ABSTRACT

Industry 4.0 and Covid-19 have transformed traditional financial business models into digital ones, accelerating financial transactions and inclusion. This study aims to determine the actual impact of the development of fintech implementation, including the influence of financial literacy, digital literacy, and consumer confidence levels on the development or growth of retail in Indonesia. This study uses a quantitative approach, primary data is collected through a Likert scale questionnaire (1–5) that measures the research variables. The analysis was carried out using multiple linear regression to test the direct relationship between variables and Structural Equation Modeling (SEM) to identify the mediating role of fintech literacy.

This study found that financial literacy has a positive and significant effect on retail growth without fintech literacy mediation, but its effect becomes insignificant when mediated by fintech literacy. Conversely, digital literacy only has a significant effect on retail growth if mediated by fintech literacy, but has no effect without mediation. The level of consumer confidence has a positive and significant effect on retail growth, both directly and with fintech literacy mediation. However, the limitation of this study lies in the cross-sectional data that does not allow for analysis of the dynamics of the relationship between variables over time. This study expands the literature on the influence of financial literacy, digital literacy, and consumer confidence levels on retail growth, both directly and through fintech mediation. The results confirm the role of fintech in strengthening the impact of digital literacy and consumer confidence levels on retail growth, so that it can be a reference for retail sector digitalization policies.

Keywords: *financial technology, financial literacy, digital literacy, retail, consumer confidence level*.