

FACTORS AFFECTING INTENTION TO USE OF ONLINE INVESTMENT PLATFORM DURING GLOBAL RECESSION

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ABSTRACT

A country may face a major downturn in economic activity due to a planned recession in 2023, which could result in more unemployment and lower incomes, as well as affect losses in the investment sector. However, this does not dampen investors' interest in buying and selling investment products online. The purpose of this study is to analyze what factors can influence investors' interest in investing online before a recession occurs. In this study, there are 5 variables studied, including 1 dependent variable (endogenous) from investment interest and 4 independent variables (exogenous) from factors such as investment knowledge, perceived benefits, perceived ease of use, and the last, perception of risk. The researchers then receive up to 170 responses from people who used online investment media using original data derived directly from survey findings sent to the target respondents. For data processing, it uses the SmartPLS program, and the model used is the structural Equation Model (SEM). Based on the results and conclusions of this study, the variables investment knowledge, perceived benefits, and perceived ease of use have a significant positive effect on investment interest, while the perception of risk variable has no significant effect on investment interest in individuals before the recession.

Keywords: *Investment Interest, Investment Knowledge, Perception of Benefits, Perceived Ease of Use, and Risk Perception, Recession*

I. INTRODUCTION

Many nations are now debating the likelihood of a worldwide economic recession in 2023. A country may face a large drop in economic activity due to the presence of this recession, which might result in more unemployment and lower income, the latter of which has a stronger influence on a loss in investment. Investors started selling their shares without taking into account fundamental or technical conditions as a result of the drop in the average investment in equities on international stock markets, or what is known as "panic selling." However, changes to trade policies will eventually have such a favorable impact on the market that share prices will not experience a drastic decline [1].

The number of investors in the capital market increased at the end of April 2022 to reach 15.11%, or 8.62 million investors, as compared to the end of 2021, as stated by Mr. Hoesen, the Chief Executive of the OJK Capital Market Supervision, in a press release issued on May 27, 2022. The millennial group, often known as youthful investors, continue to dominate the Indonesian capital market, according to PT Kustodian Sentral Efek Indonesia (KSEI). The increase and growth in the number of investors is the result of the convenience of investing online [2]. With current technological developments, there are new innovations, namely online securities trading activities, or what is called "online investment." Online investment is an investment activity that is expected to benefit in the future, such as through applications or websites.

Through several applications or websites that have been run by securities companies and are connected to activities on the stock market, potential investors can easily trade their investments through their cellphones [3]. On the application or website, potential investors can choose from several types of investments, such as bonds, stocks, warrants, mutual funds, deposits, peer-to-peer lending (P2P), and others. To start online investment activities, potential investors need to have basic knowledge about the investments they want to use so they can achieve success and profit from the investment they choose.

This study investigated a number of variables, including Investment Knowledge, Perceived Benefits, Perceived Ease of Use, and Risk Perception, that might affect investors' interest in investing. The reason for choosing these 4 variables was because it was seen from previous research [4] that the factors that influenced investment decision-making during a pandemic were studied, and the results of the variables studied had a positive and significant impact on the investment decisions of investors in Indonesia. The recession that will hit several nations in 2023 and other variables are among the situations that experts are interested in understanding what elements might impact people's interest in.

1.1 Research Question

Based on the explanation above, the focus of this research is to see and analyze the factors that influence investors' interest to invest before the recession. The research questions that form the basis of this study are as follows:

- a. Does Investment Knowledge influence people's interest in investing online before the recession?
- b. Does Perceived Benefits influence people's interest in investing online before the recession?
- c. Does Perceived Ease of Use influence people's interest in investing online before the recession?

- d. Does Risk Perception influence people's interest in investing online before the recession?

1.2 Research Purposes

Then besides the research questions, there are specific objectives in this study:

- a. To find out and provide results from the influence of Investment Knowledge factors on public interest in investing online before the recession
- b. To find out and provide results from the influence of Perceived Benefits factors on public interest in investing online before the recession
- c. To find out and provide results from the influence of Investment Knowledge factors on public interest in investing online before the recession
- d. To find out and provide results from the influence of Risk Perception factors on public interest in investing online before the recession

1.3 Benefits of research

The results of this research are expected to provide a reference for further research and can help and provide advice to online investment platform companies regarding the interest of the public when starting an investment.

II. LITERATURE REVIEW

In this study, researchers examine the interest of individual investors in investing online amidst the issue of an impending recession by applying the Technology Acceptance Model (TAM) model.

2.1 Investment Interest

Interest is a feeling of interest in a thing without any pressure or prodding from others. Another way to define this interest is as an affective dimension that is crucial for someone to engage in an activity [5]. Whereas an investment is a commitment of a certain amount of capital

made for the future in hopes of obtaining a certain number of profits or an increase in the number of dividends [6]. Therefore, the definition of investment interest is a strong urge or desire for investing activities that attempt to generate profits in the future [7]. According to research findings [8], someone who is interested in investing will require quite some time to think about a variety of factors before deciding to do so, with their present income being one of those factors.

2.2 Investment Knowledge

Knowledge is a fact or information acquired via experience or learning as part of an organized information system, claims [9]. One of the most crucial things for prospective investors to possess when they want to start or make an investment is investing expertise. This is so that potential investors can lower their chances of suffering a loss. Basic investment knowledge can be measured by a number of factors, including general investment knowledge, an understanding of the different types of investments, the advantages and goals of investing, an understanding of the risks that could result in losses when investing, an understanding of the rate of return on investment, and an understanding of the relationship between risk and rate of return [10]. The findings of an earlier study [11], demonstrate that investing knowledge has a favorable and significant impact on the intention to invest in the Islamic capital market. This study also demonstrates how highly educated students may be more interested in participating in the Islamic capital market.

2.3 Perceived Benefits

"Perceived Benefits" refers to a person's trust in the use of a technology or application that aims to facilitate work performance and processes carried out in the application [12]. According to [13] there are a number of markers of perceived advantages. Effectiveness is the first, which may show time savings from system use. The system's ability to do tasks more rapidly is shown by the second indicator, accomplish faster. Third, the system's usefulness is a sign of its benefits for

local activities. Not least among other things, the system has advantages, which is good for individuals. According to earlier study [12] when an investment offers several advantages, students' interest in making online investments rises as well. The study's findings also imply that this investment can fulfill future demands and provides long-term advantages.

2.4 Perceived Ease of Use

If the facilities or infrastructure are inadequate, interest in investing won't be generated. Potential investors may find it simpler to conduct online buying and selling transactions on an online investment provider platform if such capabilities are available. [14]. The degree to which certain potential investors think that using technology may make their lives simpler since it is simple to learn, comprehend, and utilize can be used to quantify this perceived ease of use [15]. Results from earlier research have demonstrated that potential investors can sense ease of use since they can readily and clearly understand how to utilize technology [16]. Consequently, the purpose of this study's using the variable perceived ease of use is to ascertain the extent to which potential investors think that technology is both simple to use and comprehend.

2.5 Perception of Risk

An important thing that must be considered by potential investors when making decisions about whether to invest online or not is risk. Risk is a condition that arises as a result of uncertainty and has the potential to cause someone to suffer a loss. Risks can be classified into several groups, such as security, privacy, social performance, and others [17]. [18] asserts that perception is a perspective on the comprehension of some information. Therefore, according to [19] "perception of risk" refers to how particular people predict the outcomes of adopting technology. For the investment he selects, each individual investor may tolerate a variety of risks; some are able to accept smaller risks, while others are willing to accept bigger risks. A departure from the return that investors anticipate might

come from this investment risk [20]. According to one of the respondents who commented on the study's findings [21], this risk perception is a person's evaluation of a dangerous scenario and depends on the conditions that investors are going through. As a result, there is still a lot of relevance in this study for how beginner investors perceive risk. The potential investors' perceptions of investment risk might impact the price of an investment; therefore, this study employs the perception of risk variable to examine such judgments.

III. METHODOLOGY

This study uses original data that was directly derived from the survey results that were delivered to the targeted respondents and uses a quantitative technique. The researcher utilized Google Forms to gather data. The population in this study are all people's in Indonesia who want or have invested. 5 variables were used by the researcher, comprising 1 dependent (endogenous) and 4 independent variables (exogenous). The respondents' personal information was covered in the first two segments of this seven-part questionnaire, which comprised a total of 23 questions. The next five segments addressed the study's examination aspects. In order to give more detail information, four questions in the survey's main section ask respondents for personal information. The second section then has four questions that probe the respondent's use of online investment media. After that, parts three, four, five, six, and seven each include three questions and are designed to gauge various aspects of the general public's interest in investing online. Several factors, including fundamental investment knowledge, perceived benefits, perceived ease of use, and risk perception. The data will be evaluated using the SmartPLS program after the survey results have been gathered, and the model used is SEM (Structural Equation Model). This research employed the PLS-SEM model with two different measures: measurements of the outer model and inner model. In order to describe the dependent variable and the independent variable, the outer model is used to evaluate the validity and reliability tests.

The inner model, meanwhile, is employed to predict the connection between variables.

3.1 Research Hypothesis :

Based on the description above, the following are the hypotheses and research models created in this study:

H1 : Investment Knowledge positively significant to the investor's investment interest

H2 : Perceived Benefits positively significant to the investor's investment interest

H3 : Perceived Ease of Use positively significant to the investor's investment interest

H4 : Perception of Risk positively significant to the investor's investment interest

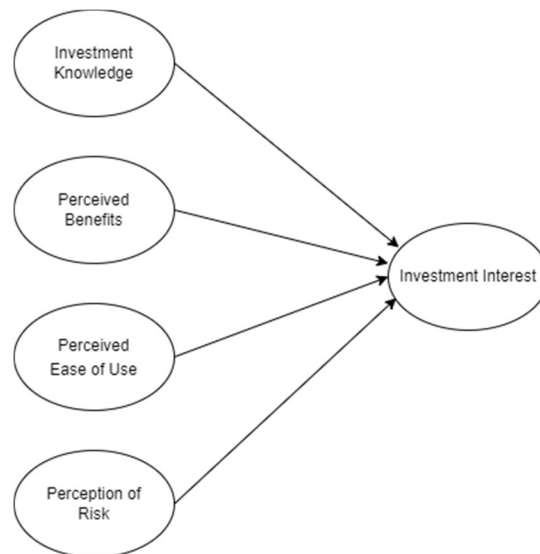


Figure 1. Conceptual Framework

3.2 Variable Measurement

Each variable has several indicators in this study. Here is a table showing each indicators for each variable :

Table 1. Variable Measurement

Variable	Code	Indicator
Investment Knowledge	IK1	Basic understanding
	IK2	Training
	IK3	Product knowledge
Perceived Benefits	PB1	Gives an advantage
	PB2	Saving time
	PB3	Simplify the buying and selling process
Perceived Ease of Use	PEU1	Easy to learn
	PEU2	Easy to flow instruction
	PEU3	Easy to understand
Perception of Risk	PR1	Security risk
	PR2	Financial risk
	PR3	Overall risk
Investment Interest	INI1	Strengths and weaknesses
	INI2	Future plans
	INI3	Interesting offers

Table 2. Respondent Based on Gender

Gender	Total	Percentage
Male	81	41.3%
Female	115	58.7%

Table 3. Respondents Based on Age

Age	Total	Percentage
17-22 years old	88	44.9%
23-28 years old	56	28.6%
29-34 years old	21	10.7%
>35 years old	31	15.8%

Table 4. Respondents Based on Job

Jobs	Total	Percentage
Student	91	46.4%
Private-employee	71	36.2%
Civil Servant	9	4.6%
Entrepreneur	11	5.6%
Housewife	8	4.1%
Others	6	3.1%

IV. RESULT AND DISCUSSION

The data survey conducted by researchers had 196 respondents. However, this study only focuses on website users or online investment provider applications, and there are 170 users of online investment media identified. Then, the entire collection of information will be entered into the model to determine the results of the influence of the four factors.

4.1 Respondents Profile

The number of respondents who participated in this study was 196, with profiles categorized by gender, age, occupation, monthly income, online investment media, the name of the website or application, and investment type.

Table 5. Respondents Based on Monthly Income

Monthly Income	Total	Percentage
<1.000.000	53	27%
1.000.000-4.000.000	67	34.2%
4.000.000-8.000.000	39	19.9%
>8.000.000	37	18.9%

Table 6. Respondents Based on Online Investment Media

Online Investment Media	Total	Percentage
Yes	170	86.7%
No	26	13.3%

Table 7. Respondents Based on The Name of The Website or Application

The Name of The Website or Application	Total	Percentage
Bibit	124	63.3%
Bareksa.com	56	28.6%
Digibank application	47	24%
Pluang	27	13.8%
Others	33	16.5%

Table 8. Respondents Based on Investment Type

Investment Type	Total	Percentage
Obligasi	42	21.4%
Reksadana	105	53.6%
Stock	86	43.9%
Deposito	66	33.7%
Peer to Peer Lending (P2P)	10	5.1%
Others	18	9%

4.2 Measurement Model

The data obtained from the survey results will be processed using the SmartPLS software, which will be calculated and produce several results, such as the validity convergence test, validity test, reliability test, and of course the hypothesis results.

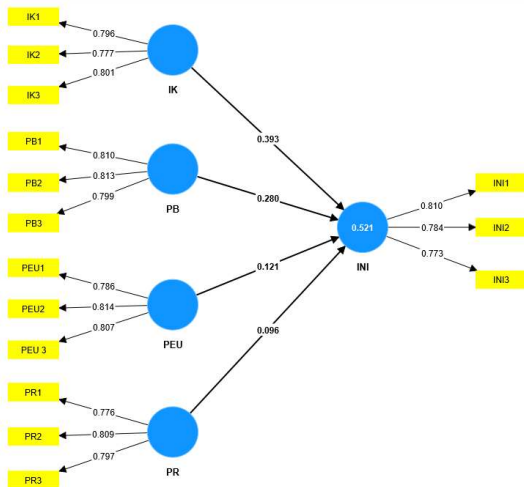


Figure 2. Result of The Validity Convergence Test

Examining the loading factor value of each indicator for one variable and the Average Variance Sampling (AVE yields the results of the converging validity test. Then, when evaluated on each variable, the value of the loading factor and AVE have a minimal limit to be declared significant, which is 0.5 [22].

Table 9. Validity Test

Variab les	Indica tor	Loading Factor	AVE	Res ult
Investment Knowledge	IK1	0.796	0.626	Valid
	IK2	0.777		Valid
	IK3	0.801		Valid
Perceived Benefits	PB1	0.810	0.652	Valid
	PB2	0.813		Valid
	PB3	0.799		Valid
Perceived Ease of Use	PEU1	0.786	0.644	Valid
	PEU2	0.814		Valid
	PEU3	0.807		Valid
Ease of Use of Risk	PR1	0.776	0.631	Valid
	PR2	0.809		Valid
	PR3	0.797		Valid
Investment Interest	INI1	0.810	0.623	Valid
	INI2	0.784		Valid
	INI3	0.773		Valid

As seen in the table above, the value of the indicator loading factor is greater than 0.5; therefore, the processed data can be declared valid. After completing the validity test, the next step is reliability testing, which looks at the results of Cronbach's Alpha and Composite Reliability for each variable.

Table 10. Reliability Test Result

Variable	Cronbach's Alpha	Composite Reliability
Investment Knowledge	0.704	0.709
Perceived Benefits	0.733	0.733
Perceived Ease of Use	0.726	0.729
Perception of Risk	0.707	0.707
Investment Interest	0.702	0.713

The reliability test in this study utilizes a 0.7 minimum value threshold. Each variable satisfies the requirements for a value over 0.7 as shown from the reliability test results, hence it can be claimed that all variables are reliable. The next stage is to examine the outcomes of the hypothesis, which tries to identify the effect between variables with two possibilities, namely accepted or rejected.

Table 11. Hypothesis Result

Hypot he sis	Relation ship	T Statist ics	P- Valu e	Result
H1	IK->INI	5.738	0.000	Accep ted
H2	PB->INI	3.768	0.000	Accep ted
H3	PEU->INI	2.021	0.043	Accep ted

Hypot he sis	Relation ship	T Statist ics	P- Valu e	Result
H4	PR->INI	1.282	0.200	Reject ed

If the p-value is <0.05, the hypothesis' significance level is accepted. According to the test findings presented above, H1, H2, and H3 are all accepted with a p-value of 0.05, whereas H4 is rejected or had no effect because it had a p-value of > 0.05.

Table 12. Findings

Relationship	Findings
Investment Knowledge -> Investment Interest	Significantly Positive
Perceived Benefits -> Investment Interest	Significantly Positive
Perceived Ease of Use -> Investment Interest	Significantly Positive
Perception of Risk -> Investment Interest	Insignificantly Positive

The results of the research above show that the investment knowledge variable has a significant effect on investment interest, similar to research [23]. According to this study, investment knowledge can assist and facilitate individuals in making investment decisions. Then, this study also states that sufficient knowledge and experience are needed when investing in the capital market, because this can help potential investors be able to analyze the investment products that will be made. In addition, investment knowledge has an influence on investment interest, which is also similar to [24], which states that investment knowledge has a partial effect on students' learning interest in investing in the capital market. As a result of the study's two findings, investment knowledge can influence potential investors' investment interests.

Prior to the recession, people's interest in investing was significantly influenced by perceived benefits. This is comparable to study [25] which claims that when new services offer a better value than current ones, users gain. As a result, this may have an impact on investors' interest in investing.

Perceived ease of use has a positive and significant impact on people's interest in investing. Previous research [26] found that perceived ease of use is a belief that an individual can influence his or her own attitude or behavior. In addition, this is also similar to [27], which states that the ease of use felt by individuals has a strong effect on their intention to use information technology and results in increased effectiveness and efficiency when making investments. Therefore, this can strengthen the results of perceived ease of use that affect investment interest.

The Perception of Risk variable has no effect and is not significant, similar to previous research [28], which states that this risk perception is subjective and situational, in which there will be differences between individuals with the same object. Apart from that, there are also other results because each individual investor has a different point of view, so there are several kinds of individuals, from risk-seekers to risk-neutrals to those who do not dare to take risks.

V. CONCLUSION

Based on the results of hypothesis testing that has been done, the following conclusions can be drawn:

1. The investment interest of Indonesians who want to make or have made investments previous to the recession is positively and significantly influenced by the investment knowledge variable. This demonstrates that respondents may consider knowledge investment information, including a fundamental grasp of online investing, investment seminars and training, as well as

knowledge about investment products, when making an online investment decision.

2. The variable Perceived benefits have a positive and significant influence on the investment interests of Indonesians who want to make or have already made investments prior to the recession. From these results, it can be shown that most of them have confidence in the perceived benefits of individual respondents, such as benefits for the future, feeling time-saving when making the investment process, and feeling the ease of buying and selling products on the online investment media used.
3. The variable Perceived Ease of Use has a positive and significant impact on the investment interest of Indonesians who want to make or have already made investments prior to the recession. With this, it can be shown that individual respondents have a sense of trust in the technology in the investment media used, such as a sense of ease that is found in the guidelines, processes, and features available in the investment media.
4. The perception of the risk variable has no influence and is not significant for Indonesians who wish to make or have made investments before the recession occurred.

A recommendation for further research is to enhance the indicators measured in order to boost the validity of a study. Further research might use a sample and target population from a firm or many other places to expand the variety of the various characteristics of investors since the sample and population in this study were restricted. And the last suggestion for further research is to gather information on situations in many nations so that a study may produce thorough results.

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