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The Role Of Financial Literacy In Moderating The Effects Of UTAUT And UTAUT2 Constructs On Generation Z's Behavioral Intention To Use Financial Technology

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Abstract

The rapid growth of Financial Technology (FinTech) has increased its adoption among Generation Z. This study aims to examine the effects of UTAUT and UTAUT2 constructs on Behavioral Intention to Use FinTech, with financial literacy as a moderating variable. A quantitative approach was employed using data collected from 165 Generation Z students at the University of Lampung through purposive sampling. Data were analyzed using PLS-SEM with SmartPLS 4. The results show that performance expectancy, hedonic motivation, price value (negative direction), and habit significantly influence Behavioral Intention to Use FinTech, while effort expectancy, social influence, and facilitating conditions do not. In addition, financial literacy moderates the relationships between facilitating conditions and behavioral intention, and between hedonic motivation and behavioral intention. These findings highlight the importance of technological factors and financial literacy in encouraging FinTech adoption among Generation Z.

Keywords: Financial Technology, UTAUT2, Behavioral Intention, Financial Literacy, Generation Z

INTRODUCTION

The rapid development of information and communication technology has transformed the financial industry through Financial Technology (FinTech), which improves efficiency, convenience, and accessibility in financial transactions (Gomber et al., 2018). Generation Z, recognized as digital natives, constitutes one of the largest

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FinTech user groups. Despite widespread availability, understanding the determinants of FinTech adoption intention remains important (Saraswati et al., 2023; Syakinah, 2024).

Technology acceptance models have progressively evolved from TAM (Davis, 1989) to UTAUT (Venkatesh et al., 2003), which incorporates Performance Expectancy, Effort Expectancy, Social Influence, and Facilitating Conditions, and subsequently to UTAUT2 (Venkatesh et al., 2012), which adds Hedonic Motivation, Price Value, and Habit. Prior studies have produced inconsistent findings: some report significant effects of Performance Expectancy, Facilitating Conditions, and Habit (Abdullah et al., 2018; Chen et al., 2023), while others find Social Influence and Hedonic Motivation insignificant (Amnas et al., 2023; Nugraha & Cahyono, 2025). Financial Literacy enabling individuals to understand financial concepts and make informed decisions (Lusardi & Mitchell, 2014; OECD, 2020) may help explain these inconsistencies, yet its moderating role within UTAUT2 remains underexplored, particularly among Generation Z in Indonesia where FinTech growth is rapid but financial literacy remains relatively low.

This study integrates UTAUT and UTAUT2 with Financial Literacy as a moderating variable to examine Generation Z's Behavioral Intention to Use FinTech, contributing to technology acceptance literature and providing practical implications for FinTech providers and educational institutions.

HYPOTHESES DEVELOPMENT

Based on UTAUT (Venkatesh et al., 2003) and UTAUT2 (Venkatesh et al., 2012), the following hypotheses are proposed:

H1: Performance Expectancy has a positive and significant effect on Behavioral Intention to Use FinTech among Generation Z.

H2: Effort Expectancy has a positive and significant effect on Behavioral Intention to Use FinTech among Generation Z.

H3: Social Influence has a positive and significant effect on Behavioral Intention to Use FinTech among Generation Z.

H4: Facilitating Conditions have a positive and significant effect on Behavioral Intention to Use FinTech among Generation Z.

H5: Hedonic Motivation has a positive and significant effect on Behavioral Intention to Use FinTech among Generation Z.

H6: Price Value has a significant effect on Behavioral Intention to Use FinTech among Generation Z.

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H7: Habit has a positive and significant effect on Behavioral Intention to Use FinTech among Generation Z.

H8–H14: Financial Literacy moderates the relationships between each of the above UTAUT/UTAUT2 constructs and Behavioral Intention to Use FinTech.

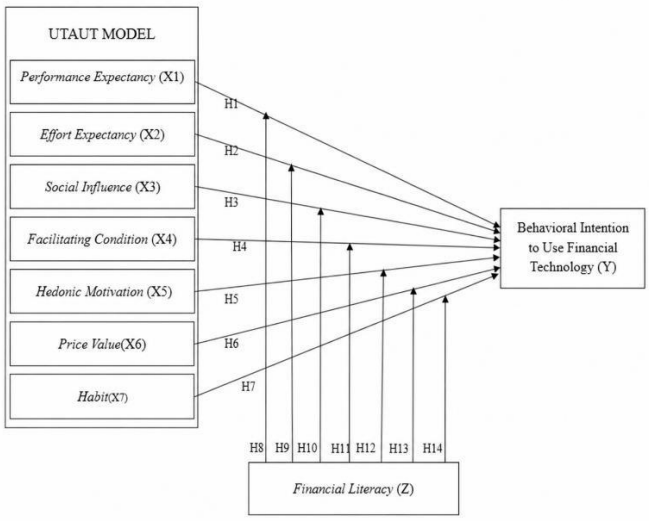


Figure 1. Research Model

RESEARCH METHOD

This study employed a quantitative causal associative approach. The population consisted of Generation Z students at the University of Lampung with prior FinTech experience. Using purposive sampling, 165 valid responses were obtained via an online questionnaire (Google Forms, five-point Likert scale). The model included seven UTAUT/UTAUT2 constructs as independent variables Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI), Facilitating Conditions (FC), Hedonic Motivation (HM), Price Value (PV), and Habit (HB) with Behavioral Intention (BI) as the dependent variable and Financial Literacy (FL) as the moderator. Measurement items were adapted from Venkatesh et al. (2003, 2012), Lusardi and Mitchell (2014), and OECD (2020). Data were analyzed using PLS-SEM with SmartPLS 4 via bootstrapping ; significance was determined at t > 1.96and $p < 0.05$ (Hair et al., 2021).

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RESULTS AND DISCUSSION

Respondent Characteristics

Table 1 presents the demographic profile of 165 respondents. Most were female (65%) and aged 21–24 years (80%). Digital wallets were the most widely used FinTech type (76%), and 55% reported daily FinTech usage, indicating high digital financial familiarity among Generation Z.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Female	107	65%
	Male	58	35%
Age	17–20 years	33	20%
	21–24 years	132	80%
Activity Besides Study	Study only	99	60%
	Employee (part-time/full-time)	43	26%
	Entrepreneur/Freelancer	23	14%
FinTech Usage Experience	Yes	165	100%
	No	0	0%
Type of FinTech Used	Digital Wallets (OVO, GoPay, DANA, ShopeePay, etc.)	165	76%
	P2P Lending (Kredivo, Akulaku, etc.)	48	22%
	Digital Investment (Bibit, Ajaib, Stockbit, etc.)	4	2%
Frequency of	Daily	90	55%
	Several times a week	57	35%

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FinTech Usage	Several times a month	16	10%
	Rarely/Once	2	1%

*Multiple-choice item; percentages based on n = 165. Source: Primary data, SmartPLS (2026)

Measurement Model Evaluation (Outer Model)

All indicators met the outer loading threshold (> 0.70), with values ranging from 0.701 (IMF6) to 0.879 (H4). All constructs satisfied convergent validity (AVE > 0.50) and reliability (Cronbach's Alpha and CR > 0.70). Discriminant validity was confirmed via HTMT; the highest value was 0.846 (HM–IMF), below the 0.85 threshold (Hair et al., 2021). Results are summarized in Table 2.

Table 2. Reliability, Validity, and Discriminant Validity Results

Construct	Cronbach's Alpha	Composite Reliability	AVE	Max HTMT
Performance Expectancy	0.772	0.774	0.593	0.809
Effort Expectancy	0.811	0.814	0.638	0.801
Social Influence	0.734	0.785	0.652	0.587
Facilitating Conditions	0.702	0.702	0.627	0.754
Hedonic Motivation	0.755	0.756	0.671	0.846
Price Value	0.762	0.740	0.676	0.541
Habit	0.810	0.823	0.637	0.747
Financial Literacy	0.707	0.715	0.631	0.792
Behavioral Intention to Use FinTech	0.852	0.855	0.576	0.846

Source: SmartPLS Output (2026)

Structural Model Evaluation (Inner Model)

The R^2 value of 0.728 (R^2adj = 0.701) indicates that 72.8% of variance in Behavioral Intention is explained by the model a strong level of explanatory power. Effect size analysis identified Habit (f^2 = 0.189) and Hedonic Motivation (f^2 = 0.137) as the largest

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contributors. All Q²Predict values exceeded zero and PLS-SEM RMSE was lower than LM RMSE across all indicators, confirming adequate predictive relevance.

Hypothesis Testing

Table 3 presents the bootstrapping results. Performance Expectancy (H1), Hedonic Motivation (H5), Price Value (H6), and Habit (H7) significantly influence Behavioral Intention, while Effort Expectancy (H2), Social Influence (H3), and Facilitating Conditions (H4) do not. For moderation, Financial Literacy significantly moderates the FC–BI relationship (H11) and the HM–BI relationship (H12), while the remaining moderation hypotheses (H8–H10, H13–H14) are not supported.

Table 3. Hypothesis Testing Results

Hypothesis	Relationship	β (Original Sample)	T-Statistic	P-Value	Decision
H1	PE → BI	0.150	2.088	0.037	Supported
H2	EE → BI	0.060	0.785	0.433	Not Supported
H3	SI→ BI	0.104	1.440	0.150	Not Supported
H4	FC → BI	0.110	1.931	0.054	Not Supported
H5	HM → BI	0.323	3.909	0.000	Supported
H6	PV→ BI	-0.098	1.989	0.047	Supported
H7	H → BI	0.301	3.780	0.000	Supported
H8	FL × PE → BI	0.085	0.946	0.344	Not Supported
H9	FL × EE → BI	-0.065	0.639	0.523	Not Supported

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H10	FL × SI → BI	0.052	0.650	0.516	Not Supported
H11	FL × FC → BI	-0.164	1.995	0.046	Supported
H12	FL × HM → BI	0.169	2.016	0.044	Supported
H13	FL × PV → BI	0.049	0.806	0.420	Not Supported
H14	FL × H → BI	-0.071	0.832	0.406	Not Supported

*Note: BI = Behavioral Intention; FL = Financial Literacy; * PV significant but negative direction. Source: SmartPLS Bootstrapping (2026)*

DISCUSSION

Performance Expectancy positively influences BI (β = 0.150, p = 0.037), consistent with UTAUT (Venkatesh et al., 2003) and prior FinTech studies (Hamzah & Sukma, 2021; Chen et al., 2023), confirming that perceived functional benefits drive adoption. Effort Expectancy, Social Influence, and Facilitating Conditions are non-significant, reflecting Generation Z's digital competence and independence: ease of use is taken for granted, social recommendations are less decisive, and digital infrastructure is widely accessible (Adinda et al., 2024; Yuliana & Aprianingsih, 2022; Pian, 2025).

Hedonic Motivation is the strongest positive predictor (β = 0.323, p < 0.001), underscoring the centrality of enjoyable user experiences in FinTech adoption among this cohort (Nugraha & Cahyono, 2025; Hasan et al., 2022). Habit is also highly significant (β = 0.301, p < 0.001), indicating that repeated use creates automatic behavioral tendencies (Maharani, 2021; Wati, 2025). Price Value is statistically significant but negative (β = −0.098, p = 0.047), suggesting that heightened cost sensitivity among student respondents may suppress adoption intention a finding that diverges from prior positive effects (Liminan & Keni, 2021) and warrants further investigation.

For moderation, Financial Literacy negatively moderates the FC–BI relationship (H11: β = −0.164, p = 0.046), meaning financially literate users are less dependent on external infrastructure, reflecting greater autonomy (Wardani et al., 2024; Ahlia et al., 2025). Financial Literacy positively moderates the HM–BI relationship (H12: β = 0.169, p

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= 0.044), indicating that financially knowledgeable users better translate enjoyable FinTech experiences into informed adoption intentions (Alomari & Abdullah, 2023; Saraswati et al., 2023). The remaining moderation paths are non-significant, suggesting that for most constructs, the effect on BI operates independently of financial literacy level.

CONCLUSION

This study examined UTAUT and UTAUT2 constructs on Generation Z's Behavioral Intention to Use FinTech with Financial Literacy as a moderator among 165 students at the University of Lampung. Performance Expectancy, Hedonic Motivation, and Habit positively influence BI, while Price Value exerts a significant negative effect. Effort Expectancy, Social Influence, and Facilitating Conditions are non-significant. Financial Literacy moderates only the FC–BI and HM–BI relationships, with limited moderating scope overall. These findings extend UTAUT/UTAUT2 application in Indonesia's FinTech context and suggest that FinTech providers should prioritize hedonic experiences and habitual engagement, while educational institutions should strengthen financial literacy programs. Limitations include a single-university sample, cross-sectional design, and focus on intention rather than actual behavior; future research should address these through longitudinal, multi-site designs incorporating actual usage and additional moderators such as perceived risk and trust.

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