PEER TO PEER LENDING : GENERATION Z ATTRACTION FACTORS AND FUTURE IMPLICATIONS

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Abstract

This study is about the factors of behavioral intention to borrow from the perspective of Generation Z toward peer-to-peer lending. This study applied primary data by collecting surveys distributed to Gen Z on Java Island. The sample used was 44 male respondents and 110 female respondents. Factors that influence borrowing intention were tested with SEM PLS 4.0. The research shows that the variables of utilitarian value, risk perception, and financial literacy are significant to the behavioral intention of Peer To Peer Lending. In addition, the findings show that the variables of convenience and safety do not determine behavioral intention in Peer To Peer Lending. This research also explores how financial technology, such as peer-to-peer lending, can facilitate Generation Z's access to finance. The implications of this research highlight the importance of financial knowledge and planning for Gen Z for its future. These findings provide insights for fintech companies to design products and services that suit Generation Z's specific preferences and needs. The target market for peer-to-peer lending companies needs to be adjusted in their marketing strategies.

Keywords: Behavioral Intention, Financial Technology, Generation Z, Peer To Peer Lending

1. INTRODUCTION

Peer to Peer Lending (P2PL) is part of the fintech revolution that provides alternative funding in the financial industry (Alexander & Karametaxas, 2021). P2PL is considered more inclusive and efficient than conventional loans (Tampubolon, 2019). Official OJK data as of October 2023 states that are 101 companies registered with OJK, with the majority of customers (54%) being Gen Z (OJK 2024). Gen Z faces threats related to high debt ratios, lack of financial awareness, debt dependency, fraud and data security risks, and the future negative impact of Gen Z SLIK. Gen Z is actively adopting P2PL with total loans of IDR28,524 billion as of February 2024 (*Statistik P2P Lending Periode Februari 2024*, n.d.). This study explores the factors that determine Gen Z's intention to borrow through P2PL based on the UTAUT theory. It also analyzes the extent to which these factors influence Gen Z's intention to use P2PL services. This research also explains the utilitarian value as the dominant factor in Gen Z's behavioural involvement in P2PL.

The characteristics of FoMO (Fear of Missing Out) result in impulsive behavior towards financial needs based on unnatural trends (S. 2023). The OJK Minisite states that Gen Z grew up with digital technology, so they use P2PL platforms to meet their financial needs. According to (Larrimore et al., 2011), P2PL applications include loan description information to convince the lender of the loan's importance and the prospect of repaying

it. Researchers argue that Gen Z's debt intention does not depend on the risk of default but on the degree of acceptance of the use of information technology. Instead, the ease of application encourages Gen Z to behave pityingly so that the loan application is realized. Previous research findings (Michels, 2012) in the United States showed that more unverifiable voluntary disclosures in the loan list affect the loan interest rate. The author explains that borrowers may not know that voluntary disclosures can reduce interest expense and are reluctant to mislead disclosures for interest expense reduction.

Previous research by (Kurniawan, 2019); (Sunardi et al., n.d.) and (Susanti et al., 2020) explained that the intention to use the P2PL system in Indonesia is influenced by several factors, namely trust relationships, risk perceptions, perceived ease, and perceived benefits. (U et al., 2022) proves that trust factors and risk perceptions of the system can influence Mongolian people to borrow funds. In addition, previous research by (Hermansson & Jonsson, 2021) and (Putri et al., 2023) proved that financial literacy and security factors determine the intention to use. Little research focuses on the behavior of Gen Z as the primary user of P2PL.

This study aims to investigate the factors determining the intention to borrow funds through P2PL for Gen Z based on the Unified Theory of Acceptance and Use of Technology (UTAUT) theory. The assumption is that Gen Z behavioral intention is based on perceived elements that facilitate the use of the application. Performance Expectancy is the user's perception regarding the extent to which the use of technology will increase performance in achieving goals. Supported by the results of previous research by (Septiani et al., 2020), farmers are concerned with easy access to funding, and (Kurniadi et al., 2021) transaction efficiency is needed to increase productivity. Effort Expectancy refers to the user's perception of the extent to which technology is considered easy and uncomplicated. As well as (Kurniadi et al., 2021) (Septiani et al., 2020) ease greatly encourages lenders to adopt P2PL, and a detailed explanation of the system and mechanism is essential. Social Influence shows the Influence of the user's environment in promoting or inhibiting the use of technology. In line with the findings, being in the social climate of active P2PL users will encourage its use. Facilitating Conditions refer to environmental factors that can reduce or hinder the use of technology. The extent to which P2PL customization and assistance can affect usage intentions (Kurniadi et al., 2021). On the other hand, researchers argue that the utilitarian value factor will extensively explain Gen Z in terms of the usefulness of P2PL and that these four elements can influence or contribute.

This article is organized in the literature review section, which explains the UTAUT theory and its practice in Indonesia. This is followed by hypothesis development, detailing the research methods and results, and concluding with conclusions, limitations, and suggestions.

2. THEORETICAL FOUNDATION

2.1. Unified Theory of Acceptance and Use of Technology (UTAUT)

The UTAUT model was proposed by Viswanath Venkatesh et al. in 2003 (Venkatesh et al., 2003). UTAUT is built based on eight models: TAM/TAM2, IDT, TRA, TPB, MM, c-TAM-TPB, MPCU, and SCT (Venkatesh et al., 2003). This model has four main variables that significantly affect user acceptance and use behavior: performance expectancy, effort

PEER TO PEER LENDING : GENERATION Z ATTRACTION
FACTORS AND FUTURE IMPLICATIONS
Felisia Panjaitan, Servatia Mayang Setyowati, Yoshia Christian Mahulete

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expectancy, social influence, and facilitating conditions (Venkatesh et al., 2003). UTAUT is a theoretical framework established to estimate the factors that determine technology adoption and use (Menon & Shilpa, 2023). In addition, UTAUT highlights the importance of understanding users' attitudes and beliefs toward loans and shaping their behavioral perceptions regarding social norms and cultural values. Gen Z has beliefs related to the results obtained from the frequent use of information technology. This theoretical framework model is relevant for understanding Gen Z behavior in P2PL. With the variables in it, we can identify and understand the extent to which Gen Z factors accept and use it. Some literature on financial technology has used UTAUT in various research situations, such as e-learning, e-banking, and e-commerce (Ayaz & Yanartaş, 2020). This study uses five determinants related to the main factors in the UTAUT theory. In addition, UTAUT has moderating factors such as gender, age, experience, and various moderating factors to adjust usage (Usman, 2022). In this case, the UTAUT model is a valuable guide to more broadly examine behavioral factors in platform success.

2.2. Convenience Factor

The convenience factor measures a person's trust in adopting technology. According to (Kurniawan, 2019), the use of fintech services presents convenience to users and has a positive effect on consumer intentions.

Based on the results of previous research, including research by (Sunardi et al., 2021); (Yohanes et al., 2020); (Setiawan & Setyawati, 2020), it was found that the use of fintech services that provide convenience has a positive effect on customer behavior. In other words, when a fintech service is designed to be easy for customers to use, it encourages them to use it better. Ease of use, namely the perception of simplicity, convenience, and understanding of the loan process, affects the intention to use the service (Sunardi et al., 2021). These findings support the importance of ease of use in various financial technologies, including mobile payment systems and online banking. In contrast to the findings (U et al., 2022), the convenience variable has no effect. Ease is a conviction that utilizing the system does not necessitate additional exertion.

Researchers argue that the registration process, loan application procedures, methods of access to information about borrowers, and the required payment process manifest the application's ease of use.

H1: Convenience does not affect the behavioral intention of P2PL borrowers.

2.3. Security Factor

The convenience According to (Stewart & Jürjens, 2018), concerns about security in using fintech in addressing the dynamics of rapid and continuous fintech innovation, such as information security management systems in international standards. Security in P2PL is an important aspect that users need to pay attention to in order to protect personal data security.

According to previous research from (Putri et al., 2023), if user information is protected, it will increase service usage. So, the guaranteed user database security system service will lead to continuous use. (U et al., 2022) proves that security does not affect his research.

H2: Security of use does not affect the behavioral intentions of P2PL borrowers.

2.4. Utilitarian Value Factor

The use of P2PL has received significant attention lately for its benefits, especially for Gen Z. Retrieved from to (Overby & Lee, 2006), utilitarian value represents a holistic evaluation of practical advantages and costs. Meanwhile, according to (Kim et al., 2023), utilitarian value is another aspect of consumption value, which is related to efficiency, task completion, and economic aspects of products and services. Overall, both studies agree that utilitarian value is essential to user decision-making. Individuals will evaluate the benefits obtained and the functional sacrifices that must be made when using. So, it is necessary to test this variable on Gen Z, which tends to be FOMO. According to the literature (Sungkana et al., 2019), the benefits of technology provide flexibility and convenience and positively affect trust. A product will be complementary if it understands that it provides benefits, but on the contrary, if it does not, it will lose user trust. According to research results (Susanti et al., 2020), utilitarian value Favorably and substantially affects borrowing intentions.

H3: Utilitarian value positively affects the behavioral intention of P2PL borrowers.

2.5. Risk Perception Factor

The most significant factor in determining consumers' adoption of financial technology is the perception of risk (Hanafizadeh et al., 2014). (Zhang et al., 2011) risk perception reflects how strongly consumers believe there is a possibility of certain risks, such as financial, social, psychological, physical, or time risks, when deciding to use a service. The author argues that the two researchers consistently perceive risk perception as an essential factor in consumers' adoption of financial technology. High-risk perception can hinder fintech adoption, while low-risk perception can encourage adoption. In other words, known risks are ignored because the benefits obtained now tend to be more attractive.

Testing using the risk perception factor on Gen Z subjects is essential because, from OJK data, borrowers are dominated by Gen Z. Perception of risk for P2PL users can negatively affect and also become an obstacle to using P2PL. According to the literature (Sungkana et al., 2019), financial risk results in monetary losses that are felt from the beginning of the product purchase until the end. In addition, the results of previous research in the literature (Sungkana et al., 2019) show that financial risks such as fear of overcharging, losing money, and disclosing card information hurt customer satisfaction. The research aligns with the results (U et al., 2022) found that risk perception has a negative effect.

H4: Perceived risk positively affects the behavioral intention of P2PL borrowers.

2.6. Financial Literacy

(OJK. 2023) argues that financial understanding influences attitudes and actions, including each individual's knowledge, ability, and belief to improve quality in making conclusions and managing finances to achieve public financial satisfaction. Literacy according to the book (Setiawan 2018), financial knowledge is a significant determinant of the determination of financial goals for business organizers. According to (Hidajat, 2020), young people need help understanding how to calculate the loan amount and interest rate if they default. Moneytary management skills in decision-crafting and moneytary management must be emphasized to young people, especially Gen Z, so they can manage adequately and avoid financial risks such as outstanding debt and SLIK. The finding that financial

PEER TO PEER LENDING : GENERATION Z ATTRACTION FACTORS AND FUTURE IMPLICATIONS
Felisia Panjaitan, Servatia Mayang Setyowati, Yoshia Christian Mahulete

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knowledge affects behavioral intentions refers to the findings of previous research (Hermansson & Jonsson, 2021).

H5: Financial literacy is significant to the behavioral intention of P2PL lenders.

3. RESEARCH METHOD

This research adopts a numerical approach to Examine and depict the impact of the predictor variables, which consist of convenience, security, utilitarian value, perceived risk, and financial literacy, on the dependent variable, namely behavioral intention. Accordingly, the conceptual model for this investigation is shown in Figure 1.
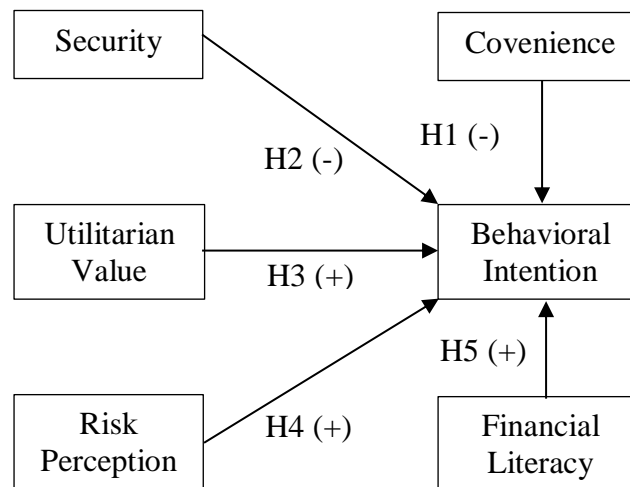
Figure 1. Research Theoretical Framework

Based on the 154 observations gathered, table 1 displays an overview of the characteristics of the individuals who are the subjects of this study.

Table 1. Characteristics of Respondents

	Frequency	%
Gender	44	28.6
Male	110	71.4
Female		
Monthly Income		
<IDR2,000,000	86	55.8
IDR2.000.000 - IDR10.000.000	68	44.2
Know Type of Application		
Modalku	37	24.0
6 Other Applications	117	76.0
Domicile		
Banten	16	10.4
West Java	40	26.0
DK Jakarta	40	26.0

Central Java	27	17.5
DI Yogyakarta	28	18.2
East Java	3	1.9

Source: Results of research data processing 2024

As illustrated in Table 1, the survey participants included 110 female respondents (71%) and 44 male respondents (29%). The data in the table indicates that 86 respondents, which represents the majority (56%) have a monthly income of less than IDR2,000,000. A total of 45 respondents (29%) have a monthly income of IDR2,000,000-IDR4,000,000. For Gen Z, this amount can be considered small or large depending on the geographical location and Gen Z's various needs. It is essential to be cautious if you possess insufficient financial knowledge and skills to effectively handle their fiscal matters because Gen Z is prone to hedonism. Moreover, the information contained in this tabular summary reveals (127 participants 82%) are aware of the P2PL application.

Moderation test analysis on income, gender, and known apps with the following effects. The determination of utilitarian value on behavioral intention has a more robust and significant influence on respondents with an income of more than 2 million. Likewise, the impact of utilitarian value on behavioral intention has a more robust and significant impact on male respondents. Meanwhile, the modalku application has a more substantial effect on financial literacy and behavioral intentions.

The population of this study is Gen Z, who were chosen as respondents because, based on OJK data, the majority group of loan users became outstanding. In addition, Gen Z is the largest population in Indonesia, and it can represent the use of information technology, so it is prone to being trapped in hedonism.

The study used a purposive sampling technique to obtain a representative sample. Respondents must meet the criteria: be domiciled in Java Island, aged between 11 and 26, and have borrowed or not. This study obtained sample data that had been selected as many as 154 people.

3.1. Data Collection

The present research utilized original data acquired by means of dissemination an digitally survey to Gen Z in Java Island and collected 154 respondent data points. The questionnaire, adopted from previous research, contained questions about convenience, security, utilitarian value, risk perception, financial literacy, and behavioral intention of Gen Z.

3.2. Variable Measurement

In research, using fintech services presents convenience to users and positively affects consumer intentions (Kurniawan, 2019). Fintech convenience will be assessed through the registration process, loan application procedures, how to access borrower information, and the required payment process (Emanuela et al., 2018). The convenience variable measurement contains six statements applied from research (Susanti et al., 2020). Each statement is rated through a 5-level rating scale. The security variable describes how users feel financial innovation is safe for their data. The measurement of the security variable comprises four items adapted from (Sitorus, 2021) and evaluated through a 5-point rating

PEER TO PEER LENDING : GENERATION Z ATTRACTION
FACTORS AND FUTURE IMPLICATIONS
Felisia Panjaitan, Servatia Mayang Setyowati, Yoshia Christian Mahulete

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scale. Grounded in the UTAUT framework, the intention to behave variable describes the view. Utilitarian value is another part of consumption value, along with efficiency, task completion, and economic value of direct products and services.

The assessment of the utilitarian value variable consists of six statements applied from (Susanti et al., 2020) and is quantified on a 5-point rating scale. The factor of perceived risk describes how users feel financial innovation is safe for their data. The assessment of the security-related factor is composed of seven items adapted from (Sitorus, 2021) and evaluated through a 5-point rating scale. Moneytary knowledge is another part of consumption value, along with efficiency, task completion, and economics of direct products and services. The assessment of the financial literacy factor is composed of three items adapted from (Sitorus, 2021) and is assessed by applying a Likert scale totaling five points.

3.3. Data Analysis

This research commenced by examining certain data pertaining to the participants' demographics, including gender, residence, age, and earnings. Furthermore, this study used the Partial Least Square (PLS) analysis model to examine the relationship between variables. The PLS scheme is used with the observation that it can be applied to the entire measurement scale without requiring many hypotheses or a large sample (Hair et al., 2017). Data analysis was conducted using SEM PLS 4.0 facilitated. Assessments encompassed measuring the outer model, inner model, and hypothesis testing.

Outer model assessment is applied with two tests: validity and reliability. Variable validity is determined by examining the outer model loadings and Average Variance Extracted (AVE) values. A variable is deemed valid if the outer loadings exceed 0.7 and the AVE value is 0.5 or greater (Hair et al., 2017). However, the outer loading score is above 0.5, so the variable indicator can still be considered. Then, the reliability test is assessed based on the composite reliability value. A variable is considered reliable if its composite reliability value exceeds 0.7.

The inner model is evaluated based on the coefficient of determination (R2) and the cross-validated redundancy value (Q2) (Hair et al., 2017). The explanation indicates that when the R2 value ≤0.75, the prediction model has a significant level of accuracy; when the R2 value is ≤0.50, the model has a medium Extent of precision; and ≤0.25, the design has a low Extent of precision. The Q2 value review the predictability strength of the model. The credibility of model predictions is deemed satisfactory and acceptable if the Q2 value is more significant than zero. (Rosmita Rasyid, 2019).

Finally, hypothesis examination in a sequential manner, comprising two stages. The initial step involves evaluating the Immediate impact between the variables. Suppose the results reveal that the correlation between variables is substantial. In that case, the examination continues by assessment the mediated impact or, within this research, the mediating influence of the moneytary knowledge factor.

4. RESULTS AND DISCUSSION

4.1. Research Results

4.1.1. Outer Model Measurement Results

This study assesses construct validity and reliability to evaluate the outer measurement model. Construct validity is measured by examining the outer loading value of each indicator and the Average Variance Extracted (AVE) value for each latent variable.

The test results show that each variable indicator has an outer loading value above 0.5, which means the indicators are valid in measuring their respective constructs. In addition, the AVE value for each latent variable is more significant than 0.5 (Hair et al., 2017), indicating that the latent variable can explain more than 50% of the variance of its indicators. For construct reliability, this study uses the composite reliability measure. The composite reliability value for each latent variable exceeds 0.7, indicating that the constructs have good reliability (Rosmita Rasyid, 2019).

Thus, it can be concluded that all latent variables in the external measurement model have met the required validity and reliability criteria. Invalid data has been discarded, and testing is repeated until all remaining information is accurate.

Table 2. Outer Model Measurement Results

Variables and Indicators	Outer Loading	AVE	CR
Convenience			
X1.1	0.780		
X1.2	0.832		
X1.3	0.804		
X1.4	0.748	0.633	0.912
X1.5	0.836		
X1.6	0.770		
Security			
X2.1	0.872		
X2.2	0.833	0.698	0.874
X2.4	0.800		
Utilitarian Value			
X3.1	0.844		
X3.2	0.790		
X3.3	0.705		
X3.4	0.776	0.619	0.907
X3.5	0.775		
X3.6	0.821		
Risk Perception			
X4.1	0.778		
X4.2	0.826		
X4.3	0.823		
X4.4	0.824	0.629	0.922
X4.5	0.807		
X4.6	0.778		
X4.7	0.711		

PEER TO PEER LENDING : GENERATION Z ATTRACTION
FACTORS AND FUTURE IMPLICATIONS
Felisia Panjaitan, Servatia Mayang Setyowati, Yoshia Christian Mahulete

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Financial Literacy			
X5.1	0.725		
X5.2	0.847	0.681	0.864
X5.3	0.896		

Source: Results of research data processing 2024

4.1.2. Inner Model Measurement Results

Evaluation of the structural or inner model is done to assess the model's overall fit. This is done by examining two essential criteria: the coefficient of determination (R^2) and cross-validated redundancy (Q^2). The coefficient of determination (R^2) measures how well the model can explain endogenous (dependent) variable variations. R^2 values range between 0 and 1, with higher values indicating a better model. According to the proposed criteria, R^2 values of 0.75, 0.50, or 0.25 can be considered substantial, moderate, or weak.

Meanwhile, cross-validated redundancy (Q^2) measures how well the model can predict the observed values of the indicators of the endogenous variables. A Q^2 value greater than zero indicates the model has predictive relevance, and the greater the Q^2 value, the better the model is at predicting observed values. By evaluating the R^2 and Q^2 values, this study can assess how well the structural model can explain and predict endogenous variables, thus providing an overview of the strengths and weaknesses of the tested model. Table 3 displays the inner model assessment test.

Tabel 3. Inner Model Measurement Results

Endogen Variable	Coefficient of Determination (R2)	Cross-Validated Redundancy (Q2)
Behavioral Intention (Y1)	0.528	0.481

Source: Results of research data processing 2024

Table 3 shows that the behavioral intention variable to use the behavioral intention variable has an R^2 value of 0.528. This implies that convenience, security, utilitarian value, perception of risk, and level of financial literacy determine the behavioral intention variable to use a total of 52.8%, and other variables influence the remaining 47.2%.

Moreover, the coefficient of determination (R^2) for the variables exceeds 0.5, indicating the variables used possess a reasonably robust level of predictive power within the model. Table 3 further demonstrates the variables have a Q^2 above zero, signifying the reliability of the model's predictions, allowing the model to be accepted.

4.1.3. Hypothesis Testing Results

In this study, hypothesis checking uses the beta coefficient (β) and p-value as a reference. The results of hypothesis testing are shown in Table 4.

Table 4. Hypothesis Testing Results

Hypothesis		p-value	Conclusions
Direct Effect			
X1 → Y1	0.025	>0.01	H1 unsupported
X2 → Y1	0.049	>0.01	H2 unsupported

X3 → Y1	0.355	<0.01	H3 supported
X4 → Y1	0.215	<0.01	H4 supported
X5 → Y1	0.216	<0.01	H5 supported

Source: Results of research data processing 2024

Table 5. Split Sample Testing Results

Hypothesis	β	p-value	Conclusions
Direct Effect			
On Men			
X1 → Y1	-0.026	>0.01	H1 unsupported
X2 → Y1	-0.045	>0.01	H2 unsupported
X3 → Y1	-0.606	<0.01	H3 supported
X4 → Y1	-0.060	>0.01	H4 unsupported
X5 → Y1	-0.376	<0.01	H5 supported
In Women			
X1 → Y1	0.019	>0.01	H1 unsupported
X2 → Y1	0.088	>0.01	H2 unsupported
X3 → Y1	0.186	>0.01	H3 unsupported
X4 → Y1	0.223	>0.01	H4 unsupported
X5 → Y1	0.373	<0.01	H5 supported
On <2 million revenue			
X1 → Y1	0.087	>0.01	H1 unsupported
X2 → Y1	0.038	>0.01	H2 unsupported
X3 → Y1	0.229	>0.01	H3 unsupported
X4 → Y1	0.193	>0.01	H4 unsupported
X5 → Y1	0.408	<0.01	H5 supported
On >2 million revenue			
X1 → Y1	-0.070	>0.01	H1 unsupported
X2 → Y1	0.002	>0.01	H2 unsupported
X3 → Y1	0.433	<0.01	H3 supported
X4 → Y1	0.194	>0.01	H4 unsupported
X5 → Y1	0.278	<0.01	H5 supported
On Modalku Application			
X1 → Y1	-0.101	>0.01	H1 unsupported
X2 → Y1	0.034	>0.01	H2 unsupported
X3 → Y1	0.240	>0.01	H3 unsupported
X4 → Y1	0.363	<0.01	H4 supported
X5 → Y1	0.456	<0.01	H5 supported
Besides Modalku Application			
X1 → Y1	0.020	>0.01	H1 unsupported
X2 → Y1	0.043	>0.01	H2 unsupported
X3 → Y1	0.415	<0.01	H3 supported
X4 → Y1	0.078	>0.01	H4 unsupported
X5 → Y1	0.286	<0.01	H5 supported

Source: Results of research data processing 2024

**PEER TO PEER LENDING : GENERATION Z ATTRACTION
FACTORS AND FUTURE IMPLICATIONS**
Felisia Panjaitan, Servatia Mayang Setyowati, Yoshia Christian Mahulete

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Explicitly stated effect, Table 4 illustrates the connection between Convenience and Behavioral Intention has a beta coefficient (β) of 0.025 and a p-value of >0.001. This indicates that convenience does not affect behavioral intention, so hypothesis 1 is unsupported. The relationship between security and behavioral intention has a beta coefficient (β) of 0.0.49 and a p-value> 0.001, indicating that behavioral intention does not support security. So, hypothesis 2 is also unsupported. Furthermore, the association with utilitarian value, perceived risk, and financial literacy on behavioral intention has a beta coefficient (β) of more than 0.1 through a p-value below 0.001, implying that the three variables affect behavioral intention, so hypotheses 3, 4, and 5 are supported.

However, table 5 differs from the split sample results for women and men. In men, only utilitarian value and financial literacy variables have an effect. This is supported by previous research by (Chen et al., 2023) that there is a gender gap in fintech in men and women. In addition, there are findings by (Dixon et al., 2014) that public access internet users are predominantly male. Meanwhile, in the female sample test, financial liberation affects behavioral intentions in P2PL. This finding is related to previous research by (Armantier et al., 2021) that women are worried about the impact of sharing their data on personal safety in fintech. This shows that women with sound financial literacy can evaluate risks and are more informed about P2PL services. The author argues that the gap indicates that Gen Z men are more aware of the benefits of fintech than more dominant men in fintech. On the other hand, women are more measured and considerate in their understanding. The author argues that the higher cost of living gap influences women's trust and decision-making.

4.2. Discussion
4.2.1. The Effect of Convenience on Behavioral Intention

The results of hypothesis testing show that the convenience variable does not determine the behavior desire to use P2PL. This finding suggests that the tech-savvy generation is a group that grew up in an era where technology is an integral part of everyday life. The convenience factor is not a driver of behavioral intention to use or borrow for Gen Z. This finding is consistent with the findings of previous researchers (Lin & Yu, 2023) and (U et al., 2022) that easy access to does not affect the adoption of EPI and the utilization of electronic reading devices.

4.2.2. Effect of Security on Behavioral Intention

Through hypothesis analysis, security has no impact on conduct purpose. This finding indicates that Gen Z has a high perception of internal security, and the distraction from news and Gen Z's relationship to the protection of the data provided is misused. The security factor is not a driver of behavioral intention to use or borrow for Gen Z. This study is consistent with previous research by (Lin & Yu, 2023) which found easy access to the acceptance and use of digital reading tools.

4.2.3. Effect of Utilitarian Value on Behavioral Intention

The results of hypothesis testing show that the utilitarian value variable determines behavioral intention. This finding states that Gen Z, in terms of finance, tends to look for

efficient and convenient solutions. Be accessible to fulfill Gen Z FOMO desires. The safety factor is not a driver of behavioral intention to use or borrow for Gen Z.

This study is consistent with the results of previous literature by (Susanti et al., 2020), whose findings are related to borrowing intentions influenced by utilitarian value factors, which have a significant positive effect. Likewise, the split sample of respondents with income >2 million supports this, seeing the main benefit of P2PL as the fastest access to additional funds and allowing them to repay. Behavioral intentions to fulfill FOMO or primary will lead to repeat transactions for Gen Z.

4.2.4. Effect of Risk Perception on Behavioral Intention

Based on the hypothesis testing results, risk perception has a significant effect on behavioral intentions in using P2PL. This finding shows that Gen Z takes into account the risks in P2PL. The higher the risk perception of Gen Z, the more sensitive to negative consequences that can occur and reduce behavioral intentions in P2PL.

This result is consistent with the existing literature (Lin & Yu, 2023) that easy access to the acceptance and use of digital reading tools. Low-risk tolerance is also related to financial literacy (Hermansson & Jonsson, 2021).

4.2.5. Effect of Financial Literacy on Behavioral Intention

Hypothesis findings show that financial literacy variables determine behavioral intentions. This finding indicates that Gen Z involves knowledge in using fintech. Through high optimism, directing has a positive behavioral intention.

This finding is consistent with previous studies by (Novantia Berlianti et al., 2023) that financial literacy factors influence Gen Z's investment decisions. The split sample results in Table 5 show that people with incomes of more or less than 2 million still have financial literacy in behavioral intentions towards P2PL. In addition, it will tend to have low-risk tolerance associated with high financial literacy (Hermansson & Jonsson, 2021)

5. CONCLUSION

This study explains the determination of factors that influence behavioral intentions through P2PL so that it can be concluded that three aspects determine Gen Z behavioral intentions in the adoption of this loan service, namely the utilitarian value factor, risk perception, and financial literacy, each factor has a p-value below 0.01. Where the three factors have a positive and significant effect on behavioral intentions, this study's results are from previous research (Mohta & Shunmugasundaram, 2023) that the quality of financial literacy influences risk-taking capacity and risk propensity. In this study, Gen Z states that financial literacy can affect risk perception in behavioral intentions. As supported by (Yakoboski et al., 2022) Gen X, y, and z of economic uncertainty is a driver in increasing Gen Z financial literacy.

Slik can affect Gen Z's utilitarian value when doing peer-to-peer lending. Gen Z, with high utilitarian values, will see the benefits of doing so, starting from the financial benefits of meeting their needs quickly and easily. In addition, FoMO influences Gen Z's behavioral intentions because of their desire to always be "up to date" with financial trends and the

**PEER TO PEER LENDING : GENERATION Z ATTRACTION
FACTORS AND FUTURE IMPLICATIONS**
Felisia Panjaitan, Servatia Mayang Setyowati, Yoshia Christian Mahulete

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guidance of hedonism. So, high FoMO can affect Gen Z SLIK in the future, making it difficult for them to apply for a loan.

These findings can add to Gen Z's knowledge of broader mindset and critical thinking. With the background that Gen Z is still financially independent in the digital era. These results show that convenience and security are optional to Gen Z behavioral intentions. This, it becomes the main focus that must be considered by service providers, especially in targeting their market and developing service features that are more relevant to Gen Z preferences and needs in P2PL. The limitation of this study is that some respondents needed help understanding some of the statements. In addition, this questionnaire is challenging to reach Gen Z with such negative presumptions.

Acknowledgement

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