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Consumer Preference for Credit Card Benefits:
The Effect of Pro-Environmental Disposition

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Abstract

The current research examines whether consumers' preference for credit card benefits (i.e., general credit card benefits vs. credit card benefits related to green life) differs according to their pro-environmental disposition. Specifically, we predict that for consumers with high (vs. low) pro-environmental disposition, their preference for credit card benefits related to green life will be higher, while preference for general credit card benefits will not be different between low and high pro-environmental disposition groups. An online survey (N = 487) was conducted to test the hypotheses. Consistent with the hypotheses, the results indicate that (1) respondents with high pro-environmental donation intention, as compared to those with low pro-environmental donation intention, had higher preference for credit card benefits related to green life; and (2) there was no significant difference in preference for general credit card benefits between high and low pro-environmental donation intention groups. We suggest an important insight into how credit card companies approaching ESG issues can increase their consumers' preference for credit card benefits relevant to green life, considering consumers' individual differences such as pro-environmental disposition.

1. Introduction

Today's interconnected environment is increasingly characterized by environmental, social, and corporate governance (ESG) [1]. Environmental degradations yielded the emergence of green marketing and ESG practices of organizations [2]. In the financial services industry, in particular, financial institutions and banks are responsible for bringing ethical finance and green finance as a priority, and thus they must market products/services relevant to green finance [3]. Green products/services related with green finance achieve resource utilization efficiency followed by improved financial performance [4].

Given the critical importance of improving the level of ESG practices, the present research aims to investigate the effect of consumers' pro-environmental disposition on their preference for a variety of credit card benefits. Namely, this research examines whether consumers' preference for credit card benefits (i.e.,

general credit card services vs. credit card services related to green life) is different depending on their pro-environmental disposition. Specifically, it is predicted that for consumers with high (vs. low) pro-environmental disposition, their preference for credit card benefits related to green life will be higher, whereas preference for general credit card benefits will not be different between low and high pro-environmental disposition groups.

2. Theoretical Background and Hypotheses Development

Many previous studies have identified numerous factors influencing consumers' green attitude and purchase behavior [5, 6]. In the financial services sector, in particular, there have some recent studies on the factors affecting green consumption behavior [3, 7, 8]. Prior research has shown that consumers' green consumption behavior is shaped by their ecological dispositions [9]. For example, when eco-friendly consumers are conscious about environmental degradation and build up a more capable attitude towards ecological protection, their concern will influence their choices and will direct them to purchase green items that have a significant impact on the environment [10].

Given that green consumerism is the preference of consumers for pro-environmental products or services [11], the current research focuses on the effect of consumers' pro-environmental disposition on green consumerism in the financial services sector. Specifically, in this research, consumers' pro-environmental donation intention is considered as one of various pro-environmental dispositions. Accordingly, it is hypothesized:

H1: Consumers with high pro-environmental donation intention, as compared to those with low pro-environmental donation intention, have higher preference for credit card benefits related to green life.

H2: There is no significant difference in preference for general credit card benefits between the high and low pro-environmental donation intention groups.

3. Method

The targeted population of this study is Korean consumers aged 20 and over who have held and used credit or debit cards. Of the total 500 credit/debit card users who completed the online survey, 13 respondents did not meet study eligibility screening criteria, yielding a final sample size of 487. The final sample was composed of 196 women (40.2%) and 291 men (59.8%). The age profile was as follows: 20 to 29 years = 21.1%; 30 to 39 years = 35.7%; 40 to 49 years = 23.6%; 50 to 59 years = 15.7%; and 60 years and older = 3.9%. The majority of the respondents had a college or university degree (70.8%), and 17.2% of the respondents had a high school education or less, and 11.9% had a postgraduate degree. In terms of the marital status, 62% of the respondents are married, while the remaining respondents (38%) have never married or are divorced or widowed. Most respondents (43.5%) reported a yearly household income of less than $30,000. In sum, the demographic profiles of the sample are displayed in Table 1.

Table 1. Demographic profiles of the sample (N = 487)

Characteristics	Percent (%)
Age	
20-29	21.1
30-39	35.7

40-49	23.6
50-59	15.7
Over 60	3.9
Gender	
Male	59.8
Female	40.2
Education	
Less than high school or high school	17.2
College or university	70.8
Postgraduate	11.9
Marital status	
Married	62.0
Not married (widowed/divorced/never married)	38.0
Yearly household income	
<$30,000	43.5
$30,000-$50,000	33.9
$50,000-$70,000	16.0
$70,000-$100,000	5.3
>$100,000	1.2

This study used a seven-point Likert scale to measure the questionnaire items. First, respondents' preference for a variety of credit card benefits (i.e., general credit card benefits vs. credit card benefits relevant to green life) was measured using a single item. Previous research has shown that for doubly concrete constructs, single-item measures demonstrate predictive validity equal to that of multiple-item measures [12-14]. In addition, researchers may decide to choose single-item measures in light of their manifold practical advantages [15]. Specifically, credit card benefits were classified as general credit card benefits (i.e., discount on (1) movie tickets; (2) concert tickets; (3) amusement park tickets; (4) tuition fees; (5) coffee or soft drink beverages; (6) shopping discounts; (7) fuel discounts on gas and diesel fuel; (8) flight mileage; and (9) 3-month interest-free installment) and credit card benefits relevant to green life (i.e., to earn points (1) when returning old mobile phones; (2) when purchasing goods at traditional markets; (3) when reducing the amount of food waste; (4) when complying with the car day system; (5) when reducing car mileage compared to the previous year; (6) when using public transportation such as subways and buses; (7) when purchasing eco-friendly products offline or online; (8) when people don't check-in as they board the plane; (9) when using mugs/tumblers at coffee shops; (10) when using eco bags or personal shopping bags; (11) when visiting retail stores using public transportation; (12) when purchasing eco-friendly financial products; (13) when leaving no leftovers at restaurants; (14) when purchasing low-carbon/high-fuel-efficiency vehicles; (15) when purchasing high-fuel-efficiency used cars; (16) when renting low-carbon/high-fuel-efficiency vehicles; (17) when purchasing eco-friendly cosmetics or using refill containers; and (18) when buying used books). Next, respondents' pro-environmental donation intention was measured using three items (Cronbach's σ = 0.87). All the respondents were classified as two groups on the basis of a median split (M_{dn} = 5.00): high (n = 302) versus low (n = 185) in pro-environmental donation intention.

4. Results

ANOVA was used to test the hypotheses. Hypothesis 1 proposed that for consumers with high (vs. low) pro-environmental donation intention, their preference for credit card benefits related to green life is higher. As shown in Table 2, the results indicated that for the respondents with high (vs. low) pro-environmental

donation intention, their preference for all the credit card benefits relevant to green life was higher. Thus, the hypothesis 1 was supported.

Table 2. Results: credit card benefits related to green life

	Low pro-environmental donation intention (n = 185)		High pro-environmental donation intention (n = 302)		*F*-value	*p*-value
	Mean	SD	Mean	SD		
(1) To earn points when returning old mobile phones	5.24	1.59	5.91	1.18	28.792	0.000
(2) To earn points when purchasing goods at traditional markets	5.17	1.45	5.88	1.19	34.155	0.000
(3) To earn points when reducing the amount of food waste	5.11	1.32	5.78	1.24	31.912	0.000
(4) To earn points when complying with the car day system	4.91	1.52	5.67	1.38	32.030	0.000
(5) To earn points when reducing car mileage compared to the previous year	4.96	1.49	5.59	1.35	22.855	0.000
(6) To earn points when using public transportation such as subways and buses	5.63	1.29	6.14	1.04	22.700	0.000
(7) To earn points when purchasing eco-friendly products offline or online	5.41	1.34	5.84	1.28	12.686	0.000
(8) To earn points when people don't check-in as they board the plane	4.62	1.46	4.93	1.70	4.215	0.041
(9) To earn points when using mugs/tumblers at coffee shops	5.29	1.41	5.63	1.40	6.952	0.009
(10) To earn points when using eco bags or personal shopping bags	5.46	1.34	5.97	1.15	19.744	0.000
(11) To earn points when visiting retail stores using public transportation	5.08	1.46	5.55	1.43	12.287	0.000
(12) To earn points when purchasing eco-friendly financial products	5.12	1.43	5.53	1.38	9.616	0.002
(13) To earn points when leaving no leftovers at restaurants	5.08	1.48	5.59	1.43	14.293	0.000
(14) To earn points when purchasing low-carbon/high-fuel-efficiency vehicles	4.98	1.49	5.67	1.43	25.203	0.000
(15) To earn points when purchasing high-fuel-efficiency used cars	4.84	1.49	5.27	1.62	8.390	0.004
(16) To earn points when renting low-carbon/high-fuel-efficiency vehicles	4.71	1.47	5.30	1.53	17.516	0.000
(17) To earn points when purchasing eco-friendly cosmetics or using refill containers	5.31	1.33	5.75	1.29	13.397	0.000
(18) To earn points when buying used books	5.11	1.37	5.76	1.30	28.233	0.000

In contrast, the hypothesis 2 proposed that preference for general credit card benefits does not differ between low and high pro-environmental donation intention groups. As shown in Table 3, it was found that

between high and low pro-environmental donation intention groups, there was no significant difference in their preference for general credit card benefits such as various types of discounts and flight mileage (all $ps > 0.40$), which supports the hypothesis 2.

Table 3. Results: general credit card benefits

	Low pro-environmental donation intention (n = 185)		High pro-environmental donation intention (n = 302)		*F*-value	*p*-value
	Mean	SD	Mean	SD		
(1) Discount on movie tickets	5.06	1.60	5.10	1.58	0.085	0.771
(2) Discount on concert tickets	4.81	1.50	4.93	1.59	0.680	0.410
(3) Discount on amusement park tickets	4.95	1.57	4.91	1.56	0.066	0.797
(4) Discount on tuition fees	4.42	1.68	4.52	1.69	0.364	0.547
(5) Discount on coffee or soft drink beverages	4.88	1.64	4.80	1.63	0.237	0.626
(6) Shopping discounts	5.44	1.45	5.42	1.48	0.016	0.900
(7) Fuel discounts on gas and diesel fuel	5.14	1.68	5.21	1.75	0.227	0.634
(8) Flight mileage	4.55	1.63	4.65	1.77	0.397	0.529
(9) 3-month interest-free installment	5.21	1.75	5.26	1.73	0.098	0.754

5. Conclusion

This research investigated the impact of consumers' pro-environmental disposition on their preference for a variety of credit card benefits. In other words, this research examined whether consumers' preference for credit card benefits (i.e., general credit card benefits vs. credit card benefits related to green life) is different according to their pro-environmental disposition. Specifically, it is hypothesized that for consumers with high (vs. low) pro-environmental donation intention, their preference for credit card benefits related to green life is higher (hypothesis 1), while preference for general credit card benefits does not differ between low and high pro-environmental donation intention groups (hypothesis 2). In support of the hypotheses, the results indicated that (1) respondents with high pro-environmental donation intention, as compared to those with low pro-environmental donation intention, had higher preference for credit card benefits related to green life; and (2) there was no significant difference in preference for general credit card benefits between high and low pro-environmental donation intention groups. The research findings suggest an important insight into how credit card companies can enhance the level of ESG practices by increasing their consumers' preference for credit card benefits relevant to green life, considering consumers' individual differences such as pro-environmental disposition.

Acknowledgement

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