

PROCEEDINGS

The 1st ICSH 2019

International Conference on Social Sciences & Humanities

**Surabaya, Indonesia
03–05 October 2019**



edp sciences

**IRCS, Petra Christian University, Indonesia and
SHS – Web of Conferences, EDP Sciences, France**
April, 2020

CONFERENCE PROGRAM

OCTOBER 3-5, 2019
SURABAYA, INDONESIA

2019 The 1th
International Conference on Social
Sciences and Humanity
(ICSH 2019)

**THE OPENING ADDRESS OF
ICSH HEAD OF THE COMMITTEE
PETRA CHRISTIAN UNIVERSITY**

Distinguished Guests, Ladies and Gentlemen,

It is a great pleasure and honor for me to welcome all of you to the International Conference on Social Sciences and Humanities (ICSH) 2019. We feel exceptionally blessed to get a good response from many participants who have such a great concern about the various and vast topics covering issues from creative industry to political communication.

As a new seminar, we realize that we are still trying to settle with the conference format. Our website is also still in the making, it is in need of more hands to make it more informative, interesting, and representative to the university's standing. This fact compels us to regroup and redesign ICSH as soon as this conference is over. Of course, we need to do this for the sake of both the academic and professional benefits.

The understanding of the increasing roles social sciences and humanities helps us predict what contributions we, as social sciences and humanities scholars, may give to the future of civilization. Therefore, in line with this, Institute of Research and Community Service, Petra Christian University is highly motivated to invite scholars to exchange ideas and experiences on these issues. I do hope that this conference will lead us to better thoughts and wider perspectives.

On behalf of Petra Christian University, Surabaya I would like to thank our keynote speakers and paper presenters for sharing their ideas. I would also like to thank other participants coming from various institutions to join this conference. I wish you a successful and fruitful conference.

Thank you.

ICSH Conference Committee

Organizing Committee

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Ribut Basuki (Petra Christian University, Indonesia).

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Priska Febrinia Handojo (Petra Christian University, Indonesia).

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Instructions for Oral & Poster Presentations

Oral Presentations

- **Timing:** a maximum of 15 minutes total, including speaking time and discussion. Please make sure your presentation is well timed. Please keep in mind that the program is full and that the speaker after you would like their allocated time available to them.
- You can use CD or USB flash drive (memory stick), make sure you scanned viruses in your own computer.
- Each speaker is required to meet her / his session chair in the corresponding session rooms 10 minutes before the session starts and copy the slide file (PPT or PDF) to the computer.
- It is suggested that you email a copy of your presentation to your personal in box as a backup. If for some reason the files can't be accessed from your flash drive, you will be able to download them to the computer from your email.
- Please note that each session room will be equipped with a LCD projector, screen, point device, microphone, and a laptop with general presentation software such as Microsoft Power Point and Adobe Reader. Please make sure that your files are compatible and readable with our operation system by using commonly used fronts and symbols. If you plan to use your own computer, please try the connection and make sure it works before your presentation.

Conference Schedule

Day 1, Thursday, October 3, 2019	
14:00-16:00	Arrival Registration at the Petra Christian University Venue: Café Hotel Management
Day 2, Friday, October 4, 2019 Keynote Speeches Room: Q Amphitheatre	
08:00-09:00	Registration + Coffee Break
09:00-09:10	Opening Prayer
09:10-09:20	Indonesia Raya and Hymne Petra
09:20-09:40	Opening Ceremony Dr. Zeplin Jiwa Husada Tarigan (Conference Chairs) Dr. Jenny Mochtar (Vice Rector Academic, Petra Christian University)
09:40-10:25	Speech 1 <i>Speech Title: Supply Chain and Logistic Management: Future Research Opportunities</i> Ferry Jie, Ph. D (School of Business and Law Edith Cowan University in Western, Australia)
10:25-11:20	Speech 2 <i>Speech Title: Challenges in Quality Assurance: A Ten-Year Journey</i> Dr. Jenny Mochtar (Vice Rector Academic, Petra Christian University)
11:20-13:00	GROUP PHOTO AND LUNCH
Afternoon Parallel Sessions	
13:00-15:30	(Room Q Amphitheatre) Parallel Session 1 (Moderator: Ferry Jie, Ph. D) Presentation Papers: ICSH-05; ICSH-08; ICSH-51b; ICSH-36; ICSH-34; ICSH-45; ICSH-38b; ICSH-42; ICSH-33; ICSH-46
13:00-15:30	(Room Q 406A) Parallel Session 2 (Dr. Jenny Mochtar/ Dr. Hotlan Siagian) Presentation Papers: ICSH-39; ICSH-37; ICSH-15; ICSH-41; ICSH-18; ICSH-53; ICSH-19; ICSH-06; ICSH-43; ICSH-13; ICSH-49
15:30-16:00	Coffee

Day 3, Saturday, October 5, 2019
Keynote Speeches
Room: Q Amphitheatre

08:00-08:25	Registration
08:25-08:30	Opening Prayer
08:30-09:10	Speech 1 <i>Speech Title: The Role and Importance of Knowledge Economy as Platform for Formation of Industry 4.0</i> Maizirwan Mel, Ph. D (International Islamic University, Malaysia)
09:10-10:50	Speech 2 <i>Speech Title: The Use of Dramatic Theater in BIPA Classes: A Case in Petra Christian University, Surabaya</i> Dr. Ribut Basuki (Director of Institute for Research and Community Services, Petra Christian University)
10:50-11:05	GROUP PHOTO AND COFFEE BREAK
11:05-12:15	(Room Q Amphitheatre) Parallel Session 3 (Maizirwan Mel, Ph.D) Presentation Papers: ICSH-30; ICSH-40; ICSH-20; ICSH-48; ICSH-32
12:00-12:15	(Room Q 406A) Parallel Session 4 (Dr. Ribut Basuki) Presentation Papers: ICSH-31; ICSH-29; ICSH-22; ICSH-16; ICSH-28; ICSH-04
12:00-12:15	(Room Q 406B) Parallel Session 5 (Dr. Hotlan Siagian) Presentation Papers: ICSH-10; ICSH-47; ICSH-14; ICSH-09; ICSH-07; ICSH-26
Afternoon Parallel Sessions	
13:30-15:30	(Room Q Amphitheatre) Parallel Session 6 (Maizirwan Mel, Ph.D) Presentation Papers: ICSH-35; ICSH-27; ICSH-54; ICSH-24; ICSH-21; ICSH-52
13:30-15:30	(Room Q 406A) Parallel Session 7 (Dr. Ribut Basuki) Presentation Papers: ICSH-50; ICSH-51; ICSH-55; ICSH-23; ICSH-17;
13:30-15:30	(Room Q 406B) Parallel Session 8 (Dr. Hotlan Siagian) Presentation Papers: ICSH-11; ICSH-12; ICSH-38; ICSH-25; ICSH-56; ICSH-02,

COFFEE BREAK AND CLOSING

Session Chair: 1

Co-chair: Assoc. Prof. Ferry Jie

Room: Q Amphitheatre | Time: 13:00-15:30

<p>ICSH-05 13.00-13.15</p>	<p>Sales Promotion, Hedonic Shopping Value, and Impulse Buying on Online Consumer Websites</p> <p>Sesilya Kempa and Keshia Yohana Tanu Christine Petra Christian University, Indonesia</p> <p>The phenomena in the increasing of fashion business is caused by the online shopping activity especially in fashion product. In this research the shopping activity is focused on the online shopping. Online shopping is also called internet shopping, electronic shopping, online buying or buying through internet. Online shopping has become the newest trend for the Indonesian as the alternative to buy a product or service. Advertisement and trend are able to influence consumers in doing or deciding to buy. This is the reason people buy excessively unplanned as needed. This research purpose is to observe the sales promotion influence toward impulse buying with hedonic shopping value as intervening to fashion online shopping consumers in Surabaya. This research uses 99 respondents and the data analysis uses Partial Least Square (PLS) model. The result shows that sales promotion and hedonic shopping value have positive significant influence to impulse buying. Moreover, hedonic shopping value as variable intervening has influence between sales promotion to impulse buying.</p>
<p>ICSH-08 13.15-13.30</p>	<p>The Role of Social Networking on Adaptability and Competitive Advantage: An Empirical Evidence from SMEs in Restaurant Industry</p> <p>Endo W. Kartika¹ and Thomas S. Kaihatu² ¹Petra Christian University and ²Ciputra University, Indonesia</p> <p>Business competition that occurs in every industry in the world these days is totally inevitable, especially in Indonesia as one of the new emergent market in the world. Every companies are expected to be able to cope and compete well to achieve the best result for the shake of the companies' future. However, Small and Medium-sized Enterprises (SME) often encounter so many problems during their competition which could impacted on the decreasing company performance and to some extend the worse result which is bankruptcy. This research is conducted to investigate on the existence of gap that occur due to the lack of empirical evidence that focus on social networking, adaptability and competitive advantage on SMEs in Indonesia. Thus, this research focuses on the leader's social networking and organizational adaptability to support the creation of competitive advantage. This is an associative causal research using 30 restaurant owners in Surabaya city as the respondent which has a maximum number of employees of 20 peoples. Structural Equation Modelling (SEM) is used to answer the research questions. It is found out that social networking affects significantly on adaptability, while adaptability effects on competitive advantage insignificantly.</p>

<p>ICSH-51b 13.30-13.45</p>	<p>Determinants of Foreign Direct Investment in Indonesia Evidence from Co-Integration and Error Correction Modeling</p> <p>¹Fernaldi Laksono, ²Hotlan Siagian and ³Zeplin Jiwa Husada ^{1,2,3}Petra Christian University, Indonesia</p> <p>The company's performance must be continuously improved to be able to face the increasingly fierce global competition. The improvement of the company's performance can be done by implementing supply chain practice. The implementation of supply chain practice is a policy set by the company's top management by making the system integrated. Integration of all functions, internally and externally, is done by using integrated information technology. This study takes data from companies in East Java, engaged in machinery that has a workforce of more than 100 people - categorized as medium and large companies. Respondents were set on employees with a minimum of two years of working experience and a middle manager position. There were 55 respondents in this study, with data analysis using partial least square (PLS) to test the research hypothesis. The result of the data processing found that the commitment of the top management affects the supply chain practices and the use of information technology. This is because the management has shown their commitment by providing the necessary human resources. The top management commitment directly influences the company's operational performance. The use of information technology directly affects the supply chain practices and the company's operational performance. Supply chain practices affect the company's operational performance. This is because the company has carried out the process of information sharing with the company's suppliers to control and facilitate the procurement of quality raw materials.</p>
<p>ICSH-36 13.45-14.00</p>	<p>Readiness of Educational Competency in Higher Education in Connecting the Era of Industrial Revolution 4.0</p> <p>¹Rismawati br Sitepu, ²Ali Raza, ³Anis Eliyana, ⁴Marfiana Rosalina ¹STIE Mahardhika, Indonesia ²Government College University Faisalabad, Pakistan, ^{1,3,4}Airlangga University, Indonesia</p> <p>Universities within the era of the 4.0 industrial revolution, now must immediately improve in preparing themselves, especially related to human resources. Lecturers as a determining factor in the progress of education are required to always upgrade their skills and abilities. In Indonesia, the majority of lecturers are dominated by baby boomers and generation X or digital immigrants who in some cases experience obstacles. In the present reality that students are now millennial or digital native generation who tend to have their own learning styles and patterns. This article highlights the competencies that must be mastered by lecturers in the current industrial revolution 4.0 era, namely: (1) educational competence, (2) competence in research, (3) competence of technological commercialization, (4) competence in future strategies, (5) competence counsellor, and (6) competence in globalization. (7) Joint Competence.</p>

<p>ICSH-34 14.00-14.15</p>	<p>Impact Implementation Outbound for Engagement Human Behaviour on Bencireng Kebontunggul, Mojokerto</p> <p>Devi Destiani Andilas, Zeplin Jiwa Husada Tarigan Petra Christian University, Indonesia</p> <p>Capability building for a group of society is necessary to build the rural community in order to grow the economic potent. One of the communal organization is Karang Taruna, which is expected to empower its youth members so that each member improves competencies for community and self. Capacity building can be accomplished through training programs, and one program often used for capacity building is outbound training. A specific outbound training can be designed for youth so they can comprehend their role in the society through outbound implementation. This research is going to measure the correlation between the community engagement and capability building of the Karang Taruna members through implementing outbound activities. The data are collected through questionnaires distributed to the all Karang Taruna members who join the outbound activities, and the questionnaires are constructed with the Likert scale from strongly disagree to strongly agree. The number of the outbound participants is sixteen and each participant is given a treatment by outbound instructors about capability building so that each can implement the ability during the outbound. The data analysis is using cross tabulation, and the results show that the outbound training material can improve the skills of the participant during the outbound sessions, can increase the community engagement and motivate the Karang Taruna members, and can enable self-development through continuous learning processes about the outbound. The instructors' ability to explain the training material can accelerate new experiences for outbound participants, can bring new insights to face problems, and can continuously improve the self-development of each participant.</p>
<p>ICSH-33 14.15-14.30</p>	<p>Social Support, Work Motivation, and Employee Performance on Shuttle Cock Industry in Surakarta</p> <p>Ratih Indriyani, Hendro Prakoso Handjaya Petra Christian University, Indonesia</p> <p>Employees are the core of ongoing organizational activities. In the industrial cycle, employees are coming from adjacent regions. In this condition, social support is needed to have motivation at work. Motivation to work will have an impact on work results. This study aims to analyze social support for employee performance with work motivation as an intervening variable in the shuttlecock industry in Pringgolayan Surakarta. Previous research shows that social support has an influence on employee motivation at work. Perceived support from the surrounding environment makes employees comfortable at work so they have high motivation. Other studies explain that motivation can improve employee performance. This study uses a quantitative method with a sample of 100 respondents. The sample is determined by the purposive sampling method. Respondents are selected based on certain criteria, namely employees of the shuttlecock industry who had worked for at least 3 months. The method of data collection is carried out through questionnaires using five-point Likert scale as a measurement tool. This study uses SmartPLS 3.0 as a data analysis technique. The results of this study indicate that working conditions have a significant effect on work motivation, social support has a significant effect on work motivation and social support has a significant effect on employee performance, research also shows that work motivation has a significant influence on employee performance. The results show that work motivation of employees is important to note, although the work motivation of shuttlecock industry employees in Pringgolayan is good, but it still needs to be improved so that its performance is improved. One aspect of social support is friends and superiors, for that the leadership must provide support so that employees are motivated in working.</p>

<p>ICSH-38B 14.30-14.45</p>	<p>The Meaning of work among Millenials: a Phenomenological Study</p> <p>¹Prasasti Peranginangin, ²Denni Boy Saragih ^{1,2}Krida Wacana Christian University, Indonesia</p> <p>Some studies show that spirituality and productivity are closely related in the workplace. Three main components in the spirituality of work are the meaning of work, the relationship with fellow-worker and the cultural values of organization. This phenomenological study focuses on the meaning of work among millennial. As an exploratory study, using phenomenological analysis, it found that millennial give meaning to the work based on three important factors, namely its individual meaningfulness, the fairness of treatment, and the balance between reward and level of work-demand. Millennial does not make income and personal development as their primary considerations but rather a more spiritual side of work vis-à-vis meaning and support one finds in the office. This exploratory study suggests some important ramifications for dealing with millennial in the work place.</p>
<p>ICSH-42 14.45-15.00</p>	<p>Linking Customer Satisfaction to Shareholders Value: Evidence from Indonesia Listed Company</p> <p>¹Josua Tarigan, ²Alan Darmasaputra, ³Vania Ezra, ⁴Saorce Elsy Hatane ^{1,2,3,4}Petra Christian University, Indonesia</p> <p>The objective of this research is to know and understand the impact of customer satisfaction toward shareholders value through the mediation role of brand equity that employed Indonesia Best Brand Awards (IBBA) and Indonesian customer satisfaction index (ICSI). The research objects are all companies listed in Indonesia Stock Exchange (IDX). All hypothesis are accepted, which therefore suggesting that customer satisfaction (ICSI) and also brand equity (IBBA) is indeed the important factors in ensuring the shareholders value that measured by Tobin's q. To researcher knowledge, this is one of the first studies in Indonesia that connect ICSI, IBBA to the shareholders value.</p>
<p>ICSH-45 15.00-15.15</p>	<p>Effects of Subjective Norms, Perceived Behavioral Control, Perceived Risk, and Perceived Usefulness Towards Willingness to Use Credit Cards</p> <p>Njo Anastasia and Samiaji Santoso ^{1,2}Petra Christian University, Indonesia</p> <p>Credit cards are becoming one of the most-used method of payment, both domestic and overseas. Consumers need not hassle with carrying cash to pay, hence reducing the risk of losing your money. Credit cards however, have their own drawback as it can be hacked, resulting in the breach of personal information by a third party, and abusing it to make transactions unknown to the card owner. This phenomenon is still in debate among credit card holders. As such, the purpose of this study is to test the effects of subjective norms, perceived behavioral control, perceived risk, and perceived usefulness towards the intention to use credit cards. Psychological factor and risk level become a challenge to card holders when they are making a transaction. Purposive sampling technique is used to gather data through questionnaire spread in both hardcopy and online to 100 credit card owners in Surabaya. Data is then processed using Partial Least Square (PLS). Analyzation result shows subjective norms, perceived behavioral control, and perceived usefulness significantly affects the intention to use credit cards, while perceived risk does not. The result of this study shows that by fully understanding both the advantages and disadvantages of credit cards, consumers can use it to make better financial planning, and not making transactions that leads to a certain lifestyle.</p>

<p>ICSH-46 15.15-15.30</p>	<p>The Influence of the Capital Adequacy Ratio and Non-Performing Loan Against A Return on Equity in the Private Foreign Exchange Bank in Indonesia</p> <p>Firmanta Tama Jagakarsa University, Indonesia</p> <p>This study aims to test the influence of Capital Adequacy Ratio (CAR) and Non-Performing Loan (NPL) against the Return On Equity (ROE) on Foreign Exchange private Bank in Indonesia. The data used in this study were obtained from the publication of the financial report of Foreign private banks issued by Bank Indonesia. After doing the sampling purpose stage, then a decent sample used as many as 20 banks. The technique of data analysis in this study using multiple regression analysis. From the results of testing performed indicates that F Capital Adequacy Ratio (CAR) and Non-Performing Loan (NPL) influential simultaneously against the Return On Equity (ROE). Whereas on the basis of the test t Capital Adequacy Ratio (CAR) effect significantly to Return On Equity (ROE), the Non-Performing Loan (NPL) effect is not significantly to ROE (Return On Equity). The results of this research are expected to be used the US guidelines for the management of the company in managing the company.</p>
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Session Chair: 2

Co-chair: Assoc. Prof. Jenny Mochtar/Dr. Hotlan Siagian

Venue: Room Q 406 A | Time: 13:00-15:30

<p>ICSH-39 13.00-13.15</p>	<p>The Existential Experiences of Double-Minority Talents in Post 2017's Governor Election: a Phenomenological Study</p> <p>¹ Denni Boy Saragih, ² Hery Winoto, ³ Yanny Mokorowu & ⁴Prasasti Perangin-angin ^{1,2,3,4}Krida Wacana Christian University, Indonesia</p> <p>The political career of Basuki Tjahaya Purnama (BTP) affects various groups of people in different ways. One of the groups that were deeply affected by the series of events before and after 2017's Jakarta Governor election are double minorities talents who aspire to contribute to Indonesia inspired by BTP's leadership. This paper explores the experience of specific group of double minority talents in the aftermath of political turbulence in Jakarta. The qualitative findings show that many talents were affected by the situation in relation to their aspiration to contribute, their decision to stay in Indonesia and their thinking about the future of Chinese-Christian talents in Indonesia. In the long run the situation and similar incidents may result in the loss of talents leaving Indonesia for other countries.</p>
<p>ICSH-37 13:15-13:30</p>	<p>Difficulties in translating items description from tugu pahlawan museum Surabaya</p> <p>Liuray Graduate Program, Faculty of Letters, Petra Christian University, Indonesia</p> <p>This paper focuses on the difficulties that are found while translating items description that are displayed in one of the museums in Surabaya, which is the Tugu Pahlawan Museum. There are three difficulties that will be discussed in the end of the paper, which is having knowledge of the subject that is going to be translated, the tendency to copy the original translated texts, and abbreviations or terms that cannot be found in the Internet. There will be five tables to show the progress and the differences between the original translated texts and the revised texts.</p>
<p>ICSH-15 13:30-13:45</p>	<p>The Impact of Product Knowledge and Product Involvement to Repurchase Intention for Tupperware Products among Housewives</p> <p>Ratih Indriyani and Priscillia Elsyia Petra Christian University, Indonesia</p> <p>The number of consumers can be used as a measuring tool in determining the company's sales success. Repurchase intention reflects the needs of consumers in repeat purchasing patterns. Factors that can increase repurchase intention are knowledge of products and consumer involvement with products. Product knowledge can increase repurchase intention because with the information about the quality of the product can trigger repeat purchases. Also, product involvement can increase repurchase intention because the consumers can evaluate the products directly and decide to purchase another product that has met their needs This study aims to measure the effect of product knowledge on repurchase intention and the effect of product involvement on repurchase intention on Tupperware products for Surabaya market. The research is using a quantitative approach, and take a sample from housewives who reside in Surabaya. Data are collected through questionnaires distributed to 150 people. Only 102 questionnaires are valid. Then, the data are processed using SPSS. The results show that product knowledge affects repurchase intention and product involvement significantly affects repurchase intention in Tupperware products among housewives in Surabaya.</p>

<p>ICSH-41 13:45-14:00</p>	<p>Bringing Jesus Closer: Christian Minority in Corporate Environment</p> <p>Setefanus Suprajitno Petra Christian University, Indonesia</p> <p>Indonesia is a multi-religious society, and this multi-religious aspect renders workplaces in Indonesia an avenue where people of different faiths meet and work with each other. Nevertheless, the majority of the population embrace Islam. So, with the exception of religious-based organizations, the Muslims dominate workplaces. However, as Islamization is rising, some religious minority groups feel that they are marginalized, albeit the marginalization is subtle and seems innocuous. This article discusses and analyzes the experiences of Christian employees working in various companies in which the majority of their coworkers are Muslims. While they have cordial relationships with their Muslim counterparts, they admit that they are often misunderstood and even prejudiced due to the unawareness and limited religious sensitivities of the latter. Data for this paper are collected from interviews with self-identified Christians working in Muslim-dominated corporate environment. The data are analyzed primarily using Bourdieu's theory of social and cultural capital, and the methodology employed is grounded theory and narrative analysis. Preliminary findings show that due to subtle marginalization and innocuous prejudice, they develop a resolve in their Christian faith, which is manifested in yearning for understanding their faith better and being able to apply it when they face challenges.</p>
<p>ICSH-18 14:00-14:15</p>	<p>The Role of Country of Origin Image in B2B Purchase Decision Process</p> <p>¹Dhyah Harjanti and ²Jeremia Novianto Petra Christian University, Indonesia</p> <p>Some previous researches show that the country of origin image of Chinese products tends to be negative. However, the data show that business-to-business (B2B) purchases of Chinese products in Indonesia are higher than purchases of products from other countries that are considered to have a better reputation. This research aims to study how the country of origin image plays a role in B2B purchase decision making process of Chinese product. This research is conducted on B2B consumers who has bought Chinese machinery products. The data obtained in this study are data from two companies of different sizes, in order to be able to see differences and similarities on what factors dominating in the purchase process of Chinese machinery products. The data is taken from the owners and managers of the two companies involved in the B2B purchasing decision making process. The two companies have also been buying and using Chinese products for over one year, so they can provide deeper information about product's advantages and disadvantages. The results show that the country of origin image is not a major consideration in the B2B purchase decision making process. The main factor to be considered is the ability of suppliers to provide products and services according to company needs.</p>
<p>ICSH-53 14:15-14:30</p>	<p>The Role of Peer to Peer Lending in Increasing Funding MSMEs</p> <p>¹Nanik Linawati, ²Moeljadi, ³Djumahir, ⁴Siti Aisjah ¹Petra Christian University, ^{2,3,4}Brawijaya University, Indonesia</p> <p>This study aims to describe the role of technology in the industrial era 4.0, especially alternative funding in the form of Peer to Peer (P2P) Lending in providing funding solutions for MSMEs by referring to the results of several surveys and research. The presence of P2P Lending is the right answer for MSMEs, some of which do not get financial access from financial institutions, especially banks.</p>

<p>ICSH-19 14:30-14:45</p>	<p>Store Atmosphere, Consumer Satisfaction, and Consumer loyalty in Beauty Salon Services</p> <p>¹Steven Evaldo Sunefo, ²Dhyah Harjanti ^{1,2}Petra Christian University</p> <p>In big cities, the existence of beauty salon is very expected among the life of their citizen. The social medias, such as Instagram, also trigger the citizen to care their physical appearances for their selfie pictures for posting their groups. As beauty salon is offering services, the tangible aspects become crucial in attracting the customers. The aim of this research is to examine the influence of store atmosphere to satisfaction and loyalty among the beauty salon customers. This research belongs to the causal research, in which the data are collected from the sampling of a population, with the accidental sampling technique. The numbers of the sample are 200 respondents. The data, then, are processed with the assistance of a software application of SmartPLS. The results of the research are obtained as the store atmosphere has a positive significant influence on the customer satisfaction, the store atmosphere also has a positive significant influence on customer loyalty, and the customer satisfaction has appositive significant influences on customer loyalty.</p>
<p>ICSH-06 14:45-15:00</p>	<p>Determinant Factors in Purchasing Korean Skin Care Products</p> <p>¹Sesilya Kempa and ²Keshia Yohana Tanu Christine ^{1,2}Petra Christian University</p> <p>The demand and business opportunities in the skin and facial beauty sector has increased in the last 10 years. The beauty and personal care industry in Indonesia grows on average of 12% with a market value of 33 trillion. This research emphasizes the presence of the influence of attitude, subjective norm, and perceived behavioral control on the purchase intention of skincare products that are moderated by the country of origin. The data collection is conducted through distributing questionnaires to a total of 130 respondents. Data obtained through a questionnaire are then processed with Smart Partial Least Square (PLS). The results in this study prove that the attitude and perceived behavioral control significantly influence the purchase intention while the subjective norm does not significantly influence the purchase intention. On the other hand, country of origin is not able to strengthen the influence between attitude, subjective norm, and perceived behavioral control on the purchase intention of skincare products.</p>
<p>ICSH-43 15:00-15:15</p>	<p>Disruption of Identity: a Qualitative Exploration of The Existential Experience among Minorities in Post 2017's Jakarta Election</p> <p>¹Yanny Mokerowu, ²Denni Boy Saragih, ³Hery Winoto and ⁴Prasasti Peranginangin ^{1,2,3,4}Krida Wacana Christian University, Indonesia</p> <p>Several distinguished philosophers, such as Marx, Kierkegaard, Heidegger, and Nietzsche provide insightful reflections on the meaning of alienation, anxiety and apathy. This paper elaborates on these notions based on Kierkegaard's idea of anxiety and Marx's idea of alienation in the experience of the supporters of Basuki Tjahaya Purnama (BTP) after his loss in the Jakarta governor election of 2017. The qualitative findings show the result has left a deep impact among his supporters, especially those who share the same background as BTP, namely the Chinese-Christian minority. In their view, the main reason for BTP's loss was the racial and religious smear campaign played out during the election. This led them to a deep disappointment in response to the unexpected turn of events. The findings show that the feelings of the Chinese as second-class citizens in Indonesia have resurfaced. At an existential level, it raises anxiety and alienation that has led to social and political apathy among those who identify themselves as the Chinese-Christian minority The existential impact of the disappointment has led to a feeling of indifference and resignation toward political involvement in future democratic affairs.</p>

<p>ICSH-13 15:15-15:30</p>	<p>Leadership Style, Employee Engagement, and Work Environment to Employee Performance in Manufacturing Companies</p> <p>¹Kenny Adrian Putra Ariussanto, and ²Zeplin Jiwa Husada Tarigan ^{1,2} Petra Christian University</p> <p>The fast changes in global order have to be anticipated by the company's management in order to be able to compete. This change affects the organizational system and the company's leadership style to improve their employees' participation. Leadership style determines the level of employees' participation and empowers them in reaching the targets that has been determined by the management. The data retrieval is using questionnaire from the employees of an animal feed manufacturing company. The data retrieval technique is by using all the 50 employees of the company. The data analysis of this study is using partial least square (PLS). The result of this study is to find that leadership style has significant influence toward employee engagement and work environment. Employee engagement and work environment impact significantly toward the performance of the employees. The result of the study also shows that leadership style can not directly impact the performance of the employees, because leadership style is an interaction between top management with the</p>
<p>ICSH-49 15:30-15:45</p>	<p>Corporate Governance, Family Ownership and Firm Value: Indonesia Evidence</p> <p>¹Mariana Ing Malelak, ²Christina Soehono and ³Christin Eunike ^{1,2,3} Petra Christian University</p> <p>This This study aims to examine the effect of corporate governance and family ownership on firm value. The corporate governance variable was represented by the board structure (board of commissioners, board of directors and independent commissioners) and ownership structure (institutional ownership, managerial ownership and public ownership). This research used data from Indonesia Stock Exchange period 2008-2018 that were selected using purposive sampling and panel data regression as data analysis method. The results of research indicate that corporate governance (board structure and ownership structure) and family ownership simultaneously have a significant effect on firm value. Partially, board of directors, independent commissioners, institutional ownership and public ownership have a significant effect on firm value. While the board of commissioners, managerial ownership, and family ownership partially have no significant effect on company value</p>

Session 3
Session Chair: Maizirwan Mel, Ph.D
Room Q Amphitheatre | Time: 11:05-12:35

<p>ICSH-30 11:05-11:20</p>	<p>Re-Claim, Re-Orientation and Re-Negotiation (The Assimilation Face of Grassroot Indonesian Chinese Ethnic in Bangka Island)</p> <p>¹Ibrahim, ²Nizwan Zukhri, and ³Rendy Bangka Belitung University, Indonesia</p> <p>The satisfaction of visitor is an important part in developing tourism. Knowing satisfactory of the visitor and the dimension will be advantage and weakness of a tourism visit, stakeholders are able to figure out what must be done. This study used the <i>Importance Performance Analysis (IPA)</i> method to find out the satisfactory of visitors. There are some interesting findings in this study, such as the fact that Bangka Belitung visitors' satisfactory is quite high, but the disparity of visitors' satisfaction is quite high and put Belitung on good quadrant, however Bangka needs more concern. This study also found that the supporting facilities and transportation still become serious problem. On the other side, value of eco-tourism has not meet the standard, such as on education, environment protection, and voluntarism value. The local Stakeholders need to put extra concern on supporting facilities and maintain that has been considered as good, such as the natural beauty and the locals' hospitality.</p>
<p>ICSH-40 11:20-11:35</p>	<p>Packaging for Sustainable Community Business</p> <p>¹Listia Natadjaja, ²Laksmi Kusuma Wardani, ³Ronald Hasudungan Sitingjak and ⁴Diana Thamrin ^{1,2,3,4}Petra Christian University</p> <p>The growth of the creative community cannot be quantitatively and qualitatively separated from the growing development of Creative Industry 4.0. Various creative communities produce a variety of creative products that are ready to be sold. Unfortunately, the focus of the community is often only on the product and not on the packaging design. Meanwhile, a product's packaging not only serves to protect the product, but also to promote it and encourage purchase. The researchers have observed the important role of packaging that needs to be a concern for the community, especially producers of creative products. The purpose of this research is to educate and help the community obtain packaging designs that are not only unique but also suitable to their products. By involving Packaging Design course students of the Visual Communication Design department, we attempted to assist a jewellery and accessories-making community as our research object. Students first attempted to deepen their clients' insights by conducting observations and in-depth interviews. In designing the packaging, they consulted with their tutors intensively. The packaging design that the students produced undergo a selection process, which resulted in four packaging designs that were deemed fit for use. Two of the selected designs were registered to obtain IPRs in Industrial Design category. Through this research, it is hoped that the packaging design produced by these students can be used to support the sale of community products. In addition to that, they can also be used to inspire other communities to acknowledge the role of packaging design as a means that can help the sustainability of their business.</p>

<p>ICSH-20 11:35-11:50</p>	<p>The Influence of Organizational Commitment on Organizational Citizenship Behavior and Employee performance</p> <p>¹Ferdi Yohanes, and ²Dyah Harjanti ^{1,2}Petra Christian University</p> <p>Organizational commitment can create organizational citizenship behavior (OCB), which can improve the productivity in a company, because the organizational commitment initiates employees to work better so that the employee can perform better, too. This research aims to determine the process occurring as the result of the effect of organizational commitment on OCB and employee performance. This research is using the quantitative approach which the data are collected through questionnaires. The questionnaires are distributed to 78 respondents who have worked over one year within a company. The data, then, are processed with a software application of SmartPLS. The results show that organizational commitment has a positive significant influence on OCB, OCB has a positive significant influence on employee performance, and organizational commitment has a positive significant influence on employee performance.</p>
<p>ICSH-48 11:50-12:05</p>	<p>The role of consultant knowledge, top management support, and operational manager competence to the company performance</p> <p>¹Mariana Ing Malelak and ²Njo Anastasia ^{1,2}Petra Christian University, Indonesia</p> <p>This study aims to examine the influence of the existence of demographic factors (gender, age, marriage status and education level) and financial education on the financial capability of the community in Surabaya, specifically related to investment behavior. The research was conducted in Surabaya using an explanatory quantitative approach which aims to analyze the influence between factors in research. Respondent samples were determined by non-probability sampling techniques, using convenience sampling method on respondents who are domiciled in Surabaya, with age criteria between 18 - 55 years old, in 2019. The first stage, the results of questionnaire data collection were processed using chi-square analysis techniques to prove the relationship of demographic factors and financial education to the financial capability of investors in Surabaya. The second stage, uses SEM-PLS to test the factors that influence respondents to the financial capability of investors in Surabaya. The results of the study show that demographic factors (namely age and education level) and financial education have a significant positive effect on investors' financial capability in Surabaya. The higher age and education level of a respondent can improve financial capability so that financial behavior in investing is more responsible. Similar to financial education, education provided related to finance has the potential to increase the financial literacy of a respondent which ultimately has an impact on increasing the investor's financial capability in its financial behavior.</p>
<p>ICSH-32 12:05-12:20</p>	<p>Fan Ngin Tong Ngin Tjit Jong (The Assimilation Face of Grassroot of Chinese Ethnic in Bangka Island)</p> <p>¹Ibrahim, ²Rendy, ³Sujadmi, ⁴Putra Pratama Saputra, ⁵Luna Febriani Bangka Belitung University, Indonesia</p> <p>Chinese ethnic in Bangka Island has been there since the colonialism and has become part of tin mining history in the island. It is no wonder that the acculturation has stated since long time ago especially in the grass root society. This study found out how is the Chinese assimilation in this area using qualitative approach. Based on the data from interview and observation on the field, the writer found out that the Chinese assimilation in the island formed unity identity without losing their own identity. <i>Tong Ngin Fan Ngin Tjit Jong</i> which means Chinese and Native has become the grass roots' principle and social bond among them. Since the reformation in 1998, this broadens the relation from social into electoral politics. However, the spirit of acculturation in the grass roots must be kept that it doesn't appear to the surface. The celebration of the Chinese identity recognition must be done naturally so as not to cause antipathy. Tolerance that has been practiced so far at the grassroots must be strengthened so that when conflicts of elite interests occur, relations at the grassroots level are not affected.</p>

Session 4
Session Chair: Dr. Ribut Basuki M.A
Room Q406A | Time: 11:05-12:20

<p>ICSH-31 11:05-11:20</p>	<p>The effects of top management commitment on operational performance through the use of information technology and supply chain management practices</p> <p>Hotlan Siagian and Engelbertus William Gomel ^{1,2}Petra Christian University, Indonesia</p> <p>This study examines the effect of IT application on the supply chain performance through green supply chain management in the Food and Beverage Industry in Surabaya. Data collection is conducted using questionnaire designed with five-point Likert scale. Of the 70, 64 questionnaires were considered valid for further analysis. Data analysis use SEM-PLS technique with SmartPLS software version 3.0. This study assess the extent to which the corporate apply IT and adopt the green supply chain management in improving the supply chain performance. The results of this study indicates that the use of IT applications influences the supply chain performance. The IT application affects the green supply chain management. Green supply chain management affects the supply chain management. One of the interesting finding is that the IT application indirectly affect the supply chain performance through the green supply chain management. The findings of this study provide an insight for the manager how to improve the supply chain management. This research also contributes to the on-going research in the field of supply chain management.</p>
<p>ICSH-29 11:20-11:35</p>	<p>Service Convenience and Service Quality to Customer Satisfaction among the Shipping Expeditions</p> <p>¹Reynaldo, ²Widjojo Suprpto ^{1,2}Petra Christian University, Indonesia</p> <p>Indonesia is a country consisting of thousands of islands surrounded with straits and seas. Along with the increasing online businesses, the number of shipping expeditions is growing as well. In order to win the competition, many shipping expeditions offer various conveniences and services. This research is testing the impact of service conveniences and service quality to customer satisfaction in shipping expedition businesses in Surabaya. The data are collected by questionnaires because this is a quantitative research. The questionnaires are distributed to 100 respondents who are selected from the consumers using a non-probability sampling technique. Then, the data are processed using a SmartPLS program to obtain the results that service convenience does not bring any impact on customer satisfaction, but service convenience has a positive significant impact on service quality and service quality also has a positive significant impact on customer satisfaction.</p>

<p>ICSH-22 11:35-11:50</p>	<p>The influence of Country of Origin Image and Brand Image to Purchase Decision and Customer Satisfaction for Indonesian Skin Care Brands</p> <p>¹Priscilla Evelyn Budiono, and ²Dhyah Harjanti ^{1,2}Petra Christian University, Indonesia</p> <p>Skin care business in Indonesia have been growing enormously in the last decade, with the coming of international brands and the struggling of local brands, to win the Indonesian customers. The aim of this research is to analyze the influence of country of origin to purchase decision through the brand image, and the impact of country of origin to customer satisfaction for local Indonesian skin care brands. As this research is using the quantitative approach, the data are collected by using questionnaires which are distributed to selected samples of 179 respondents. The respondents are chosen from the consumers of Indonesian brands of skin care products. The data are analyzed with a SmartPLS software. The results show that the country of origin has a positive influence to purchase decision, the country of origin has a positive influence on brand image, brand image has a positive influence on purchase decision, and, finally, brand image has a positive influence on customer satisfaction on local Indonesian brands of skin care products.</p>
<p>ICSH-16 11:50-12:05</p>	<p>The influence of Country of Origin Image and Brand Image to Purchase Decision and Customer Satisfaction for Indonesian Skin Care Brands</p> <p>¹ Regina Cindy Darmawan and ²Ratih Indriyani ^{1,2}Petra Christian University, Indonesia</p> <p>The current era of globalization is driving a lot of competition. Competition is increasing but it is not balanced with available job openings and causes educated unemployment to increase. Educated unemployment is increasing and encouraging people to try professions become entrepreneurs. Based on previous research, entrepreneurial creativity has an effect on entrepreneurial spirit and entrepreneurial mindset on entrepreneurial spirit. The research entrepreneurial creativity has an effect on entrepreneurial spirit conducted by Retnaningdiah, Sedjati, and Irawani (2015) as well as by Darabi, Neyestani, Ghafari, Maidanipour, and Mard (2013). The entrepreneurial mindset has an effect on entrepreneurial spirit was conducted by Susilo (2014) and Gonthier and Chirita (2019). Research conducted emphasizes the impact of entrepreneurial creativity and entrepreneurial mindset on entrepreneurial spirit among undergraduate students in Surabaya. This research takes data. This data is taken from private university in surabaya with management study program A accreditation with a total of 7 private universities. Data obtained from distributed questionnaires 149 and returned 130 respondent with Statistical Product and Service Solutions (SPSS). The results showed that entrepreneurial creativity had a positive and significant effect on entrepreneurial spirit and entrepreneurial mindset had a positive and significant effect on entrepreneurial spirit. This research can be developed by adding entrepreneurial education, innovation and career choice variables. This research can be applied in undergraduate student in Indonesia that have management study programs.</p>

<p>ICSH-28 12:05-12:20</p>	<p>The Influence of Instagram Advertising and Consumer Perception on Purchase Intention for Construction Supplier Store</p> <p>¹Ken Hartono and ²Widjojo Suprpto ^{1,2}Petra Christian University, Indonesia</p> <p>In the era of Industrial Revolution 4.0, many companies are using social medias as one of their promotional tools, especially Instagram. The aim of this research is to investigate the influence of Instagram advertising and consumer perception on purchase intention in local building material stores. As this research is using a quantitative approach, the data are collected using questionnaires. The population of this research is the customers who have done several purchases and have followed the stores' Instagram accounts. Out of the whole population, a number 100 respondents are selected through a purposive sampling technique. The collected data are processed using a SmartPLS program, with the results of no significant influence between Instagram advertising and purchase intention. However, the Instagram advertising has a significant influence on purchase intention through customer perception as the Instagram advertising has a significant influence on customer perception. Therefore, customer perception acts as the intervening variable in this research.</p>
<p>ICSH-04 13:30-13:45</p>	<p>The Use of Dramatic Theater in BIPA Classes: A Case in Petra Christian University, Surabaya</p> <p>¹Ribut Basuki and ²Melinda ^{1,2} Petra Christian University, Indonesia</p> <p>The teaching-learning techniques of BIPA for language skills are oftentimes separated from that of 'cultural' skills. Even worse, BIPA teachers tend to devote only little attention to students' cultural sensitivity (see Bundhowi, n.d.). Dramatic Theatre, when used appropriately, offers engaging techniques for the teaching-learning of both language and cultural skills. Dramatic theatre's 'production process' is very useful in developing linguistic and cultural sensitivities to the students. The teaching-learning of BIPA using Dramatic Theatre production process at Petra Christian University, Surabaya, has shown that it is a promising technique to be developed and implemented. The students' involvements in the process from the preparations, rehearsals, and finally performance, give them chance to enjoy and, especially, learn the Indonesian linguistic as well as cultural nuances more or less authentically. This paper is an evaluation of BIPA through dramatic theatre at PCU. It will show how students are involved in the production process, learn Bahasa Indonesia, and grasp Indonesian culture both from the play they perform and the process of production itself. It finally give evaluation and recommendation for further use of dramatic theatre for BIPA at PCU.</p>

Session 5
Session Chair: Dr. Hotlan Siagian
Room Q 406 B | Time: 11:05-12:20

<p>ICSH-10 11:05-11:20</p>	<p>Determinants of Foreign Direct Investment in Indonesia “Evidence from Co-Integration and Error Correction Modeling</p> <p>¹Sandro, ²Dewi Astuti and ³Zeplin Jiwa Husada Tarigan ^{1,2,3} Petra Christian University, Indonesia</p> <p>This study aims to examine the influence of macroeconomic indicators and infrastructure spending on foreign direct investment (FDI) in the period 1981-2018. This study uses a quantitative approach. The sample in this study is macroeconomic variables which include gross domestic product, inflation, debt to GDP ratio, interest rates, exchange rates, and infrastructure spending in the 1981-2018 period. The analysis technique used is cointegration and error correction modeling. The analysis shows that gross domestic product, inflation, debt to GDP ratio, interest rates, exchange rates and infrastructure spending have a long-term and short-term relationship to FDI.</p>
<p>ICSH-47 11:20-11:35</p>	<p>The role of consultant knowledge, top management support, and operational manager competence to the company performance</p> <p>¹Firmanta and ²Zeplin Jiwa Husada Tarigan ¹Tama Jagakarsa University, ²Petra Christian University, Indonesia</p> <p>Successful implementation of ISO 9000 is determined by the knowledge of the appointed consultants that is demonstrated through their expertise in transferring knowledge to internal companies, the strong willingness of the top management commitment during the implementation, and the capabilities of the operational managers to implement all clauses of ISO to the company through the expertise and experience of managers in the operational section. These three components will perform a collaborative process by doing some organizational learning about quality management to properly implement ISO 9000 in order to give an impact on improving the best business practices in the company's operations and ultimately to improve the company's performance. Based on the results of the survey with questionnaires to a population of 159 companies with two incomplete informants, data processing is performed on 157 manufacturing companies in the area of MM-2100. The results of the research analysis with the use of SEM Amos data analysis states that, first of all, the consultant knowledge and the competency of operation manager together can give an increase to the organizational learning. Second, the competency of the operational managers and the organizational learning produce the best business practices for the manufacturing companies to improve their corporate performance in the area of MM-2100</p>

<p>ICSH-14 11:35-11:50</p>	<p>Organizational Trust and Organizational Citizenship in affecting Employee Performance</p> <p>¹Zeplin Jiwa Husada Tarigan, and ²Yohanes Lay ^{1,2} Petra Christian University</p> <p>Trust, given by the company, to each of the employee can motivate them to contribute for the company development. Employee got to motivate themselves internally to improve their role in the organization for winning the competition. The purpose of this research is to investigate the effect of organizational trust and organizational citizenship behavior towards employee performance in Fave Hotel Rungkut Surabaya. Fave Hotel needs to empower the employee to improve their competitiveness. The surveys were distributed to permanent employees who has been working for at least one year. There were 52 persons who filled the surveys. The surveys used likert scale. The data was processed using Partial Least Square software. First, the results indicated that organizational trust affects organizational citizenship behaviors. Second, organizational trust affects company performance. Third, organizational citizenship behavior affects employee performance. Fourth, organizational citizenship as an intervening variable can improve organizational trust for employee performance. Fave Hotel commits to empower their employee through organizational trust and improves employee's role with organizational citizenship behavior</p>
<p>ICSH-09 11:50-12:05</p>	<p>Cultural Heritage Management as a Generator of Socio-Economic Development (The Case Study of Syria)</p> <p>¹Mahmoud Alghafri, ²Vasilii Veklenko, ³Mohannad Mohammad ^{1,2} Kursk State University, Kursk, Russia, ¹Damascus University, Damascus, Syria, ³Far Eastern Federal University, Vladivostok, Russia</p> <p>The purpose of the study was to determine the methods of successful management plan in cultural heritage sites. In addition to that, our task was to clarification the nexus between cultural heritage and sustainable economic development in an operational and empirical manner. In the empirical part of the study, the main concern was finding out how to merge the cultural heritage sites in economic development projects for the local economy development. The methodology adopted for this study involved an innovative combination of economic and social assessment techniques. Economic assessment techniques applied included value analysis of cultural heritage sites. The study showed the culture heritage plays a significant role in the regeneration and development of local and regional areas. Contrary to expectations, the results indicated the great relationship between cultural heritage and socio-economic development to develop regional and local economy. Consistent to earlier research the study supported the hypothesis that using cultural heritage in local economic development projects. The results can be applied to cultural heritage sites and tourist destinations. Further study is required to investment of cultural heritage sites to achieve socio- economic development.</p>

<p>ICSH-07 12:05-12:20</p>	<p>To what extent is leader-member exchange and psychological safety able to influence counterproductive work behavior? Evidence from the hospitality industry in Surabaya</p> <p>Adrie Octavio Ciputra University, Indonesia</p> <p>Counterproductive work behavior (CWB) is a form of behavioral and unethical deviation that can threaten the existence of companies including the hotel industries that uphold the values of hospitality in their services. This study analyzes how CWB can be anticipated or minimized its appearance through the improvement of leader-member exchange (LMX) and psychological safety quality relationships as its mediation. The results of the study using the SmartPLS analysis tool on 124 hotel employees showed that LMX directly had a negative influence on CWB. On the other hand, LMX had a positive effect on psychological safety. However, psychological safety did not have an influence on CWB, so psychological safety is also unable to act as a mediation in this research model</p>
<p>ICSH-26 13:45-14:00</p>	<p>Service Quality, Store Image, Price Consciousness, and Repurchase Intention on Mobile Home Service</p> <p>Widjojo Suprpto and Stefany ^{1,2}Petra Christian University, Indonesia</p> <p>In facing fierce business competition, car maintenance workshops deal with it by creating new services often called mobile home services because there are many customers who are constrained by their time to do car services. To win business competition, many services are made to comply with the needs and desires of their customers by paying attention to service quality and store image to provoke repurchase intention because nowadays many customers are also more aware of prices. The purpose of this study is to analyze the effect of service quality, store image, and price consciousness on repurchase intention for mobile home services. This type of research uses a quantitative approach through survey methods. The population in this study is the customers who use car repair shops in the past one year with a sample size of 55 respondents. Data analysis techniques in this study uses Structural Equation Modeling (SEM) assisted with Smart PLS (Partial Least Square) software. The results show that service quality has a positive effect on price consciousness, store image has a positive effect on price consciousness, and price consciousness has a positive effect on repurchase Intention on mobile home services.</p>

Session 6
Session Chair: Maizirwan Mel, Ph.D
Room Q Amphitheatre | Time: 13:30-15:00

ICSH-35 13:30-13:45	<p>The Value of Listening and Affective Factors in Managing People in 4.0</p> <p>Julia Eka Rini Petra Christian University, Indonesia</p> <p>In an era where people are bombarded with continuous streams of information, it is now difficult to differentiate which news is true and which one is a hoax, which actually manipulates affective factors to manage people to believe it. This situation brings about two points that are worth paying attention to in dealing with people. First, with the quick spread of abundant information it is as if people are forced to listen to anything these days and therefore, lack of being listened to. Second, if affective factors are so easily manipulated for negative purposes, they can surely be cultivated for good purposes also. Therefore, listening and paying attention to affective factors in managing people could be a usual strategy to achieve an unusual result. This paper would give examples on what a teacher can do in a classroom or a manager in a company.</p>
ICSH-27 13:45-14:00	<p>The Analysis of the Attracting Factors of Medical Tourism in Singapore</p> <p>¹Widjojo Suprpto and ²Martin Lianto ^{1,2}Petra Christian University, Indonesia</p> <p>Indonesian citizens have spent over US \$11.5 billion for medical treatment services abroad. Singapore is one of the favorite destinations for the medical tourism for Indonesian citizen. This research aims to analyze the factors that attract Indonesians to get involved in medical tourism in Singapore. The data are collected from 100 respondents who have engaged in medical tourism in Singapore. The retrieved data is processed using CFA (confirmatory analysis factor) method. The result shows that there are five main factors that makes Singapore becoming the attractive destination for medical tourism; they are the atmosphere and medical accuracy, competency and price, facilities and infrastructure, customer satisfaction, and entertainment.</p>
ICSH-54 14:00-14:15	<p>Company Reputation and Product Knowledge to Purchase Decision on Health Insurance Policy with Customer Trust as the Intervening Variable</p> <p>¹William Ardiyanto and ²Sesilya Kempa ^{1,2}Petra Christian University, Indonesia</p> <p>The level of competition in the insurance business is getting tougher and makes the insurance business do a lot of strategies to attract customers, through promotion, services, and others. Consumer decisions in buying insurance policies are influenced by several factors. This study emphasizes on the presence of company reputation and product knowledge on purchase decisions and the effect of both variables through consumer trust from insurance companies in Surabaya. The data collection process is carried out on 130 consumers who have bought an insurance policy. From 130 questionnaires distributed, there are only 100 questionnaires which can then be further processed using Partial Least Square software. The results of data processing show that company reputation, product knowledge, and consumer trust influence the purchase decision respectively of 0.204 and 0.203, and 0.494. While the influence of company reputation and product knowledge on customer trust are 0.452 and 0.471 respectively. Customer trust itself is proven to be an intervening variable between company reputation and product knowledge and on purchase decisions.</p>

<p>ICSH-24 14:15-14:30</p>	<p>Decisions for Stock Investment among University Students</p> <p>¹Dewi Pertiwi, ²Sautma Ronni Basana, and ³Marcella Grace Yasinta ^{1,2,3} Petra Christian University, Indonesia</p> <p>This research aims to determine whether demographic, risk tolerance, objective, information source, market, firm, and fundamental are all factors considered by financial management students in Surabaya to invest in stock. A sample of 238 respondents are used from Financial Management students in Surabaya. Data are collected using questionnaires. The results show that gender, income, risk tolerance, objective, information source, firm, and fundamental are significantly related to stock investment decisions. Meanwhile, age and market are not significantly related to stock investment decisions.</p>
<p>ICSH-21 14.30-14.45</p>	<p>Service Quality and Relationship Quality to Customer Satisfaction in Motorcycle Business</p> <p>¹Edbert Karlison Theodore, ²Dhyah Harjanti ^{1,2} Petra Christian University, Indonesia</p> <p>Motorcycle has become a common vehicle in Indonesia due to its flexibility to drive around in various geographical terrain. The number of motorcycle purchases in Indonesia is increasing annually, along with the repair services and spare part selling. Abundant repair service providers create fierce competition among themselves, so many providers maintain their service quality in order to retain their customer. The aim of this research is to investigate the impact of service quality and relationship quality to customer satisfaction in motorcycle repair providers. This research is using the quantitative approach, in which the data are collected by questionnaires distributed to samples of populations. The population is the customers who have purchased repair services and spare parts for their motorcycle, and the number of samples is 100 respondents. The data are analyzed with a SmartPLS software, and the results show a positive significant impact from service quality to customer satisfaction, a positive significant impact from service quality to relationship quality, and a positive impact from relationship quality to customer satisfaction. Therefore, for the long-term competitive advantage, motorcycle repair service providers have to consider their service quality and relationship quality to retain their customers.</p>
<p>ICSH-52 14.45-15.00</p>	<p>Company Reputation and Product Knowledge to Purchase Decision on Health Insurance Policy with Customer Trust as the Intervening Variable</p> <p>¹Sesilya Kempa and ²William Ardiyanto ^{1,2} Petra Christian University, Indonesia</p> <p>Good quality logistic services from the company can make customers feel satisfied and make purchases back to the company. in the form of rice shops will This study aims to look at the effect of logistic service quality on customer retention through customer satisfaction. This study investigates the service quality of logistic providers that are hired by the rice producers in distributing rice to rice retailers. The samples in this study are 36 rice retailers who have used logistic services at least two times. Data obtained from the questionnaire are processed using partial least square (PLS). The results of this study provide evidences that logistic service quality affects customer retention and customer satisfaction. Further results show that dissatisfied customers will significantly reduce customer retention with a statistical value of 2.754. Intervening results in this study indicate that there is an influence between logistic service quality on customer retention through customer satisfaction.</p>

Session 7
Session Chair: Dr. Ribut Basuki M.A
Room Q406A | Time: 13:30-15:00

<p>ICSH-50 13:45-14:00</p>	<p>Personal Motivational Factors to Aligning Innovation Culture: Evidence on Trenggalek, East Java</p> <p>¹Moeljadi, ²Triningsih Sri Supriyati and ³Sherlinda Octa ^{1,3} University of Brawijaya, ²Universitas Muhammadiyah Malang, Indonesia</p> <p>Trenggalek has a team, strength, and excellent entrepreneurial support by personal motivational. Many different teams format have been used in good organization for short-term and long-term condition. To gain benefits, teams must be successful embedded within the organization. It must carefully and systematic development, management, and alignment for teams. Because it means for individual engagement and team performance to growth up like batik, food, and others. An success of processed by products from the beginning to be able to trade and through offline and online. In addition, good organizations also give rise to good agreement and also to make joint decisions. This study are used qualitative methods with surveys and interviews. The results of this study proved that this research involved an important role in fostering the awareness of societies for development and independence, through industrial development which gave rise to the best entrepreneurs. So, a value of empowered cross-functional teams to drive such programs has not been lost to the majority of government in Trenggalek like culture.</p>
<p>ICSH-51 14:00-14:15</p>	<p>Traditional Balinese Architecture: From Cosmic to Modern</p> <p>¹Ronald H.I. Sitindjak, ²Laksmi Kusuma Wardani and ³Poppy F. Nilasari ^{1,2,3}Petra Christian University, Indonesia</p> <p>Balinese architecture often considers aspects of climate and natural conditions as well as the environmental social life. This is to obtain a balance in the cosmos, between human life (<i>bhuana alit</i> / microcosm) and its natural environment (<i>bhuana agung</i> /macrocosm). However, Bali's progress in tourism has changed the way of life of the people, which is in line with Parsons Theory of Structural Functionalism, that if there is a change in the function of one part of an institution or structure in a social system, it will affect other parts, eventually affecting the condition of the social system as a whole. The shift in perspectives have caused structural and functional changes in Balinese architecture. The building design or architecture that emerge today are no longer oriented towards cosmic factors, but are oriented towards modern factors, developing in the interests of tourism, commercialization and lifestyle. The change has had an impact on the spatial planning, building orientation, architectural appearance, interior furnishings and local regulations in architecture. In order to prevent Balinese architecture from losing its authenticity in its original form which is full of spiritual meaning and local Balinese traditions, it is necessary to have a guideline on the specifications of Balinese architectural design that combines elements of aesthetics, comfort, technology and spirituality. Through this guideline, Balinese architecture can exist in modern times without losing its traditional values</p>

<p>ICSH-55 14:15-14:30</p>	<p>The Influence of Hedonic Motives on Online Impulse Buying through Shopping Lifestyle for Career Women</p> <p>¹Eufemia Yunni Kurnia and ²Wilma Laura Sahetapy ^{1,2}Petra Christian University, Indonesia</p> <p>This research aims to know the influence of hedonic motives on impulse buying, shopping lifestyle on impulse buying, and hedonic motives on shopping lifestyle. The data are collected from questionnaires distributed to 130 respondents. The respondents are obtained from judgmental sampling or non-random sampling. The data are processed with a SmartPLS software as the analytical tool. The results of this research show that hedonic motives and shopping lifestyle have a significant influence on impulse buying.</p>
<p>ICSH-23 14:30-14:45</p>	<p>Economic Value Added and Profitability on Created Shareholders Value in Manufacturing Sectors</p> <p>¹Sautma Ronni Basana, and ²Ricky Julio ^{1,2}Petra Christian University, Indonesia</p> <p>This research is to find out what factors support property and real estate companies in determining the composition of their capital structure. In this research, the population is all property and real estate companies listed on the Indonesian Stock Exchange from the year of 2013 to 2018. There are 48 companies registered in the property and real estate sector until 2019. Data analysis will be carried out using the Stata test tool. The results of this research show on the company performance that profitability affects capital structure, company growth does not affect capital structure, non-debt tax shield affects capital structure, and liquidity does not affect capital structure. For the company risk, collateral value of assets affects capital structure, while business risk does not affect capital structure. For the company characteristics, company size does not affect capital structure.</p>
<p>ICSH-17 14:45-15:00</p>	<p>The Impact of e-Service Convenience to Repurchase Intention through Customer Satisfaction and Perceived Service Value on Fashion Online Shopping</p> <p>¹Ivana Syifa Johan and ²Ratih Indriyani ^{1,2}Petra Christian University, Indonesia</p> <p>The internet has become one of many ways for consumers to shop. With the rapid development of the internet connection, online shopping has become increasingly popular around the world. All forms of conveniences available through online businesses have lured consumers to slowly switch from offline shopping to online. This research emphasizes the influence of e-service convenience on customer satisfaction, perceived service value, and repurchase intention on fashion online shopping websites in Surabaya. The sample is taken from 115 Surabaya respondents. The sampling technique uses a nonrandom sampling technique. The analytical method used is partial least square (PLS). The results show that e-service convenience has a significant impact on customer satisfaction, customer satisfaction has a significant impact on repurchase intention, e-service convenience has a significant impact on repurchase intention, and perceived value has a significant impact on repurchase intention. The results also show the importance of customer satisfaction which has an influence on repurchase intention. Online fashion business owners must promote their websites so that more consumers know about the existence of the online shopping fashion websites. Business owners must also increase the convenience and comfort of consumers in shopping online</p>

Session 8
Session Chair: Dr. Hotlan Siagian
Room 406B | Time: 13:30-15:30

<p>ICSH-11 13:30-13:45</p>	<p>The Impact of e-Service Convenience to Repurchase Intention through Customer Satisfaction and Perceived Service Value on Fashion Online Shopping</p> <p>¹Zeplin Jiwa Husada Tarigan and ²Qausar Eganael Putra, ^{1,2}Petra Christian University, Indonesia</p> <p>The hospitality business is rapidly growing and has caused a fierce competition in this industry. It can be seen from the number of new hotels particularly for the 2 and 3-star hotels, and budget hotels in Surabaya. The hotels applied various strategies in acquiring the new customer and retain the loyal customer in the pursuit of high level of occupancy in order to maintain the business continuity. Performing an appropriate marketing tactics is one of the ways to enable the hotel in increasing occupancy rates. Marketing strategy is associated with the products, prices, promotions, and distribution. This study aims at seeking the impact the product, prices, promotion, and distribution on the consumer purchasing decisions. The population are all visitors to budget hotels located in the city of Surabaya. The data collection was conducted by distributing the self-administered questionnaire to 150 visitors. Of the 150, 125 questionnaires were valid for further analysis. The sampling frame use judgmental sampling techniques. Data processing used multiple linear regression using the SPSS software. The results showed that hotel products have an influence on consumer purchasing decisions; prices have an influence on consumer purchasing decisions. The location of the hotel affects the purchase decision. Promotion performed by the hotel influence the purchase decision by the consumer. This research model needs to be developed by providing service process variables and employee competencies in hotels in Surabaya</p>
<p>ICSH-12 13:45-14:00</p>	<p>The Effect of Brand Ambassador, Brand Image, and Brand Awareness on Purchase Decision of Pantene Shampoo</p> <p>¹Luh Gede Permata Sari Dewi and ²Natasya Edyanto ³Zeplin Jiwa Husada Tarigan ^{1,2}Petra Christian University, Indonesia</p> <p>Cosmetics industry growth development in Indonesia was improving up to 20% or four times compared to national economy growth. Cosmetics industry was one of the leading sectors. Lots of cosmetic industry was using public figure as their advertisement tool to affect the consumers. The selection of public figure as brand ambassador to build brand image and brand awareness had the goal to affect people in their purchase decision. The object in this research was Pantene shampoo. Data collection in the research was done with distributing surveys. Sample in this research was 100 respondents, using purposive sampling method, and using partial least square as statistic processing tool. Based on the result and analysis, brand ambassador that Pantene shampoo was using had a significant effect on brand awareness. Brand ambassador Pantene had a significant effect on brand image, brand awareness. Brand ambassador and brand image also had a significant effect on consumers purchase decision. This research was meant to contribute in selecting public figure as brand ambassador that was used by the company in producing Pantene shampoo had been suitable with the Surabaya's people desire</p>

<p>ICSH-38 14:00-14:15</p>	<p>Family and related link as a cradle of behavior of youth in political rent-seeking society</p> <p>Burganov Rais Kazan State Power Engineering University, Russia</p> <p>Among the pressing problems of any society, a special place is occupied by the desire of various categories of people to receive a political rent-seeking society. To start solving this sensitive problem, it is necessary to have baseline data, including on the views of young people on the possibility of obtaining political rent through the use of family-family ties in social development. This paper presents some of the research results on the basis of a survey of student youth. The results of the study are divided into three groups: students' perception of the modern political and economic atmosphere of society, assessment of opportunities for access to political rent through family and family ties, evaluation of measures for state regulation of the process of obtaining political rent by representatives of family and related groups of society. According to the author, it is necessary to consider in depth and wider regulations on the participation of family-related groups in the implementation of political rent.</p>
<p>ICSH-56 14:15-14:30</p>	<p>Earnings management through foreign currency transactions on companies listed on indonesia stock exchange</p> <p>¹Yulius Yogi Christiawan and ²I Made Narsa ¹Petra Christian University, ²Airlangga University, Indonesia</p> <p>This research aims to examine whether the condition of depreciation and appreciation of Rupiah currency, the magnitude of monetary liabilities in foreign currencies, and the condition of operating profit affects the management's aggressiveness to perform earnings management through foreign exchange gain or loss (FEGL) post. This research was conducted on companies listed on the BEI in 2009-2015. Based on the specified sample criteria, there are 258 companies with 1,420 data samples. This research was successfully proved on earnings management through foreign currency transactions phenomenon for several conditions. First, in the condition of Rupiah appreciation, the managers of companies that have monetary liabilities denominated in foreign currency are less than the monetary assets denominated in foreign currency (loss condition) are more daring to make earnings management through FEGL post than companies that have monetary liabilities denominated in foreign currency greater than monetary assets denominated in foreign currency (gain condition). Second, managers of companies who experience a decrease in operating profit (loss conditions), more daring to make earnings management through FEGL post than companies that experience an increase in operating profit (gain conditions). This research did not succeed in proving hypothesis on depreciation of Rupiah. Under the depreciation of the Rupiah, the managers of companies with monetary liabilities denominated in foreign currency are less than monetary assets denominated in foreign currency (gain conditions), are more aggressive to perform earnings management than the managers of companies who have monetary liabilities denominated in foreign currency greater than the monetary assets denominated in foreign currency (loss condition)</p>

ICSH-25	<p style="text-align: center;">Determinant Capital Structure in Property and Real Estate Public Company</p> <p style="text-align: center;">Sautma Ronni Basana and Tiffany Tandarto ^{1,2}Petra Christian University, Indonesia</p> <p>This research is to find out what factors support property and real estate companies in determining the composition of their capital structure. In this research, the population is all property and real estate companies listed on the Indonesian Stock Exchange from the year of 2013 to 2018. There are 48 companies registered in the property and real estate sector until 2019. Data analysis will be carried out using the Stata test tool. The results of this research show on the company performance that profitability affects capital structure, company growth does not affect capital structure, non-debt tax shield affects capital structure, and liquidity does not affect capital structure. For the company risk, collateral value of assets affects capital structure, while business risk does not affect capital structure. For the company characteristics, company size does not affect capital structure.</p>
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The Role of Peer to Peer Lending in Increasing Funding for Micro, Small, and Medium Enterprises

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Abstract. This study aims to describe the potential of MSMEs in Indonesia and the role of technology in the industrial era 4.0, especially in alternative funding in the form of Peer to Peer (P2P) Lending in providing funding solutions for MSMEs. This study uses a literature review including academic studies on MSME financing in Indonesia by using the results of previous studies and surveys on Indonesian MSME. The development of P2P Lending is the solution for MSMEs with no access to financial aid from banks.

Keywords: Driving factors for business productivity, fin-tech, increase gross domestic product, strengthen small businesses.

1. Introduction

Indonesia is a country with enormous natural potential, a large workforce of young workers, and abroad, dynamic market [1]. Another potential possessed by Indonesia is having the fourth largest population in the world [2]. The largest proportion of Indonesia's population is owned by the productive, working-age population (around 60 %), which has great potential to increase Indonesia's economic growth.

But the total population of Indonesia has not been met with an increase in the welfare of its population. The productivity of the Indonesian population per capita is estimated at 32 % of the productivity per capita of the population of the United States. Therefore, Indonesia needs to find ways to increase Gross Domestic Product (GDP) per capita in order to be able to achieve the welfare achieved by other countries [3].

This projection shows that there are 'missed welfare opportunities' that have not been enjoyed by the working-age population in Indonesia. Some working-age populations do not benefit from higher GDP per capita. Efforts to maximize economic potential and access to funding is a major prerequisite for the population of Indonesia [4], especially for the portion of the population that is doing business at MSMEs. Providing equal access to funding will greatly contribute in creating a multiplier effect on the Indonesian economy. One key element that can drive economic growth effectively is the use of credit to increase production capabilities. Based on the ability to disburse loans per GDP, Indonesia has a very low capability when compared to other countries [3].

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Since 2004, the Indonesian government has been persistently promoting MSMEs as a driving force for the growth of lower-income communities. As a step towards realizing this objective, the government issued a comprehensive reform economic policy known as the New Economic Policy Package in 2007 and 2008. This package includes policies to improve the investment, financial, and infrastructure sectors. One of the priority objectives of the New Economic Policy is to strengthen small businesses. Moreover, the government also issued UU UKM (UU No.20/2008), aimed at all government authorities and Bank Indonesia, which are expected to have an impact on SMEs that were announced in 2012, concerning the Micro Finance Law contained in UU No.1/2013 [5].

Indonesia's experience in the economic area proves that Micro, Small and Medium Enterprises (MSMEs) plays an important and strategic role in Indonesia's economic growth. MSMEs play a role in contributing to economic growth and employment in Indonesia, as well as in distributing the results of economic growth. MSMEs are also resistant to economic crises. When the economic crisis occurred in the period 1997 to 1998, SMEs were able to stay afloat. After the economic crisis of 1997 to 1998, the number of MSMEs did not decrease. Instead it continued to increase and was even able to absorb 85×10^6 to 107×10^6 workers until 2012. In 2012, the number of employers in Indonesia was 56 539 560 units. Of these, the Micro, Small and Medium Enterprises (MSMEs) amounted to 56 534 592 units or 99.99 % [6].

Parallel to the development of digital technology in the Industry 4.0 era, Indonesian MSMEs have the opportunity to obtain alternative funding as well as a media to market their products or services online. This means digital technology has played an important role in the development of Indonesia's MSMEs. Technology has become one of the driving factors for business productivity, MSMEs included [7]. The use of e-commerce in the marketing of MSME products has been effective. Thus, MSMEs are continuously encouraged to go digital [8].

If Indonesia focuses on investments in digital technology, particularly in terms of improving digital infrastructure, increasing penetration, and increasing productivity, then the Indonesian economy will reach USD $150 \times 10^9 \text{ yr}^{-1}$ by 2025. This is a condition that cannot be ignored. If Indonesia adopts a holistic digital strategy, it will empower Indonesian companies to win in the digital era and lift Indonesia's economic growth to the next level. As such, Indonesia must be prepared to benefit greatly from the digital revolution to accelerate economic progress in the public and private sectors [9].

Digital technology helps Indonesian MSMEs grow faster and be internationally competitive. MSMEs that utilize digital technology are able to innovate, make breakthroughs in doing business, and compete in the international market. One form of digital technology in finance that has succeeded in helping the financial difficulties of SMEs, which in the past was a big problem in China for decades, is P2P Lending. In recent years, P2P Lending as a financial industry innovation has been widely accepted by financial markets throughout the world. P2P Lending is proven to be able to connect investors with those who need funding, so it is considered as a solution to solving MSMEs financial problems. A study that examined the use of P2P Lending as an external financial source found that P2P Lending was a major force to help MSMEs in dealing with financial difficulties. P2P Lending is an internet technology application that has been proven to have a significant ability to connect capital owners with individuals or organizations that need funding, making P2P Lending an effective solution to overcome the difficulties of SME financing [10].

2 Theories

2.1 MSMEs characteristic

Indonesia does not have a homogenous MSMEs group, but rather diverse, separated into subcategories. They can be easily identified from the distinct characteristics in various aspects, such as ways in doing business, market orientation, social-economic profiles of the owners/producers, nature of workers used, adopted organization and management system, level of mechanization (nature of production process), sources of raw materials and capital, location, external relationships, and proportion of women's involvement as entrepreneurs [7].

2.2 Fin-Tech – peer to peer lending

Fintech is able to provide services that go beyond conventional banking, in terms of money transfer/remittance, crowdfunding, P2P (Peer-to-Peer)/marketplace loans, and others. One of Fintech's services that provides the highest added value is mobile-payment/e-Wallets. Other services that Fintech provides include financial consulting, data analysis especially big data, the credit assessment, insurance, and others. Fintech services are more than just banks; they can even replace conventional insurance services.

Fintech's excellence is supported by its ability to combine low cost with technology so that it can operate with a lower margin. It is also supported by the use of intense technology, including onboarding, social networking, crowd knowledge, and big data used for market analysis and credit scoring. The use of AI with cybersecurity that is needed in the use of private keys and touch recognition is equally important to ensure customer's trust. There are several companies that are developing Fintech, namely Telecom Fintech (M-PESA), Fintech Social Media (Fidor), and e-commerce Fintech (Alibaba Group).

There are many ways for Bank Fidor to engage customers, such as through social media and the Internet community, making it possible for customers to rate products and assess bank advisers. This method is appreciated by social media users, as evidenced by the large number of "likes" that can be generated, while at the same time requiring only a low fee. P2P Lending SMAVA applies a concept centered on openness. It carries out the development by facilitating communities where members can share advice in forums and collaborate on product development. In addition, the bank provides a platform in the app store to provide independent services to third parties [11]

3 Methodology

This study uses a literature review including academic studies on MSME financing in Indonesia by using the results of previous studies and surveys in Indonesian MSMEs from 2011 to 2019, and the development of Peer to Peer Lending in supporting MSMEs' financing in Indonesia.

4 Analysis

4.1 MSMEs in Indonesia

Based on Indonesian Government Regulation no. 20/2008, the MSMEs are categorized into four groups:

Table 1. Types of MSMEs in Indonesia

Types of Enterprise	Asset Value (Million IDR)	Annual Sales (Million IDR)
Micro	Less than 50	Less than 300
Small	50 up to 500	300 up to 2 500
Medium	500 up to 10 000	2 500 up to 50 000
Large	More than 10 000	More than 50 000

Source: ILO, 2019.

As for lending by the various classes of banks to all types of MSMEs in Table 1, at the end of 2017, there was IDR 883×10^{12} outstanding in credits to MSMEs. It shows that the state-owned banks dominate the overall category (56 %), with 73 % of the total loans going to MSMEs.

Moreover, in 2017, World Bank reported that bank credit is centered on large corporates and state-owned companies, while MSMEs remain largely underserved. Besides this, the cost of servicing MSMEs loans is higher than the corporate loan. Indonesian MSMEs face significant difficulties in accessing financing, basically due to the stringent operational, reporting and collateral requirements of commercial banks. Despite different government initiatives, the share of MSME loans to total bank credits stands at around 16 % [5]. For so long, MSMEs have been put in a disadvantaged position in terms of funding. They are subject to what we call “Credit Rationing,” which makes it very difficult for them to get access to finance. They have a lot of potentials, but access to finance is a critical issue [12].

4.2 Technology facilitates MSME financing

Information technology has changed the way to market products and services, so it becomes an interactive process. The company not only provides product catalogs and promotions on its website, but it also uses dialogue, discussion, and consultation with consumers online [13]. Moreover, digital technology helps MSMEs in Indonesia grow faster and become more competitive internationally. A study conducted by Deloitte found a link between the level of use of digital technology and the increase in MSME revenue [14].

Since the presence of Fintech, the bank's brand has declined. The MSMEs state that the bank services have a lack of transparency, a long wait period for the credit decision, difficulties in the application process, unfavorable repayment terms, and a high-interest rate. Meanwhile, based on SWOT analysis, banks have points in Strengths for great customer relationships, deep local knowledge, and a long-term view. But their weaknesses are, they are small scale (budget, technical expertise), lacks digital data, and have a bifurcated customer base. In spite of this, banks have opportunities to build on existing customer relationships, cooperation with the partners to implement digital technologies, emphasize local knowledge, and digital leverage to more fully embrace the ecosystem (e.g., local merchants and charitable causes). Whereas banks have threats in an aging customer base, competitors using technology to offer more compelling products based on digital insights and Fintech competitors.

One of the reasons for the lag in the delivery of digital capabilities on the bank is the comfort of current relationships. While these relationships served the banking industry well in the past, the financial services industry needs to change the underlying processes to accept the new forms of data, especially real-time digital processing.

Omnichannel customer engagement should not be a bolt-on product that can simply be added to existing systems to give a little more functionality. Banks need to take a fresh perspective—wiping the established offline board [15].

Development of P2P's digital platform, whose paper-less and presence-less process cuts intermediary cost, may offer faster and cheaper credit. P2P lending is offering a ray of hope to a large chunk of the unbanked, like MSMEs.

4.3 Characteristic of Indonesia's fintech lending

Indonesia has a specific feature of the Fintech Lending atmosphere because of the character of its market and regulation. The development of Indonesia's Fintech Lending cannot be easily compared to other countries, as the majority of Indonesian MSMEs have limited physical and data.

Most of Fintech Lending's clients come from the "Credit Invisible"- MSMEs, which previously had no access to credit. There are still huge untapped opportunities, particularly outside Java, because of difficulties in physical outreach and data availability.

There is a tendency of over-leveraged debt behavior, hence requiring an integrated lending database to prevent misconduct. Particularly debt refinancing that gives off an impression of the top three loan purposes, indicating the potential for 'over-leveraged' debt behavior. So, an integrated database covering conventional and online lending may be required.

The development of credit payment is subsequently followed by the development of NPL. OJK is currently implementing TKB90 to guarantee players to unveil their credit execution, which may prevent irresponsible conduct.

As the industry develops, adjusting demand and supply in the platform becomes a critical point. Through cooperation with Financial Institutions and tech companies, players may have a progressively steady source of funds, while likewise expanding the use of their loan portfolio in more instances. The capability to develop cooperation becomes a must-have competitive advantage for players.

Because of supportive regulation and expanding use cases, we predict that Fintech Lending will have the potential to get accumulative loan disbursements of IDR 223×10^{12} in 2020. This will support closing the IDR 19.3×10^{12} of the MSME financing gap and expanding the credit access of individuals in 2020 by 12.4 % [3].

OJK also informed that the disbursement of credit through Fintech in Indonesia reached IDR 8.8×10^{12} (USD 534×10^6) in the period of 7 mo to July 2018, over three times compared to achievement in 2017, which amounted to IDR 2.56×10^{12} (USD 175×10^6). The loan funds came from 66 local Fintech companies that have obtained operating licenses from OJK to engage in P2P Lending.

The Fintech Association in 2019 stated that there were 235 Fintech companies operating in Indonesia, more than half of the total were established in the last two years. In August 2018, 62 local Fintech companies were applying for permission to the OJK. One of the Fintech products that are already available for MSMEs in Indonesia is Investree, which lends funds for a period of 1 mo to 3 mo and several working-capital loans for one year. The total number of Investree customers is 2 600 micro and SME entrepreneurs. There are also other P2P Lending such as Amarnya, which has provided 130 000 loans since 2010, and Gandeng Tangan, which focuses on rural micro-entrepreneurs [5].

Based on this description, it shows that P2P Lending is able to be a solution for MSMEs in financing their business operations. P2P lending offers a faster, cheaper, and easier way to finance MSMEs. But there are several challenges, as there is a large number of Peer to Peer Lending options in Indonesia. It requires MSMEs to choose carefully based on the suitability of the amount of loan with the financing requirements, loan term, and the lowest interest rates. In addition, the use of loans is only for productive purposes, namely, for working capital and business development. Misuse of the loan will have an impact on the emergence of bad debt, which in turn will result in financial distress or business bankruptcy.

5 Conclusion

Indonesian MSMEs have a lot of potentials, but face difficulties in gaining access to credit. Development of technology, especially in finance namely Fintech, offers the solution to financing problems. One type of Fintech is Peer to Peer Lending. They offer a faster, cheaper, and easier way to financing MSMEs.

Peer to peer (P2P) Lending is an appropriate funding method for Indonesian MSMEs. However, the implementation requires assistance from the government so that MSMEs can borrow wisely. The loan must be productive and must match the amount needed to support the smooth operation of the business.

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