

Perceives Ease of Use, Level of Trust and Knowledge of the Use of Financial Technology

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Abstract: Financial Technology is a technology-based financial service that facilitates payment transactions anywhere and anytime. This study aims to analyze the utilization of ease of use of technology, the level of trust and knowledge of the use of Financial Technology (Fintech) in the era of society 5.0. Data analysis techniques in this study were analyzed quantitatively using the SEM - Partial Least Square (PLS) method. Test result showed that The R-Square value of the Fintech usage variable is 0.3920 or 39.2%. This means that 60.8% is influenced by other factors outside of this study

1 INTRODUCTION

Financial Technology is a technology-based financial service that facilitates payment transactions anywhere and anytime. This study aims to analyze the utilization of ease of use of technology, the level of trust and knowledge of the use of Financial Technology (Fintech).

The technological development is also felt by the financial industry, especially banking, which once customer data can only be seen in the form of conventional documents, but now customer data can also be seen in electronic or online documents, the emergence of mobile banking, internet banking, and other technology-related innovations. This development has led to a lot of changes in the banking world, resulting in many changes taking place, including those that have been growing rapidly lately, namely Financial Technology (Fintech).

FinTech is not only known among entrepreneurs but also has been known by the public in general. The use of FinTech certainly needs to be addressed immediately through good legal instruments. One Fintech phenomenon that is growing very rapidly is the existence of online transportation such as Go-Jek through its Go-Pay, Grab with Grab Pay, and so on.

The Fintech concept has been around since the mid-2000s when the internet began to be used as a media that was easier to access financial data at banks. At present, the development of Fintech had

reached all circles and can facilitate its users in getting the concept of Fintech been around since the mid-2000s, when the internet began to be used as a media that was easier to access financial data at banks. At present, the development of Fintech has reached all circles and can make it easier for users to get financial products. Financial products.

The fundamental problem that occurs in implementing this technology is public distrust of this technology. This problem occurs people's doubts to conduct transactions with strangers (Jennex, Amoroso, & Adalakun, 2004). This will cause people to prefer traditional transactions rather than online. In the business world, fintech services as a means of electronic payment transactions much support business processes because they are transactional. This facility can facilitate payment transactions in the business world because it can reduce errors and can overcome fraud. Fintech can speed up the transaction process, which can affect everything. For example, in modern supermarkets, with fintech, the transaction process will be fast. The form of payment transactions using fintech which is popular among MSME entrepreneurs is payment using card payments such as "e-money" from Bank Mandiri, "Flazz" from Bank Central Asia, "TapCash" from Bank Negara Indonesia. Technology is a technology-based financial service that facilitates payment transactions anywhere and anytime. This study aims to analyze the utilization of ease of use of technology, the level of trust, and

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2017 Internet User Statistics sourced from <https://apjii.or.id/content/utama> shows that internet

users in Indonesia in 2017 reached 143.26 million (54.68%) of the total population of Indonesia, which reached 262 million users. It can be concluded that internet assistance is one of the factors supporting the development of FinTech's business and digital payments in Indonesia. The development of FinTech is strongly influenced by a factor of trust if the public does not believe FinTech cannot develop.

2 SEM - PARTIAL LEAST SQUARE (PLS) METHOD

Data Analysis Techniques Data collected in this study will be analyzed quantitatively using the SEM - Partial Least Square (PLS) method that shows in Figure 1.

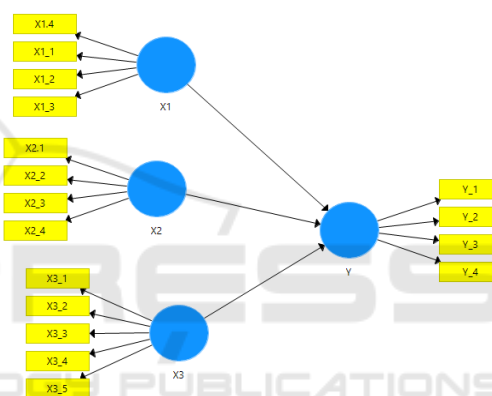


Figure 1: Proposed SEM - Partial Least Square (PLS) Method

The measurement model or Outer Model with reflective indicators is evaluated by convergent and discriminant validity from the indicator and composite reliability for the indicator block (Chin in Ghazali, 2011). The initial model of this study is as follows in Fig.1: the ease of use (X1), confidence level (X2) measured by 4 reflective indicators, knowledge (X3) measured by 5 reflective indicators, and the use of fintech measured by 4 reflective indicators.

Knowledge is defined as everything that is known or everything that is known about something. Knowledge is information that has been combined with understanding and potential to act, which then attaches to someone's mind. Knowledge is a change in an individual's behavior that comes from experience. Measurement of knowledge can be done by interview or questionnaire that asks about the content of the material to be measured from the

research subject or respondent (Philip Kotler 2002). In general, knowledge can be defined as information stored in memory. The subset of the total information that is relevant to the functions of consumers in the market is called consumer knowledge. Then Engel shares consumer knowledge in three general fields, namely product knowledge, purchase knowledge, and useful knowledge. Product knowledge includes (1) Awareness of product categories and brands in the product category; (2) Product terminology; (3) Product attributes and characteristics. Trust about product categories in general regarding specific brands.

The perception usefulness (perceived usefulness) is the extent to which a person believes that the use of technology will improve its performance. If someone finds useful technology believe that he would use. However, if someone is feeling believe that technology less useful and he will not use. (Suyanto kurniawan, 2019). Indicators of Ease of Use (X1) are: (1) I think the Fintech application is effortless to use. (2) The use of the Fintech application is effortless, so I can do it myself without the help of others. (3) The Fintech application is very easy to operate so I don't feel any difficulties. (4) The operation of the Fintech application is very light and easy so it is not so troublesome when I use it.

Trust is one important thing to make someone move from a system that manual to a more advanced system. Trust usually will not be easily obtained by someone but requires time first. (Chandra, 2016)

Indicators of confidence level (X2) are: (1) Fintech can improve performance. (2) Fintech is able to increase the level of productivity. (3) Fintech can improve performance effectiveness. (4) Fintech is able to benefit me.

Product knowledge is defined as information obtained from a product including categories products, brands, product attributes, product features, product prices, and product trust (Candraditya, 2013).

Indicators of Knowledge (X3) are: (1) I already know fintech. (2) I have stored information about fintech. (3) I know the use of fintech is more efficient. (4) I understand how to use fintech. (5) I am actively looking for information on using fintech.

Indicators of Use of Fintech are: (1) I am interested in using Fintech because the features offered are complete and interesting. (2) The Fintech application greatly facilitates the transactions that I do so I always try to use them. (3) I always try to use Fintech because there are always attractive offers.

(4) I always use Fintech because I need it. (Angraini and Widyastuti, 2017)

Estimation of SEM Parameters - Partial Least Square (PLS): The path analysis model of all latent variables in PLS consists of three sets of relationships: (1) Inner model that specifies the relationship between latent variables (structural models). (2) Outer model that specifies the relationship between latent variables with indicators or manifest variables (measurement model). (3) Weight relation, to set scores or calculate latent variable data.

Steps of structural model fit analysis with SEM-Partial Least Square (PLS): In this study, data analysis on SEM-PLS will use the help of SmartPLS software. (a) Obtain a concept and theory based model for designing structural models (relationships between latent variables) and measurement models, namely the relationship between indicators and latent variables. (b) Make a path diagram (path diagram) that explains the pattern of the relationship between latent variables and indicators. (c) Convert path charts into equations. (d) Evaluating goodness of fit is by evaluating the measurement model (outer model) by looking at validity and reliability. If the measurement model is valid and reliable then the next stage can be carried out, namely the evaluation of structural models. If not, then it must re-construct the path diagram. (e) Model interpretation.

3 ANALYSIS AND DISCUSSION

Data Analysis Techniques Data collected in this study will be analyzed quantitatively using the SEM - Partial Least Square (PLS) method that shows in Figure.1.

3.1 SEM-PLS Test Result

Cross Loading Cross Loading is a construct of correlation with measurement items greater than the size of other constructs, so it shows that latent constructs predict the size of their blocks better than other block sizes (Fornell and Larcker, in Ghozali, 2011). Test results from Cross Loading can be shown in Fig.2.

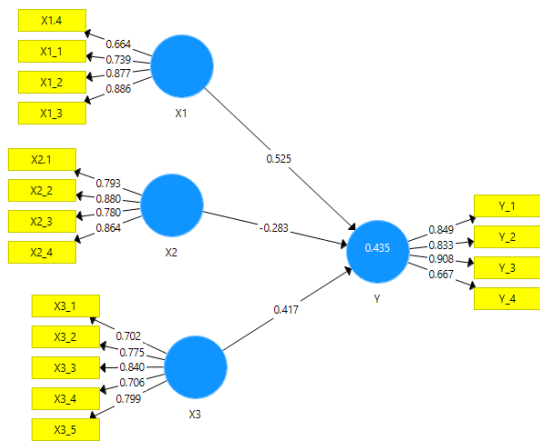


Figure 2. Convergent Validity

Individual reflective size is said to be high if it correlates more than 0.70 with the construct you want to measure. However, for the initial stage of the study, the scale of measurement of loading values of 0.50 to 0.60 was considered sufficient (Chin, in Ghazali, 2011).

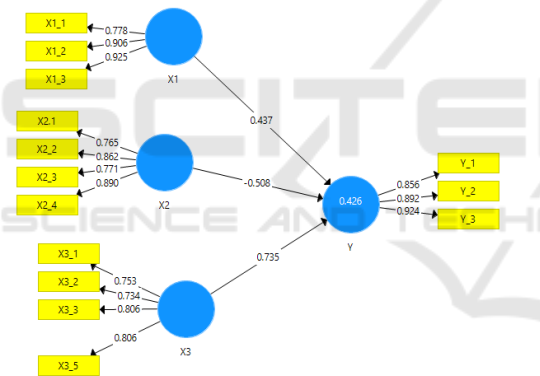


Figure 3. Modified Structural Model

Based on the measurement model above, all indicators are analysis of research variables with a loading factor greater than 0.50 so that it is declared significant or meets convergent validity requirements.

Table I: Variable of Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha
X1	0.904	0.841
X2	0.894	0.858
X3	0.858	0.798
Y	0.920	0.870

3.2 Average Variance Extracted (AVE) and Latent Correlation

Another method for assessing discriminat validity is comparing the square root of average variance extracted (AVE) value of each construct with a correlation between constructs and other constructs in the model. If indigo square root AVE of each construct is greater than the correlation value between constructs and other constructs in the model, it is said to have good discriminat value validity (Forwell and Lacker, in Ghozali, 2011). The test results of AVE can be shown in Fig.4:

Average Variance Extracted (AVE)

	AVE
X1	0.760
X2	0.679
X3	0.601
Y	0.794

Figure 4. AVE test

Figure 4 shows the AVE value where all the values of the variables are greater than 0.50 so that it can be said that each indicator that has been measured has been able to reflect on each variable validly.

3.3 Cronbach's Alpha and Composite Reliability

The next stage of convergent validity is reliability constructs by looking at the reliability composite output or cronbach's Alpha. Criteria are said to be reliable is the composite reliability value or cronbach's Alpha is more than 0.70.

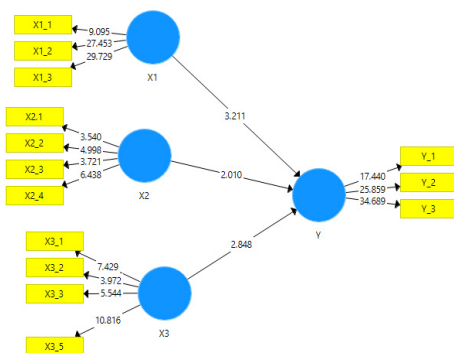


Figure 5. Inner Model Evaluation with PLS Bootstrapping

3.4 Evaluation of Inner Model and Inner Outer Loading model

Inner model is a test by evaluating between latent constructs that have been hypothesized in the study. Bootstrapping that shows in Fig. 5 is a resampling statistical procedure or technique. Resampling means that respondents are drawn randomly with replacement, from the original sample many times to observation.

4. HYPOTHESIS TESTING

Sampling technique is a way to determine a sample whose amount is in accordance with the sample size that will be used as the actual data source, taking into account the characteristics and distribution of populations in order to obtain a representative sample. (Sugiyono, 2011). The sample used accidental method, researchers took samples that match the research characteristics. To meet the required criteria, the research sample needed is one that has used financial fintech for payment types or things related to technology. The sample used in this study was Budi Luhur University students who had used financial fintech and obtained random samples of 60 students.

The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in testing hypotheses is the value found in the result for inner weight output. The following table provides estimated output for testing structural models. To find out the suitability of the proposed model in a population, see the value of the relationship between one variable with another variable or path coefficient value (ρ) by looking at the size of the O (original sample) and T value statistics as a statement of the significance level of the relationship between one variable with other variables (the significance level is taken at the 5% error level or at T above 1.96).

From Figure 6 it is clear that the ease of use (X1), confidence level (X2) and knowledge (X3), affect the use of fintech where t count is greater than t 1.96 (Ghozali and Latan, 2015).

Based on the initial model of the proposed SEM-PLS method, it can be said that the relationship between the latent variable and the other if it shows a number above 1.96 with an estimated parameter of 95% is declared valid. Furthermore, it is seen how much the strength of exogenous variables and

endogenous variables are dependent on this initial model by looking at the magnitude of the value of R Square in each of the endogenous variables in Figure 7.

R Square	
R Square	R Square Adjusted
Y	R Square 0.392

Figure. 7. R square

Figure 7 explains the contribution of variables that affect the variables in the R-Square. The R-Square value of the Fintech usage variable is 0.3920 or 39.2%. This means that 60.8% is influenced by other factors outside of this study.

5. CONCLUSION

Based on the results of the analysis and discussion that has been done, on the use of fintech, the conclusion can be drawn as follows: exogenous latent variables ease of use (X1), confidence level (X2), and knowledge (X3), affect the use of fintech (Y). The level of ease of use of applications from Fintech products should be increased. The easier the user uses and does not feel difficulties, the more interested users are to use Fintech products. Subsequent research can develop this research using other factors that influence the use of Fintech and choose a broader object.

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