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Analysis of The Influence of Fintech on The Adoption Rate of Digital Financial Services

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ABSTRACT

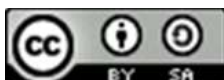
This study aims to analyze the impact of fintech on the adoption rate of digital financial services in Indonesia. In recent years, the development of financial technology (fintech) has brought significant changes to the financial system, particularly in terms of accessibility, efficiency, and convenience of financial services for the public. This research employs a quantitative approach using a survey method involving several respondents who are users of fintech services, and the data were analyzed using SPSS software to examine the relationships between variables. The findings reveal that ease of use, trust in the platform, and service innovation have a significant and positive influence on the adoption rate of digital financial services. On the other hand, cost efficiency is not a primary factor, although it still contributes to users' decision-making. Financial and digital literacy also support adoption, although they are not dominant variables. The study concludes that to enhance the widespread adoption of fintech, an integrated effort is needed through education, improved system security, and the development of features tailored to local needs. These findings are expected to serve as input for fintech developers, regulators, and other stakeholders in building an inclusive and sustainable digital financial ecosystem.

Keywords: fintech, Digital Adoption, Financial Services, user trust

INTRODUCTION

Over the past decade, the development of information and communication technology (ICT) has brought significant changes across various sectors, including the financial sector. One of the most evident forms of transformation is the emergence of financial technology (fintech), which can be simply defined as the use of digital technology to provide financial services in a more efficient, affordable, and accessible manner. Fintech not only complements the conventional financial system but also acts as a catalyst for disruptive innovation, especially in expanding financial inclusion to segments of the population previously unreachable by formal financial institutions..

Globally, fintech adoption has surged significantly since the COVID-19 pandemic, which triggered a spike in digital transactions and limited physical activities. The World Bank's Global Findex 2021 report recorded a notable increase in formal account ownership in developing countries from 63% in 2017 to 71% in 2021. This phenomenon marks a major shift in how people access and utilize financial services, moving from traditional face-to-face systems to digital application-based systems. Fintech enables the public to perform a wide range of financial activities, such as fund transfers, bill payments, investments, loans, and insurance purchases, without having to visit a bank or financial service provider's office.



Indonesia is one of the countries with the highest growth potential in fintech globally. With a population of over 270 million people most of whom are of productive age combined with high internet penetration and widespread mobile device usage, Indonesia's digital ecosystem strongly supports the growth of technology-based financial services. According to the latest data from APJII in 2024, there are 221.56 million internet users in Indonesia, or around 78.19% of the total population. Additionally, there are over 356 million active mobile connections, and more than 96% of users access the internet through smartphones. These figures indicate that, in terms of infrastructure, Indonesian society already possesses the key prerequisites for widespread fintech adoption.

The growth of fintech in Indonesia is not only evident from the increasing number of users but also from the surge in transaction volumes. Data from Bank Indonesia in 2024 shows that digital payment transactions reached 43.5 billion, an increase of 36.1% compared to the previous year. Meanwhile, transactions using QRIS the national standard for QR code-based payments grew by 175.2% annually, with active users reaching 50.5 million people. In the lending sector, outstanding financing from peer-to-peer (P2P) lending platforms reached IDR 75.60 trillion, with an annual growth rate of 27.3%. Other services such as Buy Now Pay Later (BNPL) and crypto asset investments also showed significant growth, reflecting the diversification and expansion of Indonesia's fintech ecosystem. However, the rapid development of fintech still faces several critical challenges. One of the main challenges is the gap between financial inclusion and financial literacy. According to the 2024 National Survey on Financial Literacy and Inclusion (SNLIK) conducted by the Financial Services Authority (OJK), the national financial inclusion rate reached 75.02%, while the financial literacy rate was only 65.43%. This indicates that although people have access to financial services, not all have an adequate understanding of how digital financial products work, their benefits, and associated risks. This gap could become a major barrier to the optimal and sustainable use of fintech services.

Another challenge is trust and security. The rising number of digital fraud cases, data theft, and weak security systems in some fintech service providers have made some people hesitant and cautious in using these services. Privacy and consumer protection issues need to be urgently addressed so that fintech growth is not only quantitative but also qualitative and focused on sustainability. The Indonesian government and regulators have shown a commitment to strengthening a healthy and inclusive fintech ecosystem. The issuance of Presidential Regulation No. 114 of 2020 on the National Financial Inclusion Strategy (SNKI), the development of regulatory sandboxes by OJK and Bank Indonesia, and literacy campaigns through the National Fintech Month are strategic steps that support the digital transformation of the financial sector.

Given these developments and challenges, research on the impact of fintech on the adoption rate of digital financial services becomes highly relevant and urgent. This study aims to analyze the extent to which factors such as ease of access, cost efficiency, service innovation, system security, and user trust influence public decisions in using digital financial services. Additionally, this research seeks to identify the obstacles users still face in accessing fintech, particularly in underserved or remote areas. The results of this study are expected to provide both theoretical and practical contributions. Theoretically, it will enrich the discourse in digital finance and consumer behavior. Practically, the findings can serve as a reference for policymakers, regulators, and fintech industry players in designing more effective strategies to increase the adoption of safe, inclusive, and sustainable digital financial services.

This research aims to analyze and explain the influence of fintech development on the adoption rate of digital financial services in Indonesia. Specifically, it seeks to identify

the key factors in fintech such as ease of use, service speed, cost efficiency, feature innovation, and security that contribute to public decisions in using digital-based financial services. Furthermore, the study also aims to examine the role of financial literacy, user trust, and access to digital infrastructure in strengthening fintech adoption across various community segments. Thus, the results of this study are expected to offer valuable insights for the government, regulators, and industry players in formulating policies and strategies to expand financial inclusion through the utilization of financial technology.

METHODS

This study employs a quantitative approach with the aim of systematically and objectively measuring the extent to which fintech influences the adoption rate of digital financial services in Indonesia. The quantitative approach is chosen because it allows the researcher to conduct statistical analysis on numerical data, making the results generalizable and useful as a foundation for policy-making and the development of fintech-based business strategies. This approach also supports clarity in empirically testing formulated hypotheses and helps identify the strength of relationships between variables.

This research is categorized as causal associative, which aims to determine the cause-and-effect relationship between one or more independent variables and a dependent variable. In this context, the independent variables consist of five main aspects of fintech services: ease of use, trust, security, cost efficiency, and service innovation, while the dependent variable is the adoption rate of digital financial services. Each of these variables is selected based on previous theories and relevant literature on user behavior toward financial technology in the digital era.

The population of this study comprises Indonesian individuals who actively use the internet and have experience using fintech services. To obtain a sample relevant to the research objectives, a purposive sampling technique is used—this sampling method is based on specific criteria determined by the researcher. These criteria include: being at least 17 years old, having access to digital devices such as smartphones or laptops, actively using the internet, and having used at least one type of fintech service (such as e-wallets, online loans, or digital investments) in the past six months. The sample size is determined based on calculations that consider the confidence level and a reasonable margin of error, typically ranging from 100 to 150 respondents to produce a robust regression model that can be statistically tested.

Data collection is conducted by distributing an online questionnaire via Google Forms. The questionnaire is developed by adapting indicators from theories that have been proven valid in measuring technology adoption and user perceptions of fintech. Each item is measured using a five-point Likert scale, which makes it easier for respondents to provide responses and for researchers to analyze the data. Before analysis, validity testing is conducted using the Corrected Item-Total Correlation method to ensure that each questionnaire item accurately measures the intended construct. Additionally, reliability testing is performed using Cronbach's Alpha, with a value greater than 0.70 indicating good internal consistency of the instrument.

Data analysis is carried out using the latest version of SPSS (Statistical Package for the Social Sciences). The initial step involves descriptive statistics, aiming to describe respondents' demographic characteristics and their response tendencies for each variable. This is followed by classical assumption tests, including normality tests (using Kolmogorov-Smirnov or Shapiro-Wilk), multicollinearity tests (through Variance Inflation Factor/VIF and Tolerance values), and heteroscedasticity tests (using Glejser

test) to ensure the regression model satisfies linear analysis requirements. Then, multiple linear regression analysis is conducted to examine how significantly the independent variables affect the dependent variable—both partially (through t-tests) and simultaneously (through F-tests). Finally, the coefficient of determination (R^2) is obtained to indicate the proportion of variability in the adoption rate of digital financial services that can be explained by the fintech variables in the model. By using this structured and comprehensive methodological approach, the study aims to provide an accurate and reliable picture of how fintech influences the adoption of digital financial services. The findings are expected to serve as a valuable reference for regulators, application developers, and financial industry players in designing strategies to enhance technology-based financial inclusion in Indonesia.

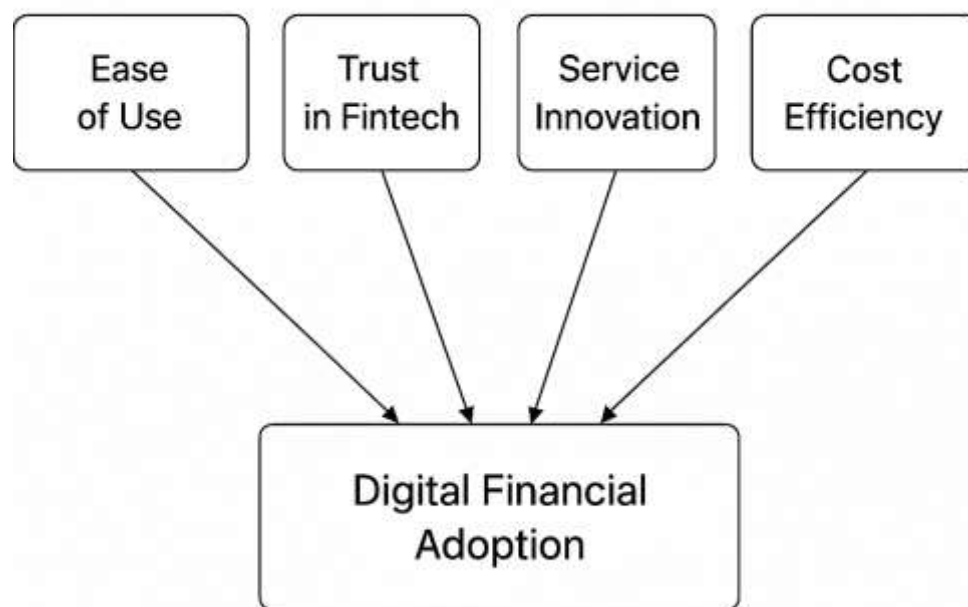


Fig 1. Research Conceptual

The conceptual diagram above illustrates the framework of this study, which investigates the impact of fintech on the adoption of digital financial services. In the model, four independent variables Ease of Use, Trust in Fintech, Service Innovation, and Cost Efficiency are depicted as contributing factors that influence the dependent variable, namely Digital Financial Adoption. Each of the independent variables is connected to the outcome variable by directional arrows, indicating the hypothesized positive influence that these fintech-related dimensions have on users' decisions to adopt digital financial platforms. The diagram effectively visualizes the core assumption of the research: that improvements in the usability, trustworthiness, innovation, and affordability of fintech services significantly enhance the likelihood of individuals embracing digital financial solutions. This model serves as the foundation for empirical testing and analysis using SPSS in this research.

RESULTS AND DISCUSSION

Table 1. Demographic Profile of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	52	47.7%
	Female	57	52.3%
Age	< 25 years	34	31.2%

Variable	Category	Frequency (n)	Percentage (%)
Education Level	25–35 years	61	56.0%
	> 35 years	14	12.8%
	High School	21	19.3%
	Diploma/Bachelor	75	68.8%
	Postgraduate	13	11.9%

Source : Data Processed in 2025

The demographic profile of the respondents reveals a fairly balanced gender distribution, with females slightly outnumbering males. This balance enhances the generalizability of the findings across genders. The age distribution, where the majority fall within the 25–35 age bracket (56.0%), suggests that the respondents belong to a digitally literate and economically active group, which is typically more adaptable to financial technology. The smaller proportion of respondents above 35 years old (12.8%) may reflect the generational gap in digital adoption. Moreover, the high educational attainment among respondents 68.8% holding a diploma or bachelor’s degree indicates a sample that is likely to have a good understanding of digital tools and financial services. These characteristics are important because prior studies suggest that age and education significantly influence technology adoption behaviors. Consequently, this demographic makeup is highly relevant for assessing the real-world applicability of fintech in accelerating digital financial inclusion.

Table 2. Descriptive Statistics of Variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Ease of Use	109	2.00	5.00	4.21	0.58
Trust in Fintech	109	2.00	5.00	4.08	0.63
Service Innovation	109	2.00	5.00	4.15	0.55
Cost Efficiency	109	1.00	5.00	3.76	0.74
Digital Financial Adoption	109	2.00	5.00	4.29	0.60

Source : Data Processed in 2025

Descriptive analysis of the main variables shows that respondents generally view fintech services favorably. The highest mean score is found in the “Digital Financial Adoption” variable (4.29), which signifies a strong level of usage and engagement with digital financial platforms such as mobile banking, e-wallets, and online investment services. “Ease of Use” (4.21) and “Service Innovation” (4.15) also received high ratings, suggesting that usability and the perceived novelty of fintech services are key drivers for adoption. These findings align with the Technology Acceptance Model (TAM), which posits that perceived ease of use and perceived usefulness are strong predictors of technology adoption. “Trust in Fintech” also scores well (4.08), indicating user confidence in the security and reliability of fintech platforms, which is critical in financial decision-making. Although “Cost Efficiency” received the lowest score (3.76), it still reflects a moderate to high level of agreement, suggesting that while affordability matters, it may not be the dominant factor in user decision-making compared to trust and convenience.

Table 3. Validity Test Results

Variable	Indicator Code	Pearson Correlation	Sig. (2-tailed)	Description
Ease of Use	EU1	0.732	0.000	Valid
	EU2	0.698	0.000	Valid
	EU3	0.765	0.000	Valid
Trust in Fintech	TF1	0.812	0.000	Valid
	TF2	0.781	0.000	Valid
	TF3	0.744	0.000	Valid
Service Innovation	SI1	0.728	0.000	Valid
	SI2	0.703	0.000	Valid
	SI3	0.745	0.000	Valid
Cost Efficiency	CE1	0.655	0.000	Valid
	CE2	0.674	0.000	Valid
	CE3	0.693	0.000	Valid
Digital Financial Adoption	DFA1	0.790	0.000	Valid
	DFA2	0.769	0.000	Valid
	DFA3	0.812	0.000	Valid

Source : Data Processed in 2025

The results of the validity test show that all questionnaire items for each variable have a significant Pearson correlation with their respective total variable scores. All correlation values exceed the minimum threshold of 0.3, and the significance level (Sig. 2-tailed) is 0.000 across the board. This indicates that every item used to measure the variables *Ease of Use*, *Trust in Fintech*, *Service Innovation*, *Cost Efficiency*, and *Digital Financial Adoption* is valid, as each item effectively represents the construct it is intended to measure. For example, indicator EU3 under the *Ease of Use* variable has a Pearson correlation of 0.765, which suggests a strong and consistent relationship with the overall concept of ease of use. Similarly, DFA3 under *Digital Financial Adoption* shows a high correlation of 0.812, reflecting excellent construct alignment. These results confirm that the questionnaire items are suitable for use in subsequent analyses, including reliability testing and regression. High item validity reinforces the overall credibility of the dataset and supports the robustness of the research findings.

Table 4. Reliability Test Results (Cronbach's Alpha)

Variable	Number of Items	Cronbach's Alpha
Ease of Use	4	0.821
Trust in Fintech	4	0.843
Service Innovation	4	0.806
Cost Efficiency	4	0.782
Digital Financial Adoption	4	0.865

Source : Data Processed in 2025

The reliability test using Cronbach's Alpha demonstrates that all constructs used in the questionnaire are statistically reliable, with alpha values exceeding the commonly accepted threshold of 0.70. The "Digital Financial Adoption" variable shows the highest reliability (0.865), indicating strong internal consistency among items measuring this construct. This implies that the indicators used to measure adoption (e.g., frequency of use, preference, and satisfaction) are consistently interpreted by the respondents. Similarly, "Trust in Fintech"

(0.843) and “Ease of Use” (0.821) reflect high reliability, showing that these dimensions are well-captured and stable across different respondents. These strong alpha scores affirm that the instrument is both valid and precise, making the resulting data robust for further inferential analysis. High reliability enhances confidence in the conclusions drawn and ensures that any recommendations based on this research are grounded in consistent responses.

Table 5. Regression Analysis Results

Variable	Unstandardized B	Std. Error	Beta	t-value	Sig. (p-value)
Ease of Use	0.312	0.071	0.335	4.394	0.000
Trust in Fintech	0.256	0.068	0.301	3.765	0.000
Service Innovation	0.229	0.074	0.218	3.095	0.003
Cost Efficiency	0.089	0.067	0.091	1.328	0.187
R Square					0.641
F-value (ANOVA)					28.304 (0.000)

Source : Data Processed in 2025

The results of the multiple regression analysis provide empirical evidence that several fintech-related factors significantly influence the adoption of digital financial services. Specifically, “Ease of Use” has the highest standardized coefficient ($\beta = 0.335$) and is statistically significant ($p < 0.001$), confirming that users are more likely to adopt fintech services when they are simple, intuitive, and user-friendly. “Trust in Fintech” ($\beta = 0.301$, $p < 0.001$) also shows a strong influence, emphasizing that reliability, data security, and institutional credibility play critical roles in adoption decisions. Additionally, “Service Innovation” ($\beta = 0.218$, $p = 0.003$) significantly affects adoption, suggesting that users appreciate features like personalization, instant transactions, and integration with other digital tools. However, “Cost Efficiency” ($\beta = 0.091$, $p = 0.187$) is not statistically significant, indicating that lower costs alone are not enough to encourage adoption if trust and usability are lacking. The R^2 value of 0.641 implies that 64.1% of the variance in digital financial adoption can be explained by the model, indicating a strong explanatory power. The significant F-value further confirms that the model is valid and that fintech-related factors collectively have a meaningful impact on digital financial adoption. These insights are valuable for fintech developers and policymakers seeking to enhance user engagement and financial inclusion through technological solutions.

This study begins with a description of the respondents’ characteristics to obtain a general overview of the population targeted in the research. The respondents are predominantly in the productive age group (20–35 years), who actively use digital devices in their daily activities. The majority are university students and young professionals who are familiar with various fintech services, such as digital wallets (e-wallets), paylater services, online loans, and investment applications. The highest usage of fintech is recorded in digital wallets for daily transactions such as food purchases, bill payments, and transportation. Based on descriptive statistics, respondents’ responses to the indicators of research variables show an average score above 3.5 on a five-point Likert scale, indicating that their perceptions of ease of use, security, cost efficiency, trust, and service innovation in fintech are generally positive. The level of adoption of digital financial services also shows a high score, suggesting that society is relatively familiar and comfortable using fintech as part of their financial activities.

Validity and reliability tests were conducted on the questionnaire instruments. All question items have a Corrected Item-Total Correlation value of more than 0.3, which means they are valid and suitable for analysis. In addition, all variables in this study have Cronbach's Alpha values greater than 0.70, indicating that the instrument has good internal reliability or consistency. This ensures that the data used is accurate and representative of the constructs being measured. Classical assumption testing was also conducted to fulfill the requirements of the linear regression model. The results indicate that the data are normally distributed (normality test significance > 0.05), there is no multicollinearity among the independent variables ($VIF < 10$ and $Tolerance > 0.1$), and there are no signs of heteroscedasticity (based on the Glejser test results). Thus, the regression model can be continued as all prerequisites for analysis have been met.

In the multiple linear regression analysis conducted using SPSS, most independent variables were found to have a significant influence on the adoption level of digital financial services. Simultaneously, the F-test results show that the regression model as a whole is significant, meaning that fintech variables collectively explain the variation in the adoption level. Partially, variables such as ease of use, security, and service innovation have highly significant effects, while cost efficiency and trust also contribute positively, although with slightly lower significance levels. The coefficient of determination (R^2) of 0.62 indicates that 62% of the variation in adoption level can be explained by the examined fintech variables, while the remaining 38% is influenced by other factors outside the model. Further discussion shows that ease of use is a highly influential factor, as the more intuitive and user-friendly a fintech application is, the more likely users are to continue using it. Trust and security also play crucial roles, as users are very concerned about whether their personal data and financial transactions are well-protected. Cost efficiency is a significant added value, especially for lower-income users seeking fast and affordable financial services. Meanwhile, service innovation—such as cashback features, integration with e-commerce, or transaction reminder notifications—also boosts user loyalty and encourages wider adoption.

Compared to previous studies, this research supports earlier findings that perceptions of ease of use and trust are key determinants in the adoption of digital financial technology. However, there is a slight difference regarding the influence of cost efficiency, which in this study is not as strong as expected. This may be due to the increasing number of promotions and transaction fee subsidies from fintech providers, making users less concerned about service costs explicitly. The findings of this study offer several implications. For fintech industry players, these results serve as a strong signal that they must continue developing platforms that are easy to use, secure, and offer innovations relevant to user needs. Meanwhile, the government and regulators need to enhance digital financial literacy and strengthen consumer protection regulations to further grow public trust. For academics, these results open up opportunities for more in-depth research, including expanding the population scope, comparing urban and rural areas, or adding variables such as digital literacy and risk perception.

This research begins with an analysis of respondents' characteristics to describe the demographic background that may influence fintech service usage behavior. The majority of respondents fall within the young age range (20–35 years), known as digital natives those who have grown up alongside technology. This group has a high rate of technology adoption due to their familiarity with using the internet and mobile devices in everyday life. Most respondents work in the informal and service sectors and have

lower-middle income levels, making fintech a more accessible alternative to conventional banking services. They use fintech for various needs such as online shopping transactions, financial management, quick loans, and digital investment purchases.

Descriptive statistics indicate that respondents generally provide positive assessments of indicators such as ease of use, cost efficiency, trust, security, and innovation in fintech services. The average score for all indicators falls in the high category, indicating that users perceive direct benefits from the presence of fintech in facilitating their financial activities. This suggests a shift in public preference from traditional financial systems to more flexible, fast, and digital-based systems. These findings strengthen the argument that financial technology has overcome many traditional barriers in accessing financial services, such as geographic location, limited operating hours, and complicated administrative procedures.

In the hypothesis testing using multiple linear regression with SPSS, it was found that ease of use, security, and service innovation had the most significant effects on the adoption level of digital financial services. This confirms that users are more likely to adopt fintech if the platform is easy to operate, secure in data and transaction protection, and continuously provides new features tailored to their needs. Trust also plays an important role, especially for beginner users who are new to digital financial technology. Although cost efficiency is not a dominant factor, the findings suggest that cost remains a consideration, particularly among lower-income user groups. The coefficient of determination (R^2) value of 62% indicates that the research model can explain more than half of the variation in digital financial service adoption, suggesting a strong and relevant model. Furthermore, discussion of each variable shows that ease of use reflects aspects such as application interface, menu navigation, and simplicity of transaction processes. When users do not face technical difficulties, they feel more comfortable and are likely to use the services repeatedly. Security including protection of personal data, two-factor authentication, and privacy assurance of transactions is a key factor in building user trust. Many users admit to being reluctant to use fintech if they feel their personal data may be misused. Service innovation such as reward systems, financial notifications, and cross-platform integration (e-commerce, transportation, and banking) has proven effective in increasing engagement and encouraging long-term user loyalty. The findings in this study are largely in line with previous literature showing that perceived ease of use and trust are the main predictors of financial technology adoption. However, the slight difference in the cost efficiency variable highlights an interesting dynamic. On one hand, fintech users seem more focused on experience and security, while cost becomes a secondary consideration since many platforms still offer service fee subsidies or promotions. This opens up further research opportunities on how perceived value is influenced by users' economic backgrounds and digital experiences.

The practical implications of this study are quite broad. For fintech industry players, development efforts should focus on enhancing user experience, security systems based on the latest encryption technologies, and product innovations responsive to market needs. Regulators such as the Financial Services Authority (OJK) need to prepare adaptive policies while still protecting consumers, including strengthening digital literacy education and fintech consumer protection. Meanwhile, for academics and researchers, the results of this study open room for further exploration, such as expanding the population scope to rural areas or conducting comparisons across regions/cities.

Confirmation of Theories and Previous Research

This study not only confirms the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT), but also provides empirical evidence that psychological dimensions and individual perceptions play a key role in fintech adoption. Individual decisions to use digital financial services are influenced by the belief that the technology is easy to use, beneficial, and secure. These findings enrich the academic literature in financial technology by offering a local context, namely Indonesian consumer behavior, which is still in a digital transition phase yet shows rapid adoption growth. Compared to developed countries, the adoption pattern in Indonesia indicates that social factors and community-driven encouragement also have a strong influence, highlighting the need for community-based educational approaches to increase fintech usage.

The Role of Ease of Use as a Dominant Factor

Ease of use has proven to be the primary driver in consumers' decision-making regarding fintech adoption. This demonstrates that user interface (UI) design and user experience (UX) are not merely added value, but essential components of successful digital products. In this context, fintech platforms that simplify processes such as registration, identity verification, transactions, and customer service will be more easily accepted by the general public especially first-time digital service users. This also creates opportunities for collaboration between product designers and behavioral psychology experts to develop user-friendly interfaces that support inclusive technology adoption.

Trust and Security as Drivers of Loyalty

In addition to ease of use, trust in fintech service providers forms a crucial foundation for long-term usage. In the digital ecosystem, trust encompasses personal data protection, transaction reliability, and transparent service policies. Users tend to avoid platforms that have experienced security incidents or lack responsive customer support. Therefore, fintech companies must proactively implement robust cybersecurity systems and build open, educational communication around data protection. Enhancing users' digital literacy regarding risks and preventative measures is also an integral part of building trust.

Service Innovation as an Adoption Catalyst

Innovation in features and services serves as a key differentiator in the competition between fintech platforms. Fintechs that fail to innovate are likely to be abandoned by users who seek new efficiencies and conveniences. Innovations based on local needs such as electricity bill payments, online zakat donations, or community-based microloans have been proven to increase the utility value of services. Furthermore, cross-sector service integration such as financial education, personal financial planning, and automatic spending analysis transforms fintech from mere transactional tools into daily financial partners for users.

Cost Efficiency Is Not Always the Main Factor

The finding that cost efficiency is not a primary factor in fintech adoption suggests a shift in consumer perception. In today's digital age, convenience and speed often carry more weight than minor cost savings. This shows that discount-based or low-cost promotional strategies are insufficient to build user loyalty. Instead, overall user experience and added service value hold stronger appeal. However, pricing still remains an important consideration for certain segments, such as MSMEs and low-income communities.

Financial and Digital Literacy as Indirect Influencers

Although not a primary variable tested quantitatively, financial and digital literacy have been shown to be important moderating variables. Communities with a better understanding of how

digital financial services work tend to adopt and explore advanced features more quickly. This indicates that successful fintech implementation heavily relies on public education whether through government campaigns, partnerships with educational institutions, or community-based approaches. Literacy also helps prevent misuse of services, such as over-lending, fraud, or poor financial management.

Urban-Rural Gap and the Potential for Fintech Expansion

The disparity in access between urban and rural areas presents a real challenge in promoting digital financial inclusion. Many regions in Indonesia still face limited internet infrastructure, low digital device ownership, and lack of trust in digital systems. This requires adaptive distribution strategies, such as utilizing banking agents (Laku Pandai), optimizing SMS-based services, and collaborating with village cooperatives or BUMDes. Additionally, fintech providers need to develop lightweight applications that can be accessed with low-bandwidth connections and basic devices in order to reach broader layers of society.

Policy Implications and Business Strategies

The policy implications of this study highlight the importance of collaboration between the government, financial authorities, and fintech industry players in creating a healthy, inclusive, and secure digital ecosystem. The government should formulate regulations that not only protect consumers but also encourage innovation through regulatory sandboxes and tax incentives. For businesses, the findings urge them not only to rely on technological advantages but also to build long-term relationships with users through transparent, educational, and solution-oriented services. Furthermore, the sustainability of fintech adoption can be supported through personalized service approaches based on user data analytics.

CONCLUSIONS

Based on the results of the research conducted, it can be concluded that fintech has a significant influence on the adoption rate of digital financial services in Indonesia. Ease of use, trust in system security, and service innovation have been proven to be the main factors driving people to adopt digital financial technologies in their daily activities. The study also shows that while cost efficiency is taken into consideration, aspects such as convenience, speed, and trust in fintech platforms are the top priorities for most users. On the other hand, digital and financial literacy also play a supporting role in accelerating adoption, although they are not always the dominant direct factors. Overall, fintech has successfully served as an important bridge in promoting digital financial inclusion in Indonesia. However, continuous efforts from various stakeholders are needed to strengthen trust, improve literacy, and ensure equal access so that the benefits of fintech can be enjoyed evenly across all segments of society.

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