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The Effect of Cashless Lifestyle on the Consumption Behavior of Generation Z

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ABSTRACT

Digital payment systems are now a necessary component of Generation Z's everyday lives. The use of e-wallets, QRIS, and mobile banking for a variety of purposes has been boosted by convenience, quick payment processes, and promotional offers such as discounts and cashback. However, as people's capacity to manage their money and exercise self-control also affects their purchasing selections, similar conveniences do not always result in the same consuming behavior. The purpose of this study is to assess the impact of a cashless lifestyle on the consumption habits of Generation Z and investigate the moderating effects of self-control and financial literacy in this context. A total of 201 members of Generation Z who use digital payment systems were surveyed as part of this study's quantitative methodology. Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS was used to analyze the data. The findings show that a cashless lifestyle has no discernible impact on consumer behavior. Spending behavior is significantly affected by financial literacy and self-control, which also moderate the association between a cashless lifestyle and spending behavior. These results imply that the extent of digital payment use has less impact on Generation Z's consumption behavior than financial management skills and self-control.

Keywords: Cashless Lifestyle; Generation Z; Financial Literacy; Consumption Behavior; Self-Control

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INTRODUCTION

Recent advancements in digital technology have significantly altered the community's economic activities, particularly in the payment system. The growing use of non-cash transactions through digital financial services like e-wallets, mobile banking, and other digital payments, which provide convenience, speed, and efficiency in daily transactions, is indicative of this shift. In addition to making payments easier, financial technology has altered how people handle and utilize their money (Efawati & Rinawati, 2026).

Since Generation Z has grown up with advances in information technology, they have a close relationship with smartphones and the internet in daily life. Generation Z is encouraged to use an effective payment method that doesn't require cash, given their hectic daily schedules. According to Camilla et al. (2025), cashless system usage is thought to enable greater mobility and offer convenience in transactions, from purchasing everyday essentials to other digital services. Digital payments have become an integral part of their economic activities.

According to the Theory of Planned Behavior, attitudes, subjective norms, and perceived behavioral control influence an individual's behavior (Ajzen, 1991). Perceived behavioral control in the context of digital payment usage refers to a person's ability to make financial decisions when transactions can be completed swiftly and easily. Generation Z's increasing use of digital payment systems reflects both technology adoption and behavioral responses shaped by self-control and individual concerns. While self-control refers to the capacity to resist spending impulses during the purchasing process, financial literacy is linked to an individual's ability to assess financial consequences.

Cashless systems are more popular than traditional payment methods due to their ease of use and quick payment process. Increased transaction frequency is primarily driven by efficiency and various promotions, discounts, and cashback offered by digital payment service providers (Hariyani & Prasetio, 2024). Because consumers are urged to take advantage of current discounts, this often leads to unintended purchases. Since there is no direct exchange of money, many users believe expenses become less transparent and that they have less control over how money is used than they would with cash transactions.

As Indonesia's digital financial infrastructure develops, so does the use of digital payment systems. Digital wallets, mobile banking, and QRIS all facilitate faster, more convenient transactions across a variety of daily tasks. This ease has become ingrained in Generation Z's consumption habits, both for everyday necessities and online purchases (Mulyadi & Efawati, 2024). However, people's consumption habits may shift due to the simplicity of digital transactions. Due to the quicker and simpler payment process, it has been demonstrated that cashless transactions increase the propensity for consumption. Impulsive purchases motivated by wants rather than needs are becoming more common due to the convenience of transaction access and the intensity of digital promotions (Sani et al., 2026). This problem highlights the need to study how lifestyle influences Generation Z's consumption habits.

Not everyone uses digital payment systems in the same way. A person's ability to exercise self-control is crucial to how they handle their money amid convenient transactions like cashless purchases. Self-controlled members of Generation Z typically make financial plans and prioritize needs over wants (Fitriyani & Susilawati, 2025). Furthermore, the utilization of digital payments is influenced by financial literacy. Because digital payments are so accessible, people with little financial knowledge may make transactions without giving them any thought. According to research, Generation

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Z's consumption habits are strongly influenced by digital payments (Widhiari et al., 2025).

The association between the use of digital payments and consumption behavior has been the subject of conflicting conclusions in earlier research. The usage of cashless payment systems is linked to greater levels of consumer behavior, according to research by Dewi (2024), Cahyani et al. (2024), and Efriyanto et al. (2025). This suggests that transaction convenience may promote spending activities. On the other hand, Hariyani & Prasetio (2024) found that among people with greater financial knowledge, e-wallet use has no discernible impact on consumption behavior. Additionally, Aulia & Purwanti (2025) found that Generation Z's consumption habits are more closely linked to a hedonistic lifestyle than to the use of digital payment services. These variations suggest that the association between a cashless lifestyle and spending behavior may vary with personal traits, necessitating further research into variables that could reinforce or weaken the relationship.

The direct impact of digital payment usage on consumer behavior has also been a major focus of research on cashless payment systems. Studies that treat both financial literacy and self-control as moderators of the association between a cashless lifestyle and consumption behavior remain scarce, even though both factors have often been studied as independent or intervening variables. Because people may react differently to transaction convenience even when using the same digital payment services, these considerations are important.

There are still a few studies that examine self-control and financial literacy as moderating factors in the relationship between consumer behavior and a cashless lifestyle. Furthermore, although the current study examines the cashless lifestyle as a broader pattern of digital payment use, other studies focus on specific digital payment tools such as e-wallets or PayLater services. This study examines the moderating effects of financial literacy and self-control within a single research model, as well as the impact of a cashless lifestyle on Generation Z's consumption behavior.

LITERATURE REVIEW

Cashless Lifestyle

People's everyday transactions have changed as a result of the shift from cash-based payment methods to digital ones. These changes are related to the use of new technologies, but they also reflect a shift in how people handle and spend their money. According to Permana & Apriani (2025)The advancement of financial technology promotes faster, more efficient transaction processes and alters customer behavior from previously direct to increasingly integrated with digital platforms. The term cashless lifestyle here refers to the practice of meeting a variety of demands with non-cash payment methods such as e-wallets, QR codes, and mobile banking.

Because transactions may be completed using common devices, digital payments are convenient. With an internet-connected application, e-wallets enable customers to store payment details electronically and finish transactions in a few simple clicks (Permana & Apriani, 2025). The usage of mobile banking and QRIS, in addition to e-wallets, increases the variety of payment options that can be customized to meet customer requirements. Digital payments are more accessible in consumption activities, both for online and offline transactions, thanks to the availability of these different instruments.

Digital payment systems are becoming increasingly popular in Indonesia. The majority of Indonesians have utilized digital wallets for transactions, according to

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Cahyani et al. (2024). According to Bank Indonesia data cited by Kartawinata & Akbar (2025), the number of QRIS users continues to rise annually. Digital payment service providers' advertising, transaction processing speed, and ease of use are all factors contributing to the improvement. According to Siregar et al. (2025), using ShopeePay and ShopeePayLater enables students to conduct transactions more effectively and practically, thereby increasing the use of digital payments in everyday activities.

Generation Z is among the demographic groups with the highest adoption of digital payment systems. This group was raised in a setting where cellphones, the internet, and other digital apps were readily available. According to Permana & Apriani (2025), Generation Z uses non-cash payments at a higher rate than previous generations. Digital payments are used for several purposes, including online shopping, transportation, food purchases, and entertainment. According to Ameliya et al. (2025), social practices more closely linked to technology also affect younger generations' adoption of digital payments.

The ease of use of digital payment systems may affect consumer behavior. The decision to buy can be made quickly thanks to the quick payment process. According to Kartawinata & Akbar (2025), there is a correlation between the use of QR payments and the rise in spontaneous purchases. Cahyani et al. (2024) and Efriyanto et al. (2025) reported that the use of cashless payments was positively associated with consumption behavior, though the degree of influence varied across studies. Dewi (2024) also demonstrated that the use of QRIS was associated with increased consumption behavior among Generation Z.

A helpful perspective for understanding the relationship between a cashless lifestyle and consumption behavior is the Theory of Planned Behavior (Ajzen, 1991). Because transactions can be done quickly and with little effort, the convenience provided by digital payment systems may increase perceived behavioral control. When digital payment systems are integrated with online shopping platforms and promotional programs, consumers may make purchases more frequently due to greater transaction convenience (Rachman et al., 2024). Consequently, the use of digital payment systems may affect both the mode of payment and the decision-making process regarding consumption.

The study's findings demonstrate a connection between shifting consumer behavior and cashless lifestyles. Purchase frequency may rise due to promotions, transaction speed, and convenience of access. However, inconsistent research findings indicate that the impact of cashless lifestyles on spending patterns may vary from person to person. These distinctions enable the investigation of additional variables that may affect the relationship, such as individual traits related to self-control and money management.

Consumption Behavior

The general actions and choices people make when acquiring, utilizing, and consuming goods or services are referred to as consumption behavior. This idea encompasses the factors consumers consider when deciding what to buy, when to buy it, and why. The inclination of Generation Z to make purchases to satisfy their needs and desires is referred to in this study as consumption behavior. Consumptive habits can result from decisions about consuming that are primarily motivated by desires and lack sufficient thought. Consumptive conduct, according to Farhana (2025)is the propensity to use products or services excessively without being motivated by logical demands. According to Yustini & Prihastuty (2024) Shifts in people's habits and lifestyles have accelerated consumption patterns, which are typically focused on satisfying cravings.

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Impulsive purchasing is one type of consuming behavior that is frequently explored in the digital age. Impulse buying is described by Soomro & Habeeb (2024) as an unplanned, impulsive purchase. A fleeting impulse, interest in a new product, or a profitable campaign can all lead to this type of purchase. Four types of impulse buying are identified by Soomro & Habeeb (2024): pure impulse, reminder impulse, suggestion impulse, and planned impulse. These four types demonstrate how different stimuli that customers encounter during the transaction process might influence their choice to buy.

Several factors seen in the digital environment can promote the development of more impulsive consumption habits. Customers may use a single app to explore products, take advantage of specials, and make payments. According to Djamhari et al. (2024), fear of missing out (FOMO) and sales promotions are associated with an increase in impulsive purchases, particularly when accompanied by digital payment options such as PayLater. Additionally, Farhana (2025) demonstrates that financial behavior and impulsive purchases among Millennials and Generation Z are significantly correlated. The findings imply that the way people handle their finances and environmental inputs interact to affect consumption behavior.

Previous studies have addressed the connection between digital payments and consumption patterns in great detail. The usage of cashless and online purchasing has a favorable and significant impact on Generation Z's consumption behavior, according to Cahyani et al. (2024). Efriyanto et al. (2025) also demonstrated a positive correlation between Generation Z's consumption behavior in Jakarta and the use of non-cash payments. Numerous factors may affect consumption behavior, as evidenced by the varying degrees of influence observed across studies. These variations allow for the examination of consumption patterns, given the convenience of transactions and a person's capacity to comprehend and manage their financial choices.

Individual traits and external circumstances interact to shape consumption behavior. Opportunities for additional purchases could be created through digital payment methods, special offers, and easy access to online marketplaces. However, people vary in their capacity to determine requirements, weigh financial implications, and control expenditure. Differences in these individual traits could explain why equivalent payment methods don't always lead to comparable customer purchase habits.

Financial Literacy

The ability to comprehend and apply financial knowledge in day-to-day decision-making is referred to as financial literacy. These skills include knowledge, attitudes, and skills related to investments, loans, insurance, savings, and income management. According to Nyrhinen et al. (2024) There are four primary ways to measure financial literacy: general financial literacy knowledge, savings and borrowing, investment, and insurance. People can evaluate the effects of financial decisions, particularly those made when utilizing digital payment systems, by being aware of these factors.

There are still issues with Generation Z's level of financial literacy. This group exhibits a high degree of technology adoption, although it is not necessarily accompanied by sound financial management. According to OJK data from 2024, which Usman et al. (2025) cited, Generation Z's financial literacy remains comparatively low relative to how frequently they use digital financial services. According to Vitalia et al. (2024) Financial literacy increases perceived behavioral control, which in turn positively influences the propensity to make digital payments. Simultaneously, people who are more financially literate typically utilize digital payment services more deliberately.

Previous studies have thoroughly examined the connection between financial literacy and consumer behavior. According to Efriyanto et al. (2025), Jakarta's Generation

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Z consumption behavior is significantly and negatively affected by financial literacy. These findings indicate that a decrease in the propensity to make non-need-based purchases is associated with greater financial literacy. According to Faraz & Anjum (2025), financially literate people are better able to think through their spending priorities and the implications of their choices, which helps to prevent impulsive purchases.

Financial literacy, however, does not always have a consistent impact on consumer behavior. Dewi & Hana (2025)found that the purchasing behavior of FEBI UIN Sunan Kudus students is not directly affected by financial literacy. According to Nugroho & Sundari (2025) If financial knowledge is not consistently applied in day-to-day financial management, it may not be reflected in behavior. These variations in findings demonstrate that financial literacy can influence people's reactions to the ease of transactions offered by digital payment systems, as well as being directly linked to consumption behavior.

Financial literacy enables people to determine whether a transaction aligns with their financial requirements and capabilities in a cashless lifestyle. When it comes to leveraging the convenience of digital payments, those with high levels of financial literacy are typically more discerning, even when presented with deals and promotions that encourage impulsive purchases. Increasing financial awareness is necessary for more deliberate use of digital payment services, as demonstrated by Underdown & Tamara (2025). These results imply that the association between a cashless lifestyle and spending behavior may be influenced by financial knowledge.

People's reactions to the ease of digital payment methods may be influenced by their level of financial literacy. Stronger financial literacy typically makes it easier for people to weigh the advantages and disadvantages of making purchases. When transactions can be completed rapidly through digital platforms, this feature may help customers distinguish between necessary and non-essential expenses. Because of this, financial literacy is frequently linked to both the efficacy of financial decision-making in digital contexts and consumer behavior.

Self-Control

The capacity to manage one's ideas, feelings, and actions in the face of environmental temptations or impulses is known as self-control. Self-control in the context of consumerism refers to the capacity to delay the urge to purchase and weigh the implications of one's choices. According to Harjanti et al. (2025) Behavioral control, cognitive control, and decisional control are the three primary components of self-control. Cognitive control is the capacity to evaluate and analyze information; decisional control is the capacity to select the course of action deemed most appropriate; and behavioral control is the capacity to govern responses to specific conditions.

A person's ability to control their consumption behavior largely depends on their level of self-control. People who possess a high degree of self-control are typically more adept at distinguishing between necessities and wants and less likely to be persuaded into making impulsive purchases. This capacity helps consumers weigh the advantages, costs, and expense priorities of a product or service before making a purchase.

Numerous studies have confirmed the connection between self-control and consumption behavior. According to Harjanti et al. (2025) Self-control considerably reduced the impact of lifestyle on impulsive purchases. Additionally, Nyrhinen et al. (2024) demonstrated that people who lack self-control are more likely to make impulsive purchases. The results demonstrate that one of the elements associated with more sensible consumption behavior is the ability to restrain the impulse to purchase.

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The necessity of self-control is becoming more apparent in the context of digital payments, as transactions can be completed swiftly and without major hassle. According to Yahfi et al. (2025) Digital payments can reduce the psychological distress associated with paying, which often occurs when people spend money. It is easier to decide what to buy when the flavor is diminished. When faced with such circumstances, people who possess high self-control typically still take their financial requirements and capabilities into account before completing a deal.

The findings of earlier studies demonstrate that self-control can influence the association between digital payment use and consumption behavior, in addition to being directly linked to it. Dewi & Hana (2025) demonstrate that the relationship between consumptive behavior and a cashless society is influenced by self-control. The results imply that the impact of cashless lifestyles on consumption patterns may vary with a person's ability to restrain impulses and make purchases.

The ability to control one's behavior when faced with opportunities to consume is closely linked to self-control. Purchases can be made quickly thanks to digital payment systems, which reduce the number of practical barriers to transactions. Because consumers are constantly exposed to product recommendations, time-limited specials, and various forms of digital marketing, the capacity to regulate impulses becomes increasingly important. Customers' reactions to the convenience of a cashless lifestyle may vary depending on their level of self-control.

Synthesis of Literature and Development of Research Models

The association between digital payment usage and consumption behavior has been the subject of conflicting conclusions in prior research. According to research by Cahyani et al. (2024), Dewi (2024), and Efriyanto et al. (2025), the use of cashless payment systems is associated with increased levels of consumerism. Increased purchase activity is frequently associated with the ease of digital transactions, rapid payment processes, and promotional incentives offered on digital platforms. Hariyani & Prasetio (2024), on the other hand, found that among people with greater levels of financial knowledge, e-wallet usage has no discernible impact on spending behavior. Additionally, Dewi & Hana (2025) found that consumption behavior is not always directly affected by financial literacy.

These results imply that the correlation between a cashless lifestyle and consumption patterns may vary with personal traits. Even if digital payment systems make transactions more convenient, not everyone reacts to this convenience in the same way. While self-control is linked to the capacity to restrain impulsive purchases, financial literacy is linked to the ability to assess financial repercussions before making spending decisions. Even when they use digital payment systems frequently, people with greater financial knowledge and self-discipline may be better able to control their spending habits. According to this viewpoint, differences in the relationship between a cashless lifestyle and consumer behavior can be explained by financial knowledge and self-control.

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Research Hypothesis

Figure 1 presents the proposed research framework, based on the literature review and the conceptual connections among the variables.

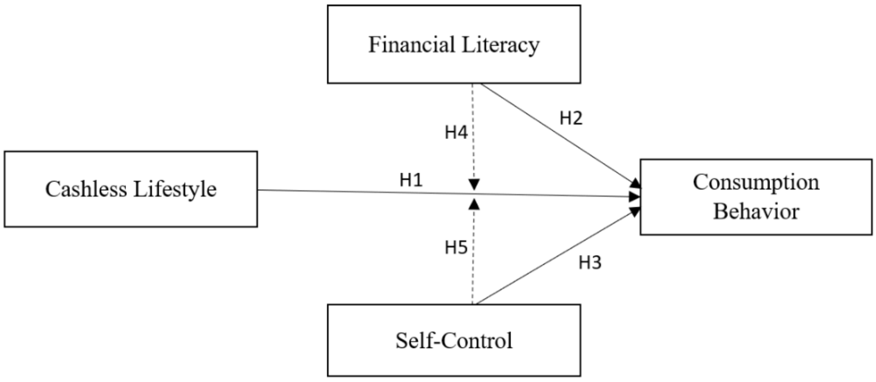

Figure 1. Model of the Research Framework
Source: Own Compilation (2026)

Digital payment mechanisms are increasingly playing a significant role in the everyday activities of Generation Z. According to Kartawinata & Akbar (2025), the ease of use of QR payment systems motivates customers to make more purchases. Additionally, according to Dewi (2024), Generation Z's use of QRIS was linked to increased levels of consumerism. Cahyani et al. (2024) and Efriyanto et al. (2025) reported similar findings, indicating a positive correlation between consumption behavior and the adoption of cashless payments.

H1: Cashless lifestyle affects Generation Z's consumption behavior.

The ability to understand financial concepts and evaluate spending decisions is linked to financial literacy. Efriyanto et al. (2025) discovered that among Generation Z, financial literacy was adversely correlated with consumptive behavior. Faraz & Anjum (2025) also observed that those with greater financial literacy were less likely to make impulsive purchases.

H2: Financial literacy affects Generation Z's consumption behavior.

A person's capacity to control their impulses and behavior when presented with opportunities to consume is reflected in their level of self-control. Self-control decreased impulsive purchasing inclinations, according to Harjanti et al. (2025). Because transactions can be finished rapidly in digital payment systems, self-control is important when making purchasing decisions.

H3: Self-control affects Generation Z's consumption behavior.

Regarding the relationship between cashless payment use and consumption patterns, prior research has yielded mixed findings. Hariyani & Prasetio (2024) found that e-wallet use did not significantly affect consumption behavior among people with higher financial literacy, despite prior studies reporting a positive association. Additionally, Dewi & Hana (2025) found no direct correlation between financial knowledge and

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consumer behavior. These results suggest that people's reactions to the convenience offered by digital payment systems may be influenced by their financial literacy.
H4: Financial literacy moderates the relationship between a cashless lifestyle and Generation Z's consumption behavior.

A person's degree of self-control may also affect how a cashless lifestyle affects their consumption habits. Even if they are frequently exposed to digital payment options and promotional offers, consumers with greater self-discipline could be better able to govern their buying decisions. One variable linked to differences in consumptive behavior among digital payment users is self-control, according to Dewi & Hana (2025).
H5: Self-control moderates the relationship between a cashless lifestyle and Generation Z's consumption behavior.

RESEARCH METHOD

Research Design

The methodology used in this study is quantitative. Because the goal of this study is to investigate correlations among variables and to test hypotheses derived from the data analysis, a quantitative approach was selected. Statistical analysis approaches can be used to objectively assess relationships among study variables using quantitative methods. The methodology used in this study was an explanatory survey. Because research data are collected directly from respondents via the distribution of questionnaires, a survey approach is employed. The purpose of explanatory surveys is to ascertain how one variable affects other variables and to explain the correlations between variables (Chaniago et al., 2024). This approach is deemed suitable, as the goal of the study is to determine how Generation Z's consumption habits are affected by a cashless lifestyle. Determining the cause-and-effect link between the variables under study is the goal of the causal research design. The impact of a cashless lifestyle (X) on Generation Z's (Y) purchasing patterns was examined in this study using a causal methodology, and the moderating effects of financial literacy (Z1) and self-control (Z2) were examined.

Population and Sample

Generation Z, who use cashless payment systems, such as e-wallets, QRIS, mobile banking, and other digital payment methods, in their everyday transactions, make up the study's population. The selection of Generation Z as the research population was based on their high acceptance of non-cash payment systems in everyday consumption and economic activities, as they grew up amid the rise of digital technology. Purposive non-probability sampling was the method employed. Because respondents are selected according to criteria aligned with the study's goals, purposeful sampling is employed (Chaniago et al., 2024). Respondents in this survey had to meet three criteria: (1) belong to Generation Z; (2) use cashless payment systems; and (3) use digital payments for everyday transactions. 201 replies were successfully collected.

Data Collection Procedure

This study's primary data were collected directly from participants via a questionnaire. To make data collection easier and reach more responders, the questionnaire was disseminated online using Google Forms. Indicators of cashless lifestyle, consumption behavior, financial literacy, and self-control were used to develop the study instruments.

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Each survey item was rated on a five-level Likert scale, where 1 indicated "strongly disagree," and 5 indicated "strongly agree". This research questionnaire has thirty-two statement items in total. The questionnaire underwent a trial phase with 30 respondents before primary data collection to ensure that each question item was clear and capable of measuring the variables under investigation.

Data Analysis

Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software is used to analyze the gathered data. Measurement models (outer models) and structural models (inner models) were evaluated to conduct the study. Descriptive statistical analysis, validity testing, reliability testing, factor analysis, normalcy testing, and hypothesis testing are among the stages of analysis. The purpose of this analysis was to verify the quality of the research tools and examine the relationships among the variables in the research model.

RESEARCH RESULTS

Respondent Demographics

The demographic traits provide an overview of the respondents' profiles. Gender, age, status, and frequency of digital payment use are among the data displayed. This responder profile more accurately reflects the background of the sample used in the research analysis.

Table 1. Respondent Demographics

Characteristics	Categories	Frequency	Percent (%)
Gender	Male	83	41,3%
	Women	118	58,7%
Age	16-22 years old	185	92,04%
	23-29 years old	16	7,96%
Status	College Students	198	98,5%
	Students	1	0,5%
	Employees	2	1%
Frequency of Digital Payment Usage	Very often	85	42,3%
	Frequent	92	45,8%
	Sometimes	18	9%
	Rare	6	3%

Source: Own Compilation (2026)

The demographic details of the 201 participants in this study are shown in Table 1. Gender-wise, there were 118 female respondents (58.7%) and 83 male respondents (41.3%). In terms of age, 185 respondents (92.04%) were between 16 and 22, while 16 (7.96%) were between 23 and 29.

Based on the respondents' status, up to 198 individuals (98.5%) are current students. Two individuals who have worked (1%) and one student (0.5%) made up the remaining respondents. Up to 92 respondents (45.8%) said they use digital payments frequently, and 85 respondents (42.3%) said they use them very frequently. According to the distribution, the majority of respondents have become accustomed to utilizing digital payment methods for everyday transactions.

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Evaluation of Measurement Models (Outer Model)

The measurement model, sometimes referred to as the outer model, is used to evaluate the validity and reliability of the research constructs. The model was assessed using tests for composite reliability, discriminant validity, and convergent validity. Since the test results show that each indication satisfies the requirements, they can all be used for additional investigation.

Convergent Validity

Convergent validity is used to assess how well an indicator captures the measured construct. The test was carried out by looking at Average Variance Extracted (AVE), Composite Reliability (CR), and outer loading values. An indication is deemed valid if its outer loading value exceeds 0.60.

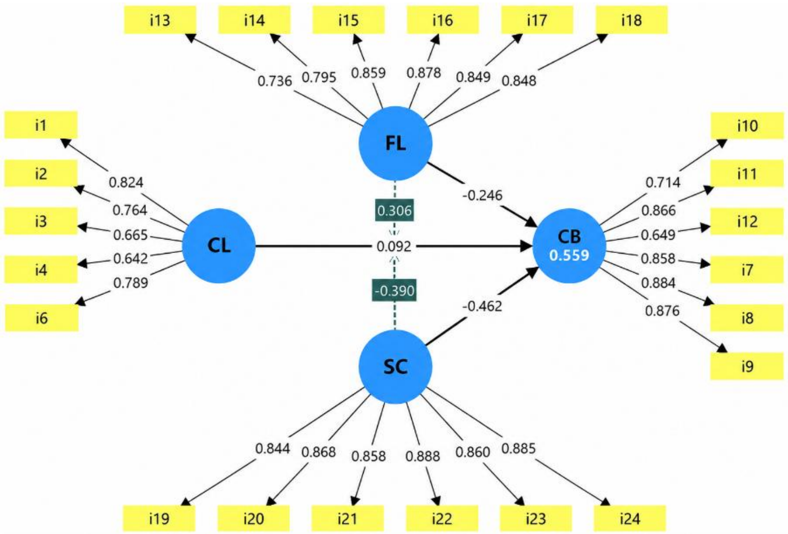

Figure 2. Research Model
Source: Own Compilation (2026)

According to the test results, every indicator for the factors of self-control, financial literacy, cashless lifestyle, and spending behavior had outer loading values more than 0.60. The cashless lifestyle variable has outer loading values ranging from 0.642 to 0.824, financial literacy from 0.736 to 0.878, self-control from 0.844 to 0.888, and consumption behavior from 0.649 to 0.884. As a result, every indicator is deemed legitimate and capable of capturing the measured construct.

Table 2. Results of Construct Validity and Reliability Tests

Variable	Outer Loading Range	AVE	Composite Reliability	Cronbach's Alpha	Remarks
Cashless Lifestyle (CL)	0.642 - 0.824	0.548	0.857	0.800	Valid and Reliable
Consumption Behavior (CB)	0.649 - 0.884	0.661	0.920	0.895	Valid and Reliable
Financial Literacy (FL)	0.736 - 0.878	0.687	0.929	0.909	Valid and Reliable
Self-Control (SC)	0.844 - 0.888	0.752	0.948	0.934	Valid and Reliable

Source: Own Compilation (2026)

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Discriminant Validity

Discriminant validity demonstrates how each construct differs from the others. According to the test results, every indicator had the highest loadings on the measured construct, allowing for the empirical distinction of each variable.

Evaluation of Structural Models (Inner Model)

R-Square Value

The capacity of independent factors, moderators, and interaction effects to explain variation in Generation Z's consumption behavior is measured using the R-squared value.

Table 3. R-Square Value

	R-Square	R-Square Adjusted
Consumption Behavior (CB)	0.559	0.548

Source: Own Compilation (2026)

The R-squared for the consumption habit variable is 0.559. According to this figure, 55.9% of the variation in spending behavior is attributable to self-control, financial literacy, and a cashless lifestyle. The R-squared value shows that the relationships between the variables in the model can partially explain consumption behavior.

Hypothesis Testing

The hypothesis was assessed by looking at the path coefficient values, t-statistics, and p-values obtained via bootstrapping. The hypothesis is accepted if the t-statistic value is more than 1.96 or the significance value is less than 0.05.

Table 4. Hypothesis Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
CL -> CB	0.092	0.091	0.068	1.343	0.179
FL -> CB	-0.246	-0.245	0.122	2.020	0.043
FL x CL -> CB	0.306	0.272	0.151	2.028	0.043
SC -> CB	-0.462	-0.474	0.129	3.589	0.000
SC x CL -> CB	-0.390	-0.326	0.187	2.086	0.037

Source: Own Compilation (2026)

The results of the hypothesis test showed that leading a cashless lifestyle did not affect Generation Z's consumption patterns. Self-control and financial literacy negatively affect consumption behavior. Additionally, it has been shown that self-control and financial literacy affect the relationship between cashless living and consumption behaviors.

DISCUSSION

The Impact of a Cashless Lifestyle on the Consumption Patterns of Generation Z

The study found that leading a cashless lifestyle has no discernible impact on Generation Z's consumption patterns. These findings demonstrated that the convenience, speed, and efficiency offered by digital payment systems did not immediately improve respondents' consumption patterns. The usage of e-wallets, QR codes, mobile banking, and other digital payment methods does not automatically make Generation Z more consumerist.

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The results of this study are consistent with those of Hariyani & Prasetio (2024), who found that e-wallet use does not typically significantly affect spending behavior among individuals with high levels of financial literacy. These results are supported by Cahyani et al. (2024), who show that cashless use is not always the primary factor influencing consumption behavior, as other internal factors also affect it. These situations show that rational considerations and people's ability to manage their finances still influence purchase decisions, even as Generation Z uses digital payments at a high rate. Rather than being the main factor influencing consumer behavior, the cashless lifestyle mostly functions as a payment option.

The lack of a substantial correlation suggests that Generation Z's consumption habits may not be influenced by transaction convenience alone. Digital payment systems primarily serve as transaction instruments, but individual factors, including financial planning, budgeting techniques, and spending objectives, continue to influence purchasing decisions. This result aligns with the Theory of Planned Behavior, which holds that individual control over decision-making influences behavior in addition to the availability of favorable factors. Generation Z's extensive use of digital payment systems may have diminished the novelty of cashless transactions, making payment methods less important for explaining variations in purchasing patterns.

The Impact of Financial Literacy on the Consumption Patterns of Generation Z

The results of the study show that financial literacy has a substantial detrimental impact on consumption behavior. This indicates that as financial literacy increases, a person's inclination to engage in consumptive behavior declines. These findings align with those of Efriyanto et al. (2025), who discovered that financial literacy has a detrimental impact on Generation Z's consumption behavior. Additionally, according to Faraz & Anjum (2025), those with a strong grasp of finance are generally better able to control their spending and avoid rash purchases. Members of Generation Z who are financially educated usually understand the need to prioritize tasks, manage expenses, and consider long-term benefits before making a purchase. Comprehending financial ideas is only one facet of financial literacy; applying this understanding to everyday decision-making is another. Respondents who recognize the need for budgeting, spending control, and financial planning tend to be more frugal with their money. This ability helps people remember the benefits and priorities of essentials, even if the transaction process is efficient and rapid.

The ability to weigh financial implications before making purchases is one way that financial literacy may affect consumption behavior. People who are knowledgeable about financial planning, saving, and budgeting are typically more inclined to weigh their options and determine whether a purchase fits with their values. Because spending decisions are weighed against longer-term financial goals, this procedure can reduce the likelihood of impulsive purchases. The results corroborate the idea that financial knowledge serves as a resource that guides consumption choices in day-to-day circumstances, in addition to providing information.

The Impact of Self-Control on the Consumption Patterns of Generation Z

The test results showed that self-control had a considerable negative influence on consumption behavior. These findings suggest that when self-control increases, the inclination to engage in consumptive behavior declines. The results of the study corroborate those of Harjanti et al. (2025), who demonstrate that self-control can lessen impulsive buying. Yahfi et al. (2025) claim that those with good self-discipline are also

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better able to manage their buying urges, particularly in the face of tempting ads and the convenience of online transactions. People with self-control can postpone transient desires, consider needs more rationally, and avoid impulsive purchases. Self-control is a key psychological element in regulating consumer behavior. Self-control becomes more important when consumers are exposed to a range of stimuli, such as promotions, discounts, and cashback offered on digital payment systems. People with good self-control are less likely to be convinced to buy anything by a short-term offer. Needs and available funds still influence consumption decisions.

The increased impact of self-control suggests that psychological variables, rather than just transactional facilities, are more important in determining consumer behavior. Through digital channels, consumers are regularly exposed to promotional messages, time-limited deals, and recommendations. By postponing gratification and determining whether a purchase is necessary, self-control enables people to regulate their reactions to such stimuli. The outcome supports behavioral perspectives that emphasize self-regulation as a crucial mechanism in consumption choices, especially in digital settings where purchase opportunities are always available.

The Function of Financial Literacy in Moderating the Association between Consumption Behavior and Cashless Lifestyle

The results of the study show that the relationship between Generation Z's spending patterns and their cashless lifestyle is moderated by financial knowledge. Financial literacy serves as a moderator: when people have a better grasp of finance, they may respond to transaction ease more rationally. Respondents with financial management expertise are better able to assess the impact of each expense, preventing the assumption that using digital payments is always accompanied by greater consumption. This illustrates how people's level of financial literacy shapes their purchase patterns in a cashless lifestyle. A person's level of financial literacy boosts their ability to manage their resources and make wise consumption decisions. This outcome is consistent with the findings of Efriyanto et al. (2025), who found that financial literacy negatively affects consumption behavior. Furthermore, Vitalia et al. (2024) show that people with higher levels of financial literacy tend to use digital payments more carefully and under control. Financial literacy can lessen the effects of cashless lifestyles on consumer behavior.

The moderating impact suggests that a person's degree of financial literacy influences how a cashless lifestyle affects their consumption habits. Convenience is a benefit of digital payment systems; people with higher financial literacy may perceive it differently from those with lower financial literacy. Financially aware people are more likely to consider affordability, budgetary constraints, and financial objectives before making a purchase, rather than seeing transaction convenience as an opportunity to increase spending. This result builds on earlier research by demonstrating that financial literacy influences the behavioral effects of cashless payments, in addition to serving as a direct predictor of consumption behavior.

The Function of Self-Control in Moderating the Association between Consumption Behavior and a Cashless Lifestyle

The results of the study show that the relationship between Generation Z's spending patterns and their cashless lifestyle is moderated by self-control. This implies that people's degree of self-control has a big impact on how they respond to the ease of digital transactions. People with self-control are able to resist the need to buy. This skill becomes even more important when transactions occur quickly and with few problems, as with

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digital payment methods. This finding validates Harjanti et al. (2025) assertion that self-control can reduce impulsive buying tendencies. Yahfi et al. (2025) claim that although using digital payments facilitates payments, individuals with strong self-discipline can still regulate their spending. By practicing self-control, the effects of a cashless lifestyle on consumption behavior can be lessened. When the transaction process is quick and involves few obstacles, self-control allows people to resist the urge to buy. Even though the digital payment system is quite convenient, responders can limit their spending thanks to this feature.

The moderating influence of self-control suggests individual differences in the behavioral effects of cashless payment systems. Even when digital transactions lower practical barriers to buying, those with greater self-discipline can still manage their spending, despite having instant access to payment options. The outcome emphasizes how crucial self-regulation is for understanding why customers react differently to comparable levels of transaction convenience. From a theoretical standpoint, the results imply that psychological variables that influence how people control their desire to buy affect the link between technology use and consumption behavior.

CONCLUSIONS

The purpose of this study is to examine how a cashless lifestyle affects Generation Z's consumption habits and investigate the moderating effects of self-control and financial knowledge. The study's findings demonstrate that Generation Z's consumption habits are not significantly impacted by living a cashless lifestyle. Because financial demands and circumstances still play a role in purchasing decisions, the ease of transactions provided by digital payment systems does not always translate into increased consumption. The association between a cashless lifestyle and purchasing behavior is moderated by financial literacy, which also influences consumption behavior. The use of digital payments does not immediately promote consumptive behavior because respondents with a greater grasp of finance are typically better able to control their spending. Additionally, self-control influences consumption behavior and moderates the association between consumption behavior and a cashless lifestyle. Even as the transaction process becomes more practical, respondents become more frugal with their money when they can suppress their temptation to buy.

The use of digital payment technologies is simply one aspect of Generation Z's consuming habits; other factors include people's financial management skills and self-control when making purchases. With characteristics centered on a cashless lifestyle, financial literacy, and self-control, the results show the state of Generation Z respondents. Other influences, such as social media, hedonistic lifestyles, and FOMO, can still affect consumption behavior. To further understand consumption behavior in the use of digital payment systems, future studies can include pertinent factors, broaden the range of respondent characteristics, and employ various research methodologies.

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