



The Factors that Influence the Community Preference Using Financial Technology Services in Sharia Financial Institutions

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ABSTRACT

Kata Kunci:
*Financial
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This research aims to investigate the factors that influence community preference in using financial technology services in sharia financial institutions. This research uses a descriptive quantitative method through multi-linear regression analysis. The respondents of the research are Rembang people who use sharia fintech services with 1,171 respondents. The sample is selected through incidental sampling. The results show that perceived ease, perceived benefit, and attitude influence the community preference using financial technology services in sharia financial institutions.

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INTRODUCTION

Indonesia had the biggest account ownership increase in the region as the number increased from 20 percent in 2011, to 36 percent in 2014 and 49 percent in 2017 (World Bank, 2018). In 2018, the number of active smartphone users in Indonesia is more than 100 million people. With such a large number, Indonesia will become the fourth-largest smartphone user in the world after China, India, and America (Ministry of Communication and Information Technology [MOCIT], 2015). While the internet user population of the country reaches 123 million people in 2018 (MOCIT, 2014).

In Indonesia, around 75 percent of the online buys are made through cellphones. (DBS, 2018). The growth of the number of internet users and the use of cellphones can be used as a consideration by financial institutions in developing their services tailored to society's development (Kurniawan, 2013). Currently, cellphones are not only used as a means of communication but also to perform online financial services, such as bill payments, account transfer, person-to-person transfer, proximity payments at the point of sale, long-distance payments to buy goods and services, and other types of services such as location-based, cellular marketing, tickets, discounts or coupons (Oliveira, Thomas, Baptista, & Campos, 2016). One of the services that has been developed by the banking sector is an online banking system. (Irmadhani, 2012). As of 2014, around 8 percent of the population aged 15 or more used debit cards for purchasing, grew to 11 percent in 2017 (Demirguc-Kunt et al., 2018). The recent changes have seen the country experience a flourishing entry and growths of the financial technology (fintech) platforms and companies. While there has yet to be a formal definition for the fintech itself, Dorfleinter et al. (2017)

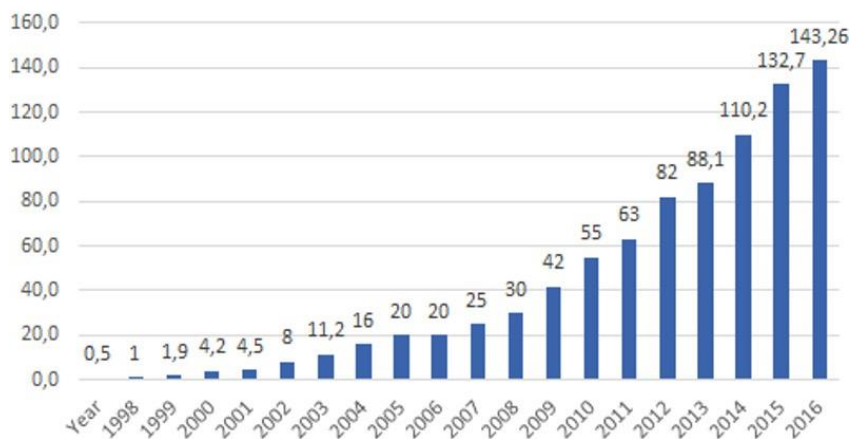


Figure 1. Internet Users in Indonesia (in millions)

Source: APJII (2017)

Previous research have argued that perceived ease has a significant effect on the interest [Liébana-Cabanillas et al. \(2014\)](#), [Kurniawan \(2013\)](#), [Amalia \(2018\)](#), and [Gunawan \(2014\)](#). While perceived benefits significantly influence the interest of community in using financial technology [de Kerviler, Demoulin, & Zidda \(2016\)](#), [Kurniawan \(2013\)](#), [Amalia \(2018\)](#), and [Gunawan \(2014\)](#). On the other hand, the attitude influence people's intention according to their beliefs [Liébana-Cabanillas, Sánchez-Fernández, & Muñoz-Leiva, \(2014\)](#), [Suyanto & Kurniawan \(2019\)](#), [Kurniawan \(2013\)](#), and [Lorenzo et al. \(2011\)](#).

However, there have been no previous studies that have conducted research related to customer satisfaction in relation to the community preference using financial technology services in sharia financial institutions. This paper presents to analyze the factors that influence community preference in using financial technology services in sharia financial institutions.

RESEARCH METHOD

The method used in this research is quantitative descriptive with the population of Rembang people who had savings in sharia financial institutions. The sampling technique was incidental sampling that is based on coincidence in which anyone who accidentally or incidentally meets with the researcher can be used as a sample if he is considered suitable as a data source. In collecting data using questionnaires, samples obtained were 1,171 respondents. the independent variables used in this study are Perceived Ease, Perceived Benefit, and Attitude. This study used a quantitative method with multiple linear regression analysis techniques. Multiple linear regressions are explained through several stages of testing including validity, reliability, normality and classic assumptions for the feasibility study model which then tested the hypothesis using partial and simultaneous tests with the following regression equation:

$$FUI_{i,t} = \beta_0 + \beta_1 PE_{i,t} + PB_{i,t} + AT_{i,t} + \varepsilon_{i,t} \dots \dots \dots (1)$$

Technology Acceptance Model (TAM) considers that the two main behavioral variables in adopting information systems are the usefulness and ease of use. The benefit user perceptions are defined as the rate at which a person believes that using a particular system can improve his performance, and the ease of using internet banking is defined as the level at which someone believes that using a system does not require much effort. The ease of using internet banking also influences user perceptions of the benefits which can also be interpreted that if people feel that a system is easy to use, the system is useful for them ([Wijayanti, 2011](#)).

E-banking is a type of flexible service since it can be used to help customers do financial transactions anywhere and anytime. A wide opportunity to enter the market for

this type of mobile banking service is a challenge for the banking industry to explore the factors that affect customers prefer to use e-banking (Kurniawan, 2013).

Dependent variable used this research is a person's behavior depends on one's attitude about behavior and subjective norms. When someone intends to do a particular behavior, it is possible that he will do that behavior. This study used four independent variable that consist of perceived ease, perceived benefit and attitude.

Perceived ease (PE) means the belief that the system is useful at any time and facilitates transactions, services can be understood, speed of access. PE indicator consists of easiness to perform, reliability and the easiness to install the application of e-banking services (Wijaya, 2006).

While, perceived benefit (PB), the degree at which someone believes that using a particular system can improve its performance, effective, the linkage. In short, the extent to which benefits can be felt by users in using technology systems. PB consists of flexibility (time & place), help customers in doing their tasks, and faster transaction process.

While Attitude (AT), attitude is developed over time when someone gets to experience. Attitudes are considered as multidimensional constructs consisting of cognitive, emotional, and conative dimensions or behavior. The feeling of 'profitable' or 'unprofitable' towards certain behaviors reflects an attitude (Fishbein, 1963), where it shows that attitudes are developed in a time when someone gets to experience. However, different theoretical models (TAM, TRA, and TPB) have found that attitude is an important prerequisite in the intention to develop a particular behavior (Ajzen, 1980). A study revealed that the attitude of Fintech software users had a positive effect on the interest in using the software (Suyanto & Kurniawan, 2019). Attitudes are considered as multidimensional constructs, which consist of dimensions of cognitive, emotional, and conative or behavior (Fishbein & Ajzen, 1975). Individual knowledge about a product or service (experience, trust and opinion) is driven by the cognitive component, while individual preferences about the given object (feelings, emotions, and evaluations) and ultimately driven by emotional components, and behavioral intentions (purchase intention, purchase response, and rejection responses) are conative components (Alonso, 2004).

From the sample collection obtained 1.171 respondents, consist of 54.31% men and 45.69% women. The age of respondents are 25-30 years (31.22%), 31-35 years (24.19%), 36-40 years (28.78%), and above 40 years (6.81%). Meanwhile, respondents' occupation status are students (31.18%), self-employed (37.13%), and private employees (37.09%). Data processing of this study shows the determination coefficient of 66% of the regression model. Testing of data validity shows valid data with the average of *robtained* is more than *rtable* and the reliable obtained *rtable* (one-tailed)

value = 0.1817 which is higher than *obtained* value of each variable. Based on this, it can be concluded that the data is valid. While for reliability, it can be seen from the value of Cronbach's Alpha = 0.917 > 0.6, thus the variables are reliable.

RESULT AND DISCUSSION

Based on partial testing results between Perceived Ease and Interest using fintech in Table 1, found that significant value is $0.008 < 0.01$, in which means that H_0 is rejected and H_1 is accepted. Thus, it can be concluded that there is a significant effect between Perceived Ease and Interest using fintech. The coefficient value of perceived ease is 0.311 in Table 1, the interest in fintech services is 0.311 or 31.1% if the perception of public convenience increases by one unit. Accordingly, there is a significant influence between Perceived Benefit and Interest in using e-banking services (H_0 is rejected and H_1 is accepted), it shows that the higher the perceived benefit, the higher the interest in using e-banking services in Rembang. The use of the services depends on the ease of access or ease of service features. In choosing a sharia financial institution that will be used as a place to have saving or financing, community considers a sharia financial institution that has fintech services which are easily accessible at any time and the features of the services can be used in everyday life. This result in line with Liébana-Cabanillas et al. (2014), Kurniawan (2013), Amalia (2018), and Gunawan (2014) who stated that perceived ease has a significant effect on the interest.

Table 1. Panel Data Regression Test Result

Dependent variable:	FUI (Interest in Using Fintech)
Regression:	Multiple Linear Regression
Analysis model:	(1)
Intercept	*1.911 (0.081)
PE (Perceived Ease)	***0.311 (0.008)
PB (Perceived Benefit)	***0.381 (0.002)
AT (Attitude)	***0.292 (0.001)
F-Statistics	***15.322

	(0.000)
Observations	1,171
R-Squared	0.412

From Table 1, also shows that there is a significant influence between the Perceived Benefit and Interest in using e-banking services. Coefficient value of perceived benefit is 0.381 and that of the interest in fintech services is 0.381 or 38.1%. The results show that the higher the perceived benefit, the higher the interest in using e-banking services in Rembang.

The benefits of fintech services felt by users are the reason for using fintech services in everyday life. For example, for users who are familiar with online shopping, they will feel the benefits in using fintech services in sharia financial institutions. Community perceived benefit viewed from the usefulness of each service is to be effective and efficient in conducting transactions. The results of this study are in line with [de Kerviler, Demoulin, & Zidda \(2016\)](#), [Kurniawan \(2013\)](#), [Amalia \(2018\)](#), and [Gunawan \(2014\)](#) who stated that perceived benefits significantly influence interest.

Based on the result of testing between Attitude and Interest using fintech, Table 2 shows that significant value is 0.001 which means that there is a significant influence between attitudes and interest in using e-banking services (H_0 is rejected and H_1 is accepted), From coefficient value of attitude is 0.292 and that of interest in fintech services is 0.292 or 29.2%. The results of the study show that the attitude of the user after getting experience from other people, seeing other people using the service will attract others to use e-banking services in Rembang.

The coefficient value of the perceived benefit is more dominant to influence interest in using digital services. Community Interest Users of fintech Islamic financial services are influenced by information obtained from other users, the experiences of other users that make them confident to use the fintech services. In addition, the attitude of the public who are curious about the technology of lambaga sharia financial services at this time which is a trend in making transactions makes customers interested in using the fintech services of the Islamic financial institutions. The results of this study support other research by [Liébana-Cabanillas, Sánchez-Fernández, & Muñoz-Leiva, \(2014\)](#), [Suyanto & Kurniawan \(2019\)](#), [Kurniawan \(2013\)](#), and [Lorenzo et al. \(2011\)](#) that attitude will influence people's intention according to their beliefs.

In the development of era 4.0 today, it requires innovation from sharia financial institutions to compete in the financial market. Innovation is realized by providing online services for banking members, without neglecting the fact that not all members use technology-based financial technology (fintech). To find out whether the market shares are right or not, several factors influence community perception on fintech of

sharia financial institutions which are convenience, benefits, and attitude. Overall, perceived benefit is a major factor in using fintech.

CONCLUSION

The results show that perceived ease, perceived benefit towards and attitude influence the community preference in using financial technology services in sharia financial institutions. Simultaneously, these independent variables will affect one's perceptions in using fintech services because each element of the variable is interrelated and if combined will affect more someone's interest in using digital services. Also, from the coefficient result, something that is more dominant is based on the perception of service benefits of 0.284 in which the people use fintech based on the benefits obtained from the use of these services. While Regression model of this study resulted in the coefficient of determination of 0.412. Then the dependent variable can be explained if the independent variable is 41.2%, and the rest is explained if other variables are outside the model.

However further research, it is expected to use a wider coverage of research sample. The limitation of this study is that the scope of the research is only the fintech M-banking service and the sample taken is only the perception of Rembang community. The results of this study recommend sharia financial institutions to improve service innovations that provide convenience, benefits for customers which ultimately will attract the interest of prospective customers to become customers of sharia financial institutions. In addition to that, enhancing security from the use of fintech could make customers loyal to sharia financial institutions.

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