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RESEARCH ARTICLE

THE IMPACT OF FINANCIAL LITERACY, CONSUMPTIVE BEHAVIOR AND M BANKING SERVICES ON SAVINGS MANAGEMENT.

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Study on Bachelor Students of Faculty of Economy and Business in Perbanas Institute, Jakarta, Indonesia.

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Abstract

This study aims to analyze the impact of financial literacy, consumptive behavior, and m-banking services on savings management. The variables tested in this study consisted of financial literacy, consumptive behavior, and m-banking services as independent variables and savings management as the dependent variable. The population in this study consisted of Bachelor students of the Perbanas Institute of Economics and Business Jakarta, Indonesia, for the period 2014 until 2017. Determination of the research sample using random sampling method and obtain a sample of 98 respondents based on certain criteria. The results show that financial literacy, consumptive behavior, and m-banking services simultaneously have an influence on savings management. In addition, this study proves that partially m-banking services affect the management of savings, while financial literacy and consumptive behavior do not partially affect savings management.

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Introduction:-

Along with the growth of the financial services industry in Indonesia today, there are many companies or financial institutions competing to offer a variety of business activities that can meet the financial needs of every level of society. Which is why understanding of selected financial products will determine whether in the future it can bring improvement and prosperity in life.

A sufficient financial literacy can encourage good financial management in the future because it has an impact on the ability to choose and utilize financial products and services which are suitable for needs also to do financial planning better.

Nowadays lifestyle makes people start to become more consumptive. People buy what they want, not what they need, which is only temporary, if it is not supported by good financial management, people will tend to be wasteful and forget that saving is very important for survival.

Moreover, banking industry is a very well regulated industry. The main reason for this condition is the fact that the banking sector influences the economic condition of a country both micro and macro (Riyadi, 2017), and also now the bank has launching information technology-based banking transaction services, namely mobile banking (m-banking). M-banking services open opportunities for customers to conduct banking transactions via mobile phones. This indeed has a positive impact on customers and students, which is to save more time, costs and energy, but can turn to be negative impact as well. If m-banking services are used by individuals who have consumptive behavior and are accompanied by a lack of financial literacy, then it can be a wasteful habit and cannot manage their savings properly.

Bank

Banks are business entities that are engaged in finance whose main tasks include raising funds from the public in the form of demand deposits, savings deposits, and time deposits or other forms that are equated with it and channeling it to the public, providing credit and other banking services both domestically and abroad to meet the needs of its customers. (Riyadi, 2017).

Riyadi and Hadiyati (2002) explained that banks have three operational activities:

1. Collecting funds from the public that have excess funds (surplus units) in the form of deposit products such as demand deposits, savings deposits, time deposits and certificates of deposit.
2. Distributing funds to the public who need funds (unit deficit) to disburse loans or financing.
3. Selling financial services products with the aim of helping swift transactions carried out by the community.
4. The activity of collecting and distributing funds is the main banking activity. While the activity of selling financial services products is only a support of the two activities above.

Financial Literacy

Financial literacy can be interpreted as financial knowledge, with the aim of achieving prosperity. This can be interpreted as necessary to meet globalization, more specifically, globalization in the financial sector (Lusardi and Mitchell, 2007). Whereas according to Bushan and Medhury (2013) financial literacy is the ability to make judgments and make effective decisions with the management of money use. Financial literacy allows one to improve their overall well-being. Financial literacy can be used, namely financial knowledge that can be used to make decisions related to financial management. According to Chen and Volpe in Ulfatun et al. (2016) financial literacy is divided into four aspects, which are basic knowledge about personal finance, savings and loans, insurance (includes basic knowledge of insurance, and insurance products), investment (includes knowledge about market interest rates, mutual funds, and investment risks). In other words, these aspects are part of financial knowledge that encourages every individual who understands financial literacy.

Consumptive Behavior

Anggasari in Hotpascaman (2010) describes consumptive behavior as an act of buying goods without consideration before so that their becomes excessive. While Lina and Rosyid (1997) in Imawati et al. (2013) stated that consumptive behavior is a buying behavior that is no longer based on rational consideration but because of a desire

that has reached an irrational level again. So it can be said that consumptive behavior is a buying behavior based on the desire with lack of rational consideration so that it becomes excessive.

According to Suyasa & Fransisca (2005) the factors that influence the emergence of consumptive behavior are the presence of advertisements, conformity (the type of social influence when someone changes their attitudes and behavior to conform to existing social norms), and lifestyle.

Mobile Banking

The term m-banking is considered to be closely related to the understanding of banking facilities through mobile communication such as mobile phones, with the provision of almost the same facilities as ATM, except taking cash (Nurastuti, 2011). Gummesson and Lovelock (2004) in Wardhana (2015) revealed that the quality of m-banking services is divided into four parts, which are speed, security, accuracy, trust.

Savings Management

Savings are deposits that the withdrawals can only be made according to certain conditions agreed upon, but cannot be withdrawn by check, check deposit, or other equivalent equipment. Generally, savings targets are individual customers (Riyadi, 2006).

Savings management is a process for the placement of surplus funds owned by a person with the aim of facilitating access to liquidity, financial planning and security (Latifiana, 2017).

Yulianti and Silvy (2013) explained that in conducting financial management there must be financial planning to achieve goals, both short and long term goals. With good financial management, we will not be trapped in infinite desires. In the attitude of the financial management, each individual is different because each individual is in a different financial condition and different financial targets with the others.

Hypothesis

Laily's study (2013) show that financial literacy affects student financial behavior. This is in accordance with the results of Sari's research (2015) which explains financial literacy in the form of knowledge about savings, insurance, debt, investment, etc. will affect a person's behavior. The more a person is much or about the financial components, then someone will be more wise in behaving related to finance. This study proves statistically that financial literacy has a positive effect on student financial behavior.

H1: Financial Literacy has a significant impact on Savings Management

Consumptive behavior has the same meaning as financial behavior, and savings management has the same meaning as the behavior of financial management, this can be explained by Marsh (2006) in Herdjiono and Damanik (2016) which states that a person's personal financial behavior arises from his financial attitude, individuals who are not wise in responding to their personal financial problems tend to have poor or consumptive financial behavior. Meanwhile, financial management behavior refers to how a person behaves in relation to personal financial matters, measured by the actions of the individual.

Herdjiono and Damanik's research (2016) explains that there is an influence between financial attitude and financial management behavior. They stated that a person with a good level of financial attitude will show a good mindset about money, have som thought about they perception of the future, adjusting the use of money so that they can fulfill the necessary.

H2: Consumptive Behavior has a significant impact on Savings Management

Nurniah's research (2009) found a significant effect between the quality of services provided by the mobile banking system and user satisfaction of the system, which means that the quality of banking services affects the effectiveness of the mobile banking system.

The research is also in accordance with the results of Wardhana's research (2015) which explains that banking institutions already have m-banking service facilities according to the needs of their customers, can provide security guarantees for users of m-banking services, have met the accuracy aspects that must be provided to their customers and have providing trust for customers who use m-banking services that are needed by their customers.

From the two studies above, researchers can draw the conclusion that the quality of m-banking services is sufficient to give satisfaction to customers which can have an impact on the use or management of effective savings. So the third hypothesis in this study is,

H3: M-Banking Services has a significant impact on Savings Management

Data and Methodology:-

In this study, the method used descriptive method which is activities that include data collection in order to test hypotheses or answer statements concerning the conditions that are in accordance with this research.

The research design then continued using quantitative research. According to Sugiyono (2015) quantitative research is a research method based on positivism philosophy, used for research on certain populations or samples, sampling techniques are generally done randomly, data collection using research instruments, quantitative data analysis or statistics with the aim of testing predetermined hypothesis.

The population in this study were students in 2014, 2015, 2016, and 2017 S1 in the Perbanas Institute of Economics and Business. Total of the students was 2,182 by calculating the sample size which was done using the Slovin technique with the result 95,70 rounded up to 96 respondents, but happened to be 98 respondents whose fill the questionnaires, that make this research will use 98 samples. The sampling technique in this study uses random sampling, which is the selection of a random group of subjects whose population characteristics are known. Data sources for this study are derived from the distribution of questionnaires that have been structured, in which the statements that are submitted from the respondents are according to the real conditions experienced by the respondents. Then, the questionnaire will be analyzed by calculating each score from each statement using IBM SPSS (International Business Machines Corporation Statistical Product and Service Solutions) version 24.

Data Analysis and Results:-

Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,917	1,742		,526	,600
Financial Literacy	,022	,032	,058	,706	,482
Consumptive Behavior	,025	,039	,058	,653	,515
M-Banking Services	,287	,040	,624	7,222	,000

Dependent Variable: Savings Management

Source: SPSS 24

With the regression equation below:

$$Y = 0,917 + 0,022FL + 0,025CB + 0,287MS + e$$

Information:

- FL = Financial Literacy
- CB = Consumptive Behavior
- MS = M-Banking Services
- SM = Savings Management
- e = Standard of Error

The constant value (α) of 0,917 indicates that if the independent variable is zero (0), then the amount of savings management (Y) is 0,917.

The regression coefficient for financial literacy variable (FL) is 0,022. This indicates that if the value of financial literacy has increased 1, it will be followed by an increase in savings management (SM) by 0,022.

The regression coefficient for consumptive behavior variable (CB) is 0,025. This indicates that if the value of consumptive behavior has increased 1, it will be followed by an increase in savings management (SM) by 0,025.

The regression coefficient for m-banking services variable (MS) is 0,287. This indicates that if the value of m-banking services has increased 1, it will be followed by an increase in savings management (SM) by 0,287.

Determination Coefficient Test Results

Predictors: (Constant), Financial Literacy, Consumptive Behavior, M-Banking Services

Dependent Variable: Savings Management

Source: SPSS 24

Coefficient of determination test results (R^2) where R^2 is 0,453 which shows that the relationship between the dependent variable and the independent variable is strong because the R^2 number is greater than 0,05. While the value of Adjusted R Square is 0.435 or 43.5%, meaning that as much as 43.5% of the model variation can be explained by variations of the three variables. While the remaining 56.5% is explained by other variables which not proposed in this study.

Financial Literacy Impacts On Savings Management

The results of the t test showed that the t value of the financial literacy variable was $0.706 < 1.985$ with a significance level of $0.482 > 0.050$ so that it can be concluded that financial literacy had no significant impact on savings management. Thus it can be concluded that H1 is rejected.

The results of this study indicate that the high or low level of financial literacy which consists of indicators of financial knowledge, savings and loans, and insurance and investment cannot determine how students manage their finances or savings. This is in line with the research of Nababan and Sadalia (2012) which explains that a person's financial behavior is not always influenced by the level of knowledge (financial literacy) they have, but also influenced by other factors such as psychological factors, emotions and others.

Consumptive Behavior Impacts On Savings Management

The results of the t test results show that the t value of the consumptive behavior variable is $0.653 < 1.985$ with a significance level of $0.515 > 0.050$ so that it can be concluded that consumptive behavior has no significant impact on savings management. Thus it can be concluded that H2 is rejected.

This research is in line with the research of Sirine and Utami (2016) which explains that peer influence variables have no significant effect on saving behavior. Peers are on the indicator of conformity in the consumer behavior variable. Then, according to Steinberg (2002) in Sirine and Utami (2016), in general teenagers spend their money to shop for clothes, eat, cosmetics, but they also do not forget to set aside their money to save. This shows that however the individual is spending excessively on various products does not affect the amount of money in savings or how students manage their savings. So that research from Sirine and Utami (2016) can support the results of consumptive behavior research that does not have a significant effect on savings management.

Mobile Banking Services Impacts On Savings Management

The result of the t test shows that the value of the m-banking service variable t count is $7.222 > 1.985$ with a significance level of $0.000 < 0.050$ so that it can be concluded that m-banking services have a significant impact on savings management. thus it can be concluded that H3 is accepted.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,673 ^a	0,453	0,435	1,14544

The results of this study indicate that the better the quality of m-banking services provided by banks, the better the savings management carried out by students. The results of this study are in accordance with the results of Nurniah's research (2009) which found a significant effect between the quality of services provided by the m-banking system and user system satisfaction which can have an impact on both the savings management performed. the statement in wardhana's research (2015) can also support the results of this hypothesis which explained that banking institutions already have m-banking service facilities in accordance with the needs of their customers, so that m-banking services are said to help customers manage their savings more efficiently and well.

Conclusion:-

Based on the data that has been collected and the results of the tests that have been carried out, it can be concluded as follows:

Financial literacy does not have a significant influence on savings management, this is due to the fact that even though students understand financial literacy well, it cannot determine how well they manage their savings. Consumptive behavior does not have a significant influence on savings management, this means how high or low consumptive behavior they have, it does not affect the amount of money in their savings or how they manages their savings.

M-banking services have a significant influence on savings management, this is because due to the good quality of m-banking services, customers or students can manage an efficient and good savings management.

Recommendation:-

Financial literacy; If Perbanas Institute students improve or expand the financial literacy to be better, then it can have an impact on better savings management so that in the future, a prosperity will be achieved.

Consumptive behaviour; For Perbanas Institute students, when choosing or buying a product should be more selective and prioritize the most important (primary) needs first so that the expenditure can be controlled, then the money can be saved and savings management can be run properly.

M-banking services; In the use of m-banking services, students should use more to manage savings, such as checking savings balances. If needed for payment or transfer, only limited to payment for primary need.

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