

The Effect of Easy Perception and Risk of Users of Financial Technology Services in SMEs of Bandung, Indonesia

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Abstract

This research aims to the study of Ease and Risk Perceptions of users of Financial Technology services. This objective is motivated by the problems faced by MSME business actors in the City of Bandung who have used or are using Financial Technology services. In its use it is influenced by many factors,, in this study the factors are the Perception of Ease and Risk. Taking these two factors is based on the results of interviews with SMEs in the city of Bandung and is supported by data that has been collected. The method used in this research is to use quantitative methods with data analysis techniques used are descriptive analysis of multiple linear regression analysis. The population in this study amounted to 1.567 business actors, so in this study the sampling was carried out by purposive sampling method, namely obtaining a sample of 100 business actors. Based on the results of the research that has been done that (1) the respondent's response to the Ease of Perception is in the easy-to-use category (score 81.3%), (2) the respondent's response to the risk is in the fairly agreeable category (score 66.1% and (3) the respondent's response It can be concluded that the Ease and Risk Perception has a significant effect on Financial Technology service users with a score of 83%. These results support that Financial Technology can have a significant influence on MSME business actors in Bandung city .

Keywords: *Perception of Ease, Risk and Financial Technology*

1. Introduction

In today's modern era, internet seems to be a necessity for everyone. Internet growth in Indonesia annually starts from 1998-2017 internet users continue to increase (Source: Indonesian Internet Service Providers Association, 2017). This proves that the growth of internet access users is growing rapidly and shows a significant increase. With this developing internet access, it will have an impact on the development of the digital world in Indonesia which will offer business opportunities. Companies that rely on conventional or traditional methods will be eroded by companies that apply technology in business development. With the growing number of internet users, it has created new innovations, namely Financial Technology to meet the needs of the community which will certainly make transaction activities more effective and efficient. This Financial Technology is an alternative for people who want to transact online. Financial Technology is divided into four categories, namely, Payment, Transfer, and Clearing (Payment, Clearing and Settlement), Peer to peer lending & Crowdfunding, Risk Management and Market Support. With the existence of Financial Technology in the community, of course, it can help in the transaction process, business capital loans and financial planning to make it more effective and efficient. In Bandung, Financial Technology has mushroomed a lot, various digital-based innovations were born here, and became a business field for MSME players in the city of Bandung. (Duniafintech.co.2018)

Indonesia has been recorded as one of several countries with the best economic growth. According to the newest report of the World Bank, the archipelagic country is enjoying 5.1% economic growth and predicted to be having 5.3% in 2017. One of the crucial factors supporting Indonesia's economic growth is the growing numbers of entrepreneurs. Some indicators to measure entrepreneurial activity in Indonesia are establishments of new businesses. (Pradana, et.al.2020)

At this time, SMEs in Bandung have used this technology, because it is greatly helped by online transaction services. Ease of perception is the ability of a person or individual to know something that can facilitate their business through their senses, and risk is a subjective judgment by a person of the possibility of an event and is worried about the impact after feeling the limit for the services that have been used. These services provide convenience to the community, so that people are interested in Financial Technology services. In Bandung alone, the number of MSMEs has reached 1,567 units. Based on the results of interviews conducted by researchers, with nine MSME business actors in Bandung City, users of Financial Technology services find it difficult to use the Financial Technology application, even though the application is equipped with procedures for its use, funds are difficult to disburse to personal bank accounts, and they feel He is worried about using Financial Technology, because according to him there are many online frauds so that the interest of perpetrators towards users of Financial Technology has decreased.

1. How is the Ease of Perception of MSME entrepreneurs in Bandung?
2. What are the risks to MSME entrepreneurs in Bandung?
3. How is the Financial Technology for MSME entrepreneurs in Bandung?
4. How is the effect of Ease and Risk Perception on Financial Technology services on MSME business actors in Bandung City simultaneously and partially?

Based on the problem formulation above, the purpose of this study is to analyze and determine the effect of the Ease and Risk Perception on Financial Technology users on MSME business actors in Bandung City who will assist the development of these MSMEs.

The hypothesis is a temporary answer to the formulation of the research problem. Hypothesis testing is used to find out the truth of the provisional assumptions. The hypothesis is basically interpreted as a temporary answer to the formulation of the research problem (Sugiyono, 2017), this definition is for the research hypothesis. Based on the formulation of the problem, the theoretical study and the framework, a research hypothesis can be drawn as follows:

1. The Effect of Perceived Ease of Users of Financial Technology services
H0: Perceived convenience does not have a positive and significant effect on users of Financial Technology services
H1: Ease of perception has a positive and significant effect on users of Financial Technology services
2. Effect of risks on users of Financial Technology services
H0: Risk does not have a positive and significant effect on users of Financial Technology services
H1: Risk has a positive and significant effect on users of Financial Technology services

2. Literature Review

Fintech comes from the word Financial Technology or in Indonesian is Financial Technology. "Financial Technology is the use of technology in the financial system that produces new products, services, technology and business models that can have an impact on monetary stability, system, finance and efficiency, as well as security, smoothness and reliability of the payment system" (Bank Indonesia, 2016). Meanwhile, according to the Financial Services Authority (2016), it is a system that builds mechanisms in the form of financial transactions with the latest technology. Financial Technology in Indonesia falls into two categories, the first is Financial Technology 2.0, which is a form of digital service that operates financial institutions such as BRI, BNI, Mandiri, and BCA Online, for example, such as Mobile Banking and Internet Banking. Whereas the second is Financial Technology 3.0, namely Financial Technology services for startups who innovate in the financial sector by having services or products offered. These Financial Technology services are divided into four types, namely Peer to Peer Lending & Crowdfunding, Market Aggregator, Payment Clearing & Settlement and Risk Management.

It is recognized that the development of a technology called the internet has changed human lifestyle, in terms of business interactions, as well as economic, social and cultural aspects. Indirectly, the use of internet provides practical problem-solving in every activity. (Pradana, et.al., 2017)

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Perception of risk according to Dunn (1986) states that a consumer who buys a product or service with negative consequences for the user of the product or service. Perceptions of risk can also be referred to as negative perceptions from consumers which will result in negative situations becoming real. Meanwhile, according to Schiffment (2015) risk perception is a form of uncertainty from the unpredictable consequences that may be experienced from consumer purchases. Perceived risk is a negative possibility that occurs from an event that is carried out by an individual subjectively. From this definition, it can be concluded that risk perception is a subjective assessment by a person of the likelihood of an event and worrying about the impact after feeling the goods for the services used. The dimensions of risk according to Mulyadi Nistrisusastro (2015) are financial, functional, physical, psychological, social, and time.

Entrepreneurs are individuals or business entities in the form of legal or non-legal entities that carry out activities in an area and enter into business activity agreements in the economic sector. From this definition, it can be concluded that a business actor is an economic activity carried out by someone or more who owns or does not have a legal entity residing in a certain area. MSMEs (Micro, Small, and Medium Enterprises) are productive businesses that are owned directly or indirectly by individuals or business entities with the criteria set in law.

3. Research Methodology

The method used in this research is quantitative method with descriptive research type and causal research. The population of MSMEs in Bandung is 1,567 businesses, and the sample becomes 100 businesses.

According to (Sugiyono, 2015), the definition of sampling technique is "for sampling, this technique is divided into two parts, namely probability and non probability." The sampling method that the writer chose was purposive sampling, meaning that there were only 100 SMEs in the city of Bandung.

According to Sugiono (2014) the sample is part of the number of characteristics possessed by the population. The population is large, so the researcher uses a minimum sample of 30 respondents to be studied.

According to Sugiono (2015) the sampling technique is a way of taking samples, this technique is divided into two parts, namely probability and non-probability. This study uses non-probability techniques, namely by purposive sampling, which is a method used derived from certain criteria, and in this study the criteria are MSME entrepreneurs in Bandung City. The number of samples in this study were 98 respondents or researchers rounded up the numbers to 100 respondents.

Priyatno (2014: 51) states that the validity test is a data test used to find out an item to be measured. This item will be valid if there is a significant correlation with the total score. This item is a question that is shown to respondents using a questionnaire. According to Siregar (2014: 47), after the process of making the questionnaire has been completed, the next step is to test the questionnaire whether it is valid or not. In this study, the authors used a sample of 100 respondents, with the help of IMB Software (SPSS) version 26. This analysis has the objective of whether the data being studied is reliable and the level of validity (valid).

Siregar (2013) states that reliability is carried out for one or more measurements using the same measuring instrument with the aim of knowing the extent to which the measurement results are consistent. In this study, the reliability was carried out with my one-time experiment, then the data obtained were analyzed using the Alpha Cronbanck technique, a useful technique for determining reliable or not reliable instruments. The criteria for a research instrument are said to be reliable if the reliability coefficient is > 0.6 .

The t test (partial test) is the test used by researchers to examine how the influence of the independent variable on the dependent variable, by using the comparison of t and t table. The results of the t test can be seen in the coefficients table in the sig (significance) column. The independent variable and the dependent variable have a partially significant effect if the probability value of $t < 0.5$ and there is no significant effect if the probability value of $t > 0.5$.

The F test is called the ANOVA model, which aims to test whether the independent variable has a simultaneous influence on the dependent variable. In this F test, it has different levels of significance, this depends on the criteria set by the researcher, namely 1%, 5% and 10%. In this study using a significance level of 5% (0.05), if the probability < 0.05 , then, the significant effect jointly between the independent variables and the variables is not significant, but if the probability > 0.05 then, there is no significant effect. together between the independent variables against the dependent variable.

The coefficient of determination, or R Square, is determined by the percentage of the total variation in the dependent variable. Simple regression analysis uses the value of R Square while multiple regression analysis uses the value of Adjusted R Square. In this study, using multiple regression analysis. This study uses descriptive analysis techniques used in this study to determine how much influence the perception of ease and risk on performance in developing MSME businesses in the city of Bandung and using data collection techniques by distributing questionnaires to MSME entrepreneurs in the city of Bandung. Respondents must choose the most appropriate answer according to the respondent with five answers given by a pin. The answers obtained from the respondents were then arranged based on the percentage and, the assessment criteria (Ridwan and Kuncoro, 2008: 28).

4. Result and Discussion

4.1 Respondents' Responses Regarding Perceived Ease, Risk, and Financial Technology variables

The following are the results of the descriptive analysis of the Perceptions of Ease, Risk, and Financial Technology variables:

- a. The Ease of Perception variable as a whole is included in the very good category with a percentage value of 84.1%.
- b. The risk variable as a whole is included in the good category with a percentage value of 77.2%.
- c. Overall, the Financial Technology variable is in the good category with a percentage value of 71.2%.

4.2 Classic Assumption Test

Normality test is done to find out whether the data obtained from the observation results are normally distributed or not, so that the data can be used or not in the regression model, it can be done by graph analysis and statistical tests. As shown in picture 2.

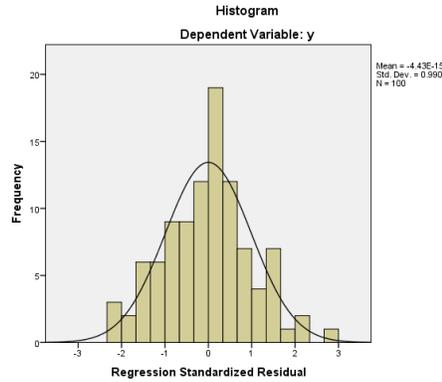


Figure 2 HISTOGRAM

Source: Researcher processed data, 2020

Figure 2 above provides an interpretation that the histogram graph has a normal distribution, it can be seen from the graph that forms a bell pattern or does not tilt to the right or to the left.

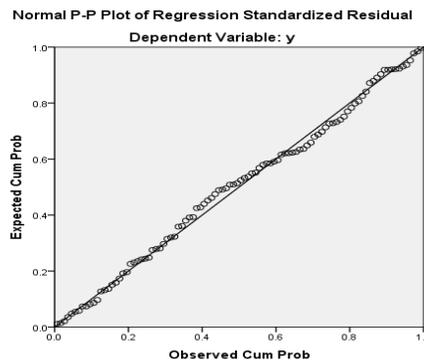


Figure3 Normal P-P Plot of Regression Standardized Residual

Source: Researcher processed data, 2020

Figure 3 shows that the data spreads around the diagonal lines and follows the direction of the diagonal lines. Therefore, based on the figure, the first criterion for Financial Technology is met, namely normally distributed data.

Heteroscedasticity occurs due to changes in situations that are not described by the regression model specifications. In other words, heteroscedasticity occurs when the residuals do not have constant variance. The examination of the heteroscedasticity symptom is to look at the residual scatter diagram pattern, namely the difference between the predicted Y values and the Y observations. If the existing scatter diagram forms regular patterns, the regression is subject to heteroscedasticity disorder. If the scatter diagram does not form certain regular patterns, then the regression does not experience heteroscedasticity disorder. As shown in figure 4

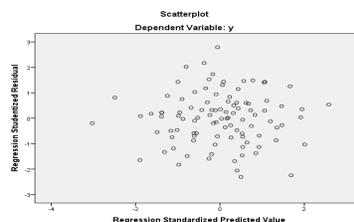


Figure 4 Scatterplot

Source: Researcher processed data, 2020

In Figure 4 it can be seen that the scatter diagram does not form a certain pattern, so the regression does not

experience heteroscedasticity disorders.

Multicollinearity test aims to test the correlation between independent variables. If there is a correlation, it is called multicollinearity, which is a multicollinearity problem. A good regression model should not have a correlation between the independent variables.

Table 1.
Multicollinearity Test Results

| Model | | Coefficients ^a | | | | | Collinearity Statistic | |
|-------|-----------------|-----------------------------|------------|---------------------------|-------|------|------------------------|-------|
| | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Tolerance | VIF |
| | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 0.026 | 0.152 | | 0.174 | 0.9 | | |
| | Ease Perception | 0.623 | 0.082 | 0.563 | 7.645 | 0 | 0.322 | 3.108 |
| | Risk | 0.406 | 0.077 | 0.390 | 5.290 | 0 | 0.322 | 3.108 |

a. Dependent Variable : Finansial Teknologi

Guidelines for a regression model, which is multicollinearity free, is to look at the Variance Inflation Factor (VIF) <10 and if VIF > 10, then the variable has a multicollinearity problem. If Tolerance > 0.1, then the variable has no multicollinearity problem and if Tolerance < 0.1, then the variable has a multicollinearity problem. In Table 4.6, it can be seen that the VIF value < 10 and Tolerance > 0.1, means that there is no multicollinearity problem in this study.

Multiple Regression Analysis is used to determine the effect of Independent Variables (Perceived Ease and Risk) on Bound Variables (Financial Technology) which was carried out on 100 respondents at Pelau MSME businesses in Bandung City. Presented in table 2.

Table.2
Multiple Linear Regression Test Results

| Model | | Coefficients ^a | | |
|-------|-----------------|-----------------------------|------------|---------------------------|
| | | Unstandardized Coefficients | | Standardized Coefficients |
| | | B | Std. Error | Beta |
| 1 | (Constant) | 0.026 | .152 | |
| | Ease Perception | .623 | .082 | .563 |
| | Risk | .406 | .077 | .390 |

a. Dependent Variable: Financial Technology

Based on the results of data processing in Table 2, the multiple regression equation model can be formulated as follows:

$$Y = 0.026 + 0,623X_1 + 0,406X_2$$

Based on this equation, it can be described as follows:

- Constant (a) = 0.026 This means that if the Perceived Ease and Risk is 0, then Financial Technology is 0.026
 - The value of the regression coefficient for the Ease of Perception variable (X1) is positive, namely 0.623. This means that each training increase is increased by one unit, then Financial Technology will increase by 0.623.
 - The value of the risk variable regression coefficient (X2) is positive, namely 0.406. This means that each increase in the Reward System is increased by one unit, then Financial Technology will increase by 0.406
- This test is intended to determine whether there is an influence together with the independent variable of the Perception of Ease and Risk on the dependent variable of Financial Technology simultaneously. Presented in table 3.

Table 3.
Test Results F

| ANOVA ^a | | | | | | |
|--|------------|----------------|-----|-------------|---------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 30,691 | 2 | 15,346 | 237,773 | .000 ^b |
| | Residual | 6,260 | 97 | .065 | | |
| | Total | 36,952 | 299 | | | |
| a. Dependent Variable: Financial Technology | | | | | | |
| b. Predictors: (Constant), Perceived Ease and Risk | | | | | | |

Partial Hypothesis Testing or t-test is used to determine the effect of each Independent Variable, namely Perceptions of Ease and Risk on Dependent Variables, namely Financial Technology.

The results of the calculation of the partial hypothesis test (t test) are presented in table 4.

Table 4
T-Test Results
Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations |
|-------|-----------------------------------|-----------------------------|------------|---------------------------|-------|------|--------------|
| | | B | Std. Error | Beta | | | Zero-order |
| 1 | (Constant) | .026 | .152 | | .174 | .862 | |
| | Ease Perception (X ₁) | .623 | .082 | .563 | 7.645 | .000 | .884 |
| | Risk (X ₂) | .406 | .077 | .390 | 5.290 | .000 | .854 |

Based on Table 4 it can be seen that:

1. The Ease of Perception variable (X₁) has a value of t (7.645) > t table (1.660) and a significance level of 0.000 < 0.05, then H₀ is rejected. Therefore, it can be concluded that partially there is a significant influence of the Ease of Perception (X₁) on Financial Technology (Y).

2. The risk variable (X₂) has a value of t (5,290) > t table (1,660) and a significance level of 0,000 < 0.05, then H₀ is rejected. Therefore, it can be concluded that partially there is a significant effect of Risk (X₂) on Financial Technology (Y).

The analysis of the amount of partial influence is used to determine how closely the influence of each independent variable on the dependent variable is. Partial correlation analysis based on the results of SPSS processing is presented in table 5

Table 5.
The Amount Of Influence Partially

| Variabel | Standardized Coefficients | Correlations | The Amount Of Influence Partially | The amount of influence Partial (%) |
|-----------------------------------|---------------------------|--------------|-----------------------------------|-------------------------------------|
| | Beta | Zero-order | | |
| Ease Perception (X ₁) | .563 | .884 | 0,497 | 49,7% |
| Risk (X ₂) | .390 | .854 | 0,333 | 33,3% |

| | | |
|---------------------|------|-----|
| Total Effect | 0,83 | 83% |
|---------------------|------|-----|

Partial effect is obtained by multiplying the Standardized Coefficient Beta by Zero-order. Based on Table 5 above, it can be seen that the effect of Perceived Ease (X1) on Financial Technology (Y) partially is 49.7% and the magnitude of the influence of Risk (X2) on Financial Technology (Y) is partially 33, 3%. Thus, the total effect of perceived convenience (X1) and risk (X2) on Financial Technology (Y) together is 83%.

The coefficient of determination (R²) in essence measures how far the model's ability to explain the dependent variables. The coefficient of determination is zero and one. The greater the R² value (close to one) the better the regression results because the independent variable as a whole is able to explain the dependent variable and vice versa, the closer to zero means the worse the regression result, because the independent variable as a whole is unable to explain the dependent variable. Presented in table 6

Table 6
Determinant Coefficient

| Model Summary | | | | |
|--|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .911 ^a | .831 | .827 | .25405 |
| a. Predictors: (Constant), Perceived Ease & Risk | | | | |

Table 6 shows that the R value is 0.911 and R Square (R²) is 0.831. This figure is used to see the magnitude of the effect of perceived convenience and risk on financial technology simultaneously. The way to calculate R Square using the coefficient of determination (KD) is as follows:

$$KD = r^2 \times 100\% \\ = (0.911)^2 \times 100\% = 83\%$$

This figure shows the coefficient of determination (KD) of 83%. This shows that the influence of the Independent Variable which consists of Perceptions of Ease and Risk on the dependent variable, namely Financial Technology, is 83% while the remaining 17% is influenced by other factors not examined in this study.

4.3 Discussion of Research Results

Based on the results of descriptive analysis, the Variable Perception of Amity (X1) according to the responses of the respondents as a whole is in the very good category. This is indicated by the overall score obtained by the Ease of Perception variable of 81.3%, which means that it has a relevant effect, that Financial Technology services have easy-to-use access, application service operations are light and easy to use, easy to learn and able to do it yourself without help from others, and make transaction activities effective and efficient. Of the eight statements of the perception of convenience variables, although they were very good, the statement with the lowest score was that users of Financial Technology services do not need cash so that it is practical and easy to use, at 58.2%. This shows that cash payments are still needed without using Financial Technology services.

Based on the results of descriptive analysis, the risk variable (X2) according to the responses of the respondents as a whole is in quite well. The twelve statements of the Risk variable get an overall score of 61.1% so they fall into the fairly agree category. Based on respondents' responses to twelve statements about the risk variable, the highest score was found in the Financial Technology service statement that is prone to fraud, with a score of 83.2%. This shows that Financial Technology is prone to fraud by irresponsible parties.

Based on the results of the descriptive analysis, the independent variables of Financial Technology as a whole are in the fairly agreeable category. This can be seen from the respondents' answers to the twelve statements that obtained a score of 66.85%. Of the eight statements regarding the Financial Technology (Y) variable, the one with the highest score was found in the statement that Payment, Settlement, & Clearing services can help the transaction process effectively and efficiently, with a score of 88.2%. This shows that Financial Technology services, especially in Payment, Settlement & Clearing users, have helped develop MSME businesses in Bandung City.

The independent variable (X) partially based on the results of the T test shows that the perceived ease of use (X1) has a value of $t(7.645) > t_{table}(1.660)$ and a significance level of $0.000 < 0.05$. It can be concluded

that partially there is a positive and significant effect of perceived convenience (X1) on Financial Technology (Y).

The risk variable (X2) has a tcount (5,290) > ttable (1,660) and a significance level of 0,000 < 0.05. It can be concluded that partially there is a positive and significant effect of Risk (X2) on Financial Technology (Y). The magnitude of the influence of the risk variable is 33.3%.

5. Conclusion

Based on the results of descriptive analysis, the Variable Perception of Amity (X1) according to the responses of the respondents as a whole is in the very good category. This is indicated by the overall score obtained by the Ease of Perception variable of 81.3%, which means that it has a relevant effect, that Financial Technology services have easy-to-use access, application service operations are light and easy to use, easy to learn and able to do it yourself without help from others, and make transaction activities effective and efficient. Of the eight statements of the perception of convenience variables, although they were very good, the statement with the lowest score was that users of Financial Technology services do not need cash so that it is practical and easy to use, at 58.2%. This shows that cash payments are still needed without using Financial Technology services.

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The risk variable (X2) has a tcount (5,290) > ttable (1,660) and a significance level of 0,000 < 0.05. It can be concluded that partially there is a positive and significant effect of Risk (X2) on Financial Technology (Y). The magnitude of the influence of the risk variable is 33.3%.

Based on the results of the research and discussion that has been stated previously regarding the influence of the Effect of Perceptions of Ease and Risk on Financial Technology on MSME entrepreneurs in Bandung, several conclusions can be drawn as follows:

1. Perceptions of ease of MSME business actors in Bandung City in the Districts of Antapani, Arcamanik, Gede Bage, Ujung Berung, Cibiru, and Buah Batu as a whole are in the very easy to use category.
2. Risks to MSME business actors in Bandung City in the Districts of Antapani, Arcamanik, Gede Bage, Ujung Berung, Cibiru, and Buah Batu as a whole are in the quite risky category for users.
3. Financial Technology for MSME business actors in Bandung City in the Districts of Antapani, Arcamanik, Gede Bage, Ujung Berung, Cibiru, and Buah Batu as a whole are in the quite agreeable category.
4. Perception of ease and risk simultaneously has a significant effect on financial technology
5. Perceived Ease and Risk partially have a significant effect on Financial Technology

Based on the results of the conclusions described above, the researcher can provide suggestions that can be useful for MSME Business Actors in Bandung City.

a. Based on the results of responses that have been made by respondents to researchers related to the variable "Perception of Ease", the lowest percentage is shown by the question "Financial technology does not need to use cash so it is practical and easy to use". Therefore, MSME business actors in Bandung City, may not leave money. cash as one of the buying and selling transactions of goods or services, because not all MSME business actors in Bandung understand the use of Financial Technology and can be used as an alternative if the buyer does not use Financial Technology services.

b. Based on the results of responses that have been made by respondents to researchers related to the variable "Risk", the lowest percentage is indicated by the question "Financial Technology Services are not effective and

efficient for today's business", meaning that Financial Technology helps improve effectiveness and efficiency when doing business to make it easier. .

c. Based on the results of responses that have been made by respondents to researchers related to the variable "Financial Technology", the lowest percentage is shown by the question "Market Aggregator service users (DuitPintar.com, Cekaja, Cermati, KreditGogo and Tunaiku) in business", meaning that users of Financial Technology services in the Market Aggregator category among MSME business players in Bandung City is not quite popular, therefore it is hoped that MSME entrepreneurs in Bandung City will start using Market Aggregator which will help business development.

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