The Influence of Fintech User’s Attitudes on Selection through Fintech Users Interest

The Study of Millennial Generation in the City of Makassar

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Abstract

The research aimed to analyze the influences of the peer to peer lending, risk and investment management, and payment, the users’ interests on the fintech type selection. Data were collected through the questionnaire which was processed using the path analysis. The hypothesis test used the simultaneous test (f), partial test (t), and the Sobel test. The result of the analysis indicates that the peer-to-peer lending and payment variables have a significant influence, whereas the risk and investment management variables do not have a significant effect. The path analysis result of the first equation namely the peer-to-peer lending variables has a positive effect, the risk and investment management variable has a positive influence, and the payment variable has a positive effect. The T result in the second equation namely the peer-to-peer lending variable has a positive influence, the risk and investment management variable has a positive effect, the payment variable has a positive influence, and the user’s interests have a positive effect. Sobel’s test result indicates that the users’ interest can mediate the relationship between the peer to peer lending and Fintech type selection, the users’ interests cannot mediate the relationship between the risk and investment management, and Fintech type selection and users’ interests cannot mediate the relationship between the payment and Fintech type selection.

Keywords: peer to peer lending; risk and investment management; payment; interest in use and selection of Fintech types

INTRODUCTION

The development of technology and information is currently very fast, not only in Indonesia but the world also feels the development of technology which changes significantly every time. For the financial sector, technological innovation is not a new phenomenon because technology and finance have a long history of symbiosis. Financial technology (Financial Technology) is also not a new development for the financial services industry. Airlangga in Andi Nadhil et al. (2019) said that the development of the digital economy is considered to control the ecosystem or the way of life of humans in the future. For example in the telecommunications sector, currently there are only two choices, Android and iOS. "Banks may not be needed because the marketplace already provides sales, payment and delivery services. In addition, the financial market is now different, it is converging with technology. With technology, all data can be open and exposed to the market”. The technology acceptance model (TAM) was developed based on sociological and psychological theories (Al-Mamary, Al-Nashmi, Hassan, & Shamsuddin, 2016). TAM is widely used to predict user acceptance and usage based on perceptions of the usefulness of information technology (perceived usefulness) by considering the ease of use of information technology (Perceived Ease of Use). TAM further suggests that perceived usefulness and perceived ease of use are essential in
explaining variances in intended use.

The current millennial generation can be found in offices and at home as students, workers, employees, even as parents. With services and products, Fintech can provide comfort and convenience for the millennial generation (Intan Rahmatillah, Dwi Novirani and Rima Nuzla Fitri, 2018). Many millennial use Fintech because it is easier for them. Papp and Matulich (2011), the use of technology by the millennial generation is not the same as the previous generation. Ease of use is one of the reasons why the current millennial generation uses Fintech to transact. Apart from ease of use, effectiveness is also a factor in why Fintech is more used by millennial in transactions. Because with Fintech they can make transactions anywhere and anytime (Muhammad Wildan, 2019). Millennial generation is a generation that involves technology in all aspects of life.

One of the lending and borrowing companies based on financial technology noted that the total investment in the South Sulawesi region reached IDR 2.4 billion. The majority of lenders in Makassar come from the upper middle class. And more interestingly, 80% of them are millennials with a vulnerable age of 19-34 years (Eben, 2019)

The real evidence that can be observed is that almost all individuals in that generation choose to use smartphones. By using these devices, millennials can become more productive and efficient individuals. This generation has the characteristics of open communication, fanatical social media users, whose lives are greatly influenced by technological developments, and are more open to political and economic views. Therefore, researchers are interested in examining the Effect of Fintech User Attitudes on Selection through Interest in Using Fintech in the Millennial Generation of Makassar City.

**LITERATURE REVIEW**

**TAM (Technology Acceptance Model)**

Fatmawati, (2015: 5) TAM is one type of theory that uses a behavioral theory approach which is mostly used to study the process of adopting information technology. This theory is the method most widely used in information technology research because this method is simpler and easier to apply (Surendran, 2012). TAM assumes that a person's acceptance of information technology is influenced by two main variables, namely Perceived Usefulness and Perceived Ease of Use.

**User Attitude**

Kreitner and Kinick (2014) The attitude or attitude is defined as a tendency that is learned to respond in a pleasant way to consistently agree with a certain object. Schmeiser and Seligman (2013) Individual attitudes towards finances are an important component in individual financial decision making. Saifuddin Azwar (2010) Usage Attitude includes three components, namely cognitive (belief), effective (feeling), and cognitive (behavior). Therefore, attitude relates to preferences that can influence behavior.

**User Interests**

Hartono (as cited in Andhadari 2018: 30) behavioral intention is a person's desire or interest to do a certain behavior. A person will do a behavior (behavioral) if he has a behavioral intention to do it. Then, in the research conducted by Tjini and Baridwan (2012), it is stated that interest is one of the psychological aspects of humans that can encourage to achieve certain goals. A person will do a behavior (behavioral) if he has a behavioral intention to do it.

**Actual Use**

Use in the context of using technology can be said to be actual use, which is a form of measurement of the frequency and duration of technology use. Attitude to use is behavior, according to Jogiyanoto (as cited in Andhadari 2018: 30), a positive or negative feeling that a person feels, if he has to do a specified behavior or it can also be interpreted as a user evaluation of interest in using a system.
Financial Technology

Alimirruchi (2017) Financial technology is an implementation of the use of information technology related to finance. Financial Technology according to Bank Indonesia regulation Number 19/12 / PBI / 2017 is the use of financial system technology that produces new products, services, technology and/or business models and can have an impact on monetary stability, financial system stability, efficiency, smoothness, security and reliability of the payment system. Bank Indonesia (2016) classifies financial technology into four categories, namely Peer to peer (P2P) lending, Market Aggregator, Risk and Investment Management, and Payment.

Millennial Generation

Howe & Strauss (in Putra 2016) Generation Y or so-called Millennial Generation is a generation born in 1982-2000. Hasanuddin Ali and Lilik Purwandi (2017) in their book Millennial Nusantara, it is stated that the millennial generation are those who were born between 1981 and 2000. Meanwhile, the millennial generation according to the United States Census Bureau (2015) are those born between 1982 and 2000.

Conceptual Model

On the basis of previous literature, the research model is given in the following:

![Research Model Diagram]

**Figure 1**: The Conceptual Model of Path Analysis of the Peer To Peer Lending, Investment and Risk Management, Payment, User Interest, and Fintech Type Selection

**RESEARCH METHOD**

**Location and Research Design**

This research was conducted in Makassar City, South Sulawesi.

**Population or Samples**

The population in this study is the millennial generation of Makassar City and based on data obtained from the Makassar City Central Bureau of Statistics the total number of people in Makassar City is 1,526,677 people. However, in this study the population size will be determined based on the age of the sample characteristics, namely the Millennial Generation aged 20-40 years. Based on Krijie and Morgan's table, the number of samples to be used is 380 respondents.

**Data Analysis Method**

Quantitative analysis is a data analysis method that requires statistical and mathematical calculations. To simplify the analysis, the SPSS program is used. The analytical tools used are as follows:

1. **Validation Test**

   The validation test is conducted to measure whether a questionnaire is valid or not. A questionnaire can be said to be valid if the questions on the questionnaire are able to reveal
something that will be measured in the survey. This validity test will be conducted using the SPSS (Statistical Package for The Social Science) program. The condition is valid or not can be determined by the criteria for the value r. If r product moment > r table then the question is considered valid. Meanwhile, if r product moment < r table then the question is considered invalid (Siregar 2010).

2. Reliability Test
   Reliability test is used to test the extent to which the results of a measurement can be trusted. Reliability testing on a questionnaire using the Guttman scale if the number of question instruments is even, you should use the Spearman Brown technique with the help of SPSS data processing tools. The research instrument criteria are said to be reliable if the reliability coefficient is > 0.6

3. Classic Assumption Test
   To ensure that the regression equation that has been carried out is linear and can be used validly to find forecasting, a classical assumption test will be carried out, namely by using the normality test, heteroscedasticity test, and multicollinearity test.

4. Path Analysis
   Path analysis is an extension of multiple linear analysis, or path analysis is the use of regression analysis to estimate the causal relationship between variables (causal models) that has been previously determined based on theory. Path analysis itself does not determine a cause-effect relationship and also cannot be used as a substitute for researchers to see the causality relationship between variables.

5. Descriptive Analysis
   Descriptive analysis is statistics used to analyze data by describing or describing the data that has been collected as it is without intending to make generalized conclusions or generalizations. Descriptive analysis is a research conducted to determine the value of the independent variable and the dependent variable.

6. Sobel Test
   Sobel test is used to determine whether the intervening variables in this study can mediate the dependent and independent variables. The sobel test is done by testing the strength of the indirect effect of the independent variable (X) to the dependent variable (Y2) through the intervening variable (Y1).

7. Statistical Test F
   The F test or simultaneous test is used to test the effect of each independent variable on the dependent variable together. The F statistical test is a test that shows whether all the independent variables in the research model have a joint influence on the dependent variable. The F test can be done by comparing the F count and the [F]_table. If F-count > F-table, the significant model can be seen in the significant column. If F-count < F-table, the model is not significant.

8. Statistical Test T
   The T test or partial test is used to determine the effect of each independent variable on the dependent variable. The T test is a test that shows how much influence one independent variable individually has in explaining the dependent variable.

\[
Y_i = (\rho y_1 x_1 X_1 + \rho y_1 x_2 X_2 + \rho y_1 x_3 X_3) + \varepsilon_i \quad \text{.......................... (1)}
\]

\[Y_i (\text{Fintech Type Selection})\text{denotes dependent variable, } X_1 (\text{Peer To Peer Lending}), X_2 (\text{Risk and Investment Management}), X_3 (\text{Payment}) \text{ denotes independent variable and } \varepsilon_i \text{ is the random error component, and } \theta \text{ is a constant parameter, the parameter of } \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6 \text{ are the regression coefficient} \]

**EMPIRICAL RESULTS**

**Descriptive Statistics**

The number of respondents in this study was 380 people. The following is the data of respondents based on gender, namely 129 men, 251 women, 78 respondents aged 20-24 years, 138
Meanwhile, the interest of fintech users can mediate the effect of peer to peer lending on selections. The Sobel Test was carried out, namely testing the effect of the variables Peer to Peer Lending (X1), Risk and Investment Management (X2), and Payment (X3) on Interest in Use (Y1), testing the effect of Peer To Peer Lending, Risk and Investment Management, and Payment, and Use Interest in the Selection of Fintech Types (Y2). The substructures will be explained as follows.

### Table 1. Path Analysis Result (Equation Y1)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>15.094</td>
<td>2.069</td>
<td>7.296</td>
<td>.000</td>
</tr>
<tr>
<td>Peer To Peer Lending</td>
<td>.225</td>
<td>.049</td>
<td>.232</td>
<td>4.628</td>
</tr>
<tr>
<td>Risk and Investment Management</td>
<td>.059</td>
<td>.054</td>
<td>.055</td>
<td>1.060</td>
</tr>
<tr>
<td>Payment</td>
<td>.145</td>
<td>.048</td>
<td>.153</td>
<td>3.034</td>
</tr>
<tr>
<td>a. Dependent Variable: User Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Output SPSS, 21

These results indicate that Peer To Peer Lending and Payment have an effect on Interest in Use (Y1) because the significant values of the three variables are less than 0.05. For the value of e1 is the value of other variables outside the research variable that has an influence on Interest in Use (Y1). Meanwhile, the Risk and Investment Management variable has no effect on Interest in Use.

### Table 2. Path Analysis Result (Equation Y2)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>14.906</td>
<td>1.742</td>
<td>8.555</td>
<td>.000</td>
</tr>
<tr>
<td>Peer To Peer Lending</td>
<td>.090</td>
<td>.039</td>
<td>.114</td>
<td>2.284</td>
</tr>
<tr>
<td>Risk and Investment Management</td>
<td>.080</td>
<td>.042</td>
<td>.090</td>
<td>1.884</td>
</tr>
<tr>
<td>Payment</td>
<td>.152</td>
<td>.038</td>
<td>.198</td>
<td>4.007</td>
</tr>
<tr>
<td>User Interest</td>
<td>.181</td>
<td>.040</td>
<td>.223</td>
<td>4.470</td>
</tr>
<tr>
<td>a. Dependent Variable: Type of Fintech</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Output SPSS, 21

These results indicate that Peer To Peer Lending, Payment, and Interest in Use have an effect on the choice of Fintech Type (Y2) because the significant values of the three variables are less than 0.05. However, Risk and Investment Management does not have a significant effect on the Selection of Fintech Types (Y2).

**Sobel Test**

The requirement is that it can be said that there is a mediating effect or an indirect effect if the calculated t value is greater than the t table value (Sobel, 1982). Based on the results of the above calculations, the t-count value for the path 1 equation is 3.70 <1.96, the path 2 equation t-value is 0.15 <1.96, and the third path equation means that the interest of Fintech users cannot mediate the effect of Risk and Investment Management and Payment on the Selection of Fintech Types. Meanwhile, the interest of fintech users can mediate the effect of peer to peer lending on selections.

**Statistical Test F**

### Table 4. Statistical Test F (Equation Y2)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>4</td>
<td>115.158</td>
<td>18.115</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>375</td>
<td>6.357</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Peer to Peer Lending (X1), Risk and Investment Management (X2), Payment (X3), and User Interest (Y1) variables simultaneously affect the selection of Fintech Types (Y2). The amount of influence is 9.9% and significant with a significance of 0.000 < \alpha = 0.05.

**Statistical Test T**

The amount of the t-table number provided that \alpha = 0.05 and df (n-k) or (380-5) = 375. From these provisions, the t-table number is 1.966.

**DISCUSSION**

**Effect of Peer to Peer Lending on the Selection of Fintech Types**

The regression results show that the Peer to Peer Lending variable which is proxy by the choice of using Fintech has a positive and significant effect. This means that most of the Millennial Generation of Makassar City have chosen to use Peer to Peer Lending in lending and borrowing services. The results of this study are consistent with previous research conducted by Heryucha R. Tampubolon (2019) which shows that the development of financial technology, lending and borrowing activities are now developing. In an online form similar to e-commerce. In short, through Peer to Peer Lending, a borrower can get funding from many individuals. So, they no longer have to go to the bank to carry out lending and borrowing activities or other financial institutions. Likewise, research conducted by Embun (2018) obtained results from research that the factors affecting MSMEs taking loans from Peer to Peer Lending are consumer assessment factors along with service factors.

**The Influence of Risk and Investment on the Selection of Fintech Types**

The regression results show that the Risk and Investment Management variable which is proxy by the choice of using Fintech has a negative and insignificant effect. This means that the Millennial Generation of Makassar City does not choose to use the Fintech Risk and Investment Management type. The results of this study are consistent with research conducted by Maulia Nurul and R. Gratiyana (2018), concluding that education development is needed in the use of mobile or web applications to make it easier for investors to learn about Fintech products. There is still a lack of education and socialization about Risk and Investment Management, even though this type of Fintech can help in financial management and provide information about types of investment.

**The Effect of Payment on the Selection of Fintech Types**

The regression results show that the Risk and Investment Management variable which is proxy by the choice of using Fintech has a positive and significant effect. The results of this study are consistent with research conducted by Ni Putu and Yeyen (2019). The results showed that the millennial generation prefers cashless payments because it provides convenience in transactions. Millennial Generation can make transactions anywhere and anytime by using Payment they no longer have to go to the bank or ATM to make transactions. Likewise, research conducted by Rifky (2018) obtained research results that the development of start-up businesses in Indonesia affects electronic money transactions to increase. It can be seen that every day the interest in public consumption increases, besides that there are also many discounted prices given to each star up company.

**CONCLUSION**

The results of the regression test show that the Peer to Peer Lending variable which is proxy by the interest in the use of Millennial Generation Fintech has a positive and significant effect. It can be concluded that the Millennial Generation of the city of Makassar has an interest in using Peer To
Peer Lending. This happens because Peer to Peer Lending makes it easy for you to access financial services without having to go to the bank again and the process is fast in lending and borrowing. The regression test results show that the Risk and Investment Management variable which is proxy with the interest in using Millennial Generation Fintech has no positive and insignificant effect. It can be concluded that the Makassar Millennial Generation still does not understand about Risk and Investment Management because of the lack of socialization about this type of Fintech. The regression results show that the Payment variable which is proxy by the interest in using Millennial Generation Fintech has a positive and significant effect. It can be concluded that the Makassar City Millennial Generation is interested in using one type of Fintech, namely Payment. With Payment helps them to make payments automatically by taking advantage of connectivity. The regression results show that the Peer to Peer Lending variable which is proxy by the selection of Fintech use has a positive and significant effect. This means that most of the Millennial Generation of Makassar City have chosen to use Peer to Peer Lending in lending and borrowing services.

The regression results show that the Risk and Investment Management variable which is proxy by the choice of using Fintech has a negative and insignificant effect. This means that the Millennial Generation of Makassar City does not choose to use the Fintech Risk and Investment Management type. The regression results show that the Payment variable which is proxy by the choice of using Fintech has a positive and significant effect. This means that the Millennial Generation of the city of Makassar chooses to use this type of Fintech Payment. It can be seen that every day the interest in public consumption increases, besides that there are also many discounted prices given to each star up company. The regression results show that the Use Interest variable which is proxy by the choice of Fintech use has a positive and significant effect. This means that the Millennial Generation of Makassar City has an interest in choosing to use Fintech, in their daily lives. With Fintech they get financial services without having to go to the bank, in terms of lending and borrowing they don't have to wait long to get funds with a fast process and can make transactions anytime and anywhere without using cash, meaning they prefer to use cashless.

The test results partially state that the Peer to Peer Lending variable on Fintech Type Selection has a positive and significant effect through Fintech Use Interest with a significant value. This means that User Interest is able to mediate the relationship between Peer to Peer Lending and the Selection of Fintech Types. The test results partially state that the Risk and Investment Management variable on the choice of fintech types has a positive and insignificant effect through the interest in using fintech with a significant value. This means that User Interest is unable to mediate the relationship between Risk and Investment Management and the Selection of Fintech Types. The test results partially state that the Payment variable on Fintech Type Selection has a positive and significant effect through Fintech Use Interest with a significant value. This means that User Interest is unable to mediate the relationship between Payment and Fintech Type Selection.

**REFERENCE**


