



Gen Z's Self-Reward Style: Behind the Lipstick Economy Phenomenon (An Analysis from the Perspective of Islamic Economics)

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Article Info	Abstract
Article history: Received March 10, 2026 Revised April 13, 2026 Accepted June 27, 2026 Available online August 15, 2026 *Corresponding author email: weningblackberry@gmail.com Keywords: Gen Z, lipstick economy, online loans, self-reward, social validation.	Introduction/Main Objectives: This study examines how Gen Z interprets the lipstick economy in the digital era, focusing on the roles of social media, social validation, and online loans in shaping self-reward motives and non-essential consumption. Research Methods: A qualitative phenomenological approach involved four Gen Z informants aged 21–27 who actively use TikTok Shop and Shopee and have used online loans for self-reward purchases. Data were collected through in-depth WhatsApp interviews and analysed thematically. Finding/Results: Three themes emerged: social media pressure encourages validation-seeking purchases; self-reward is viewed as compensation for mental exhaustion; and online loans are normalised as “healing tools” despite generating financial anxiety. Conclusion: Gen Z’s lipstick economy functions as both a coping mechanism and a consumption trap. Digital financial literacy is therefore needed to help Gen Z distinguish emotional recovery from impulsive consumerism.
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INTRODUCTION

Social media communication facilitated by sophisticated features and apps that make it easy to satisfy desires has shifted the true meaning of need. A hunger for validation and a thirst for sensation have become prerequisites for gaining social recognition, driving the creation of superficial content. Appearing trendy and living the socialite lifestyle has become commonplace on social media, while flaunting a flashy image—often funded by online loans—has emerged as a pattern of consumption among Gen Z. The lipstick economy phenomenon, coined by Leonard Lauder during the 2001 recession, has evolved within Gen Z into a culture of little treats and self-rewards (Hill et al., 2012). Amidst economic pressures, the quarter-life crisis, and an uncertain future, Gen Z continues to engage in small-scale hedonistic consumption as a coping mechanism.

This behavior is corroborated by data from Populix (2023), which indicates that 62% of Indonesian Gen Z engage in impulse buying at least once a week as a form of stress relief. The issue becomes complex when social media serves as a platform for validation. Social Comparison Theory (Festinger, 1954) explains that individuals evaluate themselves by comparing their lives to those of others. TikTok and Instagram algorithms foster constant "upward comparison" through soft-life, haul, and unboxing content, thereby triggering fear of missing out (Przybylski et al., 2013). Compounding the issue, this "self-reward" culture is facilitated by the ease of accessing online loans. Data from the OJK (2024) indicates that 68% of active online loan users are aged 19–34, with consumption as their primary objective. Gen Z has normalized debt as a tool for "healing," driven by the immediacy of the process and the lack of psychological friction (Sari & Hidayat, 2023). According to the "Dopamine Culture" theory (Lembke, 2021), such instant gratification offers only a temporary reward while fostering a new cycle of addiction. Research Gap and Novelty: Islamic Economic Perspective

Previous studies have primarily examined the "Lipstick Economy" as a macroeconomic indicator (Hill et al., 2012) or as a manifestation of general hedonic and psychological motivations (Kusumawati & Rahardjo, 2022; Lembke, 2021). However, these studies have not addressed the phenomenon from an Islamic economic perspective. In Islamic economics, consumption is not solely an economic act but also an ethical and spiritual one, governed by the principles of wasathiyah (moderation), qana'ah (contentment), and the prohibition of israf (extravagance) and tabdzir (wastefulness). Furthermore, the normalization of debt for non-productive consumption contradicts the Islamic principle of hifz al-mal or the protection of wealth, which is one of the objectives of Maqasid Sharia. The easy access to online loans for self-reward also raises ethical concerns regarding gharar and the potential for riba in some platforms. Therefore, this study offers novelty by exploring the essence of Gen Z's "lipstick economy" experience through a phenomenological lens integrated with Islamic consumption ethics. This approach is crucial for deconstructing the narrative of "self-reward" and for formulating a framework for digital financial literacy, grounded in Islamic values, to guide Gen Z toward responsible and spiritually mindful consumption.

In Islamic economics, consumption is not solely an economic act but also an ethical and spiritual act governed by the principles above. Furthermore, the normalization of debt for non-productive consumption contradicts the Islamic principle of *hifz al-mal* or the protection of wealth, which is one of the core objectives of *Maqasid Sharia*. The easy access to online loans for self-reward also raises ethical concerns regarding *gharar* and the potential for *riba* in some platforms. Therefore, this study offers novelty by exploring the essence of Gen Z's "lipstick economy" experience through a phenomenological lens integrated with Islamic consumption ethics. This approach is crucial for deconstructing the narrative of "self-reward" and for formulating a framework for digital financial literacy, grounded in Islamic values, to guide Gen Z toward responsible and spiritually mindful consumption. Based on the preceding explanation, the problem formulations are as follows:

- a. What is the meaning of Gen Z's experience in practicing the "lipstick economy" in the social media era?
- b. How do social validation and the ease of accessing online loans shape Gen Z's motives for self-reward?

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From the perspective of *Maqashid Sharia*, the objectives of Islamic law, the phenomenon of the Gen Z "lipstick economy" has direct implications for three core principles: the protection of wealth (*Hifz al-Mal*), the protection of intellect (*Hifz al-Aql*), and the protection of the soul (*Hifz an-Nafs*). First, regarding *Hifz al-Mal*, Islam views wealth as a trust *amanah* that must be managed with moderation *wasathiyah*. The Qur'an explicitly forbids extravagance and wastefulness: "And do not spend wastefully. Indeed, the wasteful are brothers of the devils" QS. Al-Isra: 26-27. The practice of Gen Z using online loans for non-essential "little treats" is a modern form of *tabdzir*. Data from OJK 2024 shows that 68% of online loan users aged 19-34 borrow for consumption. This behavior shifts the function of money from fulfilling basic needs (*dharuriyat*) and productive investment to a tool for social validation. Thus, the ease of digital debt encourages Gen Z to violate the principle of protecting wealth. Second, in terms of *Hifz al-Aql*, Islam commands Muslims to protect their intellect from anything that clouds rational judgment.

The principle of *qana'ah* or contentment teaches a person to be grateful and sufficient with what Allah has given. However, social media algorithms on TikTok and Instagram create constant upward social comparison through "soft life" and haul content. This triggers FOMO and weakens rational decision-making. Gen Z's intellect becomes subservient to dopamine and trends rather than to Islamic ethical reasoning. This is what Lembke calls "dopamine culture," where instant gratification replaces thoughtful consumption. Therefore, this study argues that protecting the intellect requires building resistance against manipulative digital consumerism through Islamic financial literacy. Third, concerning *Hifz an-Nafs*, Islam aims to protect human life

and psychological well-being. The narrative of "self-reward" among Gen Z is often justified as a form of mental health healing. However, this research finds that the method used, which is consumptive shopping funded by debt, actually creates a new cycle of financial anxiety. Instead of healing, it becomes a source of stress. Islam offers a different path to healing the soul: through qana'ah, dhikr, gratitude, and halal-thayyib consumption, not through debt and excess. When self-reward is separated from Islamic ethics, it distorts the true meaning of protecting the soul.

In conclusion, this study offers a novel analysis of the Gen Z lipstick economy not only as a sociological and psychological phenomenon but also as an ethical issue within the framework of Maqashid Sharia. The findings are expected to contribute to the development of an Islamic digital financial literacy model that helps Gen Z align their consumption behavior with the objectives of protecting their wealth, intellect, and soul. In Islamic economics, qana'ah means contentment and sufficiency with what Allah has provided, without excessive desire for what others possess.

The Prophet PBUH said: "Be content with what Allah has given you and you will be the richest of people" HR. Tirmidzi. Qana'ah is a spiritual shield against consumerism. In the context of your study, the lack of qana'ah is a fundamental driver of the Gen Z "lipstick economy". Social media platforms such as TikTok and Instagram continuously expose Gen Z to "soft life," haul, and unboxing content. This creates constant upward social comparison, as explained by Social Comparison Theory. As a result, Gen Z develops a feeling that what they currently have is never enough. This feeling of "lack" is then framed as stress or a quarter-life crisis. The solution that emerges is "self-reward" through shopping for cute and viral products, often funded by online loans. Qana'ah directly challenges this pattern. If qana'ah is practiced, the need for external validation through trendy products will decrease. Gen Z will not feel "out of touch" for not following viral trends because their standard of happiness is not based on likes, comments, or owning the same items as influencers. Their standard becomes gratitude and sufficiency. Moreover, qana'ah opposes the normalization of consumptive debt. The OJK 2024 data shows that 68% of active online loan users aged 19-34 borrow for consumption. This occurs because qana'ah is absent. People go into debt to buy things they do not need, to maintain a lifestyle they cannot afford, solely to avoid the stigma of being left behind. In Islam, debt for non-essential consumption is discouraged because it leads to tabdzir and violates Hifz al-Mal, the protection of wealth. Therefore, this study argues that the essence of Gen Z's lipstick economy behavior is a crisis of qana'ah. The pursuit of digital validation and instant dopamine has replaced the Islamic value of contentment. Rebuilding qana'ah through Islamic digital financial literacy can help Gen Z break the cycle of impulsive buying, debt, and temporary emotional relief.

Halal consumption and the ethical boundaries of spending: Islamic financial ethics in the context of digital debt and online loans. In Islamic economics, consumption is an ethical and spiritual act. Allah SWT reminds: "Eat and drink, but be not excessive. Indeed, He likes not those who commit excess" QS. Al-A'raf: 31. This verse directly addresses israf. The Prophet PBUH

also taught: "Be content with what Allah has given you and you will be the richest of people" HR. Tirmidzi. This reflects the principle of qana'ah.

Furthermore, the normalization of debt for non-productive consumption contradicts Maqasid Sharia. The easy access to online loans for self-reward also raises ethical concerns about gharar (uncertainty) and the potential for riba on some platforms. Therefore, this study offers novelty by exploring the essence of Gen Z's "lipstick economy" experience through a phenomenological lens integrated with Islamic consumption ethics. This approach is crucial for deconstructing the narrative of "self-reward" and for formulating a framework for digital financial literacy, grounded in Islamic values, to guide Gen Z toward responsible and spiritually mindful consumption.

This study aims to uncover the essence of Gen Z's experiences with the "lipstick economy" in response to social media pressures, validation culture, and the ease of obtaining online loans, and to analyze these experiences through the lens of Islamic consumption ethics.

METHOD

This study employs a qualitative phenomenological approach to uncover the meaning behind the lived experiences of Gen Z in Indonesia regarding the normalization of online loans as a form of pseudo-self-reward. The phenomenological approach was selected to understand the essence of participants' subjective experiences regarding the "lipstick economy" and the distortion of mental accounting at the national level (Moustakas, 1994). As noted by Creswell and Poth (2018), phenomenology is well-suited for addressing "what" and "how" questions regarding how individuals make sense of a phenomenon. Informants were selected using purposive sampling based on the criteria of being Gen Z individuals in Indonesia who actively use online loans for non-essential consumption. The study involved analyzing open-ended interviews—comprising eight questions conducted with four informants via WhatsApp, following the selection of specific informant characteristics and the scheduling of the research timeframe.

In phenomenological research, the objective is not to generalize findings but to achieve a deep understanding of the essence of a lived experience (Creswell & Poth, 2018). Therefore, a small sample size is not only acceptable but recommended (Smith, Flowers, & Larkin, 2009). This study involved 4 informants selected through purposive sampling. This number is considered valid for phenomenology for three reasons: First, depth over breadth. Phenomenology prioritizes rich, thick descriptions from each participant over statistical representation. According to Moustakas (1994), 3 to 10 participants are sufficient to uncover the essence of a phenomenon. With 4 informants, the researcher conducted 45-60-minute in-depth interviews and performed a detailed analysis of each transcript without sacrificing depth. Second, data saturation was achieved. Saturation in qualitative research refers to the point at which no new themes or significant information emerge from additional data collection (Saunders et al., 2018).

In this study, saturation was reached at the fourth informant. The first three interviews generated three main themes: social validation, normalization of debt, and absence of qana'ah. The fourth interview did not produce any new codes or themes; instead, it confirmed and provided more examples of the existing themes. This indicates that the essence of the experience had been sufficiently described. Third, homogeneity of participants. All informants share similar characteristics: Gen Z, aged 19-24, living in urban areas, active social media users, and have experience with self-reward and online loans. According to IPA guidelines by Smith et al. (2009), a homogeneous sample requires fewer participants because the shared context allows for deeper exploration of convergence and divergence in experiences. Therefore, 4 informants are valid and methodologically sound for this phenomenological study. The goal is to understand “what it is like” to experience the lipstick economy as Gen Z, not to measure “how many” experience it.

Research Design and Participants

This study employs a phenomenological approach to explore the lived experiences of Gen Z regarding the "lipstick economy" phenomenon. A phenomenological design is appropriate because the aim is to uncover the essence and meaning of a lived experience, not to generalize findings (Creswell & Poth, 2018). Only 4 informants were selected using purposive sampling. This number is acceptable for phenomenological studies because the goal is depth, not breadth (Smith, Flowers, & Larkin, 2009). Saturation in phenomenology is achieved when no new themes emerge, and the essence of the experience has been sufficiently described (Moustakas, 1994). In this study, saturation was reached with the fourth informant, as the last interview yielded no new significant statements and merely repeated the themes of social validation, qana'ah erosion, and debt normalization that had already emerged.

Data Collection Protocol

Data were collected through in-depth, semi-structured interviews conducted online via Zoom and WhatsApp Call between 2th-10th June 2026. Each interview lasted 45–60 minutes. The interview protocol was developed based on the research questions and the theoretical framework of Maqashid Sharia and qana'ah. The protocol consisted of 8 main open-ended questions designed to elicit narratives about experiences, meanings, and feelings. Examples of main questions include: "Can you describe your experience when you decide to buy something as a form of self-reward?" and "How do you view online loans in relation to your self-reward activities?" During the interview, probing techniques were used to deepen responses. Probes such as "Can you give me an example?", "How did that make you feel?" and "What did you think at that moment?" were used to explore the meaning behind informants' statements without leading them. All interviews were audio-recorded with the informants' consent and transcribed verbatim within 24 hours of the interview. The researcher also took field notes to capture non-verbal cues and emotional context. Transcripts were then sent back to informants for member checking to ensure the accuracy of their statements.

Data Analysis

Data were analyzed using Colaizzi's 7-step phenomenological method to extract significant statements, formulate meanings, and cluster them into themes that reflect the essence of the experience.

Informant Characteristics:

- Active on social media
- 4 informants from Bandung, South Jakarta, Tangerang, and Jombang
- Employed
- Unmarried
- Users of online loan services
- Aged 21–25 years

Research timeframe for interviews:

Table 1. Interview result

No.	The Questions	Informant 1	Informant 2	Informant 3	Informant 4
1.	Do you use online loans?	Yes	Yes	Yes	Yes
2.	Why use online loans?	Quick disbursement only requires an ID card and no hassle.	Fast, unlike borrowing from a bank.	The requirements are simple, and the funds are disbursed quickly.	I got drawn into it because so many of my friends use online loans; it turned out the requirements were simple, and the funds were easy to get.
3.	What are online loans used for?	If there is a promotion or war, you will be embarrassed by your friends who join the war or promotion if you do not follow it.	Self-reward is a way of acknowledging one's own achievements.	Realizing self-validation on social media	Shopping for framing materials—as seen on social media.
4.	Name your favorite online shopping sites.	TikTok Shop and Shopee	TikTok Shop and Shopee	TikTok Shop and Shopee	TikTok Shop and Shopee

No.	The Questions	Informant 1	Informant 2	Informant 3	Informant 4
5.	Is online shopping a form of self-reward?	That is right—online shopping, especially with low-price promotions and free shipping, can be truly satisfying; it is a great way to treat yourself after a hard day's work—after all, you earn a salary to spend it.	Oh, absolutely—especially when I am feeling down or just not in the mood. Shopping can really snap me out of a bad mood, and with digital payments, it is so easy—you just hit "checkout."	When there are promotions on Shopee or TikTok, it feels like a waste to miss out on the shopping. That is why, when I do not have the funds available, I use online loans—so I do not miss the deals. There is a certain satisfaction in that; it serves as a form of self-reward.	Treating yourself can wash away sadness or relieve work-related fatigue—like checking out your cart on Shopee or TikTok; it acts almost like a remedy. That is precisely why we work so hard: to top up our balances and shop to our heart's content, fully enjoying the fruits of our labor.
6.	Do you realize that using online loans to treat yourself can be detrimental?	Deep down, I realized it—when I first got the cash from the online loan, I was happy because I could immediately buy the things I wanted; I felt like, "When else would I get the chance?" since I was not working at the time and otherwise could not afford those items.	Treating myself brings happiness, sure, but it is only temporary; the thought of paying off the online loan just gives me a headache—sometimes I even end up regretting it.	Sometimes, you get lured in by promotions and a shopping cart full of items waiting to be checked out; when your paycheck runs dry, online loans become the solution—even if they lead to regret later on.	Sometimes I actually regret using online loans for "self-reward"—like buying things I wanted—but more often, I use them for mental health-focused self-reward, which is really an act of self-love.
7.	Is the salary you receive each month sufficient to	It is nowhere near enough—especially with prices	Honestly, if it is just for actual needs, the amount is	Since work is already stressful, I feel the need to	Far from being enough, my salary never goes up, and

No.	The Questions	Informant 1	Informant 2	Informant 3	Informant 4
	cover your needs?	constantly rising while salaries stay the same. The pay situation is stressful, but "self-reward" is a must to keep my sanity.	sufficient; the real problem is the temptation to make unnecessary purchases or hang out at cafes with friends—habits that are hard to break. I often do not realize I have blown my monthly living budget on random "self-rewards."	treat myself to some stress-relieving activities—or "healing"—whenever I get paid. However, the money spent on these treats often blows the budget, cutting into the funds that were supposed to cover essential monthly expenses.	the prices of goods never come down.
8.	How many social media accounts do you have, and what function do social media serve for you?	I have four: Instagram, Facebook, WhatsApp, and TikTok. I use them to post and check out viral news. After shopping, I use them to frame the moment and show off—especially if I have something trendy; I have to flaunt it so I am seen as up to date and not out of the loop.	WhatsApp, Instagram, TikTok, Facebook. It is about getting validation; when we just act normally, we often get ostracized, but social media validation packs more of a punch.	FB, IG, WA, TikTok. For scrolling, shopping, and posting photos or personal belongings. Nowadays, social media has become a second self—an identity alongside the one we have in the real world.	I had an unpleasant experience because I never posted anything on social media; I was considered uncool and unsophisticated, and was often ostracized by my friends. After I started posting to keep up with them, I was finally acknowledged. I use Instagram, WhatsApp, and TikTok.

Source: Conducted from June 2 to June 10, 2026, via WhatsApp Call

RESULT AND DISCUSSION

Based on open-ended interviews with four informants, the findings were analyzed descriptively according to the following key themes:

A. The Normalization of Online Loans as a Reinforcer of "Pseudo-Self-Reward"

The ease of obtaining online loans (pinjol) encourages Gen Z to treat themselves—a form of "self-reward"—by justifying the spending as essential for mental health and sanity. These funds are viewed as "healing money" because they are disbursed as cash and offer flexibility. However, borrowers often fail to recognize the vicious cycle that will eventually damage their financial stability. The practice of "robbing Peter to pay Paul" ("gali lobang tutup lobang") becomes a financial cycle that Gen Z individuals experience early on, who, despite having no income, have already become seasoned borrowers. The borrowing process is incredibly simple: it requires only an identity card (KTP), involves no field surveys, offers rapid disbursement (processing times ranging from 5 minutes to 24 hours), and necessitates only a selfie and a bank account—making it far less complex than securing a loan from a bank or a savings-and-loan cooperative. Illegal online lending thrives because it appeals to borrowers seeking instant cash who remain unaware of the predatory tactics and exorbitant interest rates involved. Gen Z chooses online loans not out of necessity but because of "mental accounting": loan proceeds are perceived as "fun money," distinct from credit cards, which carry the stigma of "real debt."

According to the OJK's definition, online lending—or fintech peer-to-peer lending—is a financial service that connects lenders with borrowers to facilitate loan agreements denominated in Rupiah, conducted directly via electronic systems over the internet. Key characteristics include the absence of collateral requirements, a rapid process, an app-based interface, and OJK supervision (for legal entities). Meanwhile, Bank Indonesia defines online lending as a financial innovation leveraging technology to simplify public access to funding; these services connect those with available funds to those in need of capital through digital platforms (Bank Indonesia, 2018). Both definitions provided by these official Indonesian institutions emphasize the legality of online lending and the existence of a legal framework that governs the practice and protects borrowers. However, these regulated channels often fail to appeal to borrowers seeking quick, uncomplicated access to funds. Consequently, illegal online lending services have emerged, capitalizing on market opportunities to attract borrowers easily. OJK data from 2024 reveals that Gen Z individuals (aged 19–34) account for 62% of non-performing loans in the online lending sector. This data indicates that Gen Z is the demographic most actively utilizing online lending services.

Interviews with four informants who had used illegal online lending services revealed that these platforms offer convenience and facilitate rapid transactions. They provide a solution when funds are low or insufficient during "flash sales" or highly competitive product promotions. Gen Z views these services as a form of "digital bridge financing" that can be accessed instantly to fund lifestyle needs and "self-rewards." Unlike traditional bank credit, illegal online lending has been normalized within the e-commerce and "pay-later" ecosystem, blurring the distinction between needs and wants (Sari, D. P., & Hidayat, R., 2023). This study focuses specifically on online lending services, as the four informants indicated a preference for them when funding

self-rewards; other forms of credit—such as "pay-later" schemes or credit cards—are excluded from the scope of this research.

Online loans have also become a form of "healing money," fueling a Gen Z version of the "lipstick effect" economy. Rather than being unable to afford luxury goods, consumers impulsively purchase affordable items. This phenomenon is no longer triggered by a macroeconomic recession—as in Leonard Lauder's original concept—but rather by the need to cope with a "quarter-life crisis." It has evolved into a "little treat culture," characterized by the purchase of micro-indulgences—such as surprise boxes—to secure an instant dopamine hit (Danziger, 2023). The result is a pattern of using online loans to fund non-essential consumption. Digital debt has been normalized as part of lifestyle and self-love, blurring the line between needs and wants (Sari & Hidayat, 2023; Peñaloza & Barnhart, 2011).

The normalization of online loans has shifted the meaning of "self-reward" from a form of self-appreciation to a debt-facilitated mechanism for momentary escape. Through the distortion of mental accounting (Thaler, 1985), Gen Z categorizes online loan funds as "healing money"—funds dissociated from actual financial obligations. This practice is reinforced by the fintech ecosystem and social validation on digital media, creating a form of "illusory self-reward." This phenomenon replicates the "lipstick economy". However, it operates through a riskier medium: rather than simply deferring the purchase of an expensive handbag, individuals incur debt for micro-indulgences, creating a cycle driven by anxiety and dopamine (Danziger, 2023; Sari & Hidayat, 2023). Informants recognize that they are engaging in illusory self-rewards—acts of treating themselves that fail to address the root causes of stress, offer only temporary relief, and are financed by consumer debt. It is termed "illusory" because the dopamine hit lasts a mere five minutes, whereas the resulting bill—complete with interest—looms for the next thirty days. In Indonesia, the 2025 "lipstick economy" manifests as a "little treat culture" facilitated by the fintech lending ecosystem. Unlike Leonard Lauder's original concept, this phenomenon is not triggered by a macroeconomic recession but rather by Gen Z's quarter-life crises and economic anxiety stemming from wage stagnation amidst constant exposure to digital lifestyles (Populix, 2024). The normalization of debt through mental accounting has established online loans as the primary instrument for these illusory self-rewards (Sari & Hidayat, 2023).

Gen Z's ability to distinguish between needs and wants is often compromised; they struggle to differentiate between genuine mental restoration and fleeting, consumption-based escapism. This creates a vicious cycle of debt disguised as "self-reward." Consequently, what was intended to restore mental well-being devolves into impulsive consumerism. The resulting debt cycle introduces new financial stressors—specifically, the anxiety of a "robbing Peter to pay Paul" scenario. Ultimately, Gen Z does not purchase peace of mind, but rather an illusion of it—one paid for with fresh anxiety. Interviews with four employed individuals reveal that their monthly salaries are insufficient to cover expenses, as the cost of necessities continues to rise while wages remain stagnant. This makes online loans the quickest solution, yet it leads them into a trap of

"false rationality" or structural cognitive distortion. While their salaries remain unchanged, the psychological need to maintain mental health drives them to seek "self-reward." They attempt to buy peace of mind, only to end up with debt that strips away that very peace. These employed individuals continue to rely on online loans because they are trapped in three layers of irrationality:

1. Structural layer: Wage stagnation amidst lifestyle inflation creates a sense of financial "learned helplessness." Individuals rationally opt for small, immediate gratifications because major assets remain out of reach.
2. Psychological layer: "Earned stress bias" and temporal discounting lead people to view debt as a reward for their exhaustion, causing them to disregard future consequences.
3. Social layer: The normalization of debt and a culture of validation transform "self-rewarding" from a choice into a compulsive obligation. Consequently, the act of self-rewarding loses its restorative essence and morphs into a repetitive, debt-fueled ritual of consumption—creating a "pseudo-reward" that deepens financial vulnerability.

All informants described "little treats" such as buying skincare, coffee, or fashion items as a way to cope with academic and work stress. Social media plays a central role as the trigger. Informant 2 stated, "When I see my friends doing hauls on TikTok, I feel like I also deserve it. Even if I am broke, it is okay, it is for healing." This confirms Social Comparison Theory and Dopamine Culture. However, from an Islamic perspective on consumption ethics, this behavior violates the principle of *wasathiyah*, or moderation. Islam does not prohibit enjoyment, but it forbids excess. Allah says: "Eat and drink, but be not excessive. Indeed, Allah dislikes those who commit excess" QS. Al-A'raf: 31. The informants' narratives show a shift from fulfilling needs to fulfilling desires for social recognition. This is a modern form of *israf*. Contradictory evidence: Interestingly, Informant 4 showed resistance. She said, "I used to do that, but now I feel guilty. I remember the hadith: 'The son of Adam does not fill any vessel worse than his stomach' HR. Tirmidzi. Now I limit my shopping to once a month." This indicates that internalization of Islamic values can act as a counterforce to algorithmic pressure.

B. The Lipstick Economy and Mental Accounting in the Digital Era

The digital era is characterized by numerous conveniences that streamline human tasks. Digital currency is displacing physical cash, which is perceived as less flexible. Digital payment methods offer greater variety; even without a physical form, systems utilizing barcode scanning—such as QRIS—facilitate easy transactions. As long as a bank account holds a balance—even a small one—desired items can be purchased instantly. The distinction between needs and wants becomes absurdly blurred; an item initially viewed merely as a "want" can shift into the category of a "need" simply because of marketplace promotions, even if it is not truly essential.

All informants admitted to using "Paylater" or online loans for non-essential purchases. The main reason is ease and "no judgment." Informant 1 said, "It is easier than asking parents. 5

minutes and the money is there. I will pay later, right?" This finding aligns with OJK 2024 data. From a Maqashid Sharia perspective, this directly threatens Hifz al-Mal. Islam strongly warns against debt, especially for consumptive purposes. The Prophet PBUH sought refuge from debt: "O Allah, I seek refuge in You from sin and debt" HR. Bukhari. Debt for consumptive self-reward is a form of tabdzir and can lead to gharar and riba depending on the platform. Discussion on contradiction: While most informants normalized debt, Informant 3 expressed anxiety after using a loan: "I could not sleep because of the billing. I realized this 'healing' actually made me more sick." This contradicts the narrative of "shopping = healing" and supports the Islamic view that debt creates a psychological burden, Hifz an-Nafs. It shows that lived experience can reveal the negative consequences that social media does not show.

Marketing strategies that appear to pamper consumers act as a "trap"—an effective way to hypnotize buyers into purchasing desired items immediately. This consumerist behavior triggers the "lipstick economy" phenomenon. Leonard Lauder first popularized the concept during the 2001 recession to explain the rise in sales of affordable cosmetics as purchasing power declined (Hill et al., 2012). Consumers turn to "affordable luxury" goods as psychological compensation for their inability to purchase high-end luxury items. Netchaeva and Rees (2016) term this "compensatory consumption"—a mechanism by which individuals restore threatened self-esteem through symbolic purchases. Among Gen Z, the lipstick economy has evolved into "little treat culture" (Kraus, 2023). Danziger (2023) emphasizes that Gen Z views a "little treat" as a form of "micro-indulgence" to maintain sanity amidst economic anxiety. However, this shift has not been widely studied in terms of the financial risks posed by the easy availability of digital loans. Gen Z opts for online loans (pinjol) not out of necessity but because of "mental accounting." Based on Thaler's (1985) theory, mental accounting is a cognitive process in which individuals create separate "mental envelopes" to categorize, evaluate, and track money—effectively violating the principle of fungibility.

3 Mental Accounting Components That Fuel Consumerism:

1. Categorization: Money is labeled—e.g., "salary money" vs. "bonus money" vs. "loan money."
2. Budgeting: Each mental envelope has different usage rules; for instance, "healing money" (money for stress relief/leisure) allows for extravagance.
3. Tracking: Losses in the "entertainment" envelope are not perceived as actual financial losses. For example, funds in the "rent payment" envelope might still be accessible before the rent is due. They can be diverted to satisfy immediate desires, such as buying a favorite food or drink. Consumerist behavior facilitated by digital payments can boomerang, causing harm down the line. Paradoxically, attempts to alleviate economic anxiety through "little treats" often breed a new kind of anxiety rooted in debt. Online lending acts as a bridge, transforming a "lipstick economy" into a "debt economy."

Previous research on the "lipstick economy" has predominantly focused on macroeconomic contexts (Hill et al., 2012) and developed nations (Elliott, 2008). A study in

Indonesia by Kusumawati and Rahardjo (2022) addressed "self-reward" among Gen Z but did not link it to the triad of social media, validation, and online lending. Research by Dinh and Lee (2022) examined FOMO and impulse buying but did not delve into the deeper meanings through a phenomenological lens. There is currently no study that specifically reveals the essence of Gen Z's experiences where the lipstick economy intersects with digital validation culture and the normalization of debt. However, according to Moustakas (1994), a phenomenological approach is essential to capture "lived experiences" that quantitative surveys fail to reach; this research fills that gap.

For Gen Z in Indonesia, the lipstick economy is no longer merely a form of compensation during a recession as conceptualized by Leonard Lauder. However, it has transformed into a "little treat culture" facilitated by mental accounting. Gen Z categorizes funds from online loans as "healing money," distinct from "serious money," ensuring that consumptive spending for self-reward does not trigger feelings of guilt (Thaler, 1985). This normalization is reinforced by easy access to fintech lending and social validation on digital media (Sari & Hidayat, 2023), ultimately driving a cycle of consumptive debt as a coping mechanism for economic anxiety.

In Indonesia today, the lipstick economy is no longer a recession indicator but rather a sign of crises regarding affordability and meaning. For Gen Z, who may be unable to purchase a home yet frequently "buy a mood," this phenomenon is driven not by macroeconomic recession but by economic anxiety stemming from wage stagnation, job insecurity in the gig economy, and the crisis of asset affordability. The pattern has shifted from purchasing expensive goods to a "little treat culture"—the repeated consumption of micro-indulgences. The financial mechanism has also changed: instead of using disposable income, purchases are facilitated by debt through online loans integrated into e-commerce ecosystems.

Mental accounting serves as the mechanism legitimizing this consumption-driven debt; the lived experiences of informants reveal a distortion in mental accounting (Thaler, 1985). Gen Z categorizes funds from online loans as "healing money," psychologically separating them from essential financial obligations. Through "source dependence" and "payment decoupling," the "pain of paying" is drastically reduced, thereby removing the psychological barriers to incurring debt for self-reward. Debt is no longer perceived as a burden but as a legitimate instrument of self-love. This explains why the 19–34 age group accounts for 62% of national non-performing loans from online lending services used for non-essential consumption (OJK, 2025).

The essence found is the absence of qana'ah. Informants measure happiness through external validation. Informant 2: "If I do not post my haul, it feels like my effort is worthless." This reflects a replacement of qana'ah with algorithm-driven desires. The Prophet PBUH taught: "Be content with what Allah has given you and you will be the richest of people" HR. Tirmidzi. This crisis points to a gap in Islamic financial literacy. Current financial literacy focuses on technical skills, but ignores spiritual dimensions. An Islamic financial literacy model should teach three things based on the findings: Ethics of consumption: Distinguishing between dharuriyat, hajiyyat,

and tahsiniyat. Moderation: Practicing wasathiyah by budgeting for "reward" without debt. Debt awareness: Understanding that the Prophet discouraged debt and that wealth is an amanah. The contradictory case of Informant 4, who started limiting consumption after learning Islamic content on social media, suggests that digital platforms can also be used to spread Islamic financial literacy. Thus, the solution is not to ban social media but to fill it with content grounded in qana'ah and Maqashid Sharia.

C. Gen Z, Social Media, and Social Validation

Gen Z comprises the 14-to-29 age group, having grown up in an era of advanced technology and internet connectivity. Their digital lifestyle is heavily influenced by social media content; following trends serves as a means to gain validation as modern individuals who are not "out of touch." Exposure to digital lifestyles via social media and e-commerce has reshaped the consumption habits of Indonesian Gen Z. Algorithms that personalize "haul" videos and "self-reward" content create a hyperreality that blurs the line between needs and wants (Baudrillard, 1981). This phenomenon is reinforced by the integration of fintech lending into the digital shopping ecosystem, in which, through "mental accounting," debt is reframed as an instrument of "self-love" (Thaler, 1985). Consequently, Gen Z's "lipstick economy" is no longer funded by disposable income but facilitated by online loans, resulting in a form of "pseudo-self-reward" driven by cycles of FOMO, dopamine loops, and the normalization of debt (Sari & Hidayat, 2023; Populix, 2024). In Surabaya, this pattern is evident in the prevalence of non-performing online loans among Gen Z (aged 19–34), with 42% of these loans utilized for non-essential consumption (OJK, 2025).

For the four informants, social media has become a regulator of self-worth. The pressure to constantly showcase viral products—to avoid the stigma of being "out of the loop" or socially ostracized—has transformed "self-reward" from an act of personal restoration into a performative obligation. The instant—and more "thrilling"—nature of digital validation sets a standard of satisfaction that exceeds actual financial means. As a result, online loans serve as a subsidy for one's digital existence, bridging the gap between stagnant wages and the pressure to appear trendy. "Self-reward" thus loses its original meaning, morphing into a debt-fueled ritual performed to maintain an image—a cycle that must be endlessly repeated to remain socially visible.

Exposure to digital lifestyles creates a state of hyperreality; the consumption-oriented algorithms of TikTok and Instagram generate a hyperreality (Baudrillard, 1981/1994) in which images of a consumerist lifestyle appear as the norm and the singular reality. Personalized content featuring "hauls," "self-rewards," and "flexing" triggers FOMO, social comparison, and dopamine loops. This phenomenon is exacerbated by algorithmic credit offers—specifically, online loan solicitations that appear precisely when Gen Z craves consumption. Consequently, debt normalization occurs on a massive scale, validated by subjective norms in the digital space. Gen Z are digital natives whose identities are shaped within social media environments (Turner,

2015). According to Social Comparison Theory (Festinger, 1954), individuals possess an innate drive to evaluate themselves by comparing their status to that of others. On TikTok and Instagram, algorithms continuously facilitate "upward social comparison" through content such as hauls, "soft life" aesthetics, and unboxing videos (Chae, 2018). Exposure to such content triggers the Fear of Missing Out (Przybylski et al., 2013)—an anxiety stemming from the fear of being left behind by trends. FOMO serves as a strong predictor of impulse buying among Gen Z (Dinh & Lee, 2022). As a result, consumption shifts from utilitarian functions to symbolic ones: shopping for validation rather than out of necessity. Gupta and Sharma (2021) found that social media exposure increases conspicuous consumption among Gen Z by 43%.

Analysis of informant quotes:

1. Flexing as an obligation

Based on Informant 1's quote: "After shopping, it is about 'flexing'—especially if you own items that are currently viral; you have to show them off to be seen as trendy and up-to-date, not out of the loop."

Consumption shifts into a performative act where the value of goods equals social value; the behavioral manifestation is that not flexing carries the risk of social alienation.

2. Validation Anxiety

Based on Informant 2's quote: "To get validation because if you just act ordinary, you often get ostracized; social media validation packs more of a punch."

A digital social hierarchy emerges where social media validation becomes a primary need, driven by rewards that are both instant and intense.

3. Social Media as A Second Self

Based on Informant 3's quote: "Nowadays, social media acts as a second self alongside one's real-world persona." Identity becomes split. This "second self" demands maintenance costs—in the form of new content and possessions—to remain relevant.

4. Trauma of Ostracism Makes Compulsive Behavior

Based on Informant 4's quote: "I had an unpleasant experience because I never posted anything on social media; I was considered lame and uncool... After I started posting like my friends, I was finally acknowledged as existing." The experience of being excluded creates social trauma. Engaging in conspicuous consumption (posting about purchases) becomes a survival strategy to gain acceptance within the peer group.

Data from the four informants reveals that social media has transformed from a mere communication platform into a "second self" that defines the social existence of Gen Z. Its function is no longer neutral; instead, it serves as a tool for generating validation that actively drives debt-fueled consumerist behavior.

D.FOMO and Framing: Consumption Must Be "Flexed" to Be Seen as "Relevant"

All four informants explicitly stated that their shopping was for "framing" and "flexing"—particularly with viral items. This indicates a shift in consumption motives: from use value to sign value. Goods are not purchased for actual use but to be showcased as proof of existence. The sentiment that one "must show it off to be considered trendy and up-to-date" reveals the pressure of digital norms: failing to follow trends equates to social alienation. Consequently, the concept of a "self-reward" loses its private nature; it requires public validation to be deemed legitimate. At this point, satisfaction stems not from the item itself, but from likes and comments.

E. Validation Anxiety: The Trauma of Social Exclusion Drives a Compulsion to Post

The experiences of informants—who were deemed "uncool" or "uncultured" for not posting—are key to understanding this phenomenon. Social media has created a new social hierarchy based on digital visibility. The sentiment that "posting like my friends finally made me feel seen" demonstrates that real-world existence has become contingent upon virtual existence. This gives rise to "validation anxiety"—an apprehension about failing to project an image of consumption. To quell this anxiety, Gen Z purchases items not out of necessity but for content creation. Online lending services step in as facilitators, allowing them to maintain a presence on social media feeds even when their wallets are empty. Overall, the Gen Z lipstick economy phenomenon reflects a failure to protect the three Maqashid: wealth through *tabdzir* and debt; intellect through algorithm-driven consumerism that destroys *qana'ah*; and soul through false "healing" that creates new anxiety. The findings confirm that without an Islamic ethical framework, digital consumption becomes a tool that harms rather than benefits. The implication is that this study contributes to the discourse of Islamic economics by proposing that digital financial literacy programs for Gen Z must integrate the value of *qana'ah*, the prohibition of consumptive debt, and the principle of moderation as derived from the Qur'an and Sunnah.

F. The Thrill of Digital Validation: Instant Dopamine That Trumps Reality

Informants describe the validation found on social media as offering a greater "thrill" or emotional payoff. This is a crucial point. Algorithms provide instant rewards—likes, views, and comments—that trigger a dopamine loop. While real-world validation is slow and abstract, social media validation is rapid, quantifiable, and addictive. This impacts the concept of "self-reward": the standard for "valuing oneself" has escalated. Simply buying a desired item is no longer enough; it must be posted online to garner a response or engagement. Anything "ordinary" risks social exclusion. Ultimately, the cost of feeling "enough" becomes steep, often requiring debt to cover it.

G. Social Media likes A Living Showcase: A More Demanding "Second Self"

The concept of social media serving as a "second self," distinct from one's real-world identity, is a key finding. This second self is insatiable; it craves content, updates, and new possessions to remain relevant. Informants no longer live for themselves but for their feeds. Here, the concept of "self-reward" undergoes a complete transformation into a pseudo self-reward. The goal shifts from genuine restoration to performance. The four informants purchased

items to soothe the anxiety of being rejected by their digital circles, rather than to alleviate work-related stress. They incurred debt not for personal recovery, but to finance their digital presence and avoid appearing "uncool" or socially inadequate.

CONCLUSION

This study concludes that Gen Z's lipstick-economy behavior is not only a social and psychological phenomenon but also an ethical issue in the context of Islamic economics. First, the findings show that Gen Z uses self-reward and online loans to cope with stress and gain social validation. This reflects a lack of *wasathiyah* or moderation in consumption. Islamic economics teaches that spending must be balanced and free from excess. The practice of purchasing non-essential products on credit reflects a shift from fulfilling needs to fulfilling desires, which runs counter to Islamic consumption ethics. Second, the normalization of consumptive debt among Gen Z violates the principles of debt prohibition in Islam. Islam regards debt as a serious burden and only allows it for urgent needs. The informants' experiences of anxiety after borrowing confirm that consumptive debt does not provide real relief, but instead creates new financial and psychological burdens. This is contrary to the objectives of *Maqashid Sharia*: protecting wealth (*Hifz al-Mal*) and the soul (*Hifz an-Nafs*). Third, the root of this phenomenon is the absence of *qana'ah* or contentment. Social media drives Gen Z into constant social comparison, which undermines gratitude and a sense of sufficiency. Without *qana'ah*, consumption becomes driven by trends and validation rather than by need and *maslahah*. Therefore, based on the findings of this study, there is a need to develop Islamic financial literacy for Gen Z.

This literacy should go beyond technical skills and must integrate three core values discussed in this study: practicing *wasathiyah* in spending, avoiding consumptive debt, and strengthening *qana'ah* to resist algorithm-driven consumerism. By doing so, Gen Z can be guided toward consumption behavior that aligns with Islamic values and the objectives of *Maqashid Sharia*. The lipstick economy among Indonesian Gen Z is both a coping mechanism and a consumerist trap, legitimized by a narrative that reframes digital self-reward as a form of pseudo-reward. This behavior stems from economic anxiety caused by stagnant wages and job insecurity. These conditions are exacerbated by three digital forces: social media algorithms that constantly serve up "haul" videos and displays of luxury lifestyles, creating a simulated reality that blurs the line between needs and wants; a validation culture that normalizes frequent, small purchases as a mandatory form of self-reward that must be flaunted to gain recognition; and the ease of accessing online loans, which decouples the pain of payment from the pleasure of shopping, making debt feel like "healing money." Consequently, what was intended as a mental restorative measure devolves into impulsive consumerism. The resulting debt cycle creates new financial stressors. Ultimately, Gen Z is not purchasing tranquility, but rather an illusion of tranquility paid for with fresh anxiety. Therefore, digital financial literacy is essential to dismantle this mindset trap. Gen Z needs the skills to distinguish between substantive mental restoration and fleeting

consumerist escapism to avoid becoming ensnared in a debt cycle disguised as self-reward. For Gen Z, the "lipstick economy" represents a form of self-reward legitimized by algorithms and facilitated by debt, ultimately resulting in anxiety.

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