



An Investigation of Psychological Factors Determining Credit Card Usage among Young Professionals: Insights from the Banking Sector in Sri Lanka

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

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

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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.

Keywords: Credit card usage; psychological factors; young professionals; banking sector; convenience.

1. INTRODUCTION

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

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

The attention has received in the generic sense in most of the previous studies to the factors

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

The socioeconomic diversity of the young banking professionals makes it convenient to examine the psychological background of credit card usage, providing access to new research avenues and furnishing insightful information.

Several psychological factors that have a notable impact on young professionals' application of credit cards are the central point of this study, including user patterns, social status, attitudes, convenience, and financial optimism. Previous empirical investigations, acknowledged all of these elements as significant drivers (Athiyaman & Subramaniam, 2018; Dewri et al., 2016; Zainudin et al., 2019).

It is evident that people use credit cards when they have more praising attitudes towards them and higher levels of financial optimism (Dewri et al., 2016). Social status and the comfort of using credit cards are other important factors that affect the financial behaviour of the people. (Zainudin et al., 2019). According to Dewri et al. (2016), it is revealed that attitudes towards the usage of credit cards remarkably shape the usage by influencing an individual insight on affordability and money management. Negative feelings can restrict the use and it affects financial behaviour, therefore young professionals need an encouraging financial environment and good social influences to utilise credit cards efficiently (Athiyaman & Subramaniam, 2018).

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

1.1 Research Gap

Research on investigating the psychological factors that determines the credit card usage of young professionals in the context of Sri Lanka, specifically referring to banking sector is conspicuously lacking, despite the credit card usage's indication in financial behaviour of a certain demography. Young banking professionals are distinct as their traits and motives have not been sufficiently addressed by the majority of previous research, which has focused on the general population (Department of Census and Statistics, 2021). A considerable gap in the research is brought to light by this research while providing an opportunity to investigate the psychological factors that

determine the credit card usage of the demography under the consideration. Characterized by factor that their higher level access to credit facilities, higher income levels, and improved financial literacy, young banking professionals frequently show unique financial behaviours and attitudes (Central Bank of Sri Lanka, 2021). These elements have the potential to determine how this demography use credit cards. In the essence it is imperative to conduct an analysis on them. This research attempts to dive deep to grasp the driving forces and obstacles encountered by young banking professionals by examining psychological determinants that determine their credit card usage. Finding these insights significant in both academia and practical world as it provides valuable implications for the banking industry, insights and directions to future research.

1.2 Research Question

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

1.3 Objectives of the Research

The primary objective of this research is to concentrate upon the investigation of psychological determinants that influence the credit card usage of young banking professionals. It further investigates the magnitude influence made by each of the independent variable; Usage Pattern, Convenience, Social Status, Attitude, and Financial Optimism made on the dependent variable; Credit card usage. The results are significant in informing practical implications for offering specifically tailored credit card services to young professional bankers in the Sri Lanka.

1.4 Significance of the Study

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

2. REVIEW OF LITERATURE

2.1 Theoretical Background

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

2.2 Theory of Planned Behavior (TPB)

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

Young banking professionals are more likely to use credit cards if they feel easy to handle them and see few obstacles (Ajzen, 1991). This research considers the components of the Theory of Planned Behaviour to investigate how psychological characteristics such as attitude, convenience and social influence make an impact on the intentions of young banking professionals on their use of credit cards.

2.3 Theory of Financial Optimism

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

3. EMPIRICAL BACKGROUND

3.1 Credit Card Usage

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

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

Initially, social and demographic factors including age, gender, income, and employment have been identified as important predictors of credit card use. Credit card ownership and usage tendencies are greater among younger people, those with better salaries, and those working in professional or management roles. In 2009, Wickramasinghe and Gurugamage Dewri and colleagues (2016). Second, psychological elements that influence credit card usage behaviours include attitudes towards credit, financial optimism, and social status considerations (Kara et al., 1996). People are more likely to embrace and use credit cards extensively if they have a more positive attitude towards credit, are more optimistic about their financial future, and have a greater desire to retain their social standing (Bursztyn et al., 2017).

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

3.2 Usage Patterns

Several demographic and socioeconomic characteristics affect credit card usage patterns. Age, income, education, and work status have all been considered to have a significant influence on credit card usage (Nai et al., 2018). For example, younger users are more likely to use credit cards for entertainment and online shopping, whereas elderly users could place a higher value on security and ease. According to Stavins and Greene (2018), there is a correlation between more responsible credit card use, such as paying off debt in full each month, and better income and educational attainment. Financial institutions may improve customer satisfaction and retention by customising their goods and

marketing methods to various user categories by comprehending these tendencies (Stavins, 2020). Furthermore, societal norms and cultural considerations may also have an impact on the kind and frequency of credit card use. Because using a credit card is viewed as a status symbol in some countries, those who are looking for social recognition may use them more frequently. On the other hand, people could be more careful when using credit cards in societies where debt is seen negatively (Dewri et al., 2016).

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

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

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

3.3 Convenience

The ability of credit cards to streamline transactions and eliminate the need for carrying cash, which is identified as the convenience, is a key factor in determining the usage of credit cards. Easy and quick payments, tracking of simple spending, and rewarding programs are some of the few advantages that make credit cards more attractive for its customers (Stavins, 2017). According to previous research, the convenience that credit cards offer makes it more likely to be used by consumers for regular transactions (2018 Findings from the Diary of Consumer Payment Choice, 2023). Their use has increased as a result of credit cards

integration with mobile payment systems and virtual wallets (Nai et al., 2018). Through offering of convenience-enhancing features like cashless payments and smooth mobile app integration, financial institutions take benefits from the credit cards (Digital Payments and Mobile Wallets, 2018).

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

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

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

3.4 Social Status

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

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

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

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

3.5 Attitude

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

Some people see the use of credit cards in a pessimistic viewpoint and then, they could be

more reluctant to use credit cards because they consider them as a spring of debt and financial insecurity (Shefrin & Nicols, 2014). They may use credit cards occasionally because of their doubts about expenditures, possible increase of debt, and the psychological count of debt (Shefrin & Nicols, 2014). A person's background, life experiences, and social status usually influence on the way they feel about credit. People who have been exposed to the responsible use of credit may have a more sophisticated and responsible attitude towards the use of credit cards and individuals who have not been exposed, see the negative effects of using credit cards (Fulford & Schuh, 2017). To address the issues and opinions of different clients, financial institutions can use this knowledge to personalize their marketing and educational initiatives (Smith et al., 2015). According to Dewri et al. (2016), they may hold more positive attitudes and stimulate a greater number of credit card adoption and usage among their target audience by uplifting liable credit use and highlighting the advantages of credit card use.

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

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

3.6 Financial Optimism

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

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

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

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

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

4. METHODOLOGY

4.1 Conceptual Framework

The independent variables that have been recognized as possible psychological drivers of credit card usage among young banking professionals in Sri Lanka form the beginning of the conceptual framework of this study. Among these drivers are User Patterns (Nai et al., 2018), which pay attention on how socioeconomic and demographic characteristics affect on how people use credit cards. Convenience (Stavins, 2017) highlights the fact that the simplicity and benefits of using credit card, including speedy payments and incentive systems. Credit cards can be taken as markers of social status and financial stability (Fulford & Schuh, 2017). While Financial Optimism (Dewri et al., 2016) represents the confidence in dealing with money and reaching financial objectives, attitude (Wang, 2017) investigates people's opinions and beliefs around the use of credit cards. The significance of these aspects for young banking professionals

in Sri Lanka is highlighted by their distinct financial practices, the impact of social and cultural elements, and the nation's changing financial environment (Central Bank of Sri Lanka, 2021).

4.2 Research Design

A quantitative research approach is used to look at the psychological factors that affect young Sri Lankan banking professionals' use of credit cards. The fluctuation of user patterns, comfort, social status, viewpoint, and financial optimism will all be taken into light while forming a

structured questionnaire. Five hundred young banking professionals from the main cities of Sri Lanka will be chosen to get the questionnaire. Online questionnaires will be operated to gather data, and statistical techniques. Multiple regression analysis will be put to use to assess how each variable affects the credit card usage. Financial companies might better serve their goods and marketing efforts to this group by using the perception of the study into the psychological variables driving credit card usage. All over the study process, ethical principles such as informed consent and data confidentiality will be closely followed.

Table 1. Operationalization of conceptual framework

Dependent Variable	Credit Card Usage	I use my credit card regularly for various purchases. I use my credit card to take advantage of rewards and cashback offers. My credit card usage is influenced by promotional offers from banks.	Athiyaman & Subramaniam, (2018); Dewri et al. (2016)
Independent Variables	User Patterns	I frequently use my credit card for online shopping. 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.	Nai et al. (2018)
	Convenience	Using a credit card makes my transactions quicker and easier. 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.	Stavins (2017)
	Social Status	Owning a credit card enhances my social status. 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.	Fulford & Schuh (2017)
	Attitude	I view credit cards as a convenient financial tool. 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.	Wang (2017)
	Financial Optimism	I am confident in my ability to manage my credit card debt. 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.	Dewri et al. (2016)

Source: Author Constructed.

4.3 Population and Sample

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

4.4 Data Collection

Google Forms were used to deliver a structured questionnaire used to gather data for this research. In order to collect information about the psychological factors affecting credit card use among young banking professionals in Sri Lanka, a questionnaire was created. It included a set of enquiries using a five-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." This scale was selected in order to precisely gauge the attitudes, perceptions, and behaviours of the respondents. Quantitative analysis was made easier by the standardised questionnaire, which assured the consistency in replies. Effective data dissemination and collection were constructed with the utilization of Google Forms, which reached a large audience within the target population. The questions were thoughtfully crafted to correspond with the factors that were identified: financial optimism, social status, attitude, convenience, user patterns, and convenience. The reliability and quality of the data gathered were guaranteed by this approach, which offered a thorough grasp of the variables affecting credit card usage.

4.5 Data Analysis

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

5. RESULTS AND DISCUSSION

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

5.1 Assessment of Reliability

The Credit Card Usage category has Cronbach's alpha values of 0.824 while the Convenience category has 0.912. The composite reliability scores for all variables surpass 0.7, showing overall strong internal consistency, even though the Cronbach's alpha for Usage Patterns (UP) is below the acceptable level. All variables can be regarded as dependable and reliable for further analysis.

5.2 Assessment of the Convergent Validity

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

5.3 Assessment of Discriminant Validity

The square root of each concept's AVE (average variance extracted) is compared to component

correlations using the Fornell and Larcker inter-construct correlations. The model is criterion. Discriminant validity is attained when validated by the testing, which shows that the the square root of AVE values is greater than the constructs are different from one another.

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

Source: Field Survey, 2023.

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

Source: Field Survey, 2023.

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	

Source: Field Survey, 2023.

5.4 Assessment of Multicollinearity

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

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

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

Table 7 emphasizes that easiness and credit card use are highly positively correlated

($r = 0.853, p = 0.000$). Thus, the convenience to use uplifts the usage of credit cards.

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

Table 5. Variance Inflation Factor Values of the Variables

Construct	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

Source: Field Survey, 2023.

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

Source: Field Survey, 2023.

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

Source: Field Survey, 2023.

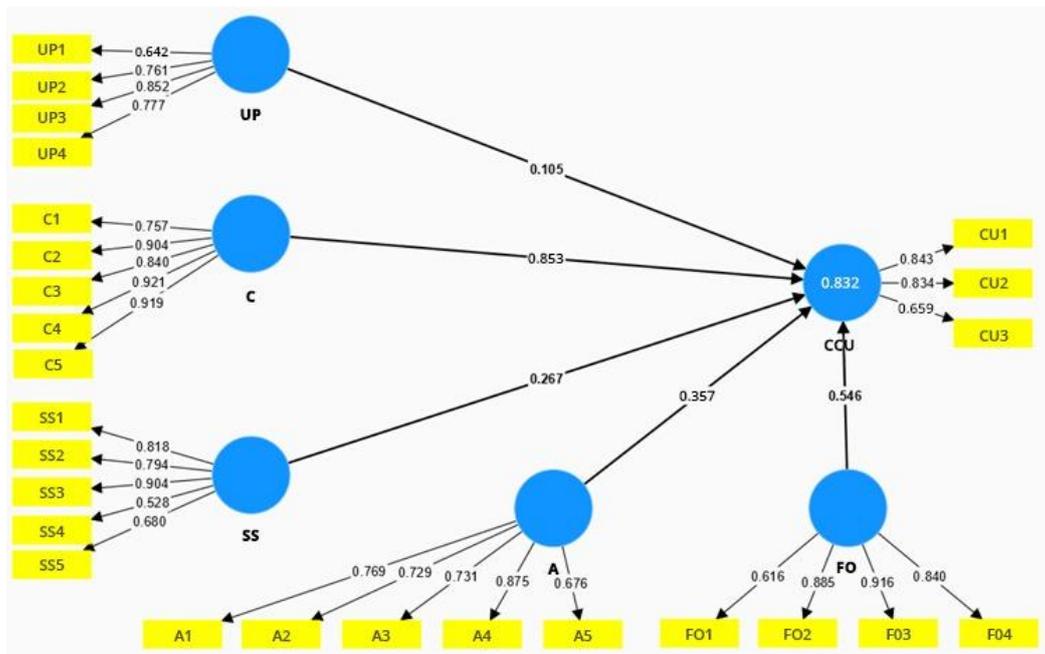


Fig. 1. Relationship between the credit card usage and independent constructs
 Source: Field Survey, 2023.

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

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

6. CONCLUSIONS

In this study, the psychological factors influencing the use of credit cards by young banking professionals in Sri Lanka were explored. The results highlight that several significant determinants including attitude, convenience, financial optimism, social status and usage patterns, that are positively correlated with credit card usage. In particular, the information brings into light that the use of credit card is strongly positively correlated with attitude ($r = 0.357$, $p = 0.000$), convenience ($r = 0.853$, $p = 0.000$) and financial optimism ($r = 0.546$, $p = 0.000$). A positive connection with usage patterns ($r = 0.105$, $p = 0.000$) and a somewhat favourable correlation with social status ($r = 0.267$, $p = 0.001$) are also present. The study presents the comfort ($r = 0.853$, $p = 0.000$) as the most influential determinant that affect young

bankers to use credit cards, while underline the significance of these elements in understanding customer behaviour in the financial industry by showcasing that a difference of psychological determinants determines the credit card usage.

7. LIMITATIONS

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

8. IMPLICATIONS OF THE STUDY

Circling of policy implications can be considered to encourage young banking professionals in Sri

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

FUTURE RESEARCH DIRECTIONS

By finding out the psychological factors that influence credit card use within a greater range of people, such as young professionals from sectors other than banking, future research could focus on this work. Incorporating qualitative techniques like focus groups and follow-up interviews may also yield more intensive understandings of the opinions, attitudes and motives underlying credit card usage. Additionally, longitudinal research might be done to see how these psychological aspects change with the time and affect long-term credit card usage trends. Further research into how credit card usage is affected by new financial technology and digital payment methods may also provide significant new information about how financial behaviour is evolving. Future studies that focus on these topics can help us gain a more thorough comprehension of the variables affecting the credit card use and help financial institutions develop strategies that better meet the demands of young professionals.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that generative AI technologies such as Large Language Models, etc have been used during writing or editing of this manuscript. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology.

Details of the AI usage are given below:

1.CoPilot

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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