AFRE Accounting and Financial Review, 5(3): 310-320, 2022
https://jurnal.unmer.ac.id/index.php/afr

Determinants of Consumptive Behavior of the Millennial Generation: The Role of Financial Literacy Moderation

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Article info

Keywords:
Consumptive Behavior, Financial Literacy, Lifestyle, Peer Group, and Self Concept

ISSN (print): 2598-7763
ISSN (online): 2598-7771

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Abtract

The purpose of this study was to determine the effect of Lifestyle, Self-Concept and Peer Groups on Consumptive behavior, and to examine the role of Financial Literacy in moderating the influence of Lifestyle, Self-Concept and Peer Groups on Consumptive behavior. This study uses a quantitative approach. To determine the size of the sample used Maximum Likelihood estimation in the Structural Equation Model (SEM) of 100-200 samples, then researchers will take a sample of 100-200 respondents to fulfill one of the requirements for a data analysis approach using SEM. As a result, as many as 167 students were used as research samples. The results of the study show that lifestyle, self-concept and peer groups have a positive and significant effect on consumptive behavior. Financial Literacy does not play a role in moderating the effect of Lifestyle and self-concept on Consumptive behavior. Financial Literacy plays a role in moderating the influence of Peer Groups on Consumptive behavior

Citation: Mukmin, M., Jufrizen, J., Purnama, N. I., Gunawan, A., & Julita, J. (2022). Determinants of Consumptive Behavior of the Millennial Generation: The Role of Financial Literacy Moderation. AFRE Accounting and Financial Review. 5(3). 310-320
JEL Classification: G53, E21
DOI: https://doi.org/10.26905/afr.v5i3.9514

1. Introduction

Humans as economic beings (homo economicus) are humans who always want to fulfill their rational and never-satisfied needs. Humans are economic beings (homo economicus) who tend to never be satisfied with what they get and always try continuously to meet their needs (self-interest) (O'Boyle, 2005; and Furqani et al., 2020).

The concept of economics distinguished terms between life and desire. In language, needs are desires that arise in humans which, if not fulfilled, can affect their survival. Things that include needs such as clothing, food, health, employment, and education. Meanwhile, desire is a desire that arises in humans for goods/services that want to be fulfilled for something that is considered lacking. The concept of economics is critical for people in order to handle limited resources effectively and efficiently. This will have an impact on how humans consume to suit their requirements (Kruk et al., 2018).

Consumption becomes an obligation because it relates to meeting basic needs, while consumptive behavior can be interpreted as fulfilling one's own needs excessively regardless of the surrounding circumstances (Kruk et al., 2018). Consumptive behavior should be discouraged in people's life. If this continues, it will have an impact on a person's economic situation and impair his financial situation. Uncontrollable consumption will progressively affect behaviors and become a person's lifestyle. This syndrome is exacerbated when consumptive behavior affects teenagers as well as adults (Rahayu et al., 2020).

The results of a survey conducted on students at the Faculty of Economics and Business at a private university in Medan City show that most students are more concerned with buying branded items such as buying headscarves, makeup, clothes, and buying other items to make them look up to date and students compete with each other to follow trends. There is a small number of students choose to buy books and other lecture supplies. Some students prefer to fill their free time gathering with friends at cafes, or other similar places, shopping in shopping centers such as malls and other shopping centers. High lifestyle and lack of knowledge about financial literacy and the influence of peer groups cause students to behave consumptively.

Teenagers can consume irrationally and tend to behave consumptively (Rahayu et al., 2020). Teenagers are willing to spend money to fulfill all desires that are not needed. Teenagers have an insatiable need for these products and tend to overbuy or consume them. Consumptive conduct refers to the attitude or behavior of adolescents who consume products excessively and abnormally. Consumptive behavior in young women is often restricted to a desire for these products and not necessarily based on need. Furthermore, young women are more likely to buy clothing from well-known companies. Clothing with well-known labels is thought to be of greater quality and more capable of increasing self-confidence, especially when worn (Zhang et al., 2021). Teenagers range in age from 13 to 21 years. This is a phase of transition and identity search for adolescents, who go through a formation process in which they seek money in order to attain an ideal pattern of self (Pfeifer & Berkman, 2018). This consumptive behavior can occur in all circles, especially among students. Students are one of the important elements in social life, or it can be said that students have a big enough contribution to social life. The theory of consumer behavior in this study applies that students in choosing, buying, and using goods and services must be based on their needs, not based on desires. If this is implemented, it will prevent students from behaving consumptively (Ameliawati & Setiyani, 2018).

Two factors influence consumer behavior, namely sociocultural forces and psychological forces (Hemsley-Brown & Oplatka, 2016). Cultural factors, social status, peer group, and family all contribute to sociocultural strength. While learning experiences, personality, attitudes and beliefs, and self-concept comprise psychological strength. Meanwhile, according to (Phillips, 2021) Three major elements influence customer behavior: marketing strategy, individual variances, and environmental conditions.

Consumptive behavior is also strongly influenced by lifestyles that make a person decide to purchase goods or services. Lifestyle habits have changed in a relatively short time and tended to go to excess since the development of smartphone technology, social media, and electronic commerce (Wibowo et al., 2021). Excessive actions in consuming goods or services to meet lifestyle results in waste. A person's lifestyle can be defined as how he lives, including how he spends money, how he spends his time, and so on (Goodwin et al., 2020). Lifestyle is a lifestyle-related to money and time that is carried out by someone and related to decisions. This research does not only focus on the influence of lifestyle but also on several other factors such as groups of friends and the literacy economy (Zahra & Anoraga, 2021).

The next factor that is thought to influence consumptive behavior is self-concept (Gunawan et al., 2022). Self-concept can be defined as the way we see ourselves and at times as an image of what we think. Self-concept is closely related to the character or traits of one's personality (Elmore & Smith, 2012). Students who behave consumptively because they want to beautify themselves, or want to make themselves look better in the eyes of others are thought to be students who have a negative self-concept because they try to make themselves look ideal in their environment. In other words, they see themselves in a condition that is not good. Based on this phenomenon, it can be assumed that there is an influence between a person's self-concept and his behavior in consuming goods and services.

Another factor that is thought to influence consumptive behavior is the environment. In this study, the environment used is a peer group (Joshi & Rahman, 2015). Peer groups have an important role in the lives of adolescents. Indirectly peer groups will change the attitudes and behavior of individuals following the expectations formed by the group so that individuals can be accepted in the group. The importance of the peer group is that it is their place to provide information about the world outside the family which is very necessary for individual development and maturity. Through activities in peer groups, they will receive feedback from their friends about their abilities, and each group member assesses what they are doing as a result good or bad (Tomé et al., 2012).

Based on the results of previous research, lifestyle variables, self-concept, and peer groups show different influences on consumptive behavior. In addition to the three elements that generate consumption, there is one component that is assumed to influence consumption, namely knowledge, with the knowledge in question being financial literacy. Financial Literacy is needed for students to be free from problems of financial difficulties. Knowledge of managing finances is very important for someone (Sugianto et al., 2019; Widhar et al., 2020; and Gunawan et al., 2023). Financial literacy is very important for individuals so that they are not wrong in making financial decisions later. Therefore, it is very necessary knowledge about good financial management (Hasibuan et al., 2017; and Lusardi, 2019), argue that financial literacy helps individuals to avoid financial problems. A low literacy level illustrates that there are problems with financial knowledge, perspectives, and behavior. The low level of public financial literacy is not only a problem today but will also be a problem for society in the future (Lusardi, 2019). This time most students are not smart enough in making financial management decisions so students become wasteful and live in poverty all the time. The purpose of this study was to determine the effect of lifestyle, self-concept and peer groups on consumptive behavior, and to examine the role of financial literacy in moderating the influence of lifestyle, self-concept and peer groups on consumptive behavior.

2. Hyphotesis Development

The effect of Lifestyle on Consumptive Behavior

Many teenagers, particularly students, are behaving impulsively during this time. Many factors influence consumer behavior, one of which is lifestyle. The more luxurious the student's living, the more extravagant the student's consumption habit (Zahra & Anoraga, 2021). This is in line with what has been described by (Martino et al., 2017); (Stoewen, 2017) that Lifestyle refers to efforts to distinguish oneself from other groups by existing in a specific way. Lifestyles will change dynamically, and an individual's and society's lifestyles will change with the times. The advancement of technology and the growth of times will result in lifestyles such as dress styles, speaking styles, and consumptive lifestyles in everyday life (Jensen, 2007). However, if the community, particularly students, follow the current trend, if their economic capabilities do not match their lifestyle desires, it will have a negative influence, as explained by (Pulungan & Febriaty, 2018) that There are negative consequences for consumerist lifestyles such as (1) A wasteful lifestyle and will cause social jealousy, (2) Reducing the opportunity to save, (3) Tend not to think about future needs. Research (Zahra & Anoraga, 2021) shows that lifestyle influences student consumptive behavior. Likewise research conducted by (Jannah et al., 2021) where lifestyle influences consumptive behavior. The higher the lifestyle, the higher the consumption behavior. Research has proven that lifestyle influences consumer behavior.

H_1: Lifestyle affects consumptive behavior

The Effect of Self-Concept on Consumptive Behavior

The variables connected to personal, specifically self-concept, were examined in this study. Hawkins & Mothersbaugh, (2015) states that self-concept is a person's feelings about himself. A person's self-concept describes how the person's attitude toward him (Roth et al., 2018). A positive self-concept means the ability to understand the strengths and weaknesses it has. Individuals who have a positive self-concept do not feel inferior to their shortcomings and try to minimize the deficiencies they have. On the other hand, a negative self-concept only cares about oneself all the time, never feels satisfied, is always afraid of losing something, is afraid of not being recognized, jealous of those who have strengths (Szcześniak et al., 2021). Several studies on self-concept have been conducted (Mittal, 2015) in his research suggested that self-concept influences consumptive behavior. Based on the research, it has been established that self-concept has an impact on consumptive behavior.

H_2: Self-concept affects consumptive behavior

The Effect of Peer Groups on Consumptive Behavior

Humans, as social beings, cannot exist without the presence of other individuals. Through the process of social contact, humans will socialize with other people. Humans will interact between individuals or individuals with groups (Hossain & Ali, 2014). Peer groups are a factor that is thought to influence the consumptive behavior of consumptive students because teenagers will always try to be accepted in their environment, so as not to be ostracized in adolescents usually try to follow the style or trend that is happening in their environment (Tomé et al., 2012). Students not only have relationships with family but also have social relationships, namely with peer groups. To be accepted among other students, students sometimes have to follow all the behavior of other students (their peers). This also includes the consumption of a product (Getty, 2020). A very high magnitude of influence will encourage student consumptive behavior which increasingly leads to waste. According to the findings of the research, peer groups have an impact on consumptive behavior. In line with research (Mahrunnisya et al., 2018) found that there is a positive influence between peer support on adolescent consumptive behavior.

H_3: Peer groups affect consumptive behavior

The Role of Financial Literacy in Moderating Lifestyle on Consumptive Behavior

Financial literacy can be utilized as a moderating variable, that is, a variable that amplifies or decreases the influence of lifestyle on consumption behavior. When a person's lifestyle is high but not accompanied by a lot of understanding about financial literacy, the effect of lifestyle on consumptive behavior weakens, and vice versa (Zahra & Anoraga, 2021). If someone leads a simple life but is well-versed in financial literacy, they will use all of their knowledge to keep themselves from engaging in excessive consumption (Fariana et al., 2021). Research conducted by Zahra & Anoraga (2021); Géci et al. (2020), and Fariana et al. (2021) states that lifestyle has a positive effect on consumptive behavior. Based on previous research, shows that lifestyle variables show inconsistent/fluctuating effects on consumptive behavior. The connection between theory and previous studies raises the allegation that financial literacy is suspected of moderating the effect of lifestyle on consumptive behavior.

H_4: Financial literacy moderates the effect of lifestyle on consumptive behavior.

The Role of Financial Literacy in Moderating Self-Concept on Consumptive Behavior

Financial literacy can affect consumptive behavior. Financial literacy can help someone manage their finances well. Financial literacy can be utilized as a moderating variable, meaning it can boost or lessen the influence of self-concept on consumptive behavior. When a person's self-concept is followed by a lot of knowledge about financial literacy, the effect of self-concept on consumptive behavior is strengthened, and vice versa (Rahman et al., 2021). When a person's self-concept is followed by a lot of knowledge about financial literacy, the effect of self-concept on consumptive behavior weakens, and vice versa (Halimatussakdiyah et al., 2019).

Based on previous research, shows that the self-concept variable shows an inconsistent/ fluctuating effect on consumptive behavior. The connection between theory and previous studies raises the allegation that financial literacy is thought to moderate the effect of self-concept on consumptive behavior.

H_5: Financial literacy moderates the effect of self-concept on consumptive behav*ior*

The Role of Financial Literacy in Moderating Peer Groups on Consumptive Behavior

Peer groups have a strong influence on students because students spend more time outside the home and the intensity of meeting with family is decreasing, than interacting with their peers so it can be seen that the influence of peers on a student is greater than the influence of family (Foster et al., 2017). Research conducted by (Murisal, 2012)shows that peer groups influence consumptive behavior. This research is in line with that conducted by (Paywala et al., 2021). Imawati et al., (2013) in their research revealed that there is a negative relationship between the effect of financial literacy on consumptive behavior. This means that increasing financial literacy will reduce consumptive behavior. Thus, someone who has good financial management will limit himself to buying things that are not needed. The connection between theory and previous research raises the suspicion that financial literacy is thought to moderate the influence of peer groups on consumptive behavior.

H_6: Financial literacy moderates the effect of peer groups on consumptive behavior.

3. Data and Methods

This type of research is survey research because it takes samples from one population. And this research uses quantitative research. According to (Juliandi et al., 2014), quantitative research is study in which the problem is not determined at the start, but is discovered when the researcher enters the field, and if the researcher encounters a new problem, the problem is re-examined until all problems have been answered.

The population in this study were students of the Faculty of Economics and Business at private universities in Medan City. To determine the sample size, use the Maximum Likelihood estimate in the Structural Equation Model (SEM) of 100-200 (Hair et al., 2014). Therefore, based on data analysis using the Structural Equation Model and also because later the Maximum Likelihood Estimation (MLE) technique will be used which requires a total sample of 100-200 samples, the researcher will take a sample of 100-200 respondents (students) to fulfill one of the requirements of data analysis method using SEM. Thus the sample of this study was taken as many as 167 students as research samples. In this study, data collection by distributing questionnaires to respondents. This data will be analyzed using a quantitative approach using statistical analysis, namely the partial least squares–structural inquiry model (PLS-SEM) which aims to carry out path analysis (path) with latent variables. This analysis is often referred to as the second generation of multivariate analysis (Ghozali & Latan, 2015). Structural equation analysis (SEM) is based on variance which can simultaneously test the measurement model as well as test the structural model. The structural model is used to assess causality, whereas the measurement model is used to test validity and reliability (testing hypotheses with predictive models). PLS is a powerful analytical tool since it does not require many assumptions and does not require the data to be regularly distributed multivariate (indicators with categorical, ordinal, interval to ratio scales can be used in the same model). PLS structural model testing is done out using Smart PLS ver. 3 for Windows. There are two group stages for evaluating the SEM-PLS, namely the ana-lysis of the measurement model (outer model) and the analysis of the measurement model (inner mo-del (Hair et al., 2016). The parameter estimates acquired by PLS (Partial Least Square) can be divided into two categories: the first is the weight estimate used to generate latent variable scores. The second category represents the predicted path (path estimate) that connects latent variables and associated indicator blocks (loading). The third category is concerned with indicators and latent variables' means and parameter locations (regression constant values).

4. Result

This study use Partial Least Square (PLS) to analyze the data. PLS testing must meet two criteria: the outer model test and the inner model test. Testing the outer model is related to the validity and reliability test of the research indicators. Validity testing uses discriminant validity (AVE), while reliability testing uses Cronbach-Alpha values and composite reliability. The results of testing the validity and reliability in this study are show in table 1:

Table 1. Test Results

Variable	Composite Reliability	Average Variance Extracted (AVE)	Cronbach Alpha
Lifestyle	0.819	0.794	0.995
Self Concept	0.719	0.706	0.789
Peer Groups	0.829	0.777	0.838
Consumptive Behavior	0.747	0.880	0.777
Financial Literacy	0.706	0.879	0.844

The validity test results in Table 1 show that all research indicators that reflect each construct have an AVE value> 0.5. Thus, all indicators in this study are valid to be used as construct measures. The reliability test results show that Cronbach's Alpha value is> 0.7, and the composite reliability value is> 0.7, which indicates that the indicators used to form the construct are reliable.

The structural model is evaluated at different stages. The first step is to consider the impor-tance of the influence between the constructions. This is evident from the route coefficient, which de-scribes the strength of the relationship between the components. The results of testing the inner and outer models are shown figure 1.

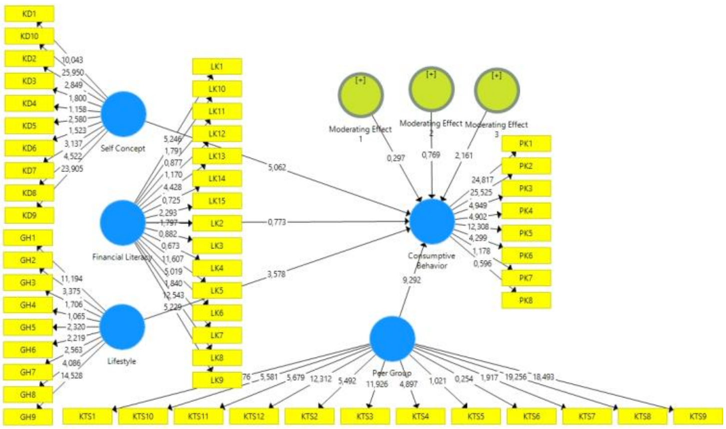

Figure 1. *T-Value* Inner and Outer Models

The t-test that was run was the result of bootstrap calculations. The t-test run is the result of the bootstrap calculation. The test results show that Lifestyle affects Consumptive Behavior; Self Concept affects Consumptive Behavior and Peer Group affects Consumptive Behavior (Table 2).

Table 2. Path Coefficient Results of Direct Effect

Variable	T Statistics (|O/STDEV|)	P Values	Hypothesis Decision
Lifestyle -> Consumptive Behavior	3,578	0.000	Ha Accepted
Self Concept -> Consumptive Behavior	5,062	0.000	Ha Accepted
Peer Group -> Consumptive Behavior	9,292	0.000	Ha Accepted

The t-test is the outcome of bootstrap computations of the t-test by adding a moderating variable to the financial variable on the influence of Lifestyle, Self Concept, and Peer Group with Consumptive Behavior as endogenous latent. The t-test is the result of bootstrap computation of the t-test by adding moderating variables to the financial variables on the influence of Lifestyle, Self-Concept, and Peer Group with Consumptive Behavior as an endogenous latent. The test results show that H4 and H5 are rejected, while H6 is accepted. This shows that financial literacy is able to moderate the influence of peer groups on consumptive behavior (Table 3).

Table 3. Path Coefficient Effect of Moderation

Variable	T Statistics (|O/STDEV|)	P Values	Hypothesis Decision
Moderating Effect 1 -> Consumptive Behavior	0.297	0.767	Ha Rejected
Moderating Effect 2 -> Consumptive Behavior	0.769	0.442	Ha Rejected
Moderating Effect 3 -> Consumptive Behavior	2,161	0.031	Ha Accepted

Source: Data Processing Results (2022)

5. Discusssion

Influence of Lifestyle on Consumptive Behavior

The results of the analysis show that lifestyle variables affect consumptive behavior. The relationship between lifestyle and consumptive behavior is unidirectional or positive. This shows that the higher a person's lifestyle will encourage a person's consumptive behavior.

Many teenagers, particularly students, are behaving impulsively during this time. Many factors influence consumer behavior, one of which is lifestyle. The more luxurious the student's living, the more extravagant the student's consumption habit (Zahra & Anoraga, 2021). Lifestyles will change dynamically, and an individual's and society's lifestyles will change with the times. In everyday life, the growth of times and sophisticated technologies will create lifestyles such as clothing styles, speaking styles, and consumptive lifestyles. However, if the community, particularly students, follow the current trend, if their economic capabilities do not match their lifestyle desires, it will have a negative influence, as explained by (Pulungan & Febriaty, 2018) that there are negative side impacts on consumptive lifestyles such as (1) A wasteful lifestyle and will cause social jealousy, (2) Reducing the opportunity to save, (3) Tend not to think about future needs.

Research Zahra & Anoraga (2021) shows that lifestyle influences student consumptive behavior. Likewise research conducted by Jannah et al. (2021) where lifestyle influences consumptive behavior. The higher the standard of living, the more conspicuous the pattern of consumption. According to the research, there is a relationship between lifestyle and consumptive behavior.

The Effect of Self-Concept on Consumptive Behavior

The results of the analysis show that the self-concept variable has an effect on consumptive behavior. The relationship between self-concept and consumptive behavior is unidirectional or positive. This shows that the stronger a person's self-concept will encourage a person's consumptive behavior.

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In this study, the variables related to personal, namely self-concept. Hawkins & Mothersbaugh, (2015) states that self-concept is a person's feelings about himself. A person's self-concept describes how the person's attitude toward him (Ermawati & Indriyati, 2011). A positive self-concept means the ability to understand the strengths and weaknesses it has. Individuals who have a positive self-concept do not feel inferior to their shortcomings and try to minimize the deficiencies they have. On the other hand, a negative self-concept only cares about oneself all the time, never feels satisfied, is always afraid of losing something, is afraid of not being recognized, jealous of those who have strengths (Wijayanti & Astiti, 2017).

Several studies on self-concept have been conducted Mittal, (2015) in his research suggested that self-concept influences consumptive behavior. Based on the research, it has been established that self-concept has an impact on consumptive behavior.

The Influence of Peer Groups on Consumptive Behavior

The results of the analysis show that the Peer Group variable has an effect on Consumptive Behavior. The relationship between self-concept and peer group is unidirectional or positive. This shows that the stronger the Peer Group will encourage a person's consumptive behavior.

Humans, as social beings, cannot exist without the presence of other individuals. Through the process of social contact, humans will socialize with other people. Humans will interact between individuals or individuals with groups. Peer groups are a factor that is thought to influence the consumptive behavior of consumptive students because teenagers will always try to be accepted in their environment, so as not to be ostracized, teenagers usually try to follow the style or trend that is happening in their environment. Students not only have relationships with family but also have social relationships, namely with peer groups. To be accepted among other students, students sometimes have to follow all the behavior of other students (their peers).

A very high magnitude of influence will encourage student consumptive behavior which increasingly leads to waste. According to the findings of the research, peer groups have an impact on consumption behavior. In line with research Shu & Trong (2018); and Mahrunnisya et al. (2018) found that there is a positive influence between peer support on adolescent consumptive behavior.

The Role of Financial Literacy in Moderating the Effect of Lifestyle on Consumptive Behavior

The test results show that financial literacy does not play a role in moderating the influence of lifestyle on consumptive behavior. Financial literacy can be used as a moderating variable, which means that it can increase or decrease the influence of lifestyle on consumption behavior. The association between financial literacy and the effect of lifestyle on consumption is strengthened when a person's lifestyle is high but not accompanied by a lot of information about financial literacy, and vice versa. If someone has a low standard of living but has studied financial literacy, they will use all of their knowledge to keep themselves from engaging in excessive consumption.

Research conducted by Fariana et al. (2021) and Murti et al. (2022) states that lifestyle has a positive effect on consumptive behavior. But research Risnawati & Wardoyo (2018) shows that lifestyle has a negative effect on consumptive behavior. Based on previous research, shows that lifestyle variables show inconsistent/fluctuating effects on consumptive behavior. The connection between theory and previous studies raises the allegation that financial literacy is suspected of moderating the effect of lifestyle on consumptive behavior.

The Role of Financial Literacy in Moderating the Effect of Self-Concept on Consumptive Behavior

The test results show that financial literacy does not play a role in moderating the effect of self-concept on consumptive behavior. Suarti (2016) in his research revealed that financial literacy significantly influences consumptive behavior. Financial literacy can help someone manage their finances well. Financial literacy can be utilized as a moderating variable, meaning it can boost or lessen the influence of self-concept on consumption behavior. When a person's self-concept is followed by a large amount of knowledge regarding financial literacy, the effect of self-concept on consumptive behavior weakens, and vice versa.

Wijayanti & Astiti (2017), Ermawati & EP, (2011), and Gumulya & Widiastuti, (2013) in his research suggests that self-concept and consumer behavior have a positive relationship. However, this research is not in line with research conducted by (Suminar & Meiyuntari, 2015) which states that self-concept has a negative effect on consumptive behavior. Based on several research results, it can be seen that there are inconsistent results on the effect of self-concept on consumptive behavior.

Based on previous research, shows that the self-concept variable shows an inconsistent/ fluctuating effect on consumptive behavior. The connection between theory and previous studies raises the allegation that financial literacy is thought to moderate the effect of self-concept on consumptive behavior.

The Role of Financial Literacy in Moderating the Effect of Peer Groups on Consumptive Behavior

The results showed that financial literacy plays a role in moderating the influence of peer groups on consumptive behavior. Peer groups do not have a strong influence on students because students spend more time outside the home and the intensity of meeting with family is decreasing, than interacting with their peers so it can be seen that the influence of peers on a student is greater than the influence of family.

Research conducted by Murisal (2012) shows that peer groups influence consumptive behavior. This research is in line with that conducted by Indrayani & Luh (2016) and Ardyanti & Kardoyo (2018). But research conducted by Wahidah et al. (2018) states that peer groups do not affect consumptive behavior. Imawati et al. (2013) in their research revealed that there is a negative relationship between the effect of financial literacy on consumptive behavior. This means that increasing financial literacy will reduce consumptive behavior. Thus, someone who has good financial management will limit himself to buying things that are not needed. Based on previous research, shows that peer group variables show an inconsistent/fluctuating effect on consumptive behavior. The connection between theory and previous research raises the allegation that financial literacy is thought to moderate the influence of peer groups on consumptive behavior.

6. Conclusion and Suggestion

Conclusion

From the results of the analysis discussed earlier, it can be concluded that lifestyle, self-concept, and peer groups influence consumptive behavior in studies of students of the Faculty of Economics and Business at private universities in Medan City. Financial Literacy does not play a role in moderating the effect of Lifestyle and Self-Concept on Consumptive Behavior study on students of the Faculty of Economics and Business at a private university in Medan City. LiteracyFinance plays a role in moderating the influence of Peer Groups on the Consumptive Behavior of Students of the Faculty of Economics and Business at Private Universities in Medan City.

Suggestion

Based on the above conclusions, suggestions for this study include: Students should be able to reduce consumptive behavior by filtering lifestyles that are not suitable for students. For example, buying branded goods so that you can reduce these activities and use your pocket money for college or saving purposes. Importance of financial education in forming someone who will provide knowledge of financial concepts to manage personal expenses effectively and wisely. To reduce consumptive behavior, students can make a spending budget, for example for 1 week, so that students can control their finances when peers give influence them to shop for something that is not needed, students can control this influence. Then students can fill their free time with positive activities such as reading. The campus, especially lecturers, should teach students more productive habits in spending their money as an effort to increase student's financial literacy knowledge. For example, about how to make a priority scale and how to choose friends who can have a good influence on students' self-development. In subsequent researchers, It is suggested to develop a research model by examining other factors that have not been revealed in this study, both from within the individual and from factors outside the individual. Further research should focus on examining financial literacy variables but with different measurement indicators, especially in terms of financial management.

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