Advertisement

Journal of Consumer Affairs / Volume 36, Issue 2 / pp. 239-262

Consumers' Use of Credit Cards: Store Credit Card Usage as an Alternative Payment and Financing Medium

JINKOOK LEE, KYOUNG-NAN KWON

First published: 03 March 2005

https://doi.org/10.1111/j.1745-6606.2002.tb00432.x

PDF

Abstract

This paper investigates consumers' use of store-issued credit cards with particular attention to their function as an alternative payment and financing medium. Using 1998 Survey of Consumer Finances data, the researchers found that credit availability through bankcards is negatively correlated with consumers' use of store cards as a financing medium, suggesting the role of store cards as a supplementary credit line. A negative relationship is also found to exist between consumers' bankcard usage and their use of store cards for a transaction purpose, indicating that store cards function as a substitute payment medium. Consumers' usage of store cards varies according to function and is related to a number of variables, including the use of bank cards, credit history, attitude toward credit, income, education, and ethnicity.

REFERENCES

A Painful Guilty Plea by Sears. 1999. *Credit Card Management*, **11**(2): 8.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Ausubel, Lawrence M. 1991. The failure of competition in the credit card market. *American Economic Review*, March: 50–81.

Web of Science® | Google Scholar

Awh, Robert Y. and D. Waters. 1974. A discriminant analysis of economic, demographic and attitudinal characteristics of bank charge-card holders: A case study. *The Journal of Finance*, **29** (June): 973–980.

Web of Science® | Google Scholar

Bird, Edward J., Paul A. Hagstrom, and Robert, Wild. 1999. Credit card debts of the poor: High and rising. *Journal of Policy Analysis and Management*, **18** (1): 125–33.

Web of Science® | Google Scholar

Brito, Dagobert. L. and Peter, R. Hartley. 1995. Consumer rationality and credit cards. *Journal of Political Economy*, **103**(4): 400–433.

Web of Science® | Google Scholar

Calem, Paul. S. 1992. The strange behavior of the credit card market. *Business Review*, January/February, 3–14, Federal Reserve Bank of Philadelphia.

Google Scholar

Canner, Glenn B. 1987. Consumer Use of Credit Cards: Evidence from Recent Surveys. *Working papers in Banking, Finance and Microeconomics No. 87-3*, Washington D.C. : Division of Research and Statistics, Board of Governors of the Federal Reserve System.

Google Scholar

Canner, Glenn B. and Anthony, W. Cyrnak. 1985. Recent developments in credit card holding and use patterns among U.S. families. *Journal of Retail Banking*, **7**(3): 63–74.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Chakravorti, Sujit. 1997. How do we pay Financial Industry Issues, First Quarter, Federal Reserve Bank of Dallas, 1–6, 8.

Google Scholar

Chakravorti, Sujit. 2000. Why has stored value not caught on Emerging Issues Series, Supervision and Regulation Department of Federal Reserve Bank of Chicago, S&R-2000-6.

Google Scholar

Chakravorti, Sujit and William, R. Emmons. 2001. Who Pays for Credit Cards *Policy Studies*, Emerging Payments Occasional Paper Series, EPS-2001-1, Federal Reserve Bank of Chicago.

Google Scholar

Chien, Yi-Wen and Sharon, A. Devaney. 2001. The effects of credit attitude and socioeconomic factors on credit card and installment debt. *Journal of Consumer Affairs*, **35** (1): 162–179.

Web of Science® Google Scholar

Clark, Ken. 2000. Credit where credit is due. *Chain Store Age*, **76**(9): 132.

Google Scholar

Courtless, Joan C. 1993. Trends in consumer credit. *Family Economics Review*, **6**(3): 8–17.

Google Scholar

Danes, Sharon M. and Tahira, K. Hira. 1990. Knowledge, beliefs, and practices in the use of credit cards. *Home Economics Research Journal*, **18**(3): 223–235.

Google Scholar

Delener, Nejdet and Herbert, Katzenstein. 1994. Credit card possession and other payment systems: Use

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Durkin, Thomas A. 2000. Credit cards: Use and consumer attitudes, 1970–2000. *Federal Reserve Bulletin*, **86**(9): 623–34.

Google Scholar

Ellis, Diane. 1998. *Bank trends: Analysis of emerging risks in banking*. Washington , D.C. : Federal Depository Insurance Corporation.

Google Scholar

Etzel, Michael J. and W. H. Jones. 1978. A method for developing promotional themes based on attitudes and usage patterns of bank credit card holders. *Journal of Bank Research*, Winter: 224–232.

Google Scholar

Federal, Reserve Board. 2000. Monthly Report on Consumer Credit (G.19 Report), April.

Google Scholar

Goldstucker, Jac L., and Elizabeth, C. Hirschman. 1977. Bank credit card users: New market segment for regional retailers. *Michigan State University Business Topics*, **25**(Summer), 5–11.

Web of Science® Google Scholar

Hayhoe, Celia Ray, Lauren J. Leach, Pamela, R. Turner, Marilyn, J. Bruin, and Frances, C. Lawrence. 2000. Differences in spending habits and credit use of college students, *Journal of Consumer Affairs*, **34** (1): 113–133.

Web of Science® Google Scholar

Heck, Ramona K. Z. 1984. Determinants of Credit Card Possession Behavior: A Test of Differences among Types of Credit Cards. Research Paper 83–3, Department of Consumer Economics and Housing, Cornell University.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Hirschman, Elizabeth C. 1981. A comparison of consumer payment systems: Some strategic implications. *Journal of Retail Banking*, **3**(4): 57–63.

Google Scholar

Humphrey, David. 2001. Credit cards and payment efficiency, A paper presented at a workshop sponsored by the Payment Cards Center at the Federal Reserve Bank of Philadelphia, May 22.

Google Scholar

Judge Kenner in Her Own Words. 1997. *Credit Card Management*, **10**(3): 36.

Google Scholar

Kennickell, Arthur B. 1997. Analysis of Nonresponse Effects in the 1995 Survey of Consumer Finance. *Working Paper on Survey Methodology of Survey of Consumer Finances*, Washington , D.C. : Federal Reserve Board.

Google Scholar

Kennickell, Arthur B., Douglas A. McManus, and R. Louise Woodburn. 1996. Weighting Design for the 1992 Survey of Consumer Finances. *Working Paper on Survey Methodology of Survey of Consumer Finances*, Washington , D.C. : Federal Reserve Board.

Web of Science® Google Scholar

Kennickell, Arthur B., Martha Starr-McCluer, and Brian, J. Surette. 2000. Recent changes in U.S. family finances: Results from the 1998 Survey of Consumer Finances. *Federal Reserve Bulletin*, **86**: 1–29.

Google Scholar

Lee, Jinkook and Jeanne, M. Hogarth. 1999. Returns to information search: Consumer credit card shopping decision. *Financial Counseling and Planning*, **10**(2): 23–34.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Martell, T. F. and R. L. Fitts. 1981. A quadratic discriminant analysis of bank credit card user characteristics. *Journal of Economics and Business*, **33**(2): 153–159.

Web of Science® | Google Scholar

Montalto, Catherine P. and Yoonkyung, Yuh. 1998. Estimating nonlinear models with multiple imputed data. *Financial Counseling and Planning*, **9**(1): 97–101.

Google Scholar

Nilson, Report. 1999. Issue 706, December.

Google Scholar

Peter, J. Paul and Jerry, C. Olson. 1999. *Consumer Behavior and Marketing Strategy*, 5th ed. Boston : Irwin, McGraw-Hill.

Google Scholar

Private Label Card Program Boosts 1995 for Patchington 1996. Chain Store Age, June: 108.

Google Scholar

Ring, Trudy. 1997. How retailers deal with bad debt. *Credit Card Management*, **10**(8): 104–106.

Google Scholar

Roberts, James A. and Eli, Jones. 2001. Money attitudes, credit card use, and compulsive buying among American college students, *Journal of Consumer Affairs*, **35** (2): 213–240.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Simmonds, Cathy. 2000. Store credit cards easily put British shoppers in a bind. *Financial Mail on Sunday*, August 6.

Google Scholar

Slocum, John W., Jr., and H. Lee Matthews. 1970. Social class and income as indicators of consumer credit behavior. *Journal of Marketing*, **34**(2): 69–74.

Web of Science® | Google Scholar

Spurgin, Ralph E. 1998. The dinosaur lives. *Credit Card Management*, **11**(2): 60–61.

Google Scholar

Starvins, Joanna. 2000. Credit card borrowing, delinquency, and personal bankruptcy. *New England Economic Review*, July/August: 15–30.

Google Scholar

Staten, Michael E., and Robert. W. Johnson (Eds.). 1995. *Household Credit Data Book*. West Lafayette : Credit Research Center, Purdue University.

Google Scholar

White, Kenneth J. 1975. Consumer choice and use of bank credit cards: A model and cross-section results. *Journal of Consumer Research*, **2**(1): 10–18.

Web of Science® | Google Scholar

Whitesell, William C. 1992. Deposit banks and the market for payment media, *Journal of Money, Credit and Banking*, **24**(4), November: 246–250.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Citing Literature

Download PDF

ABOUT WILEY ONLINE LIBRARY

Privacy Policy
Terms of Use
About Cookies
Manage Cookies
Accessibility
Wiley Research DE&I Statement and Publishing Policies

HELP & SUPPORT

Contact Us
Training and Support
DMCA & Reporting Piracy
Sitemap

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network
Wiley Press Room

Copyright © 1999-2026 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences
Accept All
Reject Non-Essential