

# The Effect of the Intensity of Accessing Instagram and Financial Literacy on the Consumptive Behavior: a Research Study

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**ABSTRACT:** *The rapid development of information and communication technology is now a factor in increasing needs and changing consumption patterns among students. Consumption activities are no longer carried out rationally and tend to be unplanned. Various internal and external factors trigger these consumptive behaviors. Lack of knowledge related to financial management and planning and the use of social media which are currently increasing are some of the causes of consumptive behavior. This study aims to determine the effect of the intensity of accessing instagram and financial literacy on the consumptive behavior of Economic Education students at the Faculty of Economics, State University of Makassar. This research is a type of quantitative research. The population in this study were 614 students and the sampling technique used the Stratified Random Sampling technique with a total sample of 86 student respondents. The method of data collection in this research used a questionnaire with a Likert Scale and used multiple linear regression data analysis techniques. The results of this study indicate that Simultaneously, the intensity of accessing instagram and financial literacy has a significant effect on the consumptive behavior of economic education students at State University of Makassar. Partially, the intensity of accessing Instagram has a positive and significant effect on the consumptive behavior while financial literacy has a negative and significant effect on the consumptive behavior of Economic Education students at State University of Makassar.*

**KEYWORDS** -Instagram, Financial Literacy, Consumptive Behavior, Students, Makassar

## I. INTRODUCTION

The economic condition of a country can be an indicator of the state of development of a country. A good level of public financial knowledge can make a country's economy run well (Thamrin& Hasan, 2018). The era of millennials is currently leading the lives of people towards a practical lifestyle. Almost every line of people's lives has been infiltrated by all forms of technological development. This also resulted in a change in people's consumption patterns. Consumption is a fulfillment of the needs needed in accordance with what is needed. Consumption based on desire will cause a consumptive behavior. Consumptive behaviour is a process and activity of individuals or groups related to the search, selection, purchase, use, and evaluation of products and services in order to meet the needs and desires. Simply put, consumer behaviour is an act that is directly involved in obtaining, using and consuming the product (Schiffman et al., 2008). The factors that influence the emergence of consumptive behavior are the presence of advertisements, conformity (the type of social influence when someone changes their attitudes and behavior to conform to existing social norms), and lifestyle (Suyasa&Fransisca, 2005; Zainal et al., 2018). The presence of social media in marketing in the digital era can

be seen from two sides, namely the advertising side and the social media user side. From the advertising side, Instagram social media offers a variety of content. Advertising is not only produced in the form of text, but audio, visual or audio-visual. The use of social media by consumers is anxiously followed by marketers, but not much is known about how it influences the consumers' decision-making. Many studies focus on consumer behaviour in the online shopping environment, but without consideration of the effects of the internet on the different phases of consumers' decision process (Darley et al., 2010; Musa & Hasan, 2018).

The use of media is only one way to meet psychological needs, the effect of media is considered as a situation when those needs are met. As its development, the presence of the internet creates social networking sites that can be accessed with an internet network. Instagram is a social network that is widely used and accessed by the world community, including the Indonesian people. Every year Instagram users in Indonesia are increasing. It appears on Tempo's online media page that information is obtained that in Indonesia no less than 45 million people use Instagram actively, and are listed as the most Instagram Story content creators in the world. With a massive number of users, Indonesia is the largest Instagram community in the Asia Pacific region, and one of the largest markets in the world of a total of 700 million active users every month. The use of Instagram is currently considered quite effective for business people in promoting their products. The social media revolution has led to new ways of seeking and obtaining information on the multitude of products and services in the market. It has enabled consumers to connect and discuss brands with each other quickly and easily (Powers et al., 2012). Admittedly or not this is slowly starting to change lifestyle patterns and people's thought patterns into consumptive.

Consumptive behavior arises due to various factors, both from within the individual and from the outside environment. Changes in consumption patterns certainly also directly affect the financial condition of each individual, the inability to reduce the desire to influence consumer behavior when Instagram users see interesting advertisements, such as following a growing trend and buying goods that can be done online. Consumer decision-making could be defined as the behaviour patterns of consumers, that precede, determine and follow on the decision process for the acquisition of need satisfying products, ideas or services (Du Plessis et al., 1991).

Financial literacy also has an influence on the consumptive culture of each individual. Financial literacy is a basic need for everyone to avoid financial problems. Problems about financial difficulties are not only due to low income, but can occur in the event of miss management, such as lack of financial planning (Crossan, Feslier & Hurnard, 2011). Behavioral factors include consumption from within individuals such as motivation, perception, knowledge (learning), and beliefs and attitudes (Kotler & Keller, 2010; Hasan et al., 2019). Knowledge in finance and financial management is an important factor in influencing one's consumption behavior. The ability and skill in applying understanding and knowledge about finance is related to the concept of financial literacy. Based on the explanation above, the consumptive behavior is influenced by the intensity of accessing Instagram which is one of the external factors in influencing consumptive behavior. While financial literacy is one of the internal factors that is useful for making decisions in managing finances that can influence consumer behavior.

## **II. LITERATURE REVIEW**

The word "insta" comes from the word "instant" which is associated with the polaroid cameras of that era known as "instant photo". Instagram can also display photos instantly like polaroid in appearance. Then the word "gram" comes from the word "telegram", where Instagram works just like telegram, that is to send information quickly to others. Instagram which can allow users to upload photos through internet network intermediaries, is seen as able to convey information quickly to others (Ballantine & Stephenson, 2011). Instagram is a social network that is much in demand by people from various walks of life. Consumer socialization directly takes place through the interaction between social media consumers and indirectly occurs through product involvement (Hajli, 2013). Impulses related to organism's needs will encourage organisms to behave. Tubbs and Moss (2000) state that intensity is influenced by the amount of time spent doing something. The amount of time can be reviewed based on the duration spent when the individual performs the activity and the frequency carried out in the activity. In addition to socializing in cyberspace, now Instagram can also be

used to launch a business. The presence of social media in marketing in the digital era can be seen from two sides, namely the advertising side and the social media user side. In terms of advertising, social media offers with a variety of content. Advertising is not only produced in the form of text, but audio, visual or audio-visual. As the basic nature of humans who always consume excessive goods, their consumptive behavior is what drives to always be wasteful in terms of shopping, after knowing Instagram then start shopping online and will begin to feel the impulses in themselves to meet their needs whether it's needs like clothes, pants, accessories, bags etc. After shopping online on Instagram and feel the needs are met, the impulses will be reduced after getting the needs you want. Although after buying do not think whether the item is useful or not, the most important thing is the desire fulfilled. It is the result of the use of Instagram social media that can have an effect on individual consumptive behavior (Lusuardi & Mitchell, 2010). Thus, the hypothesis proposed is:

***H1: The intensity of accessing Instagram has a significant effect on consumptive behavior***

Financial literacy is an important matter discussed to avoid a country's economic crisis. Bushan and Medhury (2013) financial literacy is the ability to make judgments and make effective decisions with the management of money use. Financial literacy allows one to improve their overall well-being. Financial literacy can be used, namely financial knowledge that can be used to make decisions related to financial management. Errors in financial management that can cause financial difficulties for everyone in this case students as a result of their consumptive behavior. That is very important to make financial literacy as a basic need in managing money. According to Perry and Morris (2005) Financial literacy is knowledge and understanding of finance as well as the ability in financial management that individuals need to be able to make effective decisions about personal finance which is a useful thing for financial management. Financial management becomes very important because failure in managing finances will have a negative impact in the long run. Financial literacy education has become a necessity for a country, of course this is very important for the community especially students of course financial literacy knowledge is very important for decision making in managing finances. As according to Effendi (2016), consumptive is the desire to consume goods and services that are actually less needed in excess to achieve satisfaction. Effendi further stated that consumptive behavior is the behavior of individuals who are intended to consume excessive and unplanned for goods or services that are lacking or even unnecessary. Consumptive behavior is the tendency to act with the desire to buy and use or spend goods or services that are actually lacking or not needed. Thus, the hypothesis proposed is:

***H2: Financial literacy has a significant effect on consumptive behavior.***

### **III. RESEARCH METHODOLOGY**

The approach used in this research is a quantitative approach that uses in-depth data analysis in the form of numbers. The subjects in this study were active students of Economic Education, Faculty of Economics, State University of Makassar class of 2013-2019. In this study the independent variables are Intensity to Access Instagram and Financial Literacy. The dependent variable is Consumptive Behavior. Measurement Variables in this study were measured using a Likert scale. The population in this study were active students of Economic Education, Faculty of Economics, State University of Makassar in the class of 2013 - 2019, amounting to 614. The sampling technique in this study was to use the Probability Sampling technique with a total sample of 86 students. Testing the hypothesis in this study using the t test and F test with multiple regression analysis techniques using the help of SPSS Version 21 program.

### **IV. RESULT AND DISCUSSION**

Based on the results of data processing through the SPSS 21.0 program, the regression equation for this study is:

$$Y = 32,513 + 0,628X_1 - 0,250X_2 + e \quad (1)$$

Based on these equations, it is seen that both the intensity of accessing Instagram and financial literacy has an effect on consumptive behavior. The results of testing the hypothesis, both simultaneously and partially can be seen in the following table.

TABLE 1  
 SIMULTANEOUS HYPOTHESIS TESTING

	<b>F Hitung</b>	<b>F Tabel</b>	<b>Conclusion</b>
Simultaneous test	11,149	3,110	H0 rejected H1accepted

TABLE 2  
 PARTIAL HYPOTHESIS TESTING

<b>Variabel</b>	<b>t Hitung</b>	<b>t Tabel</b>	<b>Sig.</b>	<b>Conclusion</b>
X1	4,311	1,988	0,000	H0 rejected H1accepted
X2	2,058	1,988	0,043	H0 rejected H1accepted

From the results of simultaneous testing, the calculated F value of 11.149 was obtained with a significance value of 0.000. This significance value is smaller than the  $\alpha$  value of 0.05, with a F table value of 3.110, so it can be concluded that the intensity of accessing instagram and financial literacy simultaneous has a significant effect on student's consumptive behavior. These findings indicate that the intensity of accessing instagram and financial literacy influences the consumptive behavior of Economic Education students at the Faculty of Economics, State University of Makassar simultaneously or together.

Based on the results of data processing, the calculated t value for the intensity of accessing the instagram variable is 4.311 with a significance of 0.000, because the significance value is smaller than 0.05 and the value of  $t > t$  table ( $4.311 > 1.98896$ ), it can be concluded that the intensity of access Instagram has a positive and significant effect on the consumptive behavior of students. This finding indicates that the higher the intensity of accessing instagram that is owned by a student, the higher the student's consumptive behavior. Character, individuals, expectations and perceptions of the media and the level of access to media, will bring individuals to the decision to use or not the contents of mass media. The use of media and its contents by the public will also have certain effects and consequences (Bungin, 2006).

Other findings of this study indicate that the calculated t value for financial literacy variable is 2.058 with a significance of 0.043, because the significance value is smaller than 0.05 and the value of  $t$  arithmetic  $>$  table ( $2.058 > 1.98896$ ), it can be concluded that financial literacy has a negative and significant effect on student's consumptive behavior. This means that the higher the financial literacy of students, the consumptive behavior will also decrease. Huston (2010), financial literacy is a part of human capital that can be used in financial activities to increase the expected lifetime benefits of consumption.

## V. CONCLUSION

The findings of this study indicate that the intensity of accessing instagram and financial literacy simultaneously has a significant effect on the consumptive behavior of students. Partially, there is a positive and

significant effect between the intensity of accessing Instagram to the consumptive behavior of students in terms of duration and frequency indicators. It is known that the more frequent access to Instagram will affect the consumptive behavior of students. The results of this study also indicate that there is a negative and significant effect between financial literacy on consumer behavior seen from financial knowledge and understanding, and financial management. This shows that the higher the financial knowledge and understanding, the lower the consumptive behavior of students.

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