

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

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## 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.

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