Perceived Credibility Analysis As A Mediator Of Interest In The Application Of P2P Lending Platform: A Study On Msmes "GO Online Program" At NGALUP.COIn Malang City

Andina Paramita Sari, Yusaq Tomo Ardianto, and Dwi Arman Prasetya

Abstract: This study aims to determine the characteristics and influence of the Self Efficacy, Social Influence, Performance Expectancy variables on Behavioral Intention and the mediating effect of Perceived Credibility on MSME GO Online at Ngalup.co program in Malang City by utilizing the Peer to Peer (P2P) Lending Platform. The method in this research applied explanatory research by explaining the relationship between the variables studied through hypothesis testing. The study was undertaken in Malang City, East Java, involving MSMEs that are members of Ngalup.co Program, participating in training and mentoring program to educate MSMEs regarding the utilization of digital platforms. Collecting data of respondents using a questionnaire was distributed to 91 respondents. The results revealed that Self Efficacy, Social Influence, Performance Expectancy had a significant effect on Perceived Credibility and Behavioral Intention. Perceived Credibility is however incapable of mediating the effect of Self Efficacy on Behavioral Intention. Meanwhile, on the influence of Social Influence and Performance Expectancy on Behavioral Intention, Perceived Credibility variable serves as a partial mediation.

Index Terms: Peer to Peer (P2P) Lending, Behavioral Intention, Perceived Credibility

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1. INTRODUCTION

The classic problem in MSMEs lies in the inability of MSMEs to showcase their business potential when requiring the funding sources [1]. Banks are generally considered as a potential source of funding for MSMEs, where the government also provides various facilities for MSMEs such as by targeting the disbursement of KUR (People's Business Credit) through banking as a financial institution, emphasizing credit interest for borrowers from MSMEs but sometimes MSMEs are unable to take advantage of these opportunities due to ignorance about banking, credit, or terms of credit disbursement [7]. The development of technology has given birth to several new business models; one of the significant businesses that have emerged from technological advances is Fintech (Financial Technology). Fintech is a financial-based business that combines technology that utilizes internet networks. Fintech continues to develop along with the development of support for the digital ecosystem, such as the adoption of stable internet technology for Fintech which gave birth to online banking technology in 1980 [4]. The development of this technology gives birth to innovations every year by integrating various new technologies, people's perspectives, changes in people's life patterns, as well as culture. Indonesia is one of the countries that do not escape the impact of the development of Fintech, starting from the use of credit cards, the emergence of ATMs (Automatic Teller Machines), to internet banking. Especially with the increasing use of internet and smartphone networks that change people's lifestyles and change the business world [8].

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Fintech-based companies began to emerge one by one until a new market was formed that saw funding problems at MSMEs and banks as credit channeling financial institutions, specializing in their market to assist the development of MSMEs, such as: modalku.co.id; amartha.com; doku.com. Several banks in Indonesia have no problem with this; even some banks have collaborated with Fintech companies for credit distribution, financial product development, and financial education. Such breakthrough serves as a breeze for MSMEs which tend to experience problems in capital-related schemes [11]. The various facilities in capital offered by Fintech are certainly a great opportunity for MSMEs to get loans, but it turns out that not many MSMEs are willing and able to take advantage of this opportunity involving in money laundering. Currently, another financing model used by MSMEs to support their businesses is a financing model based on financial technology. It is pointed out that a financing model such as peer-to-peer (P2P) lending becomes a financial technology-based financing model serving as a financing solution in an effective and efficient manner [6]. This financing has attracted significant attention from both academics and practitioners. Lending via peer-to-peer (P2P) platforms in China especially for small businesses has increased nearly 4 (four) times to $ 150 billion in 2015, which is more than 10 times of the size of lending in the United States market [18]. There are more than 2000 online peer-to-peer (P2P) lending platforms in China. However, at the same time there are fears of indications of fraud, especially since the failure in early 2016 of the Ezubo platform which lost an estimated $ 11 billion in investor money [12].Peer-to-peer lending is a form of Fintech that is considered to be an alternative source of capital for MSMEs in Indonesia because it is easier to obtain capital than conventional banks, Prior study revealed that one of the factors for the reluctance of MSMEs to make loans at banks is that there is a process that is considered long and complicated [13]. It is apparent that the bank's assessment of MSMEs, especially the

potential MSMEs without sufficient financial records, will get a nominal loan which tends to be low as the Bank bears the financial risk.

2   RESEARCH METHODS

This study aims to analyze problems that have been formulated, research objectives, and test the research hypothesis. This research is classified as an explanatory research, which is scientific research conducted to explain the relationship between the variables studied through hypothesis testing. The data surveyed was classified as cross sectional data, which was data that was taken once, at a time, and with no follow-up. This data collection method is utilized to navigate and determine the relationship between the independent variable and the dependent variable. The variables studied were: Self Efficacy, Social Influence, Performance Expectancy, Perceived Credibility and Behavioral Intention. Thus, this study aims to explain the effect of Self Efficacy, Social Influence, and Performance Expectancy on Behavioral Intention which is mediated by Perceived Credibility. Additionally, this study utilizes a quantitative form with the aim of examining the factors that influence the use of P2P Lending of Go Online Program at Ngalup.co in Malang City by using five variables, which include: Self Efficacy (SE), Social Influence (SI), Performance Expectancy (PE), Perceived Credibility (PC) and Behavioral Intention (BI).

3   RESEARCH RESULT AND DISCUSSION

Peer-to-peer (P2P) lending is a technology platform that brings together borrowers and lenders. This service facilitates lenders and borrowers to be able to allocate and get capital or funds from and to almost anyone, in any amount of value, effectively and transparently, and with competitive returns. Therefore, with this service, Micro, Small and Medium Enterprises (MSMEs) can get funding without having to borrow from a bank. As of October 2020 in East Java, as many as 40 companies providing information technology-based lending and borrowing services, namely peer-to-peer (P2P) lending, have been officially registered and have obtained permission from the Financial Services Authority [10] [11]. The lending process through peer-to-peer (P2P) lending in general, where the borrower enters the website of the organizer, then registers and completes the application form. Furthermore, the platform will verify and analyze the qualifications of the loan. Loans that have successfully passed are displayed on the website where lenders can commit funds for the loan. Research respondents were MSMEs Go Online who participated in the Ngalup.co Program. Determination of respondents based on the objectives of this study. The questionnaire was distributed to 91 respondents. Respondent profiles aim to describe the distribution of MSME owners based on gender, age, latest education, position / grade, and years of service as illustrated in Table 1.1.

Table 1.1 Descriptions of Respondent Characteristics

Respondent Profile	Number of people)	Percentage (%)
Gender		
Man	42	46.2%
Women	49	53.8%
Age		
21 - 30 years	32	35.2%
31 - 40 years	47	51.6%
41 - 50 years	5	5.5%
51 - 55 years	7	7.7%
Education		
High school	19	20.9%
DIII	1	1.1%
S1	66	72.5%
S2	5	5.5%
Total	91	100.0%

Based on Table 4.1 it is apparent that the characteristics of respondents based on gender, age, and latest education. As many as 42 people or 46.2% of the respondents were male, while the remaining 49 people or 53.8% of the respondents were female. The majority of respondents have an age range of 31-40 years. As many as 47 people or 51.6% of respondents aged 31-40 years followed by respondents aged 21-30 years 32 people or 35.2%. The rest of the respondents aged 41-50 years were 5 people and 51-55 years old were 7 people or 7.7%. Based on the type of education, the majority of respondents had the latest education at the S1 level. As many as 66 people or 72.5% of respondents had the latest education at the S1 level. The remaining 19 people or 20.9% of the respondents had a high school education, 5 people or 5.5% of the respondents had a master degree, and 1 person or 1.1% of the respondents had a DIII education.

Table 1.2 Variable Description of Self Efficacy (X1)

Indicator	Information	Mean	TCR
SE1	increase effectiveness in work	4.55	91%
SE2	spend less time for routine work tasks.	3.97	79%
SE3	improve the quality and ability of yourself	4.75	95%
SE4	increase the amount of output for the same amount of effort.	4.64	93%
SE5	Others will consider me competent.	4.21	84%
SE6	increase the chances of finding a system that is useful in my work.	4.63	93%
SE7	consider all tasks, the extent to which the system can help	4.48	90%
Mean Self Efficacy Variable (X1)		4.46	89%

Based on Table 1.2, it is obvious that the mean of all indicators in the Self Efficacy (X1) variable is 4.46 with a TCR value of 89%. The TCR value falls into the very high category [5], which means that the level of Self Efficacy of the respondents, that are members of Ngalup.co program in Malang city is exceedingly high. The indicator that has the highest average answer score and TCR is "improving one's quality and ability (SE7)" with an average score of

4.77 and a TCR of 95% (very high). This means that the respondent has a very high level of Self Efficacy in terms of improving the quality and ability of themselves. Meanwhile, the indicator that has the lowest average value and TCR is the indicator of "spending less time on routine work tasks (SE2) with an average of 3.97 with a TCR of 79% (High).

Table 1.3 *Variable Description of Social Influence (X2)*

Indicator	Information	Mean	TCR
SI1	People who influenced me suggested that I use the P2P Lending application	4.01	80%
SI2	People I consider important suggest I use P2P Lending application	4.15	83%
SI3	People who use the service P2P Lending applications generally have a higher status	3.88	78%
SI4	People whose opinion I appreciate suggested that I use the P2P Lending application	4.04	81%
	Total Mean	4.02	80%

Based on Table 1.3, it is notable that the mean of all indicators in the Social Influence variable (X2) is 4.02 with a TCR value of 80%. The TCR value falls into the high category [3], which means that the level of the respondent's Social Influence, namely MSMEs who are members of the Ngalup.co Program in Malang City is classified as high. The indicator that has the highest average answer score and TCR is "People who I think are important suggest that I use the P2P Lending (SI2) application" with an average score of 4.15 and a TCR of 83% (very high). This means that respondents have a very high level of Social Influence if people they consider important suggest using the P2P Lending application. While the indicator that has the lowest average value and TCR is the SI3 indicator with an average of 3.

Table 1.4 *Variable Description of Performance Expectancy (X3)*

Indicator	Information	Mean	TCR
PE1	My interaction with the P2P Lending application did not require a lot of mental stress	3.96	79%
PE2	Being an expert in operating the P2P Lending application is very easy for me	3.92	78%
PE3	Learning to operate the P2P Lending application was very easy for me	3.99	80%
PE4	Using the system allows me to complete tasks faster.	4.45	89%
PE5	Using a quality enhancing system the work that I do.	4.45	89%
PE6	Using the system makes it easier to do my job.	4.42	88%
PE7	Using systems increases my effectiveness at work.	4.54	91%
PE8	Using systems increases my productivity	4.48	90%
	Total Mean	4.28	86%

Based on table 1.4, it is evident that the average of all indicators in the Performance Expectancy variable (X3) is 4.28 with a TCR value of 86%. The TCR value falls into the very high category [3], which means that the level of Performance Expectancy of respondents, which is MSMEs who are members of the Ngalup.co Program in Malang city, is classified high. The indicator that has the highest average answer value and TCR is (PE8) with an average value of 4.48 and TCR of 86% (very high). This means that

respondents expect the use of the P2P lending system to produce output and increase work productivity. Meanwhile, the indicator that has the lowest average value and TCR is the PE2 indicator with an average of 3.92 with a TCR of 78% (High).

Table 1.5 *Variable Description of Perceived Credibility (Z)*

Indicator	Information	Mean	TCR
PC1	Reliable P2P Lending application	4.04	81%
PC2	P2P Lending application is very safe	4.04	81%
PC3	I trust P2P application providers	4.05	81%
PC4	I don't want to risk losing finances by using the P2P Lending application	4.15	83%
PC5	I don't want to run the risk of identity theft by using the P2P Lending application	4.31	86%
PC6	P2P Lending app providers are well known for their credibility	4.04	81%
	Total Mean	4.11	82%

Based on table 1.5, it is visible that the mean of all indicators in the Behavioral Intention (X4) variable is 4.00 with a TCR value of 80%. The TCR value falls into the very high category [19], which means that the respondent's Behavioral Intention level for P2P lending services is very high. If observing each indicator, Continuance becomes the indicator with the lowest TCR value when compared to other Behavioral Intention indicators. There are still respondents who think they will move or choose services other than P2P lending. The results of the structural model obtained in this study confirm the relationship of latent variables, where the influence of the variables is indicated by a significant value at the 5% level (0.050). Further details regarding the inner-model testing are stated in the following statements.

1. The effect of Self Efficacy on Perceived Credibility: significant at the level α = 5% (p-value = 0.039), because the p-value is less than alpha (α), it has a significant effect. The coefficient which is positive indicates a unidirectional relationship, the higher the self-efficacy value the higher the perceived credibility value.
2. The effect of Self Efficacy on Behavioral Intention: not significant at the level α = 5% (p-value = 0.018), because the p-value is less than alpha (α), it has a significant effect. The coefficient marked positive indicates a unidirectional relationship. The coefficient which is positive indicates a unidirectional relationship, the higher the self-efficacy value the higher the behavioral intention value.
3. The influence of Social Influence on Perceived Credibility: significant at the level α = 5% (p-value = 0.000), because the p-value is less than alpha (α), it has a significant effect. The coefficient which is positive indicates a unidirectional relationship, so that the higher the value of social influence the higher the value of perceived credibility.
4. The influence of Social Influence on Behavioral Intention: significant at the level α = 5% (p-value = 0.007), because the p-value is less than alpha (α), it has a significant effect. The coefficient which is positive indicates a unidirectional relationship, so that

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the higher the value of social influence the higher the value of behavior.

5. Effect of Performance Expectancy on Perceived Credibility: significant at the level α = 5% (p-value = 0.000), because the p-value is less than alpha (α), it has a significant effect. The coefficient which is positive indicates a unidirectional relationship, so that the higher the performance expectation value the higher the perceived credibility value.

6. Effect of Performance Expectancy on Behavioral Intention: significant at the level α = 5% (p-value = 0.000), because the p-value is less than alpha (α), it has a significant effect. The coefficient which is positive indicates a unidirectional relationship, so that the higher the performance expectation value the higher the value of behavioral intention.

7. The effect of Perceived Credibility on Behavioral Intention: significant at the level α = 5% (p-value = 0.005), because the p-value is less than alpha (α), it has a significant effect. The coefficient which is positive indicates a unidirectional relationship, so the higher the value of perceived credibility, the higher the value of behavioral intention.

4. CONCLUSION

In recent years, P2P Lending has developed online, which is a platform based on the development of capital financing based on the ease of technology. Several studies agreed that the knowledge of owners or owners of UMKM Businesses who update information and technology can allegedly improve their business performance and be able to compete in the market [9] [13] [18]. This research shows findings that are in line with the positive relationship between the two variables, meaning that the more informed and technology literate entrepreneurs / MSMEs have a tendency towards a high perception of the credibility of P2P lending online loans. This shows that respondents in this study have the view that online loans are a promising platform for accessing capital for MSME businesses. Several cases thus indicated that online loans provide lower interest rates and risks so that MSME business players are greatly helped by low installments and interest.

Based on the results of the analysis and discussion that have been presented, the following conclusions can be drawn.

1. Based on the description of the research variables, the average level of self-efficacy and performance expectations of respondents, namely MSMEs that are members of the Ngalup.co Program in Malang City is very high, the social influence variable has a high category, and the mediating variable, namely the perception of credibility, has an average respondent. It is assumed that using the P2P Lending application for capital services has very high credibility. Meanwhile, the respondent's Behavioral Intention level for P2P lending services is very high.

2. Hypothesis 1 states that "Self Efficacy has an effect on perceived credibility (Perceived Credibility) and this hypothesis is supported by the data (supported), thus this hypothesis is proven positive. This means that higher Self-Efficacy will increase the perception of online loan credibility.

3. Hypothesis 2 states that "Self Efficacy has an effect on Behavioral Intention" and this hypothesis gets support from the data (supported), thus this hypothesis is proven with a positive sign. This means that higher Self Efficacy will increase online loan behavior intentions.

4. Hypothesis 3 states that "Social Influence has an effect on Perceived Credibility" and this hypothesis is supported by the data (supported), therefore this hypothesis is proven with a positive sign. This means that the higher the social influence will encourage the perception of online loan credibility.

5. Hypothesis 4 states that "Social Influence has an effect on Behavioral Intention" and this hypothesis is supported by the data (supported), thus this hypothesis is proven with a positive sign. This means that higher social influence will encourage behavioral intention to use online loans

6. Hypothesis 5 states that "Performance Expectancy has an effect on Perceived Credibility", and this hypothesis is supported by the data (supported), therefore this hypothesis is proven with a positive sign. This means that higher performance expectations will encourage perceptions of online loan credibility.

7. Hypothesis 6 states that "Performance Expectancy has an effect on Behavioral Intention", and this hypothesis is supported by data (supported), thus this hypothesis is proven with a positive sign. This means that higher performance expectations will encourage behavioral intentions to use online loans.

8. Hypothesis 7 states that "Perceived Credibility has an effect on Behavioral Intention", and this hypothesis is supported by the data (supported) proven with a positive sign. This means that higher perception of credibility will encourage behavioral intentions to use online loans.

9. Hypothesis 8 states that Credibility Perceptions mediate the effect of Self-Efficacy on Behavioral Intention. This hypothesis is not supported by research data, in which perceived credibility does not have a role to mediate the effect of Self-Efficacy on Behavioral Intention. This means that self-efficacy can affect behavioral intentions in making online loans without a perception of credibility.

10. Hypothesis 9 states that Credibility Perceptions mediate the relationship between social influence and Behavioral Intention. This hypothesis is supported by research data in which perceived credibility has a role to mediate social influence on behavioral intentions to make online loans. The role of the Credibility Perception variable in the relationship between social influences on Behavioral Intention is partial mediation.

11. Hypothesis 10 states that perceived credibility mediates the relationship between performance expectations and behavioral intention. Based on the results of the mediation test and hypothesis testing, it is concluded that the perception of credibility is capable of partially mediating the effect of performance expectations on the behavioral intentions of MSME business actors to engage with online loans.

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CONFLICT OF INTEREST

The authors whose names are listed immediately certify that they declare NO affiliations with or involvement in any organization or entity with any financial interest.

LIST OF TABLES

(As attached*)

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