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The Effect of Fintech Payment and Financial Literacy on Financial Behaviour of Students of the Faculty of Economics and Business, Management Department, Class 2021, Pattimura University, Ambon

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ABSTRACT

This study aims to test the effect of fintech payment and financial literacy on students' financial management behavior. The research method used is quantitative. The number of samples in this study was 54 respondents and the sampling technique used was the purposive sampling technique using the solving formula. The data collected using an online questionnaire with the help of the Google Form application which was then distributed to FEBIS Management students, class of 2021. The data analysis used in this study was Partial Least Square-Structural Equation Modeling (PLS-SEM) with the smartPLS 4.0 data processing application. The results of this study indicate that (1) the fintech payment variable (X1) has a direct and significant effect on financial behavior (Y); (2) the Financial Literacy variable (X2) also has a significant effect on the financial behavior variable (Y) Keywords: Fintech Payment, Financial Literacy, Financial Behavior.

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INTRODUCTION

Fintech emerged due to lifestyle changes brought by ICT users. Fintech increases the efficiency and effectiveness of buying and selling transactions, payments, loans, and capital growth. The conventional financial system is being digitized by fintech. The five types of fintech operations are as follows: 1. Payment, Transfer, Clearing, and Settlement; 2. Deposit, Loan, Capital Increase; 3. Market Aggregator; 4. Risk Management; and 5. Investment Management. Financial technology or Fintech is a technology-based financial system that develops new goods, services, technologies, and business models. Fintech has an impact on the stability of the monetary and economic system, the effectiveness, flexibility, and security of the financial system, and the reliability of the payment system (Bank Indonesia, 2017).

Financial literacy is currently seen as the most important thing because it is a basic need that everyone has to prevent financial difficulties and because it is closely related to personal financial management (Chinen and Endo, 2012). Financial literacy is the capacity to evaluate one's own financial condition and make wise decisions. Financial literacy, in the form of all aspects of personal finance, is not intended to limit or make it difficult for people to enjoy life and spend their own money, but rather to enable individuals or families to utilize their financial resources while also enjoying their own finances (Warsono, 2010). Financial behaviour, starting with proper management of money and other assets, is essential in educating a person to handle his or her own finances responsibly. Well-being is a person's goal at work. The higher the income level, the richer a person is. A high-income level without good financial behaviour does not lead to well-being.

Purchasing behaviour reflects the extent to which individuals can prepare for future needs, such as: Consistently saving and planning with good thinking and planning based on specific goals (Zaimah et al., 2013). Three elements, sometimes known as individual financial behaviour, were identified by Perry and Morris in 2005 as having an impact on financial management behaviour. The first is a person's capacity to control themselves, also known as locus of control, over everything that happens in their life. Second, having an understanding of one's personal money, including any financial problems. Third, income level, usually known as income. Students are millennials and always want to follow the latest technology trends. The development of technology has brought many changes to the way students live. The use of technology is increasingly popular among the younger generation including students, especially students of the 2021 class majoring in management. Students, this is part of the academic world that is very concerned with issues related to the internet, technology and access to information, not only need to force students to always look for the latest information, but also need to pay attention to issues related to various basic things. human needs in digitalization. era. Students are a potential market segment as fintech users for several reasons. First, today's students are a tech-savvy millennial generation. Second, students in the 2021 intake receive relatively high monthly transfers from their parents. Third, the mobility of students who require fintech-based transportation is relatively high (trains, public buses, online motorcycle taxis/cars). Fourth, many shopping sites that are popular among students offer fintech payment systems (eg Indomart, Alfamart).

Fintech is a topic of student financial transactions and fintech discussions that are tailored to students' needs and lifestyles. Previous researchers explained that this can happen because of the maximum use of fintech payments by students when shopping or working (Mukti, Rinofah & Kusmawardhani, 2022). In addition, fintech payments also offer a transaction history feature. One of them is the Shopee Pay transaction history which can help users, especially students, find out their transaction turnover when using this fintech payment product because the transaction information has a clear explanation. So, this can help fintech payment users to know what they spend to meet various needs or what we can call consumption activities. Consumption activities are one of the things that reflect a person's financial management.

This may be due to the maximum use of fintech payments by students when shopping or working (Mukti, Rinofah, and Kusmawardhani, 2022). Based on the above phenomenon regarding fintech payments and financial behaviour. So, the author is interested in conducting research on student financial behaviour with the title "The Influence of Fintech Payment and Financial Literacy on Financial Management Behaviour in Management Department Students Class of 2021, Faculty of Economics and Business, Pattimura University, Ambon".

Formulation of the Problem

Based on the background description above, the problem formulation taken is as follows:

1. How does fintech payment influence financial behaviour of students at the Faculty of Economics and Business, Pattimura University, Ambon?
2. How does financial literacy influence financial behaviour in students of the Faculty of Economics and Business, Pattimura University, Ambon?

Writing Purpose

1. To determine the influence of fintech payments on financial management behaviour of students of the Faculty of Economics and Business, Pattimura University, Ambon.
2. To determine the influence of financial literacy on financial management behavior of students at the Faculty of Economics and Business, Pattimura University.

LITERATURE REVIEW

Fintech Payment

As defined by Bank Indonesia (2016), financial technology (Fintech) is the use of technology that appears in the financial system in the form of new and capable products, services, technologies, and business models. significant impact on monetary and financial stability. stability and efficiency, fluidity and payment systems, security and reliability. Income is a source of income for someone to meet daily needs and is directly related to their survival, which is very important (Suroto, 2000).

Fintech is the result of a combination of financial services and technology, helping to change the business model from conventional to moderate. Initially, it was necessary to meet in person and bring cash, but today transactions can be done remotely. The conclusion is that financial technology (Fintech) is a service that combines technology and finance.

Financial Literacy

The definition of financial literacy according to the circular letter of the Financial Services Authority (OJK) in 2014 stated that financial literacy is a series of processes or activities to improve the knowledge, skills, and confidence of consumers and the wider community so that they have the ability to manage their finances better.

Financial literacy is a measurement of an individual's understanding of the overall concept of finance, and having the ability and confidence to manage their personal finances based on appropriate short-term decision making, effective long-term financial planning, and being responsive in observing every economic event and condition (Reza et al., 2020).

Financial Behaviour

Financial Behaviour is a person's ability to manage daily planning, budgeting, auditing, management, control, research, and storage of financial funds. (Kholiah and Iramani, 2013). Financial Behaviour studies how people behave in financial decisions, studying psychology influencing corporate financial decisions and financial markets. (Nofsinger & Baker, 2010).

Financial behaviour is concerned with a person's financial responsibility for how they manage their finances. Financial responsibility is the process of managing money or assets effectively. Effective financial management involves a number of factors, such as developing a budget and evaluating purchases according to needs. Financial behaviour emerges as an effect of an individual's level of desire to support their life based on their income level.

Hypothesis Development

The influence of fintech payments on financial behaviours

Payments made through fintech have the potential to influence user behaviours in financial management. Different payment mechanisms, such as payment technology, influence consumer purchasing behaviour. This directly affects consumer psychology and perceptions of consumers regarding payment technology (See-To and Ngai, 2019). Research by Becker (2017) shows that fintech can increase household savings, which is a financial management behaviour. Research by Erlangga and Krisnawati (2020) shows that fintech payments also have a positive and significant impact on students' financial behaviours. From this explanation, a research hypothesis can be made, namely:

H1: Fintech payments have a positive effect on financial management behaviour

The influence of financial literacy on financial behaviour

Based on the theory of planned behaviour, behaviour involving individuals is influenced by internal and external factors. In this theory, there are factors that control cognitive behaviour, the factors included in this study are represented by financial literacy. The existence of financial literacy will help individuals manage their personal financial planning so that everyone can maximize their time and profits (Margaretha &; Pabudhi, 2015). Several previous relevant studies are those conducted by and N. Fatimah &; Susanti (2018) showing that financial literacy has a significant positive effect on students' financial behaviour. In this study, the effect appears as one direction, where if financial literacy is high, students' financial behaviour will also be good and vice versa.

H2: Financial literacy has a positive effect on financial behaviour

METHODOLOGY

Research Object

In this study, Pattimura University Ambon Management students, class of 2021 from the Faculty of Economics and Business were the objects of research.

Population

The term "population" refers to a generalized area containing things or people with attributes and characteristics selected by the researcher to be studied and from which conclusions will be drawn. (2008) Sukardi. active members of the 2021 class of the Faculty of Economics and Business, Department of Management, Pattimura University are the population of this study.

Sample

A sample is a part of the numbers that characterize a population. (Sugi and Liar, 2010). In this study, the population is the number of students who are still active when taking initial data at the Faculty of Economics and Business, class of 2021, Patimura University, totalling 112 students. This study adopts the Slovin formula because in sampling the number must be representative so that the findings of this study can be generalized, and calculations can be completed using formulas and direct calculations without the need for tables that include samples.

$$n = \frac{N}{1 + Ne^2} = \frac{112}{1 + (112 \times 0{,}01)} = \frac{112}{2{,}05} = 54{,}6$$

From the results of solving the Slovin formula, the sample obtained was 54 students.

Data Types and Sources

This type of research is a type of field research because the data was obtained through direct observation, namely the 2021 Pattimura University Ambon Management students from the Faculty of Economics and Business as the object of research.

Data Collection Technique

In this study, data was collected through the use of questionnaires, which involved giving questionnaires with a series of questions to be filled in by respondents. (Sugiyono., 2010). The data collection methods used in this study are:

1. Literature research, namely a data collection method by conducting a literature review of various literature concerning theories that are relevant to the problem to be discussed.

2. Field research, namely a data collection method carried out directly at the location (research object).

Variable Identification

Independent Variable (X)

A quality that can affect or influence a dependent variable is known as an independent variable. This variable is also known as the X variable in research. (Ismail, 2018). The independent variables used in the study are fintech payment and financial literacy.

Dependent Variable (Y)

The property that is independent or influenced by the independent variable is known as the dependent variable. Variable Y is another name for the dependent variable. (Ismail, 2018) and is the main object in the study. The dependent variable used is financial behavior.

Validity Test

Validity measurement includes testing how well the value of an instrument developed in measuring a study. The higher the value of the instrument, the better it is in representing the research question (Andreas Wiajaya, 2019). Validity testing with the SmartPLS 4.0 program can be seen from the loading factor value for each construct indicator. The requirement that is usually used to assess validity is that the loading factor value must be more than 0.70. Furthermore, discriminant validity is related to the principle that different construct measures should not correlate with high, the way to test discriminant validity with a reflective indicator is to see the cross-loading value for each variable must be> 0.70 and the value is higher than other variables (Ghozali & Laten, 2015).

It can be seen that the variable indicators contained in this research instrument are valid. This can be proven by the outer loading value > 0.70 which means that the value is valid. In addition, a high outer loading value also indicates that the indicator has a strong contribution. The higher the outer loading value, the greater the indicator's contribution to the measured construct.

Based on the results of the convergent validity analysis using Average Variance Extracted (AVE) in table 4.6, it can be concluded that all variables have a good level of convergent validity. According to Ghozali, (2015), the recommended AVE value for convergent validity is at least 0.5. In this study, all variables have AVE values that exceed the threshold value. Thus, these variables can be considered valid in the context of convergent analysis in the model used.

Discriminant validity can be seen in the cross loading between the indicator and its construct. The discriminant test is said to be valid if the cross-loading value test is > 0.70. The results of the discriminant validity test in this study indicate that all variables from each indicator are valid because the cross-loading value is > 0.7. This means that each latent variable has good discriminant validity.

Reliability Test

Table 1. Reliability Test

Variable	Cronbachs Alpha	Composite Reliability	Reliability
Fintech Payment (X1)	0,912	0,914	0,929
Financial Literacy (X2)	0,897	0,897	0,921
Financial Behavior (Y)	0,901	0,902	0,922

Source: SmartPLS Processed Data 2024

Referring to this table, it can be seen that all variable values in the reliability test obtained a value of > 0.7 with a validity test using AVE whose value exceeds 0.5. So, it can be said that the variables that the researcher tested are reliable and valid.

Structural Model Evaluation (Inner Model)

This evaluation is intended to estimate the relationship between latent variables based on the theory of the substance of the structural model which is evaluated through the use of the correlation coefficient (R) for each endogenous latent variable against the prediction of the structural model.

Correlation Coefficient (R)

Table 2. Correlation Coefficient

Item	R	Adjust R Square
Financial Behavior (Y)	0,701	0,689

Source: SmartPLS Processed Data 2024

Referring to this table, it is shown that the R variable of Financial Behaviour is 0.701. This value indicates that Fintech Payment and Financial Literacy have a strong influence of 68.90% on Financial Behaviour, the remaining 31.10% is influenced by other variables outside the model.

Hypothesis Testing

This test is conducted by observing the p-value generated partially from each path. If $p < 0.05$ is obtained, it means that the construct is significant or strong.

Table 3.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Stastistic (|O/STDEV|)	P-value
Fintech Payment -> Financial Behavior	0,397	0,397	0,121	3,275	0,001
Financial Literacy -> Financial Behavior	0,497	0,505	0,113	4,383	0,000

Source: SmartPLS Processed Data 2024

Referring to table 4.10 of the hypothesis testing, the following conclusions can be drawn:

1. Fintech payment (X1) has a positive and significant influence on financial behaviour (Y) because the p-value is 0.001 or <0.05, which indicates that H01 is rejected and Ha1 is accepted.

2. Financial literacy (X2) has a positive and significant influence on financial behaviour (Y) because the p-value is 0.000 or <0.05, which indicates that H02 is rejected and Ha2 is accepted.

RESULT AND DISCUSSION

The Influence of Fintech Payment on Financial Behaviour of Students of the 2021 Class of Management Study Program, Faculty of Economics and Business

Fintech payment has a positive and significant influence on financial behaviour with a path coefficient value of 0.397 on students of the 2021 intake of the management study program, Faculty of Economics and Business. This condition can be proven by a p-value of 0.001 or <0.05, indicating that H01 is rejected and Ha1 is accepted. Fintech payment plays a role as a means to facilitate student access to digital financial services. Through the existence of fintech, students are now able to have various accounts from technology-based financial services. This means that now more people are using fintech, thus also improving financial behaviour, for example gopay, Shoppe pay, OVO, etc. The development of innovation in fintech can also encourage increased financial behaviour because many students use digital innovations to facilitate their transactions. Financial Literacy Towards Financial Behaviour in 2021 Students of the Management Study Program, Faculty of Economics and Business

Financial Literacy has a positive and significant influence on financial behavior with a path coefficient value of 0.497 in the 2021 batch of students in the management study program, Faculty of Economics and Business. This condition can be proven through a p-value of 0.000 or <0.05, indicating that H02 is rejected and Ha2 is accepted. Referring to the analysis, it is shown that most respondents have good knowledge in financial matters and have the view that this knowledge is a crucial factor in achieving prosperity. Regarding access to financial services, almost all respondents agreed that there is a availability of various financial products. Research by Safira & Fitri (2020) also showed the same results that financial literacy affects the financial inclusion of the Pekanbaru community. These results confirm that higher knowledge regarding finance, better financial attitudes and behaviours can encourage understanding, utilization, and use of financial services and products.

CONCLUSIONS AND RECOMMENDATIONS

Referring to the results obtained by the researcher with a sample of 100 respondents, it can be concluded that:

1. Fintech payment (X1) has a positive and significant influence on the financial inclusion of 2021 batch students majoring in management, Faculty of Economics, Unpatti through a significance of 0.001 or <0.05 and a path coefficient of 0.397, which indicates that fintech payment influences financial behaviour by 0.397.
2. Financial literacy (X2) has a positive and significant influence on the financial inclusion of 2020 batch students majoring in management, Faculty of Economics, Unpatti through a significance of 0.000 or <0.05

and a path coefficient of 0.497, which indicates that financial literacy influences financial behaviour by 0.497.

Referring to the analysis that researchers have conducted, a number of suggestions can be made, including:

1. For lecturers of the Faculty of Economics and Business, Management Department, to be able to provide socialization and learning related to financial literacy so that more students are able to realize how important financial skills and knowledge are for current and future life, so that students are also able to use financial services and products wisely and at the same time they can make decisions appropriately.
2. For students majoring in management at Febis Unpatti, it is necessary to increase their understanding of financial literacy regarding basic financial knowledge and financial technology regarding the use of financial services institutions, in order to improve their financial management.
3. The next researcher should be able to correct the shortcomings of this research and perfect it due to the limitations that the researcher found, and then be able to add other samples to get better results.

FURTHER STUDY

This research still has limitations so further research is still needed on this topic.

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