

Shaping Digital Banking Usage Preferences: The Impact of Trust, Literacy, and Digital Competences

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Abstract

The digital transformation of Indonesia's banking sector has significantly influenced consumer behavior, especially regarding digital banking services. This study investigates how financial literacy, digital literacy, and service quality impact user preferences for digital banks, with trust acting as a moderating variable. Focusing on East Java, a region with the highest digital transaction growth, 400 respondents were surveyed from cities with the highest adoption of digital banking services. Using a purposive sampling method, data were analyzed with SmartPLS 3.0 to test the relationships between the variables and the moderating role of trust. The results show that trust, digital literacy, and financial literacy significantly and positively influence digital banking preferences. Among these, digital literacy was found to have the strongest impact on shaping user preferences for technology and digital security. Trust positively moderates the effect of digital literacy on preferences while weakening the relationship between financial literacy and preferences, with no moderating effect observed on service quality. These findings underline the importance of trust and literacy in fostering secure and sustainable digital banking adoption in Indonesia.

Keywords:

Digital Banking Usage Preference; Literacy; Service Quality

JEL Code: D12, G21

Received Month Date Years; Received in revised form Month Date Years; Accepted Month Date Years; Available online Month Date Years (Written by editor)

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