

Analysis of Generation Z's Interest in Transacting Using Financial Technology in Central Java

Lisa Maulidiyah¹, Fatchur Rohman².

Islamic University of Nahdlatul Ulama Jepara, Indonesia¹ Islamic University of Nahdlatul Ulama Jepara, Indonesia²

211120002508@unisnu.ac.id¹, fatchur@unisnu.ac.id²

Abstract

Purpose: *The development of digital technology spurs economic growth, particularly in the finance industry through the use of financial technology. This study aims to identify and examine the factors that influence interest in using financial technology transactions among generation z in Central Java Province.*

Methodology: *This study uses the Technology Acceptance Model (TAM) theory to analyze the acceptance and use of technology by individuals. Data were gathered through an internet-based questionnaire with random sampling method and analyzed using SPSS version 22.*

Findings: *The results showed that financial literacy, Perceived ease of use, and effectiveness have a positive and significant influence on generation z's interest in transacting using financial technology (fintech).*

Limitation: *Only Generation Z's interest in using fintech in Central Java is the subject of this study, with data taken from a questionnaire, hence the findings might not accurately reflect the whole population or take into account outside variables like laws and the state of the economy.*

Contribution: *Increased interest and utilization of fintech among Generation Z has the potential to expand financial inclusion in Indonesia. This finding can also serve as a foundation for further research on the dynamics of fintech usage among other generational segments.*

Keywords: *fintech, financial literacy, perceived ease of use, effectiveness.*

1. Introduction

Today's technological advancements are accelerating towards the digital world, and this digital era has provided many benefits for the people of Indonesia. Almost all needs can be fulfilled with just one touch on the device. One indication of the advancement of digital technology in Indonesia is the country's growing internet user base. The swift advancement of technology has affected people's lifestyle in various fields, including finance. Technological advancement in the financial sector is the emergence of conventional financial transformation into digital or what is commonly known as financial technology (fintech).

Financial technology (fintech) is a system that combines financial services with technology, thus changing the way of business from conventional to more innovative (Rahardjo, 2021). Fintech refers to a business model make use of modern software and technology to offer financial services. Fintech, which is easy to use and access, is an alternative choice for people to carry out financial activities with just a smartphone. People can make transactions at any time and from any location without having to visit the company's financial office or queue for various processes, such as banking in general (Susiyana et al., 2023).

In this fintech development, generation z who grew up in the digital era is a potential segment to adopt fintech services, especially in Central Java. Generation Z refers to those born between 1997 and 2012, making them currently aged between 12 and 27 years. Generation z is the majority of the population in Central Java, which amounts to 9.17 million people or 25.31 percent of the total population of Central Java (Badan Pusat Statistik, 2021). The generation known as "generation z" is thought to have grown up with technological developments, they have been accustomed to technology

since birth. In addition to being distinct from earlier generations, generation Z is renowned for being more inclusive, critical, creative, adaptive, and cooperative. (Chlorita et al., 2024).

As they grow older, Technology is becoming a necessary component of Generation Z's everyday existence, using it for various purposes such as communicating, learning, working, and conducting digital transactions. In the financial sector, generation z utilizes fintech for various needs, such as digital payments, savings management, and investment, all of which can be done only through a smartphone. However, the interest of generation z in Central Java in using fintech services is not fully optimized. This phenomenon shows that there are several problems that affect the low interest of generation z to transact using fintech.

Davis in (Widyaningrum & Iswahyudi, 2017) explains that individual behavior is the main determinant of success or failure in technology adoption. Behavioral accounting is part of a discipline that connects human behavior with accounting, involving aspects of decision-making-related human behavior (Pratiwi & Sofwan, 2022). The success of technology-based information systems largely depends on how individuals adopt and utilize the system. Even though management decides to implement the system, failure can occur if individuals do not accept or use the system properly. In other words, Generation Z's attitudes and concrete actions towards the use of fintech can predict whether they will continue to use it or even ignore it completely, which ultimately affects the successful implementation of this technology.

In a study carried out by Alamsyah et al. (2023) financial literacy was identified as one of the factors influencing generation z's interest in using financial technology (fintech). A solid grasp of financial literacy allows a person to make wiser decisions in utilizing fintech services, so as to avoid problems in managing money. The Organization for Economic Co-operation and Development (OECD, 2023) financial literacy is described as the combination of financial awareness, knowledge, skills, attitudes, and behaviors essential for making informed financial decisions, aimed at achieving personal financial well-being. As stated by Putri (2022), financial literacy includes the capacity to comprehend, analyze, communicate, and convey information related to personal financial circumstances that have an impact on one's financial well-being.

Every individual needs to master financial literacy to enhance their quality of life through a good understanding of effective and efficient financial planning and resource allocation. Unfortunately, financial literacy in Indonesia, especially in the fintech sector, is still at a low level. According to data from the National Survey on Financial Literacy and Inclusion by the Financial Services Authority (OJK, 2022), the degree of financial literacy in relation to fintech is only 10.9%. In Central Java, the use of fintech among young people is still lower than in major cities like Jakarta or Surabaya, a condition further exacerbated by the lack of effective socialization on the use of digital financial services. As a result, many young people do not fully understand the risks and benefits of fintech, so they tend to be reluctant to use it in their daily financial transaction activities.

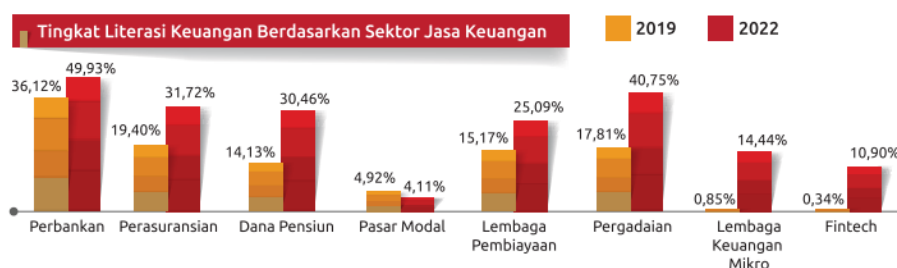


Figure 1. National Survey on Financial Literacy and Inclusion

Source: OJK (2022)

Furthermore (Balqis, 2021) in his research said that fintech's alleged ease of usage is also a key factor influencing the younger generation in adopting this fintech application. Ease of access, user-friendly appearance, and transaction speed are often the main reasons why fintech is increasingly in demand by the public, especially generation z. In the perception of ease of use, the term "ease" which means ease reflects freedom from difficulty. The term "ease of use" can be interpreted as a measure of

user confidence in a technology, where the technology allows users not to have to spend excessive effort when using it (Putri, 2022). According to Jogiyanto (2019), Perceived ease of use refers to a person's conviction that employing technology is indeed effective, simple to operate and doesn't take much work.

Even though Generation Z is often recognized as being tech-savvy, not all fintech services are viewed as user-friendly by them. Some individuals have expressed that the interface and transaction process of certain fintech apps remain confusing. This could potentially reduce their interest in trying or continuing to use fintech. Difficulty in understanding how to use the application, coupled with fear of data security risks, further slows down the adoption of fintech in generation z.

In addition, the effectiveness of use also influences the desire to transact through fintech (Khoiriyah et al., 2020). According to the TAM (Technology Acceptance Model) theory, effectiveness can be linked to perceived usefulness, where someone thinks information technology is simple to comprehend, the individual will think that using technology can help them perform better. This relates to the more benefits or uses obtained by individuals in utilizing information technology, the effectiveness of its use can be achieved (Damayanti, 2023). Some people consider fintech applications to provide many benefits, such as speeding up the transaction process so as to save time, and allowing transactions to be carried out anywhere.

However, some other users mentioned that although fintech offers convenience and speed, sometimes there are still technical glitches, such as transaction delays or unresponsive customer service. This leads to dissatisfaction and reduced user trust in fintech. This negative experience affects Generation Z's perception of the effectiveness of fintech services, so they become more selective and tend to be reluctant to rely entirely on fintech services.

Several earlier studies have explored how financial literacy, perceived ease of use, and effectiveness influence interest in fintech transactions. According to Damayanti (2023) research financial literacy positively and significantly impacts interest in using fintech. Similarly, Balqis (2021) study demonstrated that perceived convenience also has a positive and significant effect on the interest in fintech. Additionally, Marisa (2020) research indicated a significant relationship between effectiveness and interest in financial technology transactions.

Conversely, Alamsjah et al. (2024) found that financial literacy does not significantly influence fintech usage behavior. Ong & MN (2022) research indicated that there is no significant relationship between perceived convenience and interest in using fintech. Furthermore, Wardana et al. (2024) concluded that effectiveness does not affect the interest in fintech transactions among students.

Based on the field conditions in the background given the given description, the author is eager to carry out study under the "Analysis of Generation Z's Interest in Transacting Using Financial Technology in Central Java". The object used in this study is generation z fintech users in Central Java. With a deeper understanding of the factors that influence their interest, expected results of this research study can provide useful insights for fintech service providers, policy makers, and the wider community to design more appropriate solutions to increase fintech adoption among the younger generation.

2. Literature review and hypothesis development

2.1. Theory TAM (Technology Acceptance Model)

The Technology Acceptance Model (TAM) is a framework created by Fred D. Davis in 1986 and is often used to analyze and explain how individuals accept and use a technology. The TAM model is an extension of the Theory of Planned Action (TRA) and the Theory of Planned Behavior (TPB), where TRA is a theory of behavior that posits an individual's reactions and perceptions influence his attitude and behavior (Atarwaman, 2022). Many researchers have demonstrated the validity of TAM in explaining the behavior of using information technology. The TAM model was created to predict how people would embrace technology and utilize it at work. The two main elements that influence a person's desire to use a system are said to be practical and simple to utilize (Pratiwi & Sofwan, 2022).

2.2. Financial Technology

Financial technology, or fintech, as defined by the World Bank, is the industry term for companies that use technology to enhance the effectiveness of the financial system and the delivery of financial services. Bank Indonesia, in Bank Indonesia Regulation Number 19/12/PBI/2017 regarding

Financial Technology Providers, states that it is stated that financial technology involves the application of technology within the financial system, leading to the creation of new products, services, technologies and business models these innovations can affect monetary stability, financial stability, as well as the efficiency, security, and effectiveness of the payment system (Balqis, 2021). Financial technology or fintech represents a recent innovation in financial services that leverages advancements in technology, aiming to increase convenience, effectiveness, and efficiency in various financial services. In Indonesia, the presence of fintech has made a major contribution in helping people overcome various financial problems. Financial services authority states that there are several types of fintech products that are developing and offering financial solutions for the people of Indonesia, namely (OJK, 2019):

2.2.1. Crowdfunding

Crowdfunding is one of the rising fintech models in many countries, including Indonesia. Through this technology, users can raise funds or make donations to support social initiatives or programs. It can be said that crowdfunding is a form of fundraising using websites, social media, and other technologies to support something. One example of a platform that is currently quite popular is KitaBisa.com and Ayopeduli.id.

2.2.2. Microfinancing

Microfinancing is a fintech service aimed at providing financial access to the lower middle class, who often find it difficult to obtain business capital due to limited access to banks. The service bridges capital needs by connecting lenders directly to potential borrowers, enabling them to grow their businesses. The business model is designed to provide competitive returns for lenders, while remaining affordable for borrowers.

2.2.3. P2P Lending Service

Peer to peer lending or P2P lending is a financial service that provides loans to consumers online. Peer to peer lending offers lending funds with an easy process without having to go through the convoluted process that is often found in conventional banks. One example of a peer to peer lending service is Kredivo.

2.2.4. Market Comparison

Market Comparison is a type of fintech that provides services in the form of collecting various financial information that users need as a reference. This service also offers product comparisons, including prices, features, and benefits. Thus, users can more easily make decisions efficiently.

2.2.5. Digital Payment System

Digital payment fintech is a service that focuses on providing digital payment solutions. If previously people were accustomed to making transactions using cash or non-cash through banks, now payments can be made more easily using electronic money, known as e-money. This innovation allows the transaction process to be faster, more practical and efficient without the need for physical money.

2.3. Interest in Transacting Using Fintech

The Big Indonesian Dictionary defines interest as a strong propensity, passion, or desire. A person's interest level affects his or her decision to utilize or not use a technology. This interest acts as a strong motivator in encouraging each individual to carry out an activity (Pratiwi & Sofwan, 2022). This means that without interest, someone is unlikely to do an action.

According to (Balqis, 2021) interest is a relatively fixed tendency to be interested in something, so that someone tends to pay more attention and continue to remember this. Usually, this curiosity is accompanied with a desire to satisfy one's needs and a sense of pleasure, particularly when it comes to employing technology. From the various existing definitions, interest can be concluded as an impulse that arises from within a person to be interested in something and encourage attention and action to achieve satisfaction, including in the use of financial technology, without any interference from other parties.

2.4. Financial Literacy

Financial literacy is very important from an early age for each individual because it has long-term effects that are useful for the future. In POJK Number 3 of 2023, the definition of financial literacy is the possession of information, abilities, and convictions that impact attitudes and actions in order to

enhance decision-making and financial management and ultimately lead to financial well-being. Research by Damayanti (2023) defines financial literacy as the ability to understand and recognize concepts and risks in finance, including the skills and knowledge needed to improve people's financial well-being. Thus, financial literacy can be concluded as the knowledge and ability of individuals to manage and make financial decisions in order to improve financial well-being in the future.

Understanding financial literacy enables individuals to more easily access digital financial products and services and manage risks appropriately, both through applications provided by financial institutions and applications from fintech companies. In other words, individuals who have good financial literacy tend to be more interested in using fintech products.

Research conducted by (Damayanti, 2023) and (Putri, 2022) indicates that transaction interest is positively and significantly impacted by financial knowledge, research conducted by (Saleh & F, 2020) also shows similar results where in his research shows financial literacy has a significant effect on the use of fintech. In contrast, Alamsjah et al. (2024) found that financial literacy does not have a significant impact on fintech usage behavior. For the formulation of hypotheses in this study are Hypothesis 1: Financial literacy significantly and positively impacts the interest in conducting transactions through fintech.

2.5. Perceived Ease of use

Perceived ease of use refers to an individual's belief that utilizing technology involves minimal effort and does not present challenges, so that the technology can help ease the tasks performed (Balqis, 2021). This perceived ease is closely related to interest in using fintech services and the views of individuals who believe that using a particular system will be error-free (Atarwaman, 2022). Research by Aditya & Mahyuni (2022) concluded that interest in utilizing fintech is positively and significantly impacted by perceived ease of use.

This demonstrates that fintech is simple to use and comprehend, and user-friendly, particularly for Generation Z, who are tech-savvy and favor transactions that are easy, fast, and efficient. The easier fintech technology is to use, the greater one's interest in utilizing it, because users tend to be attracted to services that offer high convenience.

Research conducted by (Balqis, 2021) and (Khoiriyah et al., 2020) provides similar results, interest in transactions is positively and significantly impacted by perceived ease of usage. On the other hand, research by Ong & MN (2022) found that there is no significant connection between perceived ease of use and interest in utilizing fintech. Therefore, the hypothesis formulation in this study is Hypothesis 2: Perceived ease of use significantly and positively impacts the interest in conducting transactions through fintech.

2.6. Effectiveness

Effectiveness is derived from the term "effective," which refers to having an effect, result, outcome and influence. Effectiveness is the ability to choose the right goal or target and achieve it optimally. This relates to the relationship between the results achieved (output) and the objectives set out in the plan (Wardana et al., 2024). Effectiveness denotes the degree to which the outcomes achieved from using technology are in accordance with the goals that users want to achieve (Marisa, 2020). Meanwhile, Perceived usefulness describes an individual's belief that the use of specific technology will enhance their work performance or productivity.

The more benefits or uses obtained by individuals in using information technology, the effectiveness of its use can be achieved. Then it can be concluded that the more effective the use of technology in society, the higher the interest in transacting using financial technology. This implies that if a task may be finished according to a plan that includes time, cost, and quality, then the use of technology is considered effective.

In line with research conducted by Marisa (2020) and (Susiyana et al., 2023) it was found that there is a significant influence between effectiveness and interest in transacting using financial technology. However, it is different from the findings of studies (Wardana et al., 2024), which says that effectiveness has no effect on interest in transactions using fintech in students. From this explanation, the third hypothesis of this study can be articulated as follows

Hypothesis 3: Effectiveness significantly and positively impacts the interest in conducting transactions through fintech.

3. Methodology

Researchers employed quantitative research methods, which are among the techniques used to evaluate a specific population or sample, to address the issues under discussion in this study. As for this study, there are 3 independent variables consisting of financial literacy (X1), perceived ease of use (X2), and effectiveness (X3) and using one dependent variable, namely interest in transactions using fintech (Y).

Generation z in Central Java is the target population in this study, generation z dominates the total population of Central Java, which is 9.24 million people. The sampling method employed is simple random sampling. To determine the sample for this study, the Slovin formula was applied, using the following calculation:

$$n = \frac{N}{1 + N(e)^2}$$

Description:

n = Number of samples
N = Total population
e = Error tolerance limit

It is known that the population of the z-generation population of Central Java is 9,242,208 people (Badan Pusat Statistik, 2021) with a margin of error of 10%.

So to find out the sample of this study, with the following calculations:

$$n = \frac{9,242,208}{1 + (9,242,208)(0,1)^2}$$

$n = 99,99$ rounded up to 100 respondents.

Table 1. Variable Operational Description

Variable Name	Operational Definition	Indicator
Financial literacy	Financial literacy refers to the capacity to comprehend and recognize financial concepts and risks, encompassing the skills and knowledge required to enhance individuals' financial well-being. (Damayanti, 2023)	1. <i>Knowledge</i> 2. <i>Experiences</i> 3. <i>Skills</i> 4. <i>Awareness</i>
Perceived ease of use	Perceived ease of use is the individual's conviction that utilizing technology will not be challenging or cumbersome when engaging with it or operating it. (Balqis, 2021)	1. Easy to access 2. Easy to grasp 3. Easy to operate 4. Easy to learn
Effectiveness	Effectiveness relates to how much tangible value the technology offers its users; the more benefits users perceive, the higher the effectiveness of the technology's use. (Marisa, 2020)	1. Many uses/benefits 2. Effects for users 3. Improves user performance
Interest in transactions using fintech	Interest is a condition in which a person shows attention to something, accompanied by a desire to understand and learn more deeply, and be able to prove it further. (Balqis, 2021)	1. Desire to always use 2. Always want to use 3. Will use in the future

The method for data collection in this study involved an online questionnaire created with the Google Form platform. This step was taken so that the questionnaire could be spread throughout the Central Java region at a more efficient cost. The questionnaire consists of 19 questions, distributed across 4 variables: 4 statements for the financial literacy variable (X1), 4 statements for the perceived ease of use variable (X2), 5 statements for the effectiveness variable (X3), and 6 statements representing the interest in transactions using fintech (Y). The measurement instrument used in the questionnaire is a Likert scale with 5 levels.

The data in this study were examined utilizing techniques for multiple linear regression methods. Before analyzing the data, an instrument test was performed to evaluate the reliability and validity of the questionnaire that was employed. Furthermore, classical assumption tests were conducted to ensure that the regression model satisfied fundamental requirements, followed by hypothesis testing utilizing multiple regression techniques. All these analyses were conducted with the help of SPSS version 22.

4. Results and discussion

4.1. Descriptive statistical for the main variables

The results of descriptive statistical analysis for research variables are displayed in tabular form. The table shows a descriptive statistical description of 100 respondents' the average value of these variables can be a reference because the standard deviation shows the level of deviation from the average. Based on descriptive statistical tests.

Table 2. Descriptive Statistical Analysis Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Financial Literacy	100	12.00	20.00	15.8900	1.76323
Perceived Ease of use	100	9.00	19.00	14.7400	2.17711
Effectiveness	100	15.00	25.00	19.7300	2.31750
Interest in Transacting Using Fintech	100	16.00	30.00	21.6300	2.90473
Valid N (listwise)	100				

Source: Data analyzed by SPSS (2022)

Based on the descriptive test results above, the table shows that the financial literacy variable (X1), perceived ease of use (X2), and effectiveness (X3) has an average value of 15.89; 14.74; and 19.73 with a standard deviation data of 1.76323; 2.17711; and of 2.31750, then variable interest in transactions using fintech (Y) has an average value of 21.63 and a standard deviation of data on interest in transactions using fintech of 2.90473. All variables show a higher average value than the standard deviation, which indicates that the data deviation is low and the distribution of values tends to be evenly distributed.

4.2. Validity Test

Table 3. Validity Test Results

Variable	Statement	R count	R table	Description
Financial Literacy (X1)	X1.1	0,476	0, 1966	Valid
	X1.2	0,244	0, 1966	Valid
	X1.3	0,478	0, 1966	Valid
	X1.4	0,441	0, 1966	Valid
Perceived Ease of use (X2)	X2.1	0,507	0, 1966	Valid
	X2.2	0,364	0, 1966	Valid
	X2.3	0,664	0, 1966	Valid
	X2.4	0,337	0, 1966	Valid
Effectiveness (X3)	X3.1	0,464	0, 1966	Valid
	X3.2	0,588	0, 1966	Valid
	X3.3	0,490	0, 1966	Valid
	X3.4	0,534	0, 1966	Valid

Variable	Statement	R count	R table	Description
Interest in Transacting Using Fintech (Y)	X3.5	0,599	0, 1966	Valid
	Y.1	0,597	0, 1966	Valid
	Y.2	0,565	0, 1966	Valid
	Y.3	0,510	0, 1966	Valid
	Y.4	0,493	0, 1966	Valid
	Y.5	0,430	0, 1966	Valid
	Y.6	0,332	0, 1966	Valid

Source: Data analyzed by SPSS (2022)

From the table above, it is evident that the calculated r values for all questions across each variable exceed the r table value, which is 0.1966. Therefore, Consequently, it may be said that all the questions for each variable are valid and suitable for use in data analysis.

4.3. Reliability Test

Table 4. Reliability Test Results

Variable	Reliability Statistics		
	Cronbach's Alpha	N of Items	Criteria
Financial Literacy	0,616	4	Reliabel
Perceived Ease of use	0,676	4	Reliabel
Effectiveness	0,764	5	Reliabel
Interest in Transacting Using Fintech	0,748	6	Reliabel

Source: Data analyzed by SPSS (2022)

As shown in the table above, the variables of financial literacy, perceived ease of use, effectiveness, and interest in fintech transactions exhibit Cronbach's Alpha values exceeding 0.60, which indicates that these variables are consistent and reliable.

4.4. Classical Assumption Test

4.4.1. Normality Test

Table 5. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
	Unstandardized Residual	
N	100	
Normal Parameters ^{a,b}	Mean	0,0000000
	Std. Deviation	1,87686828
Most Extreme Differences	Absolute	0,059
	Positive	0,046
	Negative	-0,059
Test Statistic	0,059	
Asymp. Sig. (2-tailed)	0,200 ^{c,d}	

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Data analyzed by SPSS (2022)

According to the table above, the One Sample Kolmogorov-Smirnov Test results for the normality test indicate that the Asymp. sig. (2-tailed) of 0.200 is greater than 0.05. This suggests that the residual values follow a normal distribution, indicating that the regression model meets the classical assumption of normality.

4.4.2. Multicollinearity Test

Table 6. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Financial Literacy	0,601	1,663
	Perceived Ease of use	0,731	1,368
	Effectiveness	0,775	1,291

Source: Data analyzed by SPSS (2022)

The table above shows no signs of multicollinearity among the independent variables, as indicated by the tolerance and VIF values. The tolerance for financial literacy is 0.601 with a VIF of 1.663, for perceived ease of use the tolerance is 0.731 with a VIF of 1.368, and for effectiveness, the tolerance is 0.775 with a VIF of 1.291. According to the test criteria, with tolerance values > 0.01 and VIF values < 10, it can be concluded that multicollinearity is absent.

4.5. Heteroscedasticity Test

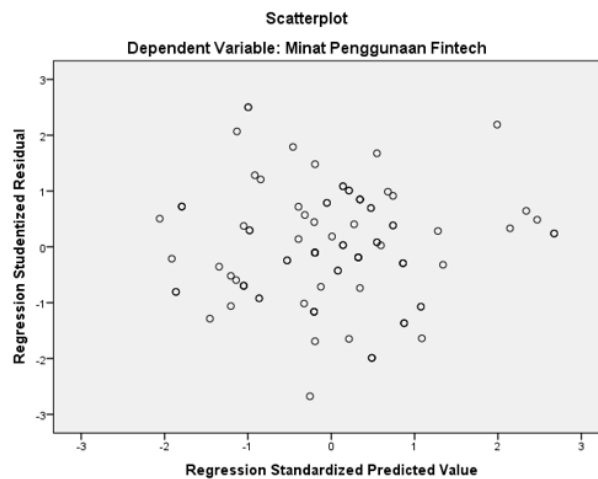


Figure 2. Heteroscedasticity Test Results

Source: Data analyzed by SPSS (2022)

The scatterplot graph above shows that the points are randomly distributed around the value of 0 on the Y-axis. This random distribution pattern suggests that there are no indications of heteroscedasticity in the regression model.

4.6. Multiple Regression Test

Table 7. Multiple Regression Test Results

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,221	2,023		-0,604	0,547
	Financial Literacy	0,288	0,140	0,175	2,055	0,043
	Perceived Ease of use	0,455	0,103	0,341	4,426	0,000
	Effectiveness	0,586	0,094	0,468	6,241	0,000

a. Dependent Variable: Interest in Transacting Using Fintech

Source: Data analyzed by SPSS (2022)

The multiple linear regression equation that illustrates the impact of financial literacy, perceived ease of use, and effectiveness on interest in fintech transactions is as follows:

$$Y = -1,221 + 0,288X_1 + 0,455X_2 + 0,586X_3 + e...$$

Based on the results presented in the table of multiple linear regression analysis, the following conclusions can be drawn:

1. The constant value of -1.221 is known. This suggests that the value of the dependent variable, namely interest in fintech transactions, will be at -1.221 if perceived effectiveness, simplicity of use, and financial literacy have no bearing.
2. The financial literacy variable (X1) has a regression coefficient of 0.288, which suggests that interest in fintech transactions is positively correlated with financial literacy. Put another way, interest in fintech transactions is predicted to rise by 0.288 if all other factors stay the same and financial literacy rises by one unit.
3. The regression coefficient for the perceived ease of use variable (X2) is 0.455, indicating that interest in conducting transactions through fintech is positively impacted by perceived ease of use. This suggests that if other variables are held constant and perceived ease of use increases by one unit, the interest in fintech transactions is expected to rise by 0.455.
4. Interest in fintech transactions is positively impacted by efficacy, as seen by the effectiveness variable's (X3) regression coefficient of 0.586. Put another way, interest in fintech transactions is predicted to rise by 0.586 if other factors stay the same and efficacy rises by one unit.

4.7. F Test

Table 8. f test result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	486.569	3	162.190	44.647	.000 ^b
	Residual	348.741	96	3.633		
	Total	835.310	99			

a. Dependent Variable: Interest in Transacting Using Fintech

b. Predictors: (Constant), Effectiveness, Perceived Ease of use, Financial Literacy

Source: Data analyzed by SPSS (2022)

With an F significance level of 0.000, which is smaller than 0.05, this result shows statistical support for the research model used. This means that the research model is valid in explaining the relationship between the independent and dependent variables, because the significance value is below 5%. Therefore, the model used can be considered good.

4.8. T test

Table 9. t test results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	-1,221	2,023		-0,604	0,547
	Financial Literacy	0,288	0,140	0,175	2,055	0,043
	Perceived Ease of use	0,455	0,103	0,341	4,426	0,000
	Effectiveness	0,586	0,094	0,468	6,241	0,000

a. Dependent Variable: Interest in Transacting Using Fintech

Source: Data analyzed by SPSS (2022)

Conclusions can be drawn from the t-test results displayed in the table above:

According to the first hypothesis (H1), interest in fintech transactions is significantly influenced by financial literacy (X1). The t value of 2.055 is known to be bigger than the t table value of 1.98498 ($2.055 > 1.98498$) based on the t test findings. Furthermore, the obtained significance value is 0.043, indicating a smaller value than 0.05 ($0.043 < 0.05$). As a result, it can be said that H1 is accepted while H0 is refused. This indicates that interest in fintech transactions is highly influenced by the financial literacy variable.

The second hypothesis (H2) asserts that perceived ease of use (X2) has a significant impact on interest in transactions involving fintech. The t-test results reveal that the t value of 4.426 surpasses the t table value of 1.98498 ($4.426 > 1.98498$). Furthermore, the significance value obtained is 0.000, which is less than 0.05 ($0.000 < 0.05$). Consequently, we can deduce that H0 is not accepted and H2 is accepted, indicating that the perceived ease of use variable significantly affects interest in transactions using fintech.

The third hypothesis (H3) states that effectiveness (X3) significantly influences interest in transactions involving fintech. The t-test results indicate that the t value of 6.241 is known to be bigger than the t table value of 1.98498 ($6.241 > 1.98498$) based on the t test findings. Furthermore, the significant value of 0.000, which is less than 0.05 ($0.000 < 0.05$), was achieved. As a result, it can be said that H3 is accepted while H0 is refused. This indicates that interest in fintech transactions is highly influenced by the efficacy variable.

4.9. Determination Coefficient Test

Table 8. Coefficient of Determination Test results

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,763 ^a	0,583	0,569	1,90597

a. Predictors: (Constant), Effectiveness, Perceived Ease of use, Financial Literacy

b. Dependent Variable: Interest in Transacting Using Fintech

Source: Data analyzed by SPSS (2022)

The table above indicates an Adjusted R Square value of 0.569 or 56.9%, which indicates that the interest in fintech transactions is affected by financial literacy, perceived ease of use, and effectiveness. The remaining 43.1% is influenced by other variables that are not included in the linear regression model.

4.10. Discussion of Data Analysis Results

4.10.1. The effect of financial literacy (X₁) on interest in transactions using fintech (Y)

The results of the partial test (t test) indicate that the financial literacy variable has a t-value of 2.055 and a significance level of 0.043. Given that the t-value exceeds the t-table value ($2.055 > 1.966$) and the significance level is below $\alpha = 0.05$ ($0.043 < 0.05$), it can be concluded that financial literacy significantly affects interest in fintech transactions. Hypothesis testing confirms that financial literacy has a notable influence on interest in using fintech services.

A solid grasp of financial literacy significantly enhances an individual's ability to access and navigate digital financial products and services, while also enabling them to manage associated risks more effectively. As a person's financial literacy improves, their confidence in making informed financial decisions increases, which in turn heightens their interest in adopting fintech solutions. This is because individuals with a higher level of financial literacy are better equipped to understand the benefits, features, and potential risks of fintech products, making them more inclined to use these services confidently and responsibly. Thus, financial literacy plays a crucial role in fostering greater engagement with fintech platforms.

This result is in line with other study findings from (Damayanti, 2023); (Putri, 2022) and (Saleh & F, 2020) which also identified a positive and there is a strong correlation between interest in adopting digital financial services and financial literacy. With better financial literacy, individuals are able to access, understand, and use digital financial applications or services more wisely and effectively. Therefore, the first hypothesis in this study can be accepted.

4.10.2. The effect of perceived ease of use (X₂) on interest in transactions using fintech (Y)

Based on the results of the partial test (t test) for the perceived ease of use variable, a t value of 4.426, obtained with a significance level of 0.000. Given that the significance level is smaller than $\alpha = 0.05$ and the t value is more than the t table value ($4.426 > 1.966$), ($0.000 < 0.05$), thus, it can be said that perceived ease of use has a significant impact on the interest in using fintech for transactions.

This shows a unidirectional relationship, where the easier it is for users to operate technology, the higher their interest in using it. This means that fintech is easy to understand and use without any obstacles, especially for generation z also prefers to transact easily, quickly and efficiently. So it can be concluded that the easier fintech services are used, the greater someone's interest in utilizing fintech.

These results are in line with previous research conducted by (Balqis, 2021); (Aditya & Mahyuni, 2022) and (Khoiriyah et al., 2020) which state that interest in fintech transactions is positively and significantly influenced by perceived ease of use. This shows that the more convenience provided and felt by users, the greater their interest and interest in utilizing this technology. As a result, the second hypothesis in this study can be considered valid.

4.10.3. Effect of effectiveness (X_3) on interest in transactions using fintech (Y)

According to the results of the partial test (t test) for the effectiveness variable, the calculated t value is 6.241, and the significance probability is 0.000. Since this t value is greater than the t table value ($6.241 > 1.966$) and the significance probability is less than $\alpha = 0.05$ ($0.000 < 0.05$), it can be inferred that effectiveness significantly influences interest in making transactions with fintech.

If a service provides many benefits, produces a positive impact on its users, and increases their effectiveness, then the desire to engage in transactions using fintech will rise. It is concluded that the more effective the use of technology, the higher the interest in transacting using financial technology.

These findings demonstrate that effectiveness positively influences interest in conducting transactions with fintech. Consequently, the third hypothesis in this study can be considered valid. This result is consistent with earlier studies (Marisa, 2020) which reveals that effectiveness can significantly affect the interest in transactions using fintech. This effectiveness is related to the many benefits that users get from the technology, which further supports the use of fintech more effectively (Marisa, 2020) and (Susiyan et al., 2023).

5. Conclusion

5.1. Conclusion

Drawing on the findings of the study and the earlier conversation, it can be said that this study shows that financial literacy, perceived ease of use, and effectiveness have a meaningful and positive impact on Generation Z's interest in transacting using financial technology. Generation z with strong financial literacy generally more inclined to use financial technology. Then, perceived ease of use also plays as crucial, the simpler it is to utilize, the greater their interest in using fintech. Lastly, the effectiveness of fintech that provides tangible benefits to its users also encourages an increase in generation z's interest in using this platform for financial transactions.

5.2. Limitation

This study has several limitations, such as coverage that only includes three variables and a relatively small sample size of only 100 respondents, as well as a limited focus on generation z in Central Java. These limitations may affect the ability to generalize the research results to other regions or to a wider population. Therefore, future research is expected to conduct research with larger samples and more diverse coverage is needed to obtain more comprehensive results and can be applied more generally.

5.3. Suggestion

Based on the conclusions of the research results above, the following suggestions can be given:

1. For providers of fintech services: Enhancing the user-friendliness of fintech applications is essential, as easier access will boost user interest in utilizing these services. In addition, increasing the effectiveness of fintech services is also important to ensure users feel the maximum benefits. This increased effectiveness will have a positive impact on users' desire to continue transacting with the fintech platform.
2. For future researchers: it is recommended that the scope of objects be expanded and other more diverse variables added, such as risk, trust, and security variables. External factors, including government policies, economic conditions, and advancements in technology, should also be taken into account in future research. This aims to gain a more comprehensive understanding of the

external factors that influence the use of fintech in Indonesia, so as to provide a more in-depth picture of fintech adoption among the younger generation.

Acknowledgment

The author expresses his deep gratitude to all those who have contributed in completing this research. Thanks to the Islamic University of Nahdlatul Ulama Jepara for the support provided so that this research can be carried out. Gratitude is also addressed to Mr. Fatchur Rohman, SE. M.Pd. M.Si., CADE, CAAT, as academic supervisor, for his guidance, support, and valuable insights that helped direct this research. The author also greatly appreciates the moral support and understanding from family and friends who continued to encourage during the research process. Thank you to all those who have contributed to the success of this research.

References

- Aditya, T., & Mahyuni, L. P. (2022). Pengaruh Literasi Keuangan, Persepsi Kemudahan, Manfaat, Keamanan dan Pengaruh Sosial Terhadap Minat Penggunaan Fintech. *Forum Ekonomi*, 24(2), 245–258. <https://doi.org/10.30872/jfor.v24i2.10330>
- Alamsjah, Soraya, Z., Aisyah, S., Dwiyantri, F., & Sultan, A. (2024). Pengaruh Literasi Keuangan, Efek Teman Sebaya, dan Sumber Informasi Terhadap Perilaku Siswa Dalam Penggunaan Aplikasi Fintech. *Owner: Riset & Jurnal Akuntansi*, 8(2), 4925–4934. <https://doi.org/10.33395/owner.v8i2.2340>
- Alamsyah, M. F., Ade, S. R., & Nursita, L. (2023). Pengaruh Literasi Keuangan dan Inklusi Keuangan Terhadap Penggunaan Financial Technology (Fintech) pada Dosen Di Universitas Ichsan Gorontalo. *Jurnal Idaarah*, 7(2), 343–357.
- Atarwaman, R. J. (2022). Pengaruh Persepsi Resiko, Kegunaan, Kepercayaan dan Kemudahan Terhadap Sikap Penggunaan Mobile Banking di Kota Ambon. *Eqien - Jurnal Ekonomi Dan Bisnis*, 10(2), 281–290.
- Badan Pusat Statistik. (2021). Hasil Sensus Penduduk 2020 di Provinsi Jawa Tengah. *Berita Resmi Statistik*, 1–11.
- Balqis, T. (2021). *Faktor-Faktor yang Mempengaruhi Minat Bertransaksi Menggunakan Financial Technology (Fintech) (Studi Pada Mahasiswa Fakultas Ekonomi dan Bisnis Islam Uin Ar-Raniry Banda Aceh)*. Universitas Islam Negeri Ar-Raniry Banda Aceh.
- Chlorita, S., Irfan, M. D., Yusrina, F., Wijanarko, R., & Hidayat, C. M. (2024). Persepsi Gen Z Terhadap Fintech. *Journal Of Digital Business Innovation (Digbi)*, 2(1), 1–9.
- Damayanti, T. Y. D. (2023). *Analisis Pengaruh Literasi Keuangan Digital Mahasiswa Terhadap Minat Bertransaksi Menggunakan Financial Technology Berupa E-Wallet (Studi Kasus Pada Mahasiswa di Kota Magelang, Semarang & Diy)*. Universitas Tidar.
- Khoiriyah, I., Kusumawati, D. A., & Indriasari, I. (2020). Analisis Minat Bertransaksi Menggunakan Financial Technology (Fintech) di Jawa Tengah. *Stability: Journal Of Management and Business*, 3(2), 48–57. <https://doi.org/10.26877/sta.v3i2.7783>
- Marisa, O. (2020). Persepsi Kemudahan Penggunaan, Efektivitas, dan Risiko Berpengaruh Terhadap Minat Bertransaksi Menggunakan Financial Technology. *Jurnal Administrasi Kantor*, 8(2), 139–152.
- OECD. (2023). *OECD/INFE 2023 International Survey of Adult Financial Literacy*. <https://doi.org/https://doi.org/10.1787/56003a32-en>



- OJK. (2019). Yuk Mengetahui Fintech! Keuangan Digital Yang Terus Naik Daun. <https://Sikapuangmu.Ojk.Go.Id>.
- OJK. (2022, November 24). Survei Nasional Literasi Dan Inklusi Keuangan. <https://Ojk.Go.Id>.
- Ong, V., & Mn, N. (2022). Pengaruh Persepsi Risiko, Persepsi Kemudahan, dan Literasi Keuangan Terhadap Minat Penggunaan Linkaja. *Jurnal Manajerial Dan Kewirausahaan*, 4(2), 516. <https://Doi.Org/10.24912/Jmk.V4i2.18259>
- Pratiwi, S., & Sofwan, A. (2022). Pengaruh Perceived Usefulness, Perceived Ease of Use, Perceived Risk dan Trust Terhadap Minat Menggunakan Fintech Shopeepay. *Jurnal Rekognisi Akuntansi*, 6(2), 141–154.
- Putri, S. D. (2022). *Pengaruh Literasi Keuangan Terhadap Minat Menggunakan Fintech Payment (Paylater) Pada Shopee (Studi Kasus Pada Mahasiswa Fakultas Ekonomi dan Bisnis Universitas Bung Hatta Padang)*. Universitas Bung Hatta Padang.
- Rahardjo, B. (2021). *Fintech: Teknologi Finansial Perbankan Digital* (J. Teguh Santoso & M. Caroline Wibowo, Eds.; 1st Ed., Vol. 1). Yayasan Prima Agus Teknik.
- Saleh, M., & F, F. S. (2020). Pengaruh Literasi Keuangan dan Kualitas Pembelajaran Keuangan Terhadap Penggunaan Fintech Mahasiswa Manajemen dan Akuntansi Universitas Fajar. *Jurnal Manajemen & Organisasi Review (Manor)*, 2(2), 94–105. <https://Doi.Org/10.47354/Mjo.V2i2.243>
- Susiyana, Ruqayyah Yunus, A., & Muslihati. (2023). Analisis Faktor-Faktor Yang Mempengaruhi Minat Bertransaksi Menggunakan Fintech Syariah Pada Generasi Z di Kota Makassar. *At Tawazun Jurnal Ekonomi Islam, Volume. 3*(Nomor 2), 119–135.
- Wardana, O. R., Aliyah, S., & Yanto, Y. (2024). Determinan Minat Bertransaksi Menggunakan Financial Technology. *Jurnal Ilmiah Akuntansi Dan Keuangan (Jiaku)*, 3(2), 93–116. <https://Doi.Org/10.24034/Jiaku.V3i2.5966>
- Widyaningrum, T. R., & Iswahyudi, M. (2017). Studi Keperilakuan Individu dalam Menggunakan Sistem Informasi Berbasis Teknologi. *Jurnal Akuntansi, Bisnis dan Manajemen (Jabm)*, 24(1).