ANALYZE THE INFLUENCE OF THE TECHNOLOGY ACCEPTANCE MODEL (TAM) ON THE USE OF FINTECH LENDING

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ABSTRACT

This study explores the impact of perceived usefulness and ease of use on the intention to use fintech lending applications in Indonesia. The independent variables under scrutiny are perceived usefulness and perceived ease of use, while the dependent variable is the adoption of fintech lending applications. Employing a quantitative approach, this research employs a descriptive methodology. Primary data collected from 182 respondents serves as the basis for analysis. Sampling in this study is conducted using a non-probability technique, specifically the purposive sampling method. Questionnaires are distributed based on specific criteria, targeting individuals who have utilized fintech lending applications and reside in Indonesia. The findings, derived from multiple regression analysis, reveal a significant positive correlation between perceived usefulness, ease of use, and the adoption of fintech lending applications in Indonesia. The research concludes that users use fintech lending technology when they find it easy to access loan funds quickly and when the application features do not ask for various types of information and documents.

Keywords: perceived usefulness, perceived ease of use, fintech lending

ABSTRAK

Penelitian ini bertujuan untuk mengeksplorasi dampak persepsi manfaat dan kemudahan penggunaan terhadap niat menggunakan aplikasi fintech lending di Indonesia. Variabel independen yang diteliti adalah persepsi kegunaan dan kemudahan penggunaan, sedangkan variabel dependennya adalah adopsi aplikasi *fintech lending*. Penelitian ini menggunakan pendekatan kuantitatif dengan metodologi deskriptif. Data primer dikumpulkan dari 182 responden sebagai dasar analisis. Pengambilan sampel dilakukan dengan teknik non-probabilitas, khususnya metode purposive sampling. Kuesioner disebarkan berdasarkan kriteria tertentu, menyasar individu yang telah menggunakan aplikasi *fintech lending* dan berdomisili di Indonesia. Hasil analisis regresi berganda menunjukkan adanya korelasi positif yang signifikan antara persepsi manfaat, kemudahan penggunaan, dan adopsi aplikasi fintech lending di Indonesia. Penelitian ini menyimpulkan bahwa pengguna cenderung mengadopsi teknologi fintech lending ketika mereka merasa mudah mengakses dana pinjaman dengan cepat dan ketika fitur aplikasi tidak memerlukan berbagai jenis informasi dan dokumen.

Kata kunci: persepsi kegunaan, persepsi kemudahan penggunaan, *fintech lending*.

JEL: G10; G20

1. INTRODUCTION

The increasing use of online loans has become a significant trend in recent years. One of the main factors driving this increase is the ease of access offered by online lending platforms. With an easy-to-download mobile app and a fast, simple application process, people can apply for a loan with just a few clicks. This allows individuals to obtain funds instantly without attending physical meetings or waiting for lengthy processes, as is often the case with traditional financial institutions. Additionally, the use of advanced technology and data analytics allows online lending platforms to assess risk more accurately, thereby opening access to many individuals who might previously have been overlooked by conventional financial institutions due to a lack of credit history or required documents (Danilola, Odeniran and Otonne, 2022; Wirani et al., 2022).

However, while this ease of access provides benefits, it can also carry significant risks. Many people tend to use online loans as a short-term solution for urgent financial needs without considering their ability to repay the loan. This can lead to a dangerous debt spiral where individuals are trapped in a cycle of borrowing new ones to pay for old ones. Additionally, the high fees and interest often associated with online loans can cause a heavy financial burden for borrowers, especially if they are unable to repay the loan according to the specified schedule. Therefore, while online loans can be a quick and easy source of funds, it is important for individuals to carefully consider the long-term financial implications before taking such a step (Syarifah, Winarno and Putro, 2020; Wang et al., 2021).

Fintech lending refers to using technology to provide financial services, particularly loans, in a streamlined and efficient manner. Unlike traditional banks, fintech lending platforms often leverage algorithms and big data analytics to assess creditworthiness and make lending decisions quickly (Croux et al., 2020; Miswanto, Salsabila and Kusmantini, 2022). This allows for faster approval processes and often provides access to credit for individuals or businesses that may have been overlooked or denied by traditional financial institutions. Fintech lending also tends to offer more personalized and flexible loan options, with repayment terms and interest rates tailored to the borrower's specific needs and financial situation. However, as with any financial service, borrowers should carefully review the terms and conditions, including interest rates, fees, and repayment schedules, to ensure they fully understand the implications of borrowing through fintech platforms (Eliza, Winarno and Hendrik, 2019; Peng et al., 2023).

The Technology Acceptance Model (TAM) theory can provide useful insight into why people tend to increase their use of online loans. According to TAM, technology adoption is influenced by two main factors: perceived ease of use and perceived usefulness. In the context of online loans, the perception of ease of use is reflected in the ease of access to loan applications via digital platforms, fast application processes, and minimal documents required. Meanwhile, perceived benefits include advantages such as the ability to get funds

instantly without the need to go through complicated procedures or wait long, as well as the opportunity for individuals who do not have a strong credit history to gain access to sources of funds. Therefore, the increase in people using online loans can be explained by an increase in their perception of the ease of use and perceived benefits of this technology, in line with TAM principles. Based on the description above the authors are interested in researching "Analyze the Influence of The Technology Acceptance Model (TAM) on the use of Fintech Lending".

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

TAM (Technology Acceptance Model) is a behavioral model that utilizes information technology in a management information-based system literature. Here's an image showing the TAM:
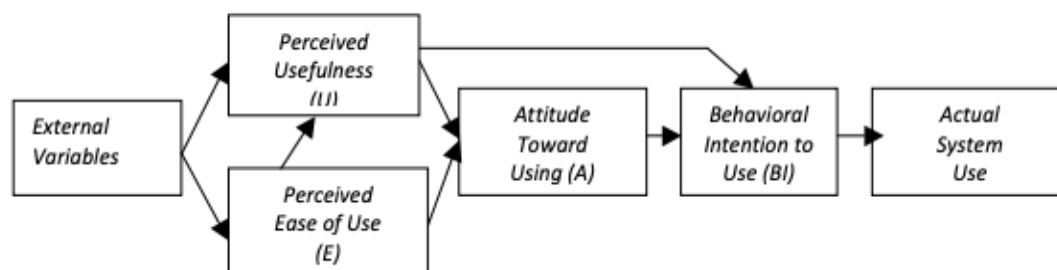

Figure 1. Technology Acceptance Model (TAM) Method Scheme

The Technology Acceptance Model (TAM) is one of the models that can be used to analyze the factors that influence the acceptance of a system/information system. Several research models have been carried out to analyze and understand the factors that influence the acceptance of the use of computer technology, one of which is the Technology Acceptance Model (TAM) (Altinpulluk and Kesim, 2021; Elfeky and Elbyaly, 2021). TAM was developed from a psychological theory that explains the behavior of computer users based on beliefs, attitudes, intentions, and user behavior relationships. The purpose of this model is to explain the factors of user behavior toward the acceptance of the use of technology.

The high use of an information system indicates the usefulness and ease of an information system. Someone will take advantage of the information system because the system will generate benefits for him. The purpose of TAM is to be able to explain the main factors of information technology user behavior toward the acceptance of information technology users themselves. This model illustrates that users of information systems will be influenced by the usefulness variable and the ease-of-use variable, both of which have high determinants and empirically tested validity. TAM believes that the use of information systems will improve the performance of individuals or organizations, besides that the use of information systems is relatively easier and does not require hard work to use it (Ha, 2020; Ocampo-Alvarado and Ullauri-Ugarte, 2021).

Two variables can explain aspects of user behavior which explains that user perceptions will determine their attitude toward using the technology. This model more clearly illustrates

that acceptance of technology use is influenced by usefulness and ease of use. Perceived ease of use has a causal effect on perceived usefulness. Feature design directly affects perceived usefulness and perceived ease of use. Because design features fall into the category of external variables in Fishbein's paradigm, they are not theorized to have a direct effect on attitudes or behavior, instead influencing these variables only directly through perceived usefulness and perceived ease of use.

Perceived ease of use and perceived usefulness can influence a person's attitude toward using technology. Attitude toward using in the TAM concept acts as behavior that results from using the system in the form of responses or rejections as a result of using technology. Behavioral intention to use is an attitude that tends to always apply technology. Actual system usage is a clear condition in the use of the system which is conceptualized in several forms of measurement of the duration of time and frequency in the application of technology. According to Mahfouz (2009) and Jiang et al. (2013), fintech lending is a determination of customers to repurchase products or services from the previous company or the same company, by making expenditures to obtain goods or services that tend to be done periodically.

Fintech lending, or fintech loans, refers to the practice of providing loans that are supported by financial technology (fintech). This involves the use of digital platforms and information technology to facilitate the loan process, from application to risk assessment, approval and disbursement of funds. Fintech lending utilizes sophisticated data analytics and algorithms to evaluate borrower eligibility, often considering non-traditional factors such as digital financial transaction history. Fintech lending business models can vary, including peer-to-peer lending where funds are loaned by individuals to other individuals via an online platform, as well as lending services provided by fintech companies directly to consumers or businesses. The advantages of fintech lending include ease of access, fast application process, and adoption of innovative business models, however, some risks need to be considered such as fees and interest rates that may be higher and data security issues (Wang et al., 2021; Junarsin et al., 2023).

Hypothesis Development

In the context of information technology, such as fintech lending applications or platforms, Perceived Usefulness measures the extent to which users believe that the technology will provide significant benefits in terms of effectiveness and efficiency in meeting their needs or achieving their goals, such as getting loans quickly, managing finances better. either, or obtain a more flexible financial solution. Perceived Usefulness is often a key factor in a user's decision to adopt or use a technology because perceptions about the benefits that may be obtained can influence the level of interest and intention to use the technology.

Therefore, Perceived Usefulness is an important aspect considered by fintech service providers in designing and marketing their products (Cumming and Sewaid, 2022; Peng et al., 2023). In many cases, fintech lending users believe that using a fintech lending platform will make it easier to access loans with a faster and easier application process, as well as the possibility of getting funds without the need for strict traditional requirements. Perceived Usefulness is also related to the ability of fintech lending to provide financial solutions that

are more affordable and flexible compared to conventional financial institutions. Thus, the higher the Perceived Usefulness, the more likely the individual will use fintech lending services to meet their financial needs, illustrating a positive relationship between perceived usefulness and fintech lending adoption (Hariyono and Tjahjadi, 2021; Peng et al., 2023). This explanation results in the following hypotheses for this study:

H1: Perceived usefulness has a positive significant effect on fintech lending

Perceived Ease of Use, in the context of fintech lending, refers to an individual's level of confidence that using a fintech lending platform will be easy without requiring a large amount of effort or technical knowledge. The easier individuals feel they can use a fintech lending app or website, the more likely they are to adopt the service. In practice, Perceived Ease of Use influences user perceptions regarding ease of navigation, availability of clear information, and simplicity of application processes and transaction completion. For example, if users feel that a fintech lending application has an intuitive interface and a smooth loan application process, they are more likely to be motivated to use the service regularly. Therefore, to increase the adoption of fintech lending, service providers must pay attention to and increase Perceived Ease of Use so that users feel more comfortable and are encouraged to use the service on an ongoing basis (Croux et al., 2020; Syarifah, Winarno and Putro, 2020). This explanation forms the basis for the hypothesis of this study, including:

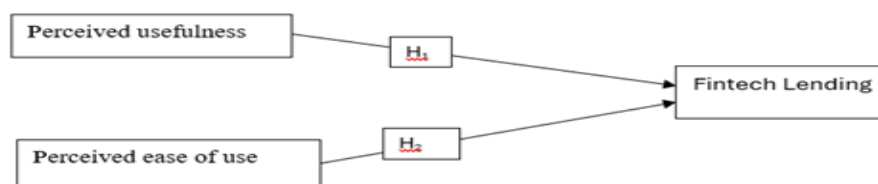**H2**: Perceived ease of use has a positive significant effect on fintech lending

Figure 1. Research Model

3. RESEARCH DESIGN

The scope of research, this study was carried out to test the effect of perceived usefulness and perceived ease of use on fintech lending users in Indonesia. The population in this study are consumers who use the fintech lending application or website in Indonesia. This research uses a non-probability sampling technique with a purposive sampling method. The sample of this research is consumers who have used the Fintech lending online shopping application or website in the people of Indonesia. Researchers will target a minimum number of 200 respondents. The use of data in this study is primary data which is directly taken through filling out questionnaires by respondents who use the Fintech lending application in Indonesia. Questionnaire distribution results, the questionnaires in this study were distributed online via Google Forms and assisted by social media facilities such as Instagram and WhatsApp application.

4. RESULT AND DISCUSSION

The object of this research are respondents who use the Fintech lending application in Indonesia, the distribution of questionnaires is carried out only through Google form so that

the questionnaire can be distributed without having to go directly to the respondents. The process of distributing questionnaires began from 1 December 2023 up to 27 January 2024. The total number of questionnaires distributed was 200 but the number of respondents that could be tested and processed was only 182. The researcher conducted a reliability test to ascertain whether the indicators used could be answered by respondents (either the same or different) consistently over time when used repeatedly. The following below shows that all instruments from each variable used are reliable, seen from Cronbach's Alpha greater than 0.7. The Cronbach's Alpha value of each variable marked in the red box above is greater than 0.7. This shows that all the instruments used in this study are reliable (Shackman, 2013; Jörg and Henseler, 2016).

Table 1. Reliability Test

Variable	The Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Perceived usefulness	0,805	0,866	0,648
Perceived ease of use	0,815	0,845	0,607
Fintech lending	0,822	0,837	0,639

Researchers tested the linear correlation between independent variables. This study does not contain Collinearity Statistics problems because the Variance Inflation Factor (VIF) value in the table below is smaller than 5. All inner Variance inflation factor (VIF) numbers less than 5 indicate that there is no multicollinearity between the independent variables (Shackman, 2013; Jörg and Henseler, 2016).

Table 2. Variance Inflation Factor

Variable	(M)	(y)
Perceived usefulness	1,650	1,662
Perceived ease of use	1,332	1,442
Fintech lending	1,484	1,717

R Square shows the ability of in this research model to explain variations in fintech lending to use with is 0,734 and the value of fintech lending is R Square $(R2) = 0,705$ greater than 0.50 is classified as all independent variables can explain variations in the dependent variable (Shackman, 2013; Jörg and Henseler, 2016).

Table 3. R Square

Variable	R Square	R Square Adjusted
Fintech lending	0,734	0,705

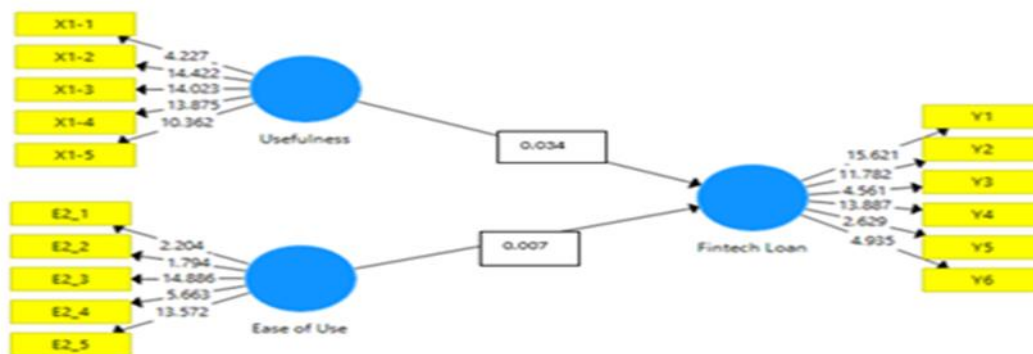The following are results of the PLS Algorithm processing in the research model used are as follows:

Figure 2. PLS Algorithm Model

Path Coefficients in the table below contain the path coefficient values (the numbers are in the original sample column). All path coefficients in this study are positive as based on the Path Coefficients table, the researcher can test for each path with the results listed in the table below. A positive sign and p-value less than 0.05 indicates that the independent variable has a positive effect on the dependent variable (Shackman, 2013; Jörg and Henseler, 2016).

Table 4. Path Coefficient

H	Influence Between Pathways	Beta (Original Sample)	Sign	Sample Mean	T-Statistic	P-value	Meaning
H_1	Perceived usefulness ➜ Fintech lending	0,021	+	0,493	1,036	0,034	Perceived usefulness has a positive effect on fintech lending
H_2	Perceived ease of use ➜ Fintech lending	0,017	+	0,344	0,683	0,007	Perceived ease of use has a positive effect on fintech lending

Significant P-value (Sig.) At $\alpha = 5\%$

Perceived usefulness has a positive effect on fintech lending, based on the results of the partial test (t), perceived usefulness has a positive and significant effect on fintech lending in Fintech lending users with a significance value of 0.000 <0.05. This hypothesis is supported by the results of previous research by Mahfouz (2009) and Jiang et al. (2013) which show that the perceived usefulness variable has a positive and significant effect on fintech lending because it indicates that users believe the technology offers tangible benefits and solutions to their financial needs. When users perceive fintech lending applications as useful for accessing funds conveniently and efficiently, they are more likely to adopt and utilize these platforms for their borrowing requirements.

Perceived ease of use has a positive effect on fintech lending, based on the results of tests carried out by the partial test (t), perceived ease of use has a positive and significant effect on fintech lending in Fintech lending users with the test results of a significance value of 0.000 <0.05. This hypothesis is supported by the results of previous research by Wang et al., (2021) and Tzeng et al. (2020) with the result that when users find fintech lending

applications easy to navigate, apply for loans, and manage their accounts, they are more likely to feel confident and comfortable using the technology. This ease of use lowers perceived complexity and increases the likelihood of users engaging with fintech lending platforms. As a result, positive perceptions of ease of use contribute to higher adoption rates within the fintech lending industry.

5. CONCLUSION

The study reveals that the perception of usefulness strongly and positively affects fintech lending adoption among users of fintech lending apps in Indonesia. Additionally, the perception of ease of use plays a significant role in shaping fintech lending behavior within the same user specific group of individuals who are users of fintech lending applications in Indonesia. Finding also indicating that user-friendly interfaces and processes contribute substantially to fostering engagement with fintech lending services among Indonesian consumers.

Several implications arise from this study. Firstly, in the context of fintech lending, users will consider how useful the application is in providing fast and easy access to loan funds. If users believe that fintech lending will provide significant benefits in addressing their financial needs, they will be more inclined to adopt the technology. Secondly, In the context of ease of use of this technology, it can refer to how easily users can access, apply for loans and manage their accounts through fintech lending applications. The easier it is to use a fintech lending application, the more likely it is that users will try to use it to get a money loan.

Drawing from the test results and subsequent discussion, the researchers offer several recommendations. First, influence from people around fintech lending users, such as family, friends or co-workers. If someone sees that people around them use fintech lending and get loans easily without thinking about the consequences, they are more likely to see it as something that can be tried even though it is used for something consumptive and useless. Second, convey clear and transparent information about the risks associated with using loans, such as high interest, hidden fees, and the consequences of failing to repay the loan. Provide real case examples or case studies to illustrate the negative impacts that can arise from irresponsible use of fintech lending. Third, use host seminars or workshops on financial literacy that cover topics such as budget management, debt management, and understanding the difference between healthy credit and high-risk credit. Teach people to develop the habit of managing their finances wisely and responsibly.

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