

Digital Payment Adoption Among Millennials in Surakarta

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Abstract—This study aims to determine the factors that influence sustainability intentions in adopting digital payments among millennials, especially in Surakarta. Data collection was carried out by distributing online questionnaires conducted by 137 respondents and dominated by students aged 17-23 years. Data processing was carried out using descriptive statistical methods, classical assumption tests, multiple linear regression analysis, and hypothesis testing using SPSS version 25.0 tools. Performance Expectation and Effort Expectancy have no significant effect on Continuance Intention, while Social Influence, Facilitating Conditions, and Price Value have a significant effect on Continuance Intention.

Keywords— Digital payment, millennial generation, continuance intention.

I. INTRODUCTION

In the current era of globalization, human life is inseparable from the increasing use of technology in the midst of global competition. The presence of the internet has an impact on accelerating the flow of globalization and the spread of information without borders throughout the world. In addition, technology is also experiencing rapid development in all aspects of human life (Kustono et al., 2020). The rapid growth of technology today has affected people's lives in terms of economy, social, culture, and education. For example, by making it easier for people to make transactions. Where payment instruments that were previously cash, began to show the latest innovations. One of them is the emergence of e-wallet / mobile payment (Rohim et al., 2020).

Technological advances have changed the way humans transact, this is evidenced by the integration of all virtual transaction activities that do not require physical interaction, the change in transactions is also followed by changes in the payment system called cashless. Cashless refers to digital-based payments called digital payments. Digital payment is a type of payment by utilizing electronic media to make transactions, for example internet banking, mobile banking, e-wallet, and e- money (Gusi Putu Lestara Permana, 2022). Digital payment is one of the technologies that offer various advantages over traditional payment methods (Johnson et al., 2018) such as the convenience of cashless transactions, faster, safer, more efficient transactions, and allowing for bulk transactions. (Verkijika, 2020) can even be independent of time and location (Qasim & Abu-Shanab, 2016). The existence of e-wallets can be the right support for business activities. (Watmah et al., 2020).

The development of digital payment was triggered by the launch of the National Non-Cash Movement (GNNT) by Bank

Indonesia in 2014. Then in 2018, Bank Indonesia issued Bank Indonesia Regulation (PBI) number 11/12/PBI/2009 and number 20/6/PBI/2018 concerning electronic money and cashless movement in Indonesia. This movement is expected to be adopted by all generations in Indonesia with the aim of increasing public awareness, business people and government institutions to use non-cash payments in conducting financial transactions because it is easier, safer and more efficient. (Gusi Putu Lestara Permana, 2022).

Indonesia has many E-Wallets, based on data from Iprice in 2019 shows that there are 10 most popular e-wallets including Gopay, OVO, DANA, Link Aja, Jenius, Go Mobile by CIMB, ISaku, Sakuku, Doku, and Paytren. The use of digital payments is easy to understand and can be used when we are going to make a payment in the E-commerce application, the E-commerce network continues to grow and also innovates every day in all fields. E-commerce also affects the use of e-wallets, because the average of the Millennial Generation often uses the E-commerce system when making purchases. The millennial generation (Millennial Generation) is a generation born in the early 1980s to 2000. They are called the millennial generation because they are the generation who lived at the turn of the millennium. Simultaneously in this era, digital technology began to penetrate all aspects of life. (Yuswohady, 2016).

According to Monitise (2012), highlights that the most engaged with technology and the internet are relatively young and understand technology and the internet more precisely. Despite their young age, millennials have high awareness and experience in using e-wallets, otherwise known as digital wallets. However, research on user behavior is often conducted in the context of older millennials, who have many different characteristics and behaviors in the use of e-wallets. (Pham et al., 2021). The results show that the majority of millennials or around 68% use e-wallets. Meanwhile, only 35.4% of millennials own and use bank ATMs in their financial activities. Apart from ATMs, account ownership in this millennial generation is also less than e-wallets.

According to research conducted by (Purohit et al., 2022) it was found that partial least squares structural equation modeling analysis (PLS-SEM) instituted behavioral intentions to adopt mobile payments substantially and positively influenced by social influence, performance expectations, and effort expectations. The negative effect of price value on intention to adopt mobile banking indicates the irrelevance of promotional offers (discounts, cash-back) for adoption.

According to research conducted by (Justino et al., 2021) which aims to obtain acceptance and behavior of using e-wallets on a person by reviewing the effects of culture on individual customers using the UTAUT 2 model which is extended by security variables and cultural variables as moderating variables. The study states that e-wallet usage intentions are influenced by performance expectations, social influence, hedonic motivation, price value, habits, and security perceptions. Furthermore, usage behavior is influenced by intentions and habits.

Then research conducted by (Baptista & Oliveira, 2015) where this study analyzes the rapid advances in communication, mobile technology, and the proliferation of smart devices that have increased the importance of mobile banking services for banks, financial institutions, and their users. The results showed that the results, performance expectations, hedonic motivation, and habits were found to be the most significant of behavioral intentions to use technology.

Then further research conducted by (Ridaryanto et al., 2019) where in accordance with the focus of research, this study adopted quantitative techniques with explanatory design. The population in this study were all E-wallet users in Indonesia. The findings reveal that trust and promotion have a partial impact on the intention to use an E-wallet. Social influence, on the other hand, has no effect on the intention to use an E-wallet.

Another research was conducted by (Aji et al., 2020) where during the COVID-19 outbreak, this study added to the literature by investigating the impact of perceived risk, government support, and perceived rewards on customers' propensity to use E-wallets. The results show that the effect of government support on the intention to use E-wallets differs between countries. In addition, perceived benefits fully mediate government support for implementing E-wallet use, and partially mediate the effect of perceived risks on the intention to use E-wallets.

Then the last research that was used as a comparison and reference material by researchers was research conducted by (Chawla & Joshi, 2020) The purpose of this study was to examine the factors that influence attitudes and behavioral intentions towards mobile wallet adoption and to examine the moderating effects of gender and age between mobile wallet adoption and user attitudes and intentions. The results show that both gender and age moderate the relationship between attitude and intention and the effect is seen more for young male users. The sample consisted of students and professionals, in major cities. This study only examines the moderating role of age and gender.

From the six studies before, that have been conducted by previous researchers, that there are similarities regarding the subjects studied, namely in the form of E-wallets and several other supporting factors. There are different results with different levels of significance, so that by conducting similar research by current researchers to obtain results whether the current research has the same results as the research that has been done. Based on the description above, this study aims to obtain empirical evidence about the effect of performance expectation, effort expectancy, social influence, facilitating

conditions, and price value on continuance intention in the millennial generation in Surakarta.

II. LITERATURE REVIEW

The unified theory of acceptance & use of technology (UTAUT)

(Venkatesh et al., 2012), the UTAUT model that explains more about individual acceptance and use through information technology. UTAUT has the advantage of being able to explain how individual differences affect the use of technology, which can explain the relationship between perceived benefits, ease of use, and intention to use technology.

Digital Payment

Digital payment is a payment method using electronic media. This method is representative of all payment methods using electronic money between buyers and sellers using savings accounts via the internet or electronic networks (Teoh, Wendy Ming-Yen, Siong Choy Chong, Binshan Lin, 2013). There are several types of digital payments:

- a. Card payments are the most recognized type of electronic payment worldwide.
- b. Bank transfer payment is the sending of money from one bank account to another bank account in several ways.
- c. E-Wallet Payment. E-Wallet is ready to take over the place of payment, such as OVO, GOPAY, etc.

III. METHODOLOGY

This type of research using descriptive analysis methods with a quantitative approach. The subject of this research is the millennial generation who uses e-wallets. The sampling technique used is convenience sampling. The data used in this study are primary data, namely data obtained directly from research subjects using a questionnaire distributed via google form. This research data analysis method uses descriptive tests, classical assumption tests and hypothesis testing with multiple linear regression analysis tests.

TABLE 1. Measurement of Operational

Variables	Indicators	Source
<i>Continuance Intention</i>	A person's intention to continue using or long-term user intention of a technology.	Bhattacharjee (2001)
<i>Performance Expectation (PE)</i>	The extent to which a person believes that using the system will help him to gain an advantage in job performance.	Venkatesh et al (2012)
<i>Effort Expectancy (EE)</i>	The level of ease in using technology that can reduce individual efforts (effort and time). his job.	Venkatesh et al (2012)
<i>Social Influences (SI)</i>	The degree to which a person feels that people close to him/her convinced him/her that he/she should use the new technology	Venkatesh et al (2012)

Facilitating Conditions (FC)	The influence of organizational and technical infrastructure supporting the use of new technologies such as knowledge, user capabilities and resources.	Raman & Don, 2013, Venkatesh <i>et al</i> (2012)
Price Value (PV)	A person's perception of the costs of adopting technology in relation to the perceived benefits.	Venckatesh <i>et al</i> (2012)

IV. RESULT AND DISCUSSION

TABLE 2. Uji Normalitas

Variables	Sig.	Result
Unstandardized Residual	0,203	Normal

The results of the data normality test, obtained a sig value. (p-value) 0.203 > 0.05 so it is concluded that the data used is normally distributed.

TABLE 3. Uji Multicollinearity

Variables	Tolerance	VIF
Performance Expectation	0,367	2,725
Effort Expectancy	0,293	3,414
Social Influence	0,515	1,94
Facilitating Conditions	0,364	2,75
Price Value	0,464	2,155

Based on table 3, it is known that the tolerance value > 0.1 VIF value < 10, it is concluded that the regression model of this study is free from multicollinearity.

TABLE 4. Uji Heterokedastitas

Variables	Sig.
Performance Expectation	0,839
Effort Expectancy	0,843
Social Influence	0,599
Facilitating Conditions	0,874
Price Value	0,709

Table 4. Shows that the five independent variables have sig. > 0.05 so that the regression model does not occur heteroscedasticity.

TABLE 5. Analisa Regresi Linier Berganda

Variables	B	t	Sig.
Constant	-,612	-,754	,452
Performance Expectation	,175	1,881	,062
Effort Expectancy	,045	,463	,644
Social Influence	,262	4,247	,000
Facilitating Conditions	,298	3,319	,001
Price Value	,245	3,145	,002
Fhitung	57,217		
Sig. F	0,000		
Adjst. R. Square	0,674		

Based on table 5, the regression equation is obtained as follows:

$$TM = -0,612 + 0,175PE1 + 0,045EE2 + 0,262SI3 + 0,298FC4 + 0,245PV5 + \epsilon$$

From the multiple linear regression equation above, it can be explained that in :

1) The constant of -0,612 means that if Performance

Expectation (X1), Effort Expectancy (X2), Social Influence (X3), Facilitating Conditions (X4), and Price Value (X5) are 0, then the level of Continuance Intention (Y) is -0,612.

- The Effort Expectancy (X2) variable regression coefficient of 0.045 means that if Effort Expectancy (X2) increases by 1, the Continuance Intention (Y) level will increase by 0.045.
- The regression coefficient of the Social Influence variable (X3) of 0.262 means that if Social Influence (X3) increases by 1, the level of Continuance Intention (Y) will increase by 0.262, assuming that the other independent variables are constant.
- The regression coefficient of the Facilitating Conditions (X4) variable is 0.298, which means that if Facilitating Conditions (X4) increases by 1, the level of Continuance Intention (Y) will increase by 0.298, assuming that the other independent variables are constant.
- The regression coefficient of the Price Value (X5) variable is 0.245, which means that if the Price Value (X5) increases by 1, the level of Continuance Intention (Y) will increase by 0.245, assuming that the other independent variables are constant.

TABLE 6. Uji F

Model	F	Sig
1	57,217	0,000

Based on table 6, the Fcount value is 57.217 with a sig value. 0.000, so it can be concluded that Performance Expectation, Effort Expectancy, Social Influence, Facilitating Conditions, and Price Value simultaneously affect Continuance Intention.

TABLE 7. Uji R-Square

Model	R	R Square	Adjusted R Square
1	0,828	0,686	0,674

Based on table 7, the Adjusted R Square value is 0.674, so the Performance Expectation, Effort Expectancy, Social Influence, Facilitating Conditions, and Price Value variables affect the Continuance Intention variable by 67.4%, the remaining 32.6% is influenced by other variables outside the study.

Based on table 4. Multiple linear regression analysis found that :

- The effect of performance expectation on continuance intention

The results showed that performance expectation does not have a significant effect on continuance intention in the millennial generation in Surakarta with a tcount value of 1.881 and a sig value. 0,062. These results are in line with research conducted by (Megadewandanu et al., 2016) digital payment is still in the product introduction stage to be used in everyday life, where most users are beginners. The millennial generation is a generation under the age of 25, the majority of millennials have not optimally applied digital payment as an effort to improve performance, these results are in line with research conducted by (Im et al., 2011).

2. The effect of business expectations on intention to continue business

Based on the results of the study, it is found that effort expectancy has no effect on continuance intention in the millennial generation in Surakarta, with a tcount value of 0.643 and a sig value. 0,644. These results are in accordance with the research of Moortthy et al (2019), Slade et al (2015), Morosan & Defranco (2016), Yeh & Tseng (2017), that effort expectancy has no effect on continuance intention. This is because the millennial generation was born in the age of technology so that they are easier to use a technology than previous generations.

3. The effect of social influence on continuance intention
Based on the results of the study, it is found that social influence affects continuance intention in the millennial generation in Surakarta, with a tcount value of 4.247 and a sig value. 0,000. Roh and Park (2019), Social influence has been validated to significantly determine user intention to use offline to online delivery services. In addition, from the aspect of continuous intention to use mobile technology, social influence as an important variable in UTAUT has a significant impact on users' intention to continue using mobile technology (Lai and Shi, 2015). The greater the social influence in using digital payment, the higher the Continuance Intention will be.

4. The effect of facilitating conditions on continuance intention
Based on the results of the study, it is found that facilitating conditions affect continuance intention in the millennial generation in Surakarta, with a tcount value of 3.319 and a sig value. 0,001. These results are in accordance with Vankatesh et al, (2016), that facilitating conditions have a positive effect on technology use. Palau-Saumell et al (2019), that there is a positive relationship between facilitating conditions and continuance intention in Spanish mobile application restaurant reservations. Indrawati and Putri (2018), on the use of GO-PAY, that there is a positive relationship between facilitating conditions and continuance intention.

5. The effect of price value on continuance intention

Based on the results of the study, it is found that price value affects continuance intention in the millennial generation in Surakarta, with a tcount value of 3.145 and a sig value. 0,002. These results are in accordance with the research of Ngoc Ly et al (2022) on e-wallet users, that user orientation towards costs has a positive and significant influence on their continuance intention in using e-wallets. Hot deals, flash sales and various other promotions on e-wallets can make users get savings on their expenses which makes them feel more benefit from using e-wallets. So that the more affordable the costs incurred by business actors to use technology, the greater the benefits that will be felt, the higher the intensity of business actors to continue using QR technology.

V. CONCLUSION

This study aims to obtain empirical evidence about the effect of performance expectation, effort expectancy, social

influence, facilitating conditions, and price value on continuance intention in the millennial generation in Surakarta. Based on the results of data analysis, it can be concluded that testing the Performance Expectation hypothesis results in a significance value of $0.062 > 0.05$, then H1 is rejected. This means that Performance Expectation has no effect on Continuance Intention. Effort Expectancy obtained the results of a significance value of $0.644 > 0.05$, then H2 is rejected. This means that Effort Expectancy has no effect on Continuance Intention. Social Influence obtained the results of a significance value of 0.000

< 0.05 , then H3 is accepted. This means that Social Influence has an effect on Continuance Intention. Facilitating Conditions obtained the results of a significance value of $0.001 < 0.05$, then H4 is accepted. This means that Facilitating Conditions has an effect on Continuance Intention. Price Value obtained the results of a significance value of $0.002 < 0.05$, then H5 is accepted. This means that Price Value has an effect on Continuance Intention. This research is far from perfect because it has several limitations, namely the lack of maximizing the process of distributing questionnaires and the results of the data obtained are less sharp, because it does not add a direct interview method. It is better for further research to maximize the distribution of questionnaires and methods to be applied, so that the results of the data collected can reach the target and be accurate.

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