

Spending Behaviour of Northeast Normal University Students by Using Plastic Money

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Abstract

Plastic money is precious financial instrument which is being used to place of money due to its easiness. It bases on bank ATM, debit and credit cards as well as university and organizations' cards are also come under it due its payment services. This paper explores the spending behavior of Northeast Normal University, Changchun, students. The students use university cards mostly inside the campus supper markets for shopping and bank cards as well. The questionnaire was used to collect the data. Hypothesis testing are showing that if age increases then the usage of cards increases as compare to hard cash. Furthermore, male has more share in spending than females.

Keywords: Plastic money, bank cards, payment solutions, student cards, buying and spending behaviour.

1. Introduction

Plastic money was introduced in 1950s to resolve the problems and issues to carry the huge money one place to another (Perroux, 1950). It is being used place of hard cash at large scale across the world. It is convenient payment method tool as well as safe and secure payment solution. It is being used in form of credit cards, ATM, bank cards and university cards.

Roberts and Jones (2001) discussed that the attitude of the consume culture is changing very rapidly among students due to easy payment solution by using student cards and bank cards which increase the urge and compulsion of buying. In current era, university student cards and employment cards are being used for the payment solutions (Anderson & Card, 2015). It is convenient, very popular and very famous payment solution because of its features like instant payment solution, easy to carry, safe and sound tool. A card holder can pay, transfer and receive payment very easily without any time wastage.

Mathews and Slocum Jr (1969) described the relationship among individual's economic social class and his/her buying pattern in using the credit card issued by commercial bank. The usage of credit card varies from social class to class. The lower social class uses credit card for installment as compare to higher class. The elite class uses it as an easy and convenient way for shopping payment.

Norvilitis et al. (2006) observed after testing the hypothesized causes and effects of credit card debt among 448 students of 5 campuses, the students who have \$1,035 (SD=\$1849) debt rest of credits card and with credit cards debt. Deficiency in financial knowledge, age, number of credits and behavior toward credit card use were associated to debt. The college students need more detailed and clear financial knowledge and training.

Howells (1995) specified that if income of credit card holder raises then spending of credit will be increased due to boost in purchasing power which lift up the willingness to buy new services and goods. The spending behavior of American college students and their consumer attitude are getting change very rapidly because of easy access over credit cards which are increasing the urge and compulsion of buying. This overspending habit is creating problems in the form of anxiety among students (Roberts & Jones, 2001). There were many factors like lack of financial knowledge, attitude towards credit card use that increased the stress among the students while decreasing their financial wellbeing and it also stressed the need of financial literacy among the students (Norvilitis et al., 2006).

Yang, Markoczy, and Qi (2007) commented that brand lovers love to throw money on dispensable products and lavishness. Credit card provides easy money without any physical restriction because they cannot feel that they are losing money. Feinberg (1986) had interesting observation that plastic money users give more tip at restaurants as compare to those who have hard cash. A person spends hard cash more gently by living in his/her limits, but credit card holders spend roughly. The credit card users are willing to consume more money on shopping due to underestimation of resent purchase spending (Prelec & Simester, 2001).

Moreover, the usage of the card has strong relation with age, gender, employment, living standards and living areas. The cards also provide the facility to make purchase over cash counter without any realization that card holder is paying handsome amount against invaluable and cheapest thing. Furthermore, credit limits are providing freedom to make shopping without any restriction, which is increasing the debt if it credits because generally people illiterate about financial terms and condition or they are not much aware about the terms and conditions because they do not study the detail of policies before signature the contract.

It is a common thinking that the use of plastic money affects spending. Much has been written and many

times this effect has been researched. Still, it is an enigmatic puzzle inviting researchers to investigate. The spending behavior pattern has strong relation with age, gender, employment level, income level. This study describes the impact of spending behavior of the students of Northeast Normal University, Changchun, Jilin Peoples Republic of China.

2. Research Design & Hypothesis

The aim of this quantitative study is to analyze the buying behavior of Northeast Normal University students with respect to age and gender. To test the hypothesis, the data was collected through purposive sampling from more than 5100 students through close-ended multiple-choice questionnaire. To robust the findings of this paper, incomplete questionnaires were rejected. After securitization of questionnaires, 5000 questionnaires (male=2449, female 2551) were selected for the data analysis.

Hypothesis A:

H0: credit card spending of male > female
 H1: credit card spending of male < female

Hypothesis B:

H0: Total amount spent of male > female
 H1: Total amount spent of male < female

Hypothesis C:

H0: Credit card spending > age
 H1: Credit card spending < age

Hypothesis D:

H0: Total amount spent > age
 H1: Total amount spent < age

3. Analysis & Discussion

Hypothesis A:

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Primary and Secondary spending last month	Male	2449	529.4762	381.21787	7.70334
	Female	2551	473.5980	326.98198	6.47394

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Primary and Secondary spending last month	Equal variances assumed	23.974	.000	5.570	4998	.000	55.87819	10.03125	36.21253	75.54384
	Equal variances not assumed			5.553	4819.257	.000	55.87819	10.06247	36.15116	75.60522

Hypothesis B:

Group Statistics

Gender	N	Mean	Std. Deviation	Std. Error Mean
Total Amount Spent Male	2449	871.7838	294.53157	5.95165
Female	2551	850.1221	261.75209	5.18245

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Total Amount Spent	Equal variances assumed	16.138	.000	2.751	4998	.006	21.66167	7.87287	6.22739	37.09596
	Equal variances not assumed			2.745	4876.336	.006	21.66167	7.89176	6.19026	37.13308

Hypothesis C:

Group Statistics

Age_Div	N	Mean	Std. Deviation	Std. Error Mean
Sum of Primary and Secondary spending last month 1	2510	480.6038	327.97360	6.54639
2	2490	521.4941	380.48314	7.62493

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Sum of Primary and Secondary spending last month	Equal variances assumed	31.409	.000	4.071	4998	.000	-40.89030	10.04369	-60.58033	-21.20026
	Equal variances not assumed			4.069	4880.237	.000	-40.89030	10.04962	-60.59207	-21.18852

Hypothesis D:

Group Statistics

Age Div	N	Mean	Std. Deviation	Std. Error Mean
Total Amount Spent 1	2510	860.5028	270.70915	5.40339
2	2490	860.9631	286.14037	5.73429

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Total Amount Spent	Equal variances assumed	1.500	.221	-.058	4998	.953	-.46038	7.87725	-15.90325	14.98250
	Equal variances not assumed			-.058	4978.010	.953	-.46038	7.87900	-15.90669	14.98594

SPSS output table A for gender, the null hypothesis which is Ho: greater credit card spending by male than female. The degree of freedom is 4998 for equal variance which has link with t test. The 2-tailed column is showing the value of P which is .000. Its 2-tailed value but I need 1 tailed value of P so for this purpose To convert 2 tail results into one tail, formula is being used which is P (for greater sign >) = 1- sign/2 so the final result of P value is 1 which is greater than alpha ($\alpha=0.05$) so null hypothesis has been accepted and H1 is rejected which is lesser the credit card spending by male than female.

SPSS output table B for total amount related to gender, the null hypothesis which is Ho: greater the total amount spends by male than female. The degree of freedom is 4998 for equal variance which has link with t test. The 2-tailed column is showing the value of P which is .006. Its 2-tailed value but I need 1 tailed value of P so for this purpose, again 2 tailed referred formula were applied, which is P (for greater sign >) = 1- sign/2 so final result of P value is 0.997 which is greater than alpha ($\alpha=0.05$) so null hypothesis has been accepted and H1 (less total amount spent by male than female) is rejected.

SPSS output table C for age, the null hypothesis which is Ho: greater the credit card spending greater the year of age. The degree of freedom is 4998 for equal variance which has link with t test. The 2-tailed column is showing the value of P which is .000. Its 2-tailed value but 1 tailed value of P is needed so for this purpose again 2 tailed referred formula were applied which is P (for greater sign >) = 1- sign/2 so final result of P value is 1 which is greater the alpha ($\alpha=0.05$) so null hypothesis has been accepted and H1 is rejected.

SPSS output table D for total amount spending related to age, the null hypothesis which is greater the total amount spent greater the age, degree of freedom is 4998 which is associated with t test. The 2 tailed Significance value is 0.935. 2 tailed referred formula were applied again. 1 tailed formula 1-sig/2, so final result 0.5235. This is greater than α value (.05), so null hypothesis has been accepted and H1 has been rejected which is greater total amount spent lesser the age.

4. Conclusion

The study gives meaningful perception and information about plastic money spendings and total amount spending of students. While, it has some restrictions and limitations. It is restricted to students' university cards and bank cards (credit cards) used by only Northeast Normal University. So other areas such as other universities students' cards usage, general public usage, city areas etc are excluded. Here it's just been checked the behavior pattern of students based on gender and age linked to the total amount spending and plastic card spending of last month.

The study is restricted to the investigation of posited association between interest variable and independent

sample test analysis. Moreover, it is related only students' university cards and bank cards' usage in super stores of both at universities only. It is not giving the information about the credit card using behavior and pattern on other places beside of that.

These limitations give the opportunity to the researcher to conduct further research all over the country to know the pattern of plastic card using behavior of the users. This study depicts only usage of university and bank cards on super stores so researcher can study the behavior pattern of plastic money users' rest of super stores also. The analysis is showing that male spends more by using credit card than female and male has more shares in spending of total amount as well because according to analysis, P values are 1 and 0.997 respectively for A and B which are bigger than alpha value. It means, this study fails to reject both null hypothesis with respect to gender.

More credit card is being used with high age and lesser with lower age while aged people have more shares in total amount as compare to lesser age people because as per analysis, P values are 1 and 0.5235 respectively for C and D which are bigger than alpha value. It means, this study fails to reject both null hypothesis with respect to age.

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