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Article

Does Fintech Accelerate SMEs Performance After the COVID Pandemic: Empirical Evidence in Indonesia

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Abstract: Purpose-This study aims to find out what variables cause problems when people use financial technology. **Methodology-** This research uses quantitative methods with primary data as a data source. The polls used are all MSMEs registered as mentors in Sidoarjo Regency with data collection techniques using questionnaires with sampling techniques in this study, namely *purposive techniques*. The data analysis technique used is the *Outer Model* test including the validity and reliability of the data. Next is the *Inner Model* to test hypotheses using the *SmartPLS* program tool version 3.0. **Finding-**The finding showed that the variable of risk, transaction, revenue has a significant and positive effect on financial technology while the financial inclusion variable does not affect financial technology. **Originality-** The article is an original article that has never been submitted in any journal and this article is well organized and correct.

Keywords: revenue; transaction; risk; financial inclusion; financial technology

I. Introduction

The use of the old-style financial system has some problems, especially when there is a change in the exchange rate. If consumers use Automatic Teller Machines (ATM) when there is a change in the exchange rate, there will be the sharpest increase. The sharpest change in the share of cash payments occurs at \$20 and \$40 which coincides with the observation that most ATMs in the US dispense multiples of \$20. Other thresholds apply at multiples of \$5 and \$10. The above thresholds will result in asymmetry in consumer behavior (Shy, O., 2020). The development of technology is increasing rapidly today, people have abandoned the old financial system and switched to the financial technology system. One of them is the emergence of a new payment method, namely through an E-Wallet (Rohmatun, 2020). *E-wallet* is a feature of the x electronic x payment media application developed to make it easier for x users to carry out transaction activities.

Initially, the growth in the number of fintech *startups* began to soar, this is indicated by a declining percentage of growth; in 2016 78% and only 28.34% knew the term fintech, while in 2017 it 39% and respondents knew the term fintech 67.20%. (Setiobudi & Wiradinata, 2018). *Technology Acceptance Model (TAM)* theory is used to determine the acceptance rate of a new x technology system, saying that people always want to try the emergence of new technologies.(Lucyanda, 2010). In addition, research conducted by Rahmawati, (2020) explained that where the use of Financial E-wallet technology is perceived by the general public as a financial technology that has security and useful uses.

However, the fact is that in the field many users of financial technology experience many problems. On the other hand, financial technology also provides threats and risks that lurk in its users such as fraud through OTP (*One Time Passcode*) codes, *Phishing Attacks*, and account hacking by violating the use of E-wallet and pay later balances. Therefore, it is necessary to conduct a study of what affects financial technology so that it causes problems for its users.

SMEs players often use financial technology services to increase their business income. Before getting to know Financial technology in the digital economy, Small and Medium Enterprises (SMEs) have not been able to maximize sales and had a relatively low income and when business actors use E-swallow-based financial technology they can increase marketing, In the research (Quanmei, 2022) said that revenue has a positive and significant effect when using Financial technology because it facilitates and is efficient in the payment system for users. However, the study is different from the research conducted (Pohan, 2021)

According to the *Behavioral Intention Theory*, it is stated that the form of positive attitude shown by the community has the desire to use services continuously and the existence of transaction services on Fintech means that people feel helped. Therefore, financial technology facilitates payment transactions, speeds up the transaction process, increases transaction efficiency, and avoids the risk of counterfeit money and crime (Nurcholidah & Harsono, 2021), research (Purnama, 2021) revealed that transactions have a positive and significant effect on Financial Technology because financial technology types of mobile payments can increase transactions micro-business payments, while the research (George Mutiso, 2021) revealed the results of the study, namely that transactions do not affect financial technology because financial technology still does not provide more benefits so that it affects a person's satisfaction in using E-wallet financial technology services.

The public, especially SMEs who use financial technology and feel worried about the high level of risk of digital services, must consider the benefits as well as the risks, and based on these considerations, decisions will be made using other financial technology services that have various benefits that can support the economy and improve performance for small and medium enterprises, in research (Wai Han Wong, 2019) shows that the risk is positive and significant to Financial technology because it is still worried about the risks that occur when using financial technology services, while research conducted by (Kurnianingsih, 2022) shows that risk does not affect Financial technology this is evidenced that the benefits and conveniences felt so that business actors and the public are more willing to use financial technology services

In *Theory Global Financial Development Report* (2014) defining Financial Inclusion as a need for both individuals and companies that use financial services has become a fairly interesting subject among policymakers, researchers, and other stakeholders (Erni Awanti, 2018). Financial inclusion is a condition where the majority of individuals can take advantage of available financial services and minimize the existence of groups of individuals who are not yet aware of the benefits of financial access through access that is already available at an affordable cost. Research conducted by (Shaliza Alwi, 2021) states that financial inclusion has a positive and significant effect on financial technology because financial technology provides easy access for the public and business actors. Meanwhile, research conducted by (Irman, 2021) states that financial inclusion does not affect financial technology, this is caused by a lack of understanding of financial technology and does not have an influence and impact on users of financial technology.

The purpose of this study is to provide information and understanding that something new is not necessarily immediately stable and good. Financial technology is financial software that provides many benefits for the community and MSMEs in particular. The urgency of this research is very high because it will provide extensive knowledge about financial technology, especially E-Wallets. Users of Financial Technology E-wallet, the selection of financial technology E-wallets that have an impact on SMEs who use increasingly consumptive services and not on the other hand also have risks such as *Phishing Attacks* and account hacking by misusing E-wallet pay later balances, so they are interested in researching in the interest in using financial technology.

Theory Review

Financial technology is increasingly advanced to improve their business performance and not only that, in the digital era can also be used for product promotion media and increase their income by using E-swallow-based financial technology services such as Go pay, shopee pay, Ovo, Dana Link Only, And still and many others and not only that Role Financial Technology also provides access to

digital payment services in the marketplace and various mobile payments to increase sales and revenue to business actors who use financial technology. This is evidenced in research (Murti Wijayanti, 2022) which provides evidence that income has a significant and positive effect on Financial technology, but research conducted (Vira Indah, 2021) reveals that income does not influence Financial technology, because Online payments through Financial technology services do not affect increasing income, this is because most consumers prefer cash payments instead of using E-wallet-based financial technology services on non-cash mobile payment services.

FinTech developments benefit from general advancements in many areas, such as blockchain, big data, machine learning, artificial intelligence, and the digital economy. In addition, mobile money is currently a hot topic and will continue to be a hot topic. In terms of countries/regions, China has the largest number of publications, which can be illustrated by China's advanced technological environment, such as convenient mobile payment and smart life. Burst detection analysis and overlay analysis give scholars interested in FinTech a boost to understanding dynamic changes more intuitively (Li, B., & Xu, Z. (2021)

Financial technology is a new business model that will support the needs of the business community in financial transactions without having to have an account so that people who have a business can easily access online payments, online money loans, and non-cash money transfers with the existing of Financial technology on the E-wallet the financial transaction process is faster, easier and more practical even though transactions between regions as well as users with Freedom to trade and buy and sell at the market place to increase their business profit. In this case, it is shown in the research conducted by (Kusuma, 2020) states that transactions have a significant and positive effect on Financial Technology, this is evidenced that financial technology can increase sales transactions in business actors, while the research researched by (Listiwati, 2021) shows the results of transactions does not affect Financial Technology,

Risk is the possibility or uncertainty of a loss caused when using financial technology, the loss has a direct or indirect impact on financial technology such as psychological anxiety, discomfort, financial loss, dissatisfaction with the performance, and loss of time, therefore the public before using innovative products produced by financial technology first understands and knows the uses of financial technology services. Research (Van Tuan, 2021) shows the results that risk has a significant and positive effect on financial technology because financial technology provides risks and concerns, therefore some users feel directly the risks of these services. Meanwhile, the research (Krisnawati, 2021) provides results that risk does not affect financial technology.

Financial inclusion is a condition where most individuals can use financial services in financial technology to improve financial services and create financial stability for the community or people who have businesses smoothly, at a time, at affordable costs and adjusted to the needs aimed at improving the welfare of the community and business actors (Mulasiwi, 2020) . This is proven by research conducted by (Tran Hung Son, 2020) which states that financial inclusion has a significant and positive impact on financial technology, this is evidenced that financial technology provides access to financial services young through financial technology and has a positive influence . but it is different from the results of the research conducted by (Beg Sana, 2018) with the results Financial inclusion does not have an impact on financial technology.

Research Methods

The type of research used in this study used a quantifiable approach (Ghozali, 2013) the population in this study was micro, small, and medium enterprises in the Sidoarjo region of East Java province with a total of 1195 SMEs. The sampling technique used in this study is a purposive sampling technique that determines certain criteria. The criteria set were 167 samples (Sugiyono, 2017).

The source of data in this study is primary data. Primary data collection is carried out using questionnaires which are raw data that have not been processed and collected specifically. This data collection technique uses a Likert scale used to measure indicators of income, transactions, risk, and

financial inclusion, the approval rate of this Likert scale consists of a choice of several scales on which each instrument is scored, namely: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2) and Strongly Disagree (1). This data analysis technique uses SmartPLS Software which is used to combine indicators in each variable that has been previously determined.

Operational Definition, Variable Identification and Variable Indicators

1. Rational definition

- a. Financial technology (Y)
Financial technology E-wallet or Variable dependent Y in this study is an information technology system similar to internet banking equipped with various features that allow individuals to make transactions so that users switch to non-cash users only by using applications that can be easily downloaded on smartphones (Muliadi, 2021)
- b. Revenue (X1)
Income is income from investment or product sales, the use of financial technology in E-swallow services where those who have businesses can expand their product sales network through promotions on marketplace applications, gojek, shooppy and not only that users can also invest in shares on several Financial technology platforms registered by the OJK and recognized by BI (Miswan, 2019)
- c. Transaction (X2)
Transactions or variable X2 is a new style or new trend of shifting transactions in doing business or business towards digital which no longer uses physical money, but uses electronic money on E-swallows in *Electronic Payment* services transactions including payments, investments, borrowing money, transfers, on financial service products (Pattinaja, 2021)
- d. Risk (X3)
In the risk variable, it can be defined as a subjective opportunity for possible losses when deciding to use financial technology on E-swallow services based on the definition of risk perception or risk to users of features and services can result in losses in the form of unfavorable consequences for consumers
- e. Financial inclusion
Financial inclusion in Financial technology E-swallow services is an effort to encourage a technology-based financial system so that it can be accessed by all levels of society to encourage quality economic growth if the public can access financial products and services easily, then the community will be more productive and create a stable financial system (Kusuma, 2020a)

2. Variable Indicators

Table 1. Variable Indicators.

No	Variable	Indicator	Variable Type
1.	Financial Technology (Y) (Ariningsih, 2022)	1. Perceived usefulness. 2. Perceived ease of use. 3. Perceived security. 4. Trust. 5. intention to use.	Dependent
2.	Income (X1) (Agustina, 2021)	1. Promotional Media in increasing revenue. 2. Provision of discount coupons in increased sales. 3. maximizing business potential in the form of	Independent

		expanding product potential	
		4. access to customers through marketing channels.	
		5.	
3.	Transaction (X2) (Kartika Sari, 2020)	1. Ease of transaction 2. Security in transactions 3. convenience Transaction Service Features 4. Provide transaction service access to e-commerce	Independent
4.	Risk (X3) (Marias, 2020)	1. Financial Risk 2. Psychological Risk 3. Performance Risk 4. Social risks 5. Physical risks	Independent
5.	Financial Inclusion (X4) (Kurniasari & Adyni, 2021)	1. Expand public access to financial products or services. 2. Offers a variety of financial products or services. 3. Access at an affordable cost. 4. Support market deepening of financial products and services.	Independent

Population and Sample

The population used in this study is all SMEs located in Sidoarjo District where is X generalization area X consisting of X objects or subjects that have quality x and certain which set by researcher to be studied and then drawn X conclusion. Sample x is a part x of the sum and characteristics of x possessed by that population, or x is a small x part of a member of the population taken according to a certain procedure so that can represent its population (Sandu Siyoto, 2015). This study uses a technique in the form of *purposive sampling*. Purposive sampling is a sampling technique by determining certain criteria that are determined by the researcher with several considerations. (Sugiyono, 2017). The results of the criteria obtained a sample of 167 m

Table 2. Sampling Criteria.

No	Criterion	Sum
1	SMEs that are registered are fostered in the Sidoarjo Regency Cooperatives and Micro Enterprises Office.	1195
2	SMEs located in the 4 largest districts of Balongbendo, Sukodono, Sidoarjo, Candi	347
3	SMEs that use online marketing in the 4 largest sub-districts in Sidoarjo regency.	167

Analysis Techniques

The data analysis technique used in this study is to use several analytical methods as a measuring tool. . The data analyst technique used by researchers using *SmartPLS* version 3.0 with data analysts using variant-based SEM (*Equation Modelling*) to determine the relationship and influence between variables (Yamin, 2021). The purpose of using *Smart PLS* is, among others, to predict relationships between constructs, confirm theories, and can be used to explain the presence or absence of relationships between latent variables. The stages of analysis carried out in this study include model measurement (outer model) Validity test and reliability test, model structure (*inner model*) Determinant coefficient (R^2) and *Path Coefficients*, T-Statistical

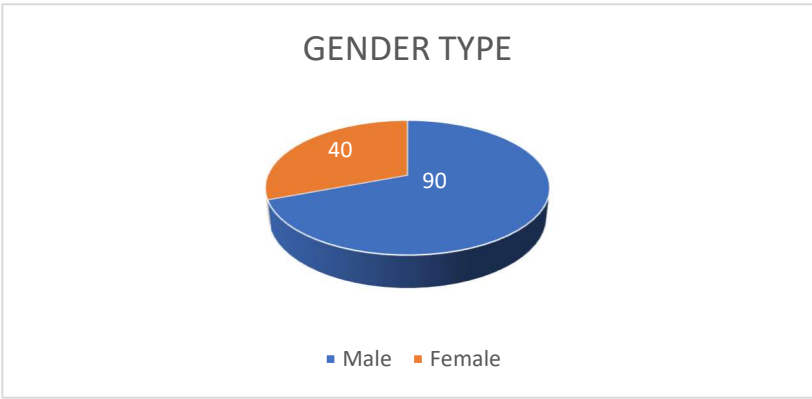
Results of Research and Discussion

A. Descriptive Statistics

This study took samples on SMEs in Sidoarjo regency, with a total of 167 questionnaires distributed to respondents who met the criteria in purposive sampling and the rate of return of questionnaires that had been filled out can be seen in the following table:

Respondent Characteristic Data:

Based on Figure 1, it can be seen that the number of respondents of the male sex is 40 people (30.1%) and the respondents who are female are 93 people (69.9%). Thus, it can be stated that SME actors in 4 sub-districts in Sidoarjo Regency are mostly female.

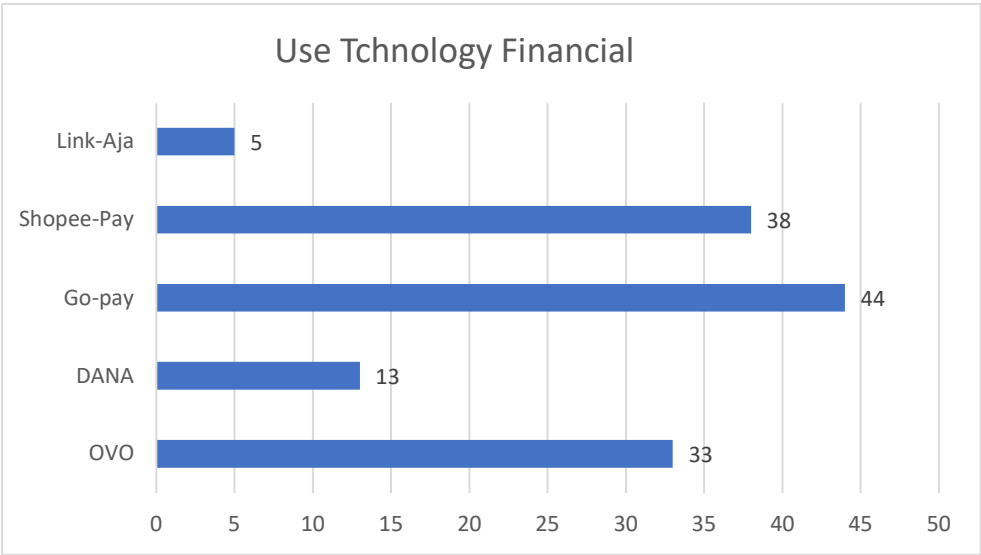


Source: Processed data (2022)

Figure 1. Characteristic data by gender.

Characteristic data based on the use of financial technology

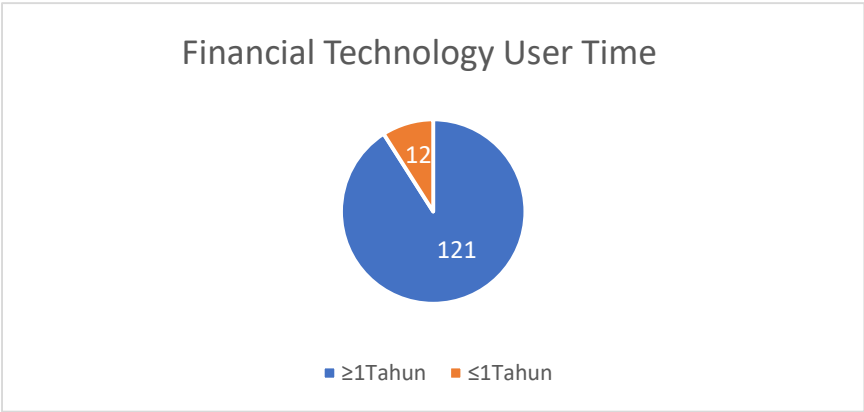
From Figure 2, it can be seen that the majority of respondents use Go-pay with 44 then Sopee-Pay 38, OVO 33, DANA 13, and Link-Aja 5.



Source: Processed data (2022)

Figure 2. Data based on the use of financial technology.

Characteristic data based on time of financial technology users



Source: Processed data (2022)

Figure 3. Time-based characteristics of financial technology users.

From Table 3, it can be seen that out of 133 respondents dominated by active users for more than 1 year which amounted to a total of 121 with a percentage value of 91%, and the remaining less than 1 year amounted to 12 with a percentage value of 9%.

Table 3. Contingent rate of return.

Information	Sum
Dispersed consignatories	167
Returning Commissioners	133
Returning consignors	34
Analyzed consignatories	133

Source: Processed data (2022).

A. Data Testing Analysis

Based on the results of Table 4, it can be concluded that there are 4 indicators of income, 4 indicators of transactions, 4 indicators of risk, 4 indicators of financial inclusion, and 5 indicators of financial technology. There are 4 invalid indicators where the value of factor loading is less than 0.7. Therefore, 4 such indicators should be removed from the model. The following is the output of the loading factor value after the 4 invalid indicators are removed:

Table 4. Loading Factor Values.

Indicators	Loading Factor	Result
X1.1	0.814	Valid
X1.2	0.739	Valid
X1.3	0.778	Valid
X1.4	0.576	Invalid
X2.1	0.673	Invalid
X2.2	0.742	Valid
X2.3	0.740	Valid
X2.4	0.806	Valid
X3.1	0.886	Valid
X3.2	0.915	Valid
X3.3	0.829	Valid
X3.4	0.811	Valid
X4.1	0.693	Invalid
X4.2	0.791	Valid
X4.3	0.763	Valid
X4.4	0.731	Valid
Y.1	0.726	Valid
Y.2	0.741	Valid
Y.3	0.692	Invalid
Y.4	0.856	Valid
Y.5	0.705	Valid

Source : Data processing with SmartPLS 3.0.

Based on Table 5, it can be seen that outer loadings show indicators that have been modified from each variable, namely *Income*, *Transactions*, *Risks*, *Financial Inclusion*, and *Financial technology* has an outer loadings value greater than 0.7. This suggests that the correlation between the research item/indicator score and the construct has a high reflective measure. So that the indicators in the study can be declared valid as a measure of their latent variables.

Table 5. Modified Loading Factor Values.

Indicators	Loading Factor	Result
X1.1	0,827	Valid
X1.2	0,765	Valid
X1.3	0,773	Valid
X2.2	0,758	Valid
X2.3	0,733	Valid

X2.4	0,864	Valid
X3.1	0,905	Valid
X3.2	0,915	Valid
X3.3	0,836	Valid
X3.4	0,783	Valid
X4.2	0,823	Valid
X4.3	0,771	Valid
X4.4	0,720	Valid
Y.1	0,743	Valid
Y.2	0,760	Valid
Y.4	0,845	Valid
Y.5	0,749	Valid

Source : Data processing with SmartPLS 3.0.

Table 6. Cross-Loading Values.

No		X1	X2	X3	X4	Y	Result
1.	X1.1	0,827	0,499	0,020	0,300	0,467	valid
2.	X1.2	0,765	0.456	-0,215	0,355	0,413	valid
3.	X1.3	0,773	0,503	-0,005	0,403	0,463	valid
4.	X2.2	0,445	0,758	-0,070	0,351	0,405	valid
5.	X2.3	0,431	0,733	-0,005	0,403	0,399	valid
6.	X2.4	0,564	0,864	-0,219	0,591	0,584	valid
7.	X3.1	-0,165	-0,136	0,905	-0,245	-0,383	valid
8.	X3.2	-0,049	-0,176	0,915	-0,219	-0,373	valid
9.	X3.3	0,027	-0,006	0,836	-0,065	-0,205	valid
10.	X3.4	-0,024	-0,130	0,783	-0,072	-0,244	valid
11.	X4.2	0,431	0,461	-0,153	0,823	0,376	valid
12.	X4.3	0,299	0,482	-0,266	0,771	0,403	valid
13.	X4.4	0,339	0,406	0,037	0,720	0,239	valid
14.	Y.1	0,393	0,423	-0,256	0,331	0,743	valid
15.	Y.2	0,491	0,500	-0,178	0,240	0,760	valid
16.	Y.4	0,484	0,551	-0,258	0,358	0,845	valid
17.	Y.5	0,394	0.388	-0,444	0,478	0,749	valid

Source: Data processing with SmartPLS 3.0.

Based on Table 3.6, it can be seen that each indicator has a cross-loading greater than 0.7 compared to the cross-loading value in other latent variables. So it can be concluded that the indicators on each construct are declared valid.

Table 7. Composite Reliability.

	Cronbach's Alpha	Composite Reliability
X1 (Revenue)	0.696	0.832
X2 (Transaction)	0.696	0.829

X3 (Risk)	0.886	0.920
X4 (Financial Inclusion)	0.672	0.816
Y (Financial Technology)	0.778	0.858

Source : Data processing with SmartPLS 3.0.

Based on Table 3.7, it can be concluded that the results of the Composite Reliability test are above 0.7 for each variable and the value of Cronbach's alpha is above 0.6. Thus the measurement items on each variable are declared reliable.

B. Hypothesis Testing

From the results of these data, it can be interpreted that Revenue (X1), Transactions (X2), Risk (X3) has a significant effect Financial Technology (Y), but Financial Inclusion (X4) does not affect Financial Technology (Y). with a positive relation

Discussion

1. Effect of Revenue on Financial Technology.

From Table 8, it can be seen that the test results in this study show that income has a significant and positive effect on financial technology. The results of this study are in line with the research (Nasution, 2021) which concluded that income has a significant effect on financial technology, this is because the higher the income level of users of financial technology services, the more interest in using financial technology services.

Table 8. Path Coefficients.

	Original Sample (O)	Sampl e Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 (Revenue) -> Y (Financial Technology)	0,315	0,312	0,087	3,633	0,000
X2 (Transaction) -> Y (Financial Technology)	0,331	0,347	0,095	3,489	0,001
X3 (Risiko) -> Y (Financial Technology)	-0,285	-0,290	0,081	3,501	0,001
X4 (Financial Inclusion) -> Y (Financial Technology)	0,061	0.056	0,081	0,758	0,448

Source : Data processing with SmartPLS 3.0.

This is evidenced by the respondent's responses to the income variable in the indicator Income increases during the promotion through discount vouchers on financial technology services, this shows that when income increases, it is accompanied by dependence on the existing promotional service system on financial technology such as providing discount coupons at discounted prices on payment systems, it will increase the interest of financial technology users and become more consumptive but this research is inversely proportional to research (Husna & Novita, 2021) which states that income does not affect financial technology.

When management adopts technology for business purposes, the manager must first conduct a financial analysis to determine whether the cost of the technology to be used will provide an increase

in revenue. By breaking down the process into its component parts, a manager can determine which system to implement at a particular stage with the aim of providing the greatest revenue benefit for a particular company. If the financial calculations are favorable, management must then consider the benefits to employees and customers and must also consider employee and customer perceptions of the utility and ease of use of the technology. Without these elements, the technology faces dim prospects, no matter what the prospective financial benefits. (Kimes, S. E. , 2008)

2. The Effect of Transactions on Financial Technology.

From Table 8, it can be seen that the test results in this study show that transactions have a significant and positive effect on financial technology. The results of this study are in line with research (Melati Kusuma, 2021) stating that transactions have a significant positive effect, this shows that when digital transactions increase for business actors, it will affect the use of financial technology services where they are helped when to transact online.

The advent of sophisticated personal computer devices, tablets and mobile phones has become a major influence on the lives of customers in conducting transactions. This has a linear impact on the global market and the development of the economic system. The competence to design and produce good mobile applications has increased, due to the demand for market transactions, so the development of information technology will automatically adjust to this condition. The financial market has many new transaction technologies being launched every day, but most cannot succeed or survive. Blockchain has been in the global market for more than ten years and is seriously attacking the financial market and threatening the future of traditional businesses. (Albayati, H., et al., 2020)

This is evidenced by respondents' responses to transaction variables in the Convenience indicator in transacting with several eCommerce using financial technology e-swallow services. There is a need for banking regulators to remove FinTech regulation from traditional regulatory functions. In addition, I recommend a new FinTech dynamic regulatory approach and where possible an international comparison of various FinTech regulatory regimes is needed and examine FinTech laws and regulations to investigate a dynamic model of FinTech regulation that can be used by society at large.

This proves that when users feel comfortable when transacting money non-cash, it will have an influence on interest in using financial technology services and have a consumptive impact on positive dependence and reduce the crime of cash transactions, but this research is inversely proportional to research (Gora, 2020) stating that witnessing has no effect on financial technology in this study explains that the service system on financial technology that is not understood by the public will make people not consumptive in using financial technology services.

3. The Effect of Risk on Financial Technology.

From Table 8, it can be seen that the test results in this study show that risk has a significant effect on financial technology. The results of this study are in line with the research (Fernando, 2019) with the results of research risk has a significant effect on financial technology because of the risks that exist in financial technology services such as the risk of *cybercrime* risk of laundering funds, and acts of terrorism that have an impact on the concerns and psychology of users who can influence the interest in using these financial technology services.

The risk to financial technology is that legacy IT systems may not be sufficiently adaptable, or any changes to the bank's management of the innovation may not be readily made by IT. Greater use of third parties to address this, either through outsourcing or other fintech partnerships. This will increase risks around data security, privacy, money laundering and customer protection. At a system-wide level, the rise of technology in finance may lead to more interdependent technologies among market participants and fintech partners. which may ultimately cause information technology risk events to escalate into systemic crises. Regardless of which financial technology scenario is used, cyber risks will remain a threat to the use of information technology. New technologies and business models can increase cyber risk if controls do not keep pace with changes. (Hernández de Cos, P. 2019)

The implementation of new technologies is complex and expensive, the failure of many information technology implementations costs millions of dollars, increasing the need for good forecasting of market needs. However, low adoption or implementation of IT has become a major problem for many organizations when it comes to accessing tangible or intangible benefits. (Albayati, H., et al., 2020)

This is evidenced by respondents' responses to risk variables in the indicator The existence of a risk of the functioning of a product in financial technology E-wallet services and the existence of fraud risks in financial technology e-swallows, shows that the risk of functioning in a financial technology service that provides concern for users and the risk of fraud that causes users to feel worried and affects the interest of financial technology users, However, this research is inversely proportional to research (Melisa, 2021) showing that risk does not affect financial technology, indicating that risk does not affect financial technology, which means that the risks that exist in financial technology do not affect the interest in using financial technology.

4. The effect of financial inclusion on financial technology.

From Table 8, it can be seen that the test results in this study show that financial inclusion has no effect on financial technology. The results of this study are in line with the research (Joesoef, 2020) with the results of research that states that financial inclusion does not affect financial technology, this is because the lack of public literacy towards financial technology financial inclusion causes public interest in using financial technology services.

The goal of financial inclusion prevents the poor and disadvantaged from easily accessing the formal financial system, The unbanked and underbanked use alternative channels to fulfill their financial needs, yet they remain overcharged. The inability of banks to respond to the needs of the unbanked due to government regulations and legacy IT systems, and the inherent organizational friction has created opportunities for Fintech companies. Widespread adoption of mobile phones, advances in technology infrastructure, availability of big data, financial education and technology education have increased financial innovation and financial deepening. (Agarwal, S., et al., 2020)

This is evidenced by respondents' responses to financial inclusion variables in the indicator Access to financial services at affordable costs when using financial technology e-wallet services, Financial inclusion means that individuals and businesses can access financial products and services such as *transactions, payments, savings, credit and insurance at affordable costs for service users* financial technology and encouraging the interest of users of financial technology services, but this research is inversely proportional to research (Hermawan, 2022) shows that financial inclusion has a significant effect on financial technology, where in his research states that the higher the level of financial inclusion or access to financial services in financial technology will affect the interest in using financial technology services aforementioned.

Conclusion

The presence of financial technology is inevitable, the presence of new technology will always attract attention to the general public including SMEs so that all people want to use it immediately without seeing the problems and risks posed. Based on the results of the analysis and theoretical review, it shows that financial technology users feel the benefits when using it can improve sales performance and affect their income. In addition, transactions have a positive and significant effect on financial technology, every transaction in financial technology makes it easier, safer and more convenient when transacting so that it has a positive impact on users. In addition to these benefits, risk has a significant effect on financial technology, this shows that the risks involved in financial technology services raise concerns about using financial technology. Meanwhile, financial inclusion has no effect on financial technology, this proves that financial services or access to services from financial technology cannot be maximally accepted by users due to limited access or services from financial technology.

Limitations

The limitation of this study is that this type of research is only carried out on the direct relationship between free variables and bound variables. There is no discussion of the possibility of a variable between the mediational variable in the study. The emergence of mediation variables in the study will provide several alternative paths that can be used to make policy

Implementation of research results

Through the results of the research, it will make a great contribution to SMEs, especially because they can understand how much can provide benefits when they use financial technology in their financial transactions. In addition, it will also understand the risks that may be caused by the technology.

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