The Influence of Lifestyle, Financial Literacy and Locus of Control on the Use of Peer To Peer Lending Post Covid-19

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Abstract
This research aims to determine the influence of lifestyle, financial literacy and locus of control on the use of peer to peer lending after Covid-19. This research is research with a quantitative approach and the data used is primary data. The population in this study is the millennial generation who have used peer to peer lending in Luwu district with a sample size of 60 respondents. The data analysis method used is multiple linear regression analysis, then the data obtained is processed using SPSS 25. The results of this research show that the influence of lifestyle (X1) has a positive and significant effect on the use of peer to peer lending (Y) and financial literacy (X2) has a positive effect. and significant on the use of peer to peer lending (Y) and locus of control (X3) has a positive but not significant effect on the use of peer to peer lending (Y).

Keywords: Fintech; Lifestyle; Financial Management; Locus Of Control

1. Introduction

The millennial generation is a generation that has many advances and technological developments. One of the technological developments in the millennial generation is the existence of cellular telephones (cell phones) or what are usually called gadgets. The position of gadgets equipped with the internet in this millennial generation influences a person's character and behavior, some change to become more creative and some change into someone who always wants to look attractive on social media , showing off the goods they buy or the places they visit. come. The lifestyle of this millennial generation is where people prefer to receive praise in cyberspace. The millennial lifestyle has a desire for effective financial solutions and is fulfilled through peer to peer lending which offers loans with fast access and less complicated application procedures. Therefore, the reason why the millennial generation wants to use peer to peer lending is because most of the millennial generation are faced with loans, such as education loans, loans for living needs, business capital loans and even loans for their lifestyle desires which may require fast funds. It is hoped that the millennial generation will first understand financial concepts and how to manage their finances before making decisions.

At the beginning of 2020, the spread of *Covid-19* or *Corona Virus* spread to various countries, including Indonesia . Because of this problem, a person's social behavior patterns change when facing new situations and obstacles, especially in cyberspace [1]. There are technological advances that facilitate everyone's ability to carry out any task . Especially in the millennial era, technology is progressing very rapidly, especially digital technology [2]. This progress is marked by the existence of financial technology (fintech) which makes it easier for people to carry out digital financial transactions anywhere and feels more efficient [3]. Because of its practical and efficient value, fintech continues to be developed and innovated. There are six business models currently developing, namely payments, wealth management, *crowdfunding* , *Peer to Peer* (P2P) *lending* , capital markets, and insurance services. This research will discuss *Peer to Peer* (P2P) *lending* . *Peer to Peer* (P2P) lending is one of the innovations and trends in fintech [4] .

Peer *to Peer* (P2P) *lending* is an online platform where borrowers submit online loan requests, then private lenders offer funds or provide the funds requested [5]. In the post-covid-19 era, people are accustomed to using technology to make life easier, one of which is when making loans. Through *peer to peer lending*, it makes it easier for people who want to get loans quickly without having to provide collateral and without having to apply for credit to the bank, just by using the system provided on the platform [6]. Because the process of using and disbursing funds is quite easy, it can be used anywhere and at any time, making it possible for everyone to use *peer to peer lending* to apply for loans. However, sometimes loan applications are made just for lifestyle , not for needs.

After Covid-19, people's lifestyle patterns have changed. One of the most significant social changes in people's lives is a more consumerist lifestyle [7]. Especially the millennial generation who may be caught up in the demands of their dynamic lifestyle and online shopping habits by taking advantage of the ease of applying for loans at *Peer to Peer Lending* . The younger generation must consider funding decisions and good financial management in the future because of the increasingly diverse needs that can trigger consumer behavior [8].

Having good financial knowledge will make it easier for someone to manage their finances. Even though their finances are limited, with financial knowledge or financial literacy, the millennial generation is expected to be able to manage their finances as optimally as possible in order to achieve healthy finances [9]. The role of financial literacy in financial conditions is very important. Knowledge about debt, high interest rates in online loans, loan terms, and other aspects are also important things to have [10].

Apart from that, the use of *Peer to Peer Lending* is also influenced by *locus of control* , namely the extent to which a person feels confident about the source of the cause of an event that occurs in his life, success or failure, if it can still be controlled by his own behavior (internal factors) or all events that come from him (external factors) [11]. Low *locus of control* when using *Peer to Peer Lending* can be seen from the high default rate [12]. The younger generation or millennial generation is more at risk of default because their sources of income are still limited and most depend on gifts from their parents [8].

Several previous studies that examined the variables that influence the use of *peer to peer lending* have produced various research findings. According to [13] financial literacy, *locus of control* and lifestyle influence the financial behavior of peer to peer lending users in the city of Surabaya. In other research conducted by [14]financial literacy has a positive and significant influence on the use of fintech *peer to peer lending* and *locus of control* has no influence on the use of fintech *peer to peer lending* , whereas in research by [15] financial literacy has an effect positive and not significant on the intention to use *peer to peer lending services* . Based on research conducted [12] it shows that lifestyle has a significant influence on the use of *peer to peer lending.*

Formulation of the problem

Based on the background above, the problem formulation in this research is as follows:

1. Does lifestyle influence the use of *peer to peer lending* in the millennial generation?
2. Does financial literacy influence the use of *peer to peer lending* in the millennial generation?
3. Does *locus of control* influence the use of *peer to peer lending* in the millennial generation?

Research purposes

In accordance with the problems above, the objectives of this research are as follows:

1. To examine the influence of lifestyle on the use of *peer to peer lending* in the millennial generation.
2. To examine the influence of financial literacy on the use of *peer to peer lending* to the millennial generation.
3. To test the influence *of locus of control* on the use of *peer to peer lending* to the millennial generation.

2. Methodology

In this research, researchers used quantitative research methods obtained from questionnaires distributed to respondents, namely the millennial generation in Luwu district. The statements in the questionnaire are formed with variables measured using a Likert scale, namely Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), and Strongly Disagree (1).

Population and sample

The population in this study is the millennial generation who have used *peer to peer lending services* and live in Luwu district. The technique used in sampling is *probability sampling* , namely a method of selecting samples by giving equal opportunities to sample members. The sampling method used in this research is *stratified random sampling* , namely a sampling method from members of the population that is not homogeneous or stratified, because the population size is not known with certainty, the research sample is used using a *multivariate method* by multiplying 5 by the number of indicators [16] [17]. In this study, the number of indicators was 12, so based on the calculations obtained for this study there were 60 respondents.

Data collection

The main data used in this research is the distribution of questionnaires using *Google Form* to the millennial generation who live in Luwu Regency. In collecting data in this study, a questionnaire was used by giving a set of statements to respondents which were measured using a Likert scale.

Data analysis technique

The data analysis technique used in this research is instrument analysis, namely validity test, reliability test, multiple linear regression test, t test and f test. Data analysis was carried out using the SPSS version 25 application. The influence of the independent variable on the dependent variable was tested with a confidence level of 95% or α = 5%. The regression model used is as follows:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

Information:

Y = *Peer To Peer Lending*

X_1 = Lifestyle

X_2 = Financial Literacy

X_3 = *Locus Of Control*

β = Regression Coefficient

e = Standard Error

3. Result and Discussion

3.1. Result

Variable	Items	R_{Count}	R_{Table}	Information
Lifestyle (X1)	X1.1	0.883	0.254	Valid
	X1.2	0.877	0.254	Valid
	X1.3	0.819	0.254	Valid
	X1.4	0.926	0.254	Valid
	X1.5	0.865	0.254	Valid
	X1.6	0.893	0.254	Valid
	X1.7	0.896	0.254	Valid
	X1.8	0.859	0.254	Valid
	X1. 9	0.873	0.254	Valid
Financial Literacy (X2)	X2.1	0.866	0.254	Valid
	X2.2	0.885	0.254	Valid
	X2.3	0.877	0.254	Valid
	X2.4	0.821	0.254	Valid
	X2.5	0.895	0.254	Valid
	X2.6	0.878	0.254	Valid
	X2.7	0.884	0.254	Valid
	X2.8	0.837	0.254	Valid
	X2.9	0,899	0.254	Valid
	X2.10	0.879	0.254	Valid
	X2.11	0.874	0.254	Valid
	X2.12	0.878	0.254	Valid
Locus Of Control (X3)				
	X3.1	0.897	0.254	Valid
	X3.2	0.906	0.254	Valid
	X3.3	0.898	0.254	Valid
	X3.4	0.837	0.254	Valid
	X3.5	0.906	0.254	Valid
	X3.6	0.888	0.254	Valid
	Y.1	0.813	0.254	Valid
	Y.2	0.836	0.254	Valid
	Y.3	0.880	0.254	Valid

Use of Peer To Peer Lending (Y)	Y.4	0.912	0.254	Valid
	Y.5	0,900	0.254	Valid
	Y.6	0.867	0.254	Valid
	Y.7	0.877	0.254	Valid
	Y.8	0.901	0.254	Valid
	Y.9	0.843	0.254	Valid

Source: Processed using SPSS, 2024

Based on the validity test results above, it shows that all statement instruments tested based on the SPSS 25 application were declared valid because the $_{\text{calculated R value}}$ > R $_{\text{table.}}$

Test reliability

Table 2. Reliability test

Variable	*Cronbach's Alpha*	Reliable Limits	Information
Lifestyle (X1)	0.962	0.60	Reliable
Financial Literacy (X2)	0.971	0.60	Reliable
Locus Of Control (X3)	0.944	0.60	Reliable
Use of Peer To Peer Lending (Y)	0.959	0.60	Reliable

Source: Processed using SPSS, 2024

A variable is said to be reliable if *the Cronbach's alpha value* is > 0.60 . From the results of the reliability test above, it shows that all variables are declared reliable because the *Cronbach's alpha value* is > 0.60 .

Test multiple linear regression analysis

Table 3. Multiple linear regression

Coefficients [a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,606	2,911		,208	,836
	LIFESTYLE	,290	,084	,353	3,440	,001
	FINANCIAL LITERACY	,375	,163	,440	2,301	,025
	LOCUS OF CONTROL	,263	,260	,158	1,011	,316

a. Dependent Variable: USE OF PEER TO PEER LANDING

Source: Processed using SPSS, 2024

The regression equation coefficients are seen in column B or unstandardized coefficients, then the regression equation is as follows:

$Y = 0.606 + 0.290X_1 + 0.375X_2 + 0.263X_3 + 2.911$

a. The constant value or b_0 of 0.606 states that every additional unit of lifestyle , financial literacy and *locus of control* will influence the amount of use of *peer to peer lending* by 0.606.

b. lifestyle coefficient B1 of 0.290 states that every additional unit of lifestyle will increase the amount of use of peer to peer lending by 0.290.
c. The financial literacy coefficient B2 of 0.375 states that every additional unit of financial literacy will increase the amount of use of peer to peer lending by 0.375.
d. The locus of control coefficient B_3 is 0.263, indicating that every additional unit of locus of control will increase the amount of use of peer to peer lending by 0.263.

T test (partial)

Table 4. T test

Variable	T_{Count}	T_{Table}	Sig.
Lifestyle	3.440	2.003	0.001
Financial Literacy	2.301	2.003	0.025
Locus Of Control	1,011	2.003	0.316

Source: Processed using SPSS, 2024

Based on table 4 above, the following conclusions can be drawn:

a. Hypothesis test (H1)

The influence of lifestyle (X1) on the use of peer to peer lending (Y) is stated to be influential where $t_{=}$ 3,440 > t_{table} = 2,003 with a significance of 0.001 < 0.05, thus the hypothesis is accepted.

b. Hypothesis test (H2)

The influence of financial literacy (X2) on the use of peer to peer lending (Y) is stated to be influential where $t_{=}$ 2.301 > t_{table} = 2.003 with a significance of 0.025 < 0.05, thus the hypothesis is accepted.

c. Hypothesis test (H3)

The influence of locus of control (X3) on the use of peer to peer lending (Y) is stated to have no effect where $t_{=}$ 1.011 < t_{table} = 2.003 with a significance of 0.316 > 0.05, thus the hypothesis is rejected.

F test (simultaneous)

Table 5. f test

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3949.154	3	1316.385	66,502	,000 [b]
	Residual	1108.496	56	19,795		
	Total	5057.650	59			

a. Dependent Variable: USE OF PEER TO PEER LANDING

b. Predictors: (Constant), LOCUS OF CONTROL, LIFESTYLE, FINANCIAL LITERACY

Source: Processed using SPSS, 2024

Based on the f test results table above, it can be seen from the significant value of 0.000 < 0.05 and calculated f = 66.502 > 2.540. This means that it can be concluded that lifestyle (X1), financial literacy (X2), and locus of control (X3) have a significant and joint influence on the use of peer to peer lending (Y).

Determination Test

Table 6. Determination test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,884 [a]	,781	,769	4.44911

a. Predictors: (Constant), LOCUS OF CONTROL, LIFESTYLE, FINANCIAL LITERACY

Source: Processed using SPSS, 2024

Based on the results of the determination test, it is known that the R square value is 0.781 or equal to 78.1 % . This means that the influence of lifestyle variables (X_1), financial literacy (X_2), locus of control (X_3) on the variable use of peer to peer lending (Y) while the remaining 21.9 % is influenced by other variables not included in the research.

3.2. Discussion

The results of research on the lifestyle variable (X_1) state that the significance value obtained is 0.001 < 0.05 . So it can be concluded that lifestyle (X_1) has a significant influence on the variable use of peer to peer lending (Y). This shows that the direct contribution of lifestyle variables to the use of peer to peer lending is very related. This research is in accordance with the views of *Social Cognitive Theory* , which is used to support discussions about lifestyle in responding *to peer to peer lending. Social Cognitive Theory* describes a model of human agency in which individuals actively self-reflect, self-measure, and self-regulate. The results of this research are supported by research conducted by [13]which states that lifestyle has an influence on the use of peer to peer lending.

The results of research on the financial literacy variable (X_2) state that the significance value obtained is 0.025 < 0.05 . So it can be concluded that financial literacy (X_2) has a significant influence on the variable use of peer to peer lending (Y). This shows that the more the millennial generation understands the importance of financial literacy, the better their financial management will be . The results of this research are supported by research conducted by [15]which states that financial literacy has a positive and significant influence on the use of peer to peer lending. This is also in line with *the Theory of Planned Behavior* (TBP) which explains that the higher the motivation and strong interest, the higher a person's level of financial literacy, the wiser they will make decisions in managing that person's personal finances and achieving effective goals.

Based on the research results above, it is known that the locus of control variable (X3) has a significance value of 0.316 > 0.05 . So it can be concluded that locus of control has no influence on the use of peer to peer lending. Whether or not a locus of control is applied by the millennial generation in this research does not have an influence on the use of peer to peer lending. This is because self-awareness or external influences such as the Covid-19 pandemic are not the main reasons for using peer to peer lending. This research is in line with research conducted by [14]which states that locus of control has no influence on the use of peer to peer lending.

4. Conclusion

Based on research that has been conducted using multiple linear regression analysis, it shows that there is an influence between lifestyle variables and financial literacy on the use of peer to peer lending which obtains a significant value greater than the t-table value. However, this research failed to find any influence between the locus of control variable on the use of peer to peer lending after Covid-19. This research is in line with research conducted by [13]which states that the variables of financial literacy, locus of control and lifestyle have an influence on the use of peer to peer lending. Meanwhile, research conducted by [14] states that locus of control has no effect on the use of peer to peer lending.

In this research there are still many limitations, where the research was only conducted on the millennial generation in the Luwu district area. For further research, it would be better to expand the research area and also add samples and research variables apart from lifestyle, financial literacy and locus of control regarding the use of peer to peer lending.

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