4th INCOGITE and 2nd HOSPITOUR 2022
"Regenerative Economy, Business & Tourism: Through innovation & Sustainability"
Thursday, November 17th, 2022 – Universitas Pelita Harapan Tangerang

User Assessment of Livin by Mandiri

Zoel Hutabarat[1], Gladys T. Evidente[2]

[1] zoel.hutabarat@uph.edu

[1] Faculty of Economics and Business, Universitas Pelita Harapan, Tangerang, Indonesia
[2] Iloilo Science and Technology University, Iloilo, Philippines

Abstract. This research was conducted with the aim of finding out customer ratings of the use of a digital banking by the community, especially for digital banking Livin by Mandiri as a case study. The hypothesis in this study has a positive impact, where even with the risk of using digital banking, it can also provide positive results for services. For this study, purposive sampling was carried out from Livin by Mandiri users as respondents. This study has collected 2,023 respondents and used a Likert scale of 1-5. From the results of this study, perceived usefulness is the variable with the highest results, which explains how people's ability to use technology is one of the highest determining factors in using digital banking Livin by Mandiri.

Keywords: Perceived usefulness; Perceived ease of use; Perceived Risk; Attitude towards the service

1. Introduction

The development and growth of technology has been very fast. Starting from simple technology to technology that is considered complicated. The development and growth of this technology has also penetrated all fields of business, industry and even every human activity. One industry that feels and is required to always keep abreast of technological developments is the banking industry. Starting from the application of artificial intelligence (AI), Machine Learning (ML), as well as other technological developments. Technological developments, especially digital services, require banks to continue to innovate to improve customer service and experience with current banking products. Digital banking is a product derived from banking services that makes it easier for customers to access bank services without having to physically visit the service office again. The term digital banking includes mobile banking and internet banking services. Indonesia, as one of the countries in Asia, is the largest adopter of digital banking services. This data is the output of a survey conducted by McKinsey in 2018 (McKinsey, 2019).

As one of the largest state-owned banks, Bank Mandiri has also seized on digital banking opportunities to improve its services with Livin products. This digital banking product aims to create a personal banking service experience in accessing financial services, starting from opening savings accounts, deposits, credit cards, loans and many more. Since its launch in 2019, the number of Livin users has continued to increase, reaching nine million users in 2019.

2. Literature Review

Attitude Towards the Service

According to Sitinjak (2019), defines Attitude towards the Service as a person's positive or negative feelings towards a service. Furthermore, attitude or attitude itself is defined as a user's preference when they use a device (Olatokun & Owoeye, 2012). Attitude can be said separately when talking about the feelings and tendencies that people have when they think about their likes or dislikes towards an object. (Gupta & Bansal, 2018). So, in the end, attitude towards the service can be explained as a phenomenon of consumer behavior that shows consumers' feelings towards the services offered by a company (Damghanian, & Siahsarani-Kojuri, 2016).

Perceived Usefulness

Perceived Usefulness is the perception of the usefulness of a technology or innovation that is felt by someone (Ananda, Devesh, & Al Lawati, 2020). Perceived Usefulness can be said to be a thought that is owned

by someone, where he believes that the technology being used will help them do something. Suhaimi & Hassan, 2018). Perceived usefulness is also explained as the belief that using new innovations or certain technologies will improve the performance of their users (Grover, Kar, Janssen, & Ilavarasan, 2019). Thus, Perceived Usefulness in a nutshell is a perception obtained from a consumer's subjective evaluation of the functions obtained from a technology (Mbama, Ezepue, Alboul, & Beer, 2018).

Perceived Ease of Use

Perceived Ease of Use is the level of a person's belief that using technology will reduce excessive effort (Al-Sharafi, Arshah, Herzallah, & Alajmi, 2017). Perceived Ease of Use is the level at which a person believes that using a particular technology or system will be free of effort (Indarsin & Ali, 2017). Perceived Ease of Use is convenience related to the business and convenience of certain technology users (Hansen, Saridakis, & Benson, 2018). The description above provides the results of several previous researchers regarding perceived ease of use, from these results it can be explained that perceived ease of use is the level of one's confidence in a technology that will make it easier for users when they learn and use the technology (Rodrigues, Oliveira, & Costa, 2016).

Perceived Risk

According to Farah, Hasni, and Abbas (2018), perceived risk is the uncertainty that customers face when they cannot predict the implications of their purchasing decisions. Consumers' perception of risk and their personal risk tolerance are elements that influence their purchasing strategy (Singh & Srivastava, 2018). Furthermore, according to Rouibah, Lowry, and Hwang (2016), perceived risk is uncertainty about the unfavorable consequences of adopting a product or service. In general, the perception of risk is described as the possibility of loss or an unfavorable impact on customer efforts to achieve the desired goals when making online purchases through internet media (Chauhan, Yadav, & Choudhary, 2019). In this study, consumers act as banking customers who carry out online transactions using Digital Banking.

3. Research Methods

This research is quantitative research by distributing questionnaires online to respondents using the Google form. The intended respondents were Livin by Mandiri customers where in this study a total of 2,023 respondents were collected from the 2,053 distributed. Sampling in this study using non-probability sampling technique with purposive sampling method. Respondents who filled out the questionnaire were screened first to ensure that those who filled out the questionnaire were users of the Livin by Mandiri application. This study uses a Likert scale of 1-5 where the value is 1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, and 5 for Strongly Agree. Then the collected respondent data was processed using the SmartPLS software.

Respondent Profile

Based on the collected respondent data, it was found that the majority of respondents in this study were male with a total of 1,252, aged 30-40 years, had strata 1 background, worked as civil servants or BUMN employees and had an income of five million rupiahs to ten million rupiahs per month.

Table 1
Model Measurement Table

Construct	Outer Loading	AVE	Composite Reliability	R^2
ATS1	0,895	0,836	0,953	0,750
ATS2	0,943			
ATS3	0,910			
ATS4	0,919			
PU1	0,623	0,689	0,897	
PU2	0,875			
PU3	0,890			
PU4	0,900			
PEU1	0,871	0,798	0,940	
PEU2	0,883			
PEU3	0,911			
PEU4	0,908			
PR1	0,841	0,790	0,938	
PR2	0,900			
PR3	0,909			
PR4	0,903			

Source: Processed results (2022)

The validity used in this study is discriminant validity and convergent validity. Average Variance Extracted (AVE) and Outer Loadings can be used to determine convergent validity and have a minimum value of 0.7. The AVE value must be higher than 0.5 to be considered valid. The variable with the highest AVE is Attitude Towards the Service with a value of 0.836, while the lowest AVE value is owned by the variable Perceived Usefulness of 0.689. R-Squared with a value of 1.0 means that the data obtained is very suitable for the linear model, even though this value is difficult to obtain. The R-Squared value is usually less than 1.0, because it varies widely depending on the nature of the analysis and the research environment. As we can see, the Attitude Towards the Service variable has an R-Squared value of 0.750 or 75%, which means that Attitude Towards the Service is explained by Perceived Usefulness, Perceived Risk, and Perceived Ease of Use of 75%.

Next is the Bootstrapping test, to find out the significant value of a weight/score obtained. This research is a one-tailed test type research, so the significance level is 5%, so the t-values must be greater than 1.65. In addition, the path coefficient value is also used to measure how strong the relationship between hypotheses is, where the path coefficient value ranges between -1 and +1. If the path coefficient value gets closer to +1, it will be considered stronger (Sarstedt et al., 2017).

Table 2
Path Coefficient Table

Hypothesis	Path Coefficient	T-Statistics	P-Values	Result
H1: Perceived usefulness → attitude towards the service	0.213	3.98	0.000	Supported
H2: Perceived ease of use → attitude towards the service.	0.115	2.84	0.001	Supported
H3: Perceived risk → attitude towards the service	0.213	8.15	0.000	Not Supported

Source: Processed results (2022)

4. Conclusion

Therefore, this study has obtained empirical evidence regarding a positive relationship between the variables used and their influence on the use of Livin by Mandiri. The variables in question have a positive relationship, namely attitude towards service, perceived ease of use, and perceived usefulness. With one exception, namely Perceived risk which has a negative relationship, but gets a positive result. These positive results can be explained by the existence of trust in a brand, in this case Livin by Mandiri, which makes the perceived risk in using digital banking an issue that people feel can be dealt with easily and well when using Livin by Mandiri. The results obtained from this research will be an advantage for Livin by Mandiri who want to improve the performance and usability of their digital banking, as well as for consumers who want to find out about livin by Mandiri digital banking.

5. Suggestion

This research only focuses on four variables that are considered to influence the intention to use the Livin' by Mandiri digital banking application, namely, Perceived Ease of Use, Perceived Usefulness, Perceived Risk, Attitude Towards the Service. What's more, questionnaire items can be added to find out further factors that influence customer ratings of Livin' by Mandiri banking services. Indicators can also be added with more relevant statements in the future. This can be done to prove the accuracy of the data and provide better reliability and validity results. Finally, future research can use a better sampling method than purposive sampling to represent the population of users of the Livin by Mandiri digital banking application. In the future, respondents can be specified as being of a certain age group or having a certain nominal income.

References

Aboobucker, I., & Bao, Y. (2018). What obstructs customer acceptance of internet banking? Security and privacy, risk, trust and website usability and the role of moderators. *The Journal of High Technology Management Research*, *29*(1), 109-123.

Alalwan, A. A., Dwivedi, Y. K., & Rana, N. P. (2017). Factors influencing adoption of mobile banking by Jordanian bank customers: Extending UTAUT2 with trust. *International Journal of Information Management*, *37*(3), 99-110.

An, Y. (2018). The effects of an online professional development course on teachers' perceptions, attitudes, self-efficacy, and behavioral intentions regarding digital game-based learning. *Educational Technology Research and Development*, *66*(6), 1505-1527.

Ballon, P., Van Hoed, M., & Schuurman, D. (2018). The effectiveness of involving users in digital innovation: Measuring the impact of living labs. *Telematics Informatics*, *35*(5), 1201-1214.

Cho, Y. C., & Sagynov, E. (2015). Exploring factors that affect usefulness, ease of use, trust, and purchase intention in the online environment. *International journal of management & information systems*, *19*(1), 21-36.

Hamid, A. A., Razak, F. Z. A., Bakar, A. A., & Abdullah, W. S. W. (2015). The effects of perceived usefulness and perceived ease of use on continuance intention to use e-government. *Procedia economics and finance*, *35*, 644-649.

Hampshire, C. (2017). A mixed methods empirical exploration of UK consumer perceptions of trust, risk and usefulness of mobile payments. *International Journal of Bank Marketing*.

Harris, M. A., Brookshire, R., & Chin, A. G. (2016). Identifying factors influencing consumers' intent to install mobile applications. *International Journal of Information Management*, *36*(3), 441-450.

Hu, Z., Ding, S., Li, S., Chen, L., & Yang, S. (2019). Adoption intention of fintech services for bank users: An empirical examination with an extended technology acceptance model. *Symmetry*, *11*(3), 340.

Hussain, S., Ahmed, W., Jafar, R. M. S., Rabnawaz, A., & Jianzhou, Y. (2017). eWOM source credibility, perceived risk and food product customer's information adoption. *Computers in Human Behavior*, *66*, 96-102.

Kaur, B., Kiran, S., Grima, S., & Rupeika-Apoga, R. (2021). Digital banking in Northern India: The risks on customer satisfaction. *Risks*, *9*(11), 209.

Khan, S. A., Liang, Y., & Shahzad, S. (2015). An empirical study of perceived factors affecting customer satisfaction to re-purchase intention in online stores in China. *Journal of Service Science and Management*, *8*(03), 291.

Laukkanen, T. (2016). Consumer adoption versus rejection decisions in seemingly similar service innovations: The case of the Internet and mobile banking. *Journal of Business Research*, *69*(7), 2432-2439.

Matute, J., Polo-Redondo, Y., & Utrillas, A. (2016). The influence of EWOM characteristics on online repurchase intention: Mediating roles of trust and perceived usefulness. *Online Information Review*.

Mbama, C. I., & Ezepue, P. O. (2018). Digital banking, customer experience and bank financial performance: UK customers' perceptions. *International Journal of Bank Marketing*.

Ogboye, K. S., Akande, F. I., & Kwarbai, J. (2021). Determinants of Digital Banking Convenience and Customer Satisfaction of Selected Deposit Money Banks in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, *10*(2), 1-30.

Pangestu, M. A., & Sukresna, I. M. (2021). Pengaruh Kualitas Pelayanan, Persepsi Nilai, dan Persepsi Kegunaan, Terhadap Minat Berkelanjutan dengan Kepuasan Konsumen Sebagai Variabel Intervening (Studi Pada Pengguna Dompet Digital (e-Wallet) OVO di Kota Semarang). *Diponegoro Journal of Management*, *10*(1).

Pavithra, C. B. (2021). Factors Affecting Customers' Perception Towards Digital Banking Services. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, *12*(11), 1608-1614.

Prastiawan, D. I., Aisjah, S., & Rofiaty, R. (2021). The Effect of Perceived Usefulness, Perceived Ease of Use, and Social Influence on the Use of Mobile Banking through the Mediation of Attitude Toward Use. *APMBA (Asia Pacific Management and Business Application)*, *9*(3), 243-260.

Rahman, M. S., Ko, M., Warren, J., & Carpenter, D. (2016). Healthcare Technology Self-Efficacy (HTSE) and its influence on individual attitude: An empirical study. *Computers in Human Behavior*, *58*, 12-24.

Rizan, M., Saidani, B., & Sari, Y. (2012). Pengaruh brand image dan brand trust terhadap brand loyalty teh botol sosro survei konsumen teh botol sosro di food court itc cempaka mas, jakarta timur. *JRMSI-Jurnal Riset Manajemen Sains Indonesia*, *3*(1), 1-17.

Roy, S. K., Balaji, M. S., Kesharwani, A., & Sekhon, H. (2017). Predicting Internet banking adoption in India: A perceived risk perspective. *Journal of Strategic Marketing*, *25*(5-6), 418-438.

Shankar, A., & Rishi, B. (2020). Convenience matter in mobile banking adoption intention? *Australasian Marketing Journal (AMJ)*, *28*(4), 273-285.

Singh, N., & Sinha, N. (2020). How perceived trust mediates a merchant's intention to use a mobile wallet technology. *Journal of Retailing and Consumer Services*, *52*, 101894.

Singh, S., & Srivastava, R. K. (2020). Understanding the intention to use mobile banking by existing online banking customers: an empirical study. *Journal of Financial Services Marketing*, *25*(3), 86-96.

Tarhini, A., Mgbemena, C., Trab, M. S. A., & Masadeh, R. (2015). User adoption of online banking in Nigeria: A qualitative study. *The Journal of Internet Banking and Commerce*, *20*(3).

Tilton, J., & Hartnett, M. (2016). What are the influences on teacher mobile technology self-efficacy in secondary school classrooms? *Journal of Open, Flexible and Distance Learning*, *20*(2), 79-93.

Tugade, C., Reyes, J., & Nartea, M. (2021). Components Affecting Intention to Use Digital Banking Among Generation Y and Z: An Empirical Study from the Philippines. *The Journal of Asian Finance, Economics and Business*, *8*(12), 509-518.

Won, J., & Kim, B. Y. (2020). The effect of consumer motivations on purchase intention of online fashion-sharing platform. *The Journal of Asian Finance, Economics and Business*, *7*(6), 197-207.

Ye, J., Zheng, J., & Yi, F. (2020). A study on users' willingness to accept mobility as a service based on UTAUT model. *Technological Forecasting and Social Change*, *157*, 120066.