

The Mediating Role of Consumer Trust in Influencing Student Orientation to Invest Using Ajaib App: A Framework Based on SEM-PLS

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Abstract

This explanatory study aimed to examine the mediating role of consumer trust in influencing information quality and perceived security on intention to invest using the Ajaib Application. The data obtained by the distribution of online questionnaires. The sample used is 160 students in university. The data analysis conducted with SEM-PLS using SmartPLS 3. The results showed that both the information quality and perceived security, had a positive and significant effect on intention to invest. The results also indicate that consumer trust significantly mediates information quality and perceived security on intention to invest. It is recommended for companies to maintain the quality of existing information and improve application security in order to build the user trust so that they can encourage their intention to invest using the Ajaib application.

Keywords: Consumer Trust, Information Quality, Intention to Invest, Perceived Security

INTRODUCTION

The Financial Services Authority (OJK) recorded a total of 7.49 million investors in the capital market in 2020. Data shows that the increase is dominated by retail investors under 30 years old (millennials), with an increase in coverage from 54,9 percent in 2020 to 60,02 percent in 2021 (katadata.co.id, 2021). Technological adaptation has helped everyone carry out financial transactions online at any time, simply through a device. The availability of facilities and infrastructure as a form of technological advancement has facilitated investment activities and has an influence on the investment interest of the younger generation, especially the millennial generation and generation Z (Yusuf, 2019). The securities business in Indonesia can be said to be still prospective because the number of securities accounts is still low when compared to the total of Indonesians population.

The increasing number of investors and transaction activities in the capital market are rapidly becoming a great opportunity for securities companies for their business performance in the future. These opportunities trigger competition between securities to compete to create platforms or applications that can attract consumers to invest

through digital investment platforms. One of the newer digital investment platforms in Indonesia is the Ajaib app. Since its launch in 2019 to 2021, the Ajaib app has recorded significant growth, with the number of new users reaching more than one million users (CNBC Indonesia, 2021). The achievement of the number of users in a relatively short time indicates that the Magic application has an opportunity to become one of the favorite applications for online investment and is interesting for research.

According to the founder of Ajaib, providing a channel of knowledge and references is important because it costs quite a bit to have a personal financial manager. Based on these considerations, Ajaib applies a free education and information strategy to attract new users. According to Jogiyanto (2007), intention is defined as a person's desire or interest in performing a certain behavior. In the context of this research, intention is someone's desire to invest by learning through the Ajaib app. Wulandari et al., (2021) state that one of the important aspects that influence interest in using an application is trust. The increasing number of fraudulent investment cases makes some people still have doubts about investing through digital platforms. Therefore, to attract consumers' interest, there needs to be trust from

consumers that the applications used for investment are legal and will not harm consumers.

Trust can be defined as the belief that the trusted party will fulfill all its obligations properly in accordance with consumer expectations (Rodiah & Melati, 2020). The factor of the level of trust in products has an influence on interest in using financial services (Pratama & Suputra, 2019) Consumer trust is very crucial for fintech users because transactions in fintech are full of uncertainty Consumer trust is important for marketers, because trust is the most effective way to build and maintain relationships between marketers and consumers in the long term (Wulandari et al., 2021).

In order to reduce uncertainty so that they can make the desired decisions in online-based transactions, consumers are dependent on the quality of information (Cheng et al., 2019). Ajaib App is equipped with features to access complete information on each issuer, ranging from financial performance reports, competitive rankings, and investment learning features. With the various features offered in the Ajaib app, it is hoped that it can increase consumer knowledge about investment so that it can attract consumers to invest through the Ajaib app. When consumers feel that the information offered by an application is useful and valuable, there will be an urge to always access the application (Han et al., 2016).

In expansion, trust on the internet is emphatically impacted by the security seen by customers with respect to the dealing with of their individual information on website (Flavián & Guinalú, 2006). Perceived security factors should not be ruled out, because someone will tend to intend to make a purchase when they feel confident that the system services and technology used are guaranteed secure to send delicate data such as shopper individual information and budgetary exchanges. At the same time, customers are moreover getting to be more mindful of the cybersecurity dangers and dangers to the security of their individual information, not as it were from cybercriminals but moreover from organizations that hold their individual information, so organizations giving computerized administrations must take suitable steps. suitable to guarantee that users' data is continuously secure.

Research by the Indonesian Fintech Association (Aftech) in 2020 stated that 22% of payment fintech platforms and 18% of lending fintechs experienced cyber attacks where the majority of fintechs claimed that less than 100 users were affected by cyber attacks (Katadata.co.id). This risk is certainly an important concern for fintech developers To ensure the security of user data, all share and mutual fund transactions of Ajaib investors are facilitated by brokers who have been registered in OJK and IDX. Ajaib always prioritizes the use of technology to maintain the security system for

transactions in its application (Kontan.co.id, 2021). Perceived security is a strong determinant of the intention to make online purchases (Arapaci et al., 2015). This research uses the objects of the digital investment platform Ajaib App. By conducting this research, author aimed to examine the mediating role of consumer trust in influencing information quality and perceived security on intention to invest using the Ajaib Application

LITERATURE REVIEW

The Influence of Information Quality on Intention to Invest using The Ajaib App

An investor needs information before they make a decision to buy, sell, or maintain their investment instruments. The higher the quality of the information presented to the reader, the greater the interest of the reader in making a purchase or using a product (Park & Kim, 2003). Research conducted by Lai (2022), Lee (2019), and Manuel, (2019). Then the hypothesis is formulated :

H₁: Information quality significantly and positively effect on investment interest using the Ajaib App.

The Influence of Perceived Security on Intention to Invest using The Ajaib App

Agreeing to Tahar et al., (2020), seen security may be a user's discernment related to the work and control of their individual information data in a web framework. When clients feel that the framework they are utilizing is not secure or contains a hazard to their individual information, they are more likely to dodge the framework (Loewenstein et al., 2001). This implies that users' seen security of a framework can influence their deliberate to utilize it. The security viewpoint is an critical calculate to consider within the setting of smartphone application appropriation, online shopping, and electronic installments (Mahendra et al., 2017). Inquire about conducted by Aseng (2020), Manuel (2019) and Ooi et al., (2021) appears that seen security encompasses a noteworthy positive impact on purposeful to utilize. So, in this study, the hypothesis was formed as :

H₂: Perceived security significantly and positively effect on the intention to invest using the Ajaib app.

The Influence of Information Quality on Consumer Trust

Data information quality talks to the first fundamental communication capacity between online buyers and merchants and is considered a fundamental calculate in building accept (Lee et al., 2019) Examine by Halim (2019), Putra et al., (2019) and Cheng et al., (2019) shows that data quality includes a noteworthy impact on buyer certainty. Based on previous research, the hypothesis is taken :

H₃: Information quality significantly and positively effect on consumer trust.

The Influence of Perceived Security on Consumer Trust

The sense of security felt by consumers or service users can build trust in electronic systems to be able to carry out online transactions (Ooi et al., 2021). Research by Chua et al., (2020), Wulandari et al., (2021) and Ooi et al., (2021) shows that perceived security has a significant effect on trust. Based on this explanation, the hypothesis proposed is:

H₄: Perception of security significantly and positively effect on consumer trust.

The Effect of Consumer Trust on The Intention to Invest using The Ajaib App

The more trustworthy a fintech is, the more the users will feel at ease in using fintech products because the fintech is responsible and has high integrity. When consumers trust a system or service provider, consumers will use applications to buy products continuously (Ariningsih et al., 2022). Research conducted by Pratama & Suputra (2019) shows that the level of trust has a significant effect on a person's interests. In several e-commerce studies, trust has an important role in influencing consumer buying interests (Aisyah & Engriani, 2019; Chua et al., 2020; Halim, 2019). Based on some of these studies, the following hypotheses were formulated as :

H₅: Consumer trust significantly and positively effect on investment interest.

The Mediating Effect of Consumer Trust on Information Quality to The Intention To Invest

The availability of quality information can lead to consumer trust and influence interest in using a service. The research of shows that trust partially moderates the relationship between information quality and behavioral intention to use. Inquire about carried out by Aisyah & Engriani (2019) and Diana & Robin (2021) appears that believe is able to direct the impact of data quality on intrigued. Within the setting of this consider, it is suspected that customer believe has satisfactory capability to intervene the relationship between data quality and venture intrigued. The theory defined is:

H₆: Information quality significantly and positively effect on investment interest through consumer trust.

The Influence of Perceived Security on The Intention to Invest through Consumer Trust

When users feel that the security of their personal data is guaranteed, they will trust the company so that they have the desire or interest to use

a service. The research of Chua et al., (2020) and Ooi et al., (2021) shows that the trust variable mediates the perception of security towards interest. The hypothesis can be stated as :

H₇: Perceived security significantly and positively effect on the intention to invest through consumer trust.

The figure below shows the conceptual framework on this study.

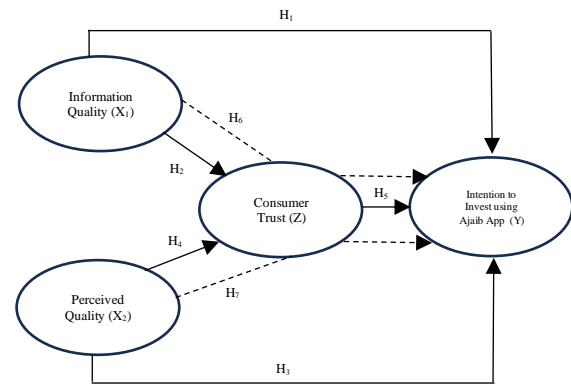


Figure 1. Conceptual Framework

METHOD

This study uses a quantitative approach. The data source are primary data obtained through the dissemination of online surveys utilizing Google Form. The population in this consideration are all individuals who know the Ajaib app data from different media. The testing procedure utilized is non-probability inspecting with a purposive inspecting strategy. The chosen test criteria are (1) respondents who have gotten to a piece of on the Ajaib site, (2) respondents who have introduced the Ajaib app, and (3) respondents who have looked for speculation item references on the Ajaib app. The number of respondents in this research was 160.

The independent variables in this study are information quality as measured by a 4-item scale adapted by Lee et al., (2019) and perceived security as measured by scales given by Waspada (2012), whereas the subordinate variable is purposeful to contribute as measured by a 3-item scale adjusted from Jogiyanto (2007) and Lim et al., (2016) and the interceding variable is shopper believe as measured by the 4-item scale adjusted from Corbitt et al., (2003) Each indicator in each variable was measured employing a five-point Likert scale, with the measures extending from unequivocally opposing this idea to emphatically concur. The information investigation strategy utilized is Fractional Slightest Square with the SmartPLS Computer program.

The SmartPLS 3.0 application is used for component or variant-based SEM (Structural Equation Modeling) data analysis of this study. The acquired data were analyzed by SEM-PLS using the SmartPLS 3.0 program to test the hypothesis. In this

study, we used p-values and t-statistics to test our hypotheses. According to Hair et al., (2011) the hypothesis is accepted if the p-value is less than 0.05 and the t-statistic is greater than 1.96.

RESULT AND DISCUSSION

Outer Model Test

The assessment of whether the indicator is valid or not through convergent validity. The criteria to be said to be valid are if it has a value of 0.50 to 0.60 with an ideal value of more than equal to 0.70 (Ghozali & Latan, 2015). All the indicators already passed convergent validity.

Table 1. Convergent validity

Variable	Indicators	Loading Factor	Description
Information Quality (X ₁)	X _{1.1}	0.787	Valid
	X _{1.2}	0.732	Valid
	X _{1.3}	0.741	Valid
	X _{1.4}	0.761	Valid
Perceived Security (X ₂)	X _{2.1}	0.806	Valid
	X _{2.2}	0.783	Valid
	X _{2.3}	0.816	Valid
Consumer Trust (Z)	Z ₁	0.754	Valid
	Z ₂	0.764	Valid
	Z ₃	0.774	Valid
	Z ₄	0.771	Valid
Intention to Invest (Y)	Y ₁	0.747	Valid
	Y ₂	0.827	Valid
	Y ₃	0.777	Valid

The reliability test was carried out as a confirmation of the precision and consistency of the instrument in measuring the construct (Ghozali and Latan, 2015). Based on Table 2, all of the variables in this study have good discriminant validity and are categorized as reliable.

Table 2. Construct Reliability and Validity

Variable	AVE	Composite Reliability	Description
Information quality	0.571	0.843	Reliable
Perceived security	0.643	0.844	Reliable
Consumer trust	0.586	0.850	Reliable
Intention to invest	0.615	0.827	Reliable

Inner Model Test

Hypothesis testing conducted using the bootstrapping method with smartPLS software uses a one-tailed test with a standard error of 5%.

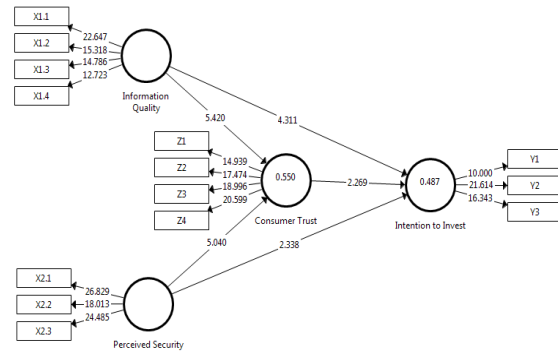


Figure 2. Bootstrapping Calculation Result

Table 3. Direct Effect

Variable	Original Sample (O)	T-Statistic	P-Values	Description
Information Quality → II	0.356	4.311	0.012	Significant
Perceived Security → II	0.211	2.338	0.000	Significant
Information Quality → Consumer Trust	0.480	5.420	0.000	Significant
Perceived Security → Consumer Trust	0.385	5.040	0.000	Significant
Consumer Trust → II	0.253	2.269	0.010	Significant

The Influence of Information Quality on Intention to Invest using The Ajaib App

Based on the results, it can be interpreted that information quality has a significant positive effect on the intention to invest. According to (Ghasemaghaei & Hassanein, 2016) the availability of quality information will affect consumer experience and interest in buying products and services online. The quality of information in the Ajaib app plays a role in attracting someone's interest in investing through Ajaib. The more one's information needs are fulfilled about investment instruments, the more their interest in using the Ajaib app increases. This in line with (Wulandari et al., 2021) which states that a person's interest in using an application is directly proportional to the level of clarity of information related to the application. The higher the quality of the information presented to the reader, the greater the interest of the reader in making a purchase or using a product (Park & Kim, 2003).

The Influence of Perceived Security on Intention to Invest using The Ajaib App

Perceived security on intention to invest shows a t-statistic value > 1.65 and a significance level < 0.05 where the t-statistic value is 2.338 with a p - value of 0.000. It known that someone will tend to intend to use a fintech application when they are sure that the system services and technology used are guaranteed safe to send personal data while doing

financial transactions. The sense of security felt by users will be one of the considerations for using an application. The perception created in the minds of consumers about the security of transactions in the Ajaib app is proven to encourage users' interest in investing using the Ajaib app. This study in line with Mahendra et al., (2017), Manuel (2019) and Marianus & Ali (2021).

The Influence of Information Quality on Consumer Trust

Bootstrapping results shows that the quality of information has a significant positive effect on consumer trust. According to Lee & Min (2021) the higher the quality of consumer perception of the information presented on online platforms, the higher the level of trust. This supports the conclusion of Aisyah & Engriani (2019) and Diana & Robin (2021).

The Influence of Perceived Security on Consumer Trust

The results of bootstrapping the effect of perceived security on consumer trust show a t-statistic value > 1.65 and a significance level < 0.05 where the t-statistic value is 5.040 with a p - value of 0.000. This means that perceived security has a significant positive effect on consumer trust. The security system that Ajaib app offers to its users is able to create a positive perception of the security of the Ajaib app in the minds of consumers, thereby increasing consumer trust. The result are in line with Ooi et al., (2021) and Wulandari et al., (2021) which stated that security had a significant effect on trust.

The Effect of Consumer Trust on The Intention to Invest using The Ajaib App

Bootstrapping results shows that consumer trust has a significant positive effect on the intention to invest. The existence of a high level of trust from consumers will encourage consumer interest in using the Ajaib app. Therefore, as a new application, Ajaib app needs to improve investment services to prove that the Ajaib app is trusted so as to increase consumer intention to invest in the Ajaib app. This result in line with Chua et al., (2020) and Diana & Robin (2021).

Table 4. Indirect effect

Variable	Original Sample (O)	T-Statistic	P-Values	Description
Information Quality → Consumer Trust → II	0.122	1.837	0.033	Significant
Perceived Security → Consumer Trust → II	0.098	2.337	0.010	Significant

The Mediating Effect of Consumer Trust on Information Quality to The Intention To Invest

The bootstrapping result conclude that information quality has a significant positive effect on the intention to invest through consumer trust. Consumer trust can mediate the effect of information quality on the intention to invest. Therefore, Ajaib app developers can improve the quality of existing information in order to build consumer trust, so that trust can encourage consumer interest in using the Ajaib app. This result in line with(Aisyah & Engriani, 2019), Putra et al., (2019), Diana & Robin (2021).

The Mediating Effect of Perceived Security on Information Quality to The Intention to Invest

Bootstrapping results to see the effect of consumer trust showed a t-statistic value > 1.65 and a significance level < 0.05 where the t-statistic value was 2.337 with a p - value of 0.010. So that, Perceived security known has a significant positive effect on the intention to invest through consumer trust. Therefore, developers can improve the security of the Ajaib app so that consumers have trust in it and are encouraged to use it. Thus in line with Chua et al., (2020) and Ooi (2021).

Conclusion

The result found all of the hypothesis are acknowledged, consumer trust incorporates a positive impact on the deliberate to contribute utilizing the Ajaib application. This study has limitations on the number of variables and research indicators, so information quality and perceived security are less able to explain their overall effect on intention to invest through consumer trust. Further research is recommended to use other indicators or add variables outside of this research, such as convenience, e-WOM, and social media, so that it can improve existing research. In addition, it is recommended for companies to maintain the quality of existing information and improve application security in order to build trust so that they can encourage interest in using the Ajaib app.

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