

Materialism, Financial Literacy, and Online Impulsive Buying: A Study on the Post Millennial Generation in a Pandemic Period

Mega Noerman Ningtyas¹ *Amelindha Vania¹

¹Departement of Management, Faculty of Economics, Universitas Islam Negeri Maulana Malik Ibrahim Malang, Malang, Indonesia

Correspondence:

Address: Jalan Gajayana No. 50 Kota Malang, Indonesia, 65144 | e-mail: amelindhavania@uin-malang.ac.id

Abstract

Objective: This research aims to ascertain the influence and examine the function of materialism (centrality, success, and pleasure) on impulsive online purchasing using financial literacy as a moderating factor.

Design/Methods/Approach: The quantitative study uses the SEM analysis technique with the assistance of the SmartPLS 3.6 software. This research uses a purposive sampling strategy to choose 415 individuals. Sample criteria: 1) Minimum age of 17 years and maximum age of 25 years; 2) Online transaction including an impulsive buy. Google form is used to get the data.

Findings: The findings indicated that materialism and impulsive online buying have a positive and substantial impact. The association between financial literacy and materialism could not be moderated. The association between financial literacy and impulsive online buying is nonexistent. However, the relationship between central, happiness, and success on materialism is significant.

Originality: Materialism and financial literacy work together to impact impulsive internet purchase choices. During the pandemic, it was found that Malang's students' financial literacy did not have a significant influence on their buying habits. This suggests that disadvantaged students are nevertheless prone to impulsive internet purchases despite their materialistic outlook.

Keywords: Materialism, Financial Literacy, Online Impulsive Buying

JEL Classification: G53, M30, M31



I. Introduction

According to the 2020 population census findings, Generation Z accounts for 27.94 percent of the population structure in Indonesia, or 75.5 million people. As for age composition, the percentage of teenagers aged 0-14 years in the population declined from 44.12 percent in 1971 to 23.33 percent in 2020. During the same period, the population of productive/working age (15-64 years) increased from 53.49% to 70.72%. Meanwhile, the rest are people aged 65 years and over. This puts Indonesia in a demographic bonus position (BPS, 2020). Demographic bonus occurs when the population with the number of productive age (15-64 years) is greater than the number of young people, and the number of older people is not so large. This means that Indonesia will gain economic benefits due to a decrease in the dependency ratio due to the process of reducing infant mortality and decreasing fertility in the long term.

Interestingly, this demographic bonus is expected to occur once in each country (BPS, 2020). Therefore, this should be used by countries experiencing it because this demographic bonus is like a double-edged sword. This demographic bonus will not provide benefits if it is not prepared correctly, such as improving the quality of human resources, creating jobs that match the quality of these human resources, making economic policies to create a flexible workforce, etc.

Generation Z, often known as the post-millennial generation, is defined as being born between 1995 and 2010 and completing their secondary education (<https://www.mckinsey.com>). Ten to twenty-five years have been estimated as the age at this point. Various traits distinguish one generation from the next. In the early 1990s, internet technology was already in use and readily accessible to the general public. As a result, this generation is often referred to as the "digital natives." That gives rise to characters interested in technology, adaptable, more intelligent, and accepting of cultural variations in their societies. Those who belong to this generation are characterized as wasteful. An online poll performed by Populix, a market research application in Indonesia, found that, during a pandemic like this one, individuals in the millennial age bracket and Generation Z are the categories of people who spend the most money shopping online. A total of 6,285 respondents from around Indonesia took part in this poll. With 35 percent and 33 percent of correspondent votes, respectively, 18-21 years and 22-28 years were the most active in online purchasing.

We are urged to remain at home during the COVID-19 epidemic. This request is one strategy to stop Covid-19 from spreading, particularly in Indonesia. Conditions like these affect one's behavior, including buying habits. People depend on internet shopping apps to suit their everyday demands. Despite the uncertain economic environment, many Indonesians purchase online excessively. This occurs when a person develops impulsive purchase behavior during a pandemic (Arifianti & Gunawan, 2020). Online buying activity in Indonesia surged 400% during the pandemic period, according to cnnindonesia.com (2020). Several studies show that many internet shoppers buy on impulse (Lim et al., 2017). Impulsive purchasing is the propensity to make unplanned, impulsive, non-reflective purchases (Borzooei et al., 2019; Rook & Fisher, 1995). Impulse purchases may harm both people and society. It may cause unpleasant feelings like regret, remorse, discontent, and financial issues like overspending. It threatens resource conservation, environmental preservation, and sustainable development (Mangestuti, 2014). So it is important to understand what drives impulsive purchases and take steps to curb them.

Many variables affect impulse buying, such as shopping experience, product participation, product knowledge, customer traits, demography, and sociocultural influences (Kacen & Lee, 2002; Liang, 2012; M. Richins, 2011; Vohra, 2016; Widyaningrum, 2018). Previous studies have also linked materialism to increased impulsive buying (Cuandra & Kelvin, 2021; Habib et al., 2020; Li et al., 2019; Lim et al., 2017; M. Richins, 2011; Wahono & Pertiwi, 2020; Widyaningrum, 2018). Materialism is a value that emphasizes material wealth as the center of life, a source of happiness, and a criterion for success in personal life (Richins, 2004).). A materialist sees shopping as the major objective of life and pleasure and fulfillment (Roberts, 2000). The more a person perceives that wealth is everything, the more impulsive they will be in shopping to satisfy their ego and show a feeling of prestige. Furthermore, in this case, the item was bought to show and increase their social status (Vohra, 2016).

A few researchers focused on the impact of materialism. However, limited studies have concerned the knowledge of individuals who can control the nature of materialism so that impulsive buying does not occur. When someone has a consumptive lifestyle as above if it is not according to the income ability and financial condition, it can cause financial problems. An individual needs financial knowledge or commonly called financial literacy. Financial literacy is defined by Lusardi & Mitchell (2011) as financial knowledge and competence to use it. With proper financial management, a person may maximize the value of their money and utilize it to improve their well-being (Ningtyas & Andarsari, 2021). Individuals who are well-literate tend to be able to control their shopping desires. Thus, financial literacy has an important role in the influence of materialism on impulsive online buying. The more materialistic a person is, the more impulsive they are. Therefore, this research intends to examine financial literacy as a moderator between materialism and impulsive online buying. So, this research aims to examine materialism to online impulsive buying and examine financial literacy as a moderator between materialism and impulsive online buying.

2. Literature Review and Hypotheses Development

Materialism and Online Impulsive Buying

Materialism is a personality characteristic that emphasizes the value of belonging in terms of showing status and making a person feel good (Schiffman & Kanuk, 2010). Materialism is a psychological attribute of consumers that developed into a lifestyle and often underlies the nature of consumers today (Shahid et al., 2012), while online buying behavior moves based on the nature of consumers. Richin and Dawson (Schiffman and Kanuk, 2010) split materialism into three dimensions: The dimension of property significance in one's life (acquisition centrality) tries to quantify the degree to which an individual believes property and ownership are very significant in one's life. The ownership dimension is a measure of life success (possession defined success), assessing a person's belief about success about the amount and quality of ownership. In contrast, the ownership and property dimensions are a source of happiness (acquisition as the pursuit of happiness), assessing a person's belief about ownership and possessions. It is necessary for life's well-being and pleasure. Impulse buying occurs when a buyer feels compelled to buy something after seeing it online. Online impulse buying is a quick, unplanned, and thoughtless purchase driven by a strong urge to own something online (Satinder, 2018; Chen et al., 2020; Fiona).

Impulse buying online is a modern academic idea. Impulse buying on the internet is characterized as an unplanned, spontaneous, unthinkable, and hedonistic buying activity that is considered unreasonable and can have a negative buying outcome (Li, Jing, 2019). With technological advances, customers, especially students, can shop online (online). Various websites show many companies that offer 24-hour retail availability thanks to the internet (Satinder, 2018). Impulse buying is illogical because it centers on status rather than needs. Online shopping is currently causing fierce online store competition (Anggriani, 2021). The literature and empirical findings support the relationship between the character of materialism and unplanned buying activity, or impulse buying, which is now seen as a universal trait.

The results of empirical studies from Winatha and Sukaatmadja (2014), Chandra and Purnami (2014), and Pundian (2017) experimentally show that this type of materialism can encourage someone to make an impulsive online buying. Another study conducted by Li, Jing et al. (2019) showed that higher levels of materialism predict more online impulsive buying. However, this relationship was insignificant in the downstream simulation results and the process simulation group. Other findings indicate a sizeable positive effect and relationship between materialism and impulsive online buying (I Komang, 2018; Li, Jing, 2019; Anggriani, 2021). It also has a strong beneficial influence on shopping pleasure, consumerism, one's state, retailer's motivating actions, and product features, according to Sunil (2018).

The study's findings can be found in Winatha & Sukaatmadja's (2014) research, which demonstrates that the nature of materialism tends to prioritize symbolic goods and evaluates goods associated with social status, success, and prestige, all of which have been shown to influence someone to make impulse purchases. Another study by Tupamahu, F.A.S. & Balik, D. (2020) stated that the nature of consumer materialism, which the value of material possessions is centrality, desires a large number of goods, and emphasizes that ownership does not increase happiness, affects the increase in buying behavior without thinking, spontaneous purchases, and emotional state-influenced purchases.

H1a: Success has a positive and significant effect on Online Impulsive Buying

H1b: Centrality has a positive and significant effect on Online Impulsive Buying

H1c: Happiness has a positive and significant effect on Online Impulsive Buying

Financial Literacy and Online Impulsive Buying

According to The National Financial Educator Council (2020), financial literacy is the development of financial skills and information necessary to be confident and capable of taking effective action on behalf of all individuals, families, and the global society. Meanwhile, Atkinson and Messy (2018) defined financial literacy as the information, skills, attitudes, and behaviors necessary to make prudent financial choices and ultimately attain individual financial well-being. According to Oseifuah (2010:113), several key elements of financial literacy skills and knowledge are frequently mentioned in the literature, including the following:

1. Mathematical knowledge and common knowledge, such as raw numbers and comprehension abilities.
2. Financial understanding of the nature and form of money, how money is used, and the consequences of consumption decisions.
3. Financial competencies, such as understanding the primary characteristics of basic financial products.
4. Be aware of the risks associated with financial products and the relationship between risk and income.
5. Financial responsibility includes the capacity to make sound financial decisions, knowledge of consumer rights and responsibilities, and the ability and trust to seek assistance when something goes wrong.

A study evaluating financial literacy and online impulse buying found that financial literacy has a major influence on online impulse buying (Spinella et al., 2014 & Suratno et al., 2021). A new study establishing the relationship between financial literacy and online shopping addiction explains that financial literacy is associated with a decreased propensity for internet shopping (Lam & Lam 2017). On the other hand, they found that financial literacy did not affect online students' impulsive purchases due to hedonic purchase incentives (Tanoto & Evelyn, 2019 & Triwidisari et al., 2018). Moreover, their research reveals that financial literacy and self-control do not necessarily benefit. Examination of the

data shows that financial literacy has a negative but substantial impact on the impulsive buying behavior of online products among Generation Y. The more financial literacy students have, the less impulsive buying occurs. On the other hand, the lower students' financial literacy, the more impulsive their buying behavior (Anisa, N.A. et al., 2020).

H2: Financial Literacy has a positive and significant effect on Online Impulsive Buying

Materialism and Online Impulsive Buying: The Role of Financial Literacy

Consumption is a daily economic activity that requires financial literacy. The Australian Government stated in Susanti & Rikah (2020) that financial literacy is about knowing money and finance and using it appropriately so that you can make good choices. According to Tanoto & Evelyn (2019), assessing financial literacy is more challenging than testing financial knowledge since it assesses the capacity to use financial information appropriately. Although financial literacy is important, it does not ensure that impulsive purchases are not made online. Online impulsive purchasing is induced by environmental variables such as discounts, product promotions, curiosity about new products, following trends, and social influence (Wahyuningtyas & Susanti, 2021; Yanto et al., 2020).

Online buying addiction varies according to financial knowledge and well-being. Financial literacy and well-being are also linked to internet buying addiction. Financial security also influences young Indonesians' internet buying addiction. Many research has revealed that customers with higher materialism are more concerned about their financial status and have a higher level of debt (Gardarsdóttir & Dittmar, 2012). Pangestu & Karnadi's (2020) study also reveals that financial literacy does not affect materialistic views. That materialism influences people's behavior, particularly in impulsive internet purchasing, is shown in this study. Materialism typically expresses psychological need and insecurity. This characteristic typically originates from unfulfilled aspirations, allowing individuals to seek external gratification via monetary means (Sharif & Khanekharab, 2017).

Materialism has been widely researched in finance, marketing, psychology, education, and social anthropology. Financial literacy is defined by the OECD (2015) as a mix of awareness, knowledge, skills, attitudes, and behaviors required to make smart financial choices and ultimately attain individual financial well-being. Saving is hampered by illiteracy, and financial ignorance is linked to poverty. The authors (2018) observed that financial literacy enhances online impulsive buying. Materialistic individuals spend money more on material objects (M. L. Richins & Dawson, 1992). However, Awanis et al. (2017) provide a unique perspective on materialism. They claim that materialism is an integral aspect of Asian collectivism and may help society. Weaknesses in materialism and financial literacy are factors in determining well-being. Pangestu & Karnadi (2020) claim that future generations may flourish financially. There is space for development in their financial understanding, attitude, and conduct.

H3: Materialism has a positive and significant effect on Online Impulsive Buying with Financial Literacy as Moderation.

The following is the conceptual framework for this study

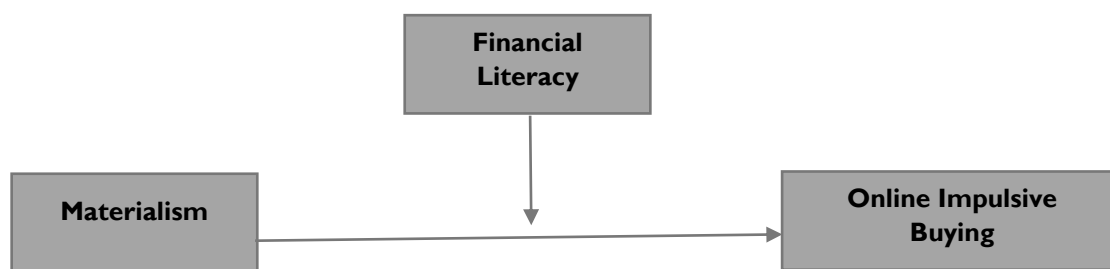


Figure 1. Conceptual Research Model

3. Method

This research is a correlational study that intends to discover the influence of the Materialism variable on Online Impulsive Buying behavior using Financial Literacy as a moderator. The materialism component in the questionnaire is based on research from M. Richins (2004). Success, pleasure, and centrality are all markers. The measurement scale is a 5-point Likert scale (1: strongly disagree and 5: strongly agree). The Financial Literacy variable uses OECD and OJK question items modified. Comprises ten questions on fundamental financial knowledge. If the response is accurate, he gets a 1. Answering 'do not know' incorrectly results in a score of 0. It combines these scores (0-100) to get an overall financial literacy score.

The online impulse buying variable's questionnaire questions pertain to research by Rook & Fisher (1995). It has five questions and uses a Likert scale (1: strongly disagree and 5: strongly agree). This research used SmartPLS 3.6 software to analyze partial least squares data. This research included 415 persons as samples. Purposive sampling was

utilized to choose the study's sample. 1) Minimum age 17; maximum age 25; 2) Online purchase transaction. This study used Online surveys utilizing Google Forms to gather data. The online distribution approach uses social media networks like WhatsApp, Instagram, and Twitter to share the filling link.

This study used a questionnaire as its research instrument, developed using theory and prior research. The table below contains operational definitions for the variables and measuring items utilized in this investigation:

Table 1. Research Instrument Development

Variable	Item	Sources
Materialism	S1. I admire people who have luxury homes and cars S2. The most important achievement in my life is getting material (money). C3. Shopping makes me happy C4. I love luxury in life. H2. My life would be better if I had certain things that I do not have now H4. I would be happier if I could afford to buy more stuff.	(M. Richins, 2004)
Financial Literacy	FL1. When establishing a savings account at a bank, do you need an identification card such as an ID card or a driver's license? FL2. Is it necessary to make a minimum deposit when establishing a savings account at a bank? Will the GOVERNMENT GUARANTEE your savings/deposits if the bank declares BANKRUPTCY? FL3. Assume you have IDR 1,000,000.00 in savings earning 4% per year (assume that you do not pay administration fees and do not deposit or withdraw money from your account). How much MONEY will you have after precisely one year (with interest)? FL4. Continuing with the last question. How much MONEY will you have after precisely two years (with interest)? FL5. Assume you get a bank loan for Rp. 1,000,000.00 and then repay it over the following year. The credit comes with a charge of Rp. 50,000.00. What is a ballpark figure for the PERCENTAGE of the COST OF CREDIT mentioned above? FL6. You want to get a television and visit two separate retailers. The television costs IDR 2,000,000.00. Store A offers a discount of Rp. 250,000.00, while Store B offers a discount of 10%. Which store offers the most discount? FL7. If the interest on your account is 1% per year and the market price of products grows by 2% per year. How many goods are you able to purchase with that sum of money? FL8. Assume you receive Rp. 10,000,000.00 today and your brother/sister inherits the same amount in three years. Whose inheritance is more substantial?	(OECD and OJK, 2015) question items modified. This question is worth a score
Online Impulsive Buying	OIB1. I am frequently not conscious while purchasing products/services in e-commerce. OIB2. I made an unanticipated purchase of goods/services via e-commerce. OIB3. I purchased goods/services multiple times in e-commerce even though I had no intention of purchasing anything previously. OIB4. I purchase goods/services in e-commerce even if I have no intention of purchasing particular goods/services prior. OIB5. I do not hesitate while purchasing on e-commerce.	(Rook & Fisher, 1995)

4. Result and Discussion

The results presented below consist of a statistical description, convergent validity test, outer loading and AVE, discriminant validity test, hypothesis testing, and discussion.

4.1. Demographics Respondents

The author is expected to interpret the results and then connect them with previous research (accompanied by scientific discussions and support arguments). The discussion should be able to align with the main purpose of the research in the Introduction. Writers may include tables or graphics on the results and discussions.

Table 2. Demographics of Respondents

Description		Amount	%
Gender	Male	156	37,59%
	Female	259	62,41%
Age	16	1	0,24%
	17	16	3,86%
	18	138	33,25%
	19	135	32,53%
	20	96	23,13%
	21	25	6,02%
	22	3	0,72%
Marital Status	Unmarried	413	99,52%
	Married	2	0,48%
Number of children	No children	415	100,00%
Region	Regency	288	69,40%
	City	127	30,60%
Job	Associate degree students	15	3,61%
	Undergraduate students	400	96,39%
Income	< 1 million	387	93,25%
	1 million - 2 million	14	3,37%
	2 million - 3 million	4	0,96%
	3 million - 4 million	2	0,48%
	4 million- 5 million	1	0,24%
	> 5 million	7	1,69%
Condition of residence	Lives with parents	373	89,88%
	Lives with extended family	18	4,34%
	Boarding house	11	2,65%
	Islamic boarding school	12	2,89%
	Live alone	1	0,24%
Frequency of online transactions in a month	1-2 x	310	74,70%
	3-5 x	74	17,83%
	>5 x	31	7,47%

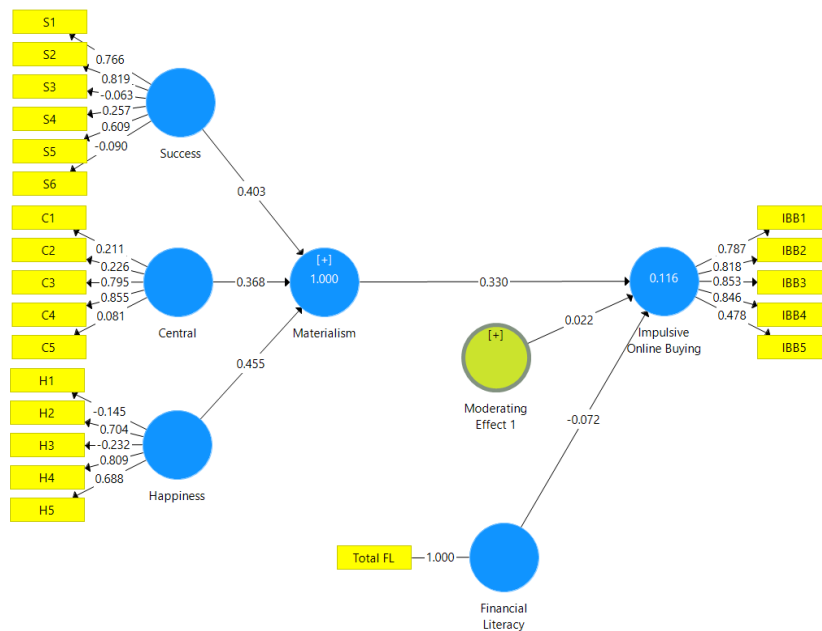
Source: Processed data (2021)

There were 32 responses; 53 percent were 19 years old or younger; at this age, most responders are typically in their first semester of college. A presently 11-26 years old is known as the post-millennial generation. However, researchers only include teens who are over 17 years old since. At that age, they are considered adults who may be held accountable for their actions, even those made online. Not surprisingly, many of them work part-time while still in school and receive pocket money from their families. It is estimated that the vast majority of respondents earn less than Rp 1,000,000- per year. Also revealed is that about 90 percent of those who answered the survey still live with their parents, according to the findings. Fundamental needs like food and housing no longer require repayment. Individuals can spend their earnings on anything they choose online with no restrictions. Responses indicate, however, that the frequency of online transactions is still within an acceptable range, with 1-2 purchases per month being the average.

4.2. Convergent Validity Test

This study uses an SEM (Structural Equation Modeling) analytical technique in conjunction with the SmartPLS software to do data analysis. In PLS Path Modeling, two models are referred to as the outer and inner models, respectively. Validity tests will be performed on the router model, including convergent validity, discriminant validity, and composite reliability tests. In contrast, testing on the inner model will be performed to determine causal links between latent variables.

The first step, which the researcher completed, was the creation of a pathway diagram. According to the analysis results, the output of the first measurement model indicates that there are still some things that do not fulfill the requirements.



Source: Processed data (2021)
Figure 2: Outer Loading Values of Individual Item

Items with an extreme loading value of less than 0.4 will be deleted from the model, and the researcher will re-run the data once they have been removed. Items with an outer loading value between 0.4 and 0.7 are kept in the model, assuming that the item has a value and AVE > 0.5. Items with an outer loading value between 0.4 and 0.7 are removed from the model. The following are the things that have been found to meet the concurrent validity requirements:

Table 3. Outer Loading and AVE

Variable	Item	Outer Loading	Average Variance Extracted (AVE)
Materialism	S1	0,766	0,721
	S2	0,819	
	C3	0,795	
	C4	0,855	0,672
	H2	0,704	
	H4	0,809	
Financial Literacy	FL	1	1
Online Impulsive Buying	OIB1	0,787	0,591
	OIB2	0,818	
	OIB3	0,853	
	OIB4	0,846	
	OIB5	0,478	

Source: Processed data (2021)

4.3. Discriminant Validity Test

The cross-loading value of each item is examined to determine the discriminant validity of each item. Each item on the construct has a larger loading value than the cross-loading value, indicating that the conditions have been satisfied. The following is an example of a cross-loading table that has been exported to Microsoft Excel:

Table 4. Cross Loading

	C	FL	H	IBB	M	S
C	0,838					
FL	-0,071	1				
H	0,491	-0,045	0,819			
OIB	0,334	-0,09	0,267	0,769		
M	0,808	-0,046	0,817	0,314	0,675	
S	-0,067	0,008	-0,061	-0,007	-0,099	0,849

Source: Processed data (2021)

4.4. Composite Reliability

It can be observed in Table 5 below that the value of Composite Dependability is more than 0.7, which leads to the conclusion that all variables have high reliability.

Table 5. Composite Reliability

	Composite Reliability
Central	0,825
Financial Literacy	1
Happiness	0,803
Online Impulsive Buying	0,875
Materialism	0,832
Success	0,838

Source: Processed data (2021)

4.5. Inner Model Evaluation

Based on Table 4, the R2 value of materialism as an independent variable is 0.027, suggesting that the independent financial literacy variable explains only 2.7% of the variance in the dependent variable. In contrast, the rest is explained by factors outside the proposed model. Online Impulsive Buying has an R2 of 0.384, meaning that the independent variable financial literacy accounts for 38.4% of the variance in the dependent variable, while other factors outside the proposed model account for the remainder.

Table 6. R-Square

Variable	R ²	R ² Adjusted
Materialism	0,967	0,966
Online Impulsive Buying	0,105	0,098

Source: Processed data (2021)

4.6. Hypothesis testing

T-statistics > 1.96 or p-values 5 percent are recognized as acceptable. As shown in the table below, the research hypothesis is:

Table 7. Hypothesis Test

Hypothesis	T Statistics	P Values	Decision
FL → OIB	1,470	0,142	Rejected
C → M	18,013	0,000	Accepted
H → M	16,571	0,000	Accepted
S → M	15,274	0,000	Accepted
M → OIB	7,797	0,000	Accepted
Moderating Effect I → impulsive buying	0,409	0,683	Rejected

Source: Processed data (2021)

Table 7 shows a positive and substantial link between materialism and impulsive online shopping. P Values of 0.000 and T statistics of 7.797 suggest this. It seems that consumerism and impulsive online shopping have an impact on each other. It is emphasized that the moderating impact of financial literacy is irrelevant since it cannot regulate the association between materialism and impulsive online shopping. According to these findings, less materialism and impulsive online shopping with financial knowledge as moderation do not exist. Online impulsive buying is not related to financial literacy. The P-Value of 0.142 confirms this. There is a P-Value of 0.000 for each relationship between Central, Happiness, and Success.

4.7. Discussion

Materialism and Online Impulsive Buying

Focusing on financial literacy as a moderator, this research examines materialism related to impulsive online buying. Tests were conducted on both direct and indirect outcomes. According to the experiments that have been conducted, there is a strong correlation between materialism and impulsive online buying. Materialistic people are more likely to impulsively engage in internet shopping since they perceive it as entertainment. A person with a low degree of materialistic behavior will be able to handle his resources so as not to purchase unnecessary items.

A key finding of the research was the fact that university students in Malang City, the vast majority of whom were in their late teens and early twenties and were thus almost totally single, did not pay attention to their financial situation as much as their more mature counterparts. Because of their compulsive internet purchasing, they unintentionally fall into the materialism group. As stated in Table 3, the most significant success in life is money, so they appreciate those who own expensive houses and automobiles. For those who like shopping, it makes them feel better to have something they do not have and to be able to afford to purchase a lot more items, which is evident in many facets of their lives.

More than one study supports this claim, including Moran and Kwak (2015); Lim and his colleagues (2016). (2017). Pursuing pleasure, satisfaction, and success via acquiring worldly possessions is a common approach to dealing with low moods. Impulsive online shopping is also heavily influenced by social factors such as the norms and values of one's peer group (Habib et al., 2020). Materialistic persons are more likely to make impulsive online buying, particularly if they get favorable outcomes after purchase, such as higher quality items, satisfaction, and improved mood, according to a study by Li et al. (2019). Furthermore, get kudos from others in the vicinity.

Financial Literacy on Online Impulsive Buying

Financial literacy is the ability to understand one's financial situation (Chen & Volpe, 1998). A better grasp of financial principles is expected to help people resist the temptation to spend money they do not have because they realize the value of saving and investing. Financial education in schools is considered a way to curb impulsive shopping. The earlier one learns about money management, the more equipped one will be to manage it when one earns money and distinguish between impulses of want and actual needs. Although researchers found a negative correlation between financial literacy and impulsive online buying (p-value 5%), this correlation was not significant. Financial education cannot change a person's nature and ability to appreciate money. Thus, even if they have significant financial knowledge, they are still unable to manage their drive to purchase.

Other factors, such as high levels of stress, might cause even someone with extensive financial understanding to act hastily (Moran & Kwak, 2015). There is a connection here to post-millennial values like YOLO (You Only Live Once) and FOMO (Fear of Missing Out) (Fear of Missing Out). People who live by the YOLO philosophy believe that they only have one life to live and thus have no need to consider the long-term effects of their actions. Post-millennials are more likely than previous generations to pay top dollar for an item they desire when they see it for sale on the market, even if it is very difficult to locate. This is because the item is unlikely to be available again in the future. Customers increasingly make impulsive purchases online, even as online shopping platforms that provide discounts and rebates continue to grow in popularity over time. When it comes to fear of missing out, the term "FOMO" refers to the fear of missing out on the latest and greatest. When it comes to societal pressures, the post-millennial age has many to deal with. They are all in it to show their individuality. Therefore, they buy designer labels, go on expensive trips, and dine at five-star establishments. For example, they may feel compelled to purchase the identical bag their friends have uploaded images of. The post-millennial generation will be more prone to consuming and experiencing bad sensations if they are unable to achieve the two factors above, psychologically

Online Impulsive Shopping with Financial Literacy as a Moderation by Materialism

Materialism is defined as a person's belief that the items or objects they acquire are a reflection of their personality and lifestyle. According to what they remember from their youth, this is the case. The findings of other studies support the idea that pleasure may be readily attained via material possessions (Rehmat et al., 2021). According to the findings of this research, materialism and online impulsive shopping have a positive and substantial link. However, it has been shown that financial literacy is inadequate to attenuate the association between materialism and impulsive online buying. An important moderator is missing from the connection, which indicates this. Tanoto & Evelyn (2019) and Triwidisari et al. (2018) found that financial literacy could not mitigate the influence of hedonic buying motivations on students' impulsive purchases online in Malang, Indonesia. In addition to the impact of materialism, the seller's aggressive marketing may also increase impulse purchases. Students, regardless of their level of financial literacy, may take advantage of promotions in the form of appealing discounts or rebates that arouse good emotions and facilitate stress relief via purchasing. So it can be inferred that financial literacy does not play a role in the mindset of materialism in impulsive online purchasing. The ability to effectively manage one's money is a key component of financial literacy. Because of this, education plays an important role in acquiring financial literacy skills (Fariana et al., 2021). Financial literacy allows people to make better financial choices and build a more affluent life for themselves.

5. Conclusion

This research demonstrates that Generation Z students in Malang City during the COVID-19 epidemic were motivated by materialism in their impulsive online buying but lacked the financial understanding to control the link between materialism and impulsive online buying. The theoretical contribution is shown by explaining materialism's nature, which pays a premium and spends more on material commodities to accomplish life objectives or desired circumstances. This study may be utilized to assist MSME company developers in identifying the financial and buying behaviors of Generation Z. It can be expanded to meet the demands of other industrial sectors. In daily life, financial literacy knowledge may assist limit reasons for impulsive online buying allowing Generation Z to commit that impulse spending cannot be justified. Individual capabilities of students may deteriorate as they grow more aware of the harmful implications of various forms of consumption.

The current situation and new information require ongoing study of financial literacy, materialism, and the nature of online impulsive shopping, which was experienced by Generation Z and perhaps also studied in Generations X and Y, who were quite used to it during the epidemic. This enables researchers to remain current with evolving situations and knowledge. Keep current happenings in mind. The research's drawback is that it focuses only on the association between financial literacy and online impulsive buying and materialism and on a single place, Malang City, and particular demographic groups. This study's flaws include poor data processing and an absence of exploratory analysis. Consequently, the findings cannot be extrapolated to other people or areas.

Additionally, we propose that future studies examine the financial literacy of Generation Z, not only in Malang but also in each area, to allow for a comparison of each demographic. Then, consider applying the online compulsive buying theory to the relationship between financial literacy and materialism to better understand generation z's financial literacy. Financial literacy has to be researched explicitly, not only in terms of marketing but also psychologically and in terms of other disciplines, to generate a diverse body of knowledge.

Acknowledgment

The authors would like to thank the anonymous referees for their useful comments, which allowed to increase the value of this article

Author Contribution

Author 1 made the conceptualization, writing of original draft, data curation, analyzed the formal data, investigation, methodology. Author 2 provided critical insight into review and editing, writing assessment and editing, validation, and visualization.

Financial Disclosure

This article is not funded or related to any funding agency.

Conflict of Interest

The authors declare that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.

References

- Anggriani, R., Abdurrahman., Isra, D.K.I., & Sidharta, R.B.F.I. (2021). Pengaruh Sifat Materialisme terhadap Perilaku Impulsive Buying dan Kecenderungan Compulsive Buying Pada Remaja di Kota Mataram. *TARGET : Jurnal Manajemen dan Bisnis*, 8 (1), 109-118.
- Anisa, N. A., Arifin, S., Setyowati, L., Hidayah, N., & Megasari, A. D. (2020). Financial literacy on impulsive buying behavior in y generation. *Quantitative Economics and Management Studies*, 1(1), 70-75.
- Arifianti, R., & Gunawan, W. (2020). Perilaku Impulse Buying Dan Interaksi Sosial Dalam Pembelian Di Masa Pandemi. *SOSIOGLOBAL : Jurnal Pemikiran Dan Penelitian Sosiologi*, 5(2), 43-60.
- Atkinson, A., & Messy, F. (2018). *Literasi Keuangan*. In *Literasi dan Inklusi Keuangan Indonesia* (p. 7). Rajawali pers.

- Awanis, S., Schlegelmilch, B. B., & Cui, C. C. (2017). Asia's materialists: Reconciling collectivism and materialism. *Journal of International Business Studies*, 48(8), 964–991. <https://doi.org/10.1057/s41267-017-0096-6>.
- BPS (Badan Pusat Statistik). (2020). Hasil Sensus Penduduk 2020. [Badan Pusat Statistik \(bps.go.id\)](http://bps.go.id) (Online)
- Chandra, I., & Purnami, N. (2014). Pengaruh Jenis Kelamin, Promosi Penjualan Dan Sifat Materialisme Terhadap Perilaku Impulse Buying Secara Online. *E-Jurnal Manajemen Universitas Udayana*.
- Cuandra, F., & Kelvin. (2021). *Analysis of influence of materialism on impulsive buying and compulsive buying with credit card use as mediation variable*. 13(1), 7–16.
- Fariana, R. E., Surindra, B., & Arifin, Z. (2021). The Influence of Financial Literacy, Lifestyle and Self-Control on the Consumption Behavior of Economic Education Student. *International Journal of Research and Review*, 8(8), 496–503. <https://doi.org/10.52403/ijrr.20210867>.
- Gardarsdóttir, R. B., & Dittmar, H. (2012). The relationship of materialism to debt and financial well-being: The case of Iceland's perceived prosperity. *Journal of Economic Psychology*, 33(3), 471–481. <https://doi.org/10.1016/j.joep.2011.12.008>.
- Kacen, J. J., & Lee, J. A. (2002). The influence of culture on consumer impulsive buying behavior. *Journal of Consumer Psychology*, 12(2), 163–176. <https://doi.org/10.1207/153276602760078686>.
- Lam, L. T., & Lam, M. K. (2017). The association between financial literacy and Problematic Internet Shopping in a multinational sample. *Addictive Behaviors Reports*, 6, 123–127.
- Li, J., Yang, R., Cui, J., & Guo, Y. (2019). Imagination matters when you shop online: The moderating role of mental simulation between materialism and online impulsive buying. *Psychology Research and Behavior Management*, 12, 1071–1079. <https://doi.org/10.2147/PRBM.S227403>.
- Liang, Y.-P. (2012). The Relationship between Consumer Product Involvement, Product Knowledge and Impulsive Buying Behavior. *Procedia - Social and Behavioral Sciences*, 57(03), 325–330. <https://doi.org/10.1016/j.sbspro.2012.09.1193>.
- Lim, S. H., Lee, S., & Kim, D. J. (2017). Is Online Consumers' Impulsive Buying Beneficial for E-Commerce Companies? An Empirical Investigation of Online Consumers' Past Impulsive Buying Behaviors. *Information Systems Management*, 34(1), 85–100. <https://doi.org/10.1080/10580530.2017.1254458>.
- Lusardi, A., & Mitchell, O. S. (2011). Financial literacy around the world: An overview. *Journal of Pension Economics and Finance*, 10(4), 497–508. <https://doi.org/10.1017/S1474747211000448>.
- Mangestuti, R. (2014). *Model Pembelian Kompulsif Pada Remaja Model Pembelian Kompulsif Pada Remaja*. [http://repository.uin-malang.ac.id/340/1/Ringkasan Disertasi Pembelian Kompulsif.pdf](http://repository.uin-malang.ac.id/340/1/Ringkasan%20Disertasi%20Pembelian%20Kompulsif.pdf).
- Moran, B., & Kwak, L. (2015). http://www.jrconsumers.com/Academic_Articles/issue_27/. *Journal of Research Consumers*, 27, 26–51.
- Ningtyas, M. N., & Andarsari, P. R. (2021). Peran Perilaku Keuangan dalam Memoderasi Literasi Keuangan dan Keberlangsungan Usaha. *Jurnal Riset Dan Aplikasi: Akuntansi Dan Manajemen*, 5(1), 37–44. <https://doi.org/10.33795/jraam.v5i1.004>.
- OECD (Organisation for Economic Co-operation and Development). (2015). Toolkit for measuring financial literacy and financial inclusion. In *Organisation for Economic Co-operation and Development*. www.oecd.org.
- Oseifuah, E. K. (2010). Financial literacy and youth entrepreneurship in South Africa. *African Journal of Economic and Management Studies*. Vol. 1.
- Pundian, Y. (2017). Pengaruh Impulse Buying, Consumer Anxiety, Dan Escapism Terhadap Perilaku Compulsive Buying Pada Konsumen Sepatu Di Surabaya. (Doctoral Dissertation, Widya Mandala Catholic University Surabaya).
- Pangestu, S., & Karnadi, E. B. (2020). The effects of financial literacy and materialism on the savings decision of generation Z Indonesians. *Cogent Business and Management*, 7(1). <https://doi.org/10.1080/23311975.2020.1743618>.
- Rehmat, M., Farooqi, S., & Mukhtar, K. (2021). Influence of materialism on impulse buying: moderated mediation model. *Ilkogretim Online -Elementary Education Online*, 20(5), 6104–6117. <https://doi.org/10.17051/ilkonline.2021.05.686>.
- Richins, M. (2004). The material values scale: Measurement properties and development of a short form. *Journal of Consumer Research*, 31(1), 209–219. <https://doi.org/10.1086/383436>.

- Richins, M. (2011). *Spending : Implications for Credit Use Spending : Implications for Credit Use*. 30(NOVEMBER 2011), 141–156.
- Richins, M. L., & Dawson, S. (1992). A Consumer Values Orientation for Materialism and Its Measurement: Scale Development and Validation. *Journal of Consumer Research*, 19(3), 303. <https://doi.org/10.1086/209304>
- Rook, D. W., & Fisher, R. J. (1995). Normative Influences on Impulsive Buying Behavior. *Journal of Consumer Research*, 22(3), 305. <https://doi.org/10.1086/209452>.
- Schiffman, L. G., & Kanuk, L. L. (2010). *Consumer Behavior 10th Edition*. In Pearson Education.
- Shahid, R., Asif, K., Jamshed, Khan K., Ahsan, A., & Mah a Mobeen, A. (2012). The Impact Of Materialism On Compulsive Consumption In Pakistan. *African Journal of Business Management*. <https://doi.org/10.5897/ajbm11.1870>.
- Sharif, S. P., & Khanekharab, J. (2017). Identity Confusion and Materialism Mediate the Relationship between Excessive Social Network Site Usage and Online Compulsive Buying. *Cyberpsychology, Behavior, and Social Networking*, 20(8), 494–500. <https://doi.org/10.1089/cyber.2017.0162>.
- Spinella, M., Lester, D., & Yang, B. (2014). Compulsive buying tendencies and personal finances. *Psychological Reports*, 115(3), 670–674. <https://doi.org/10.2466/18.02.PR0.115c27z0>.
- Susanti, A., & Rikah. (2020). Penggunaan media sosial instagram dan literasi keuangan terhadap perilaku konsumtif berbelanja online generasi milenial. *JAB*, 06(01), 37–44.
- Suratno, S., Rosmiati, R., & Siswono, E. (2021). Pengaruh online shop, lingkungan teman sebaya dan literasi keuangan terhadap pembelian impulsif mahasiswa jurusan pips fkip universitas jambi. *Jurnal Manajemen Pendidikan Dan Ilmu Sosial*, 2(1), 61-75.
- Tanoto, S., & Evelyn, E. (2019). Financial knowledge, financial wellbeing, and online shopping addiction among young indonesians. *Jurnal Manajemen Dan Kewirausahaan*, 21(1), 32–40. <https://doi.org/10.9744/jmk.21.1.32-40>.
- The National Financial Educator Council. (2020). Financial Literacy Program. [Financial Education Resources and Solutions by the NFEC \(financialeducatorsCouncil.org\)](https://www.financialeducatorsCouncil.org) (Online) 5 Agustus 2021.
- Tupamahu, F. A. S., & Balik, D. (2020). Efek Moderasi Kontrol Diri pada Hubungan Sifat Materialisme Terhadap Pembelian Impulsif Online. *PUBLIC POLICY (Jurnal Aplikasi Kebijakan Publik & Bisnis)*, 1(2), 115-136.
- Triwidisari, A., Nurkhin, A., & Muhsin, M. (2018). The Relationships Between Instagram Social Media Usage, Hedonic Shopping Motives and Financial Literacy on Impulse Buying. *Dinamika Pendidikan*, 12(2), 170–181. <https://doi.org/10.15294/dp.v12i2.13565>.
- Winatha, R., & Sukaatmadja, I. (2014). Pengaruh Sifat Materialisme Dan Kecanduan Internet Terhadap Perilaku Pembelian Impulsif Secara Online. *E-Jurnal Manajemen Universitas Udayana*.