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

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Kedah

Abstrak

Hutang kad kredit merupakan perkara yang membimbangkan di Malaysia. Laporan statistikdari Kementerian Pendidikan Malaysia menyatakan bahawa perkadaran bagi penggunaan kad kredit dikalangan guru-guru di Malaysia adalah tinggi berbanding bidang perkerjaan yang lain. Bagi lebih memahami keadaan ini, kajian ini dilakukan dengan memfokuskan kepada guru-guru di Perlis. Kajian ini menggunakan Polisi Bank, Manfaat Kad Kredit dan Attribute Pengguna sebagai pembolehubah bebas dan Penggunaan Kad Kredit sebagai pembolehubah bersandar. Hasil kajian memberikan pemahaman yang lebih baik tentang sebab mengapa tingginya penggunaan kad kredit dikalangan para guru. Dapatan kajian menunjukkan bahawa manfaat kad kredit memepunyai hubungan positif yang signifikan dengan Penggunaan Kad Kredit. Sentara itu, kedua-dua pembolehubah yang lain (Polisi Bank, Atribut Pengguna) tidak mempunyai kesan yang signifikan terhadap Penggunaan Kad Kredit dikalangan guru.

Katakunci: Polisi Bank, Manafaat, Atrinut Penguna, dan Pengunaan 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.

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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.

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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 havebeen 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 themain 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

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Appendix

Appendix A : Questionnaire

Othman Yeop Abdullah Graduate School of Business

Universiti Utara Malaysia

<u>Soal Selidik</u>

Salam sejahtera,

Tuan / Puan yang dihormati,

Soal selidik ini adalah sebahagian daripada maklumat yang diperlukan untuk melengkapkan 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.

2. Soal selidik ini bukanlah satu ujian. Oleh yang demikian tidak ada jawapan yang betul atau salah. Sila berikan jawapan anda seikhlas mungkin berdasarkan fikiran, perasaan dan pengalaman anda sendiri.

3. Semua jawapan adalah dirahsiakan 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.

1) Strongly agree	2) Agree	3) Neutral	4) Disagree	5) Strongly disagree

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
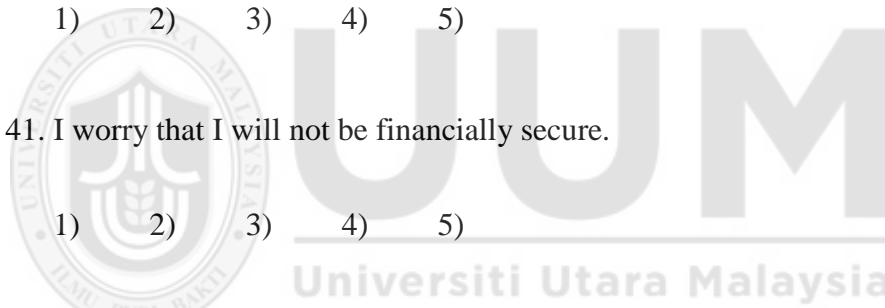
1)   2)   3)   4)   5)

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

Appendix B: Descriptive Statistics and Correlation

Descriptive Statistics

	Mean	Std. Deviation	N
CCUSAGE	3.2694	.81804	67
BANKPOL	3.1556	.75611	67
BENEFITS	2.9224	.75763	67
USERATT	2.6177	.70057	67

Correlations

		CCUSAGE	BANKPOL	BENEFITS	USERATT
Pearson Correlation	CCUSAGE	1.000	.336	.396	.042
	BANKPOL	.336	1.000	.366	.080
	BENEFITS	.396	.366	1.000	.198
	USERATT	.342	.380	.398	1.000
Sig. (1-tailed)	CCUSAGE	.	.003	.000	.001
	BANKPOL	.003	.	.001	.002
	BENEFITS	.000	.001	.	.002
	USERATT	.001	.002	.002	.
N	CCUSAGE	67	67	67	67
	BANKPOL	67	67	67	67
	BENEFITS	67	67	67	67
	USERATT	67	67	67	67