

Impact of Fintech on Student Lifestyle in Pekalongan City, Indonesia

Dina Amalia Mahmudah¹ and Muhammad Milzam^{2*}

¹Department of Accounting, Faculty of Economic, Pekalongan University, Indonesia

²Department of Management, Faculty of Economic, Pekalongan University, Indonesia

e-mail : milzamlife@gmail.com

Abstract – *Fintech has become a new role of financial issues in all over the world. In Pekalongan City, Indonesia, people used fintech for a various necessary in daily life, especially for young people. This fact need to be explain in academic description based on research. This research aimed to know the effect of fintech to students lifestyle in Pekalongan City. The subjects of this study were 100 university students who were 18-22 years old. The data were collected using interview and questionnaire. The data analysis of this research using descriptive statistical analysis. The result of this research showed that the decision to take a lending online or not is influenced by several reasons. There were 47% of students use PTP Lending to fulfill their desires not their needs. Electronics are the items most bought from the loan money. Based on interview, student college lifestyle become the most influence factor to decide using a fintech services. There is some reason to explain how student college lifestyle become the most influence factor, fisrt was looking new experience, stay up to date with IT development, major study in college, and fears of missing out. This explain that student college in Pekalongan City went better for fintech literacy than other young people.*

Keywords – *fintech, financial technology, lifestyle*

Submission : April 27, 2021

Correction: April 30, 2021

Accepted: May 4, 2021

Doi: <http://dx.doi.org/10.14710/jvsar.v3i1.10917>

[How to cite this article: Mahmudah, D. A and Milzam, M (2021). Impact of Fintech on Student Lifestyle In Pekalongan City, Indonesia *Journal of Vocational Studies on Applied Research*, 3(1), 18-20. doi: <http://dx.doi.org/10.14710/jvsar.v3i1.10917>]

1. Introduction

Fintech has become a new role of financial issues in all over the world. In Pekalongan City, Indonesia, people used fintech for a various necessary in daily life, especially for young people., are starting to get to know fintech and make it a tool to make it easier to do everything, especially those related to money and fulfill their lifestyle needs[1] and [2]. In recent years, it can be seen that in Indonesia there are more and more fintech companies. Although there is no formal definition for fintech itself, according to [3] defines the term fintech as a company or company representative that combines financial services with innovative and modern technology. FinTech today is often seen as a unique marriage recently between financial services and information technology [4]. Even though, financial and technological developments have long been intertwined and mutually reinforcing. The Global Financial Crisis (GFC) of 2008 was a turning point and is part of the reason FinTech is now evolving into a new paradigm. This evolution presents challenges for regulators and market

participants, particularly in balancing the potential benefits of innovation with potential risks [5]. The type of fintech business in Indonesia takes various forms including bank-based fintech, telecommunication-based fintech, application-based fintech, and the most widely used fintech, namely loan-based fintech. This evolution presents challenges for regulators and market participants, particularly in balancing the potential benefits of innovation with potential risks [5]. The type of fintech business in Indonesia takes various forms including bank-based fintech, telecommunication-based fintech, application-based fintech, and the most widely used fintech, namely loan-based fintech. This evolution presents challenges for regulators and market participants, particularly in balancing the potential benefits of innovation with potential risks [5] and [6]. The type of fintech business in Indonesia takes various forms including bank-based fintech, telecommunication-based fintech, application-based fintech, and the most widely used fintech, namely loan-based fintech [7] and [8].

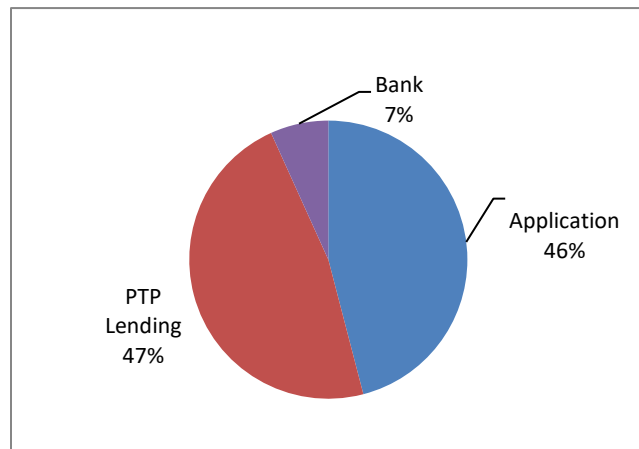
This loan-based fintech can be a breath of fresh air for MSMEs to help MSMEs increase their business capital injection as well as for the present generation who in this study are represented by students who always want to look contemporary. This fact need to be explain in academic description based on research.

2. Methodology

This study uses descriptive statistical analysis or the elaboration of the results of observations supported by primary data in the form of interviews, questionnaires obtained from 100 students aged 18 to 22 years as respondents and supported by secondary data in the form of library studies.

3. Results & Discussions

Figure 1 show the total 145 questionnaires that were divided there were 100 questionnaires that met the criteria. As many as 70% of students who use perr-to-peer lending are aged 21 and over. Based on chart 1, as many as 47% of respondents use fintech type of loan, 46% use application type fintech and as much as 7% use bank type fintech. In several interviews, some respondents still experienced confusion and did not know that what they had been using (OVO, Kredivo, Go-pay, etc.) was a fintech. But they haven't realized it yet.

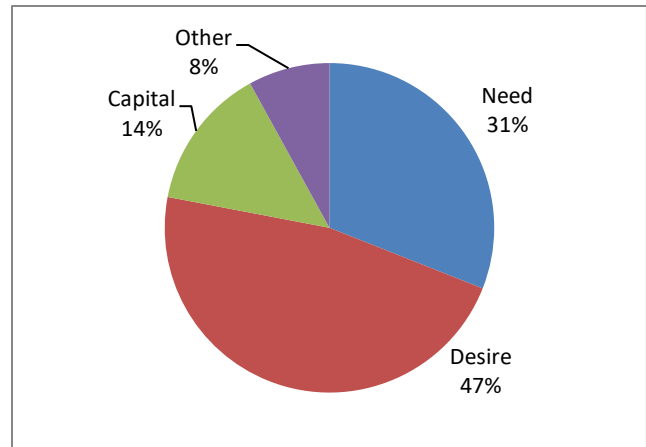


Sources :
* Microsoft Excel Data Process
** Survey

Figure 1. Type of Fintech

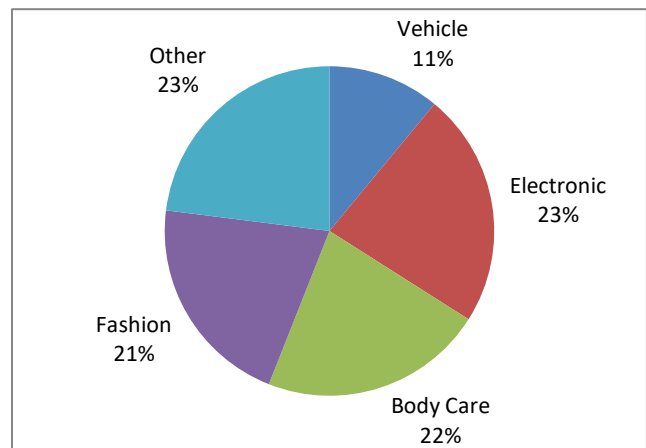
Figure 2 Focusing on the 47% of respondents who use fintech loans (peer-to-peer lending), their use objectives are various, as shown in Chart 2, ranging from fulfilling desires, starting a business, community demands, or others.

As many as 47% decided to apply for PTP lending to fulfill their desire to buy their target goods or items that are popular today. As many as 31% reasoned to fulfill the demands of their community. As much as 14% is used for business capital, as many as 8% for other reasons such as fad, want to know the online loan application process, savings reserves, purchase of shares.



Sources :
* Microsoft Excel Data Process
** Survey

Figure 2. Reason of Choosing PTP Landing



Sources :
* Microsoft Excel Data Process
** Survey

Figure 3. Bought Goods

Figure 3 illustrates the types of goods purchased by each respondent have different tendencies, this is influenced by what community he follows, the amount obtained. 23% of them choose to use their money to buy electronic goods such as laptops, cellphones which are currently popular. The other 23% admitted that it was used to buy other necessities, to share with relatives / parents / friends, to buy shares. As many as 21% spent their loan money to add to fashion collections that were influenced by the community or by their idols. If a lot of people get loans, they choose to spend the money on motorbikes, while the rest is used for maintenance.

4. Conclusion

From this study it can be concluded that 47% of student respondents in Pekalongan City are familiar with online loans and most of them use the PTP Lending type and application. This result similar with the previous article [2] The most common reason is to buy the item they want

that has been coveted for a long time and the most popular item to buy is electronics or other products such as buying stocks. Suggestions for further research are to be able to conduct specific analyzes between loan users and certain fintech applications because in the future there will be more users and more fintech-based companies besides that they can also change the object to MSMEs with their business development. Based on interview, student college lifestyle become the most influence factor to decide using a fintech services. There is some reason to explain how student college lifestyle become the most influence factor, first was looking new experience, stay up to date with IT development, major study in college, and fears of missing out. This explain that student college in Pekalongan City went better for fintech literacy than other young people.

References

- [1] Anggraini, Ranti & Heru Santhoso, Fauzan. (2019). Relationship between Hedonic Lifestyle and Consumptive Behavior in Adolescents. *Gadjah Mada Journal of Psychology (GamaJoP)*. 3. 131. 10.22146 / gamajop.44104
- [2] Fitriyani, N., Widodo, PB, & Fauziah, N. (2013). The relationship between conformity and consumptive behavior among students at Genuk Indah Semarang. *Undip Psychology Journal*, 12 (1), 55-68.
- [3] Dorfleitner, G., & Hornuf, L., Schmitt, Matthias., Weber., Martina. (2017). Definition of FinTech and Description of the FinTech Industry. 10.1007 / 978-3-319-54666-7_2
- [4] Financial Services Authority. (2019). Fintech Operators Registered at OJK as of October 30, 2019. Retrieved from <https://www.ojk.go.id/id/berita-dan-kaktif/publikasi/Pages/Organizer-Fintech-Registered-at-OJK-per-30-October-2019.aspx>.
- [5] Arner, D., Barberis, J. (2015). Regulating FinTech Innovation: A Balancing Act, *asian institute of international financial law*. Retrieved from <http://www.law.hku.hk/aiifl/regulating-fintech-innovation-balancing-act-1-april-1230-130-pm/>.
- [6] PwC (2019). Fintech Trends Report - Indonesia 2019. Retrieved from <https://www.pwc.com/publications/2019/fintech-trends-report-indonesia-2019.html>.
- [7] Sihombing, N., Suryanto, N., Mahameru, M., Setiawan, M., & Marsella, SS, M. Li, E. (2019). The Impact of Using Online Loans on the Consumptive Lifestyle of Yogyakarta Students. *SINTAK* vol. 3. Retrieved from <https://www.unisbank.ac.id/ojs/index.php/sintak/article/view/7638>
- [8] Riyanto, A., Primiana, I., Azis, Y. (2018). Disruptive Technology: The Phenomenon on fintech towards conventional banking in Indonesia. *IOP conference Series. Materials science and engineering*