The effect of promotion, expenditure budgeting, and consumptive behavior on Indonesians’ intention of using GoPay or ShopeePay

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Abstract. Unavoidable technological advancements have resulted in new transaction solutions, one of which is the e-wallet. To avoid unnecessary expenses, the use of e-wallets should be accompanied by mental accounting knowledge. GoPay and ShopeePay are two popular e-wallets in Indonesia that will be examined in this study. Using prospect theory and the Technology Acceptance Model (TAM) as theoretical foundations, this study aims to determine the influence of three mental accounting characteristics, such as promotion, expenditure budgeting, and consumptive behavior, on the intention to use GoPay or ShopeePay. After distributing online questionnaires and collecting 291 responses, the data were tested using SmartPLS 3.2.9 software. According to the findings, promotion, expenditure budgeting, and consumptive behavior have a significant positive effect on the intention to use GoPay or ShopeePay. First, the greater the number of promotions offered, the greater the purchase intention through GoPay or ShopeePay. Second, people who budget their expenditure will frequently use GoPay or ShopeePay because they need to maintain their financial stability by using the provided features. Finally, consumptive behavior is motivated by social status or personal pleasure which increases the intention of using GoPay or ShopeePay because it is enjoyable.

1 Introduction

In the 5.0 era, significant technological developments are inevitable in every aspect of life, especially in the financial area. The utilization of technology in the financial services sector is called fintech. One of the features offered by fintech is the digital payment systems. Adoption of these systems varies widely, starting from m-payment, mobile or electronic wallets, m-banking, e-banking, internet banking, online banking, cryptocurrency, to e-payment [1]. Furthermore, this research article will focus on the electronic wallet trend and its effect on Indonesian mental accounting.

A non-cash alternative payment method known as e-wallet, stores the funds on a server [2]. E-wallet is often referred to as the most convenient payment method because it allows users to make payments in both online and offline stores, keep virtual cash, get promotional offers, perform cash withdrawals, and also carry out money transfer to multiple sources [3].

In Indonesia, e-wallets have become the most popular payment instrument and are widely used by the public [4]. This statement is also supported by a survey conducted by Populix in 2022 [5]. The usage frequency of e-wallets in Indonesia ranged from 2-3 times a week (24%), every day (20%), 4-5 times a week (17%), more than five times a week (13%), one time a week (12%), every two weeks (8%), and once a month (6%). Moreover, 56% of respondents would like to utilize e-wallets more often for future usage. In line with those statistical data, quoted from Katadata [6], RedSeer stated that Indonesia ranks first as the highest e-wallet user in e-commerce among ASEAN countries due to unbanked issues. Therefore, e-wallets have been recognized as Indonesia’s leading digital payment system.

According to Momentum Works, GoPay and ShopeePay are the two main players among Indonesia’s various types of e-wallet based on the ecosystem category. GoPay and ShopeePay have large transaction volumes because they are attached to powerful parent applications, Tokopedia and Shopee. Besides, as independent e-wallets, both can provide a lot of flexibility that facilitates their customers’ financial transactions [7]. As the intention towards GoPay and ShopeePay is massive, these two e-wallets become an interesting research variable to raise.

To fulfill the demands of a highly consumptive society, e-wallet providers are working to develop financial services [8]. The purpose of Indonesian transactions through e-wallets varies greatly, from e-commerce purchases, billing payments, transfers for family members, top up other applications, to transactions for investment, business, or educational purposes [5]. On top of that, e-wallets successfully change Indonesian behavior, where people often make impulse purchase decisions through e-commerce without prior planning [5], leading to hedonic trends. Therefore, mental accounting is needed to analyze those trends because it can define the implication of consumer behavior and hedonics based on the ordinary

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interactions between the pleasure of consumption and the pain of payment [10].

To organize, assess, and keep track of financial activities, people and households use a set of cognitive operations known as mental accounting [11]. Nonetheless, mental accounting is malleable because it is a self-regulation tool. Individuals or households can flexibly classify expenses and justify spending according to their existing budget [12]. It means that budgeting and spending behaviors are highly impacted by mental accounting [13]. Thus, both behaviors are suitable as topics in this study.

As the type of budgeting activity, expenditure budgeting highlights the allotment of funds to a different class of disbursements and the future estimation of benefits [14]. A previous study states that mental accounting in expenditure budgeting would increase self-control because it restricted the allocation of income for specific consumption to prevent negative consequences of future events [15]. However, another study explains that people are more likely to make errors in expenditure budgeting by frequently exceeding their budget and quitting when marginal benefits increase, even though it has been rationalized by their mental accounting [16].

The unreasonable spending of a budget without considering reasonable needs is known as consumptive behavior. Consumptive behavior is generally caused by fulfilling desire, purchasing power, motivation, reference groups, social status, and family lifestyle [17]. Mental accounting affects consumptive behavior because it influences human psychology to treat money differently for the sake of satisfaction and comfort [18]. Contrary to the previous statement, other research states that consumptive behavior did not relate to mental accounting as the respondents appeared to engage in high self-control, which makes people achieve less unnecessary spending. They would refrain from spending money on hedonic products [19].

In addition to consumptive behavior, sellers often apply mental accounting to their marketing techniques which can benefit themselves and consumers. Sellers can create product bundling by combining the most desirable and least desirable products that still belong to the same category. Many suggested retail prices (SRP) are offered by manufacturers, and SRP is likely to be offered by sellers as a “suggested reference price” so that a lower selling price will give positive transaction utility [11]. These phenomena are classified as promotions. Psychological pricing by offering promotion is an excellent method for tapping into mental accounting.

Based on the background information above and mixed results of earlier studies, the authors are interested in conducting a research study entitled “The Effect of Promotion, Expenditure Budgeting, and Consumptive Behavior on Indonesians’ Intention of Using GoPay or ShopeePay”. This research article aims to examine and obtain ample empirical evidence about whether promotion, expenditure budgeting, and consumptive behavior, as three characteristics of mental accounting, affect the intention to use the top two e-wallet systems in Indonesia, GoPay or ShopeePay.

2 Literature review

2.1 Prospect theory

Prospect theory is an alternative decision-making model that focuses on concave for gains, convex for losses, and steeper for losses than gains. This theory is the development of Expected Utility Theory by Daniel Bernoulli in 1738 [20]. Prospect theory explains how a person chooses among numerous probability options when the risks and outcomes are unknown. As a part of economic behavior, prospect theory suggests individuals to prefer perceived gains and most certain outcomes for emotional impact reasons [21].

Prospect theory has two framings which are positive and negative. These framings are used by individuals to plan the scheme of acquiring and using their financial resources [22]. Prospect theory with positive framing holds the true context of budgetary rules. With this concept, people tend to prefer a sure outcome with an expected value to budget expenditure as the anticipated cost for facilitating long-term goals and shutting down the adverse risk from future uncertainty. Otherwise, negative prospect theory often leads to consumptive behavior as it motivates people to act in a short-term dynamic. It means people will irrationally spend their money for actual current consumption rather than save it for an unpredictable future. Moreover, a study implies that prospect theory helps to explain the effectiveness of promotion with a “goodness of fit” approach. This approach works by creating a phenomenon where people will not ignore a chance to get the full-benefit item at a lower cost, so their accuracy of consumer choice behavior is improved [23].

2.2 Mental accounting

Mental accounting is a set of cognitive operations to organize, evaluate, and keep track of financial activities. Mental accounting involves decision-making processes where expenditures are grouped into different categories and spendings are restricted by budgeting plans. Unlike regular accounting, mental accounting has no equivalent source for conventions. It is learned by observing behavior and inferring the rules [11]. That is why mental accounting is very flexible. However, the general standard of mental accounting is usually based on each break even point of total costs and benefits.

The main functions of mental accounting are simplification, self-control and money management, hedonic editing, and buffering the pain of payment. These functions may lead to positive outcomes in life-cycle. In mental accounting, there are five categories of money which are income framing, spending category, medium of payment, saving category, and debt puzzle [24]. Previous categorizations show the primary characteristic of mental accounting, that is the evaluation of advantages and disadvantages of one’s financial situation [25].

Furthermore, the inescapable reality is that the rapid growth of fintech means mental accounting behaviour will be more explicit because many offer online
budgeting tools that track spending details [26]. This statement refers to the fact that mental accounting implies expenditure budgeting. However, a study explains that mental accounting also significantly influences consumptive behaviour because some people consider extra earnings easy to get. Hence, they spend it carelessly on short and unimportant necessities [27]. Lastly, mental accounting in promotion proved to be the trigger of spending rate because it generates a predominant gain mindset [28].

2.3 Technology Acceptance Model (TAM)

The presence of new technology in daily life creates a strange impression; thus, a Technology Acceptance Model (TAM) is required to become a standard that can be used to analyze the aspects that affect the acceptance of new technology for individuals. TAM was first introduced in 1986 (see Figure 1) by Fred D. Davis through his thesis [29]. This theory is an adaptation of Fishbein and Ajzen’s Theory of Reasonable Action (TRA) in 1975 that is specifically designed to model user acceptance of information systems or technology [30].

After finding that perceived usefulness and perceived ease of use had an explicit impact on behavior intention, Davis & Venkatesh developed the final version of TAM in 1996. Perceived usefulness is the degree to which users believe that the system will improve their organizational work performance. In contrast, perceived ease of use is the belief that using the system is straightforward. These elements affect the user’s attitude towards the intention to accept a given system, which in turn controls how they actually behave when using the system [31]. The final TAM model as seen in Figure 2.

TAM is widely used for assessment of how people make decisions regarding new technology adoption [32]. The model is also being the most widely used in research on the adoption of m-commerce, m-banking, m-payment to predict behavioral intent towards payments [33].

Previous studies have proven that perceived usefulness and perceived ease of use from TAM significantly increased the intention to use GoPay and ShopeePay in Indonesia. The main qualities of both e-wallets, which are the essential points of perceived usefulness, are transaction speed, location flexibility, time savings, and offer more benefits. For perceived ease of use, the main characteristics are a practical system, simple features, effortless account activation, easy transaction, and uncomplicated operation [34-36].

2.4 Hypotheses development

2.4.1 The effect of promotion on Indonesians’ intention of using GoPay or ShopeePay

Putritama [37] states that the economic benefits that consumers perceive from using mobile payments are lower prices than traditional financial services due to promotions in the form of cash back and discounts. Promotions given are increasingly enticing users to use digital payment services [38]. Price promotion is described as lowering the price of a typical product or service or providing more products or services at the same price, thereby increasing value and creating an economic motivation to purchase [39]. Previous research has discovered that the number of discounts offered attracts consumers’ willingness to buy [40-41], therefore when a promotion is introduced, consumers are drawn in, and thus consumers’ purchase intention is increased [42]. As a result, authors propose the following hypothesis:

H1: Promotion has a positive effect on Indonesians’ intention of using GoPay or ShopeePay

2.4.2 The effect of expenditure budgeting on Indonesians’ intention of using GoPay or ShopeePay

A prior study explains that consumers who arrange budgets into specific cost categories prefer to use e-wallets because they can keep track of their spending patterns [43]. This tracking feature helps individuals to enhance their budget discipline and reduce budgetary leak risks [44]. Similarly, a research proves that people are likely to utilize e-wallets for budgeting their daily expenses to avoid the embarrassment of having not enough funds in the future [45]. Lastly, responsible people tend to execute their budgeting plan through e-wallets because they can easily sort expenditures based on the priority scale [46]. As a result, authors propose the following hypothesis:

H2: Expenditure budgeting has a positive effect on Indonesians’ intention of using GoPay or ShopeePay

2.4.3 The effect of consumptive behavior on Indonesians’ intention of using GoPay or ShopeePay

Previous research indicates that consumptive behavior such as hedonic motivation can influence a user’s willingness to use e-wallets [47]. According to Ly et al.
hedonic motivation, rather than the performance of a technology, is a strong predictor for influencing a person’s desire to use technology, particularly among early adopters. Consumptive habits emerge because they exist solely for the pleasure of entertainment [49], prestige fulfillment, and trend following [50]. As a result, authors propose the following hypothesis:

H3: Consumptive behavior has a positive effect on Indonesians’ intention of using GoPay or ShopeePay

From the hypotheses, Figure 3 shows the framework of research model.

Fig. 3. Research model framework

3 Methodology

3.1 Data collection & sampling technique

This study requires primary data from the target populations that consist of GoPay or ShopeePay users in Indonesia. However, the authors use a non-probabilistic sample design, namely purposive sampling or judgement sampling, which limits the unit of analysis to Gen X, millennials, and Gen Z as productive populations today. The quantitative method is used by distributing online questionnaires that include a demographic section and four other sections for three X variables and one Y variable. The questionnaires were collected for a week, starting from 11 April 2023 until 17 April 2023, with a total of 291 respondents.

3.2 Item measurement

All variable sections consist of five statements on a six-point likert scale, which means there is no middle value to avoid hesitant response [51]. This likert scale has six responses ranging from 1 (Very Disagree), 2 (Disagree), 3 (Somewhat Disagree), 4 (Somewhat Agree), 5 (Agree), and 6 (Very Agree). In this study, Smart-PLS 3.2.9 software is used to evaluate the Structural Equation Model with Partial Least Square (SEM-PLS) approach. This measurement model and structural model perform the analytical procedures. The measurement model evaluates the construct’s reliability and validity, whereas the structural model determines the significance of the hypotheses [52].

4 Results

4.1 Demographic

The authors have gathered data from 291 respondents who are users of GoPay or ShopeePay. This demographic information contains gender, age, educational background, occupation, and frequency of monthly GoPay or ShopeePay usage. Regarding the details of option, total, and percentage of respondents’ answers, it can be seen in Table 1.

Table 1. Sample demographic.

<table>
<thead>
<tr>
<th>Profile</th>
<th>Group</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>117</td>
<td>40.2</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>174</td>
<td>59.8</td>
</tr>
<tr>
<td>Age</td>
<td>Gen Z (17-23 y.o)</td>
<td>209</td>
<td>71.8</td>
</tr>
<tr>
<td></td>
<td>Millennial (24-39 y.o)</td>
<td>67</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Gen X (40-55 y.o)</td>
<td>15</td>
<td>5.2</td>
</tr>
<tr>
<td>Educational Background</td>
<td>Senior High School</td>
<td>79</td>
<td>27.1</td>
</tr>
<tr>
<td></td>
<td>Undergraduate</td>
<td>185</td>
<td>63.6</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>20</td>
<td>6.9</td>
</tr>
<tr>
<td></td>
<td>Postgraduate</td>
<td>7</td>
<td>2.4</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>93</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Lecturer</td>
<td>7</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>Worker</td>
<td>132</td>
<td>45.4</td>
</tr>
<tr>
<td></td>
<td>Entrepreneur</td>
<td>51</td>
<td>17.5</td>
</tr>
<tr>
<td></td>
<td>Unemployed</td>
<td>8</td>
<td>2.7</td>
</tr>
<tr>
<td>Number of Using GoPay or ShopeePay in a Month</td>
<td>1 - 5</td>
<td>45</td>
<td>15.5</td>
</tr>
<tr>
<td></td>
<td>6 - 10</td>
<td>57</td>
<td>19.6</td>
</tr>
<tr>
<td></td>
<td>10 - 15</td>
<td>140</td>
<td>48.1</td>
</tr>
<tr>
<td></td>
<td>&gt; 15</td>
<td>49</td>
<td>16.8</td>
</tr>
</tbody>
</table>

4.2 PLS modelling

The Partial Least Squares have been presented as a “causal-predictive” method to SEM, concentrating on describing the variance in the model’s dependent variable [52]. This algorithm works by estimating the parameters t and u with an iterative process of least squares regression. PLS Algorithm is generally used for showing base data, interim results, quality criteria, and final results. The authors set maximum iterations to 300 and stop criterion at seven as the basic settings to calculate PLS Algorithm. Figure 4 shows PLS result analysis, with the path coefficients representing the inner model, outer weights/loadings representing the outer model, and R square as the construct.
4.3 Validity & reliability tests

Proper quantitative research normally uses validity and reliability tests as tools to assess the accuracy and consistency of data processing. In general, a measuring instrument can be reliable without being valid, but if it is valid, it is likely to be reliable. However, reliability is not enough to guarantee validity on its own [53].

Validity test is an integrated evaluation where the data obtained support the appropriateness of interpretations based on the measuring instrument analysis result [53]. In this study, the authors use a convergent validity approach to examine whether the variables are valid or not. Convergent validity approach measures the correlation between indicators and constructs or latent variables. These indicators can be said to be valid if the loading factor > 0.70 and the Average Variance Extracted (AVE) from each variable > 0.50 [54]. If the AVE value is greater than 0.50, it indicates that the construct can explain 50% or more of the item variance.

Table 2. Construct validity.

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>Indicator</th>
<th>Loading Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>0.909</td>
<td>PR1</td>
<td>0.967</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PR2</td>
<td>0.978</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PR3</td>
<td>0.890</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PR4</td>
<td>0.970</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PR5</td>
<td>0.960</td>
</tr>
<tr>
<td>Expenditure Budgeting</td>
<td>0.894</td>
<td>EP1</td>
<td>0.912</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EP2</td>
<td>0.966</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EP3</td>
<td>0.967</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EP4</td>
<td>0.936</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EP5</td>
<td>0.946</td>
</tr>
</tbody>
</table>

Table 2 shows that AVE in each variable is more than 0.50, and the loading factor in each indicator is more than 0.70. This result indicates that all research variables in this study have met good convergent validity.

The next step is conducting the reliability test. The idea of a reliability test is to assess the consistency of the measurement instrument from trial to trial [53]. In the reliability test, cronbach’s alpha measures the lower limit of a construct, while the composite reliability measures the actual value of a construct. A research variable can be categorized as having good reliability if the composite reliability and cronbach’s alpha > 0.70. This standard is also often called the rule of thumb [54].

Table 3. Construct reliability.

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.975</td>
<td>0.980</td>
</tr>
<tr>
<td>X2</td>
<td>0.970</td>
<td>0.977</td>
</tr>
<tr>
<td>X3</td>
<td>0.951</td>
<td>0.962</td>
</tr>
<tr>
<td>Y</td>
<td>0.971</td>
<td>0.977</td>
</tr>
</tbody>
</table>

Table 3 shows that all constructs have a cronbach’s alpha and composite reliability values > 0.70, implying that all variables are reliable. In conclusion, there are no measurement issues in both tests. The promotion, expenditure budgeting, and consumptive behavior have been proven to be valid and reliable as factors affecting Indonesians’ intention of using GoPay or ShopeePay.

4.4 Inner model

This section will explain some of the findings from the SEM-PLS Inner Model analysis in the SmartPLS software, such as Direct Effects, R Square, and Adjusted R Square.

Direct Effects, also known as Path Coefficients, are the direct effects of the independent variable on the dependent variable, for example X1 has a direct effect
on Y, and so on. If the Path Coefficient value is in the range of 0 to 1, it indicates that the relationship between the two constructs is getting stronger/positive. Vice versa if the value is in the range between 0 to -1, then the relationship is getting weaker/negative.

Table 4. Path coefficients.

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.431</td>
</tr>
<tr>
<td>X2</td>
<td>0.381</td>
</tr>
<tr>
<td>X3</td>
<td>0.178</td>
</tr>
</tbody>
</table>

According to the results of the direct effects inner model analysis in the Table 4, it can be concluded that:
- X1 has a direct effect on Y of 0.431. It means that promotion positively affects Indonesians’ intention to use GoPay or ShopeePay where the intention will increase by 43.1% if there is one unit of promotion.
- X2 has a direct effect on Y of 0.381. It means that expenditure budgeting also positively affects Indonesians’ intention to use GoPay or ShopeePay where one activity of expenditure budgeting will increase the intention by 38.1%.
- X3 has a direct effect on Y of 0.178. It means that consumptive behavior also positively affects Indonesians’ intention to use GoPay or ShopeePay where one activity of consumptive behavior will increase the intention by 17.8%.

R Square is a measurement of how well the independent variable explains the dependent variable. The R Square value should be between 0 and 1. According to Hair et al. [55], the R Square value comprises 3 different criteria, 0.25 indicates a weak model, 0.50 for moderate, and 0.75 for strong. The authors used Hair’s most recent criteria in this study. R Square Adjusted is the R Square value that has been corrected based on the standard error value, allowing it to provide a stronger picture when evaluating the ability of the independent variable to explain the dependent variable.

Table 5. R Square and R Square Adjusted.

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>0.935</td>
<td>0.934</td>
</tr>
</tbody>
</table>

Table 5 shows that the value of R Square has a simultaneous effect of X1, X2, and X3 on Y of 0.935, with an R Square Adjusted value of 0.934. As a result, the independent variables simultaneously affect the dependent variable by 0.934 or 93.4%. The R Square Adjusted value has exceeded 0.75 or 75%, indicating that this value is included in the strong category, in which 93.4% of the dependent variable can be explained by the independent variables while the remaining percentage is considered outside the scope of the independent variables and cannot be explained.

### 4.5 Hypotheses Test

To test the hypotheses, the authors use the SmartPLS software’s basic bootstrapping feature with 1,000 subsamples, Two Tailed Test Type, Significant Level of 0.05, and 500 maximum iterations. Figure 5 presents the results of the bootstrapping or resampling analysis which shows the Outer Weights/Loadings and P Values as part of the Outer Model analysis, the P Values as the Inner Model, and R Square as the Constructs.

Fig. 5. Bootstrapping result diagram

A hypothesis can be categorized as significant when the T-statistic value is greater than 1.96, whereas if the T-statistic value is less than 1.96, it is considered insignificant. Furthermore, if the P-Value < 0.05 (chosen significant level), it means there is an influence between the independent variables on the dependent variables. On the contrary, the P-Value > 0.05 means no influence between variables [54]. For more information, the following table displays the final bootstrapping results, which contain the values of Original Sample, Mean Sample, Standard Deviation, T Statistics, and P Values.

Table 6. Bootstrapping Path Coefficients.

<table>
<thead>
<tr>
<th></th>
<th>X1 -&gt; Y</th>
<th>X2 -&gt; Y</th>
<th>X3 -&gt; Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Sample (O)</td>
<td>0.431</td>
<td>0.381</td>
<td>0.178</td>
</tr>
<tr>
<td>Sample Mean (M)</td>
<td>0.422</td>
<td>0.393</td>
<td>0.176</td>
</tr>
<tr>
<td>Standard Deviation (STDEV)</td>
<td>0.147</td>
<td>0.119</td>
<td>0.060</td>
</tr>
<tr>
<td>T Statistics (O/STDEV)</td>
<td>2.941</td>
<td>3.192</td>
<td>2.973</td>
</tr>
<tr>
<td>P Values</td>
<td>0.003</td>
<td>0.001</td>
<td>0.003</td>
</tr>
</tbody>
</table>

Table 6's calculation of the hypotheses test, the conclusions is as follows:

Hypothesis 1 (H1) aims to discover the effect of Promotion (X1) on Indonesians’ Intention of Using GoPay or ShopeePay (Y). The T-Statistic for the X1 is
2.940 and greater than 1.96, which means that the hypothesis testing is significant. The result of P-Value is 0.003 and less than 0.05, indicating that H1 is accepted, which means that promotion (X1) has a significant positive effect on Indonesians’ intention of using GoPay or ShopeePay (Y). In accordance with previous research, if the promotion given is higher, the number of people who use GoPay or ShopeePay will increase as well [38, 42], and vice versa, if the promotion given is lower, the intention to use GoPay or ShopeePay will decrease [40-41]. Aside from that, forms of gifts such as cash back or free vouchers also encourage people to use GoPay or ShopeePay [37]. Considering the latest trend in society, Tokopedia and Shopee often provide massive flash sales on special dates such as Harbolnas and WIB. Harbolnas is usually held on the same date and month, for example 5th May or 6th June, while WIB on 25th of every month to celebrate a pay day. As the attached e-wallets, those events really blow up the frequency of using GoPay or ShopeePay due to its special promotions, starting from crazy discounts, cashback, to free shipping.

Hypothesis 2 (H2) aims to discover the effect of Expenditure Budgeting (X2) on Indonesians’ Intention of Using GoPay or ShopeePay (Y). The T-Statistic is 3.192 and greater than 1.96, it means that the hypothesis testing is significant. The resulting P-Value is 0.001 and less than 0.05, indicating that H2 is accepted, which means expenditure budgeting (X2) has a significant positive effect on Indonesians’ intention of using GoPay or ShopeePay (Y). According to the previous study, the tendency for budgeting expenditure is to prioritize needs and avoid wealth shortages later [45, 46]. Following the previous statement, Indonesians will likely classify their needs on specific expense categories such as groceries, medical, or bills. To carry out the budgeting plan, they usually utilize the effectiveness of GoPay or ShopeePay to stay consistent, avoid overspending, and pay on time. The history feature in GoPay or ShopeePay plays a vital role in that utilization because it tracks spending patterns in detail. Besides, people are highly motivated to manage their income for long-term purposes as the filter services help them to distinguish classification of various transactions. Those actions will train them to build strong financial independence and security. These facts align with previous research [43-44], so it makes sense why expenditure budgeting really increases the desire to use e-wallets.

Hypothesis 3 (H3) aims to discover the effect of Consumptive Behavior (X3) on Indonesians’ Intention of Using GoPay or ShopeePay (Y). The T-Statistic result is 2.973 and greater than 1.96, which means the hypothesis testing is significant. The P-Value is 0.003 and less than 0.05, indicating that H3 is accepted, which means consumptive behavior (X3) has a significant positive effect on Indonesians’ intention of using GoPay or ShopeePay (Y). This finding is consistent with previous research by [47], which found that consumptive behavior influences the willingness to use e-wallets because it is enjoyable and comfortable. The findings of this study are also supported by social status, pleasure of entertainment, and booming trends, implying that the statement that consumptive behavior influences the intention to use GoPay or ShopeePay is in accordance with previous research [49-50]. Many people are willing to spend a lot of money for comparable enjoyment, such as attending concerts or purchasing their idol’s merchandise or simply wanting to use the same things as their idols. This may encourage greater use of GoPay or ShopeePay payments due to the wide acceptance of these payments by stores and vendors. Apart from the perspective that consumptive behavior is often associated with hedonism, there are some phenomena where those consumptions also lead to positive effects. For example, most homemakers seek buy-one-get-one deals even if they do not need them yet. At a glance, this phenomenon reflects in wasteful action, but those homemakers actually have made savings because they managed to get more products or services at lower prices. They succeed to secure their future needs from those purchases. This excessive positive consumption mostly happens among households or small enterprises because most of them utilize the deals over long-life needs for cost and time-saving purposes.

5 Conclusions

Recently, the trend of using e-wallets has become viral among Indonesians, particularly among the productive ages. This statement is in line with the respondents’ answers where most e-wallet users come from Gen Z (17-23 y.o), then followed by millennials (24-39 y.o), and lastly Gen X (40-55 y.o). They typically use GoPay or ShopeePay 10-15 times in a month because it is one of the payments that can be easily accessed through a smartphone. Due to resourceful features provided by GoPay or ShopeePay, a new consumption trend towards expense has been widely created. This issue became the background for the authors to analyze this trend and its relationship with mental accounting of Indonesian society.

According to most respondents’ responses, they are becoming acquainted with keeping track of their monthly income and expenses because of their basic understanding of mental accounting. They also believe that when using mental accounting, maintaining proper financial activities is critical for proper asset management. Therefore, the purpose of this research is to examine the relationship of three characteristics of mental accounting, namely promotion, expenditure budgeting, and consumptive behavior on Indonesians’ intention to use GoPay or ShopeePay. So, this research aims to help individuals or society understand their transaction tendencies, financial orientation, and how to use e-wallets wisely.

After calculating by using SmartPLS software, the following conclusions can be drawn: Firstly, the test results show that H1 is accepted and as a result, promotion has a positive significant effect on the intention to use GoPay or ShopeePay in Indonesia. The more promotions offered, the more significant usage of GoPay or ShopeePay. This statement is clearly proven during the flash sale event on Harbolnas and WIB. Secondly, the test results also show H2 is accepted, which means that expenditure budgeting positively
influences the intention of Indonesians to use GoPay or ShopeePay. The term of expenditure budgeting is closely related to saving income and classifying expenses to meet future needs. To facilitate the actions, people are motivated to use GoPay or ShopeePay because its history features and filter services help them to maintain financial stability. Finally, the results of the tests show that H3 is accepted, it means that consumptive behavior has a significant effect on Indonesians’ intention of using GoPay or ShopeePay. It can be seen from the numerous people willingly spending a lot of money via GoPay or ShopeePay payment to fulfill pleasure.

Result of the third hypothesis may raise awareness to reduce negative consumptive behavior which refers to sheer pleasure. To solve this problem, individuals can use GoPay or ShopeePay monthly report feature to identify their expenditures and set priority budget planning based on them. Besides, they should prefer saving with long-term focuses (investments) with the help of “fund market” features. Other ways to also reduce consumptive behavior are to stick to budget planning strictly, avoid window shopping, avoid installment debts, or join a budget management training to get professional tips about achieving equality of benefits and amount spent (well-spending).

Furthermore, TAM and prospect theory have been used as theoretical backgrounds in this research. As a model of TAM, perceived usefulness which is reflected in promotion has provided benefits to their users through cashback or price discounts. Meanwhile, perceived ease of use defined in expenditure budgeting and consumptive behavior has motivated users to choose easy platforms for managing their economic behaviors. Therefore, the TAM concept is in line with the test results where all mental accounting variables in this research, which include promotion, expenditure budgeting, and consumptive behavior, have proven to positively and significantly influence Indonesian intention to use GoPay or ShopeePay. Moreover, the prospect theory about decision-making probability is also confirmed in this test result. The probability is divided into two conditions where most Indonesians choose to arrange budgets by allocating income into expense categories based on their consumption history and priority. However, some are also tempted by various marketing tactics to meet their trivial short-term needs for self-satisfaction, leading to extravagance. In conclusion, this research has contributed to identifying the latest trend in Indonesian microeconomics that enables its actors to make rational choices, resulting in ideal economic behavior.

The limitation of this research is that the demographic is not precisely in equal proportions because it lacks a sample size for the scope of GoPay or ShopeePay users in all regions of Indonesia. Besides, mental accounting is subjective so its standards for each respondent may vary which results in biased information. In addition, future studies are suggested to combine this research with a qualitative method, for example by studying a case, to provide different perspectives. Besides, other types of e-wallets as the dependent research object can be added, such as Dana, OVO, or LinkAja to provide in-depth results.

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