

**CONSUMER CREDIT: A BANKING PRODUCT TO
UPGRADE THE LIFESTYLE OF PEOPLE OF
BANGLADESH**

A DISSERTATION

**Submitted to the University of Dhaka for the Degree of Doctor
of Philosophy (Ph.D.) in Marketing**

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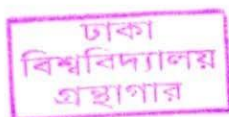
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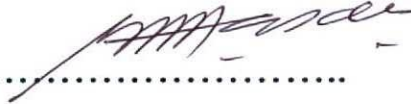


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This is to certify that the research work embodying the results reported in this thesis has been carried out under our guidance and supervision.

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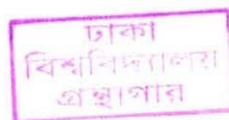
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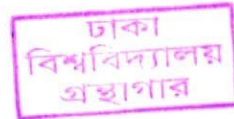
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In Memory of My Parent
Md. Sobhan Molla
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DECLARATION

I declare the work contained in this thesis is the result of original research and has not been submitted for a higher degree at any other university.



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ABSTRACT

Consumer classes (middle class and fixed income group) in Bangladesh are in continuum race to elevate the standard of their living and quality of life. They are not solvent enough to pay the price of an essential product at a time from their savings. Since their income is low, they can not afford to buy essential household durables like TV, fridge, furniture etc. to enhance the lifestyle of people. For buying these, they need consumer credit. This study investigates the use of consumer credit and its' impact on the lifestyle of middle class people in Bangladesh. The study also shows trends of consumer credit offered by different Banks of Bangladesh. Suggestions are also formulated by the study to manager of banks for improving the consumer credit scheme to make it more attractive for the consumers to upgrade their life style.

This paper joins a growing body of literature in consumer credit, lifestyle and link between consumer credit and lifestyle that goes beyond the traditional domains of inquiry and focuses on the consumer decision relating to consumer credit used and its' impacts on lifestyle of people of Bangladesh. Literature review shows that consumer credit is associated with people's lifestyle activities, interests, opinions and demographics. But previous researchers' did not investigate the relationship between consumer credit and lifestyle activities, interests, opinions and demographic of people's of Bangladesh. This thesis examines the relationship between consumer credit and lifestyle of people's of Bangladesh.

A conceptual model of consumer credit impacts on lifestyle has been derived. The conceptual model shows the relationship between consumer credit and lifestyle activities, interests, opinions and demographics factors. Numbers of activities, interests, opinions and demographics factors & variables have been discussed to develop hypothesis for measuring consumer credit impacts on lifestyle of people of Bangladesh. Four hypotheses regarding the relationship

between consumer credit and lifestyle activities, interests, opinions and demographics are tested.

576 respondents were asked to rate the importance of 42 lifestyle variables. A five points likert scales ranging from strongly disagree to strongly agree were employed to collect the data. These data were tested via factor analysis (the principal components method with varimax rotation) by using SPSS program for investigating the consumer credit impacts on lifestyle of middle class people of Bangladesh.

High percentage of variance of activities (work performance, entertainment activities and social activities), interests (family, home, recreation, fashion and food), opinions (themselves, social issues, economics, education and culture) factors and high factor loading score of variables of these factors justified that there is a strong association between consumer credit and lifestyle activities, interests and opinions of people of Bangladesh. The relationship between consumer credit and demographic (age, sex, education, income, occupation, family lifecycle) factors of lifestyle of people of Bangladesh have been justified by using graphical presentation. The study proved that consumer credit upgraded the lifestyle of people of Bangladesh.

I hope the thesis will make contribution to our understanding that people need consumer credit to change their lifestyle activities, satisfy their interests and express their opinions. People's consumer credit need is also related to their demographics variables. This thesis will help managers of banks in targeting and positioning and their media communication by focusing their attention on the ongoing changes in lifestyle patterns of their consumers by using household goods borrowed by consumer credit.

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CHAPTER ONE

INTRODUCTION

CHAPTER ONE

INTRODUCTION

1.0: Introduction

Bangladesh is a developing country. The economy of Bangladesh is characterized by widespread poverty. More than 45% of the total population of over 147 million lives below the poverty line (CIA, 2006). The present configuration of poverty has been caused by lack of access of the majority of the population to resources and development benefit (Shams, 2006). Lack of access to adequate financial services prevents the poor households in developing countries to become self employment as well as to undertake productive employment generating activities. Providing credit seems to be a way to generate self employment opportunities for the poor (Rahman, 1999). Access to micro credit enables people to derive benefits from income as well as employment (Khandakar, 1998).

In Bangladesh, the credit comes in different form in different time. Rural credit markets in Bangladesh are still dominated by informal credit with high interest rate especially for the poor. The usual system known as 'Bandhak' involves borrowing against land mortgage. The creditor enjoys the fruits of the land for a stipulated time period, sometimes up to ten years (Hushemi, 1988). Another prevailing aspect of the informal credit market is the system of 'Dadan'. Dadan represents the interlocking of the credit and the product markets. Poor peasants normally borrow against standing crops, under the stipulation that repayment will be in kind. In the case of paddy, peasants borrow during the lean period on the assurance that at harvest time they will pay back in the form of paddy (Hushemi, 1988; Ahmed, 1993).

In response to credit scarcity, and high interests' rates in informal credit in rural area in Bangladesh, the government of Bangladesh has tried to make formal credit available at low interest rate. The first significant attempts at institutional interventions in the rural credit market of Bangladesh occurred in the 1960s. During the 1970s, various program sought to reduce poverty in Bangladesh by

intermittently providing the poor with needed goods and services. By 1971, the extent of credit disbursed by the agriculture development bank and the cooperative amounted only 153 million taka, increasing to 467 million taka in 1976. Then in 1977, a special agricultural credit program was initiated that allowed a major increase in the role of formal credit in agriculture (Hossain & Afsar, 1989). Another form of credit is micro credit. Micro credit is considered essential for helping to reduce poverty by increasing productivity of the poor. Targeted micro credit programs were introduced in Bangladesh in 1980. Grameen Bank was transformed into a specialized bank in 1983, focused on providing credit to poor people, particularly poor rural women so that they become self employments (Shams, 2006).

With the prevailing economic scenario in a developing country like Bangladesh, we can safely say that a sizeable portion of our population is coming up as a consumer class every year. Because of huge population base, this class is quite large. Precisely, middle class and fixed income group belongs to this and they are in continuous race to elevate the standard of their living and quality of life. In doing so, it can not afford to possess basic necessities of life by paying the price at a time out of their savings (National Bank Bangladesh Ltd., 2006). Because of limited income, middle class and lower middle class people especially the salaried professionals of our country usually cannot afford to buy essential household durables (like TV, fridge, furniture, sofa-set etc.) to enhance the lifestyle of the people after fulfillment of their basic needs. In this situation, credit is necessary for them to buy household goods. But their financial positions do not allow them to get micro credit; because micro credit is for poverty alleviation. They have no ability to get mortgage loan. But they need credit to buy household goods for upgrading their lifestyle. To materialize their cherished goal of becoming the owners of the durable goods, at first Islami Bank Bangladesh Ltd. offered an attractive opportunity of installment buying through a consumer credit scheme named 'Household Durable Scheme' in 1993 in Bangladesh (Brochure of Islami Bank Bangladesh Ltd, 1994). It was followed by Prime Bank Ltd. and Social Investment Bank Ltd., all of which started their

services in 1995. Soon several other banks joined and today 19 of the 48 commercial banks offer consumer credit services (Bangladesh Banks, 2006).

Consumer credit scheme might play a significant role by providing financial assistance. It helps limited income people to buy required household items or any article for their necessity. Consumer credit is considered as loan to maintain standard of living in this group (Jamuna Bank, 2004). It is also considered as lifestyle loan of this group (HSBC Bank, 2007). The broad objectives of this scheme, among others, are to help service holders by providing consumer credit at a reasonable rate of interest. It encourages saving habit as well as facilitates increasing standard of living and thus play the active role in the socio-economic development of Bangladesh (Alam & Bhuijali, 2007).

Consumer credit is a financial management resource that can contribute to financial well-being if it is used wisely. Economic investment theory (Herendeen, 1974) suggests that consumers can increase their utility through judicious use of debt. Lown and Ju (1992) explain that satisfaction with personal financial affairs is an important component contributing to life satisfaction. The ability to manage resources effectively is an important component of financial satisfaction (Godwin & Carroll, 1986; Hira & Mueller, 1987). Soman and Cheema (2002) explain that if consumers have access to large amounts of credit, they are likely to infer that their lifetime income will be high and hence their willingness to use credit (and their spending) will also be high.

Why should consumers use credit to finance purchases? The life-cycle hypothesis (Modigliani and Brumberg, 1954) posits that consumers attempt to maintain their lifestyle and consumption baskets over their lifetime even though their income and wealth may fluctuate over time. Specifically, aged consumers can borrow from their past savings and consume at levels beyond their current incomes. Conversely, young consumers who expect future incomes to be higher than their present income can "borrow from their future income" to support their present lifestyle. These processes have been referred to as consumption

smoothing (Shefrin and Thaler, 1988). The availability of credit facilitates consumption smoothing and hence a rational consumer can use credit to maximize lifetime utility. While previous research has examined the relationship between a wide range of financial and economic variables with financial satisfaction (Herendeen, 1974); the relationship between credit use and financial satisfaction (Lown and Ju, 1992); the relationship between consumer credit and lifetime incomes (Soman and Cheema, 2002); utility analysis and the consumption function (Modigliani and Brumberg, 1954); availability of credit and consumption smoothing (Shefrin and Thaler, 1988). The relationship between consumer credit & lifestyle has received little attention.

There is a dearth of academic research into consumer credit in Bangladesh because researchers are usually working with micro credit, mortgage loan & credit card. Indeed, there has not been a single study on consumer credit impact on lifestyle of people of Bangladesh. So consumer credit impact on lifestyle of people of Bangladesh may be a vital issue for investigation. This thesis provides an overview relating to trends of consumer credit in Bangladesh. Main contention of this study is to identify the consumer credit impact on lifestyle of people of Bangladesh.

1.1: Research Issues

Considering the demand, popularity and profitability of the consumer credit scheme and to diversify the area of investment as well as to play beneficial role for the increase number of people of the country, most of the private bank in Bangladesh offer a wide range of banking facilities for its valuable customers. One of the beneficiaries' services of the customers of private banks is consumer credit scheme. The consumer credit scheme of the bank aims to help the fixed income group in raising standard of living has been widely appreciated (Prime Bank Ltd., 2007). Trends of consumer credit in Bangladesh are a vital issue for discussion.

The main objective of the present study is to identify the consumer credit impact on lifestyle of people of Bangladesh. The banking sector as a whole plays an important role in the economy of a country irrespective of its level of development. The commercial banks have greater responsibility both in the areas of product growth and in the performance of individual and social obligations. Consumer credit is a product of commercial banks. By lending these products, commercial banks play an important role in individuals and society. By borrowing the loan, consumers can easily buy their household products. Using products, they can speed up their work performance; maintain their social and entertainment activities. They use household goods because they are interested to decorate their home; maintain their fashion, recreation, food; satisfy their family member's expectation. People also use household products for their self improvement. They use it for showing social status, improving economic condition, being educated, and maintaining cultures. People's demographic factors influence to get the goods (in consumer credit system) they need and want, when they need and want those most. In a nutshell, they use household products for increasing their living standard or lifestyle. So consumer credit impact on lifestyle is an important issue for investigation.

Studies after the World War II have given a mixed picture on the performance of the consumer credit in banking sector. In America and in other countries, consumer credit played an important role to increase the standard of living of the customer (Cole, 1998; Beckman and Foster, 1969; Garman & Forgue, 1991; Amling & Dromes, 1982). Consumer credit generated new finance companies and industries (Rogers, 1954; Sullivan, 1987). Consumer finance played an important role in American economics life by aggregate contributing in GDP since the end of worlds War II (Cottle, 1960; Dunkleberg & Stanford, 1977). Consumer credit played an important role in American society. By using consumer credit, consumers got facilities to enjoy of life, higher standard of living, convenience offered and early consumption. Consumer credit encouraged thrift, created employment, created pressure of necessity and offsets inflation, created fundamental and controversial role in working class budget and also

credit card played role as lifestyle facilitators (Einzing, 1949; Amling & Dromes, 1982; O' Connell and Reid, 2005; Bernthal, Crockett & Rose, 2005). The emergence of mass markets for consumer goods and the attainment of higher standard of living, many developing countries like India and Turkey began to introduce consumer loans for individuals (customers) in 1968 and 1988 respectively to purchase consumer durables to improve their standards of living (Suneja, 1994; Bilgin and Yavas, 1995). Following their success, different banks of Bangladesh introduced this loan since mid 1990 (Selected private banks of Bangladesh from 1995-2007). It might be very accepted credit by the consumer of Bangladesh for increasing their lifestyle.

However, one of the major drawbacks of all such studies is that they do not conduct analysis of the consumer credit impacts on lifestyle of consumers of Bangladesh. Thus, the study addresses on the following issues concerning the consumer credit impact on lifestyle of the people of Bangladesh:

- (i) What are the trends of consumer credit of the different banks of Bangladesh?
- (ii) Does consumer credit help to increase the lifestyle of people of Bangladesh?
- (iii) What are the ways for improving the credit scheme to make it more attractive to the consumer for upgrading their lifestyle?

Consumer credit can improve the lifestyle of consumers of Bangladesh. So, it can be an important issue for investigation.

1.2: The Purpose and Objectives of the Research

The purpose of this research is to contribute to greater understanding of the consumer credit and its impact on lifestyle of consumers. The study seeks to realize the following objectives:

- (i) To provide an overview relating to trends of consumer credit in Bangladesh.
- (ii) To examine how the consumer credit helps to upgrade the lifestyle of consumers of Bangladesh.
- (iii) To suggest way-out for improving the credit scheme to make it more attractive to the consumers for upgrading their lifestyle.

1.3: Contribution of the Research

Consumer Credit is an important development scheme in the banking sector in most of the developing economies including Bangladesh. In Bangladesh, people of limited monthly income are faced with the problem of improving their lifestyle (Selected Private & Multinational Banks in Bangladesh, 1994-2006). This study may provide some insight to the policy makers and bankers on how the middle class & lower middle class can be served more effectively with the financial services, they demand. This study may also have a significant contribution to the existing literature regarding the impact of consumer credit on lifestyle of consumer of Bangladesh. Besides, the study findings will provide evidence on the formulation of policies in areas of consumer credit scheme to make it more attractive to the consumer for upgrading their lifestyle.

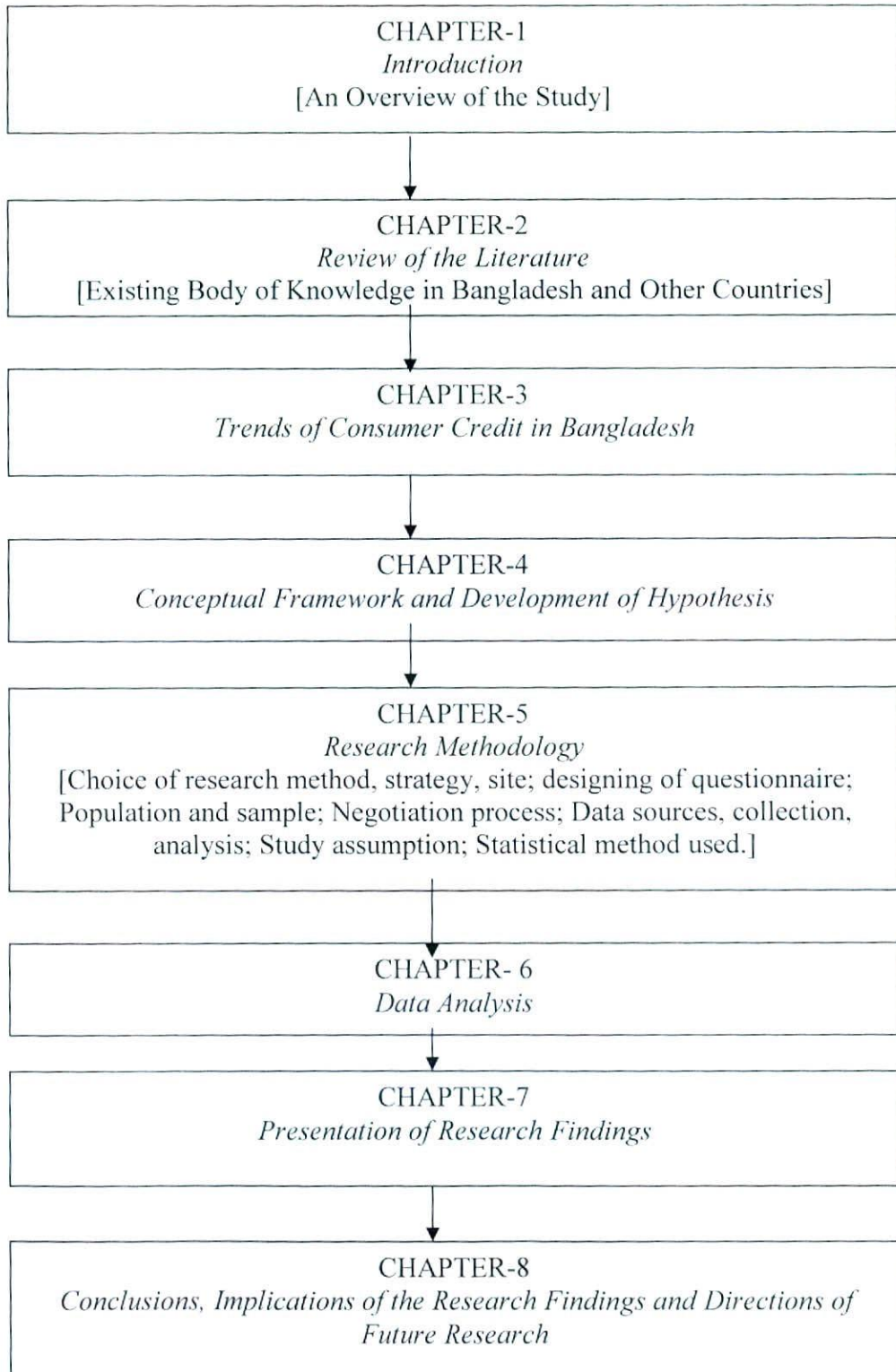
1.4: Structure of the Thesis

This thesis is organized into nine chapters as shown in figure-1.1. The following is a brief chapter- by- chapter description of the contents of the thesis. Chapter 1 begins with an introduction to the research to be investigated followed by the purpose and objectives of the study. It then describes the contribution for undertaking the study.

An extensive review of the literature is carried out in chapter 2 with the aim of identifying the issues of debate and concern relating to the consumer credit and its impact on lifestyle of consumers. To this end, attempts have been made to review all the relevant available literature, especially in the context of consumer credit and lifestyle of consumer of Bangladesh and other countries. This review has identified specific gaps in existing knowledge about the consumer credit and its impacts on lifestyles in the wider context of Bangladesh and other countries.

Chapter 3 describes the trends of consumer credit of some selected banks in Bangladesh.

Figure- 1.1: The Plan and Structure of the Thesis



A conceptual framework has been developed in chapter 4, drawing experiences from existing evaluation models/frameworks relating to the consumer credit and lifestyle. Some major hypothesis has also been developed to test empirically, using data to be generated from a field survey in chapter 4.

Chapter 5 highlights the key features of methodology used to collect data and to make the analysis.

Chapter 6 & 7 describe analytical frameworks and technique, summarize findings, analyze effects of variables and develop models of determining the consumer credit impacts on lifestyle.

Finally, Chapter 8 draws conclusion on research findings, describes implication of models and points to further research agenda that could provide additional insight into consumer credit impact on lifestyle.

CHAPTER TWO
LITERATURE REVIEW

CHAPTER TWO

LITERATURE REVIEW

2.0: Introduction

This chapter reviews the literature and documentation relevant to consumer credit (a banking product) and life style. The aim of this review is to identify consumer credit and its association with lifestyle of people of Bangladesh. The literature concerning the consumer credit impact on lifestyle are categorized into three areas: 1. The chapter begins with a short background, definition, characteristics and typologies of consumer credit, and then reviews understanding of lifestyle, 2. Growth of consumer credit and 3. Link between consumer credit and lifestyle.

2.1: Consumer Credit Background

There has been a growing interest of consumer credit throughout the world, in the industrialized west as well as in developing countries of the third world (Beckman & Foster, 1969; Edmonds, 1979; Garman & Fogue, 1991; Bilgin & Yavas, 1995; Cole, 1998; Fraser et al., 2001; Vyncke, 2002; Eichergreen & Mitchener, 2003; Lachance, 2004; Wang & Wallendorf, 2005; Lachance et al., 2006; Muhmin, 2008). This worldwide focus of consumer credit is resulted from several factors and ideas. The following paragraphs represent several historical backgrounds related to consumer credit.

The installment method of operation was introduced in New York as early as 1807 by the founder of the firm of Cowperthwait & Sons. Later, installment selling was introduced in England in 1828 (Cole, 1998). The small loan business had its origin in Chicago about 1870 and spread rapidly to the principal cities of the East and Middle West. In the piano business, the installment plan has been used since about 1875 (Beckman & Foster, 1969). Installment business similarly gained importance in Australia in the 1920s, especially in financing purchases of imported goods including motor vehicles (Eichergreen & Mitchener, 2003).

The period from 1930 to 1946 was characterized by a scarcity of consumer credit because of great depression and World War II. In one decade, from the end of 1946 to the end of 1956, consumer credit expanded more than five times (Cole, 1998).

Many banks began to provide personal loans or credit in India in 1968 (Suneja, 1994). The offering of consumer credit services by a Turkish (developing country) bank for the first time is in 1988 (Bilgin & Yavas, 1995).

Considering the market of the consumer credit scheme and to diversify the area of investment as well as to play beneficial role for the increased number of middle class people of the country, the management of Islami Bank Bangladesh Ltd. has decided to introduce this loan in Bangladesh in 1993 (Islami Bank Bangladesh Ltd.,1995). This bank was followed by Prime Bank Ltd. and Social Investment Bank Ltd., both of which started their services in 1995 (Prime Bank Ltd. & Social Investment Bank Ltd.,1997). Uttara Bank Ltd., Pubali Bank Ltd., Mercantile Bank Ltd., IFIC Bank Ltd. and other introduced this scheme later. Now about 19 of the 48 commercial banks offer consumer credit services in Bangladesh (Bangladesh Bank, 2006).

From the analysis of the above paragraph of the outline of background, it is clear that consumer credit/consumer credit institutions were first introduced at Chicago in 1878. These spread after World War II. After 1952, attitudes towards consumer credit changed dramatically. After 1968, sub-continental country began to introduce consumer credit. At first Islami Bank Bangladesh Ltd. introduced consumer credit scheme in Bangladesh in 1993. The following section presents a brief outline of the definition, and typologies of consumer credit for understanding the consumer credit and its impacts on lifestyle.

2.2.0: Definition and Typologies of Consumer Credit

In this section key concepts are clarified: definition & types of consumer credit available in the world. Before further data is examined, definition and typologies

of consumer credit must be distinguished so that the purpose of this thesis made clear.

2.2.1: Definition of Consumer Credit

Definition of consumer credit is very much important for understanding the consumer credit and its impact on lifestyle of people of Bangladesh.

Stokes & Arlt (1955) has defined, “Consumer credit refers to loans made or credit gives to individual consumers to finance purchases of consumer goods and services.” Prather (1969) agreed with stokes (1955) and he also emphasized for personal consumption or to refinance debts originally incurred for such purposes. Bexiley (1987) described consumer loan as secured or unsecured loan but Garman & Forgue (1991) pointed out that consumer credit is nonbusiness debt used by consumers for purposes other than home mortgages.

While Suneja (1994) has described ‘consumer credit’ as “Consumer loans are loans granted by banks to individuals who may feel inclined to purchase consumer durables to improve their standard of living. Then Fraser et al. (2001) defined as “Consumer credit consists of loans to individuals for personal households or family consumptions.

Previous researchers have identified that consumer credit is for purchasing consumer goods and services (Stokes & Art, 1955), personal consumption (Prather, 1969), nonbusiness use (Garman & Forgue, 1991), improving the standard of living (Suneja, 1994).

From the clue of the above definition of the selected researchers, it can be assumed that consumer credits are loans granted by bank to individuals’ for personal households or family consumption who may feel inclined to purchase consumer durables to improve their lifestyle. Discussion about the different kind of consumer credit is also necessary for clear understanding of consumer credit and its impacts on lifestyle.

2.2.2: Types of Consumer Credit

There are different kinds of consumer credit existing in different country. Here again, some major attempts to typify consumer credit will help to have an idea. These are briefly stated below: Prather (1969) had classified consumer credit into two broad types:

(1) Installment credit: It (also called closed end credit) requires that the consumer repay the amount owed in a specific number of equally payments, usually monthly. It has been subdivided into: (i) Automobile Lending-(a) Direct automobile loans, (b) Indirect automobile loans; (ii) Others goods paper; (iii) Repair; (iv) Modernization loans; (v) Personal loans.

(2) Noninstallment credit: Recall that noninstallment credit is debt that is repaid in a single payment or as open ended credit, in which the borrower is permitted to repay either in full or over time. It has subdivided into: (i) Single Payment, (ii) Charge Accounts, (iii) Service credit.

Stokes & Artt (1955) has classified it into two main types: (1) Cash Loans; (2) Merchandise credit: (i) Open book credit, (ii) Installment credit.

Hempel & Simonson (1999) have said four basic types of Installment credit: (i) Automobile Lending: (a) Direct Automobile loans, (b) Indirect automobile loans; (ii) Revolving credit; (iii) Home equity credit; (iv) Mobile Home Financing.

Amling & Droms (1982) mentioned variety of forms: (1) Service credit (2) Other types of consumer credit include: (i) Secured loans, (ii) Cash loans, (iii) Installment sales, (iv) Automatic over drafts, (v) Retail charge accounts, (vi) Credit lines, (vii) Bank Credit cards, (vi) Travel entertainment cards, (vii) Education loans.

Garman and Forgue (2000) also identified two major forms: (1) Installment and (2) Noninstallment credit.

Chien and Devaney (2001) identified that installment loan is more restricted, requiring more information from consumers and taking more time to process. With installment loans, consumers make a decision to take on a large amount of debt.

According to the basis of above reason, it is clear that consumer credit is classified into mainly two types (i) Installment credit, (ii) Noninstallment credit.

There are different types of consumer credit are also existing in Bangladesh: 1. Installment credit- single payment, automobile, furniture and household appliances, repair, modernization, vacation, marriage, education and 2. Noninstallment credit -credit card loan (Brochure of different banks, 2007).

Different kind of consumer credit played important role in consumer lifestyle of People of Bangladesh in different way. Discussion about the growth of consumer credit is necessary for identifying the overall demand of consumer credit.

2.3: Growth of Consumer Credit

Consumer credit was grown slowly before the world war-II. It was growing at an outstanding rate after 1945. In 1945, the consumer installment debt of the average American family was 2 percent of its annual income. By 1985, it had risen to 18 percent (Bloom and Steen, 1987).

In America, the growth of consumer credit exceeded the growth of after-tax family income in the 1980s (Canner and Lockett, 1991). In this period, more than 80 per- cent of families had consumer installment debt (Avery et al., 1987).

In America, during the decade from 1980 to 1990, a considerable portion of household income, an average of 17 percent, was spent to repay consumer credit (Calem, 1992). During the period from 1983 to 1986, the portion of families with incomes below \$10,000 (1985 constant dollars) holding a credit card increased 91 percent. This increase is much greater than for any other income group. In 1988, each household owed an average of \$7,104 for automobile installment loans, \$3,029 for revolving credit, \$2,192 in other consumer debts, and \$1,661 in credit card balances (U.S. Bureau of Census, 1990). The outstanding balance of all consumer credit, excluding mortgage debt, was \$800 billion at the end of 1990 (Zhu and Meeks, 1994).

During 1997, the amount of non-mortgage debt was very high in USA. It represents \$7500 debt for every household in the country (Herman, 2000). Lewyckwj (2002) found that average personal debt equals average disposable income in Canada, and outstanding credit has doubled between 1997 and 2002. In the UK in 2002, average personal debt now far outstrips average disposable income, and the country then has one of the fastest debt growth rates in the developed world (Cowell, 2003).

In the decade to 2002, the household debt to income ratio increased from 56% to 125%, while annual growth rates for credit card debt averaged 17.4% overall, and 20.9% in the second half of the decade in Australia (RBA, 2003). In the decade to 2005 average household debt has grown by 217% from \$30 850 to \$97 856 [RBA, 2005].

There is no formal statistics about the total amount or growth rate of consumer credit in Bangladesh. But growth rate of consumer credit may be assumed by introducing consumer credit scheme as well as growth rate of consumer credit of selected banks of Bangladesh. Consumer credit disbursed by Prime Bank Ltd., The city bank Ltd., Dhaka Banks Ltd. etc. were visible and proved as encouraging demand from 2001 -2006 (Annual Report of selected banks, 2001-2006).

The increased rate of consumer credit in different banks of Bangladesh indicates that consumer credit is growing rapidly. It may have vast demand for buying household goods to maintain the lifestyle of people of Bangladesh. There may be an impact of consumer credit on lifestyle of People of Bangladesh. For examining of consumer credit impact on lifestyle, it is very necessary to understand the lifestyle of people. Definition, characteristics and measurement of lifestyle should be discussed for clear understanding of lifestyle of people related to consumer credit.

2.4.0: Definition and characteristics of Lifestyle

This section discusses the definition and characteristics of lifestyle.

2.4.1: Definition of Lifestyle

Though mass media have popularized the term and most people know roughly what it is supposed to mean, no universal definition is accepted by all researchers. Lazer (1963) defines lifestyle as referring to a “distinctive or characteristic mode of living, in its aggregate and broadest sense, of a whole society or segment thereof. It embodies the patterns that develop and emerge from the dynamics of living in a society.” Zablocki and Kanter (1976) opined that one’s lifestyle represents the way one had elected to allocate income, both in terms of relative allocations to different products and services, and to specific alternatives within these categories. While, Berkman and Gilson (1978) defined lifestyle as “unified patterns of behavior that both determine and are determined by consumption”, Then, Hawkins et al (1983) defined simply as “How on lives”. Agreed with Hawkins et al. (1983), Assael (1998) opined that lifestyles are consumer’s modes of living as reflected in their activities, interests, and opinions.

Veal (1989) defined that lifestyle is the pattern of individual and social behavior characteristics of an individual or a group. Behavior includes activities involved in relationships with partners, family, relatives, friends, neighbors and colleagues, consumption behavior, leisure, work, and religious activities.

Soloman (2002) agreed with Zablocki and Kanter (1976) but he emphasizes that pattern of consumption reflecting a person's choices of how he or she spends time and money.

Kotler & Armstrong (2007) clarified that a lifestyle is a person's pattern of living in the world as expressed in his or her activities, interests, and opinions.

Previous researchers have identified lifestyle as distinct mode of living, way to allocate income, unified pattern of behavior, pattern of individual and social behavior, pattern of living reflected by activities, interests and opinions.

From the analysis of the previous researchers' definition and purpose of this thesis, lifestyle can be defined as: Lifestyles are consumer pattern of living in the world as expressed in their activities, interests and opinions, pattern of consumption, spending time and money along with product, service and media.

2.4.2: Characteristics of Lifestyle

From a sociological view point, Feldman and Thielbar (1974) describe lifestyle by the four following characteristics:

(a) Lifestyle is a group phenomenon: An individual's lifestyle bears the influence of participation in social group and relationships with significance to others. A college student, for example, maintains a lifestyle dramatically different from a construction worker's, and an adolescent's lifestyle differentiates from that of his or her parents.

(b) Lifestyle pervades many aspects of life: A person's lifestyle commits a certain consistency of behavior. People who prefer oil or vinegar on their salads are more inclined to attend a ballet than people who use commercial French dressing. Individuals who say they are liberal or "left" politician are more likely to see a foreign "art" movie than people who profess to be middle-of-the road or conservative.

© *Lifestyle implies a central life interest*: In the United States, there are many central interests that may fashion an individual's lifestyle; family, work, leisure, drugs, sexual exploits, and religion are some.

(d) *Lifestyles vary according to sociologically relevant variables*: Lifestyle differs on the basis of age, sex, ethnicity, social class, region and number of other determinants. The rate of social change also has a great deal to do with variation in lifestyles.

Lazer (1963) describes lifestyle characteristics as:

(i) *Lifestyle draws a variety of analysis together*: Lifestyle provides a meaningful portrait of how people are individualized and how they identify themselves as members of reference groups, which collectively form patterns of living.

(ii) *Lifestyle draws a variety of disciplines together*: The lifestyle concept is a point of convergence between marketing on the one hand and disciplines such as anthropology, psychology, sociology, and economics on the other.

Previous researchers found that lifestyle is a group phenomenon; it pervades many aspects of life, it expressed central life interest, it varies according to sociological variable (Feldman and Thielbar, 1974); it draw a variety of analysis together, it draws variety of discipline together (Lazer, 1963).

2.4.3: Measurement of Lifestyle

The concept of lifestyle patterns and its relationship to marketing was introduced in 1963 by William Lazer. Since 1963, methods of lifestyle patterns and their relationship to consumer behavior have been developed and refined. The most widely used approach to lifestyle measurement has been AIO (activities, interests, and opinions) rating statement (Wells and Tigert, 1971; Peter & Olson, 1994). Studies concerning people's activities (e.g., work, hobbies, social events, vacation, & community), interests (e.g., family,

recreation, food, media, & home) and opinions (e.g., about themselves, education, culture, social issues, & economics) often involved as many as 250-300 items (Vyncke, 2002; Kotler & Keller, 2006). Other studies also used values, attitudes, and lifestyle scales in their research (VALS) (Reece, 1989). Lifestyle as used in lifestyle segmentation research measures people's activities in terms of (i) how they spend their time, (ii) their interests, what they place importance on in their immediate surroundings, (iii) their opinions in terms of their view of themselves and the world around them; where they stand on important issues and (iv) Some basic characteristics such as their stage in lifecycle, income, education, and where they live. Table-lists the elements included in each major dimension of lifestyle.

Table-2.4.3.1: Lifestyle dimensions

Activities	Interests	Opinions	Demographics
Work	Family	Themselves	Age
Hobbies	Home	Social issues	Education
Social events	Job	Politics	Income
Vacation	Community	Business	Occupation
Entertainment	Recreation	Economics	Family size
Club membership	Fashion	Education	Dwelling
Community	Food	Products	Geography
Shopping	Media	Future	City size
Sports	Achievements	Culture	Stage in life cycle

Source: Plummer (1974)

The focus of marketers and consumer researchers has generally been on identifying the broad trends that influence how consumers live, work, and play. It allows a population to be viewed as distinct individuals with feeling and tendencies, addressed in compatible groups (segments) to make more efficient use of mass media. *Lifestyle* patterns provide broader, more three-dimensional views of consumers so that marketers can think about them more intelligently. The basic premise of *lifestyle* research is that the marketers more know and understand about their customers, the more effectively they can communicate with and serve them (Kaynak and Kara, 1996).

However, a majority of *lifestyle* studies have been carried out in the western countries. Life style information in Bangladesh is surely lacking. Some researchers (Stoke & Artl, 1955; Suneja, 1994; Fraser et al., 2001) found relationship between consumer credit and personal consumption or family consumption & standard of living. They showed that consumer credit helps to buy consumer goods and services for personal consumption or family consumption for improving the standard of living of people. Other researchers (Lazer, 1963; Veal, 1989; Assael, 1998; Plumer, 1974; Kotler & Armstrong, 2007) showed that lifestyle is a distinctive mode of living. It involves individual and social behavior. It consists activities, interests, opinions and demographics factors. Their discussion made some clue about the relationship between consumer credit and lifestyle. Because limited income people need consumer credit to buy products to do their activities, satisfy their interests, express their opinions and match with their demographics. But researchers have given little attention between the relationship of consumer credit and lifestyle of people in Bangladesh. This study will help to investigate the relationship between consumer credit and lifestyle of people of Bangladesh.

2.5:0: Relationship between Consumer Credit & People's Lifestyle

From the previous discussion, it can be estimated that some factors are associated with consumer credit and lifestyle. Discussion about lifestyle factors associated with consumer credit uses will be helpful to interpret the link between consumer credit and lifestyle. Factors that associated with consumer credit and lifestyle of people are discussed below:

2.5.1: Relationship between Consumer Credit and People's Lifestyle Activities

Following discussion will help to learn between consumer credit use and its' association with lifestyle activities.

Amling and Dromes (1982) explained that consumer credit facilitates enjoyment of life because it enables people to obtain goods without delay. Garman &

Forgue (1991) opined that consumers have to wait long time for buying household goods if they have no savings. Consumer credit helps them to enjoy immediate use of the products. Suppose buying a fridge or car on consumer credit allows the consumer immediate use of the product.

Some researchers (Gladwell, 1990; Reimer, 1995) are employing a battery of items to capture a more holistic picture of people's lifestyles that included their hobbies, vocational interests, work, recreation and social activities. People need credit for buying household goods (like washing machine, sewing machine, car, motorcycle, computer etc.) to do their work, entertainment activities and social activities. Mohiuddin and Kashem (2008), for example, explained that computer does wonder. It serves people in many ways. It is used in translation. Examination result can be accurately given by computer within the space of time. It helps to play game. Chowdhury & Hossain (2008) described that the students use computer to prepare their study materials. They learn many things within the shortest possible of time. The printing cannot be thought without computer. It is an indispensable part of printing.

People need credit for buying car. A car is necessary for outdoor activities and recreation. In this regard, Research by the "Outdoor Industry Foundation" (Outdoor Industry Association, 2000) explored active lifestyles of people participating in outdoor activities. In relation to outdoor recreation and tourism, a study by MacKay et al. (2002) identified outdoor recreation, sightseeing, and cultural activities as niche markets. People in these niche markets participated in different activities during their vacations. In examining tourism and cohorts (i.e., people born in the same time period), Pennington-Gray et al. (2003) found that "different cohorts may be attracted to different activities at different times" of their lives. Another few studies also explored lifestyle activities oriented research, such as going to church, playing with children or grandchildren, drinking wine, visiting a theater, gardening, eating out (Morgan & Levy, 2002; Vyncke, 2002).

Combray (1987) found that more people are becoming involved in charity, volunteer work & social service activities. Social oriented people need credit to buy household goods (like TV, computer, car, motorcycle, fridge, furniture etc.) for maintaining interaction with others of the society. In this regard, Chandler (1994) argued that watching TV helps to get integration and social interaction: gaining insight into circumstances of others; social empathy; identifying with others and gaining a sense of belonging; finding a basis for conversation and social interaction; having a substitute for real-life companionship; helping to carry out social roles; enabling one to connect with family, friends and society.

Kotler & Armstrong (2007) identified that observers have noted a shift from 'me society to we' society in which more people want to be with and serves others. More and more they want to get out of the house and be with others. This trend suggests a greater demand for social support products and services that improve direct communication between people, such as health club, vacation & games. It also suggests a growing market for social substitute things that allow people who are alone to feel that they are not, such as TV, vcp, computer etc. So they need credit to buy social support and social substitute products (TV, computer etc.) for doing their charity, volunteer & social service activities. Sarker & Islam (2008) described that a people get lot of information very easily about the society by using computer. They can communicate with others by using internet via computer.

From the above discussion, it is clear that previous researchers found association between consumer credit and peoples' lifestyle activities (like work performance, entertainment activities and social activities).

2.5.2: Relationship between Consumer Credit and People's Lifestyle Interests

People are interested in particular things. They place importance on their immediate surroundings. They are interested about their family, home, recreation, fashion, food etc. (Plumer, 1974). Following discussion will help to

identify the relationship between consumer credit and people's interest to family, home, recreation, fashion, food etc.

Beckman & Foster (1969) got relationship between consumer credit and peoples' interest to recreation. He opined that the better music, drama and educational messages often heard over the radio or seen on TV are but one illustration of what has been made available through installment credit. People would deprive to get message from watching TV, if they have no opportunity to buy it by installment credit. He also added that it has aided people in securing higher standards of living, education, comforts, conveniences, efficiency, recreation and health.

People need consumer credit to buy household goods (like TV, computer etc.) to do their recreation: escaping, or being diverted from problems; relaxing; getting intrinsic cultural or aesthetic enjoyment; filling time; emotional release; sexual arousal (Chandler, 1994). TV is the most attractive and up-to-date means of recreation. It brings the scenes of different countries and people of the world before our eyes. TV telecasts news, views, music, drama, films, national and international games and sports. People watch them on the TV screen just sitting in their drawing room. For this reason, TV is so popular among the people of all age-groups around the world (Rob, 2008). After days hard work people sit before a TV set and hear music and songs. They enjoy drama, dance, magazine programs and many others things. They see the actors and actress. They need not to go to stadium to enjoy a game. They sit before a TV set and enjoy football, cricket, tennis and other games (Rahman and Noor, 2008; Sarker & Islam, 2008). Computer helps people to do their recreation. Different kind of games (like chess, fighting, car racing) are played by computer. It also helps to enjoy cultural programs. It can store music, drama, dance, sports program etc. People enjoy these programs in their convenience time (Mohiuddin and Kashem, 2008).

Amling & Droms (1982) identified the association between consumer credit and peoples' interest to solve the necessity of their personal or family needs. He opined that consumers are interested to use credit for their necessity. Under these circumstances, consumers do not pay cash but resort to credit. They are responsible for many of their occasions: birth, death, sickness and similar events, which demand a large immediate outlay. Very often credit is necessary to solve these emergency conditions. People need credit to buy household goods (like TV, fridge, furniture etc.) to get affiliation of family solidarity; family relaxant; conflict reduction and relationship maintenance (Lull, 1990).

Kaiser and Chandler (1985), for example, observed that older people implicitly use television for processing appearance and fashion-related information. Greco and Paksoy (1989) similarly found that fashion-conscious shoppers rely more on mass media information sources than do non-fashion-conscious segments. Surprisingly, the mature market represents the second fastest growing population segment engaged in internet use. Therefore, the internet may also become a viable source of fashion information (Bernthal et al., 2005). Consumer credit helps people to buy computer/TV for collecting fashion related information. Above researchers observation indicated the relationship between consumer credit and people interest to fashion.

Assael (1998) described that the focus on time savings convenience in the 1990s has created two trends in consumption: (i) Grazing- It is the need to eat on the run. People eat breakfast in the car on the way to work, munch on a sandwich while walking, or eat lunch at their desks. This trend is the result of the demise of sit -down breakfasts and lunches in most households. The need for quick food has lead many marketers to repackage their products into smaller size and to change them to suit grazers' dietary needs. (ii) Refueling refers to less time spent in preparing and eating dinner. The primary reflection of this trend is the growing importance of household goods (like microwave ovens, fridge, pressure cooker and blender) in people's lives for preparing food and keeping food in store. Credit is necessary for buying these products.

Well decoration of a home is very much necessary to stay there for a long time. An ideal home is the abode of peace, love, and affection. It is associated with all that is sweet, pleasant and agreeable in life (Mohiuddind and Kashem, 2008). People need credit to buy furniture and others household goods for decorating their home. Credit is necessary for buying furniture and any other household goods for decorating home.

Previous researchers' discussion indicated that people need consumer credit to buy household goods for satisfying their interests to family, home, recreation, fashion, food etc.

2.5.3: Relationship between Consumer Credit and People's Lifestyle Opinions (Attitude) Factors

Following researchers found relationship between consumer credit and peoples' lifestyle opinions (attitudes) factors.

Norton (1993) identified that the dramatic increase in credit use from the 1930s to the 1990s may be partly due to consumers' attitudes toward credit use. Calem and Mester (1993) found that general attitudes toward borrowing, as well as attitudes toward borrowing for some specific items, like a vacation trip and luxury goods, were positively related to consumer debt. Davis and Lea (1995) showed the strong association between debt and attitudes toward debt. Walker (1996) found that psychological and behavioral variables have a considerable impact on being in or keeping out of debt. Households' amount of debt is influenced not only by their ability to borrow but also by their willingness to borrow (Godwin, 1997).

Watson (1998) found that people with high levels of materialism have more positive attitudes toward spending and debt. Hayhoe et al. (2000) found that students with higher affective credit attitudes were more likely to purchase

goods, such as clothes, electronic items, entertainment, travel, gasoline and auto repair, and food away from home, with credit cards.

People need credit to buy household goods to do their self development. In this regard, Chandler (1994) argued that watching TV helps to get personal identity (finding reinforcement for personal values; finding models of behavior; identifying with valued other (in the media); gaining insight into one's self learning; self-education; gaining a sense of security through knowledge). People vary in their emphasis on serving themselves versus serving others. Some people seek personal pleasure, wanting fun, change and escape. Others seek self realization through religion, recreations or the avid pursuit of careers or others life goals. People use products and services as a means of self expression, and they buy products and services that match their view of themselves (Kotlar & Armostrong, 2007). They need credit to buy household goods (like TV, computer etc.) for their self expression. Sarker and Islam (2008) described that the TV helps them to do their self-development by telecasting different kind of program (news, views, cultural, magazines, talk show sports etc). Rob (2008) opined that people get lot of information by using computer. They get information about their personal value, model of behavior, self learning etc. by using computer.

Beckman & Foster (1969) found relationship between consumer credit & people's opinion to economy. They identified that consumer credit provides the desired article first and then encourage the buyer put aside a certain amount weekly and monthly in payment for it. People became economize in order to be able to meet installments when they become due.

Amling & Droms (1982) found link between consumer credit and people's opinion toward savings. He opined that credit allows a consumer to purchase items requiring a major cash outlays and then pay for this items in small amounts over an extended period of time. Most people would be unable to purchase a new car, for example, if they had to pay the full cost in cash. By

using credit, they can pay for the car from current income while they are using it. They also keep their savings intact. This example illustrates two additional advantages of credit: (i) Preservation of savings: For most people, building a savings account is a long and difficult process. It often takes years of small deposits to build up a four or five figure savings account. Using credit as an alternative to withdrawing savings allows people to preserve these hard-earned savings dollars and still make major purchase. (ii) A pay as you go system: The use of credit allows people to have the immediate use of an item and to pay for this item while they are using.

Lewis (1996) found association between savings and payment of consumer credit. He argued that if low income families can not save, financial resources during emergencies will be insufficient. So they buy goods and services at first by consumer credit and pay later. They used this mechanism for savings.

People need credit to buy TV/computer for saving their money and time. Chowdhury and Hossain (2008), for example, explain that TV makes the world small. It conquers time and distance. People need not to spend money to go to another place for getting information. They get familiar with the customs and traditions, fashions and dress, and culture of the people of different parts of different areas through watching TV. It conveys social, political, economic, cultural and religious news of home and abroad. Mohiuddin and Kashem (2008) noted that people save money and time by using computer. They collect lot of information by using internet and store it in computer without going anywhere. They can print their writing and collecting material in low cost by using printing machine with computer.

According to Sobel (1981), the meaning attached to a lifestyle is best expressed by visible consumption. Chaney (1996), too, notes that the 'focal concerns' of lifestyles—their 'surfaces, selves and sensibilities'—are constructed and manifested through material consumption. As a result, they need to express a particular lifestyle then creates desires for particular consumer goods. People

use consumer goods to show their social status for expressing their lifestyle. In this regard, Eastman et al. (1997) opined that status is seen more through ownership of status products than through personal, occupational, or family reputation. Consumers demonstrate their social power by displaying their material wealth because wealth is the best indicator of power in modern society (Bell, 1998). The consumption of goods and services has an important role to play in processes of lifestyle formation since lifestyles are usually understood as the material expressions of people's identities (Wilska, 2002). So, people need credit to buy household goods and services to show their social identities for expressing lifestyle opinion.

Wang & Wallendorf (2005) found association between debt situation and people's opinion toward social network. He explained that debt is not only related to people's personalities and values, but is often influenced by others. For example, people may accumulate more debt in order to reduce obligations with someone who provides financial support. On the other hand, debt may change one's perception of his/her position(s) in the network and propel him/her to function differently in the network. One's strong ties are especially relevant to his/her debt situations

Kotler and Armstrong (2007) explained that people vary in their attitudes toward their society; Patriots defend it, reformers want to change it, malcontents want to leave it. People's orientation to their society influences their consumption patterns, level of savings and attitudes toward the market place. People need credit to buy products (like TV, furniture, fridge, oven) for making their social expression.

People need credit to buy TV to get social learning; decision-making; behavior modeling; problem-solving; value transmission; legitimization; information dissemination; substitute schooling (Lull, 1990). They need consumer credit to buy computer to get societal information and communicate with others of the society. In this regard, Sarker & Islam (2008) opined that people get lot of

information very easily about the society by using computer. They communicate with others by using internet via computer.

Garman & Forgue (1991) opined that consumers need money for being higher educated. Education loan offered by banks support them to bear education cost. The growing costs of higher education forces many students to borrow. Zhu and Meeks (1994) showed an interactive effect of a higher education level and a more favorable specific attitude toward credit that contributed to a larger amount of credit outstanding in 1986 in America.

Some people opinion is education oriented. They need credit to buy TV for learning many things. Reid-Wallace (1997) reported that public television and public radio station across the country (in America) seek to enrich the creative and intellectual lives of their communities by broadcasting fine programs for viewers and listeners of every age. Public TV station offer an impressive variety of series to the school in American communities: Distance learning, technology training for teachers, collaborative internet projects and curriculum focused instructional TV programming is only a few examples. Television video is highly valued as teaching tools. The media is seen as especially effective for reaching visual learners and special population. Chowdhury & Hossain (2008) explained that TV teaches the illiterate and students. They hear and enjoy debates, lectures on various important topics, discussion on science and speeches through TV. It has broken the wall between the literate and the illiterate. Rahman & Noor (2008) described that the TV can educate people on the current affairs and topics of modern world. It is used to eradicate illiteracy through adult education program. Besides many social programs, health programs, sanitary programs, family planning programs, mass education programs are brought cast through the TV. It is an invention of communicating ideas and thoughts. Through TV, we have the total picture of home and abroad at a glance.

Lea et al. (1995) found that debtors are more likely to be women than men. When men do have debt, however, they are more likely to have greater debt than female students (Boddington & Kemp, 1999), which indicates that average amount of debt across genders is relatively similar. Men, on the other hand, use their credit cards to purchase electronic goods, entertainment and food away from home (Xiao et al., 1995). Hayhoe et al. (2000) found that college women are more likely to use their credit cards than college men and more likely to use their credit cards to purchase clothes.

Awh and Waters (1974) identified that younger people had more favorable attitudes toward credit card use than older people. McAlister & Kinsey (1979) found that married-couple households have more credit cards and they use more than do households with non-married heads. Younger consumers who have low current incomes relative to their future incomes are more willing to finance current consumption with their future income (Modigliani, 1986). Household size, a factor surely confounded with age and marital status, also has been positively related to debt (Hira, 1990; Godwin, 1996). Yieh (1996) argued that households headed by individuals who were either African or American, female, married, and unemployed or those who were renters were more likely to have a negative attitude toward installment borrowing. He also added that the probability of having a negative attitude toward installment debt declined when heads of households were younger, reaching the lowest point at age forty-three, and then increasing sharply. Chien and Devaney (2001) investigated the effects of credit attitude and socioeconomic factors on credit card and installment debt.

Bowers (1979) identified that legally and reasonably priced credit was not generally available to low income families before 1980. Howells (1990) described that below average income groups tend to use credit to help to cope with budgeting troubles instead of increasing purchasing power. Berthoud and Kempson (1990) found that access to credit by low income families may be limited. Their applications for credit are more likely to be turned down than other income classes because of credit qualification policies. They also noted

that low income people may not even apply for credit for fear of being rejected. Kempson (1996) identified four reasons why people on low incomes find it important to be able to use credit: (i) to pay necessary bills, (ii) to smooth income fluctuation, (iii) to spread the cost of buying basic household goods and necessities such as cookeries, washing machines, (iv) to spread the cost of buying consumer goods that they would otherwise have to go without.

Mandell (1973) explained that persons with higher education were thought to be more likely to know about credit, and persons who were currently financing a home or any other purchase were thought to have had impetus to learn about credit.

Many studies have found that young people generally favor the use of credit but have a low level of credit literacy (Collins and Mammen, 1998; Hayhoe et al., 2000). Most North American studies regarding personal finance and/or credit literacy show that young people of any age have a low level of knowledge about credit (Mae, 2002). In the USA, an important part of the research concerning high school students shows that their level of credit knowledge is low (Duguay, 2002).

In Quebec, college students perceived their consumer knowledge is inadequate (Stafford-Smith and Mackey, 1989). Their most limited knowledge concerning credit and personal finances are with scores around 37% (Lachance, 2004) and 48% (Stafford-Smith and Mackey, 1989).

In another study, Canadians aged 18–24 years scored lower than the general population in personal finances, budgeting and credit (Lachance et al., 2006). They (2006) showed that credit knowledge is positively related to personal income, number of debts, amount of total debt, number of credit cards and favorable attitude towards credit and debts.

O'Loughlin and Szmigin (2006) found that a credit driven culture, misguided parental advice and aggressive marketing is directly influencing students' attitude and behavior in relation to credit and debt. Muhmin (2008) opined that credit attitudes are generally more positive among young, highly educated Saudi Arabian males than other socio demographic groups.

From the discussion about the demographic factors, it is clear that previous researchers found association between consumer credit and income, age, gender, family lifecycle, education.

2.6: Conclusion of Literature Review

The review of the literature on consumer credit and lifestyle suggests that there is or should be an association between consumer credit and lifestyle. It has provided an overview of consumer credit & lifestyle related issues. It begins with the understanding of consumer credit and lifestyle and then discusses the growth of consumer credit. The relationship between consumer credit and lifestyle are the core discussion in this chapter.

It is known from the literature that activities (how people spend their time), interests (they place importance on their immediate surroundings), opinions (view of themselves and the world), demographics (income, age, education, lifecycle etc.) are factors of lifestyle. People use household goods borrowed by consumer credit mainly for performing their activities, meeting their interests and expressing their opinions. Previous researchers found link between lifestyle factors (AIO) and uses household goods borrowed by consumer credit. They also found that there is a strong association between consumer credit and demographic factors of lifestyle. But no research has been done to investigate the relationship between consumer credit and lifestyle activities, interests, opinions and demographics of people of Bangladesh. This research has scope to identify the relationship between consumer credit and lifestyle of people of Bangladesh.

CHAPTER THREE
*TRENDS OF CONSUMER
CREDIT IN BANGLADESH*

CHAPTER THREE

TRENDS OF CONSUMER CREDIT IN BANGLADESH

3.0: Introduction

The thesis is going to examine the objective in the context of Bangladesh. Therefore this chapter is about the trends of consumer credit in Bangladesh. In a developing country like Bangladesh, people of middle and lower middle class, especially service holders with limited income find it difficult to purchase articles like refrigerator, television, furniture, pressure cooker, sewing machine etc. which are parts of modern and decent living. They cannot enhance the standard and quality of life to the desired level due to the collected constraint of their limited income. So, they need credit. Considering the demand, popularity and profitability of the consumer credit scheme and to diversify the area of investment as well as to play beneficial role for the increased number of people of the country, the management of Islami Bank Bangladesh Ltd. and other banks have, therefore, introduced household durables scheme, which has already created great enthusiasm among the people and received tremendous response from them (Islami Bank Bangladesh Ltd., 2006). Now about two Multinational Banks and nineteen Private Banks offer this household durable loan. Discussion about the trends of consumer credit of some selected banks is required to guess an idea about the past and present condition of consumer credit in Bangladesh.

Following discussions are help to interpret the trends of consumer credit in some selected banks.

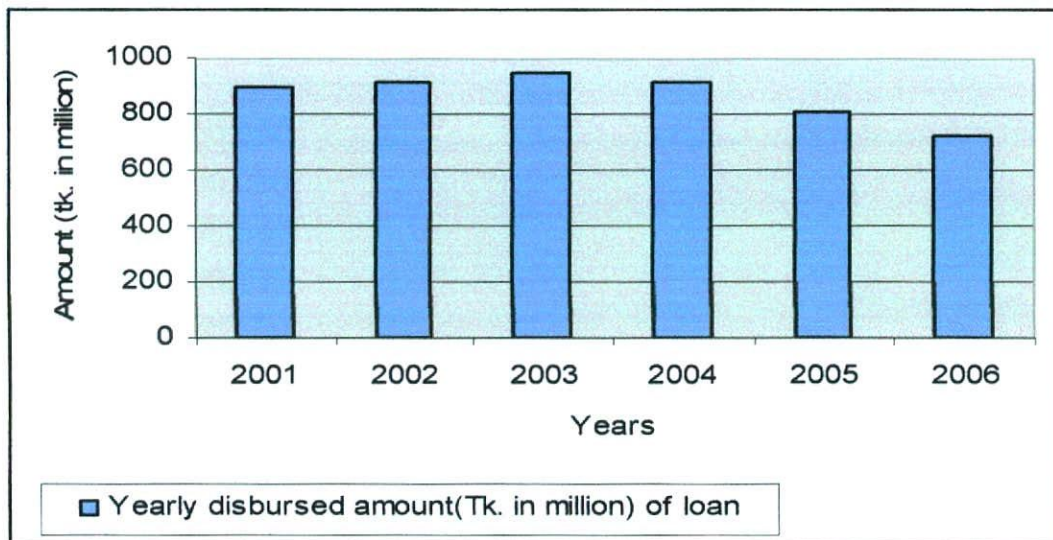
3.1:0: Trends of Consumer Credit Growth in Different Banks of Bangladesh

Trends of Consumer credit growth in different banks of Bangladesh show the overall sales idea about the consumer credit in different banks of Bangladesh. Trends of Consumer credit growth in different banks of Bangladesh from 2001 to 2006 are shown in figure-3.1.1 to 3.1.10.

3.1.1: Trend of consumer credit growth in Islami Bank Bangladesh Ltd.

Consumer credit policy taken by Islami Bank Bangladesh Ltd. was immediately visible and proved as discouraging demand (shown in figure-3.1.1). During the period of 2001; about 893 million taka were disbursed to the consumer. The figure rose to 915 million and 944 million taka in 2002 and 2003 respectively. But in 2004, 2005 and 2006 it declined. It continuously decreased to 909; 810; 723 million taka respectively in 2004; 2005; 2006.

Figure-3.1.1: Trend of Consumer credit growth in Islami Bank Bangladesh Ltd. from 2001 to 2006.



Source: Islami Bank Bangladesh Ltd. (2001-2006).

From the above figure, it is estimated that the sales amount of consumer credit of Islami Bank Bangladesh Ltd. was increasing from 2001 to 2003. From 2001 to 2003, consumer credit disbursement rate was rising. But from 2004 to 2006, consumer credit disbursement rate was declined. From the discussion with the officers and clients; the researcher learned some reasons about the decreasing trend. High competition in consumer credit may be termed as one of the reasons. Employees of this bank who are assigned to take care of the consumer credit customer are busy to do their regular table work. For this reason, they have no enough time to take extra care of the consumer credit customers. They have no

decreased to 3722; 2261; 1183 respectively in 2004; 2005; 2006. So the disbursement was at top in 2003.

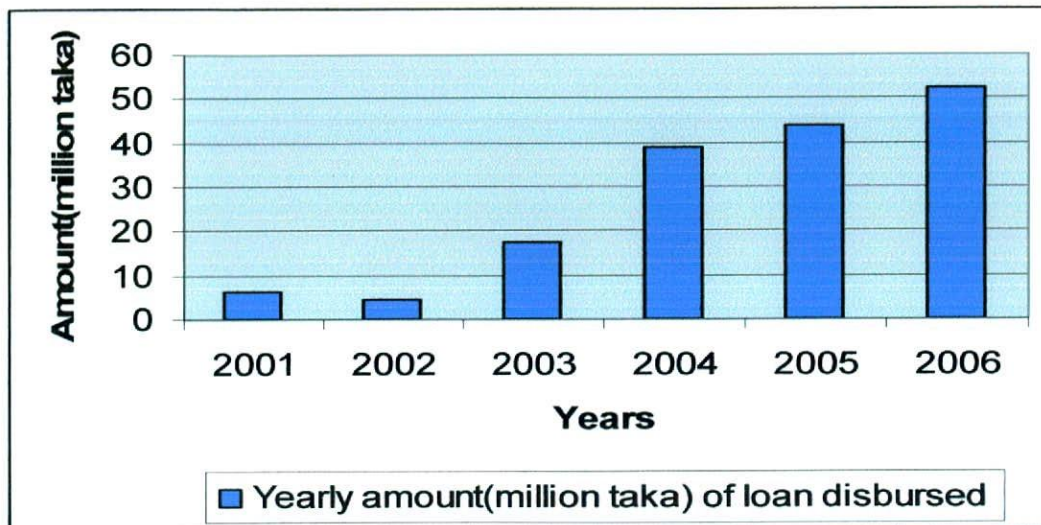
From the figure-3.1.3, it is estimated that the sales amount of consumer credit of Pubali Bank Ltd. was increasing from 2001 to 2003. From 2004 to 2006, consumer credit started declining. From the discussion with the officers & clients; the researcher learned some reasons about the decreasing trend. High competition in consumer credit may be termed as one of the reason. They couldn't retain and attract the customers because of lacking of the specialized employees. Most of the employees are busy in doing their normal and regular table works. They can not allocate time separately for the consumer credit customers. They have no field officers to recover the loan and to obtain the new customers. Besides this, they disburse the loan by the help of agency. The employees of the agency could not inspire the client to borrow consumer credit. Rules and regulation for lending and recovering this loan were also not suitable. The amount of down payment was also high.

3.1.4: Trend of consumer credit growth in The City Bank Ltd.

As one of the modern private sector banks operating in Bangladesh, The City Bank Ltd. also offers a wider range of banking facilities for its valued customers. The City Bank Ltd. introduced consumer credit scheme as the beneficiaries' services of the customers in 1999. The CCS program of the bank aims to help the fixed income group to buy household goods, has been cordially accepted.

Consumer credit policy taken by The City Bank Ltd. was instantly visible and proved as an encouraging demand (shown in figure-3.1.4). During the period of 2001; about 6 million taka were disbursed to the consumer. But in 2002, it was declining. The figure rose to 17 million taka in 2003. It also continuously increased to 39 million; 44 million; 52 million taka respectively in 2004; 2005; 2006.

Figure-3.1.4: Trend of consumer credit growth in The City Bank Ltd. from 2001 to 2006



Source: The City Bank Ltd. (2001-2006).

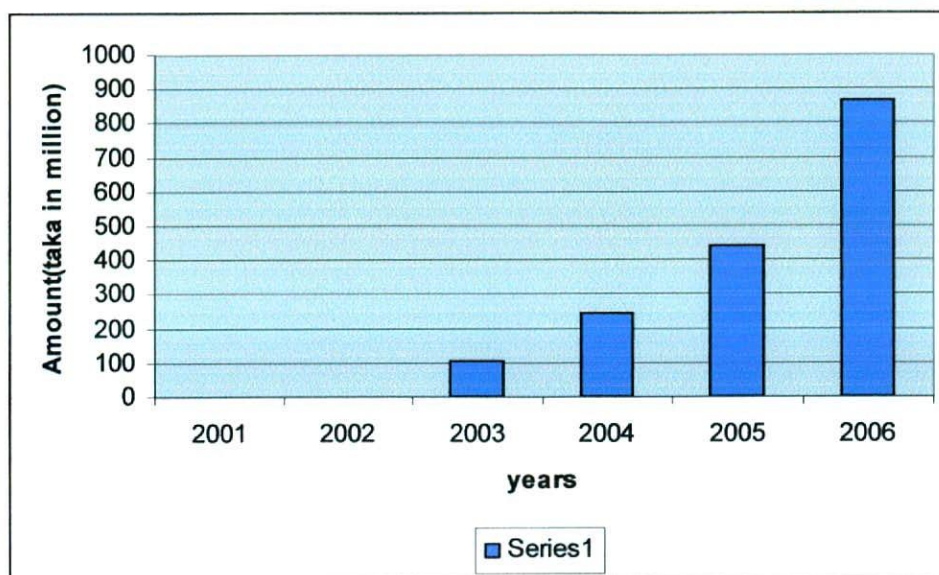
From the above figure, it is estimated that the sales amount of consumer credit of The City Bank Ltd. is increasing on a regular basis (instead of 2002). From 2003 to 2006, consumer credit growth rate was satisfactory. This increased rate indicates that consumer credit is a very demanding product in the market.

3.1.5: Trend of consumer (personal) credit growth in Dhaka Bank Ltd.

Dhaka Bank Ltd., a pioneer of the modern bank, also offers a wider range of banking facilities for its valued customers. Dhaka Bank Ltd. introduced consumer credit scheme as the beneficiaries' services of the customers in 2003. Trend of consumer (personal) credit growth in Dhaka Bank Ltd. is given below:

Consumer credit policy taken by Dhaka Bank Ltd. is immediately visible and proved as an encouraging demand (shown in figure-3.1.5). It introduced consumer credit scheme in 2002, it was 107 million taka. It also continuously increased to 247; 444; 865 million taka respectively in 2004; 2005; 2006.

Figure-3.1.5: Trend of consumer credit growth in Dhaka Bank Ltd. from 2001 to 2006



Source: Dhaka Bank Ltd. (2001-2006).

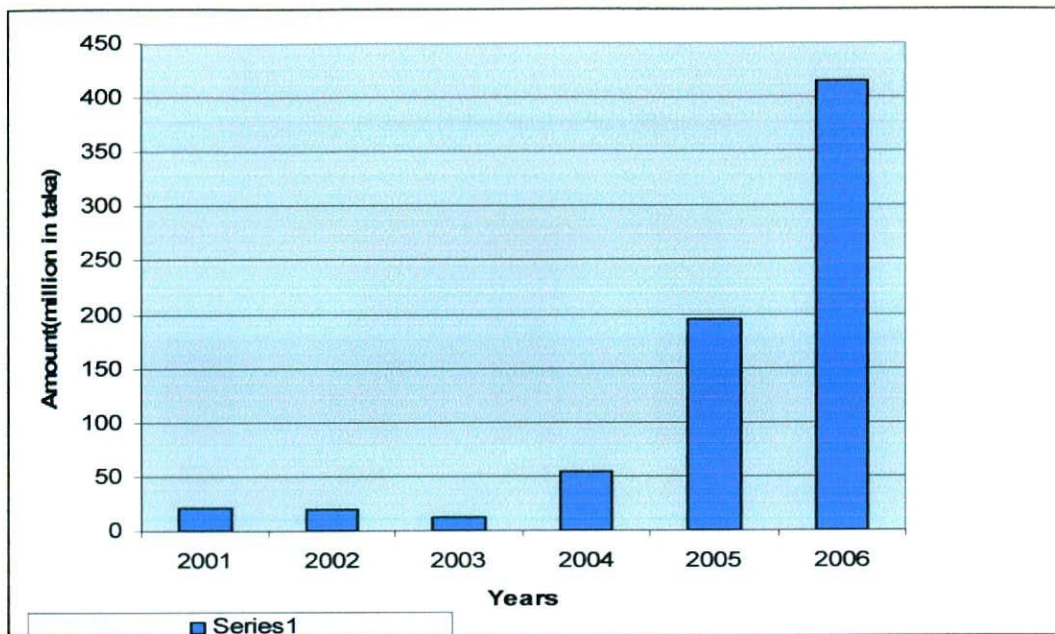
From the above figure, it is estimated that the sales amount of consumer credit of Dhaka Bank Ltd. is increasing on a regular basis. From 2003 to 2006, consumer credit growth rate was suitable.

3.1.6: Trend of consumer credit growth in One Bank Ltd.

One bank Ltd., another modern private bank, also offers a wider range of banking facilities for its valued customers. One Bank Ltd. introduced consumer credit scheme as the beneficiaries' services of the customers in 1999. Trend of consumer credit growth in One Bank Ltd. is given below:

Consumer credit policy taken by One Bank Ltd. is instantly visible and proved as an encouraging demand (shown in figure-3.1.6). During the period of 2001; about 21 million taka were disbursed to the consumer. The figure declined to 20 million & 12 million taka respectively in 2002 & 2003. It continuously increased to 54 million; 194 million; 416 million respectively in 2004; 2005; 2006.

Figure-3.1.6: Trend of consumer credit growth in One Bank Ltd. from 2001 to 2006.



Source: One Bank Ltd. (2001-2006).

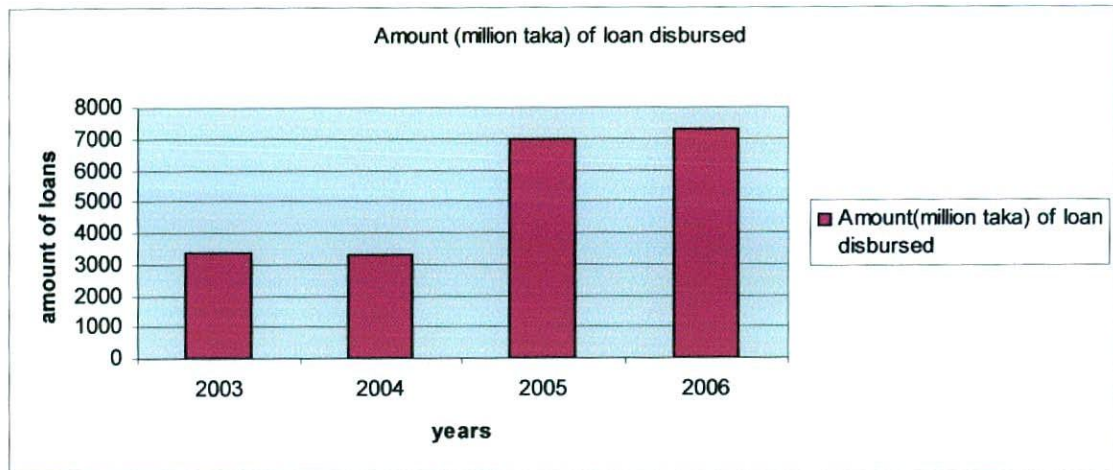
From the above figure, it is estimated that the sales amount of consumer credit of One Bank Ltd. is decreasing on a regular basis from 2001 to 2003. But from 2003 to 2006 consumer credit growth rate was very much pleasing. This increased rate indicates that consumer credit is very demandable product in the market.

3.1.7: Trend of retail loan growth in HSBC Bank Ltd.

The HSBC Bank Ltd., pioneer of the modern foreign bank, also offers a wider range of banking facilities for its valued customers. Trend of retail loan growth in HSBC Bank Ltd. is given below:

The retail loan package has become a popular deal in the market and it is proved to be increasing in demand (shown in figure-3.1.7). During the period of 2003; about 3386 million taka were disbursed to the customers. But in 2004, it reduced to 3276 million taka. The figure then had a dramatic rise 7003 million taka in 2005 and still to 7305 million taka in 2006.

Figure – 3.1.7: Trend of retail loan growth in HSBC Bank Ltd. From 2003 to 2006



Source: HSBC Bank Ltd. (2003-2006).

From the above figure it is estimated that the sales amount of retail loan of HSBC Ltd. is increasing on a regular basis (except for 2004). In 2005 and 2006, the retail loan growth rate was satisfactory. This increased rate indicates that retail loan is a very demanding product in the market.

3.2: Conclusion

From the above discussion, it is clear that the amount of disbursement of consumer credit of some Banks (like Prime Banks Ltd., The City Bank, Dhaka Banks Ltd., One Bank Ltd. & HSBC Banks Ltd.) were increased from starting year to 2006. The increasing rate of disbursement of consumer credit scheme indicates that consumer credit has huge demand in this country. Some banks (like Islami Bank Bangladesh Ltd., Pubali Bank Ltd.) disbursed amount was increasing from 2001 to 2003. But growth rate of consumer credit from 2004 to 2006 was not increased. The decreasing rate of disbursement of consumer credit scheme indicates that consumer credit operating in different banks in this country has limitations.

So, in conclusion, it can be said that some operating banks are facing Problems. The consumer credit schemes of different banks are not equally well fitted for the expectation of the customers. Interest rate is comparatively high in this scheme. Papers preparation cost for getting loan is also high in this scheme. Limited number of branches of different banks offers this scheme which is not enough to serve equally the huge customer. Promotional activities like advertising, personal selling, sales promotion, direct marketing and public relation is not arranged sufficiently for creating demand of this scheme. Employees of different banks who are involved to take care of the consumer credit customer are not so available and not more careful to help the customers. Most of the employee passes their time by doing their regular table work. Some of the banks have no extra employee to recover the loan and to obtain the clients. The process followed by different banks for lending the consumer credit to the consumer is not so simple. It is not so customarized. Physical evidence (building, interior design, facilities design, furniture, equipment, signage, employees dress, reports, business cards etc.) of all of the branches of all banks is not equally so upgraded.

As has been observed from the discussion with the officials and the clients, the ways to improve the operations the Banks should take some measures. Bankers should take extra care to improve the quality of the consumer credit scheme. They should try to speed up marketing activities, especially deliver their loan to the consumers as soon as possible. Rules, regulation & policy of the consumer credit scheme should be set to meet consumers' expectation. Interest rate of the scheme should be reduced for increasing the demand of the consumer credit. Most of the branches of banks should be offered this loan to consumers for ensuring the availability of the credit. Promotional activities like advertising, personal selling, sales promotion, direct marketing, public relations should be increased for creating demand of this scheme. Service delivery process of this scheme should be set up very simple. Procedures and formalities which have to maintain by customers for getting loan should be easy. They should be reliable and responsiveness. They should be well trained to serve the customers. They

should care individually to the customers. People of the concern branches of banks should be more customer care oriented to satisfy the customers. Physical evidence of the branches should be more decorated. Necessary equipment should be increased for sanctioning loan and related activities to the consumer credit borrowers. The shape of the building, interior design, facilities design, furniture, equipment, signage, employees dress, reports, business cards etc. should be well fitted to satisfy the customers. The next chapter is about conceptual framework & development of hypothesis which the thesis will examine empirically.

CHAPTER FOUR

CONCEPTUAL FRAMEWORK
&
DEVELOPMENT OF
HYPOTHESES

CHAPTER FOUR

CONCEPTUAL FRAMEWORK & DEVELOPMENT OF HYPOTHESES

4.0: Introduction

The aim of this chapter is to develop a conceptual framework & hypothesis to address empirically the key research issues identified in chapter one & two. It reviews a number of existing models/ frameworks relating to consumer credit and the evaluation of consumer credit impact on consumer lifestyle. This review has led to the development of conceptual framework & hypothesis used in this study.

4.1.0: Review of the Existing Models/ Frameworks on Consumer Credit and People's Lifestyle

It appears, after a review of the relevant literature, that several frameworks/ models have some relevance to the present discussion. Therefore, all of them are reproduced and discussed briefly in this section.

4.1.1: Stokes & Arlt's frame work for the review of consumer credit: Stokes & Arlt (1955) identified that there was a scarcity of goods a century ago. In the ancient world and in the early middle ages, loans were made largely to relieve distress. The industrial revolution and the development of the factory system with its large scale production led to the development of consumer credit in its present form to enable them to make cash purchases of consumer durables goods. The individual may wish to obtain funds in excess of his current income to enable him to purchase and enjoy the use of commodities, particularly durable goods, before he has accumulated sufficient savings to purchase these goods. To provide consumer with the means of purchase the output of industry, various form of credit have been developed and a variety of lending agencies have been created. Consumer credit is one of the forms. The purpose of consumer credit is to enable the borrower to enjoy income before he has earned it or received it. Consumer credit comes into existence whenever an individual acquires funds or

goods for personal use in return for a promise to pay for the same in the future. It is a general framework showing the enjoyment of income before he has earned it.

4.1.2: Shay's framework for review of consumer credit: Shay (1956) viewed that the additional purchasing power provided by consumer credit has been a major factor in developing mass market for consumer durable goods and promoting generally high production and employment during the postwar decade. The number of family was also raised in that period. This sharply increased group of potential credit users ready to borrow because of the several factors. These are:

(i) Changing attitude toward debt: Potential credit users are ready to borrow because of the changing attitude toward debt by the borrowers themselves, by society at large, and by lenders. There is no longer a stigma attached to buy on installment credit or borrowing to meet an emergency or to achieve some desired personal goal. Highly competitive selling methods have persuaded consumers that this is the way to buy durable goods.

(ii) Standard of living: Consumers are more willing to borrow because they desire to improve their standard of living. More and more of our household heads fit the pattern of the typical users of consumer credit-relatively young, head of a family with children under eighteen, and holding a good, steady job. Young married couples prefer to get the goods they need and want, when they need and want those most. Because of limited income, they bought household goods on credit for increasing their standard of living.

(iii) High degree of confidence to repay: Consumers are willing to incur debt these days because of the employees' regular employment and steady wage rates, they are more willing to commit future income.

This framework indicates that borrowing consumer credit is now acceptable way to buy household goods. The changing attitudes toward credit, standard of living

and high degree of confident to repay loan intended consumer to borrow consumer credit.

4.1.3: Sullivan's framework for review of consumer credit demand on lifecycle:

Sullivan & Worden (1989) described about the household credit demand. The household demand for consumer credit is derived from current consumption decisions. A household will use credit to finance current consumption when the marginal utility of consumption exceeds the marginal cost of credit and in turn, the marginal cost of credit is lower than the opportunity cost associated with liquidation of available financial assets. The cost of credit includes the after tax of interest paid, the transaction cost associated with credit search and debt repayment, and psychological costs, such as fear of default and financial failure, associated with credit use. Household demand for current consumption is a function of household lifecycle. Thus, basic demand for consumer credit is expected to be not only a function of price but also of lifecycle. The results of previous analysis of credit use provided support for the lifecycle theory of credit use. Enthoven (1957) was the first of many to find that young married householders with children were more likely to have consumer debt than those without children or than households compose of single person. As the households head aged, and children left home, the probability of consumer credit use declined. From the discussion of the framework, it can be concluded that consumer credit demand depends on lifecycle.

4.1.4: Plummer's frame work for review of lifestyle: Plummer (1974) described the theory behind lifestyle segmentation and discusses how it has been and can be applied. For doing this, he measured people's activities in terms of (i) how they spend their time, (ii) their interests, what they place importance on in their immediate surroundings, (iii) their opinions in terms of their view of themselves and the world around them, and (iv) Some basic characteristics such as their stage in lifecycle, income, education, and where they live. He listed the elements included in each major dimension of lifestyle. These elements are: activities-work, hobbies, social events, vacation, entertainment, club, membership,

community, shopping, sports; interests-family, home, job, community, recreation, fashion, food, media, achievements; opinions-themselves, social issues, politics, business, economics, education, products, future, culture; demographics-age, education, income, occupation, family size, dwelling, geography, city size, stage in life cycle. Plummer concept helps marketer to find out the basic need of the consumer and how the products fit into their lives. If, for example, the person's lifestyle indicates a strong need to be with other people in a variety of setting, it may be that the product can be positioned to satisfy the social need. Or one might learn how a product fits into a person's life.

Lifestyle picture enables the writer or artist to have in his own mind a better idea of the type of person he is trying to communicate with the product. This picture also gives the creative person clues about what may or may not be appropriate to the lifestyle of the target consumers. This has implication for setting of advertising, the types and appearance of the characteristics, the nature of the music and artwork, whether or not fantasy can be used, so on. A marketer also can identify why certain lifestyle segments use or do not use a particular product. A marketer can develop new products best fitted for certain lifestyle group.

It is a very important framework because it provides a unique and important view of the market. It begins with the people—their lifestyle and motivation—and then determines how various marketing factors fit into their lives.

4.1.5: Assel's frame work for review of lifestyle: Assel (1998) described that changes in the lifestyles of American consumers were due partially to change in their demographic characteristics and partially to changes in their values. Seven broad changes in lifestyle occurred in the 1990s in America are:

(a) Changes in male purchasing roles: The changes in the male's purchasing role is most apparent in increasing responsibilities for shopping and child care and in more involvement with working and house cleaning—all traditional female

role. One survey found that 35% of men buy all the food for their homes, and 30% buy all the cleaning supplies and house wares, and about 67% buy all their own personal items (American Demographics, 1992).

(b) Changes in female purchasing roles: Women's traditional roles were change. They began to work outside of the home. A survey of women under 35 found that 90% did not aspire to being lifelong homemakers. Three-fourths of these women planned to combine job and homemaking throughout their lives. They need household products (washing machine, blender machine, pressure cooker, car etc.) for speed up their work. They also need household product (car, motorcycle, and computer) for speed up the combination of work in home and outside of the home.

© **A more isolated lifestyle:** Consumers are spending more time at home, resulting in a more isolated lifestyle. There are two dimensions to this trend: (i) staying at home for leisure: Consumers are more likely to stay at home for leisure and entertainment. Many stay home for eating comfort food and watching TV & home videos, thereby avoiding issues such as pollution and AIDS. (ii) Working at home: A second and broader dimension of a more isolated consumer is the greater opportunities for working at home spawned by the information revolution. Fax machines, printers and personal computers etc. (information technology) can help to work in home as like as corporate office.

(d) Greater time pressure: Time pressures in American society have been increasing since 1965. In 1965, 24 % of Americans under 50 said, "they always felt rushed." By 1992 that figure rose to 38 %. The share of people claiming, "they almost never had excess time on their hands" rose from 46% in 1965 to 61% in 1995(American Demographics, 1996). The focus on time savings convenience in the 1990s has created the need to eat on the run. People eat breakfast in the car on the way to work, munch on a sandwich while walking, or eat lunch at their desks. This trend is created need to prepare quick food. The need for quick food has led many marketers to repackage their products into

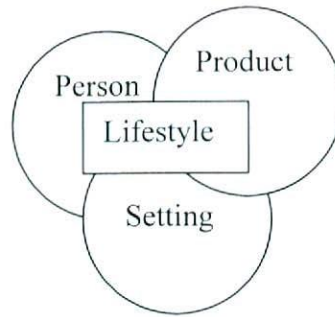
smaller size and to change them to suit grazers' dietary needs. They need products which take less time spent in preparing and eating dinner. The primary reflection of this trend is the growing importance of microwave ovens in people's lives. In 1980, 15% of homes had microwaves; by 1989, close to 80 % of U.S. households owned them.

(e) Higher level of self awareness: The 1990s has seen an increase in the demand for products and services that offered a sense of personal achievement such as sports equipment, home electronics, and educational products. In this period, self aware lifestyle supported products like home computers, cable TV, and exercisers were high on consumer shopping lists in USA.

(f) A more frugal and value –oriented lifestyle: The recession of the early 1990s created a market trends towards frugality among consumers. Among the signs are less expenditure on luxury items, renewed demands for quality, and the loosening of brands loyalties. The market for luxury products has suffered because consumers are framing their lives in terms of survival and security instead of success and acquisition. The desire for quality has created a value orientation. Though consumers were buying less expensive products, they sought the same level of quality. This value orientation has resulted in a loosening of brand loyalties and an increase in the purchase of private-label and lower-priced brands. They are more interested in quality merchandise at bargain prices than they are in brand names.

4.1.6: Solomon's frame work for review of lifestyle: Solomon (2003) described that lifestyle refers to a pattern of consumption reflecting a person's choices of how he or she spends time and money. He also described lifestyle characteristics as group identities. Consumers often choose products, services, and activities over others because they are associated with a certain lifestyle. He also added that products are building blocks of lifestyles. So people, products, and settings are combined to express a certain consumption style as diagrammed in figure.

Figure-4.1.6.1: Linking products to lifestyle.



Sources: Solomon (2003)

From above analysis it is clear that product helps to build blocks of lifestyle. Consumer credit helps to buy household goods for building people's lifestyle.

4.1.7: Green et al. frame work for review of lifestyle: Green et al. (2006) grouped the lifestyle items under nine distinct components. These factors represented nine lifestyles and were labeled by nine descriptive themes: modern life, education and self-learning, watching sports, contributing home and family, work, travel, hobbies, and nature and the environment. Each of these nine themes attempted to capture the relationship of the items within their groupings and the different lifestyle they portrayed.

(a) Modern life: The modern life factor expresses the tendency to stay current with contemporary culture, health trends, and up-to-date technology and information. People buy TV for staying with current culture and up-to-date technology and information. They need fridge to maintain good health.

(b) Education and self-learning: The education and self-learning factor indicates a desire for knowledge, new experiences, and skills, and for spending time with family members. People need household goods (like TV/ car, motorcycle) for their desire knowledge, new experiences, and skills, and for spending time with family members.

(c) Watching sports: The watching sports factor reflects an interest in sports, whether it be watching or attending. People watch TV for enjoying game. They need sports material for attending sports.

(d) Contributing: The contributing factor illustrated a propensity for charity, civic or community involvement or service. Car, for example, is very much necessary for community involvement.

(e) Home and family: The home and family factor reveals an affinity for traditional activities such as cooking meals at home; doing your own home improvement, decorating, or auto maintenance; spending time, raising children or attending activities related to them, growing vegetables or fruits in your garden etc. Household products (like pressure cooker, computer, furniture, washing machine etc.) are very much necessary for doing these activities.

(f) Work: The work factor, as its name implies, relates to business or work oriented activities such as operating your own independent business and working at home or “telecommunicating.” People need household goods (like car, washing machine, computer etc.) for doing work.

(g) Travel: The travel factor reflects the desire to take extended vacations, to live somewhere else and to spend time at country club. Car is very much necessary for traveling.

(h) Hobbies: The hobbies factor expresses a penchant for making, collecting or drawing things. Household goods like musical instrument, TV etc. is necessary for meeting the hobby.

(i) Nature and the Environment: The nature and environment factor indicates an interest in nature in general in an environmental or conversation group or organization.

The above-mentioned nine themes indicated the relationship of products and the different lifestyle they portrayed. People need credit to buy products to bring changes in their lifestyle.

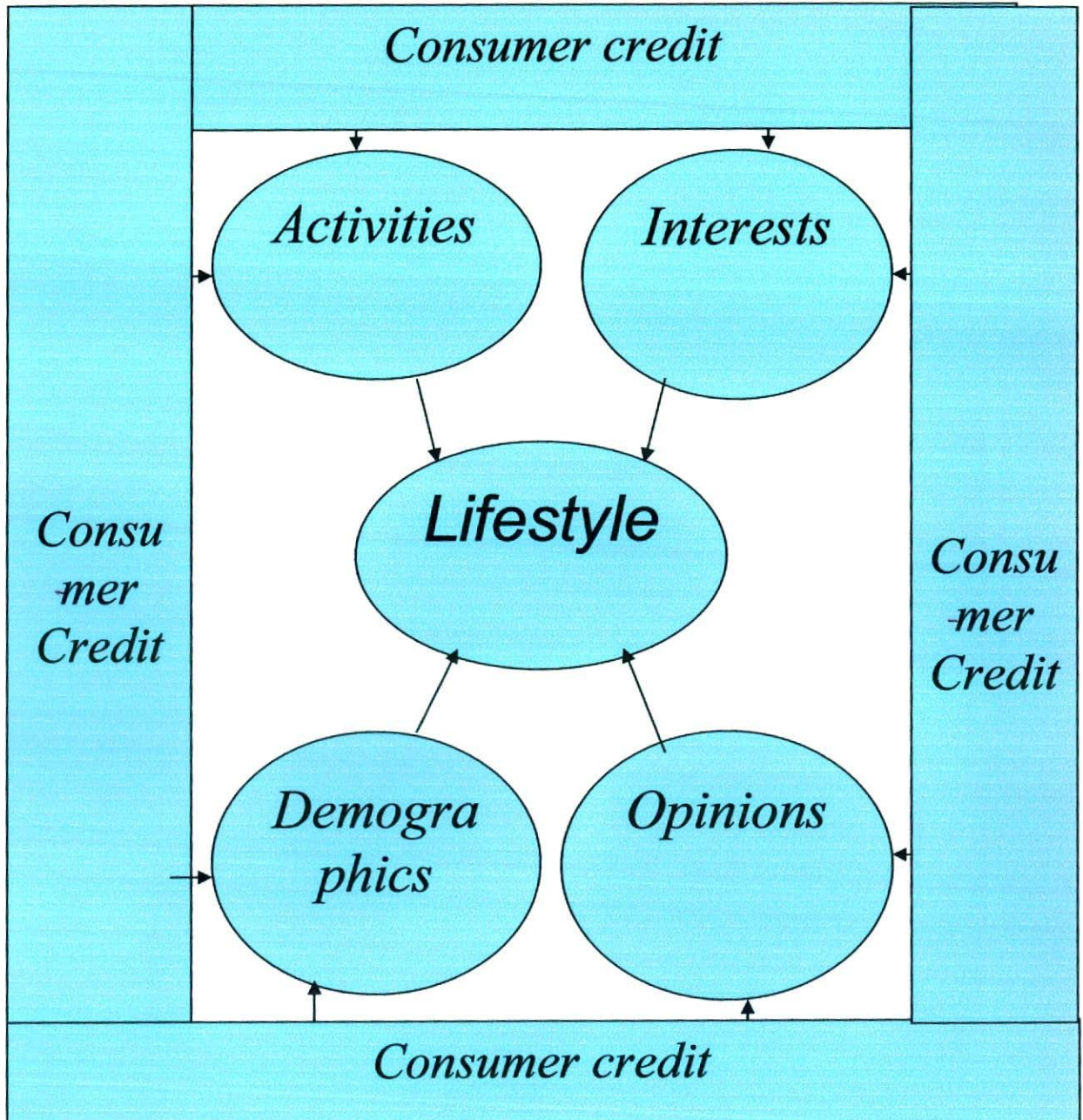
Consumer credit enables people to make cash purchase of consumer durable goods. By this system, individual could obtain funds in excess of his current income to purchase and enjoy the use of commodities. The high degree of confident to repay and changing attitudes toward debt influence consumer to borrow consumer credit. Consumer needs consumer credit to buy household products to improve their standard of living. Consumer chooses products, services or activities over others because of their association with certain lifestyle. They need credit to buy household goods. Because household goods are necessary to do their lifestyle activities, satisfy their lifestyle interests, express their lifestyle opinions. Demographics factor of lifestyle are also related to borrow consumer credit to buy the household products. The middle class people in Bangladesh who have no current savings fail to maintain their lifestyle. Consumer credit offered our banks can helps to provide money for buying household goods to enhance their lifestyle. From the discussion, it may be said that there is a strong association between consumer credit to purchase household goods and people's lifestyle. Now, it is possible to draw a picture about interaction between consumer credit and lifestyle in the concept of Bangladesh.

4.2.0: Conceptual Frame Work for this Study

Based on the findings of the existed study, the major factors which may influence to borrow consumer credit to improve their life style can be classified into lifestyle activities, interests, opinions and demographics.

A conceptual model of consumer credit impact on lifestyle of people has then been derived and presented in figure-4.2.1

Figure-4.2.1: Conceptual model of consumer credit impact on lifestyle of people



The model is a comprehensive one and should be capable of capturing the relevant factors underlying the problem. A number of variables have been included to measure consumer credit impact on the lifestyle of people of Bangladesh. The variables are involved under categories of lifestyle factors. These are:

Lifestyle activities consist of different sub factors namely work performance, social activities, entertainment activities, hobby and vacation etc.

Lifestyle interests include different sub factors such as family, home, recreation, fashion, and food etc.

Lifestyle opinions related sub factors are themselves, social issues, economics, education, culture and future etc.

Demographics related sub factors are age, sex, education, income, occupation, stage in life cycle etc.

Each variable in these four major categories may have marginal effect on life style by using consumer credit. Using statistical method, the probability of consumer credit impact on lifestyle can be found out by considering marginal effects of all variables. Variables in these four major categories and their specifications are discussed in the following sections.

4.3.0: Lifestyle Variables and Hypotheses

4.3.1: Variables Considered

Lifestyle portrays the 'whole person' interacting with his or her environment. Marketers search for relationships between their products and lifestyle groups. A computer manufacturer, for example, might find that most computer buyers are achievement oriented. The marketer then aim the brand more clearly at the achiever lifestyle (Kotler & Keller, 2006). Variables that may influence the lifestyle was considered based on the literature survey and opinions of researchers and experts in banking sector. The variables are classified into four major lifestyle factors: Activities, interests, opinions and demographics factors. All these variables have set of interactive sub-factors. The variables are described in the following sections.

4.3.1.1: Activities

Activity is a situation in which something is happening or a lot of things are being done. The way the people spends their time includes meetings, courses, workshops, news releases, telephone consultations, tours, self-instructional modules etc. Lifestyles are expressed by the factors of activities. Veal (1989) defined that lifestyle is the pattern of individual and social behavior of an individual or a group. Behavior includes activities involved in relationships with partners, family, relatives, friends, neighbors and colleagues, consumption pattern, leisure, work, and religious activities. People need different kind of household products for doing different activities. Interaction between the activities and household products borrowed by consumer credit are described bellow:

People need credit to buy different kinds of products for performing their work. Suppose, a tailor needs sewing machine, a teacher needs computer, a house wife needs washing machine, pressure cooker, blender etc. These products help to do their work. Devis (2001) found that women today are comfortable wearing contemporary pieces for work and are in touch with their traditional self while attending a sangeet or a wedding.

People need credit to buy household products for doing their entertainment activities. Entertainment includes listening song; watching dance, drama, cinema; visiting enjoyable place etc. These are very much necessary for sound mind and sound health. People maintain their entertainment activities by using household goods like TV, car, computer etc.

A man can not enjoy his leisure without a hobby. It is necessary to enjoy life. It is a great source of joy and pleasure. It relieves people from their routine bound works. It helps them to abate their sorrow and sufferings. It makes a person strong and mind jolly (Chowdhury & Hossain, 2008). People need credit to buy household products (like car, computer, TV) for fulfilling the desire.

Traveling in vacation impresses people's mind with the vastness, grandeur, majesty and wonder of God's creation. It fills people's mind with piety and devotion (Mohiuddin & Kashem, 2008). With the prepaid Visa Travel Card, a person can re-live those days while leaving the worries related to money matters with banks. This is a travel card that gives him a secured and hassle-free travel experience (Standard Chartered Bank, 2007). Before a person start his bags for a vacation abroad, he has too many things to take care of. He may leave his money-matters to banks while he packs his bags. Banks fast and easy loan processing will simply add excitement to his travel plan (BRAC Bank Ltd., 2007). He or she needs ticket or supporting money for going on any tour. By borrowing consumer credit, he or she can easily manage ticket or supporting money for visiting any place or going to educational tour.

Social factor is connected with activities in which people meet each other for pleasure. Social events indicate our pattern of interaction with other people. Various form of pressure from others (family, friends, coworkers etc.) affects what is acceptable to buy at some given time. Clarke (1989) identified that Weber's (1948) conception of lifestyle is not independent of class but is merely manifestation of class membership. This is especially true for visible items like sofa sets, TV, freeze (Berkman & Gilson, 1978). A car is more than a symbol of solvency, of prestige. Having a car means not depending on the mercy of others where a person and his family need to go (Arab Bangladesh Bank, 2005). A car helps to maintain social activities. Piirto (1990) opined that experiencers (a lifestyle group) are avid (greedy) consumers. Their energy finds outlet in outdoor recreation. They spend a comparatively high proportion of their income on social activities. Consumer financial behavior is socially embedded and involves many aspects of social life. Consumer credit helps them to buy products (like car, computer, furniture) to do their social activities.

Household product is necessary for community activities. A car, for example, is needed to go to a ceremony (like marriage ceremony). A middle class people need credit to buy (car, motorcycle) for maintaining community activities.

Debtors interpret and negotiate meanings of debt in line with their socially constructed environment and relationships in their networks. Consumers interpret and negotiate meanings of debts, some aspects of their life domains, such as consumption, personal relationships, academic achievement, and career development may be closely related to one's debt situations (Manning, 2000; Ritzer, 1995; Sullivan et al., 1989). Personal relationships and social networks play their roles for debtors. Consumer debt involves individual's ties with many other factors in the network. A study on consumer saving found that non-savers hide their financial situations from their relatives and friends (Lunt and Livingstone, 1991), which indicates that social support varies upon people's financial situations. Debt is not only related to people's personalities and values, but is often influenced by others. For example, people may accumulate more debt in order to reduce obligations with someone who provides financial support. On the other hand, debt may change one's perception of his/ her position(s) in the network and propel him/ her to function differently in the network. The strength of ties and breadth of the network may thus transform over time along with one's debt circumstances. We assume that one's strong ties are especially relevant to his/ her debt situations (Wang & Wallendorf, 2005).

Household products are necessary for doing shopping activities. A car, for example, is needed for going to shopping mall. A computer is necessary for internet shopping. Borrowed consumer credit to buy car or computer helps people to do their shopping activities.

Household goods also help to enjoy sports. People enjoy sports program by watching TV. They can play games by using computer. They can go to stadium for enjoying sports by using car. So, borrowed consumer credit to buy a car/ TV helps middle class people to do their sports activities.

From the above discussion, it is clear that people need household goods (like car, computer) to perform their work, to maintain their social activities & community activities, to perform their entertainment activities. Consumer credit

can help middle class people of Bangladesh who have no savings to buy household goods to do their activities. So it can be assumed that there is a strong association between consumer credit and People's lifestyle activities

4.3.1.2: Interests

Interests are a kind of inclination or weakness about someone or something; such as interest in music. It is the power of attracting or holding one's attention. People are normally interested about to their family. Family is a group consisting of one or two parents and their children, people who are related to each other. Family members can strongly influence buyer's behavior. Buying roles are changed with evolving consumer lifestyle (Kotler & Keller, 2006). People need credit to buy products for their family members. A car, for example, gives them the convenience they seek while protecting their family (Arab Bangladesh Bank, 2005). TV, fridge, and sofa set all of the household goods are very much necessary for family members. People who are interested to their family members wanted to buy household goods by borrowing consumer credit.

Some people are interested to their home. Home is the house or flat/apartment that a person lives in, especially with family. They want to decorate their home. TV, fridge, bed (khat), almira, sofa set, dinning table all of this household goods are necessary for decorating their home. Proper setting of furniture in home is helped people to feel comfortable. Well decorated home makes people mind jolly. Consumer credit is necessary for decorating their home.

People need household goods who are very much interested to their job. A car is need for going to office. A computer is necessary for performing official activities.

People need household goods for recreation. Recreation is the fact that people do for enjoyment, when they are not working. These are refreshment activity that refreshes and recreates; activity that renews health and spirits by enjoyment

and relaxation. These are activities generally done during an individual's leisure time (outside of school and work) and for non-competitive, non compensatory reasons. Film, movie, music etc. are used to entertain people. People enjoy cinema, drama, and such other popular programs by watching TV and listening to radio. After a day's or week's hard work, their heart naturally wishes to have some amusement. They can enjoy story, music, dance and see sight of facts of life at a nominal cost by watching TV, VCP or listening to radio. All these give great relief to our mind (Mohiuddin & Kashem, 2008).

Fashion is a currently accepted or popular style in a given field (Kotlar & Armostrong, 2007). It is a popular style of cloths, hair etc. at a particular time or place; a popular way of behaving, doing activity. People who are interested to fashion want to buy different kind of fashion goods. Swing machine, furniture, sofa set, almira etc. are fashion goods. These goods help to maintain their fashion.

Food is very important for human life. Fresh vegetables, meat, egg, milk and other food is very much necessary for their lives. They need fridge for fresh food, vegetables and drinks. They can maintain balanced diet by using fridge. Blender machine is necessary for juice, pressure cooker is necessary for quick food & oven is necessary for warming food.

From the above discussion, it can be said that people are interested to particular factors like family, home, recreation, fashion etc. They buy household goods for their interest of those factors. But limited income people have no ability to buy household goods for lacking of their savings. They need forced saving policy. This is possible only by taking consumer credit. So the hypothesis may be: There is a strong association between consumer credit and People's lifestyle interests.

4.3.1.3: Opinions

Opinions are people's way of expression; the beliefs or views of a group of people. Some people seek personal pleasure; want fun, change and escape. Other seeks self realization through religion, recreation, or the avid pursuit of careers. They want to see themselves as homebodies or swingers. People use products, brands and services as a mean of self expression and they buy products and services that match their views of themselves. They tend to spend to the limits on self indulgent goods and services. They are limiting their spending to products and services that improve their lives instead of boosting their image (Kotler & Armstrong, 2007).

Social classes are society's relatively permanent and order divisions whose members share similar values, interests and behaviors. Social classes are measured by the combination of occupation, income, education, wealth and other variables. People within a given social class tend to exhibit similar buying behavior. Social classes show distinct product and brand preferences in areas such as clothing, home furnishing, leisure activity and automobile (Kotler & Keller, 2006). Limited income middle class people want to buy household goods. These kinds of people have low resources with focus on status. These individuals seek social approval for action (Mowen & Minor, 1998). Weber (1948) argued that divisions in society arise not only from class, which is based on economic relationships; but also from status, which is based on honor. A status group is distinguished by the honor accorded to it by the rest of society, and also by its particular style of life. To many people, money means power in a society. It is not used so much to purchase cars, clothes, houses, or food as it is to buy status, domination, and control (Goldberg and Lewis, 1978; Robert and Jones, 2001). Money represents a command over goods and services necessary to advance the self-interest of an individual in a free enterprise economy (Walker and Garman, 1992; Robert and Jones, 2001). Consumers demonstrate their social power by displaying their material wealth because wealth is the best indicator of power in modern society (Bell, 1998). Today, status is seen more through ownership of status products than through personal, occupational, or

family reputation (Eastman et al., 1997; Robert and Jones, 2001). Consumer credit helps people to buy household products for maintaining their social status.

Household products are very much necessary for political people. They get news about political situation by watching TV. They communicate with other by using car. They provide information to others by using computer. People who are political minded wanted to buy household goods for maintaining political relationship.

Lifestyle refers to pattern of consumption reflecting a person's choice of how he or she spends time and money. In an economics sense, one's lifestyle represents the way one has elected to allocate income, both in terms of relative allocation to different products and services, and to specific alternative within these categories (Zablocki & Kanter, 1976). People face different economics condition. Suppose strugglers (a lifestyle group) are at the bottom of economic ladder. They are most concerned with meeting the needs of the moment, and have limited ability to acquire anything beyond the basic goods needed for survival (Solomon, 2002). They are poor with little education; they have few resources and must focus on living for the moment (Mowen & Minor, 1998). A person's economic situation affects products choice. A person can consider buying an inexpensive product if he has not enough spendable income, savings, and interest rate (Kotler and Armostrong, 2007). People need consumer credit to buy household product (like fridge, swing machine, computer, TV etc.) which help them to save time and money. Consumer credit helps them to allocate their income.

People opinion depends upon their level of education. Educated people obviously explain something better than illiterate people. Consumer credit like education loan helps people to be educated. They need consumer credit to buy household goods (computer, TV etc.) to help them to gather knowledge. A car helps them to go to school, college, university & madrassa.

People enjoy now but pay later; it is the system of consumer credit scheme. People buy a car, for example, now & use it now but they will pay the price of the car later. In this system people can enjoy future facilities today.

Culture is the set of basic values, perceptions, wants and behaviors learned by a member of society, family and other important institutions. It is the most basic cause of person's want and behavior. A child normally learns the following values: achievement and success, activity and involvement, efficiency and practicality, progress, material comfort, individualism, freedom, humanitarianism, youthfulness, and fitness and health (Kotlar & Keller, 2006). People need credit to buy household goods to show their culture. Marketers are always trying to spot cultural shifts in order to discover new products that will be wanted. The cultural shift toward greater concern about health and fitness has created a huge industry for health and fitness services, exercise equipment. The cultural shift found informality has resulted in more demand for casual clothing and simple home, furniture (Kotlar & Armstrong, 2007). Cultures are patterns of learned behavior which are held in common and transmitted by the members of any given society. Culture may be analyzed according to its cognitive, material & normative aspects. The principle cognitive aspects of culture are knowledge and ideas that have some basis in observable, factual evidence. Suppose an American believes that medical science will find a cure for cancer in their lifetime. Material features of its culture is known as artifacts such as computer, reels of movie film, sofa set TV etc. (Berkman & Gilson, 1978). The consumer culture has evolved into one of the most powerful forces shaping individuals and societies (Roberts and Sepulveda, 1999 a, b). The consumer culture is defined as a culture in which the majority of consumers avidly desire, pursue, consume, and display goods and services that are valued for nonutilitarian reasons, such as status (power), envy provocation, and pleasure seeking.

Some people expressed their lifestyle by using products. They wanted to show their material to other people. They think products are the building block of lifestyle.

On the basis of above discussion, it can be mentioned that people's opinion is expressed by their culture, society, economics conditions, political situation, future expectation and their education. It also depends upon their view of themselves. They need household goods to show status of the society, solve economics crisis, gather knowledge, maintain culture, relation & expressing their views. Consumer credit is a banking products which helps middle class people (who could not save money) to buy household goods to express their opinion. So it can be hypothesized that there is a strong association between consumer credit and People's lifestyle opinion

4.3.1.4: Demographic Variables

Demography is the study of human population in term of size, density, location, age, sex, race, occupation and other statistics (Kotlar & Armostrong, 2007). Demographic variables are of major interest to marketers because it involves people and people make up markets. Marketers track the changing age and family structure, geographic population shift, educational characteristics and population diversity (Kotlar and Armostrong, 2007). The most commonly examined determinants of consumer credit use have been economic or socio-demographic variables, including annual family income, family assets, education, life cycle, gender, marital status, years at residence, size of household, ownership of an automobile, and housing status (Awh and Waters,1974; Canner and Cynrak,1985, 1986; Canner and Lockett,1990, 1992; Courtless,1993; Danes and Hira,1990; Johnson and Sullivan,1981; Lindley et al., 1989; Tabor and Bowers,1977; Yeo,1991; Zhu and Meeks, 1994).

Age is related to buy household goods borrowed by consumer credit. Installment debt has been found to be the highest among middle-aged (aged 35-54) households (Canner, 1988) and credit card use increases linearly with age up to

65 (Lindley et al., 1989). Younger household heads and those who are employed full time had larger amounts of credit outstanding compared to households headed by someone who was older or not employed (Zhu and Meeks, 1994). As the households head ages, and children leave home, the probability of consumer credit use declines. Several studies have found debt to be higher among younger households than among households with older heads (Godwin, 1996). Family structure is also thought to capture some life-cycle borrowing needs. Many studies have found that young people generally favor the use of credit but have a low level of credit literacy (Markovich and DeVaney, 1997; Collins and Mammen, 1998; Hayhoe et al., 2000; Warwick and Mansfield, 2000). Households tend to borrow when they are young, save during middle age, and spend down during retirement. The age of the household head is expected to have an important impact on the amount of total debt and different types of debt that households maintain. During their life time, consumers are likely to incur two major types of debt: mortgage debt, which is usually carried for period of 20 to 30 years, and consumer debt, which is the amount owed on short-term and intermediate-term loans (Garman Fogue, 2003). In another study, Canadians aged 18–24 years scored lower than the general population in personal finances, budgeting and credit (Lachance et al., 2006). Most North American studies regarding personal finance and /or credit literacy show that young people of any age have a low level of knowledge about consumer credit (Mae, 2002; Lachance et al., 2006).

The probability of household debt use was highly correlated with socio demographic variables related to consumption demand but was not significantly associated with the level of household income (Sullivan & Worden, 1986). Howells (1990) described that below average income groups tended to use credit to help to cope with budgeting troubles instead of increasing purchasing power. The credit practices of low income families are quite different from those of families at other income levels. Income is related to buy household goods borrowed by consumer credit. During the period from 1983 to 1986 in USA, the portion of families with income below \$10,000 (1985, constant dollars) holding

a credit card increased 91 percent. Along with the growth of consumer credit, there was an increase in the use of consumer credit among families whose incomes were lower than the majority of families in the mid-1980s (Zhu and Meeks, 1994). Students from backgrounds of greater income are more knowledgeable about credit cards but also have higher credit card debts (Davies and Lea, 1995) and less wealthy students are more likely to choose the lowest payment scheme to deal with their debts (Lewis and Venrooij, 1995).

Buying household goods borrowed by consumer credit also depend upon gender. Men's and women's debt appears to arise from different spending habits. Male students are found to have more favorable attitudes toward credit cards (Xiao et al., 1995) but female students employ a greater number of financial practices (Hayhoe et al., 2000), and more likely to use their credit cards to purchase clothes. Men, on the other hand, use their credit cards to purchase electronic goods, entertainment and food away from home (Xiao et al., 1995).

Family lifecycle is very much important for buying household goods borrowed by consumer credit. According to the life-cycle hypothesis of saving (Modigliani, 1986), consumers tend to maximize their utility by considering their life resources to smooth their lifetime consumption. Thus, younger consumers who have low current incomes are more willing to finance current consumption with their future income. According to the family resource management model (Lown and Ju, 1992), demo-graphic and economic variables would influence both credit attitude and credit practice. Then, demographic variables, economic variables, credit attitude, and credit practice would all influence financial satisfaction.

There is no established difference in debt status that is related to partnership status, but consistent with the above ideas, the presence of partners is associated with higher savings, and plans to save for the following year (Nyhus & Webley, 2001). Households are associated with different types of debts to cope with the

changing needs of the household over the life cycle. For example, most households take on installment debt for the purchase of car even before they buy home or borrow for the college education of their children (Yilmazer & DeVaney, 2005).

Enthoven (1957) was the first of many to find that young married householders with children were more likely to have consumer debt than those without children or than households composed of single person. One study (McAlister & Kinsey, 1979) found that married-couple households have more credit cards and use them more than do households with non-married heads. However, another study that controlled for age found single individuals more likely to be in debt than married couples (Lunt & Livingstone, 1992). Household size, a factor surely confounded with age and marital status, also has been positively related to debt (Hira, 1990).

A Person's occupation affects the goods and services buying. Blue-collar workers tend to buy more rugged work cloths, whereas executive buy more business units. Marketers try to identify the occupational groups that have an above-average interest in their products and services. A company can even specialize in marketing products needed by a given occupational group. Suppose, computer software companies normally design different products for brand managers, accountants, engineers, advocate, and doctors (Kotlar and Armostrong, 2007). Consumer credit assists solvent service holders and professional having fixed income for acquisition of private car/motorcycle and thus help them to improve their professional efficiency and the standard of living (Islami Banks, 2005).

From the above discussion, it can be said that borrowed consumer credit to buy household goods depends upon demographics variable. So it can be hypothesized that there is a strong association between consumer credit and demographic variables.

4.3.2: Development of Hypotheses

Hypotheses as formulated in this section along with the expected effect on the consumer credit impacts on lifestyle are summarized as follows:

Hypothesis: There is a strong association between consumer credit and people's lifestyle.

As lifestyle includes activities, interests, opinions and Demographics factors; therefore, for the purpose of the study, it can develop the following four sub-hypotheses.

Hypothesis-1: There is a strong association between consumer credit and people's activities.

Hypothesis-2: There is a strong association between consumer credit and people's interests.

Hypothesis-3: There is a strong association between consumer credit and people's opinions.

Hypothesis-4: There is a strong association between consumer credit and people's demographics.

CHAPTER FIVE

RESEARCH METHODOLOGY

CHAPTER FIVE

RESEARCH METHODOLOGY

5.0: Introduction

This chapter describes the overall research methodology of the study. It states the choice of and arguments for selecting research methods and strategy for data collection. The main reasons for selecting research sites, the procedures for identifying consumer credit borrowing population and drawing a sample there from are described. It presents the lifestyle variables of borrowers and examines the relationship between the consumer credit & lifestyles. The key concepts and variables employed in this thesis are identified, and the measures used to operate these concepts and variables are described. The process of negotiating access to information and gathering necessary data are presented. Finally, the chapter sets out the major tools used for data analyses.

5.1: Research Method/ Design

This section describes the research design that is followed to achieve the objectives of the study. It states the procedures for selecting the sample, the procedures employed to gather the data, the procedures for operationalizing the key concept and variables, the methods used to analyze the data under the study. Finally, it discusses the main difficulties encountered in the data collection process.

There are many ways to classify the types of research design. Broadly they are of two types - Quantitative and qualitative research. A major controversy exists over the application of this method in many branches of social science. Quantitative research is typically taken to be exemplified by the social survey and by experimental investigations, while qualitative research tends to be associated with particular observation and in depth interview (Bryman, 1988). Qualitative research provides insights and understanding of the problem setting, whereas quantitative research seeks to quantify the data, typically applying some form of statistical analysis. When ever a new marketing research

problem is being addressed, quantitative research must be preceded by appropriate qualitative research. Sometimes qualitative research is undertaken to explain the findings obtained from quantitative research. However, the findings of quantitative research are misused when they are regarded as conclusive and are used to make generalizations to the population of interest (Ereaut et al, 2002; Sayre, 2001). It is a sound principle of marketing research to view qualitative and quantitative research as complementary, rather than in competition with each other (Richard, 2001; Shelby, 2000). The main emphasis of quantitative research rests on a wide coverage of the range of situations, and when statistics are aggregated from large samples, they may be of considerable relevance to policy decisions. These methods are usually used to collect data based on predetermined structured questions. They do not however, necessarily allow the respondent to convey or the researcher to learn of, the underlying events (Bryman, 1988). However, qualitative and quantitative research in combination can provide rich insight that can help in formulating successful marketing strategies (Malhotra, 2006).

It appears, therefore that each method, either quantitative or qualitative, has its own strength and limitations. In order to overcome the limitations and to make use of the benefit of both the quantitative and qualitative designs, the study does not indulge in debates but uses both quantitative and qualitative methods, for evaluating consumer credit impact on lifestyle of people in Bangladesh.

5.2: Choice of Research Strategy

There is a variety of strategy in social science for empirical investigations which have been in use over the years. These are mainly observation, documentary-historical method and survey methods. Again, there are different types of surveys as personal interviews, telephone interviews, postal questionnaires, panel or group surveys (Malhotra, 2006).

The strategy adopted for this study is the personal interview survey. Personal interviews are more widely used in marketing research. The interviewer asks

questions to the respondents in a face to face situation. It provides more private and accurate information (Tull & Hawkins, 2003).

The interview instrument could take a number of forms being highly structured through to being totally unstructured. In a highly structured schedule, it is assumed that respondents have a common vocabulary and that they will interpret the questions in the same way (Nachmias and Nachmias, 1992). On the contrary, an unstructured interview schedule is employed with the focus on the subjective experiences of the respondents. Considering the nature of the present study, a combination of structured and unstructured interview schedules was used in order to explore both quantitative and qualitative information. However, observation of the conditions of the consumer credit of different banks in Bangladesh as well as different aspects of impact on lifestyle of people was also a part of the strategy of collecting data. As such, factual data as well as the views and opinion of the respondents were collected to address the research issues under the study.

Interview schedule had three sections. First section was about the background information of the borrowers & banks where they borrow consumer credit, while the second section was designed to collect basic information about consumer credit impacts on lifestyle activities, interests and opinions. Third section explored demographic information (age, sex, educational qualification, family lifecycle, occupation) of the borrowers.

To be sure about the questions to be asked and included in the schedule numbers of steps were followed. Firstly, the draft questionnaire was distributed among four experts in this field for their comments. Some modifications were made to accommodate the suggestions of the experts. Finally, a pilot survey was carried out on 100 borrowers in Dhaka city branches of Islami Bank Bangladesh Ltd. and Prime Bank Ltd. Based on the last two steps, some minor modifications were made to finalize the interview schedule. It was decided to interview only borrowers of different banks in Dhaka city who borrowed consumer credit.

5.3: Designing of the Questionnaire and Pretesting

6 sets of questionnaires were used to collect information (Appendix-A). Structured and unstructured questions were included in the questionnaire. The questionnaires used for the study had three sections. The first section was about borrowers, lending banks, amount of consumer credit borrower and purpose for taking loan and unstructured questions regarding consumer credit usefulness or not, while the second section was designed to collect information about the consumer credit impacts on lifestyle dimension of respondents. It consists of data pertaining to the activities (work performance, entertainment activities, social activities), interests (food, home, family, recreation, fashion), opinions (themselves, education, culture, economics, social) related to purchase behavior of household goods borrowed by consumer credit. The third section was set to explore detailed information about demographic factors (age, education, income, occupation, family life cycle stage etc. factors) of the respondents. A total of 22 questions were included in each questionnaire. Both open ended and closed questions were included in the questionnaire. However, some modification of questions, phrase, and layout would be done after the pretesting of the interview scheduled with 100 respondents and seminar of the department.

Pretesting of the questionnaire was carried out on 6 branches of two banks (Islami Bank Bangladesh Ltd. & Prime Bank Ltd.) from different banks categories in Dhaka city before administering the full-scale interview. The main aim of the pretest was to ensure that the relevant questions and issues regarding the subject of the study were included in the questionnaire and cleared from any ambiguities and that the respondents could answer the questions freely. It was also observed during the pretesting that a few questions were not clearly understood by the respondents. Hence, some questions were dropped, while many additional questions were also changed.

5.4: Choice of Research Site

Dhaka-the capital city of Bangladesh was chosen as study area for this study. This study has been conducted on consumer credit lending branches of banks (Islami Bank Bangladesh Ltd., National Bank Ltd., The City Bank Ltd., Pubali Bank Ltd., Prime Bank Ltd., Southeast Bank Ltd., Dhaka Bank Ltd., Mercantile Bank Ltd., One Bank Ltd., The Hongkong and Shanghai Bank (HSBC) Ltd., Arab Bangladesh Bank Ltd., Mutual Trust Bank Ltd., Bank Asia Ltd., Premier Bank Ltd., Al Arafa Islami Bank Ltd. situated in Dhaka city. The main arguments for choosing the study areas are:

- i. The terms and conditions of consumer credit offered by different banks of Bangladesh, whether it is situated in urban or rural are approximately same. It was assumed that the population of capital city area is very much conscious about their lifestyle. Since the consumer credit impacts on lifestyle is the main purpose of this study, it was necessary to investigate the people who are very much alert about their lifestyle.
- ii. Time available for collection of data from the field survey and the cost involved in carrying out the study were also an important consideration.

In consideration of the points stated above, it was believed that the selection of the Dhaka city was the most appropriate study area to realize the purpose of the study.

5.5: Population and Sample

In Bangladesh, there is no systematic published statistics about the total number of borrowers who borrowed consumer credit and types of banks offered this credit. More over, the statistics which are available are inconsistent, and inaccurate. Besides this, most of the banks who offer this kind of credit want to hide their total number of consumer credit borrowers for their business interest and time constraint. Both male & female middle class borrowers over 20 years of age living in Dhaka City (during the period of 1994-2007) who have taken consumer credit from different banks of Bangladesh for buying household goods

are target population of this thesis. Different sources indicate that there are at least two multinational and nineteen private banks offer consumer credit to borrowers. From those Banks, One multinational & 4 private bank did not cooperate with the researchers to deliver the data or any information regarding this thesis. For this reason this five banks are not included as target bank of this thesis. So one multinational and fourteen private banks in Dhaka city are considered as target population.

Addresses & phone number of borrowers (respondents) were collected from office file of the sample branches by the employees of the banks for interview.

Sample size determination formula is used for identifying total number of sample.

Sample size determination method:

$$N = \left[\frac{p(1-p)z^2}{d^2} \right] * deft$$

N=size of the sample

P=the proportion to be estimated=0.5

Z=value of standard normal variate=95% level of significance=1.96

D =the amount of tolerated margin of error=0.05

Deft=design effect=1.5

$$\text{Number of sample} = \left[\frac{0.5(1-0.5)(1.96)^2}{(0.05)^2} \right] * 1.5 = 576$$

576 borrowers were selected as sample for interviewing. At first target population is divided into mutually exclusive and collectively exhaustive subpopulation or cluster. That means 301 clusters (branch as cluster). Random sample of cluster (branch as cluster) is selected based on probability sampling technique. Here, 30(branches as cluster) cluster are selected as sample by using probability proportionate to size sampling method from 301 branches. All borrowers in each selected branch (cluster) are not possible to include in the sample because of time and cost constraints. For this reason, probability proportionate to size sampling of two stage cluster sampling method is used for

selecting number of borrowers from each branches. Each borrower is selected by using systematic manners of simple random sampling method.

The following table shows the sampled banks, branches and the borrowers.

Table-5.5.1: sampled banks, branches and the borrowers

Banks	Total Branches in Country	Dhaka Branches	Sample Branches	Number of Borrowers of each sample branch	Sample Number of Borrowers of each sample branch
1. Islami Bank Bangladesh Ltd.	176	37	4	Jatrabari-167 Farmgate-439 Kawranbazar-30 Khilgaon-27	Jatrabari-19 Farmgate-50 Kawranbazar-3 Khilgaon-3
2. National Bank Ltd.	92	22	2	Mohakhali-24 Mirpur-74	Mohakhali-3 Mirpur-8
3. The City Bank Ltd.	78	24	2	Dhanmondi-202 Uttara-50	Dhanmondi-23 Uttara-6
4. Pubali Bank Ltd.	356	59	6	Nawabpur-195 Banani-282 Bashaba-113 Satmosjit Road-150 Chiriakhana Rd-83 Badda-160	Nawabpur-22 Banani-32 Bashaba-13 Satmosjit Road-17 Chiriakhana road-9 Badda-18
5. Prime Bank Ltd.	51	23	2	Mohakhali-637 Gulshan-267	Mohakhali-72 Gulshan-30
6. Southest Bank Ltd.	32	12	1	Principal Branch Motijheel-45	Principal Branch Motijheel-5
7. Dhaka Bank Ltd.	38	18	2	Dhanmondi-437 Uttara-218	Dhanmondi-50 Uttara-25
8. Mercantile Bank Ltd.	35	17	2	Satmosjit Road-72 Kawranbazar-30	Satmosjit Road-8 Kawranbazar-3
9. One Bank Ltd.	23	12	1	Uttara-65	Uttara-7
10. The HSBC Bank Ltd.	4	3	1	Kawranbazar-850	Kawranbazar-96
11. Arab Bangladesh Bank Ltd.	67	19	2	Elephant Road-20 Islampur -63	Elephant Road-2 Islampur -7
12. Mutual Trust Bank Ltd.	25	12	1	Dilkusha-153	Dilkusha-17
13. Bank Asia Ltd.	24	13	1	Dilkusha-130	Dilkusha-15
14. Premier Bank Ltd.	24	12	1	Banani-100	Banani-11
15. Al Arafa Ltd.	47	18	2	Pragati Sarani-6 Mouchaq-4	Pragati Sarani-1 Mouchaq-1
Total	1072	301	30	5093	576

75 borrowers from 4 sample branches (Jatrabari, Farmgate, Kawranbazar, Khilgaon) of Islami Bank Bangladesh Ltd, 11 borrowers from 2 sample branches (Mohakhali, Mirpur) of National Bank Ltd., 29 borrowers from 2 sample branches (Dhanmondi, Uttara) of The City Bank Ltd., 111 borrowers from 6 sample branches (Nawabpur, Banani, Bashaba, Satmosjit Road, Chiriakhana Road, Badda) of Pubali Bank Ltd., 102 borrowers from 2 sample branches (Mohakhali, Gulshan) of Prime Bank Ltd., 5 borrowers from 1 sample branches (Principal Branch, Motijheel) of Southest Bank Ltd., 75 borrowers from 2 sample branches (Dhanmondi, Uttara) of Dhaka Bank Ltd., 11 borrowers from 2 sample branches (Satmosjit Road, Kawranbazar) of Mercantile banks Ltd, 7 borrowers from 1 sample branch (Uttara) of One Bank Ltd, 96 borrowers from 1 sample branch (Kawranbazar) of The Hongkong and Shanghai Bank (HSBC), 9 borrowers of 2 sample branches (Elephant Road, Islampur Branch) of Arab Bangladesh Bank Ltd., 17 borrowers of 1 sample branch (Dilkusha) of Arab Bangladesh Bank Ltd., 15 borrowers of 1 sample branch (Dilkusha) of Bank Asia Ltd., 11 borrowers of 1 sample branch (Banani) of Premier Bank Ltd., 2 borrowers of 1 sample branch (Pragati Sarani, Mouchaq) of Al Arafa Islami Bank Ltd. are selected by using lottery system.

5.6: Negotiating Process

Personal communication by the researcher was the main process of negotiation of access to information. As a part of this process, in addition to personal communication, a formal forwarding letter issued by the principal supervisor-introducing the researcher and the objectives of the study was utilized during the field visits. The letter gave the researcher an extra advantage in getting access to the information collected from various governments, private & multinational banks in Bangladesh. With respect to the sample banks, using addresses from the sampling frame, appointments were made, either through personal visits or over the telephone, for interviews.

At the beginning of the interviews, it was made clear that the purpose of the study was academic and that strict confidentiality would be observed in not

disclosing the information provided. Interviews began with informal discussion and gradually moved onto the questions included in the interview schedule. Time was taken to complete an interview range from 1 to 2 hours, with an average time of about 1.5 hours. However, once they got started, they became very interested in talking and they disclosed more information, perhaps, more than enough that was necessary for the purposes of the study. The above approach of starting the interviews with a very informal discussion and then gradually going through the questions contained in the interview schedule proved successful in gaining access to more insights into the issues under study. Questions were asked in such a way that it was possible to have a clear idea about the impact of consumer credit on people's lifestyles.

5.7: Sources of Data

Data were collected on relevant variables from primary and secondary sources. Primary sources included borrowers who bought household goods by consumer credit from the banks. Secondary data have been collected from the published contents of the annual reports, relevant brochures, sales figures, and prior research reports of the listed banks internal sources and suppliers. It was collected from different kinds of consumer credit related books, Schedule Banks Statistical of Bangladesh Banks, marketing information guide and different kind of journal which are available in different library & website. For collecting primary data, structured and unstructured questionnaires were filled up by the respondents of the sample banks. Interviews were conducted by the researcher. These were conducted in both Bengali and English. The promise of confidentiality of information gathered was stressed to every respondent before the interviews. To ensure that executives, officers and consumers of the banks felt confident in releasing performance data, special emphasis was placed on subjective information on performance variables.

5.8: Collection of Data

Primary data obtained through questionnaire from consumer credit borrowers. The data cover information about consumer credit lending banks, purpose of borrowing consumer credit, amount of this loan borrowed by borrowers etc. The data cover the information related to the relationship between consumer credit and lifestyle activities (work performance, entertainment activities, and social activities), interests (family, home, society, food, and fashion etc.), opinions (themselves, social issues, culture, education, fashion). The relationship between demographic (age, sex, education, occupation, income) factors and consumer credit related data were also collected.

Secondary data were collected from various sources such as Bangladesh Bank; consumer credit lending banks; annual report, brochure, and magazine of selected banks. Data include status of the banks, financial statement, consumer credit information, borrower's information etc. Status & statement of the banks were collected from annual report of the banks. Consumer credit information was collected from brochure, annual report, consumer credit prudent guideline, office file of the banks. Borrower's information was collected from office file of the banks. Information about the lifestyle and consumer credit relationship were collected from different kinds of Journals, and consumer credit & lifestyle related books.

5.9: Data Analysis

After collecting data from the samples borrowers, the next task was to organize and process the collected raw data. The purpose of organizing the data was to reduce the mass of data to a suitable form for analysis. For convenience; the data related to lifestyle & consumer credit were coded first on a separate sheet. Thereafter, using a special data entry package, developed and supplied by the research guide, the coded data were entered into the computer for analysis through SPSS package. The preliminary data sheets were compared with the original coding sheets to ensure accuracy of the data entry.

5.10: Study Assumptions

The explanatory variables used to explain the consumer credit impact on lifestyle were four categories.

First category is the people's lifestyle activities: The lifestyle activities consist of three factors namely –Work performance, social activities and entertainment activities. Work performance factor includes-v1(Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center), v2(Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc.), v3(Borrowed consumer credit to purchase sewing machine helps to sew dress), v4(Borrowed consumer credit to purchase washing machine helps to wash dress), v5(Borrowed consumer credit to purchase almira helps to protect cookeries from damage), v6(Borrowed consumer credit to purchase wardrobe helps to protect dress from dust), v7(Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping) etc. variables. Entertainment activities factor includes-v8(Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort), v9(Borrowed consumer credit to purchase car /motorcycle helps to go to auditorium, cinema hall or theater hall for enjoying a program like speeches, drama, dance, cinema, song), v10(Borrowed consumer credit to purchase computer helps the children to play game), v11(Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy football, cricket, tennis, athletics, wrestling; motorcycle racing, boat racing, bicycle racing etc. and other games), v12(Borrowed consumer credit to purchase computer helps to browse or internet shopping)etc. variables. Social activities factor includes-v13(Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out social roles), v14(Borrowed consumer credit to purchase car/motorcycle helps to go to maintain community center for performing community activity),v15(Borrowed consumer credit to purchase car/ TV/ motorcycle/ computer helps to transmit value to others) etc. variables.

Second category is People's Interests: Food, home, family, recreation, fashion are factors of interest. Food factor includes- v1 (Borrowed consumer credit to purchase fridge helps to keep food, fruits, and vegetables etc. fresh variables), v15(Borrowed consumer credit to purchase woven/ toaster machine/ blender/ pressure cooker helps to enjoy fast food, juice & other tasty food) etc. variables. Home factor includes- v2(Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution), v3(Borrowed consumer credit to purchase household goods helps to perform household task), v13(Borrowed consumer credit to purchase TV/ computer/ car/ motorcycle helps to collect lots of information about home) etc. variables. Family factor includes- v5(Borrowed consumer credit to purchase household goods helps to get affiliation of family solidarity, relaxation and relationship), v7(Borrowed consumer credit to purchase household goods helps to exhibit family status), v9(Borrowed consumer credit to purchase sofa set helps family members to comfort sitting on sofa set, v10(Borrowed consumer credit to purchase dinning table helps family members to make comfort sitting and eating on dinning table), v11(Borrowed consumer credit to purchase khat helps family members to comfort sleeping on (bed) khat for family members) etc. variables. Recreation factor includes-v4 (Borrowed consumer credit to purchase car/ motor cycle helps to maintain community), v6 (Borrowed consumer credit to purchase car/ motorcycle helps family members to visit enjoyable place for recreation), v8 (Borrowed consumer credit to purchase household goods (like TV, computer) helps to reduce emotion, worries, problem, tiredness) etc. variables. Fashion factor includes-v12 (Borrowed consumer credit to purchase TV/ computer helps to find out latest fashion), v14 (Borrowed consumer credit to purchase household goods helps to decorate the home in new style) etc. variables.

Third category is People's opinions: Oneself, education, economics, social and cultures are factors of opinion.—Oneself factor includes- v1 (Borrowed consumer credit to purchase TV helps to find reinforcement for personal value, model of behavior, insight oneself, improved oneself), v8 (Borrowed consumer credit to

purchase household goods helps people to build block of lifestyle), v13 (Borrowed consumer credit to purchase fridge helps to improve health) etc. variables. Education factor includes-v2(Borrowed consumer credit to purchase car helps to go to school/ college/ university/ madrasa for learning), v4(Borrowed consumer credit to purchase TV/ computer helps to gather knowledge such as learn distance education, new facts, cooking, real fact of the society, business, science, medical, cultural values) etc. variables. Cultural factor includes-v3 (Borrowed consumer credit to purchase TV helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.), v12 (Borrowed consumer credit to purchase fridge helps to maintain guest's) etc. variables. Economics factor involves-v5 (Borrowed consumer credit to purchase computer/ TV helps to save time & money because of getting information, preparing class note/ lecture sheet/ number of examination scripts etc. in a short time), v6 (Borrowed consumer credit to purchase car helps to save time & money because of going any where in a short time), v10 (Borrowed consumer credit to purchase fridge helps to store food for later consumption, keep extra food fresh saved from daily life) etc. variables. Social factor includes-v7 (Borrowed consumer credit to purchase car/ motorcycle helps to communicate with others), v9 (Borrowed consumer credit to purchase household goods helps to differentiate the identity from other of the society), v11 (Borrowed consumer credit to purchase household goods helps to get possessions as a reflection of the values) etc. variables.

Fourth category is demographics of people: Age, education, income, occupation, family life cycle stages are the factors of demographics.

It is hypothesized that consumer credits have significant effect on people's lifestyle activities (work performance, entertainment activities, social activities), interests (food, home, family, recreation, fashion), opinions (oneself, education, culture, economics, social) but demographic (age, education, income, occupation, family life cycle) factors have significant effects on consumer credit.

The effect of consumer credit were expected to be positive; that means using household goods bought by consumer credit increase the flow of activities (work performance, entertainment activities, and social activities) of the people. Most of the variables related to work performance, entertainment activities and social activities may get positive effect by using household goods bought by consumer credit.

Using household goods bought by consumer credit may have positive impact to the interests (food, home, family, recreation, fashion) of the people. Most of the variables related to food, home, family, recreation and fashion are changed by using household goods bought by consumer credit.

Using household goods bought by consumer credit were expected to have positive impact on people's opinion; that means using household goods bought by consumer credit helps to express the opinions (themselves, education, culture, economics, and social) of the people. Most of the variables related to opinions (themselves, education, culture, economics and social) are changed by using household goods bought by consumer credit.

It was also expected that consumer credit borrowing depended upon demographic factors (age, education, income, occupation, family life cycle).

Each variable in these four major categories may have marginal effect on life style by using consumer credit. Using statistical method, the probability of consumer credit impact on lifestyle can be found out by considering marginal effects of all variables.

5.11: Statistical Method Used

Statistical and graphical methods were used in analyzing data. Data analyses were performed in order to assess the importance of each variables determinant for evaluating consumer credit impact on lifestyle. The primary data collected

from the borrowers were analyzed by using statistical technique supported by SPSS package. Specifically factor analysis was used to assess the effect of consumer credit on lifestyle. Principal component analysis with varimax rotation was applied on the responses of the lifestyle construction.

Respondents in a survey were asked to rate the important of 43 lifestyles attributes. A 5-point likert scale ranging from strongly disagrees to strongly agree was employed. These data were analyzed via principal components analysis. A 13 factors solution under main three factors resulted, with the factors being labeled as Activities, Interests & Opinions of the people. The factors selected for the study are activities (work performance, entertainment activities and social activities), interests (food, home, family, recreation, and fashion), opinions (themselves, education, culture, economics and social) and demographics (age, education, income, occupation, family life cycle) factors. The respondents were asked to indicate their degree of agreement with the following statements using five-point likert scale (1= strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree). Variables of these factors are includes in table- 6.1.1, 6.2.1, 6.3.1. Therefore the factor models were considered for this thesis {(please see appendix-B (1.0))}.

The correlation matrix, constructed from the data obtained to understand lifestyle activities, interests, and opinions is shown in appendix-B (table-2.1.1.1, table- 2.2.1.1, and table-2.3.1.1). There are relatively high correlations among the variables activities {(shown in appendix-B (table-2.1.1.1))}, interests {(shown in appendix-B (table-2.2.1.1))}, opinions {(shown in appendix-B (table-2.3.1.1))} indicated that factor analysis is more appropriate for this study.

Prior determinations, communalities, eigenvalues, scree plot, percentages of variance accounted etc. procedures were maintained for determining the number of factors to be considered for the justification of upgrading the lifestyle of people by using consumer credit.

The shape of the scree plot is also used to determine the number of factors. The scree plot associated with this analysis in activities, interests, and opinions is given in figure 6.1.1, 6.2.1, 6.3.1 respectively and from the scree plot, a distinct break occurs at three, five and five factor respectively. So these three, five and five factors were extracted for identifying the flow of lifestyle activities, interests & opinions variable.

In lifestyle activities, three factors were determined for analyzing (Appendix-B, table-2.1.4.2). In lifestyle interest, five factors were determined for analyzing (Appendix-B, table-2.2.4.2). In lifestyle opinion, five factors were determined for analyzing (Appendix-B, table-2.3.4.2).

According to the basis of rotated factor matrix, factors were explained. It summarizes that consumer appears to seek three major kinds' of activities benefits from household goods bought by consumer credit: work performance, entertainment activities and social activities. It was estimated that consumer appears to seek five major kinds' of interest from household goods bought by consumer credit: family, home, recreation, fashion, food. It is further evident from the above discussion that the mentality of buying a product is strongly influenced by a person's own opinion, his education, his economical condition, social and cultural background.

CHAPTER SIX

DATA ANALYSIS

CHAPTER SIX

DATA ANALYSIS

6.0: Introduction

For the analyses, cases with incomplete profiles were deleted. Further, responses to individual items of "Refused" were recorded as missing data. The statistical program, SPSS for Windows (version 12, Scientific Software, 2004), was used for all analyses.

For identifying consumer credit impacts on lifestyle, respondents in a survey were asked to rate the importance of 42 lifestyles attributes. A 5-point likert scales ranging from strongly disagree to strongly agree was employed. These data were analyzed via principal components analysis. The factor analysis using the principal components method with varimax rotation was run to determine the underlying benefits consumers seek of their lifestyle (activities, interests & opinions) from the using of household goods (TV, fridge, furniture etc.) borrowed by consumer credit. Principal components analysis refers to a family of exploratory multivariate procedures which aims to provide a reduced structure from a larger listing of variables (Gorsuch, 1983; Comrey & Lee, 1992). The factor analysis assumes that the exact number of dimensions underlying a set of data is unknown.

The principal components extraction method has many advantages. Its primary advantage is that each component extracted from the data set accounts for the maximum amount of variance among the set of variables under study (Gorsuch, 1983). Additionally, the principal components method assumes that all the variance underlying the data set is relevant and it seeks an optimal solution that best explains the relationships among items in the data set (Comrey & Lee, 1992). In this study, the sizeable number of items, 42, tends to lessen substantially the impact of the diagonal elements. Finally, the principal components method tries to distribute the variance accounted for by each component in a somewhat uniform manner across the set of extracted

components. This procedure helps to create components of relative equality, in terms of the amount of variance accounted for, alleviating the tendency for one dominate component to emerge (Green et al., 2006).

Once an extraction method is chosen, the factor analysis researcher may choose a rotation method. Rotation helps to mathematically redistribute the relationships among the components, without changing the relationships between items and components and is conducted to aid in interpretability of the final solution (Gorsuch, 1983). In this study, a varimax rotation was used, which is a type of orthogonal rotation that tends toward producing unrelated components. Orthogonal solutions are easier to interpret because the item loadings are correlations between the item and the component (Comrey & Lee, 1992).

Basic concepts of factor analysis and factor analysis model for identifying consumer credit impact on lifestyle are also discussed in appendix- B (1.0). Conducting factor analysis for consumer credit impact on lifestyle is also discussed in appendix- B (2.0).

6.1: Formulating the Problem for Identifying Consumer Credit Impact on Lifestyle Activities

Several steps are involved in conducting the factor analysis. These are discussed in appendix-B (2.1). At first it is necessary to determine the underlying benefit consumers seek of their lifestyle activities from the using of household goods borrowed by consumer credit.

The factor analysis using the principal components method with varimax rotation was applied to determine the underlying benefits consumers seek of their lifestyle activities from the using of household goods (TV, fridge, furniture etc.) borrowed by consumer credit. The respondents in a survey were asked to indicate their degree of agreement with the following statements/ variables (see table-6.1.1) using a 5-point likert scale (1=strongly disagree, 5=strongly agree).

Table-6.1.1: Some lifestyle (activities) variables related to consumer credit.

Brief name of variables	Name of Variables
V1	Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center.
v2	Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc.
V3	Borrowed consumer credit to purchase sewing machine helps to sew dress.
V4	Borrowed consumer credit to purchase washing machine helps to wash dress.
V5	Borrowed consumer credit to purchase almira helps to protect cookeries from damage.
V6	Borrowed consumer credit to purchase wardrobe helps to protect dress from dust.
V7	Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping.
V8	Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort.
V9	Borrowed consumer credit to purchase car/ motorcycle helps to go to auditorium, cinema hall or theater hall for enjoying programs like speeches, drama, dance, cinema, song etc.
V10	Borrowed consumer credit to purchase computer helps the children to play game.
V11	Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc.
V12	Borrowed consumer credit to purchase computer helps to browse or internet shopping.
V13	Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out social roles.
V14	Borrowed consumer credit to purchase car/ motorcycle helps to go to maintain community center for performing community activity.
V15	Borrowed consumer credit to purchase car/ TV/ motorcycle/ computer helps to transmit value to others.

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A correlation matrix is constructed based on the rating data. The correlation matrix, constructed from the data obtained to understand lifestyle activities is shown in appendix-B (table-2.1.1.1). There are relatively high correlations among- V1(Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center), v2(Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc),V3(Borrowed consumer credit to purchase sewing machine helps to sew dress), V5(Borrowed consumer credit to purchase almira helps to protect cookeries from damage), V6(Borrowed consumer credit to purchase wardrobe helps to protect dress from dust), v7(Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping). These variables are to be correlated with the same set of factors.

Likewise, there are relatively high correlation among v4 (Borrowed consumer credit to purchase washing machine helps to wash dress), v6 (Borrowed consumer credit to purchase wardrobe helps to protect dress from dust), v7 (Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping).

In the same way, there are relatively high correlation among v8 (Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort), v9 (Borrowed consumer credit to purchase car/ motorcycle helps to go to auditorium, cinema hall or theater hall for enjoying a program like speeches, drama, dance, cinema, song etc.), v10 (Borrowed consumer credit to purchase computer helps the children to play game), v11 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc.).

Likewise, there are relatively high correlation among v12 (Borrowed consumer credit to purchase computer helps to browse or internet shopping), v11 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy

football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc.).

Similarly, there are relatively high correlation among v13 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out social roles), v9 (Borrowed consumer credit to purchase car/ motorcycle helps to go to auditorium, cinema hall or theater hall for enjoying a program like speeches, drama, dance, cinema, song etc.), v10 (Borrowed consumer credit to purchase computer helps the children to play game).

Likewise, there are relatively high correlation among v14 (Borrowed consumer credit to purchase car/ motorcycle helps to go to maintain community center for performing community activity), v10 (Borrowed consumer credit to purchase computer helps the children to play game).

Likewise, there are relatively high correlation between v13 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out social roles) & v15 (Borrowed consumer credit to purchase car/ TV/ motorcycle/ computer helps to transmit value to others). So above variables are correlated with each other. These variables may also be expected to correlate with the same factors.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity statistics are applied to test the rating data for factor analysis (appendix-B, table-2.1.1.2). The approximate chi-square statistic is 678.21 with 105 degrees of freedom, which is significant at the 0.05 level. Calculated value (678.21) is greater than table value. So, this Bartlett's Test of Sphericity is highly significant. The value of the KMO statistic (0.804) is also large (>0.5). So the data are suitable for factor analysis. Thus, factor analysis is considered an appropriate technique for analyzing the correlation matrix of appendix-B (table-2.1.1.1).

Principal components method with varimax rotation is applied to identify consumer credit impacts on lifestyle activities (appendix-B, 2.1.2). Because the total variance in the data is considered, the diagonal of the correlation matrix consists of unities (Appendix-B, table 2.1.1.1) and full variance is brought into factor matrix.

Priori determination, approaches based on eigenvalues, scree plot and percentages of variance accounted are applied to identify the numbers of factors (appendix-B, 2.1.3). Three factors are extracted from lifestyle activities variables by priori determination method {appendix-B, 2.1.3(i)}. The positive mean score & standard deviation score of variables indicate that consumer credit is related to change the lifestyle activities (appendix-B, table-2.1.3.1).

Appendix-B (table-2.1.3.2 & table-2.1.3.3) show the application of principal components analysis of lifestyle activities. Under “Communalities”, “initial column”, it can be seen that the communality for each variable, v1 to v15, is 1.0 as unities are inserted in the diagonal of the correlation matrix. Appendix-B, (table-2.1.3.3) labeled “Initial Eigenvalues” gives the eigenvalues. The eigenvalues for the factors are, as expected, in decreasing order of magnitude as we go from factor 1 to factor 15. The eigenvalue for a factor indicates the total variance attributed to that factor. The total variance accounted by all 15 factors is 15.00, which is equal to the number of variables. Factor one (first), accounts for a variance of 4.954, which is $(4.954/15)100$ or 33.024 percent of the variance. Likewise, the second factor accounts for $(2.675/15)100$ or 17.831 percent of the total variance. Similarly, the third factor accounts for $(1.411/15)100$ or 9.404 percent of the total variance, and the first three factors combined account for 60.26 percent of the total variance. The scree plot associated with this analysis is given in figure-6.1.1.

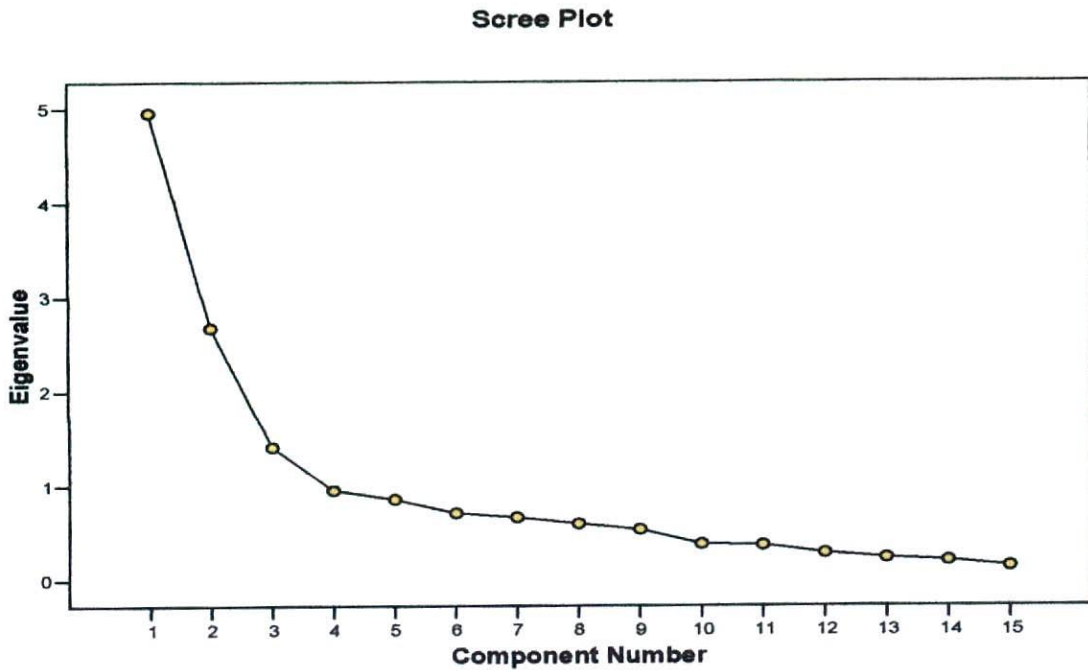
The coefficients of the factor (component) matrix are used to interpret the factors. The factor (component) matrix contains the coefficients used to express the standardized variables in terms of the factors (appendix-B, table-2.1.4.1). In factor matrix (appendix-B, table-2.1.4.1), the factors are correlated with many variables. For this reason, in such a complex matrix is transformed into a simpler one that is easier to interpret. It is called the rotated component matrix (please see appendix-B, table-2.1.4.2).

In table-2.1.4.1 & 2.1.4.2 (appendix-B), by comparing the rotated factor matrix with the unrotated matrix, it is seen how rotation achieves simplicity and enhances interpretability. Whereas 10 variables are correlated with factor 1 in the unrotated matrix, only variables v1, v2, v3, v4, v5, v6, and v7 are correlated highly with factor 1 after rotation. Likewise, v8, v9, v10, v11, v12 are correlated highly with factor 2 after rotation. The remaining variables v13 and v15 get correlated highly with factor 3. Furthermore, variable v9 is correlated with both the factors (factor 2 & factor 3). The rotated factor matrix forms the basis for interpretation of the factors.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor (table-6.1.2). That factor can then be interpreted in terms of the variables that load high on it. Table-6.1.2 shows Rotated Component Matrix of some lifestyle (activities) variables related to consumer credit.

In the rotated factor matrix of table-6.1.2, factor 1 has high coefficients for variables V1 (Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center), v2 (Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc), V3 (Borrowed consumer credit to purchase sewing machine helps to sew dress), V4 (Borrowed consumer credit to purchase washing machine helps to wash dress), V5 (Borrowed consumer credit to purchase almira helps to protect cookerries from damage), V6 (Borrowed consumer credit to purchase wardrobe

Figure -6.1.1: Scree plot of some lifestyle (activities) variables related to consumer credit



From the scree plot, a distinct break occurs at three factors.

From the above discussion, it is clear that the eigenvalue greater than 1.0 (default option) results in three factors being extracted. The priori knowledge tells researcher that household product is used by consumer credit for three major reasons. The scree plot associated with this analysis is given in figure-6.1.1. From the scree plot, a distinct break occurs at three factors. Finally, from the cumulative percentage of variance account for, it is seen that the first three factors account for 60.26 percent of the variance, and that the gain achieved in going to three factors is marginal. Thus, three factors appear to be reasonable in this situation. So the three factors are extracted for determining the underlying dimension of lifestyle activities related to consumer credit.

The coefficients of the factor (component) matrix are used to interpret the factors. The factor (component) matrix contains the coefficients used to express the standardized variables in terms of the factors (appendix-B, table-2.1.4.1). In factor matrix (appendix-B, table-2.1.4.1), the factors are correlated with many variables. For this reason, in such a complex matrix is transformed into a simpler one that is easier to interpret. It is called the rotated component matrix (please see appendix-B, table-2.1.4.2).

In table-2.1.4.1 & 2.1.4.2 (appendix-B), by comparing the rotated factor matrix with the unrotated matrix, it is seen how rotation achieves simplicity and enhances interpretability. Whereas 10 variables are correlated with factor 1 in the unrotated matrix, only variables v1, v2, v3, v4, v5, v6, and v7 are correlated highly with factor 1 after rotation. Likewise, v8, v9, v10, v11, v12 are correlated highly with factor 2 after rotation. The remaining variables v13 and v15 get correlated highly with factor 3. Furthermore, variable v9 is correlated with both the factors (factor 2 & factor 3). The rotated factor matrix forms the basis for interpretation of the factors.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor (table-6.1.2). That factor can then be interpreted in terms of the variables that load high on it. Table-6.1.2 shows Rotated Component Matrix of some lifestyle (activities) variables related to consumer credit.

In the rotated factor matrix of table-6.1.2, factor 1 has high coefficients for variables V1 (Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center), v2 (Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc), V3 (Borrowed consumer credit to purchase sewing machine helps to sew dress), V4 (Borrowed consumer credit to purchase washing machine helps to wash dress), V5 (Borrowed consumer credit to purchase almira helps to protect cookerries from damage), V6 (Borrowed consumer credit to purchase wardrobe

helps to protect dress from dust), v7 (Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping). Therefore, this factor may be labeled as work performance factor. Borrowed consumer credit to purchase household goods (car, computer, sewing machine, washing machine, almira, khat, motor cycle etc.) helps people to do their work.

Table- 6.1.2: Rotated Component Matrix of some lifestyle (activities) variables related to consumer credit

	Component		
	1	2	3
v1	.753	.125	.078
v2	.741	.310	-.223
v3	.828	.189	.024
v4	.583	.002	-.021
v5	.797	.031	.221
v6	.818	-.119	.111
v7	.662	.018	.083
v8	.224	.714	.061
v9	.326	.562	.529
v10	.335	.697	.480
v11	.001	.779	.237
v12	-.057	.692	-.166
v13	.088	.184	.772
v14	-.234	.391	.376
v15	.049	-.045	.779

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 4 iterations.

Likewise, there are relatively high correlation among V8 (Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort), V9 (Borrowed consumer credit to purchase car/ motorcycle helps to

go to auditorium, cinema hall or theater hall for enjoying programs like speeches, drama, dance, cinema, song etc.), V10 (Borrowed consumer credit to purchase computer helps the children to play game), V11 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc.), V12 (Borrowed consumer credit to purchase car/ motorcycle helps to browse or internet shopping). Thus factor 2 may be labeled as entertainment activities factor. Borrowed consumer credit to purchase household goods (car, motorcycle, TV etc.) helps people to do their entertainment activities.

Similarly, V13 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out social roles), V15 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to transmit value to others). So, factor 3 may be labeled as social activities factor. Borrowed consumer credit to purchase household goods (car, motorcycle, TV) helps people to do their social activities.

V14 (Borrowed consumer credit to purchase car/ motorcycle/ TV helps to go to maintain community center for performing community activity) labels both the factors (factor-2 & factor-3). So, this variable indicates both (entertainment & social activities) factors. Borrowed consumer credit to buy household goods (like car, motorcycle, TV) helps to maintain the social & entertainment activities.

In appendix-B (table-2.1.6.1), it is seen that only 49 residuals are larger than 0.05, indicating an acceptable model fit. From the above analysis, it is proved that there is a strong association between consumer credit & people's lifestyle activities.

6.2: Formulating the Problem for Identifying Consumer Credit Impact on Lifestyle Interests.

The factor analysis using the principal components method with varimax rotation was applied to determine the underlying benefits consumers seek of their lifestyle interests from the using of household goods (TV, fridge, furniture etc.) borrowed consumer credit.

The respondents were asked to indicate their degree of agreement with the following statement (see table-6.2.1) using a 5-point likert scale (1=strongly disagree, 5=strongly agree).

A correlation matrix is constructed based on the ratings data. The correlation matrix, constructed from the data obtained to understand lifestyle interest is shown in appendix-B (table-2.2.1.1). There are relatively high correlations among V1 (Borrowed consumer credit to purchase fridge helps to keep food, fruits, vegetables etc. fresh), v15 (Borrowed consumer credit to purchase woven/ toaster machine/ blender/ pressure cooker helps to enjoy fast food, drink juice & other tasty food).

As like as, v2 (Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution), v3 (Borrowed consumer credit to purchase household goods (sewing machine, washing machine etc.) helps to perform household task), v13 (Borrowed consumer credit to purchase TV/ computer/ car/ motorcycle helps to collect lots of information about home).

Likely, v4 (Borrowed consumer credit to purchase car/ motor cycle helps to maintain community), v6 (Borrowed consumer credit to purchase car/ motorcycle helps the family members to visit enjoyable places for recreation), v8 (Borrowed consumer credit to purchase TV helps to reduce emotion, worries, problem and tiredness).

Table-6.2.1: Some lifestyle (interests) variables related to consumer credit.

Brief name of variables	Name of Variables
V1	Borrowed consumer credit to purchase fridge helps to keep food, fruits, vegetables etc. fresh.
V2	Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution.
V3	Borrowed consumer credit to purchase household goods helps to perform household task.
V4	Borrowed consumer credit to purchase car/ motor cycle helps to maintain community.
V5	Borrowed consumer credit to purchase household goods helps to get affiliation of family solidarity, relaxation and relationship.
V6	Borrowed consumer credit to purchase car/ motorcycle helps the family members to visit enjoyable places for recreation.
V7	Borrowed consumer credit to purchase household goods helps to exhibit family status.
V8	Borrowed consumer credit to purchase TV helps to reduce emotion, worries, problem and tiredness.
V9	Borrowed consumer credit to purchase sofa set helps family members to comfort sitting on sofa set.
V10	Borrowed consumer credit to purchase dinning table helps family members to comfort sitting and eating on dinning table.
V11	Borrowed consumer credit to purchase bed (khat) helps family members to comfort sleeping on bed (khat).
V12	Borrowed consumer credit to purchase TV/ computer helps to find out latest fashion.
V13	Borrowed consumer credit to purchase TV/ computer/ car/ motorcycle helps to collect lots of information about home.
V14	Borrowed consumer credit to purchase household goods helps to decorate the home in a new style.
V15	Borrowed consumer credit to purchase woven/ toaster machine/ blender/ pressure cooker helps to enjoy fast food, juice & other tasty food.

Similarly, v5 (Borrowed consumer credit to purchase household goods helps to get affiliation of family solidarity, relaxation and relationship), v7 (Borrowed consumer credit to purchase house hold goods helps to exhibit family status), v9 (Borrowed consumer credit to purchase sofa set helps family members to comfort sitting on sofa set), v10 (Borrowed consumer credit to purchase dinning table helps family members to comfort sitting and eating on dinning table), v11 (Borrowed consumer credit to purchase bed helps family members to comfort sleeping on bed).

As like as, v12 (Borrowed consumer credit to purchase TV/ computer helps to find out latest fashion), v14 (Borrowed consumer credit to purchase household goods helps to decorate the home in a new style).

The results of the KMO & Bartlett's test are given in Appendix-B, (table-2.2.1.2). The null hypothesis, that the population correlation matrix is an identity matrix, is rejected by the Bartlett's test of sphericity. The approximate chi-square statistic is 674.072 with 105 {0.5p (p-1) where, p=number of variables} degrees of freedom, which is significant at the 0.05 level. The value of the KMO statistic (0.760) is also large (>0.5). Thus, factor analysis may be considered as an appropriate technique for analyzing the correlation matrix of appendix-B, table-2.2.1.1.

Principal components method with varimax rotation is applied to identify consumer credit impacts on lifestyle interest (appendix-B, 2.2.2). Because the total variance in the data is considered, the diagonal of the correlation matrix consists of unities (Appendix-B, table-2.2.1.1) and full variance is brought into factor matrix.

Priori determination, and approaches based on eigenvalues, scree plot, percentages of variance accounted are applied to identify the numbers of factors (appendix-B, 2.2.3). Three factors are extracted from lifestyle interests'

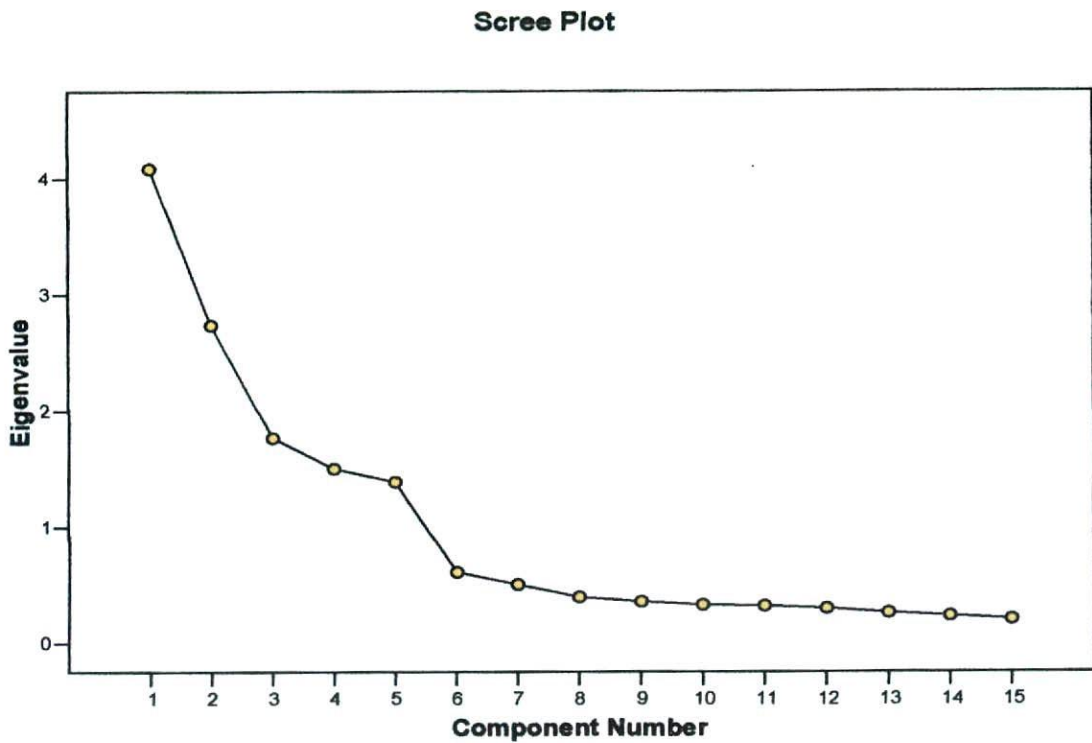
variables by priori determination method {appendix-B, 2.2.3 (i)}. The positive mean score & standard deviation score of variables indicate that these variables are very much applicable to increase the lifestyle interests (appendix-B, Table-2.2.3.1).

Appendix-B (table-2.2.3.2 & table-2.2.3.3) show the application of principal components analysis of lifestyle interests. Under “Communalities”, “initial column”, it can be seen that the communality for each variable, v1 to v15, is 1.0 as unities are inserted in the diagonal of the correlation matrix.

Appendix-B, (table-2.2.3.3) labeled “Initial Eigenvalues” gives the eigenvalues. The eigenvalues for the factors are, as expected, in decreasing order of magnitude as we go from factor 1 to factor 15. The eigenvalue for a factor indicates the total variance attributed to that factor. The total variance accounted for by all 15 factors is 15.00, which is equal to the number of variables. Factor one (first), accounts for a variance of 4.084, is $(4.084/15)100$ or 27.225 percent of the total variance. Likewise, the second factor accounts for $(2.736/15)100$ or 18.239 percent of the total variance. Similarly, the third factor accounts for $(1.768/15)100$ or 11.785 percent of the total variance. Likely, the fourth factor accounts for $(1.503/15)100$ or 10.019 percent of the total variance. Similarly, the fifth factor accounts for $(1.388/15)100$ or 9.254 percent of the total variance and the first five factors combine account for 76.52 percent of the total variance. The scree plot associated with this analysis is given in figure-6.2.1.

From the scree plot, a distinct break occurs at five factors. So these five factors are extracted for identifying the flow of lifestyle interest variable.

Figure- 6.2.1: Scree plot of some lifestyle (interests) variables related to consumer credit.



It is seen that the first five factors account for 76.52 percent of the variance (76.52% is greater than 60%), and that the gain achieved five factors is marginal.

From the above discussion, it is found that the eigenvalue greater than 1.0 (default option) results in five factors extracted. The priori knowledge tells researcher that household product is bought for five major interests of people. The scree plot associated with this analysis is given in figure- 6.2.1. From the scree plot, a distinct break occurs at five factors. Finally, from the cumulative percentages of variance accounted for, it is seen that the first five factors account for 76.52 percent of the variance, and that the gain achieved in going to five factors is marginal. Thus, five factors appear to be reasonable in this situation.

The factor (component) matrix contains the coefficients used to express the standardized variables in terms of the factors (Appendix-B, table-2.2.4.1). Appendix-B (table-2.2.4.1) shows Component Matrix of some lifestyle (interests) variables related to consumer credit.

Although the initial or unrotated factor matrix indicates the relationship between the factors and individual variables, it seldom results in factors that can be interpreted, because the factors are correlated with many variables. For example in table-2.2.4.1, factor 1 is at least somewhat correlated with 12 of 15 variables. For this reason, in such a complex matrix is transformed into a simpler one that is easier to interpret. It is called the rotated component matrix (appendix-B, table-2.2.4.2).

In table-2.2.4.1 & 2.2.4.2 (appendix-B), by comparing the rotated factor matrix with the unrotated matrix, it is seen how rotation achieves simplicity and enhances interpretability. Whereas 12 variables are correlated with factor 1 in the unrotated matrix, only variables v5, v7, v9, v10, v11 are correlated highly with factors 1 after rotation. Likewise, v2, v3, v13 are correlated highly with factors 2 after rotation. Similarly, v4, v6, v8 are correlated highly with factors 3 after rotation. Likewise, v1 and v15 are correlated highly with factor 4. The remaining variables v12, v14 are correlated highly with factors 5 after rotation. The rotated factor matrix forms the basis for interpretation of the factors.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor (table-6.2.2). That factor can then be interpreted in terms of the variables that load high on it. Table-6.2.2 shows Rotated Component Matrix of some lifestyle (interests) variables related to consumer credit.

Table-6.2.2: Rotated Component Matrix of some lifestyle (interests) variables related to consumer credit (a)

	Component				
	1	2	3	4	5
v1	.090	.035	.051	.896	.037
v2	-.131	.875	.137	-.011	.030
v3	.103	.866	.145	.006	-.009
v4	.018	.055	.861	-.105	.040
v5	.867	.021	.110	.011	-.047
v6	.106	.106	.809	.283	.108
v7	.807	.055	.160	.170	-.056
v8	.270	.206	.789	-.041	.073
v9	.749	-.112	.023	-.015	.163
v10	.857	.105	.033	.046	.012
v11	.888	-.031	.107	-.038	.028
v12	.059	.084	.095	.031	.876
v13	.047	.839	.047	.274	.113
v14	.005	.019	.074	-.017	.891
v15	.007	.148	.004	.877	-.029

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 5 iterations.

In the rotated factor matrix of table-6.2.2, factor 1 has high coefficients for variables V5 (Borrowed consumer credit to purchase household goods helps to get affiliation of family solidarity, relaxation and relationship), v7 (Borrowed consumer credit to purchase household goods helps to exhibit family status), V9 (Borrowed consumer credit to purchase sofa set helps family members to comfort sitting on sofa set), V10 (Borrowed consumer credit to purchase dinning table helps family members to make comfort sitting and eating on dinning table), V11 (Borrowed consumer credit to purchase khat helps family members to comfort sleeping on khat etc. variables). Therefore, this factor may

be labeled as family interest factor. Borrowed consumer credit to purchase household goods (TV, computer, sofa set, dining table, khat etc.) helps people to fulfill their family members' expectation.

Likewise, there are relatively high correlations among V2 (Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution), V3 (Borrowed consumer credit to purchase household goods helps to perform household task), V13 (Borrowed consumer credit to purchase TV/ computer/ car/ motorcycle helps to collect lots of information about home). Thus factor 2 may be labeled as home interest factor. Borrowed consumer credit to purchase household goods (TV, computer, washing machine, sewing machine, pressure cooker, blender machine etc.) helps people to satisfy their interest to home.

Similarly, V4 (Borrowed consumer credit to purchase car/ motorcycle helps to maintain community), V6 (Borrowed consumer credit to purchase car/ motorcycle helps the family members to visit enjoyable place for recreation), v8 (Borrowed consumer credit to purchase TV helps to reduce emotion, worries, problem, tiredness etc.). These factors may be leveled as recreation interest factor. Borrowed consumer credit to purchase household goods (TV, computer etc.) helps people to satisfy their interest of recreation.

Likely, v1 (Borrowed consumer credit to purchase fridge helps to keep food, fruits, and vegetables etc. fresh), v15 (Borrowed consumer credit to purchase fridge, oven, toaster machine, blender helps to enjoy fast food, juice & other tasty food). So, factor 4 may be labeled as food interest factor. Borrowed consumer credit to purchase household goods (fridge, blender machine, pressure cooker etc.) helps people to satisfy their interest to food.

Remaining, v12 (Borrowed consumer credit to purchase TV helps to find out latest fashion), v14 (Borrowed consumer credit to purchase household goods helps to decorate the home in new style) indicate factor-5, may be fashion

interest factor. Borrowed consumer credit to purchase household goods helps people to solve their interest to fashion. One could summarize the data by starting that consumers appear to seek five major kinds' of interest from household goods borrowed by consumer credit: family, home, recreation, fashion, food.

The model is very much fit because of less number of residual (please see appendix-B, table-2.2.6.1). From the analysis, it is justified that there is a strong association between consumer credit & people's lifestyle interests.

6.3: Formulating the Problem for Identifying Consumer Credit Impact on Lifestyle Opinions.

In this stage, it is necessary to determine the underlying benefit consumers seek of their lifestyle opinions from the using of household goods borrowed by consumer credit.

The factor analysis using the principal components method with varimax rotation was applied to determine the underlying benefits consumers seek of their lifestyle opinions from the using of household goods (TV, fridge, furniture etc.) borrowed consumer credit. The respondents were asked to indicate their degree of agreement with some variables (see table-6.3.1) using a 5-point likert scale (1=strongly disagree, 5=strongly agree).

A correlation matrix is constructed based on these ratings data. The correlation matrix, constructed from the data obtained to understand lifestyle opinion is shown in appendix-B (table-2.3.1.1). There are relatively high correlations among V1 (Borrowed consumer credit to purchase TV helps to find reinforcement for personal value, model of behavior, insight oneself, improved oneself), v8 (Borrowed consumer credit to purchase household goods helps to build block of lifestyle), v13 (Borrowed consumer credit to purchase fridge helps to improve the health).

Table-6.3.1: Some lifestyle (opinions) variables related to consumer credit.

Brief name of variables	Name of Variables
V1	Borrowed consumer credit to purchase TV helps to find reinforcement for personal values, model of behavior, insight oneself, improved oneself.
V2	Borrowed consumer credit to purchase car helps to go to school/ college/ university/ madrasa for learning.
V3	Borrowed consumer credit to purchase TV/ computer helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.
V4	Borrowed consumer credit to purchase TV/ computer helps to gather knowledge such as learn distance education, new facts, cooking, real fact of the society, business , science, medical ,cultural values etc.
V5	Borrowed consumer credit to purchase computer/ TV helps to save time & money because of getting information, preparing class note/ lecture sheet/ number of examination scripts etc. in a short time.
V6	Borrowed consumer credit to purchase car helps to save time & money because of going any where in a short time.
V7	Borrowed consumer credit to purchase car/ motorcycle helps to communicate with others.
V8	Borrowed consumer credit to purchase household goods helps to build block of lifestyle.
V9	Borrowed consumer credit to purchase household goods helps to differentiate the identity from others in the society.
V10	Borrowed consumer credit to purchase fridge helps to store food for later consumption, keep extra food fresh saved from daily life.
V11	Borrowed consumer credit to purchase household goods helps to get possessions as reflection of the values.
V12	Borrowed consumer credit to purchase fridge helps to maintain guests.
V13	Borrowed consumer credit to purchase fridge helps to improve health.

As like as , v2 (Borrowed consumer credit to purchase car helps the children to go to school/ college/ university/ madrasa for learning), v4 (Borrowed consumer credit to purchase TV/ computer helps to gather knowledge such as learn distance education, new facts, cooking, real fact of the society, business, science, medical, cultural values etc).

Likely, v3 (Borrowed consumer credit to purchase TV/ computer helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.), v12 (Borrowed consumer credit to purchase fridge helps to maintain guests).

Similarly, v5 (Borrowed consumer credit to purchase computer/ TV helps to save time & money, because of getting information, preparing class note/ lecture sheet/ number of examination scripts in a short time), v6 (Borrowed consumer credit to purchase car helps to save time & money because of going any where in a short time), v10 (Borrowed consumer credit to purchase fridge helps to store food for later consumption, keep extra food fresh saved from daily life)

As like as, v7 (Borrowed consumer credit to purchase car/ motorcycle helps to communicate with others), v9 (Borrowed consumer credit to purchase household goods helps to differ one's identity from other in the society), v11 (Borrowed consumer credit to purchase household goods helps to get possessions as reflection of values).

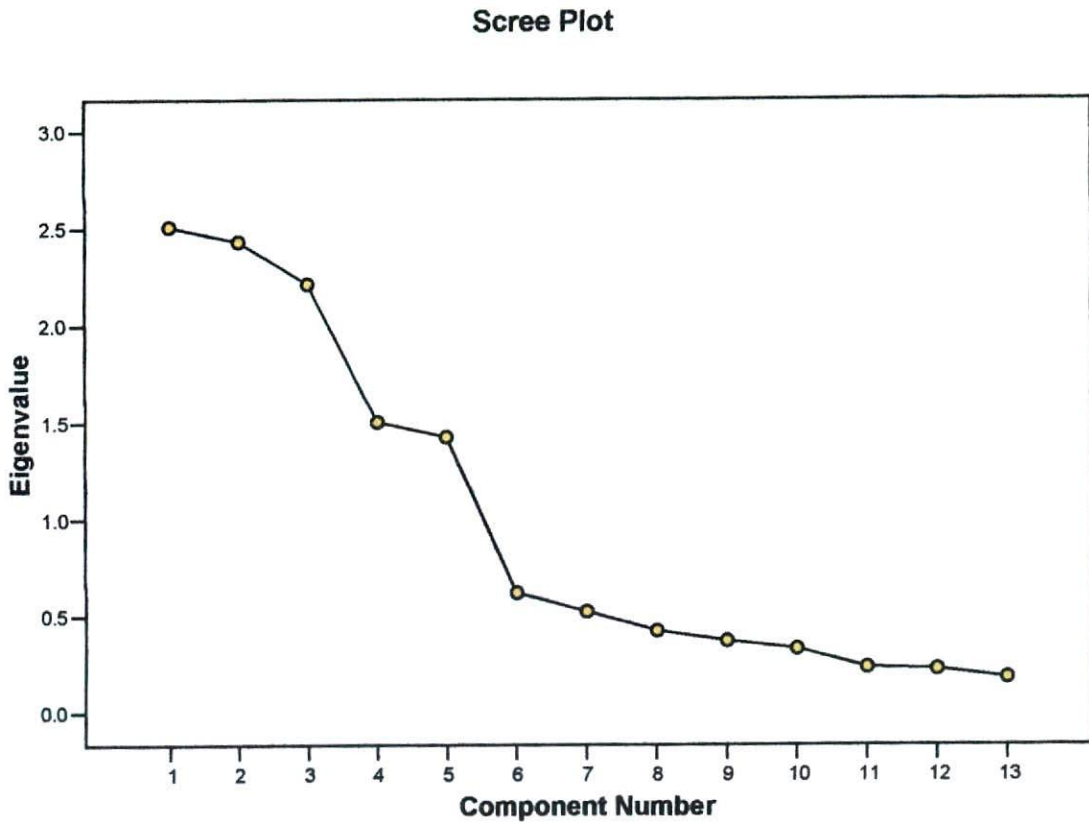
The results of the KMO and Bartlett's Test are given in appendix-B (table-2.3.1.2). The null hypothesis, that the population correlation matrix is an identity matrix, is rejected by the Bartlett's test of sphericity. The approximate chi-square statistic is 502.88 with 78 $\{0.5p (p-1)$ where, p =number of variables} degrees of freedom, which is significant at the 0.05 level. The value of the KMO statistic (0.603) is also large (>0.5). Thus, factor analysis may be considered as an appropriate technique for analyzing the correlation matrix of appendix-B (table-2.3.1.1).

Principal components method with varimax rotation is applied to identify consumer credit impacts on lifestyle opinions (appendix-B, 2.3.2). Because the total variance in the data is considered, the diagonal of the correlation matrix consists of unities (Appendix-B, table 2.3.1.1) and full variance is brought into factor matrix.

Priori determination, and approaches based on eigenvalues, scree plot, percentages of variance accounted are applied to identify the numbers of factors (appendix-B, 2.3.3). Five factors are extracted from lifestyle opinions variables by priori determination method {appendix-B, 2.3.3(i)}. The positive mean score & standard deviation score of variables indicate that consumer credit helps to express the lifestyle opinions of people (appendix-B, table-2.3.3.1).

No one of the communality is too small, so all variables are included in the factor analysis. Appendix-B, table-2.3.3.2 & 2.3.3.3 show the application of principal components analysis to lifestyle opinions. Under “Communalities”, “initial column”, it is seen that the communality for each variable, v1 to v13, is 1.0 as unities were inserted in the diagonal of the correlation matrix. The appendix-B (table-2.3.3.3) labeled “Initial eigenvalues” gives the eigenvalues. The eigenvalues for the factors are, as expected, in decreasing order of magnitude as we go from factor 1 to factor 13. The eigenvalue for a factor indicates the total variance attributed to that factor. The total variance accounted for all 13 factors is 13.00, which is equal to the number of variables. Factor one (first), accounts for a variance of 2.51, which is $(2.51/13)100$ or 19.31 percent of the variance. Likewise, the second factor accounts for $(2.43)100$ or 18.72 percent of the total variance. Similarly, the third factor accounts for $(2.21/13)100$ or 17.03 percent of the total variance, Likely, the fourth factor accounts for $(1.50/13)100$ or 11.57 percent of the total variance, similarly the fifth factor accounts for $(1.43/13)100$ or 10.97 percent of the total variance and the first five factors combined account for 77.60 percent of the total variance. The scree plot associated with this analysis is given in figure-6.3.1.

Figure-6.3.1: Scree plot of some lifestyle (opinion_s) variables related to consumer credit



From the scree plot, a distinct break occurs at five factors. So these five factors are extracted for identifying the flow of lifestyle opinion.

It is seen that the first five factors account for 77.60 percent of the variance (77.60% is greater than 60%), and that the gain achieved in going to five factors is marginal.

From the above analysis, it is seen that the eigenvalue greater than 1.0 (default option) results in five factors extracted. The priori knowledge tells researcher that household product is bought by consumer credit for five major reasons. The scree plot associated with this analysis is given in figure-6.3.1. From the scree plot, a distinct break occurs at five factors. Finally, from the cumulative percentages of variance accounted for, it is seen that the first five factors

account for 77.60 percent of the variance, and that the gain achieved in going to five factors is marginal. Thus, five factors appear to be reasonable in this situation. So, the five factors are extracted for determining the underlying dimension of lifestyle opinion related to consumer credit.

The coefficients of the factor (component) matrix are used to interpret the factors. The factor (component) matrix contains the coefficients used to express the standardized variables in terms of the factors (appendix-B, table-2.3.4.1). Although the initial or unrotated factor matrix (appendix-B, table-2.3.4.1) indicates the relationship between the factors and individual variables, it seldom results in factors that can be interpreted, because the factors are correlated with many variables. For example in appendix-B, table-2.3.4.1 factor 1 is at least somewhat correlated with 9 of 13 variables. For this reason, in such a complex matrix is transformed into a simpler one that is easier to interpret. It is called the rotated component matrix.

In appendix-B, table-2.3.4.1 & 2.3.4.2, by comparing the rotated factor matrix with the unrotated matrix, it is seen how rotation achieves simplicity and enhances interpretability. Whereas 10 variables correlated with factor 1 in the unrotated matrix, only variables v7, v9, v11 correlated highly with factors 1 after rotation. Likewise, v5, v6, v10 correlated highly with factors 2 after rotation. Similarly, v1, v8, v13 correlated highly with factors 3 after rotation. Likewise, v2, v4 correlated highly with factors 4 after rotation. The remaining variables v3 and v12 correlated highly with factor 5. The rotated factor matrix forms the basis for interpretation of the factors.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor. That factor can then be interpreted in terms of the variables that load high on it. Table- 6.3.2 shows Rotated Component Matrix of some lifestyle (opinion) variables related to consumer credit.

Table- 6.3.2: Rotated Component Matrix of some lifestyle (opinions) variables related to consumer credit (a)

	Component				
	1	2	3	4	5
v1	.045	-.162	.874	.084	.012
v2	.104	.027	-.040	.823	.063
v3	-.055	.058	-.102	-.132	.878
v4	-.028	.051	.067	.885	-.045
v5	.080	.792	-.057	-.033	.171
v6	-.005	.888	.019	.169	.089
v7	.883	-.004	.034	.084	.008
v8	.009	.141	.841	.107	.074
v9	.880	-.053	-.037	.052	-.031
v10	-.085	.897	.008	-.026	-.034
v11	.900	.050	-.006	-.042	-.008
v12	.024	.139	.066	.159	.863
v13	-.065	-.017	.844	-.169	-.138

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 4 iterations.

In the rotated factor matrix of table-6.3.2, factor 1 has high coefficients for variables v7 (Borrowed consumer credit to purchase car/ motorcycle helps to communicate with others), v9 (Borrowed consumer credit to purchase household goods helps to differ the identity from others in the society), v11 (Borrowed consumer credit to purchase household goods like TV, computer, fridge etc. helps to get possessions as reflection of the values). Therefore, this factor may be labeled as social opinion factor. Borrowed consumer credit to purchase household goods (T.V, computer, car, motorcycle, dining table, khat etc.) helps people to express their social opinion.

Likewise, there are relatively high correlation among v5 (Borrowed consumer credit to purchase computer/ TV helps to save time & money because of getting information, preparing class note/ lecture sheet/ number of examination scripts), v6 (Borrowed consumer credit to purchase car helps to save time & money because of going any where in a short time), v10 (Borrowed consumer credit to purchase household goods helps to store food for later consumption, keep extra food fresh saved from daily life). Thus factor 2 may be labeled as economics opinion factor. Borrowed consumer credit to purchase household goods (fridge, computer, washing machine, sewing machine, pressure cooker, blender etc.) helps people to save time & money. So this factor may be leveled as economics factor. Borrowed consumer credit to purchase household goods (fridge, computer, washing machine, sewing machine, pressure cooker, blender etc.) helps people to be economy.

Likewise, there are relatively high correlation among v1 (Borrowed consumer credit to purchase TV helps to find reinforcement for personal values, model of behavior, insight oneself, improve oneself), v8 (Borrowed consumer credit to purchase household goods helps to build block of lifestyle), v13 (Borrowed consumer credit to purchase fridge helps to improve health). Therefore, this factor may be labeled as oneself opinion factor. Borrowed consumer credit to purchase household goods (TV, computer, dining table, khat etc.) helps people to improve themselves.

Similarly, v2 (Borrowed consumer credit to purchase car helps to go to school/ college/ university/ madrasa for learning), v4 (Borrowed consumer credit to purchase TV/ computer helps to gather knowledge such as learning distance education, new facts, cooking, real fact of the society, business, science, medical, cultural values etc.) indicate a factor, may be called education opinion factor. Borrowed consumer credit to purchase household goods helps to become educated.

Likely, v3 (Borrowed consumer credit to purchase TV/ computer helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.) and v12 (Borrowed consumer credit to purchase fridge helps to maintain guests). So, factor 5 may be labeled as cultural opinion factor. Borrowed consumer credit to purchase household goods (TV, fridge etc.) helps people to express their cultural opinion. So from the discussion, it can be said that people borrow consumer credit to buy household goods to express their social, economics, oneself, education and cultural opinion.

In appendix-B (table-2.3.6.1), it is seen that only 19 (24.0%) residuals are larger than 0.05, indicating an acceptable model fit. From the above discussion, it is justified that there is a strong association between consumer credit & people's opinion.

From the analysis, it is justified that people borrow consumer credit to buy household goods to do their lifestyle activities, satisfy their interests and express their opinions.

6.4: Analysis of Demographic Variables

The graphical presentations are applied to analyze the relationship between consumer credit and demographic variables of people. The following discussion will help to analyze the demographic data by graphical presentation.

Respondents in a survey were asked to find out the relationship between consumer credit and demographic of people's lifestyle. Questionnaires were presented to five levels of age's group (0-15, 15-30, 30-45, 45-60 & 60-75) of respondents. Respondents were requested to tick any of the age's segments related to him/ her. These data were analyzed by frequency distribution table & pie diagram. Percentage & total number of related age's borrowers are shown in appendix-B (table-2.4.1) & figure-6.4.1 for analyzing the data.

Figure-6.4.1: Consumer credit borrowers are classified according to their age structure

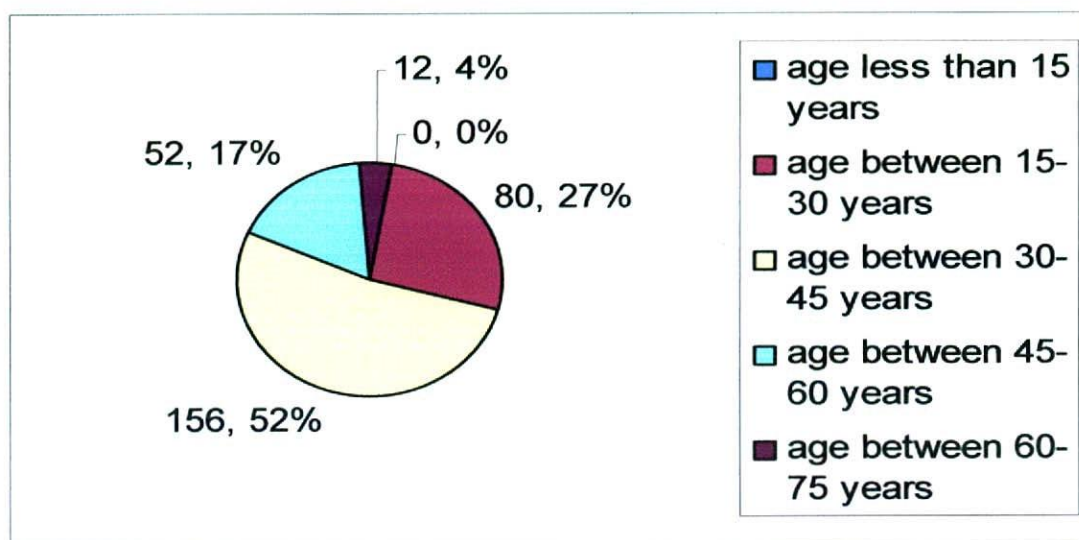


Figure-6.4.1 pie diagram shows the data in appendix-B (table-2.4.1). The figure-6.4.1 shows that age structures of 0-15 years, 15-30 years, 30-45 years, 45-60 years, and 60-75 years of the borrowers of consumer credit are 0%, 27%, 52%, 17% and 4% respectively. The percentage of 30-45 years aged borrowers is more. The percentage of borrowers of 15-30 years aged is not so more. The percentage of 45-60 years borrowers are limited. The percentage of 60-75 years borrowers is very limited.

Questionnaires were submitted to five levels of educational group (below S.S.C, S.S.C-H.S.C, H.S.C-graduate, graduate-post graduate, and Post Graduate-above) of respondents who borrowed consumer credit to purchase household goods. Respondents were requested to tick any of the educational segments related to him/ her. These data were analyzed by frequency distribution table & pie diagram. Percentage & total number of related educational borrowers are shown in appendix-B (table-2.4.2) & figure-6.4.2 for analyzing the data.

Figure-6.4.2: Consumer credit borrowers are classified according to their educational qualification

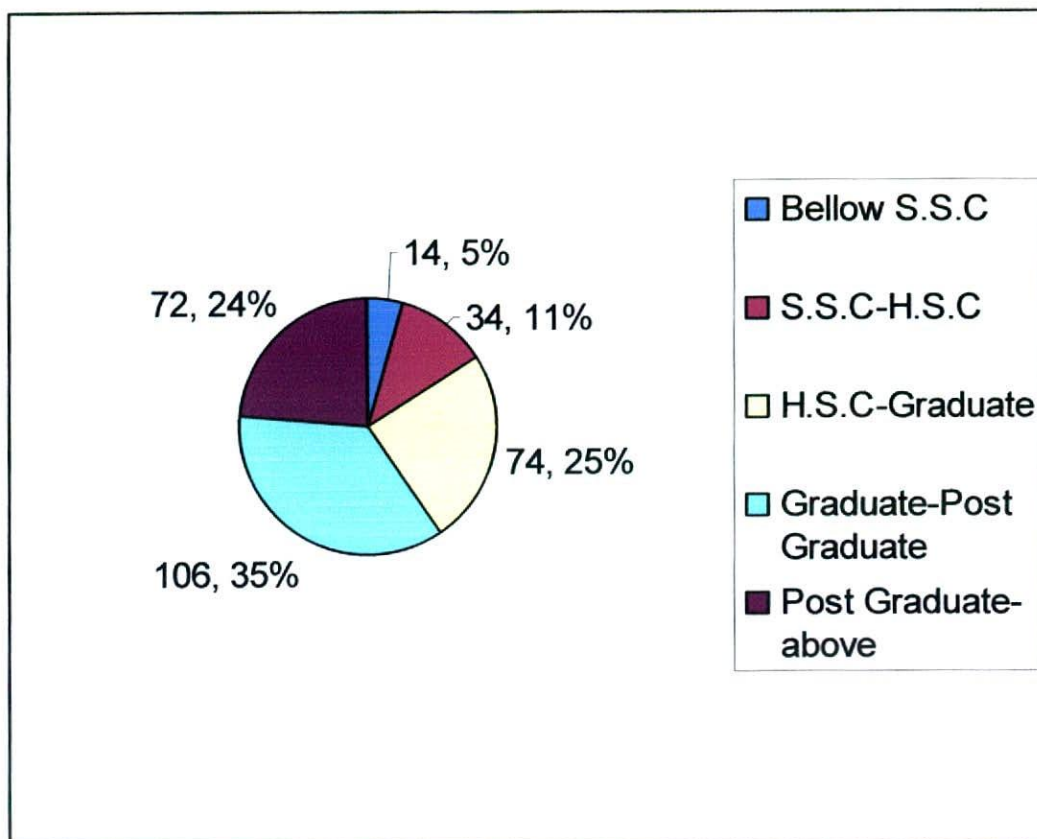


Figure-6.4.2, the pie diagram shows the data in appendix-B (table-2.4.2). The figure-6.4.2 shows that educational qualification of bellow S.S.C, S.S.C-H.S.C, H.S.C-Graduate, Graduate-Post Graduate, and Post Graduate-above borrowers of consumer credit are 5%, 11%, 25%, 35% and 24% respectively. The percentage of Graduate-Post Graduate education level borrowers is more. The percentage of H.S.C-Graduate borrowers is not so more. The percentage of Post Graduate-above borrowers is limited. The percentage of bellow S.S.C borrowers is very limited.

Questionnaires also presented to nine level of monthly income structure (less than tk. 5000, between tk. 5000-9999, between tk. 10000-19999, between tk. 20000-29999, between tk. 30000- 39999, between tk. 40000-49999, between tk. 50000-59999, between tk. 60000-69999, and more than tk.70000) of

respondents who borrowed consumer credit for buying household goods. Respondents were requested to tick any of the income segments related to him/her. These data were analyzed by frequency distribution table & pie diagram. Percentage & total number of related monthly income borrowers are shown in appendix-B (table-2.4.3) & figure-6.4.3 for analyzing the data.

Figure-6.4.3: Consumer credit borrowers are classified according to their monthly income

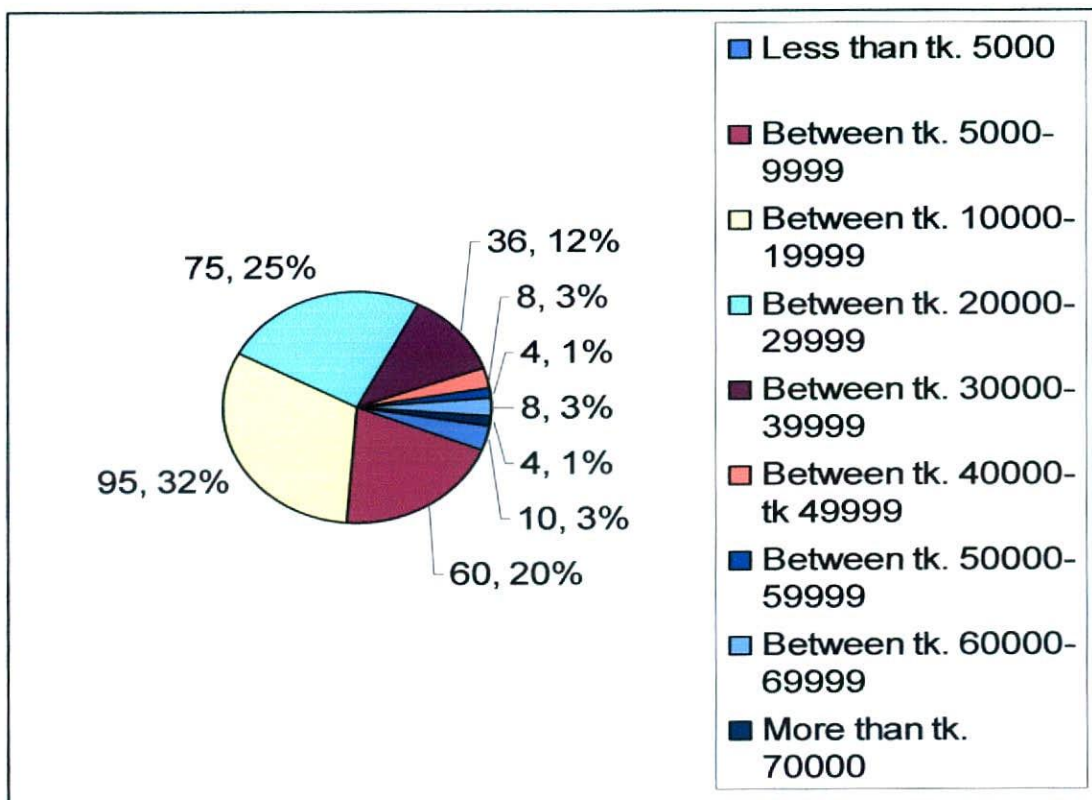


Figure-6.4.3, the pie diagram shows the data in appendix-B(table-2.4.3).The figure-6.4.3 shows that monthly income level of less than tk. 5000, between tk. 5000-9999, between tk. 10000-19999, between tk. 20000-29999, between tk. 30000-39999, between tk. 40000-49999, between tk. 50000-59999, between tk. 60000-69999, and more than tk. 70000 of the borrowers of consumer credit are 3%, 20%, 32%, 25%, 12%, 3%, 1%, 3% and 1% respectively. The percentage between tk. 10000-19999 income level borrowers is more. The percentage between tk. 20000- 29999 & tk. 5000-9999 income level borrowers is not so

more. The percentage between tk. 30000- 39999 borrowers is limited. The percentage of less than tk. 5000, between tk. 50000- 59999, between tk. 60000- 69999, more than tk. 70000 income level borrowers is very limited.

Questionnaires were submitted to two level of occupational group (business & service holder) who borrowed consumer credit to buy household goods. Respondents were requested to tick any of the occupational segments related to him/her. These data were analyzed by frequency distribution table & pie diagram. Percentage & total number of related occupational borrowers are shown in appendix-B (table-2.4.4) & figure-6.4.4 for analyzing the data.

Figure-6.4.4: Consumer credit borrowers are classified according to their occupation

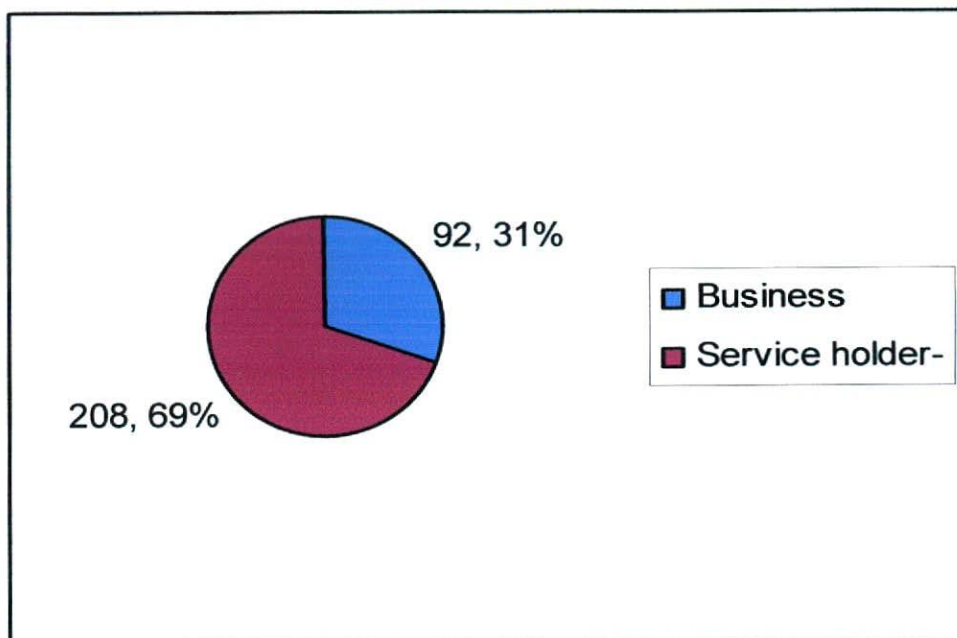


Figure-6.4.4, the pie diagram shows the data in appendix-B (table-2.4.4).The figure-6.4.4 shows that consumer credit borrowers of business & service holders are 31% & 69% respectively. The percentage of service holder borrowers is more. The percentage of business borrowers is not so more.

Questionnaires also presented to four level of family lifecycle stages (unmarried, married without children, married with one children under 6 years old, married with two children one over 6 years old above) who borrowed consumer credit to buy household goods. Respondents were requested to tick any of the family lifecycle stages related to him/her. These data were analyzed by frequency distribution table & pie diagram. Percentage & total number of related lifecycle borrowers are shown in appendix-B (table-2.4.5) & figure-6.4.5 for analyzing the data.

Figure-6.4.5: Consumer credit borrowers are classified according to their family lifecycle

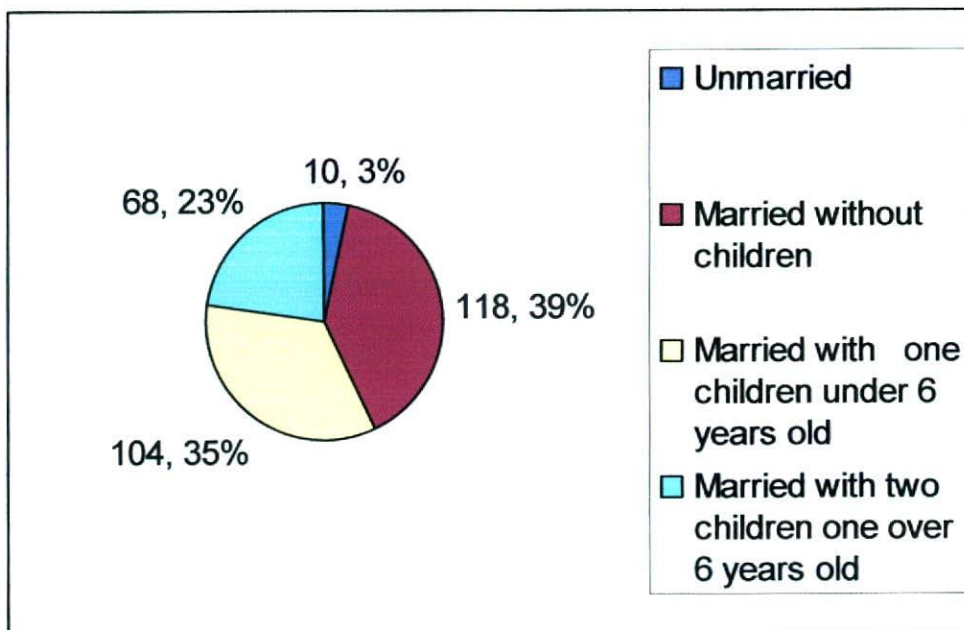


Figure-6.4.5, the pie diagram shows the data in appendix-B (table-2.4.5). The figure-6.4.5 shows that family lifecycle stages of unmarried, married without children, married with one children under 6 years old, married with two children one over 6 years old above number of the borrowers of consumer credit are 3%, 39%, 35%, and 23% respectively. The percentage of married without children & married with one child under 6 year old borrowers is high. The percentage of married with two children one over 6 year's old borrowers is not so more. The percentage of unmarried borrowers is very limited.

Form the above presentation; it is proved that there is a strong association between consumer credit & people's demographics.

Finally, it can be concluded that using household goods borrowed by consumer credit change the lifestyle activities of people, satisfy their desired interests and express their opinions. Using household goods are also related to demographic factors. So the association between consumer credit and lifestyle of people of consumer of Bangladesh is justified by the above analysis.

CHAPTER SEVEN

FINDINGS

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FINDINGS

7.0: Introduction

The purpose of the study is to examine the consumer credit impacts on lifestyle of people of Bangladesh. From the analysis, it is found that there is a strong relationship between consumer credit and lifestyle of people of Bangladesh. The study supports the hypothesis that there is a strong association between consumer credit and people's lifestyle activities, interests, opinions and demographic factors. The study shows that people borrow consumer credit to buy household goods to do their activities, satisfy their interests and express their opinions. Their consumer credit borrowings also depend upon demographic factors. The research findings of consumer credit impacts on lifestyle are summarized in table 7.1.1, 7.2.1 & 7.3.1. The findings of the study are discussed into four following steps:

Step -7.1: The relationship between consumer credit and people's lifestyle activities

The findings of the study summarized in table-7.1.1 shows that people mainly borrow consumer credit for three reasons. They borrow consumer credit to buy household goods to do their work, entertainment activities and social activities. Lifestyle activities performed by household goods borrowed by consumer credit was measured by 15 variables/ items on five point likert scale (strongly disagree=1, disagree=2, neutral=3, agree=4, strongly agree=5). The overall mean score (3.67), standard deviation score (1.07) of these variables indicate that using household goods borrowed by consumer credit solve different activities of people. Factors loading of the variables and % of variance of the factors given in table-7.1.1 proved the hypothesis that there is a strong association between consumer credit and people's lifestyle activities.

Table-7.1.1: Some lifestyle (activities) variables, factor loading and % of variance related to consumer credit.

Brief name of Factors	Factors interpretation(% of variance explained)	Factors Loading	Name of Variables
F1	Work performance(28.14)	.753	V1: Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center.
		.741	v2: Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc.
		.828	V3: Borrowed consumer credit to purchase sewing machine helps to sew dress.
		.583	V4: Borrowed consumer credit to purchase washing machine helps to wash dress.
		.797	V5: Borrowed consumer credit to purchase almira helps to protect cookerries from damage.
		.818	V6: Borrowed consumer credit to purchase wardrobe helps to protect dress from dust.
		.662	V7: Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping.
F2	Entertainment activities(18.34)	.714	V8: Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort.
		.562	V9: Borrowed consumer credit to purchase car/ motorcycle helps to go to auditorium, cinema hall or theater hall for enjoying a program like speeches, drama, dance, cinema, song etc.
		.697	V10: Borrowed consumer credit to purchase computer helps the children to play game.
		.779	V11: Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc. and other games.
		.692	V12: Borrowed consumer credit to purchase computer helps to browse or internet shopping.
F3	Social activities(13.79)	.772	V13: Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out the social roles.
		.376	V14: Borrowed consumer credit to purchase car/ motorcycle helps to go to maintain community center for performing community activity.
		.779	V15: Borrowed consumer credit to purchase car/ TV/ motorcycle/ computer helps to transmit value to others.

The following discussion will help to interpret the findings shown in the table-7.1.1.

1. Work Performance Factor: High variance (28.14%) of this factor indicates that there is a strong association between people's work performance and using household goods bought by consumer credit. The strong correlation among v1, v2, v3, v4, v5, v6, v7 variables indicates work performance factor. Work performance is highly involved by using household goods. Work performance factor is underlying dimension of the following variables which proved that there is a strong association between consumer credit and people's work performance.

v1: Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center.-The mean score (4.61), standard deviation score (0.64971), factor loading (0.753) of this variable support the hypothesis. Car helps people to go to office or working center in a convenience time. They feel comfort, relax & easy to go to office by car which helps them to speed their work or services. Tension free, comfortable & easiest return to home is also possible by using car after doing work. Car motivates people to perform their work effectively & efficiently. Work performance is the underlying dimension of this variable. Strong factor loading of this variable justifies that people buy car for increasing the speed of their work & performing it perfectly. Consumer credit (car loan) offered by banks helps people to buy car for maintaining their lifestyle activities.

v2: Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc.- The mean score (4.5000), standard deviation score (0.70353), factor loading score (0.741) of this variable show positive relation of the people's activities. Computer does wonders. It serves person in ways that cannot be counted. People gather information, store it in computer and sometimes they disseminate it to other people. They use this information or written materials in another time. They need to solve different problems/ activities—like writing, translating, storing and disseminating information by computer. A computer helps them to do correct, easy, speedy and efficient calculation. A computer helps them to keep data safe for long time.

It also helps them to send mail and browse internet. It helps them to perform art and design. It helps them to make plan. They can also buy the printer for printing all of their transaction and written materials by it. Without money a person can not buy a computer. A middle class person, who has limited income, has no ability to buy a computer. He can buy a computer when he gets loan. Consumer credit is such kind of loan which can fill up this gap. So, it is proved that consumer credit is very much necessary for a man for buying a computer for increasing the flow of his or her activities. Literature was reviewed showing that different banks of Bangladesh offer this loan to middle class people for increasing their lifestyle.

V3: Borrowed consumer credit to purchase sewing machine helps to sew dress-

The mean score (4.3900), standard deviation score (0.77714) and factor loading score (0.828) of this variable show positive relation of the people's work performance. Sewing machine helps people to sew dress. Correctible, speedy, fashionable sewing for dress is possible by using sewing machine. A sewing machine is very much necessary for a housewife. By this machine, she can easily sew her or family members dress. Sometime, she can also earn money by sewing dress of neighbors. But sometimes limited income women's ability does not match with their expectation. They require loan from others to fill up their expectation. There are some banks in our country which come forward to solve this problem. Banks offer consumer credit loan to middle class people for buying sewing machine. So a housewife can borrow consumer credit loan for buying sewing machine which will help her to perform sewing activities. So, household goods like sewing machine helps people to speed their activities.

V4: Borrowed consumer credit to purchase washing machine helps to wash dress-

The mean score (4.1700), standard deviation score (0.93263) and factor loading (0.583) of this variable significantly support the hypothesis. Mean, standard deviation and factor loading score prove that people mainly buy washing machine for performing their work. Washing machine is necessary for speed and easy washing of dress. Washing machine helps a housewife to wash

dress. It is also a symbol of status. A housewife feels better to wash cloth in modern process. A middle class housewife has necessity to buy a washing machine but money is needed for buying it. The limited income middle class people have opportunity to borrow money from banks. Our banks now lend money to middle income people to buy household goods like washing machine. So they can borrow money to purchase washing machine which will help them to change their lifestyle activities.

V5: Borrowed consumer credit to purchase almira/ show case helps to protect cookerries from damage- The mean score (4.150), standard deviation score (0.99874) and factor loading (0.797) of this variable indicate the high relationship between consumer credit and People's work performance. Protections of cookerries (plate, glass, tray, cup etc.) from the damage are very much necessary for a person. Cookerries can be protected from the damage by using furniture like showcase, almira etc. People need money to buy showcase. Limited income middle class people are unable to save money for buying showcase. So they need credit for buying furniture like showcase, almira. Banks create vast opportunities for this kind of consumers by lending consumer credit.

V6: Borrowed consumer credit to purchase wardrobe helps to protect dress from dust - The mean score (4.0700), standard deviation score (0.96667) and factor loading (0.818) of this variable show the positive relation of people's activities. Dress is very much necessary for maintaining fashion related activities. People need wardrobe for putting dress into safe & secured. Dresses are protected from dust by wardrobe. Clean dresses are also very much necessary for people. The wardrobe helps them to protect their dress from dust, squints & stealing. The person who cannot collect money for buying furniture (like wardrobe) failed to save dress from dust. Consumer credit offered by our banks can help a person to buy wardrobe. Limited income people can maintain their lifestyle activities very smoothly if they buy furniture by borrowed consumer credit. So consumer credit influences people to speed their lifestyle activities.

V7: Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping-The mean score (3.9700), standard deviation score (0.95827) and factor loading (0.662) of this variable support the hypothesis. A car is needed to go to shopping mall or store for shopping. Having a car means not depending on the kindness of others for going any places. People need car to speed their shopping activities. A car helps to search the information about the product. It helps to reach different shopping mall for searching and buying different products. Consumer credit (car loan) offered by our banks helps to buy car to the middle class people for maintaining all of their lifestyle activities.

2. Entertainment Activities Factor: This aspect of lifestyle factor is concerned with involvement in entertainment activities. High variance (18.34%) of this factor indicates that there is a strong association between people entertainment activities and using household goods borrowed by consumer credit. The strong correlation among v8, v9, v10, v11, v12 variables indicates the entertainment activities factor. Entertainment activities are highly involved with using household goods.

V8: Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort-The mean score (3.9700), standard deviation score (1.05844) and factor loading (0.714) of this variable support the hypothesis. A car helps people to go to park, museum, zoo, Children Park, garden, sea port & near the hill to enjoy natural and modern picture or scenery. A car is also necessary to visit art galleries to see artistic picture of great artesian. People want to go out and see great cities, mountains, big lakes, rivers, seas etc. They may want to get relief from the dullness of life by going on travel. They want to understand Allah's creation. The majestic beauty and grandeur of the sea fill people with a sense of their smallness, humble their pride and for a time carries them away to a world better and nobler than their day to day one (Mohiuddin & Kashem, 2008). Consumer credit (car loan) offered by our banks

helps the middle class people to buy car for maintaining all of their entertainment activities.

V9: Borrowed consumer credit to purchase car/ motorcycle helps to go to auditorium, cinema hall or theater hall for enjoying a program like speeches, drama, dance, cinema, song etc. -The mean score (3.6500), standard deviation score (1.15798) and factor loading(0.562) of this variable support the hypothesis. People need car to do their entertainment activities. Some people find outlet in outdoor recreation. Outdoor recreation is mainly achieved from the function or any ceremony. A function is celebrated in an auditorium. Watching a film is another recreation element in a cinema hall. Watching drama in a theatre hall is also recreation element. A good picture gives people enjoy & education. The art and skill of various film stars leave deep impression on people's mind. If the story of the film is full of tender feelings and emotions, it carries people away one suspense to another. It is possible to get all of these very easily by using transportations (like car, motorcycle). The car/motorcycle also helps people to go to auditorium/ cinema hall for enjoying cinema, function & theater. Consumer credit (car loan) offered by our banks helps the middle class people to buy a car/ motorcycle for maintaining their entertainment activities.

V10: Borrowed consumer credit to purchase computer helps the children to play game - The mean score (3.6100), standard deviation score (1.17975) and factor loading (0.697) of this variable are statistically significant. These indicate that computer helps the people mainly children to play game. Mohiuddin & Kashem (2008) described that sports and games are an excellent means of recreation. Our daily work puts great strain on our energies. It gives us fresh vigor and energy and makes us forget our cares and anxieties. Games are so refreshing that even spectators are enlivened by them. If you look at the faces of thousands of spectators-young and old-we find that they are beaming with excitement and enjoyment. They clap and shout and forget all of their worries. The children of a family need computer for playing games, and sometimes for motivating reading and writing. But ability does not allow a middle class family to buy a computer

because of their limited income. Consumer credits offered by banks create such opportunities for buying a computer. Computer helps people to enjoy their entertainment activities.

V11: Borrowed consumer credit to purchase car/ motorcycle/ TV helps to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc.- The mean score (3.4300), standard deviation score (1.29689) and factor loading (0.779) of this variable are statistically significant. These indicate that car/ motorcycle helps people to go to stadium or venue to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, and bicycle racing etc. A man can go to stadium for excellent means of recreation for enjoying sports & games. Our daily work puts great strain on our energies. It gives us fresh vigor and energy and makes us forget our cares and anxieties. Games are so refreshing that even spectators are enlivened by them. Car helps people to go to stadium beaming with excitement and enjoy. They clap and shout and forget all of their worries. They need to go to stadium or club for enjoying games. But ability does not allow a middle class family to buy a car because of their limited income. Consumer credits offered by banks create such opportunities for buying a car. Car helps people to enjoy their entertainment activities.

V12: Borrowed consumer credit to purchase computer helps to browse or internet shopping- The mean score (2.40), standard deviation score (1.31809) do not support the hypothesis. But factor loading (0.692) of this variable supports the hypothesis. Positive factor loading indicates that people buy computer for internet (one of many causes) use. By using internet a man can chat with other. They can easily communicate with their relative, friends or others. Strong relationship & friendship are possible by using internet. Sometimes they need not to go to shopping mall or other places for buying something. They can easily buy anything by using internet. Though it has no vast application in our country now, but it has a great future. In a developed country like America, internet is popular communicating media. Money is necessary for buying computer to use

internet. Middle class people who have no money for buying computer can borrow loan from bank.

3. Social Activities Factors: This aspect of lifestyle is concerned with involvement in social activities. High variance (13.79 %) of this factor indicates that there is a strong association between people social activities and using household goods borrowed by consumer credit. The strong correlation among v13, v14, v15 variables indicates social activities factor. Social activities are highly involved in using household goods. Social activities are underlying dimension of the following variables.

V13: Borrowed consumer credit to purchase car/ motorcycle/ TV helps to carry out social roles- The mean score (2.5100), standard deviation score (1.30651) and factor loading (0.772) of this variable significantly support the hypothesis. High factor loading of this variable mainly indicates as social factor. People live in a society. They perform different activities for people of the society. People in society are connected with activities in which people meet each other for pleasure. Social events indicate our pattern of interaction with other people. Various form of pressure from others (family, friends, coworkers etc.) affects what is acceptable to buy at some given time. Clarke (1989) identified that Weber's (1948) conception of lifestyle is not in dependent of class but is merely manifestation of class membership. This holds especially true for visible items. A car/ motorcycle helps people to meet each other. A sofa set helps people to sit comfortably and interact with each other. TV helps them to know about the fact, value, cultural activities of their society. Household goods (like furniture, computer, car, TV, motorcycle) are needed by pressure of others (family, friends & coworkers who are the members of the society). All of these household goods play a vital role for people's activities. Personal relationships and social networks play their roles for debtors. Consumer debt involves individual's ties with many other actors in the network. A study on consumer saving found that non-savers hide their financial situations from their relatives and friends (Lunt and Livingstone, 1991), which indicates that social support varies upon people's

financial situations, like sofa sets, TV, fridge which, if not acceptable by a certain peer group, may causes personal embarrassment (Berkman & Gilson,1978). Household goods (like TV, fridge, sofa set) help them to speed their lifestyle activities. But they need money to buy household goods. Limited income people have opportunity to borrow money for buying household goods from the banks. So, household goods (like TV, fridge, sofa set) bought by consumer credit is strongly associated with people's social activities.

*V14: Borrowed consumer credit to purchase car/ motorcycle helps to go to community center for performing community activity-*The mean score (3.39) and standard deviation score (1.42059) of this variable support the hypothesis but factor loading (0.376) was not good. Household goods (like car, motorcycle) are necessary for going to maintain community activity. Weak factor loading indicate that people buy car to maintain community activities but it is not a major cause.

V15: Borrowed consumer credit to purchase car/ TV/ motorcycle/ computer helps to transmit value to others- The mean score (2.3500), standard deviation score (01.30557) and factor loading (0.779) of this variable indicate positive relation with the social activities of people. People learn value from watching TV. Values play an important role for individuals, "guiding actions, attitudes, judgment, and comparisons across specific objects" (Rokeach, 1973; Robert and Jones, 2001). The value consumers' place on particular possessions is made in terms of personal values. The possessions people hold as important are a reflection of their values (Richins, 1992). It is clear that patterns of consumption will be the result of consumer values. People transmit their value to others by using household goods like computers, TV etc. Factor loading of this variable indicate a dimension called social activities. Limited income middle class people require money for buying household goods. Banks help them to sanction consumer credit for buying this product to transmit the value to others.

From the above discussion; it is concluded that people borrow consumer credit to buy household goods for performing their work, doing their entertainment activities & social activities.

Step -7.2: The relationship between consumer credit and People's lifestyle interests

The analysis of the study supports the second hypothesis that there is a strong association between consumer credit and people's lifestyle interest. The findings of the study show that people borrow consumer credit to buy household goods for the interest of their family, home, recreation, food and fashion. People's lifestyle interest was measured by using 15 variables; each variable was measured on 5 point likert scale (1=strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree) with an overall mean score of 3.80 & standard deviation of 1.19. The overall mean score and standard deviation score indicate positive relation of the people's interests and consumer credit. People's interests are lifestyle variables associated with the household products which are bought by consumer credit. Factors loading of variables and % of variance of the factors shown in table-7.2.1 prove the hypothesis that there is a strong association between consumer credit and people's lifestyle interests.

These 15 variables and five factors of lifestyle interests are:

1. Family Factor: This aspect of lifestyle is concerned with involvement in interest to family. High eigenvalue (4.084) & % variance (27.225) of this factor indicate that there is a strong association between people interest to family and using household goods bought by consumer credit. The strong correlation among v5, v7, v9, v10, v11 variables indicates family interest factor. People have interest to their family. The family is the most important consumer buying organization in society. Husband and wife are interested with each other and their children on the purchase of different products and services. Middle class people seek products for family member's education and career. Buying household goods is highly dependent on the people who are interested to family.

Table-7.2.1: Some lifestyle (interests) variables, eigenvalue, factor loading of variables and % of variance of factors related to consumer credit.

Brief name of Factors	Factors interpretation (% of variance explained)	Eigen value	Factors loading	Name of Variables
F1	Family (27.23)	4.08	.867	V5: Borrowed consumer credit to purchase household goods helps to get affiliation of family solidarity, relaxation and relationship.
			.807	V7: Borrowed consumer credit to purchase household goods helps to exhibit family status.
			.749	V9: Borrowed consumer credit to purchase sofa set helps family members to comfort sitting on sofa set.
			.857	V10: Borrowed consumer credit to purchase dining table helps family members to comfort sitting and eating on dining table.
			.888	V11: Borrowed consumer credit to purchase bed (khat) helps to comfort sleeping on bed (khat) for family members.
F2	Home (18.24)	2.74	.875	V2: Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution.
			.866	V3: Borrowed consumer credit to purchase household goods helps to perform household task
			.839	V13: Borrowed consumer credit to purchase TV/ computer/ car/ motorcycle helps to collect lots of information about home.
F3	Recreation (11.79)	1.77	.861	v4: Borrowed consumer credit to purchase car/ motorcycle helps to maintain community.
			.809	V6: Borrowed consumer credit to purchase car/ motorcycle helps the family members to visit enjoyable places for recreation.
			.789	V8: Borrowed consumer credit to purchase household goods helps people to reduce emotion, worries, problem, and tiredness.
F4	Food (10.01)	1.50	.877	V15: Borrowed consumer credit to purchase blender machine/ oven/ pressure cooker helps people to enjoy fast food, drink juice & other tasty food.
			.896	V1: Borrowed consumer credit to purchase fridge helps to keep food, fruits, vegetables etc. fresh.
F5	Fashion (9.25)	1.39	.876	V12: Borrowed consumer credit to purchase TV/ computer helps to find out latest fashion.
			.891	V14: Borrowed consumer credit to purchase household goods helps to decorate the home in a new style.

V5: Borrowed consumer credit to purchase household goods helps to get affiliation of family solidarity, relaxation and relationship-This variable has very much positive relation with the hypothesis. The mean score (3.9500), standard deviation score (1.19236) and factor loading (.867) of this variable indicate that using household goods bought by consumer credit solves different interest to family of the people. People are very much interested to their family. Family is a group consisting of one or two parents and their children. Family members can strongly influence buyers' behavior. Family is the most important consumer buying organization in society, and it has been researched extensively. Marketers (here bankers) are interested in the roles and influence of the husband, wife and children on the purchase of different products and services. Husband-wife involvement varies widely by products categories and by stage in the buying process. Buying roles change with evolving consumer lifestyle (Kotlar & Armostrong, 2007). People want to buy household goods for getting affiliation of family solidarity, relaxation and relationship. But sometime financial ability does not allow them to buy these kinds of products. They require credit to increase their financial ability for the household consumption. Consumer credit helps people to buy household goods for the immediate use of their family members.

V7: Borrowed consumer credit to purchase household goods helps to exhibit family members' status- The mean score (3.82), standard deviation score (1.29), factor loading (.807) of this variable indicate positive relation with the interest of family status of people. People are very much interested to show their family status. Today, status is seen more through ownership of status products than through personal, occupational, or family reputation (Eastman et al., 1997). People who are very much interested to their family members' status, they required money to buy household goods for showing their status. Consumption needs (to use car, TV, fridge, computer etc.) do not always match the flow of income accruing to consumers. Consumer credit offered by our banks can fill up this gap. People who are very much interested to exhibit family member's status can buy household goods by borrowing consumer credit.

V9: Borrowed consumer credit to purchase sofa set helps family members and others to comfort sitting on sofa set -The mean score (3.9600), standard deviation score (1.17997) and factor loading (.749) of this variable indicate positive relation with the interest of people. People, who are very much interested to their family, want to buy sofa set for family members comfort sitting. Sofa set is very much necessary for family members to maintain guest & to show their status to the society. It is also necessary for passing leisure time by watching TV, reading book & gossiping with family members. But it is impossible for them to buy a sofa set who have limited income but not savings. They need money for buying sofa set. Consumer credit offered by our banks is a good source for borrowing money. They can buy a sofa set for their family members by borrowing money from the banks for increasing their life style.

V10: Borrowed consumer credit to purchase dinning table helps family members to comfort sitting and eating on dinning table - The mean score (3.9800), standard deviation score (1.13689) and factor loading (.857) of this variable indicate positive relation with the interest of people. People who are very much interested to their family want to buy dinning table for family members comfort eating on sitting. Dinning table is very much necessary for a family to maintain guest & to show their status to the society. But all time money does not support them to buy dinning table. Consumer credit offered by our banks is a good source for borrowing money. They have opportunity to buy a dining table for their family members by borrowing money from banks for increasing their life style. People have interest to buy a dinning table for comfort sitting in eating of their family members.

V11: Borrowed consumer credit to purchase khat helps to comfort sleeping on khat for family members- The mean score (3.9600), standard deviation score (1.13636) and factor loading (.888) of this variable indicate positive relation with the interest of people. People who are very much interested to their family want to buy khat (bed) for family members comfort sleeping. Bed (Khat) is very

much necessary for a family to maintain guest & to show their status to the society. It is also helpful for passing leisure time by watching TV, reading book & gossip with family members. But it is impossible to buy beds for them who have no savings. They need money for buying bed. Consumer credit offered by our banks is good source for borrowing money. They have opportunity to buy beds for their family members by borrowing money from banks for increasing their life style.

2. Home Factor: This aspect of lifestyle is concerned with involvement in interest to home. High eigenvalue (2.74) & % of variance (18.239) of this factor indicate that there is a strong association between people interest to home and using household goods borrowed by consumer credit. The strong correlation among v2, v3, v13 variables indicates home interest factor. Buying household goods is highly dependent on the people who are interested to home.

V2: Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution- This variable is very much related to people's interest to home. The mean score (3.8500), standard deviation score (1.29782) and factor loading (.875) of this variable significantly support the hypothesis. Well decoration of a home is very much necessary to stay there in long time. Film, movie, music etc. are used to entertain people. People enjoy cinema, drama, and such other popular programs by watching TV, VCP, VCR and listening radio. After a day's or week's hard work, people's heart naturally wish to have some amusement (entertainment). They can enjoy story, music, dancing and see sight and facts of life at a nominal cost by watching TV, VCP or listening radio. All these give great relief to their mind (Mohiuddin & Kashem, 2008). If the necessary household goods are present at the home, they need not to go to outside for enjoyment. People, who are interested to home, want to buy household goods. They need money to buy household goods (like TV, VCP or VCR) for staying at home. Some people in our society have no ability to collect the money for buying these products because of their limited income. So they need credit. Consumer credit offered by

different banks can fill up this gap. If people buy a TV by borrowing consumer credit, they need not to go outside for enjoying cinema, drama etc. They are more likely to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution.

V3: Borrowed consumer credit to purchase household goods helps to perform household task -This variable is very much related to people's interest. The mean score (4.0500), standard deviation score (1.20080) and factor loading (0.866) of this variable significantly support the hypothesis. People want to stay at home not only for leisure time but also for household task. They need some household goods which help them to perform household tasks. Pressure cooker helps quick cooking. Blender helps to make juice, oven helps to warm food. Computer helps to store & disseminate information. It helps to calculate transactions etc. Household goods are very much necessary for those who want to perform their home work. Consumption needs (to use cars, TV, fridge, computer etc.) do not always match the flows of income acquiring to consumers. Consumer credit offered by our banks can fill up this gap. People who are very much interested to perform household task can buy household goods by borrowing consumer credit.

V13: Borrowed consumer credit to purchase TV/ computer/ car/ motorcycle helps to collect a lot of information about home- The mean score (4.0200), standard deviation score (1.21423) and factor loading (0.839) of this variable indicate positive relation with the interest of people. People collect lots of information about decorating the home by watching television and using computer. Chandler (1994) argued that watching TV helps to shape audience needs and expectations. They gather information about decoration & style of the home by watching TV. They get information about household goods which help them to speed their home work. People who are very much interested to gather information, to show personal identity, to gain integration, to maintain social interaction, to get entertainment for their families, have necessity to buy a television and computer. Sometimes the crises of money do not allow them to

meet their interest to buy a television or computer. They require loan to buy home related products. Different banks of Bangladesh come to meet their need by offering consumer credit.

3. Recreation Factor: This aspect of lifestyle is concerned with the involvement in interest to recreation. The eigenvalue (1.768) & % of variance (11.785) of this factor indicate that there is a strong association between people's interest to recreation and using household goods borrowed by consumer credit. The strong correlation among v4, v6, v8 variables indicates people's interest to recreation factor. Buying household goods is highly dependent on the people who are interested to recreation.

v4: Borrowed consumer credit to purchase car helps to maintain community- The mean score (3.7800), standard deviation score (1.19409) and factor loading (.861) of this variable significantly support the hypothesis. People can attend any community activities very easily if they have a car. A car is a prestigious product with very much relation to community variable. Some people in our society have no ability to collect the money for buying a car because of their limited income. So they need credit. Consumer credit offered by different banks fills up this gap. So people need credit to buy a car for maintaining their community activities.

V6: Borrowed consumer credit to purchase car/ motorcycle helps family members to visit enjoyable place for recreation- The mean score (3.8600), standard deviation score (1.16359) and factor loading (.809) of this variable support the hypothesis. The people who are very much interested to visit enjoyable place for recreation, they need a car. Because having a car means not depending on the kindness of others where a person and his family need to go. Some people want outdoor recreation. They want to go to park, museum, zoo, restaurant, lake and other enjoyable places. A car helps them to go there. Consumer credit loan (car loan) offered by banks helps the middle class people to buy car for maintaining all of their lifestyle activities.

V8: Borrowed consumer credit to purchase household goods helps to reduce emotion, worries, problem, and tiredness - This variable is very much related to lifestyle interest of people. The mean score (3.8400), standard deviation score (1.17825) and factor loading (.789) of this variable significantly support the hypothesis. Most of the people are interested to reduce emotion, worries, problem, and tiredness of them and their family members. By watching TV programmes (like dance, song, drama), a person can reduce his emotion, worries, problem, and tiredness. Comfort sitting on sofa set reduces people's tiredness. Visiting enjoyable places by car reduces people worries. Consumers need household goods for reducing their and their family member's emotion, worries, problem, and tiredness. But their flows of income do not support to buy household goods. They need credit for buying this product. They can buy household goods by borrowing consumer credit from banks to reduce emotion, worries, problem, and tiredness. Borrowed consumer credit to purchase household goods reduces emotion, worries, problem, and tiredness. So, consumer credit is associated to people's interest to recreation.

4. Food Factor: This aspect of lifestyle is concerned with involvement in interest to food. The eigenvalue (1.50) and % of variance (10.01) of this factor indicate that there is a strong association between people's interest to food and using household goods borrowed by consumer credit. The strong correlation between v1 and v15 variables indicates that people are interested to food factor. Buying household goods is highly dependent on the people who are interested to food.

V15: Borrowed consumer credit to purchase blender machine/ oven/ pressure cooker helps to enjoy fast food, drink juice & other tasty food- The mean score (4.0400), standard deviation score (1.08171) and factor loading(.877) of this variable significantly support the hypothesis. Consumer who is very much interested to eat varieties of food, they need food preparation materials. They make juice with the help of blender machine. They warm food with the help of

oven. They make fast food with the help of toaster machine. Sometimes they face financial crises to meet their interests to buy a blender machine/ oven/ pressure cooker etc. They require loan for buying these household goods. Different banks of Bangladesh come to meet their need by offering consumer credit.

V1: Borrowed consumer credit to purchase fridge helps to keep food, fruits, vegetables etc. fresh- The mean score (4.0600), standard deviation score (1.06192) and factor loading (.896) of this variable support the hypothesis. Keeping food, fruits, vegetables etc. fresh are very much necessary for people. Without fresh food, nobody can imagine good health. Fridge is a household product which keeps food, vegetables, and fruits etc. fresh. People are now very busy. They need to eat on the run. They need to eat breakfast in the car on the way to work, munch on a sandwich while walking, or eat lunch at their desks. They need to take less time spent in preparing and eating food. Fridge, pressure cooker, blender and microwave ovens are very much necessary for solving these problems. People make bread and fry eggs in idle time. They buy food, fruits, and vegetables in holiday or idle time. They keep these into fridge. They make warm these by microwave ovens and consume it into busy time. In this way, people can activate their work by maintaining good health. But limited income middle class people have no ability to buy a fridge or microwave ovens. Some banks in our country come to solve these problems. They offer consumer credit to the people for buying household goods like fridge, microwave oven, blender, pressure cooker to increase their lifestyle. So Borrowed consumer credit to purchase household goods (like oven, pressure cooker etc.) is very much related to peoples' interest to food.

5. Fashion Factor: This aspect of lifestyle is concerned with the involvement in interest to fashion. The eigenvalue (1.388) & % of variance (9.25) of this factor indicate that there is a strong association between people interest to fashion and using household goods borrowed by consumer credit. The strong correlation between v12 & v14 variables indicates that people are interested to fashion

factor. Buying household goods is highly dependent on the people who are interested to fashion.

*V12: Borrowed consumer credit to purchase TV/ computer helps to find out latest fashion-*The mean score (2.9600), standard deviation score (1.30206) and factor loading (.876) of this variable indicate positive relation with the interest of people. People collect lot of information by watching television, using computer. In this regard, Chandler (1994) argued that watching TV helps to shape audience needs and expectations. Most of the consumers gather knowledge about the fashion from TV advertisement. They are also learning about the fashion from film. They mainly follow the fashion of reference group (secondary) like film star, hero, heroin, sportsman, singer by watching TV. The TV helps a consumer to follow the latest fashion. They can also collect information by using computer. Limited income middle class people borrow consumer credit to buy TV for finding out latest fashion.

V14: Borrowed consumer credit to purchase household goods helps to decorate the home in a new style- The mean score (2.8300), standard deviation score (1.23954) and factor loading (.891) of this variable indicate a positive relation to people interest to fashion. People want to decorate their house in a new style. House can be decorated by household goods like TV, fridge, sofa set, almira, showcase etc. Well decoration of a house indicates the lifestyle of people. People want to show their lifestyle in the society. Well decoration is possible only when money is available. But limited income people need money to buy household goods for decorating their home. They have opportunity to borrow consumer credit from the banks for buying household goods to ensure the well decoration of their house.

Form the above discussion; it can be concluded that people borrow consumer credit to buy household goods for the interest of their family, home, recreation, food & fashion. So there is a strong association between consumer credit &

people's lifestyle interests. Borrowed consumer credit to purchase household goods helps to satisfy the interest of people.

Step -7.3: The relationship between consumer credit and People's lifestyle opinions

The analysis of the study supports the third hypothesis that there is a strong association between consumer credit and people's opinion. People express their opinion according to the view of themselves, their economics conditions, their social issues, their education and their culture. The findings of this thesis show that people borrow consumer credit to buy household goods for expressing their view of themselves, showing their social status and culture, being economic, being educated. People's opinion is measured by using 13 variables; each variable is measured on 5 point likert scale (1=strongly disagree, 2=disagree, 3=Neutral, 4=agree, 5=strongly agree). The overall mean score & standard deviation score are 3.008 & 1.16 respectively. The overall mean score and standard deviation score indicate positive relation of the people's opinions and consumer credit. People normally buy product according to the basis of their opinions or attitudes. Limited income middle class people opinion is to improve their view of themselves, be educated, change their economics condition, and maintain their society and culture. Household goods are very much necessary for doing these. Factor loading, eigenvalue and % of variance of lifestyle opinion variables related to consumer credit are shown (table-7.3.1) the relationship between consumer credit & lifestyle opinion.

These thirteen variables and five factors of lifestyle opinion are:

1. Oneself Factor: This aspect of lifestyle is concerned with involvement in opinion of oneself. High eigenvalue (2.214) & % of variance (17.031) of this factor indicate that there is a strong association between people opinion of themselves and using household goods borrowed by consumer credit. The strong correlation among v8, v1, v13 variables indicates opinion factor. Buying household goods is highly depending on the opinion of the people to themselves.

Table-7.3.1: Some lifestyle (opinion/attitude) variables, factors loading of variables, eigenvalue and % of variance of factors related to consumer credit.

Brief name of Factors	Factors interpretation(%of variance explained)	Eigen value	Factors loading	Name of Variables
F3	oneself (17.03)	2.21	.841	V8: Borrowed consumer credit to purchase household goods helps to build block of lifestyle.
			.874	V1: Borrowed consumer credit to purchase TV helps to find reinforcement for personal value, model of behavior, insight oneself, improved oneself.
			.844	V13: Borrowed consumer credit to purchase fridge helps to improve health.
F2	economics (18.72)	2.43	.792	V5: Borrowed consumer credit to purchase computer/ TV helps to save time & money because of getting information, preparing class note/ lecture sheet/ number of examination scripts etc. in a short time.
			.888	V6: Borrowed consumer credit to purchase car/ motorcycle helps to save time & money because of going any where in a short time.
			.897	V10: Borrowed consumer credit to purchase fridge helps to store food for later consumption, keep extra food fresh saved from daily life.
F1	social (19.31)	2.51	.883	V7: Borrowed consumer credit to purchase car/ motorcycle helps to communicate with others.
			.880	V9: Borrowed consumer credit to purchase household goods helps to differentiate the identity from others in the society.
			.900	V11: Borrowed consumer credit to purchase household goods helps to get possessions as a reflection of values.
F4	education (11.57)	1.50	.823	V2: Borrowed consumer credit to purchase car helps to go to school/ college/ university/ madrasa for learning.
			.885	V4: Borrowed consumer credit to purchase TV/ computer helps to gather knowledge such as learning distance education, new facts, cooking, real fact of the society, business, science, medical, cultural values etc.
F5	culture (10.97)	1.43	.878	V3: Borrowed consumer credit to purchase TV/ computer helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.
			.863	V12: Borrowed consumer credit to purchase fridge helps to maintain guests.

V8: Borrowed consumer credit to purchase household goods helps to build block of lifestyle-The mean score (3.7500), standard deviation score (1.33617) and factor loading (.841) of this variable show the positive relation of the people's opinions. Some people think that products are building blocks of

lifestyles. Consumers often choose products, services, and activities over others because they are associated with a certain lifestyle. An individual's lifestyle bears the influence of participation in social group and relationships with others. They need credit to buy household goods to improve themselves. Credit converts individuals into consumers by expanding their purchasing power. Additional purchasing power is created simply by binding the consumers into the credit system. When consumers enter the credit system, they are indexed and continually recertified (Poster & Kling, 1990). People want to buy product for building block of their lifestyle. They think that borrowed consumer credit to purchase household goods helps to build block of lifestyle.

V1: Borrowed consumer credit to purchase TV helps to find reinforcement for personal values, model of behavior, insight oneself, improved oneself- The mean score (3.7700), standard deviation score (1.33979) and factor loading (.874) of this variable show the positive relation of people's opinions. By watching TV, people want to find reinforcement for their personal values. They learn behavior from others. They gain knowledge. They learn something which helps them to improve themselves. A computer helps them to provide information. People learn following values: achievement and success, activity and involvement, efficiency and practicality, progress, material comfort, individualism, freedom, humanitarianism, youthfulness, and fitness and health by watching TV. They need household goods (like TV, computer) to find reinforcement for their personal values, model of behavior, insight themselves, improvement themselves. But all the time they are not able to buy household goods because of their financial crises. They need consumer credit to buy household goods to express themselves.

V13: Borrowed consumer credit to purchase household goods helps to improve health- The mean score (3.8200), standard deviation score (1.28220) and factor loading (.844) of this variable indicate positive relation with the opinion of the people. Most of the people believe "Health is the root of all happiness". They always try to maintain their health. Balanced diet is necessary for good health.

Fridge is necessary for maintaining balanced diet. They can store food, fruits, vegetables, meat and fish in fridge. Fridge keeps food fresh. Availability of household goods also reduces their tension. They want to buy household goods for maintaining their good health. But limited income people are not always able to buy household goods (like fridge, microwave ovens, blender machine etc.). There are some banks in our country that solve these problems. They offer consumer credit to the people for buying household goods (like fridge, microwave ovens) which help to improve their health. So, borrowed consumer credit to purchase household goods helps to maintain their health.

2. Economics Factor: This aspect of lifestyle is concerned with involvement in opinion of economics. High eigenvalue (2.434) & % variance (18.72) of this factor indicate that there is a strong association between people opinion of economics and using household goods borrowed by consumer credit. The strong correlation among v5, v6, v10 variables indicate economics opinion factor.

V5: Borrowed consumer credit to purchase computer/ TV helps to save time & money because of getting information, preparing class note/ lecture sheet/ number of examination scripts- The mean score (3.4330), standard deviation score (1.39447) and factor loading (.792) of this variable show positive relation of people's opinion. People need computer to do correct, easy, speedy and efficient calculation. They can collect lot of information by using computer. They save time and money because they need not to go any where for collecting information. They save money by preparing class note, lecture sheet, examination scripts etc. Computer helps to keep data safe and secured for a long time. They can also buy the printer for printing all of their transaction and written materials. People hear news and get information from TV. So they need not to go to anywhere for getting information. But middle class people always face money problem for buying this kind of goods. Different banks in Bangladesh offer this loan to people for buying computer. They play a vital role for middle class people in Bangladesh to save time and money.

V6: Borrowed consumer credit to purchase car/ motorcycle helps to save time & money because of going any where in a short time- The mean score (3.5700), standard deviation score (1.31237) and factor loading (0.888) of this variable significantly support the hypothesis. Lifestyle refers to a pattern of consumption reflecting a person's choice of how he or she spends time and money. In economics' sense, one's lifestyle represent the way one has elected to allocate income, both in terms of relative allocation to different products and services, and to specific alternative within this categories (Zablocki & Kanter,1976). A person's economic situation affects his product choice. A person can consider buying an expensive Nikon if he has enough spendable income, savings, and interest rate (Kotlar and Armstrong, 2007). The car helps people to go any places in a short time. Household goods (like TV, computer, car) help people to get information. They need not to go to a destination for getting information. They easily get it from watching TV, browsing the internet. They save time & money by downloading information. They can save time and money by using household goods. Middle class people need consumer credit for buying their household goods for saving time and money.

V10: Borrowed consumer credit to purchase fridge helps to store food for later consumption, keep extra food fresh saved from daily life- The mean score (3.5300), standard deviation score (1.33678) and factor loading (.897) of this variable indicate positive relation with the activities of people. Fridge helps to store food for daily life. People can buy a large amount of food, vegetables and fruits if they have fridge. Buying large amount of food, vegetables also reduce unit cost. Balanced diet is necessary for good health. Fridge is necessary for maintaining balanced diet. People can store food, fruits, vegetables, meat and fish in fridge. Fridge keeps food fresh. They want to buy household goods for maintaining their good health. But limited income people have no ability to save money to buy a fridge or microwave ovens. Some banks in our country come to solve these problems. They offer consumer credit to the people for buying household goods (like fridge, microwave oven) to increase their lifestyle.

Borrowed consumer credit to purchase household goods helps to save extra food fresh from daily life.

3. Social Factor: This aspect of lifestyle is concerned with involvement of opinion in the society. High eigenvalue (2.510) & % of variance (19.307) of this factor indicate that there is a strong association between people opinion in society and using household goods borrowed by consumer credit. The strong correlation among v7, v9, v11 variables indicate social opinion factor. Buying household goods highly depends on the social opinion of the people.

V7: Borrowed consumer credit to purchase car helps to communicate with others- The mean score (3.0600), standard deviation score (1.40576) and factor loading (0.883) of this variable significantly support the hypothesis. People who are interested to communicate with other have necessity to buy car, television, radio, and computer. A car is more than a symbol of solvency of prestige. Having a car means not depending on the kindness of others where people and their family need to go. But consumption needs (to use car, computer, television) do not always match the flow of income acquiring to consumers. They require credit for satisfying this need. Consumer credit offered by our banks comes to satisfy their need. They can easily buy car, computer, television by borrowing consumer credit. From the above explanation, it is estimated that there is a strong relationship with people's opinion in society and using household goods borrowed by consumer credit.

V9: Borrowed consumer credit to purchase household goods differentiates the identity from others of the society- The mean score (3.0000), standard deviation score (1.43548) and factor loading (.880) of this variable indicate positive relation with the opinion of people. This variable indicates social factor. People opinion is made up from behavior and value of the society where they live. Bourdieu (1984) argued that social life is in essence a competition for status attainment in which actors compete for status in multiple arenas called fields. Actors attain status in these fields by utilizing varying allotments of status-

generating assets, namely, economic capital (financial resources), social capital (relationships, network ties, organizational affiliations), and cultural capital (skills, tastes, knowledge, practices). Weber (1948) argued that divisions in society arise not only from class, which is based on economic relationships; but also from status, which is based on honor. A status group is distinguished by the honor accorded to it by the rest of the society, but also by its particular style of life (Clarke, 1989). Consumers demonstrate their social power by displaying their material wealth because wealth is the best indicator of power in modern society (Bell, 1998). Today, status is shown more through ownership of status products than through personal, occupational, or family reputation (Eastman et al., 1997). People who want to show their family status, they need money to buy household goods. Consumption needs (to use cars, TV, fridge, computer etc.) do not always match with the flows of income accruing to consumers. Consumer credit offered by our banks can fill up this gap. People who are very much motivated to exhibit family member's status can buy household goods by borrowing consumer credit.

V11: Borrowed consumer credit to purchase household goods helps to get possessions as reflection of the values- The mean score (2.9600), standard deviation score (1.46969) and factor loading (.900) of this variable indicate positive relation with the interest of people. Strong factor loading, mean, standard deviation score of this variable indicate the social factor. Possessions focus the value of the customer. People try to occupy possessions like TV, fridge, bed, almira etc. for differentiating themselves from other in the society. People who thought to exhibit family member's status can buy household goods by borrowing consumer credit.

4. Education Factor: This aspect of lifestyle is concerned with the involvement of people opinion about education. High eigenvalue (1.504) & % variance (11.571) of this factor indicate that there is a strong association between people's opinion of education and using household goods borrowed by

consumer credit. The strong correlation between v2, v4 variables indicate education opinion factor.

V2: Borrowed consumer credit to purchase car helps to go to school/ college/ university/ madrasa for learning -The mean score (3.8400), standard deviation score (1.13458) and factor loading (.823) of this variable support the hypothesis. This variable indicates education factor. Education is very much necessary for human being. Most of the people's opinion is education oriented. They always try to buy the product which will help education. Suppose car helps them to go to school/ college/ university/ madrasa etc. The children go to school, college, and madrasa without depending on the kindness of others. They think that they need car to speed up their educational activities. Consumer credit (car loan) offered by our banks helps the middle class people to buy car for going to educational institution.

V4: Borrowed consumer credit to purchase TV helps to gather knowledge such as learning distance education, new facts, cooking, real fact of the society, business, science, medical, cultural values etc.- The mean score (3.8400), standard deviation score (1.23681) and factor loading (.885) of this variable significantly support the hypothesis. People gather knowledge by watching TV. The television helps to enrich the creative and intellectual lives by broadcasting fine programs for viewers and listeners of every age. Distance learning, technology training for teachers, collaborative internet projects and curriculum focused instructional TV programming is only a few examples. Television videos are highly valued as teaching tools. The media is seen as especially effective for reaching visual learners and special population. Decision-making; behavior modeling; problem-solving; value transmission; legitimization; information dissemination; substitute schooling etc. social learning is possible by watching TV. Household goods (TV, Radio, and computer) are necessary for gathering knowledge. People who are very much interested to gather knowledge want to buy household goods (TV, Radio, and computer). But their flow of income is not available to buy it. Borrowing consumer credit from the banks is a

way to purchase household goods (TV, radio and computer) for gathering knowledge. So, Consumer credit helps to gather knowledge.

5. Cultural Factor: This aspect of lifestyle is concerned with the involvement of opinion about culture. High eigenvalue (1.426) & % variance (10.968) of this factor indicates that there is a strong association between people's opinion of culture and using household goods bought by consumer credit. The strong correlation between v3 & v12 variables indicates the cultural opinion factor.

V3: Borrowed consumer credit to purchase TV helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.- The mean score (2.9500), standard deviation score (1.32859) and factor loading (0.878) of this variable indicate positive relation with the cultural opinions of people. People enjoy cultural function like drama, dance, and song by watching TV. They learn their cultural value by watching TV. People transmit their value to others by using household goods like computers, TV etc. Limited income middle class people require money for buying household goods (like computer, TV) for getting intrinsic cultural and aesthetics enjoyment. Banks help them to sanction consumer credit for buying this product.

V12: Borrowed consumer credit to purchase household goods helps to maintain guests. The mean score (2.8600), standard deviation score (1.37084) and factor loading (.863) of this variable show positive relation of people's opinion's. There are some people who have attitude to maintain guest. Sofa set is needed for comfort sitting of guests. Fridge is needed for ready and fresh food for guests. TV is needed for entertainment of guest. Household goods are necessary for maintaining their guests. But limited income people need credit to buy household goods (like fridge, sofa set, TV, or microwave ovens). There are some banks in our country come to solve these problems. They offer consumer credit to the people for buying household goods (like fridge, sofa set, TV, or microwave ovens) to increase their lifestyle. People can borrow consumer credit to buy household goods for maintaining their guests.

From the above discussion; it can be concluded that there is a strong association between consumer credit & people's opinion to themselves, economics, social, education and culture. So, there is a strong association between consumer credit and people's opinion.

Step-7.4: The relationship between consumer credit and demographic factors

Demographic factor involve age, sex, education, income, occupation, family lifecycle etc. Marketers are very much interested to demographic variables. Because it involves people and people make up market. Analyzing of demographic variable is very much necessary for consumer credit marketing.

The age of the household head is expected to have an important impact on the amount of total debt and different types of debt that households maintained. Installment debt has been found to be the highest among middle aged (35-54 years) house holds (Canner, 1988). From analysis of the age structure of this thesis, it is proved that 30-45 years aged people are more users of the consumer goods. Young aged 30-45 years & middle aged 45-60 years are also users of the consumer credit. So there is a strong relationship between age structure of the borrowers & consumer credit.

Mandell (1973) identified that education has more favorable attitudes toward the use of credit card. Person with higher education are thought to be more likely to know about credit. The percentage of Graduate-Post Graduate education level borrowers is more. The percentage of borrowers of H.S.C-Graduate is not so more. The percentage of Post Graduate-above borrowers is limited. The percentage of bellow S.S.C borrowers is very limited. So education qualification is related to borrow consumer credit.

Literature review showed that along with the growth of consumer credit, there was an increase in the use of consumer credit among families whose income was lower than the majority of families in the mid-1980s (Hu & Meeks, 1994). From the analysis of the data; it is proved that middle income people between tk.

10000-19999 income level borrowers use more consumer credit. The percentage of borrowers' income level between tk. 20000- 29999 & tk. 5000-9999 is not so less. The percentage of income level between tk. 30000- 39999 borrowers is limited. The percentage of less than tk. 5000, between tk. 50000- 59999, between tk. 60000- 69999, more than tk. 70000 income level borrowers is very limited.

Person's occupation affects the buying pattern of goods and services. Marketers try to identify the occupational groups that have an above-average interest in their products and services. A company can even specialize in marketing products needed by a given occupational group. Example, computer software companies will design different products for brand managers, accountants, engineers, lawyers, and doctors (Kotlar and Armostrong, 2007). Consumer credit helps solvent service holders and professional having fixed income group for acquisition of private cars/ motorcycles and thus to help them to improve their professional efficiency and the standard of living (Islami Bank Bangladesh Ltd., 2005). The findings of the study show that the percentage of service holder borrowers is more. The percentage of business borrowers is not so less.

From the literature review, it is known that younger consumers who have low current incomes relative to their future income are more willing to finance current consumption with their future income. From analysis of the lifecycle structure of this thesis, it is proved that the percentage of married without children & married with one child under 6 year's old borrowers is high. The percentage of married with two children one over 6 year's old borrowers is not so bad. The percentage of unmarried borrowers is very limited. From the above discussion, it is clear that there is a strong association between demographic variables and consumer credit.

Finally; it is concluded that there is a strong association between consumer credit & people's lifestyle activities, interests, opinions and demographics. Borrowed consumer credit to purchase household goods helps to increase the lifestyle of people of Bangladesh.

CHAPTER EIGHT
*IMPLICATION, FUTURE
RESEARCH & CONCLUSION*

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IMPLICATION, FUTURE RESEARCH & CONCLUSION

8.1: Implication of the Study

The study establishes the relevance of consumer credit influence on consumer lifestyle. This implies that managers of banks are likely to benefit considerably in targeting and positioning and their media communication by focusing their attention on the ongoing changes in lifestyle patterns of their consumers by using household goods borrowed by consumer credit.

People borrow consumer credit to buy product to increase their lifestyle. Lifestyle is expressed by activities mainly work performance, entertainment activities & social activities. Car, computer, sewing machine, washing machine, almira, wardrobe, pressure cooker and blender etc. household goods are very much helpful to increase the flow of work performance. The television, computer, VCP, VCR, car etc. are very much helpful to increase the flow of entertainment activities. Television, car, furniture etc. are very much helpful to increase the flow of social activities. These are justified by factor analysis of this study. The managers of banks have opportunity to focus attention to the segment of the consumers who are interested to increase their lifestyle activities by borrowing consumer credit.

The study will be helpful for manager to take decision about the process of occupying consumer mind relative to competitor products (consumer credit scheme) on the basis of relationship between consumer credit and lifestyle activities. Considering lifestyle activities (work performance, entertainment activities, social activities), manager can offer consumer credit to the customers for buying household goods best fitted for their need. This thesis will help managers to offer consumer credit to best fitted to the lifestyle activities of the people.

Lifestyle is also expressed by interest factor; mainly, interest to family, home, recreation, fashion and food. People buy goods for the interest of their family members & home. They are interested to eat fresh and healthy food. Borrowed consumer credit to buy household goods (like TV, fridge, computer, furniture, car and motorcycle) helps them to fulfill the expected requirement of the interest of family members. Furniture, TV, fridge, khat, almira, dinning table, sofa set is very much necessary for well decorated home. Fridge, blender machine, micro oven are necessary for fresh and available food and also balanced diet. TV, computer etc. help to fulfill the recreation interest of the people by different kind of program circulated by different channels. House holds goods show status of the family. These help people to differentiate them from other members of the society. They learn fashion from watching TV. The findings of the thesis will be very much helpful for managers to make understand the consumer by communicating that using household goods borrowed by consumer credit helps people to satisfy their desired interest (to family, home, recreation, fashion & food) .

Another factor of lifestyle is their opinions in terms of their view of themselves and the world around them. Oneself, social issues, economics, education, and culture are factors of lifestyle opinions. Consumers often choose products, services, and activities over others because they are associated with a certain lifestyle. Lifestyle marketing strategies attempt to position a product by fitting it into an existing pattern of consumption. Because a goal of lifestyle marketing strategy is to allow consumers to pursue their chosen ways to enjoy their lives and express their social identities, emphasis their economic condition and consider their education and culture. The key aspect of this strategy is to focus on product usage in desirable social setting. Consumers are opined to utilize varying allotments of status-generating assets, namely, economic capital (financial resources), social capital (relationships, network ties, organizational affiliations), and cultural capital (skills, tastes, knowledge, practices). The goal of associating a product with a social situation is a long standing for an advertisers. Consumers' opinion is to buy goods to fit for their culture. They

require better education. They watch different kind of educational program by watching TV. They learn culture from the TV; maintain culture by car, motorcycle, furniture etc. household goods. Marketing managers of the banks have to concern about the opinion of the consumer for selling the consumer credit. They have to make promotional activities fit for the opinion of the consumer. This study will be very much helpful for managers of banks to understand customers' opinion for setting marketing strategy like selling and promoting consumer credit scheme.

People tend to borrow when they are young, save during middle age & spend down after retirement. Men and women are socialized to perceive, use, and value money differently. Literature suggests that women borrowed more than man but in our country it is reversed. This gender-based socialization can be expected to have an impact on financial behaviors. Service holders borrow more than other occupation. With the help of the study, managers can consider the demographic factor like age, sex, lifecycle, occupation, when he designs a marketing strategy for consumer credit. Consumer requires credit according to their demographic variable.

The study will be helpful to managers to focus on the customer on the point that consumer credit has made outstanding contributions to the lifestyle of people.

This study will be helpful for managers to make understand the consumer that installment buying is an enforced form of savings. People will economize in order to be able to meet installments when they become due but may refuse to economize for the mere sake of accumulating money. "Pay as you ride", in the case of automobiles, and "pay while you are watching," in the case of TV and other instruments, are vary much significant appeals, because they enables us to enjoy the use of the commodities while they can, and, besides they can have the pride of possessing them, even though they have not been paid for in full. Consumer credit provides the desired article first and then encourage the buyer put aside a certain amount weekly and monthly in payment for it.

The standards of one's living is judged today in large measures by the number and kinds of durable goods and costly articles in his possessions, as well as by his consumptions of items yielding cultural and aesthetic satisfaction. Consumer credit may be an aid to raising the levels of one's living in terms of these standards. Installment plan encourages culture for it enables the poor as well as the rich to enjoy the better things in life. The better music and educational messages often heard over the radio or seen on TV are but one illustration of what has been made available through installment credit to the masses of our population who would otherwise be deprived of them all together. It has aided people in securing higher standards of living, education, comforts, conveniences, efficiency, recreation and health. Not only that but an aided responsibility often causes them to do more and better work, for in order to meet this installment, they must earn more. It has proved a strong incentive to work, to produce and secure those things which tend to make people happy. So long as people assume a dynamic social order and steady progress, installments credit contributes a higher standard of living not only over a short period of time, but in the long run as well. In this case, marketers can use promotional appeals & other marketing strategy for motivating the consumer to borrow consumer credit.

Consumers use consumer credit for their necessity. They are responsible for many of their occasions like birth, sickness and similar events. This thesis will help consumer to know the way to meet their necessity by using household goods. Studied lesson from this thesis about the necessity & emergency of the consumer, managers of the banks have opportunity to take necessary marketing policy regarding need of the consumer.

The study will be helpful to the people who want to know about the consumer credit and lifestyle. It will also help the people who will conduct the research regarding consumer credit and lifestyle.

8.2: Future Research

Future research may be to determine the relationship between marriage loan & lifestyle. There may be an investigation between vacation loan & lifestyle. As activities, interests, opinions and demographics are lifestyle dimension (factor), micro credit as lifestyle facilitators may be a topic of the research. Consumer credit marketing system & consumer credit marketing strategy may also be another two areas for future research. Car loan as lifestyle facilitators may be another area for future research.

8.3: Conclusion

From the study, it can be concluded that consumer credits have great impact on lifestyle factors. People need household goods mainly for doing their lifestyle activities (work performance, entertainment activities, and social activities), satisfying their desired interests (family, home, food, fashion, recreation) and matching with their opinions (themselves, society, culture, education, economics). But sometimes middle or limited income people's ability does not match with their expectation. They require loan from others for satisfying their expectation. There are some banks in our country which come to solve this problem. Banks offer consumer credit to middle class people for buying household goods (TV, fridge, computer, car, washing machine, sewing machine, sofa set, khat, almira etc.). People borrow consumer credit for buying household goods. These household goods are very much helpful to do their activities, satisfy their interests and express their opinions. People use credit according to basis of their demographic variables. People lifestyle mainly consists of four factors (activities, interests, opinions and demographics).

From the analysis of this thesis; it is proved that there is a strong relationship between consumer credit and people's lifestyle. So people borrow consumer credit to purchase household goods for upgrading their lifestyle. In a consumption environment, a person chooses a product or brand, which seems to possess a maximum possibility of the definition or elaboration of his lifestyle identity. Alternatively, a person makes a choice in a consumption environment

in order to define or actualize his life style, identify it through the products or brands chosen. This thesis will help manager to understand the individual's consumer credit consumption behavior by analyzing the details of his life style system, which will help them to take marketing strategy to expand the consumer credit scheme. Consequently, this thesis showing that there is a causal effect of the individual's life style on his consumer credit consumption behavior. This thesis will help manager to make different strategy for overcoming the limitation of existing consumer credit scheme in different banks of Bangladesh. They can make different strategy for improving the consumer credit scheme so that it can be ensured the upgrading of the lifestyle of people.

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APPENDICES

Appendix- A

a) Questionnaire- 1

Questionnaire on Television

Section-A

Name of borrower:

Bank:

Amount of loan:

Purpose:

Hello! My name is Ataur Rahman. I am an interviewer as the Ph.D. student of Dhaka University. I am conducting a thesis on the topic of "Consumer Credit: A Banking Product to Upgrade the Life Style of People of Bangladesh." Would you please spare a few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. What does money mean to you?
2. Why do you use credit?
3. Do you think consumer credit meets your emergency needs?
How?
4. Do you think consumer credit meets enjoying your life?
How?
5. Does consumer credit increase your standard of living?
How?
6. Does consumer credit relieve your distress?
How?
7. Does consumer credit develop mass production for durables goods?
How?

8. Do you think consumer credit promoted high production for durables goods?

How?

9. Do you think consumer credit promoted high employment?

How?

10. Do you think consumer credit create more wealth?

How?

11. Does consumer credit create employment?

How?

12. Do you think consumer credit preserves your savings?

How?

13. Is consumer credit a convenience offered?

14. Do you borrow consumer credit for your pressure of necessity?

15. Do you borrow consumer credit for early consumption?

Section-B

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products had produced any change in your lifestyle activities?

Yes No If 'no', Why?

If 'Yes', Please circle the number against each of the following changes of the activities

(a) Entertainment

-Borrowed consumer credit to purchase TV helps to enjoy football, cricket, tennis, badminton, wrestling, athletics, bicycle racing, motorcycle racing, boat racing and other games.

Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
5	4	3	2	1

(b) Social events

-Borrowed consumer credit to purchase television helps to transmit value to others.

Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
5	4	3	2	1

-Borrowed consumer credit to purchase TV helps to carry out social roles.

5	4	3	2	1
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2. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products had produced any change in your lifestyle interest?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes to your interest

(a) Family	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase television helps to get affiliation of family solidarity, relaxation and relationship.	5	4	3	2	1
-Borrowed consumer credit to purchase TV helps to exhibit family status.	5	4	3	2	1
(b) Home	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase TV helps to stay at home for leisure time and entertainment, thereby avoiding issues such as pollution.	5	4	3	2	1
-Borrowed consumer credit to purchase TV helps to collect lots of information about home.	5	4	3	2	1
(b) Recreation	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase television helps to reduce emotion, worries, problem, tiredness.	5	4	3	2	1
(c) Fashion	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase TV helps to find out latest fashion.	5	4	3	2	1
-Borrowed consumer credit to purchase TV helps to decorate the home.	5	4	3	2	1

3. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought durable products are related to lifestyle opinion/attitudes?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following relation to your opinion

(a) Yourself	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase household goods helps to build block of lifestyle.	5	4	3	2	1
Borrowed consumer credit to purchase TV helps to find reinforcement for personal value, model of behavior, insight yourself, improved yourself.	5	4	3	2	1
(b) Social issues	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase household goods helps to differentiate the identity from others in the society.	5	4	3	2	1
Borrowed consumer credit to purchase household goods helps to get possessions as a reflection of values.	5	4	3	2	1
(c) Education	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase television helps to learn distance education, new facts, cooking, real fact of the society, business, science, medical etc.	5	4	3	2	1
(e) Culture	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase TV helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.	5	4	3	2	1
(f) Economics	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase television helps to save time & money, because of getting information.	5	4	3	2	1

Section-c

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products are related to your demographic characteristics?

Yes No If 'no', Why?

If 'Yes', Please tick the number against each of the following related variables

(a) Age (Years)

- 0-15
- 15-30
- 30-45
- 45-60
- 60-above

(b) Education

- Below S.S.C
- S.S.C - H.S.C
- H.S.C -Graduate
- Graduate -Post Graduate
- Post Graduate –above

(c) Household income

- | | |
|---------------------------------|-------------------------------------|
| - Less than \$5,000 | - Between \$5,000 and \$9,999 |
| - Between \$10,000 and \$19,999 | - Between \$20,000 and \$29,999 |
| - Between \$30,000 and \$39,999 | - Between \$40,000 and \$49,999 |
| - Between \$50,000 and \$59,999 | - Between \$60,000 and \$69,999 and |
| - More than \$70,000. | |

(d) Occupation

- Agriculture
- Business
- Service holder (i) Govt. Job
(ii) Private Job

(e) Family Lifecycle

- Unmarried
- Married without children
- Married with one children one under 6 years old
- Married with two children (one is over 6 years old)

Thanks

b) Questionnaire- 2

Questionnaire on Computer

Section-A

Name of borrower:

Bank:

Amount of loan:

Purpose:

Hello! My name is Ataur Rahman. I am an interviewer as the Ph.D. student of Dhaka University. I am conducting a thesis on the topic of "Consumer Credit: A Banking Product to Upgrade the Life Style of People of Bangladesh." Would you please spare a few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. What does money mean to you?
2. Why do you use credit?
3. Do you think consumer credit meets your emergency needs?
How?
4. Do you think consumer credit meets enjoying your life?
How?
5. Does consumer credit increase your standard of living?
How?
6. Does consumer credit relieve your distress?
How?
7. Does consumer credit developed mass production for durables goods?
How?
8. Do you think consumer credit promoted high production for durables goods?
How?
9. Do you think consumer credit promoted high employment?
How?

10. Do you think consumer credit create more wealth?

How?

11. Does consumer credit create employment?

How?

12. Do you think consumer credit preserves your savings?

How?

13. Is consumer credit a convenience offered?

14. Do you borrow consumer credit for your pressure of necessity?

15. Do you borrow consumer credit for early consumption?

Section-B

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products had produced any change in lifestyle activities?

Yes No If 'no', Why?...

If 'Yes', Please circle the number against each of the following changes of the activities

(a) Work

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to find, store, organize and disseminate information; maintain accounts; prepare class note/ lecture sheet/ number of examination script etc.	5	4	3	2	1

(b) Entertainment

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps the children to play game	5	4	3	2	1
Borrowed consumer credit to purchase computer helps to browse or internet shopping.	5	4	3	2	1

(c) Social

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to transmit value to others.	5	4	3	2	1

2. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought products had produced any change in your lifestyle interest?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your interest

(a) Family	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to exhibit family status	5	4	3	2	1

-Borrowed consumer credit to purchase household product (computer) helps to get affiliation of family solidarity, relaxation and relationship.	5	4	3	2	1
------------------------------------------------------------------------------------------------------------------------------------------------	---	---	---	---	---

(b) Home	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to collect lots of information about home	5	4	3	2	1

© Recreation	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to reduce emotion, worries, problem, and tiredness.	5	4	3	2	1

(d) Fashion	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to find out latest fashion.	5	4	3	2	1

-Borrowed consumer credit to purchase computer helps to decorate the home.	5	4	3	2	1
----------------------------------------------------------------------------	---	---	---	---	---

3. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought durable products had produced any change in your lifestyle opinion/ attitude?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your opinion

(a) Yourself	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
Borrowed consumer credit to purchase household product (computer) helps to build block of lifestyle.	5	4	3	2	1

(b) Social issues	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to differentiate the identity from others in the society	5	4	3	2	1
-Borrowed consumer credit to purchase computer helps to get possessions as a reflection of values.	5	4	3	2	1
(c) Education	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase TV/computer helps to gather knowledge such as learning distance education, new facts, cooking, real fact of the society, business, science, medical, cultural values etc.	5	4	3	2	1
(d) Economics	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to save time & money because of getting information, preparing class note/ lecture sheet/ number of examination scripts etc. in a short time.	5	4	3	2	1
(d) Culture	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase computer helps to get intrinsic cultural or aesthetic enjoyment like dance, drama, song etc.	5	4	3	2	1

Section-c

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products are related to demographic characteristics?

Yes No If 'no', Why?

If 'Yes', Please tick the number against each of the following related variables

(a) Age (Years)

- 0-15
- 15-30
- 30-45
- 45-60
- 60-above

(b) Education

- Below S.S.C
- S.S.C - H.S.C
- H.S.C -Graduate
- Graduate -Post Graduate
- Post Graduate –above

(c) Household income

- | | |
|---------------------------------|-------------------------------------|
| - Less than \$5,000 | - Between \$5,000 and \$9,999 |
| - Between \$10,000 and \$19,999 | - Between \$20,000 and \$29,999 |
| - Between \$30,000 and \$39,999 | - Between \$40,000 and \$49,999 |
| - Between \$50,000 and \$59,999 | - Between \$60,000 and \$69,999 and |
| - More than \$70,000. | |

(d) Occupation

- Agriculture
- Business
- Service holder (i) Govt. Job
(ii) Private Job

(e) Family Lifecycle

- Unmarried
- Married without children
- Married with one children one under 6 years old
- Married with two children (one is over 6 years old)

Thanks

C) Questionnaire- 3

Questionnaire on Fridge

Section-A

Name of borrower:

Bank:

Amount of loan:

Purpose:

Hello! My name is Ataur Rahman. I am an interviewer as the Ph.D. student of Dhaka University. I am conducting a thesis on the topic of "Consumer Credit: A Banking Product to Upgrade the Life Style of People of Bangladesh." Would you please spare a few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. What does money mean to you?
2. Why do you use credit?
3. Do you think consumer credit meets your emergency needs?
How?
4. Do you think consumer credit meets enjoying your life?
How?
5. Does consumer credit increase your standard of living?
How?
6. Does consumer credit relieve your distress?
How?
7. Does consumer credit develop mass production for durables goods?
How?
8. Do you think consumer credit promoted high production for durables goods?
How?
9. Do you think consumer credit promoted high employment?
How?

10. Do you think consumer credit create more wealth?

How?

11. Does consumer credit create employment?

How?

12. Do you think consumer credit preserve your savings?

How?

13. Is consumer credit a convenience offered?

14. Do you borrow consumer credit for your pressure of necessity?

15. Do you borrow consumer credit for early consumption?

Section-B

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed and bought products had produced any change in your lifestyle interest?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your interest

(a) Family

-Borrowed consumer credit to purchase fridge helps to get affiliation of family solidarity, relaxation and relationship.

Strongly
agree Agree Neutral Dis
-agree Strongly
disagree

5 4 3 2 1

-Borrowed consumer credit to purchase fridge helps to exhibit family status.

5 4 3 2 1

(b) Home

Borrowed consumer credit to purchase fridge helps to perform household task.

Strongly
agree Agree Neutral Dis
-agree Strongly
disagree

5 4 3 2 1

(c) Recreation

-Borrowed consumer credit to purchase fridge helps to reduce emotion, worries, problem, tiredness.

Strongly
agree Agree Neutral Dis
-agree Strongly
disagree

5 4 3 2 1

(d) Food

-Borrowed consumer credit to purchase fridge helps to keep food, fruits, vegetables etc. fresh.

Strongly
agree Agree Neutral Dis
-agree Strongly
disagree

5 4 3 2 1

-Borrowed consumer credit to purchase fridge helps to enjoy fast food, juice & other tasty food. 5 4 3 2 1

(e) Fashion

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
Borrowed consumer credit to purchase household goods helps to decorate the home in a new style.	5	4	3	2	1

2. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought durable products are related to your opinion/ attitude?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following relation to your opinion

(a) Yourself

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase fridge helps to improve health.	5	4	3	2	1
Borrowed consumer credit to purchase fridge helps to build block of lifestyle.	5	4	3	2	1

(b) Social issues

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase fridge helps to differentiate the identity from others in the society.	5	4	3	2	1
-Borrowed consumer credit to purchase fridge helps to get possessions as a reflection of values.	5	4	3	2	1

(c) Culture

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase fridge helps to maintain guests.	5	4	3	2	1

(e) Economics

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase fridge helps to store food for later consumption, keep extra food fresh saved from daily life.	5	4	3	2	1

Section-c

4. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products are related to your demographic characteristics?

Yes No If 'no', Why?

If 'Yes', Please tick the number against each of the following related variables

(a) Age (Years)

- 0-15
- 15-30
- 30-45
- 45-60
- 60-above

(b) Education

- Below S.S.C
- S.S.C - H.S.C
- H.S.C -Graduate
- Graduate -Post Graduate
- Post Graduate –above

(c) Household income

- | | |
|---------------------------------|-------------------------------------|
| - Less than \$5,000 | - Between \$5,000 and \$9,999 |
| - Between \$10,000 and \$19,999 | - Between \$20,000 and \$29,999 |
| - Between \$30,000 and \$39,999 | - Between \$40,000 and \$49,999 |
| - Between \$50,000 and \$59,999 | - Between \$60,000 and \$69,999 and |
| - More than \$70,000. | |

(d) Occupation

- Agriculture
- Business
- Service holder (i) Govt. Job
- (ii) Private Job

(e) Family Lifecycle

- Unmarried
- Married without children
- Married with one children one under 6 years old
- Married with two children (one is over 6 years old)

Thanks

d) Questionnaire- 4

Questionnaire on Car/ Motorcycle

Section-A

Name of borrower:

Bank:

Amount of loan:

Purpose:

Hello! My name is Aaur Rahman. I am an interviewer as the Ph.D. student of Dhaka University. I am conducting a thesis on the topic of "Consumer Credit: A Banking Product to Upgrade the Life Style of People of Bangladesh." Would you please spare a few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. What does money mean to you?
2. Why do you use credit?
3. Do you think consumer credit meets your emergency needs?
How?
4. Do you think consumer credit meets enjoying your life?
How?
5. Does consumer credit increase your standard of living?
How?
6. Does consumer credit relieve your distress?
How?
7. Does consumer credit develop mass production for durables goods?
How?
8. Do you think consumer credit promoted high production for durables goods?
How?
9. Do you think consumer credit promoted high employment?
How?
10. Do you think consumer credit create more wealth?
How?

11. Does consumer credit create employment?

How?

12. Do you think consumer credit preserves your savings?

How?

13. Is consumer credit a convenience offered?

14. Do you borrow consumer credit for your pressure of necessity?

15. Do you borrow consumer credit for early consumption?

Section-B

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products had produced any change in lifestyle activities?

Yes No If 'no', Why?...

If 'Yes', Please circle the number against each of the following changes of the activities

(a) Work

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to go to office or working center.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ motorcycle helps to go to shopping mall or store for shopping.	5	4	3	2	1

(b) Entertainment

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to visit enjoyable place and feel comfort.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ computer helps to go to auditorium, cinema hall or theater hall for enjoying a program like speeches, drama, dance, cinema, song etc.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ motorcycle helps to enjoy football, cricket, tennis, athletics, wrestling, motorcycle racing, boat racing, bicycle racing etc.	5	4	3	2	1

(c) Social events	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to transmit value to others.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ motorcycle helps to carry out social roles.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ motorcycle helps to go to maintain community center for performing community activity.	5	4	3	2	1

2. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought products had produced any change in your lifestyle interest?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your interest

(a) Family	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to get affiliation of family solidarity, relaxation and relationship.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ motorcycle helps to exhibit family status.	5	4	3	2	1
(b) Home	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to collect lots of information about home.	5	4	3	2	1
(c) Recreation	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
- Borrowed consumer credit to purchase car helps to maintain community.	5	4	3	2	1
-Borrowed consumer credit to purchase car/ motorcycle helps the family members to visit enjoyable places for recreation.	5	4	3	2	1
-Borrowed consumer credit to purchase car/motorcycle helps people to reduce emotion, worries, problem etc.	5	4	3	2	1

3. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought durable products are related to your lifestyle opinion/ attitudes?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your opinion

(a) Yourself

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
Borrowed consumer credit to purchase car/ motorcycle helps to build block of lifestyle.	5	4	3	2	1

(a) Social issues

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to communicate with others.	5	4	3	2	1

-Borrowed consumer credit to purchase car/ motorcycle helps to differentiate the identity from others in the society.	5	4	3	2	1
-----------------------------------------------------------------------------------------------------------------------	---	---	---	---	---

-Borrowed consumer credit to purchase car/ motorcycle helps to get possessions as a reflection of values.	5	4	3	2	1
-----------------------------------------------------------------------------------------------------------	---	---	---	---	---

(b) Education

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps the children to go to school/ college/ University/ Madrasa for learning.	5	4	3	2	1

(e) Economics

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase car/ motorcycle helps to save time & money because of going any where in a short time.	5	4	3	2	1

Section-c

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products are related to your demographic characteristics?

Yes No If 'no', Why?

If 'Yes', Please tick the number against each of the following related variables

(a) Age (Years)

-0-15

-15-30

-30-45

-45-60

-60-above

(b) Education

-Below S.S.C

- S.S.C – H.S.C

- H.S.C –Graduate

- Graduate –Post Graduate

- Post Graduate –above

(c) Household income

- Less than \$5,000

- Between \$10,000 and \$19,999

- Between \$30,000 and \$39,999

- Between \$50,000 and \$59,999

- More than \$70,000.

- Between \$5,000 and \$9,999

- Between \$20,000 and \$29,999

- Between \$40,000 and \$49,999

- Between \$60,000 and \$69,999 and

(d) Occupation

-Agriculture

-Business

-Service holder (i) Govt. Job

(ii) Private Job

(e) Family Lifecycle

-Unmarried

-Married without children

-Married with one children (one under 6 years old)

-Married with two children (one is over 6 years old)

Thanks

e) Questionnaire- 5

Questionnaire on Furniture

Section-A

Name of borrower:

Bank:

Amount of loan:

Purpose:

Hello! My name is Ataur Rahman. I am an interviewer as the Ph.D. student of Dhaka University. I am conducting a thesis on the topic of "Consumer Credit: A Banking Product to Upgrade the Life Style of People of Bangladesh." Would you please spare a few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. What does money mean to you?
2. Why do you use credit?
3. Do you think consumer credit meets your emergency needs?
How?
4. Do you think consumer credit meets enjoying your life?
How?
5. Does consumer credit increase your standard of living?
How?
6. Does consumer credit relieve your distress?
How?
7. Does consumer credit develop mass production for durables goods?
How?
8. Do you think consumer credit promoted high production for durables goods?
How?
9. Do you think consumer credit promoted high employment?
How?
10. Do you think consumer credit create more wealth?
How?

11. Does consumer credit create employment?
How?
12. Do you think consumer credit preserves your savings?
How?
13. Is consumer credit a convenience offered?
14. Do you borrow consumer credit for your pressure of necessity?
15. Do you borrow consumer credit for early consumption?

Section-B

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products had produced any change in your lifestyle activities?

Yes No If 'no', Why?...

If 'Yes', Please circle the number against each of the following changes of the activities

(a) Work

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase almira helps to protect cookerries from damage.	5	4	3	2	1
-Borrowed consumer credit to purchase wardrobe helps to protect dress from dust.	5	4	3	2	1

2. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought products had produced any change in your lifestyle interest?

Yes No If 'no', Why?...

If 'Yes', please circle the number against each of the following changes of your interest

(a) Family

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
- Borrowed consumer credit to purchase furniture helps to get affiliation of family solidarity, relaxation and relationship.	5	4	3	2	1
- Borrowed consumer credit to purchase furniture helps to exhibit family status.	5	4	3	2	1
-Borrowed consumer credit to purchase sofa set helps family members to comfort sitting on sofa set.	5	4	3	2	1

-Borrowed consumer credit to purchase dinning table helps family members to comfort sitting and eating on dinning table. 5 4 3 2 1

-Borrowed consumer credit to purchase bed (khat) helps family members to comfort sleeping on bed (khat). 5 4 3 2 1

(b) Recreation

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
--	----------------	-------	---------	------------	-------------------

-Borrowed consumer credit to purchase furniture helps to reduce emotion, worries, problem, and tiredness. 5 4 3 2 1

(c) Fashion

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
--	----------------	-------	---------	------------	-------------------

- Borrowed consumer credit to purchase furniture helps to decorate the home in a new style. 5 4 3 2 1

3. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought durable products are related to your lifestyle opinion/ attitude?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your opinion

(a) Yourself

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
--	----------------	-------	---------	------------	-------------------

-Borrowed consumer credit to purchase furniture helps to build block of lifestyle. 5 4 3 2 1

(b) Social issues

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
--	----------------	-------	---------	------------	-------------------

- Borrowed consumer credit to purchase furniture helps to differentiate the identity from others in the society. 5 4 3 2 1

(c) Culture

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
--	----------------	-------	---------	------------	-------------------

-Borrowed consumer credit to purchase furniture helps to maintain guests. 5 4 3 2 1

Section-c

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products are related to your demographic characteristics?

Yes No If 'no', Why?

If 'Yes', Please tick the number against each of the following related variables

(a) Age (Years)

- 0-15
- 15-30
- 30-45
- 45-60
- 60-above

(b) Education

- Below S.S.C
- S.S.C - H.S.C
- H.S.C -Graduate
- Graduate -Post Graduate
- Post Graduate –above

(c) Household income

- | | |
|---------------------------------|---------------------------------|
| - Less than \$5,000 | - Between \$5,000 and \$9,999 |
| - Between \$10,000 and \$19,999 | - Between \$20,000 and \$29,999 |
| - Between \$30,000 and \$39,999 | - Between \$40,000 and \$49,999 |
| - Between \$50,000 and \$59,999 | - Between \$60,000 and \$69,999 |
| - More than \$70,000. | |

(d) Occupation

- Agriculture
- Business
- Service holder (i) Govt. Job
(ii) Private Job

(e) Family Lifecycle

- Unmarried
- Married without children
- Married with one children one under 6 years old
- Married with two children (one is over 6 years old)

Thanks

f) Questionnaire-6

Questionnaire on Washing Machine/ Sewing Machine

Section-A

Name of borrower:

Bank:

Amount of loan:

Purpose:

Hello! My name is Ataur Rahman. I am an interviewer as the Ph.D. student of Dhaka University. I am conducting a thesis on the topic of "Consumer Credit: A Banking Product to Upgrade the Life Style of People of Bangladesh." Would you please spare a few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. What does money mean to you?
2. Why do you use credit?
3. Do you think consumer credit meets your emergency needs?
How?
4. Do you think consumer credit meets enjoying your life?
How?
5. Does consumer credit increase your standard of living?
How?
6. Does consumer credit relieve your distress?
How?
7. Does consumer credit develop mass production for durables goods?
How?
8. Do you think consumer credit promoted high production for durables goods?
How?
9. Do you think consumer credit promoted high employment?
How?

10. Do you think consumer credit create more wealth?

How?

11. Does consumer credit create employment?

How?

12. Do you think consumer credit preserves your savings?

How?

13. Is consumer credit a convenience offered?

14. Do you borrow consumer credit for your pressure of necessity?

15. Do you borrow consumer credit for early consumption?

Section-B

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products had produced any change in your lifestyle activities?

Yes No If 'no', Why?...

If 'Yes', Please circle the number against each of the following changes of the activities

(a) Work

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase washing machine helps to wash dress.	5	4	3	2	1
-Borrowed consumer credit to purchase sewing machine helps to sew dress.	5	4	3	2	1

2. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought products had produced any change in your lifestyle interest?

Yes No If 'no', Why?...

If 'Yes', please circle the number against each of the following changes of your interest

(a) Family

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase washing machine/ sewing machine helps to exhibit family members status.	5	4	3	2	1

3. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought durable products had produced any change in your lifestyle opinion/attitude?

Yes No If 'no', Why?

If 'Yes', please circle the number against each of the following changes of your opinion

(a) Yourself

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase sewing machine/ washing machine helps to build block of lifestyle.	5	4	3	2	1

(b) Social issues

	Strongly agree	Agree	Neutral	Dis -agree	Strongly disagree
-Borrowed consumer credit to purchase washing machine/ sewing machine helps to differentiate the identity from others in your society.	5	4	3	2	1

Section-c

1. Please answer the following questions:

(I) Do you think that consumer credit borrowed, and bought household products are related to your demographic characteristics?

Yes No If 'no', Why?

If 'Yes', Please tick the number against each of the following related variables

(a) Age (Years)

-0-15

-15-30

-30-45

-45-60

-60-above

(b) Education

-Below S.S.C

- S.S.C - H.S.C

- H.S.C -Graduate

- Graduate -Post Graduate

- Post Graduate -above

(c) Household income

- Less than \$5,000

- Between \$10,000 and \$19,999

- Between \$30,000 and \$39,999

- Between \$50,000 and \$59,999

- More than \$70,000.

- Between \$5,000 and \$9,999

- Between \$20,000 and \$29,999

- Between \$40,000 and \$49,999

- Between \$60,000 and \$69,999

(d) Occupation

- Agriculture

- Business

- Service holder (i) Govt. Job

 - (ii) Private Job

(e) Family Lifecycle

- Unmarried

- Married without children

- Married with one children one under 6 years old

- Married with two children (one is over 6 years old)

Thanks

Appendix-B

1.0: Basic Concept of Factor Analysis and Factor Analysis Model for Consumer Credit Impact on Lifestyle

Factor analysis is a statistical technique to study the inter-relationships among the variables in an effort to find a new set of factors, fewer in number than the original variables so that the factors are common among the original variables. In factor analysis, a small number of common factors are extracted so that these common factors are sufficient to study the relationship of original variables (Bhuyan, 2005).

The common factor-analytic model assumes that a variable consists of common and unique parts. The common part of a variable is that part of the variable's variation that is shared with the other variables, whereas the unique part of a variable is that part of the variable's variation that is specific to that variable alone (Bhuyan, 2005). In lifestyle changing evaluation problem, the common part is increased the flow of lifestyle for using the household goods borrowed consumer credit and the unique part is increased the flow of lifestyle without using the household goods borrowed consumer credit. Therefore the factor model can be considered as (Bhuyan, 2005)

$$V=AF+U$$

Where,

$$V= (V_1, V_2, V_3, \dots, V_n);$$

$$F= (F_1, F_2, F_3, \dots, F_m);$$

$$U= (U_1, U_2, \dots, U_n).$$

V=data vector, A=Factor loading of common factor. (*Factor loadings are simple correlations between variables and factors.*)

F=vector of common factor, U=unique factor, n=number of variable.

Bhuyan (2005) explain the factors as

$$V_1= A_1F_1 + A_2 F_2 + A_3F_3 + \dots + A_pF_m + U_i. \text{ Or}$$

$$V_1=A_1f+U_1;$$

$$V_2 = A_2f + U_2;$$

$$V_3 = A_3f + U_3.$$

Here, F is the people's activities known as common factor,

f_1 =work Performance, f_2 =entertainment activities, f_3 =social activities.

A_1, A_2, A_3 are the factor loading of the common factor,

A_p =number of factor loading and

U_i ($i=1, 2, 3$) is random component,

F_m = number of common factors.

Here, the variance of U_i will be minimum if V_i and F is highly correlated. The sources of variance of U_i may be inefficient utilization of consumer credit or rough utilization of household goods or using household goods which are not bought by borrowed consumer credit. Here the evaluation of the lifestyle activities of consumers can be done by common factor F (f_1, f_2, \dots, f_m) instead of using all variables (v_1, v_2, \dots, v_n). The objective of the factor analysis is to identify consumer credit impact on lifestyle, on the basis of the analysis of $v_1, v_2, v_3, \dots, v_n$.

The unique factors are uncorrelated with each other and with the common factors (Pett, Lackey, and Sullivan, 2003; Ding, 1999).

The common factors themselves can be expressed as linear combinations of the observed variables.

$$F_i = W_{i1}V_1 + W_{i2}V_2 + W_{i3}V_3 + \dots + W_{ik}V_k$$

Where,

V_1 =1st data vector

F_i = estimate of i th factor

W_i = weight or factor score coefficient

K = number of variables

It is possible to select weights or factor score coefficients so that first factor explains the largest portion of total variance. Then a second set of weights can be selected, so that the second factor accounts for most of the residual variance, subject to being uncorrelated with

the first factor. This same principle could be applied to select additional weights for the additional factors. Thus, the factors can be estimated. Furthermore, the first factor accounts for the highest variance in the data, the second factor the second highest, and so on. Several statistics are associated with factor analysis.

2.0: Conducting Factor Analysis for Consumer Credit Impact on Lifestyle

Several steps are involved in conducting factor analysis for this thesis. The first step is to formulate the factor analysis problem and identify the variables to be factor analyzed. Then a correlation matrix of these variables is constructed and a method of factor analysis is selected. Number of factors is to be extracted. Next, the rotated factors are to be interpreted. Finally, the fit of the factor analysis model is determined (Grewal et al., 2004; Wu et al., 2004).

2.1: Conducting Factor Analysis for Consumer Credit Impact on Lifestyle Activities

Several steps are involved to conduct factor analysis for identifying consumer credit impact on lifestyle activities. These steps are in more detail in the following sections.

2.1.1: Constructing the Correlation Matrix for Identifying Consumer Credit Impact on Lifestyle Activities.

Correlation analysis is the statistical tool we use to describe the degree to which one variable is related to another (Islam, 2008). The purpose of correlation analysis is to find how strong the relationship is between two variables without making any distinction between dependent and independent variables. One such measure of this relationship is the correlation coefficient and are usually denoted by r .

$$r = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}}$$

Where, \bar{x} and \bar{y} are the respective means of x and y variable, r = the coefficient of correlation.

The analytical process is based on a matrix of correlations between the variables. Valuable insights can be gained from an examination of this matrix. For the factor analysis to be appropriate, the variables must be correlated. In practice, this is usually the case, if the correlations among all the variables are small, factor analysis may not be appropriate. We would also expect that variables that are highly correlated with each other would also highly correlate with the same factor or factors (Malhatra, 2008).

Table-2.1.1.1: Shows **Correlation Matrix** about some lifestyle (activities) variables related to consumer credit.

Table-2.1.1.1: **Correlation Matrix** of lifestyle (activities) variables related to consumer credit.

		v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13	v14	v15
C o r r e l a t i o n	v1	1.000														
	v2	.519	1.000													
	v3	.624	.656	1.000												
	v4	.211	.362	.395	1.000											
	v5	.527	.553	.614	.363	1.000										
	v6	.575	.512	.662	.401	.659	1.000									
	v7	.516	.337	.491	.401	.459	.417	1.000								
	v8	.291	.400	.260	.189	.186	.061	.069	1.000							
	v9	.327	.279	.299	.224	.395	.212	.254	.486	1.000						
	v10	.379	.335	.366	.153	.427	.219	.284	.549	.809	1.000					
	v11	.081	.138	.223	.089	.067	-.056	.019	.473	.471	.599	1.000				
	v12	.007	.120	.093	-.056	-.069	-.038	.098	.233	.251	.342	.418	1.000			
	v13	.106	-.027	.170	.052	.250	.147	.093	.172	.433	.465	.388	.033	1.000		
	v14	-.052	-.076	-.057	-.234	-.049	-.094	-.051	.209	.200	.333	.275	.169	.251	1.000	
	v15	.103	-.071	.073	.050	.099	.108	.089	.095	.376	.299	.125	-.035	.398	.165	1.000

Bartlett's test of sphericity is used to test the null hypothesis that the variables are uncorrelated in the population; in other words the population correlation matrix is an identity matrix. In an identity matrix, all the diagonal terms are 1, and all off-diagonal terms are 0. The test statistic for sphericity is based on a chi-square transformation of the determinant of the correlation matrix. A large value of the test statistic is favored the rejection of the null hypothesis. As hypothesis is rejected, so the appropriateness of factor analysis has no question.

Before performing the factor analysis, it is important to investigate whether a particular data set is suitable for the analysis or not. This can be done by Kaiser-Myer-Olkin (KMO) statistic. {The Kaiser-Mayer-Olkin (KMO)} measure of sampling adequacy is an index used to examine the appropriateness of factor analysis (Malhotra, 2006)}. Kaiser (1974) has mentioned that, the factor analysis is excellent if KMO is greater than or equal to 0.90, it is meritorious if $0.80 \leq KMO \leq 0.90$, middling if $0.70 \leq KMO \leq 0.80$, Mediocre if $0.60 \leq KMO \leq 0.70$, miserable if $0.50 \leq KMO \leq 0.60$ and unacceptable if $KMO \leq 0.5$.

Table-2.1.1.2 shows Kaiser-Meyer-Olkin Measure of Sampling Adequacy & Bartlett's Test of Sphericity of some lifestyle (activities) variables related to consumer credit.

Table-2.1.1.2: KMO **and Bartlett's Test** of some lifestyle (activities) variables related to consumer credit.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.804
Bartlett's Test of Sphericity	Approx. Chi-Square	678.210
	df	105
	Sig.	.000

2.1.2: Determining the Method of Factor Analysis for Consumer Credit Impact on Lifestyle Activities.

From the analysis of the correlation matrix, it has been determined that factor analysis is an appropriate technique for analyzing the data; an appropriate method must be selected. The principal components analysis is selected. Because, here, the total variances in the data are considered, the diagonal of the correlation matrix consists of unities, and full variance is brought into the factor matrix.

2.1.3: Determining the Number of Factors for Investigating Consumer Credit Impact on Lifestyle Activities.

In order to summarize the information contained in the original variables, a smaller number of factors are extracted.

Following procedures are maintained for determining the number of factor for this thesis.

(i) *A Priori Determination*: According to the basis of priori knowledge, three factors are extracted for lifestyle activities variables.

(ii) *Determination Based on Communality & Eigenvalues*: For understanding the communality & eigenvalue, it is necessary to know variance & mean. *The mean* is the average of the responses,

Example-The mean \bar{v} is given by

$$\bar{v} = \frac{\sum_{i=1}^n v_i}{n}$$

v_i =observed value of the variable v

n =number of observation

The difference between the mean and an observe value is called the deviation from the mean. The variance is the mean squared deviation from the mean. The variance is the average of the squared deviation scores from the mean of the distribution (Islam, 2008). The positive square root of the variance is called the standard deviation. Interval and ratio level data are needed to compute variance and standard deviation. For a set of n observations; v_1, v_2, \dots, v_n , the variance, denoted by s^2 is usually computed using the formula.

$$S^2 = \frac{\sum (v - \bar{v})^2}{n}$$

-When we are dealing with a sample, we use $n-1$ in the denominator instead of n , and it sample variance is:

$$S^2 = \frac{\sum (v - \bar{v})^2}{n - 1}$$

-for all computation purposes, the above formula can be rewritten as

$$S^2 = \frac{\sum v^2 - n\bar{v}^2}{n-1}$$

-the standard deviation can be computed as

$$S = \sqrt{\frac{\sum v^2 - n\bar{v}^2}{n-1}}$$

The mean and standard deviation of lifestyle (activities) variables related to consumer credit are shown in table- 2.1.3.1.

The positive mean score & standard deviation score of variables v1, v2, v3, v4, v5, v6, v7, v8, v9, v10, v11 & v14 indicate that consumer credit are very much related to increase the lifestyle activities. v13 is neither negative nor positive. But v12, v14 & v15 variables do not fully support the hypothesis (Table-2.1.3.1).

Table: 2.1.3.1: Descriptive Statistics of lifestyle (activities) variables related to consumer credit.

	Mean	Std. Deviation	Analysis N
v1	4.6100	.64971	100
v2	4.5000	.70353	100
v3	4.3900	.77714	100
v4	4.1700	.93263	100
v5	4.1500	.99874	100
v6	4.0700	.96667	100
v7	3.9700	.95827	100
v8	3.9700	1.05844	100
v9	3.6500	1.15798	100
v10	3.6100	1.17975	100
v11	3.4300	1.29689	100
v12	2.4000	1.31809	100
v13	2.5100	1.30651	100
v14	3.3900	1.42059	100
v15	2.3500	1.30558	100

An eigenvalues represents the amount of variance associated with the factors. Hence, only factors with a variance greater than 1.0 are included. Factors with variance less than 1.0 are no better than a single variable, because, due to standardization, each variable has a variance of 1.0 (Malhotra, 2006).

Table-2.1.3.2 shows **Communalities** of some lifestyle (activities) variables related to consumer credit.

Table -2.1.3.2: Communalities of some lifestyle (activities) variables related to consumer credit.

	Initial	Extraction
v1	1.000	.589
v2	1.000	.695
v3	1.000	.722
v4	1.000	.341
v5	1.000	.684
v6	1.000	.695
v7	1.000	.446
v8	1.000	.564
v9	1.000	.703
v10	1.000	.828
v11	1.000	.664
v12	1.000	.510
v13	1.000	.638
v14	1.000	.349
v15	1.000	.612

Extraction Method: Principal Component Analysis.

Table-2.1.3.3 shows **Total Variance Explained** of some lifestyle (activities) variables related to consumer credit.

Table- 2.1.3.3: Total Variance Explained of some lifestyle (activities) variables related to consumer credit.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.954	33.024	33.024	4.954	33.024	33.024	4.220	28.135	28.135
2	2.675	17.831	50.855	2.675	17.831	50.855	2.751	18.338	46.473
3	1.411	9.404	60.259	1.411	9.404	60.259	2.068	13.786	60.259
4	.955	6.367	66.626						
5	.858	5.721	72.347						
6	.713	4.751	77.098						
7	.668	4.455	81.552						
8	.598	3.988	85.540						
9	.537	3.582	89.123						
10	.382	2.546	91.669						
11	.372	2.480	94.148						
12	.287	1.912	96.060						
13	.236	1.573	97.633						
14	.208	1.386	99.018						
15	.147	.982	100.000						

Extraction Method: Principal Component Analysis.

(iii) Determination Based on Scree Plot: A scree plot is a plot of the eigenvalues against the number of factors in order to extraction. The shape of the plot is used to determine the number of factors. Typically, the plot has a distinct break between the steep slope of factors, with large eigenvalues and a gradual trailing off associated with the rest of the factors. This gradual trailing off is referred to as the scree. Experimental evidence indicates that the point at which the scree begins denotes the true number of factors. Generally, the number of factors determined by a scree plot will be one or a few more than that determined by the eigenvalues criterion (Malhotra, 2008).

(iv) Determination based on the percentage of variance: Percentage of variance is the percentage of total variance attributed to each factor. In this approach the number of factors extracted is determined so that the cumulative percentage of variance extracted by the factors reaches a satisfactory level. What level of variance is satisfactory depends upon the problem. However, it is recommended that the factors extracted should account for at least 60 percent of the variance.

2.1.4: Applied Rotate Factor (Component) Matrix for Investigating Consumer Credit Impact on Lifestyle Activities.

An important output from factor analysis is the factor matrix, also called the factor pattern matrix. A factor matrix contains the factor loadings of all the variables on all the factors extracted. The coefficient, the factor loadings, represents the correlations between the factors and the variables. A coefficient with a large absolute value indicates that the factor and the variables are closely related. (Malhotra, 2008). The factor matrix contains the coefficients used to express the standardized variables in terms of the factors (see table-2.1.4.1).

Table-2.1.4.1 shows **Component Matrix** of some lifestyle (activities) variables related to consumer credit.

Table-2.1.4.1: **Component Matrix** of some lifestyle (activities) variables related to consumer credit.

	Component		
	1	2	3
v1	.704	-.306	-.003
v2	.683	-.319	-.356
v3	.778	-.331	-.084
v4	.475	-.339	-.014
v5	.742	-.326	.168
v6	.653	-.491	.165
v7	.580	-.324	.063
v8	.537	.381	-.361
v9	.702	.445	.110
v10	.756	.507	-.007
v11	.441	.635	-.256
v12	.223	.417	-.536
v13	.407	.443	.526
v14	.111	.575	.080
v15	.270	.315	.663

Extraction Method: Principal Component Analysis.

a 3 components extracted.

Table-2.1.4.2 shows **Rotated Component Matrix** of some lifestyle (activities) variables related to consumer credit.

Table- 2.1.4.2: **Rotated Component Matrix** of some lifestyle (activities) variables related to consumer credit.

	Component		
	1	2	3
v1	.753	.125	.078
v2	.741	.310	-.223
v3	.828	.189	.024
v4	.583	.002	-.021
v5	.797	.031	.221
v6	.818	-.119	.111
v7	.662	.018	.083
v8	.224	.714	.061
v9	.326	.562	.529
v10	.335	.697	.480
v11	.001	.779	.237
v12	-.057	.692	-.166
v13	.088	.184	.772
v14	-.234	.391	.376
v15	.049	-.045	.779

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 4 iterations.

Varimax procedures of rotation have been followed for this thesis (table-2.1.4.2). This method of rotation has been proposed by Kaiser (1958) and it is applicable of factor analysis and is done by principal factor method. Due to this rotation, a small number of loading is found larger and maximum loading reach to zero (Harman, 1976; Rummel, 1970).

2.1.5: Interpreting Factors Matrix for Consumer Credit Impact on Lifestyle Activities.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor. That factor can then be interpreted in terms of the variables that load high on it.

2.1.6: Determining the Model Fit for Investigating Consumer Credit Impact on Lifestyle Activities.

The final step in factor analysis involves the determination of model fit. A basic assumption underlying factor analysis is that the observed correlation between variables can be attributed to common factors. Hence, the correlations between the variables can be deduced or reproduced from the estimated correlations between the variables and the factors. The differences between the observed correlations (as given in the input correlation matrix) and the reproduced correlations (as estimated from the factor matrix) can be examined to determine the model fit. These differences are called residuals. If there are many large residuals, the factor model does not provide a good fit to the data and the model should be reconsidered (Malhotra, 2008).

Table-2.1.6.1 shows **Reproduced Correlations** of some lifestyle (activities) variables related to consumer credit.

Table- 2.1.6.1: **Reproduced Correlations** of some lifestyle (activities) variables related to consumer credit.

		v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13	v14	v15
Reproduced Correlation	v1	.589(b)	.579	.649	.438	.621	.609	.507	.262	.357	.377	.117	.031	.150	-.098	.092
	v2	.579	.695(b)	.667	.438	.551	.544	.477	.374	.298	.357	.190	.210	-.050	-.136	-.152
	v3	.649	.667	.722(b)	.483	.671	.657	.554	.322	.389	.421	.154	.080	.126	-.111	.051
	v4	.438	.438	.483	.341(b)	.460	.475	.385	.131	.181	.187	-.003	-.028	.036	-.143	.012
	v5	.621	.551	.671	.460	.684(b)	.672	.546	.214	.394	.394	.077	-.061	.246	-.091	.210
	v6	.609	.544	.657	.475	.672	.695(b)	.548	.104	.258	.244	-.066	-.148	.136	-.196	.132
	v7	.507	.477	.554	.385	.546	.548	.446(b)	.166	.270	.274	.034	-.039	.126	-.116	.097
	v8	.262	.374	.322	.131	.214	.104	.166	.564(b)	.507	.602	.571	.472	.198	.250	.026
	v9	.357	.298	.389	.181	.394	.258	.270	.507	.703(b)	.755	.564	.283	.541	.343	.403
	v10	.377	.357	.421	.187	.394	.244	.274	.602	.755	.828(b)	.657	.383	.528	.375	.359
	v11	.117	.190	.154	-.003	.077	-.066	.034	.571	.564	.657	.664(b)	.500	.326	.394	.150
	v12	.031	.210	.080	-.028	-.061	-.148	-.039	.472	.283	.383	.500	.510(b)	-.006	.222	-.164
	v13	.150	-.050	.126	.036	.246	.136	.126	.198	.541	.528	.326	-.006	.638(b)	.342	.598
	v14	-.098	-.136	-.111	-.143	-.091	-.196	-.116	.250	.343	.375	.394	.222	.342	.349(b)	.264
	v15	.092	-.152	.051	.012	.210	.132	.097	.026	.403	.359	.150	-.164	.598	.264	.612(b)
Residual(a)	v1		-.060	-.025	-.227	-.094	-.035	.009	.029	-.030	.003	-.035	-.023	-.044	.045	.011
	v2	-.060		-.011	-.076	.003	-.032	-.140	.026	-.019	-.023	-.051	-.090	.023	.060	.080
	v3	-.025	-.011		-.088	-.057	.005	-.063	-.062	-.090	-.055	.069	.013	.044	.054	.023
	v4	-.227	-.076	-.088		-.098	-.073	.017	.059	.043	-.034	.092	-.028	.017	-.090	.038
	v5	-.094	.003	-.057	-.098		-.014	-.088	-.028	.001	.033	-.011	-.009	.004	.042	-.111
	v6	-.035	-.032	.005	-.073	-.014		-.132	-.043	-.047	-.025	.009	.110	.012	.103	-.023
	v7	.009	-.140	-.063	.017	-.088	-.132		-.097	-.016	.010	-.016	.137	-.033	.066	-.008
	v8	.029	.026	-.062	.059	-.028	-.043	-.097		-.021	-.053	-.098	-.239	-.026	-.041	.070
	v9	-.030	-.019	-.090	.043	.001	-.047	-.016	-.021		.054	-.093	-.031	-.108	-.142	-.027
	v10	.003	-.023	-.055	-.034	.033	-.025	.010	-.053	.054		-.058	-.042	-.063	-.042	-.059
	v11	-.035	-.051	.069	.092	-.011	.009	-.016	-.098	-.093	-.058		-.082	.061	-.119	-.025
	v12	-.023	-.090	.013	-.028	-.009	.110	.137	-.239	-.031	-.042	-.082		.039	-.052	.129
	v13	-.044	.023	.044	.017	.004	.012	-.033	-.026	-.108	-.063	.061	.039		-.091	-.200
	v14	.045	.060	.054	-.090	.042	.103	.066	-.041	-.142	-.042	-.119	-.052	-.091		-.099
	v15	.011	.080	.023	.038	-.111	-.023	-.008	.070	-.027	-.059	-.025	.129	-.200	-.099	

Extraction Method: Principal Component Analysis.

a Residuals are computed between observed and reproduced correlations. There are 49 (46.0%) nonredundant residuals with absolute values greater than 0.05.

b Reproduced communalities.

2.2.1: Constructing the Correlation Matrix for Identifying Consumer Credit Impact on Lifestyle Interests.

The analytical process is based on a matrix of correlations between the variables. For the factor analysis to be appropriate, the variables must be correlated (Malhotra, 2008).

Table-2.2.1.1: shows **Correlation Matrix** about some lifestyle (interests) variables related to consumer credit.

Table-2.2.1.1: **Correlation Matrix** about some lifestyle (interests) variables related to consumer credit.

		v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13	v14	v15
C o r r e l a t i o n	V1	1.000														
	V2	.058	1.000													
	V3	.061	.653	1.000												
	V4	-.045	.187	.170	1.000											
	V5	.090	-.070	.129	.099	1.000										
	V6	.277	.153	.265	.552	.199	1.000									
	V7	.200	-.065	.156	.105	.697	.266	1.000								
	V8	.064	.262	.263	.571	.296	.588	.333	1.000							
	V9	.074	-.136	-.034	.137	.551	.033	.473	.206	1.000						
	V10	.127	-.009	.171	.071	.692	.189	.604	.231	.587	1.000					
	V11	.052	-.121	.076	.090	.714	.164	.691	.342	.594	.719	1.000				
	V12	.075	.104	.079	.111	.025	.163	.056	.200	.124	.047	.108	1.000			
	V13	.258	.649	.637	.080	.036	.216	.144	.235	-.014	.125	.008	.167	1.000		
	V14	.008	.047	.046	.104	.001	.186	-.026	.092	.120	.041	.017	.597	.103	1.000	
	V15	.631	.127	.138	-.017	.025	.205	.136	-.003	.009	.058	-.015	.015	.330	-.025	1.000

Table-2.2.1.2 shows Kaiser-Meyer-Olkin Measure of Sampling Adequacy & Bartlett's Test of Sphericity of some lifestyle (interests) variables related to consumer credit.

Table-2.2.1.2: **KMO and Bartlett's Test** of Sphericity of some lifestyle (interests) variables related to consumer credit.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.760
Bartlett's Test of Sphericity	Approx. Chi-Square	674.072
	df	105
	Sig.	.000

2.2.2: Determining the Method of Factor Analysis for Identifying Consumer Credit Impact on Lifestyle Interests.

From the analysis of the correlation matrix, it has been determined that factor analysis is an appropriate technique for analyzing the data.

2.2.3: Determining the Number of Factors for Identifying Consumer Credit Impact on Lifestyle Interests.

In order to summarize the information contained in the original variables, a smaller number of factors are extracted. Following procedures are maintained for determining the number of factor for identifying consumer credit impact on lifestyle interests.

(i) **A Priori Determination:** From the priori knowledge, as a researcher, five factors are selected by researcher for analysis.

(ii) **Determination Based on Communality & Eigenvalues:** Communality & Eigenvalues were considered for identifying lifestyle interest factors.

The mean score and standard deviation score of lifestyle (interest) variables related to consumer credit are shown in table- 2.2.3.1.

The positive mean score & standard deviation score of variables v1, v2, v3, v4, v5, v6, v7, v8, v9, v10, v11, v13, and v15 indicate that consumer credit are very much related to increase the lifestyle interest. v12, v14 variables also support the hypothesis but not strongly (table- 2.2.3.1).

Table-2.2.3.1: Descriptive Statistics (mean & standard deviation) of lifestyle variables related to consumer credit.

	Mean	Std. Deviation	Analysis N
v1	4.0600	1.06192	100
v2	3.8500	1.29782	100
v3	4.0500	1.20080	100
v4	3.7800	1.19409	100
v5	3.9500	1.19236	100
v6	3.8600	1.16359	100
v7	3.8200	1.29006	100
v8	3.8400	1.17825	100
v9	3.9600	1.17997	100
v10	3.9800	1.13689	100
v11	3.9600	1.13636	100
v12	2.9600	1.30206	100
v13	4.0200	1.21423	100
v14	2.8300	1.23954	100
v15	4.0400	1.08171	100

Table-2.2.3.2: Communalities of some lifestyle (interests) variables related to consumer credit.

	Initial	Extraction
v1	1.000	.816
v2	1.000	.802
v3	1.000	.782
v4	1.000	.757
v5	1.000	.767
v6	1.000	.770
v7	1.000	.712
v8	1.000	.744
v9	1.000	.600
v10	1.000	.748
v11	1.000	.803
v12	1.000	.788
v13	1.000	.795
v14	1.000	.801
v15	1.000	.792

Extraction Method: Principal Component Analysis.

Table-2.2.3.3 shows Total Variance Explained of some lifestyle (interests) variables related to consumer credit.

Table-2.2.3.3: Total Variance Explained of some lifestyle (interests) variables related to consumer credit.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	4.084	27.225	27.225	4.084	27.225	27.225	3.613	24.084
2	2.736	18.239	45.464	2.736	18.239	45.464	2.334	15.563	39.647
3	1.768	11.785	57.248	1.768	11.785	57.248	2.128	14.185	53.832
4	1.503	10.019	67.268	1.503	10.019	67.268	1.774	11.827	65.659
5	1.388	9.254	76.522	1.388	9.254	76.522	1.629	10.863	76.522
6	.611	4.073	80.594						
7	.505	3.366	83.961						
8	.396	2.641	86.602						
9	.357	2.378	88.980						
10	.330	2.203	91.183						
11	.321	2.140	93.323						
12	.299	1.995	95.318						
13	.262	1.745	97.063						
14	.235	1.566	98.630						
15	.206	1.370	100.000						

Extraction Method: Principal Component Analysis.

(iii) Determination Based on Scree Plot : (please see figure-6.2.1)

(iv) Determination based on the percentage of variance: It is seen that the first five factors account for 76.52 percent of the variance (76.52% is greater the 60%), and that than gain achieved five factors is marginal.

2.2.4: Rotate Factors (component) Matrix for Identifying Consumer Credit Impact on Lifestyle Interests.

The factor (component) matrix contains the coefficients used to express the standardized variables in terms of the factors (see table 2.2.4.1). Table-2.2.4.1 shows Component Matrix of some lifestyle (interest) variables related to consumer credit.

Table -2.2.4.1: Component Matrix of some lifestyle (interests) variables (a) related to consumer credit.

	Component				
	1	2	3	4	5
v1	.275	.245	-.556	.532	-.298
v2	.185	.752	-.084	-.335	.288
v3	.379	.631	-.138	-.366	.297
v4	.377	.308	.526	-.137	-.474
v5	.773	-.381	-.091	-.107	.068
v6	.523	.400	.257	.119	-.506
v7	.781	-.269	-.171	-.033	-.020
v8	.614	.292	.396	-.147	-.322
v9	.626	-.418	.028	.092	.155
v10	.769	-.322	-.142	-.070	.169
v11	.776	-.430	-.015	-.065	.104
v12	.239	.233	.428	.579	.398
v13	.349	.698	-.291	-.098	.304
v14	.160	.195	.478	.592	.398
v15	.203	.334	-.615	.441	-.258

Extraction Method: Principal Component Analysis.

a 5 components extracted.

Table-2.2.4.2 shows Rotated Component Matrix of some lifestyle (interests) variables related to consumer credit.

Table-2.2.4.2: Rotated Component Matrix of some lifestyle (interests) variables (a) related to consumer credit.

	Component				
	1	2	3	4	5
v1	.090	.035	.051	.896	.037
v2	-.131	.875	.137	-.011	.030
v3	.103	.866	.145	.006	-.009
v4	.018	.055	.861	-.105	.040
v5	.867	.021	.110	.011	-.047
v6	.106	.106	.809	.283	.108
v7	.807	.055	.160	.170	-.056
v8	.270	.206	.789	-.041	.073
v9	.749	-.112	.023	-.015	.163
v10	.857	.105	.033	.046	.012
v11	.888	-.031	.107	-.038	.028
v12	.059	.084	.095	.031	.876
v13	.047	.839	.047	.274	.113
v14	.005	.019	.074	-.017	.891
v15	.007	.148	.004	.877	-.029

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 5 iterations.

2.2.5: Interpreting Factors for Identifying Consumer Credit Impact on Lifestyle Interests.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor. That factor can then be interpreted in terms of the variables that load high on it.

2.2.6: Determining the Model Fit for Identifying Consumer Credit Impact on Lifestyle Interests.

Table-2.2.6.1 shows Reproduced Correlations of some lifestyle (interests) variables related to consumer credit.

Table-2.2.6.1: Reproduced Correlations of some lifestyle (interest) variables related to consumer credit.

		v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13	v14	v15
Reproduced Correlation	v1	.816(b)	.017	.052	-.045	.093	.312	.233	.038	.057	.124	.051	.074	.286	.023	.791
	v2	.017	.802(b)	.764	.167	-.081	.190	-.039	.256	-.188	-.016	-.127	.104	.734	.053	.118
	v3	.052	.764	.782(b)	.174	.124	.221	.156	.320	-.018	.183	.080	.085	.739	.019	.135
	v4	-.045	.167	.174	.757(b)	.108	.679	.135	.702	.036	.045	.111	.119	.063	.102	-.082
	v5	.093	-.081	.124	.108	.767(b)	.181	.723	.321	.642	.748	.779	.022	.061	-.030	.021
	v6	.312	.190	.221	.679	.181	.770(b)	.263	.685	.100	.143	.170	.196	.222	.154	.265
	v7	.233	-.039	.156	.135	.723	.263	.712(b)	.344	.590	.710	.724	.024	.132	-.036	.165
	v8	.038	.256	.320	.702	.321	.685	.344	.744(b)	.210	.278	.321	.171	.219	.129	-.003
	v9	.057	-.188	-.018	.036	.642	.100	.590	.210	.600(b)	.632	.676	.179	-.044	.148	-.029
	v10	.124	-.016	.183	.045	.748	.143	.710	.278	.632	.748(b)	.759	.075	.143	.018	.062
	v11	.051	-.127	.080	.111	.779	.170	.724	.321	.676	.759	.803(b)	.083	.013	.037	-.032
	v12	.074	.104	.085	.119	.022	.196	.024	.171	.179	.075	.083	.788(b)	.185	.789	.016
	v13	.286	.734	.739	.063	.061	.222	.132	.219	-.044	.143	.013	.185	.795(b)	.116	.362
	v14	.023	.053	.019	.102	-.030	.154	-.036	.129	.148	.018	.037	.789	.116	.801(b)	-.037
	v15	.791	.118	.135	-.082	.021	.265	.165	-.003	-.029	.062	-.032	.016	.362	-.037	.792(b)
Residual (a)	v1		.041	-.009	.000	-.003	-.036	-.033	.027	.017	.002	.001	.001	-.028	-.015	-.160
	v2	.041		-.111	.020	.011	-.037	-.026	.005	.052	.007	.007	.000	-.085	-.006	.008
	v3	.009	-.111		-.004	.005	.044	.000	-.057	-.016	-.013	-.004	-.006	-.102	.027	.004
	v4	.000	.020	-.004		-.010	-.127	-.030	-.132	.101	.026	-.021	-.008	.016	.002	.065
	v5	-.003	.011	.005	-.010		.017	-.027	-.025	-.090	-.056	-.065	.002	-.025	.031	.004
	v6	-.036	-.037	.044	-.127	.017		.003	-.098	-.067	.046	-.006	-.033	-.005	.033	-.060
	v7	-.033	-.026	.000	-.030	-.027	.003		-.011	-.117	-.106	-.033	.032	.012	.011	-.030
	v8	.027	.005	-.057	-.132	-.025	-.098	-.011		-.004	-.046	.021	.029	.016	-.037	.000
	v9	.017	.052	-.016	.101	-.090	-.067	-.117	-.004		-.045	-.082	-.055	.030	-.029	.038
	v10	.002	.007	-.013	.026	-.056	.046	-.106	-.046	-.045		-.041	-.027	-.018	.022	-.003
	v11	.001	.007	-.004	-.021	-.065	-.006	-.033	.021	-.082	-.041		.025	-.006	-.020	.017
	v12	.001	.000	-.006	-.008	.002	-.033	.032	.029	-.055	-.027	.025		-.019	-.193	.000
	v13	-.028	-.085	-.102	.016	-.025	-.005	.012	.016	.030	-.018	-.006	-.019		-.013	-.031
	v14	-.015	-.006	.027	.002	.031	.033	.011	-.037	-.029	.022	-.020	-.193	-.013		.012
	v15	-.160	.008	.004	.065	.004	-.060	-.030	.000	.038	-.003	.017	.000	-.031	.012	

Extraction Method: Principal Component Analysis.

a Residuals are computed between observed and reproduced correlations. There are 21 (20.0%) nonredundant residuals with absolute values greater than 0.05.

b Reproduced communalities

2.3.1: Constructing the Correlation Matrix for Identifying Consumer Credit Impact on Lifestyle Opinions.

Table-2.3.1.1 shows Correlation Matrix about some lifestyle (opinions) variables related to consumer credit.

Table-2.3.1.1: Correlation Matrix about some lifestyle (opinions) variables related to consumer credit.

		v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13
Correlation	v1	1.000												
	v2	.035	1.000											
	v3	-.097	-.012	1.000										
	v4	.112	.493	-.140	1.000									
	v5	-.163	.101	.153	-.048	1.000								
	v6	-.114	.116	.161	.219	.577	1.000							
	v7	.050	.076	-.058	.104	.059	.020	1.000						
	v8	.605	.047	-.041	.128	.075	.140	.073	1.000					
	v9	-.005	.161	-.037	.000	-.030	-.005	.676	-.037	1.000				
	v10	-.100	-.017	.038	.033	.543	.747	-.098	.098	-.100	1.000			
	v11	.062	.075	-.068	-.054	.112	.001	.695	-.021	.689	-.010	1.000		
	v12	.048	.115	.551	.130	.233	.191	.041	.130	-.031	.124	.037	1.000	
	v13	.634	-.117	-.136	-.082	-.069	-.016	-.067	.545	-.038	-.020	-.074	-.101	1.000

a Determinant = .005

Table-2.3.1.2 shows Kaiser-Meyer-Olkin Measure of Sampling Adequacy & Bartlett's Test of Sphericity of some lifestyle (opinions) variables related to consumer credit.

Table-2.3.1.2: KMO and Bartlett's Test of sphericity of some lifestyle (opinions) variables related to consumer credit.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.603
Bartlett's Test of Sphericity	Approx. Chi-Square	502.881
	df	78
	Sig.	.000

2.3.2: Determining the Method of Factor Analysis for Identifying Consumer Credit Impact on Lifestyle Opinions.

From the analysis of the correlation matrix, it has been determined that factor analysis is an appropriate technique for analyzing the data.

2.3.3: Determining the Number of Factors for Identifying Consumer Credit Impact on Lifestyle Opinions.

In order to summarize the information contained in the original variables, a smaller number of factors should be extracted. Following procedures are maintained for determining the number of factors for this thesis.

(i) A Priori Determination: Considering priori knowledge, researcher selected five factors for analyzing the data. So, there are five factors extracted for lifestyle activities variables.

(ii) Determination Based on Communality & Eigenvalues:

The knowledge of variance, mean, standard deviation is necessary for understanding communalities and eigenvalue. The mean and standard deviation of lifestyle (opinions) variables produced by household products which are bought by consumer credit are shown in table-2.3.3.1

Table-2.3.3.1: Descriptive Statistics (mean & standard deviation) of some lifestyle opinions variables related to consumer credit.

	Mean	Std. Deviation	Analysis N
v1	3.7700	1.33979	100
v2	3.8400	1.13458	100
v3	2.9500	1.32859	100
v4	3.8400	1.23681	100
v5	3.4300	1.39447	100
v6	3.5700	1.31237	100
v7	3.0600	1.40576	100
v8	3.7500	1.33617	100
v9	3.0000	1.43548	100
v10	3.5300	1.33678	100
v11	2.9600	1.46969	100
v12	2.8600	1.37084	100
v13	3.8200	1.28220	100

The positive mean score & standard deviation score of variable v1, v2, v4, v5, v6, v7, v8, v9, v10, and v13 indicate that these variables are very much applicable to increase the lifestyle opinion. v3, v11, v12 variables also support the hypothesis but not strongly.

Table-2.3.3.2 shows Communalities of some lifestyle (opinions) variables related to consumer credit.

Table-2.3.3.2: Communalities of some lifestyle (opinions) variables related to consumer credit.

	Initial	Extraction
v1	1.000	.800
v2	1.000	.695
v3	1.000	.805
v4	1.000	.793
v5	1.000	.667
v6	1.000	.826
v7	1.000	.788
v8	1.000	.744
v9	1.000	.782
v10	1.000	.814
v11	1.000	.815
v12	1.000	.795
v13	1.000	.764

Extraction Method: Principal Component Analysis.

Table-2.3.3.3 shows **Total Variance Explained** of some lifestyle (opinions) variables related to consumer credit.

Table-2.3.3.3: Total Variance Explained of some lifestyle (opinions) variables related to consumer credit.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	2.510	19.307	19.307	2.510	19.307	19.307	2.400	18.461
2	2.434	18.720	38.027	2.434	18.720	38.027	2.299	17.684	36.145
3	2.214	17.031	55.058	2.214	17.031	55.058	2.210	17.002	53.147
4	1.504	11.571	66.629	1.504	11.571	66.629	1.592	12.249	65.396
5	1.426	10.968	77.597	1.426	10.968	77.597	1.586	12.201	77.597
6	.621	4.778	82.375						
7	.524	4.030	86.405						
8	.424	3.264	89.669						
9	.372	2.859	92.528						
10	.331	2.546	95.074						
11	.234	1.801	96.875						
12	.225	1.731	98.606						
13	.181	1.394	100.000						

Extraction Method: Principal Component Analysis.

(iii) *Determination Based on Scree Plot:*(Please see figure-6.3.1)

(iv) *Determination based on the percentage of variance:* It is seen that the first five factors account for 77.60 percent of the variance (77.60% is greater than 60%), and that the gain achieved in going to five factors is marginal.

2.3.4: Rotate Factors (Component) Matrix for Identifying Consumer Credit Impact on Lifestyle Opinions.

Table-2.3.4.1 shows Component Matrix of some lifestyle (opinions) variables related to consumer credit.

Table-2.3.4.1: Component Matrix of some lifestyle (opinions) variables (a) related to consumer credit.

	Component				
	1	2	3	4	5
v1	-.302	.079	.826	.003	.142
v2	.226	.241	.105	.758	-.028
v3	.377	-.125	-.108	-.099	.791
v4	.187	.126	.226	.820	-.136
v5	.769	-.006	.094	-.225	-.129
v6	.840	-.059	.222	-.052	-.253
v7	.066	.880	.028	-.090	.029
v8	-.005	.018	.857	-.036	.084
v9	.016	.877	-.055	-.100	.007
v10	.760	-.166	.182	-.224	-.355
v11	.091	.870	-.022	-.221	.003
v12	.470	-.001	.117	.120	.738
v13	-.284	-.079	.784	-.249	-.031

Extraction Method: Principal Component Analysis.

a 5 components extracted.

Table- 2.3.4.2: Rotated Component Matrix of some lifestyle (opinions) variables (a) related to consumer credit.

	Component				
	1	2	3	4	5
v1	.045	-.162	.874	.084	.012
v2	.104	.027	-.040	.823	.063
v3	-.055	.058	-.102	-.132	.878
v4	-.028	.051	.067	.885	-.045
v5	.080	.792	-.057	-.033	.171
v6	-.005	.888	.019	.169	.089
v7	.883	-.004	.034	.084	.008
v8	.009	.141	.841	.107	.074
v9	.880	-.053	-.037	.052	-.031
v10	-.085	.897	.008	-.026	-.034
v11	.900	.050	-.006	-.042	-.008
v12	.024	.139	.066	.159	.863
v13	-.065	-.017	.844	-.169	-.138

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 4 iterations.

2.3.5: Interpreting Factors for Investigating Consumer Credit Impact on Lifestyle Opinions.

Interpretation is facilitated by identifying the variables that have large loadings on the same factor. That factor can then be interpreted in terms of the variables that load high on it.

2.3.6: Determining the Model Fit for Justifying Consumer Credit Impact on Lifestyle Opinions.

The final step in factor analysis involves the determination of model fit.

Table-2.3.6.1 shows Reproduced Correlations of some lifestyle (opinions) variables related to consumer credit.

Table-2.3.6.1: Reproduced Correlations of some lifestyle (opinions) variables related to consumer credit.

		v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13
Reproduced Correlation	v1	.800(b)	.035	-.101	.123	-.175	-.112	.077	.723	.020	-.144	.023	.060	.722
	v2	.035	.695(b)	-.053	.721	.015	.167	.161	.064	.133	-.009	.061	.189	-.189
	v3	-.101	-.053	.805(b)	-.159	.201	.105	-.056	-.027	-.082	.029	-.047	.737	-.182
	v4	.123	.721	-.159	.793(b)	-.003	.193	.052	.154	.018	.027	-.059	.113	-.086
	v5	-.175	.015	.201	-.003	.667(b)	.712	.065	.074	.024	.698	.112	.250	-.085
	v6	-.112	.167	.105	.193	.712	.826(b)	.007	.166	-.047	.790	.032	.228	-.039
	v7	.077	.161	-.056	.052	.065	.007	.788(b)	.045	.780	-.081	.791	.043	-.045
	v8	.723	.064	-.027	.154	.074	.166	.045	.744(b)	-.027	.128	.005	.156	.678
	v9	.020	.133	-.082	.018	.024	-.047	.780	-.027	.782(b)	-.124	.788	-.007	-.092
	v10	-.144	-.009	.029	.027	.698	.790	-.081	.128	-.124	.814(b)	-.031	.090	.007
	v11	.023	.061	-.047	-.059	.112	.032	.791	.005	.788	-.031	.815(b)	.015	-.057
	v12	.060	.189	.737	.113	.250	.228	.043	.156	-.007	.090	.015	.795(b)	-.094
	v13	.722	-.189	-.182	-.086	-.085	-.039	-.045	.678	-.092	.007	-.057	-.094	.764(b)
Residual(a)	v1		.000	.004	-.011	.012	-.003	-.026	-.117	-.025	.043	.039	-.012	-.087
	v2	.000		.041	-.229	.086	-.051	-.085	-.017	.028	-.008	.014	-.073	.072
	v3	.004	.041		.018	-.048	.056	-.002	-.014	.045	.008	-.021	-.186	.046
	v4	-.011	-.229	.018		-.045	.026	.053	-.026	-.018	.006	.006	.017	.004
	v5	.012	.086	-.048	-.045		-.135	-.006	.001	-.054	-.155	.000	-.018	.015
	v6	-.003	-.051	.056	.026	-.135		.012	-.027	.041	-.043	-.030	-.038	.023
	v7	-.026	-.085	-.002	.053	-.006	.012		.027	-.105	-.016	-.096	-.002	-.022
	v8	-.117	-.017	-.014	-.026	.001	-.027	.027		-.010	-.030	-.026	-.026	-.133
	v9	-.025	.028	.045	-.018	-.054	.041	-.105	-.010		.024	-.098	-.024	.054
	v10	.043	-.008	.008	.006	-.155	-.043	-.016	-.030	.024		.021	.034	-.027
	v11	.039	.014	-.021	.006	.000	-.030	-.096	-.026	-.098	.021		.022	-.017
	v12	-.012	-.073	-.186	.017	-.018	-.038	-.002	-.026	-.024	.034	.022		-.006
	v13	-.087	.072	.046	.004	.015	.023	-.022	-.133	.054	-.027	-.017	-.006	

Extraction Method: Principal Component Analysis.

a Residuals are computed between observed and reproduced correlations. There are 19 (24.0%) nonredundant residuals with absolute values greater than 0.05.

b Reproduced communalities

2.4: Analysis of Demographic Variables

Percentage & total number of related demographic variables are shown in table.

Table-2.4.1: Consumer credit borrowers are classified according to their age structures

Age group	Number of Borrowers	% of Borrowers
0-15	0	0
15-30	80	27
30-45	156	52
45-60	52	17
60-75	12	4
Total	300	100

Table-2.4.2: Consumer credit borrowers are classified according to their educational qualification

Education	Number of Borrowers	% of Borrowers
Bellow S.S.C	14	5
S.S.C-H.S.C	34	11
H.S.C-		25
Graduate	74	
Graduate-Post Graduate	106	35
Post Graduate-above	72	24
Total	300	100

Table-2.4.3: Consumer credit borrowers are classified according to their monthly income

Income of Borrowers	Number of Borrowers	% of Borrowers
Less than tk. 5000	10	3
Between tk. 5000-9999	60	20
Between tk. 10000-19999	95	32
Between tk. 20000- 29999	75	25
Between tk. 30000- 39999	36	12
Between tk. 40000- 49999	8	3
Between tk. 50000- 59999	4	1
Between tk. 60000- 69999	8	3
More than tk. 70000	4	1
Total	300	100

Table-2.4.4: Consumer credit borrowers are classified according to their occupation

Occupation	Number of Borrowers	% of Borrowers
Business	92	31
Service holder	208	69
Total	300	100

Table-2.4.5: Consumer credit borrowers are classified according to their family lifecycle

Family Lifecycle stage of borrowers	Number of Borrowers	% of Borrowers
Unmarried	10	3
Married without children	118	39
Married with one children under 6 years old	104	35
Married with two children one over 6 years old	68	23
Total	300	100

The End