

Determinants of Use of Financial Technology Services in Households in Central Java

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Abstract

The development of financial technology is growing faster, and all financial institutions seem to be racing to switch from conventional to digital. It is interesting to examine how people motivate to make choices using financial technology in making transactions. This study aims to determine the correlation between sociodemography, self-assessment, and financial characteristics to the preference of financial technology in Central Java. This study uses a quantitative method with a survey model, and the sampling technique used is random sampling. Data analysis techniques in this study are using Stata version 15. This study resulted that sociodemography, self-assessment, and financial characteristics had a significant influence on the decision to choose the use of financial technology services through financial literacy in the people of Central Java

Keywords:

Sociodemography, self-assessment, financial characteristics, financial technology.

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1. Introduction

The Industrial Revolution 4.0 developed in almost all parts of the world, including Indonesia. One of the challenges of the industrial revolution 4.0 is the rapid development of technology. The development of technology has changed people's lifestyles to be more practical, easy, cheap and everything runs fast. The development of technology, especially information technology, has changed the way people communicate, fulfill their needs, transact and various other aspects of life, including work and socializing. Technology has also changed business dynamics, the company's operating system, administration, service to consumers, all aspects have used apps systems technology that give impact on efficiency and accelerate the completion of business work.

The rapid development of science and technology produced new innovations in various forms of technology, such as in communication and information, economy, industry, consumption, social, transportation, transactions and so on. The

development of computer technology has created Artificial Intelligence (AI) that provides new opportunities for changes in all aspects of human life. In the first stage of the Industrial Revolution 4.0, it began with an extraordinary computing revolution, the rapid development of information technology and AI (artificial intelligence), to the continuous development of the functionalization of technology for life. Among the community, especially the younger generation or millennial group, it is a group of people who control the Internet of Things (IoT) in which almost all life assist tools are connected to the internet network and can be done with their respective gadgets

One of the forms of utilizing internet-based information technology is digital banking services. This technology plays a role in moving the financial transaction system from direct transactions to technology-based transactions. Banking technology financial service is a service that uses digital or electronic tools that can be accessed by customers to assist in transactions.

The digital disruption that occurred has resulted innovation in the financial industry, the emergence of Financial Technology / Fintech. The existence of Fintech can help people do the transactions or borrow funds easier. Fintech is an alternative form of technology-based financial services. Fintech financial services are developed well according to the support of time, market needs, and the Covid-19 pandemic. For this reason, banks also have developed various forms of digital-based services with I-Banking or M-Banking to answer the needs of today's society.

2. Literature review

2.1 Financial Technology

According to Bank Indonesia (2018), financial technology is a combination of financial services with technology, which transforms the business model from conventional to modern, initially pays face-to-face and carries a certain amount of cash, now the payments can be made in instant mode. Another income from The National Digital Research Center (NDRC) in Pranata & Hasanah (2019) stated that financial technology is an "innovation in financial services" in other words, innovation in the financial sector is given a touch of modern technology. Financial transactions using Fintech include payments, investments, money loans, transfers, financial planning, and comparisons in financial products (Rizal, Maulina, & Kostini, 2018).

2.2 Sociodemographic Characteristics

Demography is a study of the human population and its relationship to changes that arise as a result of birth, death, and immigration (Pressat, 1985). Another opinion states that demography is a statistical and mathematical study of size, composition, and distribution of the population and its changes over time through five components, birth, death, marriage, migration, and social mobility (Bogue, 1973). However, according to The Great Dictionary of Indonesian Language, sociodemographic is formed by two words, socio which means the study of humans and demography which means the description of the population. Socio Demographic means a description of humans related to the purpose of a quantitative study which can describe qualitative characteristics. Sociodemographic characteristics can be characterized in several dynamics of human life in society. These

characteristics include education level, ethnicity, religion, class, marital status, region such as village, city and so on. Theoretically, sociodemographic differences provide the differences in characteristics of behavior, culture, perspective and characteristics of the community group.

The results of the research conducted by (Loix, et al, 2015) state that sociodemographic and financial characteristics are one of the factors that influence consumers in adopting and using electronic payment systems. Sociodemography is influenced by the customer's internal factors in the form of age, gender, education level, profession and other preferences of the customer. In addition, the social environment can be influenced by external factors derived from the surroundings. In theory, both have a significant effect on someone deciding to use a digital banking service platform. The first hypothesis of this research can be formulated as:

H1. sociodemographic has a positive effect on the choice of using financial technology services in Central Java

2.3 Self Assessment

According to experts, self-research is an assessment technique which individuals can assess themselves by regarding the status, process and level of achievement of the competencies learned (Hariyati, Rohman Journal, 2012: 2). The main purpose of self-research is to be able to foster self-confidence and responsibility in individuals because the person who knows exactly about each individual is the individual himself, and becomes the best assessor of his own work results. If individuals continue to maintain this attitude and conduct self-assessments, it will give a positive impact on individual character development because self-assessment can increase self-esteem and make individuals better in person.

Self-assessment by the society determines the society's decision to use the type of financial service. In addition, this self-assessment is related to the knowledge, attitudes and actions taken by the society to use Fintech services. According to research by (Jappelli &

Padula, 2015), someone who is more comprehensible in finance tends to be more active in making financial decisions such as saving and investing while they are still working to prepare for their retirement. The relationship between self-assessment and choice to use digital banking services is predicted to be positive. The second hypothesis of this research can be formulated as:

H2. Self-assessment has a positive effect on the choice of using financial technology services in Central Java

2.4 Financial Characteristics

Financial characteristics are habits or culture owned by community groups in managing their finances. In general, people's income will be used to fulfill the needs of life and saved in the form of savings to maintain needs that one day will come unexpectedly. According to research conducted by the Deutsche Bundesbank in 2016 (in Junger et. al. 2019) financial characteristics can be measured by the level of a person's desire and habit in saving the money they have.

A person's financial characteristics is the form of his/her perception and reference to manage his finances wisely. Financial characteristics is a knowledge and understanding of financial concepts

and risks, along with the skills, motivation, and confidence to apply the knowledge and understanding they have in order to make effective financial decisions, improve individual and community financial well-being, and participate in the economic field. Conceptually, knowledge of managing finances affects people's decision to use digital banking services (OECD, 2016). The relationship between financial characteristics and the choice to use digital banking services is predicted to be positive. The third hypothesis of this research can be formulated as:

H3. Financial characteristics have a positive effect on the choice of using technology financial services in Central

Java

2.5 Financial Characteristics

Financial literacy is the ability of a person or society to use their income for daily needs. People's knowledge of using their money for living expenses, investment, and working capital is very important to increase the use value of money in prospering their lives. Society must have the ability of financial management in order to manage their families finances properly. Financial literacy or literacy in managing money is required by everyone.

Lusardi (2012) states that financial literacy consists of a number of abilities and knowledge about finances owned by a person to be able to manage or use a certain amount of money to improve his standard of living. Financial literacy is closely related to behavior, habits and the influence of external factors. Based on the PISA (2012) Financial Literacy Assessment Framework (OECD/INFE, 2012) in Aribawa (2016), defined that financial literacy is a fundamental factor for economic growth and financial stability. From the consumer's point of view, good financial literacy will lead to spending decisions that prioritize quality.

3. Research Methods

3.1 Research Methodology

This study empirically analyzes several factors such as sociodemographic characteristics, self-assessment, and financial characteristics on the choice of using Fintech through financial literacy in Central Java. This research is quantitative research, which uses Stata version 15 on the data processing analyzes.

3.2 Variable Operational Definition

This study used 3 types of variables, the dependent variable, the independent variable, and the control variable. The dependent variable includes the use of I-Banking, digital wallets, and Fintech. The independent variable includes the gender, age, marital status, education level, income,

trustworthiness, price sensitivity, transparency, risk, patience, financial knowledge, saving characteristics, total financial knowledge, and total asset ownership. All independent variables are obtained by survey results that have been distributed by researchers. The control variable includes the total financial literacy obtained by the results of a questionnaire regarding financial literacy.

3.3 Analysis Method

The analytical technique of this study utilized multiple regression analysis to test 3 hypotheses and processed using Stata version 15. The first analysis was descriptive statistical analysis aimed at explaining in general the data studied and viewed through

the mean, median, mode, standard deviation, minimum and maximum value. Afterwards, perform classical assumption test which includes normality test, multicollinearity test, heteroscedasticity test, outliers test, and Ordinary Least Square (OLS) regression test and robustness check. Further, the hypothesis test by the coefficient of determination, F test, and T test.

4. Results and Discussion

4.1 Descriptive Analysis

To provide an overview of the researcher's survey results, a descriptive analysis was carried out in order to provide an accurate overview of the survey data. The test results can be seen in the table below:

Table 1 Descriptive Analysis

Variabel	Obs	Mean	Std.Dev	Min	Max
Penggunaan I-Banking (pib)	276	0.6086	0.4889	0	1
Penggunaan Dompot Digital (pdd)	276	0.4565	0.4990	0	1
Penggunaan layanan Fintech	276	0.6956	0.4609	0	1
Gender	276	0.5797	0.4945	0	1
Umur	276	3.1304	0.9969	1	4
Marital Status (ms)	276	0.8224	0.3828	0	1
Tingkat Pendidikan (tp)	276	2.6413	0.7422	1	3
Pendapatan (pend)	276	2.4239	1.0151	1	4
Sifat Percaya (tru)	276	3.1557	1.0380	1	5
Sensitivitas Harga (hrg)	276	2.5688	1.0084	1	5
Transparansi (trans)	276	1.7210	0.8124	1	5
Resiko (risk)	276	2.6086	0.9867	1	5
Sifat Sabar (sbr)	276	2.2862	0.8320	1	5
Pengetahuan Keuangan (pkeu)	276	2.6086	0.9100	1	5
Total Pengetahuan Keuangan (tk)	276	2.0471	1.5751	0	5
Total Kepemilikan Aset (to)	276	1.2572	0.8712	0	5
Total Literasi Keuangan (tfl)	276	6.4601	1.7252	2	10

Source: Data processed with Stata version 15

From the table above, it showed the average Fintech user in Central Java is 60.87% I-Banking users. With a deviation standard of 0.4889, the lowest value (min) 0 and the highest value (max) 1. The digital wallet user variable has an average value (mean) of 0.4565 indicating that Fintech service users in Central Java are 45.65% using a digital wallet. With a standard deviation of 0.4990 with the lowest value (min) 0 and the highest value (max) 1.

The gender variable has an average value of 0.5797 with a standard deviation of

0.4945, the lowest value (min) 0 and the highest value (max) 1. Age variable with an average value of 3.130 with a standard deviation of 0.9969, the lowest value (min) 1 and the highest value (max) 4. The marital status variable has an average value of 0.8224 with a standard deviation value of 0.3828, the lowest value (min) 0 and the highest value (max) 1. Level variable Education with an average value of 2.641 and a standard deviation of 0.7422 with the lowest value (min) 1 and the highest value (max) 3. The income variable has an

tru	-0.198	0.075	-0.087	-0.061	-0.106	0.106	0.063	0.027	1.000									
hrg	-0.073	0.049	0.033	-0.084	-0.041	0.055	-0.023	0.037	0.012	1.000								
trans	-0.030	0.139	-0.020	-0.097	-0.014	0.086	-0.010	0.034	0.004	0.172	1.000							
risk	-0.197	0.078	-0.115	-0.153	-0.095	0.085	-0.009	0.084	0.198	0.122	0.090	1.000						
sbr	-0.140	0.111	-0.071	-0.027	0.038	-0.125	-0.080	-0.058	0.062	0.000	0.070	0.146	1.000					
pkeu	-0.116	0.117	-0.125	-0.230	-0.120	0.071	0.039	0.031	0.042	0.327	0.078	0.343	0.139	1.000				
smnb	-0.176	0.009	0.042	0.101	0.056	-0.007	0.072	0.204	-0.020	-0.062	0.107	0.087	0.130	0.131	1.000			
tk	0.040	0.001	0.236	0.329	0.260	0.032	0.086	0.283	0.033	0.111	-0.058	-0.058	-0.152	-0.102	-0.149	1.000		
to	-0.077	-0.005	0.246	0.273	0.214	0.083	0.098	0.230	0.048	0.007	-0.083	0.033	-0.072	0.162	0.233	0.492	1.000	
tfl	-0.079	-0.009	0.275	0.211	0.277	0.107	-0.038	0.119	-0.026	-0.063	0.204	0.142	0.092	0.237	0.232	0.278	0.388	1.000

Source: Data processed with Stata version 15

Based on the table above, it shows the correlation value between variables is below 0.8, that assumes no correlation between variables, and concludes to no multicollinearity problem in the research model, and no separate testing.

4.3 Classic Assumption Test

4.3.1 Normality Test

After doing a descriptive analysis and looking for a correlation matrix from the data obtained. Afterwards, the first classical assumption test is carried out, it is the normality test of the data obtained.

Table 3 Normality Test

Variabel	Obs	Pr(Skewness)	Pr(Kurtosis)	adj chi2(2)	Prob>chi2
Model1	276	0.0986	0.0000	-	0.0000
Model2	276	0.0174	0.0000	67.48	0.0000
Model3	276	0.0013	0.0000	31.49	0.0000

Based on the table above for model 1, model 2, and model 3, the data tested showed abnormal distribution with the probability value of Model 1, Model 2, and Model 3 of 0.00 which means below 0.05.

4.3.2 Multicollinearity Test

Based on the tests, the results show

that the VIF value for model 1 is 1.44, model 2 is 1.44, and model 3 is 1.44. This shows that model 1, model 2, and model 3 are free from multicollinearity because the average VIF value is below 10 or (<10).

4.3.3 Multicollinearity Test

Table 5 Heteroscedasticity Test

Model	chi2	prob>chi2	Keterangan
Model 1 Penggunaan I-Banking	6.30	0.0121	Terdapat Heteroskedastisitas
Model 2 Penggunaan Dompot Digital	0.01	0.9265	Tidak Terdapat Heteroskedastisitas
Model 3 Penggunaan Layanan Fintech	22.89	0.0000	Terdapat Heteroskedastisitas

Source: Data processed with Stata version 15

Based on table 5, Model 1 and Model 3 have heteroscedasticity with prob>chi2 values less than 0.05, which are 0.0121 and 0.0000 respectively. However, Model 2 shows that there is no

heteroscedasticity with a prob>chi2 value of 0.9265.

4.3.4 Outliers Test

Table 6 Outliers Test Results

Respondent Serial Number	d1	Respondent Serial Number	d2	Respondent Serial Number	d3
125	0.0175092	125	0.0000132	125	0.0151674
137	0.023024	137	0.0055994	137	0.0235976
147	0.0169033	147	0.0155758	147	0.028454
201	0.0163706	201	0.0071825	201	0.0170763
211	0.0205301	211	0.0064284	211	0.0009131
227	0.0187665	227	0.005445	227	0.022232
261	0.248296	261	0.0013639	261	0.0004071
275	0.0183609	275	0.0004563	275	0.0000208

Source: Data processed with Stata version 15

Based on the table above, it shows that in the sample data whose value is $d1 > 4/n$ or > 0.0144 , are amount 8 data in model 1, model 2, and model 3, to avoid bias due to outlier data, cut off data with extreme

values is carried out. The result of the omission were originally 276 observations decreased to 268 observations in model 1, model 2, and model 3.

4.3.5 Regression Test

Table 7 OLS Regression Test Results

	(1) pib	(2) pdd	(3) pf
gender	-0.0483 (-0.84)	-0.121 (-1.97)	-0.0931 (-1.67)

umur	-0.109** (-2.84)	-0.156*** (-3.82)	-0.139*** (-3.76)
ms	-0.0714 (-0.73)	0.0783 (0.74)	0.0163 (0.17)
tp	-0.0739 (-1.85)	0.00397 (0.09)	-0.0407 (-1.05)
pend	0.197*** (5.84)	0.0651 (1.81)	0.160*** (4.90)
tru	-0.0523* (-2.01)	-0.0318 (-1.14)	-0.0587* (2.34)
hrg	0.0307 (1.10)	-0.0225 (-0.75)	-0.0141 (-0.52)
trans	-0.00624 (-0.18)	-0.0128 (-0.35)	0.0147 (0.45)
risk	-0.00502 (-0.17)	-0.00771 (-0.24)	0.0212 (0.74)
sbr	0.0468 (1.43)	-0.00280 (-0.08)	0.0227 (0.72)
pkeu	-0.0229 (-0.68)	-0.07-4 (-1.96)	-0.0185 (-0.57)
smnb	-0.0910* (-2.08)	-0.0229 (-0.49)	-0.0684 (-1.62)
tk	0.0235 (1.16)	0.0711** (3.28)	0.0407* (2.08)
to	0.0512 (1.38)	0.0671 (1.70)	0.0249 (0.70)
tfl	0.0599*** (3.48)	0.00735 (0.40)	0.0518*** (3.11)
_cons	0.653* (2.31)	0.980** (3.24)	0.829** (3.03)
Observations	268	268	268
R-Squared	0.298	0.242	0.265
Adjusted R-Squared	7.121	5.361	6.053

Source: Data processed with Stata version 15

Based on the results of the regression test using the Ordinary Least Square (OLS) method in table 7 above for Model 1, it shows that the age variable test are negative on the dependent variable *pib* with a coefficient value of 0.109 and t value of 2.84, and a significance level of 0.01. (1%). The income variable has a positive effect on the dependent variable *pib* with a coefficient value of 0.197 and t value of 5.84

and a significance level of 0.001 (1%). The test results for the *tru* variable have a negative effect on the dependent variable *pib* with a coefficient value of 0.0523 and t value of 2.01 with a significance level of 0.05 (5%). The test results for the *smnb* variable is negative on the dependent variable *pib* with a coefficient value of 0.091 and t value of 2.08 at a significance level of 0.05 (5%). The results of the *tfl* variable test have a positive effect on the dependent variable

pib with a coefficient value of 0.0599 and t value of 3.48 at a significance level of 0.001 (0.1%).

Model 2 shows that the test results of the age variable have a negative effect on the dependent variable pdd with a coefficient value of 0.156 and t value of 3.82 at a significance level of 0.001 (0.1%). The results of the tk variable test have a positive effect on the dependent variable pdd with a coefficient value of 0.0711 and t value of 3.28 at a significance level of 0.01 (1%).

Model 3 is resulting a negative effect of age variable on the value of coefficient 0.139 with Ivalue of 3.76 at a significance level of 0.001 (0.1%). The results of the

income variable test have a positive effect on the dependent variable with a coefficient value of 0.160 and t value of 4.90 with a significance level of 0.001 (0.1%). The test results for the tru variable negatively affect the dependent variable with a coefficient value of 0.0587 and t value of 2.34 at a significance level of 0.05 (5%). The results of the tk variable test have a positive effect on the dependent variable with a coefficient value of 0.0407 and t value of 2.08 with a significance of 0.05 (5%). Last, the results of the tfl variable test affect the dependent variable positively with a coefficient value of 0.0518 with t value of 3.11 at a significance level of 0.01 (1%).

Table 8 Robustness Check Regression Test Results

	(1) pib	(2) pdd	(3) pf
gender	-0.0483 (-0.84)	-0.121* (-2.00)	-0.0931 (-1.67)
umur	-0.109** (-2.97)	-0.156*** (-4.24)	-0.139*** (-3.93)
ms	-0.0724 (-0.74)	0.0783 (0.82)	0.0163 (0.17)
tp	-0.0739 (-1.82)	0.00397 (0.09)	-0.0407 (-1.04)
pend	0.197*** (6.43)	0.0651 (1.90)	0.160*** (5.19)
tru	-0.0523* (-2.08)	-0.0318 (-1.05)	-0.0587* (-2.42)
hrg	0.0307 (1.13)	-0.0225 (-0.77)	-0.0141 (-0.55)
trans	-0.00624 (-0.19)	-0.0128 (-0.38)	0.0147 (0.52)
risk	-0.00502 (-0.17)	-0.00771 (-0.23)	0.0212 (0.72)
sbr	0.0468 (1.57)	-0.00280 (-0.09)	0.0227 (0.76)
pkeu	-0.0229 (-0.73)	-0.074 (-1.90)	-0.0185 (-0.61)
smnb	-0.0910* (-2.20)	-0.0229 (-0.50)	-0.0684 (-1.68)
tk	0.0235 (1.11)	0.0711** (3.23)	0.0407* (2.08)
to	0.0512 (1.37)	0.0671 (1.76)	0.0249 (0.73)
tfl	0.0599*** (3.46)	0.00735 (0.41)	0.0518*** (3.25)
_cons	0.653* (2.27)	0.980** (3.42)	0.829** (3.09)
Observations	268	268	268

R-Squared	0.298	0.242	0.265
Adjusted R-Squared	14.40	10.57	9.606

Source: Data processed with Stata version 15

Based on the results of the OLS regression test with Robustness check in table 8 shows in Model 1, the age variable has a negative effect on the dependent variable pib (I-Banking use) with a coefficient of 0.109 with a t value of 2.97 and significant at the level of 0.01 (1 %). The pend variable has a positive effect on the dependent variable pib with a coefficient value of 0.197 and a t value of 6.43 and a significance level of 0.001 (0.1%). The test results for the tru variable have a negative effect on the dependent variable pib with a coefficient value of 0.0523 and a t value of 2.08 with a significance level of 0.05 (5%). The test results for the smnb variable are negative on the dependent variable pib with a coefficient value of 0.091 and a t value of 2.20 at a significance level of 0.05 (5%). The results of the tfl variable (total financial literacy) also have a positive effect on the dependent variable pib with a coefficient value of 0.0599 and a t value of 3.46 with a significance of 0.001 (0.1%). The results of the regression test on Model 2 show that the test results for the gender variable have a negative effect on the dependent variable pdd with a coefficient value of 0.121 and a t value of 2.00 at a significance level of 0.05 (5%). The test results of the age variable have a negative effect on the dependent variable pdd with a coefficient value of 0.156 and a t value of 4.24 at a significance level of 0.001 (0.1%). The results of the tk variable test have a positive effect on the dependent variable pdd with a coefficient value of 0.0711 with a t value of 3.23 at a significance level of 0.01 (1%).

In the Model 3, the test results on the age variable have a negative effect with a coefficient value of 0.139 with a t value of 3.93 at a significance level of 0.001 (0.1%). The results of the pend variable test have a positive effect on the dependent variable with a coefficient value of 0.160 and a t value of 5.19 with a significance level of 0.001 (0.1%). The test results for the tru variable negatively affect the dependent

variable with a coefficient value of 0.0587 and a t value of 2.42 at a significance level of 0.05 (5%). The test results for the tk variable have a positive effect on the dependent variable with a coefficient value of 0.0407 and a t value of 2.08 with a significance of 0.05 (5%). Finally, the results of the tfl variable test affect the dependent variable positively with a coefficient value of 0.0518 with a t value of 3.25 at a significance level of 0.01 (1%).

The results of the regression test with Robustness check were carried out in order to compare the results of the OLS regression test on Model 1, Model 2, and Model 3. It shows a slight insignificant difference between the results of the OLS regression test compared to the Robustness check test.

4.4 Hypothesis Test

4.4.1 Determination Coefficient Test

In the regression model using I-Banking (pib), the R² value listed in the appendix is 0.2977. The estimation results show that the strength of the independent and control variables simultaneously described the dependent variable of 29.77% of which 70.23% is described by other variables.

In the digital wallet usage regression model (pdd), the R² value listed in the attachment is 0.2419. The estimation results show that the strength of the independent and control variables simultaneously describes the dependent variable by 24.19% of which 75.8% is described by other variables.

In the fintech user regression model (pf), the R² value listed in the attachment is 0.2649. The estimation results show that the strength of the independent and control variables simultaneously describes the dependent variable by 26.49% of which 73.51% is described by other variables.

4.4.2 F Test

The F test on Model 1 which can be

reviewed in the appendix states that the Prob>F value of 0.000 means p-value <0.05, it can be concluded that all independent variables used in the study simultaneously affect the dependent variable of the utilization of I-Banking.

In the F test for Model 2 which can be reviewed in the appendix, it states that the Prob>F value of 0.000 means p-value <0.05, it can be concluded that all independent variables used in the study simultaneously affect the dependent variable of the utilization of Digital Wallets.

In the F test for Model 3 which can be reviewed in the appendix, it states that the Prob>F value of 0.000 means p-value <0.05, it can be concluded that all independent variables used in the study simultaneously affect the dependent variable of the utilization of Fintech.

4.4.3 T Test

The t-test on the regression model using I-Banking in table 4.8 shows the independent variables of age, income (income), tru (trust), smnb (saving nature), and tfl (total financial literacy) partially significant to the dependent variable. On the other hand, the independent variables including ms (marital status), tp (education level), hrg (price), trans (transparency), risk (risk), sbr (patience), pkeu (financial knowledge), tk (total knowledge), and to (total ownership) individually is not significant to the dependent variable.

The t-test in the regression model equation for the use of digital wallets in table 4.8 shows that the independent variables gender, age, and tk (total knowledge) are individually significant on the dependent variable. However, the variables that are individually insignificant are ms, tp, pend, tru, hrg, trans, risk, sbr, pkeu, smnb, to and tfl. The t test in the regression model equation using fintech in table 4.8 shows that the independent variables age, pend, tru, tk and tfl are individually significant on the dependent variable. The variables that are individually insignificant are gender, ms, tp, hrg, trans, risk, sbr, pkeu, smnb, and to.

5 Conclusion and Recommendation

According to the results of research and discussions that have been carried out, it can be concluded that sociodemographic, self-assessment, and financial characteristics have a positive impact on the selection of Fintech service by users in Central Java. With positive age in all dependent variables, it indicates that the younger the age, the more probability they are to use Fintech services.

Suggestions in this research are given to add insight into the development of information and knowledge related to the choice of using Fintech, thus we suggest further research by adding other variables in the study. Besides that, it also expands the research locus more than 1 province in order to add information about the different characteristics of respondents. Moreover, research can also be conducted with different data processing and analysis techniques. If it is carried out in future research, it will provide variety research information and will enrich the range of knowledge about Fintech that is more diverse.

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