

Impact of Learning, Socialization, and Financial Lifestyle of Students' Intention to Invest in Capital Market

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ABSTRACT

This research aimed to explain about the Impact of Learning, Socialization and Financial Lifestyle on Student' Intention to Invest in Capital Market. Research held on Business Management Program at Business Administration State Polytechnic of Sriwijaya. All of student that invest at capital market conduct to be respondents that 50 students that fulfill the questionnare. Data were processed using statistical software. Data used validity and reliability test and regression analysis. The result show that dominant variable is learning process. Students were stricited to invest because they had experience to watch stock price movement continuosly on stocklab investment practice. Learning process had a strongest effect to intention to invest. Students realized that financial lifestyle were important to reached financial objective. Evaluation and improve interactive education materials was needed to boost student's intention to invest.

Keywords: *learning process, socialization, financial lifestye, intention to invest*

1. INTRODUCTION

Indonesian investor growth still far from expectation that only 0,2 percent of population [1]. Domestic investor dominated by young workers that aged 26-30 years. Indonesian young investors are employed that have own income that began to invest at capital market. This is different with young investor in developed country that began at school age. Indonesian young investors have not used their money to invest, but mostly they used to save or even used it for a hedonic lifestyle [2]. May be there are business students as young investor want to invest but they do not have financial knowledge.

Indonesian Stock Exchange tried to socialized and educated colleagues expecialized students at universities. As a manifestation of the Indonesian Stock Exchange's seriousness in socializing the Indonesian Capital Market and increasing public understanding and interest in investing in the Indonesian Capital Market, the IDX has launched the "Let's Save Stocks" campaign on November 12, 2015 which was inaugurated by the Vice President of the Republic of Indonesia. Meanwhile, to increased the numbers from students, Indonesian Stock Exchange launch investment game in the capital market that conducted in various investment galleries [1]

A variety of guidance and training activities on investment in capital market and the socialization undertaken were intended to increased students' knowledge of investment and the ultimate goal is to increase students intention to

invest to capital market. But socialization not significant to influenced student's intention to invest [3].

Students need to had basic knowledge to invest or trade on capital market. They also tried to select capital market opportunities, risks and other factors in order to significant results and get capital loss. Students also need skills in financial management. Learning will improve investor's quality to analyzing better and sharper about the capital market. This was done by learning process. But learning had negative impact to students intention to invest [4]. Students used to be disciplined in investment and achieved financial goals. Financial goal required a discipline and saving investments habitual, saving income and not being wastefull. This habitual would buits financial lifestyle. Based on the above description, we need to researched about Impact of Learning Process and Socialization Towards Student Intention to Capital Market Investment.

2. LITERATURE REVIEW

2.1 Learning

Learning can be defined as a process of individuals gaining knowledge about purchasing and consumption as well as experiences that will be applied to similar behavior in the future [5] Based on the above definition, learning implies a process that continues to evolve and change due to knowledge new gained or the results of experiences experienced by themselves.

Learning can be intentionally, as reading, discussions, observations. Learning can be done automatically without effort as remembered the advertisement of a product or watching friend used a product. Learning had basic element that must be present, namely motivation, cues, responses and reinforcement [6]. Motivation is the driving force within an individual that forces action. Motivation is based on needs and goals. Motivation is a trigger for learning and helps encourage learning.

Cues are stimuli that give direction to various motives. Cues help direct the consumer's drive if it is consistent with consumer expectations. For example an imported chocolate product in the minds of consumers is expensive and only sold at high-class supermarkets at high prices. In marketing a product, the price, style, packaging, advertising and product arrangement in a store becomes a signal to help consumers meet their needs through specific ways according to the product.

Response is the way individuals react to impulses and cues. Reinforcement is the result that affects the possibility of repeated certain behaviors in the future as a reaction from certain cues or stimuli. Strengthening can be either positive reinforcement or negative reinforcement.

Positive reinforcement is the pleasant result of a certain behavior that reinforces the likelihood that a behavior will be repeated. Negative reinforcement is an unpleasant or negative result that helps encourage certain behaviors.

2.2 Socialization

Riyadi [7] measures that the socialization conducted, the existence of a capital market school program is a very important form of training and helps increase investment knowledge. Nelson, Ratliff and Steinhoff [8] conducted a study of the importance of logic training in detecting audit considerations. The results showed that students who were given logic training had better results than students who were not given logic training in identifying valid or not decision making.

2.3. Financial Lifestyle

The study of lifestyle was first introduced by Alfred Adler. Nowadays life style studies are better known to be psychographic. Psychographics is known as the study of how a person spends the resources and time he has depicted through the activities carried out, interests and opinions that are believed. Lifestyle can be seen from the habits, how to consume a product, spending time and sources of funds they have to follow a certain tendency in accordance with his conscience so that it is accepted in his environment. Lifestyle can change according to time travel so that it applies relative to a certain period.

2.4 Intention

Intention can be defined as high tendency of the heart to a desire. Whereas buying interest can be interpreted as the stage of the tendency of consumers to act before the buying decision is actually made. Intention to buy can be identified through indicators [9]:

1. Transactional intention is one's tendency to buy products
2. Referential intention is the tendency of someone to refer a product to someone else
3. Preferential intention, that is, an interest that describes the behavior of someone who has a primary preference for the product. This preference can only be replaced if something happens with the product of his preference
4. Explorative intention is an interest that describes the behavior of someone who is always looking for information about the product of interest and looking for information to support the positive qualities of the product.

Intention to invest is the desire to find out about the type of an investment, want to take the time to learn more about investment by attending training and investment seminars and trying to invest [10]. Ali's research [11] adds that investment interests occur if someone is willing to spend time and women evaluating the company and has funds to invest.

3. METHODOLOGY

Research held on State Polytechnic of Sriwijaya. All students in Business Management in Business Administration Department that being capital market investors will be used as research respondents. So this research include to non probability sampling, that is saturated sample where entire population become respondent in research.

Research variable can be differentiated into independent and dependent variables. Independent variables are learning, socialization and risk perception. Dependent variable is student intention to invest to capital market. All question in dependent and independent variables used 5 point of Likert Scale. Data analysis technique used is regression analysis. Before the regression analysis is done the validity and reliabilitas test. Classical assumption test used is normality test, heterokedastisity and multicolinearity.

Regression equity as:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e. \quad (1)$$

Which Y is student intention as dependent variable. a is constanta and b as coefficient. Meanwhile X_1 is learning, X_2 is socialization, and X_3 is risk perception.

4. RESULTS AND DISCUSSION

4.1. Results

Respondents in this research are 50 students that majority female student (30 respondents) and male 20 respondents (Figure 1)

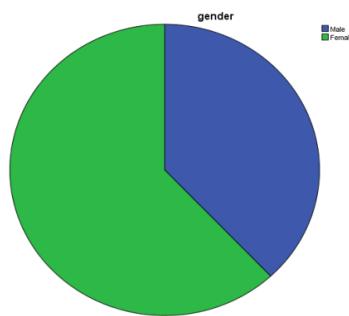


Figure 1 Gender of Respondents

Respondents are moderate investor because they join to be investor more than a year. There are 10 students that join to be investor between 6 month – 1 years. And there are students that joint to be investor more than 2 years.



Figure 2 Join Capital Market Duration

Majority of respondents were 20 years (20 percent), 21 years (13 percent), 19 years (10 percent).

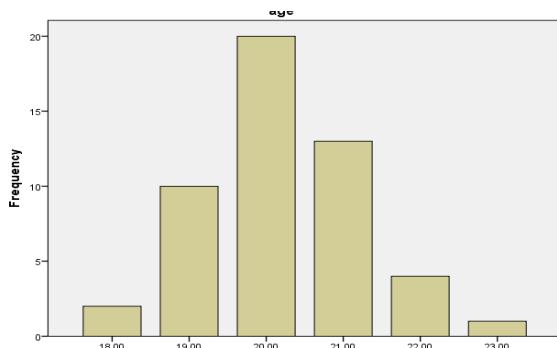


Figure 3 Age of Respondents

All of data were reliable, because Cronbach Alpha more than 0,5.

Table 1 Reliability Test

Variable	Cronbach' Alpha
Socialization	0,629
Learning	0,556
Financial lifestyle	0,556
Intention to invest	0,858

*Source: Data Processing, 2019

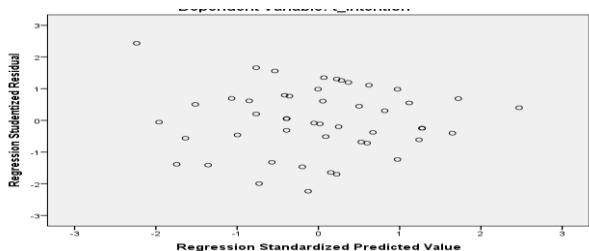
All of data were reliable except statement of lifestyle 3 that not valid and must be dropped. Degree of freedom was 48 and r_{value} must more than $r_{statistic}$ that 0,2353.

Table 2 Validity Test

Variable				
Socialization				
X _{1.1}	0,398			
X _{1.2}	0,573			
X _{1.2}	0,368			
Learning				
X _{2.1}	0,258			
X _{2.2}	0,257			
X _{2.2}	0,526			
X _{2.4}	0,363			
Financial lifestyle				
X _{3.1}	0,299			
X _{3.2}	0,367			
X _{3.2}	0,166			
X _{3.4}	0,555			
Intention to invest				
Y ₁				0,698
Y ₂				0,684
Y ₃				0,717
Y ₄				0,755

*Source: Data Processing, 2019

Data indicates that variable variance is not the same for all because the scatter spread randomly both at the top of the number 0 or at the bottom of the number 0 of the vertical axis or Y axis. This means that this regression model free from heterocedasticity.



*Source: Data Processing, 2019

Figure 4 Heterocedasticity Test

Based on the Summary Model in table 3 above shows the correlation coefficient value of 0.372. This means that the variables of learning, socialization and financial lifestyle have a moderate correlation level because it is in the range of numbers 0.25-0.5.

Adjusted R Square of 0.082 means only 8,2 percent variation of intention to invest to capital market influenced by variable learning, socialization and financial lifestyle. Whereas 91,8 percent executed by other variable not used in this model.

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,372 ^a	,138	,082	2,80505

*Source: Data Processing, 2019

Table 4 Statistical F Test Result

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58,137	3	19,379	2,463
	Residual	361,943	46	7,868	
	Total	420,080	49		

*Source: Data Processing, 2019

Based on Statistical F Test Result (Table 4) that show F value as 2,46. These results indicate that the variables of learning, socialization and financial lifestyle dependently simultaneously to intention of capital market.

Table 5 Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	3,384	5,106	,663	,511
	t_socialization	,039	,273	,024	,886
	t_learningprocess	,579	,340	,271	,095
	t_lifestyle	,408	,219	,275	,070

*Source: Data Processing, 2019

The Regression Equation is

$$Y = 3,384 + 0,039 X_1 + 0,579 X_2 + 0,408 X_3 + e \quad (2)$$

Which Y is student intention as dependent variable. a is constanta and b as coefficient. Meanwhile X_1 is socialization, X_2 is learning process and X_3 is financial lifestyle.

4.2. Discussion

Dominant variable is learning process. Learning influences student intention to invest at capital market. Learning of invest make it easy to take investment decisions. Knowledge of investment obtained by students from learning of Portfolio and Portofolio Practise give a significant contribution in encouraging intention to invest. This is in line with current research by Hamongan (2007), Wiwin (2006) also Merawati and Putra (2015).

Evaluation of educational materials and approaches to capital market training workshops can be done to develop more interesting and interactive educational materials. Students who will later enter the workforce and have a true income have an economical lifestyle and can manage their personal financial. Lifestyle that must be developed as student. It can be developed by a lifestyle of saving, non consumptive life style, not hedonistic, and likes to save. Whereas an investment-oriented lifestyle is setting aside funds for future investments, having investment targets, investing in shares, routinely adding stock investments, utilizing stock outlets and making business investments. Business education need to increase student awareness about the importance of saving shares early on as an investment vehicle.

Business education need to increasing student awareness to have a conscious lifestyle of saving shares early on, that is, always setting aside routine funds for future investments, saving money, saving money regularly, having stock investments early on, having personal investment targets, and utilizing Securities Outlets to add information about stocks.

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