

# Automation in Credit Card Repayment: A Friend or a Foe? An Abstract

Sandra Awanis and Ahmad Daryanto

**Abstract** With an average of \$880 billion of revolving debt in the USA, it is no surprise that policy developers seek to remedy the global credit card debt problem. Credit card issuers across countries now offer automated payment facilities online to ensure that consumers commit to regular repayments. However, insofar it is unclear whether repayment automation leads to better financial decisions.

The current research makes three contributions. First, our study raises public awareness about the negative effects of automated payments on credit card repayments. Contrary to the established assumptions that autopay helps consumers to manage consumer finances, our experiment unanimously shows that autopay facilities reduce the amount of credit card repayment. Second, our study offers a contemporary and relevant insight into the consumers' online credit card management, which is distinct from its offline counterpart. Specifically, in an online environment, consumers can process information on their credit card and savings almost simultaneously. For example, some consumers may access credit and savings accounts in different browser tabs, while others who own credit and savings accounts from the same institutions may be able to access both accounts within the same webpage. Finally, our study enriches understanding of individual differences in repayment decision behaviour. Our results indicate that certain attitudinal tendencies to credit cards heighten the effect of autopay on repayment, but this effect is intensified when the context involves those with low level of savings.

References Available Upon Request

---

S. Awanis (✉) • A. Daryanto  
Lancaster University Management School, Lancaster, UK  
e-mail: [s.awanis@lancaster.ac.uk](mailto:s.awanis@lancaster.ac.uk); [a.daryanto@lancaster.ac.uk](mailto:a.daryanto@lancaster.ac.uk)

© Academy of Marketing Science 2018  
N. Krey, P. Rossi (eds.), *Back to the Future: Using Marketing Basics to Provide Customer Value*, Developments in Marketing Science: Proceedings of the Academy of Marketing Science, DOI 10.1007/978-3-319-66023-3\_59