Technology and Society Perspectives (TACIT) Vol. 4, No. 2, July-October 2026, pages 397–408

The Influence of Financial Literacy on Financial Behavior and Borrowing Intention from Online Loans/P2P Lending

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A R T I C L E I N F O

Article history:
Received: 05 June 2026
Revised: 22 July 2026
Accepted: 02 August 2026

DOI:
10.61100/tacit.v4i2.364

Keywords:
Financial Literacy, Financial Behavior, Borrowing Intention, P2P Lending

A B S T R A C T

This study aims to examine the effect of financial literacy on financial behavior and borrowing intention through peer-to-peer (P2P) lending services, as well as to investigate the mediating role of financial behavior. The study is motivated by the rapid growth of digital lending services, which have expanded access to financial resources while simultaneously increasing potential financial risks, particularly among university students. This research employed a quantitative approach with a causal associative research design. Data were collected through questionnaires distributed to university students with prior experience using P2P lending services and were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The findings indicate that financial literacy has a positive effect on both financial behavior and borrowing intention. Financial behavior also has a positive effect on borrowing intention and partially mediates the relationship between financial literacy and borrowing intention. These findings suggest that improving financial literacy should be accompanied by the development of healthy financial behavior to promote more rational, responsible, and sustainable use of P2P lending services.

A B S T R A K

Penelitian ini bertujuan menganalisis pengaruh literasi keuangan terhadap perilaku keuangan dan intensi meminjam melalui layanan peer-to-peer (P2P) lending, serta menguji peran perilaku keuangan sebagai variabel mediasi. Penelitian dilatarbelakangi oleh pesatnya perkembangan layanan pinjaman digital yang memberikan kemudahan akses pembiayaan, namun juga meningkatkan potensi risiko keuangan, khususnya pada kalangan mahasiswa. Penelitian menggunakan pendekatan kuantitatif dengan desain asosiatif kausal. Data diperoleh melalui penyebaran kuesioner kepada mahasiswa yang memiliki pengalaman menggunakan layanan P2P lending, kemudian dianalisis menggunakan Structural Equation Modeling-Partial Least Squares. Hasil penelitian menunjukkan bahwa literasi keuangan berpengaruh positif terhadap perilaku keuangan dan intensi meminjam. Perilaku keuangan juga berpengaruh positif terhadap intensi meminjam serta terbukti memediasi secara parsial hubungan antara literasi keuangan dan intensi meminjam. Temuan ini menunjukkan bahwa peningkatan literasi keuangan perlu diikuti dengan pembentukan perilaku keuangan yang sehat agar penggunaan layanan P2P lending dilakukan secara lebih rasional, bertanggung jawab, dan berkelanjutan.

1. INTRODUCTION

The transformation of the financial services industry has undergone very rapid changes along with the development of digital technology, one of which is through the emergence of financial technology (fintech). This development has changed the way people access financial services, making them easier, faster, and more efficient than conventional banking services. One of the rapidly growing innovations is peer-to-peer (P2P) lending, a digital-based lending service that directly connects lenders and borrowers through online platforms. The ease of the application process, simple requirements, and relatively fast fund disbursement have made this service increasingly popular among the public. Both the number of users and the value of P2P

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lending disbursements continue to increase from year to year, indicating that fintech has become an important part of the digital financial ecosystem in Indonesia (Suryono et al., 2021).

This development is also reflected in data from the Financial Services Authority (Otoritas Jasa Keuangan/OJK), which recorded that the outstanding financing value of fintech peer-to-peer (P2P) lending reached IDR 75.60 trillion in November 2024, representing a 27.32% year-on-year increase compared to the same period in the previous year. Furthermore, the outstanding financing value continued to increase to IDR 94.85 trillion in November 2025, with an annual growth rate of 25.45%. On the other hand, the 90-day default rate (Tingkat Wanprestasi 90 Hari/TWP90) increased to 4.33%, although it remained below the 5% risk threshold established by the Financial Services Authority (OJK, 2025a). These conditions indicate that the P2P lending industry in Indonesia continues to experience rapid growth while maintaining a relatively controlled level of risk. Nevertheless, the expansion of access to digital financing also has the potential to increase consumptive behavior, the use of loans for non-productive purposes, the accumulation of debt burdens, and the risk of over-indebtedness if not accompanied by adequate financial literacy and financial behavior.

This phenomenon indicates that the expansion of financial inclusion has not been fully accompanied by improvements in the quality of public financial literacy. Based on the 2025 National Survey of Financial Literacy and Inclusion (Survei Nasional Literasi dan Inklusi Keuangan/SNLIK) published by the Financial Services Authority (OJK) in collaboration with Statistics Indonesia (Badan Pusat Statistik/BPS), Indonesia's financial inclusion rate reached 80.51%, while the financial literacy rate stood at 66.46% (OJK, 2025b). The gap between these two indicators indicates that public access to various financial products and services has developed more rapidly than people's understanding of the characteristics, benefits, risks, costs, and consequences of using financial products. This condition indicates that some individuals have utilized formal financial services without possessing sufficient financial literacy to make optimal financial decisions. According to the Organisation for Economic Co-operation and Development (OECD, 2022), financial literacy encompasses the knowledge, skills, attitudes, and behaviors that enable individuals to make effective financial decisions to improve their financial well-being. In line with this, (Lusardi & Mitchell, 2014) explained that individuals with higher levels of financial literacy tend to be more capable of budgeting, controlling expenditures, managing debt, and making more rational financial decisions than individuals with lower levels of financial literacy.

From the perspective of technology acceptance, an individual's decision to use P2P lending services is influenced not only by financial capability but also by perceptions of the usefulness and ease of use of the technology. The Technology Acceptance Model (TAM), developed by Davis (1989), explains that perceived usefulness and perceived ease of use are the primary factors encouraging individuals to accept a new technology. The convenience of applying for loans online often increases people's interest in using these services without considering their repayment capacity or long-term risks. Therefore, financial literacy becomes a crucial factor because it enables individuals to evaluate the benefits, risks, and their financial capability before deciding to use digital lending services.

The group considered to have a high level of vulnerability to this phenomenon is university students. As part of the young adult population, university students begin to assume responsibility for managing their finances independently while still possessing relatively limited financial experience (Sundarasen et al., 2025). The ease of obtaining loans through digital applications has led some students to utilize P2P lending services to meet academic needs, lifestyle demands, and daily consumption. If such decisions are not supported by adequate financial literacy and sound financial management behavior, the risks of repayment difficulties, debt accumulation, and financial problems in the future will become greater. Therefore, university students represent a relevant group for examining the relationship between financial literacy, financial behavior, and the intention to use P2P lending services.

Numerous previous studies have examined the relationships among financial literacy, financial behavior, and the use of digital financial services; however, the findings remain inconsistent. Financial literacy has a positive effect on financial behavior and the quality of financial decision-making (Allgood & Walstad, 2016; Santika & Yuhasril, 2025). Conversely, subjective financial literacy influences students' financial behavior, whereas actual financial literacy does not have a significant effect on borrowing intention through P2P lending (Cahayana et al., 2026; Faradila & Rafik, 2023). On the other hand, other studies have demonstrated that financial literacy has a significant influence on decisions to use online loans (Feryana et al., 2025; Irena & Mastan, 2024; Riwayati et al., 2025). These differences in findings indicate that the relationships among the variables still require further investigation.

The inconsistency of these findings indicates the existence of a research gap, particularly regarding the mechanism through which financial literacy influences borrowing intention in P2P lending services. Most previous studies have primarily examined the direct effect of financial literacy on financial decisions, while the role of financial behavior as a mediating variable remains relatively limited, especially among university students who use fintech services in Indonesia. In fact, a good understanding of financial matters does not necessarily directly encourage individuals to use or avoid digital loans unless it is reflected in healthy financial management behavior. Therefore, further research is needed to explain both the direct and indirect relationships among financial literacy, financial behavior, and borrowing intention through P2P lending platforms.

Based on the above discussion, this study aims to analyze the influence of financial literacy on financial behavior and borrowing intention in P2P lending services by positioning financial behavior as a mediating variable. The study focuses on university students as a group with high access to digital lending services while simultaneously facing various challenges in financial management. The findings are expected to enrich the development of theories related to financial literacy and the adoption of digital financial technology, while also providing practical recommendations for higher education institutions, the fintech industry, and regulators in designing financial education strategies that promote the wiser, more responsible, and more sustainable use of P2P lending services.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Financial Literacy

Financial literacy refers to an individual's ability to understand, evaluate, and utilize financial knowledge in making effective financial decisions. According to the Organisation for Economic Co-operation and Development (OECD, 2022), financial literacy encompasses financial knowledge, skills, attitudes, and behaviors that enable individuals to improve their financial well-being. Similarly, Lusardi & Mitchell (2014) define financial literacy as the ability to understand fundamental financial concepts, including budgeting, interest rates, debt management, and financial planning, which allows individuals to make rational economic decisions. Within the context of digital financial services, financial literacy has become increasingly important because users are required not only to understand conventional financial products but also to evaluate the benefits, costs, risks, and contractual obligations associated with fintech services, including peer-to-peer (P2P) lending. Individuals with higher financial literacy are expected to make more informed borrowing decisions and manage their financial responsibilities more effectively than those with lower financial literacy.

Financial Behavior

Financial behavior refers to individuals' actual actions in managing their financial resources. It includes activities such as budgeting, controlling expenditures, saving regularly, managing debt responsibly, and fulfilling financial obligations on time. Financial behavior represents the practical implementation of financial knowledge in everyday financial management. Previous studies have consistently shown that individuals possessing higher financial literacy tend to demonstrate healthier financial behavior because they are more capable of evaluating financial priorities and controlling unnecessary expenditures (Lusardi & Mitchell, 2014). Consequently, financial behavior serves as an important mechanism through which financial knowledge is translated into practical financial decision-making.

Borrowing Intention through P2P Lending

Borrowing intention refers to an individual's willingness or planned behavior to use digital lending services in the future. In this study, borrowing intention specifically refers to the intention to obtain financing through peer-to-peer (P2P) lending platforms. The Technology Acceptance Model (TAM) developed by Davis (1989) explains that technology adoption is primarily influenced by perceived usefulness and perceived ease of use. Within the context of P2P lending, individuals who perceive digital lending services as beneficial, convenient, and suitable for their financial needs are more likely to develop an intention to use these services. However, borrowing decisions should also be supported by adequate financial literacy and responsible financial behavior to minimize potential financial risks.

Financial Literacy and Financial Behavior

Financial literacy provides individuals with the knowledge required to understand financial products, evaluate financial risks, and manage personal finances effectively. Individuals with higher financial literacy are generally more capable of budgeting, controlling expenditures, managing debt, and planning future financial activities. Therefore, improvements in financial literacy are expected to encourage healthier financial behavior. Previous empirical studies have consistently demonstrated that financial literacy positively influences financial behavior (Widyastuti et al., 2020; Kozol, 2025; Phang et al., 2026; Utami et al., 2026). Accordingly, the following hypothesis is proposed:

H1: Financial literacy positively influences financial behavior.

Financial Literacy and Borrowing Intention through P2P Lending

Financial literacy enables individuals to evaluate the advantages and disadvantages of borrowing through digital lending platforms before making financial decisions. Individuals with adequate financial knowledge are expected to understand borrowing costs, repayment obligations, and potential financial risks associated with P2P lending services. Consequently, financial literacy influences borrowing intention by encouraging more rational and informed financing decisions. This relationship can also be explained by the Technology Acceptance Model (TAM), which suggests that users who understand the usefulness and operational mechanisms of digital lending technology are more likely to accept and utilize such services appropriately (Davis, 1989). Previous studies have also reported a positive relationship between financial literacy and the adoption of digital lending services (Yang et al., 2023; Suryani et al., 2025). Accordingly, the following hypothesis is proposed:

H2: Financial literacy positively influences borrowing intention through P2P lending services.

Financial Behavior and Borrowing Intention through P2P Lending

Financial behavior reflects how individuals apply financial knowledge when making economic decisions. Individuals who routinely prepare budgets, monitor expenditures, maintain savings, and manage debt responsibly are more likely to evaluate financing needs carefully before applying for digital loans. Therefore, healthier financial behavior is expected to contribute to more rational borrowing decisions. Previous studies have demonstrated that responsible financial behavior significantly influences individuals' financial decisions, including the use of digital lending services (Andarsari & Ningtyas, 2019; Bai, 2023; Yuneline & Rosanti, 2023). Accordingly, the following hypothesis is proposed:

H3: Financial behavior positively influences borrowing intention through P2P lending services.

The Mediating Role of Financial Behavior

Financial literacy alone may not directly determine borrowing decisions unless financial knowledge is translated into appropriate financial behavior. Individuals with high financial literacy are expected to demonstrate healthier financial management practices, which subsequently influence their borrowing decisions. Therefore, financial behavior functions as an important mechanism linking financial literacy with borrowing intention. Previous studies have reported that financial behavior mediates the relationship between financial literacy and financial decision-making (Kurniadi et al., 2022; Mireku et al., 2023). Consequently, the indirect influence of financial literacy on borrowing intention is expected to occur through improvements in financial behavior. Accordingly, the following hypothesis is proposed:

H4: Financial behavior mediates the relationship between financial literacy and borrowing intention through P2P lending services.

Research Framework

Based on the theoretical arguments and previous empirical findings, this study proposes a structural model in which financial literacy directly influences financial behavior and borrowing intention. Financial behavior also directly influences borrowing intention while simultaneously serving as a mediating variable in the relationship between financial literacy and borrowing intention. This framework integrates Financial Literacy Theory with the Technology Acceptance Model (TAM) to explain borrowing intention through digital P2P lending services among university students.

3. RESEARCH METHOD

This study employed a quantitative approach with a causal associative research design to examine the cause-and-effect relationships among financial literacy, financial behavior, and borrowing intention through peer-to-peer (P2P) lending services. This approach was selected because the study aimed to obtain empirical evidence regarding the influence of financial literacy on financial behavior and borrowing intention, both directly and indirectly through financial behavior as a mediating variable. The object of the study focused on university students as a group of young adults who have high access to fintech lending services and face various challenges in financial management. The population of this study consisted of students at Universitas Mercu Buana aged 18–30 years. The sample was determined using a purposive sampling technique with the criterion that respondents had used peer-to-peer (P2P) lending services within the last 12 months. This technique was selected to ensure that respondents had experiences relevant to the objectives of the study. The minimum sample size was determined using the Slovin formula, resulting in a minimum requirement of 303 respondents (Sugiyono, 2018).

Data were collected using a structured questionnaire developed based on the indicators of each research variable. The questionnaire consisted of five sections: respondent screening, respondent profile, financial literacy, financial behavior, and borrowing intention through P2P lending services. All measurement instruments were developed by adapting indicators from previous studies that had established conceptual validity, making them appropriate for the context of financial literacy and digital lending services. The variables were measured using a five-point Likert scale. The financial literacy variable was measured through indicators of understanding financial management, financial planning, debt management, and financial risk awareness. The financial behavior variable was measured based on budgeting habits, expenditure control, saving behavior, cash flow management, and the timely fulfillment of financial obligations. Meanwhile, the borrowing intention variable was measured through indicators reflecting respondents' interest, tendency, and plans to use P2P lending services in the future.

Data were analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method with the assistance of SmartPLS software. The SEM-PLS method was selected because it is capable of simultaneously examining structural relationships among latent variables, including direct effects, indirect effects, and the mediating role of financial behavior in the relationship between financial literacy and borrowing intention. In addition, SEM-PLS is appropriate for predictive research and is capable of accommodating research models consisting of several latent constructs measured through multiple indicators. The analysis began with the evaluation of the outer model to assess the validity and reliability of the measurement instruments using loading factor values, Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach's Alpha. Subsequently, the inner model was evaluated to examine the relationships among variables using path coefficients, coefficients of determination (R^2), effect size (f^2), predictive relevance (Q^2), and significance testing through the bootstrapping procedure. The results of these analyses were used to test all research hypotheses regarding the influence of financial literacy on financial behavior and borrowing intention in P2P lending services, including the mediating role of financial behavior.

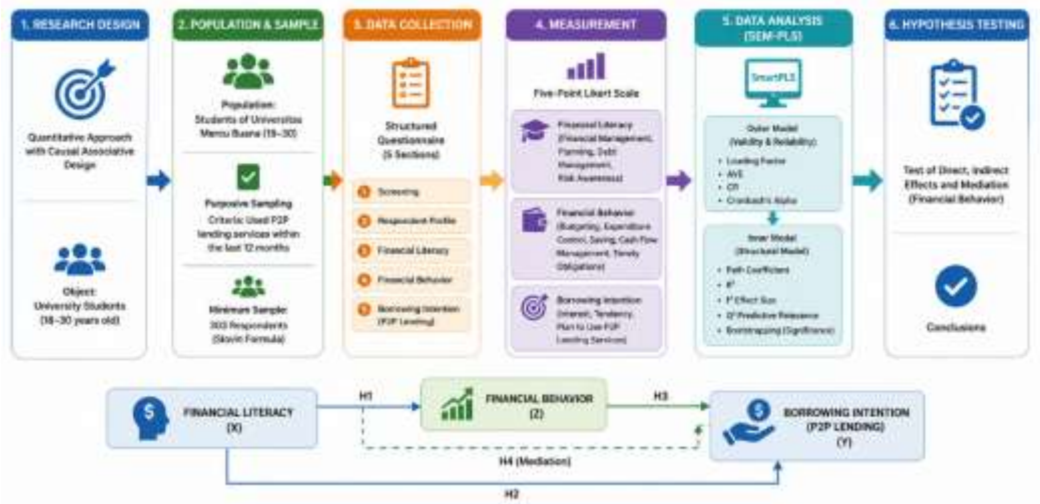

Figure 1. Research Methodology Flow Diagram

4. DATA ANALYSIS AND DISCUSSION

This study aimed to analyze the influence of financial literacy on financial behavior and borrowing intention through peer-to-peer (P2P) lending services by positioning financial behavior as a mediating variable. The research data were collected through an online questionnaire distributed via Google Forms to Universitas Mercu Buana students who met the research criteria. A purposive sampling technique was employed to ensure that all respondents had relevant experience in using P2P lending services. Based on calculations using the Slovin formula, the minimum required sample size was 303 respondents. After the data screening process, 303 questionnaires met the established criteria and were considered suitable for analysis using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method with SmartPLS software.

Respondent Characteristics

The characteristics of the respondents are presented in Table 1. Based on gender, the majority of respondents were female (171 respondents), while 132 respondents were male. In terms of age, most respondents were between 18–23 years old, followed by those aged 23–30 years and 30–45 years. Based on experience using P2P lending services, 219 respondents had used such services, while the remaining respondents had never used them. The most frequently used platform was Shopee PayLater, followed by Kredivo, Akulaku, Dana Cicil, and various other platforms. These characteristics indicate that the majority of respondents belonged to the productive age group and were familiar with and had utilized digital financing services, making them appropriate for the objectives of this study.

Table 1. Respondent Characteristics

Characteristics	Description	Number of Respondents
Gender	Male	132
	Female	171
Age Group	18–23 Years	148
	23–30 Years	118
	30–45 Years	37
Ever Used P2P Lending	Yes	219
	No	82
	Blanks	2
Types of Online Lending Platforms Used	Shopee PayLater	98
	Kredivo	48
	Akulaku	47
	Others	80
	Dana Cicil	30

Measurement Model Evaluation (Outer Model)

The measurement model evaluation was conducted to assess the convergent validity of each indicator forming the research constructs. The results showed that all indicators for the Financial Literacy (X), Financial Behavior (Z), and P2P Lending Borrowing Intention (Y) variables had outer loading values above the minimum threshold of 0.70 as recommended by Hair et al. (2021). The outer loading values for the Financial Literacy variable ranged from 0.745 to 0.842, Financial Behavior ranged from 0.827 to 0.903, and Borrowing Intention ranged from 0.819 to 0.886. These findings indicate that all indicators adequately represented their respective constructs, thereby satisfying the requirements for convergent validity and being retained for subsequent analyses.

Table 2. Outer Loading Values of the Constructs

Indicator	Borrowing Intention from Online Loans/P2P Lending (Y)	Financial Literacy (X1)	Financial Behavior (Z)
Y1	0.839	–	–
Y2	0.886	–	–
Y3	0.843	–	–
Y4	0.848	–	–
Y5	0.855	–	–
Y6	0.853	–	–
Y7	0.830	–	–

Y8	0.876	–	–
Y9	0.819	–	–
Y10	0.837	–	–
X1	–	0.827	–
X2	–	0.795	–
X3	–	0.825	–
X4	–	0.828	–
X5	–	0.829	–
X6	–	0.842	–
X7	–	0.813	–
X8	–	0.836	–
X9	–	0.810	–
X10	–	0.745	–
Z1	–	–	0.853
Z2	–	–	0.862
Z3	–	–	0.892
Z4	–	–	0.903
Z5	–	–	0.855
Z6	–	–	0.828
Z7	–	–	0.873
Z8	–	–	0.857
Z9	–	–	0.827
Z10	–	–	0.859

Structural Model Evaluation (Inner Model)

The structural model evaluation began with the assessment of the coefficient of determination (R^2) to determine the ability of the exogenous variable to explain the endogenous variables. The analysis showed that the R^2 value for Financial Behavior was 0.140, indicating that financial literacy explained 14.0% of the variance in financial behavior. Meanwhile, the R^2 value for P2P Lending Borrowing Intention was 0.273, indicating that financial literacy and financial behavior jointly explained 27.3% of the variance in borrowing intention. These values indicate that there are still other factors outside the proposed model that influence both endogenous variables.

Table 3. Results of the R^2 Test

Endogenous Variable	R^2	Interpretation
Borrowing Intention from Online Loans/P2P Lending (Y)	0.273	27.3% of the variance in Y is explained by X1 and Z
Financial Behavior (Z)	0.140	14.0% of the variance in Z is explained by X1

Subsequently, predictive relevance (Q^2) was assessed to evaluate the predictive capability of the research model. The analysis yielded a Q^2 value of 0.375, indicating that the model possesses good predictive capability. Therefore, the model is not only capable of explaining the relationships among variables but also demonstrates predictive relevance for the endogenous variables examined.

Table 4. Predictive Relevance (Q^2) Results

No	Description	Value
1	R^2 of Borrowing Intention from Online Loans/P2P Lending (Y)	0.273
2	R^2 of Financial Behavior (Z)	0.140
3	Q^2	0.375

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping procedure in SmartPLS to evaluate the significance of the relationships among variables. The results indicated that all structural relationships had p-values < 0.001, indicating that all research hypotheses were accepted at the 5% significance level. Financial literacy was found to have a significant influence on financial behavior. Financial literacy also had a significant influence on borrowing intention through P2P lending services, while financial behavior significantly influenced borrowing intention. These findings indicate that improvements in financial literacy are associated with changes in financial behavior and simultaneously influence individuals' tendency to use digital lending services. Overall, the research model demonstrated explanatory power ranging from low to moderate based on the R^2 values, while exhibiting adequate predictive capability based on the Q^2 value. These findings indicate that the proposed model is appropriate for examining the relationships among financial literacy, financial behavior, and borrowing intention through P2P lending services, although other variables outside the model may also influence individuals' financial behavior and decisions to use digital lending services.

Table 5. Hypothesis Testing Results

Hypothesis	Relationship Between Variables	Coefficient (β)	T-Statistic	P-Value	Decision
H1	Financial Literacy (X1) → Financial Behavior (Z)	0.374	7.652	0.000	Accepted
H2	Financial Literacy (X1) → Borrowing Intention from Online Loans/P2P Lending (Y)	0.431	9.439	0.000	Accepted
H3	Financial Behavior (Z) → Borrowing Intention from Online Loans/P2P Lending (Y)	0.319	6.427	0.000	Accepted
H4	Financial Literacy (X1) → Financial Behavior (Z) → Borrowing Intention from Online Loans/P2P Lending (Y)	0.119	4.655	0.000	Accepted

Financial Literacy and Financial Behavior

The results of this study indicate that financial literacy has a positive and significant effect on financial behavior. These findings suggest that the higher the level of students' knowledge and understanding of financial concepts, the better their ability to manage their daily finances. Financial literacy not only reflects the ability to understand financial products and services but also the ability to prepare budgets, control expenditures, manage debt, and plan finances for both the short and long term. Therefore, improvements in financial literacy encourage the development of more rational and responsible financial behavior. These findings are consistent with financial literacy theory, which explains that individuals with higher levels of financial literacy tend to possess better abilities to make economic decisions because they are able to understand the benefits, risks, and consequences of every financial decision (Lusardi & Mitchell, 2014). This knowledge is subsequently reflected in actual behavior, including saving regularly, controlling consumption, prioritizing needs, and avoiding unnecessary debt. In other words, financial literacy serves as the foundation for developing healthy financial behavior.

The results of this study also reinforce previous research demonstrating that financial literacy is an important determinant of individual financial behavior (Kozol, 2025; Phang et al., 2026; Utami et al., 2026; Widyastuti et al., 2020). The consistency of these findings indicates that the relationship between financial knowledge and financial behavior remains stable across different groups of respondents, including university students as young adults who are beginning to assume responsibility for managing their own finances. In the context of this study, students with a better understanding of financial management tend to be more disciplined in managing expenditures, preparing budgets, and fulfilling financial obligations than those with lower levels of financial literacy. These findings have important implications for higher education institutions and regulators. Efforts to improve financial literacy through education, training, and financial education programs not only increase students' financial knowledge but also have the potential to foster healthier financial behavior. Therefore, strengthening financial literacy should become an integral part of strategies aimed at developing students' competencies so that they are better prepared to navigate the increasingly complex digital financial ecosystem.

Financial Literacy and Borrowing Intention through P2P Lending

This study demonstrates that financial literacy has a positive effect on borrowing intention through P2P lending services. These findings indicate that individuals with better financial understanding do not necessarily avoid using digital loans; instead, they tend to be more inclined to utilize them consciously as an alternative source of financing. In other words, financial literacy in this study functions as the ability to evaluate the benefits, risks, costs, and consequences of borrowing, enabling individuals to make more rational borrowing decisions. These findings can be explained through the Technology Acceptance Model (TAM). This model explains that an individual's decision to adopt a technology is influenced by perceived usefulness and perceived ease of use (Davis, 1989). Individuals with good financial literacy generally find it easier to understand the mechanisms of P2P lending services, including the application process, interest rates, repayment schedules, and default risks. Such understanding increases their confidence that these services can provide benefits when used according to their financial needs and repayment capacity.

The findings of this study support previous research demonstrating that financial literacy increases individuals' tendency to use digital lending services (Suryani et al., 2025; Yang et al., 2023). However, these findings differ from studies reporting that actual financial literacy has no significant effect on borrowing intention through P2P lending (Faradila & Rafik, 2023). This discrepancy may be attributed to differences in respondent characteristics. The respondents in this study were university students who had prior experience using P2P lending services; therefore, their borrowing decisions were more strongly influenced by their understanding of the benefits and risks of these services than merely by their perceptions of financial literacy. These findings illustrate that improving financial literacy does not necessarily reduce the use of digital lending services. Instead, financial literacy encourages individuals to utilize financing services in a more selective, well-planned, and responsible manner. Therefore, financial literacy programs should not merely emphasize the dangers of online lending but should also provide knowledge regarding productive credit use, repayment capability, and financial risk management.

Financial Behavior and Borrowing Intention through P2P Lending

The findings indicate that financial behavior has a positive and significant effect on borrowing intention through peer-to-peer (P2P) lending services. These results suggest that individuals' decisions to utilize digital loans are influenced not only by their level of financial knowledge but also by how that knowledge is translated into everyday financial management behavior. Individuals who regularly prepare budgets, control expenditures, manage savings, and fulfill financial obligations on time are more likely to evaluate financing needs carefully and consider their repayment capacity before using P2P lending services. Therefore, financial behavior becomes an important factor encouraging individuals to make more rational and well-planned decisions regarding the use of digital lending services.

These findings are consistent with previous research indicating that sound financial behavior contributes to more responsible decisions regarding the use of digital lending services (Yuneline & Rosanti, 2023). The findings are also consistent with earlier studies explaining that individuals with good financial management skills tend to make more effective financial decisions because they are better able to evaluate the benefits, risks, and consequences of every economic decision (Bai, 2023; Lusardi & Mitchell, 2013). Furthermore, previous studies have shown that financial behavior is an important factor in explaining university students' financial decisions, although the influence of financial literacy on borrowing intention does not always occur directly (Andarsari & Ningtyas, 2019). The consistency of these findings reinforces the view that financial behavior represents the practical implementation of financial literacy in making decisions regarding the use of digital financial services.

From a practical perspective, these findings indicate that improvements in financial literacy should be accompanied by the development of healthy financial behavior to ensure that P2P lending services are used responsibly. Financial education provided by higher education institutions, regulators, and fintech providers should not only focus on increasing knowledge of financial products but should also cultivate disciplined financial management habits through budgeting, expenditure control, debt management, and repayment capacity evaluation before applying for loans. In this way, P2P lending services can be utilized as a productive financing alternative without increasing the risks of excessive consumption or future financial problems.

The Mediating Role of Financial Behavior

The findings indicate that financial behavior partially mediates the relationship between financial literacy and borrowing intention through peer-to-peer (P2P) lending services. This partial mediation demonstrates that financial literacy not only has a direct effect on borrowing intention but also exerts an indirect effect through financial behavior. In other words, the higher the level of students' financial literacy, the better their financial management behavior, which ultimately influences their decisions to utilize P2P lending services. These findings indicate that financial knowledge alone is insufficient to produce appropriate financial decisions unless it is translated into disciplined and responsible financial behavior. The results of this study are consistent with previous research showing that financial behavior serves as an important mechanism through which financial literacy influences students' financial decisions (Kurniadi et al., 2022; Mireku et al., 2023). These findings also reinforce previous studies suggesting that financial knowledge generates more optimal outcomes when implemented through everyday financial management behavior (Sudirman et al., 2026). Furthermore, the findings are consistent with research indicating that decisions to use digital lending services are influenced by the combination of individuals' financial understanding and financial behavior (Ademola, 2025; Laia et al., 2026). The consistency of these findings indicates that financial behavior functions as the mechanism linking individuals' understanding of financial concepts with their decisions to use digital financial services.

From a theoretical perspective, these findings strengthen the relationship between the concept of financial literacy and the Technology Acceptance Model (TAM). Financial literacy enhances individuals' ability to evaluate the benefits, costs, and risks of P2P lending services, while financial behavior represents the practical implementation of that evaluation process before individuals decide to use digital lending services. Therefore, this study provides an empirical contribution by demonstrating that financial behavior serves as a mediating variable explaining how financial literacy is translated into decisions to use P2P lending services among university students. These findings also indicate that financial literacy enhancement programs will be more effective when accompanied by the development of healthy financial behavior, thereby enabling fintech services to be utilized more wisely, productively, and responsibly. From an academic perspective, this study enriches the literature on financial literacy and fintech adoption by demonstrating that the relationship between financial literacy and borrowing intention is not entirely direct but is also influenced by financial behavior. From a practical perspective, the findings provide recommendations for higher education institutions to strengthen financial literacy education programs that focus not only on improving financial knowledge but also on fostering healthy financial behavior. For regulators and P2P lending providers, these findings may serve as a basis for designing financial education programs that encourage wiser, more productive, and more responsible use of digital lending services.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study demonstrates that live commerce has evolved into one of the digital marketing innovations that provides significant opportunities for Micro, Small, and Medium Enterprises (MSMEs) to enhance their competitiveness in the digital economy era. The synthesis of the literature indicates that the success of live commerce is not determined solely by the utilization of live streaming technology but is also influenced by the ability of business actors to establish interactivity and consumer trust throughout the marketing process. The perspectives of the Stimulus–Organism–Response (S-O-R) Theory, Social Presence Theory, Trust Theory, and the Technology Acceptance Model (TAM) explain that interactivity functions as the stimulus that shapes positive consumer perceptions, trust develops as the psychological mechanism that reduces perceived risk, and purchase intention emerges as the response to the shopping experience. The synthesis of previous studies and various case studies reveals a consistent pattern indicating that the higher the quality of interactions and the greater the level of trust established during live commerce activities, the stronger the consumers' intention to make purchases.

The theoretical implication of this study lies in strengthening the understanding that the effectiveness of live commerce can be explained through the integration of several complementary theoretical perspectives. Interactivity not only functions as a characteristic of digital technology but also develops into a factor influencing the formation of consumer trust and behavior. This integration enriches the digital marketing literature, particularly regarding the mechanisms linking live shopping experiences, trust, and purchase intention within the MSME context. Furthermore, this study demonstrates that a multidisciplinary approach provides a more comprehensive explanation than the application of a single theory in isolation.

The practical implications of this study indicate that MSMEs should develop live commerce strategies oriented toward communication quality and consumer experience. Providing transparent product information, conducting clear product demonstrations, ensuring the host's ability to respond promptly to consumer inquiries, and utilizing interactive features on digital platforms are important aspects of building consumer trust. In addition, enhancing the digital competencies of MSME operators through communication training, marketing content development, and the utilization of marketing data analytics will help improve the effectiveness of live commerce implementation. For governments, digital platforms, and MSME support institutions, the findings of this study may serve as a foundation for designing digital capacity-building programs that are better aligned with the needs of business actors, thereby supporting sustainable digital transformation.

This study has several limitations that should be considered when interpreting the findings. First, the study employed a literature review approach; therefore, all findings were developed based on the synthesis of previous studies without collecting primary data directly from MSME operators or consumers. Second, the analyzed literature was limited to publications from the 2010–2026 period; therefore, more recent developments beyond this period are not covered in the discussion. Third, the characteristics of the studies included, which originated from different countries, digital platforms, and research objects, may involve variations in social, cultural, and consumer behavioral contexts that could influence the research findings.

Future research is recommended to adopt empirical approaches through surveys, interviews, or mixed methods to examine the relationships among interactivity, consumer trust, and purchase intention among MSMEs across various business sectors. Future studies may also develop conceptual models by incorporating additional variables, such as host credibility, content quality, electronic word of mouth, customer experience, consumer loyalty, or purchasing decisions as mediating or moderating variables. Comparative studies across live commerce platforms, such as TikTok Shop, Shopee Live, Instagram Live, Facebook Live, and other digital platforms, are also recommended to obtain a more comprehensive understanding of the factors influencing the success of digital marketing strategies for MSMEs under different market conditions.

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