

COMPULSIVE BUYING AND DEBT BEHAVIOR (*DISSAVING*) OF MILLENNIAL GENERATION IN DENPASAR CITY

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ABSTRAK

Kecenderungan berhutang untuk membeli yang konsumtif merupakan kebiasaan yang sering dilakukan oleh generasi milenial. Penelitian bertujuan untuk menganalisis hubungan antara pembelian kompulsif dengan perilaku berhutang pada generasi milenial di Kota Denpasar dengan sampel sebanyak 200 responden. Pengumpulan data melalui penyebaran kuesioner google form. Analisis statistik menggunakan regresi linier berganda. Penelitian menemukan bahwa pembelian kompulsif mempunyai pengaruh positif dan signifikan terhadap perilaku berhutang.

Kata kunci: pembelian kompulsif, perilaku berhutang, generasi milenial

ABSTRACT

The tendency to take debt for consumptive buying is a habit that is often carried out by the millennial generation. Study aiming to analyze the link between compulsive buying with debt behavior in the millennial generation in Denpasar City with a sample of 200 respondents. Data collection through the distribution of google form questionnaires. Statistical analysis using multiple linear regression. Study found that compulsive buying has positive significant effect towards debt behaviour.

Keywords: compulsive buying, debt behavior, millennial generation

INTRODUCTION

The Covid-19 pandemic left an impact on economic uncertainty. Saraswati & Nugroho (2021) stated that 65 percent of Indonesian people fell into low income to zero income. The pandemic poses the threat of a major crisis called economic uncertainty. The situation of economic uncertainty has led to the growing development of the online loan business. The rapid development of the online loan business triggered by is widespread of tech users. Otoritas Jasa Keuangan (OJK) (2020) – Indonesian Financial Services Authority- noted that since 2020 there were 157 legal online loan companies with total funds lent IDR 40.37 trillion, an increase of 25.97% compared to 2019, but debt payment only reached 91.12%, a decrease of 6.01% compared to 2019. Apart from that, various e-commerce platforms currently offer PayLater systems and online loans. 70.07 percent of online loan users were millennials.

The tendency to go into debt for the consumer interests of the millennial generation is important to discuss because one of the characteristics of the millennial generation is that they have strong purchasing power (Xu et al., 2022). Indonesia Millennial Report data shows that the majority of millennial expenditure is spent on routine/consumptive needs (51.1 percent), savings (10.7 percent), 36.2 percent for entertainment, insurance, zakat (religious charity), and others, and only 2 percent for investment. The Indonesia Millennial Report data shows funds-managing skills of millennial are still low. The principle of Millennials, namely: "you only live once" means that lifestyles and consumption patterns among millennials continue to increase, of the 63 million millennials in Indonesia, only 35.1% own a house, and the rest do not (Dilasari et al., 2021) .

Risamana & Suminar (2017) stated that individuals who live in cities have a higher tendency to shop than other areas due to easy access to shopping centers so compulsive buying intentions also tend to be higher. Denpasar City is the center of government and economy in Bali. Various businesses and shopping centers are growing rapidly in Denpasar City. Denpasar City is also the area with the highest internet penetration in Bali,

namely 68 percent of Denpasar City residents have used the internet. Apart from that, in terms of demographics, the population in Denpasar City is also dominated by the millennial generation.

Wahono & Pertiwi (2020) states that compulsive buying that can be controlled can prevent activities using debt (Dissaving). One of the long-term negative effects of compulsive buying is high credit arrears and personal debt. Yuda (2020) explains that consumptive behavior is a condition where someone spends money excessively. Compulsive buying is defined as a stimulus for uncontrollable purchases of products that are not needed.

Debt is a form of finance given by another individual as a loan where the individual who receives it is obliged to pay it back within a predetermined period, which can be accompanied by additional costs, namely interest and fines (Anand et al., 2021). The Millennials including individual who were born on 1980 – 1999 (Muliawati, 2020). Apart from the aspect of birth span, the millennial generation is a generation that grew and developed during the very rapid development of the internet (internet boom), this generation has characteristics that are familiar with the use of technology such as the internet, cellphones, computers and so on (Andriana, 2022).

Compulsive buying can cause individuals to have a tendency to accumulate debt and accumulate excessive debt due to following directions from impulsive behavior. Shopping for products such as gadgets, fashion, and vehicles is a normal behavior, but if the shopping behavior is carried out suddenly and without planning because the stimulus is not controlled in order to fulfill prestige, prestige or feelings related to momentary excitement, it will become an action that creates coercion into making purchases using debt. Compulsive buying is a shopping behavior that cannot be stopped, causing individuals to spend unreasonable amounts of money, and wasting time, often carried out when individuals are influenced by negative emotional stimuli that can cause social, personal, and financial problems. Rahmat & Suryanto (2020) says compulsive buying leads to increased personal debt.

Formulation of the Problem

The problems associated with this research are formulated as: “what is the influence of compulsive buying on investment behavior among the millennial generation in Denpasar City ?”

Research Aim and Significance

This research aims to analyze the influence of compulsive buying on debt behavior among the millennial generation in Denpasar City. The reason for choosing Denpasar city as a research location is because the demographics of the population of Denpasar city is dominated by the millennial generation (Bali Provincial Central Statistics Agency, 2023)

RESEARCH METHOD

The research used a quantitative associative type, carried out in Denpasar City because it has the largest number of millennial generation residents (Kirana & Yasa, 2021). Respondents are individuals who are officially domiciled in Denpasar City and are the millennial generation (born 1981–1999). The total sample was 200 respondents. Data collection using a Google forms questionnaire. Statistical analysis uses multiple linear regression.

RESULTS AND DISCUSSION

In this study, the characteristics of respondents are described through gender, age, occupation, length of work, and latest level of education. 133 women (66.5%) and 67 male respondents (33.5%) were participated in this study. Most of the respondents were 23 - 25 years, which were 119 people (59.5%). Most of the respondents worked as private employees, namely 126 people (63.0%). Most of the respondents had a working period of 1 - 5 years, namely 123 people (61.5%). The majority of respondents has a bachelor's degree as the latest level of education (84 people or 42.0%)

Table 1. Descriptive Statistical Analysis

	N	Min.	Max.	Mean	Std. Deviation
Compulsive Buying	200	14.00	46.00	31.2500	6.60573
Dissaving/debt behaviour	200	5.00	25.00	14.4100	5.51944
Valid N (list wise)	200				

Compulsive buying recorded a minimum limit of 14 while the maximum limit was 46 with a mean of 31.25 and a deviation of 6.60573, indicating that the compulsive buying variable is homogeneous. Debt behavior recorded a minimum limit of 5 while the maximum limit was 25 with a mean of 14.41 and a deviation of 5.51944, indicating that debt behavior is homogeneous.

Respondents' perceptions regarding the compulsive buying variable average score of 2.84 out of 55. Highest score of 3.23 out of 5 at "There are times when I feel guilty or regretful after making a purchase, because I feel that I do not need the item". Meanwhile, the statement with the lowest score is the statement "I often buy things that I do to need, even though I have little money left", with score 2.47 out of 5.

Perceptions regarding the debt behavior variable have a average score of 2.88 out of 5. The top score placed at the statement "My monthly expenses are greater than my monthly income", obtained 3.03 out of 5. Meanwhile, the statement that has the lowest score is the statement "When I want to buy the thing I want, I will do it even if I do not have money", obtained score of 2.73 out of 5

Table 2. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Errors	Beta		
1 (Constant)	-5.277	1.246		-4.236	0.000
Compulsive Buying	.630	0.039	0.754	16.151	0.000
Adjusted R Square	: 0,566				
F	: 260,844				
Sig. F	: 0,000				

The regression coefficient value is 0.630, indicating that if compulsive buying (X) increases while other independent variables are assumed to remain constant, debt behavior (Y) will increase. Adjusted R Square is 0.566, where it is recorded that 56.6% of changes in debt behavior are influenced by compulsive buying, while the remaining 43.4% is due to other antecedents. The F test recorded a significance of 0.000, namely that compulsive buying had a significant effect on debt behavior, it was recorded that the model was deemed worthy of testing and hypothesis testing could be continued.

The significance value was recorded as 0.000 (< 0.05); beta 0.630 is positive. This means that H1 is proven to be right, compulsive buying has significant positive effects towards debt behavior, means that an increase in compulsive buying will increase debt behavior. Each individual has a different capacity for needs, where the flow of life style can trigger an individual to have more life needs in order to give personal prestige. Modernization has given rise to the phenomenon of people increasingly improving their lifestyles and always wanting the prestige of the upper class to be accepted in their social environment. This causes an increase in compulsive buying that is not in accordance with their abilities, so they are willing to take on debt to fulfill their ongoing compulsive buying. The research results are in accordance with Yuda (2020) who found that there was a positive relationship between compulsive buying and debt behavior.

CLOSING

Conclusion

Compulsive buying giving positive impact at dissaving (debt behavior), so that individuals who want to get rid of debt can improve their shopping behavior and carry out financial planning.

Suggestions

This study advises the millennial generation to minimize debt behavior by living a lifestyle within means and reducing impulsive purchasing habit. The research could be as input and reference for students and for further research to broaden their horizons in minimizing debt behavior.

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