Correlates of Compulsive Buying

Brittany Benson-Townsend, McNair Scholar, Psychology Major
Dr. N. Clayton Silver, Faculty Mentor, Department of Psychology

HYPOTHESES

H1: An individual with an internal consumer locus of control orientation will score high on the Financial Management Behavior Scale. Statistically significant: the externality of control orientation (Busseri, 1998) is correlated with higher credit card use (Roberts & Jones, 2001).

H2: An individual with an external consumer locus of control orientation will score low on the Credit Card Use Scale. Statistically significant: r = -0.346, p < 0.01, external consumer locus of control orientation (Busseri, Lefcourt, & Kerton, 1998) is correlated with the Credit Card Use Scale (Dew & Xiao, 2011).

H3: An individual with an internal consumer locus of control orientation will score high on the distrust factor of the Money Attitude Scale. Not statistically significant.

H4: An individual with an external consumer locus of control orientation will score high on the anxiety and/or power-prestige factors of the Money Attitude Scale. Statistically significant: the power-prestige and distrust factors of the Money Attitude Scale (Yamauchi & Temple, 1982) are correlated with the Consumer Locus of Control Scale (Busseri, Lefcourt, & Kerton, 1998) r = -0.393, p < 0.001 and r = -0.190, p < 0.04 respectively.

REFERENCES


FUTURE RESEARCH

Future research projects in the area of compulsive buying should focus on quantifying its severity. The general public has no estimation for acceptable spending budgets; that is, there is no dollar amount or income percentage that would constitute a binge shopping spree. Furthermore, the research community should investigate the cognitive and affective factors that turn compulsive shoppers into compulsive shoppers when all available resources have been spent.

LITERATURE REVIEW

• Faber and O’Guinn (1989) characterized compulsive buying as “chronic, repetitive purchasing that becomes a primary response to negative events or feelings” (Sang-Hee & Yun-Jung, 2012).

• The compulsive shopper buys from certain product categories designed to enhance self-esteem or prestige. Female compulsive buyers purchase clothing, jewelry, makeup, and collectibles. Male compulsive buyers often purchase electronics and collectibles (Workman, 2010). Although compulsive buyers often purchase flashy products and brag about their goods, 74 percent of them prefer to shop alone (Workman, 2010).

• Ridgway, Kukar-Kinney, & Monroe (2008) included both obsessive-compulsive (irresistible repetition) and impulsive-control (urge to act) dimensions in their Compulsive-Buying Scale and found that both perspectives are necessary to conceptualize the compulsive buyer.

• Yamauchi and Temple (1982) determined money is both a source and solution to anxiety by means of their Money Attitude Scale. The scale is designed to categorize people’s attitudes towards money into four factors: power-prestige, retention-time, distract, and anxiety (Yamauchi & Temple, 1982). Compulsive buyers purchase goods to enhance social status or quell anxiety.

• Tang’s Short Money Ethnic Scale (1995) was designed to measure people’s mental perceptions of money. The Short Money Ethnic Scale factors money attitudes by success, budget, and evil. Non-compulsive buyers actively engage in budgeting practices and are less susceptible to impulse buys.

METHOD

A sample of 283 undergraduate psychology students: 114 Caucasian, 26 African-American, 49 Hispanic, 52 Asian, 32 Other, and 10 who did not volunteer ethnicity (mean age = 20.83, SD = 5.85, range 16-55) from the University of Nevada, Las Vegas volunteered to complete a series of money oriented questionnaires. The sample consisted of 81 males, 188 females, and 14 participants who did not volunteer their gender.

RESULTS

To predict compulsive buying behavior, a multiple regression analysis and correlations were performed to examine spending behavior. The independent variables for the multiple regression model consisted of the two factors: compulsive buying and impulsive buying from the Compulsive-Buying Scale (Ridgway et al., 2008), the external weight of locus of control (Busseri, Lefcourt, & Kerton, 1998), the three factors: success, budget, and evil from the Short Money Ethnic Scale (Tang, 1995), the three factors: power-prestige, anxiety, and distrust from the Money Attitude Scale (Yamauchi and Temple, 1982), and the four factors: savings and investment behavior, insurance behavior, cash management, and credit management from the Financial Management and Behavior Scale (Dew & Xiao, 2011). The overall model was statistically significant, R = .688, R2 = .473, F(19,15) = 12.465, p < 0.001. Compulsive buying t(195) = 4.012, p < 0.001, budget t(195) = -2.338, p < 0.03, credit card misuse t(195) = 3.115, p < 0.003, and credit management t(195) = 3.984, p < 0.001 each contributed a statistically significant amount of the variance to the overall equation.

Compulsive buyers hold cognitive predispositions to engage in binge shopping behavior, and are likely to act upon those predispositions if extra funds are available via credit. According to the multiple regression analyses, habitual spending behaviors, especially budgeting and credit card use, strongly influence the shopper. Frequent budgeting practice discourages compulsive buying behavior. Alternatively, inexperienced credit card holders are likely to mismanage their credit when shopping and engage in binge purchasing behavior. Additionally, obsessive compulsive buying, as opposed to impulsive buying elicits compulsive buying behavior to a more significant degree. Thus, the conceptualization of compulsive buyers as candidates of KCD was not supported by this study.

In terms of consumer locus of control, the correlations demonstrate a statistically significant relationship between perception of control and financial management. An externally oriented consumer locus of control individual is less likely to use good judgment when purchasing with cash or credit, thus acting as a predisposition to compulsive buying behavior. However, an internally oriented individual is more likely to execute responsible spending behavior when a credit card is in hand. Furthermore, an individual labeled as externally oriented will foster cognitive predispositions to compulsive buying by associating wealth with social status or by engaging in shopping behavior as a means to relieve anxiety.

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ACKNOWLEDGE

Compulsive buying is a chronic issue for shoppers exacerbated by a nation obsessed with consumption. To predict compulsive buying behavior, a survey was administered to 283 college students in southern Nevada. The results suggested that the compulsive buyer exhibits an external consumer focus of control and purchases goods with the intent to increase social status or quell anxiety. Given that responsible financial behavior changes as a function of age, college students are particularly vulnerable to compulsive purchasing behavior, as it is exacerbated by irresponsible credit spending behaviors.