

DETERMINANTS OF CREDIT CARD DEBT BEHAVIOUR AMONG GENERATION Y CONSUMERS IN SRI LANKA

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1. Introduction

In the current trend toward a cashless society, credit cards are the predominant form of "plastic" currency used to take over cash. Credit card usage in Sri Lanka has steadily increased over the past few years. However, users' inability to manage spending may lead to excessive outstanding balances, prolonged repayment periods, and increased interest payments. Therefore, the purpose of this study is to investigate the determinants of credit card debt behavior among Generation Y consumers in Sri Lanka.

2. Research Methodology

The researchers use positivism philosophy and quantitative methodology. Primary data was gathered through an online survey from 297 Gen Y credit cardholders who were unable to repay the total due for the last six consecutive months using the purposive sampling technique. Multiple regression analysis was used to test the proposed hypotheses of the study.

3. Findings and Discussion

The findings revealed that credit attitudes, knowledge about credit cards, social norms, self-efficacy, and materialism have a significantly positive impact on credit card debt behavior among Generation Y consumers in Sri Lanka, and these results were in line with the previous studies conducted in local and international contexts.

4. Conclusion and Implications

The findings can provide practical and social insights to better understand the indebtedness behaviour among Generation Y consumers and to develop suitable and efficacious regulations aimed at mitigating their significant levels of debt. Financial service providers have the potential to engage in collaborative efforts with regulators to mitigate the issue of credit card debt behaviour among Generation Y and to avoid the negative consequences associated with excessive debt. Furthermore, the results of this study will contribute to the current body of literature on the determinants of credit card debt behavior from a developing country perspective.

Keywords: Credit card, Debt behavior, Generation Y.