The Effect of Financial Literacy and Risk Perception on Financial Behavior Management in the Use of Peer To Peer (P2P) Lending Shopee Paylater on IIB Darmajaya Students

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Abstract— **The purpose of this study was to determine and analyze how much influence financial literacy and risk perception have on financial behavior management in the use of P2P Lending Shopee Paylater on IIB Darmajaya students. Researchers hypothesize that Financial Behavior Management in the use of P2P Lending for IIB Darmajaya students is caused by knowledge of Financial Literacy and Risk Perceptions where Financial Literacy and Risk perceptions affect the choice of using P2P Lending for IIB Darmajaya Students. This type of research is descriptive quantitative research, using a sample of 75 respondents who are Shopee Paylater users and are currently studying at IIB Darmajaya. The analytical tools used are SPSS software and Microsoft Excel.**

Keywords—financial literacy, risk perception, financial behavior management

I. INTRODUCTION

Digital technology is growing rapidly in Indonesia, with 215.63 million internet users by 2022-2023. This phenomenon creates a change in people's behavior, moving from traditional to digital, driving the development of Financial Technology (Fintech). Fintech, according to the Financial Services Authority (OJK), utilizes technology to accelerate financial services. Types of Fintech in Indonesia include crowdfunding, microfinancing, digital payment systems, e-aggregators, and P2P Lending.

As Financial Technology activities begin to operate, it is increasingly making changes to the pre-existing financial service system where in its application Financial Technology combines a form of financial services with additional activities related to electronic commerce and online lending services. The growth of e-commerce and people's high interest in it is influenced by payment facilities that are considered practical, safe, and convenient, especially during pandemic conditions that limit social activities. E-commerce payment systems are developed to reach more consumers, with paylater (online credit method) being one of the favorites. Paylater, as a form of P2P Lending, allows payment for goods or products in installments or credit,

making it easier for consumers to fulfill needs such as shopping, ordering food, or traveling. This convenience has become a trend in today's society.

According to research conducted by Kredivo and Katadata Insight Center (KIC), the use of Paylater services in e-commerce has increased, from 28.2 percent in 2022 to 45.9 percent in 2023. This increase is also driven by the increasing number of E-Commerce that uses Paylater as a type of payment, especially by providing special prices if you use Paylater payments.

Based on research conducted by Daily Social, Shopee paylater is the most widely used pay later or paylater service platform in Indonesia. In Figure 1.2, there were 78.4% of respondents who used the application last year. Gopay paylater made by GoTo is in second place with 33.8% of respondents using it. Then, the percentage of Kredivo and Akulaku users is 23.2% and 10.4% respectively. Traveloka paylater is in the next position with 8.6% of respondents using it. As many as 3.3% of respondents use Indodana's paylater service. There are also 2.8% of respondents who use paylater services from Home Credit. Meanwhile, 0.4% of respondents use other paylater applications.

Literacy is a person's ability to process and understand information during the reading and writing process. In its development, the definition of literacy always evolves according to the challenges of the times. In the past, the definition of literacy was the ability to read and write. Nowadays, the term literacy has begun to be used in a broader sense. And it has penetrated into cultural practices related to social and political issues [5].

Financial management behavior is a skill about management through attitudes and behaviors that regulate finances in daily activities, including planning, checking, budgeting, and others [2].

Perceived risk is the risk of the impact of use such as opportunity and threat. Based on the research conducted. The risks involved in using online credit are in the good category and have an influence on decisions and control. It

can be hypothesized that Financial Literacy and Risk Perception are two factors that can be used to see Financial Behavior Management in the use of P2P Lending for IIB Darmajaya students [16].

Based on this background, this study examines the factors of financial literacy and risk perception in the use of P2P Lending Shopee Paylater. Financial literacy, ability to process financial information, and risk perception are considered to influence individual financial behavior. Financial control and knowledge are needed to avoid late payments and debt accumulation. This study aims to analyze the effect of financial literacy and risk perception on managing financial behavior on the use of Shopee Paylater.

II. LITERATURE REVIEW

A. Financial Behavior Management

Financial behavior is a way that each person treats, manages, and uses their financial resources. Someone who has responsibility for their financial behavior will use money effectively by budgeting, saving money and controlling expenses, investing, and paying debts on time. [11].

A person's financial management behavior can be seen from four things, namely [11]:

1. Consumption: Consumption, is all expenditure made by households on various goods and services. A person's financial management behavior can be seen from how he carries out his consumption activities such as what he buys and why he buys it.

2. Cash-flow Management: Cash flow is a key indicator of financial health which is a measure of a person's ability to pay for any expenses they have, good cash flow management is a balancing act, cash input and expenditure. Cash flow management can be measured by whether a person pays bills on time, pays attention to records or receipts and makes financial budgets and plans for the future.

3. Saving and Investment: Savings can be defined as the portion of income that is not consumed in a given period. Since one does not know what will happen in the future, money should be saved to pay for unexpected events. Investment, which is allocating or investing resources now with the aim of gaining benefits in the future.

4. Credit Management: The last component of financial management behavior is credit management or debt management. Debt management is a person's ability to utilize debt so as not to make you experience bankruptcy, or in other words, the utilization of debt to improve their welfare.Onlince Consumer review.

B. Peer-to-Peer Lending

According to OJK Regulation No.77/POJK.01/2016, fintech lending/peer-to-peer lending/P2P lending is a money borrowing and lending service in rupiah currency directly between creditors/lenders (lenders) and debtors/borrowers (loan recipients) based on information technology. Fintech lending is also referred to as Information Technology-Based Money Lending and Borrowing Services

Peer-to-peer lending refers to lending and borrowing between individuals through a non-profit online platform,

without the intermediary of traditional financial institutions, although they may participate as lenders [7]. Peer-to-Peer Lending is the process of lending money between two unrelated individuals directly through an online platform, without the intervention of traditional financial intermediaries such as banks [20].

In P2P lending, there are 6 (six) stakeholders. [3] defines stakeholders as any group or individual that can affect or be affected by the goals to be achieved. The six stakeholders are as follows:

1. Lenders

    Lenders are people who provide loans and look for opportunities to invest as much money as possible with a certain level of risk.

2. Borrowers

    Borrowers are people who borrow money from lenders and have the potential to default.

3. Intermediaries or platform

    Intermediaries or platforms are P2P lending websites that act as intermediaries that bring lenders and borrowers together.

4. Regulatory Authorities

    Regulatory Authorities are in charge of creating regulations and restrictions that are different from other countries.

5. Partner Banks

    Partner Banks are P2P lending business partners used to facilitate lending.

6. Credit Bureaus

    Credit Bureaus are external monitoring bodies that serve to confirm borrower data.

C. Financial Literacy

According to the Financial Services Authority (OJK) Financial Literacy is the knowledge, skills, and beliefs that influence attitudes and behaviors to improve the quality of decision making and financial management to achieve community financial well-being [12].

Financial literacy is a set of knowledge and or abilities related to personal financial management and financial understanding of several things including savings, insurance, and investment. Financial literacy is a set of skills and knowledge that provides an understanding of an individual so that he is able to make effective decisions with all his financial resources to achieve his life goals [1].

There are three indicators of financial literacy, including [17]:

1. Financial Knowledge

    Having knowledge of financial terminologies, e.g. bank interest rates, credit cards, bankruptcy, pasha stocks, various banking services, understanding taxation terms, calculations and benefits, knowing various pension management services, knowing various sources of family income, etc.

2. Financial Attitudes

   Interest or interest in improving financial knowledge, planning financial retirement programs for employees, implementing government policies in terms of taxes, using banking services related to foreign countries, for example giro, clearing, L/C, etc.Performance expectancy, the level at which a person believes that using the system will help him to achieve benefits in job performance.

3. Financial Behavior

   Spending and saving oriented, record and keep personal financial records, and plan financing for the future, manage forests and credit appropriately in accordance with the company's cash flow.

D. Risk Perception

Risk Perception can be defined as the uncertainty faced by consumers when they are unable to see the possibilities that will occur as a result of the purchase decision made. So, it can be said that the perception of risk is not being able to know the long-term benefits, many losses or gains, inconvenience, the product is not able to provide the expected performance [9].

The perceptions thought by consumers cause a crisis of trust in online purchases or online loans which causes a reduction in their purchasing decisions online, and risk perception can be interpreted as an assessment made by consumers of all possibilities with consequences that can be caused.

As for the perception indicators to be able to measure risk, there are 6 (six) indicators as follows [9]:

1. Financial Risk

   Financial risk is the risk associated with financial losses that consumers have to bear when conducting business transactions. This risk is usually higher in online shopping systems.

2. Product Risk

   Product risk is the risk associated with the low quality of the product purchased. Purchasing through online has a fairly high product risk, because consumers cannot know well the raw materials used in the advertised product. Therefore, the level of product risk in online purchases is higher than conventional purchases.

3. Time Risk

   Time risk is the risk associated with the sacrifice (time) required to search for products or services through online media. In addition, time risk is also related to the length of time waiting for the purchased product to reach consumers.

4. Shipping Risk

   Shipping risk is the risk associated with the safety of the product when it is delivered to the consumer's address. Delivery risk is also related to the wrong address of the orderer or consumer.

5. Social Risk

   Social risk is the risk associated with the low acceptance of others (rejection) of the product or the method used to purchase a product.

6. Security Risk

   Security risk is the risk associated with the misuse of consumer identity (such as credit card numbers, debit card numbers, addresses, etc.) by marketers (online businesses).

III. METHOD

A. Type of Research

Descriptive research [10] is a method that aims to provide an overview or description of the research object based on the data obtained. This type of descriptive research can use survey, observation, interview, or case study methods. This research has two independent variables, namely Financial Literacy (X1) and Risk Perception (X2), and one dependent variable, namely Financial Behavior Management. This research is called quantitative because it uses a systematic, planned, and structured research design based on the philosophy of positivism. Quantitative methods are used to take random samples from certain populations and analyze data statistically to test predetermined hypotheses.*Population.*

Population is a generalized area of objects or subjects that have certain characteristics and quantities and are determined by researchers who can then be studied and conclusions drawn [19]. The purpose of the population is to make it easier to determine the size of the sample that can be taken and limit the application of the sample generalization area [8]. The population in this study were IIB Darmajaya students who had experience using the Shopee paylater payment method. This is because the increasing number of paylater transactions in 2023 is in line with the development trend of the paylater payment method.

B. Sample

The sample is part of the population members taken using certain techniques, where the sample must be able to describe the conditions of the population, which means that the conclusions from the sample research results must be part of the conclusions on the population[8]. The sampling technique used in this study was purposive sampling. The sample criteria used in this study are: (1) IIB Darmajaya students, (2) Have experience in using Shopee Paylater, (3) Have knowledge in Personal Financial Management Behavior. The technique for determining the number of samples used purposive sampling method with the number of samples to be studied is a minimum of 75 respondents.Setiap responden mempunyai karakteristik yang berbeda. Untuk itu perlu dilakukan pengelompokan karakteristik tertentu. Adapun karakteristik yang digunakan dalam pengambilan sampel meliputi, jenis kelamin dengan pilihan wanita atau pria, dari segi usia 19-23 Tahun. Karakteristik Pendidikan terakhir dengan kategori SMA.

C. Resrach Instrument

The data collection instrument used by the research is a questionnaire instrument. The questionnaire was used to measure the effect of financial literacy, risk perception, and financial behavior management on the use of P2P Lending Shopee paylater on IIB Dramjaya students. In this case, the

author uses a Likert Scale in the questionnaire with a scale range of 1-5 ranging from strongly disagree to strongly disagree.

D. Data Analysis

Hypothesis testing for this study was carried out using the Statistical Product Service and Solutions (SPSS) approach. SPSS is an application program that has the ability for high enough statistical analysis and data management systems in a graphical environment using descriptive menus and simple dialog boxes so that it is easy to understand how to operate. SPSS can read various types of data or enter data directly into the SPSS Data Editor. Regardless of the structure of the raw data file, data in the SPSS Data Editor must be organized into rows (cases) and columns (variables). Cases contain information for one unit of analysis, while variables are aggregated information.

IV. DISCUSSION

The purpose of this study is to find out what variables are able to influence the Financial Behavior Management of users in using P2P Lending Shopee paylater for IIB Darmajaya students. Researchers hypothesize that adequate financial literacy and risk perception have a strong influence on Financial Behavior Management on IIB Darmajaya students in using P2P Lending Shopee paylater so that later it will increase user interest in using P2P Lending Shopee paylater.

Financial Literacy is knowledge, skills, and beliefs that influence attitudes and behaviors to improve the quality of

decision making and financial management to achieve public financial welfare [13]. [1] financial literacy is a set of knowledge and or abilities related to personal financial management and financial understanding of several things including savings, insurance, and investment. Because a hypothesis can be formed :

H1 : Financial Literacy has a positive and significant influence on Financial Behavior Management in the use of P2P Lending for IIB Darmajaya students.

Risk Perception can be defined as the uncertainty faced by consumers when they are unable to see the possibilities that will occur as a result of the purchase decision made. So, it can be said that the perception of risk is not able to know the long-term benefits, many losses or profits, inconvenience, the product is not able to provide the expected performance [9] The perceptions thought by consumers cause a crisis in the trust of online purchases or online loans which causes a reduction in their purchasing decisions online, and risk perception can be interpreted as an assessment made by consumers of all possibilities with consequences that can be caused. Therefore, researchers have the belief that:

H2 : Risk perception has a positive and significant influence on Financial Behavior Management in the use of P2P Lending for IIB Darmajaya students.
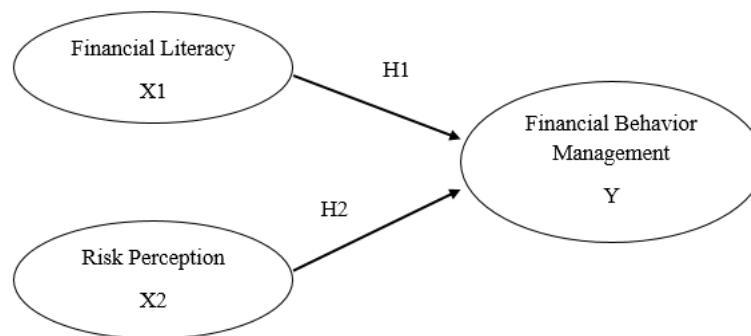

Figure 1. Theoretical Framework Of Research

V. IMPLICATION & PLANNED RESEARCH

A. Implication

The implication of this research is the development of additional products and services, particularly in relation to digital marketing of digital financial products. P2P Lending providers can use insights from this study to develop additional products and services that are relevant to users' interests. This can expand the customer base and increase revenue through optimization of financial literacy and risk perception.

B. Planned Research

This research is planned to be held in mid-November and ends in January to prove the theoretical framework model that has been hypothesized by the researcher. Presentation of the results can be done in February so that later it will be able

to immediately become a reference for students using P2P Lending Shopee paylater at Darmajaya.

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