

IMPACT OF ATTITUDE ON BUYING BEHAVIOUR OF CREDIT CARD USERS

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ABSTRACT

The present study is an attempt to ascertain the influence of Attitude on Buying Behaviour among Credit Card users. Sample of 538 Credit Card users were chosen randomly in Chennai. From the literatures, it is identified Attitude as one of the important factor influencing buying behaviour. A self-administered questionnaire to measure the level of Attitude was developed by the investigator and subsequently distributed to the Credit Card users. Student's "t" test and ANOVA was used to measure the impact of Age, Gender, Marital Status, Sector and Income of Credit card users. The study concluded that Attitude constituting perceptions, mental, emotional or rational predisposition of thoughts contributed significantly towards Buying behaviour among Credit Card users

INTRODUCTION

The launching of credit card is indeed one step further in meeting the social objectives expected of today's banking. It is a status symbol and acts as a vehicle of consumerism. But with increasing economic and financial liberalization, the growing prosperity of urban middle class, banks feel it desirable to enter this line of business. Credit card was identified as a key area for investigation to determine the influence, it has on buying behaviour of consumers. Card has a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment like a cash advance to the user. Consumer behaviour helps to understand the buying tendencies and spending patterns of consumers.

Attitude is studied to understand, as how it influences the buying behaviour of consumers. Attitude is a mental, emotional or rational predisposition with regard to a fact, state, person or an object. In the context of consumer behaviour, it is focussed on studying the attitude of buyers towards all the relevant attributes of a product or services as well as the marketer and markets. Attitude is an appetence of behaviour and suggests that belief affects attitude which in turn affects behaviour. The attitudes that have significant influence on an individual's behaviour and personality have certain characteristics. Attitude is formed on the basis of learning, knowledge, information, education, upbringing, thinking, lifestyle, experience, predisposition, belief, faith, outlook, communication, observation, etc.

REVIEW OF LITERATURE

Ramayah et al., (2002) concluded that wide acceptance, interest free period, high credit limit, ancillary functions and handling of complaints influence the credit card usage among active credit card users.

Carpenter et al., (2008) analysed student's attitudes and behaviours towards appropriate use of credit cards, across gender, since college students are known to be heavy users of credit. The study concluded that students differ in attitude and behaviours across genders while they use credit cards.

Rutherford et al., (2009) explored the factors influencing convenience use of credit cards, based on planned behaviour. The results showed significant relationship between independent and dependent variable, representing attitudes, norms and perceived behavioural control. The study concluded that attitude, norms and behavioural control are good predictors of convenience use of credit.

Teng-Tsai Tu et al., (2011) investigated an extended technology acceptance model and applied structural equation model to confirm the factors influencing consumers' acceptance of electronic cash stored-value cards. Realistic results found that perceived usefulness and perceived ease-of-use have a significant positive effect on the usage attitude towards electronic cash stored-value cards.

OBJECTIVE OF THE STUDY

To find out the influence of Attitude on Buying behavior of credit card users.

HYPOTHESIS

There will be no significant difference among credit card users with respect to Age, Gender, Marital Status, Sector and Income in Attitude.

METHODOLOGY

Sample of the study: Purposive sampling with a sample of 538 credit card users using Standard Chartered, CITI bank, HDFC, ICICI and SBI banks were studied to measure the level of Attitude. A mediating variable helps to conceptualise and explain the influence of independent variables on the dependent variable. In this study the purpose of analysing moderating effects is to investigate, whether there exists any difference in the usage pattern of credit card users based on age group 18 - 30 years (n=217), 31 – 45 years (n=289), 46 – 60 years (n=32); male (n=304), female (n=234); unmarried (n=256), married (n=282); Private (n=191) Public (n=170) Business (n=177); Income less than Rs. 25000 (n=102), Rs. 25000 – Rs.50,000 (n=95), Rs. 50,000 – Rs.75,000 (n=191), above Rs. 75,000 (n=150)

Tools: The investigation used a structured and undisguised questionnaire. The instrument was designed to procure adequate and relevant information for a systematic and scientific inference to conclude on the objectives of the research. Five statements used to assess the attitude. A score of 5 – 12 indicates unfavourable attitude and a score of 13 – 25 indicates favourable attitude. Items are scored on a 5-point scale, (5= strongly disagree, 4= disagree, 3= neutral, 2= agree and 1 = strongly agree).

Operational Definition: Attitude is a learned pre-disposition of credit card users to behave in a consistently favourable or unfavourable way with respect to given object. It is further categorized into favourable attitude and unfavourable attitude. Favourable attitude refers to the pre-disposition with optimistic outlook with sufficient knowledge and information about credit card usage. Unfavourable attitude refers to the pre-disposition to have pessimistic outlook with insufficient knowledge and information about credit card usage.

Data Collection: The Investigator obtained permission from all the Credit Card users who were chosen for the study. The purpose of the study was explained to the subjects, consent was taken assuring confidentiality. Rapport was maintained with Credit Card users during the process. Duration of data collection was lasted for about six months.

Statistical Tools

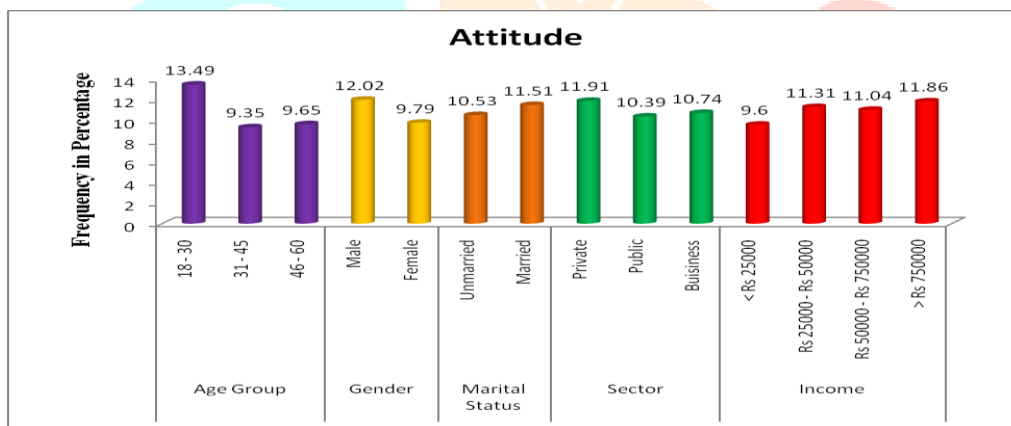
Researcher has adopted the following statistical techniques to test the hypotheses in order to study the buying behaviour of credit card users.

Student's t- test: "t" – test is considered as an appropriate test for judging the significance of a sample mean or for judging the significance of difference between the means of two samples. Here, the researcher has used t – test to test the significance between two independent groups.

One way Analysis of Variance (ANOVA): ANOVA is used in the context of analysis of variance for judging the significance of more than two sample means at one and the same time. Here the researcher has used ANOVA to test the significance between more than two independent groups.

Bonferroni Post hoc Test: The Bonferroni test is a post hoc test which is used to determine the significant differences between group means in an analysis of variance setting. The test is very conservative when a large number of group means are being compared.

RESULTS



DISCUSSION ON ATTITUDE

This indicates attitude of credit card users belonging to 18 – 30 years is better, compared to credit card users belonging to 31 – 45 years and 46 – 60 years. At the transition period from early adulthood to young adult, the young seek to establish their own individual personas and form behaviour patterns, attitudes and values, hence their own consumption patterns. It may be due to the fact that knowledge, information, experience, predisposition and belief towards purchasing through credit cards are high. Moreover the credit card users' outlook, observation, influence of external factors, may be optimistic. Mental processing, evaluation, influence of advertisements, thinking style would have enhanced the buying behaviour of credit card users. They are in threshold of adulthood, search for identity, emotionally mature, long for social acceptance, interested in status symbols and leadership. They may tend to have characteristics like settling down age, time of commitment, value change, adjusting to new lifestyles and creative age which would have influenced the attitude of buying products using credit cards. Also the change in their economic status and life patterns, marital status, parental role, and changes in preferences, cultural and environmental pressures may be determining their purchasing behaviour.

It can be inferred that male credit card users have favourable attitude compared to female credit card users. Churaman (1988) stated, researchers investigating differences in the level of financial confidence among males

and females report that men tend to be more confident than women. Male credit card users may tend to be more assertive, emotionally stable, possess superiority complex, power motive, leadership qualities and high reasoning power. They may crave for social identity, empowerment, status and hierarchy. As bread winners of the family, they experience high financial independence, more focussed, knowledgeable, informative and technologically advanced. The foresaid characteristics of men may enable them to have a positive attitude, in buying products due to their direct and past experience, personal influence, exposure to media, and internal and external attributions.

The findings reveal that married credit card users have favourable attitude in buying products compared to unmarried credit card users. Married credit card users may tend to be responsible, committed, dedicated towards their family, hence they may be quality oriented, competent, and emotionally intelligent in recognising the needs of the family members. They would focus more on purchase decisions, interpreting information, making and implementing plans to meet the demands of the family. At the same time they give importance to their self-esteem, self-image and desired end status. Awareness of established networks enables the married credit card users to expand their ordering options, shopping capabilities and online purchase effectively. Marital status of credit card users plays an important role in influencing the attitude towards buying products. Brand familiarity, convenience, usage experience, comprehended value, buying volume, purchase frequency and possibility of repeat purchase also correlate marital status and attitude of credit card users.

Attitude of credit card users belonging to private sector is favourable, compared to credit card users belonging to public and business sector. The reasons may be attributed due to the fact that credit card users belonging to the private sector tend to be highly focussed with competitive spirit realising the cost advantages, forecasting the consumer demands with service oriented motives. They may tend to invest in cost saving technology, realising the cost based competitiveness of products or services in the market. Private sector credit card users are usually known for their high bargaining power, negotiation capacity, superior skills, efficiency, timing tactics and commitment. Their leadership qualities, flexibility, capacity utilisation and purchase decision enables them to have favourable attitude and to build positive images about themselves thereby increasing their reputation as loyal buyers of products and services using credit cards.

Credit card users belonging to low income group earning less than Rs.25,000 tend to have less favourable attitude in buying products or services using credit cards. Whereas the present study reveals credit card users earning between Rs.25,000 and above Rs.75,000 tend to have more favourable attitude towards buying products or services using credit cards. Ratika Rastogi, et al., (2012) summarised that, most of the rural people fall under the category of low income group because of which they are not able to purchase the products on prompt basis. The higher income group spend more amount of their income on luxury goods and trendy products, than fast moving consumer products. The contributing factors for their attitude may be due to potential purchasing power, repetitive buying habits, spending patterns, saving patterns based on their future needs. Prevalence of financial freedom, white collar jobs, social class, Per capita income, liquidity of assets, convenience and value orientation would enhance their attitude. Moreover, attitude of high income credit card users may be positive due to their luxurious life style patterns, facilities offered by credit card companies, exposure to advertisements based on their quantum of income.

CONCLUSION

The researcher commissioned quantitative and qualitative research to explore the influence of Attitude on Buying behavior of credit card users. The inference of the study is that credit card users belonging to the age group 18 – 30 years, male, married, working in private sector, earning above Rs.25,000 have favourable attitude while using credit cards.

SUGGESTIONS

1. Attitude of Add-on card holders can be studied broadly, so that the implications would help the banks and credit card users a lot.
2. Credit cards of other banks can be studied.
3. Compulsive Buying behaviour of primary card holders may be explored.
4. Credit card users in rural and semi urban areas can be researched.
5. Financial knowledge of Credit card users can be studied.

IMPLICATIONS

1. Young adults in the age group 18-30 years are prone to spend more using credit cards.
2. Men feel empowered while using Credit card users.
3. Importance is given to self-image and self-esteem while using credit cards.
4. Established networks enables credit card users to expand their ordering options, shopping capabilities and online purchase effectively.
5. The higher income group spend more amount of their income on luxury goods and trendy products, than fast moving consumer products.

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