

# **COMPULSIVE BUYING BEHAVIORS IN NEPALESE CREDIT CARD USERS**

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

By

Shila Paudel

Campus Roll No: 91/074

Exam Roll No: 6258/18

T. U. Registration No: 7-2-789-80-2013

Shanker Dev Campus

Kathmandu

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## **CERTIFICATION OF AUTHORSHIP**

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**COMPULSIVE BUYING BEHAVIORS IN NEPALESE CREDIT CARD USERS**”. 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.

Shila Paudel

June 2024

## REPORT OF RESEARCH COMMITTEE

Ms. Shila Paudel has defended research proposal entitled “**COMPULSIVE BUYING BEHAVIORS IN NEPALESE CREDIT CARD USERS**” 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.

.....  
Dr. Pitri Raj Adhikari  
(Supervisor)

.....  
Dissertation Proposal Defended Date

.....  
Dissertation Submitted Date

.....  
Asso. Prof. Dr. Sajeeb Kumar Shrestha  
Head of Research Committee

.....  
Dissertation Viva Voce Date

## APPROVAL SHEET

We have examined the dissertation entitled “**COMPULSIVE BUYING BEHAVIORS IN NEPALESE CREDIT CARD USERS**” presented by Ms. Shila Paudel for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

.....

Dr. Pitri Raj Adhikari  
Dissertation Supervisor

.....

Internal Examiner

.....

Internal Expert

.....

External Examiner

.....

Asso. Prof. Dr. Sajeeb Kumar Shrestha

Chairperson, Research Committee

.....

Asso. Prof. Dr. Krishna Prasad Acharya  
Campus Chief

June 2024

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Any remaining errors are mine.

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## ABBREVIATIONS

ADBL	:	Agricultural Development Bank Limited
ANOVA	:	Analysis of Variance
CBB	:	Credit Card and Compulsive Buying Behavior
FL	:	Financial Literacy
HBL	:	Himalayan Bank Limited
KBL	:	Kumari Bank Limited
NIMBL	:	Nepal Investment Mega 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 objectives of the research are to assess the factors influencing credit card usage and compulsive buying behavior, to examine the relationship between financial literacy, technological advancement, peer influence, social media, and psychological factors with credit card usage and compulsive buying behavior, and to analyze the impact of these factors on credit card use and compulsive buying behavior. The research employs a descriptive and causal-comparative research design. The independent variables are financial literacy, technological advancement, peer influence, social media, and psychological factors, while the dependent variable is credit card usage and compulsive buying behavior. Correlation and regression analyses are conducted on data collected via questionnaires from customers of five sample commercial banks. The findings reveal that financial literacy, technological advancement, peer influence, social media, and psychological factors significantly influence credit card usage and compulsive buying behavior. The relationships between these factors and credit card usage and compulsive buying behavior are both positive and significant. The impact of financial literacy, technological advancement, and peer influence on credit card usage and compulsive buying behavior is positive and significant, while the impact of social media and psychological factors is negative and significant.

*Keywords: credit card, compulsive buying, Nepalese banking user*

# CHAPTER- I

## INTRODUCTIONS

### 1.1 Background of the Study

Compulsive buying behaviors in Nepalese credit card users present a significant issue with far-reaching social and economic implications. Individuals who exhibit these behaviors often feel an overwhelming urge to purchase items regardless of necessity or financial capacity. This tendency is fueled by various psychological factors, such as emotional distress, low self-esteem, and impulsivity, and is exacerbated by societal norms and cultural values that prioritize material possessions and social status. The influence of peers and social media further amplifies this problem, as individuals feel pressured to match the spending habits of their social circles and the lifestyles portrayed online. Technological advancements in e-commerce and digital payment methods have made it easier for these individuals to indulge their impulses, leading to increased online shopping and impulsive spending. Consequently, this behavior often results in mounting credit card debt and financial distress. Addressing these issues requires a multifaceted approach, including promoting financial literacy, implementing regulatory measures, and fostering a culture of mindful consumption (Palikhe, 2016).

Financial literacy plays a crucial role in mitigating compulsive buying behaviors among Nepalese credit card users. Individuals with a strong understanding of financial concepts are better equipped to make informed decisions about their spending habits and credit card usage. They are more likely to recognize the risks of excessive borrowing and the long-term consequences of accumulating debt. Financial literacy helps individuals set budgets, manage their finances effectively, and distinguish between wants and needs, thereby reducing the likelihood of impulsive purchases driven by compulsive buying tendencies. However, even those with high levels of financial literacy may still struggle with compulsive buying due to underlying psychological factors. Nevertheless, promoting financial literacy is essential for curbing excessive credit card use and fostering healthier financial behaviors among Nepalese consumers (Pradhan, 2016).

In Nepal, social media and peer influence significantly impact credit card use among individuals with compulsive buying tendencies. Social connections play a vital role in Social

media and peer influence significantly impact compulsive buying behaviors among Nepalese credit card users. The pervasive reach of social media platforms like Facebook, Instagram, and TikTok exposes individuals to curated lifestyles and consumer trends, fostering feelings of inadequacy and the fear of missing out. This constant exposure to idealized images and targeted advertising intensifies the desire to purchase goods and services, often leading to impulsive buying. Peer influence further exacerbates this issue, as individuals feel pressured to match the spending habits of their social circles to maintain a certain social image or gain approval. Friends, family, and social connections can encourage overspending and the accumulation of debt, especially in a culture that values material possessions and conspicuous consumption. Consequently, the combined effects of social media and peer pressure drive many Nepalese credit card users toward compulsive buying behaviors, resulting in financial distress and increased debt (Nofario & Hendratono, 2020).

Technological advancements have significantly impacted compulsive buying behaviors among Nepalese credit card users. The increasing availability of internet access and smartphones has facilitated the rise of digital payment methods and e-commerce platforms. This convenience allows individuals to make purchases effortlessly, often leading to impulsive buying driven by instant gratification. The allure of online shopping is further enhanced by promotional offers and discounts, frequently targeted through social media, which incentivize excessive spending. Although these technological advancements offer convenience, they also pose challenges by enabling and exacerbating compulsive buying tendencies, ultimately contributing to increased financial strain and credit card debt among Nepalese consumers (Khare, 2016).

Psychological factors such as impulsivity and low self-control can contribute to compulsive buying behaviors, making individuals more susceptible to making impulsive purchases without considering the long-term financial consequences. These psychological factors, combined with the accessibility and convenience of credit cards and digital payment methods, create a fertile ground for compulsive buying behaviors to thrive among Nepalese credit card users. Addressing these psychological factors is crucial in mitigating compulsive buying behaviors and promoting healthier financial habits (Pradhan, 2016). Strategies such as psychological counseling, mindfulness techniques, and cognitive behavioral therapy can help individuals develop more effective coping mechanisms for managing emotions and reducing impulsive buying tendencies. Moreover, promoting awareness about the psychological triggers of

compulsive buying and fostering a culture that values responsible spending can contribute to improving financial well-being and reducing the negative impacts of compulsive buying on individuals and society as a whole. Therefore, this study examines "compulsive buying behaviors in Nepalese credit card users."

## **1.2 Problem Statement**

In Nepal, the impact of various factors on credit card use among individuals exhibiting compulsive buying behavior presents a complex problem with significant social and economic implications. Psychological factors, such as emotional distress, distorted beliefs, and underlying issues like low self-esteem and impulsivity, contribute to the development and continuation of compulsive buying tendencies. These factors are often intensified by societal norms and cultural values that emphasize material possessions and social status, driving individuals to spend excessively to meet perceived social expectations (Tarka & Babaev, 2021). Peer influence and social media also play a crucial role in shaping credit card use and compulsive buying behavior in Nepal. Friends, family, and social circles can pressure individuals to overspend and accumulate debt to keep up with their peers or maintain a certain social image. Social media platforms, with their extensive reach and targeted advertising algorithms, amplify this pressure by showcasing curated lifestyles and products that foster feelings of inadequacy and fear of missing out.

Technological advancements in e-commerce and digital payment methods have further facilitated the ease with which individuals with compulsive buying tendencies can indulge their impulses, leading to increased online shopping and impulsive spending. The convenience of digital transactions, combined with the allure of promotional offers and discounts, creates a fertile ground for compulsive buying behavior, often resulting in financial distress and debt accumulation (Pradhan, 2016). Addressing the impact of these factors on credit card use and compulsive buying behavior in Nepal requires a comprehensive approach that includes education, regulation, and support systems. Promoting 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 can help mitigate the risks associated with compulsive buying behavior (Khare, 2016). Ultimately, fostering a culture of mindful consumption and financial well-being is crucial for promoting healthier attitudes toward credit

card use and mitigating the adverse effects of compulsive buying behavior on individuals and society. This study examines the interplay between credit card use and compulsive buying behavior among Nepalese banking users.

- i. What are the factors to influence the credit card and compulsive buying behavior?
- ii. 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?
- iii. 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 need to go. The objective of the study is following.

- i. To assess the factors to influence the credit card and compulsive buying behavior.
- 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, technological advancements, peer influence, social media, and psychological factors on credit card use and compulsive buying behavior.

### **1.4 Hypothesis of the Study**

The hypothesis sets the structure for the study's inquiries and directs the choice of variables, methods for gathering data, and analytical approaches. It stands as a verifiable assertion that researchers seek to validate or disprove through empirical investigation and analysis of the data accumulated in the study. The specific hypothesis statements for this study are:

H1: There exists a substantial correlation between financial literacy, technological advancement, peer influence, social media, psychological factors, and credit card use in relation to compulsive buying behavior.

H2: Financial literacy, technological advancement, peer influence, social media, and psychological factors significantly influence credit card use and compulsive buying behavior.

### **1.5 Rationale of the Study**

The rationale for studying compulsive buying behaviors among Nepalese credit card users is multifaceted and crucial for several reasons. Firstly, understanding these behaviors is essential due to their potential negative impacts on individuals and society, such as financial distress and debt accumulation. Nepal, like many developing countries, is experiencing increasing access to credit cards and digital payment methods, which can exacerbate compulsive buying tendencies. This study aims to explore how factors such as financial literacy, technological advancements, peer influence, social media, and psychological factors contribute to compulsive buying behaviors in this context.

Addressing compulsive buying behaviors is important for promoting financial well-being and responsible consumerism. By identifying the key factors influencing these behaviors, policymakers, financial institutions, and educators can develop targeted interventions and strategies to mitigate their adverse effects. This includes promoting financial literacy programs tailored to Nepalese consumers, implementing regulations to protect consumers from predatory marketing practices, and fostering a culture that encourages mindful spending habits.

Additionally, the study contributes to the existing literature by examining compulsive buying behaviors within the unique socio-economic and cultural context of Nepal. By generating empirical evidence and insights, it provides a foundation for future research and practical interventions aimed at reducing compulsive buying and promoting healthier financial behaviors among Nepalese credit card users. Ultimately, the findings of this study can inform policy decisions and educational initiatives that contribute to sustainable economic development and financial stability in Nepal.

### **1.6 Limitations of the Study**

The limitations of the study are following:

- i. The study data are primary in nature.
- ii. Data are 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. Obtaining a representative sample of Nepalese credit card users may be challenging, particularly if the population of interest is diverse in terms of demographics, socio-

- economic status, and geographic location. A small or non-representative sample could limit the ability to generalize findings to the broader population.
- iv. Nepal's cultural diversity and regional variations in economic development may influence compulsive buying behaviors differently across different groups or regions. Failing to account for these differences could limit the applicability of findings.
  - v. The findings of research conducted in Nepal may not necessarily generalize to other countries or contexts with different socio-economic conditions, cultural norms, or levels of credit card usage.

## CHAPTER-II

### LITERATURE REVIEW

This chapter included the three parts. First part is about the theoretical review where explain the concept of variables with theories. The second part is empirical review; where included the various research article. Third part is research gap; which explain the research gap from today with previous and futures day research.

#### 2.1 Theoretical Review

##### Theory of Compulsive Buying Behavior

One relevant theoretical framework explaining compulsive buying behavior is the cognitive-behavioral model. This model suggests that compulsive buying arises from a combination of cognitive distortions, emotional deregulation, and maladaptive coping strategies. According to this perspective, individuals with compulsive buying tendencies often harbor irrational beliefs about the benefits of shopping, such as the notion that acquiring material possessions will lead to happiness or fulfillment. These distorted beliefs drive compulsive buying episodes as individuals seek to alleviate negative emotions or enhance their self-esteem through consumption. Cognitive-behavioral model emphasizes reinforcement processes in perpetuating compulsive buying behavior. Positive reinforcement occurs when individuals experience temporary pleasure or relief from shopping, reinforcing the behavior and increasing its likelihood of recurrence (Shafee et al., 2023). Negative reinforcement occurs when shopping serves as a coping mechanism to escape or avoid distressing emotions, temporarily reducing discomfort. Over time, repeated cycles of reinforcement strengthen the association between shopping and emotional regulation, solidifying compulsive buying patterns.

The cognitive-behavioral model underscores the significance of situational triggers and cognitive biases in driving compulsive buying behavior. Situational triggers, such as encountering sales promotions or feeling social pressure, can trigger impulsive shopping urges. Cognitive biases, such as selectively attending to materialistic cues or overestimating the benefits of purchases, further distort individuals' perceptions and decision-making processes, reinforcing compulsive buying tendencies (Kakkar & Shukla, 2023).

### **Financial Literacy**

An applicable theory for understanding the relationship between financial literacy and compulsive buying behavior is the Dual Process Theory. This theory posits that decision-making involves two distinct systems: a reflective, deliberate system, and an impulsive, automatic system. In financial decisions, individuals with higher levels of financial literacy are more likely to engage the reflective system, which involves thoughtful consideration of information, evaluation of options, and anticipation of consequences (Silaban et al., 2024).

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. Furthermore, individuals prone to compulsive buying may exhibit heightened sensitivity to specific situational cues, such as sales promotions or peer influence, which can trigger impulsive responses (Kakkar & Shukla, 2023).

Financial literacy serves as a protective factor against compulsive buying behavior by enhancing individuals' ability to engage the reflective system and exercise self-control over impulsive urges. For instance, financially literate individuals are better equipped to recognize the financial implications of their purchasing decisions, establish and adhere to budgets, and resist the allure of immediate gratification in favor of long-term financial goals (Ezisi & Chine, 2023).

### **Technology Advancement**

A relevant theoretical framework for understanding the impact of technology advancement on compulsive buying behavior is the Stimulus-Response Theory. According to this theory, individuals' behaviors are influenced by external stimuli that trigger automatic responses or reactions. In the context of compulsive buying, technological advancements—particularly in e-commerce platforms and mobile applications—have significantly increased the accessibility, convenience, and attractiveness of shopping experiences.

Technology constantly bombards individuals with stimuli through personalized advertisements, social media influencers, and targeted marketing campaigns, creating an environment conducive to impulsive buying behavior. Features such as one-click purchasing and personalized recommendations based on previous purchases reduce barriers to instant

gratification, thereby fueling compulsive buying tendencies (Cera et al., 2021). Moreover, advancements in payment technologies, such as digital wallets and buy-now-pay-later services, facilitate impulsive spending by dissociating the act of purchasing from immediate financial consequences, which can weaken individuals' inhibitions and lead to excessive or compulsive buying behavior.

### **Peer Influence and Social Media**

Social Learning Theory offers valuable insights into the influence of peer interaction and social media on compulsive buying behavior. Social media platforms serve as powerful channels for exposure to peer behaviors, product endorsements, and aspirational lifestyles. Through curated content, influencers, and social networks, individuals are consistently exposed to idealized depictions of material possessions, luxury lifestyles, and consumer experiences. This exposure can create pressures for social comparison and a desire to emulate or conform to perceived social norms and trends, thereby increasing susceptibility to compulsive buying behavior (Hassan et al., 2020).

Social media facilitates interactions and engagement surrounding shopping experiences through features like comments, likes, shares, and reviews. Positive reinforcement from peers, such as validation, approval, or admiration for purchases, can reinforce impulsive buying behavior and contribute to a cycle of compulsive spending. Moreover, 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 can drive individuals to engage in excessive or compulsive buying behavior to align with perceived social norms and maintain their online social status (Khare, 2016).

### **Psychological Factors**

The Self-Determination Theory (SDT) provides a relevant theoretical framework for understanding the psychological factors underlying compulsive buying behavior. According to SDT, individuals are driven to satisfy three fundamental psychological needs: autonomy, competence, and relatedness. These needs play a crucial role in motivating and sustaining behaviors, including compulsive buying (Silaban et al., 2024).

Autonomy refers to the need for individuals to feel in control of their actions and decisions. For individuals with compulsive buying tendencies, shopping may serve as a means of asserting control and autonomy, providing a temporary escape from feelings of powerlessness or inadequacy in other aspects of their lives. Competence involves the need to feel effective and capable in one's actions. Compulsive buyers may seek validation and self-worth through their ability to acquire material possessions and make purchases, which can bolster their 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 (Ezisi & Chine, 2023).

Psychological factors such as personality traits, emotional regulation difficulties, and cognitive biases 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 or the overvaluation of immediate rewards, further reinforce compulsive buying behavior by distorting individuals' perceptions and decision-making processes (Kakkar & Shukla, 2023).

## **2.2 Empirical Review**

Silaban et al. (2024) explored factors influencing debt behavior among active students at the Faculty of Economics and Business, USU. Their study utilized multiple linear regression analysis and highlighted that limited financial literacy was significantly and negatively associated with debt behavior. Conversely, compulsive buying exhibited a positive and significant correlation with debt behavior. Additionally, income levels were found to negatively impact debt behavior. The research underscores the importance of improving financial literacy, reducing compulsive buying tendencies, and aligning financial decisions with income levels to mitigate debt behavior.

Halim and Christian (2024) investigated the impact of materialism on credit card usage, impulsive buying, and compulsive buying among adult credit card users in Jakarta. Using SEM-PLS and SMART PLS 3.0 with 197 participants, their study revealed that materialism influences both credit card use and impulsive purchasing. However, it did not find a direct effect of credit card use on compulsive buying behavior. The findings suggest that impulsive purchases driven by internal motivations often escalate into compulsive buying, emphasizing the complex dynamics influenced by materialistic tendencies.

Shafee et al. (2023) focused on compulsive buying behavior among young adults, highlighting its prevalence and the contributing factors. Their study of 276 Gen Z respondents explored the roles of financial literacy, technological advancements, and peer and social media influences. The findings underscored these factors' significant contributions to compulsive buying behavior, emphasizing the intricate relationships in today's consumer environments.

Kakkar and Shukla (2023) investigated factors influencing compulsive buying behavior among credit card users in Gorakhpur. Their study identified occupation, income, education, and marital status as key determinants of compulsive purchasing tendencies. They also validated the relevance of a compulsive buying behavior scale tailored to local contexts, providing insights into consumer behavior dynamics within specific socio-economic settings.

Ezisi and Chine (2023) examined the relationship between financial prudence, ATM card usage, and compulsive buying behavior among university students. Their study with 157 participants from the social sciences faculty revealed a positive association between excessive ATM card use and compulsive buying behaviors. However, contrary to their hypothesis, they did not find a significant link between financial prudence and compulsive buying behavior, suggesting vulnerability among students with higher ATM card usage and lower financial caution.

Rana and Malik (2023) explored how credit facilities influence compulsive buying behavior among university students using survey research methods with 781 respondents. Their findings identified anxiety, depression, and stress as significant triggers for compulsive buying, alongside factors like materialism, desire for uniqueness, and lack of self-control. The study highlighted the mediating role of compulsive buying behavior in the relationship between credit facilities and consumer repurchase intentions.

Burhan et al. (2022) conducted a quantitative survey among university students from low-income families to investigate compulsive online-buying behavior. Their study of 439 respondents found that higher levels of neuroticism, openness to experiences, and conscientiousness significantly elevated materialistic tendencies. This suggests that individuals with higher neuroticism may exhibit reduced self-regulation and emotional control, potentially leading to more compulsive online shopping behaviors among extroverted individuals engaged in interactive online platforms.

Tarka and Kukar-Kinney (2022) adapted the Richmond Compulsive Buying Scale for the Polish cultural and linguistic context to examine the prevalence of compulsive buying and its antecedents among young Polish consumers. Using a multiple indicators and multiple causes model, their study investigated correlations between compulsive buying measures and various consumer characteristics. The research highlighted that in Poland, compulsive buying behaviors are strongly influenced by factors such as low self-esteem, high levels of materialism, depression, anxiety, stress, and negative emotions.

Cera et al. (2021) conducted research on the impact of credit card usage on compulsive buying behavior among consumers in Albania, considering demographic variables. They collected primary data through structured questionnaires distributed to a diverse group including students, professionals, and bank employees in Tirana. Supplementing their study with secondary data from economic journals, they found significant positive relationships between credit card costs, buying behaviors, attitudes toward credit card use, and individual tendencies toward compulsive buying.

Shemeis et al. (2021) examined the direct effects of the Big Five personality traits on compulsive buying among customers in shopping malls in North Delta, Egypt. Using Smart PLS-SEM3 software and a sample of 384 respondents, their study revealed that neuroticism positively influenced compulsive buying, while extraversion and conscientiousness had negative effects. The research also explored the mediating role of negative consumer emotions in these relationships, shedding light on how personality traits shape consumer behaviors.

Tarka and Babaev (2021) assessed compulsive buying tendencies among young Polish consumers and developed the Polish version of the Compulsive Buying Scale (P-CBS). This methodological advancement aimed to differentiate between compulsive and non-compulsive

buyers, confirming the scale's reliability and validity in identifying problematic buying behaviors among young consumers.

Hassan et al. (2020) reviewed studies on social commerce and its impact on buying intentions and compulsive buying behaviors among online users, particularly those active on social media networks. Their research emphasized that engaging in social media platforms and exposure to purchasing-related content significantly stimulate buying intentions and compulsive buying behaviors, often leading to increased credit card usage and subsequent financial challenges among consumers.

Maccarrone-Eaglen and Schofield (2020) analyzed the characteristics of compulsive buying behavior among young consumers using an enhanced screener. Their quantitative approach investigated attitudes, decision-making processes, product preferences, and the influence of credit card use on the severity of compulsive buying. The findings provided insights into the variability of compulsive buying patterns and associated shopping behaviors among young consumers, highlighting both psychological and financial implications.

Nofario and Hendratono (2020) explored the impact of credit card usage moderation on the relationship between Money Power Prestige, Money Distribution, Money Anxiety, and Compulsive Buying among Indonesian e-commerce users. Their study of 302 credit card users who made purchases online found that only the influence of Money Power Prestige on compulsive buying was statistically significant. The expected moderating effect of credit card usage in the relationships between independent and dependent variables was not supported by their data.

Khare (2016) investigated the influence of money attitudes, credit card use, age, and gender on compulsive buying behavior among consumers in India. The study highlighted that compulsive buying tendencies are shaped by money attitudes related to power and price sensitivity, with age moderating the impact of attitudes towards extravagance and prudence. This research suggested potential strategies for credit card companies to educate consumers about responsible usage, addressing social and financial challenges associated with compulsive buying.

Omar et al. (2014) explored the factors contributing to credit card misuse among employed adults in Klang Valley, Malaysia. Their study investigated the interconnections between self-

esteem, materialism, impulsive buying, budget constraints, compulsive buying, and credit card misuse. Data from 186 credit card users were gathered through convenience sampling. Employing AMOS 20 for structural equation modeling, the research found significant influences of budget constraints, impulsive buying, and materialism on compulsive buying behavior. Notably, self-esteem was negatively associated with credit card misuse, while compulsive buying exhibited a positive correlation with it.

Table 1

*Summary of Article Review*

S.N	Author (S)	Variables	Methodology	Major Finding
1	Silaban et al./ (2024)	Dependent: Debt Behavior Independent: financial literacy, compulsive buying and income	The analysis technique used is multiple linear regression analysis.	The research reveals that among students actively enrolled at the Faculty of Economics and Business, possessing moderate financial literacy is linked to a substantial decrease in debt behavior. Furthermore, compulsive buying behavior shows a significant positive correlation with debt behavior, while income exerts a negative and significant influence on debt behavior.
2	Halim and Christian / (2024)	Dependent: Compulsive buying behavior	Data was collected from adult credit card users in Jakarta through a survey. This	Materialism significantly impacts both credit card usage and impulsive buying behaviors,

- Independent: quantitative method potentially leading  
Materialism, involved 197 impulsive purchases to  
Need for participants and escalate into compulsive  
Uniqueness, utilized Structural behavior. However,  
Stress, Equation Modeling- compulsive buying  
Anxiety, Partial Least Squares tendencies predominantly  
Depression, with Smart PLS. arise from internal factors,  
Self-Control and Credit Facility a and the study found no  
direct influence of credit  
card usage on the  
occurrence of compulsive  
buying behaviors.
- 3 Shafee et al./ (2023) Dependent: Quantitative methods The findings reveal the  
Compulsive were employed to main drivers and  
buying collect and analyze contributors to compulsive  
behavior data from a sample of credit card usage for  
Independent: 276 respondents from purchases, highlighting the  
Financial Generation Z. influence of financial  
literacy, technological  
Technology advancements, and peer  
advancement, and social media  
Peer influence influence..  
and social  
media and  
Psychological  
factors
- 4 Kakkar and Shukla / (2023) Dependent: Three hypotheses were Significant correlations  
Compulsive formulated to achieve were observed between the  
Buying the research tendency towards  
Independent: objectives, grounded compulsive buying and  
Credit Card, variables such as

- Consumer, Income, Occupation, Marital Status
- in these identified factors.
- employment status, income levels, educational attainment, and marital status.
- 5 Ezisi and Chine/ (2023) and  
 Dependent: Compulsive Buying Behavior  
 Independent: ATM card and Financial Prudence
- A sample of 157 participants was randomly chosen from two departments within the Faculty of Social Sciences. The study utilized Pearson correlation statistics to test two hypotheses.
- The findings affirmed the first hypothesis, which proposed a positive correlation between compulsive buying behaviors. However, the second hypothesis, which posited a positive relationship between financial prudence and compulsive buying behavior, was not supported by the results.
- 6 Rana and Malik/ (2023) and  
 Dependent: Compulsive buying behavior  
 Independent: Materialism, Need for Uniqueness, Stress, Anxiety, Depression, Self-Control, Credit Facility
- The sampling framework and sample size were determined using multistage cluster sampling. A total of 781 valid questionnaires were collected and analyzed among university students, employing SPSS and Amos to assess the proposed model.
- Anxiety, depression, and stress serve as significant catalysts for both compulsive buying behavior and repurchase intentions. Moreover, materialism, the desire for uniqueness, and lack of self-control demonstrated positive associations with compulsive buying behavior. Compulsive buying behavior was also identified as mediating the

- relationship between compulsive buying and repurchase intentions.
- 7 Rodríguez-Brito et al./ (2022) Dependent: Compulsive Buying  
Independent: Shopping addiction, Subjective well-being, Gender, Social network user, Number of Smartphones owned  
Correlation regression conducted.  
and Anxiety, depression, and stress serve as significant catalysts for both compulsive buying behavior and repurchase intentions. Moreover, materialism, the desire for uniqueness, and lack of self-control demonstrated positive associations with compulsive buying behavior. Compulsive buying behavior was also identified as mediating the relationship between compulsive buying and repurchase intentions.
- 8 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.  
Online shopping contributed to a rise in compulsive buying, showing no distinction between genders. However, the ownership of credit cards moderated the influence of gender on compulsive buying, rendering females more

- susceptible to compulsive purchasing behaviors.
- 9 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.
- The research underscores that individuals with elevated neuroticism typically demonstrate diminished self-regulation and emotional control. In contrast, extroverted individuals are frequently drawn to interactive online platforms, intensifying their engagement in online shopping activities.
- 10 Tarka and Kukar-Kinney / (2022) Dependent: compulsive buying measure  
Independent: precursors, including consumers' traits and states
- Implementing a multiple indicators and multiple cause's model.
- According to the study's findings, compulsive buying in Poland appears to be influenced by factors such as low self-esteem, high levels of materialism, depression, anxiety, stress, and negative emotions.
- 11 Cera et al./ (2021) Dependent:   
Independent: Gender, Age, Monthly income, Being single, Credit card usage,
- The study utilized a combination of primary and secondary data sources. Primary data was collected using a structured questionnaire
- The study reveals that the expenses associated with credit card usage, purchasing patterns, and attitudes toward credit card utilization significantly influence an

- Buying behavior and Attitude towards credit card usage distributed to a diverse range of participants, including students, professionals from various sectors, and employees from multiple banks in Tirana, all of whom displayed keen interest in participating in the survey.
- 12 Shemeis, Asad and Attia/ (2021) Dependent: Compulsive buyers Independent: Big Five Factors traits. The survey used in the study was adapted from existing scales and assessments, all utilizing a five-point Likert scale format. The results indicated a significant positive association between Neuroticism and tendencies towards compulsive buying. In contrast, Extraversion showed a notable negative correlation with compulsive buying. Moreover, Conscientiousness was found to exert a significant negative influence on compulsive buying behaviors.
- 13 Tarka and Babaev /(2021) Dependent: compulsive buying behavior The study built upon previous methodological research on consumer The study's findings demonstrated the robust reliability and validity of the Polish-Compulsive

- Independent: culture among Consumer Scale (P-CBS), non-newcomers, especially among compulsive specifically individuals exhibiting buyers. investigating compulsive buying behaviors in two particularly evident among distinct consumer young consumers who groups: those reported challenges in predisposed to controlling their shopping compulsive buying and behaviors and managing those who are not. their finances.
- 14 Hassan et al. / (2020) Dependent: compulsive buying and inducing credit card Independent: social commerce, Social network as motivation, Consumer-friends, Online promotions The articles reviewed initially highlighted several key findings: firstly, an uptick in communication concerning purchases; secondly, a greater influx of customer feedback; and thirdly, subsequent actions taken based on these reviews. The frequent use of sales and promotions by companies on social commerce platforms increases credit card usage, leading to heightened risks of debt with financial institutions. This scenario can lead to psychological distress and dissatisfaction in the workplace.
- 15 Maccarrone-Eaglen and Schofield/ (2020) Dependent: compulsive buying behavior; Independent: mildly compulsive; The research employs quantitative methods to analyze compulsive behavior among young consumers, utilizing data from a survey questionnaire and a Segmenting compulsive buyers according to the severity of their condition provides valuable insights into the asymmetrical variations between groups in anxiety levels, product

- severely compulsive, decision-making, credit cards. substantial size. sample preferences, emotions, attitudes, and the influence of credit card usage. Furthermore, it illuminates the differences within groups concerning daily compulsive patterns and shopping behaviors.
- 16 Nofario and Hendratono/ (2020) Dependent: Compulsive buying Independent: Money Power Prestige, Money Distrust and Money Anxiety The study employs non-probability sampling and SEM-PLS for data analysis. The results indicated that only the first hypothesis, which examined the impact of money power prestige on compulsive buying, achieved statistical significance. However, the other hypotheses were not substantiated. Additionally, credit card usage did not act as a moderator in the relationship between the independent and dependent variables.
- 17 Khare /(2016) Dependent: Compulsive Buying Independent: Price Sensitivity Prestige This would aid in understanding any differences, if they exist, between markets in developing and developed countries. The research suggests that attitudes towards money, particularly related to authority and sensitivity to prices, influence compulsive buying tendencies. Age moderates

		Anxiety Power, Payment Risk Extravagance - prudence Credit use	these attitudes towards extravagance or prudence. Credit card companies can implement strategies that leverage concepts of 'authority' and 'price sensitivity' to appeal to consumers.
18	Omar et al./ (2014)	Dependent: Compulsive buying and credit card misuse Independent: self-esteem, materialism, impulsive buying and budget	A sample of 186 questionnaires was gathered through convenience sampling from employed adult credit card users in Malaysia. The relationships between the variables under investigation were analyzed using a structural equation model tested with AMOS 20.
			The results suggest that budget constraints, impulsive buying, and materialism have a significant impact on compulsive buying. In terms of credit card misuse, self-esteem has a negative effect, while compulsive buying has a positive effect.

### 2.3 Review of Article in Nepalese Context

Ajita and Tamang (2022) investigated the factors influencing impulsive buying behavior among Nepalese women in supermarkets. They utilized a cross-sectional research design, collecting 211 responses through online and printed surveys. Respondent selection was based on convenience and judgment sampling. The study found that women's impulsive purchasing behavior in supermarkets is strongly influenced by their financial independence and the store environment. Specifically, women are more likely to shop impulsively when they have the means to pay independently, and the store environment influences them to deviate from their

planned shopping lists. The study recommends that supermarkets enhance their ambiance and customer service to cater to these behaviors. Future research should consider broader geographical perspectives and include factors such as packaging, culture, and lifestyle.

Liyanage and Wijesundara (2020) reviewed impulse buying behavior, focusing on internet-based unplanned purchasing patterns. Their research synthesized literature within the South Asian context, particularly examining the supermarket industry in Sri Lanka, India, Nepal, and Pakistan. The paper highlighted the increasing significance of online impulse buying behavior, drawing from theories, empirical studies, and industry practices.

Pradhan (2016) explored factors affecting impulsive buying behavior in supermarkets among consumers in Kathmandu Valley. Using convenience and quota sampling, the study found that a majority of supermarket shoppers make impulsive purchases without prior planning. Products like personal care items, groceries, and accessories were frequently purchased impulsively. The study indicated that product categories and financial independence had minimal influence on impulsive buying behavior among respondents.

Palikhe (2016) examined the impact of in-store displays on impulsive buying behavior among apparel consumers in Pokhara Valley. Employing a descriptive and analytical research design, the study collected primary data through structured questionnaires from 120 respondents using convenience sampling. The findings demonstrated a significant relationship between in-store displays and consumers' impulsive buying decisions regarding apparel purchases. Store displays were found to play a crucial role in influencing impulsive buying behavior.

## **2.4 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. Casual comparative research design 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

The process of arriving at solutions to a problem by the organized and methodical gathering, evaluating, and justification of data and facts is known as research methodology. It is the framework, approach, and plan of an inquiry aimed at addressing a research issue or validating a research hypothesis. In this sense, the study design, data source, population and sample, data analysis techniques, and instruments are covered in the research methodology chapter. The following are the primary components of the research technique used for this study:

#### 3.1 Research Design

Descriptive and Causal comparative research designs were employed in this study. Descriptive for achievement of objective one with mean, minimum and maximum and standard deviation calculation. In order to provide the reader with an insightful report, comparative data banks must be supplied. The data is be analyzed and interpreted using statistical methods. The study employed 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 and Sampling Design

The population under consideration for this research comprises the 20 commercial bank. Only five of them used as sample in this investigation. Utilized to calculate the population's sample size.

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

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, research can calculate 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. But the limited number of credit card user the respondent of research is 120 in number. The customer of five bank namely Himalayan Bank, Kumari Bank, Nabil bank, Nepal investment mega bank and Agricultural Development Bank of Kathmandu valley are Utilized to calculate the population's sample size.

### **3.3 Nature and Source of Data**

Researchers describe the nature and sources of data under the heading "nature and source of data." Primary data and secondary data are the two different types of data. Various sources are accessible for various types of research projects. Unbroadcast and broadcast sources are a couple of them. Researcher articles, annual reports, newspapers, tax returns, government policy, novels, and so on are examples of broadcast sources. Unbroadcast sources include internal decision-making inside companies, minutes, vouchers, etc. In this research the data are in the nature of primary and source are is the response of the respondent of questionnaire survey who are the employee of the bank.

### **3.4 Instrument of Data Collection**

The term "instrument" describes the equipment they employ to gather data. A variety of instruments, including questionnaires, laboratory and quasi-experiments, observations, interviews, and scales, are used to gather primary data. Secondary data are gathered from the concerned banks' websites. In order to get the information from the banks' annual reports that are released. The NRB's (Banking and Financial Statistics) economic report and other publicly available statistical data were used, and informal conversations and procedures were employed to gather additional information. In this research data collecting instrument is the questionnaire.

### 3.5 Methods of Analysis

Various statistical methodologies are utilized to achieve the study's objectives, including multiple regression analysis, correlation analysis, and descriptive statistics. Patterns observed in the data guide the analytical 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
$\alpha > 0.5$	Unacceptable

#### 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, also known as the average, is computed by adding up all the values in a dataset and dividing the sum by the number of observations. This statistical measure is considered a representation of central tendency and is applied in this research to analyze data concerning sample banks across ten fiscal years. It is calculated as;

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

Where,  $\bar{X}$  = Mean

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

n = Variable involved

**Standard Deviation ( $\sigma$ ):**

Standard deviation, a statistical metric, gauges the extent of variability or spread within a dataset. Computed as the square root of the variance, it involves assessing the deviation of each data point from the mean. It is denoted by ( $\sigma$ ).

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

Where,

X=variables

$\bar{X}$  = mean

N= No. of Period

**Minimum**

The minimum, representing the lowest value in a given dataset, is also referred to as the smallest data point within the variable under examination. It is the initial data value when the dataset is arranged in ascending order. While the minimum value may be duplicated in the dataset, it is considered a unique figure, as one instance must be lesser than the other if there are repetitions.

**Maximum**

The maximum, denoting the highest value within a provided dataset, is also known as the largest data point associated with the variable under consideration. It represents the final data value when the dataset is arranged in ascending order. The maximum value is considered unique in a dataset, even if it appears more than once, as one instance must be greater than 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 variables of X and Y

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

$\sum X$  = Sum of the observation variables series X

$\sum Y$  = Sum of the observation variables series Y

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

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

This statistical tool determines the strength and direction of the relationship between two sets of data. It displays the degree of connection as well as the movement of two variables together. The Pearson correlation coefficient has been used to explain the link. The correlation coefficient has a value between -1 and +1. Two variables are said to have complete negative correlation if their correlation coefficient is precisely -1, meaning that they move in the exact opposite direction of one another. In contrast, the variables are said to be fully positively connected if the correlation coefficient is +1

### **Multiple Regression Analysis**

One way to characterize multiple regression analysis would be as a statistical method for examining the connection between multiple independent variable (predictor) and one dependent variables (criterion). Predicting how the dependent variable will vary in response to changes in the independent variables is the aim of multiple regression analysis. It may be understood as the likelihood of your multiple regressions being a good predictor. The amount of variance in the dependent variables that the regression equation can account for is another way to evaluate a multiple determination. The multiple regression equation can be as follows:

Model

$$CBB = \alpha + \beta_1 \times FL + \beta_2 \times TA + \beta_3 \times PISM + \beta_4 \times PF + e$$

Where,

CBB =Credit card and compulsive buying behavior

FL =Financial literacy

TA =Technology advancement

PISM =Peer influence and social media

PF =Psychological factors

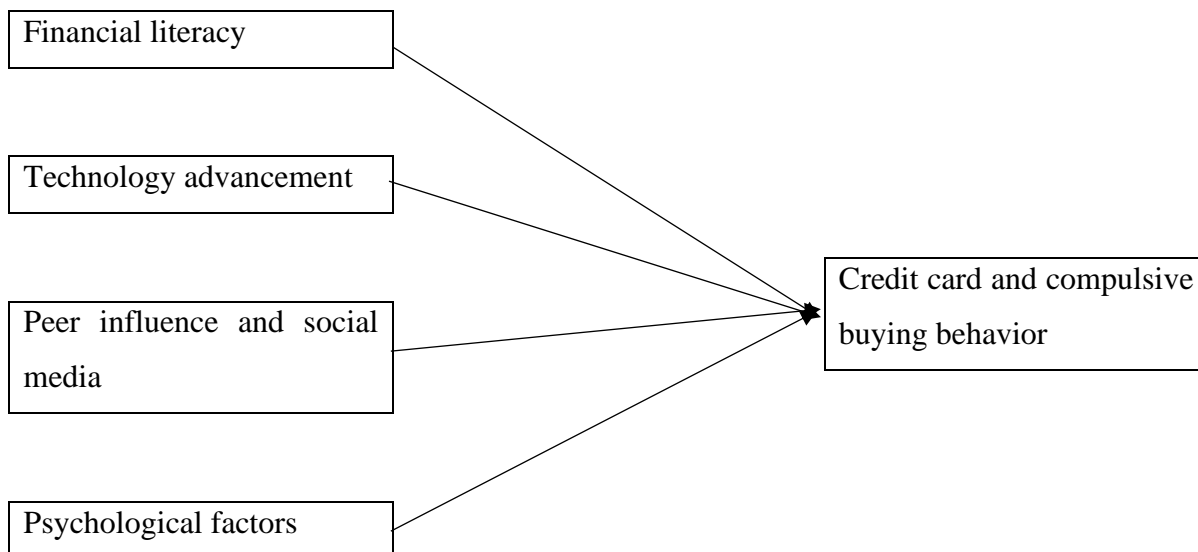
$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  intercept of independent variables on regression equation

### 3.6 Research Framework and Definitions of the Variables

Independent Variables

Dependent Variable



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

*Figure 1: Research Framework*

#### Definitions of the Variables

##### Dependent Variables

##### Compulsive Buying Behavior

Compulsive buying behavior involves an irresistible compulsion to make purchases regardless of necessity or financial means, which can significantly impact individuals' credit card usage. Those affected often find themselves repeatedly using their cards driven by immediate gratification or emotional needs rather than practical considerations. This uncontrolled spending can quickly lead to mounting credit card debt and financial difficulties. The ease of credit card transactions may worsen compulsive buying tendencies, as it disconnects individuals from the tangible consequences of their purchases. Addressing the underlying causes of compulsive buying is essential to mitigate excessive credit card use and promote healthier financial habits.

### Financial Literacy

Financial literacy plays a crucial role in shaping credit card use among individuals with compulsive buying behavior. Those who understand financial concepts are better equipped to make informed decisions about spending and borrowing. They are more likely to grasp the implications of excessive debt and manage their finances effectively by setting budgets and distinguishing between wants and needs. However, even with high financial literacy, individuals may struggle with compulsive buying due to psychological factors. Nevertheless, promoting financial literacy can help mitigate the impact of compulsive buying on credit card use and encourage responsible financial behaviors.

### Technological Advancements

In Nepal, technological advancements are reshaping credit card use and its association with compulsive buying behavior. While digital payment methods and e-commerce are less prevalent compared to other countries, increased internet access and smartphone adoption are influencing consumer behavior. For Nepalese individuals prone to compulsive buying, online shopping's convenience enables impulsive purchases driven by instant gratification. Promotions and discounts targeted through social media further stimulate spending. Mobile banking apps and digital wallets also facilitate credit card use, enhancing the temptation for spontaneous purchases.

### Peer Influence and Social Media

In Nepal, peer influence and social media significantly impact credit card use among those with compulsive buying tendencies. Social connections play a vital role, influencing purchasing decisions, especially for individuals susceptible to impulsive spending. Platforms like Facebook and Instagram showcase lifestyles and products, fostering comparison and social pressure. Targeted ads on social media tailored to users' interests amplify compulsive buying behaviors by promoting personalized products and experiences.

### Psychological Factors

Psychological factors are pivotal in Nepalese individuals' credit card use affected by compulsive buying behavior. Emotional distress, such as stress or depression, can drive individuals to seek relief through shopping, using credit cards to cope temporarily. This reliance on retail therapy perpetuates compulsive buying as individuals chase fleeting

satisfaction from purchases. Distorted beliefs and irrational thinking patterns also contribute to compulsive buying tendencies, further complicating financial management.

## CHAPTER-IV

### RESULTS AND DISCUSSION

To speed up the availability of the results in accordance to the research objectives, the result of the different data analysis have been presented. The data have been assessed using the study approach described in the third chapter in order to get the best results. This chapter's goal is to provide an introduction to the procedures for analyzing and interpreting data. According to the variety of methods and techniques employed for determining the relevance and link between the data and the purpose, it has been described in categories. This chapter describes an analysis using primary data and its conclusions.

#### 4.1 Result

##### 4.1.1 Demographic Characteristics

Demographics variables include the different personal detail of the respondent. They are Gender, marital Status, Level of Education, Daily Business type, account earning in Month and institution where bank about the street vendor of Kathmandu valley. Following is the table which shows the detail of the respondent.

##### Name of the bank

The respondent in total are 120, who are the credit card user of the bank. The different five bank which have the credit card holder of total respondent are presented in the table 3.

Table 3

*Respondent's banks*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Himalayan Bank	13	10.8	10.8	10.8
	Kumari Bank	52	43.3	43.3	54.2
	Nabil bank	12	10.0	10.0	64.2
	Nepal Investment Mega Bank	10	8.3	8.3	72.5
	Agricultural Development Bank	33	27.5	27.5	100.0
	Total	120	100.0	100.0	

Source: *Appendix- 2*

Table 3 present the respondent's bank name. The Himalayan Bank, Kumari Bank, Nabil bank, Nepal Investment Mega Bank and Agricultural Development Bank. They are 13, 52, 12, 10 and 33 respectively in number out of 120. In percent they are 10.8, 43.3, 10.0, 8.3 and 27.5 respectively of Himalayan Bank, Kumari Bank, Nabil bank, Nepal Investment Mega Bank and Agricultural Development Bank credit card user and respondent of this study.

### Gender of respondent

Gender means either male or female respondent and they are presented here table 4.

Table 4

#### *Respondent Gender*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	87	72.5	72.5	72.5
	Female	33	27.5	27.5	100.0
	Total	120	100.0	100.0	

Source: *Appendix- 2*

Table 4 present the respondent gender and they are male and female. The male respondent are 87 in number and 72.5 in percent; female are 33 in number and 27.5 in percent out of 120 respondent.

### Age of Respondent

The respondent have different age categories. The age of them are below 20 years, 20-30 years, and 31-45 years and above 46 years are. The detail is presented here table 5.

Table 5

#### *Age of Respondent*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	8	6.7	6.7	6.7
	21-30 years	46	38.3	38.3	45.0
	31-45 years	47	39.2	39.2	84.2
	Above 46	19	15.8	15.8	100.0
	Total	120	100.0	100.0	

Source: *Appendix- 2*

Table present the age of respondent and they are below 20 years, 20-30 years, and 31-45 years and above 46 years. They are in number 8, 46, 47 and 19 respectively of below 20 years, 20-30 years, and 31-45 years and above 46 years. They are in percentage 6.7, 38.3, 39.2 and 15.8 respectively of below 20 years, 20-30 years, and 31-45 years and above 46 years.

### **Marital status**

The marital status of the credit card user are either married or unmarried. The detail of the respondent are presented here in the table 6.

Table 6

#### *Marital status*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	60	50.0	50.0	50.0
	Unmarried	60	50.0	50.0	100.0
	Total	120	100.0	100.0	

Source: *Appendix- 2*

Table 6 present the marital status of the respondent. They are equal in number married and unmarried both are 60 and in percent they are 50 % of each.

### **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.

Table 7

#### *Reliability Statistics*

Variables	Cronbach's Alpha	N of Items	Internal Consistency
Credit card and compulsive buying behavior	0.978	4	Excellent
Financial literacy	0.881	4	Acceptable
Technology advancement	0.983	4	Excellent
Peer influence and social media	0.881	4	Acceptable
Psychological factors	0.882	4	Acceptable

Source: *Appendix-2*

Table 7 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.

#### 4.1.3 Descriptive Statistics

Descriptive statistics encompass statistical techniques used to evaluate various variables, including mean, median, minimum, maximum, standard deviation, and others. These statistical methods 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, social media impact, psychological factors, as well as credit card usage and compulsive buying behavior—all of which are variables investigated in the study.

Table 8

##### *Descriptive statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
Credit card and compulsive buying behavior	120	10.00	20.00	17.2	1.6
Financial literacy	120	10.00	20.00	17.22	1.6
Technology advancement	120	10.00	20.00	17.2	1.6
Peer influence and social media	120	10.00	20.00	17.2	1.7
Psychological factors	120	10.00	20.00	17.2	1.68
Valid N (listwise)	120				

Source: *Appendix- 1&2*

Table 8 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 120 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 credit card and compulsive buying behavior has minimum, maximum, mean and standard deviation is 10.00, 20.00, 17.2 and 1.6 respectively. The financial literacy has minimum, maximum, mean and standard deviation is 10.00, 20.00, 17.22 and 1.6 respectively. The technology advancement has minimum, maximum, mean and standard deviation is 10.00,

20.00, 17.2 and 1.6 respectively. The peer influence and social media has minimum, maximum, mean and standard deviation is 10.00, 20.00, 17.2 and 1.7 respectively. The Psychological factors has minimum, maximum, mean and standard deviation is 10.00, 20.00, 17.2 and 1.68 respectively.

#### 4.1.4 Correlation Analysis

This statistical method is employed to determine the direction and strength of the association between two sets of variables. The relationship is clarified using the Pearson correlation coefficient, which ranges from -1 to +1. A correlation coefficient of exactly -1 signifies perfect negative correlation, indicating that the variables move directly in opposite directions. In this study, correlations are assessed between the independent variables—financial literacy, technological advancements, peer influence and social media impact, and psychological factors—and the dependent variable, which is credit card usage and compulsive buying behavior. These correlations are computed based on responses collected from respondents using SPSS.

Table 9

#### *Correlation analysis*

		CBB	FL	TA	PISM	PF
CBB	Pearson Correlation	1	.990**	.988**	.984**	.990**
	Sig. (2-tailed)		.000	.000	.000	.000
	N		120	120	120	120
FL	Pearson Correlation		1	.978**	.991**	.988**
	Sig. (2-tailed)			.000	.000	.000
	N			120	120	120
TA	Pearson Correlation			1	.972**	.978**
	Sig. (2-tailed)				.000	.000
	N				120	120
PISM	Pearson Correlation				1	.997**
	Sig. (2-tailed)					.000
	N					120
PF	Pearson Correlation					1
	Sig. (2-tailed)					
	N					

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

Source: *Appendix- 1&2*

Table 9 presents the correlation matrix of variables examined in the study. The study encompasses five sample banks: Himalayan Bank, Kumari Bank, Nabil bank, Nepal

Investment Mega Bank and Agricultural Development Bank, with a total of 120 respondents. Based on the responses to the questionnaire, the correlations were calculated. The findings are as follows:

The correlation between financial literacy and credit card usage and compulsive buying behavior is positive, with a value of 0.990. This correlation is significant, as the p-value is 0.000, which is below the 0.01 threshold, thus confirming the hypothesis.

The correlation between technological advancement and credit card usage and compulsive buying behavior is positive, with a value of 0.988. This correlation is also significant, with a p-value of 0.000, supporting the hypothesis.

The correlation between peer influence and social media and credit card usage and compulsive buying behavior is positive, with a value of 0.984. This significant correlation, indicated by a p-value of 0.000, validates the hypothesis.

The correlation between psychological factors and credit card usage and compulsive buying behavior is positive, with a value of 0.990. This significant correlation, with a p-value of 0.000, substantiates the hypothesis.

#### 4.1.5 Multiple Regression Analysis

Multiple regression analysis aims to predict changes in the dependent variable based on variations in the independent variables. It serves as an indicator of the predictive power of the regression model. Additionally, the coefficient of determination in multiple regression represents the proportion of variance in the dependent variable explained by the regression equation. This statistical technique illustrates the relationship between independent and dependent variables.

Table 10

##### *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997 <sup>a</sup>	.995	.994	.12

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

Source: *Appendix- 1&2*

Table 10 presents the model summary, featuring psychological factors, financial literacy, peer influence and social media impact, and technological advancements as independent variables, and credit card usage and compulsive buying behaviors as the dependent variable. The R-squared value is 0.995, indicating that these independent variables collectively account for 99.5% of the variance in the dependent variable. In simpler terms, 99.5% of the variation in credit card usage and compulsive buying behavior can be explained by psychological factors, financial literacy, peer influence and social media impact, and technological advancements.

Table 11

*ANOVA table*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	329.397	4	82.349	5253.692	.000 <sup>b</sup>
	Residual	1.803	115	.016		
	Total	331.200	119			

a. Dependent Variable: Credit card and compulsive buying behavior

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

Source: *Appendix- 1&2*

Table 11 displays the ANOVA results for the relationship between credit card usage and compulsive buying behavior. The significance value of 0.000 indicates a strong and significant impact of the independent variables on the dependent variable through multiple regressions. This significance suggests that the cumulative effect of the variables is statistically significant, as the p-value is less than 0.05.

Table 12

*Coefficient of Regression*

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.052	.119		.439	.662
	Financial literacy	.643	.061	.650	10.568	.000
	Technology advancement	.225	.039	.226	5.752	.000
	Peer influence and social media	-1.026	.116	-1.045	-8.846	.000
	Psychological factors	1.155	.107	1.169	10.800	.000

- Dependent Variable: Credit card and compulsive buying behavior
- Predictors: (Constant), Psychological factors, Technology advancement, Financial literacy, Peer influence and social media

Source: *Appendix-1&2*

Table 12 presents the coefficients of the variables, where credit card usage and compulsive buying behavior serve as the dependent variable, and financial literacy, technological advancements, peer influence and social media impact, and psychological factors act as independent variables. The coefficients table shows the beta, standard error, and significance value, explaining how each independent variable influences the dependent variable. This indicates that all independent variables have a meaningful impact on the dependent variable.

Financial literacy has a positive beta coefficient of 0.643 with respect to credit card usage and compulsive buying behavior. This means that a one-unit increase in financial literacy leads to a positive impact of 0.643 on credit card usage and compulsive buying behavior. The standard error is 0.061, indicating high accuracy in the calculation. The impact of financial literacy on credit card usage and compulsive buying behavior is significant, with a p-value of 0.000, which is less than the 0.05 threshold, thus confirming the hypothesis that financial literacy significantly affects credit card usage and compulsive buying behavior.

Technology advancement has a positive beta coefficient of 0.225 in relation to credit card usage and compulsive buying behavior. This implies that a one-unit increase in technology advancement results in a positive impact of 0.225 on credit card usage and compulsive buying behavior. The standard error is 0.039, demonstrating high accuracy. The impact is significant,

with a p-value of 0.000, supporting the hypothesis that technology advancement significantly influences credit card usage and compulsive buying behavior.

Peer influence and social media have a negative beta coefficient of -1.026 with respect to credit card usage and compulsive buying behavior. This means that a one-unit increase in peer influence and social media leads to a negative impact of -1.026 on credit card usage and compulsive buying behavior. The standard error is 0.116, indicating high accuracy. The significant value of 0.000 is less than 0.05, confirming the hypothesis that peer influence and social media significantly affect credit card usage and compulsive buying behavior.

Psychological factors have a positive beta coefficient of 1.155 with respect to credit card usage and compulsive buying behavior. This indicates that a one-unit increase in psychological factors results in a positive impact of 1.155 on credit card usage and compulsive buying behavior. The standard error is 0.107, suggesting high accuracy. The impact is significant, with a p-value of 0.000, validating the hypothesis that psychological factors significantly influence credit card usage and compulsive buying behavior.

## **4.2 Discussion**

The first objective of the research is to identify the factors influencing credit card usage and compulsive buying behavior. The study found that financial literacy, technological advancement, peer influence and social media, and psychological factors all play significant roles in this behavior. These findings align with the results of Nofario and Hendratono (2020). The conclusions were derived from empirical and descriptive statistical analyses, consistent with Tarka and Babaev (2021).

The second objective is to analyze the relationships between financial literacy, technological advancement, peer influence and social media, psychological factors, and credit card usage and compulsive buying behavior. The study found a strong positive relationship between financial literacy and credit card usage and compulsive buying behavior, with the relationship being statistically significant, thus confirming the hypothesis. This result is consistent with Shafee et al. (2023). Similarly, the relationship between technological advancement and credit card usage and compulsive buying behavior is also positively significant, supporting the hypothesis, and is consistent with Kakkar and Shukla (2023). Peer influence and social media show a positive and significant relationship with credit card usage and compulsive buying

behavior, aligning with Rana and Malik (2023). Lastly, psychological factors also have a positive and significant relationship with credit card usage and compulsive buying behavior, consistent with Tarka and Kukar-Kinney (2022).

The third objective is to examine the impact of financial literacy, technological advancement, peer influence and social media, and psychological factors on credit card usage and compulsive buying behavior. The study found that financial literacy positively and significantly impacts credit card usage and compulsive buying behavior, confirming the hypothesis and aligning with Rana and Malik (2023). Technological advancement also has a positive and significant impact, supporting the hypothesis and consistent with Tarka and Babaev (2021). Peer influence and social media have a negative and significant impact on credit card usage and compulsive buying behavior, confirming the hypothesis and aligning with Nofario and Hendratono (2020). Psychological factors positively and significantly impact credit card usage and compulsive buying behavior, supporting the hypothesis and consistent with 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 every part of research work. The conclusion of the thesis dissertation 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. Given this background, the research focuses on “Compulsive Buying Behaviors in Nepalese Credit Card Users.”

The objectives of the research are to assess the factors influencing credit card usage and compulsive buying behavior, to examine the relationship between financial literacy, technological advancement, peer influence, social media, and psychological factors with credit card usage and compulsive buying behavior, and to analyze the impact of these factors on credit card use and compulsive buying behavior. The research questions are: What factors influence credit card usage and compulsive buying behaviors? Is there a relationship between financial literacy, technological advancement, peer influence, social media, and psychological factors with credit card usage and compulsive buying behavior? Do financial literacy, technological advancement, peer influence, social media, and psychological factors impact credit card usage and compulsive buying behavior?

The research employs a descriptive and causal-comparative research design. The independent variables are financial literacy, technological advancement, peer influence, social media, and psychological factors, while the dependent variable is credit card usage and compulsive buying behavior. Correlation and regression analyses are conducted on data collected via questionnaires from customers of five commercial banks. The findings reveal that financial literacy, technological advancement, peer influence, social media, and psychological factors significantly influence credit card usage and compulsive buying behavior. The relationships between these factors and credit card usage and compulsive buying behavior are both positive and significant. The impact of financial literacy, technological advancement, and peer influence on credit card usage and compulsive buying behavior is positive and significant, while the impact of social media and psychological factors is negative and significant.

## **5.2 Conclusion**

The first objective of research is to assess the factors to influence the credit card and compulsive buying behavior. It is found that the factors that influence the credit card and compulsive buying behavior are financial literacy, Technology advancement, Peer influence and social media and Psychological factors influence. It is concluded that the various factors are influence the credit card and purchase behaviors.

The second 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 five-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 third 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 and Psychological factors to the Credit card and compulsive buying behavior positive and significant. And the, Peer influence and social media impact negatively and significant to the credit card and compulsive buying behaviors. 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. This behavior is often linked to negative emotional outcomes such as stress, anxiety, and low self-esteem. By examining credit card use patterns among individuals with compulsive buying tendencies, researchers can gain insights into the psychological mechanisms underlying this behavior and develop interventions to help individuals manage their emotions and improve 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 this research include:

#### **Theoretical Implications**

- i. Analyzing 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. The study provides a reference for future researchers investigating compulsive buying behavior and credit card use.

#### Practical Implications

- i. Findings from studies on credit card use and 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.
- ii. By identifying the factors that contribute to compulsive buying tendencies, policymakers can develop targeted interventions to support individuals in managing their finances effectively.

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## APPENDIX

### Appendix 1: Survey Questionnaires

May- June, 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 “COMPULSIVE BUYING BEHAVIORS IN NEPALESE CREDIT CARD USERS”. I would to 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.

Shila Paudel

Campus Roll No: 91/074

Exam Roll No: 6258/18

T. U. Registration No: 7-2-789-80-2013

Shanker Dev Campus

#### 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 [   ]
- d) Nabil Bank Limited [   ]
- e) Nepal Investment Mega 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 significantly influences credit card usage.					
It can be a valuable tool in reducing the impact of compulsive buying behavior on credit card use.					
Ensure your expenses are for essential products only and provide long-term benefits					
Your expenses given a return to you in the long run.					

## B) Technology advancement

Questions	1	2	3	4	5
Your expenses have increased with the rise of digital payment methods compared to before.					
You make more unplanned purchases with the advancement of technology than previously.					
Technology has made your buying decisions much quicker.					
Mobile apps and digital platforms are now the primary means for making purchases.					

## C) Peer influence and social media

Questions	1	2	3	4	5
Social media significantly influences unplanned credit card purchases.					
You may buy a product simply because your friends and family shared it on social media.					
Platforms like Facebook, Instagram, and TikTok introduce you to new fashionable products, prompting purchase decisions.					
Sometimes, you discover a product through messaging apps and decide to buy it.					

## D) Psychological factors

Questions	1	2	3	4	5
You purchase a product due to social expectations at parties and functions.					
The desire to match peers or uphold a specific social image can result in excessive spending.					
Activities such as going to movies, swimming, and playing games are ways you use to relieve stress, often paid for with a credit card.					
You believe luxury items enhance your social status.					

## E) Credit card and compulsive buying behavior

Questions	1	2	3	4	5
Financial literacy influences credit card usage and compulsive buying behavior.					
Technological advancements affect credit card usage and compulsive buying behavior.					
Peer influence and social media influence credit card usage and compulsive buying behavior.					
Psychological factors impact credit card usage and compulsive buying behavior.					

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

## Appendix 2: Result from SPSS Calculations

## Name of Banks

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Himalayan Bank	13	10.8	10.8	10.8
Kumari Bank	52	43.3	43.3	54.2
Nabil Bank	12	10	10	64.2
Nepal Investment Mega Bank	10	8.3	8.3	72.5
Agricultural Development Bank	33	27.5	27.5	100
Total	120	100	100	

## Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	87	72.5	72.5	72.5
Female	33	27.5	27.5	100.0
Total	120	100.0	100.0	

**Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	8	6.7	6.7	6.7
	21-30 years	46	38.3	38.3	45.0
	31-45 years	47	39.2	39.2	84.2
	Above 46	19	15.8	15.8	100.0
	Total	120	100.0	100.0	

**Marital Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	married	60	50.0	50.0	50.0
	Unmarried	60	50.0	50.0	100.0
	Total	120	100.0	100.0	

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Credit card and compulsive buying behavior	120	10.00	20.00	17.2000	1.66829
Financial literacy	120	10.00	20.00	17.2250	1.68763
Technology advancement	120	10.00	20.00	17.2000	1.67833
Peer influence and social media	120	10.00	20.00	17.2417	1.70020
Psychological factors	120	10.00	20.00	17.2250	1.68763
Valid N (listwise)	120				

## 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 Sig. (2-tailed) N	1 .990** .000 120	.990** .000 120	.988** .000 120	.984** .000 120	.990** .000 120
Financial literacy	Pearson Correlation Sig. (2-tailed) N	.990** .000 120	1 .978** .000 120	.978** .000 120	.991** .000 120	.988** .000 120
Technology advancement	Pearson Correlation Sig. (2-tailed) N	.988** .000 120	.978** .000 120	1 .972** .000 120	.972** .000 120	.978** .000 120
Peer influence and social media	Pearson Correlation Sig. (2-tailed) N	.984** .000 120	.991** .000 120	.972** .000 120	1 .997** .000 120	.997** .000 120
Psychological factors	Pearson Correlation Sig. (2-tailed) N	.990** .000 120	.988** .000 120	.978** .000 120	.997** .000 120	1 .997** .000 120

\*\* . 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 <sup>a</sup>	.995	.994	.12520

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

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	329.397	4	82.349	5253.692	.000 <sup>b</sup>
	Residual	1.803	115	.016		
	Total	331.200	119			

a. Dependent Variable: Credit card and compulsive buying behavior

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

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.052	.119		.439	.662
	Financial literacy	.643	.061	.650	10.568	.000
	Technology advancement	.225	.039	.226	5.752	.000
	Peer influence and social media	-1.026	.116	-1.045	-8.846	.000
	Psychological factors	1.155	.107	1.169	10.800	.000

a. Dependent Variable: Credit card and compulsive buying behavior

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ii ABSTRACT The objectives of the research are to assess the factors influencing credit card usage and compulsive buying behavior, to examine the relationship

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

with credit card usage and compulsive buying behavior, and to analyze the impact of these factors on credit card use and compulsive buying behavior. The research employs a descriptive and causal-comparative research design. The

**independent variables are financial literacy** , technological **advancement, peer influence, social media, and psychological factors**

, while the dependent variable is credit card usage and compulsive buying behavior. Correlation and regression analyses are conducted on data collected via questionnaires from customers of three sample commercial banks. The findings reveal that

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

significantly influence credit card usage and compulsive buying behavior. The relationships between these factors and credit card usage and compulsive buying behavior are both positive and significant. The impact of financial literacy, technological advancement, and peer influence on credit card usage and compulsive buying behavior is positive and significant, while the impact of social media and psychological factors is negative and significant. Keywords: credit card, compulsive buying, Nepalese banking user iii CHAPTER- I INTRODUCTIONS 1.1 Background of the Study Compulsive buying behaviors in Nepalese credit card users present a significant issue with far- reaching social and economic implications. Individuals who exhibit these behaviors often feel an overwhelming urge to purchase items regardless of necessity or financial capacity. This tendency is fueled by various psychological factors, such as