

The Effects of College Students' Attitude Change on the Using of Credit Card

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Abstract—The purpose of this study is to analyze the attitude variables of the college students to use a credit card and their behaviors, so as to demonstrate the feasibility and its positive or negative influence of the college students' credit card consumption, and finally, put forward the proposal on college students' credit, card audit, approving, specifications, etc.

Keywords- component; college students; bank; credit card

I. INTRODUCTION

According to the Research Report of Chinese College Students' Consumption and Market State in 2004, the college students spend as much as 4819 Yuan per semester, which means that the college students' consumption per person (9638 Yuan) is over the urban per capita annual net income (8472.2 Yuan). By the end of 2003, there are more than 17 million colleges and universities students in China. In 2004, the scale of college students' consumption market as a whole will reach 163.8 billion Yuan, which is the attractive market that cannot be ignored by products and services provider.

In September 2004, the JinCheng International Credit Management Co., Ltd. and Guangdong Development Bank issued the first domestic college students' credit card in Beijing, after which, other commercial banks also issued student credit card in some universities of some areas. Although the credit card has had the basic function such as overdraw consumption, microfinance, etc. and can discount at shops surrounding campus students consumer frequently, but there was still certain limitations and deficiencies on issuing regional, credit volume and service function. In 2005, China Merchants Bank launched the YOUNG card and 2006 CITIC bank launched "job card". All these are designated to "personality", "independent", "fashion" as the theme, specifically for college students, and marketing is not subject to regional restriction, credit demand is relatively high, and the function is more close to the students. As one of the big four Banks CCB adopted the strategy of affinity cards, cooperating with the well-known colleges and universities and jointly issued "card" schools, playing the "affection" brand.

At present, the "post 80s" in our university campus is in the formation of brand preference and consumption habits and the university will profoundly affect their brand awareness and brand loyalty. Commercial banks in our country take credit card as the breakthrough point, providing them with financial services for the first time in their life experience, which is

likely to affect them in the coming years in the choice of financial services, so the market is with much potential.

But the China Banking Regulatory Commission issued the Notice on Further Standardize Credit Card Business in 2009, definitely require banking financial institutions shall not grant credit cards to students under the age of 18 years (except for supplementary card); carry out the second source of repayment, and confirm that the second source of repayment party signed written consent of the corresponding payment responsibility when issue the credit cards to people full of 18 without regular job and stable income sources. Then there are reports that many banks have shuttered college students' credit card business. The current college student credit cards are accepted in some of the banks, more rigorous in audit. The rules showed that college students' credit consumption behavior have received widespread attention. Although college students' credit card market occupy a lot, but the public hold cautious attitude and opposition to college students using credit card generally.

II. PURPOSE AND MEANING OF THE RESEARCH

The purpose of this study is to analyze the attitude variables of the college students to use a credit card and their behaviors, so as to demonstrate the feasibility and its positive or negative influence of the college students' credit card consumption, and finally, put forward the proposal on college students' credit card audit, approving, specifications, etc.

University student has not yet been fully independent in economy, but the majority of consumer behavior is decided by college students themselves. This is the try in the independent arrangement after consumption, financing behavior and habit the formation stage college of student after leaving parents. Actively guide and control college students' credit consumption correctly can make the students develop good spending habits before they enter society and accumulated a certain amount of financial knowledge.

III. THE DEMAND OF THE CREDIT CARD USING IS REASONABLE

Currently, domestic college students use credit cards because of their current income is limited, but demand very exuberant. When facing the long-expected item expensive, they can use a credit card to meet your current needs without causing big effect on their daily life.

According to the *Research Report of Chinese College Students' Consumption and Market State in 2004*, data shows that besides an average of about 2000 Yuan per semester for tuition and all kinds of examination training, 3000 Yuan college remained are used in the increasingly diversified consumption, some high value consumer products are more and more access to the consumption of college students. More than 60% of college students have one or more mobile phone; 27% of college students have personal computer; 19% of college students have a PDA; 12% of college students have MP3; 6.6% of college students have a digital camera; permeability of sports products of famous brand such as Adidas, Nike in the market of college students was more than 10%. For college students one-time pay pressure to the higher price products is bigger and use credit card payment by installment can reduce the pressure. College students tend to have fixed income; reasonable planning spending and purchase amount can be ensure repay debt and daily life will not be effected too much.

IV. THE REASON WHY COLLEGE STUDENTS CHOOSE TO USE CREDIT CARDS

Convenience (including the convenience of credit card service and reimbursement) is the most important factor to consider. Providing a proper discount services is also an important factor to attract college students to handle and use convenience. The two main factors, convenience and discount attract more than 90% of the college students to handle and use a credit card.

College students in applying for credit card, the main choice is based on convenience, safety, necessary credit lines and preferential service, which coordinate with the factors that influence college students to handle and use generally. Preferential service is one of the college students' preferences for a credit card. According to the survey, if there is preferential service, 61.8% of the university student will be promoted to the credit card consumption. However, preferential service is not the decisive factors in consuming. According to the survey, 56.6% of college students do not pay attention to credit card preferential service.

V. ATTITUDE VARIABLES THAT AFFECT USAGE AND THE RISK OF CREDIT CARD

Attitude is a noun in social psychology. Logically, all sorts of attitude are assumptions of concepts, which mean they can be cognitive, but cannot be objectively observed. This concept, attitudes, generated by people trying to explain the normal phenomenon realized by of persons in personal behavior. No life down and have all sorts of attitude, it is formed through our study, in our need and desire to fight with desires. Our experience, family, social class belonging to, interpersonal relationships also affect it. Similarly, insight, beliefs, values, behavior is also effective for its formation. There are many kinds of attitude of the consumers for the product, which can be fixed then. Television, magazines and other media advertising, relatives and friends' recommendations will affect the consumers' attitudes.

A. Attitude to money

Money plays a very important role in human society. Money in economics is generally described as "an exchange

tool", "a value scale", " a means of deferred payment" and so on. But money is not just an exchange tool; it hides people's deep understanding of human nature and reflects the people's personality characteristics and the value of expectation, and therefore affects people's thought, emotion attitude and behavior (Xie Chao, 2006). Money belongs to an abstract concept. Money has different meaning for different people, so the attitude towards money is not the same.

B. Attitude towards credit card

1) Cognitive

Use a credit card can easily lead to excessive consumption.

Use a credit card can better understand the daily consumption and help finance.

It's difficult to repay debt after shopping as using credit cards.

The cost of using credit card is too high.

It is unwise to use a credit card.

Cards should only be used in an emergency.

2) Behavior

Credit cards provide the required service.

I recommend others to use a credit card.

Compared to cash, I prefer to pay by credit card.

I will be attracted to promotions and apply for a credit card.

3) Emotional attitude

Credit cards are very popular.

Credit card has a positive contribution to society.

Xiao (1995) and some others pioneered the research of credit attitude. They developed Likert scale to measure college students' credit card attitude. Their scale included 15 items about affective attitude, 10 questions about credit card cognition, and 12 issue of credit card use behavior. The results show that college students like credit cards, there are 82% of the students have good emotion attitude, 67% of the students have good cognitive attitude.

Yang, James and Lester (2005), using credit card attitude scale created by Hayhoe and some others (1999), checked the reliability and validity of the 12 items of inventory when used to another country. Their study found that affective and behavioral attitude of college students have a positive impact on their credit card spending. Obsession, power, retention and the inadequate factor have a positive effect on credit card attitude, while effort factor has a negative effect on the credit card attitude. Besides, the author also distinguished students by demographic variables, the results showing that positive influence of the affective attitude on the number cards are very significant in men and women, while behavioral attitude' positive influence significant in male, male' monetary attitude affects the credit card is more significantly than women.

Dong Ping ((2007), taking college students as the research object, discussed the form of money, credit card using behavior

and its influencing factors, and found that there are differences in the form of money among different college students' attitude towards credit card. Positive attitude of credit card and high willingness to use new products has a positive influence on the hold of cards.

VI. COLLEGE STUDENTS' CREDIT CARD USAGE

After students having credit card, percentage of idle is high. 27.6% of college students credit card is never used; 52.6% of the credit card use frequency is between 1-5 times; frequently used ones account for 19.7% , six times or more every month.

A. *The traditional notion is in-depth, controlling consumption, worried about excess consumption*

Due to the traditional Chinese thinking is deeply ingrained, people still consume according to the standard of making ends meet, tend to spend what they have, not willing to borrow money to spend. Although as a new generation, young college students' are comparatively advanced but the influence of ideas passed down from generation to generation of consumption idea is big, and as the growth of the age consumption behavior will tend to be conservative.

B. *Cash spending habits*

Before entering university, the students' basic consumption was done through cash. After entering the university, they don't get used to the bank card consumption; the corresponding direct debit card consumption behavior is not much, the use of credit cards fewer. In a short period of time, it is not easy to change the habit of using cash.

C. *College students' consumption characteristics*

College students' consumption site focused on campus and small supermarkets shops, restaurants and markets surrounding campus. Consumption on campus is basically done by campus card, credit card rarely used. Consumption outside the campus is generally little, so it is more convenient to use cash. And class of roadside stalls, shops and restaurants is low, and almost does not provide POS machine. So the credit card is barely used in everyday life among students.

D. *The credit card consumption environment is not welcome*

Due to the poor credit card using the environment, the use of credit cards reduces, which is a common phenomenon. Many merchants take POS fault as an excuse and make the customers use cash. Many small and medium-sized accounts say no to credit cards, trying their best to persuade consumers to give up credit cards. Businesses are reluctant to pay for fees, which seems to only a little concerns profit or loss. This situation has great bad influence to the popularity and using frequency.

E. *Poor economic solvency*

College students earn a steady income nearly 10000 Yuan. But students' main economic income is from parents. 17.5% of college students earn some money from the work-study, 15% from scholarship. College students' economic sources is relatively single, can't without the help from the family and school, through social channels. The precondition of credit card consumption and demand is relatively weak.

After the credit card debt, its debt is actually has to be paid by the student's parents, rather than the students themselves. So when students want to buy something of a relatively high price, the first thought is not pay with credit card borrowing and repayment gradually in the following days, instead , they ask parents for money.

F. *The lack of financial knowledge, financial management knowledge is weak, the blindness of my credit card*

College students' credit card consumption demand is mainly produced by external stimuli tension. Campus promotion work, advertising, friends are the main influencing factors. The survey data show: 50% of the students knew college student credit card through the campus promotion; 20% through newspapers, television, advertising; 17% by friends. According to the observation and understanding, among the college students applied for a credit card, some of them are for the convenient application function of credit card; some of them are following suit type.

Because of the lack of basic financial knowledge, some students even cannot figure out clearly the difference between credits and debit cards. Having gotten the credit card while don't know the characteristics of the credit card and its benefits, so the credit card has been left unused.

VII. THE INFLUENCE OF COLLEGE STUDENTS' CREDIT CARD USE AND MANAGEMENT

A. *Shopping online marketing strategy*

Online shopping is one of the important factors influencing college students' credit card consumption. 40.8% of students use credit card because of the need of online shopping, and online payment is also one of the main functions of the credit card, accounting for 25%. Through the communication with college students, we also understand because the popular online shopping trend among classmates, credit card payment is convenient and fashionable.

B. *Develop good habits to get ready into society*

Consumer finance credit card that aims to improve the ability of college students' financial management ability more than providing a convenient way to pay, it's also a good consumer financial management tools. College students mainly rely on parents. Learn to spending money, can save money, develop good consumption habits, and improve their ability of financial management. Therefore, college students should make full use of credit cards, control consumption amount, reduce the consumption cost, and enhance financial management knowledge and ability. Family and school should guide students to the correct way of consumption, help college students with consumption analysis, rational consumption.

C. *Promote the healthy development of college students' credit card market*

College students' credit card is a special consumer market in the credit card industry. College students' healthy development of the credit card use needs the joint efforts of the society from all walks of life. Family, school and bank play a main role from college students' cognition, application and usage of credit card.

D. Policy recommendations

Notice about Standardize Credit Card Business Further definitely requires banking financial institutions shall not grant credit cards to students under the age of 18 years (except for supplementary card). When issuing credit cards to people full of 18 without regular job and stable income sources, banks must check the second source of repayment, and confirm that the second source of repayment party signed with written consent of the corresponding payment responsibility.

Parents affect their children's financial behavior and the major effect of the sound development provides direct evidence to support new credit card to apply for the requirements of the law. Law should require the older adults (usually a young adult parents) should be directly involved in the young people (defined as adults under the age of 21) to apply for a credit card. Only both parents and children understand clearly know defects and the benefits of using a credit card and method, so new credit policy can be more effective.

Parents' paying for credit card debt will not promote offspring to be more responsible for lending practices. This is reasonable, because such actions are actually encouraging bad behavior, thus parents signed documents to stop such action. Public policy should encourage parents to give their children financial education. Through the establishment of clear specification, parents role modeling, providing direct guidance help students with the right awareness of credit cards.

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