THE INFLUENCE OF FINANCIAL APPLICATION USAGE ON GENERATION Z'S FINANCIAL BEHAVIOR IN THE CASHLESS SOCIETY

Suci Hasanah Mulyanisa*

Universitas Teknologi Digital, Indonesia
*Email corresponding author: suci10221178@digitechuniversity.ac.id

Abstract

This study analyzes the effect of using the Sepran financial application on the financial behavior of Generation Z students at Digital Technology University, with cashless society as a moderating variable. The research is motivated by the rapid growth of digital technology and the increasing use of cashless payments among young people, especially students familiar with digital financial apps. This quantitative study employs a quasi-experimental design, descriptive approach, and moderation analysis. Results indicate that using the Sepran application positively influences students' financial behavior, particularly in recording and managing personal finances. Additionally, the cashless society phenomenon strengthens the link between financial app usage and improved financial behavior, as the convenience of digital transactions encourages students to be more disciplined in managing their money. These findings provide valuable insights for promoting digital financial literacy among students and highlight the importance of optimizing financial application use to support healthy financial habits.

Keywords: Financial Application, Financial Behavior, Generation Z, Cashless Society, Digital Financial Literacy

INTRODUCTION

Background

The development of digital technology has brought significant changes in financial behavior, especially among Generation Z, who are highly adaptive to technology. The cashless society trend is growing, supported by the accessibility of digital financial applications such as Sepran. However, there are still challenges in personal financial management, making it necessary to further understand the influence of financial application usage on students' financial behavior).

Problem Statement

How does the use of the financial application influence the financial behavior of Generation Z and to what extent does the cashless society moderate this relationship?

Research Objectives

- To analyze the influence of Sepran application usage on the financial behavior of Generation Z students.
- To examine the role of cashless society as a moderating variable in this relationship

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Unified Theory of Acceptance and Use of Technology (UTAUT).

1. The Unified Theory of Acceptance and Use of Technology (UTAUT), developed by Venkatesh et al. (2016), is a theoretical framework to understand factors affecting technology acceptance and usage. It consists of four key constructs influencing users' intention:
2. Performance Expectancy (PE): The belief that using technology will improve job performance.
3. Effort Expectancy (EE): The degree of ease associated with using the technology.
4. Social Influence (SI): The impact of others (friends, family, colleagues) on an individual's decision to use technology.
5. Facilitating Conditions (FC): The availability of organizational and technical infrastructure supporting technology use.

Financial Application Usage

According to Lailla and Irfan Tarmizi (2022), financial record applications are software tools used to manage money for individuals, companies, and businesses. These applications help users quickly identify profits or losses by easily tracking their financial transactions. Rizky Firmansyah et al. (2024) define financial recording as the systematic documentation of financial transactions, including income, expenses, revenue, and debts within a specific period. The purpose is to produce accurate, relevant, and reliable information for financial reporting and decision-making. Based on the explanation above, it can be concluded that financial record-keeping software applications help users systematically track, manage, and record their income and expenses. There are various financial applications available in Indonesia, such as Money, Sepran, Monefy, and Wallet.

According to Choirina and Prasetia (2024), the indicators of a financial application for personal use are as follows: (1)Expense Recording, (2) Financial Budgeting, (3) Balance Monitoring, (4) Expense Analysis, (5) mprovement of Financial Discipline, (6) Effectiveness in Minimizing Personal Expenses.

Generation Z

Generation Z, often abbreviated as Gen Z and commonly known as "Zoomers" (Merriam-Webster, 2020), is the demographic cohort born between 1997 and 2012 (Anindya, 2024). They are referred to as "digital natives," meaning they were raised and grew up in a highly digital environment where technology and the internet are integral parts of daily life.

Financial Behavior

Sari and Anam (2021) explain financial behavior as the practice of managing personal money from psychological and habitual perspectives. An individual's views and habits can influence how they behave financially. Masdupi (2019) states that biases in the personal financial decision-making process are the causes of financial behavior.

Put differently, financial behavior is the reaction of financial actors to their experiences when making decisions. It can be concluded that financial behavior refers to the way individuals or groups organize, plan, and make decisions regarding their financial resources. Understanding financial behavior is crucial for designing effective strategies in personal financial management and investment.

Cashless Society

The exchange of money that does not involve cash—in the form of coins or paper—is called cashless. The concept of a cashless society is promoted to encourage the use of cashless systems. Under the Cashless Society paradigm, people no longer conduct all their financial transactions using cash (Marlina et al., 2021).

A Cashless Society is a term that describes a social system where individuals no longer use cash. In this system, financial transactions are conducted by utilizing digital electronic information between the parties involved (Ainur Hardianti et al., 2022).

Experts have predicted the emergence of a cashless society for over 60 years, starting in the 1950s when payment cards were first introduced (Garcia-Swartz et al., 2011). Liao and Handa (2010) noted that the development of payment systems indicates that the Cashless Society is underway. Recent research by Abiba and Indrarini (2021) revealed that payment systems in society have changed as a result of the rapid development of financial technology, moving towards a Cashless Society.

Based on the theoretical framework, previous research findings, and the growing importance of financial technology in shaping financial behaviors among Generation Z students in the cashless society era, this study proposes the following hypotheses:

RESEARCH METHODS

1. Type of Research: Quantitative research with a quasi-experimental model.This approach allows for the measurement and comparison of variables to determine causal relationships in a controlled setting.
2. Approach: Descriptive and moderation analysis. Descriptive analysis is used to summarize the main features of the data, while moderation analysis examines the influence of a moderating variable on the relationship between the independent and dependent variables.
3. Population and Sample: Generation Z students at Digital Technology University. The study focuses on students born between 1997 and 2012, representing Generation Z, who are familiar with digital technology and using the Sepran Application
4. Data Collection Technique: Questionnaire. Data were collected using structured questionnaires distributed to the selected respondents to obtain relevant information regarding their financial behavior and application usage.
5. Data Analysis:Validity and reliability tests, moderation regression analysis, t-test, F-test, Mann-Whitney U test, and coefficient of determination (R^2). These statistical methods are employed to ensure the accuracy and consistency of the data, test the research hypotheses, and evaluate the strength of the relationships between variables.

RESULTS AND DISCUSSION

1. Descriptive Statistics

   Descriptive analysis showed that the majority of students who use the Sepran application reported higher levels of awareness and discipline in managing their finances. These students consistently recorded their income and expenses, set budgets, and monitored their financial activities more regularly compared to those who did not use any financial application.
2. Validity and Reliability Tests

   The validity and reliability tests confirmed that the questionnaire items used to measure financial behavior and application usage were both valid and reliable, ensuring the accuracy of the research findings.

3. Hypothesis Testing

   The Mann-Whitney U test and t-test results indicated a significant difference in financial behavior between the two groups. Students who used the Sepran application demonstrated better financial management practices, such as regular budgeting, expense tracking, and saving habits, compared to those who did not use any financial application. The F-test and moderation regression analysis further revealed that the cashless society phenomenon strengthened the positive impact of using the Sepran application on financial behavior. The coefficient of determination (R^2) showed that a substantial portion of the variance in financial behavior could be explained by the use of financial applications and the moderating effect of the cashless society.

4. Discussion

   The findings support the alternative hypothesis (Ha), which states that there is a significant difference in financial behavior between Generation Z students who use financial record-keeping applications and those who do not in the era of the cashless society. The results are consistent with previous research and the theoretical framework, which suggest that the adoption of financial technology applications enhances users' financial literacy and discipline.

   The Sepran application, with its user-friendly features and systematic approach to financial management, helps students develop healthier financial habits. In the context of a cashless society, where digital transactions are increasingly prevalent, the use of such applications becomes even more crucial. The ease and convenience of digital payments, combined with the structured financial tracking provided by Sepran, encourage students to be more mindful and responsible in managing their finances.

   In summary, the use of the Sepran financial application has a positive and significant impact on the financial behavior of Generation Z students, especially when supported by the cashless society environment. These findings highlight the importance of promoting digital financial literacy and the adoption of financial management applications among young people to foster healthy financial behaviors.

CONCLUSION

This study finds that the use of the Sepran financial application significantly improves the financial behavior of Generation Z students at Digital Technology University, especially in the cashless society era. Students using Sepran show better financial management, such as consistent tracking, budgeting, and saving. The cashless society environment further enhances these positive effects.

Practically, educational institutions and policymakers are encouraged to promote financial management applications like Sepran to support healthy financial habits and digital financial literacy among students.

However, the study is limited to Generation Z students at a single university and relies on self-reported data, which may affect the generalizability and objectivity of the results.

Future research should involve a broader sample from multiple universities or generations and consider longitudinal or experimental designs to better understand the long-term impact of financial application use on financial behavior.

Equation

Financial Behavior = Constant + (Effect of Using Sepran) + (Effect of Cashless Society) + (Interaction Effect) + Error

Or in a simpler symbolic form:
$Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 (X \times Z) + \varepsilon$
Explanation:
Y = Financial Behavior (how well students manage their finances)
X = Use of Sepran application (whether students use the app or not)
Z = Cashless Society (the influence of cashless payment trends)
β_0 = Starting point or baseline level of financial behavior
β_1 = How much using Sepran affects financial behavior
β_2 = How much the cashless society influences financial behavior
β_3 = How the combination of using Sepran and cashless society together affects financial behavior
ε = Other factors or random error that affect financial behavior

This equation shows that financial behavior depends on using the Sepran app, the cashless society, and how these two factors work together.

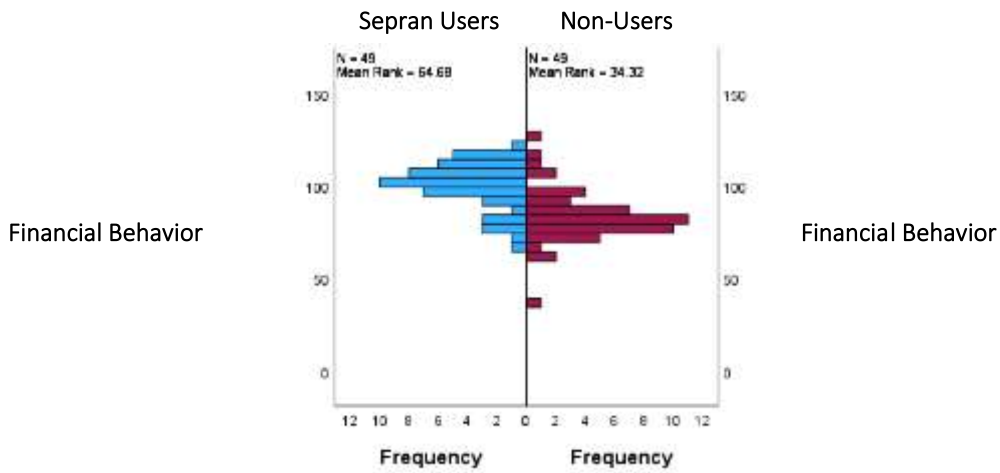
Figures and Tables

Here is a figures and tables these simple visuals summarize key findings: half the students use the Sepran app, and those who use it show better financial behaviors. The cashless society environment further enhances these positive effects.

Table 1. Comparement Sample

Financial Behavior Aspect	Score	
	Sepran Users (50%)	Non-Users (50%)
Income and Expense Tracking	4.3	3.1
Budgeting	4.1	2.9
Saving Habits	4.0	3.0
Overall Financial Discipline	4.2	3.0

Picture 1. Independent-Samples Mann-Whitney U Test



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