E-Wallet as a Payment Instrument in the Millennial Era

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Abstract. This research aims to find out the role of E-Wallet as a payment instrument in the millennial era. This research used a descriptive qualitative method to describe the role of E-Wallets as an instrument of payment in the millennial era. Digital payments or commonly referred to as mobile payments is an innovation of technological evolution, especially in the financial sector. The results of these technological innovations, one of which were an electronic wallet or commonly abbreviated as the E-Wallet. Currently, E-Wallet is commonly used by those who are in their productive age. High usability is one of the back screens that makes E-Wallet increasingly in demand by many people. The results showed that quite several people were able to understand the use of E-Wallet and began using it in their daily trading activities.

1. Introduction
Growth in non-cash transactions has increased rapidly throughout the world. This has happened in various countries including countries in Asia, namely Indonesia. Supported by Internet network facilities and more Internet users bring up an opportunity in the financial service business that is digital payment. Digital payment is a method of payment that uses electronic instruments. Indonesia have significant growth of digital payments in Asia with user of 147.1 million in 2019 and will continue to increase annually.

The type of non-cash payments that experienced a significant increase was through cellular intermediaries [1]. This is because the use of mobile payments is considered to have speed in conducting transactions compared to conventional payments. One type of cellular payment is E-Wallet. In Bank Indonesia regulations, the implementation of payment transaction process explains that an electronic wallet (hereinafter referred to as an electronic wallet) is an electronic service for storing payment instrument data including payment instruments using cards and/or electronic money, which can also save funds, to make payments [2]. E-Wallet or electronic wallet is one form of Fintech (Financial Technology) that utilizes Internet media and is used as an alternative method of payment. E-Wallet can replace the use of cash with the provisions of facilitating transactions without carrying thick and much money, obligation to reduce the time needed to calculate transactions and speed up payments, and obligation to increase security and reduce the risk of loss from thieves and guarantee the confidentiality of user data when making payments [3]. The most important functions of E-Wallet are the authentication of consumers through the use of digital certificates or other encryption methods, saving and sending money, securing payment processes from consumers to merchants [4].

E-Wallet allows each registered user to make online payments comfortably and securely without disclosing their financial data, as well as sending and receiving money transfers using only their email address/login details or by telephone. In its practice, business activists are required to provide goods or...
services that are needed or desired by consumers and have benefits that can be felt by its users [5]. This is an important thing that needs to be done because consumer behavior depends on the process of searching, purchasing, using, evaluation, and actions after consumption of products, services, and ideas that are expected to meet their needs [6]. Increased interest in E-Wallet server-side is increasingly popular among large retailers because of the security, efficiency, and additional utilities provided to end-users, which increases overall buying pleasure [7]. It turns out that with this electronic wallet service (E-Wallet) a sense of uncertainty about the possibility of negativity when using a product or service [8] is not significantly felt by its users.

E-Wallet continues to grow and has received a lot of attention from the public because the service it has in value contains several things such as practicality, security, and convenience for its users to make payments. Besides having many benefits that lead to the desire for people to use E-Wallet, it turns out the level of credibility of a technology also needs to be the center of attention in the development of its services, because this can affect the level of user confidence in a product that will be used. Through benefits, the level of credibility and trust in a product will certainly have an impact on how often they use the service [9,10].

The purpose of this research is to describe and analyze the role of E-Wallets as a payment instrument in the millennial era. This research used a descriptive qualitative method to describe the role of E-Wallets as an instrument of payment in the millennial era.

2. Method
This research used a descriptive method to describe the role of E-Wallets as an instrument of payment in the millennial era. To deepen this research, data collecting was done by giving a set of questions through Google Form and given to respondents from various backgrounds to answer the available questions.

3. Results and Discussion
The development of technology continuously produces various innovations and creations that can be useful for each of its users, one of which is the easiness for individuals to fulfill the basic needs in daily life. For example, transaction activities are now easier because of digital-based financial services called E-Wallet. This is supported using smartphone which are the intermediary in their use. Even though the presence of cashless payment through a mobile device does not mean that it can shift or replace the conventional payment process, E-Wallet acts as an alternative instrument for conducting transactions that were designed in such a way to provide benefits for the users of the service.

Based on data from Bank Indonesia, there are 38 E-Wallets that have obtained the official licenses to carry out their business activities in Indonesia. In 2018, E-Wallet transactions in Indonesia will reach USD 1.5 billion and it will continue to increase to USD 25 billion in 2023. The large number of E-Wallet products sold now is the result of competition among entrepreneurs, ranging from bank financial institutions to non-banks that compete to capture opportunities through E-Wallet. From this information, E-Wallet has become one of the instruments relied on by its users in conducting transactions.

Today, the use of E-Wallet can be stated to be increasingly popular in society with its users ranging from teenagers to adults, this is because it can fulfil the needs of people with the ease of transaction through the E-Wallet. As a result of a work of creative and innovative business idea, E-Wallet can show its existence as a payment instrument product way quicker. Creative and innovative business is a form of organized activity and creativity in the fields of industry and commerce, design, products (production) and after-sales services (services) [9]. To fulfill the needs of people, it requires a creative businessman who is build based on information to produce something new that will be useful for its users. [10]. The rise of the use of E-Wallet is also driven by various kinds of facilities that they are trying to offer and
they are constantly developing to attract the user's attention. In addition to attract users through the facility, the developers of E-Wallet also try to make people put trust in their products to minimize the feeling of uncertainty or negative possibility when using the product and the ongoing business relationship between them.

The use of E-Wallet besides providing a sense of security, effectiveness, and efficiency in transactions turns out that E-Wallet also provides another impact on social life that can increase the use of electronics in an area. People who have accustomed themselves to using electronic money will indirectly increase the number of electronic uses as well.

There are the following answers given by respondents on questions about the E-Wallet:

- **Demographics Respondend**
  The demographics discussed in this study include gender, age range, occupation, awareness of E-Wallet, whether the respondent is an E-Wallet user, the advantages of E-Wallet in conducting transaction activities, the convenience, and respondents' responses about the rise of E-Wallet.

- **Age Range**
  The picture below shows the age range of E-Wallet users (See Figure 1)

![Age Range](image1)

**Figure 1. Age Range**

People aged 20 to 30 have the largest percentage of E-Wallet users at 53.3%, those under 20 have a percentage of 33.3%, and users in the range aged 40 to 50 year has a percentage of 13.3%.

- **Gender**
  The survey picture below shows the division of respondents based on gender (See Figure 2).
Figure 2. Gender

It can be seen that 66.7% of male respondents have more percentages than female respondents 33.3%.

- Occupation
The survey picture below shows percentage data based on their occupation and it shows students with the highest percentage (See Figure 3).

Figure 3. Occupation

Percentage data based on employment shows that respondents with students used E-Wallet more than other respondents with a percentage level reaching 73.3%. The second highest respondent was entrepreneurial respondents with a percentage of 20%. Then followed by respondents by working as an employee of 6.7%.

- Awareness of E-Wallet
Data from the picture below shows that the respondent knows what an E-Wallet is (See Figure 4).
Figure 4. The respondent knows what an E-Wallet is

It is clear from the data that respondents who knew about E-Wallet have a quite large percentage of 73.3%. Furthermore, respondents did not know the percentage of E-Wallet 26.7%.

- Respondent as E-Wallet User
  The picture below shows the percentage of respondents towards the use of E-Wallet (See Figure 5).

Figure 5. E-Wallet User

From this data, it is known that a percentage of 60% are E-Wallet users and the remaining 40% had not or did not use E-Wallet.

- Practicability
  The picture below shows the practicability survey of E-Wallet transaction activities (See Figure 6).
The picture above shows that 86.7% of respondents agreed that E-Wallets help them in conducting transaction activities and 13.3% stated that E-Wallets did not help them in transaction activities.

- **E-Wallet Usage Difficulty**

The survey picture above shows the distribution of respondents based on the usability of using E-Wallet. (See Figure 7).

![Figure 7. Percentage of How’s Difficult to Use E-Wallet](image)

It can be seen that respondents felt no difficulty using E-Wallet by 46.7%, and respondents found it difficult to use was 26.7%.

### 4. Conclusion

This research proves that E-Wallet does have a role in the public transaction activities lately caused by the effectiveness and efficiency of transactions and security services that are owned by E-Wallet service providers. Besides, it turns out that the use of electronic goods also increased in line with the increasing use of E-Wallet. This also could affect the transaction activities, which previously used cash shifted into
non-cash transaction due to the use of the E-Wallet. Therefore, it can be said that the role of E-Wallet as a fast and secure payment solution is right on target to the public.

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