CHAPTER V

CONCLUSION

5.1 Conclusion

The preceding chapter's analysis and discussion yielded the following conclusion: digital literacy, financial literacy, and social media, with behavior intention serving as a mediating variable, are the factors that impact investment decisions (a comparative study of Indonesian Millennials and Generation Z). The following conclusions are drawn from this study based on the testing, data processing, analysis, and discussion results:

Digital literacy has a big impact on behavior intention and cryptocurrency market investment decisions. Gen Z stands out as particularly proficient in digital literacy, which significantly impacts their behavioral intention and investment decisions in the cryptocurrency. Digital literacy is especially important for Indonesia's more tech-savvy Millennials and Gen Z when making cryptocurrency investment decisions. Gen Z, in particular leverage their deep understanding of digital platforms and blockchain technology to make well-informed decisions, better assess risks, and accurately analyze trends. Younger investors can make well-informed investment decisions by understanding blockchain technology, assessing risks, and analyzing trends with the help of a high level of digital literacy. On the other hand, a lack of digital literacy can lead to erroneous beliefs and dependence on dubious sources, which can influence investment decisions.

Financial literacy has no discernible effect on the behavior intention to invest in cryptocurrencies. The decentralized and complex nature of cryptocurrencies poses significant challenges, making it difficult for investors to make informed decisions regardless of their financial knowledge. However, Generation Z, having grown up in the digital age, often exhibits a heightened comfort with technology and a more nuanced understanding of digital financial tools. This familiarity could give them an edge in navigating the complexities of the cryptocurrency market compared to previous generations. Despite their financial literacy, the influence of rapidly changing information and the volatile nature of digital assets can still affect their investment choices.

Behavior intention to invest in the cryptocurrency market is greatly influenced by social media. Social media platforms are essential in motivating young investors to learn about and make cryptocurrency investments because of their interactive features and real-time information. Social media, then, plays a significant role in influencing these generations' financial habits. Gen Z exhibits a remarkable aptitude for leveraging social media, particularly when it comes to financial decisions such as investing in cryptocurrencies. The interactive nature and immediacy of social media platforms make them crucial in shaping the investment behaviors of younger generations. Through these platforms, Gen Z investors gain access to real-time information, trends, and discussions that drive their interest and confidence in cryptocurrency markets. This digital savvy not only enhances their learning experience but also accelerates their decision-making processes, making social media a significant factor in shaping their financial habits and investment strategies.

In the cryptocurrency market, investment decisions are heavily influenced by behavioral intention. Because they are tech-savvy and receptive to new ideas, millennials and Generation Z see cryptocurrency as a good investment. Therefore, in order to effectively serve this group, regulators and financial educators must comprehend the psychological and attitudinal aspects of cryptocurrencies. This emphasizes how important psychological and attitudinal factors are in influencing investment behavior, especially in younger, tech-savvy generations that have positive opinions about cryptocurrencies. Generation Z is skilled at navigating the cryptocurrency market because of their advanced technological proficiency and openness to new ideas. They approach new technologies cautiously, in contrast to millennials. Regulators and financial educators must comprehend these generational differences to create specialized plans that cater to their distinct viewpoints and inclinations.

Investment decisions are significantly impacted by digital literacy, with behavior intention serving as a major mediating factor. Higher digital literacy makes it easier for people to interact with and comprehend the cryptocurrency market, which enables them to make more intelligent investment decisions. Generation Z and Millennials in Indonesia have the same relationship. Improving digital literacy is essential to cultivating knowledgeable and self-assured cryptocurrency investors. The impact of digital literacy on behavior intention enhances investment decisions, underscoring the necessity of providing young investors with more digital education. Because of their superior digital literacy, Gen Z investors have an advantage, especially in the cryptocurrency space. This influences their intention to behave by empowering them to make well-informed, strategic decisions. Thus, encouraging digital literacy is essential to producing informed bitcoin investors.

Behavior intention mediates the relationship between financial literacy and investment decisions in the cryptocurrency market has not significantly impact. It is clear from comparing Gen Z and Millennials that Gen Z is more competent when it comes to managing money, especially when it comes to investing in cryptocurrencies. Gen Z's superior financial efficiency and higher income levels play a crucial role in shaping their investment strategies, even though financial literacy alone does not significantly influence investment decisions. Because of their innate financial efficiency, this generation is better able to make decisions, which helps them make wiser decisions in the erratic cryptocurrency market. It is a common misconception that risk tolerance plays a major mediating role in an individual's investment decisions. As a result, Gen Z is better positioned than Millennials due to their advanced financial management abilities and economic advantages, which emphasizes their ability to handle complex financial environments with more ease.

Investing decisions are significantly impacted by social media, with behavior intention serving as a mediating factor. Due to the significant influence of social media, where behavior intention serves as a crucial mediator, Gen Z has a clear advantage over millennials when it comes to investing decisions. Social media platforms have a significant influence on Gen Z's investment decisions because they mold their behavior intentions, give them useful information, and boost their confidence—especially when it comes to cryptocurrency investments. This emphasizes how important it is for digital platforms to influence young adults' financial decision-making. Because Gen Z is a generation that was born into the digital age, they are more accustomed to using digital platforms than millennials are, which helps them make more confident and well-informed investment decisions.

In conclusion, a key feature of the contemporary financial environment is the connection between digital literacy and cryptocurrency investment choices. Digitally literate people are better at navigating the complexities of the cryptocurrency market because they have a solid understanding of blockchain technology, market trends, and investment risks. Their increased knowledge improves their ability to make intelligent investment decisions, and behavioral intention is a key mediator in this relationship. The term "behavioral intention" describes a person's drive and preparedness to partake activities, like cryptocurrency investing. Perceived utility, usability, and social influences like peer pressure and social media trends all play a role in shaping this perception. The way in which people approach these decisions and their propensity to invest in cryptocurrencies are determined by the interaction of these factors.

According to this study comparing Indonesian Millennials and Generation Z, there is a significant relationship between the two generational groups' investment decisions and digital literacy levels. They interact with financial technology apps, online investment communities, and social media platforms frequently, which gives them access to a wealth of cryptocurrency information that improves their comprehension of investment risks and market trends. The abundance of information available on social media platforms—including peer opinions, expert analysis, and current trends—can influence people's decisions to invest in cryptocurrencies in a favorable way. In this process, behavioral intention serves as a crucial mediator. Higher digital literacy increases the likelihood of positive investment intentions and more strategic and well-informed investment decisions from those who view cryptocurrency investments as beneficial and manageable. This emphasizes how crucial it is to raise young investors' digital literacy so they can approach investments with more awareness and confidence.

On the other hand, social media plays a crucial role in shaping behavior intentions and influencing investment decisions by providing real-time information, trends, and discussions. However, its impact is more about influencing and motivating investors rather than providing the foundational skills needed for informed decision-making. Social media can amplify the effects of digital literacy but does not replace the need for a solid understanding of digital tools and technologies. While social media is influential in driving behavior and providing information, digital literacy is more fundamental in enabling investors to make informed and strategic decisions in the cryptocurrency market.

5.2 Research Implications

This research has implications in the field of human resources, especially in assessing the effect of digital literacy, financial literacy, and social media on investment decisions by using behavior intention as a mediation from both direct and indirect influences

The research implications of the observed generational differences in cryptocurrency investment decisions highlight several critical areas for further exploration. Firstly, there is a pressing need to investigate how digital literacy specifically impacts investment behaviors, particularly in the context of emerging financial markets such as cryptocurrencies. Understanding the precise mechanisms through which digital literacy enhances decision-making could lead to the development of more effective educational programs and resources. These programs would aim to improve financial competence and digital skills among younger generations, thereby fostering more informed investment practices.

Secondly, future research should examine the distinct ways in which Gen Z and millennials interact with digital platforms and social media. By exploring these generational differences, researchers can identify unique factors that contribute to effective investment strategies and decision-making processes. This investigation could reveal insights into how each generation's engagement with technology influences their investment choices and overall financial behavior.

Another important area for research is the role of social media in shaping investment decisions. Given the significant influence of social media platforms on behavior intentions, studies should explore how these platforms and their interactive features impact investment choices. This includes examining how real-time information, trends, and discussions on social media drive the confidence and interest of young investors, particularly in volatile markets like cryptocurrencies. In addition, research should focus on the development of educational strategies that address the specific digital competencies and needs of each generation. Evaluating the effectiveness of various educational interventions aimed at improving digital literacy and financial decision-making skills will be crucial. Tailored strategies that cater to the technological comfort levels of Gen Z and millennials can help bridge any gaps in knowledge and support more strategic investment decisions.

Moreover, there is a need for research into how regulatory frameworks can be adapted to better support younger investors. Understanding the digital behaviors and needs of Gen Z and millennials can inform the creation of policies that offer appropriate guidance and protection in the rapidly evolving financial landscape. Effective regulations can help mitigate risks and enhance the overall investment experience for young investors. Finally, exploring the psychological and attitudinal factors that drive investment decisions across generations is essential. Research should investigate how factors such as risk tolerance, confidence, and behavior intentions are influenced by digital experiences and social media interactions. This deeper understanding can contribute to more targeted educational and regulatory approaches that address the specific needs of each generation.

The result of this study is expected to be able to contribute to the development of finance management, especially to the level of investment in the cryptocurrencies in our lives. From this study, it was found that digital literacy has a positive and significant effect on behavior intention, financial literacy does not significantly effect on behavior intention, social media has a positive and significant effect on behavior intention, behavior intention has a positive and a significant effect on investment decision, a significance influence between digital literacy and investment decisions mediated by behavior intention, financial literacy does not significance effect on investment decision mediated by behavior intention, social media has a positive and significance effect on investment decision mediated by behavior intention, and there is a significance effect on between digital literacy, financial literacy, and social media and investment decisions mediated by behavior intention.

a. For Individuals Implications

   The study highlights the significance of social media and digital literacy in the cryptocurrency market, emphasizing the need for people to be able to navigate online platforms, comprehend blockchain technology, and make wise decisions.

b. For Academic Implications

The study finds that Millennials and Generation Z differ significantly in their use of social media, digital literacy, and financial literacy. To creating specialized educational programs and interventions, this information is essential. While Generation Z's digital literacy programs emphasize advanced digital tools, Millennials' programs emphasize foundational skills. The study also contends that because Generation Z has easier access to educational materials, they are more financially literate. Subsequent studies ought to investigate methods for enhancing financial literacy in senior citizens. The study also emphasizes how important it is to comprehend how social media affects ethical and financial choices.

c. For Practical Implications

Programs for financial education should be adapted to the needs of the individual generations, with Generation Z emphasizing advanced concepts and digital tools, and Millennials concentrating on basic financial literacy. When developing user-friendly interfaces, instructional materials, and service designs, investment platforms should take generational preferences into account. When enacting financial regulations and educational programs, policymakers should also take generational differences into consideration. While digital security laws should be stricter for Generation Z, policies should be adapted for Millennials. Using social media campaigns and conventional educational materials, businesses and financial institutions should modify their marketing strategies to engage different generations more effectively.

5.3 Limitations and Future Research

To improve our knowledge and strategy regarding digital and financial literacy among Indonesian Millennials and Generation Z, we need to consider the study's various limitations.

Firstly, it’s possible that the sample size of 121 respondents from 125 questionnaires is too small to fairly represent the overall population of Millennials and Generation Z in Indonesia. This could have an impact on the findings' generalizability since it might not take into consideration the wide range of experiences, viewpoints, and demographic traits that make up the general population. In addition to improving the study's statistical power and lowering the possibility of sample bias, a larger and more varied sample may yield results that are more trustworthy and broadly applicable and paint a more accurate portrait of the population.

Secondly, there may be biases in the data collection process, which favors respondents with greater access to social media and technology. The primary method of data collection is through online questionnaires via social media. As a result, people who are more tech-savvy may be overrepresented, while those who are less tech-savvy may be underrepresented. The study's ability to accurately represent Indonesian Millennials and Generation Z may be limited by this imbalance, which could also skew the results and affect the study's ability to accurately represent the general population.

Lastly, the measurement instruments used in the study, such as the questionnaires, might not adequately account for the complexity of social media usage, financial literacy, and digital literacy. Comprehensive and nuanced measurements may offer a better comprehension of these factors. Social media usage varies greatly, digital literacy encompasses a variety of skills, and financial literacy involves basic concepts. Standardized surveys might overlook important details or oversimplify these complicated concepts.

Furthermore, the study does not take into consideration contextual factors that could affect the results, such as shifting economic conditions, cultural influences, and technological advancements. These contextual components ought to be included in future studies to present a more comprehensive picture of the variables affecting digital and financial literacy. Several potential avenues for future research could be explored to address these limitations:

a. Subsequent research endeavors ought to concentrate on devising pedagogical schemes aimed at augmenting digital literacy in senior citizens, like the Millennial generation, via virtual classes, workshops, or neighborhood-based campaigns. Furthermore, studies should look into ways to help Millennials and older generations become more financially literate, with programs specifically designed to address their knowledge gaps and special needs. The role of influencers, investment choices, and the moral implications of using social media as a source of financial information all require more research on how social media affects financial behaviors and decisions.
b. Future studies should examine the cultural and economic backgrounds of various generations, pointing out parallels and discrepancies in social media usage, financial literacy, and digital literacy. Richer insights into people's digital and financial behaviors as well as their interactions with social media can be obtained by using sophisticated measurement techniques such as focus groups or in-depth interviews. Mixed-methods approaches are more effective in capturing the complex nature of these variables because they integrate quantitative surveys with qualitative data.
c. Future studies should examine the ways in which various generations utilize new platforms and technologies, like NFTs and decentralized finance, and how this affects their level of digital competency and financial literacy. These findings should be taken into account by policymakers when creating financial regulations and educational programs. To better engage different generations, businesses and financial institutions should modify their marketing strategies. For example, Gen Z should use social media platforms, while Millennials should use traditional educational materials.