

# Consumer Behavior of Generation Z in E-Wallet Usage: As A Result of Hedonistic Lifestyle?

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## ABSTRACT

This research aims to analyze the influence of financial literacy, gender, and hedonic lifestyle on the consumptive behavior of generation z in surabaya in use of e-wallets. This research uses quantitative research methods with sampling using purposive sampling techniques. The sample processed was 141 respondents who had used e-wallets. analysis technique using partial least squares with structural equation modeling (PLS-SEM). The research results show that financial literacy has a significant negative effect on consumptive behavior, while gender has no effect on consumptive behavior, and hedonic lifestyle has a significant positive effect on consumptive behavior. The implications of this research are for related parties, such as the government, especially in the education sector, to strengthen financial literacy education, especially for generation Z in Surabaya. Increasing financial literacy can help reduce unplanned consumer behavior. Research on gender, at least in the context of e-wallets in Surabaya, can be concluded that gender differences are not the main factor in determining the level of consumer behavior. However, relevant parties still need to monitor these developments and perhaps strengthen efforts for gender equality in e-wallet access and use. This research indicates the need for a careful approach to the promotion of consumer lifestyles in e-wallet marketing campaigns. Relevant parties, including e-wallet companies, may consider more thoughtful strategies to encourage responsible use.

**Keywords:** *consumptive behavior, financial literacy, gender, hedonic lifestyle, z generation*

## 1. INTRODUCTION

The increased usage of e-wallets or digital wallets can be seen as a response to technological advancements and changes in consumer purchasing patterns. Generation Z is known as a group that has grown up in a digital environment, which is characterized by the concept of instant finance. Purchasing items based solely on personal desires, without considering their utility and benefits, tends to make someone more consumptive (Wahyuni et al., 2019). The Generation Z in Surabaya City has a high sense of prestige, leading them to be willing to spend more money to fulfill their desires. Generation Z in Surabaya City tends to engage in trending activities solely for their desires, a phenomenon known as fear of missing out (FOMO). Prioritizing desires over needs makes the Generation Z in Surabaya City unable to properly prioritize their scale of importance, resulting in a tendency towards high consumptive behavior.

Lifestyle determines the attitudes and financial behaviors of society. Generation Z prioritizes their lifestyle over purchasing necessary equipment. A hedonistic lifestyle prevents Generation Z from planning their financial decisions properly Sartika & Hudaniah (2018). A hedonistic lifestyle directly influences consumptive behavior, where individuals with a hedonistic lifestyle purchase goods solely for personal enjoyment. According to Yahya (2021), a hedonistic lifestyle has a positive and significant influence on the consumptive behavior of Generation Z. Therefore, the first hypothesis to be tested in this study is:

H1: The higher the hedonistic lifestyle, the higher the consumptive behavior.

Financial literacy refers to the level of knowledge, skills, and beliefs that influence attitudes and behaviors to enhance the quality of decision-making and financial management in order to achieve well-being (OJK, 2017). High financial literacy indicates that an individual can manage their finances well, thereby reducing consumptive behavior. According to Pulungan & Febriaty (2018), the higher the financial literacy, the lower the consumptive behavior. This finding is supported by the research of Wahyuni et al. (2019) and the research of Mubarakah & Rio Rita (2020), which also found that financial literacy has a significant influence on consumptive behavior. Therefore, the second hypothesis to be tested in this study is:

H2: The higher the financial literacy, the lower the consumptive behavior.

Gender refers to the perception humans have in distinguishing between females and males. According to Pramuda et al. (2019), the attributes attached to males and females that define gender play a role in various aspects of human life, including the societal view of women as having lower status compared to men. According to (Romadloniyah & Setiaji, 2020), the gender influences consumptive behavior, with women tending to buy based on desires rather than needs, such as for pleasure or celebration. Therefore, the third hypothesis to be tested in this study is:

H3: Gender influences consumptive behavior.

Based on the phenomenon and empirical studies described, the objective of this research is to examine the influence of hedonistic lifestyle, financial literacy, and gender on the consumptive behavior of Generation Z in using e-wallets. This research is crucial considering Surabaya is a metropolitan city where its residents tend to exhibit consumptive behavior. Given that Surabaya is a metropolitan city, the generation in Surabaya has a high sense of prestige. This consumptive behavior may be caused by a hedonistic lifestyle, as the higher a person's hedonistic lifestyle, the higher their sense of prestige, resulting in purchasing decisions based on desires rather than needs, ultimately leading to consumptive behavior.

## 2. RESEARCH METHODS

### 2.1. Samples and Sampling Techniques

The population in the study is Generation Z. The sampling technique used is purposive sampling, which involves selecting samples based on specific criteria to achieve the research objectives. The selected sample criteria are as follows: (1) Minimum age of 17 years and maximum age of 26 years, (2) Respondents residing in Surabaya, (3) Having an e-wallet account, (4) Having made purchases through e-wallet at least three times in the last three months. According to Hair et al. (2019: 133), the minimum sample size should be five times larger than the number of indicators for each variable, and the sample size is more acceptable if the ratio is ten times larger than the number of indicators for each variable. Therefore, the sample size to be taken is  $14 \times 10 = 140$  samples. The obtained sample in this study consists of 141 respondents.

### 2.2. Research Variables and Measurements

Consumptive behavior is the perception of Generation Z regarding the tendency to purchase or consume items that are not actually needed. The consumptive behavior variable is measured using questions referring to Gunawan (2023) study. The measurement of the consumptive behavior variable in this study uses a Likert scale with the following weights: (1) Never, (2) Rarely, (3) Sometimes, (4) Often, (5) Always.

Hedonistic lifestyle is an attitude or pattern of behavior that emphasizes personal pleasure, enjoyment, and sensual gratification as the primary priorities in life. The hedonistic lifestyle variable is measured using questions referring to Zahra & Anoraga (2021). The measurement of the hedonistic lifestyle variable in this study uses a Likert scale with the following weights: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree.

Financial literacy is the knowledge, skills, and beliefs of Generation Z that influence attitudes and behaviors to enhance the quality of decision-making in using e-wallets. The financial literacy variable is measured using questions referring to Wahyuni et al. (2019) study. The measurement of the financial literacy variable in this study uses a ratio scale measurement: <60% indicates low financial literacy, 60%-80% indicates moderate financial literacy, >80% indicates high financial literacy.

Gender is a complex concept that is often defined as the social roles, behaviors, and identities attributed to individuals based on assumptions and social norms. The gender variable is measured using a nominal scale with the following scoring: Score 1 represents Male and Score 2 represents Female.

### 2.3. Data Collection Process and Data Analysis Techniques

In this study, data collection is conducted through a survey method via a questionnaire in the form of a Google Form. The questionnaire is distributed through social media to facilitate researchers in finding respondents. In this research, the data analysis method applied includes descriptive analysis and inferential analysis. Descriptive analysis is used to analyze the variables of consumptive behavior, financial literacy, and hedonistic lifestyle. Descriptive analysis is performed by calculating the averages to provide an overview of how respondents answer ratio scale questions and respond to Likert scale questions. In inferential analysis, the analysis method used is Partial Least Structural Equation Modeling (PLS-SEM), using the SmartPLS software.

## 3. RESULTS AND DISCUSSIONS

### 3.1. Research Respondents' Profile

From the survey conducted, with the time that has been collected, 150 questionnaires were gathered, and after checking, 141 questionnaires were found to be analyzable. Based on survey, it can be explained that the respondents are balanced in terms of gender, where the proportion of females is 51.1% (72 respondents), while the remaining 48.9% (69 respondents) are male. The majority of the respondents are students, accounting for 87.9% (124 respondents), and finally, based on their education, most of them are students, comprising 87.1% (123 respondents). The majority have high school education with ages ranging from 17 to 21 years old.

### 3.2. Descriptive Analysis

The following will conduct descriptive analysis for each observed variable including consumptive behavior, hedonistic lifestyle, and financial literacy. Table 1 presents the statistical mean values for the consumptive behavior variable.

**Table 1.** Statistic Mean and Description of Research Variable

Variable	Mean	Description
Consumptive Behavior	3.03	Quite high
Hedonistic Lifestyle	3.00	Quite high
Financial Literacy	86.54%	High

The analysis of respondents' responses reveals that Generation Z in Surabaya City exhibits a relatively high level of consumptive behavior, with an average variable value of 3.03. This suggests that many individuals within this demographic tend to prioritize desires over necessities when making purchasing decisions. Additionally, there is a notable influence of hedonistic lifestyles on consumptive behavior, as evidenced by a relatively high average variable value of 3.00. This indicates a preference for instant gratification among Generation Z in Surabaya City, leading to the purchase of unnecessary items. Moreover, respondents demonstrate a high level of financial literacy, with an average variable value of 86.54%. This suggests that Generation Z in Surabaya City possesses a solid understanding of financial management principles.

### 3.2. Evaluation of Outer Model

In Table 2, it can be seen that the outer loadings are  $> 0.7$ , with  $AVE > 0.5$ , and the values of composite reliability and Cronbach's alpha for each variable exceed 0.7, indicating that the model meets the criteria for convergent validity and reliability. Evaluation of validity and reliability is not conducted for the financial literacy and gender variables, as these are not latent variables. The financial literacy scale uses ratios and the gender variable uses nominal scale data.

**Table 2.** Validity and Reliability Test

Variable	Code	Outer Loadings	AVE	Composite Reliability	Cronbach Alpha
Consumptive Behavior	PK1	0.885	0.903	0.991	0.990
	PK2	0.964			
	PK3	0.939			
	PK4	0.958			
	PK5	0.944			
	PK6	0.952			
	PK7	0.948			
	PK8	0.965			
	PK9	0.964			
	PK10	0.955			
	PK11	0.972			
	PK12	0.957			
Hedonistic Lifestyle	GH1	0.958	0.922	0.983	0.983
	GH2	0.972			
	GH3	0.956			
	GH4	0.960			
	GH5	0.954			
	GH6	0.961			

The purpose of this study is to examine the influence of hedonistic lifestyle, financial literacy, and gender on consumptive behavior. Table 3 presents a summary of the hypothesis testing results.

**Table 3.** Hypothesis Testing

Relationship	Path Coefficient	P-Values	Description
GH→ PK	0.452	0.000	H1 accepted
LK→ PK	-0.545	0.000	H2 accepted
GD→ PK	-0.008	0.441	H3 rejected
R-square = 0.984			

### 3.3. Hypothesis Testing Results and Discussion

Based on Table 2, it can be seen that H1 and H2 are accepted because they have a p-value < 0.05, while H3 is rejected because the p-value is > 0.05. In this analysis, it is found that the R-square value for the consumptive behavior variable is 0.984, meaning that the influence of a hedonistic lifestyle and financial literacy on consumptive behavior is 98.4%, indicating a strong model. The remaining 1.6% is influenced by other variables outside the ones studied.

The test results demonstrate that a hedonistic lifestyle positively affects consumptive behavior, implying that higher levels of this lifestyle increase consumptive behavior. These findings align with Yahya's (2021) study, stating that a hedonistic lifestyle significantly influences consumptive behavior.

This research explains that individuals with good financial literacy can restrain themselves from engaging in consumptive behavior because they understand financial risks and fundamentals. These results are consistent with Pulungan & Febriaty (2018) and Wahyuni et al. (2019) studies. This study found that Generation Z in Surabaya has a high level of financial literacy.

This research explains that both males and females do not affect consumptive behavior, meaning that consumptive behavior between males and females does not differ. These findings are contrary to Mubarokah & Rio Rita (2020) study, which states that gender influences consumptive behavior. The use of gender is no longer relevant to assess consumptive behavior in this era.

The government can raise awareness about the risks and negative consequences of hedonistic lifestyles, including their impact on physical and mental health. However, the government should educate Generation Z about financial literacy, especially by integrating financial lessons into school curricula so that students can understand basic concepts such as budget management, savings, investments, debt, and insurance. The government should also enforce regulations, especially regarding pay-later services, ensuring that pay-later companies are legal and creditors are financially ready to prevent consumptive behavior in pay-later usage.

## 4. CONCLUSION

The results of this study can be concluded that hedonistic lifestyle significantly influences the consumptive behavior of generation Z in using e-wallets. It can be inferred that the higher the hedonistic lifestyle, the higher the consumptive behavior. Financial literacy has a significant negative influence on the consumptive behavior of generation Z in using e-wallets. It can be concluded that the higher someone's financial literacy, the lower their consumptive behavior. Gender does not affect consumptive behavior in generation Z in using e-wallets. It can be concluded that there is no difference in consumptive behavior between males and females.

This study has several limitations including limitations of the variables used in the study, which did not yield optimal results, and limitations in the geographical area in obtaining respondents, as this study only covers the Surabaya City area.

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