

Determinant Factors of Adoption of Fintech Payment Services in Indonesia using the UTAUT Approach

Florentina Kurniasari¹, Sharina Bt Tajul Urus^{2*}, Prio Utomo³,
Nadiah Bt Abd Hamid⁴, So Yohannes Jimmy⁵ and Intan Waheedah Othman⁶

^{1,3,5}*Technology Management Department,*

Universitas Multimedia Nusantara, Indonesia

^{2,4,6}*Faculty of Accountancy,*

Universiti Teknologi MARA Cawangan Selangor, Malaysia

ABSTRACT

The advancement of digital technology has affected many industries, including digital payment services. The objective of this study was to analyze the adoption of Fintech payment services in Indonesia using the UTAUT theory approach. This study also considered the important role of national culture in strengthening the effect of the social influence variable in creating trust. The study added the government policy variable in strengthening the effect of facilitating a condition in creating trust. The study was conducted by distributing 310 questionnaires to freshly employed graduates who were digital payment services users. Further analysis was conducted with linear multiple regression using IBM SPSS 26. The study found that trust had the highest effect in creating the adoption decision in digital payment services, followed by government policies in strengthening the facilitating conditions. Meanwhile, performance and effort expectancy, social influence and facilitating condition did not have a direct influence on customer trust. Uncertainty avoidance, masculinity and long-term orientation also did not have a strengthening effect of social influence in gaining trust.

Keywords: UTAUT, national culture, government policy, trust, adoption in digital payment

ARTICLE INFO

Article History:

Received: 13 July 2021

Accepted: 25 November 2021

Published: 30 April 2022

* Corresponding author: Sharina Bt Tajul Urus. Email: sharina675@uitm.edu.my

INTRODUCTION

The Covid-19 pandemic has changed the business model of many organizations. Each organization has to create innovative strategies in order to survive in this challenging situation. The Government's policy to reduce the spread of the Covid-19 virus has limited interaction among people. People and organizations have been forced to take advantage of using digital technology to conduct their daily activities. The Pandemic has also changed the behavior of customers' buying habits. Financial industries have had to keep up with the new behavior by taking advantage of the advancement of information technology in offering financial services, which is known as Financial Technologies (Fintech). As a new platform, Fintech offers more than simplifying financial transactions, minimizing costs, and increasing financial services (Blohm et al., 2013). Fintech is expected to fill the gap of financing needs and increasing financial inclusion for Indonesians who were un-bankable but had potential business. In the year 2018, the total financial technology market in Indonesia reached US\$ 22 million.

While latest Fintech are continually being introduced, the target number rate of financial inclusion has not retained the same pace on such changes. Indonesians are still reluctant to use mobile phones for financial transactions, including payment services. Data from the World Bank (World Bank, 2021) showed that Indonesia had a lower financial inclusion compared to Singapore, Malaysia, China, Thailand, and other countries. Only 35 percent of Indonesians have a bank account in a financial institution, with 26.6 percent of them having a savings account in a financial institution, and only 13.1 percent getting a loan from a financial institution. Credit card users account for only 1.7 percent and insurance 11.8 percent, which are also relatively low compared to other countries.

The growth of Fintech services was supported by the growing numbers of internet users in Indonesia. Indonesia has the world's 16th largest economy and is the world's fourth most populous country with 274 million people and out of these 84% are below the age of 54. The number of internet users in Indonesia reached 175.4 million with 338.2 million people connected through smartphones (We Are Social & Hootsuite, 2020). With internet penetration standing at 73.7% and growing at 8.9% compared to the previous year (APJII, 2021) and financial inclusion

remaining a key challenge, Indonesia offers a fertile ground for Fintech innovation. Indonesia's fast-growing Fintech ecosystem has been supported by government that has introduced some policies in areas including peer-to-peer lending, digital payments, and open banking, in the hope of creating innovation and increasing financial inclusion (Dorfleitner et al., 2017). These favorable industries have attracted the attention of giant investors, many of which are betting big on the prospects of digital financial services in the country.

The Indonesia Financial Services Authority requires all Fintech players to ask for a formal license to become official registered Fintech companies (OJKI Regulation No.77, 2016). The regulation was released by the Regulatory Sandbox Program to protect the interests of customers. There were 46 licensed and 101 registered Fintech companies in Indonesia in the 1st quarter of 2021.

According to Fintech Report Indonesia 2020 (the fintechnews.sg, 2020) there were 322 Fintech players in Indonesia was dominated by companies in the payment services (73 companies), lending (33 companies), block chain and cryptocurrencies with 26 companies, and followed by investment with 24 companies, insurtech (15 companies), crowdfunding (9 companies), and POS Service and Comparison each represented by 7 companies. The list name of Fintech players is shown in Figure 1.

Meanwhile, the volume of electronic money transactions in the 1st quarter 2021 had already reached 90% from the total volume at the end of 2020. There is also an upward trend in the usage of electronic money in financial transactions. There's a tremendous significant nominal increase of the electronic money in which there is a 33% increase in nominal transaction in the 1st quarter 2021 compared with the same quarter in 2020, as shown in the following figure.

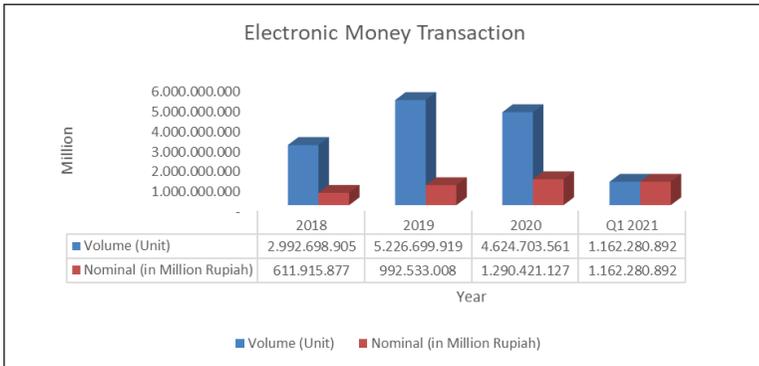


Figure 3: Total Electronic Money Transactions in Indonesia

Source: Bank Indonesia Report (2021)

As shown in Figure 4 there was a decreasing trend in providing electronic money transactions, in which in 2020 there was a decreasing growth of -23% due to the Covid-19 Pandemic. In the 1st quarter of 2020, there was also a decreasing growth in providing the reader machines at -45% compared with the same quarter in 2019. Since there were some government policies to support economic recovery, in the 1st quarter of 2021 the number of reader machines had already achieved 120% compared with the 1st quarter in 2020.

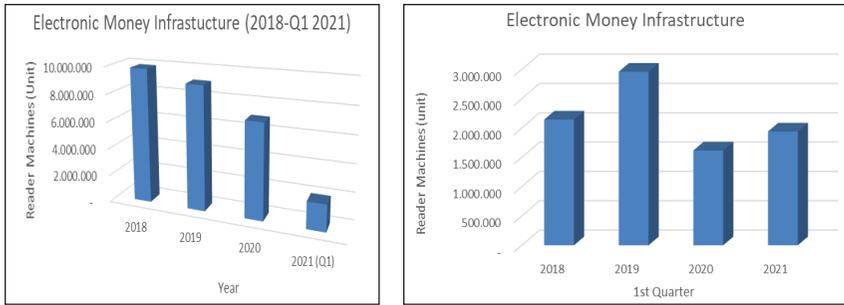


Figure 4: The Electronic Money Infrastructure in Indonesia
 Source: Bank Indonesia Report (2021)

In e-wallet, customers can deposit and top-up money electronically, which can then be used to conduct financial transactions in a more simple, efficient and comfortable manner (Apriyani, 2019). E-wallet is accepted as the method of payment in various transactions, ranging from the payment of public transportation, gasoline, toll gateway, food, groceries and any miscellaneous online shopping. Figure 5 shows the five biggest players in digital payment services in Indonesia (Wicaksana, 2019). Gojek consistently dominated the industry followed by LinkAja—a digital payment service owned by some state-owned banks, and Ovo.

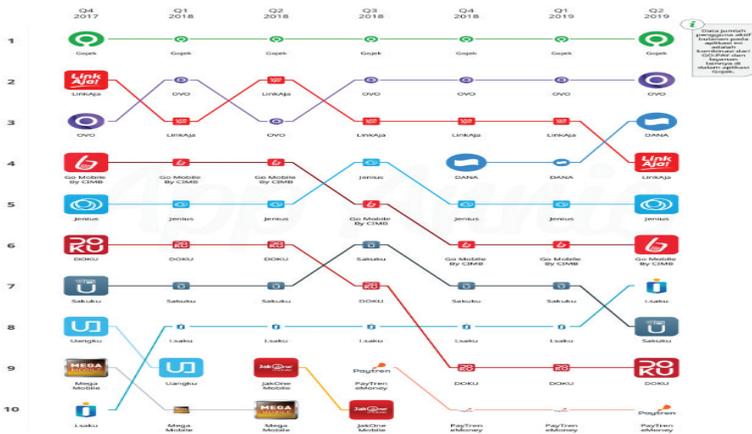


Figure 5: E-wallet Application Position Based on Monthly Active Users for the years 2017-2019
 Source: www.appannie.com (2020)

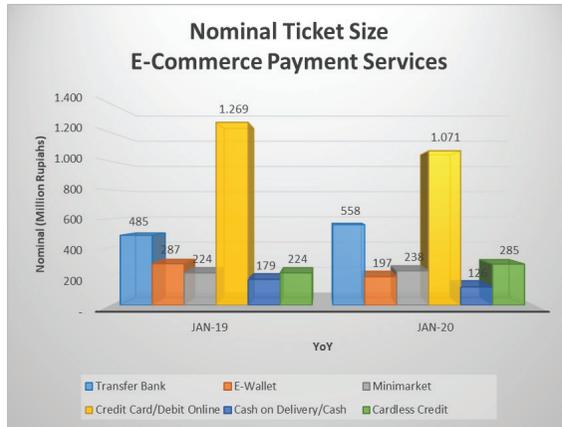


Figure 6: The Nominal Ticket Size in E-Commerce Payment Services
 Source: Bank Indonesia Report (2021)

Even digital payments, which are more famous as e-wallets, had been ranked 1st in the Fintech landscape in Indonesia and in fact the usage of digital payments was just only 1.66% (Katadata Insight Center, 2021). While e-wallet providers continually offer numerous attractive services, the target number rate of the digital payment usage has not been reached. The Indonesia government, also encouraged people to use digital payments during the Pandemic to reduce contact with others, also found difficulties in meeting the expectation to become a more cashless society. Many Indonesians are still reluctant to use mobile phones for financial transactions. In settling payments in e-commerce transactions, customers still prefer to use a credit card/debit online, bank transfers, cashless credit, via minimarket followed by e-wallet and cash on delivery.

A current report by the Indonesia Internet Service Provider Association (APJII, 2021) showed that internet users in Indonesia are dominated by the 19-49 years old (62%) with mostly employed fresh graduates with a higher education degree (44.1%).

In the Unified Theory of Acceptance and Use of Technology (UTAUT) Model, the aspects of performance expectancy, effort expectancy, social influence and facilitating conditions have a significant effect in creating customers' trust in adopting a new technological platform (Zhang et al., 2017). The purpose of this research was to analyze which variable in the

UTAUT Model had the highest effect in creating trust and finally influence the adoption of digital payment services among employed fresh graduates. The research also considered the national culture and government policy as a controlling variable in customer trust. The research wanted to know if the national culture strengthens the relationship of social influence in each country. Indonesians have always been communal, in which they keep close-knit communities and the cultural values push forward principles of collectivism (Minkov, 2013). Government policy was also treated as a controlling variable to facilitate conditions that can strengthen or weaken its influence in customer trust. The research was expected to increase the adoption rate among freshly employed graduates in Indonesia using digital financial payments in daily transactions. The findings of the research will make some recommendations for the Fintech ecosystem, including the Fintech provider, banks or other financial institutions and the government in creating policies that can protect customers' privacy and ensure the customers' security in conducting financial transactions. It was also expected that the research will support the government's goal to become a more cashless society as a strategy to increase financial inclusion.

LITERATURE REVIEW & HYPOTHESES

UTAUT Theory (Unified Theory of Acceptance and Use of Technology)

This research was developed based on some theories in previous research related to the UTAUT, trust, national culture, and the government policy theory. The UTAUT theory was the main reference of this research but it was extended by adding some variables including the National Culture and Government Policy as controlling variables in influencing customer trust. Financial technology was defined as a financial system that uses technology and has products, services, and a new business model which could impact monetary stability and financial system stability, which has functions on efficiency, security, and reliable payment systems. UTAUT is a theoretical model to measure the success of the acceptance of new technology. In this research, the UTAUT could explain adoption of digital payment services among freshly graduated employees (Venkatesh et al., 2003). There were four variables of the UTAUT used in this research, namely: performance expectancy, effort expectancy, social influence, and facilitating conditions.

Performance Expectancy

Performance expectancy is defined as the degree to which an individual believes that using the system will help to attain gains in job performance (Venkatesh et al., 2003). Based on Daka and Phiri's research (2019), performance expectancy had a significant impact on the adaptation of e-banking services. As a core construct, performance expectancy is related to the theory of perceived usefulness that was previously initiated by Davis (1989).

H1: Performance expectancy significantly influences customer trust in adopting Fintech digital payment services.

Effort Expectancy

The adoption of technology will be readily accepted by users if they feel the ease of using the features of the technology. Effort expectancy is defined as the degree of ease associated with the use of the system (Venkatesh et al., 2003). Meanwhile, effort expectancy had a significant impact on the adaptation of e-banking services (Daka & Phiri, 2019). When users only need a little effort in using technology, they will feel relief.

H2: Effort expectancy significantly influences customer trust in adopting Fintech digital payment services.

Social Influence

Social influence is defined as the degree to which an individual perceives that the other's effect as a direct determinant (Venkatesh et al., 2003). Another research also stated that social influence has a significant impact on the use of e-government services (Kurfali et al., 2017). In Indonesia, social influence has played an important role in developing the relationship among families and friends. Indonesia is a collectivist society which means there is a high preference for a strongly defined social framework in which individuals are expected to conform to the ideals of society and the groups to which they belong (Hofstede, 2020). Social networking and structure are able to create a social capital as sources of funds that can be socially accessed among members of a society. In the development of Fintech, social networking will be done electronically

since all transactions will be processed using digital technology. Social networking was established from the national culture which can influence what the people of each country act and do. The adoption of Fintech is also influenced by social networking and capital, since in the collectivism culture, the major decision in adopting the technology usually refers to inner networking advice and suggestions. Social influence is defined as the degree to which others (family, friends, peers, etc.) believes (either these beliefs are positive or negative) will affect someone to use the new system (Venkatesh et al., 2003).

H3: Social influence significantly influences customer trust in adopting Fintech digital payment services.

Facilitating Conditions

Facilitating conditions is defined as the degree to which an individual believes that an organizational and technical infrastructure exists to support the use of the system and has a significant impact on the use of behavior (Venkatesh et al., 2003). Facilitating conditions refers to the extent to which people believe that an organizational and technical infrastructure exists to support the system (Venkatesh et al., 2003). It was also explained that facilitating conditions without adding any moderator was not significant to predict the intention to use a system when the construct of effort expectancy was used in the same model. In Al-Shafi's (2009) study, facilitating conditions was in adopting the digital payment through trust, where what was needed was a supportive policy from the government.

H4: Facilitating conditions significantly influence customer trust in adopting Fintech digital payment services.

NATIONAL CULTURE

Culture as a particular way of life of a society is made from the interaction among people in social networks (William, 1983; Davidson & Wilson, 2008). Hofstede (2020) in his National Cultural Dimensions Theory mentioned that each country has its own culture, characteristics, values, and behavior. The cultural dimensions influenced people's behavior and their relationship

with each other. The Power Distance Dimensions: refers to the distribution of power and the number of hierarchies established in society. The more the number of hierarchical levels, the higher the degree of the power distance index. 2) Uncertainty Avoidance: shows the society's reaction to minimize uncertainties and reduce ambiguity. A higher degree index means that the law will be enforced as a guidance for people's behavior. 3) Individualism versus Collectivism: the degree to which individuals are connected into groups. Individualistic thinking refers to being interested in only one's own interest. Meanwhile, collectivist societies have a tight relationship and belong to their extended families. As social human beings, they are connected and support each other within their communities. 4) Masculinity versus Feminism: refers to the differences in characteristics between genders. Masculine societies will be characterized by monetary rewards for every achievement. On the contrary, in feminine societies, the people focus more on the quality of relationships and avoid conflicts. 5) Long-term versus Short-term Orientation: describes society's orientation about the time horizon. Long-term oriented societies will anticipate what will happen in the future, meanwhile in short-term oriented societies it is related only to what they are doing now and respect the traditions of their ancestors. 6) Indulgence versus Restraint: measures the feeling and emotions of the people. Indulgent societies will be happy and enjoy their lives because they can control their own behavior. Restraint societies will be more stressful because they can control and adapt their emotions.

H5a: There is a strengthening effect of an individualism or a collectivism culture in social influence to gain customer trust in adopting Fintech digital payment services.

H5b: There is a strengthening effect of the power distance dimension in creating social influence to gain customer trust in adopting Fintech digital payment services.

H5c: There is a strengthening effect of the uncertainty avoidance dimension in creating social influence to gain customer trust in adopting Fintech digital payment services.

H5d: There is a strengthening effect of the masculinity or feminism culture in creating social influence to gain customer trust in adopting Fintech digital payment services.

H5e: There is a strengthening effect of the long-term orientation culture in creating social influence to gain customer trust in adopting Fintech digital payment services.

GOVERNMENT POLICY

The government plays an important role in developing connectivity and the technological infrastructure, which can be used to evaluate the extent to which individuals can access the internet and mobile networks. Furthermore, the government has the responsibility to create a sustainable developing economy. The strength of the economy, political stability, taxation, stability, competition policy, the labor market, and openness to trade and investment are among the indicators selected by the Economist Intelligence Unit for evaluation purposes. In the context of a social and cultural environment, in order to be able to utilize internet services, the government will manage the ICT infrastructure and equip the people with the familiarity of ICT (Economist Intelligence Unit, 2020).

H6: There is a strengthening effect of government policy and support in creating facilitating conditions to gain customer trust in adopting Fintech digital payment services.

TRUST

Trust was known as one of the factors for customers to use new technology (Lee & Song, 2013) and it is defined as the perception of a person in the reliability and trustworthiness of the services offered by cloud service providers (Arapaci, 2016) and has a significant impact on the use of mobile cloud services. Trust also becomes the main factor in adopting mobile banking because it involves the users' private data and funds (Malaquias & Hwang, 2016). Therefore, trust becomes one of the important variables for an institution with online based businesses (Pavlou & Gefen, 2002).

Trust comes if an individual has a secure feeling towards a technological program (Abd Hamid et al., 2018; Li & Huang, 2009). Trust is defined feeling safe about something (Schierz, Schilke & Wirtz, 2010) and could be further classified as: belief, confidence, attitude, expectation about other parties' reliability and behavioral intention or behavior of reliance that involved uncertainty (Li & Huang, 2009). Trust is created if customers have extensive knowledge about the benefit of the Fintech platform and how the business model is able to support them in conducting

financial transactions. The adoption of Fintech digital payments examined the behavior of consumers in Fintech and predicts the willingness of consumers to adapt to the modern era of technology in daily transactions, especially in making payments.

H7: There is a significant influence of customer trust on customers' adoption of Fintech digital payment services.

Based on the theory explained above, the research developed a research framework as follows:

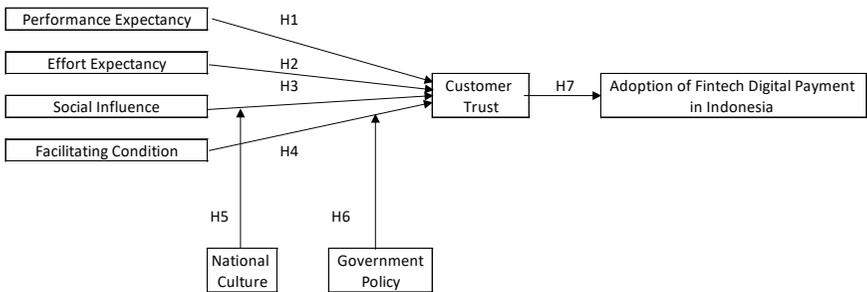


Figure 7: Proposed Research Framework

Source: Researcher Framework (2021)

RESEARCH METHODOLOGY

The research was conducted based upon the UTAUT and the concept of consumers' trust, while also adding two controlling variables, namely: National Culture and Government Policy. This research was a quantitative research with hypotheses testing to find the influence of the UTAUT variables on customer trust in adopting digital payment services. Data was collected through a questionnaire survey. The questionnaires were disseminated to respondents who had just started their careers after graduation. The online questionnaires were in the format of a 5-point Likert Scale (Nunnaly, 1978) and were distributed among the respondents who were users of digital payment services and who were employed fresh graduates from several higher education institutions in Indonesia. This study was able to get 310 responses.

Simple random sampling was used for sampling as each person in the population had an equal chance of being selected (Sekaran & Bougie, 2016). The UTAUT variables were mostly adapted from various previous studies and originally from Venkatesh et al. (2003). It is a way to examine the influencing factors on the adoption of Fintech payment services among freshly employed graduates. Meanwhile, the variable of National Culture was measured by some indicators stated in Hofstede’s research (Hofstede, 2020). In addition, the Government Policy indicators were taken from the research conducted by the Economist Intelligence Unit (2020).

RESULTS AND DISCUSSION

The research was able to get 310 respondents in which 51% were female and 49% male. The data was processed statistically with the IBM SPSS 26 software. The respondents were mostly under 25 years old (67%) and had earned a bachelor’s degree from private universities (76%). 46% of the respondents were fresh graduates who had graduated less than a year ago. All of the respondents were employed, in which 33% had a position at the managerial level. 90% of respondents chose GOPAY and OVO as the most favorite e-wallet in Indonesia. 46% used an e-wallet for digital payment services a few times a week. The respondents used an e-wallet for the following reasons: speedy transactions; cashless; security concerns, cheap and efficient.

The following descriptive statistics show that the mean value for all the variables used in this research existed was higher than 3, with the power distance variable having the lowest value at 3.3774 and performance expectancy having the highest value at 4.336. It showed that no respondents disagreed with statements in each question.

Table 1: Descriptive Statistics Analysis

	N Stat.	Min. Stat.	Max. Stat.	Mean Stat.	Std. Deviation Stat.	Skewness		Kurtosis	
						Stat.	Std. Error	Stat.	Std. Error
ADP	310	2.0	5.0	4.090	.6834	-.395	.138	-.516	.276
PE	310	2.0	5.0	4.336	.6458	-1.044	.138	.825	.276

EE	310	2.0	5.0	4.098	.6433	-.495	.138	-.220	.276
SI	310	1.5	5.0	3.769	.7249	-.250	.138	-.398	.276
CT	310	1.3	5.0	3.813	.7327	-.414	.138	-.096	.276
FC	310	2.00	5.00	4.1204	.63164	-.604	.138	.149	.276
GS	310	1.7	5.0	4.146	.6927	-.678	.138	.349	.276
IND	310	1.67	5.00	4.0602	.65740	-.557	.138	.298	.276
PD	310	1.50	5.00	3.3774	.79408	.040	.138	-.427	.276
UA	310	1.2	5.0	3.588	.7301	-.578	.138	.805	.276
MAS	310	2.0	5.0	3.766	.6625	-.152	.138	-.167	.276
LTO	310	1.00	5.00	4.0097	.78923	-.579	.138	-.003	.276
N	310								

Source: Researcher Data Analysis (2021)

The pre-test tested 30 respondents for validity and reliability and showed that there were six indicators (FC2, IND4, IND5, PD4, LT3 and LT4) which had to be deleted for the main-test since the value of MSA was < 0.5 (Ghozali, 2018; Hair Jr. et al., 2014). The main test-result of 310 respondents showed that the rest of all the indicators were valid with $KMO > 0.5$; $Bartlett < 0.05$; $MSA > 0.5$; Factor Loading > 0.5 and reliable with a Cronbach's Alpha of $> 0,7$ (Ghozali, 2018; Hair Jr. et al., 2014). The result of main test validation and reliability for 310 respondents are shown below in Table 2.

Table 2: Validity and Reliability Test (Main Test, n= 310)

Variable	Indicator	VALIDITY TEST				RELIABILITY TEST
		Extraction	MSA			Cronbach α
Performance Expectancy (PE)	PE1	0.765	0.812	KMO	0.822	0.875
	PE2	0.775	0.796	Barletts	657.128	
	PE3	0.778	0.818	Sig	0.000	
	PE4	0.613	0.882	VE	0.733	
Effort Expectancy (EE)	EE1	0.671	0.736	KMO	0.766	0.794
	EE2	0.666	0.737	Barletts	379.740	
	EE3	0.584	0.803	Sig	0.000	
	EE4	0.578	0.805	VE	0.625	

Social Influence (SI)	SI1	0.630	0.734	KMO	0.716	0.784
	SI2	0.533	0.730	Barletts	379.697	
	SI3	0.641	0.703	Sig	0.000	
	SI4	0.632	0.700	VE	0.609	
Customer Trust (CT)	CT1	0.735	0.820	KMO	0.816	0.865
	CT2	0.638	0.846	Barletts	606.173	
	CT3	0.702	0.838	Sig	0.000	
	CT4	0.798	0.776	VE	0.718	
Facilitating Condition (FC)	FC1	0.601	0.628	KMO	0.643	0.617
	FC3	0.593	0.632	Barletts	108.131	
	FC4	0.522	0.676	Sig	0.000	
				VE	0.572	
Government Support (GS)	GS1	0.789	0.782	KMO	0.741	0.887
	GS2	0.844	0.706	Barletts	522.998	
	GS3	0.815	0.742	Sig	0.000	
				VE	0.572	
Adoption of FPS (ADP)	ADP1	0.726	0.851	KMO	0.824	0.872
	ADP2	0.778	0.792	Barletts	634.960	
	ADP3	0.779	0.790	Sig	0.000	
	ADP4	0.629	0.888	VE	0.728	
Individualism (IND)	IND1	0.713	0.660	KMO	0.687	0.756
	IND2	0.680	0.682	Barletts	226.763	
	IND3	0.628	0.728	Sig	0.000	
				VE	0.674	
Power Distance (PD)	PD1	0.663	0.793	KMO	0.800	0.832
	PD2	0.747	0.759	Barletts	471.930	
	PD3	0.650	0.831	Sig	0.000	
	PD5	0.623	0.835	VE	0.671	
Uncertainty Avoidance (UA)	UA1	0.501	0.764	KMO	0.777	0.804
	UA2	0.477	0.782	Barletts	498.271	
	UA3	0.663	0.769	Sig	0.000	
	UA4	0.586	0.739	VE	0.562	
	UA5	0.585	0.839			
Masculinity (MAS)	MAS1	0.504	0.648	KMO	0.612	0.626
	MAS2	0.538	0.628	Barletts	118.223	
	MAS3	0.681	0.580	Sig	0.000	
				VE	0.575	
Long-Term Orientation (LTO)	LT1	0.794	0.500	KMO	0.500	0.740
	LT2	0.794	0.500	Barletts	130.387	
				Sig	0.000	
			VE	0.794		

Source: Researcher Data Analysis (2021)

Meanwhile, the result of the multicollinearity test (Table 2) showed that all variables used in this research did not correlate with each other with the Tolerance Value for each variable at $>0,10$ and a VIF value of < 10 (Ghozali, 2018).

Table 3: The Result of Multicollinearity Test

VARIABLE	COLLINEARITY STATISTIC	
	TOLERANCE	VIF
Performance Expectancy (PE)	0.392	2.548
Effort Expectancy (EE)	0.413	2.419
Social Influence (SI)	0.137	7.296
Facilitating Condition (FC)	0.244	4.104
Individualism (IND)	0.135	7.406
Power Distance (PD)	0.370	2.700
Uncertainty Avoidance (UA)	0.321	3.117
Masculinity (MAS)	0.204	4.890
Long-Term Orientation (LTO)	0.288	3.478
Government Support (GS)	0.217	4.603
Customer Trust (CT)	0.133	7.587

Source: Researcher Data Analysis (2021)

The following table shows the result of the Multiple Regression Analysis for each model:

Table 4: Determinant Coefficients

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.711a	.506	.490	.5234	1.791

a. Predictors: (Constant), FCGS, SIPD, EE, SIUA, PE, SILTO, FC, SIMAS, SI, SIIND

b. Dependent Variable: CT

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711a	.506	.490	.5234

a. Predictors: (Constant), CT

Source: Researcher Data Analysis (2021)

Determinant coefficients were used to measure how far the variation of the dependent variables could be explained by the independent variables

(Ghozali, 2018). It can be explained by the value of adjusted R square (as shown in Figure 9). The determinant coefficient model 1 showed that the adjusted R square value was 0.490. It meant that 49% of variance of the dependent variable Customer Trust could be explained by all the independent variables which included: performance expectancy, effort expectancy, social influence, facilitating condition, national culture, and government policy. Meanwhile, 51% could be explained by the other variables that were not included in this research.

The determinant coefficient model 2 showed that the adjusted R square value was 0.302. It meant that 30.2% of the variance of the dependent variable adoption to digital payment services could be explained by the independent variable of customer trust and 69.8% could be explained by the other variables that were not covered in this research.

T statistic test was used to test the effect of each independent variable on the dependent variable (Ghozali, 2018). The T statistic test shows the value of the multiple regression equation from the unstandardized coefficients beta and becomes a guidance for accepting or rejecting the hypotheses. Alternative hypothesis will be accepted if the t-value $>$ t table or was significant at the $< 0,05$ level (Ghozali, 2018).

Table 5: The t-Statistic Testing Result

Model		Coefficients			t
		Unstandardized Coefficients		Standardized Coefficient Beta	
		B	Std. Error		
1	(Constant)	1.834	0.330		5.562
	Performance Expectancy (PE)	0.075	0.074	0.066	1.017
	Effort Expectancy (EE)	0.004	0.072	0.003	0.052
	Social Influence (SI)	-0.164	0.111	-0.163	-1.481
	Facilitating Condition (FC)	0.072	0.095	0.062	0.755
	Social Influence x Individualism (SIIND)	0.044	0.018	0.275	2.490
	Social Influence x Power Distance (SIPD)	0.43	0.011	0.267	4.000
	Social Influence x Uncertainty Avoidance (SIUA)	-0.21	0.012	-0.129	-1.802
	Social Influence x Masculinity (SIMAS)	0.12	0.015	0.074	0.819
	Social Influence x Long-term Orientation (SILTO)	0.04	0.012	0.024	0.317
	Facilitating Condition x Government Support (FCGS)	0.051	0.014	0.319	3.655
2	(Constant)	2.078	0.177		11.771
	Customer Trust (CT)	0.514	0.044	0.551	11.594

Source: Researcher Data Analysis (2021)

The multiple linear regression equation with the unstandardized coefficients beta based on Table 3 could be explained as follows:

Equation 1: $CT = 1.834 + 0.075 PE + 0.004 EE - 0.164 SI + 0.072 FC + 0.044 SIIND + 0.43 SIPD - 0.21 SIUA + 0.12 SIMAS + 0.04 SILTO + 0.051 FCGS + \text{error}$

Equation 2: $ADP = 2.078 + 0.514 CT + \text{error}$

The coefficient regression for customer trust (equation 1) showed that every 1 additional performance expectancy would add 0.075 points;

every 1 additional effort expectancy would add 0.004 points; every 1 additional facilitating condition would add 0.072 points; every 1 additional individualism indicators to social influence variable would add 0.044 points; every 1 power distance indicators to social influence variable would add 0.043 points; every 1 masculinity indicators to social influence variable would add 0.012 points; every 1 long-term orientation indicators to social influence variable would add 0.004 points and every 1 government support indicators to facilitating condition variable would add 0.051 points towards customer trust. The coefficient regression for customer trust also showed that every 1 additional social influence would reduce 0.075 points and 1 every additional uncertainty avoidance indicators of the social influence variable would reduce 0.021 points of customer trust. Furthermore, the coefficient regression for adopting digital payment (equation 2) showed that every 1 additional customer trust would add 0.514 adoption to the digital payment variable.

Table 4: The Result of Hypotheses Testing

	Hypothesis		t-Value	t-table	Sig.	Conclusion
H1	Performance Expectancy	→ Customer Trust	1.017	1.650	0.310	Rejected
H2	Effort Expectancy	→ Customer Trust	0.052	1.650	0.958	Rejected
H3	Social Influence	→ Customer Trust	-1.481	1.650	0.140	Rejected
H4	Facilitating Condition	→ Customer Trust	0.755	1.650	0.451	Rejected
H5a	SI x Individualism	→ Customer Trust	2.490	1.650	0.013	Accepted
H5b	SI x Power Distance	→ Customer Trust	4.000	1.650	0.000	Accepted
H5c	SI x Uncertainty Avoid	→ Customer Trust	-1.802	1.650	0.073	Rejected
H5d	SI x Masculinity	→ Customer Trust	0.819	1.650	0.413	Rejected
H5e	SI x Long-term Orient	→ Customer Trust	0.317	1.650	0.751	Rejected
H6	FC x Government Support	→ Customer Trust	3.655	1.650	0.000	Accepted
H7	Customer Trust	→ Adoption of FPS	11.594	1.650	0.000	Accepted

Source: Researcher Data Analysis (2021)

Table 4 shows the result of the hypotheses test as follows:

H1: There is a significant influence of performance expectancy into customer trust in adopting Fintech digital payment services. The test showed that H_1 was rejected since the t-value (1.017) < t-table (1.650) with a significance level of 0.310 (> 0.05). It meant that performance expectancy did not have any influence on customer trust. The result supported previous research by Ismagilova et al. (2020) who mentioned that even performance expectancy could enhance productivity, effectiveness, simplify the process, and increase the quality of services of digital payment services, but the customers felt that it is more important to create a person's level of trust when receiving information or trustworthiness.

H2: There is a significant influence of effort expectancy into customer trust in adopting Fintech digital payment services. The test showed that H_2 was rejected since the t-value (0.052) < t-table (1.650) with a significance level of 0.958 (> 0.05). It meant that effort expectancy did not have any influence on customer trust. The result of this research also aligned with Chen et al. (2014) who explained that one key success factor for digital payment services to attract users was not related with the effort in using the application, but more on the ability of the application itself to provide the user interface (UI) and user experience design (UX).

H3: There is a significant influence of social influence into customer trust in adopting Fintech digital payment services. The test showed that H_3 was rejected since the t-value (-1.481) < t-table (1.650) with a significance level of 0.140 (> 0.05). It meant that social influence did not have any influence on customer trust in adopting Fintech digital payment services. Social influence defines the degree to which an individual perceives that important others believe so they use a new system (Venkatesh et al., 2003). This result is similar to Lee and Song (2013) that social influence did not automatically create trust in usage behavior in Korea.

H4: There is a significant influence of facilitating condition into customer trust in adopting Fintech digital payment services. The test showed that H_4 was rejected since the t-value (0.755) < t-table (1.650) with a significance level of 0.451 (> 0.05). It meant that facilitating condition did not have any influence on customer trust in adopting the Fintech digital

payment services. This finding is similar to Lin et al. (2019) which showed that facilitating conditions had no significant effect on the mobile payment system in Taiwan. Facilitating conditions is defined as the degree to which an individual believes that an organizational and technical infrastructure exists to support the use of a system (Venkatesh et al., 2003).

H5a: There is a strengthening effect of individualism or collectivism culture in social influence to gain customer trust in adopting Fintech digital payment services. The test showed that H_{5a} was accepted since the t-value (2.490) > t-table (1.650) with a significance level of 0.013 (< 0.05). It meant that an individualism or collectivism culture could strengthen the social influence factor to gain customer trust in adopting Fintech digital payment services. Senior management, influential people, important people, and the climate in an organization had a significant effect on employee use behavior in the Republic of Korea (Lee & Song, 2013). This finding also supports Hofstede (2020) in which both countries, Indonesia and Korea had a low individualism score. Individualism is defined as the degree of interdependence a society maintains among its members (Hofstede, 2020). Indonesia is a collectivist society which means it has a high preference for a strongly defined social framework in which individuals are expected to conform to the ideals of the society and the groups to which they belong. This collectivism culture will strengthen the social influence effect in creating customer trust through social networking, families, and friends (Kurniasari et al., 2021).

H5b: There is a strengthening effect of power distance dimension in creating social influence to gain customer trust in adopting Fintech digital payment services. The test showed that H_{5b} was accepted since the t-value (4.000) > t-table (1.650) with the significance level 0.000 (< 0.05). It meant that the power distance dimension had the strengthening effect in creating social influence to gain customer trust in adopting Fintech digital payment services. Based on Hofstede (2020) Indonesia had a high level of power distance in which leaders with their competencies, expertise and knowledge could influence their subordinates. Furthermore, leaders are also able to reduce information asymmetry and at the same time could convince subordinates about the superiority of the application and encourage them to use it (Zanini & Migueles, 2018).

H5c: There is a strengthening effect of uncertainty avoidance dimension in creating social influence to gain customer trust in adopting Fintech digital payment services. The test showed that H_{5c} was rejected since the t-value (-1.802) < t-table (1.650) with a significance level of 0.073 (> 0.05). It meant that the uncertainty avoidance dimension did not have any strengthening effect in creating social influence to gain customer trust in adopting Fintech digital payment services. Hofstede (2020) defined uncertainty avoidance as the degree to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid them. Indonesia has a low score or low preference for avoiding uncertainty. A country that has a low score of uncertainty avoidance has a high tolerance level of risks in its social character (Hofstede, 2020).

H5d: There is a strengthening effect of masculinity or feminism culture in creating social influence to gain customer trust in adopting Fintech digital payment services. The test showed that H_{5d} was rejected since the t-value (0.819) < t-table (1.650) with a significance level of 0.413 (> 0.05). It meant that a masculinity or feminism culture did not have a strengthening effect in creating social influence to gain customer trust in adopting Fintech digital payment services. The finding is similar to Mustafa and Nazir (2018) which stated that the follower's perceived trust in a leader not because of feminine or masculine characteristics but based on their expertise and the power they had.

H5e: There is a strengthening effect of long-term orientation culture in creating social influence to gain customer trust in adopting Fintech digital payment services. The test showed that H_{5e} was rejected since the t-value (0.317) < t-table (1.650) with the significance level 0.751 (> 0.05). It meant that long-term orientation did not have any strengthening effect on creating social influence to gain customer trust in adopting Fintech digital payment services. This finding supports Hwang, Chung and Jin (2013) who found that even though long-term orientation was not reflected as an important factor for social relationships.

H6: There is a strengthening effect of government policy and support in creating facilitating condition to gain customer trust in adopting Fintech digital payment services.: The test showed that H_6 was

accepted since the t-value (3.655) > t-table (1.650) with a significance level of 0.000 (> 0.000). It meant that government policy played an important role in gaining customer trust in adopting Fintech digital payment services. Government policy in the Fintech industries was expected to minimize the risks related to security and data concerns. Each customer had an individual perception about all risks related to using a new technology (Liébana-Cabanillas et al., 2018). Shipps and Phillips (2013) added that perceived risk represented individual perceptions about the potential negative in the processing usage of digital payment products and services. Mwiya et al. (2017) stated that individuals are less interested in adopting higher risk platforms.

H7: There is a significant influence of customer trust into customer adoption in in adopting Fintech digital payment services. The test showed that H7 was accepted since the t-value (11.594) > t-table (1.650) with a significance level of 0.000 (< 0.05). It meant that customer trust had a significant influence for customers in adopting Fintech digital payment services. Trust was a main consideration for customers in using internet banking. The study by Naimmat (2013) showed that most customers would show reluctance in using internet banking because they lacked trust due to security issues, bank reputation, information technology and institutional image.

CONCLUSION

The collectivism culture in and the higher power distance dimension in Indonesia was proven to strengthen the social influence variable in gaining customer trust in adopting Fintech digital payment services among freshly employed graduates. Meanwhile, government policy and support also strengthened the facilitating condition effect into customer trust in adopting Fintech digital payment services. There is an urgency to encourage the growth of the technology financial ecosystem, including the government in initiating clear regulations to protect stakeholders and at the same time to deliver the highest standard of service quality to attain firm competitiveness and performance (Meng, 2014). The government plays an important role in developing an integrative system that could protect data security of their customers.

Trust was the main consideration for the freshly employed graduates in choosing and using Fintech digital payment services. The Fintech ecosystem has to be able to create trust by maximizing the role of social networking and government support. Even performance expectancy and effort expectancy did not have any significant effect in creating trust. The Fintech digital payment application platform should develop innovation that focuses more on user-friendly features and experiences using more understandable languages and symbols. Therefore, the researcher suggests that the digital payment application should provide interactive features with more User Experience (UX) or User Interface (UI) design. Fintech digital payment must maintain a long relationship especially with these young freshly employed graduates who are more vulnerable to switching to other applications with more attractive features.

The next research could consider other variables such as a security system that could make the digital payment services more attractive and successfully implement them for the freshly employed users.

ACKNOWLEDGEMENTS

Authors would say thanks to the following parties:

1. Universitas Multimedia Nusantara, Indonesia that provided internal funding for this research under the Internal Research Scheme 2021.
2. Universiti Teknologi Mara, Malaysia (Faculty of Accountancy) with the MoA signed on June 10th, 2021.

REFERENCES

- Abd Hamid, N., Kurniasari, F., Taib, H. A. M., Saheh, N. H. M., & Embong, T. F. T. (2018). A comparative study of Malaysian and Indonesian students' entrepreneurial characteristics and career choices resulting from the digital economy. *International Journal of Supply Chain Management*, 7(5), 250-258.

- Al-Shafi, S. H. (2009). *Factors affecting e-Government implementation and adoption in the State of Qatar* (Doctoral dissertation, Brunel University, School of Information Systems, Computing and Mathematics).
- App Annie (2020). *App Annie State of Mobile 2020 Report*. Retrieved from <https://www.appannie.com/en/go/state-of-mobile-2020>
- Apriyani, T. (2019). Retrieved from Suara, <https://yoursay.suara.com/news/2019/12/19/140313/e-wallet-alat-transaksi-dan-pembayaran-zaman-now?page=all>.
- Arpaci, I. (2016). Understanding and predicting students' intention to use mobile cloud storage services. *Computers in Human Behavior*, 58, 150-157.
- Asosiasi Penyelenggara Jasa Internet Indonesia (2021). *Laporan Survei Internet APJII and Indonesia Survey Center 2019 – 2020* (Q2).
- Bank Indonesia (2021). *Bank Indonesia Quarterly Report 2021*. Bank Indonesia Publisher.
- Blohm, I., Leimeister, J. M., & Krcmar, H. (2013). Crowdsourcing: how to benefit from (too) many great ideas. *MIS Quarterly Executive*, 12(4), 199-211.
- Chen, D., Lai, F., & Lin, Z. (2014). A trust model for online peer-to-peer lending: A lender's perspective. *Information Technology and Management*, 15(4), 239-254.
- Daka, C. G., & Phiri, J. (2019). Factors driving the adoption of e-banking services based on the UTAUT model. *International Journal of Business and Management*, 14(6), 43-52.
- Davidson, S., & Wilson, T. (2008). Submission to the review of the National Innovation System. *Institute of Public Affairs, Australia*.
- Davis, F. D. (1989). User acceptance of information technology: System characteristics, user Perceptions and behavioral impacts. *International Journal of Man-Machine Studies*, 38, 475-487.

- Dorfleitner, G., Hornuf, L., Schmitt, M., & Weber, M. (2017). *The fintech market in Germany*. Available at SSRN: <https://ssrn.com/abstract=2885931>
- Economist Intelligence Unit (2020). *Digital Economy Rankings in year 2020*.
- Fintech Singapore (2020). *Indonesia Fintech Report and Map 2020*. (fintechnews.sg).
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro.
- Hair Jr., J., Black, W., Babin, B., & Anderson, R. (2014). *Multivariate Data Analysis*, Pearson Education.
- Hofstede-Insights (2020). *Hofstede-Insights 2020*. <https://www.hofstede-insights.com/>
- Hwang, J., Chung, J. E., & Jin, B. (2013). Culture matters: The role of long-term orientation and market orientation in buyer-supplier relationships in a Confucian culture. *Asia Pacific Journal of Marketing and Logistics*, 25(5), 721-744. <https://doi.org/10.1108/APJML-10-2012-0107>
- Ismagilova, E., Slade, E., Rana, N. P., & Dwivedi, Y. K. (2020). The effect of characteristics of source credibility on consumer behaviour: A meta-analysis. *Journal of Retailing and Consumer Services*, 53, 101736.
- Katadata Insight Center (2021).
- Kurfali, M., Arifoğlu, A., Tokdemir, G., & Paçin, Y. (2017). Adoption of e-government services in Turkey. *Computers in Human Behavior*, 66, 168-178.
- Kurniasari, F., Gunardi, A., Putri, F., & Firmansyah, A. (2021). The role of financial technology to increase financial inclusion in Indonesia. *International Journal of Data and Network Science*, 5(3), 391-400.

- Lee, J. H., & Song, C. H. (2013). Effects of trust and perceived risk on user acceptance of a new technology service. *Social Behavior and Personality: An International Journal*, 41(4), 587-597.
- Li, Y. H., & Huang, J. W. (2009). Applying theory of perceived risk and technology acceptance model in the online shopping channel. *World Academy of Science, Engineering and Technology*, 53(1), 919-925.
- Liébana-Cabanillas, F., Higuera-Castillo, E., Molinillo, S., & Montañez, M. R. (2019). Assessing the role of risk and trust in consumers' adoption of online payment systems. *International Journal of Information Systems and Software Engineering for Big Companies*, 5(2), 99-113.
- Malaquias, F. F., & Hwang, Y. (2016). Trust in mobile banking under conditions of information asymmetry: Empirical evidence from Brazil. *Information Development*, 32(5), 1600-1612.
- Minkov, M. (2012). *Cross-cultural analysis: The science and art of comparing the world's modern societies and their cultures*. SAGE Publications.
- Mustafa, G., & Nazir, B. (2018). Trust in transformational leadership: Do followers' perceptions of leader femininity, masculinity, and androgyny matter?. *The Journal of Values-Based Leadership*, 11(2), 13.
- Mwiya, B., Chikumbi, F., Shikaputo, C., Kabala, E., Kaulung'ombe, B., & Siachinji, B. (2017). Examining factors influencing e-banking adoption: Evidence from bank customers in Zambia. *American Journal of Industrial and Business Management*, 7(6), 741-759.
- Nunnally, J. (1978). *Psychometric theory*. New York: McGraw-Hill.
- Pavlou, P. A., & Gefen, D. (2002). Building effective online marketplaces with institution-based trust. *International Conference Information System*, Vol. 63, pp. 667-675.
- Schierz, P. G., Schilke, O., & Wirtz, B. W. (2010). Understanding consumer acceptance of mobile payment services: An empirical analysis. *Electronic Commerce Research and Applications*, 9(3), 209-216.

- Sekaran, U., & Bougie, R. J. (2016). *Research methods for business: A skill building approach* (7th ed.). WileyPLUS Learning Space Card, Wiley.
- Shipp, B., & Phillips, B. (2013). Social networks, interactivity and satisfaction: Assessing socio-technical behavioral factors as an extension to technology acceptance. *Journal of Theoretical and Applied Electronic Commerce Research*, 8(1), 35-52.
- Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 27(3), 425-478.
- We Are Social & Hootsuite (2020).
- Wicaksana, (2019), Retrieved from inews.id: <https://www.inews.id/finance/keuangan/linkaja-bakal-bisa-digunakan-untuk-bayar-tol-dan-ongkos-transportasi-publik>.
- Williams, R. (1983). *Keywords: A vocabulary of culture and society*. London: London Fontana Press.
- World Bank (2021). *The Global Findex Database 2020: Measuring Financial Inclusion around the World*. April edition.
- Zanini, M. T., & Migueles, C. (2018, August). Building trust in a high Power Distance context: The role of the perception of integrity in shared leadership. In *Academy of Management Conference, Chicago, August*.
- Zhang, Y., Li, H., Hai, M., Li, J., & Li, A. (2017). Determinants of loan funded successful in online P2P Lending. *Procedia Computer Science*, 122, 896-901.