



## Transaction behavior model of Generation Z and millennials: The role of financial literacy, risk perception, perceived ease of use, and actual system use

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### ABSTRACT

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Online lending has rapidly become a widespread financial solution in today's digital era, particularly among Generation Z and Millennials, who exhibit different behaviors in adopting new technology. This study explores how financial literacy, risk perception, and ease of use influence individuals' willingness to utilize online lending platforms. For Millennials specifically, convenience is the primary driver behind their use of online loans and their intention to transact. This key finding is based on a study of 385 business owners who have accessed online loans, analyzed using the PLS-MGA method. The research further concludes that, across generations, simplicity and speed are more significant motivators for digital financial behavior than knowledge or risk concerns. Financial literacy and risk perception, by comparison, have only a minor influence. Essentially, this indicates the need for online loan providers to design smoother and more intuitive applications, while also promoting financial education to mitigate potential long-term issues. This study extends the Technology Acceptance Model by demonstrating that perceived ease of use outweighs financial literacy and risk perception in influencing system use and transaction intention, with stronger effects observed among Millennials. It guides fintech companies to enhance user-friendly designs and policymakers to promote digital financial education.

**Contribution/Originality:** This study tests and extends the Technology Acceptance Model through a comparative generational analysis using PLS-MGA. The key finding reveals that for Millennials, perceived ease of use is the primary driver, whereas for Generation Z, actual system use is more influential. This highlights the need for distinct fintech strategies tailored to each generation.

## 1. INTRODUCTION

Generation Z and Millennials traverse the digital world in unusually different ways. For Generation Z, born between 1997 and 2012, technology is an inherent part of life. They embrace digital innovations with enthusiasm and independence, tending to adopt new platforms more boldly and directly. In contrast, Millennials (born between 1981 and 1996) often combine their digital proficiency with more conventional approaches. They tend to be more selective, integrating technology without entirely abandoning traditional methods. These differences clearly illustrate how preferences and behaviors toward technology continue to evolve across generations. Understanding these dynamics is essential, especially as our lives become increasingly intertwined with the digital world (Hamdi, Indarti, Manik, & Lukito-Budi, 2023; Jiao et al., 2023; Pichler, Kohli, & Granitz, 2021). Having grown up in a world dominated by screens, Generation Z possesses an innate confidence and sharp digital literacy that allow them to navigate technology

with ease (Hamdi et al., 2023; Jiao et al., 2023). Their approach is characterized by a bold, independent spirit; they plunge fearlessly into the digital world, using the internet and their devices as primary tools to chart their own path for everything from education and entertainment to information-seeking (Bareket-Bojmel, Sela, & Harari, 2023; Pichler et al., 2021).

Unlike the rapid adoption of Generation Z, Millennials integrate technology with a more measured and cautious approach. Their enthusiasm for new innovations is often tempered by a careful consideration of social and ethical factors (Pichler et al., 2021; Thangavel, Pathak, & Chandra, 2021). This generation seeks a balanced digital life, weaving technology into their routines while still placing a high value on traditional, face-to-face interactions (Chan & Lee, 2023; Hamdi et al., 2023; Kim, Jang, Choi, Youn, & Lee, 2022). For them, clear rules and policies are important, as they are deeply concerned with safety, ethics, and the long-term impact of the technologies they use. This divergence in tech adoption, rooted in their different formative experiences and information-seeking habits, highlights a clear generational divide.

The proliferation of financial technology, especially online lending platforms, has fundamentally reshaped access to financial resources. For the digitally fluent generations of Millennials and Generation Z, these services are often a natural fit. However, their adoption is not a given; it is critically shaped by factors like their financial literacy, perception of risk, and the platform's ease of use. A growing body of research underscores that strong financial literacy is not just beneficial but essential, as it creates a foundation of security, comfort, and responsibility for users navigating the world of online loans (Artavanis & Karra, 2020; Asriyani & Johan, 2023; Choiriyah & Purwanto, 2022; Morgan, Huang, & Trinh, 2020). Financial literacy is often regarded as the primary factor influencing financial behavior. However, in the context of online lending, the situation can differ significantly. Factors such as the ease and convenience provided by digital platforms, features not typically available with conventional loans, can increase the likelihood of individuals utilizing these services, particularly when they encounter urgent financial needs (Hasan, Le, & Hoque, 2021; Zaimovic et al., 2023).

Concerns about data security, financial burden, and psychological effects are often seen as barriers to the use of fintech services. However, studies show that for Generation Z and Millennials, these risk factors do not significantly influence their choice to use online lending. At the same time, financial literacy remains an important aspect that shapes how they engage with digital financial technology (Adam, Sutedja, Hafizh, & Wahyudi, 2024; Deng, Liu, & Ong, 2024). In many circumstances, a person's decision to use online lending services is driven more by practical factors such as easy access, quick fund disbursement, and urgent financial needs than by concerns about risk. The lack of risk awareness, inaccurate information, and insufficient protection of personal data also help explain why risk perception has only a limited influence on users' behavior toward these services (Hu, Li, Shi, & Zhang, 2023; Pursiainen, 2024). An individual in urgent need of funds is likely to consider using an online lending service. When the platform offers a simple interface, an easy-to-follow application process, and clear instructions, the user's hesitation tends to decrease. In this context, ease of use becomes a key factor that enhances confidence and encourages individuals to utilize online lending services. The availability of accessible information, uncomplicated application forms, and efficient loan approval processes contribute to a more positive user journey, encouraging repeated use. Enhancing rudiments such as embedded loan calculators, timely customer assistance, and user-friendly mobile platforms further improve satisfaction and operational effectiveness. The simplicity of operation strengthens user confidence, fostering trust in the platform and reducing perceived technical barriers. This trust translates into increased transaction activity and wider utilization of available services. The more intuitive and accessible the platform, the greater the variety of user engagement (Keong, Leong, & Bio, 2020; Khan, Yee, & Gan, 2023; Yusvita & Pujani, 2020).

The extent to which individuals actively use online lending systems is a key predictor of their future transaction intentions. Frequent usage and engagement with several platforms increase the likelihood of sustained transactions, a trend clearly observable among Generation Z and Millennial users. When people have a good experience, they

perceive the system as more useful and easier to use, making them more willing to continue using it (Hardy & Sfenrianto, 2025). The connection between using a fintech platform and the likelihood of its continued use is largely explained by factors such as trust, convenience, and the financial habits people develop over time. It demonstrates that in fintech, user experience is the critical factor that influences user retention and satisfaction (Xie, Ye, Huang, & Ye, 2021).

Financial literacy and risk perception (Kartika & Rahman, 2023; Kaur & Arora, 2021; Khiba & Ady, 2023; Prajogo & Rusno, 2022) reveal an important stimulus on transaction intention through actual system usage, suggesting that transactional choices are more sturdily driven by practical factors such as ease of use rather than financial understanding or concerns about risk (Artavanis & Karra, 2020; Asriyani & Johan, 2023; Choiriyah & Purwanto, 2022; Morgan et al., 2020). This study explores how financial literacy, perceived risk, ease of use, and actual system usage interact to shape the transactional behavior of Generation Z and Millennials. The findings are expected to offer useful insights for online lending providers, helping them attract more users while managing potential risks more effectively.

This study is essential for understanding the behavioral differences between Generation Z and Millennials in using digital financial services. The analysis of financial literacy, risk perception, and ease of use reveals that although both generations are technologically adept, Generation Z, as digital natives, tends to adopt innovations more quickly and independently. In contrast, Millennials are more cautious, carefully considering potential risks and long-term consequences. These findings provide valuable guidance for service providers to improve features, education, and security aspects in line with each generation's characteristics, ultimately fostering fintech platforms that are safer, more personalized, and user-centered.

## 2. METHOD

MSMEs' adoption of fintech lending services serves as the foundation of this study, which employs a quantitative research design to examine the influence of financial literacy, risk perception, and perceived ease of use on transaction intentions. The use of numerical data ensures an objective analysis, minimizes potential bias, and enhances the reliability of results. Through this approach, the study uncovers how these factors interact in shaping MSMEs' decisions to engage with fintech lending platforms, offering meaningful contributions to both academic understanding and practical application. Financial literacy is evaluated based on key indicators, including basic financial competence, credit management skills, and saving and investment behavior (Artavanis & Karra, 2020; Lina, Nani, & Novita, 2021; Morgan et al., 2020). The variable of risk perception is reviewed through indicators such as data security, financial difficulties, and potential psychological impacts (Chauhan, Yadav, & Choudhary, 2019; Kaur & Arora, 2021; Kurniawan, Jacques, Gui, Shaharudin, & Ganesan, 2023). Perceived ease of use is evaluated based on aspects including ease of learning, clarity and comprehensibility, flexibility, time efficiency, and overall user-friendliness (Asmy et al., 2019; Wahyudi & Lingga, 2021). The actual system use variable is measured through usage intensity and the number of fintech platforms utilized (Alshammari & Rosli, 2020; Basha, Elgammal, & Abuzayed, 2021; Shaikh et al., 2020). Meanwhile, transaction intention is analyzed using indicators such as curiosity, the ability to meet loan requirements, belief in the benefits, and readiness to engage in transactions (Febrianda & Indayani, 2022; Komalasari & Ramadhani, 2020).

Data collection was conducted both offline through direct interaction with respondents and online using Google Forms to reach as many potential participants as possible. A total of 385 Generation Z and Millennial entrepreneurs in Bandung, Indonesia, with experience using online lending platforms, were selected through purposive sampling. The data were analyzed using the PLS-MGA method to enable comparison between the two generations, aiming to enhance the validity of the findings and provide a deeper understanding of the factors influencing MSMEs' intentions to adopt online lending services.

3. RESULT

The structural model below, generated through PLS-MGA computation, depicts how financial literacy, perceived risk, and perceived ease of use influence actual system adoption and subsequent transaction intention across the two generational cohorts. Figure 1 illustrates the transaction intention model of Generation Z, and Figure 2 illustrates that of the Millennial generation.

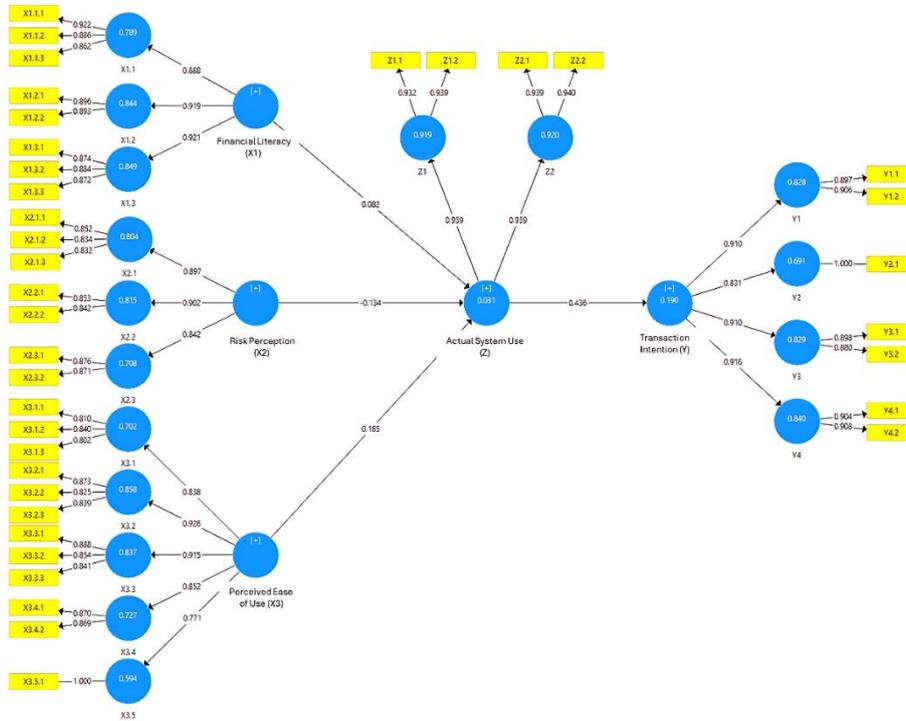


Figure 1. Model of Generation Z.

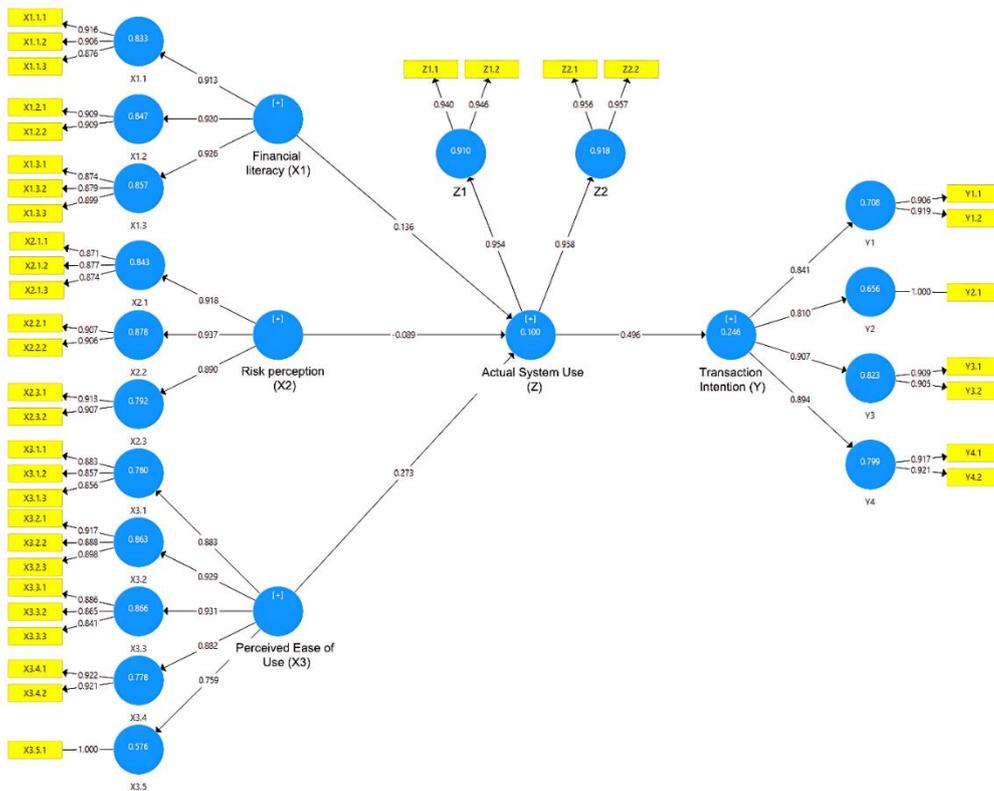


Figure 2. Model of Generation Millennial.

Once the model was built, the next step was to test the outer model, which included checking convergent validity, AVE, composite reliability, and Cronbach's alpha. The results showed that all loading factors were above 0.7, indicating that the constructs were valid. AVE values were also higher than 0.5, confirming the results, and both Cronbach's alpha and composite reliability indicated that the constructs were reliable. (Sarstedt, Ringle, & Hair, 2017). To be classified as reliable, a construct must achieve Cronbach's alpha and composite reliability values greater than 0.70. The following section displays the AVE and reliability test results for the model.

**Table 1.** AVE, Cronbach's alpha, and composite reliability model complete (Generation Z and Millennial).

Latent variables	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
X1.1	0.875	0.923	0.801
X1.2	0.772	0.898	0.814
X1.3	0.855	0.912	0.775
X2.1	0.821	0.893	0.736
X2.2	0.716	0.876	0.779
X2.3	0.749	0.888	0.799
X3.1	0.791	0.878	0.705
X3.2	0.846	0.907	0.764
X3.3	0.827	0.897	0.744
X3.4	0.752	0.890	0.801
X3.5	1.000	1.000	1.000
Y1	0.785	0.903	0.823
Y2	1.000	1.000	1.000
Y3	0.761	0.893	0.807
Y4	0.799	0.908	0.832
Z1	0.868	0.938	0.884
Z2	0.890	0.948	0.901
Financial literacy (X1)	0.928	0.941	0.665
Risk perception (X2)	0.899	0.920	0.622
Perceived ease of use (X3)	0.939	0.947	0.601
Actual system use (Z)	0.926	0.947	0.818
Transaction intention (Y)	0.914	0.931	0.660

According to Table 1, every latent variable has an AVE value greater than 0.5, indicating that the indicators constituting the constructs demonstrate good convergent validity. For discriminant validity, the cross-loading test shows that each indicator is more strongly associated with its own construct than with others. Therefore, it can be concluded that the research model exhibits good discriminant validity based on the cross-loading discriminant validity test. Additionally, each latent construct has a Cronbach's alpha value exceeding 0.7, signifying good reliability for the latent constructs. The confirmation of good reliability is further supported by all latent constructs presenting composite reliability values above 0.70. Collectively, these findings affirm that the model is both robust and reliable, reinforcing the validity of the research outcomes.

Subsequently, conducting the outer model testing, the inner model testing was performed, which included R-square, f-square, Q-square, and GoF. The obtained R-square values are as follows:

**Table 2.** R-square model Generation Z.

Variables	R square
Actual system use (Z)	0.031
Transaction intention (Y)	0.190

**Table 3.** R-square model, Millennial.

Variables	R square
Actual System Use (Z)	0.100
Transaction Intention (Y)	0.246

Referring to Table 2, the Generation Z model shows an R-squared value of 0.031 for actual system use, indicating that financial literacy, perceived risk, and perceived ease of use collectively account for 3.1% of the variance in actual system use. Additionally, the R-squared value for transaction intention stands at 0.190, suggesting that these variables, through actual system use, explain 19.0% of the variance in transaction intention. The remaining 81.0% is likely influenced by other unexamined factors.

In comparison, the Millennial model reveals an R-squared value of 0.100 for actual system use, indicating that the same three variables contribute to 10.0% of the variance. For transaction intention, the R-squared value is 0.246, which means that financial literacy, perceived risk, and perceived ease of use, via actual system use, explain 24.6% of the outcome, with the remaining 75.4% attributed to other factors not included in this study, as referenced in Table 3. Regarding effect size (f-squared), the Generation Z model shows small impacts of financial literacy (0.005), perceived risk (0.012), and perceived ease of use (0.012) on actual system use. However, the effect of actual system use on transaction intention is moderate, with an F-squared value of 0.234.

For Millennials, financial literacy, perceived risk, and perceived ease of use have f-squared values of 0.011, 0.005, and 0.054, respectively, all of which indicate small effects. The influence of actual system use on transaction intention is stronger, with a moderate effect size of 0.327. The Q-squared values are reported as follows.

**Table 4.** Q-square model generation Z.

Variables	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Financial literacy (X1)	1440.000	1440.000	
Risk perception (X2)	1260.000	1260.000	
Perceived ease of use (X3)	2160.000	2160.000	
Actual system use (Z)	720.000	716.810	0.004
Transaction intention (Y)	1260.000	1104.363	<b>0.124</b>

**Table 5.** Q-square model Millennial.

Variable	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Financial literacy (X1)	1640.000	1640.000	
Risk perception (X2)	1435.000	1435.000	
Perceived ease of use (X3)	2460.000	2460.000	
Actual system use (Z)	820.000	754.559	0.080
Transaction intention (Y)	1435.000	1209.018	<b>0.157</b>

Table 4 presents the Q-square model for Gen Z, and Table 5 presents the Q-square model for the Millennial generation. The Q-square values obtained for both the Generation Z and Millennial models exceed zero, indicating that the detected data have been effectively reassembled and that the structural models exhibit predictive relevance. The Goodness of Fit (GoF) scores are 0.746 for the Generation Z model and 0.773 for the Millennial model, suggesting that both models demonstrate a high level of overall model fit.

Following this step, hypothesis testing was carried out by checking whether the calculated t-statistics exceeded the critical value of 1.96 or by evaluating p-values at the 5% and 10% significance levels. The table below summarizes the results of the structural model testing, as referenced in Table 6.

Table 6. The results of hypothesis testing.

Effect	Model	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P Values	Decision
Financial literacy (X1) -> Actual system use (Z)	Generation Z	0.082	0.085	0.098	0.837	0.403	H <sub>0</sub> accepted
	Millennial	0.136	0.135	0.108	1.268	0.205	H <sub>0</sub> accepted
Risk perception (X2) -> Actual system Use (Z)	Generation Z	-0.134	-0.137	0.100	1.340	0.181	H <sub>0</sub> accepted
	Millennial	-0.089	-0.093	0.110	0.802	0.423	H <sub>0</sub> accepted
Perceived ease of use (X3) -> Actual system use (Z)	Generation Z	0.165*	0.172	0.085	1.956	0.051	H <sub>0</sub> rejected
	Millennial	0.273***	0.276	0.100	2.737	0.006	H <sub>0</sub> rejected
Actual system use (Z) -> Transaction intention (Y)	Generation Z	0.436***	0.434	0.057	7.605	0.000	H <sub>0</sub> rejected
	Millennial	0.496***	0.497	0.060	8.267	0.000	H <sub>0</sub> rejected
Financial literacy (X1) -> Actual system use (Z) -> Transaction intention (Y)	Generation Z	0.036	0.037	0.043	0.825	0.410	H <sub>0</sub> accepted
	Millennial	0.068	0.067	0.055	1.238	0.216	H <sub>0</sub> accepted
Risk perception (X2) -> Actual system use (Z) -> Transaction intention (Y)	Generation Z	-0.058	-0.059	0.043	1.338	0.181	H <sub>0</sub> accepted
	Millennial	-0.044	-0.046	0.056	0.788	0.431	H <sub>0</sub> accepted
Perceived ease of use (X3) -> Actual system use (Z) -> Transaction intention (Y)	Generation Z	0.072*	0.075	0.040	1.824	0.069	H <sub>0</sub> rejected
	Millennial	0.136**	0.138	0.056	2.442	0.015	H <sub>0</sub> rejected

Note: \* Significant at the 10% level.  
 \*\* Significant at the 5% level.  
 \*\*\* Significant at the 1% level.

Based on the calculation results, the hypothesis testing yielded the following findings.

1. In the Generation Z model, the path coefficient of financial literacy on actual system use is 0.082, while in the Millennial model it is 0.136, both with positive directions. This indicates that better financial literacy correlates with higher actual system use. However, the influence of financial literacy on actual system use is not statistically significant in either model, with p-values of 0.403 and 0.205, respectively, both exceeding alpha levels of 1%, 5%, and 10%. Therefore, H<sub>0</sub> is accepted, indicating that financial literacy does not have a significant effect on actual system use.
2. In the Generation Z model, the path coefficient of risk perception on actual system use is -0.134, and in the Millennial model, it is -0.089, with a negative direction. This implies that better risk perception leads to lower actual system use. The effect of risk perception on actual system use is not significant in both models, with p-values of 0.181 and 0.423, which are greater than the alpha levels of 1%, 5%, and 10%. Hence, H<sub>0</sub> is accepted, meaning risk perception does not have a significant effect on actual system use.
3. In the Generation Z model, the path coefficient of perceived ease of use on actual system use is 0.165, and in the Millennial model, it is 0.273, with a positive direction. This indicates that better perceived ease of use leads to higher actual system use. The effect of perceived ease of use on actual system use is significant in both models, with a p-value of 0.051 for Generation Z (less than alpha 10%) and 0.006 for Millennials (less than alpha 1%, 5%, and 10%). Therefore, H<sub>0</sub> is rejected, meaning perceived ease of use has a significant effect on

actual system use. Although both models show significant effects, the Millennial model exhibits a stronger influence of perceived ease of use on actual system use than the Generation Z model.

4. In the Generation Z model, the path coefficient of actual system use on transaction intention is 0.436, and in the Millennial model, it is 0.496, both with a positive direction. This indicates that higher actual system use leads to a stronger transaction intention. The influence of actual system use on transaction intention is significant in both models, with p-values of 0.000, which are below the alpha levels of 1%, 5%, and 10%. Therefore, H<sub>0</sub> is rejected, indicating that actual system use has a significant effect on transaction intention.
5. The analysis reveals a positive but statistically non-significant indirect relationship between financial literacy and transaction intention through system usage for both generations. While the path coefficient is stronger for Millennials (0.068) than for Generation Z (0.036), indicating that better financial knowledge correlates with increased platform use and consequently higher transaction intention, this effect lacks statistical significance. The p-values of 0.216 for Millennials and 0.410 for Generation Z exceed all conventional alpha thresholds, leading to the acceptance of H<sub>0</sub> and confirming that financial literacy does not exert a meaningful indirect impact on transaction intention through actual system use in either generational cohort.
6. The analysis demonstrates a negative yet statistically insignificant indirect effect of risk perception on transaction intention through system usage for both generations. The path coefficients are -0.058 for Generation Z and -0.044 for Millennials, indicating that heightened risk perception corresponds with reduced platform usage and consequently lower transaction intention. However, this mediating pathway lacks statistical significance, with p-values of 0.181 for Generation Z and 0.431 for Millennials exceeding all conventional alpha thresholds. Consequently, H<sub>0</sub> is accepted, confirming that risk perception does not exert a meaningful indirect influence on transaction intention through actual system use in either generational cohort.
7. In the Generation Z model, the path coefficient of perceived ease of use on transaction intention through actual system use is 0.072, and in the Millennial model, it is 0.136, both with a positive direction. This indicates that better perceived ease of use leads to higher actual system use, which subsequently increases transaction intention. The effect of perceived ease of use on transaction intention through actual system use is significant in both models, with p-values of 0.069 (Generation Z – less than alpha 10%) and 0.015 (Millennials – less than alpha 5%). Therefore, H<sub>0</sub> is rejected, meaning perceived ease of use has a significant effect on transaction intention through actual system use. Although both models show significant effects, the Millennial model reveals a stronger influence of perceived ease of use on transaction intention through actual system use compared to the Generation Z model.

#### 4. DISCUSSION

An MSME's engagement with digital lending platforms presents a compelling paradox in the age of financial literacy, where young entrepreneurs' financial knowledge does not necessarily translate into prudent borrowing behavior. Our analysis reveals that financial literacy, encompassing understanding of loan interest rates, credit management, and saving habits, shows no significant impact on the actual usage intensity of digital lending platforms among both Generation Z and Millennial MSME owners. Rather than being driven by financial knowledge, the decision to utilize online loans appears predominantly influenced by immediate practical factors such as platform accessibility, urgent business needs, and situational pressures. This fundamental disconnect between theoretical financial understanding and real-world financial behavior underscores the complex nature of financial decision-making in today's digital landscape, suggesting that practical circumstances outweigh educational background in determining MSMEs' borrowing patterns. Similar patterns have been observed in earlier studies, which found that financial literacy does not have a significant effect on the intention to use online lending services (Aji & Bagana, 2024). Financial literacy influences credit behavior, access to financial resources, and the selection of loan types, but it does not necessarily lead to active engagement with online lending platforms. Factors such as convenience, the urgency of

financial needs, and ease of use often play a stronger role in determining whether individuals actually utilize these services (Hasan et al., 2021; Uthaileang & Kiattisin, 2023; Zaimovic et al., 2023).

In an interesting finding, risk perception did not show a significant influence on the actual use of online loan systems among both Generation Z and Millennials. Although respondents voiced concerns about aspects such as personal data security, potential financial difficulties, and the psychological impact of using online loans, these worries were not strong enough to prevent the use of these services. This indicates that factors like ease of access, speed of disbursement, and urgent financial needs are more dominant in motivating the decision to use online loans than perceived risks, for both Generation Z and Millennials. Online loan borrowers often overlook risks due to easy access, lack of understanding of associated risks, inaccurate borrower information, and inadequate personal data protection (Adam et al., 2024; Deng et al., 2024; Hu et al., 2023; Pursiainen, 2024).

Conversely, perceived ease of use was proven to have a significant influence on actual system use in both models, with a stronger impact on Millennials compared to Generation Z. Ease of understanding procedures, clarity of information, access flexibility, time efficiency, and application usability were the main drivers for both generations to use online lending services. Specifically for Millennials, the positive response to system ease is likely related to their need for efficiency in managing more complex financial responsibilities compared to Generation Z, thus encouraging more intensive system use. Millennials tend to adopt online lending more readily because they perceive greater benefits than risks, influenced by factors such as trust, ease of use, and social influence (Jain & Raman, 2023; Mer & Virđi, 2023). In another study, it was explained that in the digital banking sector, ease of use was found to increase user trust but did not directly drive actual usage. It was the increased trust resulting from ease of use that played a more significant role in encouraging adoption (Martínez-Navalón, Fernández-Fernández, & Alberto, 2023).

Furthermore, actual system use significantly influences transaction intention in both generational groups. The more frequently individuals use online lending services and the more platforms they utilize, the higher their intention to conduct future transactions. Positive usage experiences appear to reinforce perceptions of the service's benefits and ease, thereby increasing readiness to transact again for both Generation Z and Millennials. Actual use of digital financial systems plays a crucial role in building trust, ease, and positive financial behavior, thus indirectly and directly enhancing the intention to engage in online lending transactions. Trust, comfort, and financial behavior serve as the primary connectors between actual system use and transaction intention (Fachruddin, Nuzil, Ajizah, & Huda, 2024; Hardy & Sfenrianto, 2025; Kimiagari & Baei, 2022; Wang & Huang, 2023).

However, financial literacy does not show a significant influence on transaction intention through actual system use in both models. Respondents possess a solid understanding of financial management, but this knowledge neither directly nor indirectly influences their intention to use online loans for transactions. This finding suggests that choices to engage in transactions are influenced more by practical aspects like ease of use rather than comprehensive financial knowledge. Although financial literacy is generally deemed crucial for shaping transaction intentions and the adoption of online loan systems, it appears to play a lesser role here (Hardy & Sfenrianto, 2025). Recent evidence, however, shows that financial literacy does not consistently have a significant impact on transaction intention when it comes to the actual use of online loan systems (Fachruddin et al., 2024; Khan, Singh, Laskar, & Choudhury, 2025). Other elements, such as trust, privacy, and financial behavior, generally have a stronger influence on shaping users' intentions and actions (Fachruddin et al., 2024; Khan et al., 2025).

At the same time, risk perception also does not significantly impact transaction intention through the actual use of the system. Concerns about risks such as data security or psychological stress do not substantially reduce people's willingness to use online loan services, even after gaining experience with them. This indicates that financial urgency or the convenience of the system often overshadows risk considerations. Studies on online lending and user behavior reveal that perceived risks do not consistently have a major impact on the intention to transact, even after using the system (Hardy & Sfenrianto, 2025; Kumar, Singh, Kumar, Khan, & Corvello, 2023). It turns out that users' trust,

protected privacy, and perceived benefits more strongly influence their intentions and behaviors (Alrawad et al., 2023; Ma, Dong, & Lee, 2025; Phamthi, Nagy, & Ngo, 2024).

The simplicity and ease of system use, referred to as perceived ease of use, significantly influence transaction intention through actual system use, especially among Millennials. When users encounter platforms offering clear information, flexibility, and time-saving features, they tend to engage more actively and are motivated to keep transacting. This highlights the crucial role of user-friendly systems in driving transactional behavior, particularly for Millennials who prioritize seamless and efficient fintech solutions (Chang & Chen, 2021; Farooq, Shahzad, Guan, & Rauf, 2024; Nadeem, Liu, Pitafi, Younis, & Xu, 2021; Walle et al., 2023; Yan, Eng, & Seong, 2024). Research evidence suggests that the easier a system is to use, the more likely an individual is to intend to use it and ultimately engage with it for transactional purposes (Al-Afeef et al., 2023; Chang & Chen, 2021; Sakib, Akter, Sahabuddin, & Fahlevi, 2025; Siagian, Tarigan, Basana, & Basuki, 2022; Yan et al., 2024).

## 5. CONCLUSION

This study concludes that financial literacy and risk perception do not significantly influence actual system use and transaction intention among Generation Z and Millennials, while perceived ease of use has a significant impact on both outcomes, with a stronger effect observed in Millennials. Theoretically, these findings enrich the technology acceptance model by highlighting the dominant role of ease of use in the context of online lending, while also raising questions about the relevance of financial literacy in shaping digital behavior. Practically, online lending service providers are advised to optimize user-friendly and efficient app design to boost system usage and transactional intention, especially among Millennials, while continuing to emphasize financial education to reduce long-term risks. However, this research has limitations, including its exclusive focus on online lending without accounting for other types of digital financial services, as well as potential response bias due to self-reported data, which may limit the generalizability of the findings. This study is limited to MSMEs in Bandung, Indonesia, and focuses solely on online lending, which may restrict the generalizability of the findings. Future research could explore cross-country comparisons to examine cultural and regulatory differences in fintech adoption, as well as qualitative studies to gain deeper insights into users' motivations and experiences with digital financial services.

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**Transparency:** The authors state that the manuscript is honest, truthful, and transparent, that no key aspects of the investigation have been omitted, and that any differences from the study as planned have been clarified. This study followed all writing ethics.

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