Self esteem and impulsive buying behaviour business essay

This paper is written to understand " impact of credit card mismanagement on consumer impulse buying behavior". A survey has been also conducted to known credit card mismanagement by different age groups, genders, occupation, and monthly income.

Background

Why are people using credit cards?

Benefits of credit cards, highlights of mismanagement of credit card and issues etc.

Problem Definition/Objectives of the Research

Primary purpose of this research is to perform a market research on credit card mismanagement and study the impact of this mismanagement on different groups of consumers.

Approach to the Problem

To achieve the objective, we conducted the survey on different consumer groups with relevant questions to understand consumer behavior. Results of survey were analyzed and discussed closely with all group members. After seeing results we also took interviews of people to understand and conclude the research. This research is result of extensive brainstorming and discussions on survey results and interviews by all of us.

Research Design

Many researches over the time in many countries have indicated that the number of credit cards used regularly and the amount of credit debt are few variables that are directly linked to the compulsive buying of consumers

(Dittmar, 2005; Edwards, 1992, 1994; Joji & Raveendran, 2008; Norum, 2008; Park & Burns, 2005; Schmitz, 2005). Buyers with the tendency of compulsive buying have used multiple credit cards to maximize their buying power in comparison to the non compulsive buyers. Impulse driven consumers use the act of shopping as a mode of uplifting their self-esteem, improving their relations with other members of the society as well as finding a " high" or emotional uplift (Faber & O'Guinn, 1992; O'Guinn & Faber, 1989; Schmitz, 2005).

Similarly, Dittmar (2005) and Dittmar and colleagues (1996) found that buyers purchase out of impulse as a mode of achieving material goods of individual and social identity. There have been studies conducted that have concluded that impulsive buying has improved the self image concerns and mood of individuals.

Marketing Research Problem

Measuring the buying behavior of the demography

Measuring the impact of brand's perceived effects on one's self-image nad social identity

Finding out the relationship between self-perception and buying behavior and how self-esteem results in impulsive buying

Lastly, the major area of research will be the impact of credit card mismanagement on consumer impulse buying behavior

In this research report we will try to find out the answers to the following questions by logically concluding the hypothesis developed below:

RQ1: What kind of demography is involved in impulsive buying?

HYPO1. 1: Females between age group of 25-40 have an impulsive buying behavior

HYPO1. 2: Females having higher income have an impulsive buying behavior

RQ2: What is the relationship between brand image and social identity?

HYPO2: Consumers consider brand image positively adds to their social identity

RQ3: What is the relationship between self-perception and impulsive buying behavior of consumers?

HYPO3: Consumers with low self-esteem result in more impulsive buying behavior in comparison to those with high self-esteem.

RQ4: What is the relationship between impulsive buying behavior and credit card mismanagement?

HYPO4: Consumers with impulsive buying behavior tend to misuse their credit cards.

Verbal Model

Consumers with low self-esteem indulge in impulsive buying to boost their self-perception and social identity which in turn leads to credit card mismanagement and credit debt.

Graphical Model

Mathematical Model

Y= a + b1x1 + b2x2

Where Y = Credit Card Mismangement

a = Constant

b1, b2 = Model parameters or coefficients

x1, x2 = Self-esteem and impulsive Buying behaviour

Fieldwork/Data Collection

The study was conducted to study the impact of credit card mismanagement on consumer impulse buying behavior and how purchasing power of the consumer uplifts his self-esteem. Subsequent hypothesis are formulated to test the above relationships

Measurement

In order to find out the consumer behaviour on the credit card mismanagement, a survey was conducted comprising of nominal questionnaire that was based on the findings of the topic to be reviewed. The survey was distributed and filled by a wide range of demography. The survey had following parts to be answered:

(1) Impulsive buying behaviour

(2) Self perception of consumer

(3) Brand Image and its effects

(4) Demographics.

(5) Credit card management

The very first few questions were based on demography to find out the age, gender, income and occupation of the respondents. In the impulsive buying behaviour section, 9 questions were asked to find out the way consumers react while shopping (planned or impulsive). In the next section of Self perception of consumer, 10 questions were asked to find out what consumer think about him and another 8 questions were asked to gather information about how a brand uplifts a person's self-esteem and status. The credit card management behaviour of consumer was studied by gathering answers to 11 questions that intended to find out how it impacts the purchasing power, credit bill payment etc. Measurement of " Impulsive buying behaviour", " Self-perception of consumer", " Brand image and its effects" and " Credit card management" was questioned out using a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). The questions in the survey are presented in Table I

Impulsive buying behaviour
(IBTV1) I often buy things spontaneously

(IBTV2) ' Just do it' describes the way I buy things

(IBTV3) I often buy things without thinking

(IBTV4) ' I see it, I buy it' describes me

(IBTV5) ' Buy now, and think about it later' describes me.

(IBTV6) Sometimes I feel like buying things on the spur of the moment

(IBTV7) I buy things according to how I feel at the moment

(IBTV8R) I carefully plan most of my purchases

(IBTV9) Sometimes, I am a bit reckless about what I buy.

Brand image and its effects

(CSIV1) I rarely purchase the latest fashion styles until I am sure my friends approve of them.

(CSIV2) It is important that others like the products and brands I buy.

(CSIV3) When buying products, I generally purchase those brands that I think others will approve of.

(CSIV4) If other people can see me using a product, I often purchase the brand they expect me to buy.

(CSIV5) I like to know what brands and products make good impressions on others

(CSIV6) I achieve a sense of belonging by purchasing the same products and brands that others purchase.

(CSIV7) If I want to be like someone, I often try to buy the same brands that they buy

(CSIV8) I often identify with other people by purchasing the same products and brands they purchase.

Self perception of consumer

(V23A) On the whole, I am satisfied with myself

(ESTEEMV2) At times I think I am no good at all

(V26A) I feel that I have a number of good qualities

(V28A) I am able to do things as well as most other people

(ESTEEMV5) I feel I don't have much to be proud of

(ESTEEMV6) I certainly feel useless at times

(V32A) I feel that I am a person of worth, at least on a equal plane with others

(ESTEEMV8) I wish I could have more respect for myself

(ESTEEMV9) All in all, I am inclined to feel that I am a failure

(V36A) I take a positive attitude toward myself

Credit card management

(CARDV1) My credit cards are usually at their maximum credit limit (i. e. credit card spending touches the maximum credit limit available)

(CARDV2) I frequently use available credits on one credit card to make a payment on another credit card

(CARDV3) I always pay off my credit cards at the end of each month

(CARDV4) I worry how I will pay off my credit card debt

(CARDV5) I often make only the minimum payment on my credit card bills

(CARDV6) I am less concerned with the price of a product when I shop with credit cards

(CARDV7) I am more impulsive when I shop with credit cards

(CARDV8) I am seldom delinquent in making payments on my credit cards

(CARDV9) I rarely go over my available credit limit

(CARDV10) I seldom take cash advances on my credit cards

(CARDV11) I have too many credit cards

Table I – Questionnaire

Data collection and analyses

Sample Profile

The questionnaire was spread among the respondents through the internet using social network. 210 responses were collected excluding the incomplete responses. Of a total sample of 210 respondents, 72. 9 percent (153) were male and 27. 1 percent (57) were female. A large majority of respondents' ages were in the ranges 25-40 (73. 3 percent), 18-24 (7. 1 percent) and 40 above (19 percent). The majority of the respondents (76. 7 percent) had a monthly income of more than 30000 INR. In addition, the majority of the respondents' occupation (74. 3 percent) was students meaning that they were pursuing higher education. The detailed demography data of the survey respondents is presented in Table II.

Gender

Characteristic

Frequency

Percent

Valid Percent

Cumulative Percent

Valid

Male

153

72. 9

72. 9

72. 9

Female

57

27. 1

27. 1

100. 0

Gender

Total

210

100. 0

100. 0

What is your age

Characteristic

Frequency

Percent

Valid Percent

Cumulative Percent

Valid

18-24

15

7. 1

7. 2

7. 2

25-40

154

73. 3

73. 7

80. 9

40 Above

40

19. 0

19. 1

100. 0

Total

209

99. 5

100. 0

Missing

System

1

. 5

Total

210

100. 0

What is your occupation

Characteristic

Frequency

Percent

Valid Percent

Cumulative Percent

Valid

Student

156

74. 3

74. 6

74. 6

Service

38

18. 1

18. 2

92. 8

Business

15

7. 1

7. 2

100. 0

Total

209

99. 5

100. 0

Missing

System

1

. 5

Total

210

100. 0

What is your income

Characteristic

Frequency

Percent

Valid Percent

Cumulative Percent

Valid

0 to 10000

19

9. 0

9. 0

9. 0

10001 to 30000

30

14. 3

14. 3

23. 3

more than 30000

161

76. 7

76. 7

100. 0

Total

210

100. 0

100. 0

Table II – Demographic characteristics of Respondents

Research Problem and Hypothesis formation

SPSS tool was used for analysis of the data. In order to analyze the

relationship between customer's impulsive buying behaviour and credit card

mismanagement Pearson's correlation coefficient was used.

Data Analysis

Reporting

Cost and Time

Appendices