

# Digital Finance Influence On Students Consumptive Behavior At Muhammadiyah Palopo University

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## Abstract

This study aims to determine the effect of Digital Finance on consumer behavior of Universitas Muhammadiyah Palopo students. The population of this study was University of Muhammadiyah Palopo students while the sample from this study was 79 people, which was taken from FEB students in 2023 at the University of Muhammadiyah Palopo. This type of research uses a quantitative approach. Data obtained through the distribution of questionnaires to students. Adapun analisis used in this study is analisis regresi linier sa simple linear regression analysis using the help of SPSS 25 software. The results of this study indicate that digital finance has a positive and significant effect on the consumptive behavior of students at the University of Muhammadiyah Palopo. This, it can be concluded that digital finance has a positive and significant effect on consumptive behavior of Muhammadiyah University of Palopo students.

Keywords: Digital Financial; Consumptive Behavior

## 1. Introduction

At present, the rapid advancement of digital technology has led to significant global change. The rapid advancement of technology powered by the internet led to several changes, including lifestyle changes. If you look at how long the average person spends using the internet, it's no wonder that all their activities involve an internet connection. Technology makes it easy for the general public to gather information about goods or services quickly. Many people feel benefited with the advancement of technology today because, things have become easier and instant. The ease of access to information provided by the internet makes digital technology a primary need for the wider community.

Digital finance is a blend of financial services and technology to provide a more convenient and easy way for the general public to access and manage their money. Digital finance itself includes a large number of new financial products, financial technology-related applications, and innovative financial technology services offered by financial technology (*fintech*) [2].

Many people believe that digital media is about machines and software. The role of technology is still not fully understood. New digital Media is no longer just information and technology. Skills and understanding of digital media and devices are required throughout the work area to facilitate the efficiency and productivity of work activities. The current argument is about digital literacy, which is often characterized by technological capabilities, especially those working in lingkungan educational [10].

Digital financial transformation driven by the development of *Financial Technology* has been in the spotlight in recent years, with fintech companies and individuals able to conduct financial transactions digitally without having to rely on traditional financial institutions such

as banks. *Financial technology* is a financial service provider software [9]. Fintech describes any type of technological innovation that allows improving the provision of financial services. Teknologi Fintech technology also allows its users to access financial services such as loans, investments, payments and money transfers in an easier, faster and more efficient way. It provides a more affordable alternative for people who were previously unable to access traditional financial services and provides financial access to millions of people around the world.

Digital financial transformation also benefits companies in improving efficiency and reducing transaction costs by using financial technologies such as blockchain. Digital finance can be accessed easily and without limitation of pace and time. The use of financial technology makes payment systems more effective and efficient in buying and selling transactions. The use of *financial technology* is influenced by several factors such as convenience, trust and effectiveness provided by its usersnya [9]. However, for some people the existence of *this financial technology* ini actually encourages a person to grow into a person who behaves konsumtif, if buy a product just because of desire.

Consumptive behavior describes where a person buys a product out of Pure Desire and not out of urgent need. Consumptive behavior is already a part of everyday life and this can be suppressed by controlling yourself not to behave in appropriately [9]. Consumptive behavior here refers to purchasing behavior that is no longer based on rational considerations, but rather on the existence of desires that have reached an irrational level.

Muslims have special needs for product that must comply with Islamic principles [8]. There are three main concepts in the behavioral theory of Islamic consumerism. First, the consumption habits of Muslims are related to products and processes that are in accordance with Islamic law (Halal). Secondly, Muslim consumers are more concerned with dissatisfaction with individual products due to the quality of the product or service. Thirdly, the specific needs of the Muslim consumer have a direct impact langsung on other consumers.

Consumptive behavior has opiate properties and is sensitive to lifestyle changes. Someone may initially only buy one item from *e-commerce* at a very cheap price, but along with that there is a desire to buy additional items without a clear need, and this may become a new lifestyle. Because it is this liability that causes people to often want to buy certain items that are in trend, when in fact they are not needed. For some people the emergence of digital financial technology has caused society to become a personal consumptive behavior as well as what happens to students.

According to the Ministry of Education and Culture of the Republic of Indonesia, a student is an individual who is studying at a college [9]. Despite having a superior education, students can behave consumptively like buying a certain item based only on intuition and not need. Consumptive behavior can cause individuals to experience a sense of anxiety because of reluctance or desire to buy goods that are not appropriate. Students have challenges in handling money wisely. One of the factors that makes it difficult for students to handle these challenges is that most of the money received comes from families and some of them are nomads. So, student need to be careful in handling their finances, especially in terms of expenses [3]

For most students, college is when they begin to manage their own finances independently without having to ask their parents for permission. Without support or guidance

from parents, students are more likely to face new challenges and unfamiliar environments. Students must be able to manage their own finances and must also be able to be responsible for the decisions they make. Apart from that, the wasteful attitude in shopping from students is a problem that is often faced [3]. The assumption that adolescents are adults, independent and can do everything on their own is what increasingly encourages adolescents to become more consumptive [7].

Consumptive behavior of students has positive and negative aspectsnya [6]. The positive side of consumptive behavior is that it causes a sense of satisfaction. When consumers can choose the optimal combination of different products and services, consumptive behavior also leads to a better experience. This occurs when consumers consume new goods or services that have never been used or used before. In addition, there is also the bad side of consumptive behavior. One of them is the cultivation of the nature and lifestyle of consumerism, which views goods as a measure of pleasure, happiness, and self-esteem [5]

(Dewi et al., 2021) in his research concluded that students were very happy with the presence of e-money which turned meout to have practicality andhopefully use in proses the payment processwherever and whenever needed. According to the study, students use *e-commerce more often* than other groups. Previous research has also revealed that this consumptive behavior has a relationship with digital finance and the amount of pocket money [9].

## 2. Methodology

Insana & Johan, 2021a [5] states that the data collection method is a scientific approach to obtaining data with certain purposes and uses. Based on the variables that have been identified, problems that have been identified, and hypotheses that have been accepted, this study uses quantitative methods. Amraini et al., 2023 [1] quantitative research method is a research approachbased on positivme theory and is used to examine a particular population or sample. Quantitative method is a collection of data in the form of field angles and data analysis conducted using statistical methods with the aim of testing hypotheses.

### 1. Population and sample

The population in this study were students of the University of Muhammadiyah Palopo with a total of 374 students of the Faculty of Economics and business. Where there are 4 fields of study including, 253 management students, 76 accounting students, 34 Development Economics students, and 7 Digital Business students. While the sample selected for this study only 79 people. In determining the size of the sample researchers used the slovin formula. The reason for using the slovin formula is because the population in this study is relatively large or more than 100 people. In determining the size of the sample researchers used the slovin formula.

The total student population of FEB Muhammadiyah University of Palopo in 2023 reached 374 students, the results were obtained as follows:

$$n = \frac{37}{1 + 374} = 78,9$$

The sample from the calculation of Slovin formula is 78.9 and rounded to 79 so, the researchers took a sample of 79 students of FEB Muhammadiyah University of Palopo. Furthermore, the sampling was determined by *proportional random sampling* on FEB students in 2023.

## 2. Data Collection

This study uses quantitative data obtained from respondents through questionnaires to determine the answers to the research statement on Digital Finance (X) and consumptive behavior (Y). This type of research methodology is used because it is in line with the expected goals, namely, researchers can determine whether there is evidence of the effect of the use of digital finance on student consumptive behavior.

Questionnaires prepared using the scale Likert consists of:

1. Strongly Disagree = 1
2. Don't agree = 2
3. Neutral = 3
4. Agree = 4
5. Strongly Agree = 5

## 3. Data Analysis Techniques

Data analysis techniques used are Simple Linear Regression Analysis, validity and Reliability Test, T test and *R-Square* test. The analysis was carried out using the help of SPSS data processing application version 25. The regression Model used is as follows.

$$Y = a + bX$$

Description:

Y = Consumptive Behavior

X = Digital Finance

a = constant

b = coefficient of regression

## 3. Result and Discussion

### 3.1. Result

Table 1. Validity Test

Variable	Indicator	r Count	r Table	Significant	$\alpha$	Information
Digital Finance (X)	X1	0,613	0,186	0,000	0,1	Valid
	X2	0,801	0,186	0,000	0,1	Valid
	X3	0,857	0,186	0,000	0,1	Valid
	X4	0,857	0,186	0,000	0,1	Valid
	X5	0,774	0,186	0,000	0,1	Valid
	X6	0,784	0,186	0,000	0,1	Valid
	X7	0,833	0,186	0,000	0,1	Valid
	X8	0,709	0,186	0,000	0,1	Valid
Consumptive Behavior (Y)	Y1	0,696	0,186	0,000	0,1	Valid
	Y2	0,717	0,186	0,000	0,1	Valid
	Y3	0,792	0,186	0,000	0,1	Valid
	Y4	0,740	0,186	0,000	0,1	Valid
	Y5	0,765	0,186	0,000	0,1	Valid

Y6	0,745	0,186	0,000	0,1	Valid
Y7	0,656	0,186	0,000	0,1	Valid
Y8	0,759	0,186	0,000	0,1	Valid

Based on the table above, it can be seen that the entire statement on digital finance (X) consumptive behavior (Y) is declared valid. If  $R_{count} > R_{table}$  at a significant level of 10% and if  $R_{count} < R_{table}$  then it is considered invalid. The results of the validity test show that instrumen the statement instrument has a value of  $R_{count} > R_{table}$  or significant level  $< 0.1$  so it can be concluded that all the statement instruments are valid.

Tabel 2. Reliability Test

Variable	Crombach's alpha	Standart	Information
Digital Finance	0,908	0,60	Realible
Consumptive Behavior	0,870	0,60	Realible

Reliability test results showed that all variables are declared reliable because the value of Crombach's alpha  $> 0.60$ .

Tabel 3. Simple Linear Regression Analysis  
 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standar dized Coefficients	T	Sig
		B	Std. Error	Beta		
1	(Constant)	8,994	2,865		3,139	,002
	DIGITAL FINANCE	,725	,087	,689	8,343	,000

a. Dependent Variable: Perilaku Konsumtif

In the table above persamaan the regression equation  $Y = 8.994 + 0.725 X$

Constant Value (a) of 8.994 means that if there is no digital variable or constant money, then the perill consumptive of 8.994.

The value of coefficient (b) of 0.725 means that every time there is an increase in one unit variabel keuangan of digital financial variable. it, will increase the consumptive behavior of students UMPalopo by 0.725.

Tabel 4. T Test

Variabel	T Count	T table	Sig
Digital Finance	3,139	1,665	0,000

Based on the table above, T count value = 3,139 > T table = 1,665 with significant value ,000 <  $\alpha$  0,10. So the hypothesis is accepted, meaning variabel that digital financial variables have an influence on the consumer behavior of UMPalopo students .

Tabel 5. *R-Square Coefficient Of Determination Test Square*

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,689 <sup>a</sup>	,475	,468	1,819

a. Predictors: (Constant), DIGITAL FINANCE

Based on the table above, it is known that the value of determination (*R-Square*) is 0.475. It means 47,5,5% digital finance variables can be explained by consumptive behavior the remaining 52,5% explained by other variables that are not included in this research model.

### 3.2. Discussion

Digital financial technology brings convenience in transactions, allowing users to send money and make payments using only mobile phones without having to leave the House. This facility allows a person to fulfill all his desires through a digital wallet without realizing it. As a result, consumptive behavior arises without any planning and basic considerations when buying a product.

Digital finance has an influence on student consumer behavior. Since the widespread use of technology such as the internet, smartphones, and social media in recent years, making students dependent on the technology available today. They tend to enjoy something fast-paced, this is what affects them in terms of consumer behavior. During adolescence, consumer behavior begins to form because teenagers tend to be easily seduced by advertising, are easily influenced by friends tend to be wasteful [7].

### 4. Conclusion

Based on the results of the discussion of this study ini, it can be concluded that Digital Finance has a positive effect and significance on the consumptive behavior of Muhammadiyah University of Palopo students.

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## 6. Reference

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