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Abstract

Purpose – *Young consumers globally are susceptible to becoming compulsive shoppers. Having negative consequences and considering that compulsive shopping may originate from past family life experiences, this study aims to use human capital life-course and positive-activity theories to suggest a socio-psychological pathway for prevention. It also examined the mediating influence of happiness and money attitude.*

Design/methodology/approach – *University students in South Africa (*N *= 171) and in Germany (*N *= 202) were surveyed. Structural equation modelling (SEM) was used to test relationships and multi-group analysis (MGA) assessed cross-cultural differences.*

Findings – *Emotional family resources received during childhood positively impacted happiness at young adulthood, which was found to be a positive driver of budget money attitude. Budget money attitude in turn limited compulsive shopping for German young consumers but not for South Africans. Cross-cultural differences are also observed in mediating effects of happiness and budget money attitude.*

Research limitations/implications – *This study is based on self-reported data from university students; this might limit the generalisability of findings.*

Social implications – *A positive relationship between happiness and desirable money attitude was confirmed. This study additionally contributes by showing that for South African and German young consumers, adequate childhood emotional family resources is a happiness' driver. This thus exposes the multiplier effects of simple acts of showing love and attention to children and how these family emotional resources can progressively limit dysfunctional consumer behaviour in the future.*

Originality/value – *Unlike complex psychotherapeutical and psychopharmacological treatments of compulsive buying that are being suggested, this study borrows from family, consumer and economic–psychological disciplines to suggest simple preventive measures.*

Keywords *Happiness, Adolescence emotional family resources, Compulsive shopping, Money attitude*

Paper type *Research paper*

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1. Introduction

Edwards (1993, p. 7) defines compulsive buying as "an abnormal form of shopping and spending in which the afflicted consumer has an overpowering, uncontrollable chronic and repetitive urge to shop and spend as a means of alleviating negative feelings of stress and anxiety". Deriving from this definition, Benson and Eisenach (2013) saw compulsive buyers comprises of two groups of people – those who excessively spend on things (i.e. compulsive spenders) and those who are excessively preoccupied with shopping, without actually buying or spending much cash (i.e. compulsive shoppers). Following the latter conceptualisation of compulsive buying and the fact that this dark side of consumer behaviour may emanate from past or present life experiences (Moschis, 2007), this study describes compulsive shopping as an excessive urge and preoccupation with shopping either online or in physical stores, as a means of alleviating negative feelings, which may originate from past or present life experiences.

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Deducing that compulsive shoppers can be likened to shopaholics, the following confessions of shopaholics are reported:

> I enjoy shopping. For me, shopping is therapeutic. I like to call this type of therapy, "market therapy" because I do not have to pay a licensed professional counselor $75.00 to $100.00 per hour to listen to my problems so that she or he can help me come up with solutions. Whatever problem I have in mind before I enter the mall, I soon forget [. . .] I forget my problems because they are many clothing stores everywhere (Jackson, 2010, p. 75).

Other shopaholics confessed that they tend to be well-informed when most stores have sales and have marked-down prices. They spend much time shopping around for items they do not need and cannot afford, to a point that their spouses and kids hate them for that. While some excessively and irresistibly shop for clothes, shoes, electronic gadgets or cars, others shop for churches. "They go to churches all over town and try them out. They test-drive churches. Many hop or jump from one church to another like grasshoppers" (Jackson, 2010, p. 75).

Whether compulsive shopping is displayed in the search for physical goods or services, Unger and Raab (2015) report that it is done to numb aversive feelings and to compensate for perceived inadequacy of emotional resources received and this is growing among young adult consumers globally. The emotional resources may be love, appreciation, acceptance, confirmation and ultimately happiness. Unger and Raab (2015) warned that if compulsive shopping is not curbed in time, it has the potential to develop into compulsive spending or other pathological buying disorders with more negative psychological, social and financial consequences. This will however depend on the adequacy of emotional resources (Unger and Raab, 2015), especially received from family during adolescence (Baker *et al.*, 2013b) and the type of money attitudes the consumers have developed (Roberts and Jones, 2001).

Considering that compulsive shopping is growing among young adults globally and the level of emotional resources received during adolescence and type of money attitudes can promote or prevent compulsive shopping, this study examined a simple socio-psychological pathway by which compulsive shopping among South African and German young adults or Generation Y (Gen Y) can be prevented. It specifically proposes that emotional family resources received during childhood or adolescence would positively impact happiness at young adulthood. Happiness will in turn positively impact budget money attitude, which will be a negative driver of compulsive shopping. The study also tests the mediating effects of happiness and budget money attitude for both the German and South African samples. A multi-group analysis (MGA) is also conducted to assess cross-cultural differences in the relationships. This study would contribute by not only testing a simple and non-costly pathway through which compulsive shopping can be prevented but also exposing possible and positive multiplier effects of simple acts of showing love and attention to children in their childhood or adolescence years. It also reveals the economic power of happiness generated from parental acts of love towards their children.

The study starts by stating the research problem and providing the delimitation of research realm in Section 2. It then defends why Gen Y Germans and South Africans are the focus of the study in Section 3; this is followed by the development of hypotheses from Moschis' (2007) human capital life-course theory, Lyubomirsky and Layous'(2013) positive-activity model and a literature review. The research methods and results are then discussed in Section 4. The results analysed in Section 5. The study ends with the discussion and implications in Section 5.

2. Research problem

Driven by the negative consequences of compulsive buying, researchers have mainly focused on investigating the sources and processes by which it develops (Grougiou *et al.*, 2015). For

example, reports from various cultures show that compulsive buying is driven by psychological (negative emotions, low self-esteem), socio-economic factors (lack of childhood family resources) and demographic factors (growing up in societies that glorify consumption). Examples of the cross-cultural studies include those of Rindfleisch *et al.* (1997) in the USA, Roberts and Roberts (2012) in the USA, Grougiou *et al.* (2015) in Greece and Unger and Raab (2015) in Germany and China. Using Moschis' (2007) life-course model, Baker *et al.* (2013a) and Grougiou *et al.* (2015) suggest that compulsive buying is rooted in early-in-life family experiences and develops through some socio-psychological processes.

According to Roberts and Jones (2001) and Spinella *et al.* (2014), compulsive buying is associated with money attitudes, such that it is positively related to symbolic money attitudes (e.g. power/prestige) and negatively related to conservative money attitudes (e.g. budget). While these studies provide useful insights into how compulsive buying develops, research is lacking in its prevention. Empirical studies are also limited on the power of happiness and family resources received during childhood in the development of desirable money attitudes, which can deter the manifestation of a host of undesirable consumption orientations, such as materialism, impulsive and compulsive buying behaviours.

Finding that there are limited research studies on the treatment of compulsive buying, Benson and Eisenach (2013) studied and suggested how compulsive buying can be treated. With their view that compulsive buying is a pathological impulse disorder, they suggested complex psychotherapeutical and psychopharmacological treatments. Because prevention is better than cure, and Spinella *et al.* (2014) opine that there are less extreme levels of compulsive buying, which are not yet critical and can be prevented among young adults or Gen Y, we proposed and tested a simple socio-psychological pathway by which compulsive shopping among young adult Gen Y can be prevented.

3. Conceptual framework

3.1 Delimitation of research realm

On reporting the literature reviewed, the term compulsive buying and shopping will be interchangeably used, because with the exception of Benson and Eisenach (2013), most studies did not distinguish between compulsive buying, spending and shopping. However, the measurement of compulsive buying in this study will be specifically based on compulsive shopping, which would be operationalised here in terms of how often Gen Y feel the strong urge and desire to go shopping or to be shopaholics.

Rindfleisch *et al.* (1997) classify and operationalise family resources received during childhood in terms of the extent to which young adults or Gen Y perceive the adequacy of tangible/economic (pocket money, food and clothing) and intangible/emotional resources (adult parental supervision, practical help, love, emotional support, role modelling and guidance) received before 18th birthday or during adolescence. With the notion that emotional resources received during childhood has more influence than tangible resources on young adults' psychological well-being and behaviour (Rindfleisch *et al.*, 1997; Hill *et al.*, 2001), this study focused on emotional family resources and also considered experiences before the 18th birthday.

The events people experience before the age of 18 or during adolescence (13-18 years), according to life-course researchers, have more impact on later-life psychological well-being, attitudes and behaviours (Chase-Lansdale *et al.*, 1995; Hill *et al.*, 2001). Young adulthood (18-25 years), which is also part of Gen Y life stage has been viewed as a later-life stage after childhood experiences by life-course researchers (see for example, Rindfleisch *et al.* (1997), Grougiou *et al.* (2015) and Baker *et al.* (2013a).

Later-life happiness in this study will be operationalised in terms of Gen Y's satisfaction with the way they are and look and whether they see life to be rewarding and have a meaning

and purpose in life (Hills and Argyle, 2002). Rose and Orr (2007) describe budget money attitude in terms of consumers' tendency to plan wisely and cautiously spend their money.

3.2 Rationale for the choice of young adult Gen Y Germans and South Africans

Gen Y are the consumer cohort reportedly born between 1980 and 2000 (Cekada, 2012). They are selected for this study because they comprise a market that is large, attractive and global with similar values and attitudes (Lantos, 2014). Their market size and spending power are transforming economic and social, and even political, phenomena across the globe. Unlike previous generations, Gen Y has been raised in a consumption-driven society both in developed and newly emerging countries (Lantos, 2014). The young adult Gen Y, who Gutter and Copur (2011) and Bamforth and Geursen (2017) suggest are between the ages of 18 and25, are entering the job market, independently spending their own income and having credit cards in their names for the first time. Depending on their money-management behaviour and socio-economic and psychological backgrounds (Bamforth and Geursen, 2017), they may be tempted into becoming compulsive shoppers (Unger and Raab, 2015). This can lead them to unmanageable debt levels (Gutter and Copur, 2011).

Young adult Gen Y in South Africa and Germany are studied because Deon (2011) reports that among young adults, compulsive buying is prevalent in European countries, including Germany, and emerging economies, such as South Africa. Driven by growing and similar globalised consumption-driven society, whereby there are more and easily accessible shopping malls, online shopping sites, credit cards and credit facilities, young consumers, especially the urban-dwelling ones, globally tend to embrace individualistic and materialistic values and make unplanned and non-utilitarian purchases that reach compulsive levels (Dittmar, 2005; Durvasula and Lysonski, 2010; Rajagopal, 2009; Unger and Raab, 2015). Rajagopal (2009) and Unger and Raab (2015) claimed that the increasing number of shopping malls in both developed and emerging economies is a visible sign of not only a globalised consumer culture but also "shopping cathedrals", which reinforces compulsive buying tendencies. Raab *et al.* (2011) when investigating the similarity in compulsive buying tendencies, found this tendency to be high and closely similar among Gen Y in Germany, Austria and Denmark. For even a culturally diverse Germany and China, Unger and Raab's (2015) comparative study also revealed similar and high rate of compulsive buying among Gen Y consumers in these two countries. For German Gen Y alone, up to 16.2 per cent were found to be compulsive buyers. Considering Roberts *et al.*'s (2014) report that 6 per cent prevalence rate in a country is generally high, a 16.2 per cent for German Gen Y is very high.

Data on compulsive buying in Africa are scarce (Unger and Raab, 2015). However, one study on South Africa revealed that Gen Y's compulsive buying intensity rate was 47 (Deon, 2011). Such a high sum score is considered to be indicative of compulsive buying (Unger and Raab, 2015). It can thus be said that there is an incidence of compulsive buying among Gen Y South Africans. Deon's (2011) South African study and Unger and Raab's (2015) German study of compulsive buying focused on identifying demographic causes. For deeper understanding of how compulsive buying tendencies develop, Baker *et al.* (2013a) recommend the use of any of Moschis' multi-disciplinary life-course theories. One of the life-course theories is the human capital theory. This theory highlights the importance of family resources received during childhood or adolescence in the development of consumption orientations, including compulsive buying. Hill *et al.* (2001) contend that the level of family resources children received when growing up is one of the most influential drivers of later-life psychological well-being and behaviour.

3.3. Development of hypotheses

3.3.1 Human capital life-course theory, positive-activity model and later-life psychological and consumption outcomes Moschis' (2007) human capital life-course theory posits that the accumulation of human capital (for instance, educational qualifications, skills, knowledge,

economic and emotional resources) is a life-course process that begins in childhood and depends on a person's proximal settings (family, school and work). Moschis (2007) suggests that the amount of human capital children received when growing up may affect later-life self-esteem and consequently attitudes and consumption orientations, such as materialism and compulsive buying behaviour. Even though the amount of family resources received during childhood was influential aspects of human capital that Moschis (2007) identified in the development of compulsive buying behaviour, their impact on psychological well-being and money attitude in later life was not empirically tested. Presenting the positive-activity model which suggests that simple activities such as social support received either in the past or present can affect people's happiness. Lyubomirsky and Layous (2013) emphasised the need to empirically test the link between social support and happiness.

Empirically testing Moschis' (2007) theory, and among American, Brazilian and French young adults, Baker *et al.* (2013b) found that family resources received during adolescence can affect materialism and compulsive buying behaviour at young adulthood. This effect, they suggest, works through some socio-psychological processes. The impact of family resources received during childhood on happiness was however not considered in Baker *et al.*'s (2013b) model of compulsive buying.

Examining the impact of early life or childhood experiences, Najman *et al.* (2010) conducted a longitudinal study in the field of public health to examine how family poverty experienced in early life can affect young adults' later-life psychological state such as anxiety and depression. They found that family poverty and socio-economic disadvantages experienced early in the life-course (e.g. in the foetal, childhood or adolescent period), later predicted young adults' anxiety, depression and general well-being.

Rindfleisch *et al.* (1997) viewed childhood experiences in terms of the amount of tangible/economic and non-tangible/emotional family resources received. They suggested that the amount of family resources, especially emotional resources of love, role modelling and attention received during childhood or at adolescence (i.e. before 18th birthday), can affect self-esteem, general subjective well-being and ultimately materialism and compulsive buying at young adulthood. The impact of emotional family resources received during childhood on psychological well-being was however assumed and not empirically tested by Rindfleisch *et al.* (1997). Following Lyubomirsky and Layous's (2013) recommendation to empirically test the link between social support and happiness, the following hypotheses are formulated:

H1. (a) Emotional family resources received during childhood have a positive impact on happiness in young adulthood for both Gen Y in Germany and South Africa and (b) There is no difference between Gen Y in Germany and Gen Y in South Africa in terms of how emotional family resources received during childhood affect happiness at young adulthood.

3.3.2 Relationship between happiness and money attitudes. Studies have shown that money attitudes and financial and buying behaviours that people develop can be predicted or explained from family socialisation (Shim *et al.*, 2015) or from their emotional states (Mayall, 2010; Guven, 2012). Shim *et al.* (2015), through a two-step longitudinal survey of 1,511 Gen Y Americans found that financial attitude and ultimately healthy financial behaviour partly originate from family socialisation, such as parental modelling. Mayall (2010) and Guven (2012) are of the opinion that emotions, such as fear, greed, trust, hope and happiness, are the drivers of financial attitudes and ultimate behaviour. Specifically, Guven (2012) found that happiness drives the ability to spend money wisely and cautiously or budget money attitude as Rose and Orr (2007) term it. Deriving his findings from a Dutch and German household survey, Guven (2012) explains that because happier people are expected to live longer, they tend to budget and save more. Thus:

H2. (a) Happiness has a positive relationship with budget money attitude for both Gen Y in Germany and South Africa and (b) There is no difference between Gen Y in Germany and Gen Y in South Africa in terms of how happiness affects budget money attitude.

3.3.3 Relationships between money attitudes and compulsive buying. A review of the literature on the impact of money attitudes on compulsive buying, especially among Gen Y, shows that in both emerging (Roberts *et al.*, 1999; Li *et al.*, 2009; Mishra *et al.*, 2014) and developed economies (Roberts and Jones, 2001; Phau and Woo, 2008), symbolic money attitudes (e.g. power/prestige) positively influence compulsive buying, whereas conservation money attitudes (e.g. retentive and budget) have a negative impact. Using data from Germany and The Netherlands, Guven (2012) found that happy people tend to not only wisely and cautiously spend (i.e. have a budget money attitude) but also have the propensity to consume less. In terms of compulsive buying among Gen Y Americans, Spinella *et al.* (2014) empirically found that it was negatively affected by budget money attitude. Conceptualising budget money attitude as careful spending, Aw *et al.* (2018) also found it can negatively impact compulsive buying. It can therefore be hypothesised that:

H3. (a) Budget money attitude has a negative relationship with compulsive shopping for both Gen Y in Germany and Gen Y in South Africa and (b) There will be no difference between Gen Y in Germany and Gen Y in South Africa in terms of how budget money attitude affects compulsive shopping.

3.3.4 Mediating roles of happiness and budget money attitude in relationship between family resources received during childhood and compulsive shopping. Happiness is a highly valued and most pursued human goal. Thus the study into the drivers and benefits of happiness is ongoing. Searching its drivers, the need satisfaction theorists posit that to be happy, the satisfying of basic human needs is one of the important paths. Church *et al.* (2013) empirically tested and found in Australia, Mexico, Venezuela, the Philippines, Malaysia, China, Japan and USA that overall well-being was predicted by perceived need satisfaction. With this notion and considering that emotional family resources are important needs children would expect to be provided and be satisfied with, we propose that this will not only lead to happiness but also in turn drive budget money attitude. This will be particularly so because of Guven's (2012) suggested positive relationship between happiness, saving and cautious spending.

Budget money attitude can also be driven by family resources received during childhood as Duh (2016) found among Gen Y. With the impact that happiness has on budget money attitude as Guven (2012) suggested, it can be expected that happiness will mediate the relationship between family resources received during childhood and budget money attitude. Duh (2016) also found that money attitude dimensions, including budget money attitude, mediated the relationship between family resources received during childhood and later-life materialism. With these findings, the following hypotheses can be formulated:

H4. Happiness mediates the relationship between emotional family resources received during childhood and budget money attitude for both Gen Y in Germany and Gen Y in South Africa.

H5. Budget money attitude mediates the relationship between happiness and compulsive shopping for both Gen Y in Germany and Gen Y in South Africa.

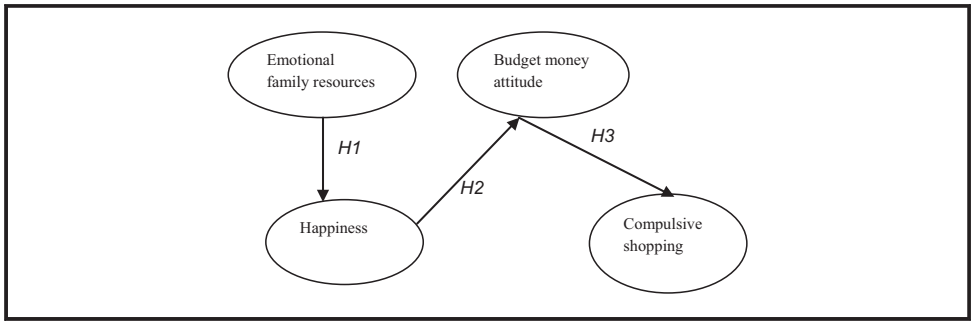
The hypotheses are presented in Figure 1.

4. Methods

4.1 Participants

After obtaining ethics clearance, we surveyed young Gen Y undergraduate university students at a large university in Johannesburg, South Africa (N = 171), and in Hamburg,

Figure 1 Conceptual model



Germany (N = 202). The undergraduate students were conveniently and purposively sampled because most of them are young adults within the ages of 18-25 (Gutter and Copur (2011)). However, and in line with this journal, up to 90.2 per cent of those in the German sample were between the ages of 18 and24 with a mean age of 23.27 and a standard deviation of 0.95. South African respondents within 18-24 years were 97 per cent with a mean age of 21.68 and a standard deviation of 0.80. Gen Y in this age group can easily remember past family experiences (Wooten, 2006). Participants in the German and South African samples were business students, who were conveniently sampled and surveyed in class.

Kasser *et al.* (2002, p. 7) view university students as "the backbone of much scientific research in psychology". Business students, according to Martin and Turley (2004) and Rugimbana (2007), are better suited to respond to consumer behaviour studies. The survey was self-administered and the participants remained anonymous by not writing their names on the questionnaire. The German questionnaire was translated into German by a German Professor, who is the co-author of this paper. He proficiently speaks and writes both German and English. Because South Africans speak and study in English, their questionnaire was self-administered in English.

The German sample included 38.6 per cent men and 61.4 per cent women. The South African sample included 31.6 per cent men and 68.4 per cent women. The South African young adults were also from all racial and socio-economic backgrounds, emanating from the fact that the University of Witwatersrand in Johannesburg where the data were collected is a cultural and socio-economically diverse university. For example, the South African young adults were blacks = 65.4 per cent, coloureds = 21.5 per cent; whites = 7.5 per cent; Indians = 5.6 per cent. This thus adequately represents the racial composition of the country's population.

4.2 Measures

Emotional family resources received during childhood were measured using Rindfleisch *et al.*'s (1997) scale. Respondents rated how the intangible family resources (love, attention, role modelling), they received before their 18th birthday were felt to be exceptional or inadequate. Six items of Hills and Argyle's (2002) seven-item unidimensional Oxford happiness scale were used to measure happiness as described in Table II. One item (I have lots of especially happy memories of the past) was deleted from the scale because of low factor loading. Budget money attitude was measured with five items extracted from Rose and Orr's (2007) 24-item money attitudes scale. Compulsive shopping was measured using four items of the scale that Grougiou *et al.* (2015) used to measure compulsive buying. All of the indicators were measured with a five-point Likert scale, where "1" stood for

strongly disagree and "5" for strongly agree. Descriptive statistics (mean sum scores) of the four constructs and their bivariate correlations are provided in Table I.

5. Analyses and results

5.1 Constructs means, reliability, validity and common method variance assessment

The reliability of the scales was tested using Cronbach's alpha (α) (Table II). Discriminant validity was assessed with correlation coefficients (Table I), whereas convergent validity of the scales was measured using confirmatory factor analysis (CFA) loadings and average variance extracted (AVE) (Table II).

Even though Fuller *et al.* (2016, p. 3193) opine that the existence of common method variance (CMV) "may not produce changes in effect sizes and significance levels, or may change them trivially, CMV was however prevented procedurally and statistically. Procedurally, CMV was prevented by placing the answering of the biographic questions in between the independent variables and dependent variables. We also grouped and

Table I Descriptive statistics

Correlation matrix and means for German subsample							*Correlation matrix and means for South Africa subsample*						
	EFR	*HAP*	*BUD*	*CS*	*Mean*	*SD*		*EFR*	*HAP*	*BUD*	*CS*	*Mean*	*SD*
EFR	1				3.77	0.87	EFR	1				3.99	0.92
HAP	0.302**	1			3.69	0.74	HAP	0.308**	1			3.76	0.87
BUD	0.006	0.124	1		3.24	0.93	BUD	0.139	0.184*	1		3.33	0.93
CS	0.058	−0.067	−0.340**	1	2.49	1.11	CS	0.142	0.070	0.111	1	2.81	1.05

Notes: **= significant at the 0.01 level (two-tailed); * = significant at 0.05 level (two-tailed); EFR = emotional family resources; HAP = happiness; BUD = budget; CS = compulsive shopping; SD = standard deviation

Table II Validity and reliability tests of constructs

Factors (Cronbach's alpha (α) and AVE	*Item*	*CFA factor loading South Africa*	*CFA factor loading Germany*
Emotional family resources	Childhood time and attention received from parents	0.82	0.85
(α = 0.83a and 0.84b)	Childhood life skills and instruction received from parents	0.74	0.71
(AVE = 0.55a & 0.50b)	Childhood love received from parents	0.87	0.85
	Childhood role modelling received from parents	0.85	0.84
Happiness *(α = 0.85a and*	I feel completely pleased with the way I am	0.80	0.77
0.86b)	I feel that life is very rewarding	0.72	0.78
(AVE = 0.58a & 0.52b)	I am well-satisfied about everything in my life	0.72	0.83
	I think I look attractive	0.76	0.70
	I have a good sense of meaning and purpose of my life.	0.78	0.65
	I am truly happy in life	0.80	0.80
Budget money attitude	I budget my money very well	0.83	0.85
(α = 0.89a and 0.87b)	I spend my money wisely	0.88	0.90
(AVE = 0.65a & 0.50b)	I spend my money very carefully	0.89	0.84
	I am proud of my ability to save money	0.83	0.79
	I believe in being careful in how I spend my money	0.59	0.80
Compulsive shopping	There are times I have a strong urge to buy something	0.82	0.82
(α = 0.88a and 0.82b)	I often have a real desire to go shopping and buy	0.80	0.92
(AVE = 0.54a and 0.52b)	something.	0.82	0.84
	As soon as I enter a shopping centre, I want to go in a store and buy something.	0.77	0.87
	Others might consider me a shopaholic		

Notes: a = Germany; b = South Africa

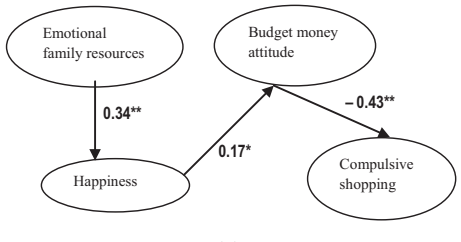
structured the presentation of each construct differently (i.e. some in tables and others not in tables). All these measures, according to Podsakoff *et al.* (2003), prevent socially desirable responses associated with cross-sectional data collection. CMV was assessed statistically by using Harman's one-factor test proposed by Podsakoff *et al.* (2003). With this test, the unrotated one-factor principal component solution had a variance explained of 28 per cent, which was less than 50 per cent. This indicated that CMV was absent (Podsakoff *et al.*, 2003).

Cronbach's alphas of the constructs ranged from 0.82 to 0.89. These indicated that all of the constructs were reliable. The CFA item-to-factor loadings were all higher than 0.5, indicative of convergent validity. The convergent validity was also confirmed with AVE figures for both samples greater than the recommended 0.5 (Table II). Discriminant validity was also confirmed from the coefficients of the correlation matrix in Table I, which were all lower than the recommended 0.8 (Hair *et al.*, 2010). The means in Table I indicate that both the German (*M = 3.8*) and South African (*M = 4.0*) young adult Gen Y received adequate emotional family resources during childhood, and were moderately happy (*M = 3.7* and *M = 3.8* respectively). Both samples held an average budget money attitude with (*M = 3.2*) and (*M = 3.3*) for Germans and South Africans, respectively. They averagely scored on compulsive shopping with (*M = 2.5*) and (*M = 2.8*) for Germans and South Africans respectively. From these mean figures, German and South African young adult Gen Y members were largely comparable in all investigated variables.

5.2 Structural equation modelling and multi-group analyses results

Before testing the relationships hypothesised, we first tested the measurement model fit using the covariance-based structural equation modelling (SEM), because it best measures model fit than the PLS-SEM (Ringle *et al.*, 2015). With χ^2/df = 1.75, TLI = 0.91, CFI = 0.93, GFI = 0.94, AGFI = 0.91 and RMSEA = 0.045 for Germany and χ^2/df = 1.84, TLI = 0.89, CFI = 0.93, GFI = 0.92, AGFI = 0.90 and RMSEA = 0.052 for South Africa, the goodness-of-fit statistics were all good and acceptable. Because the covariance-based SEM was used to measure model fit, it was appropriate for the path model tests. The standardised path coefficients derived from AMOS 24 analysis are reported in Figures 2 and 3. Multi-group analysis was conducted using PLS-SEM to examine whether significant differences between German and South African Gen Y exist in the proposed hypotheses. PLS-SEM was used to conduct the MGA because Sarstedt *et al.* (2011) contend that it provides an easier and innovative way to test MGA. The MGA was done with a tool in SmartPLS 3. Two groups in terms of countries were used as variables with 2 values (1 = South Africa, 2 = German) (Ringle *et al.*, 2015). Furthermore, a bootstrap option gave path coefficients of the differences and the *p*-values of the differences. Table III provides the results.

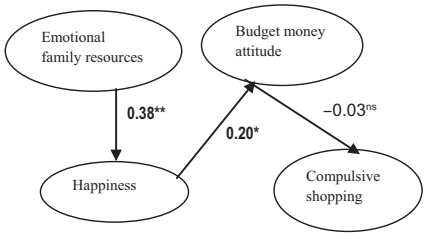
Figure 2 SEM results for Germany



(a)

Notes: * = $p < 0.05$; ** = $p < 0.001$; ns = not significant

Figure 3 SEM results for South Africa



Notes: * = $p < 0.05$; ** = $p < 0.001$;
ns = not significant

H1a and *H1b* posited that emotional family resources received during childhood will positively affect later-life happiness, and there would be no significant difference between the German and South African samples. With (β = 0.34, $p < 0.001$) for Germany and (β = 0.38, $p < 0.001$) for South Africa, *H1a* was supported. *H1b* was also supported with (β = 0.048, ns). For *H2a* and *H2b*, it was hypothesised that happiness will increase the tendency to wisely and cautiously spend money, and there would be no significant difference between the German and South African samples. With (β = 0.17, $p < 0.05$) for Germany and (β = 0.20, $p < 0.05$) for South Africa, *H2a* was supported. *H2b* was also supported with (β = 0.080, ns). *H3a* and *H3b* proposed that budget money attitude will negatively affect compulsive shopping, and there would be no significant difference between the German and South African samples. *H3a* results for German Gen Y (β = −0.43, $p < 0.001$) were supported and that for South African Gen Y (β = −0.03, *ns*) was not supported. *H3b* results were not supported with (β = − 0.172, $p < 0.050$).

5.3 Test of mediation

The mediating effect was calculated using Little *et al.* (2007, p. 210) approach, whereby the unstandardized regression coefficients and their *p*-values are used to determine the mediations. Little *et al.* (2007) graphically provided the steps to determining mediation. The steps are shown in Figure 4.

H4 posited that happiness will mediate the relationship between emotional family resources received during childhood and budget money attitude for both Gen Y in Germany and Gen Y in South Africa.

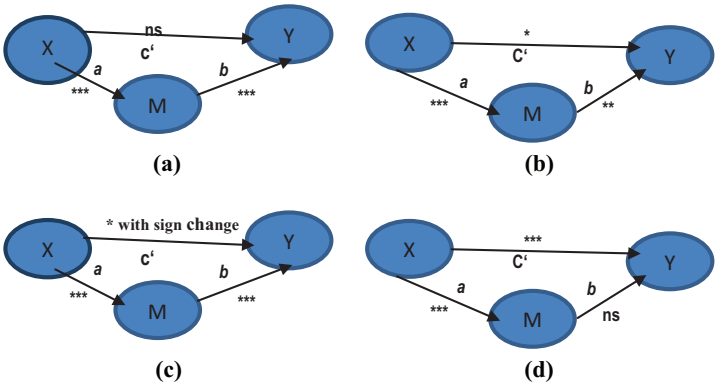
According to the results in Table IV and following Little *et al.*'s (2007) recommendation displayed in Model A criteria of Figure 4, happiness in the South African sample fully mediated the relationship between emotional family resources received during childhood and budget money attitude at young adulthood. For the German sample, happiness also had a mediating, but inconsistent, effect because the direction of the relationship changed from positive to negative (Model C, Figure 4). This suggests that even though happiness is positively related to budget money attitude as proven in *H2a* for German young adults, when the happiness is generated from the appreciation of the emotional family resources received during

Table III Results from multi-group analyses

	Path coefficients-differences (SA versus German)	p-*Value (SA versus German)*
Emotional family resources → Happiness	0.047	0.703ns
Happiness → Budget money attitude	0.090	0.875ns
Budget money attitude → Compulsive shopping	−0.172	0.050*

Note: *= $p < 0.05$; ns = not significant

Figure 4 Steps in determining mediation effect



Notes: (a)Full mediation; (b)partial mediation; (c)inconsistent mediation; (d)no mediation

Table IV Mediation results

Relationships	*Indirect effect* $X \rightarrow M$ *(a)*	*Indirect effect* $M \rightarrow Y$ *(b)*	*Direct effect (c')*	*Mediation*
Germany				
H4. Emotional family resources → Happiness - Budget money attitude	0.318***	0.116*	−0.039^{NS}	Inconsistent
H5. Happiness → Budget money attitude - Compulsive shopping	0.116*	−0.350***	−0.341***	Partial
South Africa				
H4. Emotional family resources → Happiness - Budget money attitude	0.291 ***	0.196***	0.086 ^{NS}	Full
H5. Happiness → Budget money attitude - Compulsive shopping	0.196 ***	0.104^{NS}	0.110 ^{NS}	No

Notes: X = independent; M = mediator, Y = dependent; NS = not significant; *= $p < 0.09$; ***= $p < 0.01$

adolescence, this may rather create an expectation to be pampered in monetary and material terms. This would then negatively impact on the budget money attitude tendency.

For *H5*, it was expected that budget money attitude will mediate the relationship between happiness and compulsive shopping. The results in Table IV show that this was partially so for the German sample. Budget money attitude did not have a mediating effect for the South African sample.

6. Discussion and implication

This study was aimed at finding a simple socio-psychological pathway by which compulsive shopping among young adult Gen Y can be prevented. The first finding of the positive relationship between emotional family resources received during childhood and happiness at young adulthood empirically confirms Lyubomirsky and Layous's (2013) positive-activity model of the power of social support. The important role of emotional family resources received during childhood was also revealed by Moschis *et al.* (2013), who found that it negated socio-oriented family communication style. Moschis *et al.* (2013, p. 74) describe socio-oriented family communication style as "communication which stresses conformity to social norms and the importance of judging others based on their consumption habits".

The empirical support of the positive-activity model has implications for policymakers, who can encourage parents to provide their children with adequate emotional resources. This may cost parents little or nothing. Already, the French civil code obliges French parents to

provide financial, emotional and educational resources to all their children, including those adopted and born out of wedlock (Xanthaki, 2000). To the extent that family resources enhance happiness, there would be societal gains, considering Manolis and Roberts' (2012) assertion that happiness produces positive outcomes, such as altruism, better social relationships, work productivity and good mental and physical health.

Economically, happiness as the current study found, positively drives budget money attitude. This was also the case from Guven's (2012) findings in The Netherlands. The current study contributes by confirming the positive relationship between happiness and desirable money attitude for both South African and German young adults. The study also reveals that happiness mediated the relationship between emotional family resources received during childhood and desirable budget money attitude for the South African sample. This means that in addition to Duh's (2016) finding that childhood family resources positively impact on budget money attitude, the current study contributes by showing that the impact will increase further when happiness is factored into the relationship.

The current study went further to show that the resultant budget money attitude can help negate compulsive shopping among German Gen Y. The effect of budget money attitude on compulsive shopping can be even stronger when driven by happiness as seen from its mediating effect. Shim *et al.* (2015) found that financial attitude positively affects healthy financial behaviour. The current study contributes by revealing that the specific financial attitude is the budget money attitude. It was however surprising to find that budget money attitude of young adult South Africans neither significantly impacted on their compulsive shopping nor mediated the relationship between happiness and compulsive shopping. This could be explained from the fact that South Africa scores fairly higher (63) in indulgence than Germany (40) on Hofstede's cultural values classification.

Indulgence is the tendency for people to generally exhibit a willingness to realise impulses and desires to have fun as they please and spend money as they wish (The Hofstede Centre, 2014). On their topic on the consequences of indulgence, Ramanathan and Williams (2007) reported that compulsive consumption involves conflicting desirable (e.g. reduce shopping) and undesirable (e.g. continue shopping) goals. The ability to choose either the desirable or undesirable goals depends on the level of indulgence. Ramanathan and Williams (2007) further found that the less indulgent consumers (which may be the case of the Germans) also carry negative self-conscious emotions (e.g. guilt and regret) as opposed to the more indulgent consumers (which could be the case of South Africans). The self-conscious emotions may cause the less indulgent consumers to have a greater propensity to reduce or stop compulsive consumption. Future study is needed for the empirical testing of the relationship between money attitudes, levels of indulgence, guilt and compulsive shopping in two countries scoring low and high in indulgence levels.

In addition to the regret and guilty feeling that can reduce indulgence, non-violence in schools and society, political and economic stability can also play a role. For example, in the USA, Paul (2001) reports that events such as the 9/11 and the Columbine High School shooting, as well as indecent politician and celebrity behaviours, caused US Gen Y to believe that life is fleeting. This thus contributed to them being impatient, self-centred, demanding, squanderers and non-savers. Gen Y in South Africa have equally experienced social violence, well-publicised corruption and self-enrichment charges against top government and even church officials. While these may cause Gen Y South Africans to have less hope in the future to the point of being indulgent (Bevan-Dye *et al.*, 2009), addressing these societal vices may bring hope, increase happiness, reduce indulgence and increase cautious spending and consumption (Guven, 2012).

7. Limitation and conclusion

Despite the contribution of this study, there are some limitations. The first limitation is the use of some retrospective data. To minimise this limitation, respondents were asked to simply agree or

disagree to whether the degree to which they felt emotional family resources received before their 18th birthday was adequate as recommended by Baker *et al.* (2013b). The use of university students could also be a limitation, especially as they may have greater self-esteem than the non-university students. More so, their level of budget money attitude and compulsive shopping may be different, needing a different remedy. The results of this study should therefore be cautiously generalised to all young adult Gen Y. Respondents' self-report about their compulsive shopping and even budget money attitude may have a social desirability bias, which can be avoided in future studies by experimentally measuring these constructs or conducting implicit studies.

Notwithstanding these few limitations, this study revealed that mere love and attention children receive when growing up can go a long way in not only providing later-life happiness but also ultimately helping young adult Gen Y to develop the ability to resist the buying temptations arising from the consumption-driven society they are being raised in. For further studies and to address this study's limitations, non-university Gen Y should be studied, especially as their levels of financial literacy and controllability may be different (Spinella *et al.*, 2014; Shim *et al.*, 2015).

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