

Benefits and Risk Perception of User Financial Technology Satisfaction and Trust

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Submission date: 02-Oct-2022 07:56AM (UTC+0700)

Submission ID: 1913964198

File name: ser_Financial_Technology_Satisfaction_and_Trust_in_Indonesia.pdf (185.97K)

Word count: 4429

Character count: 23719

Benefits and Risk Perception of User Financial Technology Satisfaction and Trust in Indonesia: Literature Review and Proposed Model Literature Review and Proposed Model

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ARTICLE INFO

Article history:

Received

Revised

Accepted

JEL Classification:

Key words:

Perceived benefit, Risk, Trust, Satisfaction, financial technology.

DOI: 10.6084/m9.figshare.9812210

ISBN: 978-623-92358-0-2

ABSTRACT ← 11

Financial Technology (Fintech) is an innovation of current financial system. In Indonesia, there are 113 companies offering fintech services and have been registered by government. In fintech operation, there are still abuses of these technological advancements, such as data tapping and misuse of customer databases. Based on these conditions, this study aims to analyze the effects of benefits and types of risks - privacy risk, social risk, security risk, and financial risk- on customer trust and satisfaction. The study of users benefits of fintech is measured by the risks perception. Financial risk is a risk resulting financial losses of consumer. Social risk is a risk from lack of acceptance by consumers in the community. Privacy risk is loss of personal data disclosure as results of transactions activities. Security risk is more on the level of security in the transaction affecting to personal survival. Therefore, this study propose a conceptual model of user satisfaction and trust in terms of perceptions of risks and benefits existed in Fintech

ABSTRACT

Financial Technology atau biasa disebut dengan Fintech merupakan sebuah inovasi dari sistem keuangan saat ini. Total perusahaan yang menerapkan layanan fintech dan terdaftar di lembaga pemerintah saat ini sebanyak 113 perusahaan, dan dalam penerapannya masih ada penyalahgunaan atas kemajuan teknologi ini seperti halnya penyalahgunaan data, penyalahgunaan database nasabah dan lain sebagainya. Memperhatikan kondisi tersebut maka penelitian ini bertujuan untuk menganalisa seberapa besar pengaruh manfaat yang dirasakan oleh Pengguna dengan melihat berbagai macam Risiko yaitu Risiko Privasi, Risiko sosial, Risiko Keamanan, dan Risiko Finansial. Penelitian ini Mengukur dan menganalisis tingkat kepuasan dan kepercayaan konsumen terhadap perusahaan Fintech di Indonesia. Kajian tentang manfaat atau sisi positif dari sebuah inovasi Fintech di Indonesia yang dirasakan oleh pengguna, diukur melalui persepsi risiko yang meliputi Risiko Finansial yaitu Risiko yang mengakibatkan kerugian dari sektor keuangan konsumen, Risiko Sosial yang mengakibatkan kerugian dari sektor sosial konsumen berupa kurang diterimanya konsumen di lingkungan masyarakat, Risiko Privasi yaitu kerugian atas pengungkapan data pribadi atas hasil transaksi yang dilakukan, Risiko Keamanan lebih pada tingkat keamanan dalam bertransaksi yang berdampak atas kelangsungan hidup secara pribadi. Kajian ini menghasilkan model konseptual kepuasan dan kepercayaan pengguna ditinjau dari persepsi risiko dan manfaat yang ada pada Fintech.

1. INTRODUCTION

Technology created and developed for simplify human's life. Technological Also developments give made-grow a gap for crime. Some people who do not have the responsibility Often use the tech-

nology to a make profits from people who don't understand its technology. One of the technology sectors which is aggressively innovating in Indonesia is the financial sector, or commonly referred to as Financial Technology (Fintech). According to

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Bank Indonesia (https://www.bi.go.id) Fintech is the result of a combination of financial services and technology that has finally changed the business model from conventional to moderate, which initially had to pay face to face and bring some cash, now can make long distance transactions by making payments that can be done in seconds. Some legal bases governing Fintech: First, Bank Indonesia Regulation No. 18/40 / PBI / 2016 concerning the Implementation of Payment Transaction Processing, the second Bank Indonesia Circular No. 18/22 / DKSP regarding the Implementation of Digital Financial Services, and the three Bank Indonesia Regulations No. 18/17 / PBI / 2016 concerning Electronic Money

Akulaku is one of the largest online Fintech in the Southeast Asian market which includes Indonesia, Malaysia, Vietnam and the Philippines. I am the application that is engaged in the business web portal and the platform of digital commercial purposes (marketplace) which has been registered as the organizers of the electronic system in the Ministry of Communication and Information of the Republic of Indonesia through the Electronic System Registration Certificate No.00262 / DJAI.PSE / 04/2017 dated April 28, 2017 on behalf of PT. Akulaku Indonesia Silver r and also listed on the investment registration letter which was approved by the Investment Coordinating Board (BKPM) with a letter number 1293/1 / IU / PMA / 2018. In carrying out financing / credit activities, Akulaku uses one of our affiliated companies, namely PT. Akulaku Finance Indonesia, a registered finance company that has an official business license from the Financial Services Authority (OJK) with Registered Evidence No.KEP-436 / NB.11 / 2018. here Akulaku helps to facilitate consumer spending by way of credit, allowing consumers to shop anywhere without worrying about cash flow. I have a vision to realize a cashless society by using credit in the Southeast Asian market (https://www.akulaku.com/about).

The news is shown by (https://ekbis.sindonews.com/read) LBH (Legal Aid) has stated that there were 1,330 people who are victims of Fintech peer to peer lending or commonly called the loan online. In this case there is a lot of customer recognition to LBH regarding customers who are intimidated when the online loan provider collects. In addition, the customer also claimed that the loan interest charged was too large and the online loan provider had spread the customer's personal data to several parties so that the customer felt humiliated. According to the news

(https://id.techinasia.com/akulaku) that Akulaku's online loan startup can get ten million customers in two years. The rapid growth of customers owned by Akulaku does not mean that Akulaku customers do not have problems. Some negative reports have emerged such as the Akulaku account burglary, impolite billing methods, and theft of contact data on the cellular phone as revealed on the Consumer Media website on November 4, 2017 (https://mediakonsumen.com).

This study discussed about the benefits and various impacts of risk on consumer satisfaction mediated by the factors of consumer confidence in Fintech services in Indonesia. The benefits of a product / service are needed in providing products or services to customers. Technology-supported services can be said to be beneficial if they provide benefits to the customer and provide a sense of security, comfort and risk. Based on that background, the authors formulate the problem as follows:

1. Does Social Risk have a positive effect on the satisfaction of users of Fintech Akulaku?
2. Does Privacy Risk positively influence Fintech Am I a user satisfaction?
3. Does Privacy Risk have a positive effect on the users trust of Fintech Akulaku?
4. Do the benefits have a positive effect on the user trust of Fintech Akulaku?
5. Does the security risk have a positive effect on the users trust of Fintech Akulaku?
6. Does Safety Risk positively affect the satisfaction of users of Fintech Akulaku?
7. Does Financial Risk positively affect the user's satisfaction of Fintech Akulaku?
8. Does Trust have a positive effect on users' satisfaction of Fintech Akulaku?

2. THEORETICAL FRAMEWORK, LITERATURE REVIEW, DISCUSSION AND HYPOTHESES

Satisfaction

Customer satisfaction is seen as the result of a comparison between consumption, expectations and experience and customer satisfaction is achieved in the result (ie, experience) meets expectations (Khristianto et al. 2012 in Urvashi Tandon Ravi Kiran Ash N. Sah 2017). In this case customer satisfaction was an important role in making decisions for buyers, causing repeated purchases or repeated use of services. Consumers will feel satisfied when their expectations are met in using services or buying products, products or services that are used in accordance with the expectations in mind before

buying the product (Guo et al., 2012 in Urvashi Tandon et al 2017) also explains that Satisfied early customers in a service business is the key factor to profitability which satisfied consumers are more likely to buy back a lot more in the future than dissatisfied customers. Therefore, assessing and maintaining customer satisfaction is very important, particularly for business technology services, that's improving business performance and increasing intensity to the satisfaction of consumers, service providers must have a comprehensive understanding and a deep understanding of the antecedents Customer satisfaction in the use of Fintech services. Indicators to measure Satisfaction refer to a research study conducted by Wajeeha Aslam et al (2018), namely:

- a. Using Fintech is a wise choice
- b. Using Fintech correctly.
- c. Overall the y feels satisfied in using Fintech.
- d. Fintech has fulfilled expectations

Perceived benefits

G. Kim, Shin, and Lee (2009) in Jungkun Park, Eklou amendah, Hyowon Younghee Lee and Hyun (2018) explained that the perceived benefits from mobility technology that provide flexibility and the convenience will positively influence great confidence. A study by Sayid and Echchabi (2013) in Mohammad Hamdi Al Khasawneh, Omar Hujran and Tariq Abdrabb (2018) analyzed the feelings of Somali consumers in using mobile banking. The results showed that ease of use is expected to have a large influence on the perceived benefits of this type of banking service. Besides According to Kim (2009) in Mohammed Hamdi Al-Khasawneh, Omar Hujran and Tariq Abdrabb (2018) says that benefits were defined as the degree of difference between innovation and its predecessor thus can be interpreted that the perceived benefits of facilitating the relationship between ease of use and user attitude so that users feel helped in all aspects of their activities and users feel that there is a benefit for what they use. Furthermore Kim (2009) and Susanto et al. (2013) in Mohammad Hamdi Al Khasawneh et al (2018) explained that the perceived benefits can facilitate the relationship between the ease of use and the attitude of users and find that the relative benefits (perceived benefits) also have a significant and positive influence on the customer's initial trust from this it can be interpreted that a product or service used by consumers provides little or many benefits that will make consumers think positively so that consumers trust the product / service to be

used as a complement to his life but will turn around if consumers already understand that the product or service does not provide benefits to its life then consumers will not trust the product or service so that consumers are reluctant to use it. Quoted from the literature review Indicators to measure Perceived Benefits refer to a research study conducted by Mohammad Hamdi Al Khasawneh et al (2018), namely:

1. Using Fintech can save time
2. Using Fintech Get investment opportunities
3. Using Fintech can save costs

The proposed hypothesis is as follows:

H4: The perceived benefits have a positive effect on the Trust of Fifech Akulaku Users

Trust

Trust has been studied in various disciplines. One of the many results has been presented by many scholarly studies are relevant Mayer, Davis, and Shoorman (1995, pages: 712) in Jungkun Park et al (2018) which defines trust as "Mo Diaan a party to be easily accepted by the actions of other Besides that (Rempel, Holmes, & Zanna, 1985; Rotter, 1980 in Jungkun Park et al 2018) Trust shows positive beliefs about reliability, dependability, and self-confidence felt in a person, object, or process, in this case it can be said that the concept of trust is the result of interpretation that there are positive beliefs behind consumers about reliability, and the dependence that is felt in consumers about the object of the product or service that has been used. and Abdullah in 2008 in Wajeeha Aslam, Intiaz Arif, Farhatc and Marium Kashif Khursheed (2018) explains that customer satisfaction and increasing customer loyalty when customers are trusting the service provider On the other hand if a mop is not trust the service provider is then customer was not satisfied satisfied early in using of the service providers. The theory of reasoned action also suggests that trust leads to satisfaction which in turn will increase consumer loyalty. Besides that, Sfenrianto, Tendi Wijaya and Gunawan Wang (2017) also explained that the determinants of customer satisfaction through online shopping are Trust, website design, financial security, comfort, guarantee, reliability, information, variety of merchandise, user convenience and usefulness. perceived, entertainment, speed, response time, and transaction ability. So that trust has a close relationship with one's satisfaction in using products or services. Indicators to measure trust refer to a research study conducted by Jungkun Park et al (2018), namely:

1. Reliable Fintech payment system

2. Fintech payment system is safe
3. The Fintech payment system can be trusted
4. Trust the Fintech payment system
5. Fintech does the job correctly

The proposed hypothesis is as follows:

H 8: Trust has a positive effect on Fintech user satisfaction

Social Risk

According to Tatik Suryani (2013: 86) Social Risk is the risk due to product purchases in the form of lack of acceptance by consumers in the community besides Featherman and Pavlou (2003) in Urvashi Tandon (2018) Social risk is the potential loss of status in social groups, as a result of adopting a product or service. Social risk reflects a potential loss of status in social groups where it is a result of using a product or service. Findings Featherman and Pavlou (2003) and Thakur and Srivastava (2015) in Urvashi Tandon (2018) says that supported it less individual contact with the sales executive, practically no interaction and social contact with other people as well as the loss of privacy of people makes people not want to shop online with this, the interaction and social contact where there are various social risks will have an impact on the satisfaction of someone to use a product or service so that consumers or customers are satisfied there is a desire to repurchase the product or service. Indicators to measure Social Risk refer to a research study conducted by Urvashi Tandon (2018), namely:

1. Products purchased can cause family disapproval
2. Shopping online can affect the image
3. Online products may not be recognized by relatives or friends

The proposed hypothesis is as follows:

H1: Social risks have a negative impact on Fintech user satisfaction

Privacy Risk

Featherman and Pavlou (2003) in Urvashi Tandon (2018) Privacy risk is the possibility of having personal information disclosed as a result of online transactions. Privacy Risk is the disclosure of personal information that we have publicly disclosed of our activities in using services or products that will cause the misuse of personal data by others. According to Aldás-Manzano et al. (2009) in Mohammad Hamdi Al Khasawneh et al (2018) describes the problem of privacy in banks as a level of consumer concern about the possibility that customer privacy might be violated, and the possibility

that personal information can be disclosed to other companies or to cross sell other banking products. Several studies have examined the impact of privacy risks on mobile adoption and online banking. Priya and Raj (2015) in Mohammad Hamdi Al Khasawneh et al (2018) investigated the effects of risk factors on the use of mobile banking in India. Their research findings show that privacy and security risks determine the use of mobile banking in India. Jalal et al. (2011) in the Hamdi Mohammad Al Khasawneh et al (2018) examined the specific factors that affect consumer intentions to use Internet banking in Bahrain. One of their research results shows that credibility factors such as privacy and security are the main sources of dissatisfaction for service users in this context, so privacy data is a credible thing that must be maintained and maintained properly should not be disclosed to the public when something that is credible maintained then people will trust it so that the risk of privacy is very closely related to customer satisfaction and trust. Indicators to measure Privacy Risk refer to a research study conducted by Urvashi Tandon (2018), namely:

1. Online shopping email addresses can be misused by others
2. Phone numbers may be misused by others
3. Personal information can be disclosed to others
4. Bank card information might have been stolen by someone else

The proposed hypothesis is as follows:

H2: Privacy Risks impact positively on Fintech's user satisfaction

H3: Privacy risk positively influences the trust of Fintech users

Security Risk

According to Thakur and Srivastava (2015); Tandon et al. (2015); Guo et al. (2012); Kolsaker and Tyne (2002) in Urvashi Tandon (2018) Security risk refers to the perception of security regarding ways of payment and the mechanism for storing security as an important aspect in analyzing attitudes. The operational definition of security risk is the respondent's opinion about the level of security in conducting a transaction for a service or product where it will have an impact on the personal must or financially. Koenig-Lewis et al. (2010) in Mohammad Hamdi Al Khasawneh et al (2018) defines security risk in M-banking services as customer anxiety that their money might be transferred to third parties without their further knowledge Ak-

turan and Tezcan (2012) in Mohammad Hamdi Al Khasawneh et al ((2018) states that the security risks involve; the possibility of loss of control over transactions and financial information. According to Mohammed Hamdi Al-Khasawneh (2018) Security risks do not have a significant relationship with perceived risks so people were satisfied in making transactions due to the possibilities of the COD system as a means of payment which has significantly reduced concerns among Indians about possible theft related to credit / debit card details In this case it can be said that security risks have an impact on customer satisfaction looking at the context and various other inherent systems. A study by Islam (2014) reviewing the security issues of mobile banking and payment systems found that mobile banking customers worry about security when using their cellphones to manage Banking and financial transactions may not be as real as they feel In practice, initial consumer trust in organizations and institutions can help to reduce their total perceived risk while increasing trust to use it repeatedly (Yang et al., 2015 in Francisco et al. 2018). Indicators to measure Security Risk refer to a research study conducted by Urvashi Tandon (2018), namely:

1. The Fintech Akulaku payment system is reliable.
2. Fintech Akulaku payment system is safe.
3. Fintech Akulaku payment system can be trusted.
4. Trust the payment system Fintech Akulaku.
5. Fintech Akulaku does the job correctly

The proposed hypothesis is as follows:

H5: Security Risk positively influences the Trust of Fintech users.

H6: Security Risk positively influences the satisfaction of Fintech users.

Financial Risk (Financial)

According to Featherman and Pavlou (2003); Ueltschyt al. (2004) in Urvashi Tandon (2018) Financial risk is the potential for monetary losses from initial product purchases and subsequent maintenance of people. the size of the monetary loss of purchasing products or services used in which the loss is felt from the beginning to the end of using services or products. Furthermore, according to Tatik Suryani (2013: 86) financial risk Risks that result in losses from financial aspects that will be experienced by consumers. The results are conducted by Muhammad Hamdi al typicalawneh et al (2018) confirms that financial risks that include fear of being overcharged, fears of losing money and disclosing debit / credit card information have a negative impact on customer satisfaction. This is compatible with the findings of Masoud (2013) in Muhammad Hamdi al typicalawneh et al (2018), where financial risk arises as a major deterrent to online transactions. It can be explained that financial risk is binding on customer satisfaction because customers are satisfied if they imagine and some of the worries, they feel do not occur so that financial risk greatly affects customer satisfaction. Indicators to measure Financial Risk refer to a research study conducted by Urvashi Tandon (2018), namely:

- a. When shopping online, debit / credit card information can be stolen by others
- b. Possibly overcharged for Fintech transactions
- c. Can't trust Fintech

The proposed hypothesis is as follows:

H7: Financial risks negatively affect the satisfaction of users of Fintech Akulaku.

Research Framework

From the results of the theoretical and problem, the current research framework is as follows:

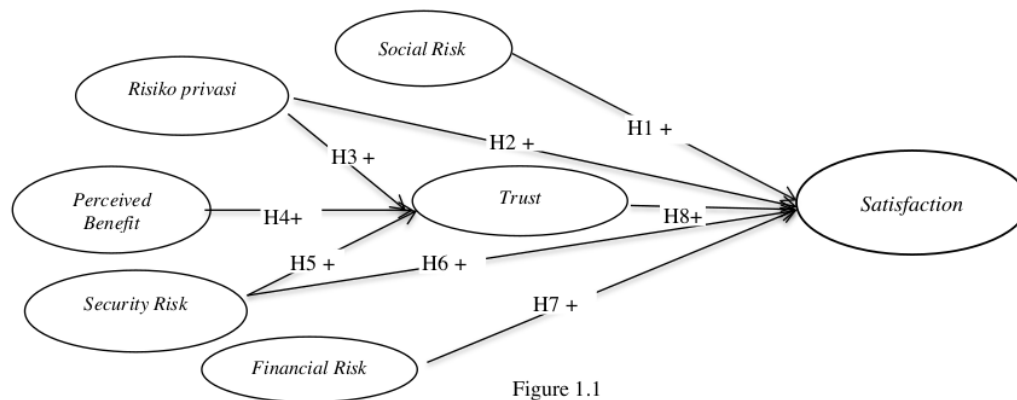


Figure 1.1
RESEARCHER FRAMEWORK

3. RESEARCH METHOD

This study is based on a conceptual model of user satisfaction and trust in terms of the pressures of the risks and benefits of Fintech. This study produces a conceptual model of user satisfaction and trust in the terms of the Perceptions of Risks and Benefits that exist at Fintech. According to previous literature, researchers have found several factors that influence consumer satisfaction. The reference was taken from the study of several marketing books and journals. Therefore, to understand the factors that influence consumer satisfaction as seen from the benefits as well as the various impacts of risk, secondary data are collected, compared and analyzed.

4. SUMMARY

In this study explains that the benefits to facilitate the relationship between ease of use and user attitude. find that the relative benefits (i.e. benefits) have an influence on customer trust from this can be interpreted that a product or service used by consumers provides little or many benefits that will make consumers think positively so consumers trust the product or service to be used as a complement to his life but will turn around if consumers already understand that the product or service does not provide benefits to his life then consumers will not trust the product or service so that consumers are reluctant to use it.

Financial risk is binding on customer satisfaction because customers are satisfied when they fear they imagine and some of the concerns they feel will not occur so that Financial Risk greatly impairs customers' satisfaction. The lack of individual contacts and social contacts with other people as well as the loss of privacy of the people do not want to make a purchase or use a product or service with these interactions and social contacts where there are various social risks that will have an impact on the satisfaction of a person to use the product or those services further that risk the privacy and security of determining a level of credibility as to maintain the privacy and security is the priority source to determine this context, the d or privacy is something credible that must be preserved and properly maintained should not be revealed to the general public when a credible thing is maintained then people will believe it , so that the risk of privacy is very closely related to customer trust and satisfaction for Fintech services.

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