FACTORS THAT INFLUENCING FOR THE USAGE OF CREDIT CARDS: SPECIAL REFERENCE TO GAMPAHA DISTRICT

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ABSTRACT

Credit cards have become an extremely vital payment tool in modern day, which improves the efficiency level of the payment transactions and generates interest-based income to the bank. The researcher has conducted this study based on deductive approach and the study examine the factors influencing on the usage of credit cards among the customers of commercial banks in Gampaha district. This study was based on three objectives and the main objective was to identify the factors influencing to the usage of credit cards, apart from that the researcher was expected to identify the relationship between the factors influencing on usage of credit cards and the most influencing factor on usage of credit cards. The researcher has developed the conceptual framework based on three independent variables of demographic factors, bank policies and attitudes. The dependent variable of the study was the usage of credit cards. The quantitative method was used in gathering and analysing the data. All the credit card users of commercial banks in Gampaha district was the population of this study. Among them 180 credit card holders have selected conveniently and distributed the printed questionnaire among them. However only 100 respondents were completed and replied. The researcher could not get the list of credit card holders in commercial banks in Gampaha district thus a convenient sampling method has used for conduct the study. Collected data were analysed by using independent sample t-test, one-way ANOVA, correlation analysis and multiple regression analysis. Researcher has selected Bank policies, Attitudes and Demographic factors as the influencing factors for using credit cards. Bank policies, attitudes and demographic factors are independent variables and usage of credit card is dependent variable. Bank policies and attitudes are significantly correlated with credit card usage. And demographics factors of age, gender, monthly income, educational qualifications are statistically insignificant with credit card usage. It implies there is no any impact from the demographic factors to the usage of credit cards. And there is negative relationship with bank policies. And there is positive relationship between attitudes and credit card customers in Gampaha district.

Keywords: *Credit Cards Usage, Commercial Banks, Demographic Factors, Bank Policies, Attitudes*

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