

Personality on Internet Microcredit Consumption among Chinese Undergraduates

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Consumer credit has become a vital growth driver for China's consumer spending, contributing to overall retail sales of 32% in 2019, which has doubled from 15% in 2014. However, with the available borrowed money, it has been a problem of overspending for undergraduates, especially under the new normal. China consumers tend to rely more on consumer credit when they have lost their purchasing power due to economic instability. With the advancement of internet technology, China undergraduates can now easily obtain credit usage over the internet. Unlike credit card, this type of service, which is known as internet microcredit has become favorable because users are not required to have a stable income as application requirement. This has become prevalent and indicated overspending of Chinese undergraduates during the 2019 Double 11 period. They spent an average of 1,012 Yuan, which was close to 80% of their monthly income. Personality issue may be a possible reason to explain this phenomenon. Past studies in China focus on impulsiveness without including other possible personality factors in examining microcredit consumption of undergraduates. Emotional instability, materialism, need for arousal are worthy for further study. Specifically, emotional instability and need for arousal could increase compulsive buying and impulsive consumption. Moreover, materialistic undergraduates are found to have misused their credit cards. Therefore, based on the 3M framework of personality, this research aims to provide a more holistic view in investigating Chinese undergraduates' personality on their internet microcredit consumption during Double 11. Quantitative research was conducted using survey questionnaire and 723 undergraduates who had experience in microcredit consumption were recruited. In order to test the relationships of Chinese undergraduates' emotional instability, materialism, need for arousal and impulsiveness on their internet microcredit consumption, the results of standard multiple regression analysis show that emotional instability and need for arousal, except materialism, have a significant positive relationship on impulsiveness leading to internet microcredit consumption. Most of the consumptions are not luxury items, such as common-brand clothes and cosmetics during Double 11 may explain the insignificance of materialism on impulsiveness. Based on the findings, it is concluded that Chinese undergraduates' emotional instability and need for arousal would affect their impulsiveness and thus increasing their use of internet microcredit during Double 11. To minimize the problem of Chinese undergraduates' misuse of internet microcredit, the government may educate undergraduates by having awareness programs. Undergraduates may be trained to be more mindful with their personal financial management and spending, in order to control their need for arousal and impulsiveness. More importantly, parents should also play an important role in providing support and care to their children. They need to be

aware that if their children are involved in microcredit consumption. When necessary, parents may get support and advice from the universities for providing the relevant education and counselling for their children. Personality is not easy to change without self-awareness and constant support. Hence, the government, universities and parents need to work together in the success of reducing Chinese undergraduates in microcredit consumption.

Keywords: *China, Emotional Instability, Impulsiveness, Internet Microcredit Consumption, Materialism, Need for Arousal, Personality, Undergraduates*