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Comparative Analysis of Digital Wallet Usage of Millennials and Generation Z

Ratnawita[1], Prihatina Jati[2], Tanti Widia Nurdiani[3], Elizabeth[4], Nurlina[5]

[1,2]Universitas Mitra Bangsa, Indonesia.*
[3]Universitas Islam Raden Rahmat Malang, Indonesia.
[4]Universitas Budi Luhur, Indonesia.
[5]Politeknik LP3I Jakarta, Indonesia.

Email: [2]prihatina@hotmail.com, [3]tanti_widia@uniramalang.ac.id,
[4]elizabeth@budiluhur.ac.id, [5]no3rlina@gmail.com
Corresponding Email: [1]witadosen@gmail.com*

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Abstract: Today, the development of the digital world is so rapid, that humans have found many new tools and innovations to make daily activities easier. One of them is in buying and selling transactions. When you want to make a payment, you have a digital wallet, commonly called an electronic wallet (e-wallet). This research aims to analyze comparative analysis of digital wallet usage of millennials and generation Z. This type of research uses descriptive. Data collection in this study uses secondary data. Data analysis in this study uses comparative analysis. Research results show that digital wallet usage is an electronic service used to store payment instrument data. The instrument can be a payment card or electronic money, which allows users to make payment transactions. The advantage of using a digital wallet is convenience with digital wallet usage, someone can make transactions easier anywhere and anytime. Digital wallet usage means there is no need to leave the house to make payments, such as buying food, paying bills, to making investments, all of which can be done using a digital wallet. Comparative analysis shows that there are differences between millennials and generation Z regarding the use of digital wallets.

Keywords: Digital Wallet, Millennials, Generation Z .

1. INTRODUCTION

The COVID-19 pandemic has made people more literate in technology. Previously, all activities were carried out face-to-face, but the pandemic has made people more familiar with online activities. The increasing number of COVID-19 virus infections has also made people

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reluctant to leave the house for fear of being infected. All community activities are carried out at home, this condition has sparked online activities.

Today, the development of the digital world is so rapid, that humans have found many new tools and innovations to make daily activities easier. One of them is in buying and selling transactions. When you want to make a payment, you have a digital wallet, commonly called an electronic wallet (e-wallet). E-wallet help people make payments more practically and quickly. One of the groups that are already familiar with this payment system is each generation, starting from the millennials and generation Z.

Before the pandemic, the use of digital wallets was only around 10%, but throughout 2020 there was a spike in the percentage of digital wallet use reaching 44%, even allowing user growth to continue to increase (Cakti, 2020).

E-wallet is an electronic application used to store payment instrument data, such as payment cards or electronic money (Fatmawatie, 2022). Digital wallets can be used to make payment transactions electronically, so users don't have to bother taking cash to the bank or automated teller machine.

The advantage of using a digital wallet is that someone can make transactions easier anywhere and anytime. Digital wallet usage means you don't need to leave the house to make payments, such as buying food, paying bills, to making investments, all of which can be done using a digital wallet. Digital wallet usage is also not tied to certain hours. Digital wallets can be operated for 24 hours. In addition, the advantage of using a digital wallet is that the digital wallet usage service can provide cashback and many other promos. Usually, digital wallets that partner with merchants will offer promos or discounts to users. This step aims to attract customers so that more people are interested in using digital wallets as their payment method.

However, apart from these advantages, the use of digital wallets has disadvantages such as some digital wallets still set an administration fee for each transaction made. As a result, users have to pay a certain fee in the form of a percentage of the transaction value. And usually, the amount of transaction fees can vary between one digital wallet and another. In addition, the disadvantage is that when the device used to access the digital wallet is lost, damaged, or stolen, users may have difficulty accessing their balance or payment information. In addition, if users do not back up their data regularly, losing the device can result in permanent loss of data and access to the digital wallet account. In some countries, digital wallets may not yet be fully regulated by financial authorities.

People use digital wallets more than bank accounts. Shopee Pay, OVO, Go Pay, DANA, and Link Aja are the five most popular digital wallet applications among the Indonesian people (Kurniawan, 2022). Throughout 2020, Shopee Pay managed to excel and occupy the first position as the most popular and frequently used digital wallet with a percentage of 34%. Then successively followed by OVO at 28%, Go Pay at 17%, Dana at 14%, and Link Aja at 8%. The use of digital wallets outperforms other payment methods such as cash (49%), bank transfers (24%), QRIS (21%), Paylater (18%), debit cards (17%), and VA transfers (16%). In 2022, Go Pay is the digital wallet platform most widely used by consumers and the second position is occupied by OVO.

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This research aims to analyze comparative analysis of digital wallet usage of millennials and generation Z.

2. RELATED WORKS

2.1 Digital Wallet

Digital wallets or e-wallets are innovations that encourage somebody in putting away, overseeing, and utilizing stores carefully by means of smartphones, tablets or computers (Rahadi, 2020). Advanced wallets offer numerous benefits and have ended up an fundamentally portion of present day computerized life, extending the conceivable outcomes in how people oversee and utilize their reserves. Advanced wallets are a viable arrangement within the computerized time that permits clients to store and oversee their installment data safely through computer program applications or online stages. In Indonesia, the utilize of computerized wallets has ended up progressively well known of late. Individuals tend to select advanced wallets since of their ease in carrying out every day monetary exchanges. With highlights such as online or offline installments, cash exchanges and charge installments, computerized wallets are an proficient choice. Advanced wallets are for the most part associated to bank accounts or credit cards, clients can get to and oversee equalizations through applications downloaded on their computerized gadgets. Exchanges are made by entering the desired data and affirmation through security strategies such as passwords or fingerprints. Cases of advanced wallet applications that are regularly gotten to incorporate GoPay, DANA, OVO, and ShopeePay. These computerized wallets have different and valuable highlights and capacities such as making exchanges, making installments to different accomplices, paying bills, buying credit, giving alluring offers and promos to clients and so on.

2.2 Millennials

The millennial era could be a era born between 1981–1996. This era is one of a kind in that they are considered a era that's not exceptionally proficient in innovation (Suyanto, 2023). This era is considered a era that once in a while comes into contact with social media and has direct information in getting to the web. In standard of, living the millennial era is distinctive from the following era when seen from get to to innovation, individualistic states of mind, and comfort-oriented attitudes. The millennial era sees innovation not as an development but as something that exists in lifestyle. In any case, indeed in spite of the fact that they seldom come into coordinate contact with innovative advancements, this era still encompasses a tall sense of obligation and is considered to be people who adjust to conventional values.

2.3 Generation Z

Generation Z is additionally known as the iGeneration or web era, has tall multitasking capabilities. Generation Z frequently does different exercises at once such as tweeting, browsing and tuning in to music at the same time through gadgets such as cellphones and individual computers (Poerwanto, 2018). Their exercises tend to be associated to the internet,

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since they have been usual to innovation since early on and are commonplace with advanced gadgets that have the potential to impact their personalities. Generation Z features a diverse character from past eras, the taking after are the characteristics of generation Z, counting:

a. Proficient in Innovation Gifted in utilizing the internet and neighborly to applications. Generation Z is known as people who are capable in utilizing innovation, get it how the web works and are inviting to applications. They adaptably get to the data required for both learning and excitement.

b. Social Generation Z is exceptionally dynamic in collaboration on different social media stages with different bunches, particularly peers, to specific considerations and feelings actually.

c. Expressive generation Z tends to acknowledge social differing qualities and encompasses a tall concern for the environment.

3. METHODOLOGY

The inquire about plan is separated into two expansive parts, specifically comprehensively and somewhat (Saifuddin, 2013):

a.Comprehensively

By definition covers the complete investigate handle carried out beginning from arranging when conducting research. This plan covers nearly the whole investigate structure beginning from the arrangement of inquire about thoughts, the reason of its execution, planning inquire about such as (deciding issues, defining, deciding goals, getting to data and writing survey, utilizing technique, information investigation, to testing theories).

b.Partially

Distinctive from the in general investigate plan, the partial research plan clarifies the relationship between each variable, how to gather information, and information examination, so that analysts get it the in general picture of the relationship between each variable contained within the investigate being conducted.

This type of research uses descriptive. Clear where investigate is conducted to depict the characteristics of important bunches by showing factual information that will be conclusions from the handling of the collected information (Sujarweni, 2015).

Information collection can be carried out through different settings, sources, and strategies. In terms of information sources, information collection can utilize essential sources and auxiliary sources. In expansion, in terms of strategies or information collection methods, it can be carried out through interviews, surveys, perceptions or a combination of the three (Sugiyono, 2014). Data collection in this study uses secondary data. Auxiliary information could be a sort of information gotten by information collectors in a roundabout way, for illustration through middle people such as other individuals or records. In this ponder, auxiliary information utilized are information gotten from books, web data, journals and past analysts related to the subject of talk and the inquire about carried out (Suyanto, 2023).

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Data analysis in this study uses comparative analysis. Comparative investigation is an investigation that's decided based on a comparison of one thing to another, this will be an protest, subject, or bunch (Situmurang, 2010). Comparative investigation can be done upwards or downwards. Upward comparison implies comparing something with something that's considered way better, whereas descending comparison implies comparing something with something that's considered more negative.

4. RESULTS AND DISCUSSION

Digital Wallet Usage

Digital wallet usage is an electronic service used to store payment instrument data. The instrument can be a payment card or electronic money, which allows users to make payment transactions. Digital wallets can also accommodate the funds needed to make payment transactions electronically. Before the pandemic, the use of digital wallets was only around 10%, but throughout 2020 there was a spike in the percentage of digital wallet use reaching 44%, even allowing user growth to continue to increase (Cakti, 2020). People use digital wallets more than bank accounts. ShopeePay, OVO, GoPay, DANA, and LinkAja are the five most popular digital wallet applications among the Indonesian people (Kurniawan, 2022). Throughout 2020, ShopeePay managed to excel and occupy the first position as the most popular and frequently used digital wallet with a percentage of 34%. Then successively followed by OVO at 28%, GoPay at 17%, Dana at 14%, and LinkAja at 8%. The use of digital wallets outperforms other payment methods such as cash (49%), bank transfers (24%), QRIS (21%), Paylater (18%), debit cards (17%), and VA transfers (16%). In 2022, GoPay is the digital wallet platform most widely used by consumers and the second position is occupied by OVO. The focal points of employing a computerized wallet are:

a. Convenience with computerized wallet utilization, somebody can make exchanges less demanding anyplace and anytime. Digital wallet utilization means there's no got to take off the house to create installments, such as buying nourishment, paying bills, to making ventures, all of which can be done employing a advanced wallet. Advanced wallet utilization is additionally not tied to certain hours. Computerized wallets can be worked 24 hours a day.

b. The benefits of computerized wallet utilization administrations can give cashback and many other promos. Ordinarily, advanced wallets that accomplice with shippers will offer promos or rebates to clients. This step points to pull in clients so that more individuals are curious about utilizing advanced wallets as their installment strategy.

c. Trust in computerized wallet utilization administrations has been prepared with a dependable security system. Digital wallets guarantee secure exchanges since each client must go through an personality confirmation prepare. In expansion, computerized wallets are prepared with different security highlights such as individual distinguishing proof numbers, fingerprints, and facial checks to extend the level of exchange security.

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d. Easy to track each exchange made through a advanced wallet will be naturally recorded by the framework. Hence, clients can easily view their exchange history, making it less demanding to screen individual money related wage and costs.
e. Avoiding fake cash, its cashless nature makes computerized wallet usage incomprehensible to use fake cash. So digital wallets can minimize the circulation of fake cash. Exchanges utilizing computerized wallets too don't require time to hold up for alter because the ostensible esteem executed is in accordance with desires.
In expansion to the points of interest, the utilize of advanced wallets has impediments, to be specific:
a. Not however spread to all vendors, most advanced wallet frameworks are still substantial in enormous cities as it were. In differentiate to regions where not all dealers have actualized the e-wallet framework. Ordinarily, the four places that acknowledge installments utilizing advanced wallets are those that offer merchandise at medium to tall costs.
b. Some advanced wallets still set an organization charge for each exchange made. As a result, clients must pay a certain expense within the frame of a rate of the exchange esteem. And more often than not, the sum of exchange expenses can shift between one advanced wallet and another.
c. It is verifiable that this comfort really makes individuals more wasteful. No ponder, exceptionally simple e-wallet get to makes it simple for individuals to buy something. Indeed things which will not be exceptionally fundamental, particularly in case the thing is on deal and the e-wallet gives cashback. On the off chance that clients cannot control themselves, employing a computerized wallet can empower them to form more visit buys and spend more cash than before.
d. Some sorts of e-wallets don't give adjust withdrawal administrations. In other words, the adjust within the computerized wallet can as it were be utilized to form shopping transactions and cannot be pulled back within the shape of cash.
e. When the gadget utilized to get to the computerized wallet is misplaced, harmed, or stolen, clients may have trouble accessing their adjust or installment data. Moreover, on the off chance that clients don't frequently back up their information, losing their gadget can result in changeless misfortune of information and get to to their computerized wallet accounts. In a few nations, advanced wallets may not be completely controlled by budgetary specialists. This need of control can lead to legitimate vulnerability with respect to customer assurance, benefit supplier obligation, or debate determination.

Comparative Analysis of Digital Wallet Usage of Millennials and Generation Z
Comparative analysis shows that there are differences between millennials and generation Z regarding the use of digital wallets. The comfort of the installment framework energizes individuals to form exchanges, particularly within the Generation Z gather. Generation Z may be a transitional era from the millennial era with progressively creating innovation. As numerous as 68% of Generation Z utilize e-wallets as a implies of installment (Lavinda, 2022). Generation Z is additionally known as the I Generation or web era. Generation Z

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comprises of young people, youthful individuals, understudies, and laborers born in 1997–2012. Whereas the millennial era in 1981–1996 or called Generation Y.
Generation Z features a profound understanding of innovation. Since childhood, they have been acclimated to innovation and are exceptionally near to advanced gadgets that in a roundabout way impact the arrangement of their personality. Generation Z spends an normal of 6 to 9 hours a day with their cellphones. Amid this utilization, Generation Z employments it to back work exercises, college assignments, record and alter recordings, get to amusement such as observing motion pictures, playing recreations, and social media. In expansion to getting to social media, Generation Z too employments their smartphones for computerized exchanges. The expanding utilize of e-wallets by Generation Z can influence Generation Z's utilization behavior.

5. CONCLUSION AND SUGGESTION

Research results show that digital wallet usage is an electronic service used to store payment instrument data. The instrument can be a payment card or electronic money, which allows users to make payment transactions. The advantage of using a digital wallet is convenience with digital wallet usage, someone can make transactions easier anywhere and anytime. Digital wallet usage means there is no need to leave the house to make payments, such as buying food, paying bills, to making investments, all of which can be done using a digital wallet. Comparative analysis shows that there are differences between millennials and generation Z regarding the use of digital wallets.
Based on the comes about of the consider over, the recommendations that are considered within the security area for millennials and generation Z are anticipated to utilize advanced wallets carefully, continuously confirm account security, secure individual data, and utilize computerized wallets shrewdly, mindfulness is required to control investing and decide a list of priority needs in arrange to play down wasteful behavior. For encourage analysts, it is trusted that analysts can create discoveries for encourage investigate improvement, for case utilizing differing and distinctive factors.

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