

Financial Literacy as an Effort to Improve Parent Role on Children Consumer Behavior

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ABSTRACT

Consumer behavior is the process conducted by human in seeking, choosing, and using goods or non-goods to fulfill their life needs. In some cases, consumer behavior becomes uncontrollable and diverges to the negativity so that it causes bad consequences. Children are within a period of behavioral formation that makes them easily affected from what attracts their attention. Parents are a very influential people in directing, guiding, and controlling the behavior of their children, including their consumer behavior. To assist the role of parents in controlling the behavior of children's consumers, education about financial literacy can be applied to provide knowledge about finances for children because it has many good benefits for them, such as making decisions, making children become self-reliant in financial management and assisting them in preparing their finances in the future so that the consumer behavior of children becomes better and positive.

Keywords: consumer behavior, parent role, financial literacy

INTRODUCTION

Adolescence is a period of self-formation and behavioral formation (Hartman, Barber, & Brien, 2006). The changing times and environment that affects students' behavior, the behavior formed is an influence in the long term of the interaction obtained by children who then become habits and traits that become identity (Cheng, Ooi, & Ting, 2010).

The behavior of children is derived from all things that interact with himself so that they can be seen reflecting the child's behavior describing the situation of the day's Life Environment (Kim, Walsh, & Ross, 2008). Everything that is found and interesting for students will make their attention to it, whether it is positive or negative for them, so it indirectly affects the behavior of children.

The environment, among others, family, friends and playing environment, and the learning environment, among these parties, the parents become a party that has a large influence on the child's behavior. The influence of parents and peers is very strong towards the children themselves, the parental influence is very strong compared to other factors (Cheung & Sim, 2014).

The behavior or socialization of the elderly turns out to have an impact and influence on the behavior of its children's economy, the behavior and socialization of parents has a strong and significant influence for the behavior of his son (Nyhus & Webley, 2001). The parents indirectly acted directly to the decision making by the Children (Cavendish & Connor, 2018).

Communication between parents is fundamental to the relationship of the two, because what the parents do will affect the

behavior of children (Doumas, Hausheer, & Esp, 2015). Many children's behaviors adapted from their parents can see their daily activities. Then, what behaviors do we bias to see? Consumer behavior is one of them, because one of the routine human activities conducted daily is its consumer behavior that is reflected in the human consumption activity in an effort to meet the needs in the sustainability of their lives. Thus consumer behavior is one of the behaviors that can be observed from human life. Research on consumer behavior needs to be researched and developed to determine the cause of changes made by consumers in the conduct (Peighambari, Sattari, Kordestani, & Oghazi, 2016).

If the consumption of goods and not goods carried out by children in normal day activities and not excessive, then there is nothing to worry about because it is an indication if the behavior of the child's consumer is good, and means That the environment around the child has a positive influence on the behavior of child consumers. Conversely, if the consumption reflected from the child is not controlled then it can be concluded that there is an indication if the behavior of consumers of children is experiencing changes caused by the influence of the environment. Excessive consumption of something will cause much harm to the consuming individual (Scott and etc, 2008). Changes in behavior can affect a person's behavior regarding consumption of goods (Cole, 2007).

Therefore, the role of parents is one of the factors that greatly affects the behavior of children's consumers, therefore parents must have good financial and economic knowledge as a guideline in directing the behavior of consumers of children towards Good consumer behavior.

LITERATURE REVIEW

Consumer behavior

Researchers apply the psychoanalytical theory propounded by Freud (1856-1939) in the study of consumer personalities believing that encouragement

in humans is largely unconscious and they are unaware of the reasons they consume goods or services They are buying, they consider if the consumption made by a person as a reflection of the person's personality (Kanuk, 2018, p. 110).

The term consumer behavior is interpreted as behavior that demonstrates consumers in finding, purchasing, using, evaluating, and spending the products and services they expect will satisfy their needs (Schiffman & Leslie, 2015, p. 182). Indirectly consumer behavior can describe the behavior of individuals in consuming goods.

Consumer behavior is a process of judgment and election of certain interests by establishing a choice deemed the most profitable (Kotler, 2005, p. 183). Consumer behavior is the activity of individuals who are directly engaged in obtaining and using goods and services including the process of decision making in the preparation and determination of such activities (Swastha & Hani, 2000, P. 10).

Some of the above expert opinions on consumer behavior tend to be almost the same that can be concluded if consumer behavior can be interpreted as a process by which someone chooses and wears goods or not goods in fulfilling their needs. His life a day.

Parent role

Alvy (1987) mentions the role of parents in the family is as a provider of all needs required by children, caring for the home, protecting children, to encourage and support the development of the child's psychological and physical as well as an advocate for children His son (Johnson and Descartes 2017, p. 1).

Student behavior is strongly influenced by the socialization of parents (Steinberg, 2004, p. 57). Parents are partners for students, the primary role taken by parents as a responsible role is active in making students ' future planning (Cavendish and Connor, 2018, p. 2). Parents help their children in day to day activities so

that they can develop the potential of the child, so that the support from parents to students can give a good direction in their behavior as well as in his academic (Schroeder Et all, 2017, p. 214).

From the opinion of expert above the role of parents can be interpreted as any form of business done by parents in teaching, directing, controlling and meeting the needs of children.

Financial literacy

In everyday life, people are faced with the problem of choice in various matters, including economic, human beings will strive to fulfill their economic needs with the resources he has. In individual personal life, a financial decision based on: 1. How much should be consumed each period, 2. Whether there is an excess income and how the excess is invested, and 3. How to fund the consumption and investments (Widayati, 2012, p. 90). A person's understanding of financial sciences is helpful in determining the economic actions he will perform (Davies, 2015, p. 300). The focus of financial literacy knowledge is to equip students with financial skills and knowledge to be able to take into account efficiently when faced daily on economic matters (Atkinson and Messy, 2013, p. 9).

Therefore, it can be concluded if the understanding of financial literacy is the ability or knowledge of finance and how to apply it in the day life of the Gharhi to meet the needs of life.

MATERIALS & METHODS

This article uses the study of the literature as a method of research and reference in its creation and stacking. The study of the library used the previous research as a source of data for the material from the preparation of this article. This method dissected and discussed previous research in greater depth so as to find out what, why, and how the results of the study were obtained so that it could be used as a reference in article creation.

DISCUSSION

Consumer behavior becomes something that can be seen and examined from daily students, in the age of teenagers this teenage child will tend to be more active and reactive to whatever it finds so that fishing curiosity is more than what The discovery makes children at the age of teenagers have a strong desire to obtain and try either objects or others because, excessive consumption of something will cause many bad things to the individual Who consume that change in the consumer behavior that exists on him (Scott et all, 2008, p. 392).

Excessive consumption inherent in the way children's life if not controlled will familiarize the children living with a consumptive lifestyle in every phase of his life (Imawati, 2013). Consumption of goods and non-goods becomes increased when consumer behavior is uncontrollable, e.g. when the price of goods is cheap then people will race to get the item even though sometimes the purchased items are not used (Burke, M. A., & Heiland, 2008). The consumer behavior of one's self can sometimes change due to many factors, the change occurs because of the process of imitating and adapting from consumer behavior in others (Kotler, 2005). Consumer behavior is diverse and broad due to changes in society, economy, and technology affecting consumer behavior, so unavoidable these changes cause consumers to change (Williams, B. C., & Plouffe, 2007, p. 407). This means that consumption of goods is no longer oriented towards fulfilling the daily necessities of life but only as limited as fulfilling lust and desire is even just an event to follow the lifestyle of people around us without thinking the purpose of our consumption.

Indirectly, it shows that the consumer behavior of someone in a bad direction and if not controlled resulted in negative things happening and impacting the individual. Imagine this happens continuously to us, our children to the next generation, of course many bad things that

we do not want to happen, as happens in the current era when someone's consumer behavior is uncontrollable then consumption are sometimes considered reasonable, for example someone with a lot of credit and debit cards and their unreasonable use is considered ordinary (Wright, 2016, p. 47).

The best step in addressing that is with the education and guidance of parents, why? For parents are the parties who have the strongest influence in shaping the behavior of children (Gottfried et al. 2017). In having a duty as parents with parenting and directing is very important and difficult, therefore parents must support and direct the behavior of the child and monitor their progress (Ogwuche, Vincent, & Chiahemba, 2018). Communication between parents becomes fundamental to the relationship of both, because what the parents do will affect the behavior of the child (Doumas, Hausheer and ESP 2015, p. 405). Parental involvement in the learning process for children must be optimal, and parents must be facilitators who provide supportive needs for the growth of children (AL-Alwan, 2014).

Some explanations above lead to the role of parents in guiding and directing the consumer behavior of the child in a positive direction, in other words the parents here must provide a good education about the proper consumer behavior. Education, parents, peers and lifestyles, gender, self-control and the environment play a major role in influencing directing, modifying, shaping the attitudes and behaviors of one's consumers (Ballantyne, & Packer, 2006). An understanding of economic behaviour is necessary to be given to children because economic behavior is one of the instruments of economic state (Pollitt, & Shaorshadze, 2011). The behavior or socialization of the elderly turns out to have an impact and influence on the behavior of its children's economy, the behavior and socialization of parents has a strong and significant influence for the behavior of his son in the Future (Nyhus & Webley, 2001).

The best solution that can be applied to one of them is providing knowledge about "financial literacy" by parents to children. Financial literacy is a part of the knowledge of economic behavior that is capable of being a provision of financial understanding for children. Why, lack of knowledge of financial literacy (financial literacy) or better known as financial literacy makes consumer behavior in children uncontrollable (Martin, 2007; Alpizar, Carlsson, & Johansson, 2005). A 15-year-old teenager began to understand about financial literacy gained from his family and environment (PISA, 2012).

After the global crisis struck the countries of the world in 2008 education on financial understanding became a priority in various countries, increasing the understanding of finance became a mutual concern for countries in the world as an effort To assist citizens in gaining the expected financial knowledge needed to ensure good financial management in their daily lives, in some countries education on financial literacy is already a mandatory curriculum are considered as important things that need to be applied (Blue and Grootenboer, 2015, p. 117). A person's understanding of financial sciences is helpful in determining the economic actions he will perform (Davies, 2015, p. 300).

The complex financial situation requires critical thinking in order to make decisions, hence the knowledge of financial literacy helps children to make decisions about efficient finance (Chung and Park 2014, p. 229). The knowledge of financial literacy is necessary as a provision for financial processing in the future (Davies, 2015, p. 300). Good financial literacy is necessary for students to be able to manage their own finances in order to achieve prosperity (Dwiastanti, 2015, p. 101). Understanding financial literacy is very important and needs to be taught early so that the children can manage their finances independently (Cadima, McWilliam and Leal, 2010, p. 25). Clearly some of the above opinions reveal how important

financial literacy is owned by students as a provision for them in their daily lives, this shows that financial literacy is able to be the benchmark or basis of elections Fulfillment of the consumption needs they will meet in their life activities.

From the various opinion of experts and researchers above to bless if the education of financial literacy is effective in providing understanding and provision for children in the development of economic behavior that will be done in particular is consumer behavior. The education of financial literacy taught by parents to children can help children in determining the consumption they will make with consideration first. Another positive side of the child becomes more self-reliant in managing their own finances by adjusting the economic resources they possess and the consumption needs that they need so that there is no excessive consumption. Financial literacy also provides the provision of financial knowledge for the future of children, with an understanding of their financial literacy can prepare their future provision efficiently from their consumption so that children are able to To save and invest as economic provision in the future. This indicates that if financial literacy education can be a solution for parents to direct the behavior of children's consumers in a positive way.

CONCLUSION

Consumer behavior of children is sometimes undirected, so tends to cause negative causes. The role of parents is vital in shaping, directing, and guiding their behavior, in this case is the children consumer behavior. Financial literacy education can be a solution for parents to help their role to direct the behavior of children's consumer in a positive way, because financial literacy education has many good benefits as provision for consumer behavior of children. The benefits include determining the choice of consumption that will be done, teaching independence for children in the

management of their own finances, preparing provision for the children's future by saving and investing and many others.

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