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## The Effect of Digital Financial Literacy on Transaction Decisions on Tiktok Shop Among the People of Cirebon with Consumer Trust as a Mediating Variable

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**Abstract:** This study aims to analyze the effect of digital financial literacy on transaction decisions on TikTok Shop among the people of Cirebon, with consumer trust serving as a mediating variable. Data were collected through an online questionnaire distributed to 150 respondents in Cirebon who had conducted transactions on TikTok Shop at least once within the last three months. The data were analyzed using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) method. The results indicate that digital financial literacy has a positive and significant effect on transaction decisions ( $\beta = 0.368$ ,  $p < 0.05$ ) and consumer trust ( $\beta = 0.742$ ,  $p < 0.05$ ). Consumer trust also has a positive effect on transaction decisions ( $\beta = 0.501$ ,  $p < 0.05$ ) and acts as a full mediator in the relationship between digital financial literacy and transaction decisions ( $\beta = 0.372$ ,  $p < 0.05$ ). Furthermore, the research model explains 66.0% of the variance in transaction decisions ( $R^2 = 0.660$ ). These findings indicate that improving digital financial literacy not only directly encourages transaction decisions but also indirectly through the development of consumer trust toward the TikTok Shop platform.

**Keyword:** Digital Financial Literacy, Consumer Trust, Transaction Decision, TikTok Shop, PLS-SEM, Cirebon

### INTRODUCTION

The rapid development of digital technology in recent years has significantly transformed global commerce. One of the most prominent developments is the emergence of social commerce, a form of electronic commerce that integrates social interaction, entertainment content, and commercial transactions within a single digital ecosystem. Social commerce enables consumers not only to purchase products online but also to interact with communities, creators, and digital content that influence their purchasing decisions. One of the platforms experiencing remarkable growth in this sector is TikTok Shop.

TikTok Shop introduces a new approach to online shopping by combining short-form video content, real-time social interaction, and integrated purchasing features. This model makes the shopping experience more interactive and experience-driven compared to traditional

e-commerce platforms. According to recent data, transaction volume on TikTok Shop in Indonesia increased by 150% in the third quarter of 2024, making it one of the fastest-growing social commerce platforms in Southeast Asia (Momentum Works, 2024).

This phenomenon is also evident at the regional level, including in Cirebon City. The penetration of e-commerce in the city has reached approximately 68% of the adult population, with TikTok Shop becoming one of the most popular platforms, particularly among younger consumers. However, the rapid growth of social commerce has also been accompanied by several challenges related to digital transaction security and consumer protection. A report by the Regional Office of the Financial Services Authority (OJK) West Java Region III (2024) indicates that approximately 42% of digital financial consumer complaints originate from transactions conducted through social commerce platforms, with TikTok Shop accounting for 35% of the total complaints.

In this context, digital financial literacy becomes a critical factor in enabling consumers to understand potential risks and make more informed transaction decisions. Digital financial literacy refers to an individual's ability to understand digital financial services, manage transaction risks, and utilize financial technologies responsibly. Previous studies have shown that consumers with higher levels of digital financial literacy are more capable of identifying potential risks associated with online transactions (Dzulfian Syafrin, 2025).

However, the relationship between digital financial literacy and transaction decisions on social commerce platforms is not always linear. Psychological factors such as fear of missing out (FOMO), social influence, and social proof often affect consumers' purchasing behavior, particularly in content-driven platforms like TikTok Shop (Riza & Maresti, 2025). The presence of persuasive marketing content, influencer endorsements, and peer-generated reviews may encourage impulsive purchasing behavior despite consumers' awareness of financial risks.

In this regard, consumer trust emerges as a crucial factor influencing transaction decisions. In digital commerce environments, trust is not only established through the platform's reputation but also through the credibility of influencers, user-generated content, customer reviews, and community validation. These elements collectively shape consumers' perceptions of security, reliability, and authenticity when conducting online transactions (Suparno et al., 2023).

Furthermore, the socio-cultural characteristics of the Cirebon community, which emphasize prudence, social relationships, and community-based values, may influence how consumers build trust in digital platforms. Such characteristics suggest that local socio-cultural factors may also play a significant role in shaping digital transaction behavior.

Based on previous studies, several research gaps can be identified. First, a contextual gap, as research examining TikTok Shop specifically as a social commerce platform remains limited, particularly in the Indonesian context (Liang et al., 2012). Second, a geographical gap, as studies exploring digital transaction behavior among the Cirebon community—an area with distinct cultural characteristics—are still relatively scarce. Third, a theoretical gap, as the mediating role of consumer trust in the relationship between digital financial literacy and transaction decisions in social commerce has not been comprehensively examined.

Therefore, this study aims to analyze the mediating role of consumer trust in the relationship between digital financial literacy and transaction decisions on TikTok Shop among the community of Cirebon City.

## **METHOD**

This study employs a quantitative research approach with an associative research design to analyze the relationships and causal influences among the variables examined in the study. The quantitative approach is chosen because the research focuses on measuring variables using

numerical data obtained from respondents through a structured questionnaire. Through this approach, the relationships among Digital Financial Literacy, Consumer Trust, and Transaction Decisions on TikTok Shop can be analyzed objectively using statistical techniques.

An associative research design is used to explain how Digital Financial Literacy (X) influences Consumer Trust (Z) and Transaction Decisions on TikTok Shop (Y) among the residents of Cirebon City. In addition, this study examines whether consumer trust functions as a mediating variable in the relationship between digital financial literacy and transaction decisions. By applying this design, the research is able to identify both direct and indirect relationships among variables within the proposed research model.

The population of this study consists of residents of Cirebon City who have conducted transactions on TikTok Shop at least once within the last three months. This population is selected because Cirebon residents represent active users of social commerce platforms with varying levels of digital financial literacy and consumer trust. These characteristics make the population suitable for examining the relationship between digital financial literacy, consumer trust, and transaction decisions.

The sample is determined using a purposive sampling technique, which involves selecting respondents based on specific criteria that align with the objectives of the study (Sugiyono, 2019). Respondents must meet several requirements, including residing in Cirebon City, having conducted at least one transaction on TikTok Shop within the past three months, being at least 17 years old or capable of making independent financial decisions, and using TikTok Shop independently rather than on behalf of another individual.

A total of 150 respondents participated in this study. This sample size is considered adequate because it satisfies the minimum requirement for Partial Least Squares–Structural Equation Modeling (PLS-SEM) analysis, which suggests that the sample size should be at least ten times the largest number of indicators used in the research model (Hair et al., 2014).

The study utilizes primary data, which are collected directly from respondents through a structured questionnaire. The questionnaire contains a set of statements designed to measure the three main research variables: digital financial literacy, consumer trust, and transaction decisions on TikTok Shop. Data collection is conducted online through Google Forms, allowing efficient distribution of questionnaires to respondents who meet the sampling criteria.

The research instrument uses a five-point Likert scale to measure respondents' level of agreement with each statement. The scale consists of five response categories: strongly disagree, disagree, neutral, agree, and strongly agree. The use of the Likert scale enables researchers to quantitatively measure respondents' perceptions, attitudes, and levels of trust toward the variables being studied.

The research variables consist of three main constructs: Digital Financial Literacy, Consumer Trust, and Transaction Decision. Digital financial literacy is measured through several dimensions, including knowledge of TikTok Shop platform features, the ability to identify digital transaction risks, and awareness of personal data security. Consumer trust is measured through dimensions such as trust in the platform, trust in influencers, trust in the user community, and trust in product information available on the platform. Meanwhile, transaction decision is measured through indicators such as purchase intention, transaction frequency, and consumer loyalty in using TikTok Shop.

To ensure the quality of the research instrument, validity and reliability tests are conducted. Validity testing is performed using Confirmatory Factor Analysis (CFA) to evaluate the construct validity of each latent variable. This evaluation includes both convergent validity and discriminant validity. Convergent validity is assessed through outer loading values and Average Variance Extracted (AVE), while discriminant validity is evaluated using the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT).

Reliability testing is conducted to examine the internal consistency of each construct. Reliability is measured using Cronbach’s Alpha and Composite Reliability (CR). A construct is considered reliable if the values of Cronbach’s Alpha and Composite Reliability are 0.70 or higher.

The data analysis technique used in this study is Partial Least Squares–Structural Equation Modeling (PLS-SEM). This method is chosen because it allows the simultaneous analysis of relationships among multiple latent variables within a structural model. Additionally, PLS-SEM is particularly suitable for research models that involve mediating relationships, such as the relationship among digital financial literacy, consumer trust, and transaction decisions (Sabol et al., 2023).

The PLS-SEM analysis is conducted in two main stages: outer model evaluation and inner model evaluation. The outer model evaluation aims to ensure that the indicators used in the study are valid and reliable in measuring the latent constructs. Meanwhile, the inner model evaluation is used to test the structural relationships among variables in the research model.

During the inner model evaluation stage, several tests are conducted, including multicollinearity testing, coefficient of determination ( $R^2$ ), effect size ( $f^2$ ), and predictive relevance ( $Q^2$ ). Furthermore, the bootstrapping method is used to test the significance of relationships among variables and to determine whether consumer trust acts as a mediating variable in the relationship between digital financial literacy and transaction decisions on TikTok Shop.

This research was conducted in Cirebon City, Indonesia, with data collection carried out in December 2025. Throughout the research process, ethical considerations were strictly followed, including maintaining the confidentiality of respondents’ data, obtaining respondents’ participation through informed consent, and adhering to the research ethics guidelines established by Universitas Swadaya Gunung Jati.

## RESULT AND DISCUSSION

### 1. Overview of Respondents

The characteristics of the respondents in this study were organized based on several criteria determined in accordance with the research objectives. The establishment of respondent criteria aimed to ensure that the data obtained came from individuals who were relevant, had direct experience in conducting digital transactions, and were able to provide accurate assessments regarding digital financial literacy, consumer trust, and transaction decisions on TikTok Shop. The respondents in this study were individuals who met several requirements, namely residing in Cirebon City, having conducted transactions on TikTok Shop at least once within the last three months, being at least 17 years old, and using a TikTok account independently. These criteria were established to obtain a comprehensive profile of the respondents while supporting the empirical analysis of the influence of digital financial literacy on transaction decisions with consumer trust as a mediating variable.

**Tabel 1. Respondent Characteristics**

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	58	36.3
	Female	102	63.7
Domicile	Cirebon City	148	92.5
	Outside Cirebon	12	7.5
TikTok Shop Transactions (Last 3 Months)	Yes	145	90.6
	No	15	9.4
Age	<17 years	28	17.5
	17–25 years	89	55.6
	26–35 years	39	24.4

	>35 years	4	2.5
TikTok Account Usage	Independent	152	95.0
	Not independent	8	5.0
	Student	96	60.0
Occupation	Private Employee	38	23.8
	Government	20	12.5
	Others	6	3.7
<b>Total</b>		<b>160</b>	<b>100</b>

Source: Processed Data, 2026

Based on transaction experience, 90.6% of respondents had conducted transactions on TikTok Shop within the last three months. This indicates that the respondents possess actual experience in carrying out transactions on the social commerce platform.

In terms of age, the 17–25 age group dominates the respondents at 55.6%, indicating that younger generations represent the primary users of the TikTok Shop platform. Furthermore, nearly all respondents (95%) use their TikTok accounts independently, suggesting that their transaction decisions reflect their personal considerations and judgments.

## 2. Descriptive Statistical Analysis

Descriptive statistical analysis was conducted to provide an overview of the distribution of respondents’ answers to each research indicator. This analysis includes the mean, median, minimum value, maximum value, and standard deviation for each indicator of the research variables.

**Tabel 2. Descriptive Statistics of Research Variables**

Indicator	Mean	Median	Min	Max	Std Dev
LK1	4.053	4	1	5	0.908
LK2	4.007	4	1	5	0.898
LK3	3.973	4	1	5	0.916
LK4	4.040	4	2	5	0.832
KB1	4.040	4	1	5	0.908
KB2	4.093	4	1	5	0.897
KB3	4.007	4	1	5	0.829
KB4	4.093	4	1	5	0.867
KB5	4.027	4	1	5	0.916
KK1	4.000	4	2	5	0.872
KK2	4.067	4	2	5	0.884
KK3	4.107	4	1	5	0.865
KK4	3.967	4	1	5	0.883
KK5	3.967	4	1	5	0.905
KK6	4.000	4	2	5	0.816

Source: Processed Data, 2026

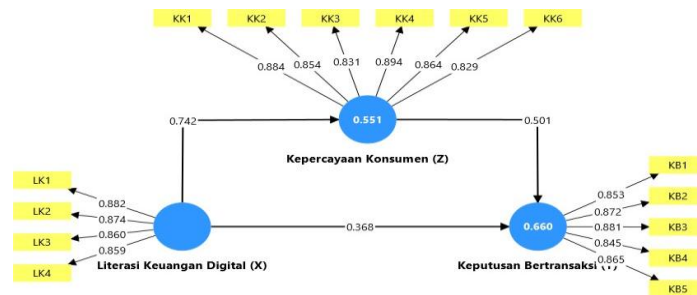
Based on the descriptive statistical results, the Digital Financial Literacy variable shows relatively high mean values, ranging from 3.973 to 4.053. This indicates that respondents generally have a good understanding of the use of digital financial systems in online transactions.

The Transaction Decision variable also shows relatively high mean values, ranging from 4.007 to 4.093. This finding suggests that respondents have a strong tendency to conduct transactions on TikTok Shop.

Meanwhile, the Consumer Trust variable has mean values ranging from 3.967 to 4.107, indicating that most respondents possess a relatively high level of trust toward the TikTok Shop platform.

### 3. Outer Model Analysis

The outer model analysis was conducted to evaluate the relationship between the indicators and the latent constructs being measured. The evaluation of the outer model includes tests of convergent validity, discriminant validity, and construct reliability.



Source: Processed Data, 2026

Figure 1. Outer Model

Figure 1 illustrates the relationships between the indicators and the latent constructs, which consist of Digital Financial Literacy, Consumer Trust, and Transaction Decisions. Each indicator has an outer loading value that indicates the level of contribution of the indicator to the construct being measured.

Tabel 3. Outer Loading and Construct Reliability

Variable	Indicator	Outer Loading
Digital Financial Literacy	LK1	0.882
	LK2	0.874
	LK3	0.860
	LK4	0.859
Consumer Trust	KK1	0.884
	KK2	0.854
	KK3	0.831
	KK4	0.894
	KK5	0.864
	KK6	0.829
Transaction Decision	KB1	0.853
	KB2	0.872
	KB3	0.881
	KB4	0.845
	KB5	0.865

Source: Processed Data, 2026

Tabel 4. Reliability Test

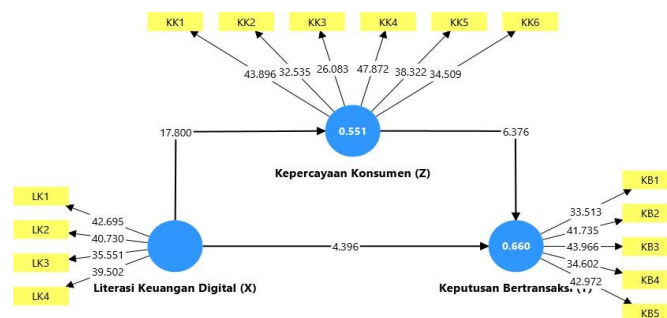
Variable	Cronbach's Alpha	Composite Reliability	AVE
Digital Financial Literacy	0.892	0.925	0.755
Consumer Trust	0.929	0.944	0.739
Transaction Decision	0.915	0.936	0.745

Source: Processed Data, 2026

All indicators have outer loading values above 0.70, indicating that they meet the criteria for convergent validity. Furthermore, the Cronbach's Alpha and Composite Reliability values are also above 0.70, which indicates that all constructs demonstrate good reliability. These results confirm that the measurement model used in this study is reliable and valid for measuring the constructs of digital financial literacy, consumer trust, and transaction decisions.

#### 4. Inner Model Analysis

The inner model analysis (structural model) was conducted to evaluate the relationships among the latent constructs in the study and to test the formulated hypotheses (Ghozali, 2023). Unlike the outer model, which focuses on the quality of the indicators, the inner model assesses the predictive strength and the significance of the relationships among variables. Therefore, it helps determine the extent to which the model can explain the phenomenon under investigation. In this study, the inner model analysis was used to test the relationships among Digital Financial Literacy (X), Consumer Trust (Z), and Transaction Decision (Y).



Source: Processed Data, 2026

Figure 1. Inner Model

Tabel 5. R-Square Values

Variable	R Square
Consumer Trust	0.551
Transaction Decision	0.660

Source: Processed Data, 2026

The R<sup>2</sup> value of 0.551 indicates that digital financial literacy explains 55.1% of the variance in consumer trust. Meanwhile, the R<sup>2</sup> value of 0.660 indicates that digital financial literacy and consumer trust together explain 66% of the variance in transaction decisions.

Tabel 6. Hypothesis Testing Results

Hypothesis	Relationship	Coefficient	t-statistic	p-value	Decision
H1	X → Y	0.368	4.396	0.000	Accepted
H2	X → Z	0.742	17.800	0.000	Accepted
H3	Z → Y	0.501	6.376	0.000	Accepted
H4	X → Z → Y	0.372	6.117	0.000	Accepted

Source: Processed Data, 2026

The results of the hypothesis testing indicate that all research hypotheses are supported. Digital financial literacy has a positive and significant effect on both transaction decisions and consumer trust. Furthermore, consumer trust is proven to mediate the relationship between digital financial literacy and transaction decisions.

#### 5. Discussion of Results

##### a. The Effect of Digital Financial Literacy on Transaction Decisions

Based on the results of the hypothesis testing, digital financial literacy has been proven to have a positive and significant effect on transaction decisions on TikTok Shop among the people of Cirebon. This finding indicates that the higher the level of digital financial literacy possessed by consumers, the greater their tendency to conduct transactions on social commerce platforms.

Conceptually, digital financial literacy reflects an individual's ability to understand various financial aspects related to digital technology, such as the use of electronic payment systems, online transaction security, and personal financial management in a digital environment. Consumers who have a high level of digital financial literacy tend to be more capable of evaluating the benefits and risks of online transactions. This understanding makes consumers more confident in making purchasing decisions because they are able to assess platform security, the reliability of payment systems, and the potential risks that may arise in digital transactions.

In the context of social commerce such as TikTok Shop, digital financial literacy helps consumers understand transaction mechanisms that involve interactions between entertainment content, product promotions, and digital payment systems. Consumers who have good knowledge of these mechanisms tend to evaluate the information they receive more rationally before deciding to make a transaction. Thus, digital financial literacy acts as a cognitive factor that helps consumers make more informed and well-planned transaction decisions.

This finding is consistent with the Theory of Planned Behavior proposed by Ajzen (1991), which explains that individual behavior is influenced by attitudes, social norms, and perceived behavioral control. In this study, digital financial literacy increases consumers' perceived control over the digital transaction process, thereby encouraging their intention and decision to transact.

Furthermore, this finding also supports the Technology Acceptance Model proposed by Davis (1989), which states that perceived ease of use and perceived usefulness influence users' acceptance of technology. Consumers who possess good digital financial literacy can more easily understand the system used by TikTok Shop, leading them to perceive the platform as both useful and easy to use for conducting transactions.

The results of this study are also consistent with previous studies showing that digital financial literacy significantly influences transaction decisions in digital and social commerce environments (Gupta & Sharma, 2024; Lee & Chen, 2022). Therefore, digital financial literacy can be understood as an important factor that encourages consumers to make more rational transaction decisions in the digital commerce environment.

### **b. The Effect of Digital Financial Literacy on Consumer Trust**

The results of the hypothesis testing indicate that digital financial literacy has a positive and significant effect on consumer trust in the TikTok Shop platform among the people of Cirebon. This finding suggests that consumers' level of understanding of digital financial systems plays an important role in shaping trust in online transaction platforms.

Conceptually, consumers who possess good digital financial literacy tend to be more capable of evaluating the credibility of a digital platform. Knowledge regarding online transaction mechanisms, payment system security, and personal data protection makes consumers feel safer when conducting transactions. This sense of security subsequently develops into trust in the platform being used.

In a social commerce environment such as TikTok Shop, consumer trust becomes a crucial factor because the transaction process often involves interactions between sellers, influencers, and other users within digital communities. Consumers who understand digital transaction mechanisms are better able to evaluate whether a platform has adequate security systems and whether the product information presented can be trusted.

This finding is consistent with the trust model proposed by Mayer, Davis, and Schoorman (1995), which states that trust is formed based on perceptions of competence, integrity, and benevolence of the trusted party. In the context of this study, digital financial literacy helps consumers evaluate the competence and integrity of digital platforms, particularly regarding payment system security and user data protection.



In addition, the concept of digital literacy proposed by Gilster (1997) and further developed by Ng (2012) emphasizes that digital literacy enables individuals to think critically about information available in the digital environment. Individuals with good digital literacy are better able to distinguish between credible and non-credible information, allowing trust in digital platforms to develop more rationally.

The results of this study are also supported by previous studies by Chen and Li (2023) and Nugraha and Ahmad (2022), which found that digital financial literacy positively influences the formation of consumer trust in e-commerce and social commerce environments.

### **c. The Effect of Consumer Trust on Transaction Decisions**

Based on the results of hypothesis testing, consumer trust has been proven to have a positive and significant effect on transaction decisions on TikTok Shop among the people of Cirebon. This finding indicates that the level of consumer trust in digital platforms plays an important role in encouraging purchasing decisions.

In online transactions, consumers often face various uncertainties, such as product quality that cannot be physically examined, payment security issues, and seller reliability. Therefore, trust becomes an important factor that helps consumers reduce perceived risks in the decision-making process.

Consumers who have a high level of trust in digital platforms tend to feel more confident that the transactions they conduct are secure and that the products purchased will match the descriptions provided. This sense of trust encourages consumers to engage in transactions without excessive concern.

This finding is consistent with the trust theory proposed by Mayer et al. (1995), which states that trust functions as a mechanism for reducing uncertainty in social and economic relationships. In the context of online transactions, consumer trust in digital platforms can reduce perceived risk, thereby increasing the likelihood of transactions occurring.

The results of this study are also consistent with findings by Kim and Park (2023) and Wang, Zhang, and Liu (2024), which show that trust in social commerce platforms significantly influences consumer purchasing decisions. In addition, a study by Yuniarti and Rahman (2024) found that consumer trust is a key psychological factor influencing transaction decisions on e-commerce platforms in Indonesia.

### **d. The Effect of Digital Financial Literacy on Transaction Decisions through Consumer Trust**

Based on the results of the indirect effect testing, consumer trust has been proven to mediate the relationship between digital financial literacy and transaction decisions on TikTok Shop. The analysis results show that the indirect path coefficient is 0.372, with a t-statistic of 6.117 and a p-value of 0.000, which is below the significance level of 0.05. Therefore, the fourth hypothesis in this study is accepted.

This finding indicates that digital financial literacy does not only influence transaction decisions directly but also indirectly through increasing consumer trust in digital platforms. Consumers who possess good digital financial literacy tend to better understand online transaction mechanisms and potential risks that may arise. This understanding makes consumers feel safer and more confident when using digital platforms for transactions.

The trust that develops then becomes a psychological factor that encourages consumers to make purchasing decisions. Thus, consumer trust acts as a mechanism that bridges the relationship between digital financial knowledge and transaction decisions.

This finding is consistent with the mediation concept explained by Hayes (2022), which states that a mediating variable functions to explain how and why an independent variable influences a dependent variable. In the context of this study, digital financial literacy increases

consumers' sense of security and understanding of digital transactions, which subsequently strengthens trust in the platform and encourages transaction decisions.

The results of this study are also consistent with previous studies by Lee and Chen (2023) and Wahyuni and Prasetyo (2024), which found that consumer trust acts as a mediator in the relationship between digital financial literacy and online purchasing decisions.

## **6. Research Implications**

### **a. Theoretical Implications**

This study provides a theoretical contribution to the development of consumer behavior research in the context of digital commerce and social commerce environments. The findings indicate that consumers' transaction decisions are not formed instantly but are influenced by cognitive processes related to the level of digital financial literacy and perceptions of trust in the platform.

The results of this study expand the conceptual understanding of the role of digital financial literacy as a cognitive factor that influences consumers' evaluation of the security, credibility, and reliability of digital platforms before making transaction decisions. Thus, digital financial literacy should not only be understood as the technical ability to use financial technology but also as an analytical capability to evaluate the risks and benefits of digital transactions.

Furthermore, this study enriches the theoretical framework by positioning consumer trust as a mediating variable in the relationship between digital financial literacy and transaction decisions. The findings indicate that consumer decisions in digital environments result from the interaction between rational factors derived from digital financial knowledge and psychological factors related to trust in the platform.

These findings also reinforce the relevance of the Theory of Planned Behavior (Ajzen, 1991) and the Technology Acceptance Model (Davis, 1989) in explaining consumer behavior on modern social commerce platforms. Therefore, this study contributes to the development of a more comprehensive conceptual model for understanding consumer behavior in digital commerce, particularly in developing countries such as Indonesia.

### **b. Practical Implications**

From a practical perspective, the findings of this study provide several strategic implications for the TikTok Shop platform, digital business actors, and stakeholders within the digital commerce ecosystem. The results indicate that improving consumers' digital financial literacy is an important factor in building consumer trust, which ultimately encourages transaction decisions.

Therefore, TikTok Shop should develop educational programs related to digital financial literacy that are easily accessible to users. Such educational initiatives may include information on transaction security, personal data protection, and transparent mechanisms for resolving transaction disputes.

In addition, it is important for platforms and sellers to enhance the transparency of product information, price clarity, and the reliability of transaction systems. Providing credible review features, refund guarantee systems, and responsive customer service can help increase consumers' level of trust in the platform.

Furthermore, the development of a simple and user-friendly platform interface is also an important factor in improving the user experience. A clear and easily understandable transaction process will help consumers feel more comfortable and confident when conducting digital transactions.

Thus, efforts to improve digital financial literacy and strengthen consumer trust will not only contribute to increasing the number of transactions but also support the creation of a safer, more transparent, and more sustainable digital commerce ecosystem.

## CONCLUSION

This study aimed to examine the influence of digital financial literacy on consumers' transaction decisions on TikTok Shop among the people of Cirebon, with consumer trust serving as a mediating variable. Based on the data analysis using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method, the findings indicate that digital financial literacy plays a significant role in shaping consumers' decisions to conduct transactions on social commerce platforms.

The results of the study reveal that digital financial literacy has a positive and significant effect on transaction decisions on TikTok Shop. Consumers who possess a better understanding of digital transaction mechanisms, electronic payment systems, and financial management in the digital environment tend to be more confident and rational when making purchasing decisions. Higher levels of digital financial literacy enable consumers to carefully evaluate the benefits and potential risks of online transactions, allowing purchasing decisions to be driven not merely by emotional impulses but also by rational and well-considered judgments.

The findings also demonstrate that digital financial literacy has a positive and significant influence on consumer trust. Consumers who understand the mechanisms of digital transaction security, personal data protection, and payment systems used by the platform tend to feel safer and more comfortable when conducting online transactions. This understanding contributes to the development of stronger trust in TikTok Shop as a digital transaction platform.

Furthermore, consumer trust is found to have a positive and significant effect on transaction decisions. Trust serves as a crucial psychological factor in online transactions because it helps reduce uncertainty and perceived risks that commonly arise in digital commerce activities. When consumers have a higher level of trust in the platform, they are more likely to engage in transactions and feel confident that the purchasing process is secure and that the products received will match the information provided.

In addition, the results of the indirect effect analysis show that consumer trust acts as a mediating variable in the relationship between digital financial literacy and transaction decisions. This finding indicates that digital financial literacy influences transaction decisions not only directly but also indirectly through the formation of consumer trust toward the digital platform. Therefore, transaction decisions on TikTok Shop are formed through a process that involves both consumers' cognitive understanding of digital financial systems and psychological evaluation in the form of trust toward the platform.

Based on these findings, several practical implications and recommendations can be proposed. For TikTok Shop, it is important to enhance efforts in educating consumers about digital financial literacy by providing clear and transparent information regarding transaction mechanisms, payment security systems, personal data protection, and dispute resolution procedures. Such educational initiatives can help consumers better understand digital transaction systems, enabling them to make safer and more rational transaction decisions.

In addition, TikTok Shop and sellers operating on the platform should continuously strengthen consumer trust by improving product information transparency, price clarity, and service consistency. Providing credible product reviews, objective seller rating systems, and responsive communication in handling consumer complaints can help enhance the perceived reliability and credibility of the platform.

For future research, it is recommended to expand the research model by incorporating additional variables that may influence consumer behavior in social commerce environments, such as perceived risk, perceived value, consumer satisfaction, impulse buying, and fear of

missing out (FOMO). Moreover, future studies may broaden the research scope by including different geographical areas and employing mixed-method approaches that combine quantitative and qualitative methods in order to provide a more comprehensive understanding of the dynamics of digital financial literacy, consumer trust, and transaction decisions within Indonesia's digital commerce ecosystem.

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