards determines whether they can accept credit cards offered by the bank. While many students are not familiar with credit cards, it is necessary to promote and promote credit card knowledge. Many products are marketed more than just products, but also the concept itself. "Brain platinum" is a good example. The marketing and promotion of college students' credit card concept is one of the keys to the success of college students' credit card.

In line with the characteristics of students and schools, it is suggested that banks and schools should actively communicate and consult with each other and arrange relevant courses for students. Students should be taught by bank staffs to stimulate students' interest in credit cards, so that students can fully understand the credit cards, function and development trends, understand the many risks of credit card and strive to deep into the hearts of college students. At the same time, can also combine the school community organizations such as credit card and other financial management competition, the winner can not only get the bank to provide prizes and bonuses, but also get priority to the internship opportunities. Priority internship opportunities for many college students, has a very high practical value and attractiveness.

### *B. Strengthen the Risk Control, Prevention of Pre-card Risk, Inhibition of Post-card Risk*

Banks need to strengthen risk control, not to avoid risks, but to bear certain risks under the premise of the risk and profit balance. Banks should strengthen the bid for credit card audit efforts, the risk stifled in the cradle. Banks can take the "low threshold, high demand" standard to prevent pre-card risk [4]. Strengthen customers' information to understand and track, help reduce bank risk. In the process of opening a credit card business, the bank should require the applicant to provide the bank's capital flow, as a basis for the amount of one [4]. At the same time, applicants are required to provide their telephone payment records, phone number replacement records and library records, as a basis for whether to operate one. Under normal circumstances, the payment record is good, the phone number replacement frequency is low, the book returned to normal college students, and credit card default risk is relatively small.

For post-mortem risk, the bank may choose to transfer the risk. The bank can enter into an agreement with the relevant insurance company to insure the possible risks of the college students, and repay the default money of the college students by the insurance company when the student defaults. Risk transfer can effectively reduce the risk and management costs of banks.

### *C. A Wealth of Credit Card Features, Implementation of Custom Features*

The survey found that college students spending on public transport, although the amount of small, but the frequency is relatively high. College students take an average of two to three times a week, while the number of bus cards for small, if the bank card and credit card will be combined, it will increase the frequency of use of credit cards. Students take the bus is basically the purpose of shopping, if the credit card can be used as a bus card, not only can reduce the use of college students to carry the trouble of multiple cards, and can imperceptibly remind college students to use credit cards. Rich card functions, comprehensive access to library, telephone payment, canteen consumption, take the bus and other functions, so that "one card can", not only to save college students to use multi-card time cost, and can facilitate college students life and learning.

Credit card function can meet the needs of different college students, in line with the consumption characteristics of college students advocating individuality. Function customization, requiring banks to empathy, taking full account of the needs of college students, from the perspective of university students to develop the market, so that "people-oriented" not only for banks to establish credit have card brand, but also can enhanced customer loyalty. The result of China's serious credit card is that the activation rate is low and the probability of "death card" is high. Rich credit card functions, to meet the needs of a wider range of students; the implementation of function customization will help to retain customers and enhance customer loyalty [6].

### *D. The Establishment of Credit Card Industry Associations, and Strengthen Exchanges*

The establishment of credit card associations, for domestic purposes, the collection of various financial institutions in the credit card business operations of the successful experience of brainstorming for the sound development of domestic banking credit card business platform to allow banks to compete in the competition, cooperation in competition; Internationally, the trade association is also a mechanism for the exchange of credit cards between China and foreign countries. [7]As we all know, credit card from abroad has been developed in foreign countries for decades, while in China less than a decade, so there are many worth learning experience and lessons, and credit card associations provide such a mechanism.

At the same time, the establishment of the association of credit cards is the requirement of "professional" development. Although the credit card is only one aspect of bank profits, the development of "specialization" is the only way to make it move towards "marketization". As a "latecomer", domestic Banks are only able to catch up and catch up when appropriate, only by constantly learning and learning from foreign experience and combining with their own national conditions.

### *E. To Improve the Relevant Laws, so that there Are Laws to Follow*

China's credit card business has not developed a perfect legal system. It can be seen from the current legal norms that our country's credit card legislation is not complete and corresponding legal measures cannot serve the development of modern credit card well. Developed countries for the laws and regulations of the credit card market are relatively complete, in America, for example, from the late 1960 s to 80 s laid out a number of applicable to financial areas of consumer credit, including specialized according to the law of the credit card business, such as the loan authenticity act, the fair credit billing act, the equal credit opportunity act and the fair credit reporting act, the fair debt-collection homework act, the act of credit card, the electronic fund transfer act, the federal bankruptcy code, "financial privacy bill of rights", etc., these laws to standardize and promote the healthy development of credit card business has played an important role. Therefore, our country must change the current situation of this legal system as soon as possible, make laws and regulations, improve the use of card environment, crack down on credit card crime, and further purify credit card environment [8].

### *F. To Improve College Students "Financial Business"*

College students should develop a reasonable consumption plan, or credit card overdraft on the loss of its value. If college students monthly overdraft, with the money next month to the debt last month, while the overdraft amount as next month living expenses, so, there will be a vicious circle, once the total overdraft their total income, then the students in a timing point there is no money back to the bank. This result is the possibility of college students increased the risk of credit, or even breach of contract [9]. As



we all know, the bank's overdraft interest is very high, after a period of time, the high amount of principal and interest will cause great psychological pressure on college students, some students will take the risk and embarked on the road of crime. Credit card is a "double-edged sword" Martin Mayer[10], students should be clear credit card functions and potential risks, enhance their knowledge of wealth management and improve their own "financial quotient", make reasonable consumption and "do their best".

## VI. CONCLUSION

Taking the investigation of the credit card market in Xianning city as an example, this paper expounds the necessity and feasibility of restarting the college student credit card market. Even though statistics show that the proportion of college students have to deal with the credit card account for less than 26%, and the empirical study found that only two hypothesis is important, it doesn't mean that college students' credit card business is wrong, nor for recovery of college students' credit card business research has no value. The feasibility study of college students' credit card business is based on theory and practice. Through empirical analysis, it is concluded that credit card understanding and non-cash consumption have a significant effect on credit card. At the same time, with the improvement of economy and consumption level, college students' awareness of credit card is growing, and it is feasible to restart the credit card business of college students. In order to ensure the sound development of the credit card business of college students, the following measures can be taken: deepen the cooperation of the bank and promote credit card knowledge; Strengthen risk control, prevent pre-card risk, and inhibit post-card risk; Enrich the credit card function and implement the function customization; Establish credit card association and strengthen communication; Improve the relevant laws; Improve the "financial quotient" of college students.

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