

**DETERMINANTS OF INVESTMENT INTEREST
OF THE JAMBI CITY COMMUNITY IN THE CAPITAL MARKET**

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Abstract

The main goal of the study is to investigate how factors like investment knowledge, investment returns, investment risk, and the bandwagon effect affect people's propensity to make investments in Jambi City. The study focuses on residents of Jambi City who have a Single Investor Identification (SID). Using the Slovin formula and a straightforward random sampling strategy, samples were chosen. Respondents were given questionnaires utilizing descriptive approaches throughout the first round of data collection. The outcomes indicate that the community's inclination to engage in capital market investments is significantly shaped by their investment knowledge, investment returns, and the influence of the bandwagon effect. Conversely, the impact of investment risk on the community's willingness to participate in capital market investments appears to be less substantial. It's worth noting that the coefficient of determination (R Square) illustrates that the independent variables effectively explain investment interest, with approximately 36% of this interest attributed to factors not encompassed within the model.

Keywords: *Bandwagon Effect, Investment Interest, Investment Knowledge, Investment Return, Investment Risk*

1. INTRODUCTION

The activities linked to the offering, trading, and issuing of securities by public corporations are included in capital markets as defined by Constitution Number 8 of 1995 governing the Capital Market (UUPM). The capital market also allows for the trading of a variety of financial instruments or securities, including issues from the public and private sectors, whether in the form of debt or equity (Lestari et al., 2022).

Putting money into an investment might be understood as someone hoping to make money in the future. Investments are made because there are requirements that someone will have in the future that must be satisfied in order to grow the value of assets or preserve the worth of assets possessed so that they may be used in times of need or inflation. To build wealth or assets derived through the distribution of investment returns, such as dividends in the future, a firm or individual may employ a number of funds or other sources of funding (Karatri et al., 2021).

A significant portion of our population lacks awareness regarding the advantages of making investments. Many individuals prioritize their immediate lifestyle without considering their future. Inflation is a notable factor necessitating investment. It erodes the purchasing power of our money as prices for goods and services rise. Investing offers a means to preserve and potentially increase this purchasing power. While all investment options entail both profit potential and risk, investing in shares in the domestic capital

market, especially within Indonesia, offers distinct advantages. Shares are easily tradable, highly liquid, and require minimal capital. Furthermore, increasing domestic ownership of shares would empower the majority of Indonesians, as currently, foreign investors dominate share ownership in the Indonesian capital market, which paradoxically results in foreign control over vital sectors in the country (Tandio & Widanaputra, 2016) .

Due to Indonesia's strict laws and oversight, the Financial Services Authority (OJK) believes that investor trust in the country's capital market is constantly rising. Even throughout the epidemic, there was a significant surge in stock market investors. The Head Executive Supervisor of OJK Capital Market brought up this idea during the capital market seminar with the theme "capital market as a choice investment" held in Surabaya on May 24, 2022. Retail investors in the capital market made up 8.62 million investors nationwide as of the end of April 2022, a 15.11% rise from the situation on December 30, 2021. Notably, millennials are primarily responsible for this increase in the number of retail investors, with those under 30 accounting for 60.29 percent of all investors (OJK, 2022).

In Indonesia, there are now a notable increase in retail investors. For instance, by May 2023, the total count of Indonesian capital market investors had surpassed 11 million, reflecting a five-fold increase over the last five years. This surge in participation is particularly driven by the younger generation in Indonesia, where nearly 60% of investors are aged 30 years and under. Given the heightened interest in investing in recent years, regulators are recognizing the need to establish a comprehensive legal framework to oversee the financial industry, which is currently governed by multiple fragmented financial sector regulatory authorities (Republika, 2023).

Investment knowledge is a critical resource for prospective investors, enabling them to utilize their funds for long-term profitability. This knowledge can be acquired through a variety of means, including understanding existing investment literature and retaining it in memory until becoming an investor. People may also improve their investment knowledge by attending seminars, conferences, and training sessions geared at investing in the stock market or by reading investment literacy books (Karatri et al., 2021). According to Halim (2005) , selecting which assets to invest in within the stock market requires a combination of knowledge, experience, and business acumen. Understanding the right investing tactics is crucial to avoiding losses while investing in the stock market or other financial instruments like shares (Thara & Slamet, 2020) .

The primary motivation for investing is to profit from the potential gains or returns. Investors anticipate either a flat or high return on their investments. a degree of guaranteed return on invested money in the context of managed investment. This occurred as a result of incorrect personal financial needs. Internal investors' investments are one element that is taken into account. Investors' thoughts about investing aims are one aspect that helps equalize returns (Marfuah & Dewati, 2021).

Return is the outcome of placing money into an investment. Hartono (2010) explains that risk is frequently connected to variances or differences between actual results and expectations. Everyone, especially investors, is certain that they want to see the fruits of their labor. Typically, investors want to generate returns, especially sizable ones. According to Hartono (2010), returns may either be realized, which denotes that they have already occurred, or expected, which denotes future expectations. As stated by Tandio &

Widanaputra (2016), there is a positive association between return and risk in investments; more risk is correlated with the expectation of higher returns.

Risk is characterized as the unpredictability encountered by investors while making financial decisions. The cornerstone of decision-making about the likelihood of loss is risk perception, which is socially created as a result of several variables (Tandio & Widanaputra, 2016). This is entirely appropriate with the Decision Making Theory, which contends that choosing one course of action from a list of alternatives in order to solve a problem or take advantage of an opportunity is the process of making decisions. Numerous unpredictable future occurrences are decided upon (Dewi & Gayatri, 2021).

Investment interest has been thoroughly investigated in earlier studies. Research by Dewi & Gayatri (2021) probed the factors that affect investors' motivation in the capital market. Their research's findings showed that the bandwagon effect, investor motivation, and understanding of investing concepts all had a favorable impact on investors' interest in the capital market. These results suggest that people's propensity to participate in the capital market rises along with their comprehension of investments, incentive, and the bandwagon effect. While research by Mahdi et al. (2020) found that students' desire and financial literacy impacted their interest in trading stocks.

Research by Hati & Harefa (2019) found the opposite outcomes, with motivation having no effect on the millennial generation's interest in investing, capital market knowledge having an influence on that interest, and risk preferences having an influence on that interest. Research by Mahdi et al. (2020) highlighted that students' propensity to engage in the capital market was unaffected by the minimum capital requirement.

This study aims to explore the multifaceted dynamics that influence individuals' propensity to make investments in Jambi City, focusing on key factors such as investment knowledge, investment returns, investment risk, and the bandwagon effect. By conducting a thorough contribution analysis, we intend to shed light on the relative importance of these factors and their interplay in shaping investment decisions within the region.

2. LITERATURE REVIEW

2.1. Theory of Planned Behavior

In this research, the utilization of the planned behavior concept is employed to elucidate how various factors, including one's perception of behavioral control, can influence an individual's level of interest. These elements transform planned behavior theory from reasoned action theory. This hypothesis is based on the idea that a person's ideas might motivate them to take certain actions. The trust viewpoint is put into practice by integrating several traits, features, and attributes of specific knowledge, which then creates the desire to act (Seni & Ratnadi, 2017) .

The planned behavior theory says that although a person's attitude must be taken into account when evaluating subjective standards and assessing their perceived behavioral control, attitudes toward behavior are a significant factor that might anticipate an action. The likelihood that someone will act appropriately will be increased if they have a good attitude, the support of others around them, and a sense of ease since there are no barriers in their way. When someone has a favorable outlook on investing in stocks, receives encouragement from others around him, and perceives things as being simple since there are no barriers in the way, their intention to do so will be greater.

2.2. Capital Markets

The capital market is one of the ways that businesses or governments can raise money. The money in question was obtained through the selling of various financial products on the aforementioned capital markets. Conversely, the broader public and external stakeholders can also participate in investment endeavors within the capital market. Individuals have the opportunity to generate returns by subsequently selling the financial instruments they procure in the capital market. Provided that the eligibility criteria are met, anyone can enroll as an investor and engage in stock market investments (Mita & Siagian, 2021).

According to the OJK (2022), the capital market can be defined as a platform where the public engages in the issuance and exchange of securities, encompassing public companies connected to securities, institutions, and professions associated with securities, along with related financial activities. In essence, the capital market serves as a marketplace where a diverse range of long-term financial securities, including both debt and equity, are bought and sold.

According to Kasmir (2019), Investors may actively investigate and evaluate the benefits of each firm providing money while conducting transactions on the capital market. You can quickly purchase or sell it again when prices increase in the same market if it is deemed beneficial. Therefore, in this instance, investors may end up selling to other investors.

2.2.1. Investment Interest

Interest is the propensity for a subject to feel enthusiastic about and interested in particular topics, as well as a desire to work in such areas. The Big Indonesian Dictionary defines interest as being drawn to something, liking it, and having a strong predisposition toward it. According to Djaali (2008), Basically, having an interest is accepting that there is a connection between you and something outside of yourself. The definition of interest given above leads one to the conclusion that it is the desire or propensity to decide on a topic without being forced to do so by anyone.

Investment interest according to Kusmawati (2011) entails a desire to learn as much as possible about a certain investment kind, starting with an investigation of its benefits, disadvantages, investment track record, and more, all with the goal of accumulating data to help with decision-making. Other than that, another trait that may be observed is attempting to invest in the sort of investment that interests you or spending time learning more about it. (Khotimah et al., 2018).

2.2.2. Investment Knowledge

Investment Knowledge can be defined as the comprehension and deliberations undertaken before engaging in investment activities. This encompasses understanding the functioning and objectives of business or investment, assessing the risk associated with expected returns, familiarizing oneself with the operations of the company to be invested in, selecting a company with robust business fundamentals, determining the investment duration, efficient portfolio allocation, gaining understanding of technical and fundamental stock analysis, using a less forceful strategy, emphasizing defensiveness, practicing discipline, and avoiding greed. Essentially, Investment Knowledge represents an individual's fundamental thought process and reference point when pursuing

investment endeavors. It serves as a condensed repository of comprehended theories pertaining to the risk and potential returns of investments, along with other associated investment benefits.

2.2.3. Return on Investment

Return represents the result of investing money in an asset or venture. Hartono (2010) suggests that there are two types of returns: realized and anticipated. Realized returns are those that have already happened and are calculated using historical data. Anticipated returns are those that haven't happened yet but are predicted to do so in the future. There is a positive correlation between investment return and risk, meaning that greater risk is generally associated with the expectation of higher returns.. Hartono (2010) discusses how variations or inconsistencies between the results received and those anticipated are frequently related with risk. Everyone, especially investors, is certain that they want to see the fruits of their labor. Return, especially a big return, is one of the outcomes that investors constantly desire.

2.2.4. Investment Risk

Risk is a universally unsettling element, with investors typically harboring apprehensions about it. The distinction lies in the varying degrees to which individuals are willing and capable of embracing risk. Some individuals can only accommodate minimal levels of risk, while others are prepared to shoulder substantial or even elevated levels of risk. Hartono (2010) claims that factoring in risks is equally as important as estimating rewards. Risk is one of the trade-off variables that must be taken into account while investing (return is another aspect).

2.2.5. Bandwagon Effect

Environment-related variables and peer pressure may also spark interest in participating in the financial markets. People frequently think or act in certain ways because their friends or the majority of people do so; this phenomenon is known as the "bandwagon effect.". (Hasanah et al., 2019) . Banerji et Al. (2020) stated, the bandwagon effect is a social phenomenon whereby someone is persuaded to make a choice because others in their area share that opinion. The more people who do that, the more probable it is that other people will do the same. This phenomena frequently occurs in the realm of investing, when investors will replicate the actions of other investors while having less expertise and information (Sabir et al., 2019).

2.3. Previous Research

Research (2021) studying the factors that affect investors' desire to invest in the capital market. The research results of Dewi & Gayatri (2021) underscore that a heightened understanding of investment principles, stronger motivation to invest, and a greater prevalence of the bandwagon effect all contribute positively to the propensity to invest in the capital market. This implies that as individuals become more knowledgeable about investment strategies, more driven to invest, and as they witness increased participation in investment trends, their enthusiasm for engaging in capital market investments experiences a corresponding boost. Research by Mahdi et al. (2020) also discovered that students' motivation and financial knowledge affected their enthusiasm in participating in the stock market.

Research Hati & Harefa (2019) yielded different results, where motivation was not found to impact the investment interest of the millennial generation. Instead, it was discovered that a solid understanding of the capital market had an influential effect on this interest, along with individuals' risk preferences playing a role in shaping their investment inclination. Research by Mahdi et al. (2020) also discovered that interest among students in participating in the stock market was unaffected by the minimum capital requirement.

2.4. Hypothesis Study

Our study formulates several hypotheses to explore the factors influencing investment interest in the capital market in a concise manner:

H1: Investment interest in the capital market is significantly influenced by investment knowledge, investment return, investment risk, and bandwagon effect.

H2: Investment interest in the capital market is significantly influenced by investment expertise.

H3: Investment interest in the capital market is significantly influenced by investment results.

H4: Investment interest in the capital market is significantly impacted by risky investments.

H5: The Bandwagon Effect has a major impact on capital market investment interest.

3. RESEARCH METHODS

3.1. Object And Subject of Study

Investment Interest, which is a dependent variable, as well as Investment Knowledge, Investment Return, Investment Risk, and Bandwagon Effect, which are independent variables, are all included in the variables this study is examining. The subject of the study, which is the community living in Jambi City.

3.2. Population And Sample

A population is a categorical collection of people, things, or things that have certain qualities in common (Indriantoro, 2014). The population of this study consists of people who live in Jambi City and have Single Investor Identification (SID) numbers. According to data from the capital markets, Jambi City had 40,058 SIDs registered as of August 2022. A simple random sampling technique was used to produce the study sample, which involves choosing components of this population at random (Indriantoro, 2014). The Slovin formula was used to determine the sample size for this investigation:

$$n = N / (1 + N * e^2)$$

Information:

n : Number of Samples

N : Population

e : Desired Critical Value (error limit) 5%

From the formula above, the sample size is calculated as follows:

$$n = \frac{40.058}{1 + 40.058 \times (0,05)^2}$$

$$n = \frac{40.058}{101,145}$$

$$n = 396,045$$

So, the number of samples used, after rounding, is 400 respondents.

3.3. Method and Study Approach

This study employs descriptive techniques to explain observed phenomena. The research framework adopted here is quantitative, involving research with the goal of testing or confirming theories and using deductive theory as a foundation for identifying and addressing research issues (Indriantoro & Supomo, 2018). In the questionnaire, the measurement scale follows a Likert format, yielding interval data with scores ranging from 1 to 5 points (Sekaran, 2014). The scale includes five levels of response preferences:

- a. Score 1 for "strongly disagree" (SD)
- b. Score 2 for "disagree" (D)
- c. Score 3 for "neutral" (N)
- d. Score 4 for "agree" (A)
- e. Score 5 for "strongly agree" (SA)

3.4. Data Sources and Data Collection

In this study, primary data were used, which were gathered from various sources including already-existing corporate records (Sunyoto, 2016). By distributing questionnaires to the participants, the research data for this study will be gathered.

3.5. Data Analysis Technique

This study employs various statistical analyses, including descriptive statistics, PLS-SEM (Partial Least Squares Structural Equation Modeling), encompassing both outer and inner model tests, to examine the data. SmartPLS 4.0 is the software utilized for data processing in this research.

3.6. Hypothesis Test

The t test is used in this study to evaluate hypotheses, and it essentially demonstrates how much an independent variable can singularly or substantially account for fluctuations in the dependent variable (Ghozali & Latan, 2015). The entire research was also put to the test using the t test. The following statistical hypothesis needs to be verified:

Research statistical hypothesis:

H₀ : Investment knowledge/Investment returns/Investment risks / Bandwagon effect does not have a significant effect on investment interest.

H_a : Investment knowledge/Investment return/Investment risk /Bandwagon effect significant effect on investment interest

The t test testing criteria are as follows:

- a. If sig. > 0.05, therefore H₀ is accepted and H_a is **rejected**.
- b. If sig. < 0.05, therefore H₀ is rejected and H_a is **accepted**.

4. RESULTS AND DISCUSSION

4.1. Result

4.1.1. Descriptive Statistical Analysis

Table 1. Statistics Descriptive Result

	N	Min	Max	Mean	Std. Deviation
Investment Knowledge (X 1)	400	1.6	5.0	4,170	,6948
Investment Return (X 2)	400	,4	5.0	4,125	,7029
Investment Risk (X 3)	400	1.6	5.0	4,057	,6817
Bandwagon Effect (X 4)	400	1.6	5.0	3,988	,6935
Investment Interest (Y)	400	2,3	5.0	4,067	,7358
Valid N (listwise)	400				

4.1.2. Outer Model Evaluation

A. Validity Test

The results of the convergent validity test, whose value was derived from the outer loadings of the running PLS Algorithm, are shown in Table 2 below:

Table 2. Results Test of Convergent Validity (Outer Loading)

Indicator	X1	X2	X3	X4	Y
X1.1	0.79				
X1.2	0.85				
X1.3	0.77				
X1.4	0.76				
X1.5	0.74				
X2.1		0.81			
X2.2		0.88			
X2.3		0.88			
X2.4		0.86			
X2.5		0.87			
X3.1			0.61		
X3.2			0.78		
X3.3			0.83		
X3.4			0.81		
X3.5			0.78		
X4.1				0.76	
X4.2				0.80	
X4.3				0.78	
X4.4				0.80	
X4.5				0.73	
Y1.1					0.93

Y1.2	0.85
Y1.3	0.89

Table 3. Results Test of Discriminant Validity (Cross Loading)

Indicator	X1	X2	X3	X4	Y
X1.1	0.79	0.04	0.04	0.14	0.32
X1.2	0.85	0.10	0.01	0.27	0.34
X1.3	0.77	0.09	0.09	0.26	0.38
X1.4	0.76	0.12	0.11	0.29	0.34
X1.5	0.74	0.11	0.06	0.21	0.38
X2.1	0.12	0.81	0.24	0.21	0.23
X2.2	0.09	0.88	0.29	0.23	0.23
X2.3	0.10	0.88	0.32	0.22	0.24
X2.4	0.11	0.86	0.32	0.30	0.29
X2.5	0.10	0.87	0.30	0.24	0.31
X3.1	0.10	0.34	0.61	0.14	0.08
X3.2	0.07	0.34	0.78	0.24	0.12
X3.3	0.06	0.25	0.83	0.17	0.12
X3.4	0.04	0.19	0.81	0.26	0.12
X3.5	0.05	0.24	0.78	0.32	0.15
X4.1	0.18	0.18	0.28	0.76	0.28
X4.2	0.22	0.15	0.17	0.80	0.31
X4.3	0.33	0.19	0.17	0.78	0.36
X4.4	0.20	0.25	0.22	0.80	0.38
X4.5	0.24	0.29	0.33	0.73	0.38
Y1.1	0.44	0.29	0.14	0.42	0.93
Y1.2	0.37	0.26	0.17	0.40	0.85
Y1.3	0.41	0.27	0.11	0.37	0.89

Since the results indicating cross-loading of particular indicators show a greater correlation when compared to other factors and the latent variable itself, the discriminant validity test may be considered legitimate, as shown in Table 3. While table 4 below shows the values for Fornell-Larcker.

Table 4. Discriminant Validity Test Results (Fornell-Larcker)

Indicator	X4	Y	X1	X2	X3
Bandwagon Effect (X 4)	0.77				
Investment Interest (Y)	0.45	0.89			
Investment Knowledge (X1)	0.30	0.46	0.78		
Investment Return (X 2)	0.28	0.31	0.12	0.86	
Investment Risk (X 3)	0.30	0.16	0.08	0.34	0.77

B. Reliability Test

Table 5. Outer Model Reliability Test Results

Information	Composite Reliability	Cronbach's Alpha
Investment Knowledge (X1)	0.89	0.84
Investment Return (X2)	0.94	0.91
Investment Risk (X3)	0.88	0.83
Bandwagon Effect (X4)	0.88	0.83
Investment Interest (Y)	0.92	0.87

Table 5 above's provide test results for variable reliability show composite reliability statistics and a Ronbach's lpha value greater than 0.7. An unsatisfactory (unacceptable) Cronbach's alpha value is one that is less than 0.5, whereas an acceptable but weak Cronbach's alpha value is one that is greater than 0.5. These results show that every indicator used in the study to evaluate the variables Investment Knowledge (X 1), Investment Return (X 2), Investment Risk (X 3), Bandwagon Effect (X 4) and Investment Interest (Y) is suitable and regarded as reliable.

4.1.3. Inner Model Evaluation

A. Coefficient Determination R-Square

Table 6. R Square and Adjusted R Square

Latent Variables	R Square	Adjusted R Square
Investment Interest	0.37 _	0.36 _

Coefficient of determination in Table 6 Investment Knowledge (X 1), Investment Return (X 2), Investment Risk (X 3) and Bandwagon Effect (X 4) account for 36% of the explanation of investment interest, according to R Square. The remaining 64% of the explanation is provided by additional factors that are not included in the model.

B. Q-Square

If the Q square value is more than zero (>0), a model is said to have meaningful predictive power. It is possible to calculate the predictive-relevance value using the formula below. Using the formula, the predictive-relevance value is calculated:

$$Q^2 = 1 - (1 - R^2)$$

$$Q^2 = 1 - (1 - 0.36)$$

$$Q^2 = 1 - (0.64)$$

$$Q^2 = 0.36$$

In this study, the Q square calculation produced a result of 0.36, or 36%. The model is appropriate for describing the endogenous variable, namely investment interest, as the Q square value in this study is greater than zero. The ability of the independent variable

in this study to predict the dependent variable is also shown by a Q Square score above 0. The sole endogenous variable in this study model is investment interest, hence the predicted value of Q square is equal to the adjusted R square. Thus, it can be seen that the research's model can adequately account for the endogenous variable, investment interest.

C. Hypothesis Test

Table 7. Path Coefficient

Variable Exogenous	Variable Endogenous	Path Coefficient
Investment Knowledge (X1)		0.29
Investment Return (X2)	Investment Interest	0.16
Investment Risk (X3)		-0.02
Bandwagon Effect (X4)		0.23

Based on the path coefficient value in table 7 above, the following equation was created:

$$MI = 0.29PI + 0.16REI - 0.02RII + 0.23BE$$

- MI** : Investment Interest
- PI** : Investment Knowledge
- REI** : Return on Investment
- RII** : Investment Risk
- BE** : Bandwagon Effect

Explanation of the coefficient values in Table 8:

- a. A positive relationship of 0.29 exists between investment knowledge (PI) and investment interest (MI). This encouraging trend means that as investing interest rises, so does investment knowledge.
- b. The correlation between investment interest (MI) and investment return (REI) is 0.16, which is positive. A positive trend means that more investment interest is correlated with higher investment returns.
- c. The investment risk (RII) to investment interest (MI) correlation coefficient is -0.02 (negative). According to the negative direction, investor interest declines as risk does.
- d. The bandwagon effect's (BE) positive coefficient for investment interest (MI) is 0.23. This suggests that when the bandwagon effect grows stronger, investment interest will also rise.

Table 8. Hypothesis Test Result

Hypothesis	Variable Exogenous	Variable Endogenous	t-stat	Sig.	Note.
H 1	Investment Knowledge (X1)		5.12	0.00	H 1 accepted
H 2	Investment Return (X2)	Investment Interest	3.15	0.00	H 2 accepted
H 3	Investment Risk (X3)		0.46	0.63	H 3 rejected
H 4	Bandwagon Effect (X4)		4.31	0.00	H 4 accepted

Based on Table 8, the results of hypothesis testing can be summarized as follows:

- a. Influence of Investment Knowledge on Investment Interest (H1):
 - i. Statistical Hypothesis:
 - H0: Investment knowledge has no significant effect on investment interest.
 - Ha: Investment knowledge has a significant effect on investment interest.
 - ii. The statistical value of the influence of investment knowledge on investment interest is 5.12, which is greater than the t-table value of 1.96, and the significance level is 0.00, which is less than 0.05 ($\alpha = 5\%$).
 - iii. Therefore, H0 is rejected, and Ha is accepted. This means that investment knowledge has a significant effect on investment interest (H1 is accepted).
- b. Influence of Return On Investment on Investment Interest (H2):
 - i. Statistical Hypothesis:
 - H0: Return on investment does not have a significant effect on investment interest.
 - Ha: Return on investment has a significant effect on investment interest.
 - ii. The statistical value of the relationship between return on investment and investment interest is 3.15, higher than the t-table value of 1.96, and the significance level is 0.00, less than 0.05 (= 5%), according to the study.
 - iii. In the outcome, Ha is approved whereas H0 is refused. This implies that investment interest is significantly influenced by return on investment (H2 is accepted).
- c. Influence of Investment Risk on Investment Interest (H3):
 - i. Statistical Hypothesis:
 - H0: Investment risk does not have a significant effect on investment interest.
 - Ha: Investment risk has a significant effect on investment interest.
 - ii. The statistical value of the relationship between investment risk and investment interest is 0.46, less than the t-table value of 1.96, and the significance level is 0.63, higher than 0.05 (= 5%), according to the data.

- iii. For a result, H_a is rejected and H_0 is approved. This indicates that investment risk has little impact on investment interest (H_3 is rejected).
- d. Influence of Bandwagon Effect on Investment Interest (H_4):
 - i. Statistical Hypothesis:
 - H_0 : Bandwagon effect does not have a significant effect on investment interest.
 - H_a : Bandwagon effect has a significant effect on investment interest.
 - ii. The significance level is 0.00, which is less than 0.05 (= 5%) and the statistical value of the bandwagon effect's influence on investment interest is 4.31, which is higher than the t-table value of 1.96.
 - iii. As a result, H_a is approved whereas H_0 is refused. Therefore, the bandwagon effect has a large impact on investor interest (H_4 is acknowledged).

4.2. Discussion

4.2.1. Influence of Investment Knowledge on Investment Interest

The first hypothesis (H_1) looked at how investing knowledge affects desire in making investments. The findings showed a substantial and positive association between these factors, suggesting that those who are more knowledgeable about investing often show more interest in investments. This research emphasizes how important financial education and literacy are in igniting community passion for investing. It implies that attempts to raise investment interest and involvement may be influenced by efforts to develop investment knowledge and awareness.

4.2.2. Influence of Return on Investment on Investment Interest

The second hypothesis (H_2) investigated the relationship between investment interest and return on investment. The results indicate the return on investment and investment interest had a positive and substantial link. This means that people's interest in taking part in investing activities is likely to rise when they expect to receive larger returns on their investments. It emphasizes how important projected returns are as a major factor influencing investors' interest in investments and argues that opportunities with good returns may draw in more potential investors.

4.2.3. Influence of Investment Risk on Investment Interest

The third hypothesis (H_3) looked at how investment risk affected interest in making investments. Surprisingly, the results showed a non-significant impact, indicating that investing desire may not be significantly influenced by the population under study's perception of risk. This result suggests that other elements, such as information and prospective rewards, may exceed the influence of perceived risk in influencing investment choices.

4.2.4. Influence of Bandwagon Effect on Investment Interest

The bandwagon effect's effect on investor interest was the subject of the fourth hypothesis, or H_4 . The results showed a favorable and substantial influence, showing that people are influenced by other people's behavior and actions in their investing decisions. This herd mentality can lead to increased investment interest as individuals follow the

crowd in pursuit of investment opportunities. The bandwagon effect highlights the social aspect of investment decisions and suggests that peer behavior can significantly shape investment interest.

5. CONCLUSION

Several conclusions may be derived from the research's hypothesis testing outcomes. Firstly, it was shown that factors other than investment risk, such as investing expertise, return on investment, and the bandwagon effect, had a large and beneficial influence on investors' interest in the capital market. Particularly, it became clear that investing knowledge was important, demonstrating its significant impact on investment interest. Second, interest in investing is strongly motivated by the expectation of better returns. However, potential investors did not cite investment risk as their top worry. The bandwagon effect, which is affected by peer pressure and societal trends, also significantly boosted interest in investing.

These results also demonstrate the value of financial education, stressing prospective rewards, utilizing social influence, and more study to better comprehend investing behavior and encourage investment involvement. Future study might give a more comprehensive picture of investment behavior and assist shape investment promotion efforts by looking at how these factors interact in various demographic groups and geographical areas.

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