

The Macrotheme Review

A multidisciplinary journal of global macro trends

The Effect of Egyptians' Money Attitudes on Compulsive Buying with the Role of Credit Card Use

Mahinaz Ihab Abdel Kareem Hafez*, Mohamed Farid El Sahn**, and Dalia Abdel Rahman Farrag*

*The Arab Academy of Science and Technology, and Maritime Transport, Egypt**
*University of Bahrain***

Abstract

Purpose - The aim of this paper is to measure the effect of Egyptians' money attitudes on compulsive buying with the role of credit card use.

Design/Methodology/Approach - This study was considered a conclusive research that used a cross sectional design and had a descriptive purpose. Each of the variables were measured using a 5-point likert scale (the number of the items varied in each scale) through structured, close ended, self administrated questionnaires. 400 questionnaires were distributed, which were usable and analyzed; all of which were in Arabic

Findings - The empirical findings indicate that when the independent variables of money attitudes were first tested without the moderating variable—credit card use, all had a significant relationship with compulsive buying except for distrust. In addition to distrust, quality also had an insignificant relationship with compulsive buying when tested with credit card use.

Practical Implications - The study has implications for both researchers and practitioners concerning what factors affect Egyptian consumers' compulsivity to buy.

Originality/Value - This topic contributed academically by being used as background literature which may also lead the way to many more researches to follow in the future exploring the same topic but may be on other different aspects. It would also be interesting to other researchers to understand how people perceive money after the revolution of the 25th of January. Regarding the practical importance, it will be of great value for marketers operating in various industries. It will also illustrate the relationship between people's perceptions towards money, the degree to which it affects compulsive buying and the moderating effect credit card use will have. This kind of information is vital as it will lead marketers to a better understanding of how to market their products or services.

Keywords: Compulsive Buying, money attitudes, credit card

1 Introduction

Consumer behavior has been a topic of interest for many scholars and academics in the past few years, one of the many subjects that stems out from consumer behavior is compulsive buying. Compulsive buying reflects consumers' negative behaviors along with alcoholism, drug abuse,

eating disorder and compulsive gambling. Compulsive buyers are those individuals who are addicted to shopping and engage in it frequently (Boundy 2000, Faber and Christenson, 1996). It is also known as an abnormal form of consumer behavior which is regarded as the dark side of consumption (Shiffman & Kanuk, 2000) that has captured the interest of scholars for nearly two decades (Johnson & Attmann, 2009). An interesting point to consider regarding compulsive buyers is that they buy not only for the end result of owning an object or service but also to achieve a feeling of satisfaction through the buying process itself (Faber and O'Guinn 1989). Measuring money attitudes gives a clearer picture of how consumers perceive money and how money makes them feel towards themselves and towards various products or services. By knowing this kind of information it would be clear to us how money attitudes could affect the degree of becoming a compulsive buyer and which money attitude factor results in compulsive buying the most. The dimensions of money attitudes include power-prestige, retention-time, anxiety and distrust. Credit cards use is also an important factor to be considered as it will call as a moderator to this relationship.

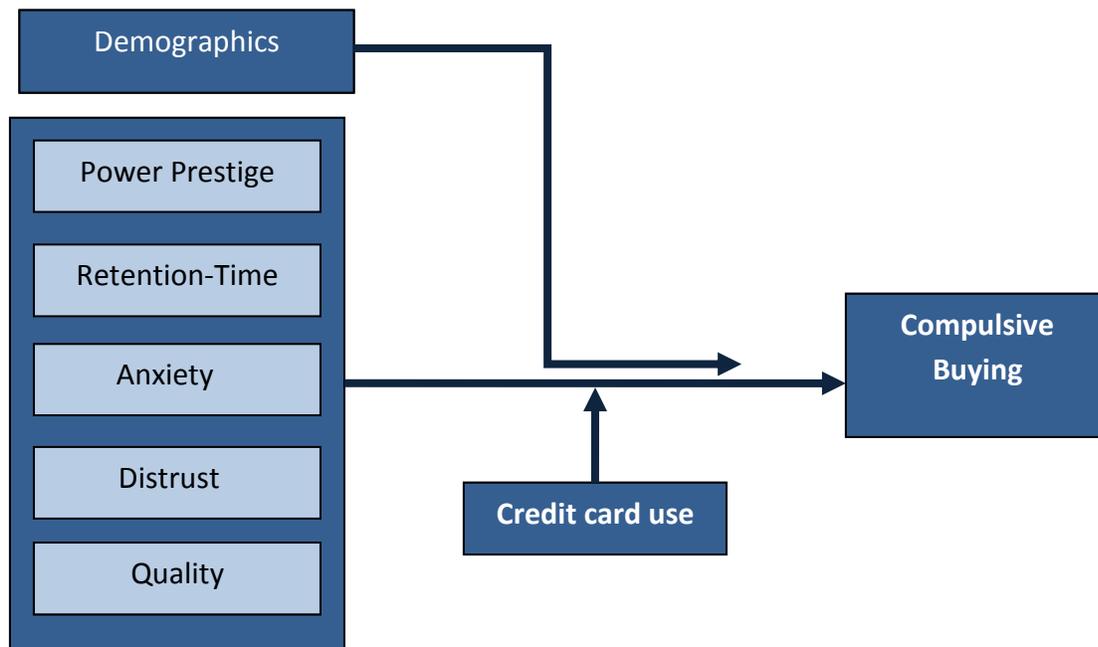
2 Theoretical Framework

It has been noticed that money represents a prominent feature of modern society and has been well established as another motivator of behavior (Goldberg and Lewis, 1978). Therefore an important question to consider for both market researchers and practitioners is how these Egyptian consumers perceive money? And do they perceive money as a means to purchase quality products and enjoy life or as a means to make plans for their future? This could be identified by the Money Attitudes Scale developed by Yamauchi and Templer (1982) and adapted by Gresham and Fonetenot (1989). There are 5 major dimensions of money attitudes which are: power-prestige, retention-time, distrust, anxiety and quality. Moreover Schor (1998) believes that access to easy credit is one of the reasons of overspending. Feinberg (1986) found that those who are exposed to a credit card logo were more likely to purchase, decide to purchase quicker and spend more than those who are exposed to the same products without the emergence of a credit card logo. Therefore we need to find out how the compulsive buying behavior relates to credit card use.

After extensive article readings and reviewing previous researches related to compulsive buying, the following model was proposed which is adopted from Roberts and Jones, (2001), Li *et al.* (2009) and Ian and Woo (2008). To briefly explain, the model shows that people perceive money in different ways according to their money attitudes, such as power prestige, anxiety, distrust and the extent to which this perception affects a person's compulsivity to buy. Furthermore, credit card use was added as a moderating variable to show how the relationship between money attitudes and compulsive buying would be affected (intensify or lessen the relationship). This model was applied on college students in most articles. During the past decade a proliferation regarding shopping malls in Egypt has been noticed although there was a worldwide economic crisis in addition to the most recent Egyptian revolution that has of course affected many businesses. Therefore it will be of great interest to identify how money attitudes affect compulsive buying and which money attitude factor affects compulsive buying the most. In addition, to identify if credit card use affects the Egyptian consumers' relationship between money attitudes and compulsive buying. It has been decided to add to the variables such as the retention-time variable, this variable will be added as the research will be applied on Egyptian consumers aged 21 and above who might take into consideration saving for the future. Another variable added is the quality variable which shows to which extent the Egyptian consumer buys

products of high quality regardless of income. Due to noticing that most previous researches have stressed on how demographics affect compulsive buying especially gender, it has been decided to add another independent variable which directly affects compulsive buying which is demographics. Therefore the decided research model for this study is presented in figure 1:

Figure 1: Proposed research model



Adopted from: Roberts and Jones (2001). "Money Attitudes, Credit Card Use, and Compulsive Buying among American College Students". *The Journal of Consumer Affairs*, Vol.35. No. 21

3 Hypothesis

One of the most powerful forces that influence individuals and society is consumer culture (Roberts and Sepulveda, 1999). Which is a culture in which most people long for, consume, pursue and display goods and services that are appreciated for certain reasons such as status (power), envy aggravation and always searching for pleasure (Roberts and Jones,2001). In order to be more specific, money has been regarded as the common language of consumer culture. Money attitudes have impacted all areas of a person's life which include saving habits, spending, workplace performance, political ideology, charitable giving and attitude towards the environment

Researchers have previously stated that attitude towards money is a complex concept which brings out both positive feelings (such as freedom, quality and love) and negative feelings (such as distrust, failure and insufficiency). Compulsive buyers are found to have lower self-esteem and self-doubt than the "regular" consumer; Yamauchi and Templer (1982) have identified four dimensions of money attitude which consist of power prestige, retention-time, distrust (price sensitivity) and anxiety. And the variable quality was also added.

It has been stated by Roberts and Jones (2001) that status consumption allows consumers to feel socially powerful. However status consumption is a process which involves competing and comparing, which leads the consumers to continuously increase their conspicuous signals of wealth and power (Bell 1998). Clearly the use of money as a tool of power and prestige has the potential to lead to compulsive buying, therefore H1a was hypothesized. Previous researches identified a negative or inverse relationship between retention time and compulsive buying. It was also stated that consumers scoring high on the retention time dimension would ultimately carefully plan and closely monitor their financial future (Roberts and Sepulveda, 1999; Yamauchi and Templer, 1982), Therefore H1b was hypothesized. Escape from anxiety is thought to be the main motivation of persons showing addictive or compulsive behaviors. Compulsive buyers repeatedly use shopping and spending to reduce anxiety especially during stressful periods, therefore H1c was hypothesized. Roberts and Jones (2001) have also stated that obviously people who have a high level of distrust towards products, or in other words have price sensitivity are less likely to be compulsive buyers, therefore H1d was hypothesized.

Finally, it has been stated by Li *et al.* (2009) that perceiving money as a means of buying high quality products and in turn leading a quality life, may then lead to excessive purchases of expensive products and name brands, therefore, H1e was hypothesized.

H1: There is a relationship between money attitudes and compulsive buying.

H1a: The perception of money as a tool of power prestige increases compulsive buying.

H1b: Retention-time decreases compulsive buying.

H1c: Anxiety regarding money increases compulsive buying.

H1d: Distrust decreases compulsive buying.

H1e: Quality increases compulsive buying.

Several empirical studies have yielded interesting results about gender-based factors related to compulsive buyers (Ergin, 2010). Furthermore, there is no previous research that addresses possible age differences in compulsive buying systematically, but there are indications that younger consumers may be more strongly affected. O'Guinn and Faber (1989, 1992) have also stated that compulsive buyers tend to be younger. On another note, Koran *et al.* (2006) indicated that compulsive buyers are also more likely to earn less money. Furthermore, other demographic variables will be investigated such as marital status and occupation. Therefore, H2 was hypothesized.

H2: Compulsive buying differs across demographics. In the midst of consumer behavior study, credit cards can certainly be interpreted as promoting spending by making the shopping matter simpler or by removing the immediate need for money (Roberts and Jones, 2001). In addition to credit cards functioning as a tool for consumers to fulfill their continuously increasing external presentation of themselves, because credit cards allow consumers to experience a certain lifestyle that they could not afford (Cohen, 2007). Additionally, according to Pirog and Roberts (2007), consumers who regularly use credit card as their main method for payment are more likely to spend more than those consumers who uses other methods of payment and tend to use it beyond their ability to pay (Park and Burns, 2005), therefore H3 was hypothesized.

H3: Credit card usage positively affects the relationship between money attitudes and compulsive buying.

The target population for this study was Egyptians, aged 21 and above, who were credit cardholders. The study was restricted to only two governorates, which are Cairo and Alexandria. This was due to the fact that both governorates are the largest and most populated in Egypt. In addition over the past 10 years there has been a rapid development of shopping malls in these two cities.

4 Method

Convenience sampling was the sampling method applied in each governorate. Convenience sampling is a non-probability sampling technique where subjects are selected because of their

Table 1

Total Sample size (400 respondents)	Cairo		Alexandria	
Percentage	70%		30%	
Sample size for each city	280		120	
Social Demographics	%	Sample size	%	Sample size
Gender:	51	143	51	61
• Male	49	137	49	59
• Female				

Source: CAPMAS, 2010

convenient accessibility and proximity to the researcher. In order to decrease any bias that could arise from the researcher, it was decided to choose every fifth person. This technique is done by selecting a random starting point and then picking every fifth element in succession from the sampling frame. This was conducted according to the sample control table (table 1). Once the data had been obtained, SPSS (Statistical Package for social science) program was used to analyze the results. More specifically mall intercept method has been applied as this topic is related to shopping.

The sample size for this research was 400 respondents, with almost 280 respondents in Cairo and 120 respondents in Alexandria, with respect to population size in each governorate.

To ensure that the sample structure presents the Egyptian population structure for the two cities, Cairo and Alexandria; a sample control was conducted according to gender. The sample control table is presented below.

In order to answer the proposed research questions, this study used quantitative research techniques for the survey, in the form of a cross-sectional, structured, close ended, self-administered questionnaire for data gathering.

In this research, all the distributed questionnaires were in Arabic language to ensure that the questions are understood by everyone. Data collection took place in the form of mall intercept at various sites such as: shopping malls in Cairo and Alexandria such as City Stars, El Horreya mall and mall of Arabia in Cairo and the City Center in Alexandria. Respondents in collection sites were asked politely if they would like to participate in the survey, and were also asked if they own or have ever used a credit card before (which is the opening question in the questionnaire). For those who agreed to answer the questionnaire and who turned out to own a credit card, a hard copy of the questionnaire was given to them to answer. A piece of candy was given at the end of the participation as an incentive.

5 Findings

At the beginning, the results of the reliability and validity analyses will be displayed, and then the frequency analysis that describes the sample demographics will be portrayed. After that, the results of the hypotheses testing using the correlation analysis will be presented. In addition, linear step-wise regression analysis will be used to indicate the fit and significance of the model.

5.1 Reliability of Scales

The reliability analysis was the first examination to be conducted. This analysis helped ensure that the measurement is consistent across time and various items in the instrument. Reliability of scales used was measured using Cronbach's Alpha (α) reliability measure.

In the present study, the cronbach's alphas of the scales used in the questionnaire ranges from 0.5 to 0.8 indicating a good or acceptable internal consistency among the items measuring the constructs in the study.

5.2 Frequency Analysis

400 questionnaires distributed, which were usable and analyzed; all of which were in Arabic.

Table 2: Sample Description:

Demographic characteristic	N	%	Demographic characteristic	N	%
City of Residence:			Gender		
Cairo	276	69	Male	209	52.3
Alexandria	124	31	Female	191	47.8
Age:			Marital status:		
21-30	155	38.8	Single	145	36.3
31-40	80	20.0	Married	222	55.5
41-50	75	18.8	Divorced	15	3.8
51-60	52	13.0	Widowed	18	4.5
Above 60	38	9.5			
Occupation:			Monthly Household Income:		
Student	38	9.5	1001-5000	153	38.3
Housewife	55		5001-10000	89	22.3
Businessperson	40	13.8	10001-15000	84	21.0
Professional	8		15001-20000	29	7.3
Private sector	152	10.0	20001-25000	20	5.0
Public sector	51		25001-35000	10	2.5
Unemployed	18	2.0	35001-50000	10	2.5
	38	38.0	Above 50000	5	1.5
		12.8			
		4.5			
		9.5			

5.3. Correlation Analysis

The correlation analysis is the next analysis conducted in this study. This examination helped to verify the hypotheses (H1, H2 and H3). In addition it helped identify the strength, significance and direction of the relationship among the variables in each hypothesis. Next, linear step wise regression should be adopted to test the validity of the hypotheses and finally ANOVA was carried out for H2 in order to know how demographics differ among compulsive buying. The overall results indicated that all the hypotheses were supported.

The money attitude tool that has an effect on compulsive buying the most is anxiety ($r= 0.33$, $p<0.010$) where it has a variation level of 34%. Followed by the power prestige, quality and distrust and retention time, in which they have a variation level of 27%, 15% and 15% respectively. The only money attitude tools that have a negative effect is the retention-time and distrust tools, which is expected as the more consumers worry about their future and try to save money by time the less compulsive in their buying they will become. In addition the more consumers have a feeling of distrust towards something that they are buying the less compulsive in their buying they will become. And finally the use of credit cards has a positive weak relationship with the money attitude tools except for one tool which is the retention time.

At the same time credit card use has a variance level of 30% when correlated with compulsive buying which means that it has a positive, significant and moderate relationship with compulsive buying.

The One Way ANOVA analysis was carried out on the demographic variables age, monthly house hold income, marital status and occupation to test the mean difference between the different groups. The results have showed that there is no significant difference between the different groups of those demographic variable. Also, it could be noticed that there is a small difference between the mean square of between groups and the mean square of within groups which result in an insignificant difference (0.223, 0.427, 0.280, and 0.210) respectively.

The last statistical method to be used was a type of One way ANOVA more precisely the independent-samples t-test. Since most previous studies conducted their research of compulsive buying based on gender differences, therefore it was decided to explore how compulsive buying differs between genders (male and female) among Egyptian consumers.

The results of the independent-samples t-test which was conducted to compare compulsive buying scores for males and females showed that there was a significant difference (sig. = 0.000) in scores for females ($M=3.17$) and males ($M= 2.83$). The eta squared shows the magnitude of the differences in the means which is calculated by the following equation:

$$\text{Eta squared} = t^2/t^2 + (N1 + N2 - 2)$$

Replacing with the appropriate values from the above tables

$$\text{Eta squared} = -3.838^2/-3.838^2 + (209 + 191 - 2)$$

$$\text{Eta squared} = 0.036$$

This means that the magnitude of the differences in the means was small, which also indicates that only 3.6 per cent of the variance in compulsive buying is explained by gender.

The correlation analysis previously proved that all the independent variables have a significant relationship with the dependent variable (compulsive buying). While there is a significant positive relationship between credit card use and compulsive buying. The variance level was 30% which shows that it has a moderate effect. This outcome has supported the first part of H3. This means that when a person has hold of or uses a credit card it encourages their compulsivity to buy.

5.4 regression analysis

To identify the relative importance of the money attitude variables on compulsive buying and in order to know which money attitude factor included in this study affects compulsive buying the most, linear step wise regression analysis was conducted using compulsive buying as a dependent variable. For the independent variables, all the money attitude tools were included (power prestige, retention-time, anxiety, distrust and quality). In order to measure the impact the moderating variable of credit card usage as well as the model fit including it; linear stepwise regression was run once without the moderating variable and once with the presence of the moderating variable.

When identifying the contribution of each of the components of the Money attitudes without first including the moderating variable –credit card use- the results show that only four out of the five tools of the money attitudes (Anxiety, retention time, power prestige and quality) were fit. This means that the money attitude tool "distrust" was excluded from the model. These components indicate an approximate of 25% variance in compulsive buying; which is considered a moderate or good fit for social sciences. However, they were significant, as their P-Values were 0.000, 0.000, 0.000 and 0.021 respectively; which is less than 0.05. The money attitude tools show a standardized regression coefficient of ($\beta = 0.28$, $p < 0.01$) to Anxiety, ($\beta = -0.28$, $p < 0.01$) to retention time, ($\beta = 0.20$, $p < 0.01$) to power prestige and ($\beta = 0.10$, $p < 0.01$) to quality. This means that anxiety seems to be the most important factor in influencing consumers' compulsivity to buy when shopping followed while retention time has a negative influence.

However, when running the linear regression including the moderating variable –credit card use- results in table 4.20 indicates a higher variance in compulsive buying at 29%. Furthermore, another independent variable which is quality was eliminated along with distrust. The results show that the money attitude tools that remained (Anxiety, retention time and power prestige) in model 2 were all significant, where their P-Value is 0.000. However, the results show a lower standardized regression coefficient of ($\beta = 0.18$, $p < 0.01$) for power prestige. Anxiety and retention time remain almost the same with a standardized regression coefficient of ($\beta = 0.27$, $p < 0.01$) and ($\beta = -0.27$, $p < 0.01$) respectively. Credit card use also appears to be significant at a P-Value of 0.000, with a standardized regression coefficient of ($\beta = 0.23$, $p < 0.01$) as its individual contribution in the model. The results of the linear step wise regression showed that credit card use's impact as a moderator is rather weak, where it changed the variance in compulsive buying from 25% to 29%. But since it did have an effect although it was slight but this shows that H3 is supported. However, it is important to note that credit card use fits into the model better as an additional independent variable that has an impact on compulsive buying rather than as a moderating variable, this will be discussed further more in the coming chapter

6 Discussion

It should be noted that previous studies of money attitudes have identified country differences in money attitudes (Bailey *et al.*, 1994; Masuo & Reddy, 1997). The results of the current study's data analysis (correlation) indicated that overall, all money attitude dimensions had a relationship with compulsive buying. Which means that when certain variables increase (such as power prestige, quality and anxiety), in turn compulsive buying increases. And when the other remaining variables increase (such as retention time and distrust), in turn compulsive buying decreases as they have a negative or inverse relationship.

When the step wise regression analysis was conducted without the moderating variable credit card use, it showed that out of the five variables in the study all had a significant effect on compulsive buying except for the variable distrust which was automatically eliminated from the model. This shows that the distrust variable is insignificant and does not have an effect on compulsive buying. As mentioned before, distrust is when consumers have doubt about the price of products that they bought, where they have a constant feeling of being ripped off and that they could have found the same products for cheaper elsewhere. A more scientific definition was given by Yamauchi and Templer (1982), where they described persons scoring high on the distrust factor as hesitant, suspicious and doubtful regarding situations involving money. Roberts and Jones (2001) should have another label which is 'price sensitivity' as the items used in the scale focus on consumers' sensitivity to the price they paid for the goods or services. A research was conducted in Australia; where its findings supported this research's findings. Distrust was found to have an insignificant relationship to compulsive buying. On the other hand, this contradicts prior studies (Roberts and Sepulveda, 1999). This was justified by one logical reason for these surprising results, which may have to do with the roles that cultural and societal norms play in different countries (Phau and Woo, 2008). This reason could also be justified to the current study, as the Egyptian culture varies extremely from western cultures. Another reason which could explain this result is that due to the extreme proliferation in shopping malls in the past few years in Egypt and the increasing presence of various brand names, a phenomenon called the "branding effect" may have emerged. It could be noticed that Egyptian consumers nowadays have a high appreciation for brand names regardless of the price they are paying. For example, buying a pen from "Mont Blanc", boots from "Zara" or a T-shirt from "Lacoste". This example shows that although Egyptian consumers know that these products could be found elsewhere in other stores for lower prices, but they are willing to pay so for the brand name. Therefore, these reasons could explain the reason why distrust had no significant effect on compulsive buying.

The variable that turned out affecting compulsive buying in Egyptian consumers the most is anxiety. As mentioned before, anxiety refers to the extent to which consumers feel regarding money which is a source of anxiety as well as a source of protection from anxiety. Compulsive buying has been defined as "*chronic, repetitive purchasing that becomes a primary response to negative events*" this refers to its origin of being an internal psychological disorder. Therefore it could be explained why anxiety turned out as the variable that affects Egyptian consumers' compulsive buying the most. Another reason could be that also due to the current economic situation, Egyptian consumers may constantly have a fear of not being financially secure due to the unstable economic environment in Egypt. Moreover, since the data gathering was conducted in shopping malls, therefore consumers who were given the questionnaires to fill out may have a higher sense and caring for shopping than other regular consumers which would make them have

a higher feeling of anxiety towards sales that they could have missed and a feeling of being happier when they buy things for themselves.

Egyptians have been known to face a lot of stress in their lives due to a variety of things they encounter in their daily life, from having to deal with traffic, work, the very fast paced life, till having to worry about Egypt's current situation economically and politically. One way of relieving this amount of stress is through shopping. This has been also stated by Desarbo and Edwards (1996), where they acknowledged that compulsive buyers' anxiety has been known to provoke a spontaneous action and push the consumer to reduce the tension. In other words, compulsive buyers use the shopping and buying activity as means for relieving stress and its associated anxiety. And Roberts and Jones (2001) have stated before that compulsive buying has been viewed as a quick fix to anxiety. The results regarding the anxiety factor supports previous researches, where the escape from anxiety was found to be the primary motivation of persons exhibiting addictive or compulsive behaviors (Valence *et al.*, 1988). Furthermore, Christenson, deZwaan, and Mitchell (1995) stated that compulsive consumption behaviors are associated with internal psychological factors such as low levels of self-esteem, high levels of depression and high levels of anxiety. In addition, Dittmar (2005) mentioned that psychologically motivated buying seems an increasingly prominent feature of contemporary consumer behavior, such as using shopping as an attempt to improve self-image, self-esteem, or relationships with others. As mentioned before, compulsive buyers often shop as a means of reducing stress. However, the resulting spending may also be a contributor to the stress levels experienced by the compulsive buyers. Efforts to run away from problems have a tendency to be temporary and will almost likely result in even higher level of anxiety and guilt over the money spent earlier (Desarbo and Edwards, 1996). Therefore, anxiety could be viewed as both an antecedent and an outcome of compulsive buying (Roberts and Jones, 2001).

The second greatest variable having an effect on compulsive buying was retention-time but as mentioned before this relationship was negative. People scoring high on the retention-time variable place a great value on the preparation process of planning carefully and monitoring their financial future (Roberts and Sepulveda, 1999; Yamauchi and Templer, 1982). Of course Egyptians nowadays are trying to save up as the future is very uncertain and ambiguous due to the high level of instability in the country. This would urge people to try and have some kind of financial plan or saving up plan, and would in turn make people less compulsive to buy. Furthermore, this could also be explained by how when people have a high level of retention over time it could relate to something psychological. Where they have a constant pressure to monitor their spending and try to make a financial plan for the future, which becomes an immense psychological struggle. Roberts (1998) also explained people's spending and saving habits according to the way they were growing up and raised. Prior studies have also shown evidence that there is a relationship between retention-time and compulsive buying (Phau and Woo, 2008) which supports the findings of the current research.

Power prestige had an effect on compulsive buying. It is the attitude that indicates the importance of status seeking, competition, external recognition and acquisition. This indicates that Egyptians tend to increase their compulsivity to buy when they have a tendency to inflict a certain image of power. For example, it is noticeable how Egyptian consumers tend to own very luxurious and prestigious cars that exert an image of power and status. Also it could be assumed that power prestige is related to conspicuous buying in order to appear materialistic which in turn leads to compulsive buying. Roberts and Jones (2001) stated that compulsive buyers are more likely to

link buying with social status in addition to Phau and woo's (2008) study where the link between the view of money as a tool of power and prestige and compulsive buying was justified. Moreover, this is supported by several other studies (Masuo *et al.*, 2004; Mitchell and Mickel, 1999; Prince, 1993; Furnham, 1984). Overall it should be noted that the limited amount of research on money attitudes in the marketing discipline has established a strong relationship between money attitudes and compulsive buying (Roberts and Jones, 2001)

Moreover, credit card use happened to be significant which implies that Egyptian consumers tend to increase their money attitudes when they have access to credit cards, making them more likely to increase their compulsive buying. The results indicate clearly that high-credit card use and compulsive buying is positively related, reflecting results from other prior studies (Roberts and Martinez, 1997; Feinberg, 1989; Norum 2008). Roberts and Jones (2001) also added that consumers are more likely to spend, to spend more, and make spending decision quicker when there is a credit card logo present. Roberts and Jones (2001) suggested that credit card usage intensifies the problem of compulsive buying. This research reinforces the finding as it indicates that credit card usage stimulates spending and strengthens the relationship between attitude towards money and compulsive buying; but at the same time not to a great extent. This could be explained by the fact that the credit card culture is an emerging culture which is not known or popular in Egypt which may explain the small effect it had in strengthening the relationship. Frequent credit card users in this study are more likely to purchase status seeking items, which consequently would result in a higher outstanding credit card balance. On the other hand Tokunga's (1993) finding supports the suggestion that heavy credit card users are less price conscious which is not supported in this research as distrust was insignificant with compulsive buying, while McElroy *et al.* (1994) research proved that access to credit cards increases spending.

When regression was conducted including the moderating variable, it excluded the variable quality in addition to distrust. This shows that quality had an effect on compulsive buying but as shown from table 4.20 it had the least effect on compulsive buying. Quality refers to the extent to which consumers buy high quality products in order to lead or live a quality life. Results show that Egyptian consumers' compulsive buying is affected the least by buying quality products; this may be due to the current economic situation that Egypt is in and due to the extreme high prices of quality products which are usually branded. Interestingly, when the moderating variable was added, buying quality products became insignificant to Egyptian consumers' compulsive buying this implies that when consumers in Egypt have hold of credit cards they use it to buy products that may not be of high quality or may prefer using cash to buy products that are of high quality. Moreover, it shows that people are starting to buy compulsively in Egypt but may not be particularly interested in the quality of the products they are buying, they may be buying only for the internal feeling of satisfaction that compulsive buying gives them rather than caring about the products per say.

After comparing both regression tables 4.19 and 4.20 it was noticed that after credit card use was introduced to the model, the beta changed for the various money attitude dimensions but this change was an extremely slight change that is nearly unnoticeable.

We then compared the means of compulsive buying behavior between male and female Egyptian consumers to examine the gender differences. Female Egyptian consumers scored higher on compulsive buying behavior than their male counterparts (M female = 3.17, M male= 2.83). This result was consistent with the marketing literature that females are more likely to engage in

compulsive buying than males (Shoham and Brencic, 2003). These results also confirmed previously documented gender differences, indicating Egyptian women to be more affected by the compulsive buying phenomenon; this was also stated by Dittmar (2005) who affirmed that the results of her research also showed consistent finding in previous researches. The women scored higher than men on scales that measure compulsive buying this confirms that a strongly lop-sided gender ratio in compulsive buying exists.

In Egypt, this may be explained by the traditional role that society has set on the women where shopping has a strong symbolic, emotional role for women. It helps them to deal with a number of factors including boredom, stress, low self-esteem and even depression (Ergin, 2010). Given current links between gender identity and shopping, we believe that psychologically motivated buying as a form of self-repair is both more important and culturally available for women compared to men. On the other hand all other demographics (age, marital status, monthly household income and occupation) showed to be insignificant which means that they don't have any difference between its groups this contradicts previous researches where Ergin (2010) stated that there is no previous research that addresses possible age differences in compulsive buying systematically, but there are indications that younger consumers may be more strongly affected. O'Guinn and Faber (1989, 1992) have also stated that compulsive buyers tend to be younger. More recent studies (Roberts and Jones, 2001) have noted that estimates of compulsive buying among young adults range from 6 to 12.2% of the population, this is considerably higher than previous estimates of compulsive buying among adults where compulsive buying was thought to range from 1 to 6% of the population (Faber and O'Guinn, 1989)

According to the above discussion a better redefined research model emerged. After the analysis was conducted, it was noticed that although the moderating variable 'credit card use' strengthened the relationship between money attitudes and compulsive buying. On the other hand the effect was rather very slight.

Therefore, in the redefined model it was suggested to have the moderating variable become another independent variable as it would have a rather larger effect on the dependent variable 'compulsive buying'. In addition to adding the categorical variable 'gender' as an independent variable which has been applied in many previous studies.

Moreover, the independent variables distrust and quality have already been eliminated, as they were found to have an insignificant effect with compulsive buying.

7 Research Limitations

This study has a number of limitations. However, this makes way for a number of future researches in the area of compulsive buying; furthermore these limitations do not cause the findings to be any less significant. This study is cross sectional in nature and fails to capture the dynamic nature of consumer behavior (which is the main concern in the study). This study employed a non-probability quota sampling technique which was adequate for the purpose of this study. However, the chosen sampling technique makes it harder for the findings of the research to be generalized.

Furthermore, the sample was selected from two regions in Egypt (Cairo and Alexandria) as they constitute the two largest cities in Egypt. However, the selected cities are considered to be metropolitan cities where its population adopts different values and attitudes than does the population in suburban cities. Hence, the information gained in order to be analyzed was not proportionately gathered and doesn't allow for the finding to be generalized. The data collection

was conducted after the Egyptian Revolution of the 25th of January which could have affected consumer's responses, as people's attitudes towards money could have been altered due to the sudden and unstable change in the country's future.

8 Recommendations

To better categorize a specific and targeted segmentation strategy, a better understanding on a variety of cultural and demographical factors that affect compulsive buying is important. Therefore, it will provide organizations with a clue on how to segment markets based on lifestyle attributes that consumers ideally want and pursue. For example, advertising campaigns could show images of status and prestige in order to appeal to Egyptian consumers. On the other hand they could start triggering on internal factors, as anxiety turned out to be the money attitude tool that had the most effect on compulsive buying.

In recent years, there has been a fast growth in credit card ownership due to the significant increase in credit card acceptance and use among Egyptians. It was seen from the findings that credit card use strengthens the relationship between money attitudes and compulsive buying. This means that credit cards could act as a mean of increasing compulsive buying in Egypt. Marketers could benefit from this information by trying to urge consumers to use their credit cards more often during purchasing. This could be done by collaborating with credit card companies who could offer credit card holders benefits and incentives when using credit cards for their purchase rather than paying in cash. Although they should be careful not to abuse this information as it could turn into unethical doings from the marketers' and credit card companies' part, which in the long term and the worst case scenario could turn into a national disaster, similar to the one in the United States, where credit cards were a major contribution to the crisis.

9 Directions for future research:

The present study's findings along with previous researches suggest that credit cards do facilitate ill behavior such as compulsive buying. However results cannot be seen as definite. More careful experiments and research are needed to help better understand the role credit cards play in compulsive buying.

Another area that is needed in research is in the model development. The present study found that credit card use does moderate the money attitude-compulsive buying relationship. However, many other antecedents of compulsive buying exist and need to be tested. These antecedents include family (nurture), biological, psychological and sociological variables in addition to the variables included in the present study. Another variable that is very important and was not included in the study, as this study was focusing more on various money attitudes, is materialism. It should be noted that the money attitude factor power prestige differs from materialism. Other future studies could also be specific to a particular area in shopping, such as fashion related products or electronics. As previous researches have stated that compulsive buyers tend to purchase and become allured by things that they enjoy, rather than for example grocery shopping.

In addition more studies could be undertaken to gain further insights concerning how results vary according to age, this could be applied to all the variables. It should be finally noted that a greater understanding of negative consumption behaviors is important for the field of consumer behavior as well as for the society as a whole. The harmful effects of these behaviors does not just affect the individuals but extends also to their families, friends, and co-workers as well as the whole public for example through increased costs for health care, crime control, products, and credit (Krych 1989). If, as Peter (1991) argues, one condition for measuring the usefulness of research

is through its contribution to society and society's welfare, therefore an increased study of negative consumption behaviors is clearly needed.

References

- Bailey, W.C., Johnson, P., Adams, C., Lawson, R. J., Williams, P. K., & Lown, J. M. (1994), "An exploratory study of the money beliefs and behaviors scale using data from three nations", *Consumer Interests Annual*, Vol. 40 pp. 178-185.
- Bell, M.M. (1998), *An Invitation to Environmental Sociology*, Pine Forge Press, Thousand Oaks, CA.
- Boundy, D (2000), "When money is the drug", in Benson, A.L. (Ed.), *I Shop, Therefore I Am: Compulsive Buying and the Search for Self*, Book-Mart Press, North Bergen, NJ, pp. 3-27.
- Christenson, G., Faber, R., deZwaan, M., Raymond, N.C., Specker, S.M., Ekern, M.D., Mackenzie, T.B., Crosby, R.D., Crow, S.J., Eckert, E.D., Mussell, M.P. and J.E. Mitchell (1994), "Compulsive buying: descriptive characteristics and psychiatric comorbidity", *Journal of Clinical Psychiatry*, Vol. 55, pp. 5-11.
- Cohen, M.J. (2007), "Consumer credit, household financial management, and sustainable consumption", *International Journal of Consumer Studies*, Vol. 31 No. 1, pp. 57-65.
- Desarbo, W.S. & E.A. Edwards (1996), "Typologies of compulsive buying behavior: A constrained clusterwise regression approach", *Journal of Consumer Psychology*, Vol. 5, pp. 231-262.
- Dittmar (2005a), "A new look at 'compulsive buying': self-discrepancies and materialistic values as predictors of compulsive buying tendency", *Journal of Social and Clinical Psychology*, Vol. 24 No.6, pp.832-859.
- Ergin, E.A. (2010), "Compulsive buying behavior tendencies: the case of Turkish consumers", *African Journal of Business Management*, Vol. 4 No. 3, pp. 333-338.
- Faber, R. and T. O'Guinn (1988), "Compulsive Consumption and Credit Abuse" *Journal of Consumer Policy*, Vol. 11 No.1, pp. 97-109.
- Faber, R.J. and G.A., Christenson (1996), "in the mood to buy: differences in the mood states experienced by compulsive buyers and other consumers", *Psychology and Marketing*, Vol. 13, pp. 803-19.
- Feinberg, R. (1989), "Credit cards as spending-facilitating stimuli: a conditioning interpretation", *Journal of Consumer Research*, Vol.13 No.1, pp. 348-356.
- Furnham, A. (1984), "Many sides to the coin: the psychology of money usage", *Personality and individual differences*, Vol.5 No.5, pp. 501-509.
- Goldberg, H. and R.T. Lewis (1978), " Money madness: the psychology of saving, spending, loving and having money", New York: William Morrow and Company.
- Gresham, A. and G. Fontenot, (1989), "The differing attitudes of the sexes toward money: an application of the money attitudes scale", *Advances in marketing*, pp.380-384.
- Ian, P. and C. Woo (2008), "Understanding compulsive buying tendencies among young Australians", *Marketing Intelligence and Planning*, Vol. 26 No.5, pp. 441-458.
- Johnson, T. and J. Attman (2009), "Compulsive buying in a product specific context: clothing", *Journal of Fashion Marketing and management*, Vol. 13 No.3, pp. 394-405.
- Koran, L.M., Faber, R.J., Aboujaoude, E., Large, M.D., and Serpe, Richard T. (2006), "Estimated Prevalence of Compulsive Buying Behavior in the United States", *Am J Psychiatry*, Vol. 163 No.10, pp. 1806-1812.
- Krych, R. (1989), "Abnormal consumer behavior: A model of addictive behaviors", in *Advances in Consumer Research*, Vol. 16, ed. Thomas K. Srull, Provo, UT: Association for Consumer Research, pp. 745-748.
- Li, D., Jiang, Y., An, S., Shen, Z., and Jin, W. (2009), "The influence of money attitudes on young Chinese consumers' compulsive buying", Vol. 10 No.2, pp. 98-109.
- Masuo, D.M. & Reddy, M. (1997) "Comparison of students' money attitudes: A cross-ethnic sampling of selected U.S. and Japan universities" *European Advances in Consumer Research*, Vol. 3 pp.185-191.

- McElroy, S.L. et al. (1994), "Compulsive buying: a report of 20 cases", *Journal of Clinical Psychiatry*, Vol. 55 No. 6, pp. 242-8.
- Mitchell, T.R. and A.E. Mickel (1999), "The meaning of money: an individual difference perspective", *Academy of Management Review*, Vol. 24 No. 3, pp. 568-78.
- Norum, P.S. (2008), "The role of time preference and credit card usage in compulsive buying behavior", *International Journal of consumer studies*, Vol. 32, pp. 269-275.
- O'Guinn and Faber (1989), "A phenomenological exploration", *Journal of Consumer Research*, Vol. 16, No.2, pp. 147-157.
- _____ (1992), "A clinical screener for compulsive buying", *Journal of Consumer Research*, Vol. 19, pp. 459-469.
- Park, H.J. and L.D. Burns (2005), "Fashion orientation, credit card use, and compulsive buying", *Journal of Consumer Marketing*, Vol.23 No.3, pp. 135-141.
- Phau, I and C. Woo (2008), "Understanding compulsive buying tendencies among young Australians: the roles of money attitudes and credit card usage", *Marketing Intelligence and Planning*, Vol.26 No.5, pp. 441-458.
- Pirog, S.F. and A.R. James (2007), " Personality and credit card misuse among college students: The mediating role of impulsiveness", *Journal of Marketing Theory and Practice*, Vol. 15 No.1, pp.65-77.
- Prince, M. (1993), "Self-concept, money beliefs and values", *Journal of Economic Psychology*, Vol. 14, pp. 161-73.
- Roberts, J. (1998), "Compulsive buying among college students: an investigation of its antecedents, consequences, and implications for public policy", *The Journal of Consumer Affairs*, Vol. 32 No. 2, pp. 295-319.
- _____ and Martinez, C.R. (1997), "The emerging consumer culture in Mexico: an exploratory investigation of compulsive buying in Mexican young adults", *Journal of International Consumer Marketing*, Vol. 10, pp. 7-31.
- _____ and C. J. Sepulveda (1999a) "Demographics and money attitudes: a test of Yamauchi and Templer's (1982) money attitudes scale in Mexico", *Personality and individual differences journal*, Vol. 27, pp- 19-35.
- _____ and E. Jones (2001), "Money attitudes, credit card use and compulsive buying among American college students", *Journal of Consumer Affairs*, Vol. 35, No.2, pp. 213-240.
- Schor, J. (1998), " The overspent American: up scaling, downshifting and the new consumer", New York: Basic books.
- Shiffman, L. and L. Kanuk (2000), *Consumer Behavior*, 7th ed., Prentice Hall, Upper Saddle River, NJ.
- Shoham, A. and M.M. Brencic (2003), "Compulsive buying behavior", *Journal of Consumer Marketing*, Vol. 20 No. 2, pp. 127-138.
- Tokunga, H. (1993), "The use and abuse of consumer credit: application of psychological theory and research", *Journal of Economics Psychology*, Vol.14 No.2, pp. 285-316.
- Valence, G., A. d'Astous, and L. Fortier (1988), "Compulsive Buying: Concept and Measurement," *Journal of Consumer Policy*, Vol. 11, pp. 419-433.
- Yamauchi, K. and D. Templer, (1982), "The development of a money attitudes scale", *Journal of personality assessment*, Vol. 46, p.522-528.