

The Influence Cashless Society, Mental Accounting, and Financial Literacy on Generation Z's "Latte Factor" Behavior at Coffee Shops in Surabaya

Nazzanin Kamila Insani^{1*}, Insyirah Putikadea²

Universitas Negeri Surabaya

Corresponding Author: Nazzanin Kamila Insani, nazzanininsani@gmail.com

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ABSTRACT

This study analyzes the influence of a cashless society, mental accounting, and financial literacy on latte factor behavior. The subjects of this study are Generation Z coffee shop patrons in Surabaya. This study employed a purposive sampling method for data collection, resulting in 100 Generation Z respondents who are coffee shop patrons in Surabaya. The questionnaire was distributed online. This study used SPSS version 30 data analysis techniques to generate the research output. The results of this study indicate that a cashless society and financial literacy have a significant effect, whereas mental accounting does not have a significant effect on "latte factor" behavior. This study aims to raise awareness of the importance of financial management knowledge to make more rational decisions, particularly among Generation Z coffee shop patrons in Surabaya.

INTRODUCTION

In terms of population, Indonesia ranks fourth as the country with the highest population. Furthermore, Indonesia's population has continued to increase in recent years. Currently, Indonesia is benefiting from a demographic bonus. The demographic bonus refers to the greater number of Indonesians of productive age (15-64 years) than those of non-productive age (65 years and older). As of June 2022, Indonesia's population reached 275.36 million, with 69.3%, or 190.83 million, belonging to the productive age group; 24.39%, or 67.16 million, belonging to the non-productive age group; and 6.31%, or 17.38 million, belonging to the non-productive age group (Service, 2023).

In the productive age group, there are three generations, namely Generation X, Millennial Generation, and Generation Z. These three generations include people aged between 15 and 64 years. Not only in Indonesia, but Generation Z also has the second-highest population in Surabaya. Table 1.2 shows that Generation Z accounts for 24.13 percent, or 741,285 people, of Surabaya's total population of 2,874,314.

As the largest generation, Generation Z has a significant influence on all changes and developments, including economic ones. Coordinating Minister Airlangga stated that highly educated young people play a significant role in Indonesia's economic development (Limanseto, 2022) Public consumption plays a crucial role in Indonesia's economic development. Using goods or services to fulfill needs or desires is called consumption (Reta & Shofwan, 2020).

In 1999, David Bach's book *Smart Women Finish Rich* introduced the term "latte factor." This term refers to the accumulation of small expenses incurred regularly and without full awareness, such as daily coffee purchases, food, digital entertainment subscriptions, skincare products, and so on. These expenses may seem small, but when accumulated over the long term, they can significantly impact finances. This phenomenon shows that small, recurring expenses are largely undocumented in the budget, making it difficult to control finances. The latte factor is increasing in Indonesia in direct proportion to the rise of the consumerist lifestyle of urban communities (David Bach, 2022). Bach took the term latte from a cup of coffee. This relates to Gen Z's tendency to simultaneously play and work, making them more susceptible to the trap of consumerism. The latte factor is a seemingly small discretionary expense that distracts from the true nature of life (David Bach, 2022).

The concept proposed by David Bach is highly relevant to Generation Z (born 1997–2012), known as a consumer-oriented group with easy access to social media and e-commerce. This behavior is often seen when visiting coffee shops in Surabaya, a metropolitan city with numerous cafes like Starbucks and Kopi Kenangan (Parker & Igielnik, 2020). Generation Z in Surabaya typically visits coffee shops to relax, entertain themselves, unwind, socialize, and unwind. They can also serve as places to hang out, work in groups, or simply spend time on social media. Many Generation Z also work in cafes and spend time alone (Motoki et al., 2021). The feeling of FOMO (fear of missing out) that arises among Gen Z is one of the factors that encourage wasteful behavior towards finances. This is caused by the strong influence of social media, which causes FOMO to

increase among Gen Z. Then following the ever-changing lifestyle is one of the financial problems. The lifestyle held by Generation Z is called "You Only Live Once" or "YOLO", where the focus is on what is happening now without considering the consequences in the future (Rizqi Annisa Sita Ramadanti et al., 2020).

Regarding the explanation of mental accounting, which relates to a person's ability to categorize finances, coupled with knowledge of the thought models and implementation of financial management needed by society, this financial management ability is called financial literacy. Financial literacy is related to self-concept and the learning process. In the learning process, it is defined as learning to determine something, which influences a person's attitude in making purchasing decisions (Tenriawaru et al, 2018). Financial literacy means the knowledge and confidence a person has about their ability to make purchases, which can impact behavior that aims to improve decision-making and financial transactions (Tenriawaru et al, 2018). Financial literacy also teaches people how to invest; if supported by sound financial planning and adequate management skills, savings and investments will go smoothly (Putikadea, Insyirah et al., 2025). With these capabilities, financial literacy can help someone avoid latte factor behavior. This statement aligns with research by Riantisari et al. (2025), Calista & Shandika (2025), Oktaviani et al. (2023), Selfi et al. (2025), Aqidatul (2023), Rahmatika et al. (2024), which states that financial literacy has a significant impact on latte factor behavior. However, this is inversely proportional to research conducted by Hidayanti et al. (2023) and Julita & Aditya (2023), which states that financial literacy has no significant impact on latte factor behavior.

Referring to the background above, significant differences were found in the research results and simultaneously in the relationship between variables. There are also not many studies that simultaneously analyze the impact of these three factors on the latte factor behavior of generation Z in coffee shops in Surabaya. This situation creates a research gap that needs to be filled to understand the latte factor behavior patterns of generation Z in the coffee shop context. The novelty of this study lies in the combination of three main variables of cashless society, mental accounting, and financial literacy in a context of Generation Z in coffee shops by emphasizing the controlling variable, namely financial knowledge, which has not been studied thoroughly in previous studies, providing a new perspective for approaches to stop latte factor behavior in the digital era. Therefore, the author's researchers decided to conduct a study entitled "The Influence of Cashless Society, Mental Accounting, and Financial Literacy on the Latte Factor Behavior of Generation Z in Coffee Shops in Surabaya".

LITERATURE REVIEW

Theory of Planned Behavior

According to Ajzen, the Theory of Planned Behavior (TPB) is a model for understanding human behavior (Maslim & Andayani, 2023). The TPB stems from the Theory of Reasoned Action (TRA). Ajzen and Fishbein first introduced it in 1980 to assess human behavior based on perceived behavioral control (PBC),

which is considered specific to the TPB. The TPB explains that the greater the intention toward a behavior, the more likely a person is to engage in the desired behavior (Ajzen, 2020).

The Theory of Reasoned Action (TPB), formulated by Fishbein and Ajzen in 1975, is an extension of the Theory of Reasoned Action (TRA). Ajzen stated that the TPB has been widely adopted. The TPB serves as a model of thought to explore the differences between attitudes and intentions, and between intentions and behavior. In this context, elaborating on whistleblowing with the TPB may help address some of the limitations of previous research and provide a way to explore the wide disparities observed between attitudes and behavior (Lee & Kotler, 2011).

Technology Acceptance Model (Technology Acceptance Model)

In 1989, Davis proposed a theory called the Technology Acceptance Model. The TAM was adapted from the Theory of Reasoned Action (TRA), previously proposed by Ajzen and Fishben in 1980. The variables that differentiate between individual acceptance and rejection of technology are perceived usefulness (attitude toward use) and perceived ease of use (attitude toward ease of use). The Technology Acceptance Model is believed to pre-emptively state and explain individual behavior with new technology (Davis, 1987).

Perceived usefulness (Attitude towards use) refers to the use of technology that has a strong impact on its use, and can be useful for improving its performance. Perceived ease of use (attitude towards ease of use) refers to the ease of using technology without requiring a great deal of effort (Davis, 1987). This study uses the Technology Acceptance Model to explain how cashless society variables correlate with each other.

Cashless Society

A cashless society is a shift from cash to non-cash payment systems, or from manual to digital payments. This phenomenon can be traced to the increasing use of electronic money for shopping, both online and offline. The speed and convenience of digital payment systems, along with the abundance of promotions and cashback offers, make people willing to spend their money without careful consideration (Rahmatika et al., 2024). Cashless society Closely linked to digitalization, Generation Z, a technology-savvy generation living in the midst of the internet of things, is considered more adaptable to new habits, such as cashless transactions, which are also easy and practical. This behavior clearly aligns with the nature of Generation Z, who prefer things that are practical and can be done via their smartphones (Rif'ah, 2019). According to Dewi Kirowati et al. (2025), digital payments or a cashless society streamline operations, reduce costs, and attract a broader customer base.

Mental Accounting

Based on the definition by Thaler & Shefrin (1981), mental accounting is an individual's cognitive behavior, when an individual categorizes income and expenses based on certain items, similar to the accounting model. Mental

accounting can also be interpreted as the steps an individual takes in recording, analyzing, and reporting their personal finances so they can control their finances.

Mental accounting is the second component that is considered to influence consumer behavior. This is a component that influences a person's financial decision-making and includes financial matters such as the accounting management system, which is used by organizations to make decisions about financial data (Santi et al., 2019). The tendency to divide money based on its origin as a financial gain, such as salary and bonuses, is known as mental accounting (Mubarokah & Rita, 2020).

Financial Literacy

Financial literacy refers to the knowledge and confidence a person has about their capabilities to make purchases, which can influence behavior to improve decision-making and in terms of financial transactions (Tenriawaru et al, 2018). Financial literacy can help someone manage their finances well so that they do not face financial problems (Riantisari et al., 2025). This aligns with what Ambarsari & Asandimitra (2023) stated, stating that financial education can help someone make better financial decisions by teaching them about good financial management, which can help them make better decisions. Financial literacy also teaches people how to invest; if supported by sound financial planning and adequate management skills, savings and investments will go smoothly (Permatasari Ik et al., 2025).

Previous Research Results

The study was initiated by Calista & Shandika (2025), entitled "The Latte Factor Phenomenon in Generation Z, in JABODETABEK" shows how the variables of cashless society, digital promotion, and financial literacy impact latte factor behavior in generation Z. The results of the study show that the variables of cashless society (X1) and digital promotion (X2) have a positive impact, while the financial literacy variable (X3) has a negative impact on latte factor behavior. This means that the use of non-cash payments and exposure to digital advertising increases small, unconscious expenses, while financial knowledge helps control them.

Research by Riantisari et al. (2025), entitled "The Impact of Financial Literacy and Cashless Lifestyle on Generation Z's Consumptive Behavior in Klaten Regency" explains how financial literacy (X1) and cashless lifestyle (X2) influence Generation Z's consumptive behavior. The analysis results indicate that financial literacy (X1) has a positive impact, while cashless lifestyle (X2) has a negative impact. This means that other studies have found that when Gen Z has good financial knowledge, they are more likely to follow the most popular shopping trends, which results in an increase in their consumptive behavior. Very similar to my research concentrating on the factors that influence financial literacy and cashless, as well as how Gen Z treats finances during the era of financial technology.

Research by Rahmatika et al. (2024), The study entitled "The Influence of Cashless Society on Student Consumptive Behavior" investigated the extent to which cashless society (X1) influences student consumptive behavior. The findings of the study indicate that the use of non-cash payments such as e-wallets, debit cards, and mobile banking increases consumptive behavior, especially in purchasing items necessary for daily lifestyle needs. These studies have similarities in that they both investigate the impact of a cashless culture on the financial behavior of the younger generation.

Influence or Relationship Between Variables

The Influence of Cashless Society on Latte Factor Behavior

A cashless society is a shift from cash to non-cash payment systems, or manual to digital payments. This phenomenon can be observed in the increasing use of electronic money for shopping, both online and offline. The speed and convenience of digital payment systems, along with numerous promotions and cashback offers, make people willing to spend their money without careful consideration (Rahmatika et al., 2024). Cashless society (X) behavior triggers Latte Factor (Y) behavior by reducing the "pain" of cash payments. As a result, people find it easier to spend money without thinking twice, especially in the digital age that allows for fast transactions.

Fred Davis said that the Technology Acceptance Model (TAM) was built to identify, analyze, and understand the factors that influence the acceptance of technology such as a cashless society (Lita & Zaenal, 2024). The Technology Recognition Model (TAM) was developed to identify factors influencing technology adoption. In the Technology Recognition Model (TAM), two primary factors influence technology adoption: perceived ease of use (perceived ease of use) and perceived usefulness (perceived usefulness). These perceptions shape attitudes toward adoption, which directly influence intentional adoption behavior. The TAM demonstrates the influence of a cashless society on latte factor behavior.

The Influence of Mental Accounting on Latte Factor Behavior

The behavior of classifying money can reduce or minimize a person's excessive consumption patterns, according to this definition. A low level of mental accounting leads to a higher level of individual consumption. Mental accounting can also be reflected in how an individual records and evaluates their personal finances (Widasari, 2023). The tendency to divide money based on its origin as a result of financial gain, such as salary and bonuses, is known as mental accounting (Mubarokah & Rita, 2020). Mental Accounting (X) influences Latte Factor Behavior (Y) by the way individuals categorize expenses, if mental accounting is weak, small expenses are considered insignificant, thus increasing impulsive consumption.

Theory of Planned Behavior (TPB) shows the influence of mental accounting on latte factor behavior. TPB is based on changes in individual behavior based on their interests. A person's interest in something without being motivated stems from that interest. Like the accounting model, mental

accounting can be defined as a person's cognitive behavior that divides income and expenses according to specific topics. Mental accounting is the process of an individual's knowledge to record, summarize, analyze, and create reports on expenses and income to understand cash flow and control spending (Shefrin & Thaler, 1978).

The Influence of Financial Literacy on Latte Factor Behavior

Financial literacy very important for individuals because it can help them make good financial decisions, which will affect their future lives (Wijaya, 2024). Thus, increasing financial knowledge has an impact on decreasing consumer behavior, and vice versa (Julita & Aditya, 2023). Financial Literacy (X) influences Latte Factor Behavior (Y) by increasing awareness of financial risks, so that individuals are wiser in controlling impulsive spending and avoiding the accumulation of small costs.

The theory of planned behavior (TPB) shows how financial skills impact consumer behavior. The TPB modifies individual behavior based on their desires. A person's unmotivated interest in something stems from that interest. Fariana et al. (2021) state that a person's financial capability is positively correlated with their consumption level. This is because a lack of financial knowledge can impact a person's readiness to manage their own finances.

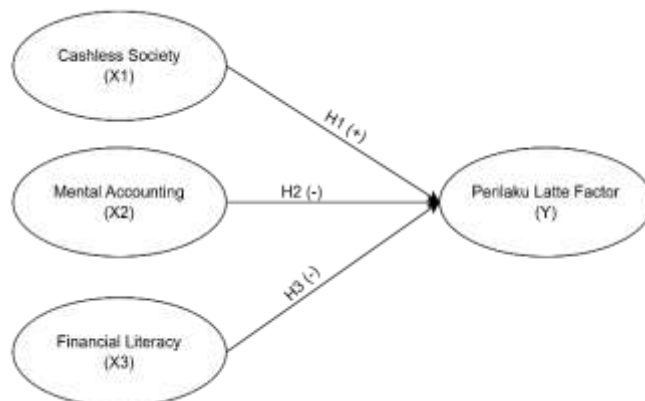


Figure 2. Conceptual Framework

Hypothesis

Based on the framework model of thinking and the materials that have been described previously, the author determines the following hypothesis:

H1= Cashless society has a positive impact on the Latte Factor Behavior of Generation Z in Coffee shops in Surabaya City

H2= Mental Accounting has a negative impact on the Latte Factor Behavior of Generation Z in Coffee Shops in Surabaya City

H3= Financial Literacy has a negative impact on the Latte Factor Behavior of Generation Z in Coffee shops in Surabaya City.

METHODOLOGY

This research methodology uses a quantitative approach with a causal-comparative design that aims to analyze the influence of cashless society, mental accounting, and financial literacy on latte factor behavior in Generation Z in coffee shops in Surabaya City. The study was conducted in Surabaya City from

December 2025 to February 2026 with a population consisting of Generation Z aged 12–27 years. The sampling technique used purposive sampling with a total of 100 respondents who met the criteria, namely cashless payment users and frequent coffee shop visitors. The data used are primary data collected through an online questionnaire using Google Form with a Likert measurement scale of 1–5. The variables in this study consist of independent variables, namely cashless society, mental accounting, and financial literacy, and the dependent variable, namely latte factor behavior. Data analysis techniques were carried out using SPSS through several stages, namely validity testing, reliability testing, classical assumption testing (normality, multicollinearity, and heteroscedasticity), multiple linear regression analysis, hypothesis testing (t-test and F-test), and the coefficient of determination to measure the model's ability to explain the dependent variable.

RESEARCH RESULTS

Descriptive Statistical Test Analysis

Table 1. Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Cashless Society	100	12.00	40.00	33.0200	5.82745
Mental Accounting	100	16.00	40.00	31.1900	5.27179
Financial Literacy	100	12.00	40.00	29.9500	5.53113
Latte Factor Behavior	100	15.00	40.00	29.7400	5.84414
Valid N (listwise)	100				

Source: SPSS 30 output, Primary data has been processed (2026)

1. Descriptive test with a sample of 100 studies produced an indication of the first independent variable, namely Cashless society with a mean value of 33.02 and a standard deviation of 5.82, the second Mental accounting with an average value (mean) of 31.19 and a standard deviation of 5.27, the third Financial literacy with a mean of 29.95 and a standard deviation value of 5.53. It was concluded that if traced from the standard deviation value less than the mean value, meaning that cashless society, mental accounting, and financial literacy have an even distribution of data.
2. A descriptive test using a sample of 100 studies found that the dependent variable, namely latte factor behavior, had a mean value of 29.74 and a standard deviation value of 5.84. The standard deviation value is smaller or less than the mean value, indicating that the latte factor behavior has an even distribution of data.
3. Validity Test Analysis
The results of the validity test can be the foundation for determining the quality of the tool and determining whether it is suitable for use in research (Sugiyono, 2023). The results of the validity test are as follows:

Table 2. SPSS 30 Validity Test Results

Variables	Item No.	R Count	R Table	Information
Cashless Society (X1)	X1.1	0.728	0.361	Valid
	X1.2	0.790	0.361	Valid
	X1.3	0.632	0.361	Valid
	X1.4	0.834	0.361	Valid
	X1.5	0.772	0.361	Valid
	X1.6	0.772	0.361	Valid
	X1.7	0.872	0.361	Valid
	X1.8	0.877	0.361	Valid
Mental Accounting (X2)	X2.1	0.789	0.361	Valid
	X2.2	0.561	0.361	Valid
	X2.3	0.864	0.361	Valid
	X2.4	0.847	0.361	Valid
	X2.5	0.660	0.361	Valid
	X2.6	0.602	0.361	Valid
	X2.7	0.684	0.361	Valid
	X2.8	0.575	0.361	Valid
Financial Literacy (X3)	X3.1	0.781	0.361	Valid
	X3.2	0.845	0.361	Valid
	X3.3	0.893	0.361	Valid
	X3.4	0.917	0.361	Valid
	X3.5	0.932	0.361	Valid
	X3.6	0.901	0.361	Valid
	X3.7	0.910	0.361	Valid
	X3.8	0.788	0.361	Valid
Latte Factor Behavior (Y)	Y.1	0.574	0.361	Valid
	Y.2	0.702	0.361	Valid
	Y.3	0.779	0.361	Valid
	Y.4	0.767	0.361	Valid
	Y.5	0.846	0.361	Valid
	Y.6	0.847	0.361	Valid
	Y.7	0.887	0.361	Valid
	Y.8	0.830	0.361	Valid

Data Processed by the Author (2026)

Based on the table data above, the results of the SPSS 30 test data are categorized as valid if the calculated r result is more than the table r (Ghozali, 2024). Therefore, with a significance test of 0.05, it can be concluded that the calculated $r > \text{table } r$, meaning the coefficient is greater than 0.361. Thus, all variables are said to be valid.

Reliability Test Analysis

Table 3. Results of SPSS 30 Reliability Test

Variables	Cronbach Alpha	Information
Cashless Society (X1)	0.904	Reliable
Mental Accounting (X2)	0.846	Reliable
Financial Literacy (X3)	0.953	Reliable
Latte Factor Behavior (Y)	0.910	Reliable

Data processed by the author, (2026)

Based on the SPSS 30 test results data above, it shows that the data is reliable.because the Cronbach alpha value is more than 0.70, the variable is considered reliable(Ghozali, 2024).

Normality Test Analysis

Table 4. Results of SPSS 30 Normality Test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			100
Normal Parameters ^{a,b}	Mean		.0000000
	Standard Deviation		5.42917374
Most Extreme Differences	Absolute		.066
	Positive		.040
	Negative		-.066
Test Statistics			.066
Asymp. Sig. (2-tailed) ^c			.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.		.351
	99% Confidence Interval	Lower Bound	.338
		Upper Bound	.363

Source: SPSS 30 output, Primary data has been processed (2026)

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.
- e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Based on the table above, it shows the value of the p-value, namely 0.200, and when the p-value> *significant level* 0.05 then the null hypothesis is accepted. This statement proves the normal distribution of the data (David Creswell, 2023).

Multicollinearity Test Analysis

Table 5. Results of SPSS 30 Multicollinearity Test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	19,278	4.145		4,651	<.001		
	Cashless Society	.294	.101	.293	2,898	.005	.880	1,137
	Mental Accounting	-.323	.145	-.291	-2,221	.029	.523	1,910
	Financial Literacy	.361	.132	.342	2,729	.008	.572	1,747

a. Dependent Variable: Latte Factor Behavior

Source: SPSS 30 output, Primary data has been processed (2026)

Based on the table above, it shows that:

- X1: The tolerance value is $0.880 > 0.10$ and the VIF value is $1.137 < 10.00$. Therefore, there is no multicollinearity.
- X2: The tolerance value is $0.523 > 0.10$ and the VIF value is $1.910 < 10.00$. Therefore, there is no multicollinearity.
- X3: Tolerance value is $0.572 > 0.10$ and VIF value is $1.747 < 10.00$. Therefore, multicollinearity does not exist.

The most commonly used tolerance value to look for indications of multicollinearity is a tolerance value that is ≤ 0.10 or equal to $VIF \geq 10$ (Ghozali, 2024).

Heteroscedasticity Test Analysis

Table 6. Results of the SPSS 30 Heteroscedasticity Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.224	2,219		-.552	.582
	Cashless Society	.002	.054	.004	.035	.972
	Mental Accounting	.175	.078	.302	2,249	.027
	Financial Literacy	.006	.071	.010	.081	.936

a. Dependent Variable: Abs_RES

Source: SPSS 30 output, Primary data has been processed (2026)

Based on the table above, it shows that:

- X1: Absolute residual value is $0.972 > 0.05$. Therefore, heteroscedasticity does not exist.
- X2: The absolute value of the residual is $0.027 < 0.05$. Therefore, heteroscedasticity exists.

- c. X3: Absolute residual value is $0.936 > 0.05$. Therefore, heteroscedasticity does not exist.

Because there is heteroscedasticity in the X2 mental accounting variable in the research model, further handling is needed to obtain a more accurate estimate, such as using Robust Standard Error (HC3). (Hair et al., 2019)

Multiple Linear Regression Analysis Test

Table 7. Multiple Linear Regression Test Results (Before Robust Standard Error) SPSS 30

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	19,278	4.145		4,651	<.001		
	Cashless Society	.294	.101	.293	2,898	.005	.880	1,137
	Mental Accounting	-.323	.145	-.291	-2,221	.029	.523	1,910
	Financial Literacy	.361	.132	.342	2,729	.008	.572	1,747
a. Dependent Variable: Latte Factor Behavior								

Source: SPSS 30 output, Primary data has been processed (2026)

Because the test results table above still shows heteroscedasticity in the regression model, it indicates that the resulting estimate does not fully meet the classical assumptions. Therefore, according to Hair et al., (2019), this study can use the Robust Standard Error (HC3) approach to address this issue, resulting in more consistent and reliable estimation results. The test results are presented in the following table:

Table 8. Multiple Linear Regression Test Results (After Robust Standard Error) SPSS 30

Parameter Estimates with Robust Standard Errors

Dependent Variable: Latte Factor Behavior

Parameter	B	Robust Std. Error ^a	t	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Intercept	19,420	4,622	4.202	<.001	10,247	28,594
X1	.283	.112	2,533	.013	.061	.504
X2	-.314	.144	-2,178	.032	-.600	-.028
X3	.358	.154	2,330	.022	.053	.663

a. HC3 method

Source: SPSS 30 output, Primary data has been processed (2026)

Based on the results of the test table above, there are differences in the initial table before and after using the Robust Standard Error (HC3) approach. These differences are primarily seen in the standard error value, t-value, and significance level of each variable. The use of robust standard error provides adjustments to error variance, resulting in more accurate and reliable estimates in conditions where heteroscedasticity is present. Therefore, the regression results after using robust standard error are used as the basis for constructing the regression equation, thus correcting the t-table hypothesis test in this study.

To determine the multiple linear regression equation, a regression coefficient analysis is carried out according to the equation below:

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3 + e$$
$$Y = 19,420 + 0.283X_1 - 0.314X_2 + 0.358X_3$$

Where:

X₁ = Cashless Society

X₂ = Mental Accounting

X₃ = Financial Literacy

Y = Latte Factor Behavior

Referring to the results of multiple linear regression analysis, it is interpreted as follows:

1. Constant a value of 19.420 indicates a unidirectional influence between the dependent and independent variables. This finding indicates that if all independent variables have a value of 0% or do not change, then the latte factor behavior has a value of 19.420.
2. Regression coefficient value of cashless society is 0.283. This value indicates a positive impact between the cashless society variable and latte factor behavior. This means that if the cashless society variable increases by 1%, latte factor behavior will increase by 0.283. This is with the other independent variables set at constant values.
3. Regression coefficient value of the mental accounting variable has a value of -0.314. This value indicates a negative impact between the mental accounting variable and latte factor behavior. This means that if the mental accounting variable increases by 1%, the latte factor behavior will decrease by 0.314. This is with the other independent variables set at constant values.
4. Regression coefficient value of Financial literacy has a value of 0.358. This value indicates a positive impact between the financial literacy variable and latte factor behavior. This means that if the financial literacy variable increases by 1%, latte factor behavior will increase by 0.358. This is with the other independent variables held constant.

F Statistical Hypothesis Analysis Test

Table 9. Results of the SPSS 30 F Statistical Hypothesis Test

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	463,123	3	154,374	5,079	.003b
	Residual	2918.117	96	30,397		
	Total	3381.240	99			
a. Dependent Variable: Latte Factor Behavior						
b. Predictors: (Constant), Financial Literacy, Cashless Society, Mental Accounting						

Source: SPSS 30 output, Primary data has been processed (2026)

Based on the test results in the table above, it shows that:

H0: Cashless Society, Mental Accounting, & Financial Literacy do not have a joint effect on Latte Factor Behavior.

H1: Cashless Society, Mental Accounting, & Financial Literacy have a joint effect on Latte Factor Behavior.

The p-value is $0.003 < 0.05$, so the null hypothesis is rejected and H1 is accepted. It can be concluded that Cashless Society, Mental Accounting, & Financial Literacy have a joint effect on Latte Factor Behavior. According to Ghozali (2024), the F test is first conducted by determining the significance, requiring a value of α (0.05) at the 5% level with a degree of freedom $df = (k), (nk-1)$. The provisions used are when the significance level in the F test is less than or equal to 0.05, then the null hypothesis (H0) will be rejected and the alternative hypothesis (H1) will be accepted.

Statistical Hypothesis Analysis Test t

Table 10. Results of the SPSS 30 T-Statistic Hypothesis Test

Coefficients ^a		
	t count	Sig.
Cashless Society (X1)	2,533	0.013
Mental Accounting (X2)	2,178	0.032
Financial Literacy (X3)	2,330	0.022

Source: SPSS 30 output, Primary data has been processed (2026)

Referring to the results of the t-test above, it can be explained that:

1. The test results show that the cashless society has a positive and important impact on latte factor behavior ($2.533 > 1.985$; $0.013 < 0.05$), so H1 is accepted.
2. The test results show that mental accounting has a negative and significant impact on latte factor behavior ($2.178 > 1.985$; $0.032 < 0.05$), so H1 is accepted.

3. The test results show that financial literacy has a positive and important impact on latte factor behavior ($2.330 > 1.985$; $0.022 < 0.05$), so H1 is accepted.

Determination Coefficient Analysis Test

Table 11. Results of the SPSS 30 Determination Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
	.370a	.137	.110	5.51335
a. Predictors: (Constant), Financial Literacy, Cashless Society, Mental Accounting				
b. Dependent Variable: Latte Factor Behavior				

Source: SPSS 30 output, Primary data has been processed (2026)

The table above shows that:

The adapted R² value is 0.110, meaning all independent variables explain 11% of the variance in latte factor behavior. Other factors contribute to the remaining 89%. Because this is a social phenomenon study examining individual behavior, a relatively low R² value is common, as human behavior is influenced by a variety of complex factors outside the research model (Ghozali, 2024)

DISCUSSION

The Influence of Cashless Society on Latte Factor Behavior

Based on the results of the hypothesis test that has been carried out, the influence between the non-cash society variable has a significant positive impact on the latte factor behavior of generation Z in coffee shops in Surabaya City, which means the hypothesis is accepted.

According to the Technology Acceptance Model (TAM) theory by Davis (1989), this is to identify factors influencing technology adoption. In the Technology Acknowledgement Model (TAM), two main factors influence technology adoption: perceived ease of use (perceived ease of use) and perceived usefulness (perceived usefulness). Because people find it easy to use payment methods such as e-wallets (M-banking, QRIS, Shopeepay, DANA, etc.) to purchase coffee at coffee shops, the results also have a positive influence in this study.

According to Drazen Prelec & Duncan (2001), cashless payment methods reduce the feeling of "loss" when making purchases, causing individuals to shop more. In the context of the Generation Z phenomenon, which is very close to digital technology and a social lifestyle in coffee shops, the cashless system is not only a transaction tool but also a consumption stimulus that strengthens latte factor behavior. In addition, it is also for social activities, learning, and work. The convenience of cashless payment systems integrated into daily life increasingly encourages the frequency of purchases without being realized. Therefore, the cashless society phenomenon is one of the factors that strengthens latte factor behavior in Generation Z, as found in this study.

In line with the study conducted by Riantisari et al (2025), Calista, Shandika (2025), Aqidatul (2023), Rahmatika et al (2024), which shows that cashless society has an important influence on latte factor behavior.

The Influence of Mental Accounting on Latte Factor Behavior

Based on the results of the hypothesis test that has been carried out, the influence between the mental accounting variables has a significant negative impact on the latte factor behavior of generation Z in coffee shops in Surabaya City, which means the hypothesis is accepted.

Theoretically Theory of Planned Behavior (TPB) proposed by Ajzen (1980) explains that individual behavior is influenced by intentions formed from attitudes toward behavior, subjective norms, and perceived behavioral control. This theory explains that a person can perform an action based on a certain interest or tendency towards an activity, even though it is not always driven by strong rational considerations. In the context of latte factor behavior, an individual may continue to make certain expenses due to preferences or habits, even though in financial management these expenses should be controlled. Like the accounting model, mental accounting can be defined as a person's cognitive behavior that divides income and expenses according to certain topics.

Conceptualized by Richard Thaller (1999), it states that an individual's ability to group money into certain accounts in their mind. According to Sooman et al (2002), in the category of small expenses such as buying coffee, individuals often classify it as entertainment or self-reward, so it is not considered wasteful, including small expenses that are often ignored. Research by Karlan et al (2014) states that individuals who have good financial control mechanisms tend to be better able to control daily expenses.

In the context of this research, Generation Z, accustomed to a consumerist lifestyle such as frequenting coffee shops, can still control this behavior if they possess strong mental accounting skills. Thus, mental accounting is a crucial factor in suppressing latte factor behavior, consistent with the research background, which highlights the importance of financial management in addressing today's consumption patterns.

This research is also similar to that by Enggar Nursasi (2025), Deasy (2022), Haryanti (2025), and Widasari (2023) who stated that mental accounting has a significant impact on latte factor behavior.

The Influence of Financial Literacy on Latte Factor Behavior

Based on the results of the hypothesis test that has been conducted, the influence between the financial literacy variable has a significant positive effect on the latte factor behavior of Generation Z in coffee shops in Surabaya City, meaning the hypothesis is accepted. However, this result does not necessarily indicate that financial literacy increases latte factor behavior, but rather indicates that respondents with good financial knowledge continue to make small expenses because they feel able to control them, not because they do not understand the risks of such expenses.

This is also supported by respondents' monthly income, which is on average higher than their small coffee expenditure. On average, respondents buy coffee four to five times a month. Therefore, it can be seen that knowledge is high financial literacy. Good respondents can divide and manage their expenses, although they still often make small purchases such as buying coffee at a coffee shop, but within reasonable limits. Supported by the statement of Lusardi, Mitchell (2014), who said that financial literacy increases an individual's understanding of financial products and decision-making, but does not always lead to reduced consumption.

This research provides results that are in line with the Theory of Planned Behavior (TPB), which teaches that anticipating discrepancies in doing something can be done by utilizing individual knowledge and experience. This management knowledge can help individuals make sound decisions. Therefore, individuals with a strong financial understanding will be conscious of their spending, even on small purchases like coffee shops.

In relation to the research background, Generation Z is a group with high levels of information access and digital literacy, including in financial matters. However, this generation also tends towards a consumptive lifestyle, making coffee shops a part of their daily activities, whether for socializing, studying, or working. This condition causes individuals to continue spending on latte art despite having a good financial understanding. According to L. Bhilawa et al. (2024), although they possess basic skills in using digital financial services, they still need to improve their understanding of more complex financial instruments and the importance of digital risk management. Therefore, financial literacy in the context of this research does not play a role in directly reducing consumption, but rather helps individuals manage and limit these expenses to remain within rational and controlled limits.

Furthermore, the positive influence found in this study may also be influenced by other factors not included in the model, such as respondents' income levels. Individuals with higher incomes tend to have greater discretionary spending, allowing them to maintain small expenditures without feeling burdened. Therefore, if income were included in the research model, it is possible that the level of significance or magnitude of the influence would be lower financial literacy. The latte factor behavior can change.

The findings of this study are in line with previous studies by Mubarokah, Rita (2020), Riantisari et al (2025), Calista, Shandika (2025), Oktaviani et al (2023) who stated that financial literacy has a significant influence on latte factor behavior.

CONCLUSION

This study shows that cashless society and financial literacy have a significant influence on latte factor behavior among Generation Z in coffee shops in Surabaya City, while mental accounting has no significant effect. This means that the ease of digital transactions and the level of financial literacy are the main factors that influence the tendency of recurring small expenditures among Gen Z. The higher the use of digital payments, the greater the opportunity for

consumptive behavior (latte factor). On the other hand, financial literacy plays an important role in helping individuals control spending to be more rational. However, mental accounting has not been able to significantly influence this behavior, so that grouping personal finances is not necessarily effective in reducing recurring small consumption habits.

RECOMMENDATION

Based on the research results, it is recommended that Generation Z improve their financial literacy to manage their spending wisely, particularly regarding digital payments. Furthermore, relevant parties, such as the Financial Services Authority (OJK) and banks, need to educate people about the impact of cashless spending on consumer behavior to increase financial awareness. Further research is recommended to include other variables, such as lifestyle, self-control, or social media influence, to provide more comprehensive results regarding latte factor behavior in the digital age.

ADVANCED RESEARCH

For further researchers, it is recommended to add other variables, such as income level, lifestyle, and other psychological factors so that the research model is better able to explain latte factor behavior.

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