THE DRIVERS OF COMPULSIVE BUYING BEHAVIOR AMONG CREDIT CARD-USING SRI LANKAN MILLENNIALS: EXPLORING THE MEDIATING ROLE OF CREDIT CARD USAGE

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Degree of Master of Business Administrative in Management of Technology

Department of Management of Technology

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DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text. Also, I hereby grant to the University of Moratuwa the non-exclusive right to reproduce and distribute my thesis/dissertation, in whole or in part in print, electronic or other medium. I retain the right to use this content in whole or part in future works (such as articles or books).

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The above candidate has carried out research for the Masters's Dissertation under my supervision.

Signature of the supervisor: Date: 03/07/2024

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Abstract

In line with other developed nations, Sri Lanka has recently moved towards a cashless environment. Today, credit cards are the most popular financial tool, which convenience and versatility for making purchases, managing finances, and accessing credit to their end users. Compare to other ages, millennials identified as a key demographic, who contribute significantly to the country's economy through their high credit card usage. Even though, credit card-related purchasing are higher among the population, credit card-related debt also significantly improved in the world. According to data from the Central Bank, credit card-related debt in Sri Lanka has surged by 35% over the past two years. So, this study explores credit card-related compulsive buying among millennials in Sri Lanka and examines how money attitude, financial self-efficacy and digital financial literacy factors influence credit card usage and affect credit card-related compulsive buying. The research framework was developed by the base on Theory of Reasoned Action and a well-developed questionnaire was distributed using online mail-in questionnaires, which were sent to credit card holders who live in the Colombo district Sri Lanka, belonging to the born years 1982-1997. The population of the study is distributed among credit card-using millennials in Sri Lanka, with a convenient sampling technique employed to select a sample of 120 individuals who are using credit cards in Colombo district. Out of the selected sample, only 100 respondents completed the questionnaire as active credit card users. The collected data was analyzed by using the statistical software SPSS 26 version and the developed hypotheses were tested by SmartPLS 4 software. The findings of this research indicate respondent's purchasing behaviour, is significantly affected by the factors of money attitude, digital financial literacy and financial self-efficacy. Going depth further, it proves that money attitude and financial self-efficacy variables are positively mediates by credit card-related compulsive buying and the digital financial literacy factor is negatively affected by credit card-related compulsive buying. Moreover, power-prestige, financial self-control and financial confidence variables are positively correlated to compulsive buying mediates by credit card usage. The insights from this research hold significant importance for both credit card-holding millennials and financial institutions in Sri Lanka. They shed light on identifying and addressing issues related to credit card-induced compulsive buying behaviors among millennials in the country.

Keywords: Credit Card, Money Attitude, Financial self-efficacy, Digital Financial Literacy

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LIST OF ABBRIVATIONS

CBB	Compulsive Buying Behavior
CC	Credit Crad Usage
CCU	Credit Card Usage
DFL	Digital Financial Literacy
FSE	Financial Self-Efficacy
MA	Money Attitude
MAS	Money attitude Scale

L IST OF APPENDICES