



The Role of The Millennial Generation in Fintech Development

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Article Info	Abstract
<p>Article history: Received June 7, 2023 Revised July 1, 2023 Accepted August 27, 2023 Available online September 15, 2023</p> <p>*Corresponding author email: dianirmayani51@gmail.com Phone number: 081230038302</p> <p>Keywords: Technological advancements, Millennials, Fintech advancement</p>	<p>Technological advancements are driving rapid changes in various fields, including education, industry, economics, and finance. The millennial generation, who are very proficient in technology, play an important role in the development of financial technology (fintech). This research aims to explore the specific role of millennials in the advancement of fintech. This study focuses on the millennial generation and uses a qualitative descriptive method for data collection. Through interviews and documentation, data is collected and analyzed using an inductive approach. These findings are presented in the form of interview data and documentation that highlight millennial behavior and their closeness to technology, especially in the realm of financial technology. The results of research on accounting students at the National Polytechnic Campus regarding the role of the millennial generation in the development of fintech are very important, this is shown by the results of interviews that researchers have conducted, namely 7 out of 10 students understand about fintech and they participate in fintech developments which in this case they have played a role in the current development of financial technology, and the rest of them do not understand and are not interested in using fintech due to a lack of education and outreach about fintech.</p> <p>AICIE with CC BY license. Copyright © 2023, the author(s)</p>
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INTRODUCTION

Technological advancements have driven rapid changes across various fields, including education, industry, economics, finance, and banking. The emergence of financial technology (fintech) has revolutionized the way financial services are accessed and utilized. One particular generation that has shown a strong connection with the development of fintech is the millennial

generation. Understanding the role played by millennials in the advancement of fintech is the primary objective of this research study.

To investigate this phenomenon, the research focused on the millennial generation, employing a qualitative descriptive method for data collection. By utilizing interviews and documentation, the researcher collected data from the research location and subsequently performed an inductive analysis. The findings were then presented in this report, highlighting the insights derived from the collected data. Recognizing the significance of long-term socialization of fintech, particularly among students, becomes imperative. By fostering a comprehensive understanding of fintech, students can leverage its potential effectively. The millennial generation possesses distinctive characteristics and exhibits a remarkable affinity towards technology, particularly in the realm of financial technology. Consequently, there is a compelling interest in exploring millennial behavior within this context. To assess digital financial literacy, a comprehensive approach encompassing knowledge, attitude, and behavior was employed. Financial knowledge, digital financial knowledge, and financial attitudes were identified as key determinants of financial behavior, forming the basis for the evaluation process.

This research aims to explore the role of the millennial generation in the development of fintech, emphasizing the importance of long-term familiarization and highlighting the impact of digital financial literacy. By gaining a deeper understanding of millennial behavior and their relationship with fintech, valuable insights can be obtained to inform strategies for promoting financial literacy and leveraging technology for financial empowerment. The fintech industry attracts significant players such as banks, regulators, and customers, each playing a vital role in shaping the industry and presenting numerous opportunities to meet consumer needs and expectations (Hochstein, 2015). Banks, as key pillars of economic development, possess a comprehensive view of financial backgrounds and consumer transactions. Fintech, including e-banking services, is shaping the future of financial services due to its rapid adoption of technology (Kaushal & Ghosh, 2016). Fintech represents a new digital transformation in the financial services sector and is leading disruptive changes by introducing innovative concepts, while also raising global awareness. Fintech encourages consumers to seek services characterized by simplicity, user-friendliness, real-time availability, and 24/7 access (Arner, Barberis, & Buckley, 2016).

The role of technology in business emerged in the 1960s with the invention of the semiconductor microprocessor, enabling the capture and storage of information in digital form. The 1970s saw the advent of batch processing with mainframe computers, followed by the emergence of automated banks and branches, as well as offline remote banking with the introduction of terminals and personal computers in the 1980s. The proliferation of local area networks led to the development of intranets and business systems. In the 1990s, the internet enabled global information exchange, facilitating the growth of multinational corporations. Since

2015, technology has brought about exponential change, revolutionizing various sectors beyond banking and finance. Cloud computing, cognitive computing, machine learning, predictive analytics, quantum computing, and robotics are among the technologies transforming business processes at an unprecedented pace. This technological intervention allows for the processing and analysis of massive amounts of data in nanoseconds, significantly enhancing core human functions (Kapoor & Nagar, 2016). One technology that has captured the imagination in the finance and banking world is blockchain, also known as Distributed Ledger Technology (DLT), currently at the forefront of fintech and expected to reach its peak during the Fourth Industrial Revolution (Rajkumar et al., 2020).

Simultaneously, the financial services industry has witnessed fundamental changes in various practices. These include the widespread adoption of large-scale mobile payments and the decline in cash usage in many regions, changes in international trade financing through the application of IT in supply chain management to foster stakeholder awareness, and the use of transaction filters to enforce political sanctions in the global financial system. The industry has also witnessed growth in algorithmic and high-frequency trading, cross-border stock trading, clearing, and settlement, enabling global portfolio management through regional trading networks.

According to Marler (2009), research indicates that various factors influence bank customers' intention to switch to fintech financial services. Additionally, Maier (2016) highlights the phenomenon of customers turning to banking loan services as a target for small and medium-sized enterprises (SMEs) research, based on four dimensions: technical, functional, image, and innovation. People embracing technology in the financial sector must understand and perceive fintech as an integral part of their lives. Fintech provides solutions that transcend space and time limitations, making financial activities easier for people, especially the millennial generation (Niswah et al., 2019). According to data on internet users in Indonesia (Das et al., 2016), a country with a high internet density and a large urban population, digital.

METHOD

This study aimed to investigate the role of the millennial generation in the development of fintech. To achieve this objective, a qualitative descriptive research method was employed, allowing for a comprehensive understanding of the research phenomenon. The method involved data collection through interviews and documentation, which provided valuable insights into the experiences, perspectives, and behaviors of the millennial generation in relation to fintech. Qualitative research was chosen as the research method, which generates descriptive data in the form of words. Unlike quantitative research that uses numerical data, qualitative research aims to gather information about the current state of a phenomenon as it existed during the research

period. Therefore, qualitative research is effective in revealing in-depth phenomena related to the subject under study (Arikunto, 2020).

The sampling technique used in this study was snowball sampling. Initially, a small number of participants were selected, and then the sample size was gradually expanded. This technique is similar to a snowball rolling and growing in size over time. In the process of determining the sample, one or two individuals were initially chosen. However, as their data seemed incomplete, the researcher sought additional participants who were believed to possess more knowledge and could supplement the information provided by the initial participants. This process continued until an adequate number of samples were obtained (Sugiyono, 2013, pp. 85–86).

The selected sample of respondents consisted of experts in current financial technology developments. The millennial generation or sometimes referred to as generation Y or Echo Boomers are a group of people born after generation X, namely people born in the range of 1980-1999. This means that those belonging to the millennial generation are people who are currently 21-40 years old. The millennial generation is considered special because this generation is very different from previous generations, especially in terms of technology. Not only related to technology, the millennial generation is also considered special in terms of education, capital or culture. The selected sample of respondents consisted of experts in current financial technology developments.

In this case fintech is not only used by the community but students are also considered to have a high intellectual level, intelligence in thinking, and planning in action. Think critically and act fast and precise is a trait that tends to be attached to every person students who are complementary. Therefore, the authors focus on Accounting study program student at the National Polytechnic Campus. This is due to students of the Accounting study program is a student who is always in touch with the world of economics compared to students from other study programs. Expected as Accounting students are able to master world developments in this digital era especially Financial Technology (FINTECH). The sample consisted of all accounting students at the National Polytechnic Campus, with a total of 10 respondents aged between 20 and 25 years. Interviews were conducted because it was assumed that only the participants themselves could provide information that could not be obtained through observation or other means (Adi, 2010, p. 73).

Snowball sampling is a non-probability sampling method where new units are recruited by other units to form part of the sample. Snowball sampling can be a useful way to conduct research about people with specific traits who might otherwise be difficult to identify (e.g., people with a rare disease). To ensure accuracy and reliability in the data analysis process, the researcher followed a systematic approach. First, the collected interview data were transcribed

and carefully reviewed for accuracy. Then, a thematic analysis approach was employed to identify recurring themes and patterns within the data. This involved coding the data and categorizing it into meaningful themes. The identified themes were then interpreted and analyzed to derive insights and conclusions related to the research objective.

Equation:

Snowball Sampling

$$\text{Sample Size} = \text{Initial Participants}$$

Snowball sampling begins with a convenience sample of one or more initial participants. Multiple data collection points (or waves) follow. These initial participants, called “seeds,” are used to recruit the first wave’s participants. Wave 1 participants recruit wave 2 participants, and the sample expands, wave by wave, like a snowball growing in size as it rolls down a hill. It is important to note that the methodology employed in this study aligns with the research objectives and provides a comprehensive understanding of the millennial generation's role in fintech development. The chosen method and sample design, along with the careful data collection and analysis processes, contribute to the validity and reliability of the research findings.

Data Collection and Recording Procedures

Based on the source of data collection in this study, researchers utilized primary data, which refers to data obtained directly from the subject of study through various procedures and data collection techniques, including observation, interviews, and documentation. Interviews were conducted as a means of communication, allowing for personal interaction between researchers and data sources. The assumption behind conducting interviews was that subjects have a better understanding of themselves, thus providing additional information that may not be obtained through observation or other means (Adi, 2004).

Data analysis plays a crucial role in obtaining research findings. It involves the process of collecting and interpreting data. Data analysis was conducted both during and after the data collection phase. The qualitative analysis method was employed in this research, aiming to provide a comprehensive understanding of the subject under study, rather than testing specific hypotheses (Adi, 2004). The data analysis process began by reviewing all sources, including interview transcripts and documentation, in a non-systematic manner. These sources were thoroughly studied and examined. If any important data were found to have been overlooked, the data collection process was revisited, including data checking and further analysis. This iterative process continued simultaneously across different stages. The research ensured that all data were recorded objectively and accurately, reflecting the results of field observations and interviews.

RESULT AND DISCUSSION

Millennial Generation Against Development *Fintech* On Accounting Students at the National Polytechnic Campus

Fintech and the world of banking have a connection because fintech helps in increasing financial access to bank companies where by using fintech banks can connect with people who are in any remote area, of course, areas that are connected to the internet network. With the existence of fintech banks, it is easy to carry out online transactions with people in any area, who only rely on an adequate internet network. As long as they use fintech types such as Gopay and m-banking, banking students feel the benefits in terms of convenience in transactions without having to take a long time to queue at the bank, just use m-banking, transactions for paying tuition fees and so on can be done easily anywhere and anytime. even. And using Gopay makes it easier for them to make payment transactions at places to eat (hang out), buy their needs and also make it easier for them to pay for the online transportation fees they use. However, from the benefits that they feel, it is undeniable that there are also disadvantages or obstacles that they experience, one of which is in terms of the internet network and not all shops and traders can accept payments using Gopay. Because fintech is a financial technology that is required to always be connected to the internet network, if the internet network is unstable, transactions are hampered and cannot be carried out. Then for shops or traders who are on the street, of course they don't accept payments using Gopay, because they are also not literate in technology and lack of education and socialization regarding the development of today's sophisticated financial technology. The results of research on students majoring in accounting at the National Polytechnic Campus are shown by the results of interviews that have been conducted by researchers, namely 7 out of 10 students have understood about fintech and they have participated in fintech developments, in which case they have played a role in the current development of financial technology, and the rest of them do not understand and are not interested in using fintech due to a lack of education and outreach about fintech. Based on the results of previous discussions about the millennial phenomenon related to financial technology, research findings or scientific articles from reputable national and international journals are evidence. Nizar's study (2020) entitled "Financial Technology (Fintech): Its Concept and Implementation in Indonesia", for example, discusses the topic of Fintech development along with its implications and potential risks. Another study by Rahmatillah (2018) revealed that variables such as hedonic motivation, social influence, behavioral habits, and intentions have a positive and significant influence on the use of payment fintech. In addition, this research sheds light on the role of gender moderation in influencing behavioral intention and habitual variables. Rajkumar et al. (2020) conducted a research study on fintech awareness among millennials, emphasizing the proficient use of technology and identifying influencing factors. Afandi's study

(2020) explores the shift in intention of millennial banking customers to fintech lending, providing valuable insights for the banking industry, fintech lenders and regulators in formulating effective strategies and policies. Likewise, Kurek et al. (2020) examined the issue of millennial openness to fintech services in Poland, revealing a high level of acceptance among millennials in both the US and Poland. Finally, Sitea (2019) focuses on the fintech revolution in banking for the new generation, studying the interdependence between cyber technology and the banking system.

These studies show the transformative impact of fintech on traditional financial services. Banks have recognized the need to leverage fintech players to improve their services and improve customer experience, as well as improve efficiency. Millennials, as a generation with a strong interest in fintech, have become major users and adopters of this service. The characteristics of the millennial generation are often mentioned as the 3C traits (creative, connected and confident), influence the strategies of banks and fintech players in the market. Financial inclusion plays an important role in fintech adoption, with countries with lower financial inclusion indexes showing higher intentions to adopt fintech. This trend points to the major players in the fintech ecosystem. Traditional banks face challenges in providing cost-effective services to compete with fintech providers that offer low-cost financial solutions, ultimately reducing barriers to entry to targeted market segments.

For students majoring in accounting who belong to the millennial generation, technology is an inseparable part of their lives. They have a good understanding of gadgets and use them extensively for various purposes. Many students who are familiar with fintech and use its products regularly, recognize the convenience it brings to their financial activities such as mobile banking, digital wallets and online payments. However, some students are either ignorant of fintech or find its use complicated. Despite this, most students appreciate the practicality and time-saving benefits that fintech offers. The popularity of fintech, especially online payment services such as Gopay, Dana, Ovo, and LinkAja, makes financial transactions more efficient and cost-effective for students. The connection between fintech and the banking sector allows banks to reach individuals in different areas as long as they have access to the internet. While fintech provides many advantages, challenges related to internet connectivity and limited acceptance by certain shops and merchants remain.

Overall, developments in financial technology, or fintech, have revolutionized the way traditional financial services operate. Millennials, with their technological literacy and interest in convenience, have made fintech a major component of their financial activities. The continued evolution of fintech and its integration with the banking system will shape the future of financial services and drive industry growth.

CONCLUSION

The results of research on accounting students at the National Polytechnic Campus regarding the role of the millennial generation in the development of fintech are very important, this is shown by the results of interviews that researchers have conducted, namely 7 out of 10 students understand about fintech and they participate in fintech developments which in this case they have played a role in the current development of financial technology, and the rest of them do not understand and are not interested in using fintech due to a lack of education and outreach about fintech.

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