

**Original Research Article**  
**THE ROLE OF E- WALLET APPS ON  
MILLIENNIAL MOTHER’S FINANCIAL  
BEHAVIOR**

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**ABSTRACT**

This research focuses on how people use the E-wallet application using the internet on smartphones, especially millennial mothers. In the digital era with the extraordinary development of technology and information today affects all sectors of the economy, one of which can be seen from financial transaction systems such as cash transactions to non-cash transactions or electronic money. Financial behavior refers to the level of personal financial competence in daily management ranging from planning, budgeting, checking, managing, storing, researching and controlling. This study specifically aims to determine the role of the E-wallet application on the financial behavior of millennial mothers who use the E-wallet application. Qualitative research methods are carried out with a phenomenological approach. The results showed that the e-wallet application was recognized by millennial mothers to facilitate financial transactions but there were changes in financial behavior that were consumptive in nature that occurred when using e-wallets, these changes were seen from lifestyle, waste, shifting consumption logic, and social status classification in the financial behavior of millennial mothers.

*Keywords: E-wallet, Financial behavior, millennial moms*

**1. INTRODUCTION**

The growth of fintech users and fintech companies is also growing from year to year with an increasingly diverse selection of financial technology (fintech) products and one of them is the use of e-wallets. 40/PBI/2016, e-wallet is an electronic service for storing data about a payment instrument, including payment instruments that use cards and / or cryptocurrency, which can also contain funds to make payments. (Herlinawati &Astrie, 2021) Digital payment or digital payment is a technology that is currently developing rapidly in the industrial era 4.0 and is a new prospect for people to make non-cash payments more conveniently, systematically and more safely in carrying out all trading activities. Some people know that digital payment is a cryptocurrency that can be used to pay in various transactions. Cryptocurrency payments will allow Indonesians to transact online easily and efficiently. (Suryani & umiyati, 2020.)

The development of online transactions shows a significant increase from year to year which can affect mobile payment applications such as the OVO application which is information technology in the field of digital payment. (Usman, 2017) states that non-cash payments are payments made non-cash not only by using cards but with smartphones. Based on this data, the e-wallet ranking in Indonesia is also dominated by domestic players. This is inseparable from the success of promotions and campaigns carried out by Indonesian e-wallet developers and government support to make Indonesia a cashless society. GOPAY, OVO, Dana, and LinkAja became the four most monthly e-wallets between Q2 2019 and Q2 2020. The apps with the most total downloads also belong to the four GOPAY players, namely OVO, Dana and LinkAja. The 2020 and 2021 Survey results show that up to 35% of mothers in Indonesia, dominated by millennial and working mothers, downloaded and used OVO as their daily payment platform. Financial management behavior relates to a person's financial responsibility towards how they manage their finances (Ida et al., 2010).

Currently, the needs and desires of the community are getting higher, so everyone must have financial knowledge and experience managing finances. (Bhushan and Medury, 2014) explained that financial literacy has become increasingly complex in recent years with the emergence of many new financial products. A person's lack of financial literacy can lead to financial problems, not only due to low income, but can also stem from financial mismanagement, such as credit errors and bad credit. Life, managing money is like buying things you don't need because you don't have a financial plan in advance and then your monthly salary is coming to an end. Financial literacy is an important fundamental factor in financial decision making (Kholilah et al., 2013).

According to (Bondt et al, 2008), research on how psychology affects financial decisions in households, markets and organizations. Financial behavior refers to a person's financial responsibilities related to financial management. Financial management is a way of managing money earned and enjoyed in the present life and safeguarding future life. Financial management in general includes three main parts, namely consumption, savings and investment: (Purwidiyanti et al., 2016) and (Wastam Wahyu Hidayat et al., 2021) and (Hardiansyah et al., 2019). Someone who is financially responsible is usually efficient in using their money, such as: Budgeting, saving money and managing expenses, investing and paying obligations on time (Shalahuddinta & Susanti: 2014) Financial behavior refers to a person's financial responsibility in relation to financial management. Financial responsibility is the process and stages of successful money management (Ida and Dwinta, 2010). According to (Dew et al., 2011), financial behavior includes three financial dimensions, namely:

- a. Consumption is the spending on various goods and services.
- b. Cash-flow management Cash flow is a key indicator of financial health, a measure of one's ability to pay for one's expenses, and good cash flow management is a balancing act between cash inputs and expenditures.
- c. Savings and Investment Savings can be defined as the portion of income that is not consumed in a given period.

While millennial mothers or "emak-emak" e-wallet users are young mothers under 35 years old and mostly new parents or new millennials. The term generation itself refers to the family generation or social generation, that is, a group of people of the

same age (Pyöriä et al., 2017) William Strauss and Neil in his book entitled *Millennials Rising: The Next Great Generation* (2000), proposed the term millennial generation for the first time as a generation born in the 1980s-2000s (Sari, 2019). According to Budiati et al. (2018), the millennial generation has a number of characteristics, including preferring to read through smartphones compared to conventional reading methods; feeling obliged to have a social media account as a communication tool and information center; preferring mobile phones to television; family becomes the center of their consideration and decision making (Budiati et al., 2018; Rosemary, 2018). In other words, millennials make technology and the internet an integral part of their lives. Millennials are generally better educated and more technologically aware than previous generations (Pyöriä et al., 2017).

From the above background, this research will discuss the Role (e-wallet) in the financial behavior of millennial mothers. Millennial mothers who live in urban areas, especially in big cities such as Cimahi and Bandung are millennial mothers who are already technology and internet literate. Through the causes and problems that exist, researchers want to write further to find out how much the role of E-wallet sees the behavior of millennial mothers in E-Wallet application users.

## **2. MATERIAL AND METHODS / EXPERIMENTAL DETAILS / METHODOLOGY**

The research method used is qualitative because researchers want to describe or describe the facts or circumstances or symptoms that appear in the development of e-wallets and the financial behavior of millennial mothers. Qualitative methods are carried out with a phenomenological research approach that emphasizes the study, understanding and meaning of phenomena, events and their relationships with ordinary people in certain world situations. Qualitative research is included in pure qualitative research because its implementation is based on efforts to understand and describe the intrinsic characteristics of phenomena that appear to themselves (Eko Sugianto, 2015). The author uses this approach method because it requires in-depth information and will describe how the role of e-wallet applications in the financial behavior of millennial mothers. The author also tries to understand the problems being studied and then analyze them with concepts or theories that are relevant to this research. In addition, the author will see it through sociological, economic and socio-cultural aspects. Then in the research subject, the author will conduct in-depth interviews with the people involved in the author's research. The subjects of this research are 15 respondents of millennial mothers/workers in the cities of Bandung and Cimahi. The selection of millennial mothers is based on the stages of technology and internet literacy and ownership of secure income each month. For more details, here are the criteria for respondents: a. Millennial mothers who work in Bandung and Cimahi; b. Millennials who were born from 1982-1996; c. Have at least one of the e-wallets (OVO, GoPay, Dana); d. Actively use payment transactions with e-wallets. Actively use payment transactions with e-wallets at least once a week; e. Have been an active user of e-wallets for more than one year.

## **3. RESULTS AND DISCUSSION**

The results of the research findings of the e-wallet application can facilitate financial transactions, but researchers found changes in the financial behavior of

millennial mothers to be consumptive in terms of payment transactions using the e-wallet application as the most technologically literate generation and proven to be the millennial generation with the most e-wallet application users being the researchers' concern here. In addition, researchers have considered geographical, demographic, employment, social and welfare conditions, and education. The results of the researchers' findings found changes in financial behavior in transactions with e-wallets seen from consumptive behavior, means of using e-wallet applications and changes before and after using e-wallet applications.

One of the e-wallet application users is seen based on the nominal transactions in mid-2019 which reached more than Rp 56 trillion (Tirto.id, 2019). In addition, this is helped by the digitization of various payment transactions, from primary to secondary matters, from payments at large shopping stores (malls) to roadside food stalls. Looking at the variety of features that can be paid using e-wallets, respondents revealed that payment of daily household needs is their priority in paying using e-wallets, "routine monthly PAM payments via GoPay, buying food, and ordering online transportation."

Many changes have occurred, one of which is now we recognize online shopping. Online shopping is a new type of consumption service designed by producers to make it easier for consumers to consume. We cannot deny these changes, both good changes and bad changes. From the good side, people become safe and comfortable to make transactions without having to leave the house to shop directly at the store, people no longer need to record expenses and income because everything has been neatly recorded in the e-wallet application, various payments for household and family needs such as PAM payments, electricity, telephone, wi-fi, BPJS, and other insurance bills can be safely and timely paid because e-wallets provide a reminder / reminder feature. This good development is actually accompanied by bad developments, such as the rise of hedonistic society and consumptive society, where people continue to carry out consumption activities without thinking about it first. We are facing the age of consumption without having to spend physical money, which gives us the mentality of "not yet doing the transaction" so that the desire to consume again and again will continue and repeat. Crime is also no longer happening on the streets, it is starting to happen on social networks with the help of the internet, fraud under the guise of family, friends, etc. It usually happens in e-wallets. Of course we can mitigate these bad changes as smart humans, by continuing to learn and improve the existing system to reduce crime and other negative impacts.

The fulfillment of primary needs will indeed be done continuously, but over time, the fulfillment of secondary needs also becomes something that is felt necessary to do / spend. This will eventually lead to a consumerist lifestyle that will form a consumer society, as expressed by French sociologist, Jean Baudrillard. Consumerism is a state of mind and action in which people buy things not because they need them, but because the act of purchase itself gives them satisfaction (Umanailo, 2018). Consumer attitudes, behaviors, and lifestyles are This has led to a consumptive culture among the public. The negative effect of this consumptive culture is the emergence of waste that has an impact on increasing social inequality (Fadhilah, 2011).

Changes in financial behavior into consumption behavior of millennial mothers with E-wallets can be seen from advertising media as an attraction for

consumerist society. Millennial mothers are a generation that is technologically and internet literate, currently a sector of smartphone owners, social media users, and e-wallet account holders. Millennial mothers who are daily familiar with social media and the internet will find themselves in the middle of a social system and community that exposes them to various types of consumption. The publication of advertisements in various media regardless of time and place, seems to make people become confined and isolated with the image that emerges from the signs of the product advertisement. Advertising also serves to eliminate the use value of an object, so that consumers no longer consume a product from its usefulness, but based on the image of the product (Murti, 2005). Advertising is clearly one of the attractions for consumers to spend their income on certain products. However, the development of the times is also accompanied by the development of the mindset of consumers and producers. Consumers no longer just look at the appearance and language of advertisements, but also in terms of economics and benefits, therefore discounts, cashback and promos also have great value in the consumption process. As expressed by respondents that many promos, especially in the food sector, make them often not think long in spending money.

Not in the biological sense, but in the consumer orientation of humans. In the beginning, consumption was done to survive and make ends meet, but now it is consumed to satisfy desires and lifestyles. Consumption today is moving from traditional consumption to modern consumption, from keeping money at home to saving in banks and cooperatives, from using cash slowly with money stored on cards to storing money in the form of digital wallets (e-wallets). This is very reasonable considering that online shopping has several advantages such as, Consumers no longer need to leave the house to buy basic and additional needs, but only need to place an order, transfer money and wait for the package to arrive in front of their home for some time Not only from a practical point of view, but also from a financial point of view. The prices offered are often cheaper than in shopping centers, considering that online stores have no operational costs. Today, online shopping is not just a trend, but online stores have entered the modernlifestyle stage thanks to the savings in time and money. These lifestyle changes encourage company stakeholders to look for new opportunities, especially through the introduction of digital wallets (e-wallets). from the slow use of cash in banks and cooperatives with money stored on cards to storing money in the form of digital wallets (e-wallets). All these changes are felt by people in every generation.

Interesting things are happening in today's consumer society, we show that the importance of people in defining primary and secondary needs is different. The value of primary and secondary goods have a lot to do with each other, such as income level, personal and group identity, education, experience and judgment in buying goods or using services. As the respondent said about her highest need at the moment, she will spend any amount of money on skin care or skin care to fulfill her skin care needs, but after that she usually buys things that she thinks are not important but look good. What will tempt her to buy it, even if it doesn't matter, it has an attractive appearance, tempted to buy, the fulfillment of additional needs which in this case relates to hobbies is legitimate, but if done continuously and especially in large quantities, it certainly has social effects, namely lifestyle. The next level of lifestyle not only affects the individual but also the social system in society. The fulfillment of irrational and financially compulsive needs is the definition of

consumerism. The changing consumer logic of the consumer society has also begun to cause indecision and confusion in determining the needs and wants of life.

Modern society believes that the more people spend, the higher their social status. Baudrillard explains that consumption is also driven by a set of desires to gain status, respect, prestige and build identity through the "brand mechanism" (Bakti et al., 2019).

People began to believe that their consumption would have a significant and lasting impact on their personal lives in the future. People have always started to associate self-identity with others based on how much the purchased goods and services have been used. So it gradually stimulates people to continuously spend and be easily satisfied. From there, lifestyle changes begin to take shape. One respondent said that the state of society is at the stage where appearing rich in front of others is a matter of raising one's social status. The difference in consumer power that causes social status classification starts with SES (Social Economy Status) someone with a high SES tends to spend more than someone with a low SES, but that does not prevent both from changing their status. Or it can be interpreted that consumers no longer consume these goods for needs or pleasure, but also achieve a certain social status based on their respective brand values (Pawanti, 2013).

#### **4. CONCLUSION**

The change in financial behavior when it comes to digital is real, even before the birth of e-wallets, when cryptocurrencies and ATM cards came along. In a way, this change in financial behavior has made digital transactions a part of their daily lifestyle. Due to the ease of payment, savings, and efficient tracking of expenses and income, e-wallets have become a millennial business. This is supported by payment incentives in various marketplaces, which are built right into e-wallets. E-wallets have many payment functions ranging from paying for household necessities such as Wi-Fi, BPJS, PAM, electricity bills, phone, insurance, etc. to paying for secondary needs such as marketing payments to purchase recreational and entertainment devices. Urban millennial mothers, especially in big cities, have seen an evolution/change in the financial behavior of millennial mothers. The form of consumption, which is actually a universal phenomenon of life that will never be replaced, has begun to fundamentally change from the motive of consumption for survival and needs satisfaction to consumption for needs satisfaction and a way of life. The presence of digital events to respond to changes in consumer behavior. In a sense, both influence each other in consumer behavior to improve financial behavior, increase purchases of basic and secondary goods, and use e-wallets frequently. This is evidenced by the large amount of money in circulation from year to year. Through various advertising and promotion programs, e-wallets are displayed in many places such as smartphones, internet, mass media, social networks, television, billboards with persuasive language, attractive images and colors that encourage everyone to buy. Millennial moms have finally found a way to continue their business both offline and online through online stores. This also has implications for millennial mothers' confusion over the definition of "wants" and "needs" in their lives. Advertisements that were originally created to market the product have now begun to have certain brands and images so that people can use the product. In today's world, there are technological developments that facilitate the consumption process. The new era of payments brings security, convenience,

sophistication, efficiency, and financial benefits that millennials/working mothers cannot ignore when using this payment method. The new era of payments, especially digital wallet payments, has more or less influenced changes in consumer financial behavior.

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