

Financial Behavior in the Use of Electronic Wallets (E-Wallets) Among Gen Z

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ABSTRACT

This study aims to determine whether or not financial knowledge and financial attitudes have an effect on the financial behavior of Gen Z. The subjects in this study were generation z in Kemijen Village, East Semarang District, Semarang City. This study uses the process and data collection techniques as mentioned by Moelang, namely the Process of Entering the Research Location, the Process While at the Research Location (Getting Along), the Data Collection Process (Logging Data). The results of the study on generation z in Kemijen Village concluded that the obsession with money that was too high they were too worried about managing their finances so that they usually had arranged financial planning so that it could be useful in the future by preparing or setting aside funds for unexpected needs.

Keywords: Financial Technology, Electronic Wallet (E-Wallet), Financial Knowledge, Financial Attitude, Income Level.

INTRODUCTION

At this time, technology is developing very rapidly, more and more things that are done manually are replaced by using existing technology. Likewise, transactions that originally used conventional transactions with cash are now switching to using online transactions in electronic form. The latest developments since the 1990s, there has been a tendency where trade and business transactions no longer use conventional money, but instead switch to using electronic money. Included in this category, for example, we know that there are internet banking services, debit cards, and automatic teller machine cards (Maryanto, 2011).

The development of technology is in line with the increasingly advanced development of humans, technology helps facilitate and accelerate various things including financial matters so that a technology emerges, namely financial technology (fintech). Financial technology can be interpreted as a financial technology which is a form of innovation development in the financial sector so that it can be carried out more effectively, efficiently, and easily. Digital-based payments are currently starting to grow and are in demand compared to manual systems due to the ease of the payment process (Permana et al., 2021). One of the fintechs that is often used by young people today is an electronic wallet or e-wallet.

A digital wallet or e-wallet is a financial service that makes it easy for users to store, send, and receive money electronically quickly. E-wallets can be used to make various financial transactions such as paying electricity bills, buying credit, shopping online, and much more. E-wallets themselves are in the form of applications that can be easily accessed via smartphones. Users can make transactions online or offline, including cashless payments. For offline payments, e-wallets can use QRIS technology. Some examples of e-wallets that are popular among young people include: GoPay, OVO, ShopeePay, DANA.

Generation Z (Gen Z) are people born between 1997–2012. In 2024, the oldest age of Gen Z will be 27 years old and the youngest age of Gen Z will be 12 years old. Gen Z is the second youngest generation, after Millennials and before Generation Alpha. This generation was born in an established digital era, so they grew up with smartphones, social media, and the internet. Gen Z is a generation that is very quick to understand the sophistication of technology that is developing rapidly. They follow existing developments such as using social media, shopping on online sites, online investment, and so on. In addition, generation Z also has a stable income and is very influential in online business activities. Students representing the Gen Z group are now interested in shopping or researching products online, leading to an increase in e-wallet users (Azzahra & Supriyadi, 2022). The current lifestyle of Generation Z has been influenced by the environment where they use e-wallet services more, forcing them to follow the trend of payment transactions (Ninggar & Anggraini, 2022).

This can cause them to be irrational in buying their needs and faced with various financial choices that are quite complicated. On average, Gen Z tends to spend it on things that are not their needs and there is no priority scale in using money. This means that most Gen Z still cannot control their spending so they tend to be wasteful.

METHODOLOGY

Qualitative Research Design

This study uses a qualitative descriptive research method. Satori (2011: 23) stated that qualitative research is conducted because researchers want to explore phenomena that cannot be quantified that are descriptive in nature such as the process of a work step, the formula of a recipe, the understanding of a variety of concepts, the characteristics of goods and services, images, styles, procedures of a culture, the physical model of an artifact, etc.

In addition, Sugiono (2012) also stated that qualitative research is a research method based on the philosophy of positivism, used to research natural object conditions, where the researcher is the key instrument, data collection techniques are triangulation, data analysis is inductive or qualitative, and the results of qualitative research emphasize meaning more than generalization.

Based on the statements of several experts above, the researcher uses a qualitative descriptive research method because this study is a phenomenology of financial technology that leads to digital wallets among generation z in Kemijen Village, East Semarang District, Semarang City. In addition, this study is also inductive because the problems in this study are complex, dynamic, and the results emphasize meaning so that researchers intend to understand the social situation in depth.

Data Source

What is meant by data sources in this study is the source from which the data is obtained. In this study the author uses two data sources, namely:

- a Primary data sources, namely data directly collected by researchers from the first source (Suryabrata, 1987). The source of primary data in this study is the community around the place

where the researcher took the data, namely generation z who live in Kemijen sub-district, East Semarang district, Semarang city.

- b. Secondary data sources, namely data directly collected by researchers as support from the first source =. can also be said as data arranged in the form of documents (Ibid, 94). in this study, documents and questionnaires are secondary data sources.

Method of Collecting Data

To obtain truly accurate data and as expected, this research uses data collection processes and techniques as mentioned by Moelang, as follows:

- a. Process of Entering the Research Site

Before entering the research location to obtain various data, at this stage the researcher first asks for permission and introduces himself to the research informant.

- b. Process While at the Research Location (Getting Along)

In this process, the researcher tries to establish a close personal relationship with the informants, seek information and share complete data sources and try to capture the core meaning of the various information received and the problems observed. The researcher tries to be as wise as possible so as not to offend the informants regarding the questions asked in the interview process.

- c. Data Collection Process (Data Logging)

In this process, the researcher carries out the data collection process that has been determined, based on the previously determined research focus. The data technique used in this study is:

- a) Interview (interview)

Interview is a process of obtaining information for research purposes by means of direct question and answer between the interviewer and the respondent using an interview guide. In this study, the researcher recorded all answers from the respondents as they were. The type of interview used is a structured interview. Here the researcher conducted direct interviews with the community in Kemijen Village, East Semarang District, Semarang City.

- b) Observation (observation)

Marshall in Sugiono (2010) stated that "through observation, the researcher learns about behavior and the meaning attached to those behavior" so through observation, researchers learn about behavior and the meaning of that behavior. In relation to observations conducted in qualitative research, the observation used is direct observation. This observation is used to reveal data about

- c) Documentation

Documentation, namely a technique used to collect data by observing and recording the objects being studied.

Data Analysis

The data analysis technique used in this study is a qualitative descriptive analysis technique, namely describing in detail, interpreting and assessing data and conditions of objects in the field by describing them in sentences that are equipped with supporting information so that they can be read and understood with problems that will be considered possible and can be explained using a descriptive approach research method.

According to Sugiyono, 2010, activities in qualitative data analysis are carried out interactively and continue continuously until completion. Activities in data analysis will go through the following process:

- a. Data reduction
Data reduction is defined as the process of selecting, focusing on simplification, abstraction and transformation of "raw" data that emerges from written notes in the field.
- b. Data presentation (data display)
The activity of presenting data in a customized or clarified form to make it easier for researchers to master the data and not be overwhelmed by a pile of data.
- c. Conclusion drawing and verification (conclusion drawing/verification)
Researchers seek meaning, patterns, explanations, configurations and causal flows and propositions. Conclusions must be continually tested during the research, by adding new data.

Data Validity Check

Data validity checking is an absolute must in qualitative research. The data validity checking technique used in this study is Triangulation, which is a data validity checking technique that utilizes something else.

Research Stages

In the research process, the following research stages were established:

- a. The first stage
 - a) Conducting research location observations
 - b) Conducting interviews at the research location with the community around the research object
- b. Second Stage
 - a) Observing the condition of the research location
 - b) Perform instrument preparation
 - c) Conducting interviews with research objects
 - d) Conducting data collection
 - e) Perform data analysis
- c. Stage Three
 - a) Compiling the results of data collection by connecting existing theories with relevant theories.
 - b) Compile and complete the results of data collection by comparing theoretical applications and implementation in the field.
- d. Fourth Stage
 - a) Making a research report
 - b) Consultation with the group
 - c) Compiling the results of lecturer research

RESULTS AND DISCUSSION

Description of Research Object

Generation Z in Kemijen Village usually transacts using e-wallet once a month with transactions such as online transportation, food ordering, and online shopping transactions. The presence of financial technology such as electronic wallets (e-wallets) provides benefits for its users, especially generation Z in Kemijen Village, such as convenience in various financial matters and various new breakthroughs

provided by financial technology that can be accessed easily and safely, anytime and anywhere by anyone with electronic equipment such as laptops, computers or smartphones. This is in line with research conducted by Ramadhani & Ovami (2021) that the benefits of fintech can encourage the interest of the millennial generation to use it in financial practices carried out in everyday life. The more the benefits increase, the more the behavior of using fintech in everyday life can develop. Regarding financial behavior in the use of electronic wallets (e-wallets) in generation z in Kemijen Village, researchers analyzed based on factors that influence a person's financial behavior.

Data Collection Results

In-depth Interview Results

Results of interview with informant 1

Name: Tiara Saharani

Date : November 18, 2024

The results of the interview questions and answers that I conducted with informant 1, namely Tiara Saharani, Sis Tiara tries to manage her expenses and income as well as possible by prioritizing her basic needs. For financial knowledge using e-wallet, Sis Tiara only knows about how to make transactions, Sis Tiara does not use her e-wallet to invest. Sis Tiara's attitude is very careful and thorough in managing her finances using e-wallet, Sis Tiara does not just make transactions using e-wallet. It can be concluded that Sis Tiara only knows financial knowledge limited to expenses and income, not with investment. Sis Tiara's attitude in managing finances, managing expenses and being careful with the risks if you don't manage finances is very good, but for other financial instruments, Sis Tiara does not know enough about it, such as using e-wallet for investment, saving, and others are not yet known.

Results of interview with informant 2

Name: Ayu Ning Tyas

Date : November 20, 2024

The results of the interview questions and answers that I conducted with informant 2 were, Sis Tyas manages her expenses and income well by prioritizing important things and saving. Sis Tyas uses an e-wallet for transactions and saving. Sis Tyas really feels that using an e-wallet is very useful. It can be concluded that Sis knows financial knowledge about expenses and income, knows how to use an e-wallet to save. Sis Tyas' attitude is very good in managing finances, managing expenses and saving, but for financial instruments such as investments, Sis Tyas does not know much about it.

Direct Observation Results

This observation was conducted on generation z in Kemijen Village, East Semarang District, Semarang City. This observation involved 2 informants, namely. The researcher took generation z who were already working and earning their own income. The focus of this observation was to determine the knowledge and financial attitudes in using e-wallets in generation z. The results of the observation showed that generation z in Kemijen Village tended to use e-wallets only for transactions and shopping, they knew less about investment and its instruments using e-wallets. However, the attitude of generation z in managing expenses was quite good by prioritizing important things first. Observations show that by knowing the benefits of managing finances, generation z becomes better at managing income and expenses. They can prioritize needs and know the risks that occur if they cannot manage expenses properly. Managing finances properly can control them so that they are not wasteful in making unnecessary transactions and shopping. Generation z needs to know more

about how to set aside money for savings, because they tend to have income that is equal to expenses. Observations also show that knowing how to manage and behave towards finances is very necessary.

Data Credibility Testing

Data Source Triangulation

Triangulation of data sources is a test of the credibility of data obtained through in-depth interview methods. Triangulation of data sources is done by comparing participant answers to questions asked by researchers. The process of triangulating data sources to be more descriptive (clear) in addition to being narrative, must also be presented in table form.

Table 1. Data Source Triangulation Results

No.	Question	Conclusion
1.	What do you know about the benefits and how to manage finances well and wisely?	In conclusion, by managing your finances, your expenses will be better because you will know more about the important things that should be prioritized in your expenses.
2.	Do you often use e-wallet? Such as gopay, ovo, shopeepay, and funds.	In a month they use e-wallet approximately 2-5 times a month
3.	In your opinion, is e-wallet a safe payment method? Why?	E-wallet is a very safe payment tool because every transaction must use an access code that can only be done by the user.
4.	How do e-wallets affect your shopping habits? Do you feel more inclined to buy something because of the convenience of paying with an e-wallet?	Their shopping habits are not influenced by the existence of e-wallets, but e-wallets make transactions easier.
5.	Do you understand the difference between using an e-wallet for everyday transactions and for investment or savings?	The use of e-wallets is more often used for transactions in everyday life, however, investing using e-wallets has never been done and is only recently discovered.
6.	Do you feel that using an e-wallet helps you have more control over your spending and budgeting?	Some people find it very helpful to use e-wallets to control their spending, while others use e-wallets only for transactions.

Source: Data Processed

Table 2. Triangulation Results of Data Collection Methods

No.	Question	Conclusion
1.	What do you know about the benefits and how to manage finances well and wisely?	Generation Z can manage their finances well, knowing how to prioritize necessary expenses.
2.	Do you often use e-wallet? Such as gopay, ovo, shopeepay, and funds.	Generation Z in Kemijen Subdistrict who frequently use e-wallets behave more consumptively than those who rarely use them.
3.	In your opinion, is e-wallet a safe payment tool? Why?	E-wallet users feel very safe because of the many security services provided, even every transaction has an access code.
4.	How do e-wallets affect your shopping habits? Do you feel more inclined to buy something because of the convenience of paying with an e-wallet?	Generation Z who frequently use e-wallets have more frequent shopping habits than those who rarely use e-wallets.
5.	Do you understand the difference between using an e-wallet for everyday transactions and for investment or savings?	Generation Z is more aware of using e-wallets for daily transactions, they do not know how to use e-wallets for investment or savings.
6.	Do you feel that using an e-wallet helps you have more control over your spending and budgeting?	Generation Z tends to control finances independently without using e-wallets.

Source: Data Processed

Discussion

From the results of the interview conducted with Kak Tiara Saharani and Ayu Ning Tyas. So it is related to the Financial Behavior of E-Wallet Users in Generation Z in Kemijen Village . The focus of the interview is to find out how the financial behavior is carried out by generation z in using e-wallets, and how this relates to financial behavior factors.

Financial Knowledge

Kak Tiara stated, "Managing finances becomes more organized, spending on necessities becomes better because you know which ones need to be prioritized first. The method can be sorted by reviewing basic needs first."

Kak Tyas stated, "The benefit of financial management is that you can focus on important things that must be prioritized by saving or investing."

Discussion "The Importance of Personal Financial Planning for a More Stable Future. By managing our finances well, we can ensure that our finances are stable and not easily shaken if there is an emergency, such as losing a job or sudden illness."

Financial Attitude

Sis Tiara stated, "If it's for shopping or making transactions, of course I consider that all my basic needs have been met, usually I will use it."

Kak Tyas stated, "I have never invested, but I use e-wallet for transactions and savings. I can divide between savings and expenses for transactions."

Discussion of "behavior that must be reflected in managing finances, including spending money according to needs, paying obligations on time, planning finances for future needs, saving, and setting aside money for personal needs."

CONCLUSION

From the results of the z generation research, it is known that most of them have basic knowledge about managing finances, namely they manage their income and expenses. Young people know enough about how to manage income and expenses, but are less aware of liquid assets, personal wealth calculations, and the importance of personal financial planning. As for expenses that are adjusted to financial income, they can understand enough. Based on the results of research on generation z in Kemijen Village, it was concluded that the obsession with money is too high, they are too worried about managing their finances so that they usually have arranged financial planning so that it can be useful in the future by preparing or setting aside funds for unexpected needs. However, based on the results of the study, providing funds for unexpected needs is very rarely done by generation z in Kemijen Village, namely providing funds for unpredictable events.

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