



# The Effect of Millennial and Gen-Z Generation Disruption on Decreasing Buying and Selling Transactions using Cash

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**Abstract.** Millennials and Gen-Z generations are generations born in the era of high technology and have a tendency to use technology in everyday life. The disruption caused by these two generations has had a considerable influence on many things, one of which is changes in buying and selling transaction patterns, especially in terms of the use of cash. One of the main causes of this disruption is the existence of technological advances that have changed the way people make transactions. With the internet and digital payment applications, people can easily make buying and selling transactions online. This has reduced the need to physically meet the other party in a buy and sell transaction, which can reduce the overall frequency of buy and sell transactions. The purpose of this writing is, To find out how millennial and Gen-Z disruptions can occur, find out how much influence Millennial and Gen-Z generation disruptions have had on reducing transactions using cash, and identify factors that influence the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions. This study uses qualitative and quantitative methods by collecting data by filling out questionnaires with several people from the Millennial and Gen-Z generations, data will also be collected from secondary sources such as industry reports and previous studies on the Millennial and Gen-Z generations and buying and selling transactions. . From this study it can be concluded that the two generations tend to prefer to use digital payment technology rather than cash in buying and selling transactions. This is due to the convenience and speed of transaction processing offered by digital payment technology, as well as the security factor that is more trusted by the two generations.

**Keywords:** Disruption; Generation Z; Millennial Generation; Digital transactions

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D. V. Ferezagia et al. (eds.), *Proceedings of the International Conference on Vocational Education Applied Science and Technology (ICVEAST 2023)*, Advances in Social Science, Education and Humanities Research 783,

[https://doi.org/10.2991/978-2-38476-132-6\\_48](https://doi.org/10.2991/978-2-38476-132-6_48)

## 1 INTRODUCTION

Millennials, also known as Generation Y, are a group of people born in the early 1980s to early 2000s. This generation is usually considered as a generation that is familiar with technology and has a tendency to use technology in everyday life [3].

Meanwhile, Generation Z, also known as the Internet Generation, is a group of people born after 2000. This generation is the generation born in the era of high technology and is often referred to as the generation that is always connected to the internet. Both generations have a tendency to trust and use technology more than the previous generation [5].

The millennial and Gen-Z generations are very dominant in this century because they are a group of people who were born in the era of high technology. Both of these generations are used to using technology in everyday life, so it is easier to get used to technological developments that are happening in this century.

In addition, the Millennials and Gen-Z generations are also groups of people who have a high adaptability to change. They quickly adapt to technological developments and tend to trust and use technology more than previous generations. This causes these two generations to be more dominant in making decisions and influencing the mindset of people in this century.

The millennial and Gen-Z generations are also groups of people who have a sizeable number compared to the previous generation. This makes it easier for the two generations to influence the changes that occur in society.

The background to changes in buying and selling transactions in the digital era is related to technological developments that are increasing rapidly from time to time. In the previous era, buying and selling transactions were generally carried out directly between sellers and buyers using cash as a means of payment. However, with the emergence of increasingly sophisticated technology, buying and selling transactions can now also be done online via the internet.

Digital payment technologies such as e-money, payment applications and debit cards are also increasingly popular and widely used in buying and selling transactions. This digital payment technology facilitates the process of buying and selling transactions because it is faster and easier than using cash. In addition, digital payment technology is also considered safer than cash because the risk of losing or stealing cash can be avoided.

Therefore, changes in buying and selling transactions in the digital era are caused by increasingly sophisticated technological developments and the convenience offered by digital payment technology in buying and selling transactions.

## 2 RESEARCH QUESTIONS AND METHODOLOGY

This study analyzes whether the disruption by Millennials and Gen-Z generations has a major impact on changes in payment systems today, because these two generations grew up in the world of technology, so many daily activities are carried out using technology, one of which is transaction activities. Because of the preferences of the two generations, like it or not, the industry must follow the needs of these preferences, because the use of digital money can be a purchasing decision. From this phenomenon and background, the focus of this research is on 3 things, namely: 1) what influences cause Millennial and Gen-Z disruptions; 2) the disruptive effect of the millennial and Gen-Z generations on a decrease in transactions using cash; and 3) factors that influence the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions. Research questions (Research Question-RQ) are defined as follows:

- RQ1: How did Millennial and Gen-Z disruption happen?
- RQ1: How big is the influence of the disruption of the Millennial and Gen-Z generations on the decline in transactions use cash?
- RQ3: What factors influence the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions?

RQ1: What influences cause Millennial and Gen-Z disruptions

This research aims to find out how or what factors cause this Millennial and Gen-Z disruption to occur.

RQ2: The impact of the disruption of the Millennial and Gen-Z generations on a decrease in transactions using cash

The focus of this research is to find out how much influence the disruption of the Millennial and Gen-Z generations has on the decline in transactions using cash.

RQ 3: Factors influencing the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions.

The focus of this research is to find out the factors that influence the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions.

The research questions were carried out quantitatively by filling out questionnaires for several Millennials and Gen-Z generations. Quantitative research can provide clear and measurable data on the use of digital money by Millennials and Gen-Z. This can help find out how often digital money is used by this generation, as well as for what purposes it is used.

And quantitative research can provide more accurate and objective information about the use of digital money by Millennials and Gen-Z. This is because quantitative research uses systematic and structured methods to collect data, thus minimizing the personal bias of the researcher. While the research method uses non-

probability sampling method. This method is used to conduct sampling where members of the population do not have the same opportunity to be used as research samples (McDaniel & Gates, 2020).

Table 2.1. Summary of methods and their relation to research questions

No.	Research question	Research methods	Data Type
1.	RQ1: How disruption Millennials and Gen-Z can happen? RQ1: How big is the impact of disruption on the Millennial and Gen-Z	Study of literature	Qualitative
2.	generations to decline transaction using money cash?	Survey via questionnaire	Quantitative
3.	RQ3: Factor What Which influence trend these two generations to prefer digital payment technology over cash in buying and selling transactions?	Survey via questionnaire	Quantitative

### 3 Research Findings

Millennials and Gen-Z are generations that *powerfull*. One of the biggest changes taking place in business and society is the emergence of Millennials and Gen-Z generations. This generation has the ability to connect everyone on the planet in a way never before, providing opportunities for everyone to be fully educated, socially and economically engaged (Koulopoulo & Keldsen, 2014). As a result, the market, industry, and previous generations inevitably follow these changes to survive. The industry itself must continue to understand and meet the needs of Millennials and Gen Z to continue to compete.

Factors that make the two generations to be the very generation *impactfullis* that both generations grew up using the internet. The internet has changed the way we live by changing how we communicate and transact. Today, the Internet is our primary choice for communicating and making transactions every day, and we use it in most of the things we do, such as ordering goods, holding meetings, making payments, sharing moments with friends, and sending pictures via instant messaging. Before there was the Internet, we had to go to a physical store to buy something, had to meet face to face in meetings and had to look for a taxi early in the morning or at night if there was no public transportation. However, now with just one or two clicks, we can buy goods, conduct meetings, make payments,

In filling out the questionnaire, the research used the Millennial and Gen-Z generations as research objects. The use of digital money has now dominated various payments, especially with the Covid 19 pandemic that occurred in the last two years, many people have switched to using digital payments. But behind that, the two

generations had a big impact on these changes. This research was conducted to find out how much influence the disruption of the Millennial and Gen- Z generations had on the decline in transactions using cash, and what factors influenced the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions. This study uses the Google Forms deployment method,

The following are the results of research respondents' answers regarding the use of digital money:

- 1. Characteristics of Respondents
  - a. by job

**Table 3.1 Characteristics of Respondents by Occupation**

No.	Work	Percentage
1.	Student	72%
2.	Self-employed	28%

Based on table 3.1 it can be seen that the most questionnaire fillers are students with a total of 72%.

- b. Do you belong to the millennial generation (born between 1981-1996) or gen-z (born between 1997-2012)?

**Table 3.2 Characteristics of Respondents by Generation**

No.	Respondents Answer	Percentage
1.	Millennials	24.1%
2.	Gen-Z	75.9%
3.	Not both	0%

Based on table 3.2, it can be seen that most of the questionnaire fillers were Gen-Z as much as 75.9%, because most of the fillers came from students

- 2. Description of the indicators used in the study
  - a. Have you used digital money before?

**Table 3.3 Recapitulation of Respondents' Answers to Question 1**

No.	Respondents Answer	Percentage
1.	Yes	96.6%
2.	No	3.4%

Based on table 3.3, it can be seen that 96.6% of the respondents who have used digital money have never used digital money, while 3.4% have never used digital money.

b. If so, your experience using the digital money is:

**Table 3.4 Recapitulation of Respondents' Answers to Question 2**

No.	Respondents Answer	Percentage
1.	Very positive	35.7%
2.	Positive	53.6%
3.	Neutral	10.7%
4.	Negative	0%
5.	Very Negative	0%

Based on table 3.4 it can be seen that 35.7% of respondents had very positive experiences when using digital money, followed by 53.6% of people feeling positively using digital money, and 10.7% of people feel neutral when using digital, from the percentage above it can be concluded that everyone has not had a bad experience when using digital money, it can be seen from the percentage of negative and very negative experiences which show the number 0%.

c. Do you feel comfortable using digital money as opposed to cash?

**Table 3.5 Recapitulation of Respondents' Answers to Question 3**

No.	Respondents Answer	Percentage
1.	Yes	71.4%
2.	No	0%
3.	Just the same	28.6%

Based on table 3.5, it can be seen that 71.9% of people agree that they are comfortable with using digital money, and 28.6% of people feel neutral about the convenience of using digital money and cash. It can be concluded that no one is uncomfortable with using digital money. seen from the negative percentage which shows the number 0%.

d. How does your level of trust in digital money compare to cash?

**Table 3.6 Recapitulation of Respondents' Answers to Question 4**

No.	Respondents Answer	Percentage
1.	Higher against digital money	58.6%
2.	Higher against cash	3.4%
3.	Just the same	37.9%

Based on table 3.6 it can be seen that 58.6% of people have a high level of trust in using digital money, and 37.9% of people feel the level of trust in the two ways of transaction is the same. It can be concluded that many people are far more trusting in using digital money as a transaction

e. Do you have a preference for digital money or cash?

**Table 3.7 Recapitulation of Respondents' Answers to Question 5**

No.	Respondents Answer	Percentage
1.	Digital money	62.1%
2.	Cash	6.9%
3.	Just the same	31%

Based on table 3.7 it can be concluded that more people choose digital money than cash with a much higher percentage of digital money, namely 62.1%.

f. How often do you use digital money compared to cash?

**Table 3.8 Recapitulation of Respondents' Answers to Question 6**

No.	Respondents Answer	Percentage
1.	Always use digital money	20.7%
2.	Use digital money more often	48.3%
3.	Often use both	27.6%
4.	More often use cash	0%
5.	Always use cash	3.4%

Based on table 3.8, it can be seen that 48.3% of people use digital money more often, 20.7% of people always use digital money, 27.6% of people often use both, from these percentages it can be concluded that digital money is used more often by Millennials and Gen Z generations.

- g. In your opinion, do digital payment options influence your buying decision?

**Table 3.9 Recapitulation of Respondents' Answers to Question 7**

No.	Respondents Answer	Percentage
1.	Yes	65.8%
2.	Possible	30.8%
3.	No	3.4%

Based on table 3.9 it can be seen that 65.8% of people agree that the existence of digital payment options can influence customer purchasing decisions.

- h. Have you experienced security issues when using digital money?

**Table 3.10 Recapitulation of Respondents' Answers to Question 8**

No.	Respondents Answer	Percentage
1.	Yes	7.1%
2.	No	92.9%

Based on table 3.10 it can be seen that 92.9% of people have no problems when using digital money, only 7.1% of people have had problems when using digital money.

- i. If so, the security issues you're experiencing are:

**Table 3.11 Recapitulation of Respondents' Answers to Question 9**

No.	Respondents Answer	Percentage
1.	Identity Theft	0%
2.	Account hacking	0%
3.	Undesired transaction	100%

Based on table 3.11, it can be seen that people who have problems when using digital money have problems with transactions that are not as they wish.



## 4 Discussion And Analysis

**How Millennial and Gen-Z disruption can occur.** Based on research conducted from data collection through industry report sources and previous studies, the disruption that occurs in millennials and generation Z (Gen-Z) is caused by various factors, including:

- **Technology:** Especially the rapid advances in information and communication technology (ICT), enabling Millennials and Gen-Z to connect with others and access information easily. This helps create a more open and connected culture, which allows for disruption in a wide range of fields.
- **Globalization:** Increasing global trade, human mobility, and cultural exchanges have helped create a more open and connected world. This also helps to cause disruption in various fields, especially in the economy and business.
- **Social change:** Millennials and Gen-Z are generations that are more open to change and innovation than previous generations. They are more likely to adopt new technologies and adapt to the changes that are happening around them.

Millennial and Gen-Z disruptions have had quite a big impact, especially in the economic, technological and cultural fields. They have helped create a more open and connected culture, and helped change the ways that existed before. However, these disruptions can also pose challenges for people who are less able to keep up with these changes, so it is important to consider how to help those who are negatively affected by these disruptions.

**How big is the influence of the disruption of the Millennial and Gen-Z generations on the decrease in transactions using cash.** Millennials (people born between 1981 and 1996) and Generation Z (people born after 1997) tend to prefer using electronic payment methods over cash. This preference has a considerable influence on the decrease in transactions using cash. Major influences that occur from changes in preferences such as:

- **Debit and credit cards:** Debit and credit cards are the most commonly used electronic payment methods. This card is linked to a bank account and can be used to pay for goods and services at shops, restaurants, or other places that accept payment by card.
- **Mobile payment applications:** Mobile payment applications such as GOPAY, OVO, and DANA allow us to pay for goods and services using smartphones. We only need to add money to the application and use it to pay at shops or

restaurants that accept payments with the application.

- E-wallet: E-wallet is a payment application that stores electronic money on a smartphone. Users can add money to the e-wallet by using a debit or credit card, or by transferring money from a bank account. E-wallets can be used to pay for goods and services at shops or restaurants that accept payments with the e-wallet.
- QR Code: QR Code (Quick Response Code) is a code consisting of black and white lines that can be read by smartphones. QR Code can be used to pay for goods and services using a smartphone. Users only need to scan the QR Code displayed at the shop or restaurant with a smartphone, then pay using a mobile payment application or e-wallet connected to the smartphone.

### **Factors that influence the tendency of these two generations to prefer digital payment technology over cash in buying and selling transactions.**

- Advances in technology: Millennials and Gen-Z tend to be more attuned to technology and adopt new technologies more quickly. They also prefer to use mobile payment applications over cash, because it is easier and more practical.
- Culture: Millennials and Gen-Z are also more used to a more open and connected culture, which allows them to connect with others and access information easily. It also helps create a culture that is more open to electronic payment methods and reduces dependence on cash.
- Governments and companies: Governments and companies have also made efforts to encourage the use of electronic payment methods and reduce dependence on cash. For example, some countries have set limits on the amount of cash that can be taken abroad, while companies have encouraged the use of electronic payment methods by providing discounts or other benefits to customers who use them.
- Security: Millennials and Gen-Z generations also tend to pay more attention to security in transactions, especially with the increasing level of cyber crime. They prefer more secure electronic payment methods over cash, which can be lost or stolen.
- Convenience: Electronic payment methods are also easier for Millennials and Gen-Z, because they don't need to carry cash when making transactions. They only need to use a smartphone or payment card to transact, which is more practical and comfortable..

## **5 Conclusion**

From this research it can be concluded as follows:

- a. The disruption that occurred by Millennials and Gen-Z was caused by the rapid advances in information and communication technology, increased global trade, human mobility, and cultural exchanges, as well as social changes that occurred in this generation. This disruption has had quite a big impact, especially in the economic, technological and cultural fields, but it

can also pose challenges for people who are less able to keep up with these changes. Therefore, it is important to consider how to help people who are negatively affected by the disruption.

- b. Millennials and Gen-Z tend to prefer using electronic payment methods over cash, which has had a significant impact on the decline in transactions using cash. The most common electronic payment methods used by this generation include debit and credit cards, mobile payment apps, e-wallets, and QR codes.
- c. There are several factors that influence the tendency of Millennials and Gen-Z generations to prefer digital payment technology over cash in buying and selling transactions. These factors include advances in technology, a culture that is more open and connected, governments and companies that encourage the use of electronic payment methods, security in transactions, and the ease of use of digital payment technology. Therefore, companies and governments must consider these factors in developing strategies and policies related to payment transactions.

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