Available at https://journalenrichment.com/index.php/jr/

Enrichment: Journal of Multidisciplinary Research and Development

The Effect of Lifestyle and Financial Literacy on Consumptive Behavior Millennials on Social Media Instagram

Novearhenada Jingga Arnesya[1*], Sugeng Mulyono[2], Umi Muawanah[3]

[1,2,3] Universitas Gajayana Malang, Jawa Timur, Indonesia

*Email: novearhenadaku@gmail.com

ARTICLE INFO

Keywords: *lifestyle, financial literacy, consumptive behavior.*

ABSTRACT

This study aims to test and analyze the influence of lifestyle and financial literacy on the consumptive behavior of the millennial generation on Instagram social media. The research approach used was an explanatory study with a population of 1,927 Instagram followers and a random sample of 331 people. The data were analyzed using multiple linear regression, F test, and t-test with a significance level of 5%. Previously, a classical assumption test was carried out. The results of the study show that partially, lifestyle and financial literacy have a significant effect on consumptive behavior. Simultaneously, lifestyle and financial literacy also have a significant effect on consumptive behavior, with financial literacy having a dominant influence. The implications of this study show the importance of controlling lifestyle and increasing financial literacy to reduce the consumptive behavior of the millennial generation. This research provides an in-depth understanding of the factors that influence consumptive behavior and can be used as a basis for designing more effective financial education strategies.

INTRODUCTION

The lifestyle of today's millennial generation is more concerned with brand names than with needs (Kristinova, 2022). All of these activities slowly bring millennials into a pattern that leads to consumptive behavior and ultimately harms millennials themselves. Apart from lifestyle, financial literacy also has an influence in determining the actions of consumptive behavior.

Consumptive behavior is the tendency of adolescents to consume without limits, buying something excessive or unplanned. This is inseparable from adolescents who are looking for and trying to achieve an ideal self-pattern, which in adolescence is a period of transition and search for identity, causing adolescents to be easily influenced by promotions for products or goods that are presented in a number of mass media or directly promoted in the market (Valkenburg & Piotrowski, 2017).

Consumptive behavior that can be seen from adolescents, for example, ownership of mobile phones, which as of now provides many increasingly sophisticated facilities. They are competing to have a mobile phone with the most sophisticated series among their friends which is actually less useful in their duties as a student at school, namely learning. In Indonesia, there are around 7.3 million hand phone users and 56% of them are young people, under the age of 20 (Triratnawati, 2018).

In fact, based on survey data released in 2018 by the Consumer Protection Agency. Shows a significant demand for luxury goods. From 3.6% to 19% of the total demand for goods during 2018. This is further exacerbated by data from (Kristinova, 2022) that the economic drivers of the buying and selling market are young people, with details; youth aged 17-19 ranks first (34%), followed by aged 20-28 (27%) then aged 28-35 (21%) and above 35 years (18%).

Previous research found evidence that there is a significant negative effect of financial literacy on consumptive behavior (Deviyanti, 2020). But in contrast to the results of his research (Fauzia & Nurdin, 2019) that there is a significant positive influence between financial literacy on consumptive behavior. Furthermore, (Yahya, 2021) proves that consumptive behavior is not influenced by financial literacy. The existence of these contradictory research results makes it interesting to investigate further.

Based on the explanation above, this study aims to test and analyze: first, the partial effect of lifestyle on consumptive behavior. Second, the partial effect of financial literacy on consumptive behavior. Third, the simultaneous influence of lifestyle and financial literacy on consumptive behavior. Fourth, which of the lifestyle and financial literacy has a dominant effect on consumptive behavior.

METHOD

This research uses an explanatory research approach. The population of followers on the researcher's Instagram amounted to 1,927 people, with random sampling using the formula (Augusty, 2019). obtained a sample of 331 people. The data were then analyzed by multiple linear regression and the F test and t test with a 5% level. Previously, classical assumption tests were carried out: heteroscedasticity, multicollinearity, and normality (Ghozali & Dan, 2017). Data related to research variables were obtained by providing questionnaires to selected respondents via google form.

RESULTS AND DISCUSSION

The results of validity and reliability tests and classical assumption tests including: multicollinearity, heteroscedasticity, and normality are summarized in Table 1 below.

Table 1. Summary of Test Results: Validity, Reliability and Classical Assumptions

Test	Test Equipment	Results	Summary
Validity	Pearson Model Correlation	Sig. value < 5%	Valid
Reliability	Cronbach Alpha	The value is > 0.6	Reliable
Classic assumptions:			
Multicollinearity	VIF	Value < 10	Not happening
Heteroscedasticity	Scatter Plot	Irregular image	Not happening
Normality	Kolmogorof-Smirnov	Sig. value > 5%	Normal

Source: primary data processed by researchers in 2023

In Table 1 above, it appears that the test results: validity, reliability, and classical assumption tests show that nothing is violated, so the use of multiple linear regression analysis can be used as an analytical tool in this study. Furthermore, the results of multiple linear regression analysis and hypothesis testing are presented in table 2 below

Table 2. Summary of Multiple Linear Regression Analysis Results and Hypothesis Tests

Description	Coefficient regression	p-value (sig value)	Summary Hypothesis
H1: the effect of X1 on Y => t test	0.543	0.000	Retrieved
H2: X2 effect on Y => t test	0.707	0.000	Retrieved
H3: the effect of X1 & X2 on Y => F test	-----	0.000	Retrieved
H4: the effect of X2 on Y	0.707 > 0.543	0.000	Retrieved

To determine which of lifestyle and financial literacy has the dominant effect on consumptive behavior, the regression coefficient value is determined. Table 2 shows that financial literacy has a regression coefficient value of 0.707 which is greater than the lifestyle regression coefficient value of 0.543.

Lifestyle Partially Significantly Affects Consumptive Behavior

The results of the t-test on the effect of lifestyle on consumptive behavior have a sig value. 0,000 < α 5%. This proves that the first hypothesis is accepted. This result is in line with his research (Fungky et al., 2022), (Assisi, 2020), (Sari et al., 2023), (Martini, 2022) prove that lifestyle affects consumptive behavior. Consumptive lifestyles reflect expressions that come out of consumer values and needs. In describing the lifestyle of consumers, it can be seen how they live and express their values to satisfy their needs (Prasetijo, 2018). Lifestyle as a pattern where people live and spend time and money (Andni, 2024). Lifestyle is a function of consumer motivation and prior learning, social class, demographics, and other variables. Concepts related to lifestyle are psychographics (Sumarwan, 2018). Psychographics means describing consumer psychology. Psychographics are quantitative measurements of consumer lifestyles, personalities, and demographics. Psychographics is often interpreted as measuring AIO (Activity, Interest, Opinion), which is the measurement of activities, interests, and opinions or opinions of consumers (Sumarwan, 2018).

Consumptive lifestyle refers to the tendency to spend money on goods and services excessively, sometimes beyond one's financial means. This behavior is not accompanied by careful consideration of whether the goods or services are really useful or necessary. Therefore, according to (Hendrawan, 2023) there are several practical steps that can be taken to manage lifestyle wisely and avoid long-term risks, namely: 1). evaluate spending and spending habits. By identifying and evaluating expenses by making a list of monthly expenses and analyzing them honestly. Are there areas where you can cut unnecessary expenses? This evaluation will help realize where money is actually going and provide opportunities to allocate it more wisely. 2) Create a realistic budget plan. After evaluating expenses, the next step is to create a realistic budget plan. Decide how much money you want to allocate to different categories of expenses, including essentials, entertainment, and savings. Make sure the budget is realistic and in line with your income. 3) Make a planned shopping list. Before going shopping, make a planned shopping list. Identify the items that are really needed and stick to the list. Avoid the temptation to buy impulse items that are not on the shopping list or monthly budget. 4) Train yourself in restraint and control consumptive desires. This step is closely related to the previous point. Sometimes it is impossible to refrain from buying items that are outside the shopping list. Therefore, restraint is an important skill in managing finances wisely. Train yourself to control consumptive desires and avoid impulse purchases. Before buying something, consider carefully whether the item is really necessary or will only provide temporary satisfaction. 5) Increase financial awareness. Increasing financial awareness is a key step in avoiding a consumptive lifestyle. Educate yourself on the importance of managing your finances wisely and strategies to avoid excessive debt. With a better understanding of finances, you will be better able to make smart and sustainable decisions.

Financial Literacy Partially Significantly Affects Consumptive Behavior

The results of the t-test on the effect of financial literacy on consumptive behavior have a sig value. 0,000 < α 5%. This proves that the second hypothesis is accepted. This result is in line with his research (Fungky et al., 2022), (Assisi, 2020), (Sari et al., 2023), (Martini, 2022) prove that financial literacy has a significant effect on consumptive behavior.

Therefore, according to (Cimbagas, 2023) it is important to understand financial literacy well so that it also has a good impact on the following: 1) as provision and investment. As is known, financial literacy is a science about wise money management. As knowledge, of course this is a provision and also an investment for the future. By understanding financial literacy well, you can apply the knowledge you have in your daily life, so that your money management skills improve and become wiser over time. 2) Support financial growth. Another benefit that can be obtained from understanding financial literacy is support for financial growth. By having sufficient and good financial literacy, you can carefully choose the right investment product or instrument for future financial planning. Choosing investment products or instruments carefully can be aligned with abilities and needs. As you gain more experience in investing, you can also start exploring the potential of other investment instruments in improving your financial well-being. However, it is important to understand that each investment product and instrument has its own risks. It is also necessary to learn and understand these risks in increasing knowledge about financial literacy. 3) Can develop the right financial strategy. By understanding financial literacy, it is also possible to be able to develop the right financial strategy. As it is known, in fulfilling daily needs and lifestyles, money is the main medium of exchange that needs to be owned. Therefore, financial literacy can help you avoid a wasteful lifestyle with the right strategy. By avoiding a wasteful lifestyle, it will be easier to manage finances based on needs to maintain the stability of your current financial literacy skills. 4) Be able to take responsibility for finances. In addition to being able to develop the right financial strategy, you can also be more responsible for the use of money if you understand financial literacy properly. Responsibility for the use of money is certainly related to wise money management. Because, by knowing the basics of financial literacy, you can already analyze important factors in the use of money in daily needs.

Lifestyle And Financial Literacy Simultaneously Have A Significant Effect On Consumptive Behavior

The results of the F-test on the simultaneous influence of lifestyle and financial literacy on consumptive behavior have a sig value. 0,000 < α 5%. This proves that the third hypothesis is accepted. This result is in line with his research (Fungky et al., 2022), (Assisi, 2020), (Sari et al., 2023), (Martini, 2022), proving that simultaneously financial literacy style affects consumptive behavior.

Therefore, lifestyle and financial literacy need to be controlled. According to (Hendrawan, 2023). to control lifestyle, it is necessary to understand the factors that cause a consumptive lifestyle, namely: 1) Social Media Influence. Social media is one of the main causes of consumptive lifestyles. Through this platform, many people are constantly exposed to glamorous lifestyles and eye-catching products. Advertisements for products can entice people to buy things that they don't actually need. 2) Social Pressure. When friends or coworkers engage in a consumptive lifestyle, they feel the need to follow this trend so as not to feel marginalized. Social pressure can make a person spend more money than they should. 3). Ease of Getting Loan Services. The variety of loan services that offer convenience makes a person feel more free to spend, even though they don't actually have enough money to pay for it all. This results in uncontrollable debt accumulation.4) Lack of Financial Education. People who do not have an adequate understanding of personal finance tend to be unaware of the consequences of consumptive behavior. Lack of financial education can keep a person trapped in a cycle of uncontrolled spending. 5) Imitative Lifestyle. Sometimes, a person can be influenced by celebrities or public figures who live a lavish lifestyle. This can encourage a person to follow the example they see, even though they do not have the same capacity to fulfill it. 6) Self-Satisfaction from Ownership. Some people seek self-worth in the things they own. They may feel more valuable if they have many luxury items. This can be a trigger for a consumptive lifestyle.

Furthermore, to improve financial literacy refer to (R, 2023) as follows: 1) Financial Dating. According to research results show that successful people (millionaires) spend an average of 8.4 hours a month managing and planning their finances. Many people want to become millionaires, but most of them are not willing to devote their time, energy, resources to make success real. One solution is to have a financial date, spend at least 1 hour a week managing your finances, doing financial planning.During your financial date, you must force yourself to monitor the budget you have made, update, review, check bills and installments that come and discuss family finances (if you have a partner). Condition your financial date to be fun, for example with music and do it at a fixed scheduled time. 2) Commit 30 Minutes a Week. Make a commitment to YOURSELF, to learn to recognize, know and understand personal finance. NEVER gobble up personal finance all at once in a short period of time. Many people try to pursue financial progress with full energy at the beginning and deflated in the middle. Take your personal finance learning slow and enjoy the process. Commit at least 30 minutes a week to improve YOUR OWN financial literacy. The trick is to read information about personal finance, conduct discussions, attend seminars or consult with experts. 3) Have a discussion. One way to get to know more about personal finance is by having discussions. Find friends or colleagues who also understand personal finance. Suggestions from the author often discuss with people who are already financially successful. This will directly or indirectly have a positive effect on you. Join communities that discuss finance. This will increase your financial knowledge and learn from the financial experiences of the people you meet.When discussing with others, regardless of whether you agree or not, you must respect the person's opinion. Always be grateful to people who are willing to give you advice, but you should think more critically about it. 4) Trial and Experience. One way to learn personal finance is to start trying to do what you learn. For example, when learning about budgeting and recording expenses. Force yourself to start making a monthly budget, record daily expenses, review and analyze expenses. Make sure you are willing to try and gain experience from the things you have learned. Turn knowledge and concepts into action. Action is what will determine your success. One thing to remember, when you start taking action, there are always benefits and risks. Don't let the risk haunt you, but try to quantify and manage the risk. A simple example, there is a young man, let's call him Bima. Bima has learned about stock investment from books, seminars and discussions. Now Bima is interested to start investing in stocks. One way to limit risk is: determine the maximum loss that Bima can accept. Bima finally determines that he can only accept a maximum risk of failure of Rp 5,000,000. When his stock investment loses Rp 5,000,000, Bima must stop and do a review, relearning what problems and mistakes from his investment. 5) Simulations. One of the most powerful ways of learning is simulation. Do you know how a pilot learns? A prospective pilot will generally get an education, then do a flight simulation. The same is true with how to improve financial literacy. One way is through financial simulation. 6) Consult a Financial Planner. One way to improve financial literacy is to consult with a CFP licensed independent financial planner. Financial planners will help explain things about personal finance and of course can provide considerations to solve your financial problems.

Financial literacy has a dominant effect on consumptive behavior

The results of the t-test on the dominant effect of financial literacy on consumptive behavior have a sig value. $0.000 < \alpha = 0.05$ and the regression coefficient value is greater than lifestyle. This proves that the third hypothesis is accepted. This result is in line with his research (Fungky et al., 2022), (Asisi, 2020) proving that financial literacy has a significant dominant effect on consumptive behavior.

Therefore, in the future, financial literacy variables need to be improved by referring to (Memiko, 2023) as follows: 1) Education and Knowledge. Acquire basic knowledge about finance through books, articles, online courses or seminars. Learn concepts such as budgeting, saving, investing, debt, and insurance. Understand commonly used financial terms. 2) Create a Budget. Creating a budget is an important step in managing finances. Analyze your income and expenses, and allocate funds wisely. Set aside a portion of your income for savings and emergencies. 3) Manage Debt. Understand the type and interest rate of the debt you have. Create a regular debt repayment plan and avoid adding new debts if possible. Pay off debts with high interest rates first.Saving and investment: Create a savings habit by setting short-term and long-term savings goals. Learn about investments that suit your profile and risks. 4) Insurance and Protection. Recognize your insurance needs and understand the types of insurance available. Protect yourself and your assets with the right life insurance, health insurance, and property insurance. Research the terms of the insurance policy before purchasing. 5) Evaluate and Monitor. Conduct regular financial evaluations. Review your budget, savings, and investments. Adjust the financial plan as life and goals change. Monitor financial progress regularly. 6) Use Financial Technology. Utilize financial apps and platforms that can help you manage your finances more effectively. Use features such as expense monitoring, bill reminders, and investment portfolio management. 7) Discussion and Collaboration. Discuss finances with your spouse or family to reach a mutual agreement on financial planning.

CONCLUSION

The results of the study concluded that: first, partially lifestyle affects consumptive behavior. Second, financial literacy partially affects consumptive behavior. Third, simultaneously lifestyle and financial literacy affect consumptive behavior. Fourth, financial literacy has a dominant effect on consumptive behavior.

In managing consumptive behavior, it is recommended to understand the variables that influence it, namely: lifestyle and financial literacy. Of the two variables, the dominant influence is the financial literacy variable. Therefore, the emphasis of management is on the financial literacy variable, by: 1) education and knowledge, 2) budgeting, 3) managing debt, 4) insurance and protection, 5) evaluate and monitor, 6) use financial technology, 7) discussion and collaboration. 7) discussion and collaboration.

REFERENCES

Andni, R. (2024). *PERILAKU KONSUMEN DALAM ISLAM (Konsep Dasar, Ruang Lingkup dan Teori)*.

Asisi, I. (2020). *Pengaruh literasi keuangan, gaya hidup dan pengendalian diri terhadap perilaku konsumtif mahasiswa prodi manajemen fakultas ekonomi Universitas Pasir Pengaraian*. Universitas Pasir Pengaraian.

Augusty, F. (2019). Metode penelitian manajemen. *Semarang: Badan Penerbit Universitas Diponegoro*.

Cimbagas, N. (2023). *Memahami Pentingnya Literasi Keuangan*. Www.Cimbniaga.Co.Id. https://www.cimbniaga.co.id//inspirasi/gayahidup/

Deviyanti, S. (2020). *Pengaruh Literasi Keuangan Terhadap Perilaku Konsumtif Peserta Didik Kelas Xii Ips Sma Negeri 3 Makassar*. UNIVERSITAS NEGERI MAKASSAR.

Fauzia, A. N., & Nurdin, N. (2019). Pengaruh Literasi Keuangan terhadap Perilaku Konsumtif (Studi Kasus pada mahasiswa Program Studi Manajemen Universitas Islam Bandung angkatan 2015). *Prosiding Manajemen*, 79–84.

Fungky, T., Sari, T. P., & Sanjaya, V. F. (2022). Pengaruh gaya hidup serta literasi keuangan terhadap perilaku konsumtif generasi z pada masa pandemi. *Jurnal Valuasi: Jurnal Ilmiah Ilmu Manajemen Dan Kewirausahaan*, *2*(1), 82–98.

Ghozali, I., & Dan, S. (2017). Spss. *Semarang: Badan Penerbit Universitas Diponegoro*.

Hendrawan, M. (2023). *Mengatasi Gaya Hidup Konsumtif dan Bijak Mengelola Keuangan*. Www.Prudential.Co.Id. https://www.prudential.co.id/id/pulsed/article/gaya-hidup-konsumtif/

Kristinova, J. C. (2022). Tindakan imitasi gaya hidup pemengaruh pada generasi milenial. *Jurnal Analisa Sosiologi*, *11*(2), 350–363.

Martini, M. (2022). Pengaruh Gaya Hidup dan Kemampuan Literasi Keuangan terhadap Perilaku Konsumtif Belanja Online. *Owner: Riset Dan Jurnal Akuntansi*, *6*(3), 3169–3180.

Memiko, S. (2023). *Meningkatkan Literasi Keuangan*. Memiko.Com. https://memiko.com/info/pljr/

Prasetijo, I. (2018). *Perilaku Konsumen*. ANDI.

R, F. (2023). *Cara Meningkatkan Literasi Keuangan*. Www.Finansialku.Com. https://www.finansialku.com/perencanaan-keuangan/

Sari, M. M., Nengsih, T. A., & Sayhrizal, A. (2023). Pengaruh Literasi Keuangan Dan Gaya Hidup Terhadap Perilaku Konsumtif Mahasiswa Manajemen Keuangan Syariah Angkatan 2018-2019. *Journal of Creative Student Research*, *1*(2), 137–151.

Sumarwan, U. (2018). Perilaku konsumen: Teori dan penerapannya dalam pemasaran. *Bogor: Ghalia Indonesia*, *75*, 15.

Triratnawati. (2018). *Hubungan Konsep Diri dengan Perilaku Konsumtif*. Unika Soegijapranata.

Valkenburg, P. M., & Piotrowski, J. T. (2017). *Plugged in: How media attract and affect youth*. Yale University Press.

Yahya, A. (2021). Determinan Perilaku Konsumtif Mahasiswa. *Jurnal Pengembangan Wiraswasta*, *23*(1), 37.