

The effect of financial technology, online shopping, and self-control on consumptive behavior

Tina Sulistiyani^{1,*}, Ariharaan Muthusamy², Ahmad Rizal Solihudin³

^{1,3}Universitas Ahmad Dahlan, Indonesia

²McMaster University, Canada

tina.sulistiyani@mgm.uad.ac.id

*Correspondent Author

ARTICLE INFORMATION

ABSTRACT

Article History

Received: 25-09-2023

Revised: 09-10-2023

Accepted: 10-10-2023

Keywords

Financial Technology;
Online Shopping;
Self-Control;
Consumptive Behavior.

Technological advancements have now been felt in business, particularly in financial services companies. The financial services industry innovates in financial services, namely building financial technology. This study aims to determine the influence of financial technology, online shopping, and self-control on the consumptive behavior of Generation Z in Yogyakarta. The sample in this study was 520 respondents taken by sampling technique using non-probability sampling with purposive sampling method. The data obtained is then processed using the Smart PLS statistical tool. The results showed that online shopping had a negative influence on consumptive behavior, while financial technology and self-control showed a positive impact on consumptive behavior.

This article has open access under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.



1. Introduction

Currently, consumptive behavior has become a common symptom among the public. People began to compete to meet the need for something or goods excessively. Excessive purchases are driven by a strong desire to own something of the item (Roberts & Jones, 2001). This pattern of behavior leads to purchases and fulfillment that are well-founded but, in fact, only excessive desires without planning. This happens because consuming something or goods is more dominated by wishes and desires, so it is no longer based on a priority scale.

Consumptive behavior is attached to the worldly nature (Belk, 1985) and the desire to have something unnecessary. Consumptive behavior generally often occurs in the millennial generation, especially in students. Students belong to adolescence, which is synonymous with a period of exploration that is inseparable from the characteristics of being easily persuaded and complacent about seduction and fun things. Apart from that, it is undeniable that the development of the current era in the modern era is difficult to avoid.

Today's development is marked by technological advances, where technological advances are now digital-based with internet access (Kalolo, 2019), which has become a

necessity. The internet provides much information that can be accessed anywhere and anytime. The convenience provided by the internet is very helpful in any case, one of which is selling goods and services that can be done through the internet. Purchasing and paying can also be done via the internet. Thus, the advancement of technology makes buying and selling transactions easier.

Technological advances have now been felt in business, particularly in financial services companies (Gomber et al., 2018). The financial services industry innovates financial services by establishing financial technology called financial technology (fintech), which changes how the industry views globally (Ng & Kwok, 2017). Thus, a phenomenon related to the financial payment system that was once conventional has now turned digital. Advances in digital technology are now leading to developments in all aspects of life (Nižetić et al., 2020). For the millennial generation, especially students, it is now very fast to adapt and easy to understand the sophistication of technology that has developed rapidly so that technology helps students become easier to carry out their activities.

Indonesian people, especially students, have also felt the convenience of technology by implementing the digital-based payment system using electronic wallets. Electronic wallets and online shopping are increasingly widespread and have become one of the lifestyles in this modern era (Sari et al., 2021). Nowadays, online shopping has become a habit for some people because online shopping provides many conveniences (Harahap & Amanah, 2018). Online shopping lets consumers see various goods and services from multiple stores. Online shopping does not require face-to-face communication directly but can be done separately between sellers and buyers worldwide, only through internet networks and media such as notebooks, computers, or smartphones.

If technology development is utilized properly, it will have a good impact. Without realizing it, the convenience provided by fintech and online shopping that occur if not managed properly brings changes in student lifestyles because the easier it is to make transactions, the more students tend to behave more consumptively. According to Vinson et al. (1977), consumption activities are closely related to consumer behavior, which can influence consumer choices regarding purchasing a product or service. Teenagers are known as consumers who become consumption activists because they are at the stage of being easily impacted both positively and negatively.

According to developmental theory, adolescence is a time when adolescents need self-control because they are in an unstable emotional state, are looking for their identity, and need social recognition (Hayati et al., 2020). Consumptive behavior occurs due to a lack of self-control in students where consumptive behavior is carried out only to achieve maximum satisfaction and increase prestige to show social status alone. If this behavior is not overcome properly, the desire for online shopping continuously appears in him, resulting in the high intensity of online shopping.

People with good self-control should be able to control how they shop based on their needs (Hayati et al., 2020), not just to satisfy their desires and be able not to be influenced by discounts or big offers. In addition, people must manage their finances effectively and confidently. Self-control allows individuals to think or behave more purposefully (Duckworth et al., 2016). Individuals with low self-control often have difficulty determining the consequences of their actions, while individuals with high self-control tend to pay attention to appropriate behaviors to use in various circumstances (Chita et al., 2015). Self-control or self-control can have a good influence, such as students will be able to manage their finances by spending money to buy things that suit their needs and will be more confident in their appearance. Islam teaches self-control, part of the highest patience among other forms. According to Al-Jauziyah (2013), the heaviest degree of tolerance is to stay away from prohibitions, and the most severe is to stay away from something popular.

2. Literature Review and Hypothesis Development

2.1. Literature Review

2.1.1. Consumptive Behavior

Lina & Rosyid (1997) also said that consumptive behavior can appear in a person if buying something exceeds his needs because purchases are no longer based on his needs but are already at the level of too many desires. Consumptive behavior is the propensity to acquire or use things that are not necessary and are not motivated by rational considerations, with people being more motivated by desires than by requirements (Dikria & Mintarti, 2017).

2.1.2. Financial Technology

Financial technology (fintech) is a technological breakthrough in financial services. Most fintech products take the shape of a system created to manage a certain type of financial transaction mechanism (Financial Services Authority, 2016). Payments made using money in non-physical or digital forms, such as e-wallets and e-money, result from a new development in the financial services sector that makes transactions more practical and efficient. Fintech is an innovative development in the financial services sector that replaces cash with digital currency to make transactions more convenient and effective. Financial technology payments employ money in non-physical or digital forms to make transactions more practical and efficient, such as using e-wallets and e-money. This is the outcome of a creative development in the financial services business. Financial technology makes it simple to conduct financial transactions (Putri & Christiana, 2021).

2.1.3. Online Shopping

Mujiyana & Elissa (2013) define online shopping as ordering products, services, and other items in real-time that are attractive from vendors over the internet without the help of media intermediaries. Meanwhile, according to Monsuwé et al. (2004), consumers may conveniently, comfortably, and quickly peruse all products online. Therefore, it can be said that online shopping is the activity of buying and selling goods using smartphones connected to the internet. This means sellers and buyers do not need to meet in person, do not need to find a physical market, and do not even need to carry large amounts of money in their wallets. By using a smartphone connected to the internet, sellers and buyers can make transactions quickly, precisely, easily, and comfortably.

2.1.4. Self-Control

According to Fromm (2017), self-control is an individual ability to control, control, and regulate behaviors that will appear appropriate to the environment. and support individuals in making decisions based on various factors through information processing. According to Tripambudi & Indrawati (2020), self-control is a person's ability to change behavior, manage knowledge, and make decisions based on beliefs. Every aspect of life, including coping with circumstances in the immediate environment, can be controlled through self-control. Consumptive behavior can be controlled through self-control. The behavioral control referred to in this case is to make early considerations before determining an action. Students who can regulate their behavior are expected to be able to hold their consumption, especially in online shopping (Dewi et al., 2017).

2.2. Hypothesis Development

2.2.1. Positive Effect of Financial Technology to Consumptive Behavior

The rapid development of technology has brought updates to the payment system, now known as fintech payment, which can increase students' consumptive behavior. With fintech payments, it makes it easier for students to make payment transactions, so without realizing it, it makes student expenses more excessive. This explanation is evidenced by research by Herkulana et al. (2022) and Gunawan (2023), which shows fintech payments positively affect student consumptive behavior.

H₁: Financial Technology Has a Positive Effect to Consumptive Behavior

2.2.2. Positive Effect of Online Shopping to Consumptive Behavior

The phenomenon of online shopping is currently a trend in itself. In addition to providing many conveniences, online shopping can be done anytime and anywhere according to the system, namely online. Thus, it is easier to shop, making students more wasteful of their expenses. Supported by current modern trends and lifestyles, students tend to be more involved in existing trends. This explanation is supported by Farida & Subroto (2019) and Handayani & Nilasari (2021), which states that online shopping has a positive and significant effect on student consumptive behavior.

H₂: Online Shopping Has a Positive Effect to Consumptive Behavior

2.2.3. Positive Effect of Self-Control to Consumptive Behavior

The ability to exercise restraint can be demonstrated by a person's capacity to think before deciding with the ability to choose the best option from a set of available options. This means that the higher the self-control behavior, the lower the consumptive behavior. Vice versa, the lower the self-control behavior, the higher the consumptive behavior. According to Kusumadewi et al. (2012) and Sari et al. (2021), students who lack self-control struggle to find solutions to problems and cannot prioritize their needs.

H₃: Self-Control Has a Positive Effect to Consumptive Behavior

2.3. Research Framework

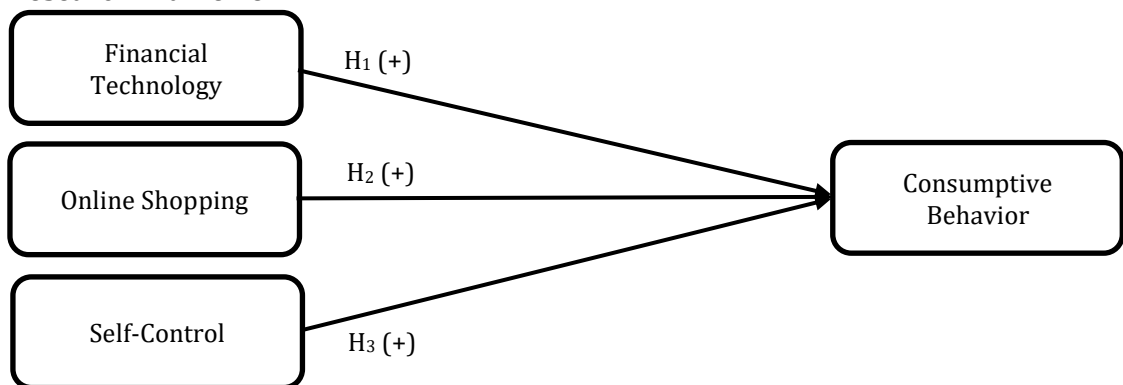


Figure 1. Research Framework

The research framework shown in Figure 1 above offers the purpose of this study to prove the effect of financial technology, online shopping, and self-control on consumptive behavior. These three factors positively influence Generation Z's consumptive behavior in Yogyakarta.

3. Research Methods

3.1. Population, Sample, Sampling Method

The population in this study is Generation Z in Yogyakarta, whose number is unknown with certainty. This study uses a purposive sampling method with the criteria of Generation Z, who have made payment transactions utilizing financial technology, and Generation Z, who have purchased products online. Based on the criteria used, the data obtained in this study was 520 respondents.

3.2. Data Collection Method

Data collection in this study used questionnaires distributed to Generation Z respondents in Yogyakarta. The questionnaire contains questions representing each research variable. The financial technology (FT) variable consists of seven questions developed by Kim et al. (2016), the online shopping (OS) variable consists of ten questions created by Septiansari & Handayani (2021), the self-control (SC) variable consists of thirteen questions developed by Averill (1973), and the consumptive behavior (CB) variable consists of thirteen questions created from Sumartono (2002). Each variable question was measured using a Likert scale with five answer points.

3.3. Data Analysis Method

The validity test aims to assess an instrument on a questionnaire so that it can be declared valid. When an item of measurement has a loading factor score of at least 0.5, it is convergent validity, which indicates statistical significance (Hair et al., 2020). Furthermore, reliability tests aim to assess data consistency. A reliable instrument is an instrument that, when used several times to measure the same object, will produce the same data. The reliability test was carried out by comparing the Cronbach's alpha value with the minimum value of 0.6, and an instrument can be declared reliable if the Cronbach's alpha value is greater than 0.6 (Ghozali, 2017). Hypothesis testing is done by looking at the p value in each hypothesis. If hypothesis testing show a p value of less than 0.05, then the hypothesis is said to be accepted, and if it offers a p value of more than 0.05, then the hypothesis is rejected (Ghozali, 2017).

4. Results and Discussion

4.1. Validity Test

Figure 2 and Table 1 below show the result of validity test on several research variables in the study. The several indicators representing each variable, some are removed because they offer a loading factor value of less than 0.5. The hand on each variable is valid when it has a loading factor value of more than 0.5.

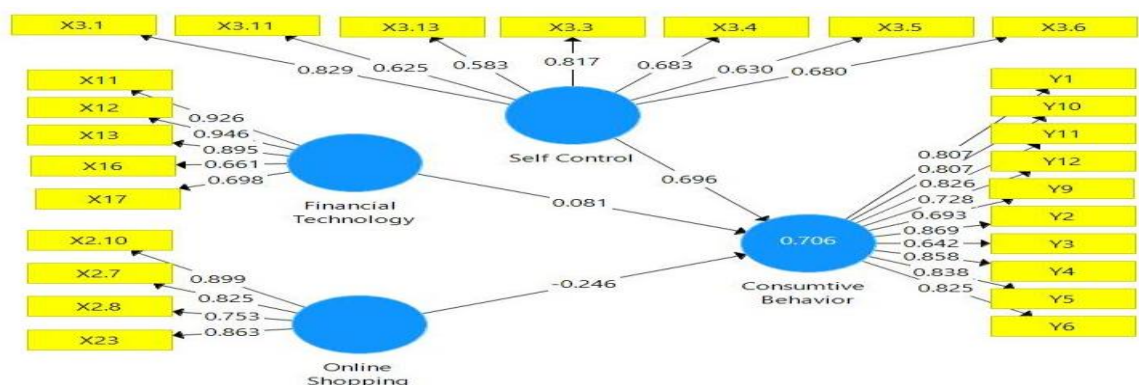


Figure 2. Measurement Model

Table 1. Validity Test Result

Indicator	Consumptive Behavior	Financial Technology	Online Shopping	Self-Control
FT 1		0.926		
FT 2		0.946		
FT 3		0.895		
FT 6		0.661		
FT 7		0.698		
OS 3			0.863	
OS 7			0.825	
OS 8			0.753	
OS 10			0.899	
SC 1				0.829
SC 3				0.817
SC 4				0.683
SC 5				0.630
SC 6				0.680
SC 11				0.625
SC 13				0.583
CB 1	0.807			
CB 2	0.869			
CB 3	0.642			
CB 4	0.858			
CB 5	0.838			
CB 6	0.825			
CB 9	0.693			
CB 10	0.807			
CB 11	0.826			
CB 12	0.728			

Source: Primary Data Processed (2023)

4.2. Reliability Test

Table 2 shows the result of reliability tests on each variable contained in this study. The result showed that the variables financial technology, online shopping, and self-control had a Cronbach's alpha value of more than 0.6, so all variables were concluded to be reliable.

Table 2. Reliability Test Result

Variable	Cronbach's Alpha	Composite Reliability
Financial Technology	0.908	0.918
Online Shopping	0.862	0.903
Self-Control	0.822	0.867
Consumptive Behavior	0.933	0.944

Source: Primary Data Processed (2023)

4.3. Hypothesis Test

Table 3 show the result of hypothesis testing. The analysis showed that the first and third hypotheses in the study were accepted because financial technology and self-control proved to have a positive effect on consumptive behavior. Then, the second hypothesis was rejected because online shopping was confirmed to have a negative impact on consumptive behavior.

Table 3. Hypothesis Test Result

Hypothesis			Original Sample	Sample Mean	Standard Deviation	T Statistic	P Value
Financial Technology	→	Consumptive Behavior	0.081	0.085	0.023	3.452	0.001
Online Shopping	→	Consumptive Behavior	-0.246	-0.245	0.019	12.893	0.000
Self-Control	→	Consumptive Behavior	0.696	0.699	0.023	29.738	0.000

Source: Primary Data Processed (2023)

4.4. Discussion

4.4.1. Positive Effect of Financial Technology to Consumptive Behavior

According to the findings of hypothesis testing, financial technology has a positive effect on consumer behavior. Fintech payment, which have been updated due to the quick growth of technology, can increase students' impulsive conduct. Fintech payments make it simpler for students to conduct financial transactions, which unintentionally leads to improved student expenditure. Research by Herkulana et al. (2022) and Gunawan (2023), which demonstrates how fintech payments alter student consumption behavior, supports this argument.

4.4.2. Negative Effect of Online Shopping to Consumptive Behavior

Research by Rachmawati & Maulani (2020), which demonstrates a negative effect between the frequency of online purchasing and shopping excursion, support the finding of this study. This is because, for some consumers, online purchasing is merely supplemental and substitutive. Similarly, students' usage of internet shopping should be given the priority it needs to prevent excessive consumption. For them, online shopping is something they do only when they need to buy something urgently and at the appropriate moment. This indicates that there are additional factors that are not covered by this study but which may have an impact on consumption. If customers feel satisfied after making purchases of products available through online shopping, it may encourage them to make additional purchases; however, if customers cannot control their feelings of satisfaction, they may become trapped in compulsive behavior and purchase items beyond their legitimate needs or past the point of excessive desire. Therefore, a person can behave consumptively because it is influenced by several factors, including impulsive buying, waste, and irrational buying factors not included in this study.

4.4.3. Positive Effect of Self-Control to Consumptive Behavior

According to the findings of hypothesis testing, it is clear that self-control has a beneficial effect on compulsive behavior. One's capacity to deliberate before deciding and ability to select the best option from a range of accessible options indicate one's ability to apply restraint. Therefore, the degree of self-control is inversely correlated with the degree of consumption. Conversely, when self-control is lacking, consumption tends to increase. Researchers Kusumadewi et al. (2012) and Sari et al. (2021) found that students who lack self-control struggle to solve difficulties and need help to prioritize their requirements.

5. Conclusion

Based on the research results, the first and third hypotheses in this study proved accepted, where financial technology and self-control positively affect consumptive behavior. At the same time, the second hypothesis in this study was proven to be rejected because online shopping negatively influences consumptive behavior. Further researchers can use variables that have not been studied in this study, such as customer experience (Siqueira et al., 2019) and materialism (Wang et al., 2023), and also use different subjects with this study so that it can be an update of the study.

References

- Al-Jauziyah, I. Q. (2013). *Madarijus Salikin: Penjabaran Kongkrit "Iyyaka Na'budu Wa Iyyaka Nasta'in"*. Pustaka Al-Kautsar.
- Averill, J. R. (1973). Personal Control over Aversive Stimuli and its Relationship to Stress. *Psychological Bulletin*, 80(4). <https://doi.org/10.1037/h0034845>
- Belk, R. W. (1985). Materialism: Trait Aspects of Living in the Material World. *Journal of Consumer Research*, 12(3). <https://doi.org/10.1086/208515>
- Chita, R. C. M., David, L., & Pali, C. (2015). Hubungan antara Self-Control dengan Perilaku Konsumtif Online Shopping Produk Fashion pada Mahasiswa Fakultas Kedokteran Universitas Sam Ratulangi Angkatan 2011. *Jurnal E-Biomedik*, 3(1). <https://doi.org/10.35790/ebm.3.1.2015.7124>
- Dewi, N., Rusdarti, & Sunarto, S. (2017). Pengaruh Lingkungan Keluarga, Teman Sebaya, Pengendalian Diri dan Literasi Keuangan terhadap Perilaku Konsumtif Mahasiswa. *Journal of Economic Education*, 6(1).
- Dikria, O., & Mintarti, S. U. (2017). Pengaruh Literasi Keuangan dan Pengendalian Diri terhadap Perilaku Konsumtif Mahasiswa Jurusan Ekonomi Pembangunan Fakultas Ekonomi Universitas Negeri Malang Angkatan 2013. *Pendidikan Ekonomi*, 09(2).
- Duckworth, A. L., Gendler, T. S., & Gross, J. J. (2016). Situational Strategies for Self-Control. *Perspectives on Psychological Science*, 11(1). <https://doi.org/10.1177/1745691615623247>
- Farida, M. N., & Subroto, W. T. (2019). Effect of Mobile Banking and Online Shopping on Consumer Behavior. *International Journal of Educational Research Review*, 4(2). <https://doi.org/10.24331/ijere.517977>
- Fromm, E. (2017). The Sane Society. *The Sane Society*. <https://doi.org/10.4324/9780203820179>
- Ghozali, I. (2017). *Structural Equation Modeling: Metode Alternatif dengan Partial Least Square (PLS)*. Badan Penerbit Universitas Diponegoro.
- Gomber, P., Kauffman, R. J., Parker, C., & Weber, B. W. (2018). On the Fintech Revolution: Interpreting the Forces of Innovation, Disruption, and Transformation in Financial Services. *Journal of Management Information Systems*, 35(1). <https://doi.org/10.1080/07421222.2018.1440766>
- Gunawan, A. (2023). Financial Literacy and Use of Financial Technology Payment for Consumptive Behavior. *International Journal of Business Economics (IJBE)*, 4(2), 91–100. <https://doi.org/10.30596/ijbe.v4i2.14233>
- Hair, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing Measurement Model Quality in PLS-SEM using Confirmatory Composite Analysis. *Journal of Business Research*, 109. <https://doi.org/10.1016/j.jbusres.2019.11.069>
- Handayani, R., & Nilasari, I. (2021). Effect of Online Shopping on Consumptive Behavior in Pandemic Time Covid-19. *Turkish Journal Of Computer and Mathematics Education*, 12(8).
- Harahap, D. A., & Amanah, D. (2018). Online Purchasing Decisions of College Students in Indonesia. *International Journal of Latest Engineering Research and Applications*, 3(10).

- Hayati, A., Yusuf, A. M., & Asnah, M. B. (2020). Contribution of Self Control and Peer Conformity to Consumptive Behavior. *International Journal of Applied Counseling and Social Sciences*, 1(2). <https://doi.org/10.24036/005344ijaccs>
- Herkulana, H., Mashudi, M., & Ray, M. K. J. (2022). Pengaruh Penggunaan Fintech Mobile Payment Danaplikasi Belanja Online terhadap Perilaku Konsumtif Mahasiswa Pendidikan Ekonomi FKIP Untan. *Jurnal Pendidikan Dan Pembelajaran Khatulistiwa*, 11(9).
- Kalolo, J. F. (2019). Digital Revolution and its Impact on Education Systems in Developing Countries. *Education and Information Technologies*, 24(1). <https://doi.org/10.1007/s10639-018-9778-3>
- Kim, Y., Choi, J., Park, Y. J., & Yeon, J. (2016). The Adoption of Mobile Payment Services for Fintech. *International Journal of Applied Engineering Research*, 11(2).
- Kusumadewi, S., Hardjajani, T., & Priyatama, A. N. (2012). The Correlation between The Social Support of Peer Group and Self-control Towards The Obedience of The Rule in The Teenage Girls of The Assalam Modern Islamic Boarding School Sukoharjo. *Jurnal Ilmiah Psikologi*, 1(2), 1-10.
- Lina, L., & Rosyid, H. F. (1997). Perilaku Konsumtif Berdasarkan Locus of Control pada Remaja Putri. *Psikologika: Jurnal Pemikiran Dan Penelitian Psikologi*, 2(4). <https://doi.org/10.20885/psikologika.vol2.iss4.art1>
- Monswé, T. P. Y., Benedict, G. C. D., & Ko, D. R. (2004). What Drives Consumers to Shop Online? A Literature Review. *International Journal of Service Industry Management*, 15(1). <https://doi.org/10.1108/09564230410523358>
- Mujiyana, M., & Elissa, I. (2013). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Pembelian Via Internet pada Toko Online. *Jurnal Teknik Industri*, 8(3). <https://doi.org/10.12777/jati.8.3.143-152>
- Ng, A. W., & Kwok, B. K. B. (2017). Emergence of Fintech and Cybersecurity in A Global Financial Centre: Strategic Approach by A Regulator. *Journal of Financial Regulation and Compliance*, 25(4). <https://doi.org/10.1108/JFRC-01-2017-0013>
- Nižetić, S., Šolić, P., López-de-Ipiña González-de-Artaza, D., & Patrono, L. (2020). Internet of Things (IoT): Opportunities, Issues and Challenges towards A Smart and Sustainable Future. *Journal of Cleaner Production*, 274. <https://doi.org/10.1016/j.jclepro.2020.122877>
- Putri, L. P., & Christiana, I. (2021). Peran Financial Technology dalam Membantu UMKM Di Tengah Pandemi Covid-19. *Ekonomikawan: Jurnal Ilmu Ekonomi Dan Studi Pembangunan*.
- Rachmawati, R., & Maulani, G. A. F. (2020). Influence of Marketplace Usage of Uniga Student Shopping Consumptive Behaviour. *Management and Entrepreneurship Research Review*, 1(2).
- Roberts, J. A., & Jones, E. (2001). Money Attitudes, Credit Card Use, and Compulsive Buying among American College Students. *Journal of Consumer Affairs*, 35(2). <https://doi.org/10.1111/j.1745-6606.2001.tb00111.x>
- Sari, M., Adilla Bahri Lubis, N., & Jufrizen, J. (2021). The Effect of Financial Literature and Self Control on Consumption Behavior (Study on Students of The Faculty of Economics and Business Universitas Muhammadiyah Sumatera Utara). *International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration*, 1(2). <https://doi.org/10.54443/ijebas.v1i2.40>
- Septiansari, D., & Handayani, T. (2021). Pengaruh Belanja Online terhadap Perilaku Konsumtif pada Mahasiswa di Masa Pandemi Covid-19. *Jurnal Ekonomi Teknologi Manajemen*, 5(1).
- Siqueira, J. R., Peña, N. G., ter Horst, E., & Molina, G. (2019). Spreading the Word: How Customer Experience in a Traditional Retail Setting Influences Consumer Traditional and Electronic Word-of-mouth Intention. *Electronic Commerce Research and Applications*, 37. <https://doi.org/10.1016/j.elerap.2019.100870>

- Sumartono, S. (2002). *Terungkap dalam Iklan: Meneropong Imbas Pesan Iklan Televisi*. CV Alfabeta.
- Tripambudi, B., & Indrawati, E. S. (2020). Hubungan antara Kontrol Diri dengan Perilaku Konsumtif Pembelian Gadget pada Mahasiswa Teknik Industri Universitas Diponegoro. *Jurnal Empati*, 7(2). <https://doi.org/10.14710/empati.2018.21683>
- Vinson, D. E., Scott, J. E., & Lamont, L. M. (1977). The Role of Personal Values in Marketing and Consumer Behavior. *Journal of Marketing*, 41(2). <https://doi.org/10.1177/002224297704100215>
- Wang, Y., Zhou, J., Gu, X., Zeng, X., & Wu, M. (2023). The Effect of Self-Compassion on Impulse Buying: A Randomized Controlled Trial of an Online Self-Help Intervention. *Mindfulness*, 14(6). <https://doi.org/10.1007/s12671-023-02139-y>