

1 **An Investigation of Psychological Factors Determining**
2 **Credit Card Usage Among Young Professionals:**
3 **Insights from the Banking Sector in Sri Lanka**

Aims: This study aims to investigate the psychological factors that determine the credit card usage of young banking professionals in Sri Lanka, addressing a critical gap in the literature.

Study Design: This is a quantitative study utilizing Partial Least Square – Structural Equation Modelling (PLS-SEM).

Place and Duration of Study: The study was conducted among young banking professionals in Sri Lanka. Data collection took place over a specified period (please insert the exact dates if available).

Methodology: The study employed a web-based structured questionnaire with responses from 384 young bankers. The questionnaire used a five-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). The analysis focused on the relationships and magnitudes among the dependent variable (Credit Card Usage) and independent constructs (Attitude, Convenience, Financial Optimism, Social Status, and Usage Patterns).

Results: The analysis revealed a positive relationship between Credit Card Usage and the independent constructs. Convenience was found to have the most influential effect on credit card usage among young professional bankers in Sri Lanka. The findings provide valuable insights for financial institutions in shaping their credit card facilities and services specifically for banking professionals.

Conclusion: This study offers significant implications for financial institutions in Sri Lanka. However, the focus on young banking professionals limits the generalizability of the findings to the wider community. Future studies should explore different professional groups to identify psychological insights from various professional demographics in Sri Lanka.

4 **ABSTRACT**

5 **Keywords:** Credit Card Usage, Psychological Factors, Young Professionals, Banking Sector,
6 Convenience.

7 **Introduction**

8 Utilization of credit cards, also considered as adoption and use of credit cards for financial
9 transactions, is highly regarded as an important aspect of financial and economic behaviour of
10 present-day human (Athiyaman & Subramaniam, 2018). It underscores various psychological factors
11 that shape decisions of an individual to use credit cards. According to Gül & İşcan, it stretches from
12 financial optimism to social status, attitudes, convenience, and perceived financial cost. Those
13 factors cover an extensive spectrum of psychological determinants which covers different aspect of
14 human financial behaviour (Gül & İşcan, 2022). Comprehending psychological factors that shape the
15 use of credit card among young white collars in relation to the young professionals in Sri Lankan

16 banking industry, marks for both academic research and practical applications in the financial services
17 industry.

18 Gaps can still be identified in understanding the use of credit cards, despite the developments of
19 financial services, especially in developing countries like Sri Lanka where these differences can be
20 identifies across various demographics and regions (Wickramasinghe & Gurugamage, 2009). A
21 significant section of the Sri Lankan population consists of young professionals aged between 18 to
22 35 (Central Bank of Sri Lanka, 2021). As the country continues to develop recognizing psychological
23 factors that highlight the use of credit cards of this specific demography is important for promoting
24 responsible financial behaviour and economic growth (Athiyaman & Subramaniam, 2018).

25 The attention has received in the generic sense in most of the previous studies to the factors affecting
26 the use of credit cards in Sri Lanka, with the young professionals, specifically the banking sector,
27 experiencing slight attention. According to the annual report of the Central Bank of Sri Lanka, banking
28 professionals make use of credit cards the most compared to other professional groups. This trend
29 can be attributed to several significant factors, including the fact that banking professionals earn
30 more, making them more qualified for credit card usage. Moreover, their extensive financial literacy
31 permits them to comprehend and manage credit cards effectively, and their profession gives them
32 appreciable access to credit facilities, making credit cards a convenient and multifaceted element of
33 transactions. Regardless of the noteworthiness of the credit card usage pattern of young banking
34 professionals, a limited number of studies have been conducted on the psychological aspects
35 influencing credit card usage among young banking professionals in Sri Lanka (Perera et al., 2016).
36 Prior research has mostly focused on more general financial habits, giving limited attention to the
37 particular psychological determinants that affect young professional bankers in the Sri Lankan
38 banking sector. Additionally, financial inclusion among urban youth, as highlighted by Kalinga (2024),
39 plays a crucial role in understanding the broader financial behaviors and access to financial services.
40 Kalinga's study emphasizes the importance of financial inclusion in empowering urban youth,
41 providing them with the necessary tools and knowledge to participate fully in the financial system,
42 which can also influence their credit card usage patterns.

43 The socioeconomic diversity of the young banking professionals makes it convenient to examine the
44 psychological background of credit card usage, providing access to new research avenues and
45 furnishing insightful information. Several psychological factors that have a notable impact on young
46 professionals' application of credit cards are the central point of this study, including user patterns,
47 social status, attitudes, convenience, and financial optimism. Previous empirical investigations,
48 acknowledged all of these elements as significant drivers (Athiyaman & Subramaniam, 2018; Dewri et
49 al., 2016; Zainudin et al., 2019).

50 It is evident that people use credit cards when they have more praising attitudes towards them and
51 higher levels of financial optimism (Dewri et al., 2016). Social status and the comfortof using credit
52 cards are other important factors that affect the financial behaviour of the people.(Zainudin et al.,
53 2019). According to Dewri et al. (2016), it is revealed that attitudes towards the usage of credit cards

54 remarkably shape the usage by influencing an individual insight on affordability and money
55 management. Negative feelings can restrict the use and it affects financial behaviour, therefore young
56 professionals need an encouraging financial environment and good social influences to utilise credit
57 cards efficiently (Athiyaman & Subramaniam, 2018).

58 Fundamentally, this research intends to identify the most pivotal psychological factors that determine
59 the credit card usage of young banking professionals in Sri Lanka. Apprehending basic psychological
60 factors is crucial in formulating effective policies and initiatives to foster responsible credit card usage.
61 The insights of this research assist banks and financial institutions in Sri Lanka to develop more
62 targeted strategies and products that cater to the unique needs and preferences of young
63 professionals.

64 **Research Gap**

65 Research on investigating the psychological factors that determines the credit card usage of young
66 professionals in the context of Sri Lanka, specifically referring to banking sector is conspicuously
67 lacking, despite the credit card usage's indication in financial behaviour of a certain demography.
68 Young banking professionals are distinct as their traits and motives have not been sufficiently
69 addressed by the majority of previous research, which has focused on the general population
70 (Department of Census and Statistics, 2021). A considerable gap in the research is brought to light by
71 this research while providing an opportunity to investigate the psychological factors that determine the
72 credit card usage of the demography under the consideration. Characterized by factor that their higher
73 level access to credit facilities, higher income levels, and improved financial literacy, young banking
74 professionals frequently show unique financial behaviours and attitudes (Central Bank of Sri Lanka,
75 2021). These elements have the potential to determine how this demography use credit cards. In the
76 essence it is imperative to conduct an analysis on them. This research attempts to dive deep to grasp
77 the driving forces and obstacles encountered by young banking professionals by examining
78 psychological determinants that determine their credit card usage. Finding these insights significant in
79 both academia and practical world as it provides valuable implications for the banking industry, insights
80 and directions to future research.

81 **Research Question**

82 What psychological factors significantly determine the level of credit card usage by the young banking
83 professionals in Sri Lanka?

84 **Objectives of the Research**

85 The primary objective of this research is to concentrate upon the investigation of psychological
86 determinants that influence the credit card usage of young banking professionals. It further
87 investigates the magnitude influence made by each of the independent variable; Usage Pattern,
88 Convenience, Social Status, Attitude, and Financial Optimism made on the dependent variable; Credit

89 card usage. The results are significant in informing practical implications for offering specifically
90 tailored credit card services to young professional bankers in the Sri Lanka.

91 **Significance of the Study**

92 This research is significant as it addresses a crucial gap in the knowledge on the psychological factors
93 determining credit card usage among young banking professionals in Sri Lanka. By referring to this
94 specific population demography, the research intends to uncover unique motivations and behavioral
95 intentions that are commonly considered in prior studies for general demographics. The findings of
96 the research are invaluable in constructing financial solutions that promote responsible credit card
97 usage and enhance financial well-being of the young banking professionals in Sri Lanka.

98 **Review of Literature**

99 **Theoretical Background**

100 The Technology Acceptance Model (TAM) proposed by Fred Davis in 1989 is a key paradigm for
101 comprehending technology adoption by the human. Perceived Usefulness (PU) and Perceived Ease
102 of Use (PEOU) are the main elements that TAM suggests which have a substantial impact on the
103 decision of a person to embrace a new technology. The perception of a person on how beneficial
104 the technology is based on the level they understand it would improve their everyday activities or work
105 performance. According to Davis (1989), perceived ease of use is the extent to which a person thinks
106 that utilizing the certain technology would be effortless conducting his daily activities. Given that young
107 professionals in Sri Lanka are likely to use credit cards if they believe they are useful tools that
108 improve their convenience and financial management (PU), TAM is especially significant and relevant
109 to the field of credit card usage among this demographic. Additionally, individuals are more likely to
110 adopt if they believe that the procedure of obtaining and using credit cards is simple and easy
111 (PEOU). Through the use of TAM, this research investigates how these factors determine trends,
112 attitudes and general acceptability of using credit cards (Amin, 2008).

113 **Theory of Planned Behavior (TPB)**

114 The Theory of Planned Behaviour is important in comprehending the factors determining the credit
115 card usage of young banking professionals as it explains the individual behaviour which is motivated
116 by their intention to implement certain behaviour, which is influenced by three factors; Attitude towards
117 the behaviour, Subjective norms, and Perceived behavioural control. The Theory of Planned
118 Behaviour (TPB), by Ajzen in 1991, is an important theory which helps to comprehend behavioural
119 elements of credit card use of the young banking professionals. Young professionals are more
120 presumably to use credit cards if the attitude towards the use of it is praising. Young professionals
121 might feel inspired to use credit cards if the viewpoint of their family and peers is satisfactory
122 towards the use of credit cards. Norms are usually subjective regarding the usage of credit cards.
123 Financial literacy and access to credit facilities are two main factors that make an impact on the
124 perceived behavioural control, which measures the easiness or the difficulty of using credit cards.
125 Young banking professionals are more likely to use credit cards if they feel easy to handle them and

126 see few obstacles (Ajzen, 1991). This research considers the components of the Theory of Planned
127 Behaviour to investigate how psychological characteristics such as attitude, convenience and social
128 influence make an impact on the intentions of young banking professionals on their use of credit
129 cards.

130 **Theory of Financial Optimism**

131 Regarding the Theory of Financial Optimism, people are more likely to take proactive financial actions
132 if their viewpoint is optimistic on their financial future. Decision-making is influenced by optimistic
133 thought that their financial status will improve over time. Increased savings, financial product
134 investments and willingness to take measured financial risks can all result from this confidence.
135 According to prior research, optimists are seemingly to have less financial stress compared to
136 pessimists and have a tendency to save money for emergencies and large expenditures. This idea is
137 understandable because young professionals use credit cards because people who have a positive
138 financial status may be more likely to use credit cards confidently because they believe they will be
139 able to efficiently manage and pay their debt on time. Accordingly, the habits of spending, credit card
140 usage and general financial behaviour can all be highly affected by financial optimism (Scheier &
141 Carver, 1985).

142 **Empirical Background**

143 **Credit Card Usage**

144 As a financial instrument, credit cards enable users to borrow money for purchases or cash
145 withdrawals up to a predefined limit (Athiyaman & Subramaniam, 2018). If not paid in full by the due
146 date, the borrowed money must be returned, usually with interest (Perera et al., 2016). Convenience,
147 benefits, and the opportunity to establish credit history are all provided by credit cards. To prevent
148 debt accumulation, however, careful management is necessary. Important habits include making
149 timely payments, keeping credit utilisation low, and keeping a close eye on bills for any unauthorised
150 activities (Bertaut & Haliassos, 2005). Poor management can have a negative impact on credit ratings
151 and lead to high-interest debt (CBSL, 2010). It is crucial to fully comprehend the conditions, costs, and
152 interest rates related to using a credit card (The Consumer Credit Card Market, 2023).

153 Better credit ratings, emergency cash, and the capacity to make big purchases are just a few
154 advantages of using credit cards responsibly (Berntal et al., 2005). Numerous important aspects that
155 affect the behaviour of credit card users of young professionals that highlighted in the prior studies are
156 currently available on the subject in Sri Lanka banking industry (Athiyaman & Subramaniam, 2018).

157 Initially, social and demographic factors including age, gender, income, and employment have been
158 identified as important predictors of credit card use. Credit card ownership and usage tendencies are
159 greater among younger people, those with better salaries, and those working in professional or
160 management roles. In 2009, Wickramasinghe and Gurugamage Dewri and colleagues (2016).
161 Second, psychological elements that influence credit card usage behaviours include attitudes towards

162 credit, financial optimism, and social status considerations (Kara et al., 1996). People are more likely
163 to embrace and use credit cards extensively if they have a more positive attitude towards credit, are
164 more optimistic about their financial future, and have a greater desire to retain their social standing
165 (Bursztyn et al., 2017).

166 According to the study conducted in the banking industry of Sri Lanka, a complex interaction of
167 psychological variables influences young professionals' use of credit cards (Athiyaman
168 &Subramaniam, 2018). The ownership and the use of credit cards by young professionals in Sri
169 Lankan banking industry vary, with income, occupation, and financial optimism appearing as
170 important variables (Dewri et al., 2016).

171 **Usage Patterns**

172 A number of demographic and socioeconomic characteristics affect credit card usage patterns. Age,
173 income, education, and work status have all been considered to have a significant influence on credit
174 card usage (Nai et al., 2018). For example, younger users are more likely to use credit cards for
175 entertainment and online shopping, whereas elderly users could place a higher value on security and
176 ease. According to Stavins and Greene (2018), there is a correlation between more responsible credit
177 card use, such as paying off debt in full each month, and better income and educational attainment.
178 Financial institutions may improve customer satisfaction and retention by customising their goods and
179 marketing methods to various user categories by comprehending these tendencies (Stavins, 2020).
180 Furthermore, societal norms and cultural considerations may also have an impact on the kind and
181 frequency of credit card use. Because using a credit card is viewed as a status symbol in some
182 countries, those who are looking for social recognition may use them more frequently. On the other
183 hand, people could be more careful when using credit cards in societies where debt is seen
184 negatively (Dewri et al., 2016).

185 Banks might provide incentives like cashback on online purchases or discounts on entertainment
186 services, for instance, to attract younger customers who buy online often (Zainudin et al., 2019). The
187 comfort and security of elderly customers may be addressed by emphasising features like fraud
188 prevention and user-friendly mobile banking apps (Mathur et al., 2018). Furthermore, societal
189 conventions and cultural elements influence user behaviour. Because using a credit card is viewed as
190 a status symbol in some countries, those who are looking for social recognition are more likely to use
191 them (Dewri et al., 2016). People may be more careful while using credit cards in cultures where debt
192 is seen negatively, on the other hand (Khare & Varshneya, 2015).

193 As shown by prior studies varied user patterns, meet the unique requirements and preferences of
194 various client categories, investigating the how these user pattern could influence over the credit card
195 usage by the young banker are crucial intailoring sophisticated credit card services

196 *H1: User Patterns has significant and positive impact on the Credit Card Usage of the Young banking*
197 *professionals in Sri Lanka.*

198 **Convenience**

199 The ability of credit cards to streamline transactions and eliminate the need for carrying cash which is
200 identified as the convenience, is a key factor in determining the usage of credit cards. Easy and quick
201 payments, tracking of simple spending, and rewarding programs are some of the few advantages that
202 make credit cards more attractive for its customers (Stavins, 2017). According to previous research,
203 the convenience that credit cards offer makes it more likely to be used by consumers for regular
204 transactions (2018 Findings from the Diary of Consumer Payment Choice, 2023). Their use has
205 increased as a result of credit cards integration with mobile payment systems and virtual wallets (Nai
206 et al., 2018). Through offering of convenience-enhancing features like cashless payments and smooth
207 mobile app integration, financial institutions take benefits from the credit cards (Digital Payments and
208 Mobile Wallets, 2018).

209 Credit cards are widely accepted by a variety of online and physical retailers, which greatly offers
210 convenience for their customers. Making purchases without having to worry about navigating an ATM
211 or having enough cash in hand is something that increases customers satisfaction (Stavins & Greene,
212 2018). Moreover, credit cards frequently include extra security features like fraud protection and no
213 responsibility for unauthorised transactions, which make them even more convenient than using
214 regular cash (Zainudin et al., 2019). In addition, efficient money management is another benefit of
215 ease. A thorough record of transactions is provided by credit card statements, which facilitate
216 customer with better budgeting and expense management (Samaneh Sournejad et al., 2016). Using
217 credit cards is especially alluring for the young banking professionals with tight schedules who want
218 simplify their cashflow management solutions.

219 Many customers use credit cards as their preferred payment option because of the convenience they
220 provide through timely transactions, simplicity, broad acceptance, improved security, and efficient
221 money management. By consistently inventing and providing features that correspond with the
222 changing demands of their clientele, financial institutions may profit from this (Stavins, 2017).

223 *H2: Convenience affects positively on the credit card usage of young banking professionals in Sri*
224 *Lanka.*

225 **Social Status**

226 Credit card use is strongly influenced by social status as it is frequently seen as a show of prestige
227 and financial security (Fulford & Schuh, 2017). Higher social standard is associated with a higher
228 likelihood of using credit cards for expensive expenditures and keeping several credit cards open
229 (Bursztyn et al., 2017). According to Fulford and Schuh (2017), this behaviour is motivated by the
230 desire to present a certain image and to take advantage of special privileges linked to premium credit
231 cards.

232 High-status individuals may select credit cards that offer perks like concierge services, access to
233 airport lounges, and higher credit limits, claim Fulford and Schuh (2017). Research has indicated that
234 the perceived requirement of having a credit card can also be influenced by one's social standard.
235 People may experience social pressure to get and use credit cards even if they do not absolutely
236 need them for financial reasons in communities where having a credit card is viewed as a sign of
237 success (Sotiropoulos & d'Astous, 2013). As a result, more people who want to improve their social
238 status may use credit cards. Furthermore, by highlighting the rarity and prestige of their products,
239 credit card businesses frequently target high-status individuals with their marketing methods (Dewri et
240 al., 2016). Promotional materials and advertisements usually emphasize the opulent lifestyle that
241 premium credit cards may provide, which strengthens the link between credit card use and social
242 standing (Bursztyn et al., 2017).

243 Social standing has a significant impact on credit card use, affecting both the adoption and usage
244 patterns of credit cards (Amendola et al., 2016). To increase their attractiveness and usage rates,
245 financial institutions may use this knowledge to build and sell credit card products that meet the
246 objectives and goals of high-status consumers (Fulford & Schuh, 2017).

247 *H3: Social Status influence positively and significantly on the credit card usage among young banking*
248 *professionals in Sri Lanka.*

249 **Attitude**

250 Patterns of credit card usage are highly guided by an individual's attitude towards credit, which
251 incorporate their views, attitudes, and emotions (Wang, 2017). Researchers have brought into light
252 that considerable amount of debt levels and credit card use are associated to a more positive attitude
253 towards credit. (Pinto & colleagues, 2004). According to Sotiropoulos and d'Astous (2013), those who
254 have a satisfactory attitude towards credit may look at it as an unchallenging and authorized financial
255 instrument that supports them to deal with purchases and take a better control of their money. Credit
256 cards can be considered by them as a way to grow their power of spending, support their
257 consumption and take benefits from a considerable number of features, with consumer protections
258 and rewards programs (Shefrin & Nicols, 2014).

259 Some people see the use of credit cards in a pessimistic viewpoint and then, they could be more
260 reluctant to use credit cards because they consider them as a spring of debt and financial insecurity
261 (Shefrin & Nicols, 2014). They may use credit cards occasionally because of their doubts about
262 expenditures, possible increase of debt, and the psychological count of debt (Shefrin & Nicols, 2014).
263 A person's background, life experiences, and social status usually influence on the way they feel about
264 credit. People who have been exposed to the responsible use of credit may have a more sophisticated
265 and responsible attitude towards the use of credit cards and individuals who have not been exposed,
266 see the negative effects of using credit cards (Fulford & Schuh, 2017). In order to address the issues
267 and opinions of different clients, financial institutions can use this knowledge to personalize their
268 marketing and educational initiatives (Smith et al., 2015). According to Dewri et al. (2016), they may

269 hold more positive attitudes and stimulate a greater number of credit card adoption and usage among
270 their target audience by uplifting credit use and highlighting the advantages of credit card use.

271 Overall, attitude comes into view as a critical psychological factor that banks must consider about
272 developing strategies to promote responsible credit card usage among young professionals
273 (Sotiropoulos & d'Astous, 2013).

274 *H4: Attitude has a positive impact in the usage of credit card among the young banking professionals*
275 *in Sri Lanka.*

276 **Financial Optimism**

277 Young professionals' degree of financial trust is another important factor affecting their use of credit
278 cards (Dewri et al., 2016). People are more likely to use credit cards if they are financially confident,
279 which is defined as they can successfully manage their finances and achieve their financial goals
280 (Blankson et al., 2012). This optimism may result from their belief in their general financial well-being,
281 their belief in the ability to handle money, and their trust that they have money to repay their credit
282 card debts (Payne & Asebedo, 2017). According to Walsh and Lim (2021), young professionals who
283 have an optimistic view towards finances would be more inclined to use credit cards for short-term
284 financing, purchases, and to benefit from the many safeguards and to take advantages of these
285 financial tools provided.

286 In comparison, those who have a less optimistic view towards their financial future could be more
287 careful and unwilling to use credit cards because they are not pleased about the possible
288 repercussions of debt addition and imperfect financial management (Chahal et al., 2014). They may
289 acquire and use credit cards more sparingly as a result of their worries about the dangers of doing so
290 (Fulford & Schuh, 2017).

291 Financial institutions may take benefits of this comprehension by creating focused educational
292 initiatives and materials that uplift financial literacy and supply young professionals the tools they
293 need to be optimistic about their financial future (Shefrin & Nicols, 2014). By giving consumers the
294 details and skills to handle their money in a proper way, banks also may introduce a more optimistic
295 and self-assured frame of mind towards the use of credit cards, which will ultimately provide a greater
296 and more responsible consumption of these financial tools (Chahal et al., 2014).

297 Previous research properly highlights that young professionals working in Sri Lanka's banking field,
298 use credit cards in larger quantity because of their financial optimism (Athiyaman & Subramaniam,
299 2018).

300 *H5: Financial Optimism has a considerably positive impact on the credit card usage of Sri Lankan*
301 *young banking professionals.*

302

303

304 **Methodology**

305 **Conceptual Framework**

306 The independent variables that have been recognized as possible psychological drivers of credit card
 307 usage among young banking professionals in Sri Lanka form the beginning of the conceptual
 308 framework of this study. Among these drivers are User Patterns (Nai et al., 2018), which pay attention
 309 on how socioeconomic and demographic characteristics affect on how people use credit cards.
 310 Convenience (Stavins, 2017) highlights the fact that the simplicity and benefits of using credit card,
 311 including speedy payments and incentive systems. Credit cards can be taken as markers of social
 312 status and financial stability (Fulford & Schuh, 2017). While Financial Optimism (Dewri et al., 2016)
 313 represents the confidence in dealing with money and reaching financial objectives, attitude (Wang,
 314 2017) investigates people's opinions and beliefs around the use of credit cards. The significance of
 315 these aspects for young banking professionals in Sri Lanka is highlighted by their distinct financial
 316 practices, the impact of social and cultural elements, and the nation's changing financial environment
 317 (Central Bank of Sri Lanka, 2021).

318 **Table 1 - Operationalization of Conceptual Framework**

Dependent Variable	Credit Card Usage	I use my credit card regularly for various purchases.	Athiyaman & Subramaniam, (2018); Dewri et al. (2016)
		I use my credit card to take advantage of rewards and cashback offers.	
		My credit card usage is influenced by promotional offers from banks.	
Independent Variables	User Patterns	I frequently use my credit card for online shopping.	Nai et al. (2018)
		I prefer using my credit card over cash for everyday purchases.	
		My credit card usage is influenced by my income level.	
		My education level affects how responsibly I use my credit card.	
	Convenience	Using a credit card makes my transactions quicker and easier.	Stavins (2017)
		I find it convenient to track my expenses using credit card statements.	
		The availability of contactless payments increases my credit card usage.	
		I prefer credit cards because they reduce the need to carry cash.	
		Credit cards offer convenient rewards programs that I frequently use.	
	Social Status	Owning a credit card enhances my social status.	Fulford & Schuh (2017)
		I use my credit card to make high-value purchases to project a certain image.	
		I feel social pressure to own and use a credit card.	
		Credit cards are a symbol of financial stability for me.	
		I prefer credit cards that offer exclusive benefits and luxury perks.	
	Attitude	I view credit cards as a convenient financial tool.	Wang (2017)
I believe using a credit card helps me manage my finances better.			
I am cautious about overspending when using my credit card.			

		I perceive credit cards as a source of financial risk.	
		My attitude towards credit cards is influenced by my past experiences.	
	Financial Optimism	I am confident in my ability to manage my credit card debt.	Dewri et al. (2016)
		I believe I can achieve my financial goals using a credit card.	
		I feel optimistic about my financial future when using a credit card.	
		I trust my financial skills to use credit cards responsibly.	

319 Source: Author Constructed.

320 **Research Design**

321 A quantitative research approach is used to look at the psychological factors that affect young Sri
322 Lankan banking professionals' use of credit cards. The fluctuation of user patterns, comfort, social
323 status, viewpoint, and financial optimism will all be taken into light while forming a structured
324 questionnaire. Five hundred young banking professionals from the main cities of Sri Lanka will be
325 chosen to get the questionnaire. Online questionnaires will be operated to gather data, and statistical
326 techniques. Multiple regression analysis will be put to use to assess how each variable affects the
327 credit card usage. Financial companies might better serve their goods and marketing efforts to this
328 group by using the perception of the study into the psychological variables driving credit card usage.
329 All over the study process, ethical principles such as informed consent and data confidentiality will be
330 closely followed.

331 **Population and Sample**

332 The young workers between the ages of 18 and 35 in Sri Lanka make up the study's target
333 demographic. The sample will specially include members of the young banking professional population
334 who are employed in the banking industry, given the emphasis on this group. The Krejcie and Morgan
335 table highlights that 384 is the excellent sample size for a population larger than 25,000. This sample
336 size keeps an assurance of a 5% margin of error and a 95% confidence level, yielding accurate and
337 broadly applicable results. Multi-stage cluster sampling is the method used for sampling. To begin, the
338 population is divided into groups according to geographic areas, such as large cities where banking
339 experts are concentrated. To choose the participants, random sampling is then brought out within
340 these clusters. By collecting a variety of subgroups within the population, this approach reduces
341 sampling bias and enhances the sample's representativeness. By concentrating on young banking
342 professionals, the research expects to study more about the psychological factors that affect the credit
343 card use in a particular and pertinent group of people. The results are accurate and generalisable to
344 Sri Lanka's youthful workforce as a whole thanks to the sampling strategy and sample size selected.

345 **Data Collection**

346 Google Forms were used to deliver a structured questionnaire used to gather data for this research.
347 In order to collect information about the psychological factors affecting credit card use among young
348 banking professionals in Sri Lanka, a questionnaire was created. It included a set of enquiries using a
349 five-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." This scale
350 was selected in order to precisely gauge the attitudes, perceptions, and behaviours of the
351 respondents. Quantitative analysis was made easier by the standardised questionnaire, which

352 assured the consistency in replies. Effective data dissemination and collection were constructed with
 353 the utilization of Google Forms, which reached a large audience within the target population. The
 354 questions were thoughtfully crafted to correspond with the factors that were identified: financial
 355 optimism, social status, attitude, convenience, user patterns, and convenience. The reliability and
 356 quality of the data gathered were guaranteed by this approach, which offered a thorough grasp of the
 357 variables affecting credit card usage.

358 **Data Analysis**

359 Using the Smart PLS program, partial least squares structural equation modelling (PLS-SEM) was
 360 used to analyse data for this investigation. A strong statistical method that makes it possible to
 361 investigate intricate connections between latent and observable variables is PLS-SEM. The
 362 psychological factors that affect credit card use among young banking professionals in Sri Lanka may
 363 be inspected using this approach, which is especially suitable for exploratory research and studies
 364 with lower sample numbers. The Smart PLS software made it easier to analyse the measurement
 365 model with the constructs' validity and reliability, as well as the structural model to assess the
 366 proposed connections between the determinants and credit card use. This all-encompassing strategy
 367 made sure that the data analysis was comprehensive and offered significant insights into the
 368 variables affecting the target demographic's use of credit cards.

369 **Results and Discussion**

370 The findings produced by performing the statistical analysis are detailed in the results and discussion
 371 section.

372 **Assessment of Reliability**

373 **Table 2-** Assessment of Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
A	0.774	0.813	0.803	0.562
C	0.912	0.936	0.967	0.723
CCU	0.824	0.884	0.792	0.773
FO	0.846	0.834	0.881	0.676
SS	0.803	0.823	0.874	0.64
UP	0.565	0.582	0.772	0.623

374 Source: Field Survey, 2023.

375 The Credit Card Usage category has Cronbach's alpha values of 0.824 while the Convenience
 376 category has 0.912. The composite reliability scores for all variables surpass 0.7, showing overall

377 strong internal consistency, even though the Cronbach's alpha for Usage Patterns (UP) is below the
 378 acceptable level. All variables can be regarded as dependable and reliable for further analysis.

379 **Assessment of the Convergent Validity**

380 **Table 3-** Outer loading of the Latent Variables

Path	Attitude	Convenience	Credit Card Usage	Financial Optimism	Social Status	Usage Patterns
A1	0.769					
A2	0.729					
A3	0.731					
A4	0.875					
A5	0.676					
C1		0.757				
C2		0.904				
C3		0.840				
C4		0.921				
C5		0.919				
CCU1			0.843			
CC2			0.834			
CCU3			0.659			
FO1				0.616		
FO2				0.885		
FO3				0.916		

FO4				0.840		
SS1					0.818	
SS2					0.794	
SS3					0.904	
SS4					0.528	
SS5					0.680	
UP1						0.642
UP2						0.761
UP3						0.852
UP4						0.777

381 Source: Field Survey, 2023.

382 When the outer loading value is more than 0.7, convergent validity can be verified. However,
383 compared to Credit Card Usage (most loadings exceeding 0.7), Social Status exhibited lower outer
384 loadings for SS4 (0.528). This suggests that future research may necessitate item change. For the
385 majority of constructs, convergent validity is attained.

386 **Assessment of Discriminant Validity**

387 **Table 4 - Values of Square Root of AVE and Inter- Construct Correlation**

	A	C	CCU	FO	SS	UP
A						
C	0.710					
CCU	0.781	0.981				
FO	1.151	1.293	0.87			
SS	0.934	1.111	1.052	1.324		
UP	0.645	1.123	0.932	1.174	0.939	

388 Source: Field Survey, 2023.

389 The square root of each concept's AVE (average variance extracted) is compared to component
 390 correlations using the Fornell and Larcker criterion. Discriminant validity is attained when the square
 391 root of AVE values is greater than the inter-construct correlations. The model is validated by the
 392 testing, which shows that the constructs are different from one another.

393 **Assesment of Multicollinearity**

394 Table 5: Variance Inflation Factor Values of the Variables
 395

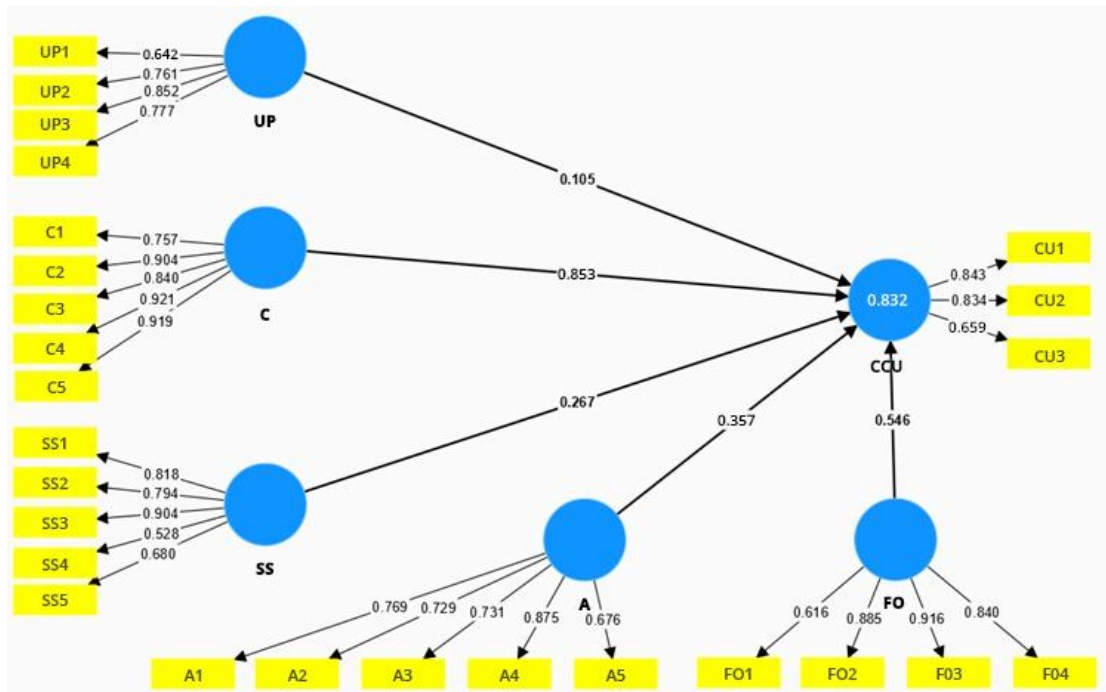
Constrcut	VIF
A1	2.156
A2	2.312
A3	1.987
A4	1.97
A5	2.132
C1	2.081
C2	2.134
C3	1.526
C4	1.987
C5	2.163
CCU1	2.098
CC2	2.043
CCU3	2.134
FO1	2.223
FO2	2.113
FO3	1.587
FO4	1.894
SS1	1.789
SS2	1.734

SS3	2.134
SS4	2.012
SS5	2.345
UP1	1.765
UP2	1.879
UP3	2.109
UP4	2.117

396 Source: Field Survey, 2023.

397 Variance Inflation Factors (VIF) measure the degree of multicollinearity among the predictor variables
 398 in a regression model. The construct variable collinearity statistics are presented in Table 5. VIF
 399 shows how much multicollinearity has increased a coefficient estimate's variation. VIF values should
 400 generally be less than 5 to avoid multicollinearity issues. We can therefore conclude that collinearity is
 401 not a concern for the model because all VIF values are below this limit. Although it is ineffective in
 402 detecting multicollinearity among predictor variables, HTMT is an alternative method for assessing
 403 discriminant validity in structural equation models.

404 **Figure 1 – Relationship Between the Credit Card Usage and Independent Constructs**



405

406 Source: Field Survey, 2023.

407 **Table 6 - Goodness of the Fit of the Model**

	Saturated model	Estimated model
SUMMER	0.087	0.087
d_ULS	0.84	0.84
d_G	0.283	0.283
Chi-square	347.52	347.52
NFI	0.901	0.901

408 Source: Field Survey, 2023.

409 Table 5 shows that the fit indices of the saturated and estimated models are comparable. Below are
 410 the fit indices for both models: The SRMR is 0.078, the chi-square value is 347.52, the geodesic
 411 distance d-value is 0.283, the unweighted least squares (d_ULS) d-value is 0.84, and the Normed Fit
 412 Index (NFI) is 0.901. These fit indices offer pertinent information and characterise the model's
 413 goodness of fit. The fit indices of the two models in this case are identical, suggesting a comparable
 414 level of fit.

415 **Table 7 -The Effect of the Independent Variables on Credit Card Usage**

Path	Path coefficients	P values	Decision
Credit Card Usage -> Attitude	0.357	0.000	Supportive
Credit Card Usage -> Convenience	0.853	0.000	Supportive
Credit Card Usage -> Financial Optimism	0.546	0.000	Supportive
Credit Card Usage -> Social Status	0.267	0.001	Supportive
Credit Card Usage -> Usage Patterns	0.105	0.000	Supportive

416 Source: Field Survey, 2023.

417 Table 7 highlights that attitudes and the credit card use of the young banking professionals in Sri
 418 Lanka are strongly positively correlated ($r = 0.357$, $p = 0.000$). At the same time attitude has a good
 419 impact on the use of credit cards.

420 Table 7 emphasizes that easiness and credit card use are highly positively correlated ($r = 0.853$, $p =$
 421 0.000). Thus, the convenience to use uplifts the usage of credit cards.

422 Financial optimism and credit card use are strongly positively correlated ($r = 0.546$, $p = 0.000$), as
 423 seen in Table 7. Thus, the financial optimism raises the usage of credit cards of the young banking
 424 professionals in Sri Lanka.

425 Table 7 points out a moderately positive connection between credit card use and social status ($r =$
 426 0.267 , $p = 0.001$). Thus, the social status has a favourable impact on the use of credit cards by the
 427 young banking professionals.

428 Table 7 stresses out a positive correlation between credit card usage and usage patterns ($r = 0.105$, p
429 $= 0.000$). Thus, the usage patterns determine the use of credit cards in a beneficial way.

430 **Limitations**

431 The study may be bounded by its dependence on participant self-reported data gathered by a
432 quantitative approach and a structured questionnaire, which may result in response bias if
433 participants' answers are not related to their experiences or that are socially acceptable. Responses
434 were gathered anonymously to reduce this, and secrecy was assured to enhance candour. Moreover,
435 the sample was confined to young banking professionals in the country, which might not completely
436 represent experiences of young employees in other professions. To overcome this constraint, future
437 studies may target a diversified population of young professionals. Further improvements in the
438 study's overall validity, could be uplifted through the triangulation methods like focus groups and follow-
439 up interviews could be used to confirm and upgrade the quantitative findings.

440 **Implications of the Study**

441 Circling of policy implications can be considered to encourage young banking professionals in Sri
442 Lanka to utilise credit cards for their transactions. Uplifting mobile banking apps, supplying
443 contactless payment methods, and guaranteeing that credit cards are greatly accepted at different
444 retailers should be top priorities of banks in order to make credit card transaction more convenient.
445 The financial optimism of young professionals can be enhanced by activating financial awareness
446 programs that emphasise the benefits of having credit cards, such as initiating credit and practicing
447 proper money management. Marketing campaigns could focus upon advancing the ease of use and
448 advantages of credit cards, highlighting how they can grow their social status and offer financial
449 flexibility. Banks can also use customer testimonials, success stories, and instructional materials that
450 debunk myths and emphasise the benefits of credit cards to help create favourable attitudes towards
451 credit card use.

452 **Conclusions**

453 In this study, the psychological factors influencing the use of credit cards by young banking
454 professionals in Sri Lanka were explored. The results highlight that a number of significant
455 determinants including attitude, convenience, financial optimism, social status and usage patterns, that
456 are positively correlated with credit card usage. In particular, the information bring into light that the
457 use of credit card is strongly positively correlated with attitude ($r = 0.357$, $p = 0.000$), convenience ($r =$
458 0.853 , $p = 0.000$) and financial optimism ($r = 0.546$, $p = 0.000$). A positive connection with usage
459 patterns ($r = 0.105$, $p = 0.000$) and a somewhat favourable correlation with social status ($r = 0.267$, p
460 $= 0.001$) are also present. The study presents the comfort ($r = 0.853$, $p = 0.000$) as the most influential
461 determinant that affect young bankers to use credit cards, while underline the significance of these
462 elements in understanding customer behaviour in the financial industry by showcasing that a
463 difference of psychological determinants determine the credit card usage.

464 **Future Research Directions**

465 By finding out the psychological factors that influence credit card use within a greater range of people,
466 such as young professionals from sectors other than banking, future research could focus on this
467 work. Incorporating qualitative techniques like focus groups and follow-up interviews may also yield

468 more intensive understandings of the opinions, attitudes and motives underlying credit card usage.
469 Additionally, longitudinal research might be done to see how these psychological aspects change with
470 the time and affect long-term credit card usage trends. Further research into how credit card usage is
471 affected by new financial technology and digital payment methods may also provide significant new
472 information about how financial behaviour is evolving. Future studies that focus on these topics can
473 help us gain a more thorough comprehension of the variables affecting the credit card use and help
474 financial institutions develop strategies that better meet the demands of young professionals.

475

476

477 Disclaimer (Artificial intelligence)

478 Option 1:

479 Author(s) hereby declare that NO generative AI technologies such as Large Language Models
480 (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing
481 of this manuscript.

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486 to the generative AI technology

487 Details of the AI usage are given below:

488 1.

489 2.

490 3.

491

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