(MEC-J) Management and Economics Journal
E-ISSN: 2598-9537 P-ISSN: 2599-3402
Journal Home Page: http://ejournal.uin-malang.ac.id/index.php/mec
Volume 7 Number 1, April 2023

Driving Forces: Generational Differences on the Purchasing Behavior of Investment Assets Among Gen Y and Gen Z

Karl Nikolai Quetua*, Maria Clarizze Jade Juan, Gheena Rhae Mariah Katipunan, Clyde Marcus Velasco, Antonio Jr. Etrata

College of Commerce and Business Administration, University of Santo Tomas, Manila, 1008, Philippines.

*Corresponding author e-mail: nikoquetua@gmail.com

ABSTRACT

With the rising numbers and interest in the financial literacy of Filipinos, more and more people are delving into investment assets. In this case, investment firms in the Philippines must discover new methods to address the current demand for investment assets better and plan effective strategies. This study aims to identify the purchasing behavior and factors influencing investment intention among Gen Y and Z investors. In order to assess the generational differences in behavioral patterns, the researchers used a quantitative approach using the convenience sampling technique for data collection. The data was analyzed using Partial Least Square-Structural Equation Modeling (PLS-SEM). The data collected in this research will help the firms know the behavior of their target market. Thus, acquiring the right strategies would increase sales of the said investment firms and help them determine the appropriate target market. This research shows that only financial literacy has a significant relationship with the investment purchasing behavior of both Gen Y and Gen Z investors, and there is no significant difference between their investment intentions. In order to influence both generations, marketing promotions of investment firms must appeal to the investors' prior investment knowledge. The results of this study will help the firms know the behavior of their target market, and thus, acquiring the right strategies would lead to the increase of sales of the said investment firms and would help them determine the appropriate target market.

Keywords: Decision Making, Decision Biases, Generation Differences, Purchasing Behavior, Investment Assets

| Received December 2022 | Accepted March 2023 | Available online April 2023 |
| DOI: http://dx.doi.org 10.18860/mec-j.v7i1.19272

INTRODUCTION

In 2021, the global economy continuously recovered, and the stock market constantly bounced back from the major downfall brought about by the Coronavirus Market Crash in 2020 (Barhat, 2021), which introduced a significant increase in people who are interested in investing and financial literacy. However, according to Natsir et al. (2021), there is still a significant positive influence on the product knowledge and perceived risk on investment intentions of investors amidst the situation, which also has an impact on the Philippine Economy.

It has been reported by the 2015 survey by the World Bank regarding financial literacy that Filipinos have been severely underperforming when surveyed about basic financial matters. Despite having a low national level of financial literacy, some Filipinos had taken into entering the declining stock market in 2020 with the hopes of creating wealth for investors by the time its prices soared again, similar to those who have done the same prior (Gatpolintan, 2021). Moreover, a study proved that different experiences from various generations result in a difference in purchasing behavior (Parment, 2013).

Constant technological advancements also play a role in influencing trends when it comes to investments, one of which is the steady rise of digital financial platforms that customers can utilize to do any financial-related transactions online (i.e., online payment, investment, etc.) amidst the global pandemic (COVID-19 Drives Global Surge in Use of Digital Payments, 2022). It has been found that while potential investors prioritize the use of digital platforms, as some of these have a feature to choose a portfolio, Uninformed investors tend to have more negative insights on digital investment platforms (Tingsgård, 2018).

More and more people from different generations have been diving into the investment industry nowadays. As such, multiple financial studies such as Ainia and Lutfi (2019), Gill, S. et al. (2018), and Keswani et al. (2019) have shown significant results when assessing the financial decision-making, consumer behavior, and purchasing intention patterns of their respondents. However, none of these studies have been conducted in a Filipino context, and as such, it is not accurate when applied by local investment companies. As people are delving into investing, financial firms must quickly analyze the purchasing patterns of investors.

However, in previous studies, these haven't been tackled and only usually focus on just one generational perspective, like the study of Mahardhika (2020), the different factors that affect the investment behaviors and purchasing intentions of Gen Y and Gen Z investors, which can serve as the basis of the improvement of investment firms and other financial institutions, have not been clearly alluded to. If not properly resolved, the financial firms would not have any available accurate information that can serve as their basis to create specific strategies targeted to specific generations and limit their opportunities. As such, the researchers conducted this paper in order to assess and identify the differences in behavior and intentions of two distinct generations - Gen Y and Gen Z, when it comes to purchasing investment assets and is not only limited to the behavioral biases of investors but also cover the psychological biases that can affect the investment purchasing behavior of Gen Y and Gen Z when it comes to investing.

LITERATURE REVIEW

Financial Literacy

Financial literacy combines budgeting, financing, and investment abilities with credit and debt management knowledge (Investopedia, 2021). Not all Filipinos are financially literate, despite its importance. A May 2018 BSP poll found that 2% of Filipinos are financially literate. Investing is difficult, but every Filipino must be financially responsible to make better budgeting and spending choices. Millennials have lower objective financial knowledge and equivalent perceived financial knowledge, according to the 2015 National Financial Capability Study (NFCS) (Kim, Anderson & Seay, 2018). It is important to comprehend older and younger generations' investment decision-making processes. Philippas and Avdoulas (2019) in Greece studied Gen Z. Male students, those who keep expense records, and those with educated fathers are more financially knowledgeable. According to the findings, financially literate pupils are better prepared for a financial shock.

In a South African study, university students with poor financial literacy are carefree risk-takers, overconfident, and impatient. Such financial conduct is linked to global financial crises (Mudzingiri, Mwamba, & Keyser, 2018). Senda, Rahayu, and Rahmawati found in 2018 that financial literacy had little effect on investing decisions. Only age, income, and investing experience affect investment decisions while gender and education don't. Increasing numbers of people need financial aid. The elderly rely on their children or young adults who rely on their parents or siblings. Financial literacy can affect the economy, and it would be difficult, but it would ease Filipinos' burdens.

H1: Financial Literacy (IDV) plays a significant role in the investment purchasing behavior (DV) of Gen Y and Gen Z investors.

Behavioral Finance and Investment Biases

Behavioral finance examines how investors make psychologically based judgments (Sattar, Toseef & Sattar, 2020). Investments involve risks and returns, so investors must be smart decision-makers (Mahalakshmi & Anuradha, 2018). Investment decisions aren't just based on market conditions. Many researchers and psychologists have shown that behavioral finance influences investor decisions by recognizing that some investors rely on irrational reasoning (Zahera & Bansal, 2018). Some investors lack the time and resources to analyze or acquire market data, so they rely on heuristics (Vijayalakshmi & Sathishkumar, 2019).

The heuristic theory suggests investors use heuristics to evaluate uncertainty and make investment decisions in complex scenarios (Saeed, 2019). Inventors use intuition, expertise, or experience to make decisions. Investors tend to feel their decisions are precise and correct without considering other considerations, or they are overconfident (Gerth et al., 2021). Gonzalez (2018) states that in Spain and Portugal Investments, female investors are more risk-averse and practical. Younger investors are more prone to cognitive and emotional bias, though investors tend to follow the behavior of highly educated people, according to Gonzalez (2018). This heuristic bias is frequent in financial decision-making but has a detrimental influence on the investor's portfolio (Ul Abdin, et. al., 2022). Investors must examine market performance and think intelligently while making investing decisions.

H2: The investment biases (IDV) have a significant impact on the investment purchasing behavior (DV) of Gen Y and Z investors.

Risk Tolerance

Some financial decisions are market-complicated. Investors must assess how they perceive financial risks, how much risk they can handle, and how it affects their decision-making to make smart investing choices (Aeknarajindawat, 2020). Risk tolerance is one variable that influences investing decisions. As an investor with a high-risk tolerance, they may view a low-risk investment option to be riskier, whereas a low-risk taker may consider a high-risk asset to be less risky. As a result, an investor with a high-risk tolerance prefers to distribute funds to low-risk risk assets, whereas someone with a low-risk tolerance prefers to devote funds to high-risk assets. (Ainia & Lutfi, 2019). Tolerance of risks influences investment decisions because they are based on a person's emotional, psychological, and other traits or a personal frame of reference (Ademola, et. al., 2019). Understanding these psychological elements could affect an investor's buying habits.

H3: Risk tolerance (IDV) significantly affects the investment purchasing behavior (DV) of Gen Y and Gen Z investors.

Marketing or Promotion Activities

Investment Promotion is a kind of marketing where the national government pursues Foreign Direct Investment (FDI); it is a way to present investment opportunities to potential investors. Based on the current competitive market, using investment promotion has been one of the leading sources of attracting Foreign direct investment (FDI) (Crescenzi, R. et al., 2019).

Investment promotion benefits not only the potential investors but also the current market of the country. FDI is significant and beneficial to a country's economy, so for them to claim these benefits, countries engage in marketing through investment promotion (Abamu, B. E., 2019). International investment promotions are effective when it comes from different countries since, according to Martincus, C. V. et al.(2020), Investment promotion activities are far more effective for multinational firms from other countries who speak a different language, and effectiveness also comes into play when firm-level data on both location decisions and assistance statuses are presented. Another study by Mousa M. et al. (2021), where there's an implication that investments in marketing are able to lessen the likelihood of adverse outcomes in developing markets. With this, it is recommended that businesses give serious consideration to making effective investments in marketing because doing so will result in a price that is more stable for their assets on the capital market.

H4: Marketing or promotion activities (IDV) aiming to influence consumer behavior on financial assets have a significant impact on the investment purchasing behavior (DV) of Gen Y and Gen Z investors.

Consumer Behavior

Gen Y and Gen Z are known to be digital generations who are using the internet in almost every aspect of their lives. Thus, these generations are seen as having adequate financial knowledge that is sufficient and necessary for making sound financial decisions (Rosdiana, 2020). A high level of investment intention is evident in these two generations due to being financially literate (Ilyas & Djawahir, 2021). However, according to Rosdiana (2020), in a different study, despite their lives being heavily influenced by technology, Generation Z is still more adaptive to contemporary technological platforms than Millennials, implying that there are still disparities in investment decision-making between these generations.

Gen Y is more sensitive when it comes to changes which enables them to make rational financial decisions that will be good for them since market changes are fast-paced (Junaeni, 2020). As one of the younger generations, they are more willing to adapt to the latest trends and changes, may it be economically or technologically (Kurz, Li, & Vine, 2019). This attribute of being resilient to changes influences their decision-making as it allows them to think critically before doing any necessary actions. Aside from this, Millennials also have huge spending power as most of them are already working (Rahman & Gan, 2020). This factor could also affect their cognitive decision-making as this entails their capability to think that they have the means to purchase as many investment assets as they want. On the other hand, Gen Z is known to be selective buyers. As a matter of fact, most of this generation are still financially dependent on their parents and do not have a stable source of income, which is a factor that affects their purchasing decision-making and behavior (Özkan, 2021). Despite their financial limitations due to their source of income, Gen Z still has the largest spending power out of all generations, however, they haven't taken advantage of their purchasing power to get more engaged in investing (Wijaya & Afgani, 2021). This could imply that their decision-making is still limited because of certain financial hindrances. Thus, one of the factors that influence the investment behavior of most Gen Z is still based on their level of dependence on their parents. This generation represents a new kind of investor due to having different behavior compared to older generations (Chen et. al., 2019). With this, it is necessary for financial agents and investment firms to understand their behavior in order to execute the right strategies that are aligned with their decision-making and investment intention.

H5: Consumer behavior (IDV) plays a significant role in influencing the investment purchasing behavior (DV) of Gen Y and Gen Z investors.

Investment Purchasing Behavior

An investment decision is regarded as the most crucial financial decision since it involves money and will require a certain amount of knowledge to understand before making one. Its goal is to maximize wealth or to get a positive return for the said decision. (Nalurita et al., 2020). According to Keswani et al. (2019), some investors could be irrational at times, and their decisions could be influenced by their incapacity to understand complex information and mental limitations since most investment assets are too complex to understand. People who tend to enter potential investments seek advice wherever they can before making a move and this is where Information Search enters the picture to lower their uncertainty but also to make up their final decision (Gill et al., 2018).

Filipinos instill the importance of money in their children. However, youth tend to score low on financial literacy, seeing that high educational status was also found to be a strong predictor of high financial knowledge, financial attitude, financial behavior, and financial literacy in the majority of instances. In correlation to this, Panja (2021) studied the impact of behavioral biases and investment decisions of youth in India and therefore concluded that education level has no significant impact on the investment decision made by the students. Financial behavior may be enhanced in order to foster responsible financial behavior through educational, social, and political systems that provide chances for early adolescents to experience and practice financial competencies (Topa, Solis & Zappala, 2018). The use of financial tools and corporate governance at the firm's level all have an optimistic and significant impact on investment decisions (Gardi et al., 2021). Mahardhika & Zakiyah, (2020) used Theory of Planned Behavior (TPB) for their study among millennials. This theory explains factors affecting their behavior, namely their attitude, subjective norm, and perceived behavior control. This approach can be used to describe the behavior of millennial investors when it comes to stock investment. Pålsson (1996) found that risk tolerance decreases with age. In other words, younger investors have a higher tolerance level for risk compared to older investors (as cited in Mahardhika & Zakiyah, 2020).

Young people today use digital devices for a huge number of purposes. Our world is becoming increasingly digital, and most industries and sectors keep up and ensure they do not fall behind competitors. (Tingsgård, 2018). Digital investing platforms are created and enable more individuals to access investment assets via online purchases. It has been found that the lack of intention to buy online is one of the first obstacles to the development of e-commerce (He et al., 2008, as cited in Pena-Gracia, et al., 2020), hence, e-Commerce has had remarkable success and provided significant economic and social benefits in developed countries (Pena-Gracia, et al., 2020). During the unforeseen Covid 19 pandemic, most transactions are made digitally or online. It has hit various sectors, and many people have become hesitant to invest. Natsir, Arifin & Bangun (2021) studied the investment intentions of investors during the Covid-19 pandemic era and discovered that product knowledge had a beneficial influence on investment intention. The positive effect demonstrates that the greater the understanding of the product, the greater the propensity to invest.

There are a variety of elements that impact the investment decision-making of retail investors. Because retail investors do not make huge investments, they are more concerned with the security of their funds and make extremely intelligent choices (Gardi et al., 2021). Being a wise investor means being responsible and hands-on with every asset. Socially responsible investors tend to learn from their past losses and are more perceptive to their past gains rather than their losses (Lapanan, 2018). Knowing the purchase behavior and investment intentions of investors of different generations helps the industry, the consumer, and the economy as well.

H6: All investment purchasing behavior factors (DV) significantly affect the decision-making of Gen Y and Gen Z investors (IDV).

H7: There is a significant difference in the patterns of the preferred investment assets (DV) of Gen Y and Gen Z investors (IDV).

Hypotheses of the Research

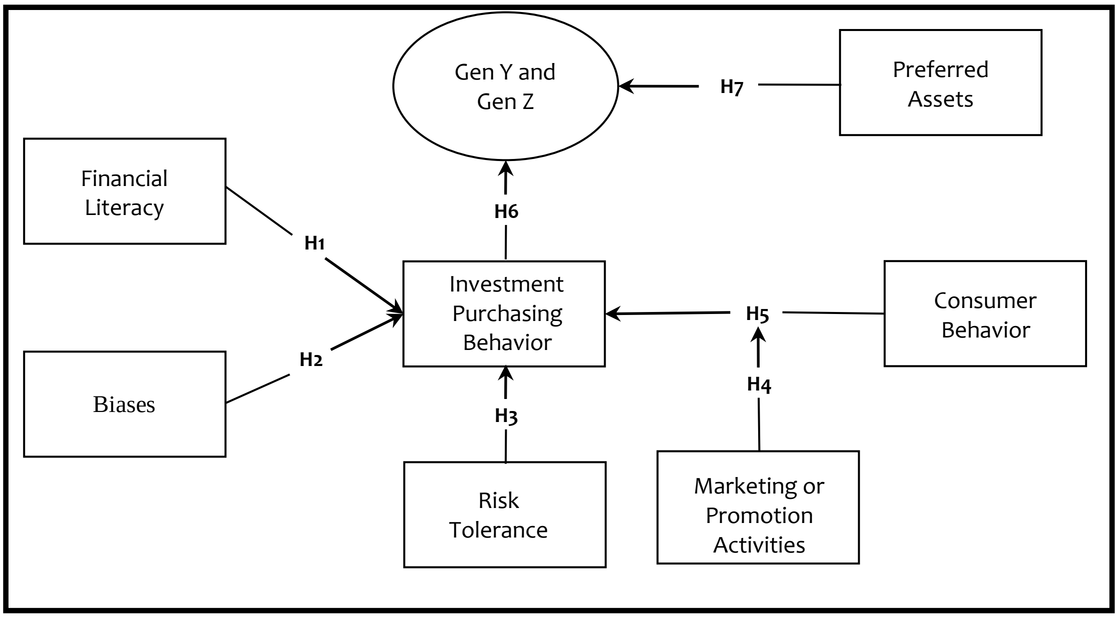

Figure 1. Hypotheses of the Research

METHODOLOGY

The researchers utilized a quantitative research approach in order to accurately collect, analyze and interpret quantifiable data. To be more specific, the researchers opted to utilize a descriptive correlational design in order to carefully assess the relationship between the variables of the study. The researchers were able to understand, compare and contrast the association among each variable relevant to identifying the investment purchasing behavior of Gen Y and Gen Z.

Moreover, to collect the needed data for this study, the researchers deployed an adapted survey questionnaire designed by the researchers with the variables based on the findings of their related literature review. With the use of Cohen's sample size table and given that there are five questions per hypothesis in the study and at a 5% level of significance with a small effect size of 0.10 R^2, the sample size that was used is 148 respondents composed of Gen Y and Gen Z, in equal proportions. As a result, only qualified individuals were eligible to answer the questionnaire. To be eligible, the respondents must be members of Gen Y (those born between 1981 and 1996 who are between the ages of 25 and 40) or Gen Z (people born between 1997 and 2012 who are between the ages of 10 and 25), residing in NCR (Metropolitan Manila) and have a background (little or significant) in investing.

The survey questionnaire was divided into different sections, namely financial literacy, investment purchasing behavior divided into two namely technological factors and investment intention, risk tolerance, consumer behavior, marketing or promotion activities, and biases, wherein each section corresponds to each of the variables found in the paper's hypotheses and measurable through a Likert Scale. It was distributed through different social media channels such as Facebook, Instagram, and Messenger. Aside from these, it was also distributed in different Facebook Groups related to investing and investment assets. In relation, the researchers first asked for permission from a group admin and ensured that posting academic, research, or survey-related discussions were allowed in the said group.

The researchers analyzed the gathered data using the Partial Least Square-Structural Equation Modeling (PLS-SEM) approach. In partial least squares, observed variables measure a "latent" variable where each variable corresponds to a question in the survey instrument. Supposing that the $INVEST$ variable has four questions: $INVEST_1, INVEST_2, INVEST_3, INVEST_4$, a measurement model (or "outer model") estimates the latent variable in the structural equations model. The same goes for the other variables such as $LITERACY$, $RISK$, $PURCHASE$, $MARKET$, and $BIAS$, and $GENERATION$ indicates if a respondent is from Gen Z or Gen Y. The "inner" model of PLS-SEM explains the link between latent variables. To use SEM efficiently, the researchers used different tools such as Reliability using Cronbach's Alpha, AVE (Average Variance Extracted), Fornell-Larcker Criterion, Analysis of Loadings, and Model fit using R^2.

Note that Hypothesis 7: "There is no significant difference between the patterns of preferred investment assets of Gen Y and Gen Z investors," was not analyzed using SEM. A basic Chi-Square Test for Independence on a Px2 contingency table can be used for analysis, where P is the number of investment assets that the respondents must choose from.

RESULTS

The following analysis is based on a total of 151 respondents, split between 74 Gen-Y respondents (aged 26 to 41 years) and 76 Gen-Z respondents (aged 18 to 25 years). The respondents are also evenly split between genders, with 76 reporting themselves as female and 71 as male. An additional three respondents preferred not to provide this information, though this represents only 2% of the total respondents.

Reported investing habits provide an interesting insight into the respondents' experience with investors. Twenty-five respondents, or about 16.67% of the total sample, indicated that they had the investing done through a financial advisor or agent. Meanwhile, another 57 respondents, or about 38% of the sample, indicated that their investing was done through a personal computer or laptop. The largest group among the respondents, accounting for 45.33% of the sample, indicated investing through their mobile phones.

Most of the respondents sampled for this study reported themselves as being moderate investors, those who value reducing risk but still seek substantial returns. This is followed in size by 20% of the sample that indicated themselves to be conservative investors who choose the least amount of risk. Only 21 respondents, or 14% of the sample, indicated themselves as being aggressive investors, having high-risk tolerance in seeking higher returns.

Table 1. Type of Investor, Gen Y vs. Gen Z

	Conservative	Moderate	Aggressive
Gen Y	14.86	68.92	16.22
Gen Z	25.00	63.16	11.84

Table 1 depicts the generational divide between Gen Y and Gen Z. Gen Z has more conservative investors, with 25% compared to Gen Y having 14.86%. In comparison, Gen Y has somewhat more aggressive investors, with 16.22%, compared to Gen Z, with 11.84%. Both Gen Y and Z are moderate investors, with ratings of 68.92% and 63.16%, respectively.

Table 2-A. Respondents' technological considerations, Gen Y only

	-2	-1	0	1	2
Technological advancements affect my investment decisions.	1.35	1.35	12.16	21.62	63.51
Platforms that are more user-friendly affect my investment decisions.	1.35	2.70	12.16	20.27	63.51
I prefer using platforms that provide promos/ vouchers for completing certain tasks.	10.81	9.46	12.16	21.62	45.95

Table 2-B. Respondents' technological considerations, Gen Z only

	-2	-1	0	1	2
Technological advancements affect my investment decisions.	1.32	3.95	9.21	31.58	53.95
Platforms that are more user-friendly affect my investment decisions.	2.63	2.63	10.53	23.68	60.53
I prefer using platforms that provide promos/ vouchers for completing certain tasks.	6.58	11.84	7.89	23.68	50.00

Meanwhile, Table 2-A and Table 2-B represent the technological considerations of the respondents toward their investing behavior. The tables show that both Gen Y and Gen Z believe that technical improvements influence their investing decisions, with scores of 21.62% and 63.51% for Gen Y and 31.58% and 53.95% for Gen Z, respectively. When questioned about platforms, both Gen Z and Gen Y agreed that user-friendly platforms influence their investment decisions, with scores of 20.72% for Gen Y and 63.51% for Gen Z. Both Gen Y and Z prefer to utilize platforms that offer promotions or vouchers for performing certain activities, with scores of 21.62% and 45.95% for Gen Y and 23.68% and 50% for Gen Z, respectively. While some investors in both Gen Y and Z still don't consider technological considerations as a variable in their Investment decisions. With that being said, among both Gen Z and Gen Y respondents, it can be seen that technological advancements and platforms make a definitive impact on their investment choices.

In Table 3-A and Table 3-B, we summarize responses to a set of questions asking respondents to rate a set of ten investment assets for their priority, classified per generation. A comparative analysis of the priorities for each investment asset using the Kruskal-Wallis test reveals no significant differences in the kinds of investment favored between each generation except for time deposits. A Kruskal-Wallis test on the priority scores given for time deposits returned a statistic of 5.729 ($p = 0.0167$).

Table 3-A. Investors' priorities to various asset types/commodities, in percentage. Gen Y only.

	Funds	Bonds	Crypto	ETF	Forex	MM	MF	REIT	Stocks	TD
1	10.81	2.70	20.27	1.35	5.41	2.70	2.70	13.51	24.32	17.57
2	2.70	13.51	18.92	4.05	8.11	2.70	4.05	1.35	27.03	20.27
3	8.11	16.22	8.11	17.57	8.11	10.81	6.76	16.22	17.57	14.86
4	6.76	12.16	9.46	10.81	17.57	13.51	10.81	6.76	6.76	1.35
5	8.11	16.22	4.05	21.62	25.68	12.16	10.81	5.41	2.70	2.70
6	8.11	12.16	8.11	10.81	12.16	13.51	8.11	8.11	1.35	9.46
7	20.27	6.76	6.76	17.57	10.81	10.81	14.86	9.46	6.76	5.41
8	9.46	6.76	6.76	5.41	4.05	8.11	16.22	17.57	8.11	4.05
9	14.86	9.46	8.11	10.81	5.41	25.68	18.92	12.16	5.41	9.46
10	10.81	4.05	9.46	1.35	2.70	2.70	6.76	9.46	24.32	14.86

Table 3-B. Investors' priorities to various asset types/commodities, in percentage. Gen Z only.

	Funds	Bonds	Crypto	ETF	Forex	MM	MF	REIT	Stocks	TD
1	9.21	5.26	28.95	2.63	6.58	5.26	6.58	10.53	11.84	13.16
2	7.89	11.84	11.84	5.26	14.47	6.58	5.26	11.84	19.74	5.26
3	11.84	13.16	5.26	6.58	3.95	6.58	5.26	9.21	27.63	10.53
4	6.58	14.47	7.89	11.84	7.89	3.95	11.84	18.42	6.58	10.53
5	14.47	9.21	9.21	13.16	13.16	10.53	17.11	3.95	5.26	3.95
6	6.58	13.16	7.89	10.53	10.53	18.42	15.79	6.58	1.32	9.21
7	11.84	10.53	2.63	13.16	17.11	15.79	10.53	6.58	2.63	9.21
8	11.84	10.53	10.53	11.84	13.16	10.53	7.89	11.84	6.58	5.26
9	5.26	9.21	5.26	13.16	7.89	11.84	15.79	13.16	15.79	2.63
10	14.47	2.63	10.53	11.84	5.26	10.53	3.95	7.89	2.63	30.26

Figure 1 reveals the distributions of the priority scores to be higher among Gen Z investors than among Gen Y investors. For the other investment assets, the distribution of priority rankings appears to be more or less similar. As for their investment priority, Gen Y has the same most and least preferred investment asset, which is Stocks. As for Gen Z, the most preferred asset is Crypto, and the least preferred investment asset is Time Deposit.

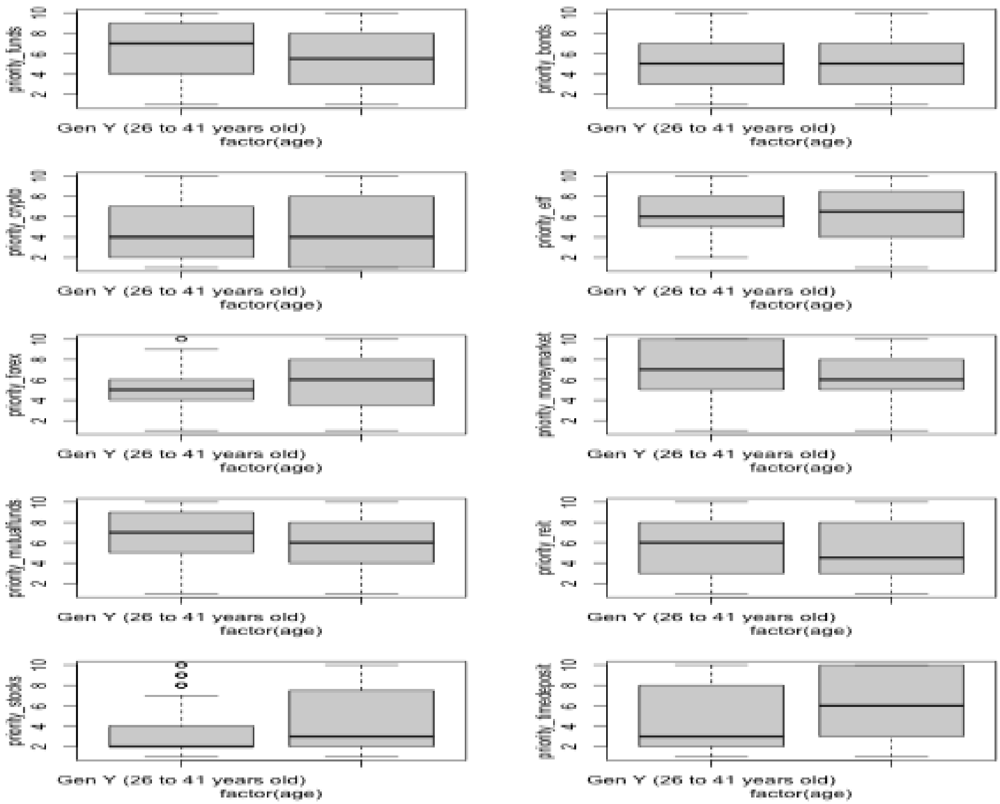

Figure 2. Distribution of priority scores given for the ten investment assets identified in the questionnaire

Table 4 now provides the loadings of the measurement model. Loadings represent the importance measures of each observed variable to their corresponding latent variable. Loadings of values 0.70 or higher are interpreted as being meaningful to the latent variable, with higher loadings indicating higher importance.

The above values indicate that for consumer purchasing behavior, the most important variable is behavior4 ("I frequently ensure that the growth rate of my investment portfolio is increasing consistently every year"). Of equal level of importance to this latent variable is behavior5 ("I constantly monitor the performance of my investment portfolio to look for areas where I can make it perform better") and behavior2 ("I always read articles that might affect my current investment portfolio"). It is noted that for this latent variable, all proposed observed variables are meaningful following the threshold of 0.70 for the loadings.

Table 4. Factor loadings of the measurement model

	behavior	bias	knowledge	promos	risk	invest
behavior1	0.79					
behavior2	0.85					
behavior3	0.72					
behavior4	0.86					
behavior5	0.85					
bias1		0.78				
bias2		0.88				
bias3		0.83				
bias4		0.72				
knowledge1			0.77			
knowledge2			0.74			
knowledge3			0.80			
knowledge4			0.76			
promos1				0.50		
promos2				0.82		
promos3				0.96		
risk1					0.55	
risk2					0.50	
risk3					0.74	
risk4					0.71	
invest_type						0.26
tech1						0.86
tech2						0.79
tech3						0.70

The same, however, cannot be said for marketing and promotions, to which only two of the three proposed indicators are meaningful to their latent variables. The most important indicator of this variable is promos3 ("Kindly rate how Investment promotions affect your decision making") with a loading of 0.96, whereas promos1 ("Do you see any promotions about investment on the internet") is seen to not be meaningful to this factor. Risk tolerance is also reduced in this measurement model, with only two of the four proposed indicators that are meaningful.

Table 5. Path Coefficients in the structural model

	Est	Std. Err	P-Value	95% Confidence Interval		Sig
				Lower	Upper	
Behavior	0.10303	0.109	0.345	-0.135	0.297	
Bias	0.04655	0.105	0.658	-0.144	0.287	
Generation	0.00865	0.081	0.915	-0.144	0.172	
Knowledge	0.27973	0.125	0.026	0.043	0.525	*
Promos	0.10076	0.094	0.284	-0.238	0.231	
Risk	0.15143	0.125	0.226	-0.482	0.287	

Finally, through the measurement model, the factor scores can be obtained for further analysis. The structural model estimates the relationships between these latent variables. The estimates, along with their p-values and 95% confidence interval in Table 6. However, only the relationship between financial literacy (Knowledge) and investment purchasing behavior is seen as significant in this model. The positive association is measured to have a coefficient of 0.27973, meaning higher aggressiveness in investing and wider use of technology and platforms for investing when the respondent is found to have higher financial literacy. This regression is found to have an R square of 0.23.

DISCUSSION

Based on the results gained from the data gathering that although investment purchasing behavior is a significant consideration when it comes to the generations' decision-making, it can be concluded that investment biases, risk tolerance, and consumer behavior does not play a significant role in the investment purchasing behavior of Gen Y and Gen Z behaviors. Thus, concluding that the null hypothesis is more accurate in this regard. However, among other investment purchasing factors, only financial literacy or the investment knowledge of investors greatly positively affects their investment purchasing behavior. It can also be assumed that more financially literate investors tend to also be more aggressive in their returns strategies.

On the other hand, the same table elucidates the accuracy of H1: “Financial Literacy (IDV) plays a significant role in the investment purchasing behavior (DV) of Gen Y and Gen Z investors.” It shows that both Gen Y and Gen Z investors set great importance on their investing knowledge (financial literacy). Several studies provide supporting evidence on the influence of financial literacy on people's financial behavior and decision-making. It can be said that financial illiteracy carries a heavy price. For instance, it has been demonstrated that financial literacy has an impact on borrowing and debt management as well as behavior related to saving and investing. (Lusardi, 2019). As such, both generations emphasize financial literacy for both economic and financial stability.

For H4, Table 5 also shows that marketing or promotion activities do not significantly affect the purchase intention of the investors of both generations. However, since financial knowledge greatly influences their investment, it can be recommended that investment firms and their marketing/ promotional activities must focus on giving more information on the different investment assets that would impact and educate both generations.

For the investment priority, based on Table 4-A (Gen Y) and Table 4-B (Gen Z), ten investment assets were given to be ranked for their most and least preferred investment assets. The survey shows that Gen Y prioritizes Stocks as their investment assets, with 24.32% or 18 respondents out of 74 qualified respondents. Meanwhile, their least preferred investment asset, with 24.32% or 18 respondents, answered Stocks as well. This means that this generation is somehow diversified as Stocks come as the most and least preferred investment asset. When it comes to Gen Z, a total of 28.95%, or 23 respondents out of 76 respondents answered that their most preferred investment asset is Cryptocurrency. For their least preferred asset, time deposit is their least priority, as 30.26% or 23 respondents out of 76 respondents answered it. However, the overall results of the data gathering contrast with H7, as the preference for investment assets are generally similar across both generations.

Implications

The findings of the study showed that investment knowledge or financial literacy highly influences the investment purchasing behavior of both Gen Y and Gen Z. This depicts that even though there is a small percentage of Filipinos who are financially literate, it is still a major consideration for investors in making sound investment decisions. However, with the Philippines placed in the lower quadrant of the financial literacy ranking in Southeast Asia, it is still questionable whether or not the current financial literacy of Filipino investors would be enough to provide sustainable economic and financial stability in the coming years.

The data will be beneficial for future researchers to examine Filipinos' financial literacy further, alongside assessing other factors that might be influencing their investment purchasing behavior. Furthermore, as Gen Y and Gen Z are generally similar in theory—both raised in the digital age, the study was unable to find significant differences between both generations in terms of their investment purchasing behavior. Both generations were found to be Moderate Investors and most likely to have similar investment decisions.

CONCLUSIONS

According to Ilyas & Djawahir (2021), in view of the fact that Gen Y and Gen Z are known for being financially literate, a high level of investment intention is apparent among these two generations. However, there are still differences in terms of their investment behavior, as stated in a study by Rosdiana (2020) about Investment Behavior in Generation Z and Millennial Generation. Based on the findings, both Gen Y and Gen Z are found to be Moderate Investors. Thus, it can be concluded that despite having these perceived differences, Filipino investors who are in these generations are still the same in terms of investment behavior, having low to moderate risk tolerance with substantial returns. The findings also showed that there are no significant differences in investment behavior between the two generations, but investment knowledge is known to be the most significant variable that affects the investors' purchasing intention, as shown in Table 6.

Limitations

The data implies that investment bias, risk tolerance, and marketing and promotions do not significantly influence the investment intention of these generations. Financial Literacy and Investment Purchasing Behavior are the major factors that affect the investment decision of Gen Y and Gen Z investors. From a marketing perspective, since financial literacy or investment knowledge is the most influential investment purchasing factor that affects the decision-making of both generations, it can be concluded that investment firms and their marketing or promotional activities should focus on giving facts and added information on the different types of investment assets in which investors can learn.

Recommendations

The study recommends future researchers use a different statistical tool to further analyze the specific differences between the investment purchasing behavior of Gen Y and Gen Z. Furthermore, in order to accurately represent the Filipino Gen Y and Gen Z investor population, it is suggested to extend the scope of this study to more provinces and not just Metro Manila. In order to identify major differences, the gap between the generations that will be used to identify significant differences could also be from distant generations such as Gen Z and Boomers. Lastly, other investment factors can be considered to further explicate the differences in investment purchasing behavior.

REFERENCES

Abamu, B. E. (2019). Introducing investment promotion: A marketing approach to attracting foreign direct investment. *International Journal of Marketing Studies, 11*(4), 91. https://doi.org/10.5539/ijms.v11n4p91

Ademola, S. A., Musa, A. S., & Innocent, I. O. (2019). Moderating effect of risk perception on financial knowledge, literacy and investment decisions. *American International Journal of Economics and Finance Research, 1*(1), 34-44. Retrieved from http://www.acseusa.org/journal/index.php/aijefr/article/download/158/153

Aeknarajindawat, N. (2020). The combined effect of risk perception and risk tolerance on the investment decision making. *Journal of Security and Sustainability Issues, 9*(3), 807-818. https://doi.org/10.9770/jssi.2020.9.3(7)

Ainia, N. S. N., & Lutfi, L. (2019). The influence of risk perception, risk tolerance, overconfidence, and loss aversion towards investment decision making. *Journal of Economics, Business, & Accountancy Ventura, 21*(3), 401-413. https://doi.org/10.14414/jebav.v21i3.1663

Chen, M. H., Chen, B. H., & Chi, C. G. Q. (2019). Socially responsible investment by generation Z: a cross-cultural study of Taiwanese and American investors. Journal of Hospitality Marketing & Management, 28(3), 334-350. https://doi.org/10.1080/19368623.2019.1525690

COVID-19 Drives Global Surge in use of Digital Payments. (2022, June 29). World Bank. Retrieved October 25, 2022, from https://www.worldbank.org/en/news/press-release/2022/06/29/covid-19-drives-global-surge-in-use-of-digital-payments

Crescenzi, R., Di Cataldo, M., & Giua, M. (2019, October 4). *FDI inflows in Europe: Does investment promotion work?* Science Direct. https://doi.org/10.1016/j.jinteco.2021.103497

Gardi, B., Hamza, P. A., Qader, K. S., Anwar, H., Hamad, D., & Anwar, G. (2021). *Factors affecting the quality of financial statements on investment decision making.* https://dx.doi.org/10.22161/ijels.65.35

Gatpolintan, L. (2021, January 29). *Silver lining amid pandemic: More Pinoys investing in stocks*. Philippine News Agency. Retrieved October 25, 2022, from https://www.pna.gov.ph/articles/1129027

Gerth, F., Lopez, K., Reddy, K., Ramiah, V., Wallace, D., Muschert, G., & Jooste, L. (2021). The Behavioural Aspects of Financial Literacy. *Journal of Risk and Financial Management, 14*(9), 395. https://doi.org/10.3390/jrfm14090395

Gill, S., Khurshid, M. K., Mahmood, S., & Ali, A. (2018). Factors effecting investment decision making behavior: The mediating role of information searches. *European Online Journal of Natural and Social Sciences,7*(4),758. Retrieved from https://european-science.com/eojnss/article/view/5530

Gonzalez-Igual, M., Corzo-Santamaría, M. T., & Vieites, A. R. (2018). 4. Impact of Education, Age and Gender on Investor's Behavior: Modeling Confidence. Decodıng Behavioral Finance: The Practitioner's View (Three Articles) *Descifrando Las Finanzas Conductuales: La Visión Del*, 79.

Ilyas, M., & Djawahir, A. H. (2021). The effect of financial knowledge and financial well-being on investment intention mediated by financial attitude: A study on millennial generation and Gen Z in Malang City. *International Journal of Research in Business and Social Science (2147-4478), 10*(8), 175-188. https://doi.org/10.20525/ijrbs.v10i8.1530

Junaeni, I. (2020). Analysis of Factors That Influence Decision Making Invest in Capital Markets in Millennial Generations. *International Journal of Accounting & Finance in Asia Pasific (IJAFAP), 3*(3), 11-24. Retrieved from http://ejournal.aibpm.org/index.php/IJAFAP/article/view/866/891

Keswani, S., Dhingra, V., & Wadhwa, B. (2019). Impact of behavioral factors in making investment decisions and performance: study on investors of National Stock Exchange. *International Journal of Economics and Finance, 11*(8), 80-90. https://doi.org/10.5539/ijef.v11n8p80

Kim, K. T., Anderson, S. G., & Seay, M. C. (2019). Financial knowledge and short-term and long-term financial behaviors of millennials in the United States. *Journal of Family and Economic Issues, 40*(2), 194-208. https://doi.org/10.1007/s10834-018-9595-2

Kurz, C. J., Li, G., & Vine, D. J. (2019). *Are Millennials Different?* Finance and Economics Discussion Series 2018-080. Washington: Board of Governors of the Federal Reserve System, https://doi.org/10.17016/FEDS.2018.080

Lapanan, N. (2018). The investment behavior of socially responsible individual investors. *The Quarterly Review of Economics and Finance, 70*, 214-226. https://doi.org/ 10.1016 /j.qref.2018.05.014

Lim, T. S., Mail, R., Abd Karim, M. R., Ulum, Z. K. A. B., Mifli, M., & Jaidi, J. (2020). An investigation of financial investment intention using covariance-based structural equation modelling. *Global Business and Finance Review,* 25(2), 37-50. https://doi.org/10.17549/gbfr.2020.25.2.37

Lusardi, A. (2019). Financial literacy and the need for financial education: evidence and implications. *Swiss J Economics Statistics* 155, 1. https://doi.org/10.1186/s41937-019-0027-5

Mahalakshmi, T. N., & Anuradha, N. (2018). Gender based study on the Implications of Behavioral Biases in Investment Decision making. *International Journal on Global Business Management & Research,* 7(1), 35-43. Retrieved from https://www.proquest.com/docview/2014336278?pq-origsite=gscholar&fromopenview=true

Mahardhika, A. S., & Zakiyah, T. (2020). Millennials' Intention in Stock Investment: Extended Theory of Planned Behavior. *Riset Akuntansi dan Keuangan Indonesia,* 5(1), 83-91. https://doi.org/10.23917/reaksi.v5i1.10268

Martincus, C. V., Carballo, J., De Artiñano, I. M., & Blyde, J. (2020, January). *How Effective is Investment Promotion? Firm -Level Evidence.* Inter-American Development Bank. Retrieved from https://publications.iadb.org/publications/english/document/How_Effective_is_Investment_Promotion_FirmLevel_Evidence_en.pdf?fbclid=IwAR0rdaLLGvKrjmZtukZETVJLq9yXUW1mmxvJL9XkrT_2I1XzQL4ttkvkdOo

Mousa, Musaab & Nosratabadi, Saeed & Sági, Judit & Mosavi, Amir. (2021). *The Effect of Marketing Investment on Firm Value and Systematic Risk.* https://doi.org/ 10.21203/rs.3.rs-242301/v1

Mudzingiri, C., Muteba Mwamba, J. W., & Keyser, J. N. (2018). Financial behavior, confidence, risk preferences and financial literacy of university students. *Cogent Economics & Finance,* 6(1), 1512366. https://doi.org/10.1080/23322039.2018.1512366

Nalurita, F., Leon, F. M., & Hady, H. (2020). Factor Influencing Investor's Decision Making in Indonesia: Moderating the Role of Locus of Control. *International Journal of Business and Applied Social Science,* 49-56. https://doi.org/ 10.13106/ jafeb.2020.vol7.no12.535

Natsir, K., Arifin, A. Z., & Bangun, N. (2021, August). The Influence of Product Knowledge and Perceived Risk on Investment Intention of Stock Investors in the Covid-19 Pandemic Era. *In International Conference on Economics, Business, Social, and Humanities (ICEBSH*), 1-7. https://doi.org/10.2991/assehr.k.210805.074

Özkan, M. (2021, October 6). *Generation Z - The Global Market's New Consumers- And Their Consumption Habits: Generation Z Consumption Scale.* Academia.Edu. Retrieved from https://www.academia.edu/55968624/ Generation_Z_The_Global_Market_s_New_Consumers_And_Their_Consumption_Habits_Generation_Z_Consumption_Scale

Panja, S. (2021). *Impact of Behavioural Biases on the Investment Decision of Youths. Business Research And Innovation, 158*. Retrieved from https://www.researchgate.net/profile/Ramar-Veluchamy 3/publication/ 353950135_Business_Research_and_Innovation/links/611ba9520c2bfa282a4df804/Business-Research-and-Innovation.pdf#page=167

Peña-García, N., Gil-Saura, I., Rodríguez-Orejuela, A., & Siqueira-Junior, J. R. (2020, June 1). *Purchase intention and purchase behavior online: A cross-cultural approach.* ScienceDirect. Retrieved from https://www.sciencedirect.com/science/article/pii/ S2405844020311282

Philippas, N. D., & Avdoulas, C. (2019). Financial literacy and financial well-being among generation-Z university students: Evidence from Greece. *The European Journal of Finance, 26*(4-5), 360-381. https://doi.org/10.1080/1351847X.2019.1701512

Rahman, M. and Gan, S.S. (2020). Generation Y investment decision: an analysis using behavioural factors. *Managerial Finance, 46*(8), 1023-1041. https://doi.org/10.1108/MF-10-2018-0534

Rosdiana, R. (2020). Analysis of Investment interests, motivation, social environment, financial literacy (Comparative study of generation Z and millennial generation). *Int. J. Business, Econ. Law, 22*(1), 111-121. Retrieved from https://www.ijbel.com/wp-content/uploads/2020/10/IJBEL22_239.pdf

Rosdiana, R. (2020). Investment Behavior in Generation Z and Millennial Generation. *Dinasti International Journal of Economics, Finance & Accounting, 1*(5), 766-780. Retrieved from https://dinastipub.org/DIJEFA/article/download/595/374

Saeed, K. (2019). I*mpact of Heuristic Biases on Investment Decision Locus of Control Playing a Moderating Role*. http://dx.doi.org/10.2139/ssrn.3499658

Sattar, M. A., Toseef, M., & Sattar, M. F. (2020). Behavioral finance biases in investment decision making. *International Journal of Accounting, Finance and Risk Management, 5*(2), 69. https://doi.org/10.11648/j.ijafrm.20200502.11

Senda, D. A., Rahayu, C. W. E., & Rahmawati, C. H. T. (2020). The Effect of Financial Literacy Level and Demographic Factors on Investment Decision. *Media Ekonomi Dan Manajemen, 35*(1), 100-111. http://doi.org/10.24856/mem.v35i1.1246

Tingsgård, M. S. (2018). *Consumer Behavior on Digital Investment Platforms*. Retrieved from https://research-api.cbs.dk/ws/portalfiles/portal/59755760/536782_Mads Tingsgard Thesis.pdf

Topa, G., Hernández-Solís, M., & Zappalà, S. (2018). Financial Management behavior among young adults: The role of Need for Cognitive Closure in a three-wave moderated mediation model. *Frontiers in Psychology, 2419*. https://doi.org/10.3389/fpsyg.2018.02419

Ul Abdin, S. Z., Qureshi, F., Iqbal, J., & Sultana, S. (2022, January 22). Overconfidence bias and investment performance: A mediating effect of risk propensity*. ScienceDirect.* Retrieved 24 April 2022, from https://doi.org/10.1016/j.bir.2022.03.001

Vijayalakshmi, P. and R, Sathishkumar (2019). Irrational Behavior of Individual Household Investors: Does the Cognitive Biases Influence the Investment Decision?. *Journal of Xi'an University of Architecture & Technology, XI* (XII), 481-503. Available at SSRN: https://ssrn.com/abstract=3554165

Wijaya, M. C., & Afgani, K. F. (2021). Analysis Of The Enthusiasm On Stock Investment Among Generation Z In Bandung City. *Advanced International Journal o fBusiness, Entrepreneurship andSMEs, 3* (9), 08-21. https://doi.org/10.35631/AIJBES.39002

Zahera, S.A. and Bansal, R. (2018). Do investors exhibit behavioral biases in investment decision making? A systematic review*. Qualitative Research in Financial Markets, 10* (2), 210-251. https://doi.org/10.1108/QRFM-04-2017-0028