

## ABSTRACT

Financial transaction technology or financial technology (*fintech*) is financial transaction innovation by utilizing technology. The emergence of digital-based fintech companies is a new challenge for PT Pegadaian. To face these challenges, PT Pegadaian released the Pegadaian Digital Service. The presence of Pegadaian Mobile Service is expected to be able to optimize three Pegadaian business functions, namely financing, gold savings and MSME (UMKM) funding services. The use of Pegadaian Digital Services shows an increase in the number of application users from 2020 of 2.1 to 2022 of 3.07 million. However, in 2023 there will be no increase, instead there will be a decrease of around 4,000 Pegadaian Digital Service users.

This research aims to analyze the factors that influence the use of Pegadaian Digital Service in the Bandung City area. The research model used in this research is UTAUT-2 which is extended by adding the Word-of-Mouth variables for customers using Pegadaian Digital, this study wants to explore to what extent the construction of PE, EE., SI, FC, HM, PV, Trust and Word of Mouth (WOM) has an effect on the Behavioral Intention and Use Behavior of Pegadaian Digital Services.

This study uses a quantitative approach with purposive sampling using the Slovin formula with a sample of 400 respondents. The data were analyzed using smartPLS with the Partial Least Square (PLS) and Structural Equation Modeling (SEM) technique. The results of the hypotheses formulated in this research are that Performance Expectancy has a positive effect on behavioral intention, Effort expectancy has a positive effect on behavioral intention and performance expectancy, Social influence has a positive effect on behavioral intention, Facilitating conditions have a positive effect on use behavior of Pegadaian Digital mobile apps, Hedonic motivation has a positive effect positive influence on behavioral intention, Price value has a positive influence on behavioral intention, Trust has a positive influence on behavioral intention and performance expectancy, Behavioral intention has a positive influence on use behavior of Pegadaian Digital Service mobile apps, and Word of Mouth (WoM) has a positive influence on use behavior of mobile apps Digital Pawn Shop.

*Keywords: Digital Transformation, Pegadaian Digital Service, UTAUT-2, Trust and WOM*