

## Role of Financial Literacy and Saving Habits on Fintech Adoption Post Covid-19

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### **Abstract**

**Research Originality:** This research paper enriches existing literature on drivers of fintech adoption, including the impact of perceived trust, individual innovativeness, savings habits, and government support on Indonesian users' post-COVID-19 pandemic fintech adoption intentions.

**Research Objectives:** This study examines the impact of post-covid changes in people's behavior, savings habits and accelerated financial literacy on strengthening Technology Adoption Model (TAM) among Indonesian fintech users.

**Research Methods:** The researchers surveyed 536 people living in Indonesia. The data was analysed using structural equation modelling with moderator variables.

**Empirical Results:** The research found that ease of use, usefulness, trust, and personal innovativeness are key drivers of adoption intentions. It also found that savings habits significantly increase the influence of government support on fintech adoption.

**Implications:** This research has two important implications. First, digital finance companies should improve fintech app service quality and security further. Second, the government should also encourage the expansion of a fintech-based startup ecosystem by providing regulatory support to accelerate the progress of Indonesia's digital finance industry.

### **Keywords:**

behavioral intention; consumer behavior; technology adoption model; fintech; habits

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## INTRODUCTION

ICT (information and communication technology) is transforming the financial industry by improving the cost efficiency of service delivery and the financial system's integrity and transparency (Asian Development Bank, 2020). Suler et al. (2021) reported that consumer behavior has shifted from traditional to digital finance with the surge in internet users, supported by software and hardware in smartphone devices. The convenience and utility of Fintech (financial technology) services align with modern society's demands and lifestyles. This condition is particularly evident in developing countries. Financial services innovation that utilizes technology, known as Fintech, has been explicitly endorsed by the Indonesian Financial Services Authority.

The purpose of Fintech is to combine finance with technology to help customers or society get financial services that are more accessible, more affordable, and faster. Fintech has been shown to promote financial inclusion because it offers various benefits to users and society (Bollaert et al., 2021; Kuzior et al., 2022). Pazarbasioglu et al. (2020) state that fintech services 24/7 are cost-effective, allowing consumers to conduct financial transactions anywhere and anytime. Easy access to Fintech contributes to achieving the United Nations Sustainable Development Goals (UNSDGs) (UNSG, 2019).

Furthermore, Demirgüç-Kunt et al. (2021) found that the acceleration of access to digital financial services has led to a transformation, triggering the COVID-19 pandemic. Carroll and Conboy (2020) documented the central role of technology in the organization in the pandemic era. Fu & Mishra (2022) documented the spread of viruses, and the lockdown policy has increased the number of fintech application downloaders worldwide. Around 700 million people around the world whom the government with Covid-19 relief funds supported had no access to finance, and a third of young people in developing countries paid their first bills with digital financial services during the pandemic (Demirgüç-Kunt et al., 2021).

Although Fintech offers the benefits of financial access, many people need access to finance. According to the Global Findex Database, 1.4 billion people will still be unbanked in 2021 (Demirgüç-Kunt et al., 2021). Many challenges hinder access to financial services. These include limited penetration of financial services, low income, financial literacy, and weak infrastructure in the technological ecosystem. Tok & Heng (2022) argued that the inhibiting factors for financial inclusion are also related to social norms and changing attitudes.

Indonesia, ASEAN's largest economy, whose GDP is expected to reach US\$1.1 trillion by 2021, still faces an unbanked population. Approximately 100 million Indonesians need access to formal financial services out of a population of 270 million. According to Demirgüç-Kunt et al. (2021), Indonesia has the fourth most unbanked population globally. Meanwhile, the broad internet penetration and smartphone users, which account for over 75% of the population, can become a potential enabler for fintech companies to optimize and accelerate the development of financial services (Abraham et al., 2022).

Fintech also has the potential to drive the Indonesian government's efforts to reach the 90% financial inclusion target by 2024. Therefore, a study on the drivers for fintech adoption is crucial. Firstly, Indonesia has a huge potential for developing the fintech industry. Over the past decade, the country has experienced stable economic growth of around 5% annually. This fact is an attractive market share for fintech companies, with around \$4,292 GDP per capita and a population of more than 270 million by 2021. Secondly, from a consumer perspective, the simplicity of services offered by fintech companies provides users the flexibility to access financial products conveniently and cost-effectively. Finally, financial access helps government programs increase financial inclusion, making support for developing the financial industry ecosystem a priority (Asian Development Bank, 2020).

Previous studies have referred to the Theory Acceptance Model (TAM) to explain technology adoption (Davis et al., 1989). Granić & Marangunić (2019) have highlighted that the TAM is a critical factor in explaining users' technology acceptance behavior. However, Mangin et al. (2014) argue that a new dimension is needed to explain technology adoption from a broader perspective and that it is also limited to convenience and utility. These findings have attracted the interest of numerous scholars who develop an extended TAM by including various factors such as financial knowledge (Jünger & Mietzner, 2020), perceived behavioral control and subjective norms (Teka, 2020), consumer attitude (Viet & Huynh, 2021), perceived pleasure, and perceived informedness (Holdack et al., 2022). Habits in behavioral finance have become a new research gap to secure customer decisions for their intention to adopt Fintech (Yang & Zhang, 2022).

Scholars have perceived financial literacy as the most crucial variable in driving individuals to adopt digital payments because understanding basic finance concepts makes it easier for individuals to understand the features and products offered by Fintech companies. Numerous studies investigations have consistently shown a favorable association between individual levels of financial literacy and their propensity to embrace financial technology adoption (Hasan et al., 2022; Morgan & Trinh, 2019; Yoshino et al., 2020), meanwhile, Chan et al. (2022) explain that financial literacy can reduce trust in Fintech services. In contrast, Nathan et al. (2022) found that financial literacy does not substantially affect fintech adoption rates, as individuals using Fintech do not consider financial knowledge an essential factor in adopting digital payments. Adopting fintech solutions is only one of the many financial decisions that people may make with the support of financial literacy. Studying how people with different financial literacy levels handled the pandemic and used fintech tools will help highlight the value of knowledge and readiness during difficult economic times.

In addition, the convenience offered by Fintech encourages changes in consumer behavior to make digital transactions more frequent and indirectly has a negative impact on saving habits. Previous studies have confirmed that there has been increased adoption and use of fintech applications, unusual in the pandemic context due to limited individual mobility (Chen et al., 2022). Otherwise, Yang & Zhang (2022) documented that Fintech adoption increased household consumption, even though the COVID-19 pandemic has

disproportionately affected some households through termination of employment and decreased income (Cruvinel et al., 2022). Economic and income uncertainty for the COVID-19 outbreak should affect increasing saving habits as rationality for providing emergency funds. Understanding saving behaviors and financial decision-making processes through a behavioral economics lens will help close this research gap and offer insights into the variables impacting the adoption of Fintech. This entails investigating the socioeconomic, psychological, and cognitive biases influencing people's opinions and behaviors about fintech solutions.

The research study is proposed to investigate the impact of post-Covid changes in people's behavior, saving habits, and accelerated financial literacy on strengthening the TAM. This study enriches the TAM by including several variables. These variables are based on endorsements from fintech experts in Indonesia. This paper enriches the existing literature on the drivers of fintech adoption in the following ways. First, we extend the TAM to investigate the impact of perceived trust, individual innovativeness, and government support on the behavioral intentions of Indonesian users to adopt Fintech after the COVID-19 pandemic. Secondly, this study also proposes to address the research limitations of Teka (2020) by enriching the respondents of future fintech users. This study also considers fintech users' financial literacy and saving habits as a moderating variable proposed in future research by Savitha and Hawaldar (2022). Finally, when we examined the factors that favor fintech adoption, we collected data from over 500 samples from the four largest provinces. As far as we know, this study uses the most significant sample to investigate fintech adoption in Indonesia.

## **METHODS**

This research enriches TAM by incorporating several dimensions to examine the driver factors. This research examines the elements that impact the behavioral intention to adopt fintech services in Indonesia. We developed a research model based on previous literature. We distributed the data using an online questionnaire. The collected demographic information related to gender, age, educational level, income, frequency, and purpose of utilizing Fintech. In addition, we referred to 29 indicators derived from existing scholarly works to address the hypotheses in this research. The variables include perceived ease to use and usefulness (Chen & Aklikokou, 2020), perceived trust (Meyliana et al., 2019; Singh & Sinha, 2020), personal innovativeness (Ciftci et al., 2021; Zhang et al., 2018), government support (Goo & Heo, 2020; Nathan et al., 2022), saving habits (Anand & Mishra, 2022), financial literacy (Lusardi, 2019), and behavioral intention (Islam et al., 2022). We measured all questions using the Likert scale from strongly-disagree (1) to strongly-agree (5).

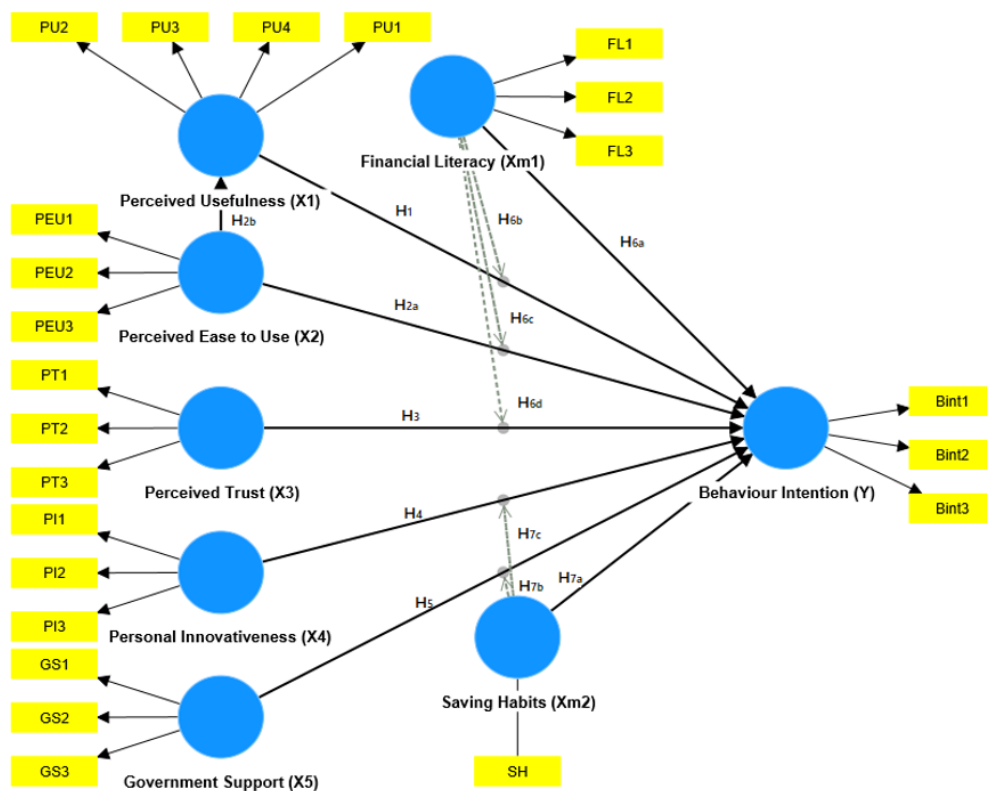
This study conducted a pilot survey of 35 respondents to identify the accuracy of the items in the questionnaire. Feedback from respondents at this stage has developed the final instrument by revising the ambiguous words. For example, the question to observe perceived trust is: "I believe money is secure when using Fintech services." The

respondents suggested changing the word “Fintech services” to “Fintech application,” representing Fintech corporations. The research results in the pilot survey must stimulate us to revise some items in the questionnaire. It would increase the reliability and validity of the instrument used to collect samples according to the research target.

This research collects data from Indonesian citizens who are acquainted with Fintech services. Despite needing more precise information on Fintech users in Indonesia, the sample size can be determined using the 10-times rule technique. This approach operates under the assumption that the sample size should exceed ten times the maximum number of latent variable connections within the model (Kock, 2020); with eight latent variables in this research, a minimum of 80 respondents is required for the sample size.

Furthermore, the recommended sample number of factor analysis is between 100 to 200 or adding up the latent variables and the total indicators multiplied by 10 (Hair et al., 2020). This study comprises eight latent variables with twenty-three research indicators. The minimum total sample calculation amounts to  $(8 + 23) \times 10 = 310$  respondents and is based on G\*Power software to get power 99% with  $\alpha = 5\%$  and effect size 0.05; the minimum sample needed 431 respondents. Five hundred sixty participants completed the questionnaire during October 2022 and May 2023. However, we eliminated 24 respondents because they answered all questions with the number 5, leaving 536 respondents who were then analyzed using SEM-PLS (structural equation modeling) to address the study hypotheses.

**Figure 1. Research framework Fintech adoption**



Source: Data processing

Prior to answering the proposed hypotheses, Hair et al. (2021) suggested evaluating convergent validity, discriminant validity, and reliability. Factor loading (FL) and average extracted variance (AVE) are employed to assess convergent validity, requiring each indicator to attain a value greater than 0.7 for validity. Discriminant validity is assessed using HTMT, and the established criteria indicate that it should meet a predefined threshold of 0.9. We assessed the variance inflation factor (VIF) to detect multicollinearity, with the criterion being below 5. In order to uncover the factors that influence behavioral intention in Indonesia, research frameworks built upon prior research and a conceptual framework based on TAM and behavioral finance theories (Figure 1).

This study aims to explore the antecedents of Fintech adoption drivers in Indonesia. By extending the TAM model, we assess two variables derived from the TAM model: perceived usefulness (PU) and perceived ease of use (PEU). Additionally, several variables, including perceived trust (PT), personal innovativeness (PI), and government support (GS), are incorporated to examine their impact on behavioral intention (BI) toward Fintech services. Furthermore, this research considers the moderating role of financial literacy (FL) and saving habits (SH) throughout the proposed model.

## RESULT AND DISCUSSION

A closer look at the research sample we present in Table 1. It shows that women respondents have higher participation, 52%, and men, approximately 48%. Almost 50% were less than 25 years old, and over 80% were respondents with secondary, diploma, and bachelor's degree levels. The average monthly income of respondents is more than IDR 3,000,000. It shows they earn more than the standard of regional minimum wage in Indonesia. Most respondents have used Fintech services for personal finance (49%) and business purposes (41%).

This study assesses a path or route model that establishes connections between variables and constructs using the partial least square structural equation modeling (PLS-SEM) methodology outlined by Hair et al. (2020). The present study examines the measurement model using a confirmatory composite analysis method. The recommended validity and reliability indicators in the study by Hair et al. (2020) include convergent validity, discriminant validity, construct reliability, and indicator reliability.

First, we examined the loading indicators. Hair et al. (2020) showed that all constructs' indicator loadings surpassed 0.700. It means that the reliability of the indicators in Figure 2 was valid, except for Bint2, which had a value below 0.700. Second, we looked at internal consistency reliability. According to Cheung et al. (2023), more extensive composite reliability ratings suggest a higher reliability value. The Composite reliability values, ranging from 0.822 to 1.000, met the required threshold (Hair et al., 2020), which is apparent in Table 2. The Cronbach's alpha values varied from 0.673 to 1.000, indicating that the standard measurement was satisfied. We use rho-A to measure the reliability between composite reliability and Cronbach's alpha, as discussed by Henseler et al. (2015).

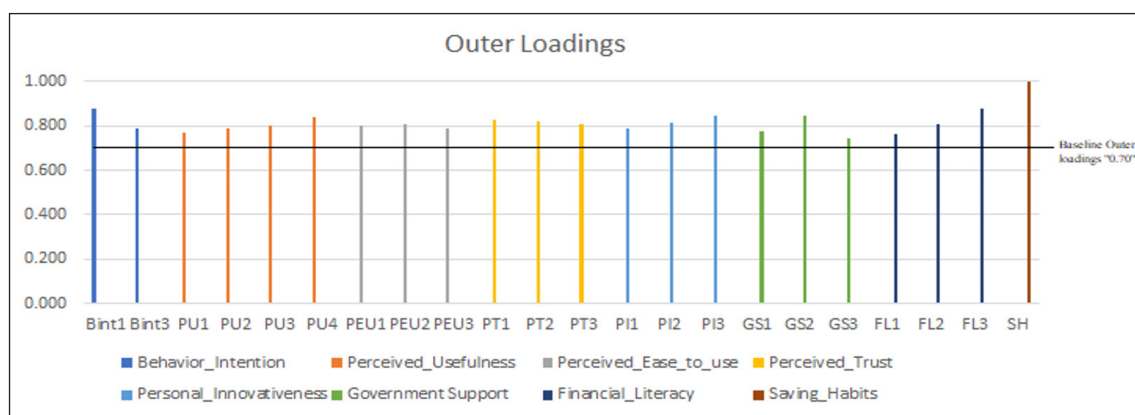


**Table 1. Characteristics of Respondents**

| Categories                              | Frequency<br>(N = 536) | Percent<br>(%) |
|---|------------------------|----------------|
| <b>Gender</b>                           |                        |                |
| Male                                    | 257                    | 47.95          |
| Female                                  | 279                    | 52.05          |
| <b>Age group</b>                        |                        |                |
| Less than 25 years                      | 243                    | 45.3           |
| 26-34 years                             | 145                    | 27.1           |
| 35-45 years                             | 108                    | 20.1           |
| 46-55 years                             | 26                     | 4.9            |
| More than 55 years                      | 14                     | 2.6            |
| <b>Education qualification</b>          |                        |                |
| Secondary/Higher secondary school       | 238                    | 44.4           |
| Diploma                                 | 36                     | 6.7            |
| Bachelor                                | 204                    | 38.1           |
| Master and Doctorate                    | 58                     | 10.8           |
| <b>Income per month</b>                 |                        |                |
| < 3. million IDR                        | 201                    | 37.5           |
| > 3 up to 5 million IDR                 | 143                    | 26.7           |
| > 5 up to 10 million IDR                | 119                    | 22.2           |
| > 10 million IDR                        | 73                     | 13.6           |
| <b>Fintech usage frequency per week</b> |                        |                |
| Never                                   | 31                     | 5.8            |
| 1 time                                  | 140                    | 26.1           |
| 2 to 3 times                            | 184                    | 34.3           |
| 4 times and more                        | 181                    | 33.8           |
| <b>Fintech usage purposes</b>           |                        |                |
| Never                                   | 31                     | 5.8            |
| Personal finance                        | 265                    | 49.4           |
| business purpose                        | 224                    | 41.8           |
| Personal finance & Business purposes    | 16                     | 3.0            |

Source: Data processing

**Figure 2. Graphic outer loadings**



Source: Data processing

According to the criteria above, the factor model used in this investigation demonstrated high reliability. The next step of the measurement model involves evaluating convergent validity using AVE (average variance extracted). For the constructed variable to explain the variance in the construct's variable indicators, the acceptable AVE value should have an appropriate value higher than 0.50 (Hair et al., 2020). All constructs in this study meet the requirements for convergent validity.

**Table 2. Loadings, reliability, and convergent validity**

| Construct Variables     | Outer Loadings | VIF   | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|-------------------------|----------------|-------|------------------|-------|-----------------------|----------------------------------|
| Behavioral Intention    |                |       | 0.673            | 0.695 | 0.822                 | 0.698                            |
| Bint1                   | 0.877          | 1.192 |                  |       |                       |                                  |
| Bint3                   | 0.792          | 1.192 |                  |       |                       |                                  |
| Perceived usefulness    |                |       | 0.814            | 0.816 | 0.877                 | 0.642                            |
| PU1                     | 0.767          | 1.689 |                  |       |                       |                                  |
| PU2                     | 0.789          | 1.765 |                  |       |                       |                                  |
| PU3                     | 0.804          | 1.939 |                  |       |                       |                                  |
| PU4                     | 0.842          | 1.500 |                  |       |                       |                                  |
| Perceived ease of use   |                |       | 0.720            | 0.721 | 0.842                 | 0.640                            |
| PEU1                    | 0.802          | 1.491 |                  |       |                       |                                  |
| PEU2                    | 0.810          | 1.417 |                  |       |                       |                                  |
| PEU3                    | 0.789          | 1.356 |                  |       |                       |                                  |
| Perceived trust         |                |       | 0.758            | 0.764 | 0.860                 | 0.672                            |
| PT1                     | 0.829          | 1.443 |                  |       |                       |                                  |
| PT2                     | 0.821          | 1.618 |                  |       |                       |                                  |
| PT3                     | 0.811          | 1.563 |                  |       |                       |                                  |
| Personal Innovativeness |                |       | 0.750            | 0.764 | 0.856                 | 0.665                            |
| PI1                     | 0.787          | 1.400 |                  |       |                       |                                  |
| PI2                     | 0.811          | 1.655 |                  |       |                       |                                  |
| PI3                     | 0.846          | 1.540 |                  |       |                       |                                  |
| Government Support      |                |       | 0.706            | 0.732 | 0.834                 | 0.626                            |
| GS1                     | 0.776          | 1.331 |                  |       |                       |                                  |
| GS2                     | 0.849          | 1.429 |                  |       |                       |                                  |
| GS3                     | 0.746          | 1.386 |                  |       |                       |                                  |
| Financial Literacy      |                |       | 0.750            | 0.764 | 0.857                 | 0.667                            |
| FL1                     | 0.762          | 1.345 |                  |       |                       |                                  |
| FL2                     | 0.809          | 1.621 |                  |       |                       |                                  |
| FL3                     | 0.876          | 1.774 |                  |       |                       |                                  |
| Saving Habits           |                |       | 1.000            | 1.000 | 1.000                 | 1.000                            |
| Sh                      | 1.000          | 1.000 |                  |       |                       |                                  |

Note: "Bint2" exclude form indicator because outer loading factor is under 0.7.

Source: Data processing



We evaluated the VIF to examine the presence of multicollinearity with the variance inflation factor (VIF) criteria, which should be less than 5. It shows no multicollinearity by established standards (Hair et al., 2020). Table 2 shows no multicollinearity between the contract variables because all VIF values are lower than 5, with the highest being 1.939. The fourth step was to evaluate the discriminant validity using the HTMT (heterotrait-monotrait ratio) with a predetermined threshold of 0.9. The study findings of the HTMT investigation are presented in Table 3..

**Table 3. Discriminant validity measurement with HTMT**

|                         | <b>Bint</b> | <b>FL</b> | <b>GS</b> | <b>PEU</b> | <b>PT</b> | <b>PU</b> | <b>PI</b> |
|-------------------------|-------------|-----------|-----------|------------|-----------|-----------|-----------|
| Behavioral Intention    |             |           |           |            |           |           |           |
| Financial Literacy      | 0.145       |           |           |            |           |           |           |
| Government Support      | 0.465       | 0.171     |           |            |           |           |           |
| Perceived ease to use   | 0.601       | 0.158     | 0.551     |            |           |           |           |
| Perceived Trust         | 0.608       | 0.116     | 0.575     | 0.652      |           |           |           |
| Perceived Usefulness    | 0.520       | 0.181     | 0.442     | 0.846      | 0.516     |           |           |
| Personal Innovativeness | 0.428       | 0.356     | 0.297     | 0.113      | 0.225     | 0.090     |           |
| Saving Habits           | 0.244       | 0.109     | 0.068     | 0.156      | 0.143     | 0.228     | 0.124     |

Source: Data processing

The structural model estimation assessed the path coefficient to explain the statistical significance. As a coefficient of determination, the  $R^2$  shows the explanatory strength of the research model's dependent variable. To clarify,  $R^2$  can estimate how effectively the model can successfully elucidate and forecast future events; thus, a higher  $R^2$  value indicates a greater likelihood probability of an accurate prediction (Hair et al., 2020). This model shows a significant variation in behavioral intention when adopting Fintech ( $R^2$ -adj= 0.308, figure 3 and table 4). It reveals that all exogenous variables included in the analysis explain 30.8% behavior intention variable.

**Table 4. Coefficient of determination ( $R^2$ ) value.**

| <b>Dependent Variable</b> | <b>Perceived Usefulness</b> | <b>Behavior Intention</b> |
|---------------------------|-----------------------------|---------------------------|
| $R^2$                     | 0.427                       | 0.323                     |
| $R^2$ Adjusted            | 0.426                       | 0.308                     |

Source: Data processing

Table 5 regression analysis results from direct effect show that four factors were significant, and one variable was insignificant. The effect of perceived usefulness on behavioral intention is statistically significant (H1;  $\beta = 0.180$ ). Perceived ease of use substantially affects behavioral intention (H2;  $\beta = 0.155$ ). Perceived trust significantly affects behavioral intention (H3;  $\beta = 0.173$ ). Moreover, it is worth noting that personal innovativeness significantly affects behavioral intention, as shown by the statistically significant coefficient (H4;  $\beta = 0.235$ ). Meanwhile, the effect of government support on the behavioral intention to embrace Fintech is shown to be insignificant.

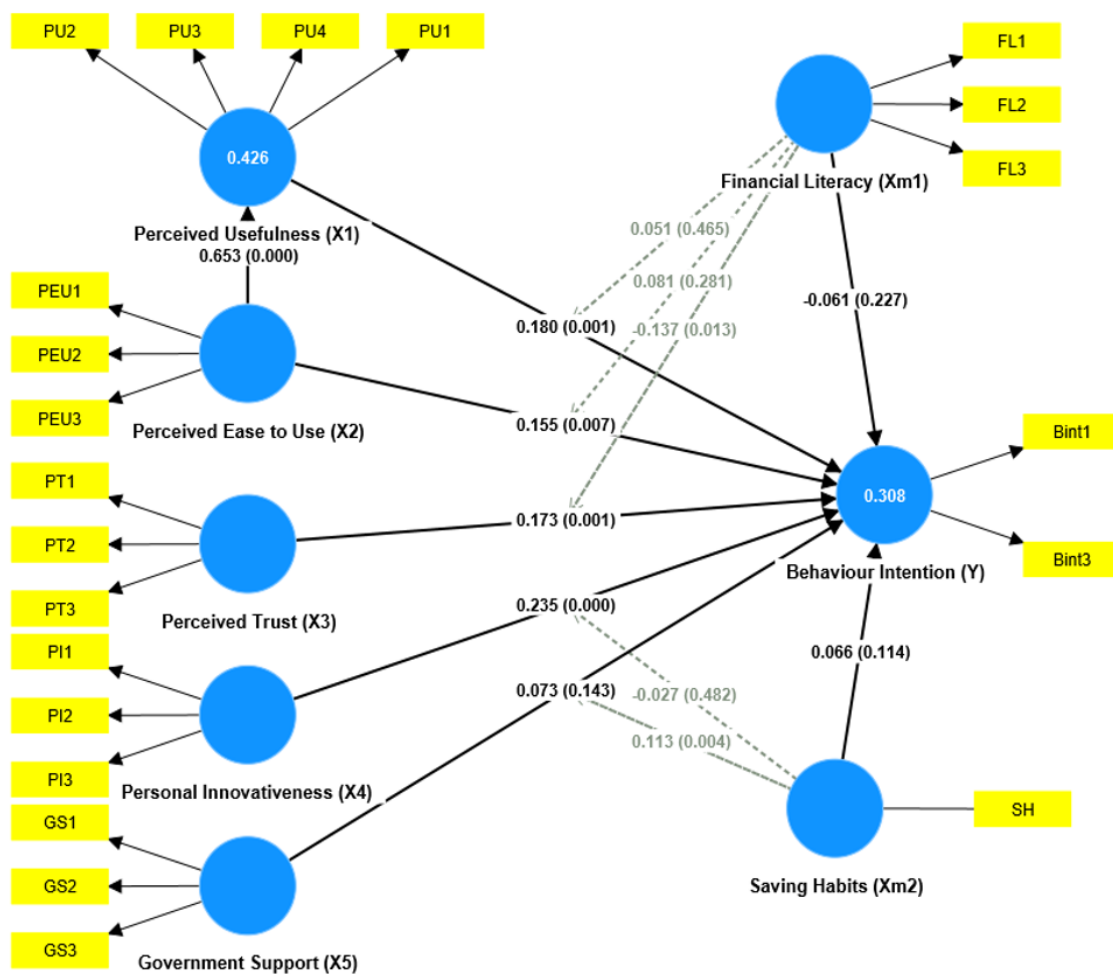
**Table 5. SEM-PLS results for direct effects.**

| Hypothesis   | Original Sample (O)/β | t-Stat. | P-values | Decision      |
|--|-----------------------|---------|----------|---------------|
| H1 : Perceived_Usefulness -> Behavior_Intention    | 0.180                 | 3,336   | 0.001*** | Supported     |
| H2 : Perceived_Ease_to_use -> Behavior_Intention   | 0.155                 | 2,837   | 0.007*** | Supported     |
| H3 : Perceived_Trust -> Behavior_Intention         | 0.173                 | 3,299   | 0.001*** | Supported     |
| H4 : Personal_Innovativeness -> Behavior_Intention | 0.235                 | 5,684   | 0.000*** | Supported     |
| H5 : Government_Support -> Behavior_Intention      | 0.073                 | 1,454   | 0.143    | Not Supported |

Note: Please be advised that in this context, the symbols \*, \*\*, and \*\*\* are used to denote statistical significance at the 10%, 5%, and 1% level, respectively.

Source: Data processing

**Figure 3. SEM-PLS bootstrapping results (R<sup>2</sup>-adj, path coefficient and p-values)**



Source: Data processing

Table 6 shows the findings about the effects of moderation. This finding reveals that financial literacy cannot strengthen the impact of perceived ease of use and usefulness on behavioral intention to adopt Fintech. Meanwhile, financial literacy can potentially weaken the perceived trust effect on behavioral intention to adopt Fintech, as shown by the negative coefficient (H6d;  $\beta = -0.137$ ). The argument is that, following current

conditions, the many cases of failure of Fintech companies in Indonesia cause consumers who understand financial literacy information to avoid adopting Fintech. Thus, the effect of perceived trust on behavioral intentions to adopt Fintech decreases..

**Table 6. SEM-PLS Results with Moderation Effect**

| Hypothesis   | Original Sample (O)/ $\beta$ | t-Statistics | P-values | Decision      |
|--|------------------------------|--------------|----------|---------------|
| H6a : Financial literacy -> Behavioral_Intention       | -0.061                       | 1.205        | 0.227    | Not Supported |
| H6b : Moderating Effect FL*PU -> Behavioral_Intention  | 0.051                        | 0.776        | 0.465    | Not Supported |
| H6c : Moderating Effect FL*PEU -> Behavioral_Intention | 0.081                        | 1,071        | 0.284    | Not Supported |
| H6d : Moderating Effect FL*PT -> Behavioral_Intention  | -0.137                       | 2,543        | 0.011**  | Supported     |
| H7a : Saving habits -> Behavioral_Intention            | 0.066                        | 1.580        | 0.114    | Not Supported |
| H7b : Moderating Effect SH*PI -> Behavioral_Intention  | -0.027                       | 0.701        | 0.482    | Not Supported |
| H7c : Moderating Effect SH*GS -> Behavioral_Intention  | 0.113                        | 2,882        | 0.004*** | Supported     |

Note: Please be advised that in this context, the symbols \*, \*\*, and \*\*\* are used to denote statistical significance at the 10%, 5%, and 1% level, respectively.

Source: Data processing

Saving habits did not strengthen the resultant of personal innovativeness impact on behavioral intention to adopt Fintech. However, savings habits may reinforce the impact of government support on behavioral intentions to adopt Fintech (H7c;  $\beta = 0.113$ ). This research finding implies that higher saving habits users tend to experience a reduction in potential for personal innovativeness, although statistically is insignificant. However, saving habits did increase government support's influence towards Fintech adoption. Which suggests that individuals with higher saving habits would see greater importance of government's role in making stable policies supporting Fintech development, as this would add more value to users; potentially reducing transaction cost thereby improving their savings. People with saving habits are risk averse and are less able to innovate to use Fintech lending or other Fintech instruments, which have a higher risk.

The findings show that several characteristics, including perceived usefulness, ease of use, perceived trust, and personal innovativeness, significantly impact behavioral intentions to adopt Fintech. However, government assistance has a minor effect on this intention. There is no direct impact on the behavioral intention of Fintech adoption. The results identified perceived utility and personal innovativeness as the most influential factors.

The primary finding is that the perceived usefulness of Fintech has a high impact on the behavioral intention of fintech adoption. If individuals perceive Fintech as valuable, they are more likely to adopt it. Perceived usefulness is the extent to which a person believes using a particular technology will improve productivity and performance. Fintech

could refer to how much easier it is to carry out financial transactions. It also states how much control individuals have over their finances when using fintech platforms. Behavioral intention is an individual willingness to take a definite action. In the case of Fintech, adoption refers to a person's willingness to use fintech platforms for financial transactions. The result is consistent with several studies showing that perceived usefulness significantly predicts behavioral intention to adopt Fintech (Arghashi & Yuksel, 2022; Malik & Annuar, 2021; Sciarelli et al., 2022). For example, studies by Alalwan et al. (2017) and Hasan et al. (2021) uncovered that perceived usefulness significantly impacts mobile banking service usage intention. Venkatesh et al. (2003) also discovered that perceived usefulness significantly predicts behavioral intention to adopt technology in the workplace. In summary, the perceived usefulness of Fintech plays a pivotal role in shaping behavioral intentions towards fintech adoption (Daragmeh et al., 2021; Das and Das, 2020; Setiawan et al., 2023). Fintech companies should strive to develop user-friendly and helpful platforms to encourage adoption by potential users.

Another variable that has a major influence on behavioral intention is personal innovativeness. The result underlines that personal innovativeness is a key factor influencing behavioral intentions toward fintech adoption. The study's findings are consistent with previous research, which has shown that individual innovativeness plays a key role in forming an individual's behavioral intention for fintech adoption. In addition, a study by (Ciftci et al., 2021) found that personal innovativeness positively impacts the adoption of Internet payment services. Liébana-Cabanillas et al. (2014) also uncovered that personal innovativeness substantially predicts mobile banking service intention. Personal innovativeness denotes an individual's willingness and ability to adopt new technologies and innovations. People who are more personally innovative are likelier to adopt new technologies, including fintech platforms, than those who are less innovative. Fintech companies can encourage adoption by targeting individuals with upper ranks of personal innovativeness through targeted marketing campaigns and offering innovative and user-friendly platform features. Nevertheless, it is imperative to state that personal innovativeness is not the sole factor influencing behavioral intentions toward fintech adoption. Other factors are perceived usefulness, ease of use, and trust.

The main finding is that financial knowledge can moderate perceived trust in behavioral intentions to adopt Fintech in terms of financial knowledge's role in adopting Fintech. However, it weakens its effect instead of strengthening the perceived trust impact on the behavioral intention to adopt Fintech. Even though the general conditions do not align with the theory, Chan et al. (2022) explain that financial literacy can reduce trust in digital banking services under certain conditions. Financial literacy does not have a positive impact on perceived trust. Increased levels of financial literacy can increase the influence of perceived trust in fintech platforms and, consequently, improve behavioral intent to adopt Fintech. Individuals are more likely to understand the benefits and risks of using fintech platforms and make informed decisions about whether to use them if they have higher levels of financial literacy. They emphasize the value of digital literacy in a society that is becoming increasingly digitally oriented.

Additionally, leisure balances the relationship that mediates. People with high levels of leisure are inclined to see the dangers and uncertainties that come with new technologies in an optimistic light. Trust may have a beneficial impact on the uptake and usage of mobile payments. Customers are more likely to use mobile payment providers and their apps when they perceive them as dependable. Trust and consumer payment behavior shifts are related (Hasan et al., 2021). This understanding can lead to less trust in fintech platforms as people better understand how they work, how they can benefit from them, and the risks associated with their use.

The phenomenon fintech companies are currently experiencing is an overreaction to the mandate for digital financial services during the Covid-19 pandemic, which is leading to an excessive acceleration of Fintech so that when conditions gradually return to normal or after the pandemic, fintech companies are shifting their strategy with negative signs such as downsizing. In addition, several start-ups are facing financial problems. For example, in Indonesia, the PT Tani Hub Indonesia (TaniHub), agriculture fintech crowdfunding has gone to bankruptcy, and Fintech peer-to-peer lending PT iGrow Resources Indonesia (iGrow), which has experienced a decline in the success rate of Fintech - peer-to-peer (P2P) lending service provider to facilitate the settlement of loans and credit obligations within up to 90 days after the due date. Apart from this, another interesting finding is that savings habits can increase the government support impact on the behavioral intention of fintech adoption, which is consistent with (Setiawan et al., 2023). The higher the saving habits of individuals, the more feasible the stability of government policies to support fintech adoption, especially in financing. Finally, the research revealed enriching factors for determining behavioral intentions to adopt Fintech. Understanding the essential factors can accelerate and steer the grand design of the fintech ecosystem, especially in Indonesia, in the right direction. Fintech development can also promote the establishment of the United Nations Sustainable Development Goals (UN SDGs 10) related to the financial access equality guarantee for all.

The significance of the study is twofold. First, it highlights theoretically crucial preconditions for introducing Fintech in Indonesia. Second, the results also extend the literature on the role of financial knowledge and saving habits in fostering users' adoption of digital payment intention. The findings explain the differential effects of financial literacy and saving habits when adopting Fintech in Indonesia. Financial literacy does not strengthen the effect between perceived usefulness and perceived ease of use on fintech adoption. Savings habits also amplify the government support effect on behavioral intention to fintech adoption.

The result also has important practical implications. The study explains that personal innovativeness and perceived trust directly impact the intention to adopt Fintech. This result can be a clue for digital financial companies to improve the service quality and security of fintech apps further. The government should also encourage the expansion of a financial technology-based start-up ecosystem through supportive regulations. This condition will accelerate the progress of the digital finance industry in Indonesia, which is in line with the government's goal of reaching 90 percent of the financial inclusion

target by 2024. Finally, fintech companies that have the vision to close the gap in access to financial services for unbanked people in Indonesia must be supported by all parties. This condition includes academics conducting research to provide the necessary information for fintech companies to produce proposal that meet the customers' needs.

## CONCLUSION

The research study found that attribute variables, namely perceived ease of use, usefulness, personal innovativeness, and perceived trust, significantly impact the behavioral intention to adopt fintech. The study also found that savings habits significantly increase the influence of government support on fintech adoption. The two main theoretical implications of the study are the addition of theoretically essential knowledge preconditions for fintech adoption in Indonesia and the extension of the literature theory on the role of financial knowledge and saving habits in fostering users' intention to adopt digital payments.

The result also has important practical implications for digital businesses and government. For digital financial companies, it can be a point of reference to improve the service quality and security of fintech apps. The government should also promote the expansion of a financial technology-based startup ecosystem through supportive regulations. As ASEAN leaders strive to enable regional digital finance shortly, future studies could explore the potential for cross-border digital finance and fintech among ASEAN countries. This move promises excellent potential to drive financial inclusion for the financially underserved communities in this region.

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