

**Attitudes of Chinese High School Students Toward the Value and Use of Credit Cards**

by

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## **Attitudes of Chinese High School Students Toward the Value and Use of Credit Cards**

### **Abstract**

Money plays an important role in young individuals' lives and is a key driver of social activities, and one important form of money is credit cards. Credit card has many benefits as well as some negative consequences, and credit card users report being both satisfied and dissatisfied with using their credit cards depending on the purpose of their use, suggesting that people have different attitudes toward the value and use of credit cards. In addition, various factors influence their attitudes toward the value and use of credit cards. In this regard, the study examines how high school students from China perceive the value and use of credit cards because China represents a huge credit card market and high school students are important future users of credit cards. The respondents generally had favorable attitudes toward the value and use of credit cards. They emphasized good security against unauthorized use of the credit card as the most important factor in terms of the value of credit cards and the ability to use the credit card anywhere in China and the world as the most important factor in terms of the use of credit cards.

## **I. Introduction**

According to a survey, up to 75% of students go to college to make more money (Roberts & Jones, 2001). This fact demonstrates the important role money plays in young individuals' lives and as a key driver of social activities. Although the reasons for pursuing money vary and they are not the focus of this study, it is clear that money is an important part of young individuals' lives.

One form of money is credit cards, which can be used to purchase items such as fast-food items, clothes, and movie tickets, among others. Credit cards can be used when access to cash is limited, and some use them to accumulate points and obtain other benefits. They can also have some negative consequences, including expenditures that cannot be addressed by income and impulse purchases, among others.

Most adults use credit cards for various reasons, and because students represent future users of credit cards, this study examines their attitudes toward credit cards. More specifically, the study focuses on how Chinese high school students perceive the value of credit cards, whether there is any gender difference in Chinese high school students' perception of the value of credit cards, how Chinese high school students perceive the use of credit cards, whether there is any gender difference in Chinese high school students' perception of credit card use, what factors Chinese high school students emphasize in terms of the value of credit cards, whether there is any gender difference in factors emphasized by Chinese high school students in terms of the value of credit cards, what factors Chinese high school students emphasize in terms of the use of credit cards, and whether there is any gender difference in factors emphasized by Chinese high school students in terms of the use of credit cards.

## **II. Theoretical Framework**

The use of credit cards instead of cash enables the growth of new industries by allowing for facilitators to exist between sellers and buyers (consumers). Credit card has many advantages. For example, credit cards can help with making important purchases even when there is no ready cash available (Latino Community Credit Union, 2013). In addition, credit cards have many

benefits such as mileage points and ATM access. Such benefits provide users with substantial convenience. However, credit cards also have disadvantages such as high interest rates (Gross & Souleles, 2002) for the unpaid balance and impulse purchases (Latino Community Credit Union, 2013), and these disadvantages are more likely to affect younger consumers because they are less likely to be mature in their financial habits.

Credit card users report being both satisfied and dissatisfied with using their credit cards depending on the purpose of their use (CSAR, 2003). This suggests that people have different attitudes toward the use of credit cards (Lawrence, Chrisofferson, Nester, Moser, Tucker & Lyons, 2003), and this may apply to their present as well as future use of credit cards. Further, this attitude may be applicable to consumers' intentions to recommend the use of credit cards to others.

Credit card companies use various methods to market their services, including loyalty programs (point; Salik & Henry, 2007). In addition, credit card users are attracted to sufficient credit limits and reasonable service fees (Safakli, 2007). Credit card security is also an important factor (Bhatla, Prabhu & Dua, 2003). However, their importance may vary across consumers. In addition, consumers evaluate credit card companies and their services based on various factors influencing the use of credit cards, including whether customer service is responsive and helpful, whether credit cards can be used anytime, anywhere (Cristiansen, 2011), whether credit card information can be accessed through the Internet, and whether any damaged or lost credit cards can be quickly replaced (Safakli, 2007).

In addition, the study considers any gender differences in these perceptions and factors because previous studies have noted some significant gender differences in attitudes toward credit card use and spending (Ankaya, Ucal & O'Neil, 201).

In this regard, the study examines how high school students from China perceive the value and use of credit cards. This is pertinent in that China represents a huge credit card market and high school students are important future users of credit cards. More specifically, the study considers the following eight research questions:

RQ1: How do Chinese high school students perceive the value of credit cards?

RQ2: Is there any gender difference in Chinese high school students' perception of the value of credit cards?

RQ3: How do Chinese high school students perceive the use of credit cards?

RQ4: Is there any gender difference in Chinese high school students' perception of credit card use?

RQ5: What factors do Chinese high school students emphasize in terms of the value of credit cards?

RQ6: Is there any gender difference in factors emphasized by Chinese high school students in terms of the value of credit cards?

RQ7: What factors do Chinese high school students emphasize in terms of the use of credit cards?

RQ8: Is there any gender difference in factors emphasized by Chinese high school students in terms of the use of credit cards?

### **III. Method**

#### *Participants*

A total of 80 high school students in China were surveyed (39 males and 41 females). All these participants were students at Dalian No.8 High School and residents of Dalian, Liaoning Province, China. These participants were in their junior year.

#### *Procedure*

The questionnaire (see the appendix) was given to a total of 80 high school students to complete. These students were selected randomly. All students who were asked to participate did so. The questionnaire took about 10 minutes to complete. Standard survey techniques were used, and the survey was administered anonymously (no names were asked). All participants were

notified of the voluntary and confidential nature of the survey. The survey was administered on November 15-29, 2013.

*Instrumentation*

One item was used to determine the gender of the participant (nominal scale).

Four items were used to assess the respondents' perception of the value of credit cards. These items were measured based on a five-point Likert-type scale ranging from "strongly disagree" (1) to "strongly agree" (5). These four items were adapted from James (2002). The internal consistency and reliability of these four items were assessed using Cronbach's  $\alpha$ , which was .698, indicating sufficient internal consistency and reliability (Nunnally, 1978). Table 1 presents these four items.

Table 1. Items for the perception of the value of credit cards

Items
Credit cards would help me achieve my personal and professional goals.
Credit cards would give me many benefits such as mileage points.
Credit cards would provide me with protection in case I am short of cash.
Credit cards would offer me convenience.

Four items were used to assess the respondents' perception of the use of credit cards. These items were measured based on a five-point Likert-type scale ranging from "strongly disagree" (1) to "strongly agree" (5). These four items were adapted from James (2002). The internal consistency and reliability of these four items were assessed using Cronbach's  $\alpha$ , which was .777, indicating sufficient internal consistency and reliability (Nunnally, 1978). Table 1 presents these four items.

Table 2. Items for the perception of the use of credit cards

Items
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I would be very satisfied using credit cards.

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People should use credit cards.

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I am very interested in using credit cards in the future.

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I would recommend others to use credit cards.

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For the respondents' perception of value-related factors in terms of credit cards, each respondent was asked to select one of the following four factors that he or she considered to be the most important: benefits such as mileage points, sufficient credit limits, good security against unauthorized use of the credit card, and reasonable service fees.

For the respondents' perception of use-related factors in terms of credit cards, each respondent was asked to select one of the following four factors that he or she considered to be the most important: responsive and helpful customer service, the ability to use the credit card anywhere in China and the world, the ability to access personal credit card information through the Internet, and the quick replacement of damaged or lost credit cards.

### *Analysis*

For RQ1, the means and standard deviations for the four items for the perception of the value of credit cards were analyzed for male and female respondents. Internal consistency was assessed based on Cronbach's alpha (.698). For RQ2, the difference in means between the groups was examined through an independent-samples t-test. For RQ3, the means and standard deviations for the four items for the perception of the use of credit cards were analyzed for male and female respondents. Internal consistency was assessed based on Cronbach's alpha (.777). For RQ4, the difference in means between the groups was examined through an independent-samples t-test. For RQ5 and RQ6, the chi-square test was conducted by considering a total of four key value-related factors in terms of credit cards. For RQ7 and RQ8, the chi-square test was conducted by considering a total of four key use-related factors in terms of credit cards.

## **IV. Results**

*RQ1*

The respondents generally had favorable attitudes toward the value of credit cards. The mean was 3.62 (SD=0.66). The mean for males was 3.57 (SD=0.72), whereas that for females was 3.66 (SD=0.81). Table 3 shows the means and standard deviations for the perception of the value of credit cards by gender.

Table 3. Means and standard deviations for the value of credit cards

	n	M (SD)
Male	39	3.57 (SD=0.72)
Female	41	3.66 (SD=0.81)
Overall	80	3.62 (SD=0.66)

Note. The higher the mean, the more favorable the perception of the value of credit cards.

*RQ2*

Male respondents (3.57 (SD=0.72)) showed a lower mean than female respondents (3.66 (SD=0.81)). The results of the independent-samples t-test in Table 4 show no significant gender difference ( $t(78) = -.511, p = .611$ ) in attitudes toward the value of credit cards.

Table 4. The independent-samples t-test for the value of credit cards

		Levene's test 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
Score	Equal variance assumed	.258	.613	-.511	78	.611	-.08802	.17217	-	.25474

RQ3

The respondents generally had favorable attitudes toward the use of credit cards. The mean was 3.32 (SD=0.80). The mean for males was 3.15 (SD=0.86), whereas that for females was 3.50 (SD=0.71). Table 3 shows the means and standard deviations for the perception of the use of credit cards by gender.

Table 5. Means and standard deviations for the use of credit cards

	n	M (SD)
Male	39	3.15 (SD=0.86)
Female	41	3.50 (SD=0.71)
Overall	80	3.32 (SD=0.80)

Note. The higher the mean, the more favorable the perception of the use of credit cards.

RQ4

Male respondents (3.15 (SD=0.86)) showed a lower mean than female respondents (3.50 (SD=0.71)). The results of the independent-samples t-test in Table 4 show a significant gender difference ( $t(78) = -1.790, p = .077$ ). That is, male respondents were less likely to have favorable attitudes toward the use of credit cards than female respondents.

Table 6. The independent-samples t-test for the value of credit cards

		Levene's test 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
Score	Equal variance assumed	.467	.496	-1.790	78	.077	-.31567	.17633	-.66672	.03539

RQ5

As shown in Table 7, the respondents emphasized good security against unauthorized use of the credit card as the most important factor in terms of the value of credit cards. This was followed by sufficient credit limits and reasonable service fees. Finally, benefits such as mileage points were found to be the least important factor.

Table 7. Most important factors for the value of credit cards by gender (N, %)

			Factor				Total
			Benefits	Credit limits	Security	Service fees	
Gender Male	Count	5	11	15	8	39	
	% within gender	12.8%	28.2%	<b>38.5%</b>	20.5%	100.0%	
Female	Count	7	5	21	8	41	
	% within gender	17.1%	12.2%	<b>51.2%</b>	19.5%	100.0%	
Total	Count	12	16	36	16	80	
	% within gender	15.0%	20.0%	<b>45.0%</b>	20.0%	100.0%	

RQ6

As shown in Table 7, in terms of the most important factors in terms of the value of credit cards, female respondents were most likely to identify good security against unauthorized use of the credit card (51.2%), followed by sufficient credit limits, reasonable service fees, and benefits such as mileage points, in that order. On the other hand, male respondents were most

likely to identify good security against unauthorized use of the credit card (51.2%), followed by reasonable service fees, sufficient credit limits, and benefits such as mileage points, in that order. The results of the chi-square test for the relationship between gender and these factors show no significant relationship ( $\chi^2(3) = 3.536$ ,  $p=.316$ ). Cramer's V was .210, implying a strong relationship (Martínez-Casasnovas, Klaasse, Nogués & Ramos, 2008).

### RQ7

As shown in Table 8, the respondents emphasized the ability to use the credit card anywhere in China and the world as the most important factor in terms of the use of credit cards. This was followed by the ability to access personal credit card information through the Internet, responsive and helpful customer service, and the quick replacement of damaged or lost credit cards, in that order.

Table 7. Most important factors for the use of credit cards by gender (N, %)

		Factor				Total
		Customer service	Usability	Accessibility	Quick replacement	
Gender Male	Count	5	18	7	9	39
	% within gender	12.8%	<b>46.2%</b>	17.9%	23.1%	100.0%
Female	Count	11	10	13	7	41
	% within gender	26.8%	24.4%	<b>31.7%</b>	17.1%	100.0%
Total	Count	16	28	20	16	80
	% within gender	20.0%	<b>35.0%</b>	25.0%	20.0%	100.0%

## RQ8

As shown in Table 7, in terms of the most important factors in terms of the use of credit cards, female respondents were most likely to identify the ability to access personal credit card information through the Internet (31.7%), followed by responsive and helpful customer service, the ability to use the credit card anywhere in China and the world, and the quick replacement of damaged or lost credit cards, in that order. On the other hand, male respondents were most likely to identify the ability to use the credit card anywhere in China and the world (46.2%), followed by the quick replacement of damaged or lost credit cards, the ability to access personal credit card information through the Internet, and the quick replacement of damaged or lost credit cards, in that order. The results of the chi-square test for the relationship between gender and these factors show a significant relationship ( $\chi^2(3) = 6.540, p=.088$ ). Cramer's V was .286, implying a strong relationship (Martínez-Casasnovas, Klaasse, Nogués & Ramos, 2008).

## V. Discussion

Money plays an important role in young individuals' lives and is a key driver of social activities. One form of money is credit cards, which can be used to purchase items virtually any items. Credit card has many benefits (e.g., access to cash when money is limited and loyalty points) as well as some negative consequences (e.g., impulse purchases). Credit card users report being both satisfied and dissatisfied with using their credit cards depending on the purpose of their use, suggesting that people have different attitudes toward the value and use of credit cards. In addition, various factors may influence their attitudes toward the value and use of credit cards. In this regard, the study examines how high school students from China perceive the value and use of credit cards because China represents a huge credit card market and high school students are important future users of credit cards.

The respondents generally had favorable attitudes toward the value of credit cards. Although males showed a higher score than females, there was no significant difference between the two groups. The respondents generally had favorable attitudes toward the use of credit cards.

Females showed a higher score than males, and the difference was significant. The respondents emphasized good security against unauthorized use of the credit card as the most important factor in terms of the value of credit cards. Female respondents were most likely to identify good security against unauthorized use of the credit card, and male respondents were also most likely to identify good security. The respondents emphasized the ability to use the credit card anywhere in China and the world as the most important factor in terms of the use of credit cards. Female respondents were most likely to identify the ability to access personal credit card information through the Internet as the most important factor, whereas male respondents were most likely to identify the ability to use the credit card anywhere in China and the world. The results indicate that, although young consumers are likely to appreciate both the value and use of credit cards, they may differ in terms of various attributes of credit card value and use. This suggests that credit card providers should carefully consider and incorporate those attributes pertinent to their target markets.

This study has some limitations. The respondents were generally familiar with one another because they belonged to the same school. This may explain the lack of gender differences for some research questions because they might have discussed credit card use and made similar conclusions. In addition, because of their age, their lack of full familiarity with credit cards and their use might have limited their responses to the questionnaire. In this regard, future research should employ random sampling and employ a larger sample across various age groups to verify the results.

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## **Appendix**

### **QUESTIONNAIRE**

We invite you to participate in this short survey to help us better understand Chinese high school students' attitudes toward the value and use of credit cards.

Your participation is voluntary and confidential, and your responses will be used only for the purpose of academic research.

- 1) What is your gender? Male/Female
- 2) Value of credit cards (choose only one of the five choices)

a) Credit cards would help me achieve my personal and professional goals.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_Agree

\_\_\_Strongly agree

b) Credit cards would give me many benefits such as mileage points.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_Agree

\_\_\_Strongly agree

c) Credit cards would provide me with protection in case I am short of cash.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_Agree

\_\_\_Strongly agree

d) Credit cards would offer me convenience.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_Agree

\_\_\_Strongly agree

3) Use of credit cards (choose only one of the five choices)

a) I would be very satisfied using credit cards.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_Agree

\_\_\_Strongly agree

b) People should use credit cards.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_Agree

\_\_\_Strongly agree

c) I am very interested in using credit cards in the future.

\_\_\_Strongly disagree

\_\_\_Disagree

\_\_\_Neither disagree nor agree

\_\_\_ Agree

\_\_\_ Strongly agree

d) I would recommend others to use credit cards.

\_\_\_ Strongly disagree

\_\_\_ Disagree

\_\_\_ Neither disagree nor agree

\_\_\_ Agree

\_\_\_ Strongly agree

4) Which value-related factors do you consider to be most important in terms of credit cards? (choose only one of the four choices)

\_\_\_ Benefits such as mileage points

\_\_\_ Sufficient credit limits

\_\_\_ Good security against unauthorized use of the credit card

\_\_\_ Reasonable service fees

5) Which use-related factors do you consider to be most important in terms of credit cards? (choose only one of the four choices)

\_\_\_ Responsive and helpful customer service

\_\_\_ Ability to use the credit card anywhere in China and the world

\_\_\_ Ability to access personal credit card information through the Internet

\_\_\_ Quick replacement of damaged or lost credit cards

