

The Effect of Perceived Ease of Use, Perceived Usefulness, and Risk on User Interest in Using Financial Technology Peer to Peer Lending

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ABSTRACT

This study aims to regulate the effect of perceived ease of use, perceived usefulness, and risk on user interest in using financial technology peer-to-peer lending. Peer-to-Peer Lending is a loan acceptance financial business that uses an internet-based electronic system to connect lenders and borrowers in the context of lending and borrowing agreements. Fintech makes it easy for users to get loan funds so that borrowers can borrow funds with a nominal that exceeds their needs and abilities. However, this has resulted in many victims of fintech users being terrorized by repeated calls, disseminated ID cards or other identities, and contacting the closest person as means of embarrassing the victim. This research has never been done before and it has an important role because there are many issues of fraud, cybercrime, terror, data leakage, data misuse, and inflated debt in illegal Peer-to-Peer Lending that must be resolved. The research subjects are 120 users who have used Financial Technology Peer-to-Peer Lending. Data were taken by distributing questionnaires. The methods used to measure the interest of using Peer-to-Peer Lending were descriptive and verification to determine the effect of perceived ease of use, perceived usefulness, and risk on user interest. The results show that all the variables used have a positive effect on user interest. This research can help Peer-to-Peer Lending users to be aware of choosing and using Financial Technology to avoid risks.

Keywords: *perceived ease of use, perceived usefulness, risk, user interest.*

1. INTRODUCTION

The emergence of financial service industries seems to be a new trend among people and it gives birth to the online trading business industry or e-Commerce. Indirectly, this is a manifestation of the developments of the business world, one of which is innovation in the financial sector, namely Financial Technology. Financial technology continues to develop and increase significantly in number. Financial transactions through Financial technology include payments, loans, purchases, and comparisons of financial products. Common types of credit offered are: 1) Cash Fund, 2) Installment, and 3) Business Loan. There are 153 companies engaged in Financial technology and have been registered in OJK [1]. Prospective users can easily use fintech services by using mobile phones with the internet that can be accessed anywhere and anytime.

FinTech gives users a competitive advantage [3] because it provides speed and flexibility [4,5,6]. FinTech is more dynamic than the evolution of financial services [7,8,9]. The development of financial technology began with innovations in credit cards, debit cards, and cash delivery terminals, such as ATMs [10]. Mobile payment and remittance are two examples of Fintech, which represent Fintech the most globally. Personal finance management, peer-to-peer (P2P) lending, crowdfunding, and consumer equity ownership are other examples of fintech [11].

With the presence of online credit or peer-to-peer lending, the money needed can be easily obtained in a fast and easy process [2]. Access to P2P lending is fairly easy and flexible. Besides, users get many benefits. Because of these conveniences, the number of users of P2P lending is increasing every year [1]. However, it does not escape the risk of technological advances. Cybercrime, fraud, terror, data leakage, data misuse, and

inflated debt to illegal fintech are some risks that must be resolved. What is currently feared by illegal fintech users is the terror if they cannot pay their bills on time, besides the bills can swell. It happens because illegal fintech does not comply with OJK regulations.

The risk in the P2P Lending services is the high interest rate that discourages users to use the application. Many users cannot pay their bills due to high interest rates. This caused a decrease in the 90-day Pay Success Rate (TKB90) in 2019 by 96.35% and in 2020 it fell to 95.22% [1].

The goal of this study is to improve the OJK-regulated P2P lending system. Since the current system is not good, many victims are at risk from the use of P2P lending. This research is also to increase user awareness in using and choosing P2P lending.

Based on the description, the authors want to discover the effect of perceived ease of use, perceived usefulness, and risk on user interest in using financial technology P2P lending. The problems that can be formulated are: (1) How does the perceived ease of use affect users' interest in using Financial Technology P2P Lending in Bandung? (2) How does risk affect users' interest in using Financial Technology P2P Lending in Bandung? (3) What is the Effect of perceived ease of use and risk on users' interest in using Financial Technology P2P Lending in Bandung?

2. BACKGROUND

The degree to which a person believes that using information technology is simple and does not involve much effort is characterized as perceived ease of use [12]. The greater the perceived ease of use, the higher the interest of users to use P2P lending fintech.

Meanwhile, perceived usefulness is defined as the degree to which a person believes that using a particular system would enhance his or her job performance [12].

The interest in using fintech services is positively influenced by perceived ease of use and perceived usefulness [13]. Based on this description, this study proposes the following hypothesis:

H1: Perceived ease of use has a positive and significant effect on user interest in using Financial Technology P2P lending.

H2: Perceived usefulness has a positive and significant effect on user interest in using Financial Technology P2P lending.

Risk is something that is obtained that is not in accordance with expectations. Risk also influences FinTech adoption [14].

H3: Risk has a negative and significant effect on user interest in using Financial Technology P2P lending.

H4: Perceived ease of use and risk simultaneously affect user interest in using Financial Technology P2P lending.

3. RESEARCH METHODS

Respondents in this study were 120 online loan users who have used FinTech services in one or several industries in Bandung. This research has never been conducted before and it has an important role because there are many issues of fraud, cybercrime, terror, data leakage, data misuse, and inflated debt in illegal fintech that must be resolved.

The methods used to measure user interest were descriptive and verification to determine the effect of perceived ease of use, perceived usefulness, and risk on user interest. It employed a multiple linear analysis to process the data obtained. The measurement used the Likert scale method, where each statement contains five alternative answers.

4. CONCLUSION

4.1. Result

4.1.1 Respondent Profile

Financial Technology P2P Lending helps users because of the perceived ease of use and usefulness of the technology. However, users have to think about the risk and the solution so that the fintech benefits them with various conveniences.

Respondent profiles

Table 1. Characteristics of Respondents by Gender

Gender	Amount	Percentage (%)
Male	76	76%
Female	44	44%

The majority of respondents are males by 76 respondents (76%) while females are 44 respondents (44%). The following are the characteristics of respondents based on age:

Table 2. Characteristics of Respondents by Age

Age	Amount	Percentage (%)
17 – 25	17	17%
25 – 35	63	63%
35 – 45	24	24%
45 - 55	16	16%

The majority of respondents is around 25-35 years old, (63%) while the lowest number is respondents around 45 - 55 years old (16%). The following are the characteristics of respondents based on their last job:

Table 3. Characteristics of Respondents by Occupation

Occupations	Frequency (person)	Percentage (%)
Freelance	25	25%
Work for Agency	15	15%
University Student	60	60%
Doesn't work	20	20%

The majority of respondents are university students (60%) while the lowest number works for agencies (15%). The following are the characteristics of respondents based on the experience of using Fintech P2P Lending (Online Loans).

Table 4. Characteristics of Respondents based on the experience of using Fintech P2P Lending (Online Loans) application

Using the App	Frequency	Percentage (%)
Yes	96	96%
No	24	24%

As many as 96 respondents (96%) have experienced using Fintech P2P Lending while the rest (24%) have not. Further, the characteristics of respondents based on their residence in Bandung are listed below.

Table 5. Characteristics of Respondents based on Domicile in Bandung

Domicile in Bandung	Frequency	Percentage (%)
Yes	120	100%
No	0	0%

It can be seen that all respondents come from and live in Bandung.

4.1.2 Reliability test result

The reliability test was performed to examine whether the indicators are consistent and dependable. The indicators can be said reliable when the Cronbach's Alpha is > 0.60.

Table 6. Reliability Test Results

No.	Variable	Cronbach's Alpha	Description
1	Perceived ease of use (X1)	0,972	Reliable
2	Perceived Usefulness (X2)	0,633	Reliable
3	Risk (X3)	0,701	Reliable
4	User Interest (Y)	0,620	Reliable

The Cronbach's Alpha coefficient for all research instruments is greater than 0.60, according to the reliability test results in Table 6. It can be concluded that all variables have met the reliability standards to be utilized in research.

4.1.3 Multicollinearity Test

To see if the regression model discover the correlation between the independent variables, the multicollinearity test was employed. There should be no correlation between the independent variables in a decent regression model. The Tolerance value and the Variance Inflation Factor (VIF) value reveal the multicollinearity test. There is no multicollinearity in the data examined if the Tolerance value is greater than 0.10 and the VIF value is less than 10.

Table 7. Multicollinearity Test Results

Variable	Tolerance	VIF
Perceived ease of use	,127	7,849
Perceived Usefulness	,144	6,949
Risk	,254	3,934

Table 7 shows that the tolerance and VIF values of the Perceived Ease and Risk variables is larger than 0.10 and the VIF value is less than 10, indicating that multicollinearity doesn't exist.

4.1.4 Test of Multiple Regression Equations

Table 8. Multiple Linear Regression Test Results

Variable	Unstandardized Coefficients	
	B	Std. Error
(Constant)	2.265	1.001
Perceived ease of use	.190	.109
Perceived Usefulness	.609	.090
Risk	.343	.086

The following structural equations can be derived from the regression analysis findings shown in Table 8:

$$Y = 2,265 + 0,190 X_1 + 0,609 X_2 + 0,343X_3$$

The results of this equation indicate the magnitude and direction of each independent variable that influences the dependent variable. The regression coefficient with a positive sign means that it influences user interest, while a negative sign means that it does not impact user interest. The coefficients can be described as follows using the multiple linear regression equation:

- It is assumed that the constant value is without the added convenience and risk perception variables, the user interest value is 2.265.
- User Interest will increase by 0.190 if X1 (Perception of Convenience) increases by one unit with the assumption that Risk stays constant.
- If X2 (Risk) rises by one unit with the assumption that perceived ease of use stays constant, User Interest falls by 0.343.

4.1.5 Determination Test

The coefficient of determination test was used to determine how much the independent variable contributes to the dependent variable. The coefficient of determination in this study provides the following results:

Table 9. Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,834	,695	,687	1.73412

The level of the independent variable's influence on the dependent variable, as indicated by the total determination value (R Square) of 0,695, indicates that

the perceived ease of use and risk variables influence the User Interest by 69.5%, while the remaining 30.5 percent is explained by other factors not included in the model.

4.2. Discussion

Fintech P2P Lending is a new kind of business. The system allows individuals and businesses to borrow and lend money to each other so it is called peer-to-peer lending. Fintech gives an incredible impact on the Lending industry, the innovation technology facilitates consumers to get quick money.

Currently, there are many fintech P2P lending companies in Indonesia but many are closed because of some problems. This platform gives everyone the opportunity to become an investor with a high rate of return, more than deposit interest. Thus, these fintech companies are competing to find borrowers, sometimes in quite disturbing ways, such as making repeated calls or intensive promotions in the media. The public's interest in becoming a borrower must be great because the method of borrowing is easy. With this convenience condition, it is possible for borrowers to make loans to several Fintech companies. However, this causes bad credit because the debt increases with large loan interest so there are many cases where borrowers are unable to pay their debts. From this study, it is found that respondents are interested and felt the benefits of the Fintech P2P lending platform, and they are aware of the high risks of lending transactions.

The government in this case the OJK must continue to monitor the existence of illegal practices carried out by unregistered Fintech companies. Rules must always be enforced so that P2P Lending is more beneficial for investors and borrowers by reducing many negative aspects.

4.3. Conclusion

There are 120 respondents involved in this study. The indicators tested using SPSS show that perceived ease of use, perceived usefulness, and risk have a positive and significant effect on users' interest in using P2P Lending with a significant value of 0.00.

Strict rules and high monitoring of Fintech company practices are needed. Besides, it is also important to educate the public through various media so that people understand the lending system and the risks of using Fintech P2P lending. That way will make the fintech beneficial for both users and investors of Fintech companies.

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