

## The Influence of Investment Knowledge, Information Technology Advancement, and Capital Market Literacy on the Increase of Investment Interest in the Capital Market

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### Abstract

This study aims to determine the effect of investment knowledge of information technology advances and capital market literacy on increasing interest in investing in the capital market. Methods of data collection using a questionnaire. This study used a sample of 46 students registered as investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University. The analysis method of the coefficient of determination and the f-test with the help of the SPSS version 26 application. The results of this study indicate that (1) Investment knowledge has a positive and significant effect on the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. (2) Advances in information technology have a positive and significant effect on the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. (3) Capital market literacy has a positive and significant effect on interest in investing in the capital market for students of the Faculty of Economics and Business, Halu Oleo University. The conclusion in this study is that investment knowledge of information technology advances and capital market literacy has a positive and significant effect on interest in investing in the capital market in students of the Faculty of Economics and Business.

**Keywords:** *Capital Market Literacy, Information Technology, Investment Knowledge.*

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### INTRODUCTION

Information technology has developed very rapidly in various countries including in Indonesia. This can be seen from the number of companies that grow by utilizing the development of information technology. Even amid the Covid-19 pandemic, the number of Indonesian Capital Market investors continues to increase rapidly. The number of Indonesian Capital Market investors listed in KSEI as of December 29, 2020 increased by more than 50% to 3,871,248 from 2,484,354 at the end of 2019.

Investment is an activity to save funds or money in a certain period with the hope that it will experience an increase or loss in investment value. Lately, investment has become a familiar thing and the rapid development of technology has also become a familiar thing and very rapid technological developments are also a driving factor for investment activities to be more flexible and easier

In the Theory of Planned Behavior, it is also explained that behavioral intention is not only influenced by attitudes towards behavior and subjective norms, but also influenced by perceived behavioral control). For example, by attending training and seminars on investment, receiving investment offers well, and ultimately investing (Kusmawati, 2011).

Regionally, Southeast Sulawesi also experienced an increase in the number of investors based on data published by the Head of the Representative Office of the Indonesia Stock Exchange (IDX) Southeast Sulawesi. At the end of 2021, there was an increase in the number of new investors in Southeast Sulawesi by 118.2% of the total investors in 2020.

Of the total 13,323 investors as of 2021, there are 8,817 investors under the age of 30. This indicates that the awareness of young people in investing in shares in Southeast Sulawesi is quite large, which is around 66.1% of the total existing investors. The value of stock assets owned by investors in Southeast Sulawesi reached 189 billion and 20 billion of them were owned by Millennials in Southeast Sulawesi.

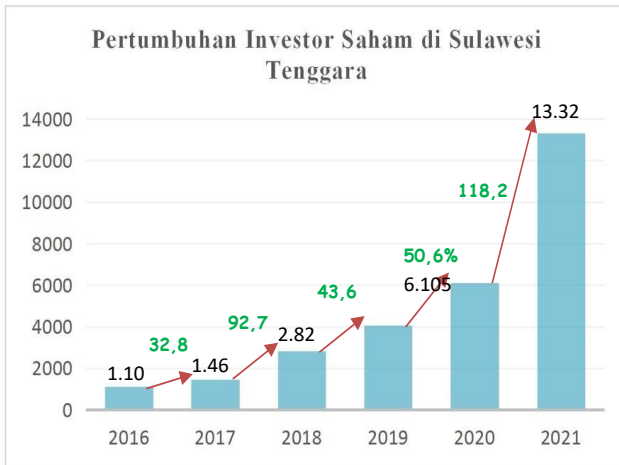


Figure 1. The Growth of Investors in Southeast Sulawesi

The increase in the number of new investors in the capital market is certainly inseparable from the efforts made by IDX which intensively conducts capital market education and seminar activities, socialization and workshops *go public* as well as the establishment of a new Investment Gallery. This activity aims to motivate, educate, and develop the capital market industry, as well as increase the number of new investors with the target of segmenting the younger generation, such as students, students, and also young employees.

Investment knowledge affects the interest in investing in the capital market. Similarly, research conducted by Deviyanti et al (2017), which states that financial literacy has a positive and significant effect on students' interest in investing in stocks in the capital market. In contrast to the results of research conducted by Malik (2017) which states that knowledge does not affect investment considerations. The results of research conducted by Erika, C. (2020) show that financial literacy has a negative and significant effect on stock investment interest.

Based on the results of observations and interview surveys conducted by researchers on 31 students of the class of 2019 Faculty of Economics and Business, Halu Oleo University. The results of pre-research observations found that 65.6% had an interest in investing in the capital market while the remaining 34.4% stated that they had no interest in investing in the capital market where in the Accounting Department several students had an interest in investing in the Capital Market, but in contrast to one of the Accounting students named Maisha Eki Cahyani who thought that she did not have enough knowledge about investing in the Capital Market. However, the opinions

of Accounting students who have an interest in investing are supported by the opinions of several students of the Department of Management and IESP. Based on the phenomenon and results of previous studies that have not shown consistent results so further research is still needed. Therefore, researchers are interested in conducting a research entitled "The Effect of Investment Knowledge, Information Technology Advances, and Capital Market Literacy on Increasing Interest in Investing in the Capital Market".

## THEORY

The theory of Reasoned Action explains behavior or actions carried out by individuals and influenced by the desire to do or not perform a certain action. A person's behavior and attitude can undergo changes based on the results of behavioral intentions. This desire is influenced by two independent variables, namely, subjective norms which are individual beliefs in normal behavior that can be accepted in the community, while behavior (attitude towards behavior) is behavior based on individual beliefs in the behavior.

This Theory of Reasoned Action (TRA) can be applied to consumer behavior. One example is the behavior of buyers who want to buy goods will be influenced by intentions, attitudes about behavior, and subjective norms of the buyer (Dhammeta, 2000). This theory explains that attitudes influence behavior through a careful decision-making process and have reasons, and affect several things, namely: (1) behavior not only affects in general attitudes but with a more detailed attitude to an object, (2) not only influenced by attitudes about behavior but also influenced by attitudes about behavior is also influenced by subjective norms, namely beliefs about others want to do something, and (3) attitudes and behavior along with subjective norms form an intention to behave.

## Investment Interest

Interest relates to feelings of liking and pleasure towards an object of a person. As stated by Slameto (2003) interest is a sense of liking and a sense of attachment to something or activity, without anyone telling you to. Interest is basically the acceptance of a relationship between oneself and something outside oneself. The stronger or closer the relationship, the greater the interest. Someone who has an interest in investing is likely to take actions or activities that achieve the desire to invest.

### Capital Market

The capital market is a means to meet companies and other institutions (government, etc.) that need funds from the community to develop businesses, expand, increase working capital, and so on, with people who want to invest their funds. Companies or institutions that need funds must issue shares or debt securities and later investors will buy these instruments on the Indonesia Stock Exchange (PT Bursa Efek Indonesia, 2018). According to the Capital Market Law No. 8 of 1995 concerning Capital Market, it defines "Capital market as activities related to public offerings and trading of securities, public companies related to the securities they issue, as well as institutions and professions related to securities".

According to (Tjipto and Fakhruddin, 2001) the benefits of the capital market are:

1. Provide long-term sources of financing for companies while enabling optimal allocation of business funds
2. Providing *leading indicators* for the country's *economic* trends
3. The spread of ownership openness creates a healthy corporate climate and encourages the use of professional management.
4. Creating attractive jobs and professions

Alternative investments that provide potential profits with calculated risks through openness, liquidity, and investment diversification.

### Investment Knowledge

Knowledge is the power of human thought that is consciously and tangibly in his brain. This results in a representation, perception, and concept of all things received through the five senses (Darmawan *et al.*, 2019). Knowledge can also be gained from knowledge due to experience and scientific knowledge. Knowledge is the result of curiosity generated through sensory processes (especially the eyes and ears of a particular object). Meanwhile, according to Donsu (2017), Knowledge is the result of curiosity generated through sensory processes (especially the eyes and ears of certain objects). Knowledge is an important field for the formation of open behavior.

Sadoro (2012) factors that can be used as a benchmark in determining the level of investment include: as follows:

1. The level of profit that has been predicted to be given
2. Dude Tribe

3. Predictions of the economy in the future
4. Technology Development
5. National income level
6. Results obtained on the company

### Advances in Information Technology

Information technology is a field of technology management that is not limited to processes, computer devices, programming languages, and construction data, but everything that contains data, information, and any visual knowledge through a distribution mechanism through a multimedia distribution mechanism Suryana (2012). Information technology has an important role, namely being able to reduce the role of humans, strengthening the role of humans, restructuring the role of humans, and business competition (Purba *et al.*, 2020). With the existence of information technology, all activities become easier and more efficient, including in terms of investment activities.

According to Agestina (2020) suggests that the indicators in the advancement of information technology are as follows:

1. Knowledge of Technological Progress is a supporting facility that can provide benefits and convenience, especially for investing in the capital market, due to the support of applications launched by Yusuf Securities Companies (2019).
2. Transaction Knowledge and in the capital market, the capital market is an event that can be used as a place or means of meeting demand and supply for long-term financial instruments, generally more than 1 (one year). The law defines the capital market as "Activities concerned with the public offering and trading of securities, public companies related to the securities they issue, and institutions and professions related to securities". (Samsul, 2006).
3. Understanding the Trading System is the application of using technological advances, especially in the field of capital markets to facilitate buying and selling offers transactions in the capital market (Joseph, 2019).

### Capital Market Literacy

Literacy has a very broad meaning, bias means technological literacy, political literacy, critical thinking, and sensitivity to the surrounding environment. Literacy is a person's ability to use written or printed information to develop knowledge so as to bring benefits to society. Capital Market Literacy

which is part of financial literacy is financial knowledge and the ability to apply it or knowledge and ability. Financial literacy as the ability to understand knowledge and skills in managing financial resources to achieve prosperity.

**Hypothesis**

- H1: Investment knowledge affects the increase in interest in investing in the Capital Market
- H2: Advances in Information Technology affect the increase in interest in investing in the Capital Market.
- H3: Capital Market Literacy affects the increase in interest in investing in the Capital Market.
- H4: Investment knowledge, advances in information technology and capital market literacy simultaneously affect the increase in interest in investing in the Capital Market.

**METHODS**

The location in this study will be conducted on students at the Faculty of Economics & Business, Halu Oleo University. The object of this research is active students of the Faculty of Economics & Business. The population in this study is active students of the Faculty of Economics and Business, Halu Oleo University and who have been registered as investors in the Investment Gallery of the Faculty of Economics and Business, which is 46 student investors based on data obtained

from the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University. The sampling technique used in this study is nonprobability sampling or snowball sampling. The data collection methods conducted in this study are: (1) Questionnaire (2) Interview.

The data analysis methods used in this analysis are (1) Presentation of descriptive statistical data using tables, graphs, pie charts, pictograms, mode calculations, medians, mean, decile calculations, percentiles, data distribution calculations through average and standard deviation calculations, and percentage calculations (Sugiono, 2012). (2) Multiple linear regression analysis is aimed at determining the linear relationship between independent variables, namely investment knowledge, advances in information technology, and capital market literacy to the dependent variable, namely increased interest in investing in the capital market.

**RESULTS AND DISCUSSION**

The regression analysis method is used in the research data to determine whether there is an influence between the independent variable and the dependent variable. Based on data processing with the SPSS program version 26, data is obtained as stated in the table.

Table 1. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1,146	,667		-1,719	,093		
X1	,565	,193	,412	2,930	,005	,469	2,134
X2	,282	,134	,231	2,105	,041	,768	1,301
X3	,387	,171	,295	2,267	,029	,545	1,833

a. Dependent Variable: Y1

Source: Primary Data Processed in 2023

Based on Table 1 of the results obtained from the regression coefficient, a regression equation can be made as follows:

$$Y = - 1.146 + 0.565X_1 + 0.282X_2 + 0.387X_3 + e$$

From the results of the multiple regression equation above can be analyzed with the following statement:

The constant value is (-1.146), which means that if the independent variables, namely Investment Knowledge, Information Technology Progress and Capital Market Literacy have a constant value or equal to zero, then the value of Interest in Investing is (-1.146).

The regression coefficient for the Investment Knowledge variable is 0.565 which can be interpreted

as Investment Knowledge has a positive effect on Investment Interest. This shows that if the Investment Knowledge variable is increased by 1 unit while the other independent variables are assumed to be constant, it will cause an increase in Investment Interest in student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University by 0.565 units.

The regression coefficient for the variable Information Technology Progress is 0.282 which can be interpreted as Information Technology Progress has a positive effect on investment interest. This shows that if the financial literacy variable increases by 1 unit and the other independent variables are assumed to be constant, it will cause an increase in investment interest in student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University by 0.282 units.

The regression coefficient for the Capital Market Literacy variable is 0.387 which can be interpreted as Capital Market Literacy has a positive effect on Investment Interest. This shows that if the Capital Market Literacy variable is increased by 1 unit while the other independent variables are assumed to be constant, it will cause an increase in Interest in Investing in student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University by 0.387 units.

Table 1 shows that the calculated value for the Investment Knowledge variable is 2.930 > from the table which is 2.018 and with a significance level of  $0.005 < 0.05$ , then the test results can be concluded that H1 is accepted and H0 is rejected. This means that the Investment Knowledge of student investors in investing in shares on the stock exchange has a significant partial effect on the Investment Interest of student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University.

Table 1 shows that the calculated value for the Information Technology Progress variable is 2.105 > from the table which is 2.018 or with a significance level of  $0.041 < 0.05$ , then the test results can be concluded that H2 is accepted or H0 is rejected. This means that the advancement of Information Technology has a significant partial effect on the investment interest of student investors in the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University.

Table 1 shows that the calculated value for the Information Technology Progress variable is 2.267 > from the table which is 2.018 or with a significance level of  $0.029 < 0.05$ , then the test results can be concluded that H3 is accepted or H0 is rejected. This means that Capital Market Literacy has a significant partial effect on the Investment Interest of student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University.

Table 2. Summary of t-test, F-test, and Coefficient of Determination Results.

Equation							
Variabel	t <sub>count</sub>	t <sub>tabel</sub>	Sig.	F <sub>count</sub>	F <sub>tabel</sub>	Sig.	R.Square
X1	2,930	2,018	0,005	21,966	2,83	0,000	0,611
X2	2,105	2,018	0,041				
X3	2,267	2,018	0,029				

Source: Primary Data Processed in 2023

Table 1 shows that the calculated value of 21.966 > from the f table value of 2.83 or with a significance level of f of  $0.000 < \alpha = 0.05$ , it can be concluded that H3 is accepted or H0 is rejected. This means that all independent variables, namely Investment Knowledge, Information Technology Advancement, and Capital Market Literacy, simultaneously affect Investing Interest in student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University.

Table 2 shows that magnitude R2 (R-Square) = 0.611. This shows that the magnitude of the direct influence of Investment Knowledge variables, Information Technology Advances, and Capital Market Literacy on the Investment Interest of student investors at the Investment Gallery of the Faculty of Economics and Business, Halu Oleo University is 61.1%. This means that there is another variable or epsilon variable ( $\epsilon$ ) of 38.9% that affects variable Y, but is explained by a variable that is not studied.



## DISCUSSION

### The Influence of Investment Knowledge on Interest in Investing in the Capital Market

The results of this study are supported by the Theory of Reasoned (TRA). Knowledge of investment is very important for investors, especially novice investors among students. Before doing at least must have basic knowledge that will make it easier for investors to maximize profits and minimize losses when investing and so on. As a novice investor who just wants to jump into investing, knowledge is the foundation as well as capital to join the world of stock investment in the capital market.

### The Influence of Information Technology Advances on Interest in Investing in the Capital Market

The results show that advances in information technology that affect the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. The variable of information technology progress has a positive and significant influence on the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. This interprets that if there is an increase in the variable of information technology progress, the variable of interest in investing in the capital market in students will also increase, on the contrary, if there is a decrease in the variable of information technology progress will also decrease.

### The Effect of Capital Market Literacy on Interest in Investing in the Capital Market

The results show that capital market literacy affects the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. Capital market literacy variables have a positive and significant influence on the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. This interprets that if there is an increase in the capital market literacy variable, the variable interest in investing in the capital market in students will also increase, on the other hand, if there is a decrease in the capital market literacy variable, it will also decrease.

## CONCLUSION

Based on the data obtained and the results of the analysis that has been carried out, conclusions can be drawn in accordance with the hypothesis that has been formulated previously, namely, Investment knowledge

affects the interest in investing in the capital market in students of the Faculty of Economics and Business, the influence shows a positive direction.

Advances in Information Technology affect the interest in investing in the capital market in students of the Faculty of Economics and Business, the influence shows a positive direction.

Capital Market Literacy affects the interest in investing in the capital market in students of the Faculty of Economics and Business, its influence shows a positive direction.

Investment Knowledge, advances in information technology and capital market literacy simultaneously affect the interest in investing in the capital market in students of the Faculty of Economics and Business, Halu Oleo University. Its influence points in a positive direction.

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