

Determinants That Influence the Community's Voting Sharia Financial Technology (Fintech)

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Abstract

In the Digital Age, many activities are carried out using technology, such as making telephone electricity payments, shopping with e-commerce, including applying for loans, so that technology is a community need, especially those who have high mobility. The purpose of this study was to examine the effect of the variables financial literacy, religiosity and the Technology Acceptance Model on the decision to choose financial technology financing. The object of research is the people living in Jabodetabek, with a quantitative descriptive design. The research data source is primary data obtained by distributing questionnaires to respondents. The population of people who live in Jabodetabek with the sample selection technique using purposive sampling of 105 respondents. Data analysis used Structural Equation Modeling (SEM) with PLS 3.0 software. The research results prove that the literacy variable based on the P-Value value is obtained $0.00 < 0.05$, meaning that the literacy variable has a significant effect on the dependent variable in the decision to choose sharia fintech. Based on the P-Value, the Religious Variable is $0.00 < 0.05$, meaning that the Religious variable has a significant effect on the dependent variable on the decision to choose Islamic fintech. Meanwhile, the Technology Acceptance Model variable based on the P-Value value obtained $0.602 > 0.05$, meaning that the Technology Acceptance Model variable has no significant effect on the dependent variable on the decision to choose Islamic fintech. meaning that the Literacy variable has a significant effect on the dependent variable on the decision to choose sharia fintech. Based on the P-Value, the Religious Variable is $0.00 < 0.05$, meaning that the Religious variable has a significant effect on the dependent variable on the decision to choose Islamic fintech. Meanwhile, the Technology Acceptance Model variable based on the P-Value value obtained $0.602 > 0.05$, meaning that the Technology Acceptance Model variable has no significant effect on the dependent variable on the decision to choose Islamic fintech. meaning that the Literacy variable has a significant effect on the dependent variable on the decision to choose sharia fintech. Based on the P-Value, the Religious Variable is $0.00 < 0.05$, meaning that the Religious variable has a significant effect on the dependent variable on the decision to choose Islamic fintech. Meanwhile, the Technology Acceptance Model variable based on the P-Value value obtained $0.602 > 0.05$, meaning that the Technology Acceptance Model variable has no significant effect on the dependent variable on the decision to choose Islamic fintech.

Keywords Islamic Financial Literacy, Religion, Acceptance of technology.

INTRODUCTION

Financial institutions doing business has been completely transformed by new technological innovations. Internet technology has made it easier for financial institutions to offer various products and services to customers. Customers benefit from easy access to transactions. As conventional financial institutions are replaced by network-based and digital ones that can be accessed via the internet, the adoption of growing technology is giving banks an edge over their competitors (Saad & Jabbar, 2022).

Financial technology is an emerging field in the world of finance, combining both financial models and information technology to extend financial services to the general public more quickly and at lower costs (Okoli & Tewari, 2020). Adopting technology is



important in order to face financial business competition (Yusupova et al., 2020). Due to age limitations, sometimes customers still use conventional methods and prefer to use traditional methods in providing and accessing financial services (Tong & Serrasqueiro, 2020). However, increasing global commercialization in addition to customers' ever-increasing demands on banks to meet their needs makes fintech adoption is inevitable (Najjar et al., 2020).

The financial services industry has many players in banking, insurance, mutual funds, wealth management, stock markets, treasury/debt instruments and others. The level and nature of cyber threats vary depending on the size and type of services provided by the company (Akhta et al., 2021). For the banking industry, the existence of online loans is a serious threat, because customers no longer need to fulfill various administrations in the banking industry. Society now needs skills that can be transferred between jobs, such as problem solving, communication skills, digital literacy, teamwork, presentation skills, critical thinking, creativity, and literacy (Mahmudi & Listiyani, 2019).

Financial literacy, which is one of the skills that need to be possessed in the digital era, is a core skill for participating in digital society (Lethepa et al., 2020). A country's economic growth is supported by the level of public financial literacy. An educated public understands financial services more easily, which can have implications for people's skills in utilizing financial products and services optimally to improve welfare and protect themselves from potential losses due to financial sector crime (Lusardi et al., 2021). Financial literacy is an instrument for creating economic stability which is characterized by good financial management (Karaa & Kuğu, 2016).

Imbalanced financial management, such as spending greater than income, can result in an individual or family financial crisis. A massive personal or family financial crisis can have implications for the country's economic instability. This is in line with research results which show that there is a very strong relationship between financial literacy and family welfare (Alkan et al., 2020).

METHOD

Research Design

The research uses quantitative data analysis in accordance with the research data that has been developed in chapter one. The technique for obtaining is by distributing questionnaires to the community in the Jabodetabek area. In this study, the variables consist of three independent variables, namely the variables Sharia Financial Literacy, Religiosity, and Technology Acceptance. The dependent variable is Decision. Data analysis uses the SEM (Structural Equation Modeling) model which is operated through the WarpPLS program. SEM is a multivariate statistical technique which is a combination of factor analysis and regression (correlation) analysis, which aims to test the relationships between variables in a model.

Research Objects and Time

The research object is people who live in the Jabodetabek area and have carried out Sharia Technology Financial transactions.

Aktivitas	Oktober				November				Desember				Januari				Februari			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Persiapan Proposal																				
Mencari referensi																				
Penyusunan proposal																				
Seminar proposal																				
revisi proposal																				
Kolektif Data																				
Laporan Penelitian																				
Sidang Tesis																				
Perbaikan Tesis																				
Publikasi jurnal																				

Data collection technique

This research uses a questionnaire in collective data which is distributed to the community in the Jabodetabek area. The questionnaire model was designed using a Likert scale in the form of closed questions and respondents gave a value or score for the questions asked with a rank between 1 and 5. The question type was closed, where respondents only gave a check list mark (✓) on the available answer choices. This research was measured using a Likert scale of 1 to 5 points as follows:

- Strongly Disagree = 1
- Disagree = 2
- Undecided = 3
- Agree = 4
- Strongly Agree = 5

Sampling Technique

Population can be interpreted as an area or object that has certain characteristics that can be characterized or differentiated from others as the target of research. So even though it is general, it can still be differentiated from the others (Mahfud Sholihin, 2020), while the meaning of the sample is the part chosen as the research target (Sugiono, 2019). Researchers in this research used samples taken by proportional sampling or using certain criteria. Researchers provide the first criteria: having previously used sharia financial technology, secondly residing in Jabodetabek (Ratna Wijayanti Daniar Paramita, 2021).

Data Analysis Techniques

The procedural steps that can be used in using SmartPLS software can be divided into three periods, namely:



1. The outer model test step => this method so that it can be proven that the data has validity & reliability for the indicators and constructs
2. Steps to test the suitability of the model (Goodness of fit model) in order to have the ability to predict a suitable model and to suit the model
3. Rarely tests parts of the model with the aim of proving whether the influence is significant or not significant.

Measurement Model Testing Stages

1. Statistical rules for indicators require that the indicator according to statistics be at a number greater than 0.7.
2. AVE reflective construct > 0.5 => smartpls algorithm output
3. AVE square root must be > correlation => smartpls algorithm output
4. Cronbach's alpha > 0.7, composite reliability > 0.7 => output smartpls algorithm

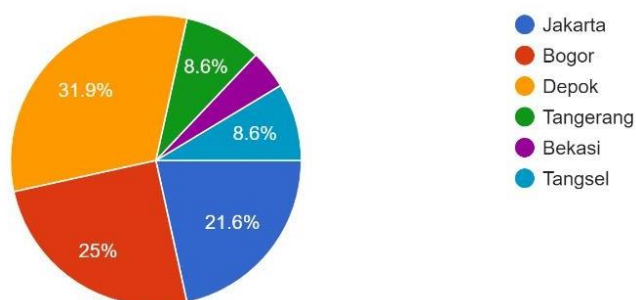
RESULTS AND DISCUSSION

Respondents Based on Place of Residence

The results of the questionnaire distributed consisted of 116 respondents, based on place of residence can be described as follows: Respondent data based on place of residence can be explained as follows: 21.6% of respondents live in Jakarta, 25% live in Bogor, 31.9% live in Depok, 8.6% live in Tangerang, 4.3% live in Bekasi, and 8.6% live in South Tangerang.

Respondents Based on Place of Residence

Tempat Tinggal
116 responses

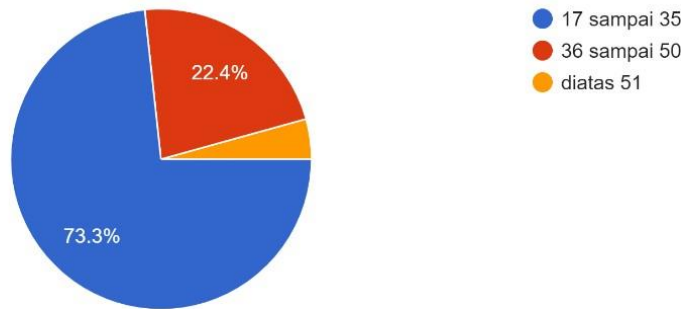


Respondents Based on Age

The results of the questionnaire distributed consisted of 116 respondents, based on age can be described as follows: aged 17 to 35 years obtained 85 or 73.3% of respondents, aged 36 to 50 years 26 or 22.4% of respondents, over 51 obtained 5 or 4.3% of respondents, because The research object is society, so 85 respondents met the requirements

Respondents Based on Age

Usia
116 responses

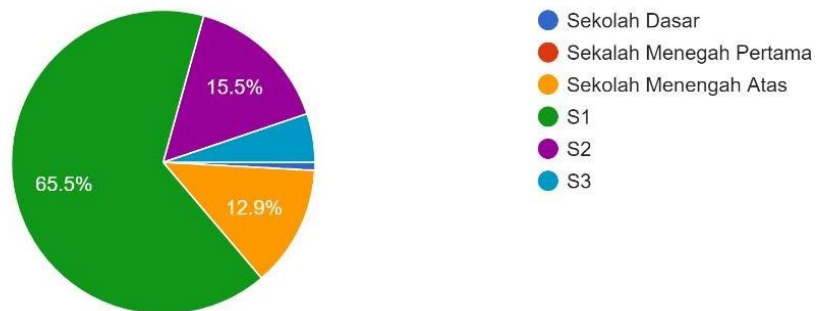


Respondents Based on Education

The results of the questionnaire distributed consisted of 116 respondents, after selecting those who met the requirements as respondents in the Community category, 85 respondents were obtained. Respondent data based on elementary school (SD) education was 0.9%, high school education (SMA) was 12.9%, bachelor's degree was 65.6%, master's degree was 15.5% and doctoral degree was 5.2%.

Respondents Based on Education

Pendidikan
116 responses



Respondents Based on Occupation

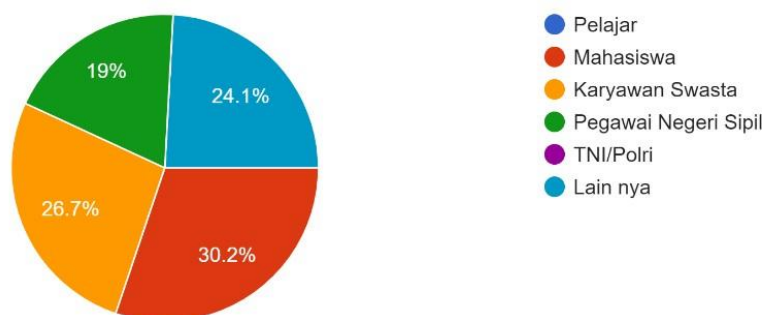
The results of the questionnaire distributed consisted of 116 respondents, after selecting those who met the requirements as respondents in the Community category, 85 respondents were obtained. Respondent data based on student status 30.2%, as private employees 26.7%, as civil servants 19%, and 24.1% as others.



Respondents Based on Occupation

Pekerjaan

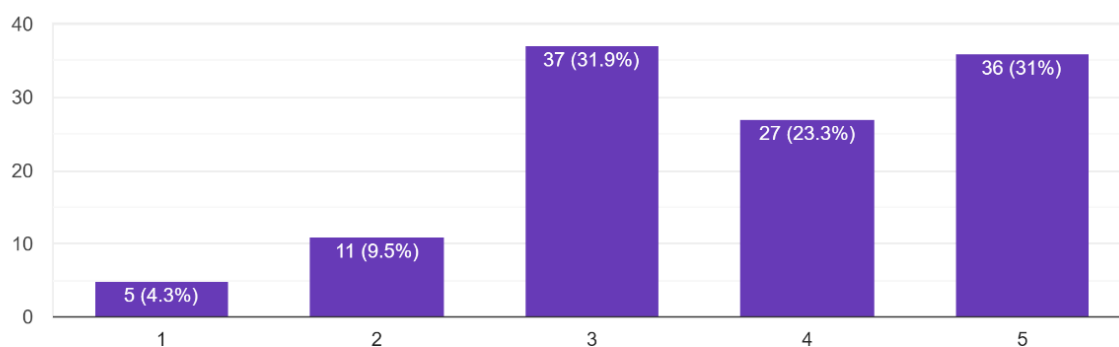
116 responses



Decision Questionnaire to Become a Sharia Bank Customer point 4 I have decided to become a customer of a Sharia Bank or Islamic financial institution. Based on the answers of 116 respondents, for the variable question item Decision to Become a Sharia Bank Customer point 4 I decided to become a Customer of a Sharia Bank or Sharia Financial Institution: 5 respondents strongly disagree or 4.3%, 11 respondents or 9.5% disagree, not sure 37 respondents or 31.9%, 27 respondents or 23.3% agreed and 36 respondents or 31% strongly agreed.

Saya Memutus untuk menjadi nasabah bank syariah atau lembaga Keuangan syariah

116 responses

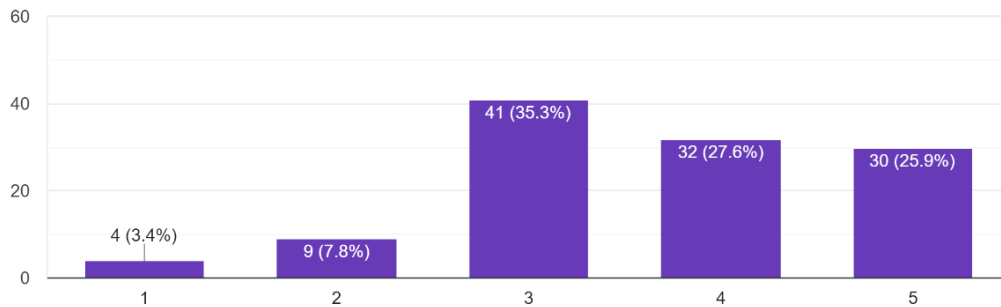


Decision Questionnaire to Become a Sharia Bank Customer point 5 I feel satisfied after becoming a Sharia Bank customer. Based on the answers of 116 respondents, for the variable question item Decision to Become a Sharia Bank Customer, point 5, I feel satisfied after becoming a Sharia Bank customer: 4 respondents strongly disagree or 3.4%, 9 respondents or 7.8% disagree, 41 respondents are unsure or 35.3%, 32 respondents agreed or 27.6% and 30 respondents strongly agreed or 25.9%.

Path Coefficients (path coefficients)

Saya merasa puas setelah menjadi nasabah bank syariah

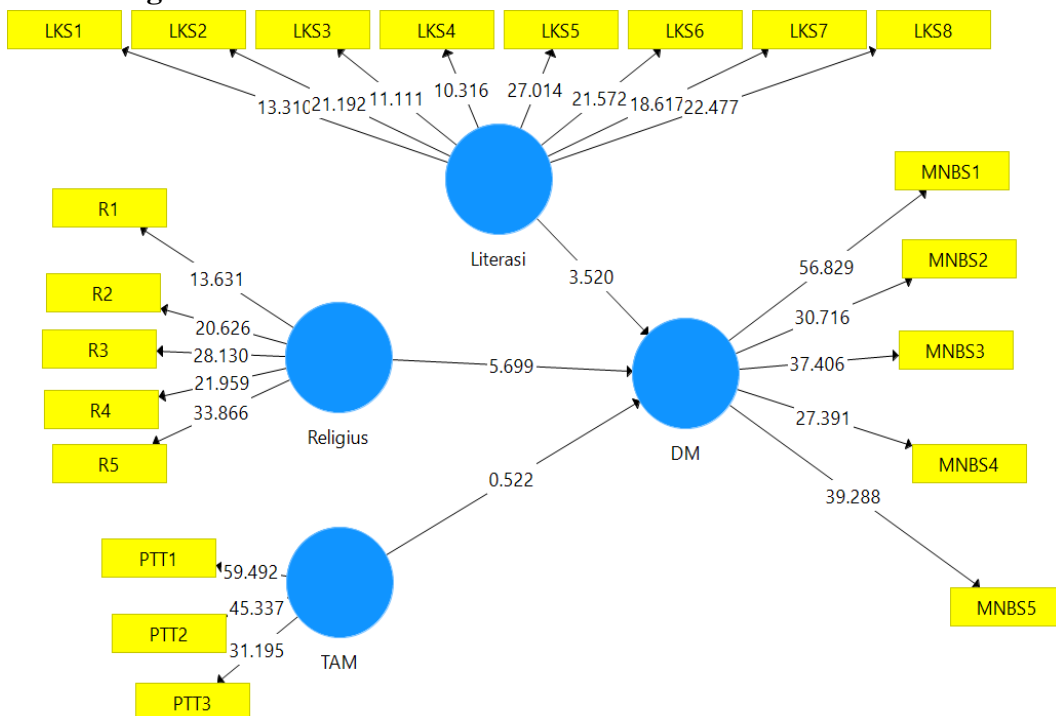
116 responses



Path coefficients are a value that is useful in showing the amount of contribution made by exogenous variables to endogenous variables in a Structural Equation Model analysis. The results of data processing using Smart-PLS version 3.0 can be explained as follows:

- The exogenous variable Literacy obtained a value of 3,520, meaning that the exogenous variable Attitude contributed an influence to the endogenous variable DM worth 3,520.
- The Religious variable obtained a value of 5,699, meaning that the exogenous variable Religious contributed an influence on the endogenous variable DM worth 5,699.
- The TAM variable obtained a value of 0.522, meaning that the exogenous variable TAM contributed an influence on the endogenous variable DM worth 0.522.

Factor Loading





Literacy has a significant effect on the dependent variable on the decision to choose Fintech.

From the research results, it is proven that sharia financial literacy influences the public in deciding to transact with sharia fintech, meaning that the level of understanding of fintech developments is very good. The public is a generation that is familiar with technology, making it very easy to integrate with fintech. This is very possible considering that 65.5 percent of respondents have a Bachelor's degree and 15 percent have a Master's degree, so their way of thinking can be ensured to be more scientific and rational. Very supportive conditions can be seen from respondents based on residence in the Jabodetabek area, generally people who are used to technology in their daily lives, such as taking public transportation using e-money cards, paying for electricity using mobile banking and so on, so that to transacting with financial technology is not something new in daily activities.

Research (Ahmed et al., 2021) results show a positive and significant influence of financial literacy on investment decision-making behavior and financial risk tolerance among individual equity investors. Similarly, financial risk tolerance mediates the relationship between financial literacy and investment decision-making behavior. This study suggests steps for policy makers to improve financial literacy among individual investors. It also proposes significant functional insights for stockbrokers, investment advisors, and financial managers through examining the investment decision-making behavior of individual equity investors. This study serves as a guide for academics to further develop/increase the financial literacy of future investors. (Lotto, 2020) proves such observations may be partly due to the fact that individuals whose financial literacy is quite good are more likely to be equipped with skills and knowledge about the risks associated with investment opportunities and some other financial products. The study also revealed that financial literacy is significantly associated with household socio-demographic factors, and that the adult population shows large financial literacy gaps and, therefore, adults should not be considered a homogeneous group—instead, gender, age, education, and household income levels, shown in the study, should also be considered. The study argues that, since the majority of households, as revealed in the survey on which the labor data set is based, come from rural settings where agriculture is the main economic activity, we determined that agricultural enterprise requires a complete transformation in order for Tanzania to become a middle-income economy through the agenda its industrialization. This study also proposes a financial literacy program to be rolled out to students from the start of their education such as middle school.

Religiosity has a significant effect on the dependent variable on the decision to choose Fintech.

Customers of sharia banks or non-bank financial institutions such as sharia fintech can be categorized into customers who are loyal due to religious or ideological factors and customers who are loyal because of profitability or in other terms idealist customers and rationalist customers. Customers who are loyal due to idealistic factors include religious customers who do not consider business aspects at all, but in contrast to rationalist customers

who consider business or profit factors more, if they consider Islamic banking or fintech to be unprofitable then these customers will move to conventional.

The research results are similar to this research but the dependent variable is sharia banking, such as research (Thohari & Hakim, 2021) conducted research to prove that sharia banking learning and product knowledge have a positive and significant effect, while sharia financial literacy is able to influence the decision to save in sharia banks, although it is less significant. on the decision variable to save at a sharia bank. Then religiosity cannot moderate sharia banking learning and sharia financial literacy on the decision to save at a sharia bank, while religiosity can strengthen product knowledge on the decision to save at a sharia bank. Likewise with research (A. Fauzi & Murniawaty, 2020).

TAM has a significant effect on the dependent variable on the decision to choose Fintech.

People are a generation that is familiar with using technology because now it is the digital era, so they have been introduced to technology from birth and all facilities including toys already use technology so it is not surprising that people are very fluent in using technology.(Kandambi & Wijayanayaka, 2020) Major technology acceptance theories are critically evaluated in the context of their application, concepts and processes to online purchasing to identify the uniqueness of each model. Finally, it is confirmed that technology acceptance theory is directly used to measure technology acceptance behavior in an organizational context. However, there are differences in context, concepts, processes and theoretical aspects when comparing between workers in an organizational context and online consumers in purchasing on line. Therefore, these technology acceptance theories cannot be adopted to measure online purchasing behavior directly.

CONCLUSION

1. The literacy variable regarding sharia finance influences financing decisions through sharia fintech. The higher the literacy of the people of Jabodetabek towards sharia fintech, the greater the opportunity to decide to choose financing through sharia fintech.
2. Religious variables influence people's decisions to choose financing through sharia fintech. Religious people are people who obey and obey religious teachings both in matters of worship and in congregation.
3. The Technology Acceptance Model variable has no influence on the decision to choose financing through sharia fintech, meaning that people are familiar with the use of technology so it is the basis for making financing decisions through sharia fintech.

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