
The Influence of Digital Financial Literacy and Digital Payment With Trust As A Moderating Variable on Sidoarjo Students' Purchase Intention in The Marketplace

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Received: August, 2024; Accepted: August, 2024; Published: November, 2024

Permalink/DOI:

Abstract

This study is aimed to investigate the effect of Digital Financial Literacy and Digital Payment with trust as a moderating variable on purchase intention of Sidoarjo's Student in the Marketplace. This research use survey and quantitative approach. The population of this research is students of Digital Business 2021-2023. Purposive random sampling was used as sampling method in this research. By using Sugiyono (2020), the obtained minimum sample size was 30 respondents. The datas were collected by sharing the online questionnaires to the respondents. Data analysis was carried out using the Partial Least Square (PLS) method using Smart PLS version 4. The results of this research indicated: (1) Digital Financial Literacy affects significantly and positively toward consumer's purchase intention (2) Digital payment has affect on consumer's purchase decision (3) trust can moderate customer reviews on consumer's purchase intentions.

Keywords: *digital financial literacy, digital payment, trust, purchase intention*

INTRODUCTION

Technology in the rapidly developing digital era has triggered significant changes in the structure of life, starting from social activities, culture, and even economic activities. The application of this digital basis occurs in the world of commerce and people are now familiar with Marketplaces. Marketplace is defined as a market where sellers and buyers meet virtually, where they can carry out buying and selling transactions through the platform. Markets in Indonesia are regulated in article 1 paragraph 4 of the Republic of Indonesia Minister of Finance Regulation no. 210/PMK.010/2018 concerning Tax Treatment of Electronic Trading Transactions. Explanation that the marketplace is an electronic means of communication used for transactions aimed at electronic buying and selling activities.

According to a Statista report regarding e-commerce user data in Indonesia, e-commerce users in Indonesia in 2022 will reach 166.1 million users and in 2023 will reach 180.6 million users. Based on SimilarWeb data, Shopee is the e-commerce marketplace category that received the most site visits in Indonesia

throughout 2023. During January-December 2023, the Shopee site cumulatively achieved around 2.3 billion visits.

The Covid-19 pandemic has hit Indonesia forcing people to face a pandemic situation which has triggered them to limit their mobility and activities. People must be able to overcome this situation by minimizing shopping activities outside the home. Marketplace users during the Covid-19 pandemic increased sharply. The development and use of financial technology may influence shopping behavior, fintech can change consumer behavior in purchasing or shopping in the marketplace. The massive use of e-commerce above must be balanced with consumer digital financial literacy to control consumer consumption patterns or behavior and prevent consumer behavior.

According to Baker et al. (2019) financial literacy is a person's ability (skill) to make effective decisions related to their finances. Financial literacy helps individuals avoid financial problems, especially those that occur due to financial mismanagement. The results of the 2020 Standard Chartered Survey stated that the millennial generation aged 25-44 years was the generation most financially impacted by the pandemic. The level of financial literacy among the younger generation is still low. Based on a national survey in 2019, it shows that the financial literacy of the population 15-17 years old is 16 percent. The younger generation is also more financially vulnerable. The younger generation mostly spends money for fun rather than saving and/or investing to increase assets.

The payment system on Marketplaces in Indonesia is improving because financial tools are more effective than traditional payment systems. Digital Payment is able to replace the cash payment system. According to Tarantang et al (2019) The digital payment system is the transfer of money from consumers to sellers, whose payment system uses technology instead of physical money, it is processed and received in non-physical form. Digital payments do have various benefits, and many people enjoy the convenience and speed of the process. However, digital payments have many risks that may occur during transactions. One of them is impulsive and consumptive behavior.

Trust is one of the behavioral factors of people who always shop at the marketplace. With people's trust in the Internet, this makes people more confident and makes people have higher levels of impulsive behavior. Therefore, the amount people spend increases over the years. Transactions will not occur if the threshold of trust is not reached between consumers. According to Dabbous et al. (2020), shows that trust supports consumer purchase intentions. Consumer trust also not only influences consumer purchases, but also general trust in online shopping (Ha and Nguyen, 2019)

LITERATURE REVIEW

Digital Financial Literacy

Digital Financial Literacy (DFL) ought to become a crucial aspect of education in the Digital Age because there is a need for people to increase their financial literacy to be able to utilize fin-tech products and services more effectively and avoid wasteful spending. This explains why it is important to provide digital

financial education to promote digital financial literacy, utilizing the skills and opportunities that will enable people to play a significant role in the Digital Economy (Morgan, Huang, & Trinh, 2019). According to Prasad, Meghwal, and Dayama (2018), DFL refers to a person's level of understanding regarding online purchases, online payments using different payment modes, as well as online banking systems.

Digital Payment

Transactions carried out digitally are often called digital payments. According to Tarantang et al (2019) The digital payment system is the transfer of money from consumers to sellers, whose payment system uses technology instead of physical money, it is processed and received in non-physical form. The concept of digital payments is to utilize certain programs such as card payments and electronic money. Digital payment applications are widely used in Indonesia, including OVO, DANA, GOPAY, and many more which are protected by the OJK, which has a transfer method concept. Apart from direct transfers, you can also use the Quick Response Code and Quick Response Indonesia Standard methods which are commonly used by MSMEs (Sihaloho et al., 2020).

Trust

Trust is an important level maintained by a company towards customers regarding a product or service that will make customers satisfied. To grow customer trust is very important in the world of marketing to make business successful in the digital world (Chetoui et al., 2020). As is the trust created by users in the company (Langit Musik) can increasing the reputation of Langit Musik itself (Widodo & Rakhmawati, 2021). According to Dabbous et al. (2020), shows that trust supports consumer purchase intentions. Consumer trust also not only influences consumer purchases, but also general trust in online shopping (Ha and Nguyen, 2019). Trust is one of the important and relevant factors carried out online, because it reduces uncertainty associated with online consumption and supports consumers to make purchases. Despite some growth in internet use and online shopping, there are still many consumers who do not want to make online purchases due to a lack of trust (Stouthuysen et al., 2018).

Purchase Intention

Purchase intention occurs at the evaluation stage of the six stages of a customer's purchasing decision will sort out which brands to buy and then form an intention to make a purchase. In making purchase intention, customers will be faced with choices of brand, quantity, dealer, time, etc payment method (Kotler & Keller, 2020). There are several things that can influence purchase intention such as reputation, website design, customer service, meeting needs, and privacy security negative and significant effect on perceived risk. Consumer emotions and perceived risk has a significant effect on purchasing interest in e-commerce (Rizaldi & Widodo, 2019). Apart from that, an appropriate price will make consumers willing to make sacrifices, namely spending money to provide products. The more companies can increase the price value in the eyes The higher the consumer's intention to purchase the product will be (Munadie & Widodo, 2019). Besides Purchase intention and repeat purchase intention among customers are also

considered important for the success of a company because it means the company is able to retain customers (Widodo & Utami, 2021).

FRAMEWORK

In this research, the author will measure the influence of digital financial literacy and digital payment variables on purchase intention, as well as to measure trust variables that can moderate digital payment on purchase intention:

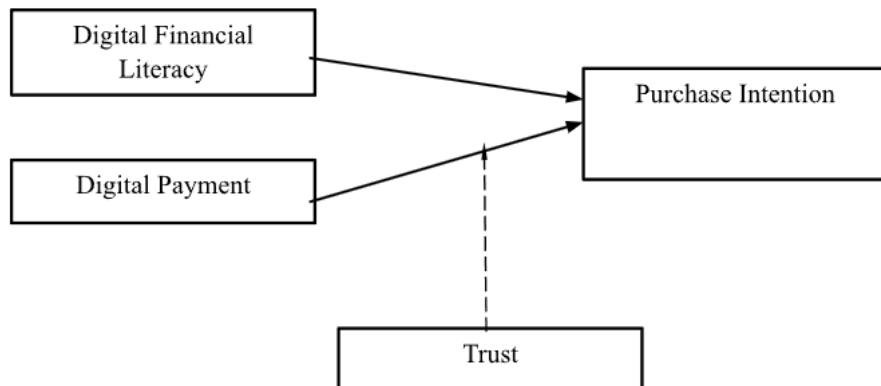


Figure 1. Framework

Source: data processed (2024)

Based on the framework that has been described, the hypothesis of this research is: H1: Digital financial literacy has a positive and significant influence on purchase intention.

H2: Digital payments have a positive and significant influence on purchase intention.

H3: Trust moderates the influence of digital payments on purchase intention.

METHOD

The research approach used is a quantitative technique, which according to (Sugiyono, 2021) is a quantitative method because research data is in the form of numbers and analysis uses statistics. Data on Digital Business Study Program students from Class 2021 to 2023 is 52 people included in this research population. This research was taken with an error rate of 5%, so the sample results were obtained as follows:

$$n = \frac{52}{1+52 \times 5\%^2} = 42,17 = 42 \text{ respondents (rounded to 42)}$$

To test the validity of this research measuring instrument, a confirmatory method was used factor analysis (CFA). The definition of CFA is the method used to test factor loadings on each indicator. An indicator is said to be valid if it has a factor loading value > 0.5 or ideally ≥ 0.7 (Hair Jr et al., 2010). In this research, we will calculate the average variance extracted (AVE) for each variable. In this research, a reliability test was used using technical structural equation modeling (SEM) analysis assisted by using SmartPLS software version 4. In SmartPLS there

are two types of measurements used, namely measurement models or outer models to measure latent variables and indicators. Next, the second method is a structural model or inner model to measure the relationship between endogenous variables and exogenous variables. Next, the second way is a structural model or inner model to measure interrelationships endogenous variables and exogenous variables (Hair Jr et al., 2021). Using SmartPLS software, test reliability using two methods, namely Cronbach's alpha and composite reliability, in this study the value Cronbach's alpha or composite reliability > 0.7 .

RESULTS AND DISCUSSION

The respondents selected in this study had the following characteristics:

1. There were 42 respondents from this study, 16 respondents or 38% were male and 26 respondents or 62% were female
2. Respondents based on age. The groupings included < 21 years and under and ≥ 21 years. As many as 38 respondents or 90.5% were under 20 years of age, then 4 respondents or 9.5% were over 21 years of age.

Table 1. Validity Test

Construct	Indicators	Loading Factor ($\geq 0,7$)	AVE ($\geq 0,5$)
Digital Financial Literacy	X11	0,968	0,930
	X12	0,966	
	X13	0,968	
	X14	0,966	
	X15	0,960	
	X16	0,963	
	X17	0,957	
	X18	0,967	
Digital Payment	X21	0,963	0,889
	X22	0,963	
	X23	0,956	
	X24	0,954	
	X25	0,955	
	X26	0,930	
	X27	0,891	
	X28	0,951	
	X29	0,960	
	X30	0,903	
Trust to Digital Payment	Z1	0,956	0,900
	Z2	0,925	
	Z3	0,963	
	Z4	0,952	
	Z5	0,959	
	Z6	0,947	
	Z7	0,956	
	Z8	0,946	
	Z9	0,933	

Purchase Intention	Y1	0,927	0,874
	Y2	0,884	
	Y3	0,957	
	Y4	0,858	
	Y5	0,939	
	Y6	0,947	
	Y7	0,971	
	Y8	0,959	
	Y9	0,959	
	Y10	0,904	
	Y11	0,971	

Source: data processed (2024)

Table 1. shows that all indicators/items in this research are valid. Every indicator revealed that the loading factor was ≥ 0.7 . Another verification for convergent validity criteria is testing items by calculating the AVE (Average Variance Extracted) indicator. The AVE score must meet >0.50 to be able to load the construct that represents it, from calculations using SmartPLS 4, The AVE score for each variable is more than 0.50, therefore, the questionnaire meets the validity criteria convergent.

Table 2. Reliability Test Result

Variable	Cronbach's Alpha \geq	Composite Reliability \geq
	0,7	0,7
Digital Financial Literacy (X1)	0,989	0,991
Digital Payment (X2)	0,986	0,988
Trust to Digital Payment (Z)	0,986	0,987
Purchase Intention (Y)	0,985	0,988

Source: data processed (2024)

Table 2. above shows that all variables in this study have values ≥ 0.7 . This means that it meets the Cronbach's alpha and composite reliability criteria. Actual proof for calculations Cronbach's alpha and composite reliability from SmartPLS 4 are attached in the appendix. After carrying out validity and reliability tests, it has been proven that all the indicators and variables in this research valid and reliable.

Table 3. Model Fit Test

Model Fit	Saturated Model	Estimated Model	Conclusion
NFI	0,685	0,684	Good Fit
SRMR	0,054	0,053	Good Fit

Source: data processed (2024)

Standardized Root Mean Square Residual (SRMR) is based on the transformation of the covariance matrix. The predicted sample and covariance matrix will become a correlation matrix. In this research model structural has a value of 0.054 and the estimated model has a value of 0.053 where both values are ≤ 0.10 so the model is said to be suitable. NFI is used in covariance-based structural

equation modeling. An NFI value close to one usually represents an acceptable fit. The value for the estimated model is 0.684, which means it has a good fit value.

Table 4. Hypothesis Test

Hypothesis	Path Coefficient	T Values	P Values	Conclusion
H1: X1 → Y	0,221	2,005	0,045	H1: accepted
H2: X2 → Y	0,324	2,900	0,004	H2: accepted
H3: X2 → Y	0,247	2,330	0,020	H3: accepted

Source: data processed (2024)

Table 4. can be used to determine the answer to the research, because Table 4. Is results of survey data processing carried out using the SmartPLS 4 program. The table shows the regression coefficient/path coefficient as the value of the influence between existing variables hypothesized. Then the T-value shows the significance of the influence between the variables involved this research. Based on this explanation, it can be concluded all three hypotheses are accepted.

R-square or what is usually called the termination factor is a number that shows how good the variables are independent variables (X1, X2, and Z) explain the dependent variable (Y). In this equation X1, X2 and Z together are only able to explain 57.7% of the Y variance, because there is a variance error of 42.3% or there are still other variables that need to be included model/system.

Table 5. R Square Test

Variable	R Square
Purchase Intention	0,944

Source: data processed (2024)

$$Y = 0.221*X1 + 0.324*X2 + 0.247*Z, \text{ errorvar} = 0.056 \dots R^2 = 0.944s$$

Based on the equation above, it shows that the purchase intention (Y) variable is influenced by Digital Financial Literacy (X1) with a regression coefficient of 0.221, Digital Payment (X2) with a coefficient regression of 0.324, and trust in digital payment with a regression coefficient of 0.247. It can be assumed that the trust variable is in digital payment, digital financial literacy, and digital payment an increase of one unit means the purchase intention variable will increase by 0.247 or 24.7% Z, 0.221 or 22.1% X1, and 0.324 or 32.4% X2. Apart from the regression coefficient of the equation used to show the termination factor (R2) and error variance. The equation shows The R2 value is 0.944 or 94.4%, this explains the trust variable in digital payment, digital financial literacy, and digital payment influence purchase intention by 94.4%. While the remaining 5.6% due to error variance during measurement so there is a possibility that there is a variable others that can be explained by the purchase intention that require further research.

Another necessary variable input can be traced from the results of the latest research on other influencing factors purchase intention such as eWOM had a significant impact on purchase intention (Ngo, 2024). Apart from that parasocial relationship had a positive effect on purchase intention (Luo, 2023).

CONCLUSION (Capital, 12 pts, bold)

Based on the results of research regarding " The Influence of Digital Financial Literacy and Digital Payment With Trust As A Moderating Variable on Sidoarjo Students' Purchase Intention in The Marketplace", then conclusions and several things that answer the research questions and research hypotheses as follows: The digital financial literacy variable has a positive and significant influence on purchase intention with a T-statistic of 2.005, a regression coefficient/path coefficient of 0.221. This means more The greater the digital financial literacy customers, the higher the purchase intention of customer. The digital payment variable has a positive and significant influence on purchases intention with a T-statistic of 2.900, regression coefficient/path coefficient of 0.324. This is meaningful digital payment have a positive influence on purchase intention. Variable trust is able to moderate digital payment of purchase intention with a T-statistic of 2.330, the regression coefficient/path coefficient is 0.247. This shows that the higher the trust, the more capable it is influencing digital payment, the higher the purchase intention.

This research focuses on how digital financial literacy and digital payment which moderated trust can influence purchase intention. Suggestions for researchers for future researchers is that this research can be used as a reference in further research, as well as for future researchers can deepen other variables that can influence purchase intention because seen from the R2 value, independent variables such as digital financial literacy, digital payment and moderating variables, namely trust was only able to explain 94,4%, which means that 5.6% was influenced by other variables such as eWOM and Parasocial relationship.

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