



FINANCIAL TECHNOLOGY (FINTECH): MILLENNIALS PRESPECTIVE IN INDONESIA

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Abstract: The purpose of this study is to see from the side of the literature study of existing research results using evidence and perspectives from researchers, The research method used in this study is qualitative with literature studies derived from references to scientific articles that discuss related to the topic, by providing evidence and strengthening with the perspective of researchers, evidence of existing research using qualitative and quantitative methods, so from the point of view of researchers states that it is corroborating and there is also a brief Fintech has become an important part of the lives of the Indonesian millennial generation. By using fintech wisely and developing their financial and technological literacy, millennials can use fintech to make their lives easier and improve their financial well-being.

Keywords: Financial Technology, Millenials

INTRODUCTION

In today's digital era, people's need for fast, easy, and efficient financial transactions is increasing. This is largely due to the needs of millennials who are increasingly dependent on technology in their daily lives. The solution to these needs is financial technology (fintech). Indonesia's millennial generation is one of the most important fintech target markets. They are a generation of technology that is constantly looking for ways to make their lives easier. Fintech provides convenience in conducting financial transactions such as money transfers, bill payments, investments and much more. One of the advantages of fintech is providing convenience and speed of transactions. Millennials who are busy with work and other activities can do business anytime, anywhere with available fintech applications. In addition, cheaper transaction fees are also a special attraction for them.

The role of technology in business began in the 1960s with the invention of the semiconductor microprocessor, which made it possible to capture and store information in digital form. Batch processing became possible with the mainframe computers of the 1970s. With the advent of terminals and personal computers in the 1980s, we saw the rise of automated banks and branches, and offline remote banking became possible. As local area networks became more common, intranets and business systems were born. The Internet of the 1990s, of course, allowed global exchange of information and with it the growth of multinational companies, However, since 2015, technology has brought exponential changes. Technologies driving sectors other than banking and finance are cloud computing, cognitive computing,

machine learning or predictive analytics, quantum computing, and robotics. It transforms business processes at lightning speed. In short: This technical intervention ensures that large amounts of data can not only be processed today, but also analyzed in nanoseconds. Analysis which is a core human function can now be processed faster and more accurately by our machine counterparts, the technology that captures the imagination in the world of finance and banking is Blockchain technology, also known as Distributed Ledger Technology or DLT. It is currently at the heart of fintech and poised to achieve The peak of the Fourth Industrial Revolution. (Kapoor & Nagar, 2016), according to (Rajkumar et al., 2020) At the same time, many unique practices for financial services are undergoing fundamental changes. They include the growth of large-scale mobile payments and the decline in cash use in different regions of the world; Changes in international trade finance in new ways to foster stakeholder awareness in supply chain management using IT; and the use of transaction filters to enforce political sanctions against the movement of money in the global financial system. Also included is growth in algorithmic and high-frequency trading; and cross-border stock trading, clearing and settlement as global portfolio management is enabled through regional trading networks.

According to (Marler, 2009) in his research on the factors that influence the intention of bank customers to switch to fintech financial services. However, Maier (2016) considers the phenomenon of customers switching to loan services in banking as the target of SME and analyst research based on four dimensions, namely technical dimensions, functional dimensions, image and innovation. People with a new model in finance by relying on technology need to know and also want to feel, Financial technology (fintech) is part of human life. Fintech is a solution to people's needs without space and time restrictions and makes it easier for people, especially the millennial generation, to donate (Niswah et al., 2019), according to data about internet users in Indonesia from (Das et al., 2016) Indonesia has a very large internet density and 56 percent of the population lives in cities. Mobile phone subscriptions in Indonesia reach 133% of the population, 56% of online and active social media users, and 48% of mobile social media users (We Are Social, 2019). Indonesia is expected to add 50 million new internet users between 2015 and 2020, achieving 53 percent penetration. About 73% of all Internet users use mobile devices and 75% of online purchases are made using mobile devices. Indonesia also has 90 percent of internet users who visit Facebook and spend about 2.9 hours a day on social media, One of the many users of digital services is the millennial generation who can learn and embrace the use of technology in daily activities (Niswah et al., 2019).

It should be known by millennials today that there are various types of Financial Technology that exist, according to (Rahmatillah, 2018) that can be classified in the fintech space, including payment transactions, money transfers, buying and selling stocks, P2P lending processes, and more. The e-commerce business model develops not only in the product buying and selling sector, but also in other service businesses, including transportation services such as Grab, Go-Jek, then financial services such as Go-Pay, Modalku, Uang Teman. and T-Cash. Research institute International Data Corporations (IDC) published a list of fintech companies that are estimated to grow faster than other fintech companies in Indonesia, millennials are a big target for this fintech industry with the classification given.

On the other hand, fintech also poses security and privacy risks. Millennials need to be smarter about fintech and make sure they use secure and reliable apps. Faced with fintech challenges and opportunities, millennials need to improve their financial and technological literacy. They must understand how fintech works, how to manage finances wisely, and be aware of the risks and benefits of using fintech. The purpose of this study of the existing Phenomenon is to see from the side of the literature study of existing research results using evidence and perspectives from researchers.

LITERATURE REVIEW

Financial Technology (Fintech)

The Financial Stability Board (2019) notes that fintech companies usually find new niche markets, e.g. Platforms for peer-to-peer (P2P) lending, crowdfunding and cross-border payments and underserved customers such as small businesses or individuals without credit history, further according to (Dapp et al., 2014) innovative technology-based financial services that are efficient, affordable, business process improvement, fast, flexible and innovative, further according to (Gulamhuseinwala et al., 2015) Fintech is also defined as a company that combines innovative business models and technologies to enable, improve, and disrupt financial services, further according to (Arner et al., 2015) FinTech means the use of technology in the manufacture of financial solutions. FinTech activities in financial services can be classified into 5 (five) categories as follows (Board, 2017); 1) Payment, Payment and Delivery. These activities are closely related to mobile payments (whether through banks or other financial institutions), digital wallets, digital currencies and the use of distributed ledger technology (DLT) in infrastructure, These models aim to increase financial inclusion and ensure that consumers have better choices for using payment services and smooth payment systems. This model can also help manage large amounts of transactions and large transfers and settlements between financial institutions. 2) Deposits, loans and complementary capital (deposits, loans and capital acquisitions). The most common FinTech innovations in this area are crowdfunding and online P2P (peer-to-peer) lending platforms, digital currencies, and DLT. This application is closely related to financial intermediation. 3) Risk Management (Management.). FinTech (InsurTech) companies operating in the insurance industry have the potential to influence not only insurance marketing and sales, but also insurance policies, risk pricing, and claims. Credit obligations and registration of guarantees and guarantees are also considered part of risk management.; 4) Marketing Support. FinTech technology divisions can offer simpler or more efficient processes such as electronic aggregators, big data, digital ID authentication, data storage and processing (cloud computing) or order fulfillment with "smart contracts". The availability and disputes of information are important issues; 5) Investment Management. These dimensions include ecommerce platforms that allow consumers to invest in all types of assets directly from computers, "smart contracts" and FinTech innovations, automated robo-advice in financial services (financial advisors) including investment management and portfolio offerings.

Millennials

Millennial is a term for the generation that is currently being discussed in various places in the world (Niswah et al., 2019), Karl Mannheim (1952) describes the millennial generation as a generation born between 1980 and 2000, (Pyöriä & Ojala, 2017) Millennials are also referred to as Generation Y

RESEARCH METHODS

The research method used in this study is qualitative with literature studies derived from references to scientific articles that discuss related to the topic, by providing evidence and strengthening with the perspective of the researcher.

RESULT AND DISCUSSION

From the results of the presentation of the topic above and the phenomenon that millennials are related to financial technology, it will be proven from the results of research, or scientific articles originating from reputable national journals or reputable international journals, studies (Nizar, 2020) with the topic Financial Technology (Fintech): It's Concept and Implementation in Indonesia, with research results FinTech development also has

implications and various potential risks, further studies from from (Rahmatillah, 2018) with research results Four variables, hedonic motivation (0.441), social influence (0.418), habits (0.307) and behavioral intentions (0.171), positively and significantly affect the use of fintech payments. The moderation variable for men only moderated hedonic motivation on behavioral intention and the habitual variable on behavior use. The variables of moderating the female sex moderate social influences on behavioral intentions, hedonic motivation on behavioral intentions, and behavioral intentions, the title of a scientific article analyzing the influence of behavioral use of fintech technology on the millennial generation in the city of Bandung, the next study from (Rajkumar et al., 2020) with the title of the article A research study on awareness of fin-tech among millennials with research results Millennials know how to use technology well. Millennials have special characteristics called the 3Cs, which are creative, connected, and confident. Therefore, the purpose of this article is to identify the most important factors that greatly influenced fintech awareness at the turn of the millennium.

The next study from (Afandi, 2020) Switching Intentions among Millennial Banking Customers to Fintech Lending with research results provides useful information for the banking industry, fintech lenders and regulators to develop effective strategies and policies amid customer switching opportunities, the next study from (Kurek et al., 2020), with the topic The Problem of Millennials' Openness to Services Offered by FinTech in Poland, the results of millennial research are very open to FinTech services in the US and Poland. The FinTech Adoption Index for American millennials was 59% in 2017, while in Poland it was around 75% in 2019. Analysis of relevant generational financial behavior shows that in Poland, as in the United States, payment services are most popular. The next study from (Sitea, 2019) The Fintech Revolution Banking For The New Generation with the results of research on the interdependence between cyber technology and the banking system. That's why banks thrive because of the impact of technology.

CONCLUSION

From the results of the presentation of scientific articles with evidence of existing research using qualitative and quantitative methods, from the point of view of researchers stated that it is corroborating and there is also a brief Fintech has become an important part of the lives of the Indonesian millennial generation. By using fintech wisely and developing their financial and technological literacy, millennials can use fintech to make their lives easier and improve their financial well-being.

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