Determinants of Generation Z's Interest in Investing in Stock Using Financial Technology Investment Management

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ABSTRACT: In the financial sector, technology that is currently developing rapidly, especially in the investment sector, is fintech investment management. The aim of this research is to analyze the factors that influence interest in using and behavior in using fintech investment management. This research was conducted at the Udayana University Investment Gallery, with a population of the entire Z generation in the province of Bali. The data analysis technique used is the Partial Least Square (PLS) method. The results of the analysis show that performance expectations, social influence, facilitating conditions, hedonic motivation, and habits have a positive effect on interest in using fintech investment management, while business expectations and price value have no effect. And there is a positive influence of interest in use on behavior in using fintech investment management.

KEYWORDS: Investment Interest, Fintech Investment Management, Usage Behavior

INTRODUCTION

In this era of globalization, technology that is developing rapidly in the financial sector is financial technology (fintech). Fintech is a manifestation of the implementation and use of technology in order to improve financial services by using various forms of software, internet, communication media and computerization. The use of fintech can maximize financial transaction activities anytime and anywhere just by relying on the internet and smartphone (Missaifi, 2020). The increasingly rapid development of fintech has led to the emergence of fintech in the investment sector. With the presence of fintech investment management in Indonesia, generation Z investors will make it easier to invest, by simply accessing it via an application on a smartphone or opening a website. Generation Z investors continue to grow rapidly and dominate the number of domestic investors. Data from the Indonesian Stock Exchange (BEI) as of January 29, 2021 recorded that generation Z investors or under 40 years old reached 1,393,014 investors or 75% of the total domestic stock investors. This realization is also the highest in the history of the capital market (Market Business, 2021).

Fintech investment management has a flexible and practical nature to make it easier for people to use their smartphones. This will influence interest in using fintech investment management. Jogiyanto (2007) explains that strong interest will give rise to usage behavior. The Theory of Reasoned Action (TRA) states that a person's interest in carrying out or not carrying out a behavior is a direct determinant of the action or behavior (Jogiyanto, 2007).

Someone will carry out a behavior if they have a desire or interest (behavioral intention).

This research examines the factors that influence interest in using and behavior in using fintech investment management. This research uses the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) as a model for the use and behavior of using technology. Based on previous research, the adoption of the UTAUT2 model produced diverse findings and experienced many developments. It can be seen that there are inconsistent results from several previous studies. This is an interesting opportunity to study more deeply. This research will revalidate the UTAUT2 model which aims to gain an understanding of the acceptance of fintech investment management-based financial technology in Bali.

The Theory of Reasoned Action is a theory related to individual attitudes and behavior in carrying out an activity. Ajzen and Fishbein (1980) define TRA as a person's interest in carrying out (or not carrying out) a behavior and is a direct determinant of an action or behavior. In the field of fintech investment management, TRA is applied to explain that the use of technology is determined by the interest in carrying out investment transactions.

The unified theory of acceptance and use of technology (UTAUT) model was first introduced by Venkatesh et al. (2003), which means a model to predict and explain user factors in accepting and using technology. UTAUT2 studies the acceptance and use of a technology in a consumer context (Venkatesh et al., 2012). The aim of UTAUT2 is to identify three important constructs in the

acceptance and use of technology. The three constructs added in UTAUT2 are hedonic motivation, price value, and habit.

Performance expectancy is the level of a person's belief that using technology can help them gain benefits in their activities (Venkatesh et al., 2003). Effort expectancy is the ease of use of a technology that can reduce a person's effort, namely energy and time in using a technology (Venkatesh et al., 2003). The ease felt by individuals will create a sense of confidence in using technology and provide benefits so that a feeling of comfort arises when using the technology.

Social influence is social influence in showing an individual's perception or view of the use of a technology (Gupta & Arora, 2019). Venkatesh et al., (2003) say that social influence refers to how other people can influence a person's usage decisions. Facilitating conditions are an individual's level of comfort in using a technology that is supported by the technological infrastructure (Abbad, 2021). In research conducted by Venkatesh et al., (2003), facilitating conditions had an influence on intention to use information systems but were not influenced significantly.

Hedonic motivation is the extent to which a person gets pleasure from using technology. Enjoyment here can be interpreted as the user's interest in using a technology (Venkatesh et al., 2003). Price value is a person's perception of the costs that will be incurred in using a technology when the benefits of use can be felt (Venkatesh et al., 2012). When the perceived benefits are greater, users will show a willingness to use a technology.

Habit is the extent to which users will tend to use a technology automatically because they are used to using that technology (Venkatesh et al., 2012). Research conducted by Venkatesh et al., (2012) shows that there is a significant influence of consumer habits on personal technology use when facing a diverse and ever-changing environment. According to Venkatesh et al., (2003), usage interest is a person's desire to use information technology with the desired goals. It can be said that interest in using fintech investment management is a measure of the strength of a person's interest in showing behavior towards the system. Usage behavior is defined as how often users use a technology. A technology will be used frequently if users have an interest in using the technology, because someone believes the technology used will be able to improve their performance (Venkatesh et al., 2012).

Research by Abbad (2021) which uses the UTAUT theory to analyze students' intentions and actual behavior in using Moodle technology, found that performance expectancy and effort expectancy influence behavioral intention to use Moodle, while social influence has no influence on behavioral intention. Other variables, namely facilitating conditions and behavioral intention, have a direct influence on students' actual use of Moodle. Alalwan et al. (2018) in their research found that

behavioral intentions were significantly influenced by performance expectancy, effort expectancy, hedonic motivation, price value, and perceived risk. Meanwhile, social influence has no influence on behavioral intentions. Another study by Farah et al. (2018) who adopted all variables from the UTAUT 2 model, found that the variables performance expectancy, effort expectancy, social influence, habit, hedonic motivation and price value had a significant influence on the intention to use mobile banking. Meanwhile, the facilitating conditions, trust and perceived risk variables do not have a significant influence on the intention to use mobile banking.

Research by Gupta & Arora (2019) found that the variables effort expectancy, facilitating conditions, habit and performance expectancy had a significant influence on behavioral intention. Meanwhile, hedonic motivation and social influence variables do not have a significant influence on behavioral intention. Apart from that, the behavioral intention variable has a significant influence on use behavior. Research conducted by Kwateng et al. (2018) obtained results that the variables that had a significant influence on behavioral intention were habit, price value, and trust, while the rest had no influence. Apart from that, the variables that have a significant influence on use behavior are habit and behavioral intention.

Based on several previous studies and existing theories, a research hypothesis can be developed as follows.

H_1: Performance expectations have a positive effect on interest in using fintech investment management.

H_2: Business expectations have a positive effect on interest in using fintech investment management.

H_3: Social influence has a positive effect on interest in using fintech investment management.

H_4: Facilitating conditions have a positive effect on interest in using fintech investment management.

H_5: Hedonic motivation has a positive effect on interest in using fintech investment management.

H_6: Price value has a positive effect on interest in using fintech investment management.

H_7: Habits have a positive effect on interest in using fintech investment management.

H_8: Interest in use has a positive effect on behavior in using fintech investment management.

RESEARCH METHODS

This research is located at the University Investment Gallery in Bali Province. The object of this research is interest and behavior in using fintech investment management technology. The data collection method used is a survey method with the technique of distributing questionnaires to respondents. This research uses quantitative data, in the form of questionnaire answer scores from respondents and primary data sources in the form of respondents' statements in answering the questionnaire. The population in this study is

all generation Z in Bali Province, with an age range of 12 to 28 years. The sample was determined using the nonprobability sampling method. To measure the sample size to be used, this research uses the Hair et al formula in Putri & Suardikha's (2020) research which states that the minimum adequate sample size in research is ten times the number of variables. This research uses 9 variables, so the minimum sample size is 90 samples. This research uses data analysis techniques in the form of the Partial Least Square (PLS) method. Partial Least Square has two types of components in the causal model, namely the structural model (inner model) and the measurement model (outer model) (Ghozali, 2014).

Usage behavior is defined as how often users use a technology, measured through 4 indicators, namely: (1) users always make transactions using investment technology, (2) users make transactions using investment technology more often than manually, (3) Active users of investment technology, and (4) prefer to use investment technology. Performance expectations are measured by 4 indicators, namely: (1) transactions in investment technology are profitable, (2) transactions in investment technology are trusted, (3) service in investment technology is satisfactory, and (4) investment technology increases productivity. Business expectations are measured by: (1) it is easy to carry out transactions in investment technology, (2) transactions in investment technology are more efficient, (3) investment technology is easy to use, and (4) there is no need for a lot of information to use investment technology.

Social influence is measured by 3 indicators, namely: (1) people who are important to users making transactions in investment technology, (2) people who influence the behavior of users making transactions in investment technology, and (3) people whose opinions users share. appreciate prefer transactions in investment technology. Facilitating conditions are measured by 4 indicators, namely: (1) adequate resources required, (2) having the knowledge necessary to transact in investment technology, (3) compatible with other technologies being

used, and (4) availability of assistance features when experiencing difficulties. Hedonic motivation is measured by 3 indicators, namely: (1) pleasure from transacting on investment technology, (2) transacting on attractive investment technology, and (3) transacting on comfortable investment technology. Price value is measured by 3 indicators, namely: (1) transactions in investment technology are in accordance with the price offered, (2) transaction costs in investment technology are affordable, and (3) transactions in investment technology have good value.

Habits are measured by 4 indicators, namely: (1) transacting on investment technology has become a habit for users, (2) users are addicted to transacting on investment technology, (3) users like to transact on investment technology, and (4) it is better to transact on investment technology compared to manual. Usage interest is measured by 3 indicators, namely: (1) users intend to continue making transactions on investment technology in the future, (2) users plan to regularly make transactions on investment technology, and (3) users will continue to try to make transactions on investment technology.

RESULTS AND DISCUSSION

This research was conducted in Bali Province. In terms of age, it is recorded that the population of Bali in 2020 is dominated by generation Z residents (aged 8-23 years or born in 1997-2012) amounting to 26.10 percent of direct respondents, namely Udayana University undergraduate students who are included in generation Z in the Province Bali by distributing the Google Form link using email.

Instrument testing in this research used a pilot study which aims to assess the feasibility of the research instrument regarding research procedures. In this research, the pilot study test included a validity test and a reliability test. The research data used in this research has passed the pilot study.

Descriptive analysis shows the distribution of research respondents' responses in the questionnaire. The results of the descriptive analysis are shown in Table 1.

Table 1. Descriptive Analysis

No.	Variable	Minimum	Maximum	Average	Standard Deviation
1.	Performance Expectations (X1)	1,000	4,000	3,340	0.683
2.	Business Expectations (X2)	1,000	4,000	3,124	0.771
3.	Social Influence (X3)	1,000	4,000	2,663	0.915
4.	Facilitating Conditions (X4)	1,000	4,000	3,273	0.676
5.	Hedonic Motivation (X5)	1,000	4,000	3,204	0.697
6.	Price Value (X6)	1,000	4,000	3,025	0.814
7.	Habits (X7)	1,000	4,000	2,898	0.905
8.	Interest in Use (X8)	1,000	4,000	2.95	0.018
9.	Usage Behavior (Y)	1,000	4,000	2,742	0.898

Source: Processed Data, 2023

The PLS-SEM analysis test consists of evaluation of the measurement model (outer model), evaluation of the structural model (inner model), and hypothesis testing. The measurement model was evaluated to test the validity and reliability of the indicators used to measure latent variables. To test validity, there are two tests, namely convergentvalidity and discriminant validity. Ratnadi and Widanaputra (2019) said that the aim of testing convergent validity is to find out whether the indicators used are able to define or reflect latent variables. The analysis criterion used is an outer loading value > 0.60.
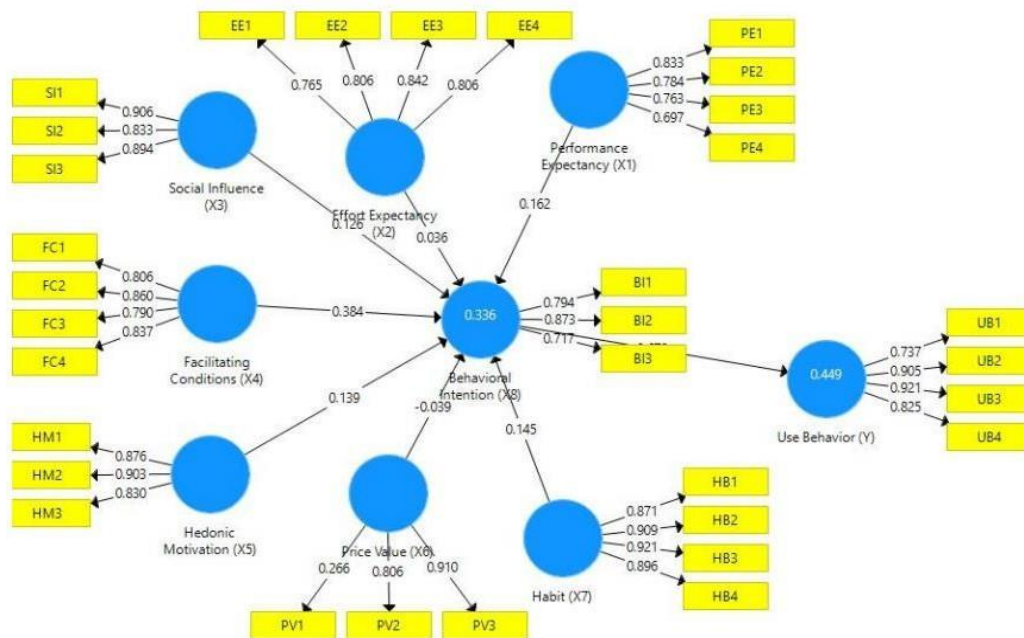

Figure 1. Evaluation of Measurement Model 1
Source: Processed Data, 2023

In Figure 1 it can be seen that the PV 1 indicator does not meet the criteria, namely $0.266 < 0.70$. So the researcher revised the research measurement model, namelyby removing the PV1 indicator and carrying out the analysis again without indicators that did not meet the requirements. The revised measurement model can be seen in Figure 2.
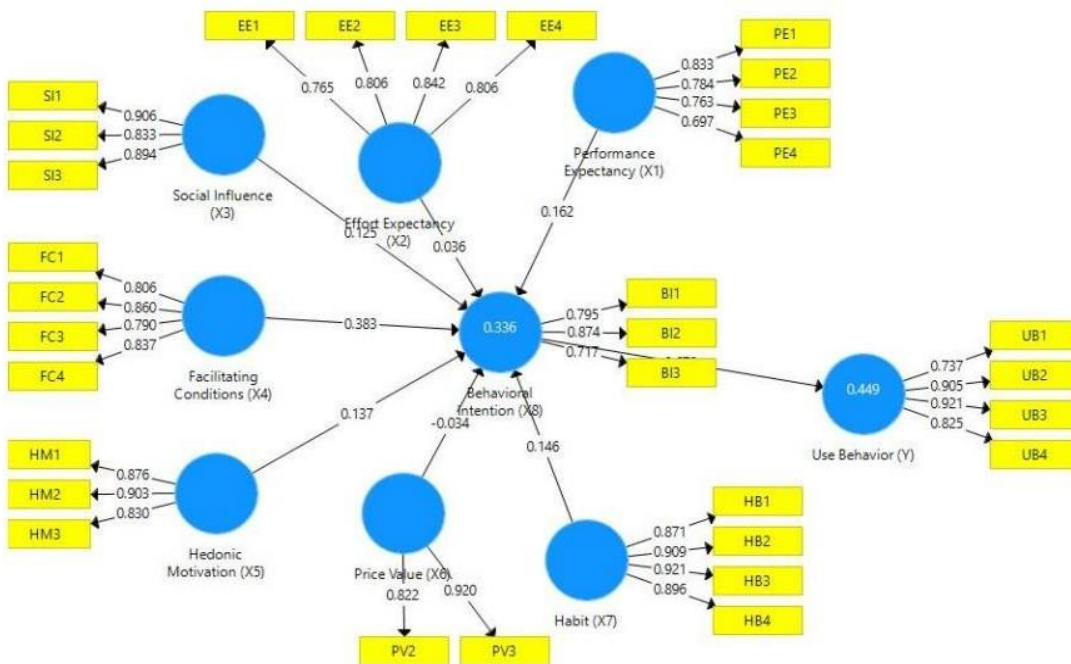

Figure 2. Evaluation of Measurement Model 1
Source: Processed Data, 2023

In Figure 2 it can be seen that the analysis results show that all indicators have values between 0.60 and 0.70, so it can be said that all indicators are valid.

Evaluate the structural model or inner model in this research by looking at the R-square value. The model is declared to have met the criteria if the R-square value is 0.67, it is said to be a strong or good model, 0.33 is said to be a moderate model, and 0.19 is said to be a weak model. The R-square value for the usage interest and usage behavior variables in this research is 0.336 and 0.449. The R-square value for the interest in use variable was obtained at 0.336, this shows that 33.6% of the interest in use of fintech investment management variable is influenced by the variables performance expectations, business expectations,

social influence, facilitating conditions, hedonic motivation, price value, and habits. In addition, the R-square value for the usage behaviorvariable was obtained at 0.449, indicating that 44.9% of the usage behavior variable for fintech investment management was influenced by the usage interest variable. Meanwhile, the other 65.1% was influenced by other variables outside the research model.

Test significance or hypothesis testing is carried out to find out how much influence the independent variable has on the dependent variable. This test is known by looking at the parameter coefficient values and the significance value of the p-value < 0.05(Ghozali, 2014). Table 2 presents statistical results between the variables tested.

Table 2. Hypothesis Test Results

Variable Relationships	Original Sample (O)	P-values	Information	Decision
H1 : PE -> BI	0.162	0.004	Significant	H1 is accepted
H2 : PE -> BI	0.036	0.434	Not significant	H2 is rejected
H3: PE -> BI	0.125	0.009	Significant	H3 is accepted
H4 : PE -> BI	0.383	0,000	Significant	H4 is accepted
H5 : PE -> BI	0.137	0.037	Significant	H5 accepted
H6 : PE -> BI	-0.034	0.620	Not significant	H6 is rejected
H7 : PE -> BI	0.146	0.001	Significant	H7 accepted
H8 : PE -> BI	0.670	0,000	Significant	H8 accepted

Source: Processed Data, 2023

Based on Table 2, the performance expectations variable has an original sample value of 0.162 and a p-value of 0.004 or <0.05. Based on these values, H1 is accepted so it can be said that there is a positive influence of performance expectations on interest in using fintech investment management. This finding shows that the higher the performance expectations, the interest in using fintech investment management tends to increase. The research results are in line with research conducted by Venkatesh et al., (2012) which states that performance expectations in using information technology can increase productivity and can save time in seeing investment movements more quickly. Meanwhile, Alalwan et al., (2018), Farah et al., (2018), and Gupta and Arora (2019) showthat performance expectations have a positive and significant effect on interest in using fintech payments.

The business expectation variable hasThe original sample value is 0.036 and the p-values are 0.434 or > 0.05. Based on these values, H2 is rejected so it can be said that business expectations have no but positive influence on interest in using fintech investment management. This finding shows that the higher the business expectations, the less likely it will increase interest in using fintech investment management. The results of this research are not in line with

the TRA theory and the UTAUT2 model proposed by Venkatesh et al., (2012) which states that acceptance of a technology is influenced by business expectations. The results of this study are also not in line with Alalwan et al., (2018) who found that business expectations have an influence on behavioral intention to adopt internet banking. However, research from Kwateng et al., (2018), Putri and Suardikha (2020), and Maharani (2021) found that business expectations do not have a significant influence on interest in using M-Banking and E-Money technology. This is because generation z is a generation that is already proficient in applying technology so it does not require a lot of effort to use mobile payments.

Social influence variables haveThe original sample value is 0.125 and the p-valuesare 0.009 or <0.05. Based on these values, H3 is accepted so it can be said that there is a positive influence of social influence on interest in using fintech investment management. These findings show that the higher the social influence, the interest in using fintech investment management tends to increase. The research results are in line with research conducted by Farah et al., (2018) which shows that social influence plays an important role in increasing customer interest in adopting mobile banking. Macedo's research (2017) also found something

similar.

Facilitating conditions variables haveThe original sample value is 0.383 and the p-values are 0.000 or <0.05. Based on these values, H4 is accepted so it can be said that there is a positive influence of facilitating conditions on interest in using fintech investment management. This finding shows that the higher the facilitating conditions, the interest in using fintech investment management tends to increase. Research by Alalwan et al., (2018) states that facilitating conditions have a positive influence on behavioral interest in using internet banking. Shafly's research (2020) also states that the majority of respondents feel that the necessary requirements and application systems that are appropriate to the technology used are important.

Hedonic motivation variables haveThe original sample value is 0.137 and the p- values are 0.037 or <0.05. Based on these values, H5 is accepted so it can be said that there is a positive influence of hedonic motivation on interest in using fintech investment management. These findings indicate that the higher the hedonic motivation, the interest in using fintech investment management tends to increase. This is in line with research by Rizkiyah and Novianti (2021) which states that the level of satisfaction in the hedonic motivation variable can increase the likelihood of respondents being interested and continuing to want to use P2P Lending. Alalwan et al., (2018) found that hedonic motivation was the most influential factor contributing to internet banking customers in Jordan.

The price value variable hasThe original sample value is -0.034 and the p-values are 0.620 or > 0.05. Based on these values, H6 is rejected so it can be said that there is no positive influence of hedonic motivation on interest in using fintech investment management. This finding shows that the higher the price value, the less likely it will increase interest in using fintech investment management. The results of this research are in line with Maharani (2021) who shows that interest in reusing mobile payment transactions does not have a significant effect. Price value is not the main reason for mobile payment users to use it again because Generation Z tends to prefer products thatare free and affordable. Apart from that, Rizkiyah and Novianti (2021) concluded that price value has no effect on behavioral intentions.

Habit variables haveThe original sample value is 0.146 and the p-values are 0.001or <0.05. Based on these values, H7 is accepted so it can be said that there is a positive influence of habits on interest in using fintech investment management. These findings show that the higher the habit, the interest in using fintech investment management tends to increase. Gupta and Arora (2019) stated that habit is the most influential factor in interest in using m-payment. Similar results were also shown by Maharani (2021) and Putri and Suardikha (2020) who showed supporting results, namely that habits have a positive effect on interest in using technology.

Meanwhile, the usage interest variable hasThe original sample value is 0.670 andthe p-values are 0.000 or <0.05. Based on these values, H8 is accepted so it can be said that there is a positive influence of user interest on fintech investment management usage behavior. This finding shows that the higher the interest in use, the behavior of using fintech investment management tends to increase. Putri and Suardikha (2020) stated that behavioral intention has a positive and significant influence on technology use behavior. This shows that the higher students' interest in adopting investment technology, the higher their behavior in using this technology. Apart from that, research by Pertiwi and Ariyanto (2017); Rizkiyah and Novianti (2021) also found the same thing, namely that behavioral intentions have a positive effect on usage behavior.

CONCLUSION

This research examines the influence of the variables performance expectations, business expectations, social influence, facilitating conditions, hedonic motivation, price values, and habits on interest in using fintech investment management as well as interest in using fintech investment management behavior of generation Z students in Bali Province. Based on the results of the analysis and discussion that have been presented, this research found that the variables of performance expectations, social influence, facilitating conditions, hedonic motivation, and habits influence interest in using fintech investment management. Meanwhile, business expectation and price value variables have no effect on interest in using fintech investment management. And the usage interest variable hasa positive effect on the behavior of using fintech investment management.

This research provides empirical evidence regardingfactors that influence interest in using and behavior in using fintech investment management. This research is limited toonly examining technology in the investment sector, and several factors that influence interest in using fintech investment management, so it is hoped that future researchers will add other relevant variables in order to increase the influence value (r-square). Apartfrom that, the respondents used were limited to generation Z in the province of Bali, so it is hoped that future researchers can increase the population used.

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