The Moderating Role of Credit Card Usage on the Relationship Between Money Power Prestige, Money Distrust, and Money Anxiety with Compulsive Buying Corresponding author: 2*

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The Moderating Role of Credit Card Usage on the Relationship Between Money Power Prestige, Money Distrust, and Money Anxiety with Compulsive Buying

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ABSTRACT— This study aims to examine the role of credit card usage moderation on the relationship between Money Power Prestige, Money Distribution, and Money Anxiety with Compulsive Buying in e-commerce in Indonesia. This study involved 302 credit card users who had shopped at e-commerce. The research uses non-probability sampling and SEM-PLS to analyze data. The results revealed that only the first hypothesis (the effect of money power prestige on compulsive buying) was proven significant. The rest of the predictions are unsupported. Credit card usage did not show to moderate the relationship between independent and dependent variables. Thus, recommendations for future research are: First, testing the conceptual research model by involving Generation X respondents. Second, replacing variable credit card usage with digital money usage as a moderator. Third, by using digital payment as a moderator variable for future research, it is recommended that research involve primarily Millennial and Postmillennial consumers.

KEYWORDS: Compulsive buying, credit card usage, money power prestige, money distrust, and money anxiety.

1. INTRODUCTION

Credit cards are no longer a luxury item that can only be owned by the upper classes. Over time, the efficiency of this plastic card has been able to attract millions of people in Indonesia to use it; now, almost all groups of people are familiar with this alternative transaction tool. Coupled with the submission of credit card making that is made easier today can be through a virtual market place like tokopedia.com, which offers a large selection of credit cards from banks that work with the platform. Refer to the bi.go.id data, and it can be seen that credit card users in 2019 are growing again, especially in spending on e-commerce. Additional information from Bank Indonesia recorded that by February 2019, the number of credit cards in circulation in the country had reached 17.15 million credit cards. Data from volume credit card transactions released by Bank Indonesia showed significant growth in the January-February 2019 period compared to the same period last year. As of February 2019, the total volume of credit card transactions reached 55.46 million transactions [1]. According to data from kumparan.com, online shopping is one of the trends and activities that cannot be denied coloring throughout 2018. At the end of 2018, for example, it will be a sweet moment for online shopping practitioners. For consumers, online shopping can be a solution to time efficiency and cost expenditure. Meanwhile, for the marketplace entrepreneur, the presence of the biggest online shopping festival, HARBOLNAS (national online shopping day) until the Christmas and New Year's moment, indeed becomes more potential to rake in the coffers of profits. Harbolnas provides the most significant impact on marketplace players. According to Liputan6.com, e-commerce has become a promising business, along with the development of the internet and mobile devices. Many offline retail players are beginning to explore the online market by creating select channels in significant marketplaces, such as Tokopedia or Bukalapak. The iPrice ranks e-commerce in Indonesia based on the total site visitors of each e-commerce. They are starting with Lazada.com, with 117 million visitors each month. Then Tokopedia.com, which is not much different from 116 million visitors.

Then, Bukalapak.com with 93 million visitors. Blibli.com, with 45 million visitors each month. In the fifth position is Shopee.com with 34.5 million visitors each month. General Manager of the Indonesian Credit Card Association (AKKI), Steve Martha, said the payment of e- commerce transactions would be straightforward to do if using a credit card. It also coupled with an increase in the security side of operations using credit cards for e-commerce. Meanwhile, the most significant credit card transactions still come from the retail, fashion, food and beverage, and travel (travel) sectors. Pradityo, Head of Financial Transaction Bukalapak, mentioned to republika.com that transactions using credit cards at Bukalapak ranked 3rd of all trades. In terms of Bukalapak growth, credit card users are always above 20 percent per year. In contrast to Blibli's Vice President of Marketing, Fadjar, who stated, the most substantial transactions on Blibli use credit cards. That's because the virtual market place provides many promotions when customers pay by credit card. Unlike also the Head of Partnership Shopee, Jeannifer, who said that Shopee customers who transact with credit cards are still few. Even so, in terms of growth Jeannifer sees an increase in credit card users, so it looks quite promising. According to data from Brilio.net, the highest online expenditure is on electronics, food, and traveling and clothing. For this, the use of 1 credit card reaches 54% with an average credit card limit of around 5 to 10 million rupiahs, brilio.net concludes below Credit card users like 59% of non-cash payments based on promotions, which can increase compulsive buying, which can lead to waste. Workman reveals that compulsive consumers do not randomly buy a product. Still, habitual consumers have a higher frequency of buying in specific product categories [2]. Consumers assume that buying impulse behavior will benefit them morally in their social views and also feeling happy when shopping. Encouraging purchase behavior is included in the buying behavior based on the emotions of the consumer so that it will be related to the consumer's personality. Consumer attitudes toward attitude towards money (money attitude) are also very influential on consumption patterns. The attitudes toward money do not differ between men and women in compulsive buying. Hanley and Wilhelm emphasize that attitudes towards money are a substantial factor in influencing purchasing behavior [3]. Most people show that the psychological value of attitudes toward money is higher than its economic value. Therefore, consumers find it easy to buy the desired product and also encourage consumers to look for newer products and increasingly frequent product changes [3].

2. Literature Review

2.1 Money Power Prestige and Compulsive Buying
Veludo-de-Oliveira et al. said that the role of moderation from the use of credit cards in the relationship between money power prestige and compulsive buying in their research involving 365 respondents [4]. Sharif and Yeoh confirm that prestige money power will increase compulsive buying. The finding shows the attitude towards money is an essential factor behind consumer culture [5]. The Research has shown that compulsive buyers have a higher need to spend money by demonstrating their prestige money power [5].

2.2 Money Distrust and Compulsive Buying
According to the theory of money, distrust will hurt compulsive buying. Sharif and Yeoh found that money distrust does not affect compulsive buying [5], and Phau and Woo could not find a significant relationship between money distribution and compulsive buying among young people in Australia [6]. But, found that the relationship between money distribution and the impetus of purchase was not significant with value [4]. However, Roberts and Jones prove the existence of a negative and significant effect of money distrust on compulsive buying [7].

2.3 Money Anxiety and Compulsive Buying
According to money anxiety in compulsive buying shows a higher level of anxiety about money owned compared to non-compulsive buyers [5]. found that the relationship between money anxiety and compulsive

buying was significant [4]. According to the increase in anxiety among young people was the main driver influencing their attitudes toward buying encouragement. Money anxiety will produce an urge to reduce tension from spontaneous actions [5]. argue that running away from feelings of anxiety is considered as the primary motivation of people who show addictive or compulsive behavior [8].

Based on the theory and research findings above, the hypotheses of this study include: H1: Money power prestige influences compulsive buying.
H2: Money distrust will significantly reduce compulsive buying.
H3: Money anxiety influences compulsive buying.
H4: Credit Card Usage significantly moderates the effect of money power prestige on compulsive buying.
H5: Credit Card Usage significantly moderates the influence of money distrust prestige on compulsive buying.
H6: Credit Card Usage significantly moderates the influence of money anxiety prestige on compulsive buying.

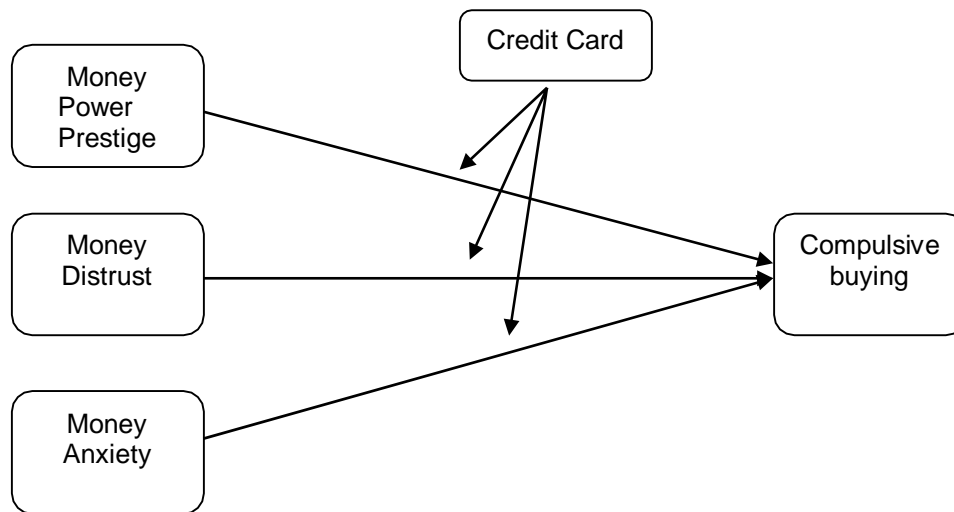The hypotheses form the conceptual framework as at the Figure 1.

Figure 1. A Theoretical Framework

3. Method

3.1 Population and Sample
A population is a group of people, events, or anything from which samples are taken [9], [10]. The population is consumers who have shopped at e-commerce using a credit card. This study distributed questionnaires through electronic and online media, and 357 respondents had collected. Fifty-five respondents had used a credit card but never used it for shopping at e-commerce, so 55 samples were not used. So the example used in this study is 302. The study conducts a convenience sampling of the non-probability sampling approach. Determination of sample size non-probability technique usually uses ten times items formula [11], [12], [13], but this study uses a larger sample size.

3.2 Measurement instruments
Measurement instruments for compulsive buying adopt items from [4], [5], [14]. Measurement instruments for Money Power Prestige adopt items from [4], [5], [14]. Measurement instruments for Money Distrust adopt items from [4], [5], [14]. Measurement instruments for Money Anxiety adopt items from [4], [5], [14]. Measurement instruments for Credit Card Usage adopt items from [4], [7].

3.3 Analysis technique

Analysis techniques of the research using the Structural Equation Model with the help of SmartPLS software. According to Wiyono, SEM-PLS can analyze latent variables, indicators, and measurement errors directly [15], [16]. SEM-PLS tests two sides, namely the inner model and outer model [17], [18], [19]. Outer model is a specification of the relationship between latent variables and indicators, often called indicator tests (validity) and reliability tests, namely by looking at the value of Convergent Validity, Discriminant Validity, or AVE, and Composite Reliability [20], [21]. Outer model is to find loading factor> 0.70 and AVE> 0.50 to proof validity, composite reliability> 0.70, and Cronbach's alpha> 0.70 to prove reliability [22], [23], [24]. The inner model is a specification of the relationship between latent variables, often called hypothesis testing [20], [25], [26]. This Inner Model is also known as inn relations, structural models, and substantive theory. The Inner Model describes a structural model that links latent variables.

4. Findings

4.1 Descriptive Analysis

Respondents in this study are credit card users who have shopped at e-commerce or several virtual marketplaces. The following is an overview of the profile of 302 respondents.
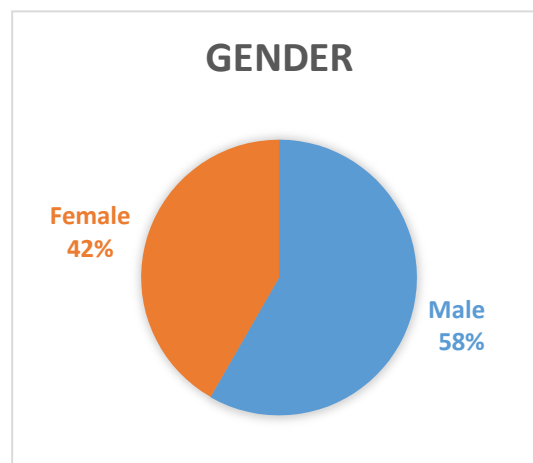

Figure 2. Gender profile

Figure 2 shows that a total of 302 respondents consisting of 176 respondents (58%) are male, and 126 respondents (42%) are women. Figure 3 shows that credit card users dominated by respondents aged 17 to 24 years old, namely 193 respondents. They were then aged 25 to 34 years old as 102 respondents. Aged 35 to 44 years old as many as five respondents, then age under 17 years old, only one respondent and age 45 to 55 years old is also only one respondent. Figure 3 show that a total of 302 respondents consisting of 1 respendent is under 17 year ald, 193 respondents are 17 to 24-year-old, 102 respondents are 25 to 34-year-old, 5 respondents are 35 to 44 year alod, and 1 respondent is 45 to 55-year-old. So, respondents of this research are dominated by millennial generation.
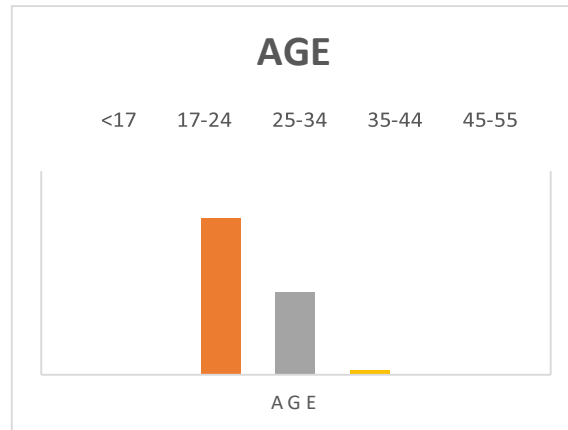
Figure 3. Ages profile

Figure 4 shows that as many as 60% or 180 respondents are interested in using a credit card for the origin of discounts, cashback, promotions, and installment programs. As many as 26% or 79 respondents have used a credit card to reserve in an emergency. 8% or 25 respondents choose to use a credit card for practical reasons; there is no need to use cash to transact. 1% or four respondents decide to use a credit card for purposes they can remain stylish without money. And 5% or 14 respondents chose other reasons.
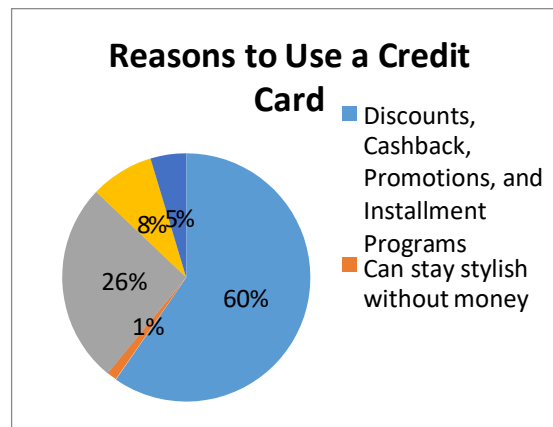

Figure 4. Respondents' Reasons for Using Credit Cards

4.2 Inner Model Evaluation

Table 1 shows that the Loading factor value of all items shows greater than 0.70, so this study meets Convergent Validity.

Table 2 shows that the average variance extracted (AVE) value of each construct> 0.50 so that it meets discriminant validity. Table 2 also shows that the Cronbach's Alpha and Composite Reliability values for each construct indicate> 0.70 so that all constructs meet the reliability requirements.

Table 1. Outer Loading

Variable	Outer Loading	Variable	Outer Loading
Money Power Prestige		*Money Distrust*	
Item1	0.857	Item1	0.819
Item2	0.868	Item2	0.767
Item3	0.852	Item3	0.801
Item4	0.722	Item4	0.927

Item5	0.714	Item5	0.738
Item6	0.817	Item6	0.855
Item7	0.828	Item7	0.761
Item8	0.828		
Item9	0.737		
Money Anxiety		Compulsive buying	
Item1	0.971	Item1	0.930
Item2	0.953	Item2	0.935
Item3	0.870	Item3	0.889
Item4	0.811	Item4	0.808
Item5	0.975	Item5	0.817
Item6	0.769	Item6	0.768
Credit Card Usage			
Item1	0.741	Item4	0.773
Item2	0.876	Item5	0.725
Item3	0.910		

Table 2. Construct Reliability and Validity

Variables	Cronbach's Alpha	Composite Reliability	AVE
Money Power Prestige	0.931	0.943	0.647
Money Distrust	0.917	0.931	0.659
Money Anxiety	0.948	0.960	0.801
Compulsive buying	0.929	0.944	0.740
Credit Card Usage	0.866	0.904	0.654

4.3 Outer Model Evaluation

Table 3. Hypotheses Test

	Hypothesis	T-statistics	P-values
H1	Power prestige → Compulsive buying	7.405	0.000
H2	Distrust → Compulsive buying	0.391	0.696
H3	Anxiety → Compulsive buying	0.775	0.439
H4	Power prestige*Credit card usage → Compulsive buying	1.031	0.303
H5	Distrust*Credit card usage → Compulsive buying	0.824	0.410
H6	Anxiety*Credit card usage → Compulsive buying	1.077	0.282

Table 3 shows that only H1 is accepted because the T-statistic is 7.405> 1.96 and p-value 0.000 <0.05. However, H2, H3, H4, H5, and H6 rejected because of p-values> 0.05.

5. Discussion and Conclusion

The findings indicate that there is a significant influence of money power prestige on compulsive buying. This study confirms Rizeki's findings that young adult consumers tend to behave in a consumptive manner [27]. From an emotional point of view, they emphasize comfort, pride, and practicality. Respondents of this study were also dominated by respondents who were young adults with an age range of 24-35 years. According to Rizeki, young adult consumers are the age group where there is a strong desire to be recognized [27]. So often, this encourages them to be willing to show behavior that has no benefit for them. Money power prestige has a positive and significant effect on Compulsive buying because they impress others and can cause excessive purchases, even for unnecessary things [4]. Money Distrust has not proven to affect Compulsive buying significantly. According to data from Bisnis.com, there is at least one in ten people who have experienced

fraud when making purchases on e- commerce in Indonesia. One in three people or their closest relatives have experienced fraud. That is the reason that can explain this research does not find a significant effect of Money Distrust on Compulsive buying in e-commerce, because of the low level of trust. The data should support the negative and significant influence of distrust on compulsive buying, or when distrust increases, compulsive buying decreases. The dimensions of Indonesian culture that have lower uncertainty avoidance and higher collectivistic might cause suspicion not to have a significant effect on compulsive buying. The impact of anxiety on compulsive buying was also not proven significant, not to confirm the results of [4]. They found that the influence of money anxiety on compulsive buying can reduce and reduce excess expenditure. The dimensions of Indonesian culture that have lower uncertainty avoidance and higher collectivistic might also explain why it does not have a significant effect on compulsive buying. Credit card usage is not proven to moderate the relationship between money power prestige and compulsive buying. The reason is that a decrease in the use of credit cards. Kontan.co.id states that credit card transactions are predicted not to show significant growth compared to last year's growth. The presence of financial technology (fintech) causes it. Then Cekaja.com explained that the trend of e-wallets in big cities, especially Jakarta, by those in their productive age would also reduce the level of credit card usage. Practicality and promotion become the background that makes e-wallet increasingly loved. Many digital payment systems service providers have also collaborated with many e-commerce or virtual market places in Indonesia.

Credit card usage is also not proven to moderate the relationship between money distribution and compulsive buying. Several reasons can explain this. According to Detik.com, a lot of credit card data stolen through e-commerce transactions, so this has alarmed credit card users who want to make purchases on e-commerce using credit cards. According to Bubu.com, Indonesian people are still afraid to shop online and tend distrust in using credit cards to buy online. According to Kontan.co.id, the high use of electronic money in Indonesia, followed by the expansion of e-money business players eroding the use of credit cards as a means of payment. They are switching to using payments such as e-wallets and the like. Respondents of this study are dominated by Millennials who have more digital literacy and are more comfortable, and trust using digital payment can explain the findings of this study. Credit card usage is not proven to moderate the relationship between money anxiety and compulsive buying. Several reasons may cause it. According to Medium.com, technological developments in Indonesia and also the rampant cases of credit card data theft when transacting online via e-commerce have caused consumers to be reluctant to use credit cards to shop. According to Kontan.co.id, people are unwilling to use credit cards to buy online because they are more practical using digital payment system methods, such as OVO, Go-Pay, DANA, T-Cash. Again, respondents in this study are dominated by Millennials who have more digital literacy and are more comfortable, and trust using digital payment can explain the findings of this study.

6. Recommendation for Future Research
Based on the results of the above research, the recommendations for future research are: First, the majority of respondents in this study are Millennials. Because Generation X may already be comfortable using credit cards, future research can test this conceptual model on Generation X respondents. Second, due to the rapid development of the digital payments system in Indonesia lately, the recommendation for future research is to test the conceptual model of this research, but by replacing the moderator variable with digital money usage. Third, by using digital payment as a moderator variable for future research, it is recommended that research involve primarily Millennial and Postmillennial consumers.

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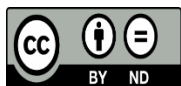
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