

WHAT DRIVES CONSUMER SATISFACTION IN USING FINANCIAL TECHNOLOGY?

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Abstract: The purpose of this study is to examine the relationship between attitude toward Islamic financial technology as specific religious attitude and consumer based brand equity as market driven variable toward consumer satisfaction in Islamic financial technology. A questionnaire was designed to collect data from users of online service of Islamic financial technology in Indonesia. Incidental sampling method was adopted to collect data from the existing users. Regression analysis was used to test the proposed research model. This study become the first research how specific religious attitudes and market driven affect the consumer satisfaction. This research is a survey-based study. Hence a representative sample is mandatory. The result show that attitude toward Islamic financial technology insignificantly influences consumer satisfaction, meanwhile the consumer based brand equity has a positive effect on consumer satisfaction.

Keywords: Attitude toward Islamic financial technology, consumer based brand equity, consumer satisfaction

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INTRODUCTION

New achievements in information and communication technologies (ICT) are drastically influencing several industrial sectors include financial sector. The ease of ICT and spending time by people on the internet facilitate coming of financial technology. Financial technology refers to the use of technology to deliver financial solutions (Arner et al., 2015). The development of financial technology is supported by the need of society in looking for financing alternative except traditional financial industry. Financial technology companies offer service in digital lending, payments, crowdfunding, wealth management, and so on. The rapid development of financial technology globally happen in many countries included Indonesia. In 2016 there are 165 financial technology firm in Indonesia, which is dominantly run in payment (43%), lending (17%) and other in form of aggregator, crowdfunding, etc.

Each of financial technology firm has it's own characteristic in providing service. The increased competition in this era, companies nowadays are bound to make substantial effort to manage their brand image. With the increasing popularity of online media, understanding online consumer behaviors is becoming increasingly important for researchers and practitioners. Considering that Indonesia is a home to the largest Muslim population in the world, there are some firm offer halal transaction through financial technology. Islam as a comprehensive religion regulate many aspect of life. In financial case, many Muslims consumer choose to use Islamic bank because of it's sharia compliant (Butt & Aftab, 2013). In the context of financial technology, to remain competitive,

Islamic financial technology create a differential advantage by simultaneously ensuring the religious and material wellbeing of their customer. But the decision in choosing an Islamic financial technology couldn't be affect by religious factors. Like the other companies, in financial technology firm, consumer satisfaction becomes the important thing in determining longterm business success. The satisfied consumers are less price sensitive than dissatisfied consumers (Dimitriades, 2006). Therefore it is important to ensure islamic financial technology companies mantain their consumer satisfaction.

Nam et al., (2011), stated that consumer based brand equity becomes the key determinant of consumer satisfaction. Their study find the positive significant relationship between consumer based brand equity, physical quality, staff behaviour, ideal self-congruence, brand identification, and lifestyle congruence toward consumer satisfaction. Consumer based brand equity is conceptually boarder than brand image and brand familiarity.

Palmié et al., (2019), stated that the evolution of financial technology servies provide a clear message that the business environment which is driven by disruptive innovation should not be neglect. This research addresses the oversight by exploring the disruptive innovation particularly islamic financial technology. Accordingly, the purpose of this study is to examine the relationship between attitude toward Islamic financial technology as specific religious attitude and consumer based brand equity as market driven variable toward consumer satisfaction.

There has been only limited investigation into the impact of attitude in using technology, consumer based brand equity toward consumer satisfaction. Using data collected from users of financial technology, this paper contributes to the marketing literature by exploring how the religious and market driven affect the consumer satisfaction. The remainder of the paper is structured as follow. The next session develops a conceptual definition of each variables, this is followed by a description of research methodology adopted. The results are discussed subsequently. Next the limitations and implications are outlined in conclusion, along with future research directions.

LITERATURE REVIEW

Attitude toward Islamic financial technology

In Islam, the act of consumption should take place within boundaries of Islamic law. In Islamic economics, there is a serious ethical boundary imposed by the Quran and Sunnah (Traditions of Prophet Muhammad, peace be upon him) on the consumer behavior (Mannan, 1993). In Islamic economics, there is a serious ethical boundary imposed by Quran and Sunnah on the customer behavior (Mannan, 1993). The modern trend of digitalization have completely transformed and reshape business practices. In case of financial technology, there is also Islamic financial technology that judged by Indonesia Ulama Council already follow the sharia principle. Financial technology become a risky industry because the activities may offended with speculative activities (*maysir*), the unjust profit sharing for lenders and borrowers (*jahala*) and the uncertain contracts (*gharar*). Therefore, an Islamic financial technology that proclaims and promises provision of similar products and services as offered by it's counterpart, but also asserts compliance

with the sharia principles, adds value for its Muslim customers. But, religiosity is not the only factor that can predict Muslim's attitude in using financial service included Islamic financial technology. In other hand, religious animosity has been a strong cause for consumer boycotts in Muslim dominant market (Abosag & Farah, 2014). Islamism also being an increasingly compelling force shaping consumer choices (Izberk-Bilgin, 2012).

Parasuraman (2000), measure attitude toward technology using technology readiness (TR). TR can predict behaviours related to technologies, such as the possession of technological goods, the tendency toward online behaviours and the use of self service technologies. Consumer attitude in using technology may be influenced by information obtained about the ease of use and usefulness of technological system (Hubert et al., 2017).

Consumer Based Brand Equity

In choosing the product, consumer also affected by brand equity. Brand equity concerns how product or service brands are perceived by costumers (Kim et al., 2003). Aaker (1996) has defined brand equity as a set of brand assets and liabilities linked to a brand - its name and symbol - that adds to or subtracts from the value provided by a product or service to a firm or to the firm's customers. Brand equity refers to the incremental utility or value added to a product by its brand name (Yoo & Donthu, 2001). High level of brand equity is important for the success of every company. It is necessary for company to carefully manage its brand equity to reach consumer purchase intention, future brand loyalty, brand profitability performance, etc (Altaf et al., 2017).

Consumer based brand equity is derived from associative knowledge networks in the consumer's mind, which are shaped over time through experience, exposure, and word of mouth (Aaker, 1996). Consumer based brand equity means the cognitive and behavioral brand equity at the individual consumer. The dimension of consumer based brand equity is follow the research of (Yoo & Donthu, 2001) who develop the scale to measure consumer based brand equity. There are four dimensional model comprises brand loyalty, perceived quality, brand awareness, and brand association.

Brand loyalty is the commitment of an individual towards the organization and its brand such that he or she will repurchase and give priority to the specific brand. Perceived quality could be defined as "the consumer's (subjective) judgment about a product's overall excellence or superiority" (Zeithaml, 2012). The service quality perception will positively affect purchasing intention (Cristobal et al., 2007). Brand awareness corresponds to "the ability of potential buyer to recognize and recall that a brand is a member of a certain product category" (Altaf et al., 2017).

Brand associations produce a mental representation of a brand and are defined as those associations that are unique to the brand and differentiate the brand from other brands in a category (Aaker, 1996). Brand associations differ in their focus from product associations. The former deal broadly with firms, whereas the latter, with specific products or services (Aaker, 1996). Although brand associations are a key element in brand equity, it is difficult to determine which associations have the strongest effects on consumer behavior (Torres et al., 2015)

Relatively limited empirical evidence can be found in the research of consumer based brand equity in service brands, on the contrary most studies have been concerned with the goods or gave applied a non-altered framework to suggest brand equity value (Kim et al., 2003). This study contributes to fill this research gap.

Consumer satisfaction

Satisfaction has been conceptualized in different ways in the marketing literature (Pappu & Quester, 2006). Consumer's satisfaction is the key factor that drives when performance of the product or services exceeds expectation (Meesala & Paul, 2018). According to expectancy disconfirmation model, satisfaction indicates to an affective state representing an emotional reaction to a product or service (Qazi et al., 2017). Satisfaction indicates to an affective state representing an emotional reaction to a product or service. It is widely accepted that satisfied consumers are less price sensitive, less influenced by competitors' attack, and loyal to the firm longer than dissatisfied customers (Dimitriades, 2006). After their experience in using the product or service, customers write their feedback according to the perceived performance of being either satisfied or dissatisfied.

The following action will take by customer after all satisfaction with a product or service after several purchases and their experience over time leads to consumer loyalty. Therefore, consumer satisfaction can be defined as overall emotional response to the entire brand experience after the last purchase. Consumer satisfaction is important for long term business success (Nam et al., 2011) because dissatisfaction with products and services creates complain which may become detrimental for companies and requires company attention (Istanbulluoglu, 2017).

Hypothesis Development

Attitude toward Islamic financial technology and consumer satisfaction

Attitude toward Islamic financial technology captures a person's opinion and perception toward Islamic financial technology. Faisal et al., (2014) examine the differences between Muslims and non-Muslims attitude towards Islamic banking in India, the second largest Muslims population in the world. There are significant differences in the attitude of Muslims and non-Muslims towards Islamic banking. In other words, firm has to figure out the marketing strategy based to understand consumer attention. Based on the results of research by (Ko & Chiu, 2008), in the context of coffee shop consumers, attitude is an antecedent of customer satisfaction. Mohsin Butt & Aftab (2013) find significant relationship between attitudes toward halal banking toward consumer satisfaction in using online banking service in Pakistan. We propose the following hypothesis:

H1: Attitude toward Islamic financial technology is positively associated with consumer satisfaction.

Consumer based brand equity and consumer satisfaction

Nam et al., (2011), investigate the relationship between brand equity on brand loyalty and consumer satisfaction as mediating variable. The result suggest that brand equity is found to have positive effect on consumer satisfaction. In the context of retail

branding, (Pappu & Quester, 2006) examine the relationship between consumers' satisfaction with a retailer and the equity they associate with the retail brand. Like consumer based brand equity, the retail brand equity also conceptualized in four dimensional construct comprising: retailer awareness, retailer associations, and retailer perceived quality and retailer loyalty. The result indicate that retail brand equity varies with consumer satisfaction. for department stores, all consumer-based retailer equity dimension varied according to customer satisfaction level with the retailer. In case of specialty stores, only three of the four retailer equity dimensions varied significantly with customer satisfaction. Customers exhibiting high levels of satisfaction with a brand are likely to attach more equity to that brand than less satisfied consumers, leading to our core hypothesis, stated as follow:

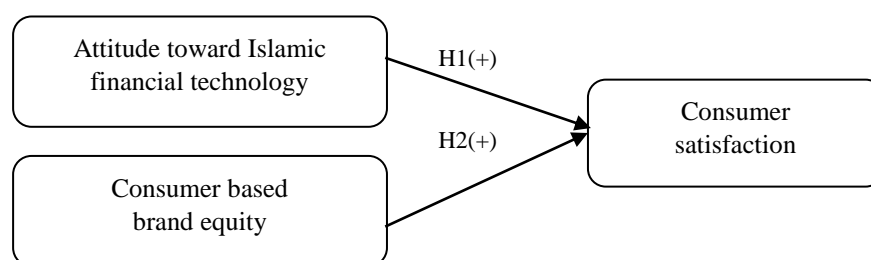
H2: Consumer based brand equity is positively associated with consumer satisfaction

METHOD

The data of this research were collected by means of a questionnaire. The first section of the questionnaire focused on demographic variables, including age, gender and other personal information. The second section encompasses questions regarding the dependent and independent variables proposed in the research model. To test which causal relationships remain significant, the regression analysis was employed using SPSS software. The independent and dependent variables are assessed using a structured questionnaire. The survey was conducted in August 2018. In the process of collecting data, incidental sampling methods were used and respondent participation is based on voluntary basis (self-administrated).

The conceptual framework of this study can be seen as follow:

Figure 1. Conceptual Framework



Attitude toward Islamic financial technology consist of 7 item adopted from Faisal et al., (2014), consist of awareness, ideology, implementation, features, and institution. Four dimensions were used to measure consumer based brand equity. The dimensions include brand loyalty (3 items), perceived quality (2 items), brand awareness (3 items), and brand image (4 items). They were adopted from the study of Yoo & Donthu (2001). Consumer satisfaction was chosen as dependent variable. Likert scale also adopted in consumer satisfaction which also adopted from recent study (Butt & Aftab, 2013).

Measurement of all the construct were carried out by the statements adopted from previous studies and a 5 point Likert type scale ranging from 1 (strongly disagree) to 5 (strongly agree).

An online version of questionnaire was created to collect responses online. Approximately 64 survey questionnaire were filled among financial technology customers in Indonesia.

RESULT

Sample Description

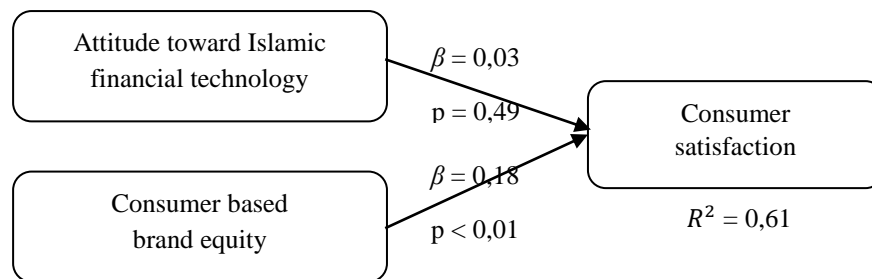
Table 1 shows the break-up of the sample on the basis of age group, occupation and frequency in using financial technology. The sample skewed towards the younger population with 55 percent of respondents aged between 20 until 30. This was deemed to represent the greater likelihood of younger consumers to engage in sort of using financial technology. About 38 percent of respondents are students, followed by 37.5 percent of respondents are occupied in private sector. Half of the respondents (50 percent) rarely use financial technology.

Table 1: Sample

Demographic Variables		Frequency	Percent
Age Group	20-30	55	86%
	30-40	4	6%
	40-50	2	3%
	Above 50	3	5%
	Total	64	100%
Occupation	Government service	8	12.5%
	Private service	24	37.5%
	Self-employed and business	6	9%
	Student	24	38%
	Any other	2	3%
	Total	64	100%
Frequency of use	1-5	50	78%
	6-10	10	16%
	Above 10	4	6%
	Total	64	100%

Data was analyzed using SPSS Version 21. The hypotheses generated were tested using the regression analysis and the results presented in Figure 2.

Figure 2: Result of Regression Analysis



H1 stated that attitude toward Islamic financial technology is positively associated with consumer satisfaction. The result indicate that attitude toward Islamic financial technology insignificantly influences the consumer satisfaction ($\beta = 0,03$, $p = 0,49$). Thus H1 in this study was rejected. This result also supported by the study of ((Sarkar, Abhigyan; Sarkar (2017)), who also found that religion can be substitute with brand when brand value were in conflict and competition with religious values. (Butt & Aftab, 2013), also found that interpersonal religiosity fails significantly influence intention to choose halal products.

As shown in figure 2, consumer based brand equity has a positive and significant impact on consumer satisfaction with the value $\beta = 0,18$, $p < 0,01$. This result shows that H2 was supported. This finding indicates that consumer based brand equity serve as a heuristic to influence consumer satisfaction. The direct effect R-square value is 0,61, which means that the consumer based brand equity variable can explain the consumer satisfaction variant by 61%.

DISCUSSION

The purpose of this research is to propose and test a holistic model of attitude in using islamic financial technology. This study expands incorporating construct of attitude toward Islamic financial technology. This allows in settling debate on whether consumer's specific religious attitude can positively influence their assessment of a financial technology's functional performance such as satisfaction with online experience.

The first hypotheses of our research framework specifically failed to propose effect of attitude toward Islamic financial technology on consumer satisfaction. This may be due to not always consumer attitude toward Islamic financial technology could make consumers feel satisfied. Past studies also showed that religious characteristics insignificantly influence intention to choose halal product (Butt & Aftab, 2013). This finding indicate that companies should try to use another features of financial technology that in line with shariah law. In addition to compete in religious aspect, the financial technology companies should enrich their awareness, ideology, implementation and features. To create a strong effect attitude in using Islamic financial technology, it is neseccary to create brand community affiliations to increase the intention of use and so does the consumer satisfaction. The companies of Islamic financial technology are challenged to develop brand that would generate transcendent experiences richer than

religion. In order to increase consumer literacy, companies need to educate consumer in shariah law in financial context.

For the second hypothesis result indicate that consumer based brand equity significantly affect consumer satisfaction. It shows that the higher consumer based brand equity will increase customer satisfaction. Therefore this result supporting the general consensus among researchers that consumer based brand equity enhance their satisfaction with financial technology. This result also partially in line with (Nam et al., 2011) and (Pappu & Quester, 2006). In the context of this research, financial technology consumers are more concerned with brands rather than religious aspects. The practical implication of this research is importance for Islamic financial technology practitioners to improve consumer based brand equity. As mentioned by Farquhar (1989), in his research that high brand equity brings an opportunity for successful extensions, resilience against competitors' promotional pressures, and creation of barriers to competitive entry. Consumer based brand equity could be an instrument to assess their brand performance in each brand equity and specify firms marketing strategies. From manager point of view, marketing managers should focus on brand loyalty in order to increase brand equity (Torres, Augusto & Lisboa, 2015).

Limitation and future research directions

There are a couple of limitations related to our research to be considered for the generalization of the results. First, this study isn't consider the location of respondents therefore the results cannot be expected to explain overall attitude of Indonesian consumers toward Islamic financial technology. Second, the respondents of this study are limited because of the limited time and many people also unfamiliar with financial technology. It is also good if future research could consider a specific Islamic financial technology and its counterpart. This research also creates an opportunity for the future research by escalating the sample size to include a cross cities study.

CONCLUSION

The focus of this study is to gain insight into the consumer attitude and marketing driven factor in the online financial technology context. Suitable hypothesis were formulated and tested in order to gauge the variations in the dimensions of consumer attitude toward Islamic financial technology. The major findings of the hypothesis are mentioned below.

The result indicate that attitude toward Islamic financial technology insignificantly enhance the consumer satisfaction. This suggest that manager should think another marketing strategy to optimize consumer satisfaction and combine religious specific attitude with another marketing driven factor.

The result of the present study showed that consumer based brand equity can be used to improve consumer satisfaction. Thus, marketers have to keep this mind when promoting their Islamic financial technology while at the same time incorporating the element of consumer based brand equity in their promotional campaigns.

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