

THE INFLUENCE OF LIFESTYLE, FINANCIAL LITERACY ON THE CONSUMPTIVE BEHAVIOR OF THE MILLENNIAL GENERATION IN THE COVID-19 PANDEMIC ERA IN PADANG

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Abstract

Purpose: This research to determine the effect of lifestyle, literacy on the consumptive behavior of the millennial generation in the Covid-19 pandemic era in Padang.

Methods: The method used in this research uses quantitative analysis with the sample method of respondents using the stratified random sampling method, the research subject is the Millennial generation.

Results: In this research, we get the results that many generations today are living a lifestyle that can be called hedonism because they cannot manage their finances and result in consumptive behavior in their lives. We estimate that this is due to the very fast development of the times that the millennial generation must follow.

Conclusion and Suggestion: The results of the study reveal that lifestyle and financial literacy have a positive effect on the consumptive behavior of the millennial generation at this time which results in falling into the development of an increasingly modern era. It is hoped that the millennial generation must be able to cope with the times by avoiding relationships or a hedonistic lifestyle, and being able to manage financial management both in normal times and in times of economic difficulty during the Covid-19 pandemic, and it is hoped that the millennial generation is more concerned with needs than desires in consuming an item.

Keyword: *Lifestyle, Financial Literacy, Consumptive Behavior, Millennial Generation, Covid-19 Pandemic Era*

Introduction

Humans and the economy are a series that cannot be separated. Economics is the study of the use of limited resources to meet unlimited human needs. As social beings, humans are required to be able to overcome economic problems and social problems. In the current era of globalization, technological developments are developing widely and encouraging the economy of a country. One of them can be seen from the development of the industry which has been able to provide everything that is needed by the community. The development of an increasingly modern era and rapidly developing technology affects the shift in consumption patterns of most people in Indonesia. The shift in consumptive behavior is due to the transfer of new values in society that are both positive and negative. The Indonesian people have become part of a society that cannot be separated from the flow of globalization which has various impacts, one of the impacts from the economic side is the increasing consumption of the people, giving rise to consumptive behavior.

Consumption activities cannot be separated from human life, consumption can be interpreted as the use of goods and services that will directly meet human needs. Consumption activities will continue without end, even when the Covid-19 pandemic continues, it does not reduce economic activities carried out by humans. One of the factors for the emergence of the human desire to behave in consumption is due to lifestyle guidelines

Lifestyle describes a person's behavior when interacting with the environment, lifestyle is a person's lifestyle related to activities, interests, attitudes, consumption and income in spending money and allocating time. The millennial generation's lifestyle can change at any time, but this change in the lifestyle of the millennial generation is not caused by changes in needs, but the millennial generation follows the changing times with a contemporary lifestyle or hedonism, hedonism is the nature of a person to behave in a luxurious life. The development of this lifestyle among the millennial generation is called the "lifestyle of young people". The millennial generation, to be able to keep up with the developments of this era, will directly shape their lifestyle, starting from secondary, primary, tertiary needs.

One of the factors causing the emergence of consumptive behavior in the millennial generation class, the lack of understanding of literacy which causes waste in using money. An understanding of financial literacy is very important for the millennial generation who are known to tend to be consumptive and do not have good financial management. Financial literacy is a person's knowledge in managing finances. The management covers various aspects, including savings, credit, consumption, and investment. In the management of individual finance (personal finance) there are three core decisions, namely decisions regarding the source of funds, the use of funds, and retirement planning.

A similar phenomenon is also happening in the city of Padang today, marked by the lifestyle and low financial literacy of the millennial generation which has an impact on the increasing consumptive behavior that occurs in the current millennial generation. This can be seen when researchers make observations among the millennial generation in the city of Padang who tend to follow the times with a luxurious lifestyle (hedonism).

Theoretical Basis

Millennial Generation

Millennial generation is a generation born between 1977-1994, where this phase is a phase of rapid technological development in everyday life. According to Smith and Nichols (2015), the millennial generation are individuals born between 1980-2000. This generation is called the millennial generation because this generation grew up in the digital age. Another characteristic of the millennial generation is that it is characterized by a better level of education and knowledge than the previous generation. According to Panjaitan and Prasetya (2017), other characteristics of the millennial generation are internet tendencies, having high confidence and self-esteem and being more open and tolerant of changes that occur in society.

The life of the millennial generation cannot be separated from technology, especially the internet, entertainment entertainment has become a basic need for the current generation, it also happens to the generation in Indonesia, the results of a survey conducted by the Alvara Research Center in 2014 show the younger generation, 15–24 years old. likes topics of conversation related to music/film, sports, and technology. While the generation aged 25–34 years is relatively more interested in the topics they discuss, including socio-political, economic, and religious. Internet consumption of the population aged 15–34 years is also much higher than that of the older population. This shows their dependence on internet connection is very high.

Lifestyle

According to Setiadi (2010), lifestyle is a way of life that is defined by how people spend their time, think about themselves, and how the world around them. Then continued with the research of Minor and Mowen (2002), stating that: Lifestyle, namely, shows how people live, how people spend their money, and how to allocate time. Lifestyle is usually described in a person's interests, activities and opinions. A person's lifestyle changes rapidly and is usually not permanent. Maybe someone is quickly changing the model style and brand of clothing, because they have to adapt to changes in their live.

Lifestyle describes a consumptive pattern that shows how a person chooses to use his time and money. So, based on the definitions above, it can be concluded that lifestyle describes a person's behavior, namely how they live, use their money and take advantage of the time they have, but not only on the basis of need but on the basis of a desire to live in luxury or excess.

According to Sunarto in Silvya (2009), lifestyle indicators include:

- a. Activity
Activity is expressing something that consumers do, products that they want to buy or use. activities you want to do in your spare time. Although activities are usually observable, the reasons for these activities are rarely directly measurable.
- b. Interest
Interest is expressing what interests, likes, hobbies, and priorities in the consumer's life. Interest is an activity that consumers do as well as spending time and spending money is an interesting thing in his life. Interest is a consumer's personal factor in order to influence the decision-making process.
- c. Opinion
Opinion is revolving around the views and feelings of consumers to respond to global, local, economic and social issues. Opinion is used to describe interpretations, expectations and evaluations, such as beliefs about the intentions of others.

Financial Literacy

Lusardi (2012), said that financial literacy is a skill that must be mastered by every individual to improve their standard of living by understanding the planning of appropriate and efficient allocation of financial resources. According to Huston (2010), defines financial literacy as the expertise possessed by individuals with the ability to manage their income in order to achieve increased financial well-being.

Financial literacy is a basic thing that must be understood and mastered by every individual because it affects a person's condition and has an impact on making good and appropriate economic decisions. Someone with the ability and knowledge of good financial literacy and responsibility, is able to see money from a different perspective and has the ability to control his financial condition, not only following the appetite for consumptive or following the times. Making the individual will know what to do with the money he has and so he knows how to use it properly.

Financial Literacy Indicator, according to Chen and Volpe (1998), financial literacy is divided into four aspects:

- a. Knowledge of personal finance in general (General person finance knowledge).
When someone manages their personal finances, they must understand the basic knowledge of personal finance which is then used to manage finances and make effective decisions.
- b. Savings and credit. In this aspect related to savings and credit. In general, saving is a portion of income that is set aside to be saved so that it can be used in the future or for other needs. In addition, one's savings encourage one to learn to manage finances wisely. While credit is the provision of money in order to meet

the needs of both consumption and other urgent matters, so that sufficient knowledge is needed to be able to manage the credit wisely.

- c. Insurance (insurance). The purpose of insurance is to provide a sense of security other than that in the event of an unexpected event such as an accident, loss, damage to an item purchased so that it can be compensated or get relief for the cost of repairing the service.
- d. Investment. Investment is a decision taken by someone to be issued at this time with the aim of being used for the future. A person who has a good understanding of literacy will think about planning his finances in the future, one of which is investment

Consumptive Behavior

According to Mowen and Minor (2002), consumer behavior is the study of unit buying and exchange processes that involve the acquisition, consumption, and disposal of goods, services, experiences and ideas. Consumptive behavior can be used on problems related to individual behavior to buy or spend an item or another. Consumptive behavior is behavior that buys goods or services in excess, even though they are not needed.

In today's society, in consuming goods, it can be seen that they have lost their connection to real needs. A person often even buys things in excess to get pleasure or happiness. This kind of lifestyle is currently engulfing modern-day teenagers or the so-called millennial generation. This is because today's millennial generation is expected to have a variety of lifestyle choices offered through the media.

Sumartono (2002), states that consumptive behavior is an act of using a product incompletely. In a sense, when a product has not been used up, a person is already using the same type of product from another brand, can also buy a product because of the gifts offered and buy a product because many people use the product.

Based on the description above, it can be concluded that consumptive behavior is behavior that has a purpose in buying goods/services in excess, which is irrational and can result in waste and cause pleasure for yourself when you buy it.

The indicators of consumptive behavior according to Semartono (2002), namely:

- a. Buying products because of the lure of prizes. Consumers buy a product because there is a gift offered if they buy the item.
- b. Buy the product because the packaging is attractive. Teenage consumers are usually easily persuaded to buy a product if it is neatly wrapped and has attractively decorated packaging. In terms of motivation in buying a product just because the product is packaged neatly and attractively.
- c. Buying products to maintain self-appearance and prestige. Teenage consumers have a desire to buy which, in general, teenagers have characteristics in

- dressing, dressing, and hairstyles as a goal so that teenagers always have an appearance that attracts the attention of others. So teenagers use more money in order to support their appearance.
- d. Buying products based on price considerations (not for benefits or uses). Consumers tend to behave in order to support a life that looks luxurious, so they tend to do all the things that are considered the most luxurious.
 - e. Buying the product only keeps the status symbol. Teenagers have the ability to buy high things both in clothes, make-up, hairstyles and so on. So these things can help exclusivity with expensive goods and give the impression of coming from a higher social class. By buying certain products, it can provide a status symbol to make it look cooler in the eyes of others.
 - f. Using the product because of the element of conformity to the advertised model. Teenagers tend to imitate the behavior of the character they idolize, by using everything that can be used by their idol character. Teenagers also tend to use and try the products offered if someone idolizes the public figure of the product.
 - g. Buying high-priced products to increase self-confidence. Teenagers are very motivated to try a product because they see what the ad says can build self-confidence. By buying products that they think can enhance their physical appearance, they will become more confident.
 - h. Try more than two similar products. Teenagers will tend to use the same type of product as another brand of the product they previously used, even though the product has not been used up.

Research Methods

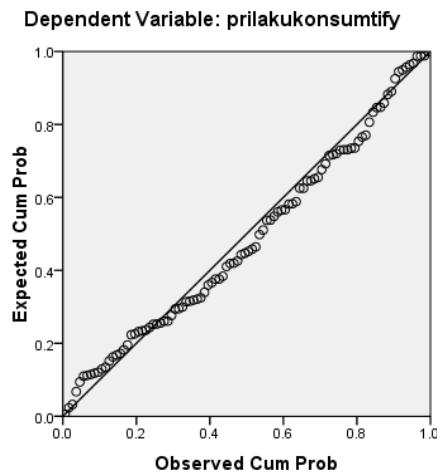
Classical Assumption Test

To find out how much influence the independent variable has on the dependent variable, the SPSS version 2.0 application program is used. The results of the analysis are as follows:

Normality test

Normality test was conducted to determine whether the data taken in the study came from a normally distributed population or not. A good regression model is data that is normally distributed or close to normal. Testing for normality in this study uses a normal probability plot and One Kolmogorov Smirnov in the SPSS application program. The result is as follows:

Normal P-P Plot of Regression Standardized Residual



Source: Processed by SPSS 2.0 in 2020

From the table above, it can be seen that the points spread around the line and follow the diagonal line, it can be concluded that the data above has a normal residual value.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	4.14327468
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.057
Kolmogorov-Smirnov Z		.661
Asymp. Sig. (2-tailed)		.775
a. Test distribution is Normal.		

Kolmogorov-Smirnow in using regression, in other words, the requirements for using regression data distribution must be normal. With the criteria, if $\text{sig} > 0.05$ then the data is normal and vice versa if $\text{sig} < 0.05$ then the data is not spread normally. Meanwhile, the output table above shows that the significance value is 0.775. Because $0.775 > 0.05$, the data has a normal residual value.

Multicollinearity test

Multicollinearity test can be detected by calculating multiple coefficients and comparing them with correlation coefficients between independent variables. The multicollinearity test was carried out using a regression test, with a benchmark value of VIF (Variance Inflation Factor) and the correlation coefficient between the independent variables. Which results from this research data show as follow:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.123	4.838		.232	.817		
Lifestyle X1	.645	.080	.631	8.061	.000	.982	1.019
Financial literacy X2	.118	.130	.071	.909	.366	.982	1.019

a. Dependent Variable: consumptive_behaviour

From the table above, the tolerance value for the X1 variable (lifestyle) obtained is $0.982 > 0.1$ and the VIF value is $1.019 < 10$, the tolerance value for the X2 variable (financial literacy) is $0.982 > 0.1$ and the VIF value is $1.019 < 10$, so it can be concluded that there is no multicollinearity in the regression model in the data of this study.

Heteroscedasticity Test

Heteroscedasticity test is a condition where in the regression model there is an inequality of variance from the residuals in one observation to another observation. This test is carried out by using a regression test with a benchmark value of the significance of the independent variable. The test here is the glejser test by looking at the pattern of dots on the scatterplots. Which results from the research show as follow:

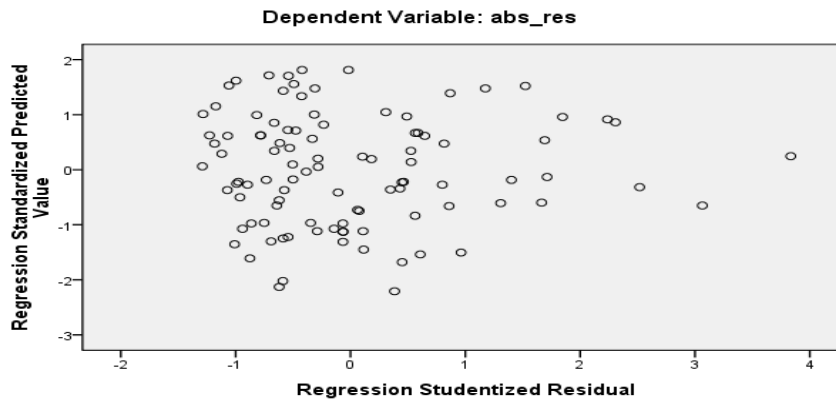
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.965	2.932		.670	.504
Lifestyle X1	-.064	.049	-.133	-1.323	.189
Financial literacy X2	.108	.079	.139	1.375	.172

a. Dependent Variable: abresid

From the table above, it can be seen from the significance value of the X1 variable (lifestyle) of $0.189 > 0.05$ and the significance value of the X2 variable (financial literature) of $0.172 > 0.05$. So it can be concluded that there is no heteroscedasticity in the regression model.

Scatterplot



From the table above, it can be seen that the dots do not form a clear pattern. The points spread above and below the number 0 on the Y axis so that there is no heteroscedasticity in the regression model.

Multiple Linear Regression

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.123	4.838		.232	.817
	Lifestyle X1	.645	.080	.631	8.061	.000
	Financial literacy X2	.118	.130	.071	.909	.366

a. Dependent Variable: consumptive_behaviour

From the table above explains the regression equation as follows:

$$Y = a + b_1x_1 + b_2x_2 + e$$

$$Y = 1.123 + 0.645X_1 + (0.118)X_2 + e$$

- The constant value is 1.123 which means that the consumptive behavior of the millennial generation in Padang City, West Sumatra Province is 1.123
- The regression coefficient value of X1 (Lifestyle) is 0.645 which can be concluded that consumptive behavior among the millennial generation is influenced by lifestyle. By interpreting the significance value of 0.000 is smaller than 0.05 and it can be concluded that lifestyle has a significant effect on the consumptive behavior of the millennial generation in Padang City.
- The value of the regression coefficient of X2 (financial literacy) is 0.118 which can be concluded that consumption behavior among millennials is influenced by financial literacy. With a significance value of 0.366, it is greater than 0.05 and it can be interpreted that financial literacy has no significant effect on consumptive behavior.
- Based on the results of the second independent variable regression overall not all variables have a significant effect on the dependent variable. Which of the above regression results there is only one variable that has a significant effect on consumptive behavior, namely lifestyle.

T-test

The t-test aims to determine whether the regression coefficient has a significant effect or not on the dependent variable individually. Seen through t count and t table.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.123	4.838		.232	.817
Lifestyle X1	.645	.080	.631	8.061	.000
Financial literacy X2	.118	.130	.071	.909	.366

a. Dependent Variable: consumptive_behaviour

From the table above, it can be seen that the significant t-test value of the variable X1 (Lifestyle) is 0.000 less than 0.05 so it can be concluded that in this study Ho X1 was rejected and Ha X1 was accepted. In X2 (Financial Literacy) the significant value is 0.968 greater so it can be concluded in this study Ho X2 is accepted and Ha X2 is rejected.

F test

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1210.134	2	605.067	34.534	.000 ^a
Residual	1699.506	97	17.521		
Total	2909.640	99			

a. Predictors: (Constant), financial literacyx2, lifestylex1

b. Dependent Variable: consumptive_behaviour

Determinant Test (R-square)

The determinant coefficient test (R²) is used to measure the proportion or percentage of the model's ability to apply the dependent variable. The coefficient of determination ranges from zero 0 to one (0 < R² < 1). If R² is getting bigger (closer to one), it can be said that the influence of the independent variable (X) is large on the dependent variable (Y).

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 ^a	.416	.404	4.186

a. Predictors: (Constant), financial literacyx2, lifestylex1

b. Dependent Variable: consumptive_behaviour

Discussion Of Research Results

Based on the results of statistical tests used using SPSS application program tools, it is stated that the consumptive behavior of the millennial generation is influenced by lifestyle and financial literacy.

This is evidenced by the regression coefficient of X1 (Lifestyle) value of 0.645 which can be concluded that the consumptive behavior of the millennial generation is influenced by lifestyle of 0.645. With a significance value of 0.000, it is smaller than 0.05 and it can be interpreted that lifestyle has a positive and significant effect on the consumptive behavior of the millennial generation in Padang City. This indicates that the higher a person's lifestyle, the higher the tendency of a person to behave excessively in buying something irrationally and prioritize wants over needs. On the other hand, if the attitude decreases, the luxurious lifestyle will reduce consumptive behavior.

The lifestyle of today's society has undergone changes and developments along with the times. Lifestyle has penetrated into all groups, including the millennial generation. Lifestyle has become an icon of modernity and is a choice for us to select and choose what is the most important need for the millennial generation so as not to fall into the flow of the times. The life of the millennial generation is now contradictory from within, starting from a lifestyle that is not in accordance with the family's economy and some that are not in accordance with its ethics.

However, most of the millennial generation still force themselves to be comparable to the people around them who may be well-established in their economy. Unbeknownst to them, they have entered the wrong relationship. A lifestyle that forces itself to be comparable to other people is often called a hedonic lifestyle, when viewed from a negative perspective, it can have an impact such as an extravagant lifestyle and will cause social jealousy, because it will buy all the desired goods to be equal to others. Then tend not to think about future needs.

In the view of Islam, a hedonic lifestyle is a lifestyle based on pleasure, joy and others. Humans are considered happy when they have reached the highest level of pleasure. Islam actually gives freedom to its people to have fun and achieve happiness in

their lives. However, in achieving this happiness, Islam forbids its people to do excessively and extravagantly, because excessive actions will make people forget and neglect the tricks of the world.

In the Qur'an, Allah SWT says in Surah Al-An'am verse 32:

"And there is no life in this world, apart from playing and joking. And indeed, the village of the Hereafter is better for those who are pious. Then do you not understand it?"

Based on the verse above, it is explained to Muslims that in achieving human happiness, do not be deceived by temporary pleasures so that people forget about eternal life (the hereafter). Keep yourself away from Allah's punishment by obeying him and staying away from his prohibitions.

The regression coefficient value of X2 (Financial Literacy) is 0.118 which can be concluded that financial literacy has a negative effect on consumptive behavior of 0.118. With a significance value of 0.366, it is greater than 0.05 and it can be interpreted that financial literacy has an effect but is not significant. This indicates that the higher the ability of the millennial generation in financial literacy, it will be able to reduce a person's tendency to behave excessively in buying things irrationally and prioritize wants and needs. On the other hand, if financial literacy is low, it will increase consumptive behavior.

Financial literacy is very necessary for the millennial generation to avoid financial problems. The emergence of financial problems is not only due to the low level of income but also comes from the lack of knowledge in managing finances. A person's low financial literacy causes the use of money outside of needs or someone causes the use of money to fulfill desires. This makes it important for personal financial management. Limited financial literacy will result in inaccurate financial decision making and lack of financial planning for the future. Limited financial literacy in a person will also lead to undirected spending and can make bad financial decisions.

Financial literacy will affect a person's lifestyle to be less wasteful so as to avoid consumptive behavior. If a person's lack of knowledge about financial literacy will lead to consumptive behavior. In the view of Islam, it forbids someone to lead to consumptive behavior. Because consumptive behavior leads someone to behave extravagantly and is more concerned with desires.

In Surah Al-Isra 'verse 26, Allah SWT says, which reads:

"And give to close families their rights, to the poor and those who are on the way and do not squander (your wealth) extravagantly".

Based on the verse above, it means that Allah SWT forbids his servants from doing excessively, both in eating and drinking as well as in decorating (dressing) and shopping. People who behave consumptively will spend their wealth not based on basic needs, but based on desires, causing something excessive and wasteful and causing social jealousy in society.

Conclusion

Based on the results of the analysis and discussion in this study, the following conclusions can be drawn:

1. Lifestyle has a positive and significant effect on the consumptive behavior of the millennial generation in Padang City. This can be seen from the regression coefficient value of X1 (Lifestyle) of 0.645 which can be concluded that consumptive behavior among the millennial generation is influenced by lifestyle. With a significance value of 0.000, it is smaller than 0.05 and it can be interpreted that lifestyle has a significant effect on the consumptive behavior of the millennial generation in Padang City. This indicates that the higher a person's lifestyle, the higher the tendency of a person to behave excessively in buying something irrationally and prioritize wants over needs. On the other hand, if the attitude of luxury decreases, the lifestyle will reduce consumptive behavior.
2. Financial literacy has a positive but not significant effect. This can be seen from the value of the regression coefficient of X2 (Financial Literacy) of 0,118 which can be concluded that consumption behavior among the millennial generation is influenced by financial literacy. With a significance value of 0.366, it is greater than 0.05. This indicates that the higher the ability of the millennial generation in financial literacy, it will be able to reduce a person's tendency to behave excessively in buying things irrationally and prioritize wants and needs. On the other hand, if financial literacy is low, it will increase consumptive behavior.

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