

The Influences of Individual Modernity, Social Environment, an Economic Literacy on Lifestyle and Their Implications on Student's Consumptive Behavior

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Abstract: The research aims to study, measure, and analyze the influences of individual modernity, social environment, and economic literacy on lifestyle and their implications on students' consumptive behavior. It adopted quantitative approach with survey method, while data analysis employed the Structural Equation Modeling (SEM). Data were collected with the instrument of questionnaire. The research population consisted of students from 12 Business and Management Vocational High Schools accredited A in Bandung. The number of sample was determined using Taro Yamane equation, employing the technique of proportionate random sampling. Research result show that individual modernity and social environment had positive influences on lifestyle, while economic literacy had no influence on lifestyle. Individual modernity and social environment had influences on students' consumptive behaviors, both directly and indirectly; meanwhile, economic literacy and lifestyle directly influenced students' consumptive behavior. It is concluded that the levels of students' consumptive behavior are influenced by individual modernity, social environment, economic literacy, and lifestyle.

1 INTRODUCTION

Economic literacy has an important role in improving the quality of human resources in this case the ability of students in managing information to make intelligent economic decisions. A smart economic decision is the ability to create the resources it has to make a profit. To create a value that crystallizes in the required behavior of economic literacy, economic literacy is in principle because it is a useful tool for converting unintelligent behavior into intelligence. Economic literacy has a low impact on welfare, therefore it is a priority to increase economic literacy into individual needs, as increased economic literacy in particular has a positive impact on the accumulation of assets, salvage and accumulated tremendous detail for managing expenditures.

Previous studies supporting this research include the results of Jayasree Krishnan's research in the International Journal of Economics and Management 5 (2011), this study emphasizes the importance of lifestyle and its influence on the consumer's purchase behavior. The main purpose of this study is

to empirically examine the association between the consumer's general lifestyles and their consumption patterns. AIO measure was used to identify the lifestyle dimensions of the consumers. The study confirmed that there was a significant association between the lifestyle of the consumers and the brands of products used by them. From the study it was concluded that the consumers often choose the products, services and activities over other because they are associated with a certain lifestyle. The products are the buildings blocks of lifestyle, marketers should therefore, have a complete idea of the changing lifestyles so as to segment them and position their product successfully. Another supportive study is research conducted by Siti Hamzah et all published in the article Asian Social, Vol. 9, No. 13, 2013, entitled The Moderating Effect of Parent and Peer Influences on Hedonistic Behavior among Undergraduate students in Malaysia, This study assesses the moderating influence of parental and peer attachment on hedonistic behavior among a sample of youth in Malaysia. Using Bronfenbrenner's theory of human ecology and Armsden and Greenberg's attachment

model, this study examines the direct and indirect influences of religiosity and worldview on the development of hedonistic behavior as moderated through parental and peer attachment. Drawing on a quantitative survey of 408 Malaysian university students, Structural Equation Modeling and Path Analysis findings reveal that peer attachment moderated the relationship between religiosity and worldview, and hedonistic behavior. The results further show the unique moderating effect of trust and alienation within peer attachment. The results are discussed in light of Malaysia's unique socio-cultural setting. Implication from the findings are also discussed. Juliana and colleagues concluded in his research entitled *The Effect of Economic Literacy on Student Consumption Behavior FKIP UNTAN* as follows: 1) The level of economic literacy or understanding of students to the economy give influence to someone in the economic action, especially consumption activities; 2) Respondents have consumption behavior in accordance with the level of knowledge and understanding of the science of economics; 3) There is a positive influence of economic literacy on consumption behavior.

The previous research which became the reference in this research consists of several research with focus of theme relevant to the variables in this research, that is individual modernity, social environment, economic literacy, lifestyle, and consumption behavior. The author has not found exactly the same research with this research, all the previous research results that became the reference have their own characteristics. The importance of these variables to be examined because 1) individual modernity is a condition of one's level of personality in which there is a set of personality traits such as views of values, attitudes, and behavior that make individuals active and dynamic to follow the development of advanced societies 2) Pride, self-esteem, mental attitude, achievement motivation, work ethic, spirit of life, consciousness of a person or group in everyday life. How meaningful family as a social environment to the encouragement of achievement of a member. Similarly, the role of other social environments, such as friends, peers in the work of encouragement to a person to remain vibrant, achieving, and ultimately achieving success, 3) Economic Literacy is a life skill that is useful for making the right economic decisions, 4) Lifestyle is the way a person displays his identity through the use of time, money, and goods more leads to fun and appreciation regardless of what the actual needs, 5) Consumption activity is no longer based on the needs but because the product has certain symbols

that can increase the prestige of the purchaser. Consumption activity is increasing due to globalization because globalization as a product of modernity offers all forms of ease of technology in human life.

2 METHODS

Respondents in this study are students of Vocational High School Business and Management in Bandung. Vocational students with an age range of 15-18 years with their analytical unit at the individual level. Sampling technique to determine the unit of analysis with proportionate random sampling technique. The determination of the sample number of students is done through calculations using the formula of Taro Yamane (Riduwan, 2008: 44). Based on these calculations, the minimum sample size in this study is 386 students from 12 Vocational Schools consisting of 3 Vocational Schools of Business and Management Affairs and 9 Vocational Secondary Vocational Business and Private Management. Female respondents as many as 260 students (67.36%) while the male sex of 126 students (32.64%).

In this study the questionnaire is used to measure all the variables of both dependent and independent variables, measured by using the Likert Scale. According to Riduwan and Kuncoro (2011: 20), Likert Scale is used to measure attitudes, opinions, and perceptions of a person or group of social events or phenomena.

Hypothesis testing in this study using structural equation model analysis or commonly referred to as Structural Equation Modeling (SEM). SEM is a statistical technique used to test a series of relationships between several variables. More clearly Hair, et.al. (1998) put forward as follows:

Structural equation modeling, often referred to simply as LISREL (the name of one of the more popular software packages), is multivariate technique combining aspects of multiply regression and factor analysis to estimate a series of interrelated dependence relationships simultaneous. It is characterized by two components: (1) the structural model and (2) the measurement model. The structural model is a "path" model, which relates independent to dependent variables (indicators) for a single independent or dependent variable.

Hypothesis Testing 1: The Influence of Social Environment, Individual Modernity, and Literacy Economics on Lifestyle. The research findings show

that the height of lifestyle is positively influenced by the high and low of individual modernity and social environment but not influenced by economic literacy. This can be judged from the value of the path coefficient (SRW) > 0. The magnitude of the influence of social environment and modernity on the lifestyle of each of 0.296 and 0.659. As big as 86% of the high variations in lifestyle can be explained together by the individual's modernity and the social environment. The remaining 14% is the influence of other variables not described in the model. If each individual variable's contribution to individuality, social environment, and economic literacy influences the lifestyle variable, then for the variable of individual modernity it can be seen that the indicator of trust without prejudice gives the highest contribution, while the indicator of ability to utilize mass media gives the lowest contribution. While for social environment variable can be seen indicator of existence in group give highest contribution, while indicator of residence environment give lowest contribution. While on the economic literacy variable can be seen that the indicator of supply and demand provide the highest contribution. For more details can be seen in the table below:

Table 1: Direct Influence X₁, X₂, X₃ to X₄

	Direct effect		
	X ₁	X ₂	X ₃
X ₄	0,296	0,659	0.000

Hypothesis 2: The Influence of Social Environment, Individual Modernity, Economic Literacy, and Lifestyle to Consumption Behavior. The research findings show that high consumption behavior is positively influenced by the high low of individual modernity, social environment, economic literacy and lifestyle. This can be judged from the value of the path coefficient (SRW) > 0. The magnitude of the influence of social environment, individual modernity, economic literacy and style Life against consumer behavior each of 0.467, 0.314, 0.231 and 0.089. of 91% of the high variations that occur in consumer behavior can be explained jointly by the social environment, individual modernity, economic literacy and lifestyle. The remaining 19% is the influence of other variables not described in the model.

If each variable of X is seen in influencing variable Y then for the variable of individual modernity can be seen that indicator of trust without prejudice give highest contribution, while indicator ability utilize mass media give lowest contribution.

While for social environment variable can be seen indicator of existence in group give highest contribution, while indicator of residence environment give lowest contribution. While on the economic literacy variable can be seen that the demand and supply indicators provide the highest contribution, while the indicators of industrial development contributed the lowest. And on lifestyle variable can be seen that indicator of expenditure pattern give highest contribution, while activity indicator give lowest contribution. For more details can be seen in the table below:

Table 2: Direct Influence and Indirect Influence X₁, X₂, X₃ dan X₄ to Y

Model	Influence	X ₁	X ₂	X ₃	X ₄
Y	Direct Effect	0,232	0,314	0,089	0,467
	Indirect Effect	0,138	0,307	-	-
	Total Effect	0,370	0,621	0,089	0,467

3 RESULTS AND DISCUSSION

Based on the data analysis, hypothesis testing obtained the findings as follows:

Individual modernity demonstrated by openness to new experiences and changes, able to argue for a problem, planning and orientation, self-efficacy, self-assertiveness, educational participation, risk-taking, trust, optimism, and ability to utilize the mass media Positively influence, directly or indirectly, through lifestyle to student consumption behavior. Thus, individual modernity can be used as a predictor of low lifestyle and student consumption behavior.

Existence in groups is an indicator that gives the highest contribution to social environment variables. These findings reinforce Hurlock's (1996: 213) argument that: The influence of peers on attitudes, interest, appearances, and know that if they wear the some clothing model as the popular group member's clothing, then the chance for them to be accepted by the group becomes greater.

The results of data processing indicate that the level of economic literacy of the respondents is high category, but based on the significance test of each path coefficient estimate turns out that economic literacy does not affect the lifestyle of students, thus proving that the students' level of understanding of good economics has no effect on Lifestyle that lived. This is in line with the opinion of Jean Baudrillard (Suyanto, 2013: 109) which states that "Consumer society as a society in which there is a shift in the

logic of consumption, the logic of needs into the logic of desire, That is how consumption becomes the fulfillment of signs (message) ".

Lifestyle changes certainly cause. One of the factors that influence it is self-control or self-control. Lifestyle changes cannot be separated from the control of each individual, such as how one should control themselves in spending money. Self-control is the ability of the individual in controlling himself from impulsive actions and follow the emotions for a moment. According to Imam Hoyri (2014: 49) self-control in adolescents is the capacity of self (self) that can be used to control the outside variables that determine behavior. No matter how powerful an external stimulus is, an individual can still change it using the self-control process. Meanwhile, according to Chaplin (Dira Sarah, 2014: 316) states that self-control is the ability to guide his own behavior, the ability to suppress or impulse impulsive impulse or impulse. In addition, the control of the behavior contains the meaning that is, do the considerations before doing an action. Self-control enables individuals to guide, direct and manage their behavior strongly and ultimately lead to positive consequences. (Lazarus, 1976). The process of working is self-control to reject the response that is formed and replace it with another. The replacement response consists of the use of thought, emotional change, impulse setting, and behavioral change (Baumeister, 2002). Self-control tends to minimize irrational consumption behavior. Based on the concept of Averill (1973) there are three types of self-control covering five aspects namely, the ability to control behavior (behavioral control) consists of the ability to control the implementation (regulated administration) and the ability to control the stimulus (stimulus modifiability), cognitive control (cognitive control) ability to gain information (information gain) and ability to make an appraisal (appraisal), as well as the ability to control the decision.

In other words in this case with proper self-control, teenagers are able to guide, organize, and direct their behavior toward a positive consequence. Self-control is needed to assist the individual in overcoming his limited ability and can be useful to overcome various things that can harm the individual caused by conditions outside himself (Kazdin, 1994).

Lifestyles shown by activity, spending patterns, and the use of time have a positive effect on student consumption behavior. This is in line with the opinion of Kasali (2001: 91) which states that lifestyle is a consumption pattern that reflects one's

choice of things and how to spend time and money. Rao, Kim and Cho (2000) in the research of Long-Yi Lin and Hsing-Yu Shih (2012) also explained that lifestyles have an important role in consumer purchasing decisions. Consumers are motivated to buy products in order to maintain or pursue a particular lifestyle.

The magnitude of the influence of individual modernity, social environment, economic literacy, and lifestyle on consumption behavior of students each of 0.467, 0.314, 0.231 and 0.089. This means that 91% of the high variations in student consumption can be explained together by the individual's modernity, social environment, economic literacy, and lifestyle. The remaining 19% is the influence of other variables not described in the model.

4 CONCLUSION

Some of the findings in this study either descriptively or verificatively show that this study has provide scientific contribution in development consumer behavior, especially high school students. The findings indicate that consumption behavior is influenced by individual modernity, social environment, economic literacy, and lifestyle is a new repertoire in consumer behavior research which has never been reviewed by previous researchers. In addition, this study solidifying previous theories that discuss variables that influence consumer behavior. This finding also implies that for consumptive behavior control, it is necessary for simple living habits and unnecessary to follow trends, priority scale placement becomes the main part through making a list of needs.

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