The Effect of Digital Financial Literacy in Mediating Hedonic Values And Risk Perception on The Intention To Invest in Gold

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Abstract

Keywords:

Digital Financial Risk, Hedonic Values, Risk Perception, Gold Investment

Investing in gold can be a good choice for protecting wealth and diversifying portfolios. Although there are risks involved, many investors view gold as a stable and safe asset. Hedonic values are one factor influencing people's decisions to invest in gold during the recent period of economic uncertainty. Most people purchase gold based on their desires rather than their needs. The influence of risk perception on gold investment is an important aspect that investors need to understand. Although gold is often considered a safe asset, this investment still has various risks that can affect the value and returns of the investment in the long term. Digital literacy is one of the factors required by a person in carrying out investment activities. By accessing information using digital literacy, individuals can learn about current events and predict potential risks. Improving digital literacy can contribute positively to investing, especially gold investment.

INTRODUCTION

Gold is a precious metal that is often used as a medium of exchange, as well as a standard financial exchange tool in various countries. Gold is a highly sought-after commodity for asset protection, regulatory purposes, hajj savings, and investment. Gold investment is an excellent way to save money because the selling price of gold increases over time and the risk level is very low, allowing customers to invest safely without worrying about losses due to risk. Gold investment is the most popular form of investment because its value remains stable and even increases over time.

The public's decision to invest in gold is also influenced by several indicators, such as the price of gold, its reputation as a secure investment, its ability to meet liquidity needs, social status, advertising or promotions, and seasonal demand. In this study, respondents also believe that gold can be sold at any time to meet sudden liquidity needs, and people also feel that investing in gold can increase social recognition. The price of gold will be the benchmark for people to invest at the right time. Gold is believed to be a guaranteed investment, and respondents also slightly agree that promotions are one of the influences.

Hedonic values are the enjoyment felt by customers when using a product that can create a happy atmosphere. Customers are the who receive the results of the work of a person or organization, so they are the ones who can determine the quality and convey their needs. Everyone in the company must work with internal and external customers to determine their needs and work together with internal and external suppliers.

In the context of gold investment, hedonic values are also related to idea shopping and social shopping, where consumers buy gold just to follow fashion trends with the latest gold products, which usually change quickly, and the gold products they buy will soon be outdated.

Consumers may buy gold not only to own the product itself, but also to create moments with family and friends.

The uncertainty that investors face due to their inability to predict the impact of their investments is interpreted as risk perception. Someone who decides to invest certainly has concerns about the risks they will face. Risk perception is what a person assesses when in a risky situation, and this assessment varies based on individual psychological and behavioral characteristics.

Indicators when measuring risk perception are specific risks, risks experienced, and risky thinking. Risk perception can also be seen from indicators of uncertainty in the future, losses experienced, and risky thinking. Risk perception can also be measured by indicators: no guarantees and no considerations in investing, income used for risky investments.

Digital financial literacy is an individual's ability to understand and use digital financial tools in making financial decisions. Good financial literacy can improve an individual's ability to manage risk and make better investment decisions. Digital financial literacy can influence an individual's attitude and intention to invest, including in assets such as gold.

Digital financial literacy has two concepts, namely financial literacy and digital platforms. Financial literacy refers to an individual's attitudes, behaviors, and level of understanding of financial products and services, as well as how well they manage their personal finances (Tony & Desai, 2020).

Digital financial literacy can help investors understand sustainable investment products, assess risks, and utilize digital investment platforms before they invest. This effort can broaden the public's knowledge of sustainable investment, thereby encouraging wiser financial decision-making. However, challenges such as information overload and lack of oversight of digital financial news must be overcome so that investors can make optimal use of digital financial literacy. Therefore, better education and regulation are needed to improve the quality of digital financial literacy in society (Iskandar & Rahayu, 2022).
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RESEARCH OBJECTIVES

This research is expected to contribute both theoretically and practically, thereby enriching the public's understanding of hedonic/lifestyle factors, risk levels, and digital financial literacy in investment activities, particularly in gold instruments.

Theoretically, this study aims to enrich academic literature in the field of gold investment, factors that influence gold investment in terms of hedonic values and risk levels, and digital financial literacy. The results of this study are expected to form the basis for developing a theory on the extent to which hedonic factors and risk levels drive changes in an individual's behavior in investing in gold. The relationship between digital financial literacy levels and an individual's behavioral tendencies in gold investment.

In addition, this study is expected to contribute to the development of new concepts of gold investment based on consumer lifestyle factors, with an emphasis on risk levels and digital literacy as the main foundations.

Gold has long been known as a metal that is not eroded by inflation / zero inflation effect (Jogiyanto, 2003). Therefore, investing in gold can be a good choice to protect one's economic assets. Although there are several risks in investing in gold, there are also many investors who see gold as a stable and safe long-term asset.

Garg (2020) conducted research on investor behavior based on needs and expected returns on various gold investment products. The purpose of this study was to explore various factors that can influence investor behavior towards gold investment. This study used primary data, using a questionnaire that was distributed and obtained 439 respondents. This study suggests that the influence of security, the value of gold, and expected returns are the three main factors that influence investor behavior towards gold purchases.

Hedonism is a factor that drives consumers to choose a shopping environment based on pleasure and emotional satisfaction. Consumers influenced by hedonistic values seek shopping experiences that are enjoyable and sensually satisfying. They are attracted to the atmosphere of the store, aesthetics, and good service, all of which create a positive and enjoyable shopping experience (Waris, 2021).

Hedonistic values are one of the important factors that influence investment decisions. Hedonistic values refer to the pleasure and emotional satisfaction that individuals derive from a particular activity, including investment. For example, owning gold can give a person a sense of prestige and personal satisfaction. Research shows that hedonistic values can influence consumer behavior in various contexts, including investment decisions (Hirschman & Holbrook, 1982).

In addition to investment knowledge, risk perception is also important in investment decisions. According to (Afrida & Sari, 2021), risk perception is a person's way of assessing the potential of an investment. Where, in addition to the profits on the selected investment instruments, investors also need to know the risks of each investment instrument. The risks of each investment instrument are chosen according to the profits that investors will receive. According to (Manikandan A, 2017), increased risk will bring more profits. However, investors' knowledge of risks that are still relatively low will create a false perception of risk.

Risk perception influences the investment decisions that a person will make (Hidayat & Pamungkas, 2022). Higher quality risk perception has an impact on higher quality investment decisions for investors (Rika & Syaiah, 2022). Individuals who tend to view risk as significant when making investment decisions will take cautious steps because their decisions have been thoroughly considered . Conversely, for those who perceive their investment risk as low, investment decisions are likely to be made less cautiously because there are no specific considerations involved in investing.

Digital transformation has revolutionized the way individuals access and manage information, including in investment decision-making. Habsari (2023) emphasizes the importance of digital literacy in shaping consumer behavior. Generation Z, as digital natives, has great potential in driving sustainable investment growth. However, digital literacy alone is not enough. Further research shows that risk perception, environmental concerns, and financial literacy also play a significant role in influencing investment decisions.

This study aims to analyze the influence of hedonistic values and risk levels on the intention to invest in gold, with digital financial literacy as an intervening variable. By understanding this relationship, it is hoped that it can provide more insight to the public regarding the factors that influence a person's interest in making gold investment decisions. The results of this study are expected to contribute significantly to understanding the factors that influence people's intentions to invest in gold in the digital era with the following hypothesis development:
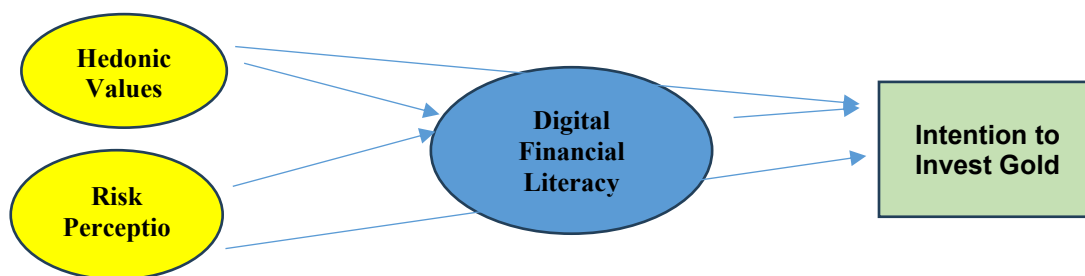
H1   : How much do hedonic values influence the intention to invest in gold?

H2   : How much do risk perception factors influence the intention to invest in gold?

H3   : How much does financial literacy influence hedonic values on the intention to invest in gold?

H4   : How much does financial literacy influence risk perception factors on the intention to invest in gold?

RESEARCH METHOD

This study is a quantitative study that aims to analyze the relationship between certain factors, namely hedonic values, risk perception, and digital financial literacy, on the interest in investing in gold. This study uses a descriptive-analytical approach, which aims to describe and analyze data related to the variables under study, as well as to test the relationship between independent and dependent variables.

This research will be conducted in June 2025 with a target of approximately 123 respondents, including customers of PT Bank Syariah Indonesia who have invested in gold and prospective customers who do not yet have gold investments. This research will be based on the influence of hedonic values and risk perception based on digital literature to determine customer investment interest in gold instruments.

The population in this study is active PT Bank BSI customers who already have gold investment products or those who do not yet have gold investment products but are interested in investing in gold products through PT Bank BSI. More specifically, this study will target users who have participated in gold investment products and the general public who want or are interested in investing in gold. This study will focus on PT Bank Syariah Indonesia customers who have already invested in gold and prospective customers who do not yet have gold investments. This study will be based on the influence of hedonic values and risk levels based on digital literature to determine customer investment interest in gold instruments.

The sample size will be calculated using the Slovin formula as follows:

$$n = \frac{58.630.000}{1+58.630.000(0,1)^2}$$
$$= \frac{58.630.000}{474904}$$
$$= 123$$

Based on the Slovin calculation, the minimum number of respondents is 123.

The sampling technique used is purposive sampling. In purposive sampling, researchers select samples based on certain criteria relevant to the research objectives. These criteria include:

BSI customers in the Malang area who already have gold investment facilities through BSI with a term of 1-2 years.

BSI customers in the Malang area who do not yet have gold investment facilities but are interested and have an interest in investing in gold through BSI

DATA ANALYSIS TECHNIQUES

The data analysis methods used were Descriptive Statistical Analysis (Respondent Data) and Multiple Linear Regression Analysis (conducted using Classical Assumption Tests consisting of Data Normality Tests, Multicollinearity Tests, Autocorrelation Tests, Heteroscedasticity Tests, followed by Multiple Linear Regression Equation Analysis and Hypothesis Testing (consisting of the t-test and Coefficient of Determination).

Results and Discussion
Evaluation of the Measurement Model (Outer Model)
1. **Convergent Validity**

VARIABLE	INDICATOR	OUTER LOADING	DESCRIPTION
Hedonic Values CR: 0.956 CA: 0.939 AVE: 0.845	HV1	0.919	VALID
	HV2	0.932	VALID
	HV3	0.905	VALID
	HV4	0.912	VALID
Risk Perception CR: 0.950 CA: 0.930 AVE: 0.826	PR1	0.911	VALID
	PR2	0.913	VALID
	PR3	0.893	VALID
	PR4	0.917	VALID
Digital Financial Literacy CR: 0.943 CA: 0.919 AVE: 0.804	DFL1	0.906	VALID
	DFL2	0.907	VALID
	DFL3	0.875	VALID
	DFL4	0.895	VALID
Intention to Invest in Gold CR: 0.953 CA: 0.934 AVE: 0.835	IG1	0.925	VALID
	IG2	0.916	VALID
	IG3	0.895	VALID
	IG4	0.922	VALID

Based on the table above, the following can be concluded:

a. The Hedonic Values variable indicator has a loading factor value > 0.7, so that the indicator is valid in measuring the Hedonic Values variable. The Average Variance Extracted (AVE) value is 0.845, which indicates that 84.5% of the information contained in all indicators can reflect the Hedonic Values variable. Furthermore, the composite reliability (CR) value of 0.956 and the Cronbach's alpha (CA) value of 0.939 are greater than 0.7. This indicates that all indicators are consistent in measuring the Hedonic Values variable.

b. The Risk Perception variable indicator has a loading factor value > 0.7, so that the indicator is valid in measuring the risk perception variable. The Average Variance Extracted (AVE) value is 0.826, indicating that 82.6% of the information contained in all indicators can reflect the risk

perception variable. Furthermore, the composite reliability (CR) value of 0.950 and the Cronbach's alpha (CA) value of 0.930 are greater than 0.7. This shows that all indicators are consistent in measuring the risk perception variable.

c. The Digital Financial Literacy variable indicator has a loading factor value > 0.7, so that the indicator is valid in measuring the Digital Financial Literacy variable. The Average Variance Extracted (AVE) value is 0.804, indicating that 80.4% of the information contained in all indicators can reflect the digital financial literacy variable. Furthermore, the composite reliability (CR) value of 0.943 and the Cronbach's alpha (CA) value of 0.919 are greater than 0.7. This shows that all indicators are consistent in measuring the digital financial literacy variable.

d. The Intention to Invest Gold variable indicator has a loading factor value > 0.7, so that the indicator is valid in measuring the Intention to Invest Gold variable. The Average Variance Extracted (AVE) value is 0.835, indicating that 83.5% of the information contained in all indicators can reflect the Intention to Invest Gold variable. Furthermore, the composite reliability (CR) value of 0.953 and the Cronbach's alpha (CA) value of 0.934 are greater than 0.7. This shows that all indicators are consistent in measuring the Intention to Invest Gold variable.

2. Discriminant Validity (Cross Loading)

	Workload	Work-Life Balance	Personal Innovativeness in IT	Trust	Intention to Use
HV1	0.928	0.593	0.578	0.516	0.578
HV2	0.934	0.520	0.520	0.533	0.523
HV3	0.907	0.559	0.569	0.586	0.559
HV4	0.911	0.564	0.578	0.600	0.569
PR1	0.562	0.913	0.563	0.575	0.574
PR2	0.571	0.912	0.563	0.593	0.582
PR3	0.576	0.895	0.571	0.582	0.564
PR4	0.589	0.916	0.555	0.597	0.575
DFL1	0.580	0.546	0.907	0.575	0.574
DFL2	0.583	0.576	0.908	0.596	0.589
DFL3	0.539	0.527	0.876	0.536	0.527
DFL4	0.558	0.557	0.896	0.552	0.530
IG1	0.579	0.591	0.564	0.581	0.924
IG2	0.567	0.581	0.566	0.581	0.915
IG3	0.572	0.548	0.576	0.576	0.896
IG4	0.591	0.596	0.583	0.302	0.921

3. Fornell – Lacker Criterion

	Habit	Facilitating Conditions	Personal Innovativeness in IT	Trust	Intention to Use
Hedonic Values	0.923				
Risk Perception	0.860	0.911			

Digital Financial Literacy	0.866	0.853	0.899		
Intention to Invest in Gold	0.861	0.863	0.855	0.868	0.913

4. **Discriminant Ratio HTMT**

	Habit	**Facilitating Conditions**	**Personal Innovativeness in IT**	**Trust**	**Intention to Use**
Hedonic Values					
Risk Perception	0.804				
Digital Financial Literacy	0.806	0.809			
Intention to Invest in Gold	0.803	0.804	0.805	0.803	

Based on the table above, the three models of discriminant validity measurement, namely cross loading, Fornell-Larcker criterion, and HTMT ratio, are well fulfilled. For discriminant validity with the cross loading model, it can be seen that HV1 – HV4 have the highest correlation with the hedonic values variable. Similarly, other indicators have the highest correlation with their respective latent variables. Furthermore, for discriminant validity using the Fornell-Larcker Criterion method, it can be seen that the value for each variable is greater than the correlation of other variables. Finally, for testing discriminant validity using the HTMT ratio method, it can be seen that the correlation value between latent variables is less than 0.9.

Structural Model Evaluation *(Inner Model)*
    1. *R-Square*

	R-square	**Adjusted R-square**
Intention to Invest Gold	0.986	0.986

Based on the results presented in the table above, it can be seen that in the first substructure, an *adjusted R-square* value of 0.986 was obtained. This can be interpreted as meaning that the variability of the *hedonic values, risk perception,* and *digital financial literacy* constructs can explain 98.6% of the variability of *the intention to invest in gold* construct.

    2. *Q-Square*

	Q²predict	**RMSE**	**MAE**
Digital Financial Literacy	0.986	0.121	0.085
Intention to Invest in Gold	0.944	0.239	0.167

Based on the data above, the *intervening* variable and dependent variable in this study have *Q-Square* values of 0.986 and 0.944, respectively, which are >0. This means that this study is considered good because it has good *predictive relevance*.

3. *f-Square*

	f-square	Description
Hedonic values → Intention to Invest Gold	1.340	Strong
Risk Perception → Intention to Invest in Gold	0.07	Weak
Digital Financial Literacy → Intention to Invest in Gold	0.487	Strong

Based on the table above, from the results of data processing, it can be seen that each path in this study has *a* "weak" and "strong" *effect size* in the structural model.

Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Hedonic values → Intention to Invest Gold	0.620	0.620	0.041	15.001	0.00
Risk Perception → Intention to Invest in Gold	0.23	0.286	0.27	2.11	0.031
Digital Financial Literacy → Intention to Invest in Gold	0.317	0.317	0.047	6.72	0

Based on the table above, the following information is obtained:
1) *Hedonic values* have a positive and significant effect on *the Intention to Invest in Gold* with a *t-value* of 15.001 > 1.96 and a *p-value* of 0.000 < 0.05.
2) *Risk Perception* has a positive and significant effect on *Intention to Invest in Gold* with a *t-value* of 2.112 > 1.96 and a *p-value* of 0.031 < 0.05.
3) *Digital Financial Literacy* has a positive and significant effect on *the Intention to Invest in Gold* with a *t-value* of 6.720 > 1.96 and a *p-value* of 0.000 < 0.05.

DISCUSSION

The Influence of Hedonic Values on the Intention to Invest in Gold
     Hedonic values have a positive and significant effect on *the intention to invest in gold* with a *t-value* of 15.001 > 1.96 and a *p-value* of 0.000 < 0.05. Therefore, it can be concluded that hedonic values have a positive and significant impact on the intention to invest in gold.

The Effect of Risk Perception on the Intention to Invest in Gold
     Risk perception has a positive and significant effect on *the intention to invest in gold* with a *t-value* of 2.112 > 1.96 and a *p-value* of 0.031 < 0.05. Therefore, it can be concluded that risk perception has a positive and significant impact on the intention to invest in gold.

The Influence of Digital Financial Literacy in Mediating Hedonic Values on the Intention to Invest in Gold
     Based on the research conducted, it was found that digital financial literacy has a positive influence in mediating hedonic values on a person's intention to invest in gold. From the results of the study, it can be concluded that digital literacy has a complex relationship with hedonic values on a person's intention to invest in gold. On the one hand, digital literacy allows a person to access

information and experiences that can increase pleasure and satisfaction (hedonic) in investing in gold.

The Influence of Digital Financial Literacy in Mediating Risk Perception on the Intention to Invest in Gold

The results of the study show that digital financial literacy has a positive effect in mediating risk perception on a person's intention to invest in gold. The results of the study found that the level of digital financial literacy has a significant effect on the investment decisions they make. Digital financial literacy also plays a role in shaping investors' knowledge of investor risk in gold investment. Investors who have a good understanding of financial literacy tend to be more confident in choosing sustainability-oriented investment instruments (Rahmawati & Nugroho, 2022).

CONCLUSION

Digital financial literacy acts as an intervening variable that strengthens the influence of hedonic values and risk perception on a person's intention to invest in gold. A person with good digital financial literacy tends to be better able to understand the benefits and risks of investing in gold, thereby increasing their intention to invest in gold. Digital financial literacy plays an important role as a link and mediator between hedonic values and risk perception on the intention to invest in gold. Digital financial literacy can strengthen the influence of hedonic values by providing a pleasant experience in investing in gold. Digital financial literacy can reduce the negative impact of risk perception through an understanding of risk and appropriate mitigation strategies.

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