

The Effect of Financial Literation on Online Shopping Interest in Millennials

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ABSTRACT

The purpose of this research is to study and analyze financial literacy on online shopping demand in millennials. The support used in this research is associative. The population in this study were all students of the Faculty of Economics and Business, Muhammadiyah University, North Sumatra. Data collection techniques in this study using documentation techniques. Data analysis techniques in this study used the Validity and Reliability Test, and Regression Test. Data processing in this study uses SPSS software version 24.00. The results of the study prove the positive and significant fact of financial literacy on online buying interest.

Keywords: Financial Literacy, Online Shopping Interest

INTRODUCTION

Financial literacy has been a hot topic for discussion in recent years. The factors that led to the development of financial literacy are low interest rates, rising bankruptcy and debt levels, and increasing individual responsibility in making decisions that will affect the economy in the future (Servon and Kaestner, 2008).

Financial literacy will affect one's lifestyle to be not wasteful so as to avoid consumptive behavior. Lack of student knowledge about financial concepts and financial goals in the future. This conclusion was drawn from a survey of the level of financial literacy conducted by VISA in early 2012 (Anastasia and Surmaya).

Millennial also known as generation Y is a demographic group after generation X. There is no definite time limit for the beginning and end of this group. Experts and researchers usually use the early 1980s until the 2000s as the end of birth (wikipedia). Millennial generations that are often sampled in research are usually born in the 2000s. Millennial generation is often said to be the generation that is accompanied by advanced technology.

Characteristic of millennial generation is usually someone who can not be separated from the gadget. In addition, millennials usually like to make purchases online. That is because the millennial generation is very happy with technology that can simplify their lives.

Millennials have a huge interest in online spending. This can be seen from the number of online shopping sites that are increasingly rife and the number of people who become online businesses with their social media.

Therefore, millennial generation must have good financial literacy in order to anticipate large-scale and useless purchases. In online shopping sites there are various items offered, ranging from those of good quality to bad quality. low price or high price.

Interest in buying has a close relationship with consumptive behavior, someone who has a high buying interest must have a consumptive behavior. In their research Dewi and Sunarto (2017) stated that Financial Literacy has an effect on the education of consumer behavior.

LITERATURE REVIEW

Financial Literacy (Financial Literacy)

In general, financial literacy is a collection of knowledge and abilities about financial planning and management. According to Kiliyanni and Sivaraman (2016) Financial literacy is the ability of individuals and households to effectively manage their personal finances.

Having financial liability is a must to be able to plan and manage finances properly and appropriately. According to Robb and Woodyard (2011) sufficient financial literacy will have a positive influence on a person's financial behavior, such as properly managing or allocating finances.

Financial literacy is a series of processes or activities to improve the knowledge, beliefs and skills of consumers and the wider community so that they are able to manage finances better (Financial Services Authority, 2013).

Interests Buy Online

Buying interest is a desire from someone to make a purchase of a product (both goods and services). Buying interest is related to feelings and emotions, if someone feels happy and satisfied in buying goods or services then it will strengthen buying interest. Purchase interest that exists in consumers is a very important factor in marketing activities, buying interest is a consumer behavior that underlies a purchase decision to be made (Swastha and Irawan, 2001).

According to Ferdinand (2006) in Mini (2016) buying interest can be identified through the following indicators:

1. Explorative Interest, this interest illustrates the behavior of someone who is always looking for information to support the positive qualities of the product.
2. Transcational Interest, namely a person's tendency to buy products.
3. Referential Interests, namely a person's tendency to refer products to other people.
4. Preferential Interest, namely interest that describes the behavior of someone who has a primary preference on the product. This preference can only be replaced if something happens with the product of his preference.

METHOD

This type of research is explanatory research that identifies relationships between variables and is descriptive quantitative research. Where in this study the independent variable is financial literacy and the dependent variable is online shopping interest.

The population of this research is the students of the faculty of economics and business at UMSU with a sample of 100 people. Where the sample is determined using accidental sampling method, the sample which intentionally or unintentionally fills out a questionnaire that has been distributed. With some criteria that students who get the questionnaire are those who have already spent online at least 3 times a year.

Data analysis method used in this study is to use simple regression, which was previously tested for validity and reliability on the research questionnaire.

RESULTS AND DISCUSSION

RESULTS

Validity test

The results of testing the validity of the questionnaire statements can be seen in the following table:

Table 1. Test Results of the Validity Statement of the Financial Literation Questionnaire

Statement	Correlation Value	Probability	Explanation
Statement 1	0,466	0,000 < 0,05	Valid
Statement 2	0,543	0,000 < 0,05	Valid
Statement 3	0,452	0,000 < 0,05	Valid
Statement 4	0,467	0,000 < 0,05	Valid
Statement 5	0,529	0,000 < 0,05	Valid
Statement 6	0,648	0,000 < 0,05	Valid
Statement 7	0,564	0,000 < 0,05	Valid
Statement 8	0,377	0,001 < 0,05	Valid
Statement 9	0,606	0,000 < 0,05	Valid
Statement 10	0,483	0,000 < 0,05	Valid

Source: SPSS Data Processing Results (2019)

Table 2. Test Results for Questionnaire Validity Statement Test Questions to Buy Online Interests

Statement	Correlation Value	Probability	Explanation
Statement 1	0,551	0,000 < 0,05	Valid
Statement 2	0,558	0,000 < 0,05	Valid
Statement 3	0,443	0,000 < 0,05	Valid
Statement 4	0,383	0,001 < 0,05	Valid
Statement 5	0,545	0,000 < 0,05	Valid
Statement 6	0,636	0,000 < 0,05	Valid
Statement 7	0,521	0,000 < 0,05	Valid
Statement 8	0,629	0,000 < 0,05	Valid
Statement 9	0,517	0,000 < 0,05	Valid
Statement 10	0,525	0,000 < 0,05	Valid

Source: SPSS Data Processing Results (2019)

From the table above it can be seen that all statements in the questionnaire are valid or in other words the statements that are described are appropriate for measuring both research variables.

Reliability Test Results

The results of the reliability test can be seen in the table below:

Table 3. Results of Reliability Tests for Financial Literacy Questionnaire Statements
Reliability Statistics

Cronbach's Alpha	N of Items
,690	10

Source: SPSS Data Processing Results (2019)

Table 4. Results of Reliability Tests for Online Buying Interest Questionnaire Statements
Reliability Statistics

Cronbach's Alpha	N of Items
,713	10

Source: SPSS Data Processing Results (2019)

From the table above it can be seen that the statements for the questionnaire in this study are reliable because both have values above 0.6.

Regression Testing Results

Table 5. Regression Testing Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,979	2,389		1,666	,100
	Financial Literacy	,884	,064	,856	13,883	,000

a. Dependent Variable: Interests Buy Online

Source: SPSS Data Processing Results (2019)

The test results above can be concluded that the t test value of 13.883 with a sig value of 0.000. This concludes that there is a significant influence of financial literacy with online buying interest.

CONCLUSION

The conclusions that can be drawn from this study are as follows:

The results showed there was an influence of financial literacy on online buying interest in the students of the faculty of economics and business of UMSU.

This shows that the higher the level of financial literacy, the higher the interest in online shopping.

This is in line with research conducted by Fauzia and Nurdin (2019) which states that there is a significant influence between financial literacy on consumer behavior. This study is also in line with research conducted by Dikria and Sri (2016) which states that financial literacy has a significant effect on consumer behavior.

The statement above concludes that the better the level of financial literacy, the more interest a person will make in buying (consumptive). However, purchases made refer to purchases according to needs, because the level of literacy is quite good.

COVER

Suggestions from this study are as follows:

1. For students to be able to increase their financial literacy in order to be able to manage finances well.
2. For academics (lecturers) to be able to provide literacy and good motivation related to financial literacy.
3. For the next researcher, it is hoped to deepen the object and research variables.

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