

# The effect of technologies on next for the millennials generations

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Now is the 21st century, every country is in a period of rapid development. Whether in economy, education, technology or urban construction. With the improvement of people's material life and spiritual desire, their life philosophy and consumer attitudes have changed a lot from the last century. It is recognized as the changes of the generation.

After the World War II, there has been five generations: Silent Generation, Baby Boomer Generation, Generation X, Generation Y and Generation Z. (Troksa, 2016) Among them, the generation Y and Z are what people called "the Millennials". The millennials are quite different from other generation. Based on the development of economy and technology., the millennials can enjoy a more convenient and more diverse consumer environment. Especially in recent 20 years, the digital technology has become an important role in human's daily life. It can be said that the replacement of generations pushed the markets development. However, what will it influence the market in the next generation? This essay will illustrate some opinion about what next for the digital millennials with the influence of the popularization of Mobile Payment technology.

First, it will simply identify what the digital millennials is. Next, it will lead out the concept and history of mobile payments as well as its present situation. In the third part, this essay will give the opinion about how the mobile payments developments in the new generation. Finally, this essay will show the conclusion. Millennials, a word which evolves from ' millennium', mainly describe the young people who was born after 1980. However, scholars in various fields of different countries have different interpretations. Eddy, Schweitzer and Lyons thought that the millennials only describe the <https://assignbuster.com/the-effect-of-technologies-on-next-for-the-millennials-generations/>

generation born between 1980 and 1995. In other word, the generation which was labeled as Generation Y,

Nexters, and the Nexus Generation. (as cited by Barnard et al. 1998; Burke and Ng 2006; Zemke et al. 2000) It is unfair and impossible to define millennials in several definitive terms. From the perspective of social theory, 18 to 29 years old. Although many natures are maturing, they are still at a stage that is susceptible to environmental factors. This makes this group rich and complex. (Wang, 2012) Millennials always advocate the attitude of “ want it all” and “ want it now”. They pay a lot of attention on good pay and benefits, rapid advancement, work/life balance, interesting and challenging work, and making a contribution to society. Because of their features, millennials play more and more important roles in many areas, such as entertainment, education, marketing and even politics. This makes people think about next generation: What will they influence the world?

People must admit that new generation has already coming. Generation Z is boarding the stage of the times. Compare with the original millennials, or in other words, generation y, generation z is greedier, pickier and more realistic. For example, Amelia has summarized some preferences of generation z consumers in food service. Low prices; Menu variety and customization; Overall value; Convenience/all-day offerings; Technology/mobile and app ordering; Speedy service; Healthy and natural, “ clean” foods; Vegetarian, vegan and other special diet-like offerings; Environmental and social consciousness; Transparency. (2017) It is not difficult to find that generation z focusses more on effectiveness and good at

discovering new possibilities, not just “ want it all” but “ want it more” and “ want it better”. This also makes them more and more demanding of technology. When they were born, they were in a society with developed information, which makes them extremely sensitive to science and technology. They also know how to use social media to call for and mobilize. They also hope that they can change the world. (Guo, 2017).

Based on such an era environment, one of the technologies which directly affects the lifestyle of modern people has been developed: the mobile payments. Cash is the established payment method which has thousands of years history. However, when people perceived the disadvantages and drawbacks of it. There is no doubt that people will choose another more convenient and quicker payments method. It is the reason of mobile payments development. Ling gave a definition that a mobile payment is “ a financial exchange between two parties using wireless technology that is supported by the widespread adoption of consumer-based technology”. (2004) Now, people still have the different opinion about when and where the earliest mobile payments were used. There is a saying that the first mobile system was invented by Helen Hui, Terence Ho and Charlie Yang in 2000. (Hui, 2002) However, the first country which started using and popularized is Japan.

In 2004, Sony corporation released the first electronic wallet product: Osaifu-Keitai. In the same year later, Japanese McDonald’s and NTT operators have conducted business cooperation. These promoted the burgeoning and development of mobile payment in Japan. Now many scenes in Japan are

starting to use mobile payment such as food and entertainment shopping vending machines, etc. Japan's mobile payment penetration rate has exceeded 50%. (Four nine eight, 2017). On the other hand, now the most developed countries for mobile payment technology is China. According to relevant information, in 2016, the scale of Chinese mobile payment transactions reached 9 trillion US dollars, 90 times that of the United States. (Zan, 2018).

What is the reason that mobile payments become so popular in China? Chinese media thought that there are several factors: 1, "After" advantage. The normal experience of the developed countries in this aspect of payment is: cash-credit card-PC-side third-party payment-mobile payment, but China is actually cash-PC-side third-party payment-mobile payment, skipping many links. 2, The popularity of smartphones. Previously, data organizations have conducted statistics. Statistics show that the average number of mobile phones in China exceeds 96/100, and the penetration rate of smart phones has reached 58%. 3, The promotion of merchants and enterprises. Whether it is WeChat or Alipay, it promotes mobile payment through push, discount, red envelope, etc., so that consumers feel that mobile payment is not only convenient but also affordable. (Mpaypass, 2018).

In this regard, there are also foreign medias agree with these opinions. Guillemaud has said that China is mobile-first society, by 2019, this figure is forecast to total nearly 690 million and continue to expand in the future. He also pointed that the issue of trust. In early 2000's of china, not many people have credit cards or have cards but not trust the security. At same time,

people also found the short coming of the cash payment. Otherwise mobile payment methods such as Alipay has solved this problem: in mobile payments, money paid by customers when placing orders will be transferred to an escrow account. This makes the transactions more convenient and safer because their money is kept by a secured third-party platform and can be claimed after the products have been delivered successfully. (2017) As this essay has illustrated that the generation z focuses on efficiency and be interested in new technology.

There is no doubt that the generation z will be the key of the popularization of mobile payments. This essay gives the opinion that in next generation, mobile payments will completely replace cash payment. There is some data shows that the main users of mobile payments are young people, about twenties old. In the US, over 53% of generation z frequently use mobile payments, it is nearly four times the 14% figure for Baby Boomers (ages 50 to 68). and it is also higher than the 37% for Generation Y (ages 25 to 34) and 27% for Generation X (ages 35 to 49). (Diana, 2016). In China, this phenomenon is more common.

In January 2017, the China University Media Alliance united with Alipay made a special review of the consumption data of more than 4, 000 colleges and universities and vocational colleges and more than 10 million college students. Data show that in 2016, China's post-90s mobile payments accounted for nearly 92%. Per capita payment amount (including transfer, online purchase, red envelope, wealth management, etc.) of Chinese college students on Alipay is about 40, 839 yuan, it increased of 97% over 2015. (Liu

& Du, 2017) Mobile Payments is not limited to daily payments, it is also derived many new era products and services. For example, Shared bicycle Mobike. The Uber also dependent on mobile payments. It is obvious that the non-cash innovation is a trend, and the young people are at the top of this trend. Liu has pointed that through non-cash transactions, many industries have become emerging powers, and many companies in the Internet+ sector cannot work without the non-cash model. (2017). He also said the non-cash model changes not only the original trading system, but also the social rules. These rules will impact the psychology of young people and change their behavior patterns.

Trepoint's CEO and Founder, Bill Carmody, also believes that mobile payments are the future of commerce. " Mobile payments provide a high level of convenience for users, but they also provide a necessary space for people wanting to process cashless payments". Europe and Africa are also not too far behind. the use of mobile payments is also growing. AndroidPay and ApplePay, two smartphone driven applications are used more widely in Europe than in the United States. (2018) On the other hand, however, some media and scholars are not optimistic about the development of mobile payment. One of the opinions shows that the concept of cash payment is hard to be changed. " We've also seen multiple studies over the past few concluding that younger generations (don't forget about Generation Z) are aware of mobile payments, but don't care much about them – a service such as Venmo being the rare exception. These consumers are fully aware that they can pay in-store with a service like Apple Pay, but choose to ignore this fact when it's time to make a purchase". (Will, 2017).

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There is another data shows that about 34 percent of generation z are conventional. They prefer to conduct business face-to-face with traditional banking providers. Another 37 percent of generation z are digital, but they do not really care about using traditional banking or digital or virtual communication. Only 28 percent of them will choose the most convenient way for them. (Vahrenkamp, 2018) Some scholars illustrate that mobile payment is not equal to “ no cash society”.

In 2015, the mobile payment terms in traditional retail the proportion of consumption is only 0. 2% in the US. The reason is not that traditional retailers deliberately resist mobile payments, but that the traditional financial system in the United States is sufficiently developed, which makes credit card consumption not only have no obvious disadvantages compared with mobile payment, but also obviously dominates in some respects. The no-cash society involves the word “ social”, which means that it is not only about financial innovation, business innovation, but also about whether the situation in all aspects of society is ideal. (Yang, 2017) In conclusion, this essay proved that the development and popularization of mobile payments technology is the trend in the future. However, about whether mobile payments totally replace the cash payments, it is still controversial. Some people are very optimistic about the development of mobile payment and believe that it will greatly change the lives of people in the future. Another people thought that cash payments is still necessary in daily consumption and commerce.

Even if the mobile payments can bring convenient operation to individual or corporations, the mobile payments can never replace the cash. Only one fact is recognized, whether the mobile payments rise or decline, the group which decide its development is generation z. What the old generation can do is believe in them and teach them what they have thought, what they have seen and what they have learned. Inheriting it or breaking it out, only time will tell.

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