



# The Effect of Digital Transactions and Online Shopping on the Personal Financial Management Ability of Social Studies Students of Institut Pendidikan Indonesia Garut

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**Abstract.** Digital transactions and online shopping have become a new culture today, marking civilization's advancement in economic activities and challenges and opportunities for students to increase their insight and ability to take advantage of the development of economic digitization. Personal financial management problems are often challenging to manage appropriately; thus, this study is aimed to find out how students' personal financial management abilities are in the middle of the rapid development of digital transactions and online shopping activities. With a quantitative descriptive approach, 30 Social Studies Education students from levels 1 to 3 were treated as the sample. The study found several findings, including 1) digital transactions affect' personal financial management abilities by 31.2%, 2) shopping system online also affects personal financial management by 27.2%, and 3) digital transactions and online shopping jointly affect students' personal financial management abilities by 25.4%, but the effect is in a low range. Students need an understanding and knowledge of the economic digitization system to have the ability to manage personal finances.

**Keywords:** Digital Transactions · Online Shopping · Financial Management Ability

## 1 Introduction

The development of the digital era through the internet network that affects the economic system is carried out digitally. The phenomenon of problems in the economic system has become a pattern of increasingly modern, sophisticated technological development that makes everything faster and faster. Many people today prefer digital economic transactions, which are perceived as more straightforward, cheaper, profitable, and efficient. The interest in the high public need for online-based economic activities has resulted in many online shops that have sprung up, ranging from honest to dishonest digital economic transactions or from fictitious to real, even the problem of fraud.

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In the Industrial Revolution 4.0, there needs to be a balance between knowledge and skills as the basis of quality human resources. Sharpening skills through Economic growth, in short, is a process of increasing output per capita in the long term. This understanding emphasizes three things: the process, output per capita, and long-term. Economic growth is also interpreted simply as an increase of the total production (GDP) in the long term, regardless of whether the increase is smaller or larger than the population growth rate or whether it is followed by growth in the economic structure [1]. The theory of economic growth explains the factors that determine economic growth and how the relationship between these factors causes the growth process.

Digital transactions in online shopping emphasize the process of buying goods and services through the internet, where sellers and buyers do not relate directly or do not meet and make physical contact, and where the goods being traded are only offered through images on a website or online shop. Then, the payment is made by transfer to the bank account. After the payment process is complete, the seller must send the buyer's ordered goods to the destination address [2]. Information technology facilitates the digital economy in four core sets of services to help execute business strategy: business process automation, providing information, connecting with customers, and productivity tools. Transmission technology development, including computer networks, has also triggered internet users and digital broadcasters. The development of the creative economy basically has a relationship with the values of local wisdom of specific communities in a particular area. In this case, local wisdom is defined as one form of effort to preserve local culture [3]. So, digital transactions through online shopping do not meet and do not make physical contact, and where the goods being traded are only offered through images on a website through online stores. However, the problem is that digital transactions and online shopping can have a negative impact if they are not used wisely and can affect money management patterns, especially for students.

## 2 Theoretical Review

### a. Digital Transactions and Online shopping

The concept of digital transactions and online shopping as part of the creative economy is a transaction system that has a broader meaning than the creative industry. From the perspective of local government administration, the creative economy is ideally built from innovative ideas that can stimulate economic growth, business, and investment. These are competitively oriented toward transforming creative industries and can improve people's welfare [4]. The creative economy emerged in the early 21st Century. The term is derived from the concept of creativity-based capital that can potentially increase economic growth in a particular area [5]. Socio-cultural change is a symptom of a social and cultural pattern change. Socio-cultural change is a common phenomenon that occurs throughout the ages in every society. In addition to being actual, poverty and social inequality are socio-economic diseases that are not only experienced by developing countries but also in developed countries [6]. Based on the contextual system of economic transactions in the process of buying goods/services by consumers to real-time sellers, without servers, and via the internet. This digital economic transaction

system changes the buying goods/services paradigm limited by walls, retailers, and digital transaction systems [7].

The development of economic transactions is also said to be a science that explains how to produce, distribute, share and use goods and services in society so that the community's material needs can be fulfilled as well as possible. Economic activity in society is to regulate the affairs of property, both those concerning ownership, development, and distribution. Technological development impacts all aspects of life, including changes to the existing payment system [8]. Based on this, technological developments affect a stable community economic system so that it can minimize the impact on the community's economy.

Through the digital economic transaction, products as a form of the creative economy provide job opportunities and business opportunities and foster the development of business capabilities [9], as well as providing greater opportunities to control the use of natural resources in certain areas as one of the assets of business activities for creative economy products [10]. The expected benefits from the concept of zero waste are being able to support economic sustainability, environmental carrying capacity, and social carrying capacity [11].

#### b. Student Personal Money Management

Basically, in financial management behavior, it is necessary to have a positive financial attitude and implement it directly. Attitude towards money is a form of individual perception of money based on experience and circumstances experienced in his life [12]. According to [13], financial attitude significantly and positively affects financial management behavior. It also adds that there is a relationship between students' personal financial management in the economic transaction system in the digitalization era. Thus, the psychological tendencies are expressed when evaluating recommended financial management practices with some degree of agreement and disagreement.

Improving personal financial management is financial literacy. By acquiring financial literacy skills, a person must avoid financial problems because people are often faced with situations where they have to sacrifice their interests for one another [15]. Difficulties also arise when there is an error in financial management, such as lack of planning, lack of financial knowledge, and consumptive actions; thus, financial literacy is needed to make it easier for someone to do financial planning and get greater profits by maximizing the value of money to improve living standards.

Students' financial management will undoubtedly make it easier for someone when doing financial planning. Thus, optimizing the value of money and profits will be even more significant and can increase the standard of living. Someone who can make financial decisions and behave well towards finances shows healthy behavior and can prioritize needs [16]. Thus, students can identify urgent needs. However, students in the era of digital transactions, especially in online shopping, must be able to manage and control their finances as part of financial literacy.

### 3 Research Methods

The study employed a quantitative approach with a descriptive type to describe the research subject based on data from the variables studied [17]. This study used SPSS version 25 for data processing. The population in the study was 250 students in the social science education study program. The sample was 30 respondents who were selected randomly by using a sample random sampling technique, where this technique provides equal opportunities for every member of the population. The students who were sampled were level 1 to level 3. The variables measured were digital transactions, online shopping, and students' personal money management, which were then statistically tested to see the magnitude of the correlation and partial effect.

### 4 Results and Discussion

Based on the results of statistical data processing to determine the effect of online shopping and digital economic transactions on the personal financial management of PIPS study program students, it can be understood as follows. Normality test results in the requirement for the parametric statistical test must be normally distributed [17]. To test the normality of the data, researchers refer to the Kolmogorov-Smirnov normality table with the condition that the decision-making value of  $\text{sig} > 0.05$  means the data is normal (Table 1).

**Table 1.** One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		30
Normal Parameters <sup>a</sup>	mean	.0000000
	Std. Deviation	7.30896514
Most Extreme Differences	Absolute	.100
	Positive	.100
	negative	-.070
Kolmogorov-Smirnov Z		.583
asympt. Sig. (2-tailed)		.886

a. Test distribution is Normal.

Based on the normality test using the One-Sample Kolmogorov-Smirnov Test, the significance value of Asymp is known. Sig. (2-tailed)  $0.886 > 0.05$ . So, it can be concluded that the residual value is normally distributed. The linearity test is used to determine whether there is a linear relationship between the independent and dependent variables. The regression model cannot be used if the model does not meet the linearity requirements [18]. If the significance value of deviation from linearity  $> \alpha (0.05)$  means that it is significant and linear (Table 2).

Based on the table, it can be seen that the value of sig. Deviation from Linearity  $> \alpha$  ie  $0.271 > 0.05$ . So, it can be concluded that the relationship between online shopping digital transactions and students' personal financial management has a **linear relationship**.

Simple regression analysis is a regression equation to examine the relationship between one independent variable and the dependent variable. Simple linear regression analysis is used to predict or predict the effect of independent/independent variables on the dependent variable. If the score of the independent variable is known, then the score of the dependent variable can be predicted. It shows that the constant value of 26,138 systematically states that the digital economic transaction of online shopping is 0, then the personal financial management of students has a value of 26,138.

While the regression line coefficient is 0.666, the positive value results illustrate that the direction of the relationship between the independent variable (online shopping economic digital transactions) and the dependent variable (student personal financial management) is unidirectional. Thus, the regression equation can be written  $Y = 26.138 + 0.666 x$ . This means that the value of 0.666 is a change in the regression line, where a

**Table 2.** Linearity test results

			Sum of Squares	F	Sig.
Online shopping digital transactions * Student personal financial management	Between Groups	(Combined)	1973,608	2.294	.059
		linearity	844,549	18,654	.001
		Deviation from Linearity	1129,059	1.385	.271
	Within Groups		633,833		
	Total		2607,441		

Source: Processed SPSS Output, 2022

**Table 3.** Test results of correlation coefficient and coefficient of determination

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569 <sup>a</sup>	.324	.303	7,422

a. Predictors: (Constant), online shopping economy digital transactions

b. Dependent Variable:  
management

change will follow each unit of the value of the X variable in the value of Y2 of 0.666. This means that every 1 unit increase in value from online shopping economic digital transactions will be followed by an increase in student personal financial management, which is 0.666. From the calculations using SPSS 25, it is found that the calculated F value is 15.330 with a significance value (sig) of 0.000, which is smaller than 0.05. Thus, the regression equation model based on research data is significant, so it can be concluded that the linear regression model meets the criteria that can be used to explain the effect of variable X on variable Y2 (Table 3).

Based on the table, it is explained that the magnitude of the correlation value or R is 0.569. Because the value of  $R = 0.569$  is between the values of the range 0.40–0.599, it can be concluded that the relationship between the online shopping economic digital transaction variable and students' personal financial management is in the **medium** category. The percentage contribution of the online shopping economy digital transaction variable (X) to the student's personal financial management variable (Y) is called the coefficient of determination (KD) or *R Square*, which shows how well the regression model is formed. The value of *R Square* obtained is 0.324, meaning that online shopping economic digital transactions influence students' personal financial management by 32.4%. So it can be concluded that the personal financial management of students is influenced by digital economic transactions online shopping by 32.4%, while the rest is influenced by other variables that are not examined.

From the results of the above calculations in the table of simple linear regression equations (*coefficients*), the  $t_{\text{count}}$  value is 3.915. The  $t_{\text{count}}$  value is then compared with the  $t_{\text{table}}$  (5% significance level), which is 2,0423. Then the partial hypothesis testing (t-test) by comparing the  $t_{\text{count}}$  with the  $t_{\text{table}}$  or  $3.915 > 2.0423$ . Because the  $t_{\text{count}}$  is greater than the  $t_{\text{table}}$ , this value can prove that  $H_a$  is accepted. Thus, from the results of hypothesis testing and statistical tests that have been carried out, it can be concluded that "there is a significant influence between online shopping economic digital transactions on the personal financial management of social studies program study students".

Based on the description of the data presented, it can be seen that digital economic transactions as part of the development of the creative economy context from the perspective of local government administration are ideally built from innovative ideas. These

ideas can stimulate economic growth, business, and investment, are oriented towards competitiveness towards the transformation of creative industries and can improve the welfare of society. The internet is the most important technology that can provide people with information as a communication medium. People easily access *information and communication through internet facilities* [19]. In fact, from this statement, the development of the internet and technology has become a facility for the life of every individual in society, especially in carrying out economic transactions carried out by digitalization. However, the actualization affects students' financial management, especially when viewed in the current situation.

Information technology facilitates the digital economy in four core sets of services to help execute business strategy: business process automation, providing information, connecting with customers, and productivity tools. Information technology has many challenges, such as solving a problem, opening up creativity, and increasing effectiveness and efficiency in doing work. Thus, there is an influence of online shopping economic digital transactions on students' financial management as economic actors in transaction activities. This is in accordance with the objectives of social studies learning, which emphasizes a selection of social science disciplines and humanities, as well as basic human activities that are organized and presented scientifically and pedagogically/psychologically for educational purposes [20].

Economic transactions in the digitalization era as part of the economic network is a marketing approach that combines online and offline interactions. This means that brands put not only forward good branding but also content relevant to customers. The role of the economy in everyday life will be able to affect the welfare of students. If students manage their finances carefully, they will not face financial difficulties. Therefore, students are expected to be able to manage or *manage* their finances.

## 5 Conclusions

Based on the results of research that has been carried out on students of the social science education study program about the effect of online shopping economic digital transactions on student financial management, the role of students in conducting digital economic transactions is quite effective on student financial management. However, other factors that are not studied influence the formation of the student's skills. So students must be careful in managing finances, especially concerning digital transactions.

For institutions, the results of this study can be a reference for institutions to emphasize several courses to avoid hedonic life behavior. The subject of economics must include religious values to prevent unwanted things from happening. This can create good self-control. While the economics course can instill in students the importance of saving and investing, prioritizing the priority scales that are more needed. The education factor becomes very dominant in improving economic literacy in children's students.

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