The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.
CREDIT CARD USAGE BEHAVIOUR AMONG TEACHERS IN THE STATE OF PERLIS, MALAYSIA

MOHAMAD HISHAM BIN SHAMARDI

MASTER OF SCIENCE
UNIVERSITI UTARA MALAYSIA
2017
CREDIT CARD USAGE BEHAVIOUR AMONG TEACHERS IN THE STATE OF PERLIS, MALAYSIA

MOHAMAD HISHAM BIN SHAMARDI
(816665)

A dissertation paper submitted to the Othman Yeop Abdullah Graduate School of Business Universiti Utara Malaysia in fulfillment for the degree of Master of Science Management

2017
PERAKUAN KERJA KERTAS PENYELIDIKAN
(Certification of Research Paper)

Saya, mengaku bertandatangan, memperakukan bahawa
(I, the undersigned, certified that)

MOHAMAD HISHAM BIN SHAMARDI (816665)

Calon untuk ijazah Sarjana
(Candidate for the degree of)
MASTER OF SCIENCE (MANAGEMENT)

telah mengemukakan kertas penyelidikan yang bertajuk
(has presented his/her research paper of the following title)

CREDIT CARD USAGE BEHAVIOUR AMONG TEACHERS IN
THE STATE OF PERLIS, MALAYSIA

Seperti yang tercatat di muka surat tajuk dan kuit kertas penyelidikan
(as it appears on the title page and front cover of the research paper)

Bahawa kertas penyelidikan tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu
dengan memuaskan.
(that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered
by the research paper).

Nama Penyelia
(Name of Supervisor) : DR. SHAHMIR SIVARAJ BIN ABDULLAH

Tandatangan
(Signature) : 

Tarikh
(Date) : 21 NOVEMBER 2017
DECLARATION

I hereby declare that this dissertation is my original work except for the quotations and citations which have been duly acknowledged and that it has not been previously or concurrently submitted for any other degree at University Utara Malaysia.

______________________________

MOHAMAD HISHAM BIN SHAMARDI
816665
Permission to Use

In presenting this thesis in fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the Universiti Library may make it freely available for inspection. I further agree that permission for the copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence, by the Dean of Othman Yeop Abdullah. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:

Dean of Othman Yeop Abdullah
UUM College of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah
Abstrak


Katakunci: Polisi Bank, Manafaat, Atribut Penguna, dan Penggunaan Kad Kredit.
Abstract

Credit card debt is an area of concern in Malaysia. Statistics from the Ministry of Education reports that credit card usage among teachers is disproportionately high in Malaysia when compared to other professions. To be able to further understand this situation, this study focused in the teachers in Perlis. The measures for the study were Bank Policy, Credit Card Benefits and User Attributes as the independent variables and credit card usage as the dependent variable. The outcome of the study enabled a better understanding of the reasons for the high usage of credit card by teachers. The findings indicate that credit card benefits have a significant positive relationship on Credit Card Usage. The other two variables (Bank Policy, User Attributes) did not have a significant influence on credit card usage among teachers.

Keyword: Bank Policies, Benefits, User Attributes, and Credit Card Usage.
Acknowledgement

In the name of Allah, the Most Gracious and the Most Merciful, I am thankful to my creator, the able and powerful Almighty Allah for His help in seeing me through my master program. It would not have been an easy achievement if not for His love and mercy on me. Peace be upon our Prophet Muhammad S.A.W.

First, I am grateful to Allah the Almighty for who has granted me the ability and willing to start and complete this thesis. Without His permission, this task looks impossible to be completed with a lot of hurdles that I have been through. Without His permission this is impossible to be completed.

Secondly my sincere appreciation and innumerable thank you to my supervisor Dr Shahmir Abdullah, whose guidance, careful reading, constructive comments, support and advice has enable me to gain a deep understanding throughout the whole process of the thesis. I am truly very grateful for his effort and time spent in sailing me through this research in the right direction whenever he thought I needed it.

My appreciation also goes to my father, mother, wife, brother and to my daughters that gives me strength with words of advice and encouragement, love and mostly moral support that make me wanted to complete this dissertation. With the newest member of my family my daughter Hani Aliana that gives me more reason to complete this dissertation.

I also would like to express my high appreciation to all my lectures in OYA and COB who teach me and provide me knowledge not only for completing this study but also on how to become a useful person.

Lastly, I am very thankful to my dignified University (UUM) for giving me the opportunity to do this research. Thank you very much.
# Table of Contents

Permission to Use .................................................................................................................. i
Abstrak ................................................................................................................................. ii
Abstract ................................................................................................................................. iii
Acknowledgement ................................................................................................................ iv
Table of Contents .................................................................................................................. v
List of Tables ........................................................................................................................ vii
List of Figures ......................................................................................................................... viii

## CHAPTER ONE INTRODUCTION ........................................................................... 1

1.1 Significance of Study ........................................................................................................ 2
   1.1.1 Contribution to the Body of Knowledge .................................................................. 2
1.2 Problem Statement ........................................................................................................... 3
1.3 Research Question .......................................................................................................... 4
1.4 Research Objective ........................................................................................................ 5

## CHAPTER TWO ..................................................................................................... 6

2.0 Introduction ..................................................................................................................... 6
2.1 Types of Credit Cards ..................................................................................................... 6
   2.1.2 E-Commerce Growth .............................................................................................. 8
   2.1.3 Credit Card Usage .................................................................................................. 12
   2.1.4 Bank Policies ........................................................................................................ 20
   2.1.5 Credit Card Benefits ............................................................................................. 21
   2.1.6 Attributes of Credit Card Users ............................................................................ 23

## CHAPTER THREE .................................................................................................. 31

3.0 Introduction ................................................................................................................... 31
3.1 Research Framework ..................................................................................................... 32
3.1 Operational Definition .................................................................................................... 33
   3.1.1 Benefits ................................................................................................................ 33
   3.1.2 Bank Policy .......................................................................................................... 34
   3.1.3 User Attributes .................................................................................................... 35
3.2 Hypothesis ..................................................................................................................... 36
List of Tables

Table 3.1: Measurement Scales Used in the Questionnaire ........................................ 38
Table 4.1: The Frequency by Gender ................................................................. 42
Table 4.2: The Frequency by Monthly Gross Income ........................................... 43
Table 4.3: Descriptive Statistics ......................................................................... 44
Table 4.4: Result of Reliability Test for Variables ............................................... 45
Table 4.5: Correlation ......................................................................................... 46
Table 4.6: Coefficients ....................................................................................... 47
Table 4.7: Residuals Statistic ............................................................................ 50
Table 4.8: Model Summary ................................................................................ 51
Table 4.9: ANOVA ............................................................................................ 51
Table 4.10: Coefficients .................................................................................... 51
Table 4.11: Hypothesis Testing .......................................................................... 53
List of Figures

Figure 3.1: Research Framework..............................................................................33
Figure 4.1: Percentage by Gender........................................................................42
Figure 4.2: Percentage by Monthly Gross Income...............................................43
Figure 4.3: P-P Plot.................................................................................................48
Figure 4.4: Scatterplots.........................................................................................49
CHAPTER ONE
INTRODUCTION

1.0 Introduction

Credit cards can be said to be the most common financial transaction modes in the world, and this applies to Malaysia as well. This study is about credit card usage among teachers in Perlis. In today’s world it is a common phenomenon that everyone carries a credit card wherever they go, but, the problem is, most credit cards user do not know how to use their credit cards wisely. Hence, there have been lots of issues with credit cards users and the way they deal with their debt problems.

Malaysian consumers seem to display excessive buying behavior or as is commonly referred to as “compulsive buying” (Ahmad, Ismail, Soheil, Tabash and Alias, 2010). When it comes to spending, the typical Malaysian consumer is very brand conscious and the main purpose of owning credit cards is to keep up appearances or to maintain peer group standards as well as convenience. It is relatively easy to own a credit card in Malaysia and this has contributed to the compulsive spending by the Gen Y in order to maintain their lifestyle. This has become a major concern as spending needs to correlate with income. There is another finding that opines that a particularly interesting the attribute of credit card users in Malaysia is that they tend to use the card to grant loans to themselves (Ahmad, 2010). In Malaysia, it is an accepted fact that it is easy for people to apply for credit cards rather than applying for personal
The contents of the thesis is for internal user only
REFERENCES


Chakravorti, Sujit. (1997) how do we pay? Federal Reserve Bank of Dallas Financial Industry Issues, First quarter, 1-6, 8


62


Kassim, S., Abd. Majid, M. S. and Amin, N. (2009) the influence of macroeconomic variables on credit card usage in Malaysia. 13th National MaCFEa Seminar, organized by Malaysian Consumer Federation association, university technology MARA, Concorde Hotel, Shah Alam, August 4-5.

Kassim, S. (2010) the Viability of Islamic Credit Card to Replace the Functionalities of Conventional Credit Card: an Exploratory Study in Malaysia.


66
Appendix

Appendix A : Questionnaire

Soal Selidik
Salam sejahtera,
Tuan / Puan yang dihormati,
Soal selidik ini adalah sebahagian daripada maklumat yang diperlukan untuk melengkakan kajian yang berkaitan dengan **Penggunaan Kad Kredit dikalangan Guru di Perlis**. Adalah diharapkan Tuan / Puan dapat membaca, menjawab dan menanda item – item soalan selidik ini dengan seikhlas hati.
3. Semua jawapan adalah dirahsiaakan dan akan digunakan untuk tujuan kajian ini sahaja.
Saya ucapkan ribuan terima kasih kepada Tuan / Puan sekalian atas kerjasama yang diberikan.

Salam hormat daripada saya,
Mohamad Hisham b. Shamardi
**Demographic information**

Please circle or tick the answers in the boxes that is provided.

1. Gender
   - a) Male
   - b) Female

2. Age
   - a) Below 20 years old
   - b) 21 -30 years old
   - c) 31 – 40 years old
   - d) 50 and above

3. Academic qualification
   - a) Phd / postgraduate
   - b) Undergraduate
   - c) Diploma
   - d) Certificate

4. Monthly gross income
   - a) ≤ 3000
   - b) RM 3000 – RM 5000
   - c) RM 5001 – RM 8000
   - d) RM 8001 – RM 10000

5. Working experience
   - a) 0 – 5 years
   - b) 6 years – 10 years
   - c) 11 years – 15 years
   - d) 16 years and above

6. How many credit card do you have?
   - a) None
   - b) 1
   - c) 2
   - d) > 2 cards

7. How long have you been using the credit card?
   - a) Less than 1 year
   - b) 1 – 3 years
   - c) 4 – 6 years
   - d) 7 years and above
From your point of view what do you really think about the usage of your credit card. In the scale of 1 – 5 please tick the suitable answer which you feel suitable.

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

8. I apply for credit card to get free gifts

   1) 2) 3) 4) 5)

9. I spend using credit card to earn points and exchange for gifts.

   1) 2) 3) 4) 5)

10. I was attracted by the cash rebate system, thus I always spend using credit card

   1) 2) 3) 4) 5)

11. I only need to pay the minimum required amount monthly if I cannot afford to pay in full.

   1) 2) 3) 4) 5)

12. I always pay only the minimum required amount as I want to keep more money on hand

   1) 2) 3) 4) 5)

13. I do not need to provide previous bills settlement of credit cards when I am applying another credit card.

   1) 2) 3) 4) 5)
14. The bank offers me a credit card so I accept it.

1) 2) 3) 4) 5)

15. I got my credit card because the agent approached me in the shopping center and gave me a credit card

1) 2) 3) 4) 5)

16. It is easy for me to apply for more credit cards from issuer once I owned a credit card

1) 2) 3) 4) 5)

17. I always pay my credit card bills monthly

1) 2) 3) 4) 5)

18. I always make excess payment than the amount required

1) 2) 3) 4) 5)

19. I will call the bank if I did not receive the monthly statement before the payment due date

1) 2) 3) 4) 5)

20. I will make sure I did make payment of credit card bills every month

1) 2) 3) 4) 5)
21. I will make sure I reserve my money to pay for the credit card bills
   1) 2) 3) 4) 5)

22. I know exactly how much I spend using credit card every month
   1) 2) 3) 4) 5)

23. I know exactly the remaining debt that I owed from previous transactions
   1) 2) 3) 4) 5)

24. I will check on my bills to ensure all the transactions are made by me and the amount is correct
   1) 2) 3) 4) 5)

25. I can easily find out if there is any transaction stated in the statement which was not made by me.
   1) 2) 3) 4) 5)

26. I know exactly how much I still owing after I have made the monthly payment
   1) 2) 3) 4) 5)

27. My income is always not enough for me to spend
   1) 2) 3) 4) 5)

28. I always use credit card to pay in order to preserve more cash in hand. I seldom make payment by using cash.
   1) 2) 3) 4) 5)
29. I will use credit card to pay when I have insufficient salary to spend
Management of income vs expenses.

1) 2) 3) 4) 5)

30. I must admit that I purchase things because I know they will impress others

1) 2) 3) 4) 5)

31. I behave as if money were the ultimate symbol of success.

1) 2) 3) 4) 5)

32. I seem to find that I show more respect to people with more money than I have

1) 2) 3) 4) 5)

33. I often try to find out if other people make more money than I do

1) 2) 3) 4) 5)

34. I argue or complain about the cost of things I buy

1) 2) 3) 4) 5)

35. It bothers me when I discover I could have got something for less elsewhere.

1) 2) 3) 4) 5)

36. After buying something, I wonder if I could have got the same for less elsewhere

1) 2) 3) 4) 5)
37. When I buy something, I complain about the price I paid

1) 2) 3) 4) 5)

38. It’s hard for me to pass up a bargain

1) 2) 3) 4) 5)

39. I spend money to make myself feel better.

1) 2) 3) 4) 5)

40. I show signs of nervousness when I don’t have enough money.

1) 2) 3) 4) 5)

41. I worry that I will not be financially secure.

1) 2) 3) 4) 5)

42. My credit card are usually at their maximum credit limit

1) 2) 3) 4) 5)

43. I frequently use the available credit on one credit card to make a payment on another credit card

1) 2) 3) 4) 5)

44. I am less concerned with the price of a product when I use a credit card.

1) 2) 3) 4) 5)
45. I am more impulsive when I shop with credit cards

1) 2) 3) 4) 5)

46. I spend more money when I use a credit card

1) 2) 3) 4) 5)

This is the end of the questionnaire

Thank you for your cooperation
### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCUSAGE</td>
<td>3.2694</td>
<td>.81804</td>
<td>67</td>
</tr>
<tr>
<td>BANKPOL</td>
<td>3.1556</td>
<td>.75611</td>
<td>67</td>
</tr>
<tr>
<td>BENEFITS</td>
<td>2.9224</td>
<td>.75763</td>
<td>67</td>
</tr>
<tr>
<td>USERATT</td>
<td>2.6177</td>
<td>.70057</td>
<td>67</td>
</tr>
</tbody>
</table>

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>CCUSAGE</th>
<th>BANKPOL</th>
<th>BENEFITS</th>
<th>USERATT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCUSAGE</td>
<td>1.000</td>
<td>.336</td>
<td>.396</td>
<td>.042</td>
</tr>
<tr>
<td>BANKPOL</td>
<td>.336</td>
<td>1.000</td>
<td>.366</td>
<td>.080</td>
</tr>
<tr>
<td>BENEFITS</td>
<td>.396</td>
<td>.366</td>
<td>1.000</td>
<td>.198</td>
</tr>
<tr>
<td>USERATT</td>
<td>.342</td>
<td>.380</td>
<td>.398</td>
<td>1.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>CCUSAGE</th>
<th>BANKPOL</th>
<th>BENEFITS</th>
<th>USERATT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (1-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCUSAGE</td>
<td>.</td>
<td>.003</td>
<td>.000</td>
<td>.001</td>
</tr>
<tr>
<td>BANKPOL</td>
<td>.003</td>
<td>.</td>
<td>.001</td>
<td>.002</td>
</tr>
<tr>
<td>BENEFITS</td>
<td>.000</td>
<td>.01</td>
<td>.</td>
<td>.002</td>
</tr>
<tr>
<td>USERATT</td>
<td>.001</td>
<td>.002</td>
<td>.002</td>
<td>.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>N</th>
<th>CCUSAGE</th>
<th>BANKPOL</th>
<th>BENEFITS</th>
<th>USERATT</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
</tbody>
</table>