

RESEARCH ARTICLE

ANALYSIS OF INDONESIAN CITIZENS' FINANCIAL BEHAVIOR IN ONLINE SHOPPING: A STUDY OF AVERAGE EXPENDITURES AND INFLUENCE FACTORS

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ABSTRACT

This research aims to analyze the financial behavior of Indonesian citizens in online shopping with a focus on average spending and the factors that influence it. The research method used is secondary data analysis from the 2023 Internet Penetration and Behavior Survey report presented by the Indonesian Internet Service Providers Association (APJII). The findings of this research indicate that the majority of respondents (77.02%) spent less than IDR 500 thousand in online transactions, while factors such as consumer preferences, transaction security, the influence of digital advertising, and the availability of payment methods also influence online shopping behavior. The research conclusion shows that even though online transactions are growing, there are still several consumers who are not actively using e-commerce services. Therefore, strategic recommendations involve e-commerce business players, payment service providers, and the government to increase e-commerce penetration, improve transaction security, and optimize digital marketing to expand the consumer base.

KEYWORDS

Financial Behavior, Online Shopping

1. INTRODUCTION

Along with technological developments and the growth of e-commerce, online shopping has become an increasingly popular trend among Indonesian people. In recent years, online shopping platforms have provided various conveniences for consumers, including easy access to various products and services, attractive discount offers, and practical shopping experiences. The importance of understanding the financial behavior of Indonesian citizens in online shopping can be seen in the increasing participation of consumers in the e-commerce ecosystem. However, in this context, it is also necessary to pay attention to the variables that influence the average consumer expenditure in online shopping. Factors such as consumer preferences, perceptions of the security of online transactions, the influence of digital advertising, and the availability of online payment methods can be important points in understanding the dynamics of online shopping in Indonesia.

In addition, analysis of consumer financial behavior in online shopping is relevant to the development of the national digital economy. With more and more businesses entering the online realm, understanding consumer shopping behavior can help business people and the government in designing effective strategies to increase the growth of the e-commerce sector and support the development of the digital economy in Indonesia. Therefore, a study of average expenditure and factors that influence the financial behavior of Indonesian citizens in online shopping is a strategic and relevant study to support a deeper understanding of consumption patterns in this digital era.

In the context of globalization and digital transformation, online shopping has become a phenomenon that increasingly penetrates the daily lives of Indonesian citizens. Involving online transactions through various e-commerce platforms, online shopping behavior not only reflects shifts in consumption patterns but also shows a transformation in people's

lifestyles. The background to the importance of analyzing the financial behavior of Indonesian citizens in online shopping is not only limited to the quantity of spending but also the underlying factors. First of all, aspects of consumer preferences have a significant role in determining the type of product sought, the brand chosen, and the level of consumer satisfaction. The influence of digital advertising as a driver of purchasing decisions is also an interesting thing to explore, considering that consumers are now more easily connected to product information through various social media and online platforms.

Furthermore, online transaction security is a crucial aspect of understanding the sustainability of online shopping trends in Indonesia. Indonesian citizens need to feel comfortable and confident in the security of online payments and the protection of their data. Analysis of the availability of online payment methods is also an important element, considering that consumer preferences can be influenced by the type and ease of payment methods available.

To support the growth of the digital economy and e-commerce in Indonesia, an in-depth understanding of average spending and the factors that influence the financial behavior of Indonesian citizens in online shopping is a critical basis. This research not only provides insight for business players in the e-commerce industry to optimize their services but also provides strategic insight for the government in designing regulations that support the development of the online shopping sector while still paying attention to consumer security and trust.

This research aims to detail the financial behavior of Indonesian citizens in the context of online shopping. First of all, this research will analyze the average expenditure spent by Indonesian citizens on online shopping, focusing on certain product or service categories. Next, this research will investigate factors that influence consumer financial behavior in online shopping, such as consumer preferences, transaction security, the

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influence of digital advertising, and the availability of payment methods. In this context, research will also examine changes or evolution of consumer behavior in online shopping over time, to understand possible trends. Evaluation of consumer preferences regarding certain types of products, brands, or categories will also be carried out to gain deeper insight. In addition, this research will provide strategic recommendations to e-commerce businesses, payment service providers, and the government, to improve service quality, transaction security, and consumer trust. All of these efforts are directed at supporting the development of the digital economy in Indonesia by understanding the contribution of online shopping to national economic growth. It is hoped that these objectives can provide a comprehensive and useful picture in understanding the dynamics of consumer financial behavior in the online shopping era.

2. THEORETICAL BASIS AND PREVIOUS RESEARCH

Mental Accounting Theory, introduced by economist and psychologist Richard H. Thaler in 1985 is a conceptual foundation in the science of financial behavior that focuses on how individuals view and manage their money and financial assets (Thaler, 1985). This theory describes the human tendency to mentally group certain funds or assets into special categories, such as vacation funds, emergency funds, or retirement funds. This grouping not only influences the way people make financial decisions, but also reflects that people often do not always act rationally in managing their finances, but are also influenced by emotional and psychological considerations.

Within the framework of Mental Accounting Theory, individuals tend to make financial decisions based on their perception of certain categories of funds, not just based on rational factors such as investment returns or risk. Framing or the way information is presented is also recognized as an important factor that can influence financial decisions, with people perhaps being more willing to spend money if it is perceived as a "gift" rather than a "cost." The concept of grouping funds also includes waste and savings which are considered as separate actions, even though they come from the same source of funds. Additionally, Mental Accounting Theory highlights the emotional impact on financial decisions, with individuals more likely to take financial risks if they feel the funds come from "luck" rather than regular income. Thus, this theory provides deep insight into the psychological and emotional aspects involving human financial behavior.

Mental Accounting Theory can be closely linked to the Analysis of Financial Behavior of Indonesian Citizens in Online Shopping, especially in the context of understanding average expenditure and the factors that influence online shopping decisions. First of all, the concept of grouping funds in Mental Accounting Theory can play an important role in understanding how Indonesian citizens allocate their expenses when shopping online. Individuals may have different mental accounting for certain product or service categories, such as clothing, food, or electronics, which can influence how much they prepare or allocate to each category.

Additionally, analysis of average expenses can provide a deeper picture of how individuals mentally manage their funds when shopping online. Psychological factors such as consumer preferences, the influence of digital advertising, and the perceived security of online transactions can be studied further in the context of Mental Accounting Theory. For example, are there differences in the allocation of funds or online shopping tendencies based on certain product categories that consumers consider to be "necessities" or "enjoyments"?

Understanding these psychological factors can also help explain variations in average spending between individuals who may be more inclined toward certain preferences. In this case, Mental Accounting Theory provides a more comprehensive view regarding the way individuals group and manage their funds mentally, as well as how these factors can influence their online shopping decisions.

By embracing concepts from Mental Accounting Theory, analysis of Indonesian citizens' financial behavior in online shopping can become more holistic and deeper, including psychological aspects that can influence consumer decisions. As a result, the findings from this study can provide deeper insights for business people, payment service providers, and the government to optimize their strategies to support the growth of the e-commerce sector in Indonesia.

Next, in this section, several previous studies that are relevant to this research topic will be briefly explained. A description of previous research will begin with research conducted which attempted to investigate online purchasing behavior among young consumers in Australia and the United

States by (Dharmesti et al., 2019). In addition, this research aims to develop and test a theoretical framework related to young consumers' online purchasing behavior. Data was collected through an online survey targeted at young online shoppers in Australia and the United States. Multigroup structural equation modeling was used to test the proposed structural model and its hypotheses.

The findings of this research indicate that the model has a good level of fit with the data obtained. Young consumers in Australia and the United States have positive attitudes towards online shopping which significantly influences their online purchasing intentions. Social motivation has a negative impact on online purchase intentions in an Australian sample. Escapism and value motivation have a positive impact on the online purchasing intentions of young consumers in Australia and the United States. In addition, young consumers in both countries are very familiar with the online shopping process, and this familiarity strongly triggers information search behavior which then influences online purchasing intentions.

The practical implication of this research is that the results can help marketers and policymakers to target and attract this young segment, based on their motivations, values, and unique characteristics. In the Indonesian context, where market characteristics and consumer preferences may differ, a similar study of Indonesian citizens' online shopping behavior could provide valuable insights. Such studies can help businesses and governments improve their marketing efforts and services, according to the unique values and characteristics of young consumers in Indonesia.

Then further research discusses the determinants of online service quality and electronic trust (e-trust) in internet shopping, with a psychometric approach (Bhat and Darzi, 2021). The phenomenal growth of e-commerce, especially in developing countries like India, has created profitable opportunities for online retailers. Today, many online retailers compete in a crowded market to win customers. This intense competition forces online retailers to compete not only with offline retail stores but also with other online retailers.

The results show that online service quality determinants and perceived usefulness directly influence e-trust, and perceived usefulness has a mediating effect on e-trust. The findings of this research are useful for website developers and online retailers to design innovative and effective designs to maximize trust and perceived usability. This research also contributes to the understanding of e-commerce by developing a revised trust-based consumer online shopping model to explain the various factors that influence consumers' online shopping attitudes and how perceived usefulness mediates the relationship between these variables.

In the Indonesian context, a similar study could provide valuable insight into the factors that influence trust and perceived usefulness in online shopping amidst a rapidly developing market. Analysis of Indonesian citizens' financial behavior in online shopping can enrich an understanding of how these factors play a role in the local context and support the development of the e-commerce ecosystem in Indonesia.

Further research also discusses the environmental impact of online shopping (Buldeo Rai, 2021). Where changes in consumption patterns and habits of contemporary society triggered by the internet, digitalization and access to technology have become a concern in society. Whether these changes have beneficial or detrimental implications for society is the subject of ongoing debate. Particularly regarding the environmental impact of online shopping and omnichannel retail, claims have been made from a variety of angles, including the efficiency of home delivery versus individual shopping trips.

However, the balance changes when changes in behavior and geography are recognized. Despite increasing behavioral reflection, very few empirical studies consider the spatial (re)organization of businesses and consumers. This article goes beyond the case study approach and thereby organizes the literature in a solid framework, capable of guiding future discussions and research in a more sustainable direction.

In the Indonesian context, where the growth rate of e-commerce continues to increase, understanding the environmental impact of online shopping is crucial. A study of consumer behavior in online shopping in Indonesia can contribute to understanding how certain factors, such as logistics policies and consumer preferences, influence the environmental impact of the growing online shopping trend. Thus, such research can help interested parties in Indonesia to develop more sustainable strategies and policies in dealing with the growing trend of online shopping.

The next article reviews consumer behavior toward online shopping, with

a focus on factors that limit consumers from shopping online (Daroch et al., 2021). This research aims to identify the problems faced by consumers when shopping through online stores.

Quantitative research methods were used in this research, where a survey was conducted on online shopping site users. The research results show six factors that limit consumers from shopping online, namely fear of banking transactions and trust, the perception that traditional shopping is more convenient than online shopping, reputation and services provided by online stores, experience, insecurity, and inadequate product information, as well as a lack of trust.

The genuine value of this research lies in its focus on identifying factors that limit consumers' online shopping, which can provide additional insights for e-commerce practitioners and researchers in the field of consumer behavior. In the Indonesian context, a similar study can provide a deeper understanding of the factors that influence consumer decisions in online shopping, especially in dealing with market characteristics and consumer preferences in Indonesia. This can help related parties in developing more effective strategies to increase the adoption of online shopping in Indonesia.

Finally, a review of previous research in this research will briefly explain studies on the influence of online shopping on the health of purchasing daily necessities (Harris-Lagoudakis, 2021). This study uses variation in the timing of the introduction of online shopping services as a source of exogenous variation in the decision to shop online. Compared to pre-online averages, our estimates show that online shopping carts allocate 10.2% (21.7%) more of total expenditure (calories) to healthy and 10.1% more nutrient-dense product categories. We also evaluate the effect of online shopping on monthly aggregate baskets (in-store and online). The average effect of treatment for treated (ATT) showed a 2.3% reduction in the sugar/sweets budget share upon introduction of online shopping services; however, summary measures of health do not reflect robust changes at the monthly level.

In the Indonesian context, where online shopping is increasingly becoming a trend, its potential impact on shopping patterns and healthy eating habits can be an important concern. A similar study in Indonesia could provide a further understanding of how online shopping behavior can influence product choices and the sustainability of consumers' healthy eating habits. For example, does online shopping in Indonesia also increase consumer preferences for healthier food products or vice versa? Therefore, such research can help design policies and marketing strategies that support healthy eating patterns in Indonesian society.

Dependence on online shopping can cause economic problems and has not been widely researched, especially in the context of smartphone use (Nyrhinen et al., 2023). Through a survey of 1000 individuals aged 18-29 years in Finland, this research found that low self-regulation in the online environment facilitates online shopping dependency, which leads to dissatisfaction with managing personal money through debt. Distractive stimuli from the digital environment are also triggers, especially for those with low self-regulation. This research guides reducing online shopping dependency tendencies through teaching self-regulation strategies and financial and information technology skills.

3. RESEARCH METHODS

This research adopts a quantitative descriptive method using secondary data obtained from the 2023 Internet Penetration and Behavior Survey report presented by the Katadata Insight Center (KIC). The main data source focuses on information related to internet usage, online behavior, consumer preferences, and the latest trends related to digital technology in Indonesia. The data collection process is carried out by extracting and analyzing the information contained in the survey report, including variables such as type of online activity, frequency of internet use, digital platform preferences, and consumer behavior in a digital context.

4. DISCUSSION

4.1 Online Transactions

Online transactions make it easier for people to shop and make payments digitally. The payment process involves the use of digital wallets, m-banking services, and various other online payment channels. To find out the extent of spending that occurs in online transactions, the Indonesian Internet Service Providers Association (APJII) conducted a survey which was documented in the 2023 Internet Penetration and Behavior Survey report. The survey results showed that as many as 77.02% of the total respondents admitted to spending less money. from IDR 500 thousand

when making online transactions. In addition, 16.85% of respondents spent between IDR 500 thousand and IDR 1 million, 4.18% spent IDR 1 million million, and 0.69% reported online transactions of more than IDR 3 million. A small portion of respondents, namely 1.26%, stated that they did not know the amount they spent on online transactions. This survey involved 8,510 respondents from various regions in Indonesia, consisting of 4,004 male respondents and 4,506 female respondents. Data was collected in the period 10-27 January 2023 through interviews and questionnaires using the multi-stage random sampling technique (Santika, 2023).

4.2 Argumentation and Analysis

The increase in online transactions in Indonesia, as reflected in the 2023 Internet Penetration and Behavior Survey report by the Indonesian Internet Service Providers Association (APJII), reflects a shift in people's shopping behavior towards digital transactions. In this context, the use of digital wallets, m-banking, and other online payment channels is becoming increasingly common. The survey results showed that the majority of respondents (77.02%) spent less than IDR 500 thousand when making online transactions. This data is in line with previous research findings which highlight the low average expenditure in online shopping in Indonesia. However, this survey also noted that a small number of respondents reported significant expenditure, namely between IDR 1 million to more than IDR 3 million. Apart from these variations, this research shows that the majority of people tend to make online transactions at relatively affordable prices. However, to gain a deeper understanding of this phenomenon, further studies are needed that analyze the factors that influence online shopping decisions, such as shopping habits, consumer preferences, and the influence of promotions. Thus, APJII's research results can be used as a basis for developing further research involving analysis of the financial behavior of Indonesian citizens when shopping online.

Through the 2023 Internet Penetration and Behavior Survey report, APJII provides an overview of Indonesian people's spending patterns in online transactions. Even though the majority of respondents spend relatively small amounts of money, this does not necessarily reflect the large potential in the number of transactions and value of online shopping in Indonesia. Factors such as shopping habits, consumer preferences, and the influence of promotions need to be explored further to understand the dynamics behind these numbers. A deeper analysis of Indonesian citizens' financial behavior in online shopping can provide valuable insights for companies, governments, and industry players in optimizing marketing strategies, improving services, and better understanding consumer needs. By continuing to understand the factors that influence online shopping decisions, we can formulate more effective steps to support the growth of the digital shopping ecosystem in Indonesia.

The impact of Indonesian people's spending patterns in online transactions, as depicted in the 2023 Internet Penetration and Behavior Survey report, has several important implications. First, a better understanding of average spending and the factors that influence online shopping decisions can help industry players and companies adjust their marketing strategies. This has the potential to increase the appeal of a product or service, tailor promotions, and create a more satisfying shopping experience for consumers.

Second, knowledge about consumer spending trends can provide insight to the government and regulators regarding the potential for economic growth originating from the e-commerce sector. Increasing public participation in online transactions has the potential to support digital economic growth and create new jobs.

Finally, by understanding the financial behavior of Indonesian citizens in online shopping, factors can be identified that may be obstacles or obstacles in increasing the use of e-commerce. Strategic steps and innovations can be taken to overcome these obstacles, such as providing further education to the public, increasing transaction security, or optimizing e-commerce platforms.

Overall, further analysis of this data can provide a strong foundation for the development of policies, business strategies, and initiatives that support the growth and development of the online shopping ecosystem in Indonesia.

4.3 E-Commerce

Based on SimilarWeb data in the third quarter of 2023, the 5 e-commerce sites in the marketplace category with the highest number of visitors in Indonesia include Shopee, Tokopedia, Lazada, Blibli, and Bukalapak. Of the five sites, visitor growth only occurred at Shopee and Blibli, while their

competitors tended to experience a decline. Shopee recorded an average of 216 million visits per month, an increase of around 30% compared to the previous quarter. On the other hand, Blibli experienced an increase of 5% (QoQ), while Tokopedia, Lazada, and Bukalapak experienced a decrease of 9% (QoQ), 30% (QoQ), and 21% (QoQ), respectively. However, research from the Katadata Insight Center (KIC) states that the majority of Indonesian people do not actively use e-commerce services. In the research report "Beyond the Digital Frontier," KIC estimates that only 33.4% of the total population are active e-commerce users, while 17% are occasional users, and 49.6% are non-e-commerce users. KIC emphasizes that only focusing on online channels can ignore more than half of Indonesian consumers, and although online channels are important, market leaders still need strong roots in offline channels (Ahdiat, 2023).

4.4 Argumentation and Analysis

Data regarding the growth of visitors to e-commerce sites in Indonesia, as described in the SimilarWeb report for the third quarter of 2023, provides a significant picture regarding online shopping trends in society. Significant visitor growth mainly occurred on the Shopee and Blibli platforms, indicating that some people are increasingly adopting the online shopping model through these sites.

However, research from the Katadata Insight Center (KIC) highlights that the number of active e-commerce users in Indonesia has still not reached half of the total population. This indicates that the majority of people are still not actively involved in online transactions. In this context, analysis of the financial behavior of Indonesian citizens in online shopping needs to be deepened to understand what factors influence the level of e-commerce adoption in society.

This data can be linked to studies regarding average expenditure and factors that influence online shopping decisions in Indonesia. Growth in visitors to certain sites may reflect increased consumer interest in those platforms. Further studies could examine how consumer spending behavior changes as the popularity of particular e-commerce sites grows. The growth in visitors to Shopee and Blibli, for example, may be related to increased consumer spending on these platforms.

In addition, seeing that the majority of Indonesian people are not yet actively using e-commerce services shows that there is a large growth opportunity in this market. Behavioral financial analysis can help identify barriers or concerns that potential consumers may have, and formulate strategies to increase e-commerce adoption among them. Efforts focused on education, transaction security, and increasing transaction value may be needed to open up more online shopping opportunities for Indonesians.

So, the growth of visitors to e-commerce sites in Indonesia, especially Shopee and Blibli, illustrates changes in consumer behavior towards online shopping. However, research from the Katadata Insight Center (KIC) highlights that the majority of Indonesian people are still not actively using e-commerce services. This shows that although there is growth on certain platforms, there is still huge development potential in this market.

The author's argument focuses on the importance of understanding the factors that influence e-commerce adoption in society. The study of average spending and factors that influence online shopping decisions can be the key to formulating more effective marketing strategies and increasing public participation in the e-commerce ecosystem.

By combining visitor growth data and KIC research results, behavioral finance research can reveal more information about consumer preferences, obstacles that need to be overcome, and growth opportunities that e-commerce industry players can take advantage of. For example, more in-depth analysis can be conducted to explore how consumer spending patterns change in line with changes in the popularity of particular e-commerce sites, as well as how trust and transaction security factors play a role in online shopping decisions.

4.5 Average Expenditures

Data from the 2023 Internet Penetration and Behavior Survey report, conducted by APJII, shows that as many as 77.02% of respondents spent less than IDR 500 thousand when making online transactions. However, to understand in more detail, a consumer segmentation approach is used by separating respondents based on the type of product or service they purchased. Product category analysis is carried out to identify spending patterns, reveal the most popular categories, and determine the factors that influence spending in each category. Additionally, demographic aspects such as age, gender, and geographic location are also evaluated to understand differences in shopping habits. By investigating shopping

behavior patterns, purchase frequency, and shopping basket size, industry players can adapt their marketing strategies to better suit consumer preferences. This analysis is expected to provide in-depth and concrete insights for marketers and e-commerce industry players to improve the online shopping experience in Indonesia.

5. INFLUENCING FACTORS

Consumer financial behavior in the context of online shopping is influenced by various factors that play a crucial role in shaping purchasing decisions. First, consumer preferences are the main driver in choosing an online shopping platform. These factors include personal tastes, lifestyles, and needs, which shape consumer decisions regarding website design, types of products offered, and return policies. Transaction security is another crucial factor that is highly considered by consumers. Secure payment systems, strong data encryption, and fraud protection are top priorities for consumers who want to feel comfortable shopping online.

The influence of digital advertising also plays an important role in shaping consumer behavior. Relevant and engaging advertising can increase consumer awareness of a particular product or brand, motivate impulse purchases, or encourage further exploration. In addition, the availability of various payment methods makes a significant contribution to shaping consumer preferences. Consumers tend to choose platforms that provide payment options according to their preferences and needs, such as credit cards, digital wallets, or bank transfers.

With a deep understanding of these factors, industry players can design more effective marketing strategies, increase consumer satisfaction, and build trust in the growing online shopping ecosystem.

5.1 Evolution of Consumer Behavior

Changes or evolution of consumer behavior in online shopping have become the subject of significant study over time. With the adoption of technology and changes in the e-commerce ecosystem, consumers are experiencing a transformation in the way they shop and interact with online platforms. Several important trends have emerged over the past few years.

First, increased mobility via mobile devices has changed the way consumers access and shop on online platforms. Mobile shopping apps and responsiveness to mobile devices are becoming more important, creating a seamless experience for consumers who prefer to shop on their phones.

Then, personalization of consumer experience has become a major focus. Online shopping platforms are increasingly using artificial intelligence and data analysis to provide more accurate and relevant product recommendations based on previous shopping behavior. Another trend worth watching is the growth of social-based shopping. Social media plays a huge role in shaping consumer decisions, with live shopping features and product reviews on social platforms becoming increasingly popular.

It is also important to pay attention to increasing consumer awareness of sustainability and ethics. Consumers tend to prefer brands and products that support sustainable and socially responsible values. By understanding these trends, industry players can anticipate changes in consumer behavior, optimize marketing strategies, and create more relevant and satisfying online shopping experiences for modern consumers.

5.2 Evaluate Consumer Preferences

Evaluating consumer preferences regarding certain types of products, brands or categories is an important step in understanding consumer shopping behavior in depth. This process involves research and analysis of the types of products that consumers are most interested in, the brands that are favored, and certain product categories that attract attention. In understanding product types, companies can identify factors such as quality, functionality, and lifestyle that influence consumer choices. Furthermore, evaluating brand preferences involves in-depth research into brand image, reputation, and previous user experiences that shape consumer preferences for a brand. Finally, in understanding product category preferences, companies can group products based on specific needs or desires, assist in product placement, and develop more targeted marketing strategies. Evaluating consumer preferences not only helps companies adapt to market trends, but also create products and shopping experiences that better meet consumer expectations, maintain brand image, and build strong relationships with customers.

6. MENTAL ACCOUNTING THEORY

Mental Accounting Theory is a conceptual framework used to understand how individuals form, process, and use financial information in their financial decision-making. This theory highlights that individuals often do not operate as rational economic calculators, but instead, they tend to form mental categories and rules of thumb that facilitate the decision-making process. Regarding the analysis of Indonesian citizens' financial behavior in online shopping, Mental Accounting Theory can have a significant impact on the way consumers form their perceptions of spending in the context of online shopping.

In a study of average expenditure and factors that influence the financial behavior of Indonesian citizens in online shopping, Mental Accounting Theory can be linked to the way consumers form mental categories regarding their shopping budget. For example, a mentally formed concept of a daily or monthly spending limit can influence the extent to which consumers are willing to spend money online. Apart from that, perceptions of discounts, cashback, or promotional offers in online shopping can also be influenced by mental categories and practical rules held by consumers.

By understanding Mental Accounting Theory, analysis of consumer financial behavior can be more in-depth, and strategic recommendations for improving online transactions can be more focused. The government, e-commerce businesses, and payment service providers can use this information to develop more effective strategies, understand consumer preferences, and create an online shopping environment that better suits the mental frame of mind of Indonesian consumers.

6.1 Strategic Recommendations

Strategic recommendations to e-commerce businesses, payment service providers, and governments:

E-commerce Business Players:

- **Improving User Experience:** Focus on improving the user interface, intuitive navigation, and responsive customer service to improve the user experience.
- **Product and Service Innovation:** Continuously develop new products and services, and innovate business models to remain relevant and meet evolving consumer needs.
- **Data-Driven Marketing Strategy:** Leverage consumer data to develop more personalized and effective marketing strategies, including smarter ad targeting.

Payment Service Provider:

- **Transaction Security:** Improve payment security systems to provide confidence to consumers, including the use of advanced encryption technology.
- **Payment Flexibility:** Provides a variety of payment methods to provide flexibility to consumers, including digital wallets, credit cards, and other payment methods.
- **Collaboration with E-commerce:** Collaborate with e-commerce platforms to provide integrated and efficient payment solutions.

Government:

- **Supportive Regulatory Policies:** Establish policies and regulations that support the growth of e-commerce while still paying attention to security aspects and consumer rights.
- **Digital Infrastructure:** Investments in digital infrastructure to ensure broad internet access and good quality throughout the region, supporting the growth of e-commerce in remote areas.
- **Consumer Education:** Conduct educational campaigns to increase consumers' digital literacy and online security, so they can shop smartly and safely.

It is hoped that these recommendations can help stakeholders optimize e-commerce potential, improve service quality, and create a conducive business environment.

7. CONCLUSION

Analysis of Indonesian citizens' financial behavior in online shopping shows that online transactions are increasingly becoming an integral part of everyday life. The 2023 Internet Penetration and Behavior Survey

report conducted by the Indonesian Internet Service Providers Association (APJII) provides an overview of consumer spending patterns in online transactions. The majority of respondents admitted to spending less than IDR 500 thousand, indicating that most online transactions have a relatively small value.

In addition, analysis of the growth of e-commerce sites in the marketplace category shows that Shopee and Blibli have experienced an increase in visits, while their competitors tend to experience a decline. However, research from the Katadata Insight Center (KIC) highlights that the majority of Indonesian people are still not actively using e-commerce services. Only 33.4% of the total population are said to be active e-commerce users, while the majority are non-users or occasional users.

In this context, Mental Accounting Theory plays an important role in shaping consumer perceptions of online shopping. Mental categories, rules of thumb, and perceptions of promotional value can influence consumer spending decisions. Strategic recommendations to e-commerce businesses, payment service providers, and the government involve a deep understanding of Mental Accounting Theory, so they can optimize marketing strategies, adjust promotions, and create online shopping experiences that suit the mindset of Indonesian consumers. In this way, an online shopping ecosystem can be produced that is more effective and in line with consumer preferences and needs.

LIMITATIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

The limitations of this research include several aspects that need to be considered. First, the 2023 Internet Penetration and Behavior Survey report from APJII only provides a general overview of consumer spending patterns in online shopping without going in-depth into specific product or service categories. Therefore, further research can examine in detail the average consumer spending in each product or service category to understand online shopping preferences and tendencies more specifically.

Second, the data used comes from surveys and reports that may tend for respondents to provide answers that are considered more socially acceptable or to report inaccurately. Future research can combine secondary data with primary data obtained through in-depth interviews or direct observation to gain a deeper understanding of consumer financial behavior in online shopping.

Recommendations for further research are to expand the geographic scope of the survey to obtain a more representative picture of various regions in Indonesia. Additionally, research can consider cultural and demographic factors that may influence online shopping behavior.

Future research could also further explore the impact of technological evolution on consumer behavior in online shopping, including the application of new technologies such as artificial intelligence (AI) or blockchain-based platforms. This can provide a further understanding of how technological innovation can shape consumer spending patterns in the context of online shopping in Indonesia.

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