

LPD Mobile Application as A Determinant of Interest of LPD Customers with Trust as A Moderation Variable

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Abstract

This study aims to determine the determinants of customer interest in the Village Credit Institution (LPD) using LPD Mobile with trust as a moderating variable. This research was conducted on LPDs in Tabanan Regency with a sample of 347 respondents from 8 LPDs that use mobile applications in Tabanan Regency which were analyzed with SEM PLS 3.0. The results showed that perceived ease of use had a positive effect on customer interest in using the LPD Mobile application. Usability has a positive effect on customer interest in using the LPD Mobile application. Trust cannot moderate the relationship between perceived ease of use and customer interest in using the LPD Mobile application. Trust can strengthen the positive relationship between usability and customer interest in using the LPD Mobile application.

Introduction

Bali Province is one of the provinces in Indonesia that has traditional financial institutions with the concept of traditional villages and prioritizes aspects of local wisdom in the field of village finance that can help realize national development. This institution is the Village Credit Institution (hereinafter referred to as LPD). LPD is an institution formed to provide convenience for the community in lending business capital and costs of customary activities. LPD is the only financial institution whose ownership is owned by traditional villages and financial institutions that are not subject to other regulations. LPDs are only subject to Bali provincial regulations and customary village regulations. Loans are given based on a traditional nuanced character. In today's digital era, LPDs are also following developments, expand its reach by building digital LPD services in the form of LPD Mobile. This LPD financial service provides more convenience to customers. Customers can have the LPD Mobile application by downloading / downloading in the play store. LPD Mobile has interesting features, such as viewing savings balances, saving transfers, purchasing electricity tokens, pulses, and internet data vouchers. Through LPD Mobile, you can pay electricity bills, telephone bills, and health insurance payments. Mobile LPD can also make transfers between LPDs and bank account transfers to all banks, feature on mobile LPDs, and view transaction archives. such as viewing savings balances, saving transfers, purchasing electricity tokens, pulses, and internet data vouchers. Through LPD Mobile, you can pay electricity bills, telephone bills, and health insurance payments. Mobile LPD can also make transfers between LPDs and bank account transfers to all banks, feature on mobile LPDs, and view transaction archives. such as viewing savings balances, saving transfers, purchasing electricity tokens, pulses, and internet data vouchers. Through LPD Mobile, you can pay electricity bills, telephone bills, and health insurance payments. Mobile LPD can also make transfers between LPDs and bank account transfers to all banks, feature on mobile LPDs, and view transaction archives.

LPD Mobile is a facility or service provided by LPD using mobile communication tools such as mobile phones, with the facility to transact via LPD Mobile on mobile phones. The better the level of security offered by electronic services, the higher the public's interest in using these electronic services. This is confirmed by research by Princess (2015), who found that ease of use had a positive and significant effect on interest. Similarly, research conducted by Nasution (2019) also found that ease of use did not significantly affect the use of the online banking system. In terms of usefulness, the study of Silalahi (2018) shows that usability has no significant effect on online banking interest.

From the explanation above, it can be understood that there are still differences in research results related to the effect of convenience, usefulness, and trust as moderating variables on one's interest in using online financial applications. For this reason, this study aims to prove whether convenience, usefulness, and trust affect customer interest in using LPD Mobile. In this study, the researcher positioned trust as a moderating variable. Because the trust factor is suspected to strengthen or weaken the influence of convenience and usefulness on someone's interest in using LPD Mobile services. Then the moderating variable is used if there is a conflict between previous studies.

According to Davis et al. (1989), perceived ease of use is defined as the level of user expectation of the effort that must be expended to use a system. The above concept follows the research of Dewi et al. (2017), who found a positive and significant effect between ease of use and interest in using E-Banking. Perceived usefulness emphasizes a measure of a person's belief that the use of technology can provide benefits to that person. Based on the concept and research results, then hypothesis 1 (H1) is:

H1: Perception of ease of use has a positive effect on interest in using the LPD Mobile application.

Venkatesh and Davis (2000) states that someone will use information technology if they know there are positive benefits derived from using information technology. Similarly, research conducted by Listianti (2018) also shows that perceived benefits have a positive and significant effect on E-Banking. This shows that the higher the perceived usefulness, the higher the interest in using the LPD Mobile Application. Based on the concept and research results, hypothesis 2 (H2) is:

H2: Perception of usability has a positive effect on interest in using the LPD Mobile application

Based on research conducted by Pertiwi and Adhivinna (2006), perceived ease of use affects trust. E-banking technology is a system change from manual to electronic, and e-banking is an additional service to facilitate LPDs in conducting transactions. The program created must be able to provide ease of use so that problems do not occur in the future. Davis et al. (1989) states that perceived ease of use is how much computer technology is perceived as relatively easy to understand and use. Based on this concept, hypothesis 3 (H3) is:

H3: The trust variable can strengthen the positive relationship between ease of use and customer interest in using the LPD Mobile application.

Perceptions of benefits determined by users encourage LPD's satisfaction with their interest in using internet banking services. Users will feel satisfied if they have felt the benefits of the system. Related to this, it can be said that the higher the benefits obtained by users in using internet banking services, which has an impact on increasing LPD decisions in using a system. With this satisfaction, it is possible that users will invite others to use the system. Based on this concept, hypothesis 4 (H4) is:

H4: The trust variable can strengthen the positive relationship between usability and customer interest in using the LPD Mobile application.

Method

This research can be classified as quantitative research with a survey approach which was conducted in 8 LPDs in Tabanan Regency. Samples were taken from 347 customers using purposive sampling technique from a population of 99,108 customers in 8 LPDs. The number 347 is obtained using Isaac and Michael's formula table with an error tolerance of 5%. This study uses several criteria to select the research sample as research respondents. First, respondents are LPD customers who are still active. Second, respondents are LPD customers who already have LPD Mobile services. Third, respondents are LPD customers who have known and used LPD Mobile services for at least one year. The first criterion ensures that the LPDs sampled are LPDs whose activities are still running and active. The second sample criterion is used to determine whether LPD customers have used the LPD Mobile application. In addition, the third sample criterion is used to determine and ascertain whether LPD customers have used LPD Mobile services to make transaction.

Collecting research data using a questionnaire with a Likert scale. The results of the answers to the questionnaire will be given a score of 4 points for Strongly Agree (SS) answers, 3 points for Agree (S) answers, 2 points for Disagree (TS) answers, and 1 point for Strongly Disagree (STS) answers. The 4-point Likert scale was chosen because the 4-point scale makes it easier for respondents to make choices so that they can better describe the opinions of respondents according to what they feel (Leung, 2011). In addition, the 4-point Likert scale indicates that the use of the four-point scale version has better data quality in terms of missing data, final effects on item and scale levels, and higher levels of internal consistency. (Østerås et al., 2008).

The analytical technique used in this research is Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.0 Software. Partial Least Square (PLS) is a component-based or variance-based structural equation model (SEM). (Main, 2016). The use of PLS in this study is based on the following considerations:

1. PLS can be used for complex models, usually applied to path analysis using variables with many indicators but also for single indicator variables (Main, 2016).
2. PLS automatically outputs the output in the form of a complete path diagram with path coefficients and is provided with a table of indirect effects and total effects simultaneously, reducing the risk of users making errors in quoting or drawing errors in their output. (Main, 2016).

Partial Least Square (PLS) is one of the SEM methods that can be used to overcome the weakness of the regression method. The PLS model has several advantages. The data do not have to be multivariate normally distributed (indicators with categorical, ordinal, interval to ratio scales can be used in the same model), and the sample size does not have to be large. (Ghozali, 2015).

Results and Discussions

This section contains the data characteristic of subject/ object/ sample/ respondent, data analysis result, instrument, and hypothesis testing results (if any), the answer to the research question, findings, and interpretation. This section, if possible, can be graphed for each research variable. Furthermore, the descriptive statistic value was presented (e.g., Mean, SD, Maximum, Minimum) with its interpretation. At the end of the section showed the hypothesis research result and its discussion completely. In the discussion part, the manuscript should compare the research results with previous research results. Research implications and future direction are allowed to be presented.

Hypothesis testing evaluates the null hypothesis, where the hypothesis can be accepted or rejected. The opposite of the null hypothesis is the alternative hypothesis, which states the difference between the parameter and the statistic. Testing this hypothesis can be done by looking at the t- statistic value using a significance level of 95% (= 0.05 or 5%). While the t- table value with a significance level of 95% is 1.96. The criteria for rejection and acceptance of the hypothesis are that H_a is accepted and H_o is rejected if the t-statistic > 1.96 and vice versa. The test results are presented in Table 1.

Table 1
Live Effect Test Results

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T statistic (O/STDEV)	P Value
M_Trust (Trust) -> Y_User Interest (Intention to Use)	0.339	0.335	0.028	12,192	0.007
Moderation Effect 1 -> Y_User Interest (User Intention)	-0.020	0.015	0.013	1,558	0.260
Moderation Effect 2 -> Y_User Interest (User Intention)	0.031	0.007	0.002	16,147	0.004
X1_Perceived Ease of Use -> Y_User Interest (Intention to Use)	0.378	0.354	0.014	27,685	0.001
X2_Usability -> Y_User Interest (User Intention)	0.265	0.298	0.036	7.322	0.018

Source: Processed primary data, 2022

Based on Table 1 above, each variable p-value and t statistic is explained as follows. The p value of the perceived ease of use variable on intention to use was moderated by trust of 0.260, compared with a significance of 0.05. Because the p-value > significant (0.260 > 0.05) with a beta value of -0.020 and a t-statistic value of 1.558 compared to a t-table of 1.96. Because the value of t-statistic < t-value (1.558 < 1.96), it can be concluded that trust cannot moderate the effect of perceived ease of use on customer interest in using the LPD Mobile application.

The p value of the usability variable on intention to use was moderated by confidence of 0.004, compared to a significance of 0.05. Because the p-value < significant (0.004 < 0.05) with a beta value of 0.031 and a t-statistic value of 16.147 compared to a t-table of 1.96. Since the t-statistic > t-value (16,147 > 1.96), it can be concluded that trust can strengthen the positive relationship between usability and customer interest in using the LPD Mobile application.

The p value of the perceived ease of use variable on intention to use was 0.001, compared with a significance of 0.05. Because the p-value < significant (0.001 < 0.05) with a beta value of 0.378 and a t-statistic value of 27.685 compared to a t-table of 1.96. Because the t-statistic > t-value (27,685 > 1.96), it can be concluded that perceived ease of use has a positive effect on customer interest in using the LPD Mobile application.

The p value of the usability variable on intention to use was 0.018, compared to a significant value of 0.05. Because the p-value < significant (0.018 < 0.05) with a beta value of 0.265 and a t-statistic value of 7.322 compared to a t-table of 1.96. Because the t-statistic > t-value (7.322 > 1.96), it can be concluded that usability has a positive effect on customer interest in using the LPD Mobile application.

Trust is a trust from a certain party to another party in a relationship between the two parties based on the belief that the trusted party will fulfill all obligations as expected. Based on the results of data analysis, it was found that the p-value of the perceived ease of use variable on user interest (intention to use) was 0.001, compared to 0.05 significant. Because the p-value < significant (0.001 < 0.05) with a beta value of 0.378 and a t-statistic value of 27.685 compared to a t-table of 1.96. Because the t-statistic > t-value (27,685 > 1.96), it can be concluded that perceived ease of use has a positive effect on customer interest in using the LPD Mobile application. This means that the higher the perceived ease of use, the higher the customer interest in using the LPD Mobile application. The results of this study are in line with the research conducted by Dewi et al.(2017), who found that ease of use had a positive and significant effect on interest in using E-Banking.

Based on the results of data analysis, it was found that the p-value of the usability variable on intention to use was 0.018, compared to a significant value of 0.05. Because the p-value < significant (0.018 < 0.05) with a beta value of 0.265 and a t-statistic value of 7.322

compared to a t-table of 1.96. Because the t-statistic > t-value ($7.322 > 1.96$), it can be concluded that usability has a positive effect on customer interest in using the LPD Mobile application. Venkatesh and Davis(2000)states that the benefits of using the system most influence behavioral intentions towards use.The results of this study are in line with the research conducted by Dewi et al. (2017). Likewise, Listianti's research(2018) also found that perceived benefits had a positive and significant effect on the use of E-Banking. This shows that the higher the perceived usefulness, the higher the interest in using the LPD Mobile application.

Based on the results of data analysis, the p-value of the perceived ease of use variable on intention to use was moderated by a confidence of 0.260, compared to a significant of 0.05. Because the p-value > significant ($0.260 > 0.05$) with a beta value of -0.020 and a t-statistic value of 1.558 compared to a t-table of 1.96. Because the value of t-statistic < t-value ($1.558 < 1.96$), it can be concluded that trust cannot moderate the effect of perceived ease of use on customer interest in using the LPD Mobile application. One of the factors that cause users to accept or reject the system is the relationship with the use of the system. This shows that respondents' perceptions of ease of use moderated by trust do not generate and encourage interest in using the LPD Mobile application. In another hypothesis, the effect of usability and ease of use has an effect on interest. This means that customers only see the ease of use and usability of the LPD Mobile application. This perception will then have an impact on behavior, namely the higher a person's perception of the ease of using the system, the higher the level of utilization of information technology.

Based on the results of data analysis, the p-value of the usability variable on intention to use which was moderated by confidence was 0.004, compared to a significance of 0.05. Because the p-value < significant ($0.004 < 0.05$) with a beta value of 0.031 and a t-statistic value of 16.147 compared to a t-table of 1.96. Since the t-statistic > t-value ($16,147 > 1.96$), it can be concluded that trust can strengthen the positive relationship between usability and customer interest in using the LPD Mobile application. This means that the greater the customer trust, the better the influence of usability on customer interest in using the LPD Mobile application. Perceptions of benefits determined by users encourage LPD's satisfaction with their interest in using internet banking services. The higher the benefits obtained by users in internet banking services, the impact of which can improve LPD decisions in using a system. With this satisfaction, users can invite others to use the system.

Conclusions and Suggestions

Based on the findings of this study, there are four points that can be concluded. First, the perception of ease of use has a positive effect on customer interest in using the LPD Mobile application. Second, usability has a positive effect on customer interest in using the LPD Mobile application. Third, trust cannot moderate the relationship between perceived ease of use and customer interest in using the LPD Mobile application. Fourth, trust can strengthen the positive relationship between usability and customer interest in using the LPD Mobile application. Based on these results, to increase customer interest in using the LPD Mobile application, policies and regulations are needed to optimize perceptions of ease of use, usefulness, and customer trust.

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