

Research Article

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The Influence of Financial Literacy and Risk Perception on Interest in Using Paylater in Communities of Waru, Sidoarjo District

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Abstract: *Paylater is a financial product, and its use can be influenced by a person's literacy level. A person's interest in using a financial product can be influenced based on an understanding of financial concepts called financial literacy and also knowledge of these risks. This research is descriptive research with quantitative methods. The results of this research state that the variables financial literacy (X1) and risk perception (X2), both partially and simultaneously, have a positive and significant effect on interest in using (Y) paylater in the people of Waru, Sidoarjo District.*

Keywords: *financial literacy, risk perception, paylater.*

Introduction

Financial technology or known to the public as financial technology (fintech), can describe various business model innovations, which offer internet-based financial products and services as well as new technology, so that they have the potential to develop the financial industry market (IOSCO 2017). The fintech sector in Indonesia is governed by three markets. First, Bank Indonesia (BI) regulates payment activities. Second, the Commodity Futures Trading Supervisory Agency (Bappebti) which regulates crypto which includes virtual currencies and assets. Third, the Financial Services Authority (OJK) regulates lending or loan and insurance services (Medici 2021). One of the financial technology sectors that is growing rapidly in Indonesia is Fintech Lending or peer to peer (P2P) lending, which showed a trend in December 2021, through the distribution of loan funds from the government to fintech lending amounting to 13.60T. When compared with 2020, there is an increase of 40 percent (Databoks 2022). Fintech lending is regulated by the Financial Services Authority (OJK) which is regulated by POJK No.77/POJK.01/2016. As of December 2020, there were 152 fintech lenders registered with the OJK, while 36 companies had obtained licensed status (DSresearch 2020).

The paylater feature, which provides online access to loans or credit, first appeared in 2018, namely on the Traveloka platform, which is a travel company. Based on a DailySocial survey conducted by Nabila (2018), the reason Traveloka's Chief Marketing Officer (CMO) introduced the paylater feature was to make payment transactions easier because there were more choices for Traveloka consumers. The RISED survey conducted by Rumayya et al. (2020) also studied paylater services. The study states that the Shopee Paylater application is most widely used (62.41%) to buy products in e-commerce, followed by the Gojek application (31.28%), Tokopedia (10.35%) and others (3.23%) such as the fintech applications Akulaku, Kredivo, Dana, OVO and Linkaja. Applications equipped with paylater features can create attraction among consumers in Indonesia, but appropriate knowledge, attitudes and financial behavior are also needed so as not to be trapped in high interest burdens caused by unpaid debts.

Skills in managing personal finances are very important in everyday life (Margaretha & Pambudhi, 2015). Paylater is a financial product, and its use can be influenced by a person's literacy level. According

to Servon and Kaestner (2008), a person's interest in using a financial product can be influenced based on an understanding of financial concepts called financial literacy.

Every good and service has risks. Prasetya and Putra's research (2020) states that electronic money products should be equipped with security guarantees and compensation for damages caused by the system of use. The Banking Regulatory Research Team (2002) stated that specific risks in internet banking include hacking by hackers, failure of the system to function, and a weak security system. Previous research describes the risk perceptions that individuals will experience when carrying out online transactions (Utami 2020).

Literature Review

Financial Literacy

Financial Literacy Financial literacy is a person's ability to understand the basic features of personal finance such as credit, debt and consumer protection. This also includes a person's ability to make decisions based on information they have received about savings, budgeting, investment and financial management (Baker et al. 2017). Financial literacy can also be defined as someone who has the ability or intelligence in managing their finances, and it is a necessity for every individual to avoid financial problems that can occur in trade off situations, namely situations that require someone to sacrifice interests for other interests (Laily 2016). According to Atkinson and Messy (2012), financial literacy integrates the awareness, knowledge, skills, behavior and attitudes that a person needs to be able to make healthy financial decisions and achieve financial well-being for an individual. The research results of Bhushan and Medury (2014) state that it is not only financial knowledge that can shape a person's financial literacy, but it also includes financial attitudes and behavior that are needed because they have quite a large correlation effect on an individual. However, knowledge and attitudes can shape behavior and knowledge can change behavior through attitudes (Fessler et al. 2020). So, there are three dimensions of financial literacy, namely financial knowledge, financial behavior and financial attitudes.

In measuring the level of financial literacy, (OECD 2018) explains that there are three instrument components, namely: (1) financial knowledge, (2) financial behavior, and (3) financial attitude.

Risk Perception

Perceived risk is the uncertainty faced when someone cannot estimate the consequences of the decisions taken. There are two things to pay attention to, namely, uncertainty and consequences (Schiffman and Wisenblit 2015). The same book also states that the perceived risk and the magnitude of the risk can vary depending on the product, situation or culture. The perception of high risk in various situations tends to limit choices and choose several safe alternatives. Meanwhile, a person's low risk perception will make a wider range of alternative choices, happy to take risks rather than limiting the number of alternatives that can be chosen.

The perceived dimensions of risk according to Liau Xio in (Yusnidar et al., 2014) are as follows: (1) Financial Risk, (2) Financial Risk, (3) Performance Risk, (4) Time and Convenience Risk, (5) Physical Risk, and (6) Psychological Risk.

Interest in Using

Interest is an individual's tendency to take action on a particular object (Kholid and Soemarso 2018). Meanwhile, Utami and Kusumawati (2017), stated that interest is defined as the tendency of someone who

lives to be interested in certain subjects so that they feel happy in studying them. There are several reasons someone is interested in using non-cash payment services, based on interest based on attitudes and subjective norms. Interest based on attitude is a person's acceptance of a technology, which comes from oneself without any interference from other people. Meanwhile, interest is based on subjective norms due to pressure from the environment which requires someone to use the service (Lianta and Baridwan 2011). Indicators of someone's interest according to Pratiwi et al. (2018) is interest in transacting, recommending, and using. Someone who is interested in using technology, because they believe that technology can improve a person's performance, the risk of failure with the technology is low and can be used easily with minimal effort (Joan and Sitinjak 2019).

According to Davis et al (1989), indicators of interest in using are: (1) will make a transaction, (2) will recommend, and (3) will continue to use.

Method

This research is descriptive research with quantitative methods. Sampling was carried out using purposive sampling with the criteria of the people of Waru - Sidoarjo District, Minimum age 18 years, never used paylater. In this research, the Lemeshow formula was used, with a sampling error of 10%, the sample size was 97 and rounded up to 100 respondents. Research data collection uses primary data, namely questionnaires and secondary data sourced from journal articles, websites and books. A Likert scale from 1-5 was used in the questionnaire in this study to make it easier for respondents to choose answers.

This research used the SPSS Version 25 software application for multiple linear regression and descriptive statistical analysis. Reliability and validity tests to test the instrument. Then use normality, multicollinearity and heteroscedasticity tests to test classical assumptions. Hypothesis testing consists of the T test to determine the extent of the influence of the independent variable on the dependent variable, the F test to determine the simultaneous influence, and the coefficient of determination test to determine the overall influence of the independent variable on the dependent variable.

Results and Discussion

Classic assumption test

Based on the results of the classical assumption test, namely the reliability test, multi-collinearity test and normality test, each state that all variables are suitable for use as measuring tools and the research model is free from multi-collinearity with data that is distributed in a normal distribution. Thus, the research model meets the requirements of classical assumptions for testing research hypotheses using Multiple Linear Regression Analysis.

Multiple Linear Regression Analysis

Based on the results of data processing using SPSS, the following results were obtained:

Table. 1 Multiple Linear Regression Coefficient Test Results Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.228	1.969		9.258	.000
	Financial Literature	.202	.065	.292	3.107	.002

Risk Perception	.056	.022	.240	2.551	.012
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a. Dependent Variable: Interest in Using

The multiple linear regression equation model that will be formed is as follows:

$$Y = 18.228 + 0.202X_1 + 0.056X_2$$

Based on this equation it can be described as follows:

1. Constant (a) = 18.228. This shows a constant value, namely if the financial literacy variable (X1) and risk perception (X2) = 0, then interest in using paylater among the people of Waru - Sidoarjo District remains at 18,228.
2. Coefficient X1 (b1) = 0.202. This shows that the financial literacy variable has a positive influence on interest in using paylater in the people of Waru - Sidoarjo District. If the financial literacy variable is increased by one and the other variables are constant, then interest in using paylater will increase by 0.202.
3. Coefficient X2 (b2) = 0.056. This shows that the risk perception variable has a positive influence on interest in using paylater in the people of Waru - Sidoarjo District. If the risk perception variable is increased by one and the other variables are constant, then interest in using paylater will increase by 0.056.

Partial Significant Test (t-test)

The t test is used to determine the significance of the influence of partial or individual variables on the dependent variable by paying attention to the 5% significance level, namely 0.05. Based on table 1 above, partial regression testing for each variable is as follows:

1. Financial literacy (X1). From the test results, the t value for the lifestyle variable shows that the calculated t value (3.107) > t table (2.371) with a significance value of 0.002 < 0.05, then H_01 rejected and H_{a1} is accepted, meaning that partially financial literacy has a positive and significant effect on interest in using paylater among the people of Waru - Sidoarjo District. Dewi et al. (2020b) which states that financial literacy has a significant positive influence on interest in using a digital wallet in the form of ShopeePay. It is believed that there is a positive influence of financial literacy on the development of financial technology (Fintech) (Tumewu 2019). However, financial literacy can have a negative effect on the use of e-money (Giriani and Susanti 2021) as well as on the use of non-cash payments (Nirmala et al. 2020).
2. Risk Perception (X2). From the test results, the t value for the risk perception variable shows that the calculated t value (2.551) > t table (2.371) with a significance value of 0.012 < 0.05, then H_02 rejected and H_{a2} is accepted, meaning that partially the perception of risk has a positive and significant influence on the interest in using paylater among the people of Waru - Sidoarjo District. These results are in line with research by Dary et al. (2022) which has positive and significant results regarding risk perception on purchasing decisions using Spaylater. This research is in line with risk taking behavior by Yates in (Hasanah et al., 2019) which is an action that occurs in individuals when facing actions that pose a risk. One type of risk-taking behavior is risk seeking, which means that an individual is brave enough to take risky actions (Wilson et al., 2017). The higher the risk perception of the people of Waru - Sidoarjo District, the greater their interest in trying the paylater payment method.

F test (simultaneous)

The F test is used to show whether the independent variable has a significant influence on the dependent variable. If the calculated F is more than the F table, then the independent variables together have an influence on the dependent variable.

Table. 2 F Test Results
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.548	2	8.274	8.140	.001 ^b
	Residual	98.596	97	1.016		
	Total	115.144	99			

a. Dependent Variable: Interest in Using

b. Predictors: (Constant), Risk Perception, Financial Literature

The F table value in this study is 8.140. Based on this table, it can be seen that the independent variables together have a significant influence on the dependent variable. This is proven by the calculated F value of 8.140 which is greater than the F table of 3.09 or the significance of F of 0.001 which is smaller than the α value of 0.05. This means that the financial literacy variable (X1) and the risk perception variable (X2), together have a positive and significant effect on the interest in using (Y) paylater in the people of Waru - Sidoarjo District.

Determination Coefficient (R²)

The results of the analysis of the coefficient of determination can be seen in the following table:

Table. 3 Coefficient of Determination
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.379 ^a	.144	.126	1.008

a. Predictors: (Constant), Risk Perception, Financial Literature

Based on the calculations in table 3, the coefficient of determination of the acquisition value is 0.144. From this value it can be interpreted that the magnitude of the influence of financial literacy (X1), and risk perception (X2) on interest in using (Y) paylater in the people of Waru - Sidoarjo District is 14.4%, while the remaining 85.6% is influenced by other variables not examined in this research.

Conclusion

Based on the research results, the following conclusions were obtained:

1. Partially, financial literacy (X1) has a positive and significant effect on interest in using (Y) paylater in the people of Waru - Sidoarjo District
2. Partially, risk perception (X2) has a positive and significant effect on interest in using (Y) paylater in the people of Waru - Sidoarjo District.
3. The variables financial literacy (X1) and risk perception (X2), together have a positive and significant effect on interest in using (Y) paylater among the people of Waru - Sidoarjo District.

4. The magnitude of the influence of financial literacy (X1) and risk perception (X2) on interest in using (Y) paylater in the people of Waru Sidoarjo District is 14.4%, while the remaining 85.6% is influenced by other variables not examined in this research.

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