

The determinant of behavioral factors which influence on credit card usages

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M. Zubair Hussain¹, Khushnood Habib²

Abstract

The purpose of this paper is to examine which behavior factor effect on credit card use. Among different behavior factors, which factor more positively and significantly influence credit card use? The data are collected from individuals who have a credit card through the Lahore questionnaire. The finding shows a strong influence of behavior factor on credit card uses especially perceived usefulness. And perceived risk has a positive impact on credit card use. The study is limited to only the service sector as a credit card. Convinces sampling technique is used. For further research, influence on customer or client income also takes into consideration. This research is no precious in Pakistan's credit card, which studies behavior influences credit card use.

Keywords: behavior factors (perceived risk, subjective norm, perceived usefulness, and perceived behavior control) and credit card use.

Credit card is a term that is defined as a useful financial tool, It permits the purchasers to acquire the monetary resources to meet the current requirements that are payable in exact future time (Syed Faheem Hasan Bukhari, 2015). Banks began to issue Master cards (credit card), the first time in 1946 after launching by National Bank (Brooklyn). After an extended period, it introduces in Pakistan by HBL, it was launched, yet it picked up acknowledgment after the 1990s with the dispatch of Citibank Pakistan Card. Still, now most of BOP provides the facility of Master cards like MCB, UBL, HBL, Allied, and Faisal bank. The bank issues Mastercard against charges premium and operating expense from the individual to whom Mastercard is issued (Shafinar Ismail, 2014).

Shafinar Ismail examines which attitudes are determinant of credit card usage. By taking variable knowledge, perception, family influence, media awareness, and religious belief, all variables have a substantial impact on credit card use expect religious belief (Syed Faheem Hasan Bukhari, 2015). Adam M. Hancock examines college and credit cards and found that Analysts, instructors, and policymakers would all help lessen the aggravating variables that affect why understudies have more Mastercard obligations (Jorgensen, 2013).

Financial instruments like credit cards are valuable for consumers to get financial resources for current utilization exchangeable in the upcoming date. In this study, we take the determinant of behavior factor that has their impact on credit card usage, so for that purpose here we take variable for behavior factors are the subjective norm, perceived risk, perceived usefulness. Perceived behavioral control as independent variable and credit card use as dependent variable.

Literature Review

In this study, the Indicator of behavior factor, we take four variable SN, PU, perceived behavior control, and perceived risk as independent variable and dependent variable take as credit card usage.

Subjective norm or social norm is a term that originates in the mid-fifties of the twentieth. Social standards depict an adjustment in thinking or sensation, concerned with explicit conduct because of contact with another person. In 1962, the comprehension with the deference of social standards was increasingly stretched out through work by (Eckhardt, 2009). The social norm was evident as the burden of individual or gathering to perform specific conduct on a person—questionnaire adopted from (Ajzen, 1991). Perceived usefulness, defined as "how much an individual accepts that utilizing a specific system would improve his or her activity execution (Davis, 1989). (Sriyalatha, 2016) studied the determinants of Customers' Attitude towards Credit Card Usage: Lessons Learned from Academics in Sri Lanka and examine the impact of the use of card intention, Perceived usefulness, and available information on credit card usage. And there is an impotent or significant influence of PU on credit card usage. The questionnaire was adapted from (Davis, 1989).

According to the planned behavior theory (1991), the self-evident significance is PBC (perceived behavioral control). There is a direct connection between PBC, and behavioral accomplishment is that apparent social control can frequently be utilized as a substitute for a proportion of actual control. A higher degree of PBC ought to increase a person's aim to make the behavior, and the lower degree of PBC should be less inspired to perform the conduct (Barua, 2013). A questionnaire was adopted from (Ajzen, 1991).

Hardeep Chahal examines perceived risk as moderating variable and their impact on credit card use. They found that perceived risk has a strong moderately effect on Master card use, and risk also affects it. (Hardeep Chahal, 2014). Goyal examined the impact of perceived risk on credit card buying (Goyal, 2008). The questionnaire was adapted from (Bauer, 1960).

A Mastercard is an adaptable and advantageous approach to get cash and pay it back after some time. Suhana Mohamed researched which factor effect on the credit card use and found that It is discovered that solitary credit connected knowledge has a positive

¹² UCP Business School, Faculty of Management Studies, UCP, Pakistan. Zubairhussain1414@gmail.com

impact on the credit card obligations. All in all, the Malaysian government ought to fix the rule of endorsing credit cards by a business bank (Suhana Mohamed, 2016). Credit cards' common utilization replicates buyer preference with respect to preset credit extensions, and technological advancements made it simpler for banks to offer rotating credit. Mastercard use is the measure of 'charges' made by a cardholder, either through buys of products and enterprises or loans made through ATMs given by Mastercards issuer (Syed Sharaf, 1998). The questionnaire was adopted from NFCS 2015.

H1: There is a positive association between SN and credit card use

H2: There is a positive association between PU and credit card use

H3: perceived behavior control has a positive and significant effect on CCU.

H4: perceived behavior control has a negative and significant effect on CCU.

H5: Perceive risk positively and significantly affects the Credit card user.

H6: Perceive risk negatively and significantly affects the Credit card user.

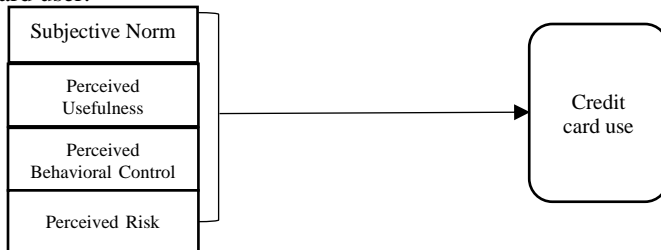


Figure 1: Conceptual framework

Research Methodology

Data collected from the credit cardholder. Random sampling technique is used. Data collected from 50 respondents (holder of the credit card). And the random sampling technique is used. Data gathered through the questionnaire by Primary study.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.818	31

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.527 ^a	.278	.214	.28194

a. Predictors: (Constant), PR, SN, PBC, PU

Table 3: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.379	4	.345	4.337	.005 ^b
	Residual	3.577	45	.079		
	Total	4.956	49			

a. Dependent Variable: ccu

b. Predictors: (Constant), PR, SN, PBC, PU

Table 4: Coefficients

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	
	(Constant)	1.403	.277	5.06	.000
	SN	.023	.043	.068	.599
1	PU	.191	.070	.429	.009
	PBC	.040	.075	.083	.595
	PR	-.241	.072	-.465	.002

a. Dependent Variable: ccu

The result shows that the p-value of the subject norm and PBC is not significant, so there is an insignificant relation with CCU because the p-value is greater than .05. The perceived usefulness relationship is substantial with CCU because of the p-value of less than .05(.009). The perceived risk relationship also has a significant relation with CCU because the p-value is less than .05 (.002). The result showed that PU and PR have a positive and significant impact on CCU. From ANOVA, it shows that overall independent variable. A substantial predictor of CCU. The R square is .527, indicating that the independent variable explains almost 53% variation in CCU.

Descriptive statistics the analysis of measure (mean, maximum, minimum, and standard deviation regarding independent and dependent. Variable and other age, gender, level of education, and monthly spending of CC show data normality.

Table 5: Descriptive statistics

	Minimum	Maximum	Mean	Std. Deviation
Age	1	4	1.90	.931
Gender	1	2	1.42	.499
education level	2	4	3.42	.609
Spending	1	4	2.62	.945
SN	1.00	4.80	2.5200	.95874
PU	1.71	4.57	3.6229	.71210
PBC	2.14	4.86	3.7200	.65812
PR	1.67	4.50	3.0113	.61377
Ccu	1.00	2.00	1.5767	.31803

Correlations

The correlation analysis technique is used to find out the association among two variables. Correlation is significant at the 0.01 level (2-tailed).

Table 6: Correlation Analysis

	SN	PU	PBC	PR	CCU
SN	1				
PU	.023	1			
PBC	.005	.000	1		
PR	.047	.007	.011	1	
CCU	0.00	.027	.259	.061	1

The results show that the co-relational is significant between dependent variable and three independent variables by the substantial standard at the 0.01 level (2-tailed). CCU has a positive relationship with the subjective norm because it is less than 0.05. The perceived risk's correlation value is 0.061, which shows a significant and positive connection with credit card use at 0.05 significant levels. Perceive usefulness is also correlated significantly with CCU at value 0.027. But PBC has a correlation value of 0.259, which greater than the significant value 0.05, so it is insignificant because greater than .005.

Hence, from the above result discussion, Hypothesis (H1, H2, H4, H5) accepted and (H3, H6) rejected.

Conclusion

The present examination attempts to end up learned about Mastercard's idea and how behavior factors affect CCU. Behavior factors empower the holder of credit cards to make healthy use of credit cards. As per the investigation's consequences, the most powerful factor that positively affects credit card utilization is perceived usefulness and Perceive risk. Ultimately behavior factor is a need toward improving the better use of credit cards. Therefore, card clients will be well ready to make the sound card use.

For further study, there is a need to consider another factor affecting credit card use like cost. The sample size should be increased, so its generalizability increases. Other cities in Pakistan are also included. And there is a need to add mediating or moderating Variable for better understanding.

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