

CONSUMER CREDIT CARD USAGE AND COMPULSIVE BUYING BEHAVIOUR IN SRI LANKA

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In recent years, the usage of credit card indicates a rapid growth among Sri Lankans. Vast variety of credit cards are promoted by bankers and the ownership of credit card could be easily obtained. Similarly, most marketing efforts are taken by marketers, aiming that credit card usage could contribute to consumers' uncontrollable purchasing habits, which is known as compulsive buying behaviour. In Sri Lankan context, there are no sufficient studies carried out in this area. Hence, the purpose of this study was to investigate the impact of psychographic factors on consumer credit card usage and to identify the relationship between consumer credit card usage and the compulsive buying behaviour. Data were collected from an online based questionnaire survey. From an extensive literature review, three psychographic factors was identify the consumer credit card usage namely; "power-prestige", "retention- time" and "price sensitivity". Data of both users and non-users of credit card were gathered to investigate the relationship between credit card usage and the compulsive buying behaviours of consumers. Descriptive statistics and logistic regression were used to analyse data and the analysis identified that among the three psychographic factors, only retention-time and the price sensitivity have significant differences between user and non-user of credit card. The compulsive buying behaviour among the credit card users and the non-users also doesn't indicate any significant changes. Gender has an impact on retention-time and price sensitivity, however, other demographic factors; age, income and education level have no significant differences on individual variable. Finally, the study provides important insights into psychographic factors associated with credit card usage and compulsive buying patterns to marketers, banks and financial institutions issuing credit cards to have a better understanding on consumer.

Keywords: Compulsive buying; Credit card, Power-prestige, Retention-time, Sri Lanka