

The Effect of Financial Technology (Fin-Tech) on Customer Satisfaction Level (A Case Study on SMEs)

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ABSTRACT

This study aims to measure the effect of Financial Technology Information System (Fin-Tech) service quality to customers' satisfaction level on the coffee shop business managed by young businessmen. With the growing enthusiasm of young people to start their businesses, Fin-Tech is favorable since the millennial are quite familiar with technology applications. OVO, Go pay, Link, and Fund providers will be referred to as Fin-tech applications in this research. As the research, a case study held on Small and Medium Enterprises (SMEs) in Bandung since this business sector is getting more attention to continue developing. Likert scale was used in this study. Statistical technique is descriptive study using double analysis linear regression. The variables for Fintech System were tangibility, reliability, responsiveness, assurance, and empathy. The variables for Customer satisfaction were content, accuracy, format, easy of use, and timeliness. The method used to measure satisfaction is End User Computer Satisfaction (EUCS), which compared the expectations and the reality of an information system. The study results found that the Fin-tech information system has affected the customer satisfaction level, and it has a significant effect on the System Quality Variable value of 8.187 with the T-Table is 2.00 and a significance of 0.00. It is proved that the Fin-tech quality has a positive effect on customer satisfaction level. The study highlights four kinds of Fintech that used by Customer of Small and middle Company. This study will contribute several implications to Financial Technology used by Small and middle Company, and this will help enhance the satisfaction level of customers and increasing the revenues of the company.

Keywords: *Financial Technology, Small and Middle Company, Customer Satisfaction Level.*

1. INTRODUCTION

Today, technology has entered all aspects of our life, from social life, education, business, to trading. Mobile devices and various new technologies make all transactions more accessible and more attractive, even cheaper, known as E-Commerce. The services discussed were OVO, Go-pay, Link, and Fund, because these four are some of the Fin-techs often used in Indonesia. Go-pay representing 30% of e-payment usage and, OVO, which already has 9.5 million users in Indonesia. Based on that, it is possible the Fin-tech information system will continue to develop in Indonesia, and the government is targeting to achieve a Digital Society through the Go Digital Vision program. This indicates that a cashless society will become something that will happen in the country.

The SMEs receive attention and privileges mandated by law, including business credit assistance at low

interest rates, ease of license requirements. SME fields range from fashion, culinary, handicrafts to agriculture. In Indonesia, SMEs have a fairly large role, until now they have contributed 60.34 percent to the State's GDP, with the number of entrepreneurs in Indonesia there are 56 million units. The weaknesses faced by SME entrepreneurs in increasing their capacity include various problems, among others; Lack of capital, both in terms of quantity and source, lack of managerial ability and operational skills, see that SMEs actors have diverse backgrounds. With the existence of Fin-tech is a solution to the weaknesses faced by SMEs.

The services that will be discussed are OVO, Go-pay, and T-cash because the three services above are one of the Fin-techs that are often used in Indonesia such as Go-pay representing 30% of e-payment usage and OVO which already has 9.5 million users in Indonesia. Furthermore, the three brands will be considered as Fin-Tech in this research. With the

various facts above, it is very possible that Fin-Tech will continue to develop in Indonesia, plus the government is targeting the achievement of a Digital Society through the Go Digital Vision program. This indicates that a cashless society will become something that will happen in the country, following the trends that have been carried out by developed countries such as France, Canada, England, and Sweden.

With the current technology development known as online accounting system and with the use of the web and known as a Computer based Accounting Information system which makes it easy for users and stakeholders. Likewise, payments do not need to use cash. Digital payments are known as Financial Technology or Fin - Tech, as an innovation step in the financial sector. In Indonesia Fin-Tech is regulated by Bank Indonesia in Bank Indonesia regulation No. 18/40/PBI/2016.

Helping small company to use Fintech is very important because it will improve profit and continuity of business. Even though the system has been well planned, user complaints can still occur in practice such as server downtime or disruptions that result in transactions being unable to be carried out and errors often occur in barcode scans during the transaction process. Besides study Fintech on small company has not been conducted.

The problem studied is the relationship between the quality of financial technology information system services with the satisfaction of service users in SME companies as well as the impact of service quality information systems financial technology on service user satisfaction in SME companies. This research is useful for improving the Financial Technology information system services in the form of a cashless system that makes it easier to service and control and in the end will make a significant contribution to the rise of SME companies today.

2. OBJECTIVES

In this study, respondents were Small and Medium Enterprises (SMEs) customers. The respondents were dominated by millennial who started doing business. These young people are creative with innovative products and fast services. This research measured the effect of Fin-tech information system. Focus on the use of Go-Pay, OVO, Link, and Fund as a means of payment on customer satisfaction level and measured the closeness of the relationship between the qualities of Fin-tech information system services and the customer satisfaction level. The results of this study will give these young entrepreneurs that the problem of security is

substantial in transactions and, at the same time, knowing the response from customers. If it has a positive impact, these entrepreneurs can focus more on innovating the products they sell.

Theoretical Framework

According to Ion and Alexandra (2016) [1] financial technology presents a new sector of financial industry services that provides innovation in its various activities and services to customers. The combination of Financial and Technology is a fusion of innovations from the development of financial services from the financial services sector for the 21st century, it can be said that the Web is a means or product of Fintech.

According to Alt, R and Pushmann T (2012) [2] Fin Tech is divided into the financial sector (bank, investment, insurance,), business processes in terms of payment, investment, trade, infrastructure. Fin Tech can also be applied in Corporate (company) or retail industry. Coffee shop as a subject of the research needs customer loyalty that is means as retention of buyer to buy seller product for several times and also make recommendation to others (Russo and Confente, 2017; Cahill et al., 2010) [3]. Consumer loyalty becomes a requirement for retailer to be success (Oliver, 2010; Marshall, 2010) [4]. Having loyal customers can impact to company profitability and is necessary to any company (Chen and Hitt, 2002) [5].

Fin Tech is dedicated as an interaction between financial service providers and customers, which shows the entire process that is intended for the user. Internet service in financial services will improve customer loyalty (Amin, 2016; Brocket. et al., 2008) [6]. Digitalisation process has a good affect for customer interaction (Mohammadhossein et al., 2017) [7].

The concept of information system service quality basically provides a concrete perception of the quality of a service provided by information system application software providers. The concept of quality of service is a revolution as a whole, permanently in changing the way people perceive them in carrying out or pursuing their efforts related to dynamic, ongoing, continuous processes in fulfilling hopes, wants and needs.

From the definitions above, it can be concluded that the concept of service quality meets expectations if the expected service is the same as what is felt, which means satisfying users for the quality of service provided by information system software application providers. Likewise, it is said that the perception does not meet expectations if the service expected is greater

than the service that is felt, meaning the service is not of good quality.

According to the Fitzsimmons brothers (2011)[8] and Parasuraman, et.al (1990)[9], service quality is something complex, and customers will assess service quality through 5 principles of service dimensions as a measure, namely tangibles, reliability, responsiveness, certainty / guarantee (assurances).

3. METHODOLOGY

Myers, et.al (1997) [10] stated that service quality as well as system quality and information quality has an influence on user satisfaction. System quality has ability to attitude and positive behaviour (Mcknight et al., 2002) [11]. If an information system user feels that the quality of service provided by the SIA application software provider is good, then he will tend to be satisfied using the system. It is predicted that the higher the quality of services provided, the higher the level of user satisfaction. Research results from several similar previous studies provide evidence that the quality of information system services affects system user satisfaction. So based on this description, this study proposes the following hypothesis:

H0: The quality of information system services has a significant effect on end-user satisfaction of Information Systems.

Ha: Information system service quality has no significant effect on end user satisfaction of Information Systems.

The method used to measure satisfaction is End User Computer Satisfaction (EUCS), which compared the expectations and the reality of an information system. A descriptive quantitative study using single linear regression analysis is used to process the data obtained. This research measurement method is the Likert scale method, where each question contains five alternative answers.

4. RESULTS

4.1. Respondent Profile

Respondents in this study were MSME customers who used Fin-tech (Go-Pay, OVO, Link, and Fund) as a means of payment. In this study, researchers used a sample of 60 respondents. The reason this research use a limited respondents because this is just a case study in a small company that have a limited customers.

In order to know the description of the respondents in this study, the following is the classification of

respondents based on Gender, Age, and Fin--tech that are used.

Table 1. Respondent category based on gender

	Profile	Amount	Percentage
Gender	Male	36	60,0%
	female	24	40,0%
TOTAL		60	100%

Based on table 2, it can be seen that the questionnaire filled out by male respondents was 36 people with a percentage of 60.0% and female respondents were 24 people with a percentage of 40.0%. Therefore, it can be said that male respondents are more than female respondents.

Table 2. Respondent category based on age

	Profile	Amount	Percentage
Age	17-27	45	75,0%
	28-40	11	18,3%
	41-50	3	5,0%
	>50	1	1,7%
TOTAL		60	100%

Source: processed data, 2019

Based on Table 2 it can be seen that the questionnaire that has been filled in is 45 respondents aged 17-27 years, 11 respondents aged 28-40 years, 3 respondents aged 41-50 years, 3 respondents aged over 50 years 1 person. Thus it can be said that respondents with ages ranging from 17 to 27 years are more than respondents with other ages.

Table 3. Respondent category based on the fintech used

	Profile	Number	Percentages of 60 respondents
Fin-tech Used	Go-Pay	45 out of 60	75,0%
	OVO	41 out of 60	68,3%
	Link	22 out of 60	36,7%
	Dana	10 out of 60	16,7%

SMES customers who receive payments with financial technology that use Fintech as a means of payment, namely 45 out of 60 respondents using OVO, 41 out of 60 respondents using Go-Pay, 22 out of 60 respondents using DANA, and 10 out of 60 respondents using Link as a means of payment. Thus the category based on Fintech used by OVO users is the most

dominating compared to other payment Fin--techs. This is because OVO provides more offers to selected users and merchants compared to other Fin-techs.

By implementing Fin-tech information system services, the merchants received positive value for their business developments. The market is accustomed to being practical, will begin to leave conventional methods of payment and transactions. The application of Fin-tech information system made the owners think about what strategies and innovations are suitable to accompany the implementation of this technology. The owners must think about how the formula fits so that Fin-tech can become a profitable partner for their business. With the various features offered, Fin-tech information system can support market expansion and drive players' business.

Based on the validity test table on the Quality Information System Financial Technology variable, it shows that all question items have a correlation value (r count) above 0.254 (r Table). So it can be said that the statement items in the Quality Information System Financial Technology (X1) variable are valid and can be used to measure the variables under study.

The validity test on the Customer Satisfaction variable of Financial Technology users shows that all question items have a correlation value (r count) above 0.254 (r Table). So it can be said that the question item in the Customer Satisfaction variable (Y) is valid and can be used to measure the variable under study.

4.2. Reliability Test Results

Reliability testing using SPSS version 23, the steps taken are similar to testing the validity, because the two outputs appear simultaneously. The questionnaire was declared reliable if Cronbach's alpha > 0.60. The following are the results of the reliability test using the SPSS version 23 software program.

Table 4. Reliability test of system quality variables (X1)

Cronbach's Alpha	N of Items
0,874	15

Source: processed data, 2019

Based on table 4.9 the SPSS output shows that the Reliability Statistics table shown in the Cronbach's Alpha table is 0.874 which is greater than 0.60. It can be said that research on the Quality of Financial Technology Information System (X1) variable is reliable.

Table 5. Customer satisfaction variable reliability test (Y)

Cronbach's Alpha	N of Items
0,824	9

Source: processed data, 2019

Based on table 5 the SPSS output shows that the Reliability Statistics table shown in Cronbach's Alpha table is 0.824, which is greater than 0.60. It can be said that research on the Fin-tech Service User Satisfaction variable (Y) is reliable.

4.3. Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between the independent variables. Measuring multicollinearity can be seen from the TOL (Tolerance) and VIF (Variance Inflation Factor) cut-off values which are generally used to indicate multicollinearity is the Tolerance value ≤ 0.10 or equal to the VIF value ≥ 10 . The hypothesis used in multicollinearity testing is:

1. H0: VIF > 10, there is multicollinearity
2. H1: VIF < 10, there is no multicollinearity

In this analysis, the Variance Influence Factor (VIF) and tolerance values for each variable are obtained as follows:

Table 6. Multicollinearity Test

Model	Sig.	Collonearity Statistics	
		Tolerance	VIF
1.(Constant) information system service quality	136,000	1,000	1,000

^{a.} Dependent Variable: Customer Satisfaction

Source: Processed data, 2019

Based on table 6 it shows the results of the multicollinearity test of data obtained by the independent variable, namely the Quality of Financial Technology Information Systems with a tolerance value of 1,000 (X). The VIF value is 1,000 (X). This result means that there is no multicollinearity between the independent variables and meets the requirements of the classic multicollinearity assumption because the tolerance is > 0.10, while at VIF < 10.0.

Here is attached a scatterplot graph to analyze whether heteroscedasticity occurs or heteroscedasticity

does not occur, while the test tool used by the author is to look at the plot graph between the predictive value of the dependent variable and its residual.

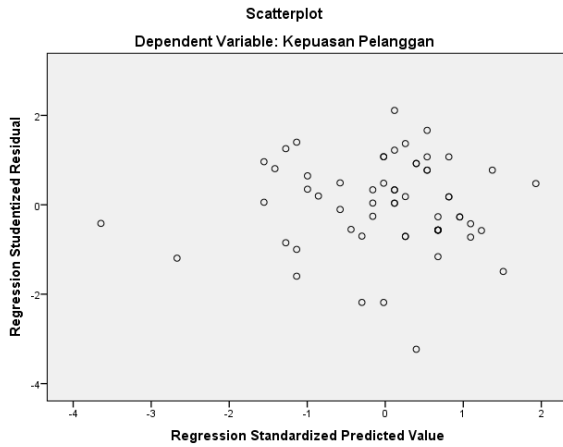


Figure 1. Scatterplot heteroscedasticity test

Based on Figure 1, it can be seen that the SPSS 23 output shows the Scatterplot image used in the heteroscedasticity test. Based on the picture above, it can be seen that the dots spread randomly and are scattered both above and below the number 0 on the Y axis and do not form a clear pattern. Thus it can be said that the data are free from heteroscedasticity.

4.4. Descriptive Analysis of Respondents' Answers

Descriptive analysis of the data from the respondents' answers can be used for discussion, through the description of the respondent's answer data, it can be seen how the condition of each indicator variable being studied. The author can find out the respondent's response about each variable that he examines through the statements that the author provides in the questionnaire distributed for the purposes of this study. The measurement method used in this research is the Likert scale method, where each question contains five alternative answers.

4.5. Test of Multiple Regression Equations

Multiple Linear Regression Test was conducted to determine how the correlation between independent variables (X). The following is a Table of Single Regression Test Results that were processed using the SPSS version 23.0 application.

Based on table 4.35, the authors formulate a single regression equation that explains the Effect of Financial Technology System Quality on Customer Satisfaction, namely:

$$Y = 5,561 + 0,505X + e$$

Where:

Y = Customer Satisfaction

X = Quality of Information Systems Financial technology

From this function it can be interpreted as follows:

- 1) Constants (a)
If all independent variables have a constant value, the dependent variable (Fixed Asset Security) has a value of -0.62.
- 2) Quality of Information Systems Financial technology (X) on Customer Satisfaction (Y).
The value of the System Quality coefficient has a value of 0.505. This means that every time there is an increase in System Quality by one unit with the assumption that other variables are constant, then Customer Satisfaction will increase by 0.505 units.

Table 7. Multiple regression test results

Coefficient's

Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	5,561	3,677		1,512
	information system service quality	,505	,062	,732	8,187

4.6. Partial Hypothesis Test

T-test was conducted to determine the effect of each independent variable (X) on the dependent variable (Y). The T-test was performed using the SPSS 23 tool and the results can be seen in the table below.

Table 8. T-test results

Variable	Vale Sig.	T Count	T Table	Note		
				Ha	Effect	Sig.
Fin-tech information system quality	0	8,187	2	Accepted	Significant	0,05

Based on the table above, it can be seen that each independent variable (X) has a significant or insignificant effect on the dependent variable (Y). We

can make this test in the form of a hypothesis as shown below.

H01: Quality of Information Systems Financial technology has no positive and significant effect on customer satisfaction.

HA1: Information System Quality Financial technology has a positive and significant effect on customer satisfaction.

From Table 8 it can be seen that if the significant value <0.05 and the value of $t_{count} > t_{table}$, it can be stated that the variable X partially has a positive and significant effect, then H0 is rejected and Ha is accepted. In table 4:32, variable X which has a significant value <0.05 and the value of $t_{count} > t_{table}$, then Ha1 is accepted.

5. DISCUSSION

From the T-test results, it is shown that if the significant value <0.05 and the value of $t_{count} > t_{table}$, it can be stated that the variable X partially has a positive and significant effect, then H0 is rejected and Ha is accepted. Variable X has a significant value <0.05 and the value of $t_{count} > t_{table}$. The variable X has a significance of 0.00 and a value of 8. Based on these results, it is found that the influence of the Quality of Fin-tech information system affecting customer satisfaction level because this technology is convenient. Fin-tech information system is considered to be able to provide convenience to their business processes. Regardless of the consequences, convenience becomes a special thing that considers as the acceleration of their business wheels. This convenience is in the form of recording transactions, the transfer to account feature, and the prospective market. Business profit can be calculated earlier and less human power needed in the finance department, since most of the work will be handled by Fin-tech, more benefits for the business owner. Furthermore, with the electronic money feature that will enter the account, it will undoubtedly ease the daily task of making deposits to the bank, with various savings that available.

Over time, the use of Fin-tech information system has become less burdensome. Especially with the various benefits offered, Fin-tech is felt to be a partner for business practitioners in running their businesses. In fact, various conveniences have an impact on their business. Conveniences such as promotional features, delivery services are everyday things that affecting their businesses. This of course will have an impact on the business, which will get an increase in its business. Another thing that has an impact is the lack of cheating

after using Fin-tech, because with Fin-tech information system, all transactions are computerized.

6. CONCLUSION

In this study, there were 60 respondents from 5 coffee shops outlets in Bandung. The indicator testing using SPSS showed that the quality of Fin-tech information system can be declared as a general success. The result of implementing Fin-tech information system at merchants is in the form of benefits that provide positive value for their business progress. The results of the study found that the Fin-tech information system have a positive effect on Customer Satisfaction level and it has a significant effect on the System Quality Variable value of 8.187 with the T-Table is 2.00 and a significance of 0.00.

7. RECOMMENDATIONS

7.1. For Fin-Tech Information System Developers

Regarding errors in system quality or complaints to users and partners, prompt responses, services and increase the amount of information presented, so the transparency needs to be optimized. Innovation and development of better payment techniques are crucial. Therefore, barcode systems that still have problems and gaps to commit cyber fraud can be avoided. The existence of this technology is helpful in the transaction process. The organizer must ensure and maintain a good security system because users entrust their assets to Fin-tech operators. So public trust is a parameter to what extent the security of this technology goes.

7.2. For Further Researchers

Future researchers are expected to be able to carry out research by digging deeper into data and changing perspectives on Fin-tech, so that it does not only focus on the type of e-payment, but can also develop and expand on other features of Fin-tech such as savings and loans, business capital, investment, crowd funding, peer-to-peer lending, Block chain, and other types. Different types of Fin-tech will produce different results, as will the point of view of Fin-tech from the user, customer, and organizer side. This will enrich references regarding the development of Fin-tech in Indonesia.

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