

Impact and Role of Marketplace and Financial Literacy on Financial Control (Study on Generation Z in Surabaya City)

Selsa Mada Pramudia Wardani, Ratri Cahyaning Asri, Cecilia Arthur Limantara, Dika Antoni Putra, Tyo Riyandi, Agus Dwi Sasono

Narotama University, Jl. Arif Rahman Hakim 51, Sukolilo, Surabaya, East Java 60117

agus.dwi@narotama.ac.id

ABSTRACT

Purpose: This study aims to create a reference model for the national Financial Literacy movement by finding a Financial Control model for Generation Z of Surabaya, which is 0.03% of the total in Indonesia. Therefore, the researchers made it the subject of research.

Design/methodology/approach: In determining the minimum number of samples, the researcher used the Slovin formula. The research instrument used was a questionnaire.

Findings: The study results show that the model relates to the Marketplace and financial literacy. Here, Marketplace has a significant impact and weak influence on Financial Control. At the same time, Financial Literacy has a substantial and robust effect on Financial Control. While Marketplace on Financial Control through Financial Literacy has a significant impact and a reasonably vital influence role. The findings are that 53% of research subjects think the literacy movement with animated video models through digital media is more attractive than others.

Originality/value: This paper is original

Paper type: Research article

Keywords: Financial Behavior, Financial Control, Financial Literacy, Marketplace

Received : July 29th

Revised : September 6th

Published : September 30th

I. INTRODUCTION

A. Background

In the last few months, Indonesians have become the highest marketplace users, amounting to 88.1% (Lidwina, 2021). In the process of financial control, this is a scourge for Generation Z, whose average age is 18-23 years (Ozkan and Solmaz, 2015). In addition to this phenomenon, the condition of literacy interest in Indonesia is quite alarming, with a score of 358 compared to the average world value of 472 in 2019 (OECD, 2021). Meanwhile, Indonesia will experience a Demographic Bonus in 2030-2040 (Fajri et al., 2022). Therefore, financial literacy is necessary for the generation that spearheads the demographic bonus.

In 2020 the working-age population in Surabaya reached 2,205,581 people, or 71.28% (Humaidi et al., 2020). When viewed from the total population, Generation Z reaches 75.49 million people, or 27.94% (BPS, 2021). Thus, generation Z in Surabaya is 0.03% of the total in Indonesia. Therefore, the researchers made it the subject of this research.

The results of research by Stevanus Pangestu and Erdin Brahmana Karnadi in The Effects of Financial Literacy and Materialism on the Savings Decision of Generation Z Indonesians show that (i) age, gender, and principal of study have a significant effect on financial literacy scores; (ii) financial literacy has a positive effect on saving decisions; and (iii) materialism harms saving decisions (Pangestu & Karnadi, 2020). In addition, Dian Eka Sari, Rudy Handoko, and Achluddin Ibnu Rochim's research, entitled The Effect of Social Networking Online Shops on Consumption Behavior in Housewives in Mojokerto Regency (Case Study of Housewives in

Mojotamping Village, Bangsal District, Mojokerto Regency), reveals that online social networking shop significantly affects 11% of the consumptive behavior of homemakers in Mojotamping Village, Bangsal District, Mojokerto Regency (Sari et al., 2018). It differs from the research conducted by Nurul Ittaqullah, Rahmat Madjid, and Nursaban Rommy Suleman in *The Effect of Mobile Marketing, Discount, and Lifestyle in Consumers Impulse Buying Behavior in Online Marketplace*. It states that mobile marketing, discounts, and lifestyle positively affect impulsive buying behavior (Ittaqullah et al., 2020)

The research aims to create a reference model for the national financial literacy movement by finding a financial control model for the Z generation.

B. Theoretical Background

a. Marketplace

It is a two-sided platform with direct interaction between the two related parties (seller and buyer) in online commercial trade (Hagiu & Wright, 2015)

b. The Theory of Planned Behavior

It is based on approximate representations of beliefs that influence a person's specific behavior, which combines various characteristics, qualities, and attributes of particular information (Bosnjak et al., 2020)

Financial Control

It regulates various financial actions to achieve a goal (Zavalko, 2017)

Consumptive Behaviour

It is the behavior of consuming something excessively on items that are not needed (Nurjanah et al., 2018). In other words, excessive desire makes the individual inability to manage finances well.

c. Financial Literacy

Financial awareness and knowledge include the ability to calculate compound interest payments and other general financial skills (Xu & Zia, 2012)

1) Financial Behavior

It is related to financial management at the individual level, including planning, management, and control (N. Herawati, I. Candiasa, 2018). Marketplace Relationship with Financial Control and Consumptive Behavior

No matter how reasonable the control is, it will not significantly affect consumer behavior in online shopping (Sufatmi N, 2021)

d. Relationship between Financial Literacy and Financial Control

A high financial literacy may not necessarily improve financial management if it is not followed by good intentions (Mardianah & Iramani, 2021).

II. METHODS

A. Research Design

This quantitative research uses an empirical approach. This type of research decides what to study, formulates specific questions, limits questions, collects data from respondents, analyzes numbers with statistics, and investigates impartially and objectively (Creswell & W, 2012) Generation Z Surabaya is the research population, while the samples are those who have used the Marketplace for at least three months. This research instrument uses a questionnaire, a means of communication and human activity that is very vulnerable to failure because it is very complex (Stone, 1993).

B. Research Stages

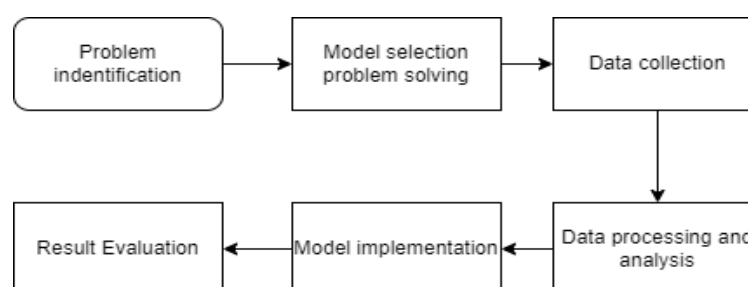


Figure 1 . Research Stages

C. Variables and Research Indicators

This study uses one exogenous variable, the power of the Marketplace, and two endogenous variables, namely financial control and financial literacy (Z1), influencing or causing changes in endogenous variables (Mukhaiyar, 2020). Endogenous variables result from exogenous variables (Gunzler, 2013). The measurement uses a 5-level Likert scale: strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5).

Latent Variable Classification:

- a. Exogenous Variables
 - 1) The Power of Marketplace

The indicators are discount, product arrangement, ease of use, consumer trust, risk perception, and free shipping promo.
 - b. Endogenous Variables
 - 2) Financial Literacy

The indicators include reading interest, awareness of its importance, the language used, the background of the resource person, and the kind of model that is more in demand.
 - 3) Financial Control Ability

The indicators cover preparing future financial plans, paying bills on time, setting aside money for savings, controlling expenses, and fulfilling needs for oneself and family (Oktafianti, 2021)

D. Sources and Data Collection Techniques

The source is a website-based online questionnaire created by the researchers.

E. Data Analysis Technique

There are four hypotheses:

- a. Hypothesis 1: Marketplace has a significant effect on Financial Literacy
- b. Hypothesis 2: Marketplace has a considerable impact on Financial Control
- c. Hypothesis 3: Financial Literacy has a substantial effect on Financial Control
- d. Hypothesis 4: Marketplace significantly affects financial control through Financial Literacy.

After conducting scientific exploration through intense literature review, Structural Equation Model (SEM) was used to confirm the theoretical model through empirical data. SEM is a technique that combines complex path models with latent variables (factors) (Hox & Bechger, 2015). The relationship between exogenous unobservable and endogenous observable can be written in the form of a function as follows:

$$MP = f(mp1, mp2, mp3, mp4, mp5, mp6)$$

$$LK = f(lk1, lk2, lk3, lk4, lk5)$$

$$PK = f(pk1, pk2, pk3, pk4, pk5)$$

As for the structural model used, it can be written in a mathematical equation as follows:

$$LK = \gamma_{1.1} MP + e \quad PK = \beta_{1.1} MP + \gamma_{1.2} LK + e$$

Notes:

MP = Marketplace

LK = Financial Literacy

PK = Financial Control

III. RESULTS AND DISCUSSION**A. Respondent Characteristic**

Research on 280 respondents identified the following characteristics:

- a. Gender

Table 1. Classification of Respondents Based on Gender

No.	Gender	Total	Percentage
1	Female	190	68%
2	Male	90	32%

b. Age

Table 2. Classification of Respondents Based on Age

Age	Total	Percentage
10-15	6	2%
16-20	164	59%
21-25	110	39%

Table 2 above explains that the aged 16-20 years is the majority of the user of the Marketplace.

B. Structural Equation Model (SEM) Analysis

The results of the confirmatory analysis with Amos 5.01 are in Figure 2 below:

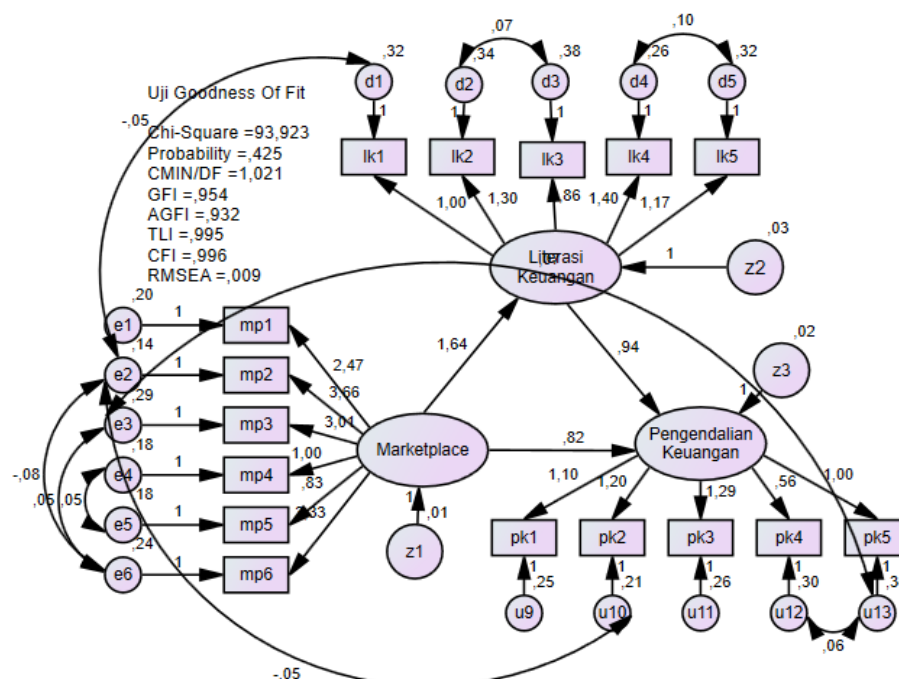


Figure 2. Results of Confirmatory Structural Equation Model (SEM) Analysis with Amos 5.01

In the Structural Equation Model (SEM) method to find out how far the hypothesized model matches the data sample, it is necessary to assess the goodness of fit.

Based on the assessment of the goodness of fit indices Structural Equation Model (SEM) in Figure 2 above, it shows that the model for each criterion is stated to be "excellent".

C. Hypothesis Testing

SEM confirmation explains the strength of the influence between constructs, both indirect and total. Here, the direct effect is the coefficient of all coefficient lines with an arrow at one end. The indirect impact appears through an intermediate variable. Finally, the total one is from various relationships.

A relationship can be categorized based on the size of the correlation coefficient using intervals like the table below:

Table 3. Correlation Coefficient Interval

<i>Interval</i>	<i>Criteria</i>
<i>< 0.200</i>	<i>Very Weak</i>
<i>0.200-0.399</i>	<i>Weak</i>
<i>0.400-0.599</i>	<i>Fairly Strong</i>
<i>0.600-0.799</i>	<i>Strong</i>
<i>0.800-1.000</i>	<i>Very Strong</i>

Following are the results of the analysis:

Table 4. Results of Effect Analysis

<i>No</i>	<i>Line</i>	<i>Effect</i>		
		<i>Direct</i>	<i>Indirect</i>	<i>Total</i>
<i>1</i>	<i>Marketplace on Financial Literacy</i>	<i>0,618</i>		<i>0,618</i>
<i>2</i>	<i>Marketplace on Financial Control</i>	<i>0,236</i>	<i>0.440</i>	<i>0,676</i>
<i>3</i>	<i>Financial Literacy to Financial Control</i>	<i>0,711</i>		<i>0,711</i>

a. Effect of Marketplace on Financial Literacy

The results of the analysis showed a value of 0.618. It shows that the marketplace variable has a substantial effect on financial literacy. It differs from previous researchers by adding the influence between the marketplace variable and financial literacy.

b. Effect of Marketplace on Financial Control

Table 6 shows a value of 0.236, which proves that the marketplace variable directly has a weak and significant effect on financial control. Research by Nurul Ittaqullah, Rahmat Madjid, and Nursaban Rommy Suleman in The Effect of Mobile Marketing, Discount, and Lifestyle in Consumers Impulse Buying Behavior in Online Marketplace (Ittaqullah et al., 2020) supports it. The various advantages and conveniences of the Marketplace, mobile marketing, and discounts positively affect bad impulsive behavior.

c. Effect of Financial Literacy on Financial Control

Table 6 produces a value of 0.711, which shows that the financial literacy variable substantially affects financial control. Here, a study by Mega Noerman Ningtyas in Financial Literacy in Millennial Generation supports it. At the same time, introductory and sharia financial literacy have no significant effect. It means that they are financially aware but do not practice good behavior.

d. Effect of Marketplace on Financial Control through Financial Literacy

The value of 0.440 in Table 6 describes the marketplace variable through financial literacy, which indirectly substantially affects financial control. The result is in line with Asri Triwidisari and Ahmad Nurkhin in The Relationships Between Instagram Social Media Usage, Hedonic Shopping Motives and Financial Literacy on Impulse Buying (Triwidisari & Ahmad Nurkhin, 2017). Financial literacy can moderate the influence of Instagram social media users to make impulse purchases.

D. Findings

This study proves that Marketplace and financial literacy significantly affect the financial control model in Generation Z Surabaya. Marketplace weakens financial control capabilities, and Financial Literacy strengthens it. The creation of the financial literacy movement model can attract attention to increase understanding. The results of the study show data on several models of financial literacy that are of interest:

Table 5. The Literacy Model Interested by Generation Z in Surabaya

<i>Literacy Movement Model</i>	<i>Total</i>	<i>Percentage</i>
<i>Animated videos</i>	<i>147</i>	<i>53%</i>
<i>Webinar</i>	<i>70</i>	<i>25%</i>
<i>Scientific articles</i>	<i>35</i>	<i>13%</i>
<i>Podcasts / Talkshows with influencers</i>	<i>20</i>	<i>7%</i>
<i>Book</i>	<i>4</i>	<i>1%</i>
<i>Others</i>	<i>4</i>	<i>1%</i>

IV. CONCLUSIONS

This study aims to determine the financial control model in generation Z, which can be used as a reference for the financial literacy movement model related to the Marketplace and Financial Literacy on Financial Control. The results show that their impact is significant on financial control. The influence of the marketplace role is to weaken financial management while Financial Literacy strengthens it. The most critical indicators for Financial Control are timely bill payments (0.629), product arrangement for Marketplace (0.649), and digital models are more desirable than print media for Financial Literacy (0.537).

The conclusion is that Generation Z can materially pay bills on time but has difficulty controlling finances with an attractive product arrangement. It makes them interested in buying a product when they don't need it. Research findings show that the most popular animated videos (53%). So the recommendation is to use animated videos to solve financial control problems. It is used as a reference for implementing the Regulation of the Minister of Education and Culture Number 23 of 2015 concerning the Growth of Character, which has been implemented since 2016 by the Ministry of Education and Culture (Ibrahim & Al., 2017).

THANK YOU

This journal's research and publication process involve several parties; the researchers would like to thank 1) Tahega Pramananda Alfath SH., MH., 2) Dr. M. Ikhsan Setiawan, S.T., M.T., IPM., 3) Amrun Rosyid, S.T., M.M.

REFERENCES

- Bosnjak, M., Ajzen, I., & Schmidt, P. (2020). "Editorial The Theory of Planned Behavior : Selected Recent Advances and Applications." *Europe's Journal of Psychology*, 16, 352–256.
- BPS. (2021). *Badan Pusat Statistik*. <https://www.bps.go.id/>
- Creswell, & W, J. (2010). *Research Design Pendekatan Kualitatif, Kuantitatif, dan Mixed*. Pustaka Pelajar.
- Fajri, F. N., Zahira, S. N., & Rahayu, A. R. (2022). The Influence of Science and Technology, the Length of Education on the Achievement of Indonesia's Human Development Index in 2018-2020. *Dinamika Ekonomi*, 13(2), 271–279. <https://doi.org/10.29313/DE.V13I2.9634>
- Gunzler, D. et al. (2013). "Introduction to mediation analysis with structural equation modeling." *Shanghai Archives of Psychiatry*, 25(6), 390–394. <https://doi.org/10.3969/j.issn.1002-0829.2013.06.009>.
- Hagiu, A., & Wright, J. (2015). Marketplace or Reseller? *Management Science*, 61(1), 184–203. <https://doi.org/10.1287/MNSC.2014.2042>
- Hox, J. J., & Bechger, T. (2015). "An Introduction to Structural Equation Models." *Family Science Review*, 11, 1–8. https://doi.org/10.1007/978-3-319-16507-3_1.
- Humaidi, A., Khoirudin, M., Adinda, A. R., Kautsar, A., & Students, U. (2020). The Effect of Financial Technology, Demography, and Financial Literacy on Financial Management Behavior of Productive Age in Surabaya, Indonesia. *International Journal of Advances in Scientific Research and Engineering (IJASRE)*, ISSN:2454-8006, DOI: 10.31695/IJASRE, 6(1), 77–81. <https://doi.org/10.31695/IJASRE.2020.33604>
- Ibrahim, G. A., & Al., M. S. et. (2017). "Peta Jalan Gerakan Literasi Nasional," in Dr. Luh Anik Mayani, M. H. (ed.) *Sambutan Menteri Pendidikan dan Kebudayaan. Kementerian Pendidikan dan Kebudayaan*. https://gln.kemdikbud.go.id/glnsite/wp-content/uploads/2017/08/peta-jalan-gln_rev.pdf.
- Ittaquallah, N., Madjid, R., & Suleman, N. R. (2020). "The effects of mobile marketing, discount, and lifestyle on consumers' impulse buying behavior in the online marketplace." *International Journal of Scientific and Technology Research*, 9(3), 1569–1577.
- Lidwina, E. (2021). *Penggunaan E-Commerce Indonesia Tertinggi di Dunia*. Data Books. <https://databoks.katadata.co.id/datapublish/2021/06/04/penggunaan-e-commerce-indonesia-tertinggi-di-dunia>
- Mardianah, A., & Iramani, R. (2021). "Model Hubungan Literasi, Pengalaman dan Perilaku Pengelolaan Keuangan Keluarga: Peran Niat Berperilaku Sebagai Mediasi." *Jurnal Manajemen Dan Keuangan*, 10(2), 129–143.
- Mukhaiyar, U. et al. (2020). "Analysis of Generalized Space-Time Autoregressive with Exogenous Variable (GSTARX) Model with Outlier Factor." *Journal of Physics: Conference Series*, 1496, 1. <https://doi.org/10.1088/1742-6596/1496/1/012004>.
- N. Herawati, I. Candiasa, I. Y. et al. (2018). "Factors That Influence Financial Behavior Among Accounting Students in Bali," *Administration. International Journal of Business*, 9(3), 30.
- N, S. (2021). *Pengaruh Literasi Keuangan, Gaya Hidup Dan Pengendalian Diri Terhadap Perilaku Konsumtif Belanja Online Oleh Mahasiswa Perguruan Tinggi Negeri Se-Surabaya*.
- Nurjanah, S., Ilma, R. Z., & Suparno, S. (2018). "Effect of Economic Literacy and Conformity on Student Consumptive Behaviour." *Dinamika Pendidikan*, 13(2), 198–207. <https://doi.org/10.15294/DP.v13i2.18330>.
- OECD. (2021). *Learning remotely when schools close: How well are students and schools prepared? Insights from PISA*. OECD Data. <http://www.oecd.org/coronavirus/policy-responses/learning-remotely-when-schools-close-howwell-are-students-and-schools-prepared-insights-from-pisa-3bfd1f7/>
- Oktafianti, E. (2021). *Pengaruh Pendapatan, Gaya Hidup, Dan Pengetahuan Keuangan Terhadap Pengelolaan Keuangan Keluarga Masa Pandemi Covid-19 Di Ds. Krebet Kec. Jambon Kab. Ponorogo*.
- Pangestu, S., & Karnadi, E. B. (2020). The effects of financial literacy and materialism on the savings decision of generation Z Indonesians. *Cogent Business and Management*, 7(1). <https://doi.org/doi:10.1080/23311975.2020.1743618>.
- Sari, D. E., Handoko, R., & Rochim, A. I. (2018). *Pengaruh Online Shop Jejaring Sosial Terhadap Perilaku*

Konsumtif Pada Ibu Rumah Tangga Kabupaten Mojokerto (Studi Kasus Ibu Rumah Tangga Di Desa Mojotamping, Kecamatan Bangsal, Kabupaten Mojokerto). *Representamen*, 4(01).

<https://doi.org/10.30996/REPRESENTAMEN.V4I01.1423>

Stone, D. (1993). "How To Do It Design a questionnaire." *British Medical Journal*, 1264–1266.

Triwidisari, A., & Ahmad Nurkhin, M. (2017). "The Relationships Between Instagram Social Media Usage, Hedonic Shopping Motives and Financial Literacy on Impulse Buying," *Dinamika Pendidikan*, 12(2), 170–181. <https://doi.org/10.15294/DP.v12i2.13565>.

Xu, L., & Zia, B. (2012). "Financial Literacy Around the World: An Overview of the Evidence with Practical Suggestions for the Way Forward,." *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1810551>.

Zavalko, N. A. et al. (2017). "Methodical approaches to rating the quality of financial control at the enterprise,." *Quality - Access to Success*, 18(161), 69–72.