Analysis of Financial Management Behavior on K-Pop Fans in Surabaya City

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Abstract

A person's approach to managing their financial assets is identified as their financial management behavior. K-pop fans are dedicated to supporting their favorite K-pop singers or groups, which may affect their financial management behavior. The aim of this research is to analyze the effect of hedonism lifestyle, financial socialization, and financial attitude on the financial management behavior of K-pop fans in Surabaya city. The sampling technique in this research is non-probability sampling with a purposive sampling approach. Purposive sampling combined with non-probability sampling is the technique used in this research. Meanwhile, the sample of this research is 100 K-pop fan respondents in Surabaya city who joined K-pop fandom in the last 1 year. Data analysis techniques using the Smart PLS tool. The results of the research show that the hedonism lifestyle variable can contribute to increasing financial management behavior, but does not have a direct influence. Meanwhile, financial socialization and financial attitude variables can contribute to improving financial management behavior and have directional effects.

Keywords: Financial Management Behavior, Financial Socialization, Financial Attitude, Hedonism Lifestyle, K-pop Fans

1. Introduction

Advancements in technology and the rapid flow of globalization make it easy for people to access information, which can facilitate the spread of foreign culture. One of the most popular foreign cultures in recent years is the spread of music genres from South Korea, or K-pop. It is such a successful and influential phenomenon that its fans have spread across the globe, including Indonesia. Based on a report issued by Twitter, in 2021 Indonesia occupied the first position as the country with the largest number of K-pop fans on Twitter and as the country that most often talks about things related to K-pop on the Twitter page (Alifah, 2022). K-pop fans in Indonesia are known to have high loyalty and dedication in supporting their favorite K-pop singers or groups.

Based on the findings of a poll that Zigi.id and Katadata Insight Center (KIC) performed that in 2022, 56.3% of K-pop and K-drama fan respondents admitted that they could spend less than 2 million rupiah to more than 10 million rupiah in a year to enjoy South Korean entertainment content or support their favorite singers, idols, or K-pop groups (Annur, 2022). In addition, the loyalty of K-pop fans can be seen when K-pop singers or groups hold concerts in Indonesia. For example, in 2023, Red Velvet, one of the K-pop groups, managed to sell all ticket categories in only 7 minutes with ticket prices almost 500% higher than tickets for an Indonesian band's concert, Dewa 19 (Haris, 2023) and (Indraswari, 2023).
K-pop fans in Surabaya are known to have high dedication and enthusiasm in supporting their favorite K-pop singers or groups, even though Surabaya has never been the main destination city for K-pop concerts. This statement is supported by the many social media accounts of fanbases for K-pop singers or groups centered in the city of Surabaya. The posts on the social media accounts show that K-pop fans in Surabaya actively support their favorite K-pop singers or groups. Starting from buying albums, organizing fan events, attending concerts of their favorite K-pop singers or groups, to creating fan projects. For example, in 2021, fans of the K-pop group NCT or popularly known as NCTzen Surabaya created a fan project in the form of a videotron displaying videos of NCT 127 in front of Plaza Surabaya.

The high dedication in supporting their favorite K-pop singers or groups makes K-pop fans in Surabaya prefer to ignore important aspects related to their financial management. Fans are even ready to spend their savings and go into debt to buy things related with K-pop. This kind of financial management behavior can lead serious financial problems if continued for a long period of time. K-pop fans have high loyalty and dedication in supporting their favorite K-pop groups or singers, so K-pop fans have a high tendency to adopt a hedonism lifestyle, which may affect their financial management. Furthermore, based on the phenomenon described above, K-pop fans in Indonesia actively use social media to socialize and make friends with other K-pop fans. The existence of these social interactions makes it possible for K-pop fans to imitate and learn financial management behavior from their social environment. Furthermore, financial attitudes can be influenced by socialization. Individual financial behavior, particularly financial management behavior, is formed in a significant way by someone's financial attitudes (Ristati et al., 2022).

Based on the opinion of Nusa & Dewi (2022), financial management behavior is a behavior that includes planning, managing, budgeting, controlling, searching, and storing funds that arise because of a person's habits and sense of responsibility for their finances. Based on the results of research carried out by Feralda et al. (2023), the factors that can influence financial management behavior are financial attitude, self-control, and hedonism style. Meanwhile, Naufalia et al. (2022) argue that financial management behavior can be influenced by factors of financial socialization and financial experience. The purpose of this research is to examine the effect of financial socialization, financial attitude, and hedonistic lifestyle on financial management behavior based on the background that has been presented. The following is the study's hypothesis:

H1: Hedonism lifestyle has a negative effect on financial management behavior.
H2: Financial socialization has a positive effect on financial management behavior.
H3: Financial attitude has a positive effect on financial management behavior.

2. Literature

2.1 Social Cognitive Theory

Bandura (1986) developed a theory called social cognitive theory. According to Yanuardianto (2019), the social cognitive theory highlights the idea that human learning occurs in a social context, particularly through peer observation as a way of picking up knowledge, norms, methods, strategies, beliefs, and attitudes. This imitation process is quite complex because it associates symbolic representations which are then stored in long-term memory (Priyambodo
et al., 2022). According to Govindaraju (2021), social cognitive theory explains that human behavior is influenced by environmental and personal factors. In this research, social cognitive theory is used as the theoretical basis for the analysis of the effect of hedonism lifestyle, financial socialization and financial attitude on financial management behavior.

2.2 Financial Management Behavior

Based on the opinion expressed by Syahrani & Yuniningsih (2023), financial management behavior is the way individuals make wise financial decisions to achieve effective financial management. Financial management is based on the strong desire of people to satisfy their life needs according to their personal resources. By carrying out effective financial management behavior, individuals can improve their financial well-being, while individual failure to manage their finances will cause serious financial problems in the future (Atikah & Kurniawan, 2020). Due to their high level of dedication and loyalty, K-pop fans often fail to manage their money wisely.

2.3 Hedonism Lifestyle

According to Rumianti & Launtu (2022), hedonism lifestyle is a lifestyle that prioritizes finding pleasure and material enjoyment. Based on the statement of Vivian (2020), a person can be said to adopt hedonism lifestyle if they participate in physical activities that involve chasing modernity and excessive use of time and money to satisfy their desires. Financial management behavior is negatively affected by a hedonism lifestyle. This happens because, according to Pristianti & Nur (2022), the high lifestyle of hedonism can encourage a person to make reckless financial decisions.

2.4 Financial Socialization

Financial socialization, according to Naufalia et al. (2022), is the process of transferring financial knowledge and comprehension to an individual with the aim of increasing their financial literacy. Safitri & Kartawinata (2020) argue that through financial socialization, a person can acquire knowledge and skills in managing finances so that they can make appropriate decisions on financial matters, such as investing or obtaining credit. In financial socialization, there are socialization agents that play an important role in the financial socialization process. Financial socialization agents exist around the individual's social environment. In line with this, Sari & Yuniningsih (2023) state that family, friends, and an individual's social environment can influence a person's financial behavior. Cahyaningtyas (2022) found that the presence of good financial socialization agents can affect a person's capacity to handle financial matters wisely.

2.5 Financial Attitude

Yuniningsih & Santoso (2020) state that attitude is a person's tendency to respond to something because of the interaction of cognition, emotions, and opposing components. Fauzi & Yuniningsih (2023) argue that individual attitudes can be influenced by money so that this can lead to bad or good behavior and habits. Aditya & Azmansyah (2021) financial attitude, defined by Aditya & Azmansyah (2021), is the application of financial principles that are helpful in creating and maintaining value through making decisions and the wise utilization of financial resources. Novianti & Salam (2021) reveal that individuals who have a positive financial attitude will have a good perception of money, including considering the future and their ability to control their financial situation so that they are more likely to control their
consumption behavior, maintain a balance between their expenses and income, save, invest, and manage their financial for long-term sustainability.

3. Methods

This research uses quantitative methods, where data is obtained by distributing questionnaires and using a Likert scale in measuring research variables. The population of this research is K-pop fans in Surabaya city who are members of the K-pop fandom (fan base) in the last 1 year. In this research, the purposive sampling approach was combined with a non-probability sampling technique. The following criteria were established for this research:

1. K-pop fans who joined the K-pop fandom (fanbase) in the last 1 year.
2. At least 18 years old
3. Officially registered at the Surabaya city population and civil registration office as a citizen of Surabaya city

From the Lemeshow formula estimates, 100 respondents can be included in the number of participants for this research. This study determines the variables of lifestyle hedonism, financial socialization, and financial attitude as independent variables and the financial management behavior variable as the dependent variable. Data analysis using the SmartPLS 4.0 tool.

4. Result

4.1 Analysis of PLS Results

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<th>Table 4.1 R-Square</th>
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<td>Financial Management Behavior (Y)</td>
<td>0.450</td>
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Source: Data processed by researchers, 2023

The R-Square value = 0.450 indicates that the model is able to explain the phenomenon of financial management behavior (Y) which is influenced by independent variables or independent variables, namely hedonism lifestyle (X1), financial socialization (X2), financial attitude (X3) with a variance of 45%, while the remaining 55% is explained by other variables outside this study (other than hedonism lifestyle (X1), financial socialization (X2), financial attitude (X3).
4.2 Analysis of PLS model

Fig. 4.1 Outer Model with Factor Loading, Path Coefficient, and R-Square

According to the above figure, each indicator's factor loading value can be found on the arrow connecting the variable and the indicator, the path coefficients' value can be found on the arrow connecting the exogenous (independent) and endogenous (dependent) variables, and the R-Square value, which has a value of 0.450, can be found inside the circle containing the endogenous (dependent) variable or the financial management behavior variable (Y).

4.3 Hypothesis Testing Result

Table 4.1 Hypothesis Testing

| Source: Data processed by researchers, 2023 |

| Relationship                      | Original Sample (O) | Sample Mean (M) | Sample Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|-----------------------------------|---------------------|----------------|----------------------------------|----------------|----------|
| Hedonism Lifestyle (X1) -&gt; Financial Management Behavior (Y) | -0.279              | -0.280         | 0.110                            | 2.548           | 0.011    |
| Financial Socialization (X2) -&gt; Financial Management Behavior (Y) | 0.250               | 0.263          | 0.113                            | 2.215           | 0.027    |
| Financial Attitude (X3) -&gt; Financial Management Behavior (Y) | 0.385               | 0.378          | 0.116                            | 3.310           | 0.001    |

The above table shows the results of a hypothesis test. The effect of a hedonism lifestyle variable (X1) on financial management behavior (Y) shows a path coefficients value of...
-0.279 and P-value of 0.011 < 0.05. Based on these results, it can be concluded that **H1 is accepted** because there is a **significant negative** effect of the hedonism lifestyle (X1) on financial management behavior (Y). A path coefficient value of 0.250 and a P-value of 0.027 < 0.05 are the results of the hypothesis test on the relationship between financial socialization variables (X2) and financial management behavior (Y). According to these results, financial socialization (X2) has a **significant positive** effect on financial management behavior (Y), which supports the **acceptance of H2**. The effect of financial attitude variables (X3) on financial management behavior (Y) was tested for hypothesis, and the results indicate a path coefficient value of 0.385 and a P-value of 0.001 < 0.05. These results show that financial socialization (X3) has a **significant positive** effect on financial management behavior (Y), which supports the **acceptance of H3**.

5. Discussion

Results from hypothesis testing prove that hedonism lifestyle can contribute to increasing financial management behavior, but the effect is not directional. This means that the lower their hedonism lifestyle, then the higher their financial management behavior. The high and low hedonism lifestyle of K-pop fans in Surabaya city can affect their tendency to make impulsive purchases and their high consumptive behavior. This result is in accordance with social cognitive theory Bandura (1986) which shows that by observing and learning from their social environment regarding good financial management and avoiding excessive hedonism lifestyle can make K-pop fans in Surabaya city have a low hedonism lifestyle and wise financial management behavior. In addition, the results of this study are in accordance with the results of research conducted by Sampoerno & Asandimitra (2021) which states that the lifestyle of hedonism has a negative and significant effect on financial management behavior.

Results from hypothesis testing prove that financial socialization can contribute to increasing financial management behavior and the effect is directional. This result can be explained that the higher the financial socialization received by K-pop fans in Surabaya city, the higher the financial management behavior they have. The existence of financial socialization makes K-pop fans in Surabaya city can gain knowledge, skills, and attitudes that can support them to have responsible financial management behavior. These results are in accordance with the results of research conducted by Safitri & Kartawinata (2020) which states that financial socialization can positively and significantly influence financial management behavior. In addition, this is also in accordance with social cognitive theory Bandura (1986) because the social learning process from the surrounding environment or from financial socialization agents can influence K-pop fans in Surabaya city in making financial decisions related to their interest in K-pop.

Results from hypothesis testing prove that financial attitude can contribute to increasing financial management behavior and the effect is directional. This means that the higher the financial attitude of K-pop fans in Surabaya city, the higher their financial management behavior will be. This shows that with a high financial attitude, K-pop fans can assess and make the most appropriate financial decisions in fulfilling their interest in K-pop so that they can avoid behaviors that can have a negative impact on their finances. This result is in accordance with social cognitive theory Bandura (1986) which explains that with good financial learning from their social environment can make K-pop fans in Surabaya city have a good financial attitude so that they can practice how to manage finances wisely and make the
right decisions in supporting their interest in K-pop. In addition, this result is also in accordance with the results of research conducted by Tsooryya & Nuryana (2021) and Andana & Yuniningsih (2023) which state that financial attitudes can have a positive and significant effect on financial management behavior.

5. Conclusion

Based on the data collected and results of analysis obtained, it can be concluded that hedonism lifestyle can contribute in improving financial management behavior on K-pop fans in Surabaya city, but it doesn't have directional effect. While financial socialization and financial attitude can contribute to improving financial management behavior on K-pop fans in Surabaya city and have directional effect. Suggestions based on the research results obtained, K-pop fans in Surabaya need to control their hedonism lifestyle so that their financial management behavior is high and need to be more selective in imitating the financial behavior practiced by their social environment. Moreover, suggestions for future researchers are expected to use other variables that are different from the variables of this study, expand the scope of the research sample, and use samples that are different from this study.

References


