A Comparison of Impulse Buying Behavior and Credit Card Use between Korean and American College Students

Eun Joo Park · Judith C. Forney
Division of Clothing and Textiles, Dong-A University
School of Merchandising and Hospitality Management, University of North Texas

한국과 미국대학생의 충동구매행동과 신용카드사용에 대한 비교연구
박은주 · Judith C. Forney
동아대학교 생활과학대학 의상설계학부, 복 텍사스 주립대학교
(2003. 8. 29. 접수)

Abstract

Consumer's impulse buying behavior is extensive in everyday contexts. Credit cards promote spending by making the transaction simpler and by removing the immediate need for money. College students grown up in a credit card society attain cards at college's time and keep cards for 10 years over. In an effort to extend understanding of consumer behavior across cultures, this paper examines the cultural differences of impulse buying behavior and credit card use between Korean and American college students, and to investigate the relationships between impulse buying behavior and credit card use in each group. Data were obtained from student credit card users attending universities in metropolitan areas in Korea(N=154) and America(N=194). Data were analyzed using by Confirmatory Factor Analysis, MANOVA, MDA, and Regression. The results indicated there are significant differences of fashion-oriented impulse buying and credit card use between American and Korean college students. The impulse buying behavior is likely to increase for both Korean and American students who use credit cards for spending. Findings suggest that credit card use is important in predicting impulse buying behavior across these two cultures. Implications are drawn for the increasing global phenomenon impulse buying behavior and credit card use.

Key words: Impulse buying behavior, Credit card use, College students, National comparison, 충동구매행동, 신용카드사용, 대학생, 국가간 비교

I. Introduction

Impulse buying is considered a pervasive and distinctive phenomenon in modern lifestyles and it has received increasing attention from consumer researchers and theorists(Rook, 1987; Rook & Fisher, 1995). Over the last two decades increases in impulse buying behavior are a consequence of linked economic and social changes in advanced Western economies, including dramatic increases in personal disposable incomes and credit availability. Along with these developments in consumer spending, there are important shifts in the psychological, social and cultural significance of buying consumer goods which may be described by the stereotype of modern consumerism “I shop therefore I am” (Dittmar & Drury, 2000). Marketing

This paper was supported by Dong-A University Research Fund in 2002.
innovations such as credit cards, cash machines, instant credit, 24-hour retailing, and telemarketing make it easier than ever before for consumers to buy things on impulse (Rook, 1987; Rook & Fisher, 1995). Prior studies on impulse buying frequently focused on the definitional element distinguishing impulse from non-impulse buying (Cobb & Hoyer, 1986; Piron, 1991; Rook, 1987), and provided a theoretical framework for examining impulse buying (Burroughs, 1996; Cha, 2001; Hoch & Loewenstein, 1991; Ko, 1993; Rook & Fisher, 1995; Rook & Gardner, 1993). Some studies attempted to develop and validate scales to measure the impulse buying tendency (Rook & Fisher, 1995; Weun et al., 1998).

Credit cards are seen as a convenient and relatively painless way to spend. Moreover, the use of credit cards lowers the perceived cost and begets further use. For example, consumers need the credit to make particular purchases, or consumers who are price sensitive may recognize the potential dollar savings involved in credit card use (Feinberg, 1986). College students have grown up in a credit card society and use this type of debt freely (Ritzer, 1995). Credit cards are a symbol of this age. Schor (1998) believes that easy credit is one of the causes of overspending. College students may see credit cards as a means of increasing their purchasing power while on a limited income. In addition, it may enable them to participate in activities that peers are engaged in and it may allow students to feel they belong even though they do not have the money to pay for the goods and services (Hayhoe, 2002).

Cross-national effects have been the backbone of international consumer behavior research. Maheswaran and Shavitt (2000) pointed out the importance of understanding the cultural context of consumer behavior in an increasing globalized marketplace. Comparative research not only helps business managers to better understand their foreign target markets, where consumers may differ significantly from their domestic counterparts, but it also may enhance our understanding of our own culture. Evidence of cultural dissimilarities may lead to different strategy implementations. Since impulse buying behavior may be accelerated by the credit card use (Roberts & Jones, 2001; Kim, 2001a; Kim, 2001b), a need exists to investigate the relationship between impulse buying behavior and credit card use. Moreover, there has been little attempt to determine if national differences influence impulse buying behavior and credit card use.

The purposes of this study were to compare impulse buying behavior and credit card use between Korean and American college students, and to examine the relationship between impulse buying behavior and credit card use for these two nations.

II. Literature Review

1. Impulse Buying Behavior

In the modern marketplace, spontaneous urges to buy and consume often compete with the practical necessity to delay the immediate gratification that purchasing provides. Although impulsive behavior can occur in any setting, consumer's impulse buying behavior is extensive in everyday contexts. Impulse buying behavior can be defined as a sudden, compelling, hedonically complex buying behavior in which the rapidity of an impulse decision process precludes thoughtful, deliberate consideration of all information and choice alternatives (Bayley & Nancorow, 1998). Recently, impulse buying is treated as an individual difference variable, which is likely to influence the individual across situations (Rook & Fisher, 1995; Weun et al., 1998). Impulse buying may be explained when consumers buy products for a variety of non-economic reasons or hedonic desires, such as fun, fantasy, and social or emotional gratification. Buying impulsively feels a little freer and a little like doing something naughty, but relatively innocent (Hausman, 2000; Rook, 1987). Beatty and Ferrell (1998) suggested a definition of impulse buying tendency that distinguished between action and urge: the tendencies (1) to experience spontaneous and sudden urges to make on-the-spot purchases and (2) to act on these felt urges with little deliberation or evaluation of consequence.