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THE INFLUENCE OF CREDIT CARDS ON CONSUMER BUYING BEHAVIOUR

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The Influence of credit cards on consumer buying behaviour - A study among MBA students of first, second and third year at the University of Kwazulu - Natal.

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Declaration

I, Kasim Iqbal declare that:

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(Kasim Iqbal)

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21 August 2019

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Nature – for its inspiration, beauty, and profound lessons I have learnt from it.

My Syndicate Group: Andrew Pillay, Ageshan Reddy, Sandile Makhanya and Prinesh Kasavan.

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—I can no other answer make, but, thanks, and thanks.‡ - Shakespeare, cited in Craig (1914).

Dedication

The entire dissertation is dedicated to Allah for the blessed life.

I am dedicating this thesis to beloved people who have meant and continue to mean so much to me.

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Abstract

The study investigated the influence of credit cards on consumer buying behaviour among MBA students of first, second and third year at the University of KwaZulu – Natal. The main purpose of the study was to determine how credit card usage influence buying behaviour of students. The research objectives which guided the entire investigation were: to study the influence of possession of a credit card on consumer buying behaviour; to determine the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the University and to determine the relationship between compulsive buying and credit card. The study employed the positivist paradigm to investigate the subject matter. A descriptive study was carried out. The study employed the quantitative research method. The study was conducted at the University of KwaZulu-Natal. The population of the study was the MBA students of first, second and third year at the University of KwaZulu – Natal who are in possession of credit card. Quota sampling method was used to select 35 respondents for the study. A validated questionnaire was used to collect the data from the respondents. The reliability and validity of the data were measured using Cronbach's alpha coefficient and factor analysis. The measurement scale used was the 5-point Likert scale. The quantitative data collected was analysed using the Statistical Package for the Social Sciences [SPSS], version 25.0. The results of the study showed that credit card usage (Mean = 2.50) had a significant positive influence on the buying behaviour of the MBA students at UKZN. The results further indicated that self-esteem (Mean = 2.46), materialism (Mean = 2.31), budget constraint (Mean = 2.11) and impulsive buying (Mean = 2.40) had positive influence on credit card usage (Mean = 2.50). Besides, the results showed that there was a significant positive relationship between compulsory buying (Mean = 2.26) and credit card usage (Mean = 2.50). The following recommendations were made, namely: adequate planning and budgeting; awareness/education on the consequences of credit card indebtedness; education on the use of credit cards; and public policy to protect consumers from predatory practices.

Keywords: Credit card usage, self-esteem, materialism, budget constraints, impulsive buying and compulsory buying

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Chapter One: Introduction

1.1 Introduction

According to Bester and Bronkhorst (2015), several methods of payment have been in existence since decades. Since the introduction of money during the 300 BC, various changes have occurred in the mode of payment, and presently, the online method of payment has been widely recognised. Shoprite (2002) argues that most retail shops in South Africa have starting using various form of card since 2002. Contini (2012) suggests that these days, consumers have access to a variety of payment instruments, which credit card is no exception. However, evidence shows that approximately 67 per cent of the population in South Africa owns a payment product – which includes both debit and credit cards. Furthermore, South Africa has been classified as a transitioning country according to Mastercard which places South Africa's rate of payment product penetration in the range of 50 to 75 per cent (Mastercard, 2015).

Banks tend to be relatively more relaxed when they are dealing with students, where student credit card holders are given a 50-day credit to pay their bills. Moreover, it is also easy for students to get a credit card where they simply must get a confirmation from their parents that the students are receiving a monthly allowance (Radebe, 2013). Therefore, there is a large University student population in South Africa that has access to one or more credit cards.

Studies from developed countries have indicated that there are increasing levels of debt among students, and among the causes of this increase in debts is the credit card culture (McKinney & Burrige, 2015). It has been further noted by Subramaniam, Ershad & Maniam (2014) that the easy access and development of financial services has led to a greater debt level for individuals as use of credit has increased. Credit card use has also been associated with higher spending leading to people making more purchases than they can afford. This situation is exacerbated through the minimum payment requirements which lead to an accumulation of debt (Subramaniam, Ershad & Maniam, 2014). Chen and Wiederspan (2014) reported that Private University graduates tend to hav a higher debt burden as compared to students from Public Universities and also that the level of debt burden is strongly linked to college experiences.

The situation prevalent in the world is also applicable to the South African scenario where credit cards are widely and easily available, and it is important to understand the situation in greater detail to address it appropriately. This is because while the working population of the country

can manage their loans through their steady stream of incomes, the students who will be graduating into an economy where there is slow growth, the prospects of being able to pay back their loans on their own seems to be a challenging prospect (Bond, 2015).

The gap that has been identified in literature is that while there are several studies that are available for the western markets regarding credit card use and its influence on consumers, but there is dearth of information on the case of South Africa. University students are a vulnerable group as they do not have the income to support their purchases, and while the credit card allows them to fulfil their desires immediately, easy access to credit creates indebtedness in the long run (Bond, 2015). In addition to this, as noted by Chen and Wiederspan (2014), the level of debt burden that individuals have depends on college experiences, which indicates that if college students are targeted by policy makers there is an opportunity to target financial issues in individuals at an earlier stage in their lives. Therefore, educating college students can be a preventive as well as a curative measure (Chen & Wiederspan, 2014).

Credit cards have been influential in changing the scenario in the retail sector and have been a pervasive influence in affecting consumer purchase behaviour. Cash-based societies are still prevalent where the main mode of making payments is through cash. However, the credit card culture is picking up pace throughout the world where cash payments are becoming an increasingly extinct transaction.

Despite the comparatively low ratio of the population that possesses a credit card, since people consider credit cards to be facilitators of impulse purchases. There is more of an affinity shown by people on acquiring prepaid cards as compared to acquiring credit cards (Kiruga, 2016). Bond (2015) revealed that nearly half of the credit card holders were facing financial issues termed as over-indebtedness. The country is already facing problems associated with negative credit card use, where the credit impairment rates – which are indicative of the fact that consumers of credit cards have not been able to make payments on their bills for more than three months. The situation is dire as the official debts are mounting, where many of the debts are unaccounted for as they are taken unofficially from loan sharks (Bond, 2015).

The situation that the country faces has turned into a vicious cycle, where the high rates of credit card borrowing has led to higher interest rates being charged by banks for credit, and this in turn leads to further indebtedness. To add to the problems the bank of last resort - the South African

Reserve Bank increased interest rates by 25 basis points in 2015 leading to a repo rate of 6.25 per cent and a prime lending rate to 9.75per cent (South African Customs Union, 2015).

1.2 Problem Statement

The economic environment of the country faces pressures where there is rising inflation, drought, and a falling exchange value of the currency which has contributed to falling disposable income. This fall in income and an increase in the prices of commodities and utilities have led to the increase in the numbers of people resorting to taking loans to make ends meet. This in turn has a negative impact on the way that credit cards have been used, as credit cards are the easiest way to draw a loan (Euromonitor International, 2016).

College is the time where many credit card holders are given their first credit card, and while research has shown that age is not as significant a factor in determining the likelihood of credit card abuse, social pressures and individual attitudes towards overspending determine behaviour (Limbu, Huhmann, & Xu, 2012). This research is being conducted to study credit card usage among college students in further detail, and in the context of South Africa. Summarily, the study intends to investigate the influence of credit cards on the buying behaviour of students.

The factors that are considered in this study include those of materialism, self-esteem, impulsive buying, compulsive buying and budget constraints with the view to explain credit card use among students in the context of these variables. A perusal of literature from various cultures and countries has indicated that these are some of the factors that are considered highly significant in understanding how consumers tend to use their credit cards. Understanding how each of these factors is an influence individually and collectively. This in turn will allow the research to pinpoint significant influential factors underpinning credit card use and how it tends to impact the buying behaviour of students.

1.3 Aims of the Study

The broad aim of the study is to determine how credit cards influence purchase behaviour among students at one University in South Africa in the hopes to help filtering out purchase behaviour tendencies that are readily influenced due to credit card possession.

1.4 Research Question

The research seeks to answer the following research question:

- How do credit cards influence the buying behaviour of first, second, and third year students at the University of KwaZulu-Natal?
- What is the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the University?
- What type of relationship exists between compulsive buying and credit card use amongst the students of the University?

1.5 Objectives of the Study

- To study the influence of possession of a credit card on consumer buying behaviour
- To determine the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the **University**.
- To determine of the relationship between compulsive buying and credit card use.

1.6 Focus of the Study

The focus of the study is on how credit cards influence purchase behavior among students at one University in South Africa. This focal point of investigation will help in filtering out purchase behaviour tendencies that are readily influenced due to credit card possession. This in turn will help to educate students in terms of how the students can refrain from misusing credit cards, and how they can avoid financial trouble which is generally attributed to credit card misuse.

The research will focus on defining the key variables that are involved in this study, where the survey that has been planned for the primary research phase will include all the concepts and constructs that have been considered relevant by researchers studying consumer behavior with regards to credit card use. Several hypotheses will be developed, keeping in mind the differing influence that each of the variables have on buying behavior. Each of the variables under consideration differs also with respect to a behaviour or a personality trait, and these will be

determined with the help of a survey assembled with questions that will lead to the affirmation or negation of the hypotheses.

1.7 Contribution of the Study

The significance of this study cannot be underestimated. Firstly, the study will add to existing body of knowledge on credit card as well as consumer behaviour. The study investigates the influence of credit cards on purchasing behaviour among students at UKZN. Therefore, the findings emanating from the study will serve as the reference point of material for researchers, academics, scholars and policy makers. Secondly, the study will help to shed more light on the factors which influence credit card usage. Thirdly, the findings resulting from the study will enable credit card holding to understand the benefits and consequences of credit card possession.

1.8 Research Methodology

The study adopts the positivist paradigm as the research philosophy in the investigation of the phenomenon. A descriptive study will be conducted which will enable the researcher to adequately describe the research phenomenon. The study will be purely quantitative in nature. It will be conducted at UKZN. The population of the study will be the first, second- and third-year MBA students at UKZ who are in possession of credit card. The study will utilise the quota sampling technique to select 35 respondents from the target population. Data collection instrument to be used is questionnaire. The measure scale to be used is the 4-point Likert scale. The and validity of the research instrument will be measured using statistical tools such as Cronbach's alpha coefficient and factor analysis. The data collected will be analysed by employing statistical tool like the Statistical Package for the Social Sciences [SPSS], version 25. The study will make use of both descriptive and inferential statistics.

1.9 Limitations of the Study

The limitations of the study include an impact limitation as the sample is specific to one University in South Africa. The reason for selecting this sample is so that there can be specific conclusions drawn from the study as an initial phase in finding out about how credit cards are impacting buying behaviour among students. Due to the academic nature of this paper there are time and resource constraints which have dictated the choice of sample and the restriction of the sample to one University. However, it can serve as an initial step in a larger scholarly study regarding the impact of credit cards on buying behaviour in South Africa.

Data limitations are also expected from this study as it is possible that good data might be difficult to obtain from students. Good data is essential for this study as multiple personality and behaviour variables are being measured. This means that for a consumer to be profiled and for the relationship between his or her traits with credit card use to be studied, good data is essential as a complete profiling cannot be done with incomplete or bad data. For this purpose, a larger sample will be targeted so that the good data from these can be obtained.

In addition to this, there is the limitation of self-reported data as the study is limited in terms of the survey being self-administered. This means that there is no way to independently verify whether the data that has been reported by the respondents is accurate. Therefore, the information provided by the respondents must be relied upon. This can prove to be a topic for future research, where researchers can focus on separate universities and student populations in South Africa to see how the results compare and how reliable the data is. However, apart from this, there is no way data obtained can be verified for authenticity, except for the researcher to be present at the time the surveys are being filled in by respondents so that confusions can be clarified in answering the survey and the data obtained is good data.

Finally, the limitation of this study is that it is longitudinal in nature due to time constraints. In the absence of the time frame in which the developmental patterns of students in terms of how they behave once they transcend into their senior years, the longitudinal effect serves to be a limitation. Being a cross-sectional study in nature, only the students and their traits and behaviours at one period in their lives can be considered. Better data and more insights can be obtained by studying how achieving seniority in college and spending more time at an educational institute can change consumption patterns. However, this is a limitation that can be converted into the topic of a future study.

1.10 Organisation of the Study

The entire dissertation is made up of six main chapters as follows.

1.10.1 Chapter One-Introduction

This chapter serves as an introductory chapter and is made up of the background of the study, statement of research problem, aims of the study, research questions, research objectives, focus of the study, contribution of the study, organisation of the study and limitations of the study.

1.10.2 Chapter Two-Literature Review

The chapter reviews existing research on the variables that form part of the study. The chapter focuses on credit card usage and consumer behaviour as well as other factors that influence the use of credit card.

1.10.3 Chapter Three: Research Methodology

This chapter describes the methods and procedures to be employed in conducting the study. The chapter is made up of the research design and methodology. It contains the design of the study, study location, study population, sampling procedures, instrument for collecting data, pre-testing of the research instrument, research reliability and validity, data analysis, ethical considerations and research constraints.

1.10.4 Chapter Four- Data Presentation and Analysis

This chapter of the study describes how the data gathered will be processed or analysed. The data analysis will be done with the help of SPSS software. The analysis will be based on the using of descriptive and inferential statistics.

1.10.5 Chapter Five-Discussion of the findings

The chapter presents the discussion on the results generated from the investigation. The discussion will be done in relations to each of the research objective.

1.10.7 Chapter Six-Conclusion and Recommendations

The chapter provides the conclusion of the study which will then be followed by the recommendations based on the research findings. The chapter further outlines the limitations and continues to provide the directions for future research.

1.11 Summary

The chapter of the study provided a detailed background of the study focusing on the influence of credit card usage on consumer purchasing behaviour. Scholarly literature reveals that more than 67 per cent of the population in South Africa owns a payment product, which includes both debit and credit cards. The chapter further presented the problem statement pointing out the gap in research and how the gap will be filled in this current study. The chapter proceeded with a clear aim of the study followed by clear research questions and objectives. Besides, the chapter described the scope of the study and continued to outline the contribution of the study.

Moreover, the chapter provided a brief summary of the research methodology which included the research philosophy, research design, research method, the location of the study, target population, sampling technique and sample size, pilot study, data collection method, reliability and validity, data measurement scale and data analysis. The chapter contained the organisation of the study. The proceeding chapter reviews the empirical research on the subject matter.

Chapter Two: Literature Review

2.1 Introduction

South Africa has been faced with a consumer credit situation, where debt levels are increasing, and credit is available easily for people earning as little as \$100 per month (Bond, 2015). It has further been noted by Shambare & Rugimbana (2012) that there is a moderate level of financial illiteracy present even among University students in the country (Shambare & Rugimbana, 2012). This goes to show that there is a need for studies which can understand purchase patterns and impact of credit cards on this behaviour, in order to gain insight into how students make financial decisions so that the debt situation in the country can be addressed at the basic level. The debt problem encompasses a variety of debt instruments, but in order to limit the scope of this study for research purposes, credit cards have been chosen as the financial instruments that contribute to the overall indebtedness of the South African Youth. The review of literature that follows aims evaluate existing studies in more detail so that hypotheses can be drawn to guide the research forward in a purposeful manner.

2.2 Seniority of Students as a Factor in Credit Card Usage

Credit card usage among students in Australia was studied by Ha (2013), who discovered that senior students were more irresponsible with the use of their credit cards as compared to the junior students. The study was based on weekly income, demographic variables and education level (Ha, 2013). The main difference was that of the country of context, where according to Euromonitor International, the South African economy has been volatile, while Australian economy is relatively stable (Euromonitor International, 2016).

Omar, Sainz, Abdul Rahim, Che Wel & Shah Alam (2014) have studied the use of credit cards among the adult population in Klang Valley in Malaysia. This study provides an important perspective in terms of enabling a contrast between adult and student behaviours. It indicated that compulsive buying such as self-esteem, budget constraints and materialism had a significant influence on credit card misuse.

2.3 Materialism

Materialism was initially defined as matter and its movements in the earlier days, but recently it has come to indicate the devotion to material needs and desires and a disregard for spiritual aspects of life (Richins & Dawson, 1992). Materialism has also been defined as an interest in

getting and spending where consumers are interested in collecting material possessions (Rassuli & Hollander, 1986).

There are three main themes of materialism that have been defined by scholars where one of the aspects details how materialism or acquisition of goods is the most important goal of a person, where consumption is not a means to an end, but it is an end in itself – consumption for the sake of consumption. The second aspect of materialism is concerned with materialism being the means to achieving happiness and satisfaction in life. People who resort to this view tend to focus on acquiring material things rather than maintaining relationships to be satisfied and in order to be considered successful (Wachtel, 1983). Another popular aspect of materialism is the idea that success is associated with the ownership of quality material things and that the society judges the worth of individuals through the consumption lifestyles that they lead (Rassuli & Hollander, 1986).

Richins & Dawson (1992) identified the scale that is appropriate to measure materialism, and this scale has been used in different countries across the world. Three main factors of money, materialism and compulsiveness have all been linked positively to each other, where in the Indian context by Khare (2014). The study shows that power/prestige, anxiety, and price sensitivity as money factors are important (Khare A. , 2014).

The premise of the scale that has been developed and is the one that is used for the purposes of the study here is that materialism needs to be understood as a concept before measures for its determination are developed. Foremost is the fact that materialism has been defined as a way of life, where ranking scales are not adequate to compare two individuals. This is because two individuals who might rank the importance of possessions at the same ordinal rank, might have different perspectives regarding possessions, and might not value it similarly despite the ranking being the same. They might have ranked other items above or below it, which would be better depictees of the value assigned to materialism by the individuals. There are four propositions that have been associated theoretically with materialistic people which include the value they place the means to possess items higher than others. Secondly, materialists tend to be more self-centred as compared to people who are not materialistic (Belk, 1985). The third proposition is that materialists tend to pursue a life of material complexity as compared to simplicity where the attitudes towards growth are

positive. The fourth proposition is that materialists tend to be less satisfied than others who are low on the materialism score (Richins & Dawson, 1992). This has been augmented by research in recent times, where it has been further proposed that materialism cannot be approached simply as an undesirable trait which is a stable aspect of an individual. According to Shrum, Lowrey, Pandelaere, Ruvio, Gentina, Furchheim and Steinfield (2014) materialism is complex as it is multifaceted. Foremost, the authors argue that materialism is based on motives and the redefined concept is formally expressed as:

“Materialism is the extent to which individuals attempt to engage in the construction and maintenance of the self through the acquisition and use of products, services, experiences, or relationships that are perceived to provide desirable symbolic value” (Shrum et al 2014, p.1860).

As researchers have worked with the notion of materialism, they have come to understand that people cannot be simply characterised as materialists or non-materialists it is the behaviour that tends to be classified. And this is what is expected to be noticed in the survey findings.

2.4 Self-Esteem

Self-esteem refers to the feelings that an individual has with regards to him or herself. Self-esteem has been linked erroneously to more feelings of happiness and to greater contentment of individuals. However, research indicates that while higher Self-esteem is associated with more positive aspects of the self, this is not necessarily true (Baumeister, Campbell, Krueger, & Vohs, 2003). A lack of evidence to prove strong correlations between self-esteem and school performance indicates that building self-esteem is not a panacea. Foremost, there is a basic heterogeneity among the people who are considered as having high self-esteem. This category includes people who can be considered as conceited as well as those who can be considered self-assured, yet humble. This is what makes for the differences in the linkages between self-esteem and positive outcomes such as performance and productivity. To further illustrate this point, consider that while generally self-esteem has been linked with the person being more likeable or attractive; narcissists who have high self-esteem tend to lose out after the initial duration of the relationship comes to an end. Studies by Baumeister, Campbell, Krueger and Vohs (2003) have indicated that self-esteem of an individual is not correlated with better quality or duration of relationships that an individual may have.

Self-esteem has been studied in detail by Thomas and Wilson (2016), who have indicated that while there has been a lot of research on the linkages between low self-esteem and materialism, materialism is also present in the actions of people who rank high on the self-esteem scale (Thomas & Wilson, 2016). The study uses a survey method to ascertain that there is a moderating role played by social pressure on the development of materialism, and that social pressure comes from peers as well as mass media messages (Thomas & Wilson, 2016).

Self-esteem and the overstatement of its role in various aspects of life can be explained through reversal of roles, where success enhances self-esteem rather than self-esteem having this impact on task performance. In addition to this, consumers with higher self-esteem have been observed to show bias and discrimination more than those with lower self-esteem because they take pride in being part of a group, and in turn give preference to their group members leading to higher bias. High self-esteem has also been linked with higher aggression in cases where there might be wounded pride involved (Baumeister, Campbell, Krueger, & Vohs, 2003).

Moreover, studies have shown that the difference in the attitude of high and low self-esteem individuals is evident in how they react in cases of failure -those consumers with high self-esteem are usually prone to learn from their failures and try harder after they fail as compared to those with low self-esteem who are prone to get depressed. The purpose of understanding that high self-esteem does not necessarily lead to positive outcomes is important to establish that high self-esteem could have a bearing on purchase behaviour of individuals. It could be argued based on the postulations that have been made by researchers with regards to self-esteem that high self-esteem individuals would want to retain their social status, and in turn would want to keep to their purchase habits, with a credit card enabling this behaviour. It has been concluded by Omar, Rahim, Abdul, Wel, Aniza Che, and Syed Shah (2014) that with pertinence to the Malaysian backdrop, credit card misuse and self-esteem are negatively related whereas credit card misuse and compulsive buying are positively correlated (Omar et al., 2014).

The scale that has been adapted in this paper has been developed by Rosenberg (1965), who established a ten-point scale where negative and positive feelings regarding self-worth were measured using a 4-point Likert Scale. The scale has been referred to as a one-dimensional one, which means that it focuses on the measure of self-esteem singularly (Gray-Little, Williams & Hancock, 1997). Gray-Little, Williams and Hancock (1997) believed the scale items were not

equally indicative of self-esteem, and that each item was distinctly linked to the measurement of self-esteem. Items that were adapted to be used in the questionnaire include: 'I feel like I possess several good qualities', and 'I am better in doing things as compared to others', These items correspond to items 1, 2, and 4 on the original Rosenberg scale (Rosenberg, Society and the adolescent self-image, 1965). The scores are as follows: 1 point for strongly disagree, 2 for disagree, 3 for agree, and 4 for strongly agree, indicating that the higher the score the higher the self-esteem that a person has.

The Rosenberg scale has been widely used since its inception but there are disagreements that centre on the fact that there are both negatively and positively worded items on the scale so that the conclusions drawn can either imply negative aspects of self-esteem or as one basic aspect of self-esteem – as is envisioned by Rosenberg (McKay, Boduszek & Harvey, 2014).

These three items were considered as the most essential items to be adapted for the purposes of this study and have been taken from the positive self-esteem items. The negative items were not included as the positive items were deemed appropriate to gauge the level of self-esteem. Agreement would denote high self-esteem and disagreement would denote low self-esteem, which is enough measure for the objectives of this study (McKay, Boduszek & Harvey, 2014).

2.5 Impulsive Buying

Impulsive buying has been defined as the tendency of a consumer to be able to buy on the spur of the moment, without any reflection on the consequences of the purchase as well as an immediate response to the proximity of the product (Richins & Dawson, 1992).

Lai (2010) studied the attitudes of youth towards credit and money and financial planning. Taiwanese College and University students were taken as a sample, and it was found that factors such as age, formal financial education, family and gender, all played a role in determining impulsive buying behaviour. The role played by personality was demonstrated through a strong correlation between personal traits and impulsive buying attitudes (Lai, 2010). While personality traits do play an important role in determining impulsive behaviour, another study found that situational factors such as packaging are also influential. Hubert, Hubert, Florack, Linzmajer and Kenning (2013) used MRI scanning to study the impact of packaging on impulse buying and found that attractive and unattractive packaging resulted in an increase in neural activity as compared to neutral packaging. Moreover, it was found that attractive packaging stimulated

regions in the brain associated with expectations of rewards, while poor packaging increased activity in areas that are linked to negative emotions (Hubert et al., 2013). Therefore, the studies show that personality factors as well as conditioning of the human brain tend to impact impulse purchase decisions.

Olsen, Tudoran, Honkanen and Verplanken (2016) have used a scale to measure impulsive buying behaviour, where it has been indicated that whereas impulse buying has been considered to be something that is associated with the products where items are classified as impulse buys and non-impulse items, the new approach is that impulse buying is more of a behavioural aspect that is present in individuals. The study concludes that people who actively seek variety tend to be more likely to be impulse buyers as compared to those who do not seek variety (Olsen et al 2016).

Research by Omar, Sainz, Abdul Rahim, Che Wel, & Shah Alam (2014) indicates that there is a difference between impulsive and compulsive buying behaviour. Impulsive purchases refer to spontaneous purchases while compulsive buying is referred to as behaviour where the consumer feels obligated to make certain purchases. Distinguishing between these two concepts is vital for this research as it helps in understanding consumer behaviour more appropriately. Impulsive purchases could be made due to external cues and stimulants such as attractive packaging, an attractive shelf arrangement and so forth. However, compulsive purchases could be more of a behavioural or psychological problem (Omar et al 2014).

2.6 Budget Constraints

Budget constraints tend to shape consumption behaviour of individuals, as explained by the income theory of consumption in economics. According to the economist's point of view, consumers are inclined to maximize the utility that they get from the consumption of goods. The utility theory of consumption states that consumers decide their purchases based on the value they get out of consumption of certain goods as compared to others. This value is measured in terms of a highly subjective unit of value called "utils", which allow a relative comparison of the satisfaction that consumers receive. The budget line, when introduced into this scenario acts as a deciding factor as to which combination of goods is perfect for the consumers to achieve the highest satisfaction under the constraint provided by their respective budgets (Grant, 2000).

Consumers tend to maximize the value they get from their budget based on the economic theory of consumer behaviour (Omar, Rahim, Wel, & Alam, 2014).

This relationship between consumer maximizing behaviour and spending choices are distorted with the presence of a credit card that enables consumers to stretch their spending capacity. However, it is important in understanding how credit cards are viewed by consumers. A credit card theoretically acts as a negation to the constraint as it allows for consumers to pay later even when their income might not be able to meet the financial burden imposed by higher consumption.

Budgets tend to be constraining factor in terms of allowing customers a short-term loan which they must repay soon, and this serves to mould their spending habits. Another factor that drives credit card behaviour is bank account ownership. A study found that obtaining a bank account enabled people to get access to credit cards, which was followed by an increase in expenditure on consumer durable good consumption (Fitzpatrick, 2015).

2.7 Compulsory Buying

Compulsive buying is formally defined as the repetitive and chronic behaviour of purchasing products and services in response to negative events or feelings (Faber & O'Guinn, 1992). Compulsive buying is generally strongly associated with personality factors, in the Indian context. Khare (2013) found that compulsive buying is linked to factors such as age and gender, as well as to marital status. However, in the Indian context it was found, that contrary to conclusions made in general regarding the strong association of compulsive buying and credit card use, there was no association between consumers attitudes towards credit cards and compulsive buying (Khare, 2013)

The concept of compulsive buying has been further tested by Hague, Kellett & Sheeran (2016) who examined the impact of impulse control, stimulation of senses and gender in compulsory purchasing by adopting Faber and O'Guinn's (1992) measurement scale. The study concluded that while there were no notable differences in gender, compulsive buying was associated with impulse control problems (Hague et al., 2016).

A paper that investigated the developmental patterns of compulsive behaviour in Greeks noted that macro-environmental factors have a more significant role to play as compared to family

communication styles (Grougiou, Moschis, & Kapoutsis, 2015). In addition to this, it was also found that there are three main consumer traits that are linked significantly to compulsive buying behaviour. Self-concepts and status consumption are linked positively to compulsive buying whereas frugality is linked negatively while younger consumers and females have the likelihood of exhibiting compulsory purchasing behaviour (Grougiou et al., 2015).

Compulsive buying habits tend to be classified as risky financial behaviour, and with respect to this, Xiao, Ahn, Serido, and Shim (2014) have indicated that objective and subjective financial education tends to reduce indulgence in risky financial behaviour (Xiao et al., 2014).

Palan, Morrow, Trapp, and Blackburn (2011) found that while compulsive behaviour is significantly influenced by power-prestige. Power-prestige is defined as the perception that money is an enabler for consumers and that money is a source of power. This, in turns drives compulsive buying behaviour (Palan et al., 2011).

2.8 Relationship Between Credit Card and Compulsory Purchasing

Roberts and Jones (2001) study the link between attitudes of money which include prestige, power, and compulsive purchasing behaviour. In this relationship, credit card use is seen to play a moderating role. This finding has been further validated in a sample from Germany used in a study by Achtziger, Hubert, Kenning, Raab and Reisch (2015) that self-control was negatively linked to debt and that age also played a role in increasing self-control.

The three main hypotheses drawn by Achtziger et al. (2015) were as follows: money is a tool for power and prestige and in that it increases compulsive buying, price sensitivity or distrust tends to decrease compulsive buying, and finally money anxiety increase compulsive buying. There were three other hypotheses, which were based on the basic hypothesis, but with the impact of credit card usage also involved. The items that were used from this study have helped to inform the survey instrument of this paper as well (Achtziger et al., 2015).

The study concluded that presence of credit card logo in a shop had a significant positive influence on the buying of students as compared to when the logo was not present. In addition to this, the study also indicated that students were more likely to make the decision to spend more quickly as compared to when there was no credit card logo present. The study

also concluded that there is a positive link between anxiety levels and compulsive behaviour because stress is a stimulant for purchases (Achtziger et al., 2015).

Palan et al. (2011), in conjunction with the effect of power prestige on compulsive behaviour, also found that credit cards mediate the relationship between power-prestige and compulsive buying. This means that educating customers regarding credit cards can decrease probability of misuse (Palan et al., 2011).

2.9 Factors Impacting Purchase Decisions

There are five main characteristics that have been explored and discussed here which are materialism, compulsory purchasing, self-esteem, compulsive purchasing, and credit card usage by compulsive buyers. Materialism can be considered as one of the traits that are present in an individual that drive the behaviour towards the possession of physical products. Materialistic people have certain traits which include that they place higher value on material possessions, are self-centred, have higher material complexity, and that materialists are not satisfied as easily as others are. These traits indicate that materialists can use credit cards and be more prone to incurring personal debts due simply to the fact that they place a higher value on possessions, and in being so they can enter into complex arrangements to meet their requirements. Consolidating this with the research on self-esteem, research has proved that self-esteem and materialism are linked with each other, where it was observed that a decrease in self-esteem is associated with an increase in materialism (Park & John, 2011). As far as credit card use in this situation is concerned, people with lower self-esteem with higher value placed on material possession will tend to use their credit card more frequently.

Park and John (2011) looked at a relationship which is opposite to the one being studied here indicated that credit card promotions tended to increase the tendency of customers to purchase. The study was based on apparel retail but indicates an important consideration for this research where the presence of a credit card is not the only factor in encouraging impulse purchases, the presence of marketing stimuli such as promotions on credit cards also plays a role in encouraging credit card use (Park & John, 2011).

Impulsive and compulsive buying are linked to negative a financial consequence, which in turn means that debt on credit cards has a higher probability of occurrence. This is especially true for students who are at college and do not have the means of earning that can warrant their

purchases and many times, it leads to higher debt among college students. However, it has been noted that credit card usage among college students has been increasing as they have been exposed to the use of credit card, and this is especially true in developed countries. The case in South Africa also has the potential to reach the same state as developed countries as there are increasing numbers of college students who have access to credit cards. In addition to this, there is also the fact that students have been reporting higher materialism, where the main objective for students to join a college is to earn more money (Roberts & Jones, 2001).

Norvilitis and Maria (2002) note that while students do tend to handle credit cards adequately there are cases, of students, where high debts have been incurred. One of the main reasons why some of the students get into debt is because they feel that they can get out of the debt as soon as they graduate and get a job. However, they fail to realize that they might not get a job for some time after they graduate and having been unprepared for the lag in getting a job and graduation, they get into spending habits that they cannot get out of, in addition to the debt that has been accumulated in college. This leads to a dangerous financial situation (Norvilitis & Maria, 2002). It has also been indicated that another cause of increasing credit card debt among college students is that they get used to a certain lifestyle and certain spending habits when they are under their parents' care in high school, and given the high level of discretionary income that they receive from their parents earlier on, and its absence in college years- where many are expected to earn while their tuitions are paid for, they do not know how to adjust their spending and fall prey to credit card debt (Norvilitis & Maria, 2002).

A surprising conclusion was drawn by Yi-Wen and Devaney (2001), who indicated that there was a more favourable attitude towards taking higher credit among consumers who had higher outstanding credit. The studies by Yi-Wen & Devaney (2001) and Norvilitis & Maria (2002) both suggest that awareness needs to be created regarding credit and credit card debt so that such perceptions can be changed.

A study by Wang and Xiao (2009) on consumer buying behaviour and credit card indebtedness among college students reveals that buying patterns as well as social networks had a bearing on the students' level of debt on credit cards. It was noted that students who have social support possess only few credit cards. The strong aspect of the study was that it also used an interview method to triangulate the results from the survey which involved in-depth interviews with 22

students. The conclusions were that there is prevalence of impulsive buying behaviour, and that students can hide their spending when they do it on their credit cards and this requires a strong self-control. The study further found that the social networks that the students belong to greatly influence their purchase behaviour (Wang & Xiao, 2009).

2.9 Summary

Materialism is expected to have a higher link with credit card usage as materialists tend to value consumption for consumption itself, as the possession of material items is a way for them to express their success. Self-esteem is another aspect that is considered important in credit card usage where people who have lower self-esteem are deemed to be more materialistic and more prone to compulsive behaviour leading to higher credit card usage. In addition to this, it has been seen that impulsive buying is also highly encouraged not only by the presence of a credit card, but also due to the presence of promotional campaigns on credit cards that lead to higher debt.

Chapter Three: Research Methodology

3.1 Introduction

This chapter of the study discussed the research design and methodology which guide the investigation. Research methodology provides a representation of the steps that should be followed in the research process so that accurate data relevant to this study may be collected (McBurney White, 2007:243). The chapter addressed important issues such as the research design, research paradigm, research method, description of the research location, target population of the study, sampling strategy and procedures, sample size, pilot study, data measurement scale, data quality control, data analysis and ethical considerations.

3.2 Research Design

Research design is the overall strategy that the researcher chooses to integrate different components of the study in a coherent way, to make sure that the study effectively addresses the problem under investigation (Labaree, 2013). In other words, it is the blueprint for how data will be collected, measured and analysed. There are different types of research design, including descriptive, explanatory, exploratory, causal, cross-sectional, experimental, longitudinal, archival and case study (Long, 2014). However, Labaree (2013) suggests that the nature of the research problem determine the type of research design to be used. After a careful analysis of all the various research designs, a descriptive study was conducted.

A descriptive research is conducted with the purpose of ascertaining true nature of the research phenomena to accurately describe “what exists” with respect to the present conditions of the situation (Monette, Sullivan & Dejong, 2011). Rahi (2017) also states that a descriptive research is carried out with the aim of obtaining information on the current state of the research phenomena. The use of descriptive study allowed the researcher to provide accurate description of the situation and the research participants.

3.3 Research Philosophy

The term research philosophy has been described as the essential collection of beliefs shared by scientific researchers, a set or arguments concerning how the research problems are to be understood, how the researcher view the world and how he/she goes about conducting the research (Creswell, 2009). Similarly, Guba and Lincoln (2005) viewed research paradigm as a basic set of beliefs or assumptions which serves as a guide to the inquiries for a research. A

research paradigm can take different form, namely: positivist paradigm; interpretive paradigm; participatory paradigm; realism paradigm and pragmatism paradigm. However, in this study, positivist paradigm was selected.

The proponents of the positivist paradigm assume that true knowledge can be obtained through observation and experiment, hence they mostly choose scientific method to produce knowledge (Rahi, 2017). Kivunja and Kuyini (2017) postulated that the positivist paradigm has its root in scientific research. The authors argued that positivism is a form of investigation which contains some form of experimentation exploring research phenomenon. Fadhel (2002) states that research located within the positivist paradigm relies on deductive reasoning, hypotheses formulation and testing, providing operational definitions and mathematical equations, calculations, extrapolations and expressions, to derive conclusions. The main aim of this paradigm is to provide explanations and to make accurate predictions based on measurable outcomes.

Positivist paradigm was chosen based on several reasons. The first reason was that the study adopted the quantitative research method, hence this paradigm is the most appreciate which is linked to quantitative research methodology. Another important reason was that allows for the generalizability of the research findings. The enabled the researcher to apply the results to other situations.

3.4 Research Method

Three methods of research exist, namely qualitative, quantitative and mixed methods research. The nature of the study allows for a quantitative research to be conducted. Quantitative research is used to measure the problem at hand through the generation of numerical data which is converted into usable statistics (Creswell, 2014:15). Creswell (2013) states that quantitative research is a ‘deductivist, objectivist, and positivist’ method of research that involves numbers and quantification in collecting and analysing data. The research approach uses measurable data to articulate facts and reveal patterns in research about variables such as attitudes, opinions, and behaviors is quantified and generalize results from a larger sample population. Rahi (2017) postulates that a quantitative research focuses on the collection of fresh information in accordance to the problem from large population.

Bryman (2012:35) also refers to quantitative research as a “research strategy that emphasises quantification in the collection and analysis of data”. Rasinger (2013) concurs that quantitative research method attempts to seek answers to research questions starting with “how many”, “how much”, and “to what extent”

The quantitative research method was chosen because it allows the results to be generalised to the entire study population or a sub-population since involves the larger sample which is randomly selected. Also, quantitative research method was chosen because data analysis is less time consuming since it uses statistical software like SPSS (Connolly, 2007). Another important reason for conducting was that it ensures that the study sample reflects the larger proportion of target population, which helped in ensuring the trustworthiness of the findings.

3.5 Location of the Study

The study was conducted at UKZN. UKZN is a University with five campuses in the province of KwaZulu-Natal in South Africa. UKZN was established on 1 January 2004 after the merger between the University of Natal and the University of Durban-Westville. UKZN is made up of four Colleges, namely: College of Agriculture, Engineering and Science; College of Health Sciences; College of Humanities and College of Law and Management Studies.

3.6 Target Population and Sample Size

A target population is a specified group of respondents (Sekaran & Bougie, 2013). In other words, it refers to a group of people, events, elements or things which the investigator wishes to refer to or understand (Rahi, 2017). The target population of this study was MBA students of first, second and third year at the **University** of KwaZulu -Natal, using credit card facilities. With this study, the number of MBA students using credit card facilities at UKZN are unknown.

Sample size on the other hand refers to the subset or representation of the study population selected for a study (Sekaran & Bougie, 2013). Similarly, Suresh, Thomas and Suresh (2011) described sample size as the unit or partition of the whole population which the researcher draws inferences from. The sample size of 35 respondents was chosen for this study. In this study, several selection criteria were used to select the respondents. The first criterion was that to qualify for the study, a respondent should be a credit cardholder. The second criterion was that the respondents should be a registered student at UKZN. The third criterion was that a respondent should be a first, second- or third-year MBA student at UKZN.

3.7 Sampling Strategy

There are two sampling strategies, including probability and non-probability sampling. However, since the study was purely quantitative in nature, the most appropriate sampling strategy selected for the study was probability sampling. According to Grinnell and Unrau (2010) offers every individual the opportunity to be included in the study. Probability sampling has various techniques such as random, systematic, stratified, cluster and multi-stage sampling. From the range of probability sampling, the study utilized simple random sampling to select the respondents.

Simple random sampling is a technique where each unit of the population has an equal probability of inclusion in the sample (Rahi, 2017; Collis & Hussey, 2013). The simple random sampling allowed the researcher to develop a numeric list of all sample size and then used computer programme to generate random numbers.

3.8 Data Collection Instrument

The main data collection instrument used in this study was structured questionnaires. Questionnaire is made up of a list of items which is used to elicit some important information from the research respondents (Sekaran & Bougie, 2013). One benefit of using questionnaire in this study is that the responses are gathered in a standardised way, which helped to ensure objectivity of the findings. Another benefit of using questionnaire in this study is that it relatively quick to collect information. The questionnaires were useful in collecting large amount of data from the respondents.

The study adopted validated questionnaire and was structured into four sections. Section “A” (bio-data); Section “B” (influence of possession of a credit card on consumer buying behaviour); Section “C” (influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage among students); and Section “D” (the relationship between compulsive buying and credit card).

3.9 Pre-testing of the Research Instrument

The research instrument was piloted prior to the data collection. According to Thabane, Ma, Chu, Cheng, Ismaila, Rios, Robson, Thabane, Giangregorio and Goldsmith (2010), the term pilot

study refers to a small-scale research which tests the flexibility and feasibility of the entire research. Crossman (2007) argues that pilot study is more common in quantitative studies as compared to qualitative research. The pilot study allowed the researcher to determine the feasibility of the research, whether it is worth pursuing. Another usefulness of pilot study in this research is that it helped to ensure the flexibility of the research methodology adopted.

With this study, 3 respondents were selected for the pilot study who were not included in the sample size. The pilot study took place at UKZN and it lasted for one day. Upon the completion of the pilot study, the researcher aggregated the suggestions and recommendations of the respondents into the final draft of the questionnaire.

3.10 Reliability and Validity of the Research Instrument

In this study, both reliability and validity were used to ensure data quality control. Reliability measures the consistency of research instrument over time (Sekaran & Bougie, 2013). Thus, the research instrument should be capable of producing the same or similar results over repeated measures. The reliability of the research instrument was evaluated using Cronbach's alpha coefficient. The Cronbach's alpha coefficient score of 0.70 and above was considered as reliable.

Validity on the other hand refers to the ability of the research instrument to assess exactly what it was designed for (Sekaran & Bougie, 2013). The validity of the research instrument was measured through factor analysis.

3.11 Data Measurement Scale

The appropriate measurement scale adopted in this study was the Likert scale. Likert scale is one of the most frequently used psychometric tools in educational and social sciences research. According to Joshi, Kale, Chandel and Pal (2015), Likert scale was originally developed since 1932 to measure 'attitude' in a scientifically accepted and validated manner. The respondents were asked to show their level of agreement (from strongly disagree to strongly agree) with the given statement (items) on a metric scale. The study adopted the 4-point Likert scale. The response scores are: Strongly Disagree =1; Disagree = 2; Agree = 3; and Strongly Agree = 4.

3.12 Bias

In this study, the following biases were eliminated.

- Acquiescence bias: Also known as “yea-saying” or the friendliness bias, acquiescence bias occurs when a respondent demonstrates a tendency to agree with and be positive about whatever the moderator presents. In other words, they think every idea is a good one and can see themselves liking, buying and acting upon every situation that is proposed.
- Social desirability bias: This bias involves respondents answering questions in a way that they think will lead to being accepted and liked. Regardless of the research format, some people will report inaccurately on sensitive or personal topics to present themselves in the best possible light.

3.13 Data Analysis

The quantitative data elicited from the respondents was analysed with the help of the Statistical Package for the Social Sciences [SPSS], version 25.0. The study utilised descriptive and inferential statistics in analysing the results. The descriptive statistics employed with frequency, percentage and mean. The inferential statistics that were applied in the study also include correlation, Annova, factor analysis, Cronbach’s alpha coefficient, t-test and Post Hoc Scheffe’s Test

3.14 Ethical Considerations

For research to be conducted in an ethical manner, obtaining Gatekeepers and being granted Ethical clearance is a prerequisite. This research focused on MBA students from UKZN and Gatekeepers had to be granted by the registrar as it is a University department. Gatekeepers were applied for first as it is required when applying for Ethical Clearance. Once Gatekeepers received it was than attached to ethical clearance form together with the interview schedule and sent to the Humanities and Social Science Research Ethics Committee.

After ethical clearance and gatekeepers were obtained the questionnaires were than conducted. On conduction of questionnaire, participants were given a copy of the informed consent to make sure they are involved in the study voluntarily and a detailed description of the objectives for the study and of the methods used to gather and analyse the data so that a mutual understanding existed.

In ensuring confidentiality, all the names of the interviewees were kept confidential and have not been mentioned in any of the sections of the study. Anonymity of respondent kept private and pseudonyms used referred to “respondents”. Additionally, all the questionnaires are confidential and will be destroyed after a period of five years.

3.15 Summary

The chapter described how the study was conducted. A descriptive research was conducted which allowed the researcher to provide accurate description of the situation and the research participants. Positivist paradigm was chosen which allowed for the generalisation of the research results. A quantitative study was conducted which helped to ensure the generalisation of the results and trustworthiness of the findings. The study was conducted at UKZN and the target population was the first, second and third MBA students with credit card facilities. The sample size constituted only 35 MBA student who were in possession of credit card/s. The study utilised the simple random sampling method to select the respondents. Questionnaires were used to collect the data from the participants because the study was purely quantitative in nature. A pilot study was first conducted which enable the researcher to test the research protocols, procedures and instrument prior to the full-scale investigation. Reliability and validity of the research instrument were measured through Cronbach’s alpha coefficient and factor analysis. The data analysis of the data was done using SPSS, version 25.0

Chapter Four: Data Presentation and Analysis

4.1 Introduction

This chapter of the study deals with the data presentation and analysis. The researcher administered thirty-five (35) questionnaires to the respondents and all of them were retrieved. The questionnaires comprised of 35 items. The 35 questionnaires accounted for 100% response rate. The questionnaires collected from the respondents were coded into the Excel sheet and later exported into the SPSS, version 25.0. As mentioned in chapter two above, the study adopts both descriptive and inferential statistics. The research objectives which guide the study are: to study the influence of possession of a credit card on consumer buying behaviour; to determine the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the **University Of KwaZulu-Natal** and to determine the relationship between compulsive buying and credit card.

4.2 Demographic Information

This section of the chapter presents the results of the study in relations to the respondent's demographic information, namely: gender; age; class (years of study); weekly income/allowance; number of credit card held; credit card bill charges in a month; purchases generally made by the credit card. The results are shown below.

4.2.1 Gender of Respondents

The results relating to the respondent's gender are presented in the Figure 4.1 below.

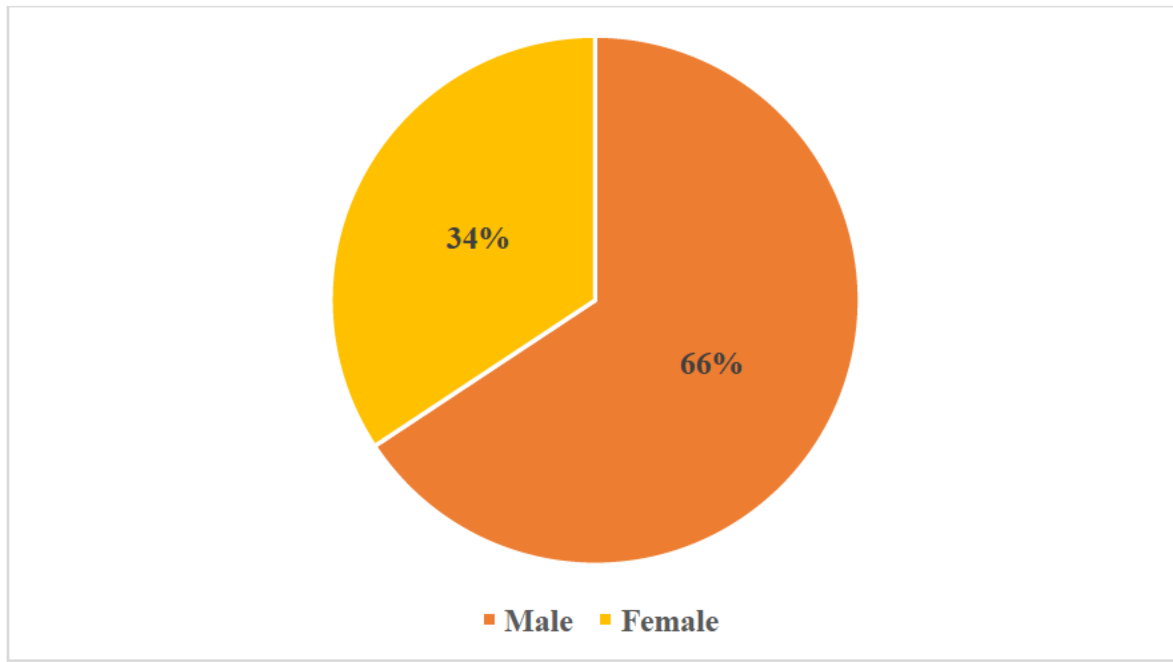


Figure 4.1 Gender

From the Figure 4.1 above, 66% of the respondents constituted males whilst the remaining 34% of them were females. It is therefore evident that most of the respondents at UKZN were females. However, this does not necessarily mean that the University has admitted more males than females. One factor could be that as at the time the study was conducted the presence of males were more than females. The next section of the chapter presents the results on the respondents age.

4.2.2 Age

The results on the age of the research respondents are shown in the Figure 4.2 below.

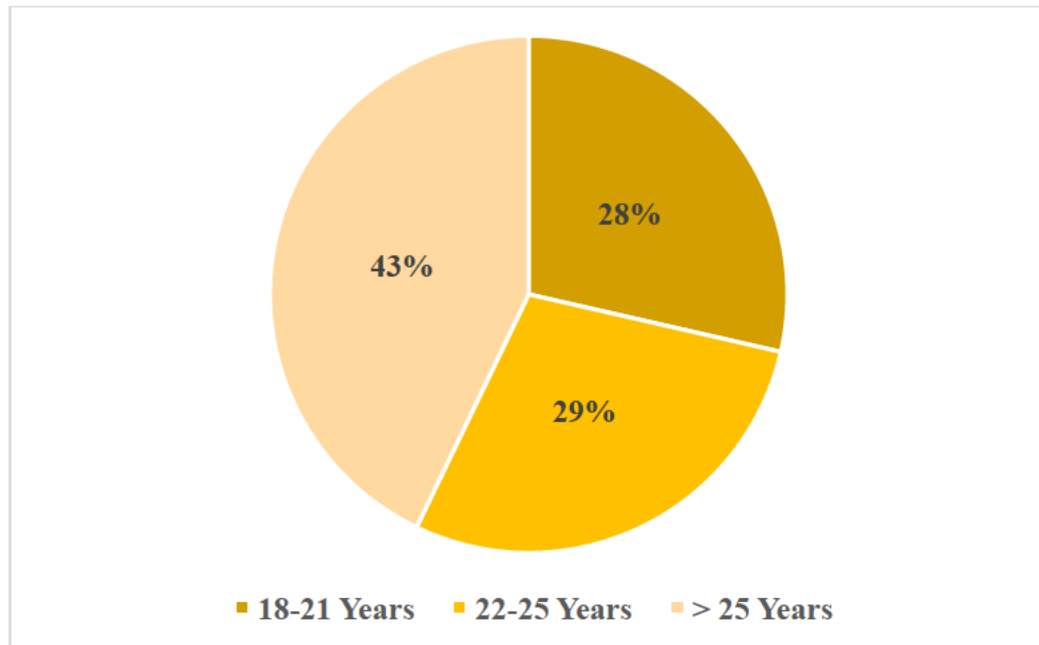


Figure 4.2: Age of Respondents

As reflected in the Figure 4.2 above, 28% of the respondents were between the ages of 18-21 years. Another 29% of the respondents were between the age range of 22-25 years. Moreover, 43% of the respondents who constituted the majority were above 25 years of age. The proceeding section of the chapter presents the results on the respondents' years of study.

4.2.3 Respondents Class or Years of Study

The number of years the respondents have been in the MBA class are shown in the Figure 4.3.

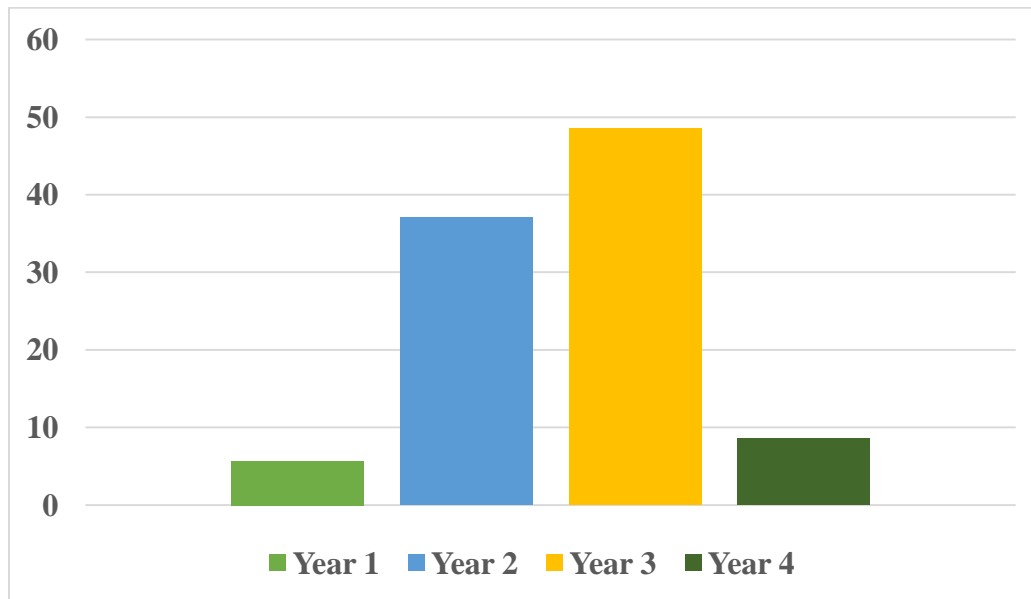


Figure 4.3: Respondents Years of Study

The results presented in the Figure 4.3 shows that approximately 5.7% of the respondents were in the MBA class for one year. Also, the results suggest that 37.1% of the respondents have been in the MBA class for two years. Furthermore, the results indicate that 48.6% of the respondents were in the MBA class for three years. The results further show that 8.6% of the respondents have been in the MBA class for four years. The analysis of the results therefore shows that most of the respondents spent between 2-4 years to complete their MBA degrees. This implies that the students usually spend more years in school than the average years of completing their studies. The proceeding section shows the weekly income of the respondents.

4.2.4 Weekly Income/Allowance of the Respondents

The results concerning the respondents' weekly income/allowance are shown in the Figure 4.4 below.

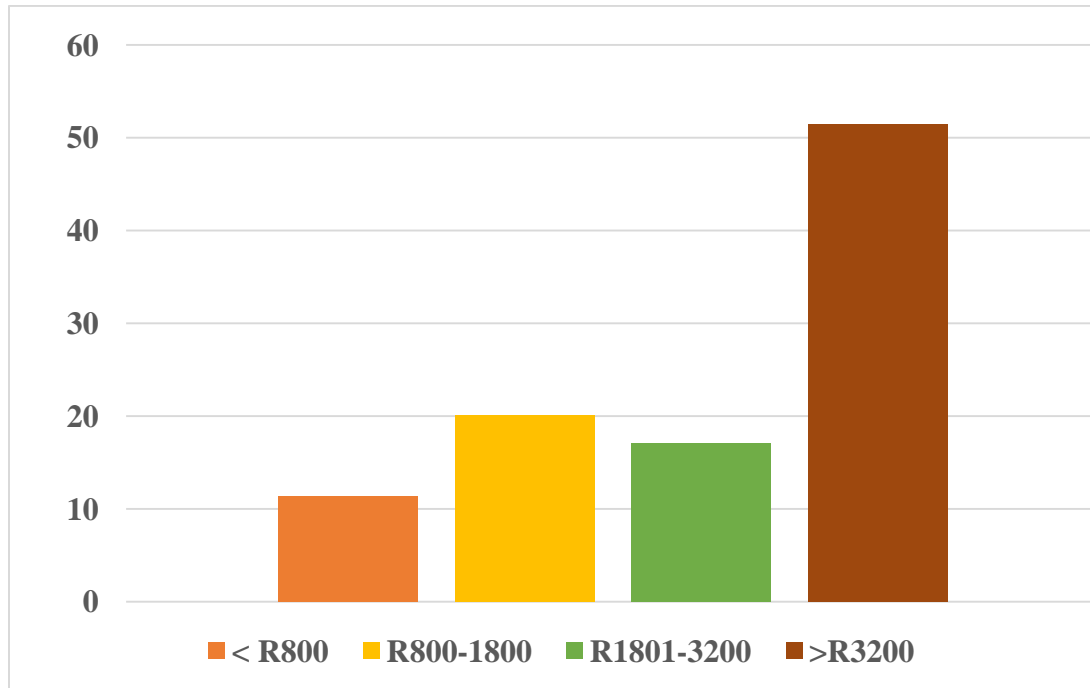


Figure 4.4: Weekly Income/Allowance of the Respondents

The information from the Figure 4.4 above shows that 11.4% of the respondents earned a weekly income of less than R800. Furthermore, the results indicate that 20.1% of the respondents earned a weekly income of R800-1800. Besides, the findings show that 17.1% of the respondents earned a weekly income of R1801-3200. Lastly, the results show that 51.4% of the respondents earned more than R3200. The analysis of the results suggests that most of the respondents earned more than R3200. This suggests that the weekly income of the respondents will have significant impact on the usage of the credit as well as the standard of living. The next section of the chapter shows the results on the number of credit cards held by the respondents.

4.2.5 Number of Credit Cards Held by the Respondents

The information presented in the Figure 4.5 shows the number of credit cards held by the respondents at UKZN.

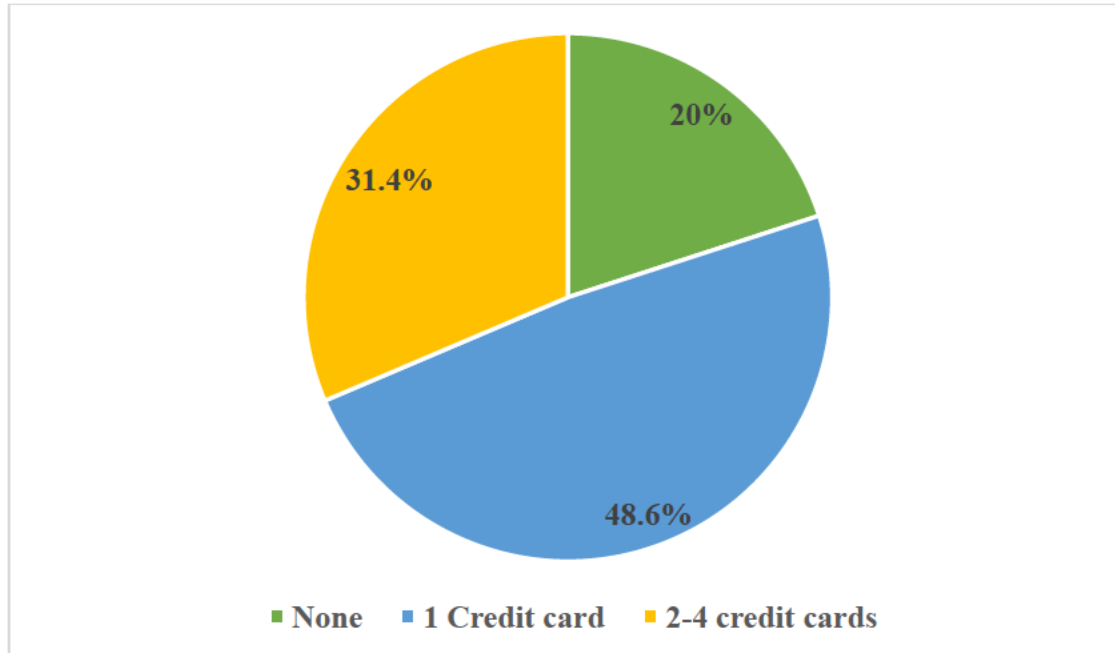


Figure 4.5: Number of Credit Cards Held by the Respondents

It is evident from the study that 20% of the respondents have no credit card. However, 31.4% of the respondents held one (1) credit card. Another 48.6% of the respondents who constituted the majority held 2-4 credit cards. Therefore, it can be argued that most of the students in the MBA class at UKZN held more than more credit cards. The proceeding section shows the results on the credit card bill charges in a month.

4.2.6 Credit Card Bill charges Paid by the Respondents in a Month

The information in the Figure 4.6 below shows the credit card bill charges paid by the respondents in a month.

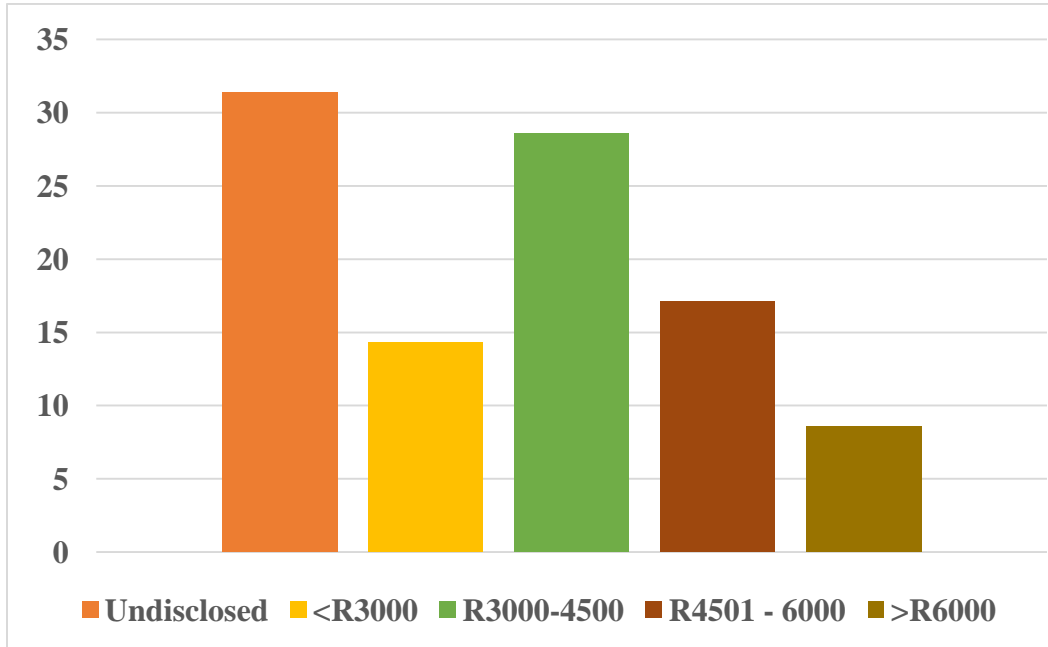


Figure 4.6: Credit Card Bill charges Paid by the Respondents in a Month

From the Figure 4.6, the information shows that 31.4% of the respondents failed to disclose the amount they paid in a month as credit card bill charges. However, 14.3% reported that they paid less than R3000 as credit card bill charges. Also, 28.6% of the respondents said that they were billed R3000-4500. Furthermore, 17.1% of the respondents indicated they were billed R4501 - 6000. Approximately 8.6% of the respondents said that they paid R6000 in a month as credit card bill charges.

4.2.7 Purchases made with the Credit Card

The results on the purchases made with the credit card are shown in the Figure 4.7 below.

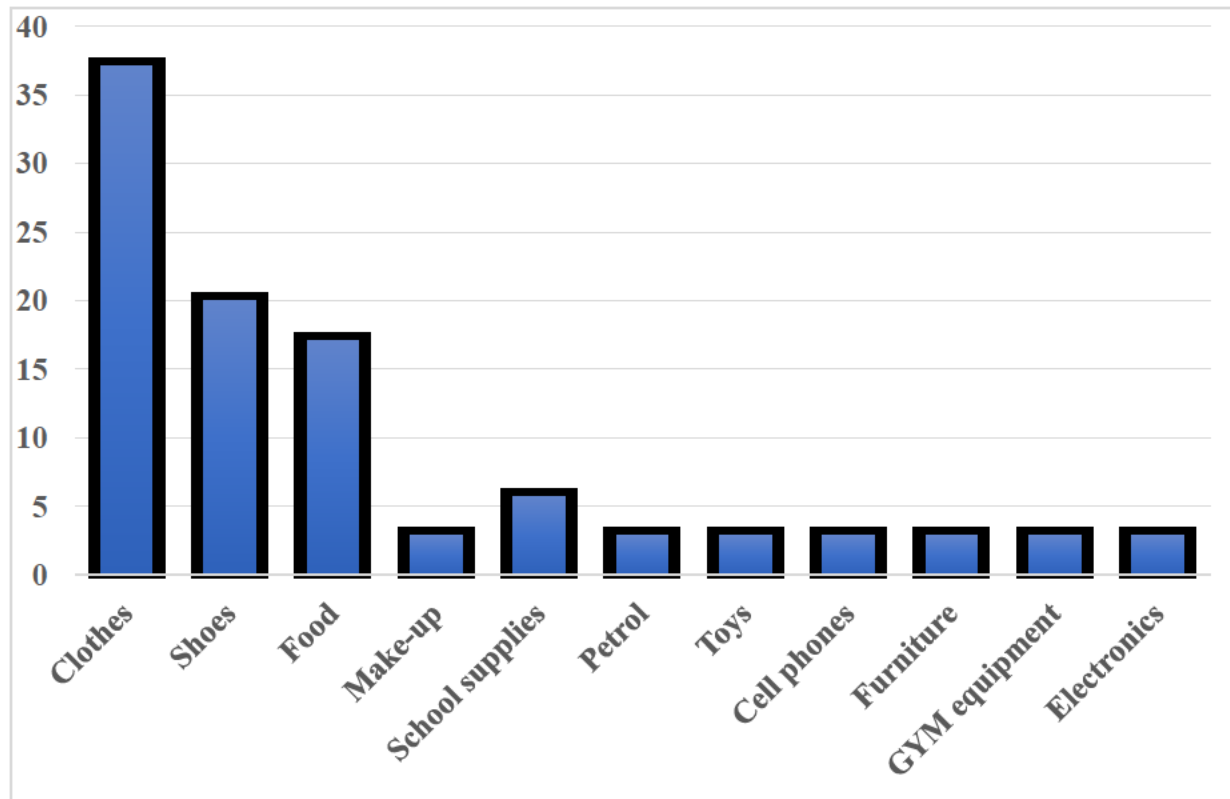


Figure 4.7: Purchases made with the Credit Card

From the Figure 4.9, 37.1% of the respondents said that they used the credit card to purchase clothes. Also, 20% of them indicated that they purchased shoes with the credit card. Furthermore, 17.1% of the respondents reported that they bought food with the credit card. Another 2.9% of the respondents indicated that they purchased make-up with the card. Besides, the results showed that 5.5% purchased schools supplies with their credit card. Also, the results of the study revealed that 2.9% of the respondents purchased petrol, toys, cell phones, furniture, GYM equipment and electronics respectively with their credit card.

4.3 Descriptive Statistics

The results of the study were further presented using descriptive statistics such as mean, standard deviation, lower and upper bound minimum and maximum. On the scale of 1-4, the respondents were asked to rate each of the items. The interpretation of the scale was provided in the chapter three above.

Table 4.1 Descriptive Statistics

Dimension	Mean	95 % Confidence Interval		Std. Dev.	Min.	Max.
		Lower Bound	Upper Bound			
Self-esteem	2.46	2.14	2.77	0.919	1.00	4.00
Materialism	2.31	2.04	2.58	0.781	1.00	4.00
Budget constraints	2.11	1.82	2.41	0.852	1.00	4.00
Impulsive buying	2.40	2.12	2.68	0.821	1.00	4.00
Compulsory buying	2.26	1.95	2.56	0.886	1.00	4.00
Credit card use	2.50	2.38	2.63	0.821	1.00	4.00

From the Table 4.1 above, the overall mean score value for self-esteem was 2.46 on the scale of 1-4. The results therefore indicated that self-esteem moderately influenced the respondents credit card usage. Furthermore, the results of the study showed that materialism had a mean score value of 2.31. The strength of the mean score suggests that materialism moderately influenced credit card usage. This also implies that materialism had a positive significant influenced credit card usage.

The findings from the study also indicated that budget constraint had a mean score value of 2.11 when compared against a maximum attainable score of 4 on a 1 to 4-point Likert scale. The mean score value suggests that budget constraint moderately influenced behaviour of credit card usage. In other words, the results indicated that budget constraints had a significant positive influence on credit card usage.

Also, the results showed that impulsive buying had a mean score value of 2.40 on the scale of 1-4. This means that impulsive buying moderately influenced the behaviour of credit card usage. In other words, impulsive buying had a significant positive influence on credit card usage.

Besides, the results of the study indicated that compulsory buying had a mean score value of 2.26 on the scale of 1-4. The findings also showed that compulsory buying positively influenced credit card usage.

Lastly, credit card usage had a mean score value of 2.50 which indicates a moderate influence. The overall results showed that self-esteem, materialism, budget constraints, impulsive buying and compulsory buying positively influenced credit card usage. From the figures presented above, it can therefore be concluded that factors such as self-esteem, materialism, budget constraints impulsive buying and compulsory buying had significant impact on the credit card usage among UKZN students. Although, there could be other factors which could influence the use of credit card usage among the students, however, the above factors had more significant impact on the credit card usage as compared to other factors.

In order to assess these dimensions in depth and to identify room for improvement, frequency analyses were further undertaken. For the purpose of simple analysis, the results of both strongly disagree and agree were combined as disagree. On the other hand, the results of both strongly agree and agree were combined. In terms of self-esteem, 68.6% of the respondents denied the assertion that they were able to do things as well as most people. However, only 31.4% admitted that they were able to do things as well as most people. Furthermore, 64.7% of the respondents disagreed that they felt that they were persons of worth, at least on an equal plane with others while the remaining 34.3% of the said that they were persons of worth, at least on an equal plane with others.

In relations to materialism, 40% of the respondents disagreed that they admire people who own expensive homes, cars and clothes whilst the rest of the 60% of the respondents who constituted the majority admitted that they admire others who own expensive homes, cars and clothes. The results further showed that 62.9% of the respondents reported that they prefer owning things that impress people whilst the remaining 37.1% agreed that they like to own things that impress people. Also, 48.6% of the respondents disagreed that they often pay attention to material objects that others own whilst the remaining 51.4% of the respondents agreed that they usually pay attention to material objects that others own. In addition, the study found that 60% of the

respondents disagreed that the things they possess speak a lot about them to others in terms of how their lives are and the remaining 40% of the respondents agreed that the things they own say a lot to others in terms of how their lives are. Besides, the results showed that 54.3% of the respondents disagreed that always buy what they want, not what they need whilst 45.7% of the respondents agreed that that always buy what they want, not what they need. Again, 65.7% of the respondents disagreed that they like buying things that give them a lot of pleasure whilst the rest of the 34.3% of the respondents agreed that they like buying things that give them a lot of pleasure. Finally, 51.5% of the respondents denied the fact that their purchase decisions were influenced to a great degree through TV programs and ads whilst the rest of the 48.5% agreed to the fact that their purchase decisions were influenced to a great degree through TV programs and ads.

In relations to budget constraints, 48.5% of the respondents disagreed that they spend enough money than they have or can afford whilst the rest of the 51.5% agreed that they spent more money than they have or can afford. Also, the results showed that 71% of the respondents said that they never had problems paying their bills every month and 28.6% of the respondents said that they always had problems paying their bills every month. Furthermore, it was found that 60% of the respondent who constituted the overwhelming majority said that they never had tight budget, however 22.9% of the respondents said that they almost always had tight budget whilst 17.1% of them said that they always had v . Lastly, 65.7% of the respondents disagreed that they do not have any savings in their bank accounts for emergency and 34.3% of the respondents agreed that they do not have any savings in their bank accounts for emergency.

With respect to impulsive buying, 40% of the respondents said that they never know how often they have used their credit cards to make a spontaneous purchase in the last month, 28.6% of them they used their credit cards in 1-3 times to make a spontaneous purchase in the last month, 11.4% of them also said that they used their credit cards in 4-6 times to make a spontaneous purchase in the last month, whilst them remaining 20% of the respondents said that they used their credit cards more than 6 times to make a spontaneous purchase in the last month. Also, the results showed that 34.3% of the respondents disagreed that they often buy things without thinking whilst 65.7% of the respondents agreed that they often buy things without thinking.

Furthermore, the findings revealed that 34.3% of the respondents disagreed that they do not plan most of their purchases but 65.7% agreed that they do not plan most of their purchases. Lastly, 62.8% of the respondents disagreed that their spontaneous purchase decisions were influenced by the way that the product was packaged and the rest of the 37.2% of the respondents agreed that their spontaneous purchase decisions were influenced by the way that the product was packaged.

Concerning compulsory buying, 57.1% of the respondents disagreed that they felt that their peers or colleagues will be horrified if they know of their spending habits and the rest of the 42.9% agreed that they felt that their peers will be horrified if they know of their spending habits. Also, 48.6% of the respondents disagreed that they purchased items although they cannot afford them and the remaining 51.4% agreed that they bought things even though they cannot afford them.

Regarding credit card usage, 17.1% of the respondents said that they never pay their bills regularly, 48.6% of them said that they sometimes pay their bills regularly, 17.1% of them indicated that they almost always pay their credit card bills on time, whilst 17.1% of them said that they always pay their credit card bills on time. Also, the results showed that 5.7% of the respondents paid minimum of 9-12 times in a year, 34.3% of them paid a minimum of 5- 8 times in a year, 42.9% of the respondents paid a minimum of 1-4 times in a year and the remaining 17.1% said that they paid none in a year. Furthermore, the results revealed that 8.6% of the respondents approached their parents when they need to pay off debts on their credit cards, 11.4% said that they approached government associations when they need to pay off debts on their credit cards, 71.4% indicated that they approached non-governmental associations when they need to pay off debts on their credit cards whilst the remaining 8.6% of them said that they approached others like friends when they need to pay off debts on their credit cards. Besides, the results showed that 20% of the respondents reached 9-12 times of their credit card limit each year, 14.3% of them reached 5-8 times of their credit card limit each year, 42.9% of them reached 1-4 times of their credit card limit each year and 22.9% of the respondents never reached none of them each year. In addition, the results indicated that 37.1% of the respondents never borrow money for other sources to make ends meet, 40% of them sometimes borrow money from others to make ends meet, whilst 22.9% the respondents almost always borrow money from others to make ends meet. Again, it was found that 34.3% of the respondents disagreed that they

were less concerned with the price of a product when they use a credit card whilst the remaining 65.7% of them agreed that they were less concerned with the price of a product when they use a credit card. The results showed that 37.1% of the respondents disagreed to the fact that they were more impulsive when they shop with credit cards and the rest of the 62.9% agreed to the fact that they were more impulsive when they shop with credit cards. Lastly, 62.4% of the respondents disagreed that they often take cash advances on their credit cards whilst the remaining 37.6% agreed to the fact that they often take cash advances on their credit cards.

4.4 Inferential Statistics

Inferential statistics were computed on the dimensions and sub-dimensions of the variables that form part of the study to enable the researcher to draw conclusions regarding the research objectives. The kind of inferential statistics used in this study are Spearman’s correlation, Cronbach’s alpha coefficient, factor analysis, t-tests, Post Hoc Scheffe’s Test, Anova, t-test regression.

4.4.1 Spearman’s correlation

In order to determine the influence of the variables such as self-esteem, materialism, budget constraints, impulsive buying and compulsive buying on credit card usage, the study employed Spearman’s correlation.

4.4.1.1 Self-esteem and credit card usage

The results regarding the relationship between self-esteem and credit card usage are shown in the Table 4.2 below.

Table 4.2 Spearman’s correlation: Correlation between self-esteem and credit card usage

Dimension	r/p	Credit card usage
Self-esteem	R	0.514
	p	0.000*

From the Table 4.2, the finding from study showed that there was a significant relationship between self-esteem and credit card usage at the 1% significant level. The results therefore suggested that self-esteem positively influenced credit card usage among MBA students at

UKZN. This means that self-esteem had a high tendency on convincing the MBA students to use or apply for more credit cards from financial institutions.

4.4.1.2 Relationship between materialism and credit card usage

The results regarding the relationship between materialism and credit card usage are shown in the Table 4.3 below.

Table 4.3 Spearman’s correlation: Correlation between self-esteem and credit card usage

Dimension	r/p	Credit card usage
Materialism	R	0.900
	p	0.000*

The results in the Table 4.3 revealed that a significant relationship exists between materialism and credit card usage at the 1% significant level. The results therefore suggested that materialism positively influenced credit card usage among MBA students at UKZN. From the above findings, it can therefore be concluded that materialism had the high tendency of influencing the UKZN MBA students to use more credit cards.

4.4.1.3 Relationship between budget constraints and credit card usage

The results regarding the correlation between budget constraints and credit card usage among the MBA students at UKZN are presented in Table 4.4.

Table 4.4 Spearman’s correlation: Correlation between budget constraints and credit card usage

Dimension	r/p	Credit card usage
Budget constraints	R	0.442
	p	0.000*

The information presented in the Table 4.4 above shows that there was a significant relationship between budget constraints and credit card usage at the 1% significant level. The findings therefore implied that budget constraints positively influenced credit card usage among MBA students at UKZN. This means that budget constraints served as the limitation for using credit cards in UKZN. The proceeding section presents the findings regarding the relationship between impulsive purchase behaviour and credit card usage of the MBA students.

4.4.1.4 Relationship between impulsive buying behaviour and credit card usage

The results regarding the correlation between impulsive buying behaviour and credit card usage among the MBA students at UKZN are presented in Table 4.4.

Table 4.5 Spearman’s correlation: Correlation between impulsive buying behaviour and credit card usage

Dimension	r/p	Credit card usage
Impulsive buying behaviour	R	0.964
	p	0.008*

The findings from the study suggested that a significant positive relationship exists between impulsive buying behaviour and credit card usage at the 1% significant level. The results implied that impulsive buying behaviour positively influenced credit card usage among MBA students at UKZN.

4.4.1.5 Spearman's correlation: Compulsive buying and credit card usage

The proceeding Table 4.6 below contains the results on the Correlation between compulsive buying and credit card usage.

Table 4.6 Spearman's correlation: Correlation between compulsive buying and credit card usage

Dimension	r/p	Credit card usage
Compulsive buying	R	0.893
	p	0.000*

It is evident from the Table 4.6 a significant positive relationship exists between compulsive buying and credit card usage at the 1% significant level. The results therefore suggested that compulsive buying positively influenced credit card usage among MBA students at UKZN.

4.4.1.6 Relationship between self-esteem, materialism, budget constraints and impulsive buying behaviour and credit card usage

The study further determined the kind of relationship which exist between all the items or variables in the study. The results are presented in the Table 4.7 below.

Table 4.7 Spearman’s correlation: Correlation between self-esteem, materialism, budget constraints and impulsive buying behaviour and credit card usage

Dimensions	r/p	Self-esteem	Materialism	Budget constraints	Impulsive buying behaviour	Compulsive buying
Self-esteem	r p	1				
Materialism	r p	0.269 0.000*				
Budget constraints	r p	0.668 0.000*	0.078 0.000*			
Impulsive buying behaviour	r p	0.831 0.327*	0.910 0.020*	0.966 0.001*		
Compulsive buying	r p	0.881 -0.026*	0.950 0.011*	0.698 0.000*	0.000 0.705*	
Credit card usage	r p	0.514 -0.114*	0.960 -0.009*	0.442 -0.134*	0.964 0.008*	0.893 0.024*

From the Table 4.7 above, the results showed that there was a significant positive relationship between self-esteem and materialism at the 1% significant level. Also, it was found that there was a significant relationship between materialism and budget constraints at the 1% significant level. It was found that there was a significant relationship between budget constraints and impulsive buying at the 1% significant level. However, the results showed that there was no significant relationship between impulsive buying and compulsive buying at the 1% significant level. Again, the results showed that a significant positive relationship has existed between compulsive buying and credit card usage at the 1% significant level.

4.4.2 Influence of demographic variables on the dimensions (Annova)

The influence of the biographical variables (i. e. age, class, weekly income, number of credit cards held, credit card bill charges in a month and list of items purchased with the credit card) on the all the items in the research instruments were evaluated using Analysis of Variance.

4.4.2.1 Annova: All Dimensions and Age

The results regarding the influence of age on all the dimensions are reflected in the Table 4.8 below.

Table 4.8 Annova: All Dimensions and Age

	F	p
Self-esteem	1.208	0.312
Materialism	0.453	0.640
Budget constraints	0.414	0.665
Impulsive buying behaviour	0.048	0.953
Compulsory buying	0.016	0.984
Credit card usage	1.029	0.369

* **p < 0.01**

** **p < 0.05**

From the Table 4.8 above, there was no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage varying in age at the 1% significant level respectively. To identify where the differences lie, the Post Hoc Scheffe's test was further computed and the results are reflected in the Table 4.9.

Table 4.9 Post Hoc Scheffe's Test: All Dimensions and Age

Dimension	Categories of Age	N	Mean
Self-esteem	18-21 years	10	2.00
	22-25 years	10	2.50
	>25 years	15	1.87
Materialism	18-21 years	10	2.47
	22-25 years	10	2.36
	>25 years	15	2.17
Budget constraints	18-21 years	10	2.03
	22-25 years	10	2.33
	>25 years	15	2.03
Impulsive buying behaviour	18-21 years	10	2.35
	22-25 years	10	2.38
	>25 years	15	2.45
Compulsory buying	18-21 years	10	2.30
	22-25 years	10	2.25
	>25 years	15	2.23
Credit card usage	18-21 years	10	2.48
	22-25 years	10	2.64
	>25 years	15	2.43

From the Table 4.9 above, in relations to self-esteem, there was a significant difference in the MBA students with ages above 25 from the rest of the students. This means that they were less convinced that self-esteem influences their shopping behaviour. However, the those were within the ages of 18-21 and 22-25 years respectively were more convinced that the various dimension in the Table 4.9 influenced their shopping behaviour.

4.4.2.2 Annova: All Dimensions and Years of Study (Class)

The Table 4.10 contains the results of the influence of years of study on all the dimensions in the research instrument.

Table 4.10 Annova: All Dimensions and Years of Study (Class)

All Dimension	F	p
Self-esteem	0.077	0.972
Materialism	0.055	0.982
Budget constraints	1.034	0.391
Impulsive buying behaviour	0.119	0.948
Compulsory buying	0.175	0.913
Credit card usage	0.404	0.751

*** p < 0.01**

**** p < 0.05**

Evidence from the Table 4.10 showed that there existed no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage varying in years of study (class) at the 1% significant level respectively. However, the Post Hoc Scheffe's test was computed to determine where the distinction lies, and the findings are shown in the Table 4.11 below.

Table 4.11 Post Hoc Scheffe's Test: All Dimensions and Years of Study (Class)

All Dimensions	Categories of Years	N	Mean
Self-esteem	1 year	2	2.00
	2 years	13	2.12
	3 years	17	2.03
	4 years	3	2.33
Materialism	1 year	2	2.36
	2 years	13	2.30
	3 years	17	2.34
	4 years	3	2.14
Budget constraints	1 year	2	2.63
	2 years	13	2.12
	3 years	17	1.94
	4 years	3	2.75
Impulsive buying behaviour	1 year	2	2.25
	2 years	13	2.46
	3 years	17	2.34
	4 years	3	2.58
Compulsory buying	1 year	2	2.50
	2 years	13	2.35
	3 years	17	2.15
	4 years	3	2.33
Credit card usage	1 year	2	2.50
	2 years	13	2.50
	3 years	17	2.54
	4 years	3	2.29

As reflected in the Table 4.11, in terms of budget constraints, there was a significant difference in the MBA students who studied for 3 years from the rest of the students. This implies that those MBA students who studied for 3 years were less convinced that budget constraints influence

their shopping behaviour. Nevertheless, there was no significant difference in the students who studied for 1 year, 2 years and 4 years respectively.

4.4.2.3 Annova: All Dimensions and Weekly Income

The results of the influence of weekly income or allowance on the dimensions are reflected in the Table 4.12.

Table 4.12 Annova: All Dimensions and Weekly Income/Allowance

	F	p
Self-esteem	0.759	0.526
Materialism	0.452	0.718
Budget constraints	1.308	0.289
Impulsive buying behaviour	1.572	0.216
Compulsory buying	0.843	0.481
Credit card usage	3.226	0.036

* $p < 0.01$

** $p < 0.05$

Evidence from the Table 4.12 shows that there was no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage varying in weekly income at the 1% significant level respectively. However, to identify where the differences lie, the Post Hoc Scheffe's test was further computed and the results are shown in the Table 4.13 below.

Table 4.13 Post Hoc Scheffe's Test: All Dimensions and Weekly Income

All Dimensions	Categories of Income	N	Mean
Self-esteem	<R800	4	2.25
	R800-R1800	7	2.43
	R1801-R3200	6	1.58
	>R3200	18	2.08
Materialism	<R800	4	2.36
	R800-R1800	7	2.51
	R1801-R3200	6	2.00
	>R3200	18	2.33
Budget constraints	<R800	4	2.50
	R800-R1800	7	2.11
	R1801-R3200	6	1.54
	>R3200	18	2.22
Impulsive buying behaviour	<R800	4	2.69
	R800-R1800	7	2.00
	R1801-R3200	6	2.04
	>R3200	18	2.61
Compulsory buying	<R800	4	2.75
	R800-R1800	7	1.93
	R1801-R3200	6	2.08
	>R3200	18	2.33
Credit card usage	<R800	4	2.34
	R800-R1800	7	2.80
	R1801-R3200	6	2.39
	>R3200	18	2.89

From the Table 4.13, in relations to self-esteem, there was a significant difference in the MBA students who earned R1801-R3200 from the rest of the students. This means that the MBA students who earned R1801-R3200 as weekly income were less convinced that self-esteem influences their shopping behaviour. Also, in terms of budget constraints, there was a significant

difference in the MBA students who earned R1801-R3200 from the rest of the students. This also means that the MBA students at UKZN who earned R1801-R3200 were less convinced that budget constraints influence their shopping behaviour. Besides, with regards to compulsory buying, it was found that was a significant difference in the MBA students who earned R800-R1800 from the rest of the students. The results imply that the students who earned R800-R1800 were less convinced that compulsory buying influences their shopping behaviour.

4.4.2.4 Annova: All Dimensions and Number of Credit Cards Held

The results of the influence of the number of credit cards held on all the dimensions such as self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying, and credit card usage are presented in the Table 4.14.

Table 4.14 Annova: All Dimensions and Number of Credit Cards Held

All Dimensions	F	P
Self-esteem	2.488	0.099
Materialism	2.191	0.128
Budget constraints	2.620	0.088
Impulsive buying behaviour	1.027	0.370
Compulsory buying	3.274	0.051
Credit card usage	0.545	0.585

* **p < 0.01**

** **p < 0.05**

The results of the study presented in the Table 4.14 showed that there was no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage varying in the number of credit card held by the MBA students at the 1% significant level respectively. However, to identify where the differences lie, the Post Hoc Scheffe's test was further computed and the results are shown in the Table 4.15 below.

Table 4.15 Post Hoc Scheffe's Test: All Dimensions and Weekly Income

Dimension	Categories of No. of credit card held	N	Mean
Self-esteem	None	7	1.36
	1 credit card	17	2.21
	2-4 credit cards	11	2.34
Materialism	None	7	1.80
	1 credit card	17	2.50
	2-4 credit cards	11	2.34
Budget constraints	None	7	1.54
	1 credit card	17	2.15
	2-4 credit cards	11	2.43
Impulsive buying behaviour	None	7	2.75
	1 credit card	17	2.40
	2-4 credit cards	11	2.18
Compulsory buying	None	7	2.92
	1 credit card	17	2.21
	2-4 credit cards	11	1.91
Credit card usage	None	7	2.41
	1 credit card	17	2.57
	2-4 credit cards	11	2.47

The information presented in the Table 4.15 shows that concerning self-esteem, there was a significant difference in the MBA students has no credit card from the rest of the students. This means that the student with no credit card believed that their shopping behaviour was not influenced by self-esteem. Also, the results of the study revealed that in relations to materialism, there was a significant difference in the MBA students has no credit card from the rest of the students. The results therefore suggest that the buying behaviour of those respondents with no credit card is not influenced by materialism. Furthermore, in terms of budget constraints, the results showed that there was a significant difference in the MBA students has no credit card from the rest of the students. Lastly, it was also found that in relations to compulsory buying,

there was a significant difference in the MBA students has held more than 4 credit cards from the rest of the students.

4.4.2.5 Annova: All Dimensions and Credit Card Bill Charges in a Month

The results of the influence of the Credit card bill charges in a month on all the dimensions such as self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage are presented in the Table 4.16.

Table 4.16 Annova: All Dimensions and Credit Card Bill Charges in a Month

All Dimensions	F	p
Self-esteem	0.663	0.623
Materialism	1.562	0.210
Budget constraints	0.676	0.614
Impulsive buying behaviour	0.701	0.597
Compulsory buying	1.646	0.238
Credit card usage	0.108	0.979

* **p < 0.01**

** **p < 0.05**

The results of the study presented in the Table 4.16 showed that there was no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage varying in the credit card bill charges in a month at the 1% significant level respectively. However, to identify where the differences lie, the Post Hoc Scheffe's test was further computed and the results are shown in the Table 4.17 below.

Table 4.17 Post Hoc Scheffe's Test: All Dimensions and Credit Card Bill Charges in a Month

Dimension	Categories of Charges	N	Mean
Self-esteem	Undisclosed	11	2.00
	<R3000	5	1.80
	R3000-R4500	10	2.50
	R4501 - R6000	6	1.75
	>R6000	3	2.17
Materialism	Undisclosed	11	2.17
	<R3000	5	1.80
	R3000-R4500	10	2.57
	R4501 - R6000	6	2.74
	>R6000	3	2.14
Budget constraints	Undisclosed	11	2.18
	<R3000	5	2.20
	R3000-R4500	10	2.35
	R4501 - R6000	6	1.75
	>R6000	3	1.67
Impulsive buying behaviour	Undisclosed	11	2.55
	<R3000	5	2.50
	R3000-R4500	10	2.18
	R4501 - R6000	6	2.33
	>R6000	3	3.00
Compulsory buying	Undisclosed	11	2.55
	<R3000	5	2.60
	R3000-R4500	10	1.85
	R4501 - R6000	6	1.92
	>R6000	3	2.67
Credit card usage	Undisclosed	11	2.51

	<R3000	5	2.53
	R3000-R4500	10	2.50
	R4501 - R6000	6	2.54
	>R6000	3	2.38

As reflected in the Table 4.17 above, in relations to self-esteem, there was a significant difference in the MBA students who were charged less than R3000 and R4501 - R6000 from the rest of the students. Furthermore, in terms of materialism, the results showed that there was a significant difference in the MBA students who paid less than R3000 as charges on their credit cards from the rest of the MBA students. Also, concerning budget constraints, the results of the study indicated that there was a significant difference in the MBA students who paid R4501 - R6000 and above R6000 respectively as charges on their credit cards from the rest of the MBA students. Lastly, in terms of compulsory buying, it was found that there was a significant difference in the MBA students who paid R3000-R4500 and R4501 - R6000 respectively as charges on their credit cards from the rest of the MBA students.

4.4.2.6 Annova: All Dimensions and Purchases Made with the Credit Cards

The results of the influence of the purchases made with the credit card on all the dimensions such as self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage are presented in the Table 4.18.

Table 4.18 Annova: All Dimensions and Purchases Made with the Credit Cards

	F	P
Self-esteem	1.057	0.430
Materialism	0.810	0.622
Budget constraints	1.520	0.193
Impulsive buying behaviour	1.233	0.320
Compulsory buying	0.765	0.660
Credit card usage	1.088	0.409

* **p < 0.01**

** **p < 0.05**

The results of the study presented in the Table 4.18 showed that there was no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage varying in the purchases made with the credit cards at the 1% significant level respectively. However, to identify where the differences lie, the Post Hoc Scheffe's test was further computed and the results are shown in the Table 4.19 below.

Table 4.19 Post Hoc Scheffe's Test: All Dimensions and Purchases Made with the Credit Cards

Dimension	Categories of Items purchased with the cards	N	Mean
Self-esteem	Clothes	13	2.15
	Shoes	7	2.50
	Food	6	1.50
	Make-up	1	2.50
	School supplies	2	1.25
	Petrol	1	1.00
	Toys	1	3.50
	Cell phones	1	1.50
	Furniture	1	2.50
	GYM equipment	1	1.50
	Electronics	1	3.50
Materialism	Clothes	13	2.09
	Shoes	7	2.80
	Food	6	2.21
	Make-up	1	2.00
	School supplies	2	2.43
	Petrol	1	1.00
	Toys	1	2.14

	Cell phones	1	2.71
	Furniture	1	3.14
	GYM equipment	1	2.71
	Electronics	1	2.29
Budget constraints	Clothes	13	2.27
	Shoes	7	2.04
	Food	6	1.83
	Make-up	1	3.75
	School supplies	2	1.63
	Petrol	1	1.00
	Toys	1	3.50
	Cell phones	1	1.50
	Furniture	1	1.50
	GYM equipment	1	1.50
	Electronics	1	3.25
Impulsive buying behaviour	Clothes	13	2.44
	Shoes	7	2.89
	Food	6	2.25
	Make-up	1	2.25
	School supplies	2	1.75
	Petrol	1	2.25
	Toys	1	3.00
	Cell phones	1	2.25
	Furniture	1	3.25
	GYM equipment	1	1.00
	Electronics	1	1.00
Compulsory buying	Clothes	13	2.23
	Shoes	7	2.71
	Food	6	2.00
	Make-up	1	2.50

	School supplies	2	2.00
	Petrol	1	2.50
	Toys	1	3.00
	Cell phones	1	2.00
	Furniture	1	3.00
	GYM equipment	1	1.00
	Electronics	1	1.00
Credit card usage	Clothes	13	2.36
	Shoes	7	2.64
	Food	6	2.44
	Make-up	1	2.50
	School supplies	2	2.56
	Petrol	1	2.38
	Toys	1	2.75
	Cell phones	1	2.50
	Furniture	1	2.50
	GYM equipment	1	2.75
	Electronics	1	2.38

As reflected in the Table 4.19 above, in relations to self-esteem, there was a significant difference in the items such as shoes, school supplies, petrol, cell phones and GYM equipment from the rest of the items purchased with the credit cards. This means that the purchases of the items like as shoes, school supplies, petrol, cell phones and GYM equipment were less influenced by self-esteem

Also, in terms of materialism, it was found that there was a significant difference petrol from the rest of the items purchased with the credit cards. This implies that the purchase of petrol was not influenced by materialism.

Concerning budget constraints, the results of the study showed that there was a significant difference in the items such as food school supplies, petrol, cell phones, furniture and GYM

equipment from the other items purchased with the credit cards. The findings implied that the purchasing behaviour of the consumers concerning the items such as food school supplies, petrol, cell phones, furniture and GYM equipment were not influenced by budget constraints.

Again, in terms of impulsive buying behaviour, the results of the study showed that there was a significant difference in the items such as GYM equipment and electronics from the rest of the items purchased with the credit cards. The findings therefore suggested that the purchasing behaviour of the consumer regarding GYM equipment and electronics were not influenced by impulsive buying behaviour.

Furthermore, in relations to compulsory buying, the results revealed that there was a significant difference in the items such as GYM equipment and electronics from the rest of the items purchased with the credit cards. This means that purchasing behaviour of the consumer regarding GYM equipment and electronics were not influenced by compulsory buying behaviour.

4.4.3 Sample t-test

The study further employed sample t-test to determine whether gender influences the dimensions such as self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage. The results are shown in the Table 4.20 below.

Table 4.20: Sample t-test

Items	T-test					
	T	Df	Sig. (2-tailed)	Mean Difference	Mean	Standard deviation
Self-esteem	6.265	35	0.000*	1.08571	2.09	1.02531
Materialism	9.921	35	0.000*	1.31020	2.31	0.78130
Budget constraints	7.739	35	0.000*	1.11429	2.11	0.85178
Impulsive buying	10.092	35	0.000*	1.40000	2.40	0.82069
Compulsory buying	8.395	35	0.000*	1.25714	2.26	0.88593
Credit card usage	24.933	35	0.000*	1.50357	2.50	0.35677

* $p < 0.01$

The results of the study indicate that there was no significant difference in the levels of self-esteem, materialism, budget constraints, impulsive buying behaviour, compulsory buying and credit card usage and gender of the respondents at the 1% level of significance.

4.4.4 Reliability: Cronbach's Coefficient Alpha

The reliability of the measuring instrument was evaluated using Cronbach's coefficient alpha. Sekaran and Bougie (2016) recommend that the Cronbach's coefficient alpha score of 0.07 and beyond is considered as reliable; hence the instrument should be acceptable. The results of the study are shown in the Table 4.21 below.

Table 4.21: Reliability: Cronbach's Coefficient Alpha

Dimension	Number of items	Cronbach's Alpha
Self-esteem	2	0.777
Materialism	7	0.777
Budget constraints	4	0.715
Impulsive buying	4	0.739
Compulsory buying	2	0.747
Credit card usage	8	0.785
All dimensions	27	0.881

It is evident from the Table 4.21 that the research instrument adopted in the study was highly reliable and had a very high level of inter-item consistency ($\alpha = 0.881$). As per the recommendation made by Sekaran and Bougie (2016), the Cronbach's coefficient alpha score of 0.07 and beyond is considered as reliable; hence the instrument should be acceptable. Therefore, the instrument used in this study can be adopted by future researchers for the same or similar purpose. Furthermore, various items or dimensions in the Table 4.12 had very high level of inter-item consistency which exceeded the threshold of 0.70.

4.4.5 Validity: Factor Analysis

The validity of the research instrument used to collect the data was further evaluated using Factor analysis. In extracting the factors, only items with loadings > 0.5 were significant. Furthermore, if an item loaded significantly on more than 1 factor only that with the highest

loading will be considered. The principle component analysis extracted was the six components (factors). The varimax rotation was conducted to make the components (factors) interpretable. The results are presented in the Table 4.22 below.

Table 4.22 Validity: Factor Analysis

Items	Components					
	1	2	3	4	5	6
Self-esteem1	0.697	-0.314	0.196	-0.333	0.150	0.267
Self-estem2	0.708	-0.036	-0.070	-0.327	0.127	-0.360
Materialism1	0.571	-0.292	0.337	-0.072	0.294	-0.253
Materialism2	0.633	0.259	0.089	-0.202	-0.058	0.305
Materialism3	0.481	-0.131	-0.015	-0.505	-0.059	0.101
Materialism4	0.562	-0.206	-0.283	0.195	-0.307	-0.992
Materialism5	0.633	0.253	0.242	-0.194	-0.114	-0.912
Materialism6	0.712	0.784	0.204	-0.216	-0.238	-0.598
Materialism7	0.622	0.653	-0.286	-0.141	-0.057	-0.209
Budget constraints1	0.560	0.767	-0.292	-0.145	0.023	0.038
Budget constraints2	0.641	0.239	0.363	0.649	0.231	0.088
Budget constraints3	0.443	-0.045	-0.079	-0.156	0.412	0.206
Budget constraints4	0.363	-0.216	-0.153	-0.234	0.233	-0.015
Impulsive buying1	0.821	0.111	0.897	0.453	0.131	-0.617
Impulsive buying2	0.761	0.483	0.773	0.229	0.326	0.092
Impulsive buying3	0.558	0.906	-0.332	-0.168	0.652	0.008
Impulsive buying4	0.761	0.398	0.243	0.422	-0.263	0.085
Compulsory buying 1	0.670	-0.090	0.075	-0.005	0.245	0.199
Compulsory buying 2	0.766	-0.078	-0.373	-0.156	0.216	0.071
Credit card usage 1	0.511	0.071	-0.172	0.038	-0.324	-0.088
Credit card usage 2	0.560	0.450	0.284	0.292	-0.451	-0.081
Credit card usage 3	0.641	-0.379	-0.088	0.048	0.456	0.010
Credit card usage 4	0.821	-0.304	-0.040	0.446	-0.007	0.327
Credit card usage 5	0.761	-0.270	-0.447	0.120	-0.011	0.033
Credit card usage 5	0.507	-0.457	-0.175	0.324	0.321	0.206
Credit card usage 6	0.333	-0.223	0.205	0.069	0.207	0.239
Credit card usage 7	0.686	-0.016	0.112	0.441	-0.237	0.205

Credit card usage 8	0.669	-0.555	0.891	0.402	-0.164	-0.412
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The results of the study showed that indicates that 23 items loaded significantly on Factor. Out of the total of 23 items, 2 items were related self -esteem, 6 items were related to materialism, 2 items were also related to budget constraints, 4 items were related to impulsive buying, 2 items were related to compulsory buying and the remaining 7 items were related to credit card usage. Therefore, since most of the items were related to credit card usage, the Factor 1 can be named as such.

Furthermore, 4 items loaded perfectly at Factor 2. Out of the total items, 2 items related to materialism, 1 item also related to budget constraints and the rest of the 1 item related to credit card usage. However, since most of the items related to materialism, Factor 2 could be termed as materialism.

Also, 3 items loaded significantly at Factor 3. From the 3 items, 2 of them were related to impulsive buying whilst the rest of the 1 item related to credit card usage. However, since most of the items were related to impulsive buying, Factor 3 can be known as impulsive buying.

Besides, 1 item loaded significantly at Factor and it related to budget constraints. Hence, Factor 4 can be referred to as budget constraints.

Lastly, 1 item also loaded significantly at Factor 5. This item related to impulsive buying. Therefore, Factor 5 can be named as such.

4.6 Summary

The chapter presented the results which emerged from the study. As discussed above, the analysis of the data was done in accordance with the research objectives. The study employed both descriptive and inferential statistics in the analysis of the data. The overall results of the study suggested that revealed that materialism, budget constraints, impulsive purchasing

behaviour, compulsive purchasing, self-esteem and credit card usage positively influenced the consumers buying behaviour.

Chapter Five: Discussion of the Results

5.1 Introduction

The chapter four above analysed the key findings of the study. However, this chapter proceeds with the discussion of the findings in keeping with the research objectives. The research objectives which guided the entire research were: to study the influence of possession of a credit card on consumer buying behaviour; to determine the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the University; and to determine the relationship between compulsive buying and credit card. The discussion of the findings are as follows.

5.2 Objective One: Influence of Possession of a Credit Card on Consumer Buying Behaviour

From the study, the results showed that credit card usage had a mean score value of 2.50 on the scale of 1-4. This suggested that credit card usage had a significant positive influence on the buying behaviour of MBA students at UKZN. The findings from the study are reaffirmed previous studies on credit card usage and buying behaviour (Park & John, 2011; Wang & Xiao, 2009; Roberts & Jones, 2001).

Omar et al. (2014) considered online method of payment as a mode of payment that is widely used by consumers to purchase goods and services on credit. Warwick and Mansfield (2000) argued that the widely use of credit card is correlated with the growth in other types of consumer credits such as bank overdrafts, personal loans, hire purchase and others. Although credit card stimulates consumer spending and offers flexibility to consumers, it also has its setbacks.

Park and John (2011) in their study suggested that credit card promotions tend to increase the tendency of customers to purchase. The study conducted by Park and John (2011) was based on apparel retail but indicates an important consideration for this research where the presence of a credit card is not the only factor in encouraging impulse purchases, the presence of marketing stimuli such as promotions on credit cards also plays a role in encouraging credit card use.

Roberts and Jones (2001) carried out a study on the link between attitudes of money which include prestige, power and compulsive purchasing behaviour. In this relationship, credit card use is seen to play a moderating role regarding the consumer buying behaviour. The scholars argued that credit card usage among college students has been increasing as they have been

exposed to credit card usage, and this is especially true in developed countries. The case in South Africa also has the potential to reach the same state as developed countries as there are increasing numbers of college students who have access to credit cards.

According to Ahtziger et al. (2015), the presence of credit card logo in a shop positively influenced students spending patterns as compared to when the logo was not present. The study further indicated that students were more likely to make the decision to spend more quickly as compared to when there was no credit card logo present.

A surprising conclusion was drawn by Yi-Wen and Devaney (2001), who indicated that there was a more favourable attitude towards taking higher credit among consumers who had higher outstanding credit. The studies by Yi-Wen and Devaney (2001) and Norvilitis and Maria (2002) both suggest that awareness needs to be created regarding credit and credit card debt so that such perceptions can be changed. Similarly, Wang and Xiao (2009) in their study on behaviour and credit card indebtedness among college students discovered that buying patterns as well as social networks had a bearing on the students' level of debt on credit cards. It was noted that students who have social support have less access to credit card. The strong aspect of the study was that it also used an interview method to triangulate the results from the survey which involved in-depth interviews with 22 students. The conclusions were that there is prevalence of impulsive buying behaviour, and that students can hide their spending when they do it on their credit cards and that while self-control is important, the social networks that they belong to greatly influence the purchase behaviour of these students (Wang & Xiao, 2009).

Hirschman (1979) argues that although prior cross-sectional research has found that consumers generally tend to spend more with credit cards than with cash, there are many reasons why this might be the case, including that credit card users are different than users of cash. Hirschman (1979) suggests that although the very limited prior experimental research examining the impact of credit card use on spending has found some evidence of a positive impact, most of this research is vulnerable to the possibility that cash users may have spent less due to liquidity constraints.

Ausubel (1991) in his study made a clear distinction between three groups of consumers in the credit card market, namely: convenience users (individuals who pay their balance in full

each month and do not pay interest) revolvers (people who pay interest on their balances); and the last group who believe that they are not going to borrow on their cards but end up borrowing because of commitment problem. Ausubel (1991) postulates that the latter group underestimation of their own future borrowing often less sensitive to the interest rate on the card than they would be if they correctly estimated their own borrowing and hence leads to higher credit card interest rates than one would expect in a competitive market with fully rational consumers.

However, the findings by Hafalir and Loewenstein (2009) were different from above scholars. Hafalir and Loewenstein (2009) in their study discovered that credit cards have no influence on consumer spending pattern. On the contrary, credit card usage has a differential effect on spending for consumers who whose possessed credit cards and convenience users (who do not). The study by Hafalir and Loewenstein (2009) revealed that revolvers spend less when induced to spend with a credit card, whereas convenience users display the opposite pattern.

5.3 Objectives Two: Influence of Self-esteem, Materialism, Budget Constraints and Impulsive Purchase Behaviour on Credit card Usage

The second objective investigated the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among MBA students at UKZN. The results are discussed as follows.

5.3.1 Influence of Self-esteem on Credit Card Usage

The study further explored the influence of self-esteem on credit card usage. From the study, the overall mean score value for self-esteem was 2.46 on the scale of 1-4. The mean score value implied that self-esteem had a significant positive influence on credit card usage. The results of this study agreed with existing research. Self-esteem has been considered as the feelings that an individual has with regards to him or herself. Research shows that while higher self-esteem is associated with more positive aspects of the self, this is not necessarily true (Baumeister et al., 2003). The scholars in their study found that self-esteem of an individual is not correlated with better quality or duration of relationships that an individual may have. Self-esteem and the overstatement of its role in various aspects of life can be explained through reversal of roles, where success enhances self-esteem rather than self-esteem having this impact on task performance. In addition to this, people with higher self-esteem have been observed to show bias

and discrimination more than people with lower self-esteem because they take pride in being part of a group, and in turn give preference to their group members leading to higher bias (Baumeister et al., 2003).

Thomas and Wilson (2016) carried out a detailed investigation and discovered that while there has been a lot of research on the linkages between low self-esteem and materialism, materialism is also present in the actions of people who rank high on the self-esteem scale. The study uses a survey method to ascertain that there is a moderating role played by social pressure on the development of materialism, and that social pressure comes from peers as well as mass media messages.

Scholarly literature shows that self-esteem and materialism are linked with each other, where it was observed that a decrease in self-esteem is associated with an increase in materialism (Park & John, 2011). As far as credit card use in this situation is concerned, people with lower self-esteem with higher value placed on material possession will tend to use their credit card more frequently.

Lv and Jiang (2011) claimed that inadequacy of the consumer income in meeting their demands in pursuit of prestige, contributed to the purchase of luxury products using their credit cards. The authors asserted that the same problem less likely to occur among individuals of high self-esteem because they are more confident and less affected emotionally. Conversely, Yelsma and Yelsma (1998) discovered that consumers with low self-esteem continuously experience higher anxiety, distress and negative emotions. Krueger (1988) advocates that credit card misused is more likely to implicate consumers with low self-esteem because of their impulsive buying behaviour. Pinto, Mansfield and Parente (2004) in their study found that there was no link between self-esteem and credit card debt. Merwin, Osberg, Roehling, Young and Kamas (2006) in their study also discovered that there was negative relationship between self-esteem and acquisition of debt.

5.3.2 Influence of Materialism on Credit Card Usage

The study also explored the relationship between materialism and credit card usage at UKZN. The descriptive statistics revealed that materialism had a mean score value of 2.31 on the scale of 1-4. This also implies that materialism had a positive significant influenced credit card usage.

The results of this study also supported existing empirical studies discussed in the chapter two above. As discussed earlier on in chapter two, materialism has been defined as an interest in getting and spending where consumers are interested in collecting material possessions (Rassuli & Hollander, 1986). Richins and Dawson (1992) in their study discovered the scale of measuring materialism and has been used in different countries across the world. In the context of Indian, a study by Khare (2014) reveals that factors such as money, materialism and compulsiveness have all been linked positively to each other. The study further showed that power/prestige, anxiety, and price sensitivity as money factors are important in making buying decision (Khare, 2014).

According to Belk (1985), there are four propositions that have been associated theoretically with materialistic people. The first proposition placed value on the means to possess items higher than others. The second proposition is that materialists tend to be more self-centred as compared to people who are not materialistic. The third proposition is that materialists tend to pursue a life of material complexity as compared to simplicity where the attitudes towards growth are positive. The fourth proposition is that materialists tend to be less satisfied than others who are low on the materialism score (Richins & Dawson, 1992).

Shrum et al. (2014) argued that materialism is complex as it is multifaceted. According to Shrum et al. (2014), other scholars argued that materialism is based on motives and the redefined concept which is formally expressed as follows: “materialism is the extent to which individuals attempt to engage in the construction and maintenance of the self through the acquisition and use of products, services, experiences, or relationships that are perceived to provide desirable symbolic value” (Shrum et al., 2014:1860).

Park and John (2011) postulated that materialism can be considered as one of the traits that are present in an individual that drive the behaviour towards the possession of physical products. Park and John (2011) suggested that materialistic people have certain traits which include that they place higher value on material possessions, are self-centred, have higher material complexity, and that materialists are not satisfied as easily as others are. These traits indicate that materialists can use credit cards and be more prone to incurring personal debts due simply to the fact that they place a higher value on possessions, and in being so they can enter into complex arrangements in order to meet their requirements.

Roberts and Jones (2001) found that South African students have been reporting higher materialism, where the main objective for students to join a college is to earn more money. The study concluded that materialism is likely to have a higher link with credit card usage as materialists tend to value consumption for consumption itself, as the possession of material items is a way for them to express their success.

5.3.3 Influence of Budget Constraints on Credit Card Usage

From the study, it was found that budget constraint had a mean score value of 2.11 on the scale of 1-4. The mean score value suggests that budget constraint moderately influenced behaviour of credit card usage. The findings from the study also conformed to the existing body of knowledge on budget constraints and credit card usage.

Scholarly literature suggest that budget constraints tend to shape consumption behaviour of individuals, as explained by the income theory of consumption in economics. From the economic point of view, consumers are inclined to maximize the utility that they get from the consumption of goods. The utility theory of consumption states that consumers decide their purchases based on the value they get out of consumption of certain goods as compared to others. This value is measured in terms of a highly subjective unit of value called utils, which allow a relative comparison of the satisfaction that consumers receive. The budget line, when introduced into this scenario acts as a deciding factor as to which combination of goods is perfect for the consumers to achieve the highest satisfaction under the constraint provided by their (Grant, 2000).

According to Omar et al. (2014), consumers tend to maximise the value they derive from their budget based on the economic theory of consumer behaviour. The scholars opined that the correlation between consumer maximising behaviour and spending choices are distorted with the presence of a credit card that enables consumers to stretch their spending capacity. However, it is important to understanding how credit cards are viewed by consumers. A credit card theoretically acts as a negation to the constraint as it allows for consumers to pay later even when their income might not be able to meet the financial burden imposed by higher consumption (Omar et al., 2014).

Pindyck and Rubinfeld (2008) argued that the “demand theory” assumes that consumers maximise utility, which is subject to budget constraints, where price and income influence

the budget constraints. Hayhoe, Leach, Turner, Bruin and Lawrence (2000) in their study discovered that the income of respondents, whether the sources are part-time jobs, sponsorships, or parents, positively influenced their credit card usage. The scholars further found that students with higher income tend to purchase entertainment, clothes and fuel with credit cards as compared with those with lower income. In a study conducted by Lyons (2004), it was discovered that students with need-based financial aids are exposed to credit card debt, however parental income is not associated with college students with credit card debt (Wang & Xiao, 2009). Fogel and Schneider (2011) in their study postulated that even the high disposable income, consumers will still exhibit compulsive buying because they use it as a coping or therapeutic approach.

5.3.4 Influence of Impulsive Purchase Behaviour on Credit Card Usage

Based on the study, it was discovered that impulsive buying had a mean score value of 2.40 on the scale of 1-4. This means that impulsive buying moderately influenced the behaviour of credit card usage. The results of this study agreed with previous study on the link between impulsive buying behaviour and credit card usage (Fogel & Schneider, 2011; Lai, 2010; Pirog & Roberts, 2007; Park & Burns, 2005).

According to Rook (1987), impulse buying occurs when an individual experiences a persistent, and sudden and powerful urge to instantly purchase something which has the potential to result from temporary failure of self-control. Rook and Fisher (1995) argued that the possibility of unplanned and unwanted outcomes is high when the consumers act on impulse.

Pirog and Roberts (2007) found that the impulsive consumers have a great probability of misusing their credit cards when impulsive is beyond control, with the sense that credit cards provide a readily accessible means to fulfil their self-generated desires for things. Lai (2010) investigated the attitudes of youth towards credit and money and financial planning at Taiwanese College and University. The students were taken as a sample, and it was found that factors such as age, formal financial education, family and gender, all played a role in determining impulsive buying behaviour. The role played by personality was demonstrated through a strong correlation between personal traits and impulsive buying attitudes. According to Lai (2010), while personality traits do play an important role in

determining impulsive behaviour, another study found that situational factors such as packaging are also influential.

Hubert et al. (2013) in their study used MRI scanning to study the impact of packaging on impulse buying and found that attractive and unattractive packaging resulted in an increase in neural activity as compared to neutral packaging. Moreover, the study found that attractive packaging stimulated regions in the brain associated with expectations of rewards, while poor packaging system increased activity in areas that are linked to negative emotions (Hubert et al., 2013).

In a similar study, Olsen et al. (2016) in their study used a scale to measure impulsive buying behaviour, where it has been indicated that whereas impulse buying has been considered to be something that is associated with the products where items are classified as impulse buys and non-impulse items, the new approach is that impulse buying is more of a behavioural aspect that is present in individuals. The study concludes that people who actively seek variety tend to be more likely to be impulse buyers as compared to those who do not seek variety.

5.4 Objective Three: Compulsive Buying and Credit Card

The last objective of the study investigated the link between compulsory purchasing and credit card. The study found that compulsory buying had a mean score value of 2.26 on the scale of 1-4. The findings also showed that compulsory buying positively influenced credit card usage.

Faber and O'Guinn (1989) have seen compulsory buying as a chronic, repetitive purchasing that is induced by negative events or feelings. Mittal, Huppertz and Khare (2008) postulated that compulsive buying is the tendency of an individual to spend beyond his/her means and needs and it is becoming a serious problem among consumers. Roberts and Jones (2001) in their research argued that a significant relationship occurred between compulsive purchasing and credit debits.

Khare (2013) claims that compulsive buying is generally strongly associated with personality factors, where studying compulsive buying, and credit card use in the Indian context. The author discovers that compulsive buying is linked to factors such as age and

gender, as well as to marital status. According to Khare (2013), in the Indian context it was found, that contrary to conclusions made in general regarding the strong association of compulsive buying and credit card use, there was no association between consumers attitudes towards credit cards and compulsive buying.

Hague et al. (2016) examined the impact of impulse control, stimulation of senses and gender in compulsive purchasing by adopting the scale designed by Faber & O'Guinn (1992). The study concluded that while there were no notable differences in gender, compulsive buying was associated with impulse control problems. Grougiou et al. (2015) studied the developmental patterns of compulsive behaviour in Greeks and found that macro-environmental factors have a more significant role to play as compared to family communication styles. The study further revealed that there are three main consumer traits that are linked significantly to compulsive buying behaviour. The study showed that self-concepts and status consumption are linked positively to compulsive buying whereas frugality is linked negatively while younger consumers and females are more likely to exhibit compulsive buying behaviour (Grougiou et al., 2015).

Palan et al. (2011) found that while compulsive behaviour is significantly influenced by power-prestige. Power-prestige is defined as the perception that money is an enabler for consumers and that money is a source of power. This, in turns drives compulsive buying behaviour.

5.5 Summary

The chapter discussed the results of the study. As observed from the chapter, the discussion was based on each of the research objective. From the chapter it was found that credit card usage positively influenced consumer buying behaviour. The finding corresponded with Park and John (2011), who argued that credit card promotions tend to increase the tendency of customers to purchase. The study also revealed that self-esteem positively influenced credit card usage. The study also showed that materialism, budget constraints and impulsive buying positively affected credit card usage. Finally, there existed positive relationship between compulsive buying and credit card usage.

Chapter Six: Conclusion and Recommendations

6.1 Introduction

The chapter five above discussed the results of the study. This chapter proceeds with the conclusion and recommendations of the study. The conclusion and recommendation are in accordance with the research objectives and the key findings from the study. The chapter further outlines the key limitations and set the tone for future studies. The study objectives were: to study the influence of possession of a credit card on consumer buying behaviour; to determine the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the University and to determine the relationship between compulsive buying and credit card.

6.2 Conclusion of the Study

This section of the chapter draws the conclusion of the study based on the research objectives and findings. The conclusion of the study are as follows.

6.2.1 Objective One: Influence of Possession of a Credit Card on Consumer Buying Behaviour

The first objective of the study investigated the influence of the possession of credit card on consumer buying behaviour. From the study, it was found that the possession of credit card positively influenced the consumer buying behaviour. Therefore, conclusion can be drawn to the fact that there is a positive relationship between credit card possession and consumer buying behaviour. Omar et al. (2014) made a similar conclusion in their study. Omar et al. (2014) submitted that credit card possession impacts positively on the compulsive buying behaviour.

6.2.2 Influence of Self-Esteem, Materialism, Budget Constraints and Impulsive Purchase Behaviour on Credit Card Usage

The second objective of the study investigated the influence of self-esteem, materialism, budget constraints and impulsive purchase behaviour on credit card usage (positive or negative) among students of the University. From the study, it was found that self-esteem, materialism, budget constraints and impulsive purchase behaviour positively influenced credit card usage. Based on the study, the results showed that self-esteem had the mean score value of 2.46 on the scale of 1-4. Therefore, it can be concluded that self-esteem positively influenced credit card usage. Again,

the results indicated that materialism had a mean score value of 2.31. This implies that there was a significant positive relationship between materialism and materialism had a mean score value of 2.31. Furthermore, the findings from the study showed that budget constraints constraint had a mean score value of 2.11 on the scale of 1-4. The mean score value suggests that budget constraint moderately influenced behaviour of credit card usage. Lastly, the results showed that impulsive buying had a mean score value of 2.40 on the scale of 1-4. This means that impulsive buying moderately influenced the behaviour of credit card usage. The conclusion drawn from this study also correspond with previous studies such as Hubert et al. (2013), Fogel and Schneider (2011), Lai (2010) and Pindyck and Rubinfeld (2008). However, Omar et al. (2014) in their study concluded that materialism and impulsive buying do not influence credit card usage.

6.2.3 Relationship Between Compulsive Buying and Credit Card Usage

The overall results of the study showed that impulsive buying had a mean score value of 2.40 on the scale of 1-4. The findings from the study suggested that there was a significant relationship between impulsive buying behaviour and credit card usage at the 1% significant level. The results implied that impulsive buying behaviour positively influenced credit card usage among MBA students at UKZN. The conclusion drawn from the study is in keeping with existing empirical research on compulsive buying behaviour and misused of credit card (Omar et al., 2014; Roberts & Jones, 2001). Omar et al. (2014) in their study made a similar conclusion that compulsive buying positively influenced credit card usage

6.3 Recommendations of the Study

The following recommendations are made in accordance with the research findings.

6.3.1 Adequate planning and budgeting

From the study, the researcher observed that most of the purchases made by the consumers were based on impulsive. This means that most students do not actually plan or budget towards their purchases. It is against this background that this study commends for adequate planning and budgeting prior to purchases.

6.3.2 Awareness/education on the consequences of credit card indebtedness

The study observes that there is an increasing level of credit card possession, especially among students and young adults. Scholarly literature suggests that credit card indebtedness is a major phenomenon confronting many countries because most of the credit card holders are not educated by the financial institutions about the consequences of their indebtedness (Roberts & Jones, 2001). Bernthal, Crockett and Rose (2005) in their study argued that most consumers misused their credit cards to buy compulsively. Therefore, there is the need financial management education on the future consequences of credit card indebtedness. Moreover, parents also have a huge task to inculcate financial discipline into their wards at home in order to instill the values living within their means.

6.3.3 Education on the use of credit cards

From the study, it was found that self-esteem, materialism, budget constraints and impulsive purchase behaviour positively influenced credit card usage. This implied that most of the consumers are not aware of their perceptions towards money and how such attitudes transcend into the use of the credit cards. Therefore, the consumers with credit cards should be educated on main purpose of the credit cards such as safe, economic and convenient method of payment, rather than as a convenient mode of purchases. This recommendation is similar the one made by Omar et al. (2014). The scholars in their study recommended that financial institutions should first educate the potential credit cardholders on several issues ranging from the interest rate, charges and the implications of deferred payment.

6.3.4 Public policy to protect consumers from predatory practices

Scholarly literature suggests that most financial institutions failed to educate the credit cardholder on important issues such as the interests charged on the credit card and the implications of deferred payment. Also, most of such institutions do exploit the customers, especially the illiterates. It is against this background that study recommends that public policies should be implemented to empower government department to be very proactive in protecting the consumers from predatory practices and financial institutions who offer high credit limits to customers with the intention to make high profit. Also, appropriate sanctions or punishments should be meted out to lenders who charge high interest on credit cards, particularly to vulnerable customers. The policy makers should ensure that appropriate guidelines are set to

serve as control measures for the extension of credit card limits for the consumers who do not meet the threshold. A future legislation on credit card in South Africa will help to protect the interest of the consumers against predatory practices.

6.4 Limitations and Suggestions for Future Studies

The current study only investigated influence of credit cards on consumer buying behaviour among MBA students first, second and third year at UKZN. By implication, the study was limited to only the MBA students at UKZN. This therefore suggests that the findings from the study can only be applied to the MBA students at UKZN not the entire student population. A future study should focus on students from different levels such as Undergraduate, Honours, Masters and PhD. Another limitation of the study is that it was limited to only MBA students at UKZN. Future study should be comparative in nature. It should combine students from different institutions in South Africa. Also, from the study, it was observed that several factors accounted for the influence of consumer buying behaviour and credit card usage. The study could not actually investigate these individual factors. Further research should investigate these factors that influence individual buying behaviour of the consumers, especially among the customers who spend above their credit card limits.

6.5 Summary

The entire chapter addressed the conclusion and recommendations of the study. From the study, it was concluded credit card possession positively influenced the consumer buying behaviour. Again, the study concluded that that self-esteem, materialism, budget constraints and impulsive purchase behaviour positively influenced credit card usage. It was further recommended that a significant relationship existed between compulsive purchasing and credit card usage among the MBA students at UKZN. The study made the following recommendations such as adequate planning and budgeting, awareness/education on the consequences of credit card indebtedness, and public policy to protect consumers from predatory practices.

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