

CREDIT CARD USE BY COMPULSIVE BUYING BEHAVIOR

A Dissertation submitted to the Office of the Dean, faculty of Management in partial fulfillment of requirement for the Master's Degree

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**CREDIT CARD USE BY COMPULSIVE BUYING BEHAVIOR**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declared that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Ms. Shriya Shrestha has defended research proposal entitled “**CREDIT CARD USE BY COMPULSIVE BUYING BEHAVIOR**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dr. Pitri Raj Adhikari and submit the thesis for evaluation and viva voce examination.

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Any remaining errors are mine.

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ABBREVIATIONS

ADBL	:	Agricultural Development Bank Limited
ANOVA	:	Analysis of Variance
CCCBB	:	Credit Card and Compulsive Buying Behavior
FL	:	Financial Literacy
HBL	:	Himalayan Bank Limited
KBL	:	Kumari Bank Limited
NRB	:	Nepal Rastra Bank
PF	:	Psychological Factors
PISM	:	Peer Influence and Social Media
S.D.	:	Standard Deviation
SPSS	:	Statistical Package for the Social Sciences
T.U	:	Tribhuvan University
TA	:	Technology Advancement

ABSTRACT

The objective of research is to analyze the relationship between financial literacy, technology advancement, peer influence and social media and psychological factors to the credit card and compulsive buying behavior and to examine the impact of financial literacy, technology advancement, peer influence and social media and psychological factors to the credit card and compulsive buying behavior. The independent variables of the research are financial literacy, technology advancement, peer influence and social media and psychological factors and dependent variable is credit card and compulsive buying behavior. The correlation and regression analysis is conducted. The data are primary source. The data are collected using questionnaire from the customer of the three sample commercial bank. The finding of the research are the relationship between the financial literacy, technology advancement, peer influence and social media and psychological factors to the credit card and compulsive buying behavior is positive and significant. The impact of the financial literacy, technology advancement, peer influence and social media and psychological factors to the credit card and compulsive buying behavior positive and significant. Findings from studies on credit card use by compulsive buying behavior can inform policy decisions and regulatory measures aimed at protecting consumers from predatory lending practices, promoting financial literacy, and fostering responsible credit card use. By identifying the factors that contribute to compulsive buying tendencies, policymakers can develop targeted interventions to support individuals in managing their finances effectively.

Keywords: *financial literacy, technology advancement, peer influence and psychological factors, credit card and compulsive buying*

CHAPTER- I

INTRODUCTION

1.1 Background of the Study

Compulsive buying behavior, characterized by an irresistible urge to purchase items regardless of necessity or financial means, can have profound implications for individuals' use of credit cards. Those afflicted by this behavioral pattern often find themselves repeatedly swiping their cards, driven by a desire to satisfy immediate gratification or emotional needs rather than practical considerations. This unchecked spending can quickly spiral out of control, leading to mounting credit card debt and financial distress (Silaban et al., 2024). Moreover, the ease and convenience of credit card transactions may exacerbate compulsive buying tendencies, as individuals may feel less connected to the tangible consequences of their purchases. Consequently, addressing the root causes of compulsive buying behavior is crucial for curbing excessive credit card use and promoting healthier financial habits (Kakkar & Shukla, 2023).

Financial literacy plays a significant role in influencing credit card use among individuals exhibiting compulsive buying behavior. Those with a strong understanding of financial concepts are better equipped to make informed decisions regarding their spending habits and credit card usage. They are more likely to recognize the potential consequences of excessive borrowing and the long-term implications of accruing high levels of debt. Moreover, financially literate individuals may be more adept at managing their finances, setting budgets, and distinguishing between wants and needs, thereby reducing the likelihood of succumbing to impulsive purchases fueled by compulsive buying tendencies (Rana & Malik, 2023). However, it's important to note that even individuals with high levels of financial literacy may still struggle with compulsive buying behavior, as it often stems from underlying psychological factors beyond purely financial considerations. Nonetheless, promoting financial literacy can serve as a valuable tool in mitigating the impact of compulsive buying behavior on credit card use and fostering more responsible financial behaviors overall (Shemeis, Asad & Attia, 2021).

In Nepal, technological advancements have reshaped credit card use and its intersection with compulsive buying behavior. While the adoption of digital payment methods and e-commerce platforms may not be as widespread as in some other countries, the increasing availability of internet access and smartphones has started to influence consumer behavior. For Nepalese individuals prone to compulsive buying, the convenience of online shopping and digital payments presents both opportunities and challenges. The accessibility of e-commerce platforms allows compulsive buyers to indulge their urges with just a few clicks, often leading to impulsive purchases fueled by instant gratification. Additionally, the allure of promotional offers and discounts, often targeted through social media and other digital channels, can further incentivize compulsive spending (Khare, 2016).

Moreover, the introduction of mobile banking apps and digital wallets provides another avenue for credit card use and potentially exacerbates compulsive buying behavior. With these tools, individuals can easily access their credit card information and make purchases on the go, increasing the temptation to engage in spontaneous spending (Cera et al., 2021).

However, despite the risks posed by technological advancements, there are also opportunities for leveraging technology to address compulsive buying behavior in Nepal. Financial literacy initiatives could be adapted to digital platforms, providing resources and tools to help individuals better understand the consequences of their spending habits and make more informed financial decisions. Additionally, mobile apps and digital interventions could be developed to assist individuals in managing their finances, setting spending limits, and receiving alerts for excessive purchases (Hassan et al., 2020).

In Nepal, peer influence and the pervasive reach of social media have a significant impact on credit card use among individuals with compulsive buying behavior. As social connections play a crucial role in Nepalese society, the influence of friends, family, and social circles can greatly influence purchasing decisions, particularly among those predisposed to impulsive spending. On social media platforms like Facebook, Instagram, and TikTok, individuals are exposed to a constant stream of content showcasing lifestyles, products, and experiences, often glamorizing consumerism and materialism. For individuals susceptible to compulsive buying behavior, these platforms can serve as fertile ground for comparison and social pressure, as they witness peers showcasing their purchases and experiences (Tarka & Kukar-

Kinney, 2022). Moreover, targeted advertising algorithms employed by social media platforms can exacerbate compulsive buying tendencies by presenting users with personalized ads tailored to their interests and online behaviors. These ads often promote products and services that align with users' preferences, further enticing them to make impulsive purchases. Furthermore, peer pressure and social validation play a significant role in credit card use among Nepalese individuals with compulsive buying tendencies. The desire to fit in and gain approval from peers can lead individuals to overspend and accumulate debt, especially if their social circles prioritize material possessions and conspicuous consumption (Silaban et al., 2024).

In Nepal, psychological factors play a significant role in influencing credit card use among individuals exhibiting compulsive buying behavior. These factors encompass a range of emotional, cognitive, and social aspects that contribute to the development and maintenance of compulsive buying tendencies. One prominent psychological factor is emotional distress. Many individuals in Nepal may experience stress, anxiety, or depression, either due to personal challenges or societal pressures. In an attempt to cope with these negative emotions, some individuals may turn to retail therapy, using credit cards to make purchases in hopes of alleviating their emotional discomfort temporarily (Hassan et al., 2020). However, this pattern of using shopping as a coping mechanism can lead to compulsive buying behavior, as individuals become reliant on the fleeting sense of satisfaction derived from making purchases. Moreover, cognitive factors such as distorted beliefs and irrational thinking patterns can also fuel compulsive buying behavior. In Nepal, societal norms and cultural values may place a strong emphasis on material possessions and social status, leading individuals to equate their self-worth with their ability to acquire and display luxury goods. This distorted belief system can drive compulsive buying behavior as individuals seek validation and fulfillment through their purchasing habits, often disregarding the financial consequences. Social factors, including peer pressure and social comparison, also play a significant role in credit card use among individuals with compulsive buying tendencies in Nepal. The desire to keep up with peers or maintain a certain social image can lead individuals to overspend and accumulate debt, particularly if they perceive their social circles as prioritizing material wealth and conspicuous consumption (Halim & Christian, 2024).

In this ways the research “credit card use by compulsive buying behavior” is required to conduct in Nepal because of the technological advancement, huge uses of credit card by the buyer and sometimes psychological factors, financial literacy and other social media influence also affect the buyer so the research is conducted.

1.2 Problem Statement

In Nepal, the impact of various factors on credit card use among individuals exhibiting compulsive buying behavior presents a multifaceted problem with significant social and economic implications. Psychological factors, including emotional distress, distorted beliefs, and underlying psychological issues such as low self-esteem and impulsivity, contribute to the development and perpetuation of compulsive buying tendencies (Xu et al., 2022). These psychological factors are often exacerbated by societal norms and cultural values that place a high premium on material possessions and social status, driving individuals to engage in excessive spending to fulfill perceived social expectations (Shafee et al., 2023).

Furthermore, peer influence and social media play a pivotal role in shaping credit card use and compulsive buying behavior in Nepal. The influence of friends, family, and social circles can exert pressure on individuals to overspend and accumulate debt in an effort to keep up with their peers or maintain a certain social image. Social media platforms, with their pervasive reach and targeted advertising algorithms, amplify this pressure by showcasing curated lifestyles and products that foster feelings of inadequacy and the fear of missing out (Rodríguez-Brito et al., 2022).

Moreover, technological advancements in e-commerce and digital payment methods have made it easier than ever for individuals with compulsive buying tendencies to indulge their impulses, leading to a rise in online shopping and impulsive spending. The accessibility and convenience of digital transactions, coupled with the allure of promotional offers and discounts, create a fertile ground for compulsive buying behavior to flourish, often resulting in financial distress and debt accumulation (Tarka & Kukar-Kinney, 2022).

Addressing the impact of these factors on credit card use and compulsive buying behavior in Nepal requires a comprehensive approach that encompasses education, regulation, and support systems. Efforts to promote financial literacy, resilience against peer pressure, and healthy coping mechanisms for managing stress and negative emotions are essential (Omar et

al., 2014). Additionally, regulatory measures to curb predatory marketing practices and promote responsible lending practices can help mitigate the risks associated with compulsive buying behavior. Ultimately, fostering a culture of mindful consumption and financial well-being is crucial for promoting healthier attitudes towards credit card use and mitigating the adverse effects of compulsive buying behavior on individuals and society as a whole. The problem of the study credit card use and compulsive buying behavior are presented following,

- I. Is there any relationship between financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior?
- II. Do the financial literacy, technology advancement, Peer influence and social media and psychological factors are impacted to the credit card and compulsive buying behavior?

1.3 Objectives of the Study

The objective of the research is to show the goal where the study needs to go. The objectives of the study are following.

- I. To analyze the relationship between financial literacy, technology advancement, peer influence and social media and psychological factors to the credit card and compulsive buying behavior.
- II. To examine the impact of financial literacy, technology advancement, peer influence and social media and psychological factors to the credit card and compulsive buying behavior.

1.4 Hypothesis of the Study

The hypothesis of a study typically outlines the researcher's expectations or predictions regarding the relationship between variables being investigated. In the context of a study on the impact of different factors on credit card use by compulsive buying behavior in Nepal, the hypothesis might be formulated as follows:

“Given the socio-cultural context of Nepal and the prevalence of compulsive buying behavior, it is hypothesized that various factors, including psychological, social, and

technological influences, will significantly impact credit card use among individuals exhibiting compulsive buying tendencies.”

This hypothesis suggests that the researcher expects there to be a relationship between factors such as emotional distress, societal norms, peer influence, social media exposure, and technological advancements, and the propensity for compulsive buying behavior, particularly in the context of credit card usage.

The hypothesis provides a framework for the study’s research questions and guides the selection of variables, data collection methods, and analytical techniques. It serves as a testable statement that researchers aim to either support or refute through empirical investigation and analysis of data collected during the study. The hypothesis statements of this study are:

H1: There is the significant relationship between financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior.

H2: There is the significant impact of financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior.

1.5 Rationale of the Study

The study of credit card use by compulsive buying behavior holds significant importance for several reasons:

Compulsive buying behavior can lead to excessive credit card debt, financial strain, and even bankruptcy. Understanding the factors that contribute to compulsive buying tendencies and their relationship with credit card usage can help identify strategies for promoting responsible financial behavior and preventing financial hardship.

Compulsive buying behavior is often associated with negative emotional outcomes such as stress, anxiety, and low self-esteem. By examining the patterns of credit card use among individuals with compulsive buying tendencies, researchers can gain insights into the psychological mechanisms underlying this behavior and develop interventions to support individuals in managing their emotions and improving their well-being.

Societal norms, peer pressure, and cultural values can influence individuals' propensity for compulsive buying and their use of credit cards. Investigating the impact of social and cultural factors on credit card use by compulsive buyers can provide valuable insights into how external influences shape consumer behavior and inform efforts to promote more mindful consumption patterns.

The advent of digital payment methods and e-commerce platforms has transformed the retail landscape, making it easier than ever for individuals to make impulsive purchases with credit cards. Understanding how technological advancements influence compulsive buying behavior and credit card usage can inform the development of strategies to mitigate the risks associated with online shopping and digital transactions.

Findings from studies on credit card use by compulsive buying behavior can inform policy decisions and regulatory measures aimed at protecting consumers from predatory lending practices, promoting financial literacy, and fostering responsible credit card use. By identifying the factors that contribute to compulsive buying tendencies, policymakers can develop targeted interventions to support individuals in managing their finances effectively.

Overall, studying credit card use by compulsive buying behavior is essential for addressing the complex interplay of psychological, social, and economic factors that influence consumer behavior and financial well-being. By gaining a deeper understanding of these dynamics, researchers, policymakers, and practitioners can work together to develop holistic approaches to support individuals in making informed financial decisions and improving their overall quality of life.

1.6 Limitations of the Study

The limitations of the study are as following:

- I. The study data are primary in nature.
- II. Data were taken from the survey using questioner and answer is filled by the respondent, information is based on provided by the respondent and it's limiting the accuracy to the respondent honesty.
- III. Excel and SPSS 22 version are the software for data presentation.
- IV. Correlation and regression analysis are the tools for data analysis.

CHAPTER-II

LITERATURE REVIEW

This chapter is the main part of the research work. The topic of the study is “credit card use by compulsive buying behavior” required to understand the theoretical aspect and previous study about the research. The first part of the chapter is review of theories, second part is review of previous study called empirical review and third part is research gap.

2.1 Theoretical review

Theory Compulsive Buying Behavior

One relevant theory explaining compulsive buying behavior is the cognitive-behavioral model. This model posits that compulsive buying arises from a combination of cognitive distortions, emotional deregulation, and maladaptive coping strategies. According to this theory, individuals with compulsive buying tendencies often hold irrational beliefs about the benefits of shopping, such as believing that acquiring material possessions will lead to happiness or fulfillment. These distorted beliefs fuel compulsive buying episodes, as individuals seek to alleviate negative emotions or bolster their self-esteem through consumption.

Furthermore, the cognitive-behavioral model highlights the role of reinforcement processes in perpetuating compulsive buying behavior. Positive reinforcement occurs when individuals experience temporary relief or pleasure from shopping, reinforcing the behavior and making it more likely to recur in the future. Negative reinforcement occurs when individuals use shopping as a coping mechanism to escape or avoid aversive emotions, thereby reducing distress temporarily. Over time, repeated cycles of reinforcement strengthen the association between shopping and emotional regulation, leading to entrenched compulsive buying patterns.

Moreover, the cognitive-behavioral model emphasizes the importance of situational triggers and cognitive biases in driving compulsive buying behavior. Situational triggers, such as exposure to sales promotions or peer pressure, can activate urges to shop impulsively. Cognitive biases, such as selective attention to materialistic cues or overestimation of the

benefits of purchasing, further distort individuals' perceptions and decision-making processes, reinforcing compulsive buying tendencies.

Financial Literacy

One relevant theory in understanding the intersection of financial literacy and compulsive buying behavior is the Dual Process Theory. This theory proposes that decision-making processes involve two distinct systems: a deliberative, reflective system, and an impulsive, automatic system. When it comes to financial decisions, individuals with higher levels of financial literacy are more likely to engage the reflective system, which involves careful consideration of information, weighing of options, and anticipation of consequences.

In the context of compulsive buying behavior, individuals with lower levels of financial literacy may rely more heavily on the impulsive system. They may lack the knowledge and skills to critically evaluate their purchasing decisions, leading to impulsive and emotionally driven spending behaviors. Moreover, individuals with compulsive buying tendencies may have heightened sensitivity to certain situational cues, such as sales promotions or peer pressure, which trigger impulsive responses.

Financial literacy can act as a protective factor against compulsive buying behavior by strengthening individuals' ability to engage the reflective system and exert self-control over impulsive urges. For example, individuals who are financially literate may be better equipped to recognize the financial consequences of their purchasing decisions, set and adhere to budgets, and resist the temptation of immediate gratification in favor of long-term financial goals.

Technology Advancement

One relevant theory in understanding the role of technology advancement in the case of compulsive buying behavior is the Stimulus-Response Theory. This theory suggests that individuals' behavior is influenced by external stimuli, which trigger automatic responses or reactions. In the context of compulsive buying, advancements in technology, particularly in e-commerce platforms and mobile applications, have significantly increased the accessibility, convenience, and allure of shopping.

Technology provides a constant stream of stimuli through personalized advertisements, social media influencers, and targeted marketing campaigns, creating a pervasive shopping environment that can trigger impulsive buying behavior. The ease of browsing and purchasing products online, coupled with features like one-click ordering and suggested items based on previous purchases, can fuel compulsive buying tendencies by reducing barriers to instant gratification. Furthermore, advancements in payment technologies, such as digital wallets and buy-now-pay-later services, can facilitate impulsive spending by dissociating the act of purchasing from the immediate impact on one's finances. The delayed realization of financial consequences may weaken individuals' inhibitions and lead to excessive or compulsive buying behavior.

Peer Influence and Social Media

Social media platforms serve as powerful channels for exposure to peer behavior, product recommendations, and lifestyle aspirations. Through curated content, influencers, and peer networks, individuals are continually exposed to idealized representations of material possessions, luxury lifestyles, and consumer experiences. This exposure can create social comparison pressures and a desire to emulate or keep up with perceived norms and trends, leading to increased susceptibility to compulsive buying behavior.

Moreover, social media platforms facilitate social interactions and engagement around shopping experiences through features like comments, likes, shares, and reviews. Positive reinforcement from peers in the form of validation, approval, or admiration for purchases can reinforce impulsive buying behavior and contribute to a cycle of compulsive spending.

Additionally, peer influence operates not only through direct interactions but also through indirect social cues and norms. Individuals may perceive social expectations regarding consumption and material possessions based on the behaviors and attitudes of their peers on social media. The fear of missing out (FOMO) and the desire for social acceptance may drive individuals to engage in excessive or compulsive buying behavior to align with perceived social norms and maintain their online social status.

In light of Social Learning Theory, interventions aimed at addressing compulsive buying behavior in the context of peer influence and social media may focus on increasing individuals' awareness of social influences, fostering critical thinking skills to evaluate online content, and promoting healthy coping strategies for managing social comparison pressures. By empowering individuals to resist external pressures and make informed, autonomous decisions about their consumption habits, interventions can help mitigate the negative impact of peer influence and social media on compulsive buying behavior.

Psychological Factors

One relevant theory in understanding the psychological factors underlying compulsive buying behavior is the Self-Determination Theory (SDT). SDT posits that individuals are motivated to satisfy three basic psychological needs: autonomy, competence, and relatedness. In the context of compulsive buying, these psychological needs play a crucial role in driving and maintaining the behavior. Autonomy refers to the need to feel in control of one's actions and choices. Individuals with compulsive buying tendencies may experience a lack of autonomy in other areas of their lives, such as relationships or work. Shopping becomes a means of asserting control and autonomy, providing a temporary escape from feelings of powerlessness or inadequacy.

Competence involves the need to feel effective and capable in one's actions and pursuits. Compulsive buyers may seek validation and self-worth through their ability to acquire material possessions and make purchases. The act of shopping provides a sense of accomplishment and mastery, bolstering individuals' self-esteem and sense of competence. Relatedness pertains to the need for connection, belonging, and social integration. Compulsive buying behavior may be driven by social motives, such as a desire to impress others, gain acceptance, or fulfill perceived social expectations. Material possessions serve as symbols of social status, identity, and belonging, reinforcing individuals' sense of relatedness to others. Moreover, other psychological factors, such as personality traits, emotional regulation difficulties, and cognitive biases, also contribute to compulsive buying behavior. Traits like impulsivity, perfectionism, and low self-esteem are commonly associated with compulsive buying tendencies. Emotional triggers, such as stress, anxiety, or boredom, can prompt individuals to engage in compulsive shopping as a coping mechanism to alleviate

negative emotions. Cognitive biases, such as the illusion of control over spending, the tendency to overvalue immediate rewards, and the distortion of perceived value, further reinforce compulsive buying behavior by distorting individuals' perceptions and decision-making processes.

2.2 Empirical review

Silaban et al. (2024) explored the factors influencing debt behavior, focusing on financial literacy, compulsive buying, and income. Utilizing multiple linear regression analysis, they found that financial literacy negatively impacts debt behavior, compulsive buying positively affects debt behavior, and income negatively influences debt behavior among active students at the Faculty of Economics and Business, USU. They suggest that students should enhance their financial literacy, reduce compulsive buying, and manage their transactions according to their income to minimize debt behavior.

Halim and Christian (2024) examined the effects of materialism on credit card use and both impulsive and compulsive buying. Their study, involving 197 adult credit card users in Jakarta, used SEM-PLS and SMART PLS 3.0 for analysis. They found that materialism influences credit card use and impulsive purchases, with impulsive purchases evolving into compulsive buying. Compulsive buying is driven by internal factors, while credit card use does not directly affect it.

Shafee et al. (2023) focused on compulsive buying behavior among young adults, identifying significant challenges and consequences. Using a quantitative approach, they analyzed data from 276 Gen Z respondents, uncovering key determinants of compulsive buying behavior with credit cards, including financial literacy, technological advancements, and peer and social media influence.

Kakkar and Shukla (2023) investigated the factors influencing compulsive buying behavior in credit card users, specifically the impact of increased credit card ownership. They developed three hypotheses and found significant associations between compulsive buying tendencies and factors such as occupation, income, education, and marital status, particularly in the context of buyers in Gorakhpur.

Ezisi and Chine (2023) studied the relationship between financial prudence, ATM card use, and compulsive buying behavior, using data from 157 participants from two departments in the faculty of social sciences. Employing Pearson moment correlation statistics, they confirmed a positive relationship between compulsive buying behaviors. However, they rejected the hypothesis that financial prudence positively correlates with compulsive buying behavior. Their findings indicate that university students with excessive ATM card use and low financial prudence are prone to compulsive buying, which can be detrimental to their future endeavors.

Rana and Malik (2023) investigated the moderating effect of credit purchase facilities on compulsive buying behavior. Data were collected using a questionnaire in a survey research design. Multistage cluster sampling determined the sampling unit and sample size, resulting in 781 valid questionnaires analyzed using SPSS and Amos among university students. The study identified anxiety, depression, and stress as primary triggers for compulsive buying behavior and repurchase intentions. Additionally, materialism, a desire for uniqueness, and a lack of self-control were positively correlated with compulsive buying behavior, which mediated the relationship between compulsive buying behavior (CBB) and compulsive repurchase intentions (CRI). Credit card usage was found to significantly negatively impact both CBB and CRI.

Rodríguez-Brito et al. (2022) examined compulsive buying behavior related to smartphones, particularly among university students. This research focused on distinguishing features of compulsive buyers and their risk profiles using a discrete choice model. Key socio-demographic characteristics associated with a higher propensity for compulsive buying included younger age, more time spent on social networks, higher spending on smartphones, and owning more devices. Compulsive buyers also exhibited shopping addiction, feelings of guilt post-purchase, and heightened positive and negative emotional states during smartphone purchases.

Xu et al. (2022) studied how credit card systems and online shopping contribute to compulsive buying among male and female consumers. Using a representative German sample, the study applied binary logistic regression and moderator analysis. Findings showed that online shopping increased compulsive buying equally in both genders. However, credit

card possession moderated gender differences, with females being more prone to compulsive buying compared to males.

Burhan et al. (2022) conducted a quantitative survey with 439 randomly selected respondents to explore how materialistic behavior and the Big-Five personality traits affect compulsive online buying among university students from low-income families. The study found that higher scores in neuroticism, openness to experiences, and conscientiousness significantly increased materialism levels. Individuals with higher neuroticism exhibited lower self-regulation and emotional control, while more extroverted individuals were more engaged with interactive online platforms, fueling their online shopping obsession.

Tarka and Kukar-Kinney (2022) adapted the Richmond Compulsive Buying Scale for the Polish cultural and linguistic context and validated it among young Polish consumers. They also assessed the prevalence and precursors of compulsive buying using a multiple indicators and multiple causes model. The study revealed that compulsive buying in Poland is driven by low self-esteem, high materialism, depression, anxiety, stress, and negative emotions.

Ajita and Tamang (2022) investigated the factors influencing impulsive buying behavior among Nepalese women in supermarkets using a cross-sectional research design. They collected 211 responses through online and printed questionnaires, using convenience and judgment sampling. The study found that women's impulsive buying behavior in supermarkets is significantly influenced by their financial independence and the store environment. Women were more likely to shop impulsively when they could independently afford their purchases, and the store environment led them to modify their rigid shopping lists. The study suggests that supermarkets should create a pleasant ambiance and employ friendly staff. Future research should consider broader geographic areas and additional factors such as packaging, culture, and lifestyle.

Cera et al. (2021) studied Albanian consumers' credit card usage behavior and its impact on compulsive buying, considering demographic variables. The study began by reviewing existing literature to identify relevant factors for the Albanian context, followed by formulating hypotheses, detailing the methodology, and discussing the results. Both primary and secondary data were used: primary data was gathered via a structured questionnaire distributed to various individuals, including students, professionals, and bank employees in Tirana; secondary data came from economic journals, scientific publications, and books. The findings indicate that credit card usage costs, buying behavior, and attitudes towards credit card use significantly and positively influence compulsive buying behavior.

Shemeis et al. (2021) explored the direct impact of the Big Five personality traits (Neuroticism, Agreeableness, Extraversion, Conscientiousness, and Openness to Experience) on compulsive buying, and the mediating effect of Consumer Negative Emotions (CNE) on this relationship. Using a questionnaire adapted from established scales and based on a five-point Likert scale, the study targeted shopping mall customers in North Delta, Egypt. From a randomly selected sample of 384, 314 valid questionnaires were analyzed using Smart PLS-SEM3 software, achieving an 81.7% response rate. The results showed that Neuroticism has a significant positive effect on compulsive buying, while Extraversion and Conscientiousness have significant negative effects on compulsive buying.

Tarka and Babaev (2021) assessed compulsive buying tendencies among young consumers in Poland and used the data to create a Polish version of the Compulsive Buying Scale (P-CBS). This study expanded on previous research regarding new consumer cultures and specifically examined compulsive buying behavior in two groups: compulsive buyers and non-compulsive buyers. The results demonstrated that the Polish-Compulsive Consumer Scale (P-CBS) is highly reliable and valid, particularly for compulsive buyers who struggle to control their purchasing behavior and spending.

Hassan et al. (2020) reviewed journal articles to explore how social commerce stimulates buying intentions, leading to compulsive buying and credit card debt among online users,

defined as social media network users. The review found that more active use of social media platforms increases involvement in social commerce activities. Additionally, increased communication about purchases heightens motivation to buy products, potentially resulting in compulsive buying. Moreover, customer reviews, sales, and promotions on social commerce platforms encourage credit card use, increasing the risk of debt, which can lead to psychological distress and workplace unhappiness.

Maccarrone-Eaglen and Schofield (2020) investigated characteristics of compulsive buying behavior (CBB) using a new screener. The study analyzed attitudes, decision-making, product preferences, credit card use, and post-purchase perspectives among young compulsive buyers, focusing on the severity of compulsive buying behavior. Using a quantitative approach with survey data from a large sample, the study segmented compulsive buyers based on disorder severity. This segmentation revealed significant variations between groups in anxiety levels, product preferences, feelings, attitudes, and the impact of credit card use, as well as within-group differences in daily compulsive behavior and shopping patterns.

Nofario and Hendratono (2020) studied the moderating role of credit card usage on the relationships between money power prestige, money distribution, money anxiety, and compulsive buying in Indonesian e-commerce. The study involved 302 credit card users who had shopped online and used non-probability sampling and SEM-PLS for data analysis. The results showed that only the first hypothesis, which linked money power prestige to compulsive buying, was significant. The other hypotheses were not supported, and credit card usage did not moderate the relationships between the independent and dependent variables.

Liyanage and Wijesundara (2020) explored impulse buying behavior, specifically focusing on internet-based unintentional purchasing patterns. The authors used a literature review as their primary research strategy, examining the application of relevant literature within the South Asian context, particularly in the supermarket industries of Sri Lanka, India, Nepal, and Pakistan. The paper concludes by emphasizing the importance of understanding online impulse buying behavior through various theories, empirical studies, and practices.

Pradhan (2016) investigated factors influencing impulsive buying behavior in supermarkets and examined the interrelationships between these factors and impulsive buying behavior. The study was conducted among shoppers in supermarkets in the Kathmandu Valley, using convenience and quota sampling based on age groups. The findings indicated that the majority of supermarket shoppers buy impulsively, often without prior planning. Respondents frequently bought items like personal care products, groceries, and accessories on impulse. The study found that product category and financial independence had insignificant roles in influencing impulsive buying behavior.

Palikhe (2016) examined the impact of in-store displays on impulsive buying behavior among apparel consumers in the Pokhara Valley. Using a descriptive and analytical research design, primary data was collected through a structured questionnaire from 120 respondents in the valley, aged 18 to 37. Convenience sampling was employed to gather responses from the target group. Correlation and regression analyses revealed a significant relationship between in-store displays and impulsive buying behavior. The study concluded that store displays play a crucial role in influencing consumers' impulsive apparel purchase decisions.

Khare (2016) explored the effects of money attitudes, credit card use, age, and gender on compulsive buying behavior among Indian consumers. The study aimed to identify differences between developing and developed markets and to understand Indian consumers' attitudes towards credit cards and money. The findings indicated that compulsive buying behavior is influenced by attitudes towards money, specifically power and price sensitivity, with extravagance-prudence and age moderating these attitudes. The results suggest that credit card companies could target consumers using themes of power and price sensitivity and highlight the importance of educating consumers about the risks of overspending and debt associated with credit card use.

Omar et al. (2014) investigated the factors contributing to credit card misuse among working adults in Klang Valley, Malaysia. The study examined the relationships between self-esteem, materialism, impulsive buying, budget constraints, compulsive buying, and credit card misuse. Data was collected through 186 questionnaires distributed via convenience sampling among working adult credit card users in Malaysia. Using AMOS 20 to test a structural equation model, the results showed that budget constraints, impulsive buying, and

materialism significantly influence compulsive buying. Additionally, credit card misuse was found to be negatively influenced by self-esteem and positively influenced by compulsive buying.

Table 1

Summary of Article Review

S.N	Author (S)	Variables	Methodology	Major Finding
1	Omar et al./ (2014)	Dependent: Compulsive buying and credit card misuse Independent: self-esteem, materialism, impulsive buying and budget	A total of 186 questionnaires were collected using convenience sampling from working adult credit card users in Malaysia. The relationships between the proposed variables were assessed using a structural equation model tested with AMOS 20.	The findings indicate that budget constraints, impulsive buying, and materialism significantly influence compulsive buying. Regarding credit card misuse, it is negatively influenced by self-esteem and positively influenced by compulsive buying.
2	Khare (2016)	Dependent: Compulsive Buying Independent: Price Sensitivity Prestige Anxiety Power, Payment Risk Extravagance - prudence Credit use	This would facilitate comprehension of variances, if present, between markets in developing and developed countries.	The findings propose that compulsive buying tendencies are affected by attitudes toward money related to authority and sensitivity to prices. The inclination towards extravagance or prudence and age moderate these money attitudes. Credit card companies can employ strategies focusing on notions of 'authority' and 'price sensitivity' to appeal to consumers.
3	Nofario and Hendratono/ (2020)	Dependent: Compulsive buying Independent: Money Power Prestige, Money Distrust and	The study employs non-probability sampling and SEM-PLS for data analysis.	The findings showed that only the initial hypothesis, concerning the influence of money power prestige on compulsive buying, was statistically significant. However, the remaining hypotheses

		Money Anxiety		were not supported. Moreover, credit card usage did not demonstrate moderation in the relationship between the independent and dependent variables.
4	Maccarrone-Eaglen and Schofield/(2020)	Dependent: compulsive buying behavior; Independent: mildly compulsive; severely compulsive, decision-making, credit cards.	The research adopts a quantitative methodology to analyze compulsive behavior among young consumers, utilizing data from a survey questionnaire and a sizable sample.	Segmenting compulsive buyers based on the severity of their disorder offers valuable insights into the asymmetrical variation between groups in anxiety levels, product preferences, emotions, attitudes, and the impact of credit card usage. Additionally, it sheds light on the within-group differences in daily compulsive patterns and shopping behavior.
5	Hassan et al. /(2020)	Dependent: compulsive buying and inducing credit card Independent: social commerce, Social network as motivation, Consumer-friends, Online promotions	The article journals initially examined revealed several key points: firstly, an increase in communication related to purchases; secondly, a higher volume of customer feedback; and thirdly, subsequent actions based on these reviews.	The prevalence of sales and promotions by companies on social commerce platforms heightens credit card usage, consequently elevating the risk of debt with financial institutions. This situation can result in psychological distress and workplace dissatisfaction.
6	Tarka and Babaev /(2021)	Dependent: compulsive buying behavior Independent: non-compulsive buyers.	The research expanded upon previous methodological studies regarding consumer culture among newcomers, with a particular focus on examining compulsive buying behaviors in two	The findings from this study indicated the strong reliability and validity of the Polish-Compulsive Consumer Scale (P-CBS), particularly among individuals characterized by compulsive buying tendencies. Specifically, this was observed among

- distinct consumer groups: those prone to compulsive buying and those who are not.
- young consumers who reported difficulties in controlling their purchasing behavior and managing their expenditures.
- 7 Shemeis, Asad and Attia/(2021)
 Dependent: Compulsive buyers
 Independent: Big Five Factors traits.
 The survey utilized in the study was derived from previously established scales and assessments, all employing a five-point Likert Scale format.
 The findings demonstrated a notable positive correlation between Neuroticism and compulsive buying tendencies. Conversely, Extraversion exhibited a significant negative correlation with compulsive buying. Additionally, Conscientiousness was found to have a significant negative impact on compulsive buying behaviors.
- 8 Cera et al./ (2021)
 Dependent:
 Independent: Gender, Age, Monthly income, Being single, Credit card usage, Buying behavior and Attitude towards credit card usage
 The research employs both primary and secondary data sources. Primary data was gathered through a structured questionnaire distributed to diverse individuals ranging from students to professionals across various sectors, including employees from multiple banks in Tirana who showed a strong willingness to participate in the survey.
 The research indicates that the cost of using credit cards, purchasing habits, and attitudes toward credit card usage have a positive and significant impact on an individual's compulsive buying behavior.
- 9 Tarka and Kukar-Kinney /(2022)
 Dependent: compulsive buying measure
 Independent: precursors,
 Implementing a multiple indicators and multiple cause's model.
 The findings of the study suggest that in Poland, compulsive buying is triggered by low self-esteem and elevated levels

- including consumers' traits and states
- 10 Burhan et al./ (2022) Dependent: Compulsive online buying behavior
Independent: Gender, Family income, Time spent on internet use, Neuroticism, Extraversion, Openness, Agreeableness
- The quantitative survey data of randomly sampled 439 respondents.
- of materialism, depression, anxiety, stress, and negative emotions. The findings emphasize that individuals with higher levels of neuroticism generally exhibit weaker self-regulation and emotional control. Conversely, more extroverted individuals are often captivated by the interactive onscreen platforms, which fuels their obsession with online shopping.
- 11 Xu et al./ (2022) Dependent: Compulsive buying
Independent: Credit cards, Electronic payment, Internet shopping, Gender differences
- Binary logistic regression analysis and moderator analysis were applied.
- Internet shopping led to an increase in compulsive buying, with no difference between females and males. However, the possession of credit cards moderated the impact of gender on compulsive buying, making females more susceptible to compulsive purchasing.
- 12 Rodríguez-Brito et al./ (2022) Dependent: Compulsive Buying
Independent: Shopping addiction, Subjective well-being, Gender, Social network user, Number of Smartphones owned
- Correlation regression and conducted.
- The socio demographic characteristics that most strongly predict compulsive buying include being younger, spending more time on social networks daily, spending more on acquiring smartphones, and having owned a larger number of these devices.
- 13 Rana and Malik/ (2023) Dependent: Compulsive buying behavior
- The sampling unit and sample size were established through multistage cluster
- Anxiety, depression, and stress are major triggers of compulsive buying behavior and repurchase

- | | | | | |
|----|----------------------------|--|---|--|
| | | Independent: Materialism, Need for Uniqueness, Stress, Anxiety, Depression, Self-Control, Credit Facility | sampling. A total of 781 questionnaires were analyzed and tested using SPSS and Amos to evaluate the proposed model among university students. | intentions. Furthermore, materialism, the desire for uniqueness, and lack of self-control were positively associated with compulsive buying behavior. Compulsive buying behavior also mediated the relationship between compulsive buying behavior (CBB) and compulsive repurchase intentions (CRI). |
| 14 | Ezisi and Chine/ (2023) | Dependent: Compulsive Buying Behavior
Independent: ATM card and Financial Prudence | A total of 157 participants were randomly selected from two departments within the Faculty of Social Sciences. Using Pearson moment correlation statistics, two hypotheses were tested. | The results indicated that the first hypothesis, which predicted a positive relationship between compulsive buying behaviors, was confirmed. However, the second hypothesis, which predicted a positive relationship between financial prudence and compulsive buying behavior, was rejected. |
| 15 | Kakkar and Shukla / (2023) | Dependent: Compulsive Buying
Independent: Credit Card, Consumer, Income, Occupation, Marital Status | To achieve the research objectives, three hypotheses were developed based on these factors. | The correlation between compulsive buying inclination and factors like job status, earnings, educational background, and marital situation was observed to be noteworthy. |
| 16 | Shafee et al./ (2023) | Dependent: Compulsive buying behavior
Independent: Financial literacy, Technology advancement, Peer influence | Using quantitative methods, data from 276 Gen Z respondents were gathered and examined for analysis. | The results unveil the primary influencers and factors contributing to compulsive credit card usage for purchasing, elucidating the impact of financial knowledge, technological progress, and peer and social media sway. |

		and social media and Psychological factors	
17	Halim and Christian / (2024)	Dependent: Compulsive buying behavior Independent: Materialism, Need for Uniqueness, Stress, Anxiety, Depression, Self-Control and Credit Facility a	Data was collected from adult credit card users in Jakarta through a survey. This quantitative method involved 197 participants and utilized Structural Equation Modeling-Partial Least Squares (SEM-PLS) with Smart PLS. Materialism exerts a significant influence on both credit card usage and impulsive buying behaviors. Consequently, impulsive purchases can escalate into compulsive behavior. However, compulsive buying tendencies stem primarily from internal factors, with credit card utilization having no discernible impact on its occurrence.
18	Silaban et al./ (2024)	Dependent: Debt Behavior Independent: financial literacy, compulsive buying and income	The analysis technique used is multiple linear regression analysis. Research findings indicate that among active students at the Faculty of Economics and Business, moderate financial literacy is associated with a notable negative impact on debt behavior. Additionally, compulsive buying behavior demonstrates a positive and significant influence on debt behavior, whereas income exhibits a negative and significant effect on debt behavior.

2.3 Research Gap

This is the research doing for the achieving the objectives to analyze the relationship between financial literacy, technology advancement, Peer influence and social media, and psychological factors to the credit card and compulsive buying behavior and to examine the impact of financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior. Causal comparative

research designs were employed. Data are collected from the primary source using questionnaire. The research is conducted from the four independent variables and one dependent variables. Earlier study used less sample size a portion of the research use haphazard comparative techniques. Their proposal is not academic, and their sample size exceeds that of this study.

Future researcher may also make use of more or less information, as well as more or fewer dependent and independent variables. They may choose to conduct their research using methods other than casual comparative. They might include the entire study population.

CHAPTER-III

RESEARCH METHODOLOGY

Research methodology refers to the systematic approach of collecting, assessing, and justifying data and facts to derive solutions to a problem. It encompasses the framework, approach, and plan employed to address a research question or validate a hypothesis. Within this context, the research methodology chapter outlines the study's design, data sources, population and sample characteristics, data analysis methods, and instruments utilized. The primary components of the research technique utilized in this study are as follows:

3.1 Research Design

The study's foundation is the vast array of factors and characteristics related to descriptive financial factors impacting compulsive buying behavior. Causal comparative research designs has employed in this study. In order to provide the reader with an insightful report, comparative data banks must be supplied. The data has analyzed and interpreted using statistical methods. The study employs a Causal comparative research design to describe the independent and dependent variables in order to achieve the effect and relationship-related objectives.

3.2 Population and Sample

The population under consideration for this research comprises all commercial bank. Only three of them used as sample in this investigation. The customer of three bank namely Himalayan Bank, Kumari Bank and Agricultural Development Bank of Kathmandu metro are Utilized to calculate the population's sample size. For sample size used the following formula:

$$n_0 = Z^2 pq/e^2$$

Where,

n= Sample size

p = Population percentage having a particular trait

$$q = 1-p$$

$z = Z$ value (95% confidence interval: 1.96, for example)

$e =$ Error margin

The suggested value of p and q for the unidentified population is 50% for each. At a 95% Level of confidence, the z value is 1.96, and the sampling error $e = 5\%$.

$$n_0 = Z^2 pq/e^2$$

$$n_0 = 1.96^2 * 0.5 * 0.5 / 0.05^2 = 384$$

Using the formula, it is calculated that the minimum sample size required is 384. This means that a sample size of at least 384 is needed to achieve the desired level of precision and confidence in the study.

In this study the questionnaire is used a tools for the collection of data and the sample size is 400 respondent based on convenience sampling methods.

3.3 Nature and Source of Data

In the section titled "nature and source of data," researchers delineate the characteristics and origins of data. Two distinct categories of data, namely primary and secondary, are identified. Diverse sources are available for different research endeavors, including both published and unpublished sources. Examples of secondary sources comprise scholarly articles, annual reports, newspapers, tax records, government policies, and literary works. Internal documents such as meeting minutes and vouchers also fall under this category. In the present study, secondary data are utilized, sourced from responses to a questionnaire survey conducted among bank employees.

3.4 Instrument of Data Collection

The term "instrument" refers to the tools utilized for data collection purposes. A range of instruments, such as questionnaires, laboratory and quasi-experiments, observations, interviews, and scales, are employed to collect primary data. Secondary data are sourced from the websites of relevant banks, primarily from their annual reports. Additionally, information is obtained from the Nepal Rastra Bank's (NRB) economic reports and other publicly accessible statistical data. Informal discussions and procedures are also utilized to

supplement data collection. In the current research, the questionnaire serves as the primary instrument for collecting data.

3.5 Methods of Analysis

Numerous statistical approaches are employed to ensure that the study's objectives are met. They are multiple regression analysis, correlation analysis, and descriptive statistics. The patterns found in the available data are used to guide the data analysis process.

3.5.1 Reliability Analysis

Here reliability is measured using the Cronbach's alpha measures technique. It tests to see if multiple-question Likert scale surveys are reliable. A rule of thumb for interpreting alpha Likert scale questions is:

Table 2

Cronbach's Alpha table

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$A > 0.5$	Unacceptable

Source: *Shafee, Mohamed, Suhaimi, Hashim and Mohd (2023)*.

3.5.2 Statistical Analysis

Descriptive Analysis

Descriptive analysis involves examining the mean, standard deviation, minimum, and maximum values of the provided data variables.

Arithmetic Mean

The arithmetic mean, commonly referred to as the average, is determined by summing all values within a dataset and dividing the total by the number of observations. This statistical metric serves as a representation of central tendency and is utilized in this study to analyze data pertaining to sample banks over a span of ten fiscal years. The calculation is as follows:

$$\text{Mean } (\bar{X}) = \frac{\sum X}{n}$$

Where, \bar{X} = Mean

$\sum X$ = Sum of all the variable X

n = Variable involved

Standard Deviation (σ):

Standard deviation, a statistical measure, evaluates the degree of dispersion or variability present in a dataset. Calculated as the square root of the variance, it entails evaluating the deviation of each data point from the mean. It is denoted by (σ).

$$\text{Standard Deviation } (\sigma) = \sqrt{\frac{\sum(X - \bar{X})^2}{n}}$$

Where,

X=variables

\bar{X} = mean

n= No. of Period

Minimum

The minimum value, denoting the smallest value within a dataset, is also known as the lowest data point within the variable being analyzed. It represents the first data point when the dataset is arranged in ascending order. Although the minimum value may occur more than once in the dataset, it is regarded as a distinct figure, as one occurrence must be less than the other if there are repetitions.

Maximum

The maximum value, indicating the highest value within a given dataset, is also referred to as the largest data point corresponding to the variable being studied. It signifies the last data point when the dataset is sorted in ascending order. Even if the maximum value appears multiple times in the dataset, it is considered unique, as one occurrence must surpass the other if there are repetitions.

Correlation Analysis

Finding the connection between two variables has never been easier. The extreme goods' sizes have no bearing on it. The standard symbol for the Karl Pearson coefficient of correlation is "r."

$$\text{Correlation Coefficient (r)} = \frac{n \sum XY - \sum X \sum Y}{\sqrt{[n \sum X^2 - (\sum X)^2] [n \sum Y^2 - (\sum Y)^2]}}$$

Where,

N = number of observations of X and Y

$\sum XY$ = Sum of the product of X and Y

$\sum X$ = Sum of the observation X

$\sum Y$ = Sum of the observation Y

$\sum X^2$ = Sum of the square of the observation X

$\sum Y^2$ = Sum of the square of the observations Y

This statistical technique assesses both the magnitude and direction of the association between two datasets, revealing how closely two variables move in relation to each other. The Pearson correlation coefficient is employed to elucidate this connection, with values ranging from -1 to +1. Complete negative correlation is indicated by a correlation coefficient of precisely -1, signifying that the variables move in exact opposite directions. Conversely, a correlation coefficient of +1 indicates complete positive correlation, suggesting that the variables move together in perfect alignment.

Multiple Regression Analysis

Multiple regression analysis can be described as a statistical approach used to explore the relationship between one independent variable (predictor) and several dependent variables (criterion). The objective of multiple regression analysis is to forecast how the dependent variable will change in response to alterations in the independent variables. It can also be perceived as the probability of your multiple regressions serving as effective predictors. Another method of assessing multiple regression is by considering the amount of variance in the dependent variables that the regression equation can explain. The multiple regression equation can be expressed as follows:

Model

$$CCCBB = \beta_0 + \beta_1 \times FL + \beta_2 \times TA + \beta_3 \times PISM + \beta_4 \times PF + e$$

Where,

CCCBB =Credit card and compulsive buying behavior

FL =Financial literacy

TA =Technology advancement

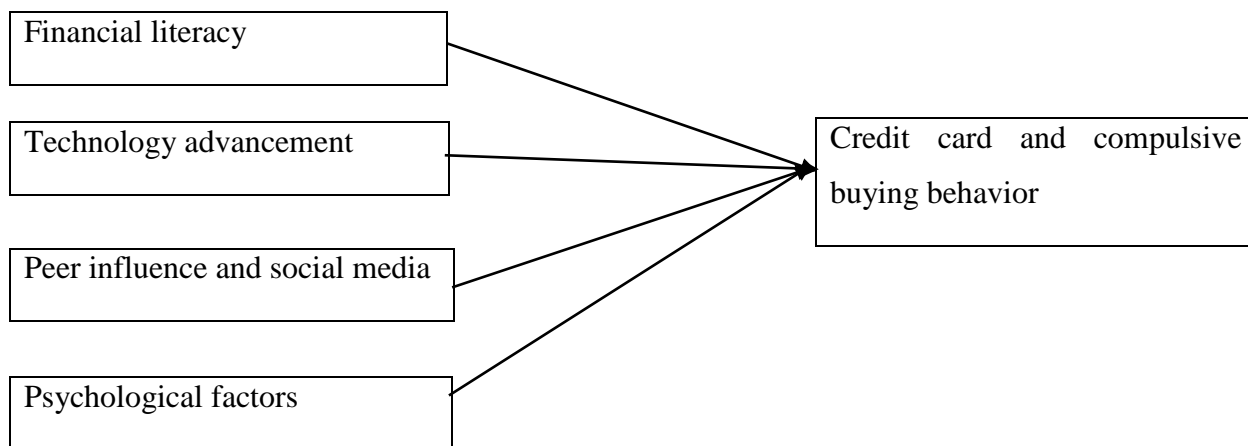
PISM =Peer influence and social media

PF =Psychological factors

3.6 Research Framework

Independent Variables

Dependent Variables



Source: *Shafee, Mohamed, Suhaimi, Hashim & Mohd (2023)*.

Figure 1: Research Framework

3.7 Definitions of the Variables

Dependent Variables

Compulsive Buying Behavior

Compulsive purchasing behavior, marked by an irresistible inclination to buy items regardless of necessity or financial means, can significantly impact individuals' use of credit cards. Those affected by this behavioral pattern frequently engage in repetitive card swiping,

driven by a desire to fulfill immediate gratification or emotional needs rather than practical considerations. This unchecked spending can quickly escalate, resulting in escalating credit card debt and financial strain. Furthermore, the ease and convenience of credit card transactions may exacerbate compulsive purchasing tendencies, as individuals may feel detached from the tangible consequences of their expenditures. Consequently, addressing the underlying causes of compulsive buying behavior is essential for curtailing excessive credit card usage and fostering healthier financial habits.

Financial Literacy

Financial literacy plays a crucial role in shaping credit card utilization among individuals exhibiting compulsive buying behavior. Those with a solid grasp of financial principles are better positioned to make informed decisions regarding their spending habits and credit card usage. They are more likely to discern the potential repercussions of excessive borrowing and the long-term effects of accumulating high levels of debt. Additionally, financially literate individuals may excel at managing their finances, establishing budgets, and distinguishing between wants and needs, thereby reducing the propensity for impulsive purchases driven by compulsive buying tendencies. However, it's important to acknowledge that even individuals with extensive financial literacy may struggle with compulsive buying behavior, as it often originates from underlying psychological factors beyond purely financial considerations. Nonetheless, promoting financial literacy can serve as a valuable tool in mitigating the impact of compulsive buying behavior on credit card usage and fostering more responsible financial behaviors overall.

Technological Advancements

In Nepal, technological advancements have transformed credit card usage and its intersection with compulsive buying behavior. While the adoption of digital payment methods and e-commerce platforms may not be as widespread as in some other countries, the increasing accessibility of internet services and smartphones has begun to influence consumer behavior. For Nepalese individuals prone to compulsive buying, the convenience of online shopping and digital payments presents both opportunities and challenges. The availability of e-commerce platforms enables compulsive buyers to indulge their impulses with just a few clicks, often resulting in impulsive purchases driven by instant gratification. Additionally,

enticing promotional offers and discounts, frequently targeted through social media and other digital channels, can further incentivize compulsive spending. Furthermore, the introduction of mobile banking apps and digital wallets provides another avenue for credit card usage and potentially exacerbates compulsive buying behavior. With these tools, individuals can easily access their credit card information and make purchases on the fly, heightening the temptation for spontaneous spending.

Peer Influence and Social Media

In Nepal, peer influence and the pervasive reach of social media exert a significant influence on credit card usage among individuals with compulsive buying behavior. As social connections hold considerable sway in Nepalese society, the influence of friends, family, and social circles can greatly impact purchasing decisions, particularly among those prone to impulsive spending. On platforms like Facebook, Instagram, and TikTok, individuals are inundated with content showcasing lifestyles, products, and experiences, often glamorizing consumerism and materialism. For individuals susceptible to compulsive buying behavior, these platforms serve as fertile ground for comparison and social pressure, as they witness peers flaunting their purchases and experiences. Moreover, targeted advertising algorithms employed by social media platforms can exacerbate compulsive buying tendencies by presenting users with personalized ads tailored to their interests and online behaviors.

Psychological Factors

In Nepal, psychological factors play a significant role in shaping credit card usage among individuals exhibiting compulsive buying behavior. These factors encompass a spectrum of emotional, cognitive, and social aspects that contribute to the emergence and persistence of compulsive buying tendencies. One prominent psychological factor is emotional distress. Many individuals in Nepal may grapple with stress, anxiety, or depression, stemming from personal challenges or societal pressures. In a bid to cope with these negative emotions, some individuals may resort to retail therapy, using credit cards to make purchases in hopes of momentarily alleviating their emotional discomfort. However, this pattern of utilizing shopping as a coping mechanism can fuel compulsive buying behavior, as individuals become reliant on the fleeting sense of satisfaction derived from making purchases.

Additionally, cognitive factors such as distorted beliefs and irrational thinking patterns can further exacerbate compulsive buying behavior.

CHAPTER-IV

RESULTS AND DISCUSSION

The results derived from the analysis of data have been presented so as to show the available of the results in relation to the objectives of the study. To obtain best result, the data have been analyzed according to the research methodology as mentioned in third chapter. This chapter has been categorically presented in accordance with the array of the tools and technique used for discerning the relationship and relevancy between the data and the objective. This chapter includes analysis with primary data and its findings.

4.1 Result

4.1.1 Demographic Characteristics

This section included the general information of the respondent, including the information of their gender, age, work experience etc.

Table 3 shows the demographics characteristics of the respondent related various information. Here the information related to the respondent banks shows that the Himalayan Bank Limited's respondents are 171 in number and 42.8 in percent. Kumari Bank Limited has 141 in number and they are 35.5 percent in number and Agricultural Development Bank Limited's respondent are 88 in number and 22 percent in total of 100 percent. In the table the demographics characteristics of Gender shows the male and female in number and percentage of respondent participated in the research. The male are 364 and female are 36. The percentage of male participated are 91% and female are 9 percent. Other demographics characteristics of respondent is age related information. The information is different they are the age group is divided in to four categories they are below 20 years, 21-30 years, 31-45 years and above 46 years. Its shows that the age group of participate in the research. Participate are found in number of 30 who are below 20 years. The age group between 21 and 30 are 166 in numbers. Between 31 and 45 they are 134 participate and above 46 they are 70 participates. In percent they are 7.5, 41.5, 33.5 and 17.5 respectively out of hundred percent. The marital status of the respondent shows the marital status of 400 respondents whether they are married or unmarried. Married numbers are 183 and unmarried

are 217 in number out of 400. The percentage of married are 45.8 percent and unmarried are 54.3 percent out of total 100 percent participate.

Table 3

Demographics Characteristics

Bank of Respondent	Frequency	Percent	Valid Percent	Cumulative Percent
Himalayan Bank	171	42.8	42.8	42.8
Kumari Bank	141	35.3	35.3	78
Agricultural Development Bank	88	22	22	100
Total	400	100	100	
<u>Gender of Respondent</u>				
Male	364	91	91	91
Female	36	9	9	100
Total	400	100	100	
<u>Age Group of Participate</u>				
Below 20 years	30	7.5	7.5	7.5
21-30 years	166	41.5	41.5	49
31-45 years	134	33.5	33.5	82.5
Above 46	70	17.5	17.5	100
Total	400	100	100	
<u>Marital Status</u>				
Married	183	45.8	45.8	45.8
Unmarried	217	54.3	54.3	100
Total	400	100	100	

Source: *Field Survey-2023*

4.1.2 Reliability Analysis

In this instance, the reliability is assessed using the Cronbach's alpha method, which gauges the dependability. It assesses the validity of surveys with multiple questions utilizing the Likert scale. The interpretation guidelines for alpha Likert scale are outlined as follows.

Table4

Reliability Statistics

Variables	Cronbach's Alpha	N of Items	Internal Consistency
Credit card and compulsive buying behavior	0.778	4	Acceptable
Financial literacy	0.781	4	Acceptable
Technology advancement	0.783	4	Acceptable
Peer influence and social media	0.781	4	Acceptable
Psychological factors	0.782	6	Acceptable

Source: *Field Survey-2024*

Table 4 shows that all variables, including the Likert scale number of questions and the questions posed, are at an acceptable level. Hence, the questions employed in the research are deemed highly suitable, and the analysis based on the data collected from the questionnaire is reliable for the research. Specifically, in the case of Credit card and compulsive buying behavior -related questions, the Cronbach's Alpha for the four questions is 0.778, surpassing the 0.7 threshold, indicating excellent reliability. Similarly, for financial literacy -related questions, the Cronbach's Alpha for the four questions is 0.781, demonstrating excellent reliability. For technology advancement -related questions, the Cronbach's Alpha for the four questions is 0.783, signifying excellent reliability. Peer influence and social media -related questions, the Cronbach's Alpha for the four questions is 0.781, indicating outstanding reliability as it surpasses the 0.7 threshold. Psychological factors -related questions, the Cronbach's Alpha for the four questions is 0.782, indicating outstanding reliability as it surpasses the 0.7 threshold.

4.1.3 Descriptive Statistics

Descriptive statistics encompass statistical techniques used to measure various variables, including mean, median, minimum, maximum, standard deviation, and others. These statistics provide insights into the characteristics of the data under examination. In the context of this research, descriptive statistics shed light on factors such as financial literacy, technological advancements, peer influence and social media, psychological factors, as well as credit card usage and compulsive buying behavior—all of which are variables investigated in the study.

Table 5

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Credit card and compulsive buying behavior	400	6.00	20.00	17.40	2.11
Financial literacy	400	6.00	20.00	17.4	2.12
Technology advancement	400	6.00	20.00	17.4	2.12
Peer influence and social media	400	6.00	20.00	17.4	2.12
Psychological factors	400	6.00	20.00	17.4	2.12
Valid N (listwise)	400				

Source: *Field Survey-2024*

Table 5 explains that the descriptive statistics of financial literacy, technology advancement, peer influence and social media, psychological factors and credit card and compulsive buying behavior all variables. The 400 respondent who are customer of the bank are the respondent and by the receiving the data from them the descriptive analysis result is present here. The financial literacy has minimum, maximum, mean and standard deviation is 6.00, 20.00, 17.40 and 2.12 respectively. The technology advancement has minimum, maximum, mean and standard deviation is 6.00, 20.00, 17.40 and 2.12 respectively. The peer influence and social media has minimum, maximum, mean and standard deviation is 6.00, 20.00, 17.40 and 2.12 respectively. The Psychological factors has minimum, maximum, mean and standard deviation is 6.00, 20.00, 17.40 and 2.12 respectively. The credit card and compulsive buying

behavior has minimum, maximum, mean and standard deviation is 1, 5, 4.52, and 0.72 respectively.

4.1.4 Correlation Analysis

This statistical tool is utilized to ascertain the direction and strength of the relationship between two sets of variables. The relationship is elucidated through the application of the Pearson correlation coefficient, which ranges from -1 to +1. A correlation coefficient of precisely -1 indicates perfect negative correlation, implying that the variables move precisely in opposite directions. In this analysis, correlations are computed between the independent variables, which include financial literacy, technological advancements, peer influence and social media, and psychological factors, and the dependent variable, which is credit card usage and compulsive buying behavior. The correlation is calculated based on responses provided by the respondents using SPSS.

Table 6

Correlation of Variables in Overall

		Credit card and compulsive buying behavior	Financial literacy	Technology advancement	Peer influence and social media	Psychological factors
Credit card and compulsive buying behavior	Pearson Correlation	1				
	Sig. (2-tailed)					
Financial literacy	Pearson Correlation	.996**	1			
	Sig. (2-tailed)	.000				
Technology advancement	Pearson Correlation	.996**	.997**	1		
	Sig. (2-tailed)	.000	.000			
Peer influence and social media	Pearson Correlation	.994**	.996**	.996**	1	
	Sig. (2-tailed)	.000	.000	.000		
Psychological factors	Pearson Correlation	.996**	.998**	.999**	.998**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Source: *Field Survey-2024*

Table 6 is the correlation table of variables which are taken under studies. Here three sample banks namely Himalayan Bank, Kumari Bank and Agricultural Development Bank of 400 respondents are under the studies. The information provided by respondent to the questioner the correlation is calculated. The variables have following result.

The correlation between financial literacy and credit card and compulsive buying behavior has positive correlation and its 0.996. The correlation is perfectly positive correlation. The correlation between financial literacy and credit card and compulsive buying behavior is significant so the hypothesis is true because the significant value is 0.000 which is below then 0.001. It is called one percent level of significant, i.e. there is positive significant relationship between financial literacy and credit card and compulsive buying behavior.

The correlation between technology advancement and credit card and compulsive buying behavior has positive correlation and its 0.996. The correlation is perfectly positive correlation. The correlation between technology advancement and credit card and compulsive buying behavior is significant so the hypothesis is true because the significant value is 0.000 which is below then 0.001. It is called one percent level of significant, i.e. there is positive significant relationship between technology advancement and credit card and compulsive buying behavior.

The correlation between Peer influence and social media and credit card and compulsive buying behavior has positive correlation and its 0.994. The correlation is perfectly positive correlation. The correlation between Peer influence and social media and credit card and compulsive buying behavior is significant so the hypothesis is true because the significant value is 0.000 which is below then 0.001. It is called one percent level of significant, i.e. there is positive significant relationship between Peer influence and social media and credit card and compulsive buying behavior.

The correlation between Psychological factors and credit card and compulsive buying behavior has positive correlation and its 0.996. The correlation is perfectly positive correlation. The correlation between Psychological factors and credit card and compulsive buying behavior is significant so the hypothesis is true because the significant value is 0.000 which is below then 0.001. It is called one percent level of significant, i.e. there is positive

significant relationship between psychological factors and credit card and compulsive buying behavior.

4.1.5 Multiple Regression Analysis

The aim of multiple regression analysis is to forecast alterations in the dependent variable corresponding to variations in the independent variables. It can be understood as an indicator of the predictive efficacy of your multiple regressions. Additionally, multiple regression determination can be construed as the proportion of variance in the dependent variables elucidated by the regression equation. This regression technique illustrates the association between independent and dependent variables.

Table 7

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997 ^a	.994	.994	.16083

a. Predictors: (Constant), Psychological factors, Financial literacy, Peer influence and social media, Technology advancement

Source: *Field Survey-2024*

Table 7 shows the model summary independent variable explain predictor are Psychological factors, Financial literacy, Peer influence and social media, Technology advancement and dependent variable is credit card and compulsive buying behaviors. Here R square is 0.994 which represent the cumulative variation of the independent variable to the dependent variable. In percent the 99.4% is the variation of cumulatively to the credit card and compulsive buying behavior from Psychological factors, financial literacy, peer influence and social media and technology advancement; In other words there is 99.4 percent variation in dependent variable is explain by independent variables. The stander error is 0.16 which is very less it means the calculation is accurate high.

Table 8

ANOVA table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1767.783	4	441.946	17086.728	.000 ^b
	Residual	10.217	395	.026		
	Total	1778.000	399			

a. Dependent Variable: Credit card and compulsive buying behaviors

b. Predictors: (Constant), Psychological factors, Financial literacy , Peer influence and social media, Technology advancement

Source: *Field Survey-2024*

Table 8 shows the ANOVA of variables for the topic of credit card use by compulsive buying behavior. The significant value is the 0.000 its represent the multiple regressions is strong and significantly impact by the independent variable to the dependent variable. The impact of the cumulative variable is significant because the significant value is 0.000 which is less than 0.05.

Table 9

Coefficient of Variables

Model		Un standardized		Standardized		t	Sig.
		Coefficients		Coefficients			
		B	Std. Error	Beta			
1	(Constant)	.138	.067		2.072	.039	
	Financial literacy	.514	.056	.516	9.213	.000	
	Technology advancement	.344	.133	.347	2.595	.010	
	Peer influence and social media	.354	.068	.355	5.174	.000	
	Psychological factors	1.175	.175	1.183	6.721	.000	

a. Dependent Variable: Credit card and compulsive buying behavior

Source: *Field Survey-2024*

Table 9 shows the coefficient of variables. The variables are Credit card and compulsive buying behavior is the dependent variable and financial literacy, technology advancement,

peer influence and social media and psychological factors as independent variables. Under coefficient table the beta standard error significant value is explain each of the independent variable to the dependent variable. It means all of the independent variable impact to the dependent variables.

The financial literacy and credit card and compulsive buying behavior has beta of positive 0.514. The beta represent if change in 1 in the financial literacy then the credit card and compulsive buying behavior is impacted positively 0.514. The standard error is the 0.056 which is very low it means the accuracy of the calculation is high. The financial literacy impact to the credit card and compulsive buying behavior is significant because the significant value is 0.000 which is less than 0.05. The hypothesis is true the financial literacy is significantly impact to the credit card and compulsive buying behavior.

The technology advancement and credit card and compulsive buying behavior has beta of positive 0.344. The beta represent if change in 1 in the technology advancement then the credit card and compulsive buying behavior is impacted positive 0.344. The standard error is the 0.133 which is very low it means the accuracy of the calculation is high. The technology advancement impact to the credit card and compulsive buying behavior is significant because the significant value is 0.01 which is more than 0.05. The hypothesis is true the technology advancement is significantly impact to the credit card and compulsive buying behavior.

The peer influence and social media and credit card and compulsive buying behavior has beta of positive 0.354. The beta represent if change in 1 in the peer influence and social media then the credit card and compulsive buying behavior is impacted positive 0.354. The standard error is the 0.068 which is very low it means the accuracy of the calculation is high. The peer influence and social media impact to the credit card and compulsive buying behavior is significant because the significant value is 0.000 which is less than 0.05. The hypothesis is true the peer influence and social media is significantly impact to the credit card and compulsive buying behavior.

The Psychological factors and credit card and compulsive buying behavior has beta of positive 1.175. The beta represent if change in 1 in the Psychological factors then the credit card and compulsive buying behavior is impacted positively 1.175. The standard error is the

0.175 which is very low it means the accuracy of the calculation is high. The Psychological factors impact to the credit card and compulsive buying behavior is significant because the significant value is 0.000 which is less than 0.05. The hypothesis is true the psychological factors is significantly impact to the credit card and compulsive buying behavior.

4.2 Discussion

The first objective of research is to analyze the relationship between financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior. It is found that the relationship between financial literacy and credit card and compulsive buying behavior has positive relationship. The relationship is perfectly positive relationship. The relationship between financial literacy and credit card and compulsive buying behavior is significant so the hypothesis is true. The result is consistent with the result of Shafee et al., (2023). The relationship between technology advancement and credit card and compulsive buying behavior has positive relationship. The relationship is perfectly positive relationship. The relationship between technology advancement and credit card and compulsive buying behavior is significant so the hypothesis is true. The result is consistent with the result of Kakkar and Shukla, (2023). The relationship between Peer influence and social media and credit card and compulsive buying behavior has positive relationship. The relationship is perfectly positive relationship. The relationship between Peer influence and social media and credit card and compulsive buying behavior is significant so the hypothesis is true. The result is consistent with the result of Rana and Malik, (2023). The relationship between Psychological factors and credit card and compulsive buying behavior has positive relationship. The relationship is perfectly positive relationship. The relationship between Psychological factors and credit card and compulsive buying behavior is significant so the hypothesis is true. The result is consistent with the result of Tarka and Kukar-Kinney, (2022).

The second objective of research is to examine the impact of financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior. It is found that the financial literacy and credit card and compulsive buying behavior has impact of positive. The financial literacy impact to the credit card and compulsive buying behavior is significant. The hypothesis is true the financial

literacy is significantly impact to the credit card and compulsive buying behavior. The result is consistent with the result of Rana and Malik, (2023). The technology advancement and credit card and compulsive buying behavior has impact of positive. The technology advancement impact to the credit card and compulsive buying behavior is significant. The hypothesis is true the technology advancement is significantly impact to the credit card and compulsive buying behavior. The result is consistent with the result of Tarka and Babaev, (2021). The peer influence and social media and credit card and compulsive buying behavior has impact of positive. The peer influence and social media impact to the credit card and compulsive buying behavior is significant. The hypothesis is true the peer influence and social media is significantly impact to the credit card and compulsive buying behavior. The result is consistent with the result of Nofario and Hendratono, (2020). The Psychological factors and credit card and compulsive buying behavior has impact of positive. The Psychological factors impact to the credit card and compulsive buying behavior is significant. The hypothesis is true the psychological factors is significantly impact to the credit card and compulsive buying behavior. The result is consistent with the result of Xu et al., (2022).

CHAPTER- V

SUMMARY AND CONCLUSION

Summary includes the very detailed description of research work from beginning as a process and include the every part of research work. The conclusion of the thesis description work includes summary. This chapter explains three elements: the summary, the conclusion, and Implications. Implications included the research's potential applications in the future.

5.1 Summary

Compulsive buying behavior, characterized by an irresistible urge to purchase items regardless of necessity or financial means, can significantly affect individuals' credit card usage. Those experiencing this behavioral pattern often engage in repetitive card swiping, driven by a desire for immediate gratification or emotional fulfillment rather than practical considerations. The occurrence of compulsive buying behavior is influenced by various factors including financial literacy, technological advancements, peer influence, social media exposure, and psychological factors.

Financial literacy plays a crucial role in shaping credit card utilization among individuals with compulsive buying tendencies. Those possessing a solid understanding of financial principles are better equipped to make informed decisions regarding their spending habits and credit card usage.

In Nepal, technological advancements have transformed credit card usage and its intersection with compulsive buying behavior. While digital payment methods and e-commerce platforms may not be as widespread as in some other countries, the increasing accessibility of internet services and smartphones has begun to influence consumer behavior.

Peer influence and the pervasive reach of social media also significantly impact credit card use among individuals with compulsive buying behavior in Nepal. Social connections hold considerable sway in Nepalese society, influencing purchasing decisions, particularly among those inclined toward impulsive spending.

Psychological factors also play a significant role in influencing credit card use among individuals exhibiting compulsive buying behavior in Nepal. These factors encompass emotional, cognitive, and social aspects that contribute to the development and persistence of compulsive buying tendencies. On the basis of the given background the research is conducted on “Credit Card Use by Compulsive Buying Behavior”.

The objective of research is to analyze the relationship between financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior and to examine the impact of financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior. The objective are set on the basis of the solving problem and they are Is there any relationship between financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior? Do the financial literacy, technology advancement, Peer influence and social media and psychological factors are impacted to the credit card and compulsive buying behavior? The research is conducted on the basis of using casual comparative research design. The independent variables of the research are financial literacy, technology advancement, Peer influence and social media and psychological factors and dependent variable is credit card and compulsive buying behavior. The correlation and regression analysis is conducted on the data collected using questionnaire from the customer of the three sample commercial bank. The finding of the research are the relationship between the Financial literacy, Technology advancement, Peer influence and social media and Psychological factors to the Credit card and compulsive buying behavior positive and significant. The impact of the Financial literacy, Technology advancement, Peer influence and social media and Psychological factors to the Credit card and compulsive buying behavior positive and significant.

5.2 Conclusion

The first objective of research is to analyze the relationship between financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior. It is found that the correlation and regression analysis is conducted on the data collected using questionnaire from the customer of the three

sample commercial bank. The finding of the research are the relationship between the Financial literacy, Technology advancement, Peer influence and social media and Psychological factors to the Credit card and compulsive buying behavior positive and significant. In conclusion the relationship between factor affecting compulsive buying and Credit card and compulsive buying behavior positive and significant.

The second objective of research is to examine the impact of financial literacy, technology advancement, Peer influence and social media and psychological factors to the credit card and compulsive buying behavior. It is found that the impact of the Financial literacy, Technology advancement, Peer influence and social media and Psychological factors to the Credit card and compulsive buying behavior positive and significant. In conclusion the impact of factor affecting compulsive buying to the Credit card and compulsive buying behavior positive and significant.

5.3 Implications

Compulsive buying behavior can lead to excessive credit card debt, financial strain, and even bankruptcy. Understanding the factors that contribute to compulsive buying tendencies and their relationship with credit card usage can help identify strategies for promoting responsible financial behavior and preventing financial hardship.

Compulsive buying behavior is often associated with negative emotional outcomes such as stress, anxiety, and low self-esteem. By examining the patterns of credit card use among individuals with compulsive buying tendencies, researchers can gain insights into the psychological mechanisms underlying this behavior and develop interventions to support individuals in managing their emotions and improving their well-being.

The advent of digital payment methods and e-commerce platforms has transformed the retail landscape, making it easier than ever for individuals to make impulsive purchases with credit cards. The implications of the research are:

- I. Understanding how technological advancements influence compulsive buying behavior and credit card usage can inform the development of strategies to mitigate the risks associated with online shopping and digital transactions.

- II. Investigating the impact of social and cultural factors on credit card use by compulsive buyers can provide valuable insights into how external influences shape consumer behavior and inform efforts to promote more mindful consumption patterns.
- III. Findings from studies on credit card use by compulsive buying behavior can inform policy decisions and regulatory measures aimed at protecting consumers from predatory lending practices, promoting financial literacy, and fostering responsible credit card use.
- IV. By identifying the factors that contribute to compulsive buying tendencies, policymakers can develop targeted interventions to support individuals in managing their finances effectively.
- V. To the future researcher for reference of their research study.

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APPENDIX

Appendix 1: Survey Questionnaires

March- April, 2024

Dear Respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is “Credit Card Use by Compulsive Buying Behaviour”. I would like to state that this research is purely for an academic propose and I am simply interested in yourself and honest answer. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for academic purpose.

Thank You for Your Cooperation.

Shriya Shrestha

MBS Student

Shanker Dev Campus, Kathmandu

Part I: BIO DATA

Fill Your Answer in the appropriate box.

1. Fills in the box company name where you have been working now.

- a) Himalayan Bank Limited []
- b) Kumari Bank Limited []
- c) Agricultural Development Bank Limited []

2. Gender

- a. Male [] b. Female []

3. Age

a. Below 20 years [] b. 21 -30 years [] c. 30-45 years [] d. 46 and above

4. Marital status

a. Married [] b. Unmarried []

Part II

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as follows

(1 = strongly Disagree, 2= Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree)

A) Financial literacy

Questions	1	2	3	4	5
Financial literacy plays a significant role in influencing credit card use.					
Financial literacy can serve as a valuable tool in mitigating the impact of compulsive buying behaviour on credit card use.					
Your expenses is for necessary product only.					
Your expenses given a return to you in the long run.					

B) Technology advancement

Questions	1	2	3	4	5
Your expenses is increasing in the day of digital payment day then before.					
You purchase a good without planning in the day of advancement of technology than before.					
Because of the technology your buying decision is very quick.					
Mobile apps and digital interventions are the platform you have to pay for buying a good.					

C) Peer influence and social media

Questions	1	2	3	4	5
Social media have a significant impact on credit card use for without planning purchase.					
You have to purchase a good because of only the reason is sharing by your friend and family to the social media.					
Facebook, Instagram, and TikTok are the platform where you know the new fashionable product and make decision to purchase.					
Some time you found a product in the messenger and you decided to purchase.					

D) Psychological factors

Questions	1	2	3	4	5
You buy a product because of the social requirement in the party and functions.					
The desire to keep up with peers or maintain a certain social image can lead overspend.					
You have to go for movie, swimming and other gaming for your stress reduce and pay through credit card.					
You think luxury product made your good social status.					

E) Credit card and compulsive buying behavior

Questions	1	2	3	4	5
Financial literacy impacts the Credit card and compulsive buying behaviour.					
Technology advancement impact the Credit card and compulsive buying behaviour.					
Peer influence and social media impact the Credit card and compulsive buying behaviour.					
Psychological factors impact the Credit card and compulsive					

buying behaviour.					
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Thank you for your participation. Hope you have a great day!!!

Appendix 2: Result from SPSS Calculations

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Credit card and compulsive buying behavior	400	6.00	20.00	17.4000	2.11096
Financial literacy	400	6.00	20.00	17.4200	2.12247
Technology advancement	400	6.00	20.00	17.4225	2.12845
Peer influence and social media	400	6.00	20.00	17.4175	2.12119
Psychological factors	400	6.00	20.00	17.4225	2.12492
Valid N (listwise)	400				

Correlations

		Credit card and compulsive buying behavior	Financial literacy	Technology advancement	Peer influence and social media	Psychological factors
Credit card and compulsive buying behavior	Pearson Correlation	1	.996**	.996**	.994**	.996**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	400	400	400	400	400
Financial literacy	Pearson Correlation	.996**	1	.997**	.996**	.998**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	400	400	400	400	400
Technology advancement	Pearson Correlation	.996**	.997**	1	.996**	.999**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	400	400	400	400	400
Peer influence and social media	Pearson Correlation	.994**	.996**	.996**	1	.998**
	Sig. (2-tailed)	.000	.000	.000		.000

	N	400	400	400	400	400
Psychological factors	Pearson Correlation	.996**	.998**	.999**	.998**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	400	400	400	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997 ^a	.994	.994	.16083

a. Predictors: (Constant), Psychological factors, Financial literacy, Peer influence and social media, Technology advancement

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1767.783	4	441.946	17086.728	.000 ^b
	Residual	10.217	395	.026		
	Total	1778.000	399			

a. Dependent Variable: Credit card and compulsive buying behavior

b. Predictors: (Constant), Psychological factors, Financial literacy, Peer influence and social media, Technology advancement

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.138	.067		2.072	.039
	Financial literacy	.514	.056	.516	9.213	.000
	Technology advancement	-.344	.133	-.347	-2.595	.010
	Peer influence and social media	-.354	.068	-.355	-5.174	.000
	Psychological factors	1.175	.175	1.183	6.721	.000

a. Dependent Variable: Credit card and compulsive buying behavior

Reliability Statistics

Cronbach's Alpha	N of Items
.781	4

Reliability Statistics

Cronbach's Alpha	N of Items
.783	4

Reliability Statistics

Cronbach's Alpha	N of Items
.781	4

Reliability Statistics

Cronbach's Alpha	N of Items
.782	4

Reliability Statistics

Cronbach's Alpha	N of Items
.778	4

CREDIT CARD USE BY COMPULSIVE BUYING BEHAVIOR

By: Shriya Shrestha

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paper text:

ABSTRACT The objective of research is to analyze the relationship

between financial literacy, technology advancement, peer influence and **social media and psychological factors**

1

to the credit card and compulsive buying behavior and to examine the impact of

financial literacy, technology advancement, peer influence and social media and psychological factors

1

to the credit card and compulsive buying behavior. The independent variables of the research

are financial literacy, technology advancement, peer influence and social media and psychological factors and

1

dependent variable is credit card and compulsive buying behavior. The correlation and regression analysis is conducted. The data are primary source. The data are collected using questionnaire from the customer of the three sample commercial bank. The finding of the research are the relationship between the

financial literacy, technology advancement, peer influence and social media and psychological factors

1

to the credit card and compulsive buying behavior is positive and significant. The impact of the

financial literacy, technology advancement, peer influence and social media and psychological factors

1

to the credit card and compulsive buying behavior positive and significant. Findings from studies on credit card use by compulsive buying behavior can inform policy decisions and regulatory measures aimed at protecting consumers from predatory lending practices, promoting financial literacy, and fostering responsible credit card use. By identifying the factors that contribute to compulsive buying tendencies, policymakers can develop targeted interventions to support individuals in managing their finances effectively. Keywords:

financial literacy, technology advancement, peer influence and psychological factors , credit card **and**