

The effect of financial literacy and user experience on e-wallet user loyalty with user satisfaction as a mediation variable on generation Z in Cirebon City



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ABSTRACT

This study examines the influence of financial literacy and user experience on e-wallet user loyalty, with user satisfaction serving as a mediating variable among Generation Z in Cirebon City. Adopting a quantitative explanatory approach, data were collected from 120 active e-wallet users through a structured questionnaire and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS). The findings reveal that financial literacy and user experience do not directly influence user loyalty. However, both variables have a positive and significant effect on user satisfaction, which in turn significantly enhances user loyalty. Furthermore, user satisfaction fully mediates the relationships between financial literacy and loyalty as well as between user experience and loyalty, indicating that loyalty is developed primarily through users' satisfaction rather than through the direct effects of financial knowledge or service experience. These findings highlight the pivotal role of user satisfaction in strengthening customer retention in the digital payment ecosystem. The study contributes to the literature on digital financial services by extending understanding of the mechanisms underlying e-wallet loyalty among Generation Z and provides practical implications for service providers seeking to enhance long-term user engagement through improved customer experience and satisfaction.

Keywords: Financial Literacy; User Experience; User Satisfaction; User Loyalty; E-Wallet; Generation Z



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INTRODUCTION

The development of digital technology has brought significant changes to people's financial transaction systems, moving from cash-based payments to faster and more efficient digital payment systems (Dahlberg et al., 2015). This shift has accelerated the adoption of various digital financial services, including electronic wallets (e-wallets), which allow transactions to be conducted solely through mobile devices (Arini et al., 2024). This behavioral shift is particularly evident among Generation Z, known as a technology-adaptive generation with a high propensity to use digital services for daily activities, including financial management (Widyasanti & Suarmanayasa, 2023; Fitriani & Nugroho, 2022).

In Cirebon City, e-wallet usage has shown rapid growth along with increasing internet access and smartphone ownership (Hayatunnasha & Parlina, 2026). E-wallets are used not only for basic needs like paying for food and transportation, but also for more complex transactions like online shopping, paying routine bills, and even digital investment services. This indicates that e-wallets have become part of urban consumption patterns. However, the increasing intensity of e-wallet use also presents new challenges, particularly regarding individuals' ability to manage their finances rationally and responsibly (Putri & Pratama, 2021; Hidayat et al., 2022).

One of the main factors influencing e-wallet user behavior is financial literacy (Wiyanto, 2023). Financial literacy reflects an individual's ability to understand basic financial management concepts, such as budget planning, spending control, and understanding the risks involved in using digital financial products (OECD, 2022). Individuals with higher levels of financial literacy tend to be wiser in using digital financial services and are able to optimize benefits without incurring excessive financial risks. Conversely, low financial literacy has the potential to encourage consumptive behavior and uncontrolled e-wallet use (Lusardi & Mitchell, 2020; Sari & Ramadhani, 2021).

In addition to financial literacy, user experience is a crucial factor in determining the continued use of e-wallet services (Budirahardjo & Laksmidewi, 2022). User experience encompasses ease of navigation, clarity of interface, transaction speed, and perceived level of security (Rahardja et al., 2022). An application with a good user experience can create a sense of comfort, increase trust, and reinforce positive perceptions of the service. Conversely, a less-than-optimal experience can decrease satisfaction and encourage users to switch to other services (Hidayat & Saifulloh, 2022; Sholikhah & Wibowo, 2023).

User loyalty is a crucial aspect in the competitive digital financial services industry. Loyalty is reflected not only in the frequency of service use but also through a commitment to long-term use and a willingness to recommend the service to others (Watson et al., 2024). However, previous research has yielded mixed results regarding the factors influencing e-wallet user loyalty. Some studies found a direct effect of financial literacy on loyalty, while others suggest a stronger effect through intermediary variables (Rahmayanti & Kencana, 2023; Prasetyo et al., 2022).

In this context, user satisfaction is viewed as a mediating variable with a strategic role. Satisfaction occurs when the service received meets or exceeds user expectations, both in terms of ease of use, transaction security, and perceived benefits. Satisfied users tend to develop a stronger emotional attachment to the service they use, gradually fostering loyalty. Therefore, this study is crucial to examine the influence of financial literacy and user experience on e-wallet user loyalty through user satisfaction,

particularly among Generation Z in Cirebon City, a group of active users of digital financial services (Kotler & Keller, 2020; Rahman et al., 2021).

Several previous studies have explored e-wallet user loyalty, but findings remain mixed, particularly regarding the role of financial literacy and user experience quality in driving loyalty. Most studies focus on the direct relationship between variables, with few comprehensively examining the role of user satisfaction as an intermediary variable. Furthermore, research specifically examining Generation Z behavior in developing cities like Cirebon remains relatively limited. This suggests a significant area of research that needs further exploration.

The novelty of this research lies in its attempt to build a more comprehensive model to explain e-wallet user loyalty by combining financial literacy and app usage experience, and positioning user satisfaction as the explanatory mechanism for the relationship between the variables. Furthermore, this study empirically captures the behavior of Generation Z in Cirebon City, a topic that has not been widely explored in similar research.

LITERATURE REVIEW, RESEARCH FRAMEWORK, AND HYPOTHESIS

Financial Literacy Theory

According to Rahmawati and Firmansyah (2021), digital financial literacy is not only the ability to understand basic financial concepts but also encompasses an individual's ability to utilize technology-based financial instruments, including e-wallets. Individuals with good digital financial literacy are generally better able to assess the benefits and risks of digital financial services, thus being more prudent in managing transactions, evaluating application features, and avoiding uncontrolled consumer behavior. Their findings also confirm that financial behavior, financial attitudes, and understanding of financial concepts are significant factors influencing financial satisfaction, particularly among users of digital services such as e-wallets.

User Experience Theory

According to Nugroho (2022), user experience is a user's overall perception of their interaction with a digital application, encompassing aspects of convenience, ease of navigation, interface design, and feature responsiveness. In the context of e-wallet use, the quality of the user experience is a key determinant of whether the service is perceived as effective and enjoyable. Nugroho's research shows that the better the digital experience users receive, the higher their level of satisfaction and their tendency to reuse the same service. This confirms that user experience plays a crucial role as a predictor of loyalty in digital financial services.

User Satisfaction Theory

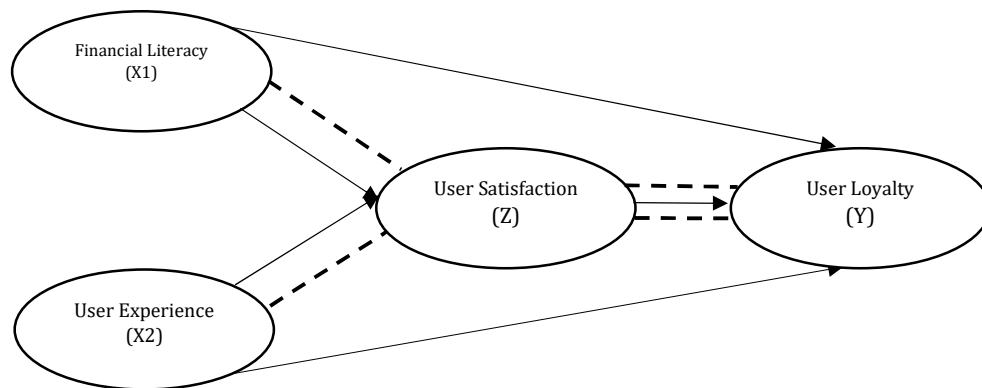
According to Putri (2020), user satisfaction is a subjective evaluation that emerges after users compare their expectations with the actual performance of a digital service. In e-wallet use, dimensions such as ease of use, perceived usefulness, service speed, and transaction security are dominant factors shaping satisfaction levels. Putri emphasized that satisfaction is not only an indicator of met expectations but also serves as a mediating variable linking user experience to loyalty. Satisfied users tend to maintain application usage and even recommend it to others.

User Loyalty Theory

According to Hidayat (2023), user loyalty in digital financial services reflects a person's ongoing commitment to continue using an application despite the presence of many alternative options. This loyalty is generally demonstrated through a desire to make repeat transactions, a level of dependence on application features, and a tendency to recommend the application to other users. Hidayat explained that factors such as service quality, perceived value, user experience, and satisfaction have a significant positive relationship with user loyalty. Furthermore, satisfaction has been shown to be a mediator that strengthens the influence of user experience on loyalty in the e-wallet ecosystem.

Research Framework

This study proposes a conceptual framework that examines the relationships among financial literacy, user experience, user satisfaction, and user loyalty in the context of e-wallet services. Financial literacy and user experience are treated as independent variables that are expected to directly influence both user satisfaction and user loyalty. User satisfaction functions as a mediating variable that not only has a direct effect on user loyalty but also mediates the relationships between financial literacy and user loyalty as well as between user experience and user loyalty. Accordingly, the framework consists of seven hypotheses: financial literacy positively influences user satisfaction (H1) and user loyalty (H3), user experience positively influences user satisfaction (H2) and user loyalty (H4), user satisfaction positively influences user loyalty (H5), user satisfaction mediates the relationship between financial literacy and user loyalty (H6), and user satisfaction mediates the relationship between user experience and user loyalty (H7). This framework provides a theoretical basis for understanding how financial literacy and user experience contribute to strengthening user loyalty through the mediating role of user satisfaction in e-wallet services.



Source: Constructed by authors, 2026

Figure 1
Framework

Hypothesis

Based on the theoretical foundation and the relationships among the variables proposed in the conceptual framework, this study formulates several hypotheses to examine the

direct and indirect effects of financial literacy, user experience, user satisfaction, and user loyalty in the context of e-wallet services.

H1: Financial Literacy has a positive effect on User Satisfaction among Generation Z e-wallet users in Cirebon City.

H2: User Experience has a positive effect on User Satisfaction among Generation Z e-wallet users in Cirebon City.

H3: Financial Literacy has a positive effect on User Loyalty among Generation Z e-wallet users in Cirebon City.

H4: User Experience has a positive effect on User Loyalty among Generation Z e-wallet users in Cirebon City.

H5: User satisfaction has a positive effect on user loyalty among Generation Z e-wallet users in Cirebon City.

H6: User Satisfaction mediates the influence of Financial Literacy on User Loyalty among Generation Z e-wallet users in Cirebon City.

H7: User Satisfaction mediates the influence of User Experience on User Loyalty among Generation Z e-wallet users in Cirebon City.

METHOD

This study employs a quantitative approach with explanatory research (Hair et al., 2022), focusing on elucidating the causal relationships between financial literacy, user experience, user satisfaction, and e-wallet user loyalty among Generation Z in Cirebon City. This quantitative approach was chosen to objectively describe conditions through numerical data processed using statistical techniques, allowing the findings to be empirically tested. According to Sugiyono (2021), quantitative research emphasizes hypothesis testing through the use of standardized instruments and mathematical analysis to ensure the relationships between variables can be clearly measured. Similarly, Creswell (2020) explains that explanatory research aims to assess the strength of the influence between variables through systematic statistical analysis procedures. Therefore, this method is considered appropriate for examining how financial literacy and user experience contribute to e-wallet user loyalty, as well as assessing the role of satisfaction as a mediating variable.

The population in this study is Generation Z domiciled in Cirebon City, namely individuals born between 1997 and 2012. In the 2025/2026 academic year, Generation Z is in the age range of 13–29 years. However, this study specifically limits respondents to the age of 17–27 years, because this age group is considered to have the ability to make financial decisions and is relevant to the context of E-Wallet users. Based on data from the Central Statistics Agency (2024), the population of Cirebon City in the age range of 15–29 years was recorded at 88,220 people. The number of samples was determined using the Slovin formula (Sevilla et al., 1992) with a 10% error rate ($e = 0.10$), so the calculation is:

$$n = \frac{N}{1 + N e^2} = \frac{88.220}{1 + 88.220 (0,1)^2} \approx 99,9$$

Thus, the minimum sample size was set at 100 respondents. To increase representativeness and anticipate the possibility of invalid or incomplete data, this study set a sample size of 120 respondents.

The sampling technique used is purposive sampling, with the following criteria:

1. Aged between 17–27 years (including generation Z);
2. Domiciled in Cirebon City;

3. Have made transactions using an e-wallet at least three times a month
4. Actively using e-wallet for at least the last 6 months;

The data used is primary data, obtained directly from questionnaires distributed to respondents. Secondary data, including previous research, scientific journals, and statistical reports related to financial literacy and e-wallet usage behavior, were used as supporting data. Primary data was collected using a five-point Likert scale-based questionnaire, namely:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

The questionnaire was distributed online using Google Forms to make it easier for respondents to answer efficiently.

Validity and reliability tests were conducted on the measurement model (outer model) using the PLS-SEM approach with reference to Hair et al. (2021), including:

1. Convergent Validity: outer loading (ideal ≥ 0.70) and AVE (≥ 0.50).
2. Reliability, assessed through Composite Reliability and Cronbach's Alpha (≥ 0.70).
3. Discriminant validity, using the Heterotrait-Monotrait Ratio (HTMT), where the HTMT value

This study uses the SEM-PLS approach with the assistance of SmartPLS software (Hair et al., 2022). The analysis procedure includes:

1. Descriptive Analysis: Respondent characteristics and description of financial literacy levels, User Experience, E-Wallet User Loyalty, User Satisfaction.
2. Outer Model Evaluation: through outer loading and AVE, as well as discriminant validity using HTMT. Reliability was measured by Composite Reliability and Cronbach's Alpha, each with a threshold of ≥ 0.70 .
3. Inner Model Evaluation: Through path coefficients, R^2 values, and the significance of the relationship between constructs using bootstrapping.
4. Hypothesis Testing: Based on the path coefficient value and P-Value from bootstrapping results.
5. Mediation Test: Conducted to analyze indirect effects using Bootstrapping, mediation is significant if the P-Value.

RESULTS AND DISCUSSION

Descriptive Analysis

Before conducting the analysis, this study presents a description of the research respondents. Information was obtained from 119 respondents who participated by completing a research questionnaire. The respondent profiles are shown in the following table.

Table 1
Respondent Profile

Characteristics	Category	Amount	Percentage
Gender	Woman	80	67.2%
	Man	39	32.8%

Age	17-19	23	19.3%
	20-22	82	68.9%
	23-25	11	9.2%
	26-27	4	3.4%
The most frequently used e-wallet	Funds	92	77.3%
	Ovo	9	7.6%
	Shopeepay	39	32.8%
Frequency of e-wallet transactions per month	1-5 times	44	37%
	6-10 times	36	30.3%
	11-20 times	24	20.2%
	>20 times	21	17.6%
Length of e-wallet use	< 6 months	18	15.1%
	6-12 months	13	10.9%
	1-2 years	19	16%
	> 2 years	72	60.5%

Source: Data Processing 2026

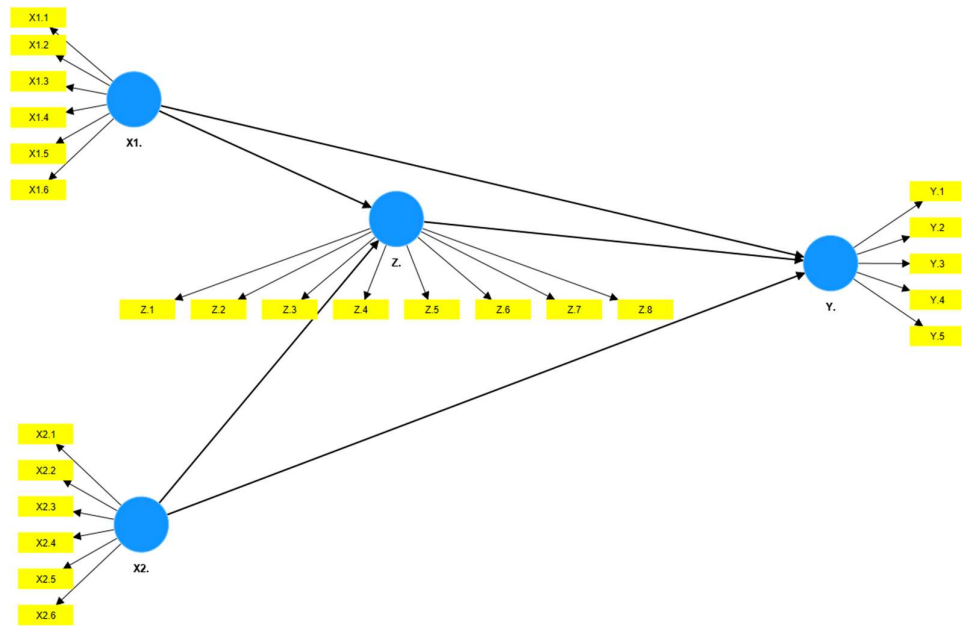
Based on Table 1, this study involved 119 Generation Z respondents in Cirebon City. The majority of respondents were aged 20–22 years (68.9%) and were predominantly female (67.2%). Most respondents used Dana as their primary e-wallet (77.3%). In terms of usage intensity, the majority made transactions 1–5 times per month (37%), and more than half of respondents had used the e-wallet for more than 2 years (60.5%).

In general, these characteristics indicate that respondents are quite active and experienced e-wallet users, so it is relevant to analyze the influence of financial literacy and user experience on user loyalty with satisfaction as a mediating variable.

Outer Model Evaluation

The outer model (measurement model) is used to evaluate the relationship between latent constructs and their observed indicators. The primary objective of the outer model evaluation is to assess whether the measurement indicators are valid and reliable in representing their respective constructs before testing the structural relationships among the latent variables (Hair et al., 2022).

Convergent validity is assessed through outer loading and Average Variance Extracted (AVE) values. An indicator is considered to have adequate convergent validity when its outer loading is at least 0.70, indicating that the indicator explains a substantial proportion of the variance of its corresponding construct. In addition, the AVE value should be greater than 0.50, indicating that the construct explains more than half of the variance of its indicators (Hair et al., 2022).



Source: Data Processing 2026

Figure 2
Convergent Validity Results Based on Outer Loadings

Convergent Validity Test

Convergent validity is used to assess the extent to which the indicators of a latent construct are highly correlated and adequately represent the construct they are intended to measure. The primary objective of convergent validity testing is to ensure that all indicators have sufficient explanatory power in measuring their respective latent variables before proceeding to the structural model evaluation (Hair et al., 2022).

Convergent validity is commonly assessed using outer loading and Average Variance Extracted (AVE). According to Hair et al. (2022), an indicator is considered valid when it has an outer loading of at least 0.70, indicating that more than 50% of the indicator's variance is explained by the latent construct. In addition, each construct should have an AVE value greater than 0.50, demonstrating that the construct explains more than half of the variance of its indicators. Therefore, indicators and constructs that meet these criteria are considered to have satisfactory convergent validity (Hair et al., 2022).

Table 2
Convergent Validity Test

Variables	Item	Loading Factor	Ave	Information
Financial Literacy	X1.1	0.783	0.622	Valid
	X1.2	0.802		Valid
	X1.3	0.798		Valid
	X1.4	0.794		Valid
	X1.5	0.771		Valid
	X1.6	0.784		Valid
Uxer experience	X2.1	0.753	0.592	Valid
	X2.2	0.749		Valid
	X2.3	0.784		Valid

	X2.4	0,781		Valid
	X2.5	0,782		Valid
	X2.6	0,766		Valid
Kepuasan pengguna	Y.1	0.792	0.642	Valid
	Y.2	0.792		Valid
	Y.3	0,819		Valid
	Y.4	0,812		Valid
	Y.5	0,790		Valid
Loyalitas Pengguna	Z.1	0,732	0,569	Valid
	Z.2	0,743		Valid
	Z.3	0,779		Valid
	Z.4	0,756		Valid
	Z.5	0,777		Valid
	Z.6	0.778		Valid
	Z.7	0.709		Valid
	Z.8	0.756		Valid

Source: Data Processing 2026

Based on the results of the outer model test, all indicators in the Financial Literacy (X1), User Experience (X2), User Satisfaction (Y), and User Loyalty (Z) constructs showed outer loading values above 0.70. This indicates that each indicator has met the convergent validity criteria and is able to adequately represent the construct being measured.

Referring to the opinion of Yusuf Haji-Othman and Mohd Shukri Shamsuddin Yusuff (2022), indicators with outer loading values between 0.40 and 0.70 can still be considered for retention or removal based on their impact on the Average Variance Extracted (AVE) and composite reliability. However, in this study, no indicators had outer loading values below 0.70, so no evaluation or removal was necessary.

Furthermore, all constructs had AVE values above 0.50, namely Financial Literacy at 0.622, User Experience at 0.592, User Satisfaction at 0.642, and User Loyalty at 0.569. Thus, each construct was able to explain more than 50% of the variance in its indicator and met the convergent validity criteria.

Based on these results, it can be concluded that all indicators are retained in the model because they have met the acceptance criteria statistically and are theoretically relevant, so that the measurement model is declared valid and suitable to proceed to the structural model testing stage.

Discriminant Validity

Discriminant validity is used to assess whether each latent construct is empirically distinct from the other constructs in the measurement model. The primary objective of discriminant validity testing is to ensure that a construct measures a concept that is unique and not excessively correlated with other constructs, thereby confirming that each construct captures a different theoretical phenomenon (Henseler et al., 2015; Hair et al., 2022).

In Partial Least Squares Structural Equation Modeling (PLS-SEM), discriminant validity is commonly assessed using the Heterotrait–Monotrait Ratio (HTMT). According to Henseler et al. (2015), discriminant validity is established when the HTMT value is below 0.90. For studies involving conceptually similar constructs, a more conservative threshold of 0.85 may also be applied. When all HTMT values are below the recommended threshold, each construct is considered empirically distinct from the

others, indicating satisfactory discriminant validity (Henseler et al., 2015; Hair et al., 2022).

Table 3
Discriminant Validity

Construct	Financial Literacy	User Satisfaction	User Satisfaction	User Loyalty
X.1	0.789			
X.2	0.816	0.769		
Y.	0.721	0.767	0.801	
Z.	0.808	0.861	0.838	0.754

Source: Data Processing 2026

Based on the results of the discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT), all HTMT values between constructs were below the threshold of 0.90. This indicates that each construct in the research model has an adequate level of differentiation and does not experience excessive measurement overlap with other constructs.

Thus, it can be concluded that discriminant validity has been met based on the HTMT criteria, indicating that each construct is capable of empirically representing different concepts. These results also strengthen the findings in the discriminant validity test, considering that HTMT is a more sensitive approach and is recommended in the current PLS-SEM literature.

Reliability Test

Reliability testing is conducted to evaluate the internal consistency of the measurement indicators used to represent each latent construct. The primary objective of reliability assessment is to determine whether the indicators consistently measure the same construct and produce stable and dependable results (Hair et al., 2022).

In Partial Least Squares Structural Equation Modeling (PLS-SEM), reliability is commonly assessed using Cronbach's Alpha and Composite Reliability (CR). Cronbach's Alpha measures the internal consistency of the indicators under the assumption that all indicators have equal reliability, whereas Composite Reliability provides a more accurate estimate because it considers the different outer loading values of each indicator. According to Hair et al. (2022), both Cronbach's Alpha and Composite Reliability should have values of 0.70 or higher to indicate satisfactory reliability. Values between 0.70 and 0.95 are generally considered acceptable, while values exceeding 0.95 may indicate redundancy among indicators.

Table 4
Reliability Test

Variable	Cronbach's Alpha	Composite Reliability
Financial Literacy	0.878	0.908
User Experience	0.862	0.897
User Satisfaction	0.860	0.900
User Loyalty	0.891	0.913

Source: Data Processing 2026

All constructs demonstrated Cronbach's Alpha and Composite Reliability values above 0.70, indicating the indicators' internal consistency in measuring their respective constructs. Furthermore, the Average Variance Extracted (AVE) values for all variables also exceeded 0.50, confirming convergent validity.

Structural Model Evaluation (Inner model)

The inner model (structural model) is used to evaluate the relationships among latent constructs proposed in the research model. The primary objective of the inner model assessment is to determine the predictive capability of the exogenous variables in explaining the endogenous variables and to examine the strength and significance of the hypothesized relationships (Hair et al., 2022).

One of the main criteria for evaluating the structural model is the coefficient of determination (R^2), which indicates the proportion of variance in an endogenous construct explained by its exogenous constructs. According to Hair et al. (2022), R^2 values of 0.75, 0.50, and 0.25 can be interpreted as substantial, moderate, and weak, respectively. A higher R^2 value indicates greater explanatory power of the structural model.

Table 5
R Square

Variables	R-square	R-square adjusted
User Loyalty	0.713	0.705
User Satisfaction	0.775	0.771

Source: Data Processing 2026

Based on the results of the structural model evaluation, the R-square value for variable Y is 0.713 with an adjusted R-square of 0.705, indicating that the exogenous variables in the model are able to explain approximately 71% of the variation in variable Y. Meanwhile, variable Z has an R-square value of 0.775 and an adjusted R-square of 0.771, indicating that most of the variation in variable Z can be explained by the constructs that influence it in the research model. According to Hair et al. (2022), R-square values in the moderate to strong category reflect good predictive ability of the model. Thus, the structural model in this study is considered to have adequate explanatory power to explain the relationship between the variables studied.

Hypothesis Testing

Hypothesis testing is conducted to determine whether the proposed relationships among the latent constructs are statistically significant. The primary objective of hypothesis testing is to evaluate whether the empirical data support the research hypotheses by examining the magnitude, direction, and significance of the path coefficients in the structural model (Hair et al., 2022).

In Partial Least Squares Structural Equation Modeling (PLS-SEM), hypothesis testing is performed using the bootstrapping procedure. The significance of each relationship is evaluated based on the path coefficient (β), t-statistic, and p-value. According to Hair et al. (2022), a hypothesis is supported when the t-statistic exceeds 1.96 and the p-value is less than 0.05 at a 5% significance level. In addition, the sign of the path coefficient indicates the direction of the relationship between constructs.

Table 6
Hypothesis Testing

Hypothesis	Original sample(O)	Sample mean	Standard deviation (STDEV)	T statistics (IO/STDEV)	P Values
X1. -> Y.	0,079	0,076	0,099	0,794	0,427
X1. -> Z.	0,317	0,312	0,079	4,020	0,000

X2. -> Y.	0,137	0,142	0,114	1,204	0,229
X2. -> Z.	0,603	0,609	0,073	8,260	0,000
Z. -> Y.	0.657	0.655	0.099	6,626	0,000

Source: Data Processing (2026)

Based on the results of hypothesis testing through the bootstrapping procedure, it was found that not all relationships between variables showed a significant influence. The relationship between X1 and Y has a T-statistics value of 0.794 with a P-value of 0.427, and the relationship between X2 and Y with a T-statistics value of 1.204 and a P-value of 0.229, which indicates that both influences are not statistically significant. In contrast, the relationship between X1 and Z, X2 and Z and Y shows a T-statistics value that exceeds the limit of 1.96 and a P-value below 0.05, so it can be declared significant.

Mediation Test

Mediation analysis is conducted to examine whether an intervening variable transmits the effect of an independent variable to a dependent variable. The primary objective of mediation testing is to determine whether the indirect effect through the mediating variable is statistically significant and to understand the mechanism through which the independent variable influences the dependent variable (Hair et al., 2022; Nitzl et al., 2016).

In Partial Least Squares Structural Equation Modeling (PLS-SEM), mediation is assessed using the bootstrapping procedure by evaluating the indirect effect, t-statistic, and p-value. According to Hair et al. (2022), an indirect effect is considered statistically significant when the t-statistic exceeds 1.96 and the p-value is less than 0.05 at the 5% significance level. The significance of the indirect effect indicates that the mediating variable plays a significant role in transmitting the effect of the independent variable to the dependent variable.

Table 7
Mediation Test

Mediasi	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (lo/STDEV)	P values
X1. -> Z. ->Y.	0,208	0,205	0,062	3,329	0,001
X2. -> Z. ->Y.	0,396	0,398	0,075	5,292	0,000

Source: Pengolahan Data, 2026

Based on the results of the specific indirect effect test, it was found that the indirect effect of X1 on Y through Z had a T-statistics value of 3.329 with a P-value of 0.001, while the indirect effect of X2 on Y through Z showed a T-statistics value of 5.292 with a P-value of 0.000. These results indicate that both mediation pathways have a statistically significant effect. According to Hair et al. (2022), an indirect effect is declared significant if the T-statistics value exceeds 1.96 and the P-value is below 0.05, which indicates that the mediating variable functions effectively. Thus, variable Z can be stated to act as a mediator in the relationship between X1 and Y as well as X2 and Y.

CONCLUSION AND SUGGESTIONS

Based on the results of the SEM-PLS analysis, it can be concluded that the research model has met the eligibility criteria, both in the measurement model and the structural model, so that all variables are declared valid and reliable. The test results indicate that financial literacy and user experience do not directly influence e-wallet user loyalty. However,

both are proven to have a positive and significant effect on user satisfaction. Furthermore, user satisfaction has a positive and significant influence on loyalty and acts as a mediator in the relationship between financial literacy and loyalty, as well as between user experience and loyalty. This indicates that Generation Z's loyalty to e-wallets is stronger through increased user satisfaction. Therefore, improving financial literacy and the quality of user experience are important steps to encourage wiser e-wallet use and reduce consumptive behavior due to the convenience of digital transactions.

Based on the research findings, e-wallet service providers are advised to strengthen digital financial literacy programs that not only emphasize the utilization of application features, but also increase understanding of wise financial management, spending control, and more productive and targeted e-wallet use, thereby shaping healthy financial behavior in Generation Z and encouraging long-term financial planning, not just consumptive behavior.

Furthermore, user experience optimization needs to be continuously carried out by improving ease of navigation, speed and reliability of transaction systems, data security protection, and developing features relevant to the needs and characteristics of the younger generation, because a positive user experience will increase satisfaction and ultimately strengthen user loyalty. Furthermore, regulators and educational institutions are expected to utilize the findings of this study as a basis for designing digital financial literacy policies and education programs that are aligned with the development of electronic payment technology, in order to increase awareness, understanding, and responsibility of Generation Z in using digital financial services intelligently and safely.

For future research, it is recommended to add other variables such as trust, perceived security, ease of use, and social influence to make the research model more comprehensive, and expand the scope of the research area outside of Cirebon City so that the results obtained have a stronger level of generalizability and explanatory power.

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