

# Socio-Economic Status of Parents And Peers Impact on Consumption Behavior of FKIP USK Economic Education Students

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#### **Abstract**

This research aims to determine the influence of the socio-economic status of parents and peers on the consumption behaviour of USK FKIP Economics Education students. This research uses a quantitative approach with descriptive research type. The population in this study were active economics education student's class of 2018. The sample in this study was 51 students. Data collection techniques in this research are literature study and questionnaires. The data analysis technique uses multiple linear regression analysis, and determination test. The results of the determination test prove that there is an influence of 31.8%, the remaining percentage is influenced by other variables not explained in this research. The research results show that the variable of parents' socioeconomic status has a negative and insignificant effect on students' consumption behavior. The peer variable has a positive and significant effect on student consumption behavior. Simultaneously, the socio-economic status of parents and peers has a positive and significant effect on consumption behavior. The research results imply that high student consumption causes a person to become consumptive, meaning wasteful and excessive consumption behavior, where there is no priority scale or can also be interpreted as a luxurious lifestyle, so the results of this research can be a person's view on consumption.

# INTRODUCTION

The flow of globalization is entering society very quickly, especially among students. The influence of globalization on the younger generation is very strong, because the younger generation is included in one of the market segments for clothing products, shoes, accessories, gadgets, and so on. The reason that students are a potentially strong market segment is because of the nature of them who are easily influenced in carrying out various economic actions. This will make teenagers the target of marketing strategies. Suyanto (2013) said that consumer society is a society that tends to be organized to prefer consumption rather than the production of goods or services. From this statement it can be explained that the majority of people are users or buyers, this can be seen as an opportunity and marketing target for entrepreneurs.

Rapid industrial development has resulted in the public's availability of more and more goods. In this way, it is easy for people to consume goods with many available choices. If this is not controlled, it is not impossible that consumption patterns will become a culture. One group of consumers carrying out consumption activities are students. Students have varying levels of consumption because they try to follow current trends. This situation has become a habit for students even though they do not yet earn their own income Meisitha et,al. (2020). The tendency is towards less effective consumption, namely consumption behavior that no longer takes into consideration the socio-economic situation of the parents. Producers make students one of their target markets, because students are easily persuaded and lulled by advertising, following along with their peers, which is unrealistic. Students have not been able to consume goods and services properly because they buy goods not based on needs but desires.

Quite a few students today find themselves pursuing a lifestyle of seeking personal satisfaction and pleasure without paying attention to the socio-economic conditions of their parents who are looking for money for living expenses and tuition fees which are currently not cheap enough. In their minds there is only pleasure and satisfaction, as well as a glamorous lifestyle. Meanwhile, the parents' economic conditions do not allow them to provide adequate facilities. There are even those who force their will by using college money to buy something out of pride and envy and to pursue satisfaction, even though in fact the item is not needed and should not be a priority.

In general, socio-economic status is a classification of family status in a layer of society which is related to the ability to meet needs through efforts to achieve prosperity. Santrock (2007) explains that "socioeconomic status is a grouping of people based on similar job, educational and economic characteristics". Meanwhile, Sangadji & Sopiah (2014) say that "socioeconomic status is a description of the condition of a person or a society from a social and economic perspective, this description is such as level of education, income level and so on". Apart from being determined by material possessions, a person's socio-economic status can be based on several elements of human interest in his life. Status in people's lives, namely employment status, status in the kinship system and position status (Arifin et al., 2023). Thus, it can be concluded that parents' socio-economic status is the economic position or background of parents or families in society measured based on the criteria of education, employment, income, wealth and so on (Hasan, et al., 2022). According to Soekanto & Sulistyowati (2017) the criteria that classify members of society into social layers are 1) Education, 2) Income, 3) Employment, 4) Number of dependent parents 5) Ownership 6) Type of residence.

Apart from socio-economic status conditions, peers also have a role in student consumption behavior. Teenagers spend more time outside the home with their peers. Adolescents are very attached to their peer groups, where there is intensive and fairly regular interaction with people who are similar in age and status in providing a positive or negative impact or influence (Hurlock, 2011). According to Monks, Koers & Hadinoto (2019), peer groups are a group of people who have the same condition or level of development, and do not have to be the same age. Peers according to Shaffer (2005) define peers as a group that has more influence in choosing how to dress, hobbies, associations and other social activities. Based on these opinions, it can be concluded that peers are a group of people who have a lot in common in terms of age, hobbies, motivation, the same interests and so on. According to Mowen & Minor, there are five important indicators that can explain why groups can influence individual behavior, including consumption behavior and purchasing behavior, including:

- a. Through the influence of norms, expressive values and information
- b. Role factors in groups
- c. Demand to conform to the group
- d. Social comparison processes
- e. Group polarization

In the conventional economic concept, consumption behavior is a process and activity when someone is related to searching, selecting, purchasing, using, and evaluating goods and services to meet their needs. Consumption activities are one of the basic activities in the life of living creatures. In this case, sometimes the consumption in question is not only related to the need for basic needs, namely eating and drinking (Septiana, 2015). However, the existing consumption is to fulfill basic needs (eating and drinking), as well as to fulfill the need for clothing and shelter. This must be implemented in a planned manner according to needs and available budget. So consumers are required to be rational consumers in their consumption. Consumer behavior theory studies how humans choose between the various choices they face in utilizing the resources they have. Consumption behavior is the actions of spending money with certain aims and objectives. The indicators of this variable according to (Ujang, 2011:5) are: (1) before buying, (2) buying, (3) using, (4) evaluating.

The results of Akhidah's research (2021) show that the variable of parents' socio-economic status significantly influences the variable of student consumptive behavior in Sharia Economics students at IAIN Ponorogo. This is indicated by a significance value of 0.028 < 0.05. The peer group variable significantly influences the student consumptive behavior variable at IAIN Ponorogo Sharia Economics Students. This is indicated by a significance value of 0.000 < 0.05. The socio-economic status variables of parents and peer groups simultaneously influence the consumer consumptive behavior variables of

Islamic Economics Students at IAIN Ponorogo. Research by Ernawati & Bowo (2019) shows that there is a significant influence between the socio-economic status of parents and peers on the online shopping consumption behavior of class X and XI students at SMA Negeri 8 Semarang, there is a positive and significant influence of parents' socio-economic status on consumption behavior online shopping for class X and XI students at SMA Negeri 8 Semarang and there is a positive and significant influence of peers on the online shopping consumption behavior of class

Furthermore, the results of research by Lisnawati (2019) can be concluded as follows: (1) parents' socio-economic status has a positive and significant effect on the consumption behavior of Economic Education students at the Faculty of Economics, Makassar State University. (2) economic literacy has a negative and significant effect on the consumption behavior of Economic Education students at the Faculty of Economics, Makassar State University. (3) Parental Socioeconomic Status and Economic Literacy have a positive and significant effect on the consumption behavior of Economic Education students at the Faculty of Economics, Makassar State University. This research is in line with research conducted by Astuti (2016) that parents' socio-economic status, economic literacy and life style have a significant effect together (simultaneously) on students' consumption behavior. Based on this background, the problem formulation in this research is (1) Is there an influence of parents' socio-economic status on the consumption behavior of students at the Department of Economics, FKIP USK? (2) Is there an influence of peers on the consumption behavior of students at the Department of Economics, FKIP USK? (3) Is there an influence of the socio-economic status of parents and peers on the consumption behavior of students majoring in Economic Education, FKIP USK?

#### **METHODS**

The research method in this study uses a quantitative approach. The population in this research is students from the 8th semester of the Department of Economic Education in 2022 at FKIP USK, totaling 51 students. The sampling technique used in this research is saturated sampling. Saturated sampling is a sampling technique when all members of the population are sampled. This is done when the population is relatively small, less than 30, or the research wants to make generalizations with very small errors. Another term for a saturated sample is a census, where the entire population is sampled. There are two main things that influence the quality of research data, namely the quality of research instruments and the quality of data collection. The quality of research instruments concerns the validity and reliability of the instruments and the quality of data collection concerns the accuracy of the methods used to collect data. Collecting research data, researchers used questionnaires. Processing and analyzing data using statistics. The steps involved in using statistics in data processing are (1) Classical assumption testing, (2) Multiple linear regression analysis, (3) Hypothesis testing, namely t test (partial) and F test (simultaneous), (4) Coefficient of Determination (R Square).

# **RESULTS AND DISCUSSION**

# A. Result

The analysis in this research uses multiple linear analysis which is used to test the influence of more than one independent variable on the dependent variable. To determine the influence of socio-economic status (X1) and peers (X2) on consumption behavior (Y), you can see in table 1 the results of the multiple linear regression test using SPSS version 25 as follows:

**Table 1**. Multiple Linear Regression Test Results **Coefficients**<sup>a</sup>

***************************************						
	Unstandardized		Standardized			
	Coefficients		Coefficients			
del	В	Std. Error	Beta	T	Sig.	
(Constant)	21.509	2.623		8.200	.000	
Socioeconomic	086	.071	151	-1.216	.230	
Status						
Peers	.386	.082	.589	4.731	.000	
	Socioeconomic Status	Coe del B  (Constant) 21.509  Socioeconomic086  Status	Coefficients   B   Std. Error	Coefficients Coefficients del B Std. Error Beta  (Constant) 21.509 2.623  Socioeconomic086 .071151  Status	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	

a. Dependent Variable: consumption behavior

Based on the results of the analysis in table 1, the equation obtained is:

Y = a + b1X1 + b2X2

Y = 21.509 - 0.086X1 + 0.386X2

From the multiple linear regression equation, it can be explained:

- 1. The a value of 21,509 is a constant or condition when the consumption behavior variable has not been influenced by other variables, namely socio-economic status variables and peers. If the independent variable does not exist, then the consumption behavior variable does not change.
- 2. The b1 value (X1 regression coefficient value) is -0.086. Shows that the socio-economic status variable has a negative influence on consumption behavior, which means that every 1 unit increase in the socio-economic status variable will influence consumption behavior by -0.089, assuming that other variables are not examined in this research.
- 3. The b2 value (X2 regression coefficient value) is 0.386. Shows that the peer variable has a positive influence on consumption behavior, which means that every unit increase in the peer variable will influence consumption behavior by 0.386, assuming that other variables are not examined in this research.

Next, the results of the t test are to test how far the influence of the independent variables used in this research individually is in partially explaining the dependent variable. If the sign value is <0.05 or the t-count value is > t-table, then there is an influence of variable X on variable Y, and vice versa. The t-table value can be calculated using the following formula:

```
t-tabel = t (a/2 : n-k-1)
= t (0,05/2 : 51-2-1)
= t (0,025 : 48)
= 2,010
```

Based on the results of the t test analysis in table 1, it is shown that:

- 1) The test results for the parent's socio-economic status variable (X1) on consumption behavior (Y) obtained a t-count value = -1.216 and it is smaller than the t-table, namely 2.010 (t-count < t-table = -1.216 < 2.010) and the significance value is 0.230 which is greater than the sig value of 0.05 (0.230 > 0.05). This means that parents' socio-economic status has a negative and insignificant effect on students' consumption behavior.
- 2) The results of the peer variable test (X2) on consumption behavior (Y) obtained a t-count value = 4.731 and it is greater than the t-table, namely 2.010 (a = 4.731 > 2.010) and the significance value is 0.000, which is smaller than the sig value of 0.05 (0.000 < 0.05). This means that peers have a positive and significant influence on students' consumption behavior.

Next, the results of the F Test are to determine whether or not there is a simultaneous or joint influence given by the independent variable (X) on the dependent variable (Y). If the sign value is <0.05 or the f-count value is > f-table, then there is an influence of variable X on variable Y, and vice versa. The f-table value can be calculated using the following formula:

```
f-tabel = F (k: n-k)
= F (2: 51-2)
= F (2: 49)
= 3,19
```

The results of the F test using SPSS can be seen in table 2 below:

# Table 2. F Test Results

1110111									
Model		Sum of Squares	Df	Mean Square	F	Sig.			
1	Regression	207.822	2	103.911	11.204	.000b			
	Residual	445.158	48	9.274					
	Total	652.980	50						

a. Dependent Variable: consumption behavior

b. Predictors: (Constant), Peers, Socioeconomic Status

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Based on table 2, the f-count value is 11.204 and is greater than the f-table, namely 3.19 (f-count > f-table = 11.204 > 3.19) and the significance value is 0.000, which is smaller than the sig value of 0.05 (0.000 < 0.05). This means that the socio-economic status of parents and peers, when tested together, has a significant and significant effect on student consumption behavior. In testing the coefficient of determination, it is to find out how much influence the socio-economic status variables of parents (X1) and peers (X2) have on the consumption behavior variable (Y) by calculating the R Square value. The test results can be seen in table 3 as follows:

**Table 3.** Coefficient of Determination Test Results (R Square)

Model Summary								
		Adjusted R		Std. Error of the				
Model	R	R Square	Square	Estimate				
1	.564a	.318	.290	3.04534				

a. Predictors: (Constant), Peers, Socioeconomic Status

Based on table 3, above, it is known that the R Square value is 0.318 or 31.8%, which indicates that variables X1 and X2 influences variable Y by 31.8% and the remaining 68.2% is influenced by other variables not included in this research.

#### B. Discussion

The first independent variable is parents' socio-economic status, based on the significant value for the influence of parents' socio-economic status (X1) on consumption behavior (Y), namely 0.230 > 0.05 and t-count -1.216 < t-table 2.010, indicating that Parental socio-economic status variables have a negative and insignificant influence on consumption behavior. Parents' socio-economic status has a negative and insignificant effect on consumption behavior because from the data obtained by researchers, students have different parents' socio-economic status, from low economic to high economic. But in consumption behavior, students choose to buy goods because they are attracted by advertisements and buy goods because they are on sale. So, regardless of the socio-economic status of students' parents, they can have irrational behavior.

The second independent variable is peers, based on the significant value for the influence of peers (X2) on consumption behavior (Y), namely 0.000 < 0.05 and t-count 4.731 > t-table 2.010, indicating that the peer variable has an influence and is significant on consumption behavior. This shows that peers can influence a person's consumption behavior. The coefficient of influence and significance shows that the higher the influence of the peer group, the higher the consumption behavior of students, and the lower the influence of peers, the lower the consumption behavior. Peers influence consumption behavior because teenagers are often faced with acceptance or rejection from their peers, so teenagers tend to follow the same things as their peer group in order to be well accepted within their peer group, one of which is by following the consumerist lifestyle of their peer group. It is not uncommon for them to follow the lifestyle or trends of their peers. So it can be concluded that peers have a significant and influential effect on consumption behavior.

Furthermore, the calculation of the influence of the socio-economic status of parents and peers together on consumption behavior was carried out using the F test. The results obtained from the significance value for the influence of the socio-economic status of parents (X1) and peers (X2) on consumption behavior (Y) is 0.000 < 0.05 with an f-count value of 11.204 > f-table 3.19. Based on the simultaneous test decision making method, it is known that the socio-economic status variables of parents (X1) and peers (X2) when tested together have a positive and significant effect on student consumption behavior. The socio-economic status of parents and peers influences consumption behavior because from the data obtained by researchers, students have different socio-economic status of their parents but in their consumption behavior students choose to agree to go out every weekend with friends and talk about things they like. is a trend among young people. So even though the socio-economic status of students' parents is different, they can still be influenced by their peers on consumption behavior (Pujiati, et al. 2022) If the socio-economic status of parents and peers increases, then students' consumption behavior will also increase. According to Syani (2012) social status is usually based on various elements of human

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interests in social life, namely employment status, status in the kinship system, position status and religious status. Kotler (2009) suggests that consumer behavior is influenced by cultural, social, personal and psychological factors.

# CONCLUSIONS

From the discussion above, the following conclusions can be obtained:

- 1. Socioeconomic status has a negative effect on consumption behavior. Judging from the results of the T test, it can be seen that the significant value for the influence of So it can be concluded that socioeconomic status has a negative and insignificant effect on consumption behavior.
- 2. Peers influence consumption behavior. Judging from the results of the T test, it can be seen that the significant value for the influence of So it can be concluded that peers have a significant and influential effect on consumption behavior.
- 3. The socio-economic status of parents and peers together influences consumption behavior. Judging from the results of the F test, it can be seen that the calculated F value is greater than the F table, namely (11.204 > 3.19) and the probability is smaller than 0.05, namely 0.000. So it can be concluded that parents' socio-economic status variables and peer variables simultaneously influence student consumption behavior.

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