

IMPACT OF MOTIVATION ON BUYING BEHAVIOUR OF CREDIT CARD USERS



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Abstract

The present study is an attempt to ascertain the influence of Motivation on Buying Behaviour among Credit Card users. Sample of 538 Credit Card users were chosen randomly in Chennai. From the literatures, it is identified motivation as one of the important factor influencing buying behaviour. A self-administered questionnaire to measure the level of Motivation was developed by the investigator and subsequently distributed to the

Credit Card users. Student's "t" test and ANOVA was used to measure the impact of age, gender, marital status, sector and income of credit card users. The study concluded that motivation constituting perceptions, mental, emotional or rational predisposition of thoughts contributed significantly towards buying behaviour among Credit Card users.

Keywords: *Motivation, Buying Behaviour, Credit Card, Consumers.*

Introduction

Innovation in fact has become a continuous process in banking. With dramatic changes in policies, the banks apart from meeting the demands of the economy are optimizing their efforts to fulfil their requirements, ambitions, aspirations and expectations of the community. Nothing has revolutionized monetary transactions in the present day more than credit cards. This avenue of credit generation has vastly grown in its scope from what it was originally to be. For millions of people credit card has become an alternate instrument of monetary transactions, replacing hard currency. Credit card was not a thing of common man in previous days, because of the notion that, it is the part of elite group or high income group. But the growing consumerism broke all the notions and credit card has become an indispensable means to make any transactions, be it shopping or using in crisis (Philip Kotler, 1983). Motivation is acts as a driving force within individuals that impels them to action. Motivation is the activation of goal-oriented behaviour. Motivation may be intrinsic or extrinsic. The term is generally used for humans but, theoretically, it can also be used to describe the causes for animal behaviour as well. Motivation is defined as how the consumers get instigated towards buying behaviour when they make purchase through credit card. Several studies have shown that credit card influence buying behaviour and it's been suggested that people are conditioned to spend more with credit cards (Feinberg, 1996). According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a desired object, hobby, goal, state of being, or it may be attributed to less-apparent reasons such as altruism, morality, or avoiding mortality.

Review of Literature

Ratika Rastogi et al., 2012, examined the purchase motivators in order to find out the factors influencing brand preference and buying behaviour of rural consumers. The study concluded that buying behaviour of rural consumers especially in buying consumer durables (TV, washing machine, and refrigerator) is influenced by income of the household, quality and price of the product.

Praveen Madipati et al., (2012) studied the effect of credit card usage on impulse buying behaviour. The study showed significant relationship between the variables and regression analysis explained the amount of variation in impulsive behaviour and so, the study concluded that credit card usage increases the impulse buying behaviour. Abu Bashar et al., (2012) studied the association and relationship between demographic factors and impulse buying behaviour. It is concluded that income and age than any other factor like education or gender, are more likely to display impulsive buying behaviour.

Objective of the Study

To find out the influence of motivation on buying behavior of credit card users

Hypothesis

There will be no significant difference among credit card users with respect to age, gender, marital status, sector and income in motivation.

Methodology

Sample of the Study

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

Tools

The investigation used a structured and undisguised questionnaire. The instrument was designed to procure adequate and relevant information for a systematic and scientific inference to conclude on the objectives of the research. Six statements were used to study the level of motivation. A score of 6 - 12 indicates low motivation and a score of 13 - 30 indicates high motivation. Items are scored on a 5-point scale, (5= strongly disagree, 4= disagree, 3= neutral, 2= agree and 1 = strongly agree).

Operational Definition

Motivation can be defined as the driving force within credit card users that impels them to action. It is further categorized into high and low motivation. High motivation refers to the driving force within credit card users that impels them to utilise the credit cards with self-fulfilment, satisfaction, gratification and sense of accomplishment. Low motivation refers to weak driving force within credit card users that impels them to utilise the credit cards with low self-fulfilment, dissatisfaction, poor gratification and low level of accomplishment.

Data Collection

The Investigator obtained permission from all the Credit Card users who were chosen for the study. The purpose of the study was explained to the subjects, consent was taken assuring

confidentiality. Rapport was maintained with Credit Card users during the process. Duration of data collection was lasted for about six months.

Statistical Tools

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

Student's t- Test

“t” - test is considered as an appropriate test for judging the significance of a sample mean or for judging the significance of difference between the means of two samples. Here, the researcher has used t - test to test the significance between two independent groups.

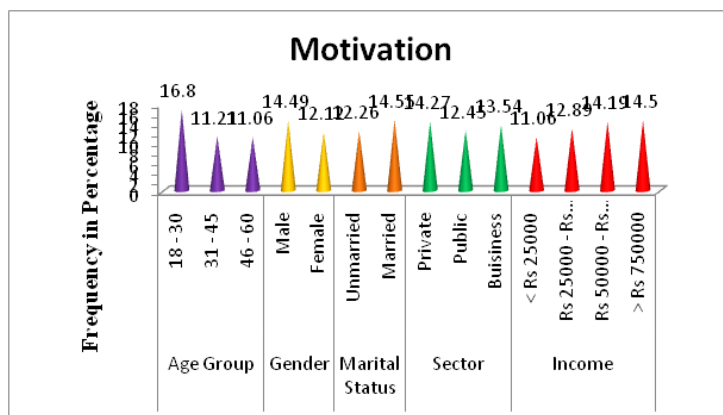
One way Analysis of Variance (ANOVA)

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

Bonferroni Post hoc Test

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

Results



Discussion on Motivation

From the above table it can be inferred that credit card users belonging to the age group 18 - 30 years have high motivation compared to credit card users belonging to the age group of 31 - 60 years. This shows, lesser the age higher the motivation of credit card users. (Bellenger, et al., 1978) found that there exists relationship between age and impulsive buying.

Impulsive buying tends to increase the early adulthood and gradually declines thereafter. Young credit card users may have varied skills, variations in interest, companionship, high knowledge, informative and creative. They are more orientated towards brand requirements, brand choice, choice for quality due to their rising income. Products and services are accessed due to easy availability of credit, raising accessibility of debts, less self-control, financial freedom due to the growing economy in the present days. Impulsive buying behaviour is leveraged, due to their uncontrollable emotional reactions, or peer group influence. Moreover young credit card users possess high exploration and manipulation skills thereby enhancing the need for sensory stimulation. Therefore younger generation buy the products or services based on their needs, want and desire thereby reducing their tension while buying products or services. Moreover, the young

person's self-image, self-esteem and self-concept are accomplished by achieving the power and prestige through purchasing products and services through credit cards.

Male credit card users seem to have comparatively higher motivation than female credit card users. (Abu Bashar, et al., 2012) stated men and women relate the material possession, while men's preference is for leisure and finance. The reasons for the respective preference were that women value their possessions for "emotional and relationship" reasons. Men on the other hand value their possessions for "functional instrument" reasons. The reasons for this may be that, men usually are found to be independent, desire oriented, with lots of fantasies, experience more leisure, maintain individuality, all due to their high purchasing power. Men are also characterised in being impersonal, detached, head ruling, opportunistic, with high self-esteem, enabling them to be as brand users with brand loyalty, due to their information processing, experiential observation and rational reasoning. The ambitious nature of men, capability maintenance, judgemental nature, desire orientation, along with financial independence poses them as users of products and services with high consumer involvement.

The findings reveal that married credit card users have higher motivation in buying products and services compared to unmarried credit card users. (Cliff Robb, 2009) found that married individuals were noted as carrying larger log balances compared with single individuals. The causal factors may be attributed to the marital status of credit card users, in relation to their family orientation, role clarity, cultural values and beliefs, marital lifestyle patterns, identity seeking and spouse orientation. Married credit card users due to financial deficits may involve in more marketing activities, want satisfying behaviours with product and service orientation in order to establish profitability. As married individuals, there would be growing demands and they tend to be cooperative buyers, and quality cautious based on their income propensity.

Credit card users working in private sectors have higher motivation compared to credit card users working in public and business sectors. This may be attributed to the determinants like, high achievement motivation, desire to satisfy higher order needs, growth orientation, qualitative performance that may exist among credit card users. Private sector employee's, profile reveal that they normally take calculative risk, strive for recognition, expect appreciation and accomplishment. Their leadership qualities, high expectations, cordial relations in the private sectors, opportunities, experience and exposure with added pay packages, incentives, good working conditions, transform them into organisational challengers. Thus the empowered private sector credit card users tend to be more focused, quality conscious and highly motivated in their usage pattern while purchasing goods.

Credit card users belonging to low group earning less than Rs.25,000 tend to have less motivation compared to the credit card users earning above Rs.25000, 25,000 - 50,000, 50,000 - 75,000 and above Rs.75,000. (Shyamala devi, 2011) disposable personal income represents potential purchasing power that a buyer has. The results reveal that as income increases, the level of motivation also increases in buying goods and utilising services using credit cards. Credit card users with low income may tend to have restricted buying behaviour due to their poor earnings, financial commitments, and economic conditions. Their annual income may not make both ends meet. And thus, their spending power reduces. The resultant behaviour due to low income is reflected in their repaying capacity, poor negotiation and economic slowdown. On the other hand, high income credit card users may be prone to high financial independence, vulnerable to habitual buying behaviour, characterised by experiential luxury seeking, increased brand awareness, high investments, expanding their expenditure patterns based on their buying efficiency.

Conclusion

The researcher commissioned quantitative and qualitative research to explore the influence of Motivation on Buying behaviour of credit card users. The inference of the study is that credit card users belonging to the age group 18 - 30 years, male, married, working in private sector, earning above Rs.75,000 have high motivation while using credit cards.

Suggestions

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

Implications

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

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