

Analysis of Factors Affecting Generation Z's Intention in Using Shopee PayLater

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Abstract

This study aims to examine the factors influencing the intention of Generation Z to use Shopee PayLater. Understanding these factors can lead to more effective business practices and policies. Data were collected through online questionnaires distributed to 120 participants aged 18 to 27 in Jakarta, Bogor, Depok, Tangerang, and Bekasi. The findings indicate that the intention to use Shopee PayLater is positively and significantly influenced by sales promotion and security. However, perceived ease of use and ability to pay do not significantly impact the intention to use Shopee PayLater. The significant impact of sales promotions offered by Shopee PayLater, such as discounts, cashback, and special offers, underscores their effectiveness in stimulating intention to use the service. Additionally, security positively and significantly influences the intention to use Shopee PayLater, highlighting the importance of a high level of security in enhancing consumer confidence. These findings suggest implications for policymakers to enhance the security features and sales promotions of Shopee PayLater, thus improving its attractiveness and reliability to Generation Z consumer.

Keyword: perceived ease of use; ability to pay; sales promotion; security; intention to use; paylater

1. Introduction

The global economy has undergone significant changes in recent decades, largely driven by the development of digital technology. One of the sectors that experienced rapid growth in this period was the fintech sector (*financial technology*), which presents innovations in traditional financial services. In Indonesia, as in many countries around the world, the fintech sector has been a pioneer in presenting online-based financial alternatives. Over the past decade, Indonesia has witnessed impressive developments in the fintech sector. In this period, the number of fintech players in Indonesia increased rapidly, reaching a sixfold increase from only 51 active players in 2011 to 334 players in 2022 (BCG, 2023).

According to research findings from Katadata Insight Center and Kredivo (2023), it was noted that the usage rate of Buy Now Pay Later (BNPL) services or better known as paylater has increased significantly, increasing from 28.2% in 2022 to 45.9% in 2023. This indicates that more and more people are using BNPL or paylater services as their payment method. As for Buy Now, Pay Later (BNPL) is known as a form of short-term financing in fintech which is also known as *POS installment lending*. The system allows consumers to make purchases with early payment and pay off the rest over time, generally without being charged intention. Compared to traditional credit cards and personal loans, BNPL is easier for consumers to obtain. The use of BNPL generally does not affect credit scores, except in the event of late payments or non-payments (Investopedia, 2023).

Based on a survey of 3,656 respondents in Indonesia, it was found that almost half of respondents, namely 1,679 individuals (around 45.9%) had used PayLater services. Of the group of respondents who use PayLater, the vast majority, namely 88.8%, use it to shop for products online (Computer Box, 2023). The data shows that more and more people are utilizing BNPL or paylater services as their payment methods reflecting the development of consumer trends in terms of technology-based payments and financing.

In today's digital age, changes in consumption and consumer behavior have undergone significant transformation, especially among generation Z. Generation Z or Gen Z, encompassing individuals born from 1997 through 2012, has grown up in a sophisticated and digitally connected technological environment. This generation has easier and faster access to various services and products online, including electronic payments. Generation Z is also known as a consumer group that is active in shopping online using pay later (KataData, 2022).

According to reports from DataIndonesia.id (2022), there are several paylater services that are popular among Indonesian online shopping platforms, namely GoPay PayLater, Traveloka PayLater, Shopee PayLater, Kredivo, Akulaku, and so on. However, Shopee PayLater became the most widely used, with 78.4% of respondents confirming its use in the previous year. Shopee PayLater is a payment product offered by Shopee, one of the leading e-commerce platforms in Indonesia that allows users to purchase goods and services online without having to pay directly, but with payment options within a certain period of time. The success of Shopee PayLater is largely determined by the intentions of generation Z, who are the user group of this service. In the phase of increasingly intense growth and competition in the PayLater industry in Indonesia, Shopee needs to conduct an in-depth evaluation of the factors that influence generation Z's intention in using its application. This is the key to reducing the risk of increasingly fierce business competition. To understand the factors that influence the intention in using Shopee PayLater among generation Z, in-depth research is needed. In this context, this

study aims to analyze variables that are considered crucial in understanding the intention of generation Z in using Shopee PayLater.

Perceived ease of use becomes a crucial factor in the context of using digital services, including Shopee PayLater. This factor pertains to how Generation Z users perceive the ease and convenience of utilizing Shopee PayLater. In several previous studies, it has been identified that the perception of ease of use of a payment application has a significant influence on the intention in its use (Jagadhita & Tjhin, 2023). Therefore, understanding how perceived ease of use can influence generation Z's intention in using Shopee PayLater is important in this study.

Ability to pay is related to the financial ability of generation Z users to use Shopee PayLater. This factor is important because the use of Shopee PayLater involves future payment obligations. For example, previous research (Farizqi et al., 2022) has highlighted the positive relationship between ability to pay and intention in using PayLater as a payment method.

Sales promotion is a marketing strategy offered by Shopee PayLater, such as discounts, cashback, or other special offers. Earlier studies conducted by Nadia Suryani and Fiska Kusumawati in 2023 revealed that augmenting both the frequency and duration of sales promotions has a favorable impact on the intention to use the PayLater application.

Security is a key factor that includes the protection of users' personal data and transaction security systems. Maintaining security is a top priority in the digital payments environment. With the increasing cases of data hacking and privacy concerns, user trust in security aspects is very important in influencing intention in using Shopee PayLater. When online loan service providers provide security guarantees, consumers are more likely to entrust their transactions (Sari and Wulandari, 2019).

By identifying these variables, this research will help Shopee, the company behind Shopee PayLater, and other stakeholders to understand more deeply the factors that influence the intention of generation Z users to use Shopee PayLater. The results of this research are expected to provide valuable insights that can be used to improve marketing strategies, services, and policies related to Shopee PayLater.

2. Literature Review

2.1 Intention to Use

According to Karim et al. (2020), behavioral intention refers to an individual's subjective likelihood or willingness to engage in a specific behavior, such as using e-wallets, within a certain timeframe. Building upon this notion, Qian et al. (2021) utilized the Unified Theory of Acceptance and Use of Technology (UTAUT) model to investigate the factors influencing the adoption of digital payment systems. Through their study, they discovered that behavioral intention (BI) played significant roles in shaping the usage patterns of these systems. Therefore, the intention in utilizing Shopee PayLater signifies the user's eagerness to make the most of or return to using Shopee PayLater products or services, as articulated by Panjalu & Mirati (2022). This choice can be influenced by various attributes of the product or service, contingent upon the user's underlying motivation for usage.

According to Olivia & Marchyta (2022) there are three indicators to measure 'intention to use', namely: will transact, will recommend, and will continue to use. According to Ginting et al. (2022), intention can be identified through indicators, as follows:

- 1) Transactional intention

- 2) Referential intentions
- 3) Preferential intentions
- 4) Exploratory intention

2.2 Perceived Ease of Use

Perceived ease of use holds a pivotal role within the Technology Acceptance Model (TAM). As indicated by Sati & Ramaditya, (2019), it entails users' belief that employing information technology doesn't necessitate strenuous efforts. This perception significantly shapes decision-making, as individuals are more inclined to use systems they perceive as user-friendly.

Furthermore, perceived ease of use is associated with the notion that technology usage alleviates both physical and mental burdens. According to Sholihah et al. (2023), when a system is user-friendly, users readily understand its features and are more inclined to utilize it. The ease of use denotes the extent to which users anticipate hassle-free interaction with the system, requiring minimal effort and expertise.

Sati & Ramaditya (2019) highlight dimensions identified by Sun and Zhang related to the perception of ease of use, such as the ease of learning, simplicity of utilization, system clarity, and skill development.

Moreover, Kasuma et al. (2020) highlight indicators by Ventakesh and Davis to measure perceived ease of use:

- 1) The interaction between individuals and the system should be straightforward and comprehensible.
- 2) Users shouldn't have to exert excessive effort during interaction.
- 3) The system must be designed to be user-friendly, ensuring smooth accessibility and operation.
- 4) The system should align with users' intended purposes, making it easily operable.

2.3 Ability to Pay

Ability refers to the capabilities that an individual possesses at a particular moment (Agrawal & Gentry, 2020). According to Pada et al. (2021), ability to pay refers to the debtor's capability to repay the principal debt along with its interest, sourced from income and/or profits. In this context, planned behavior theory examines the effect of behavioral control on usage intention by assessing ability to pay. For someone who plans to take a loan service, it is necessary to pay attention to their ability to pay, so that they can assess their readiness to bear the costs that may arise as a result of the loan. Having control over behavior is also very important in identifying the difference between wants and needs. This behavioral control is related to the capacity of individuals to fulfill their desires (Sari & Wulandari, 2019). In addition, a person's income level reflects their ability to repay loans in the future (Andriansyah and Winarno, 2019).

According to Murpratiwi et al. (2022), the indicator for ability to pay can be explained as follows:

- 1) Allocation of costs for payment of obligations.
- 2) The magnitude of today's needs
- 3) Income adequacy

- 4) Perception of prices that are considered ideal

2.4 Sales Promotion

Promotion can be interpreted as a flow of persuasive messages that move in one direction, with the aim of influencing consumers to make transactions in the buying and selling process (Polla, 2018). Sales promotion involves the actions taken by a company to enhance the attractiveness of a product by offering incentives or discounts, thereby encouraging consumers to make immediate purchases (Renaldi & Nurlinda, 2023). To encourage market penetration, companies take advantage of promotions, such as purchase discounts, cashback, and installment offers at low intention rates (Aisyah et al., 2023). As indicated by Al Mutanafisa & Retnaningsih (2021) key indicators of sales promotion encompass coupons/vouchers, rebates, discounts, and game contests/sweepstakes.

2.5 Security

Lestari and Tri Indriana (2020), described security as an effort to maintain and guarantee three important aspects in the cyber world, namely maintaining data confidentiality, data integrity, and data availability. As per the framework proposed by Lestari and Tri Indriana (2020), the security of information systems involves a set of guidelines, processes, and technological safeguards designed to thwart unauthorized access, alterations to programs, and physical harm to the information systems. According to Primadineska & Jannah (2021) when the security of an electronic payment system is perceived as inadequate, individuals may opt not to use the system due to concerns about potential risks. Therefore, enhancing the security of electronic payment systems is crucial to instilling confidence and encouraging widespread adoption among users.

Meanwhile, according to Raninda et al. (2022) indicators for security can be described as follows:

- 1) Data privacy and protection
- 2) Effective data management
- 3) Data security

2.6 The Effect of Perceived Ease of Use on Intention in Using Shopee PayLater

Perceived ease of use is an individual factor that evaluates how easily a person believes a specific system or technology can be utilized. This concept involves an individual's perceptions regarding the convenience of using a particular technology (Ramkumar et al., 2019). Hasanah et al. (2021) found that perceived ease of use positively influences the intention to use Shopee PayLater. Additionally, the study by Hibban and Utami (2022) confirms that perceived ease of use has a positive and significant impact on the intention to use Shopee PayLater. Sugandi et al. (2023) also presented research indicating that perceived ease of use has positive and significant effect on intention to use paylater systems. Consequently, based on these findings, the researcher has formulated the following hypothesis:

H1: Perceived ease of use has a significant positive effect on intention in using Shopee PayLater

2.7 The Effect of Ability to Pay on Intention in Using Shopee PayLater

Behavioral control, as defined by Sari and Wulandari (2019), refers to an individual's capacity to satisfy their desires. According to Ho et al. (2020), behavioral control has a favorable impact on the inclination to embrace mobile banking. Their findings indicate that as customers perceive better behavioral control in relation to bank service offerings, their inclination to use ATMs increases. Moreover, the research by Farizqi et al. (2022) demonstrates that the ability to pay significantly and positively affects the intention to use Shopee PayLater. Consequently, based on these insights, the study formulated the following hypothesis:

H2: Ability to pay has a significant positive effect on the intention in using Shopee PayLater

2.8. The Effect of Sales Promotion on Intention in Using Shopee PayLater

Agustin (2022) explores the determinants of Shopee PayLater adoption in Indonesia and the consequent impact on consumption behavior among Indonesian consumers. According to the findings, promotional activities exert a noteworthy positive influence on consumers' intentions to use Shopee PayLater.

The research indicates that Shopee PayLater significantly shapes purchasing decisions, primarily due to promotions capturing consumer attention and fostering transactional intent by offering additional benefits (Nagayo et al., 2022). As a result, the study puts forward the following hypothesis:

H3: Sales promotion has a significant positive effect on the intention in using Shopee PayLater.

2.9. The Effect of Security on Intention in Using Shopee PayLater

Security is an essential aspect that businesses need to ensure in both their products and services. In the research conducted by Sari and Wulandari (2019), it was confirmed that perceptions of security have a significantly positive effect on individuals' intentions to use P2P lending services. When providers of online loan services offer assurances of security, consumers are more inclined to trust their transactions. This aligns with the findings of Immawati and Dadang (2019), who demonstrated that security guarantees also significantly affect consumer intentions in transacting with financial technology. According to the findings of Min & Cheng (2023) in Malaysia, security affects consumer's Buy Now Pay Later intention. Therefore, the researcher has formulated the hypothesis as follows:

H4: Security has a significant positive effect on the intention in using Shopee PayLater.

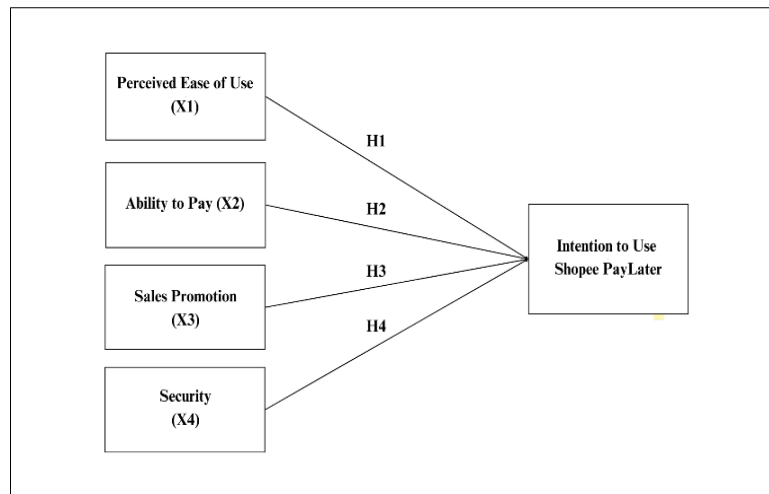


Figure 1. Research Model

3. Material and Method

This study adopted a quantitative approach. According to Sugiyono (2017), a quantitative approach is a type of research that focuses on the use of percentage calculations, averages, or other statistical methods, and often involves collecting data in the form of numbers. This study gathered data by distributing questionnaires to a group of respondents. The data collection process is carried out through filling out questionnaires that are distributed online using Google Forms media. The study focuses on the population of Generation Z individuals utilizing Shopee PayLater in Jakarta, Bogor, Depok, Tangerang, and Bekasi, encompassing an extensive user base for the service. In this study, samples were selected using the purposive sampling method, which is sampling that considers certain factors so that the data obtained has a good representation (Sugiyono, 2017). For this research, 120 participants were selected as the sample group, all of whom fall within the age range of 18 to 27 years, representing the Generation Z demographic, and have experience using Shopee PayLater.

3.1 Design Study

Data is collected through survey methods by compiling data based on indicators per variable which are carried out systematically to obtain the desired information. This study also uses measurements in the form of a Likert scale with five options as follows:

- 1) Strongly Disagree
- 2) Disagree
- 3) Nervous
- 4) Agree
- 5) Totally Agree

In this investigation, the researchers employed both primary and secondary data. Primary data was collected through surveys or online questionnaires distributed via social media. On the other hand, secondary data was gathered from diverse online sources, including articles, news, and other pertinent references. Additionally, the author gathered data from reputable websites like Katadata.co.id to acquire information on the count and categorization of Shopee PayLater users in Indonesia.

3.2 Data Analysis

The collected data is analyzed with the help of statistical software, namely SmartPLS 3 and Microsoft Excel. The statistical analysis used includes descriptive statistical analysis. There are several tests carried out in analyzing data, including:

1) Validity test

The validity test involves evaluating convergent validity and discriminant validity. Convergent validity is examined by assessing outer loading and Average Variance Extracted (AVE). On the other hand, discriminant validity is employed to gauge validity through the Fornell Lacker Criterion and Cross Loading.

2) Reliability test

In the reliability test, an analysis was conducted on the values of Cronbach's alpha and composite reliability. Data is deemed to exhibit strong reliability if both Cronbach's alpha and composite reliability values exceed 0.7 (>0.7). Conversely, if the values are less than 0.7 (<0.7), it indicates weak reliability in the data.

3) Evaluation Structural Model

In this stage, the researcher measures the extent to which the model built reflects the relationship between the variables studied. Here are the techniques used in structural model evaluation.

1. R-Square measurement,
2. Path Coefficient,
3. T-statistical analysis;
4. Predictive Relevance;
5. Model Fit (NFI).

4. Result

Table 1. Outer Loading and Average Variance Extracted (AVE)

	Indicators	Outer Loading	AVE
Perceived Ease of Use (X1)	X1.1	0.783	0.622
	X1.10	0.833	
	X1.2	0.809	
	X1.3	0.757	
	X1.4	0.763	
	X1.5	0.777	
	X1.6	0.838	
	X1.7	0.74	
	X1.8	0.792	
Ability to Pay (X2)	X2.1	0.729	0.592
	X2.10	0.8	
	X2.2	0.743	
	X2.3	0.811	
	X2.4	0.721	
	X2.5	0.827	
	X2.6	0.79	
	X2.7	0.77	
	X2.9	0.724	
Sales Promotion (X3)	X3.10	0.773	0.648
	X3.2	0.811	
	X3.3	0.867	
	X3.4	0.739	
	X3.5	0.877	
	X3.6	0.723	
	X3.7	0.829	
	X3.8	0.807	

Convergent validity is established when the outer loading value, one of the assessment criteria, surpasses 0.7. The SEM model, calculated using SmartPLS3 and presented in Table 1, reveals that all indicators have outer loading values above 0.7, signifying their validity for subsequent analysis.

To assess convergent validity, the Average Variance Extracted (AVE) is employed, with a minimum required value of 0.5. Table 1 displays AVE values for each variable, all of which exceed the specified threshold of 0.5. This indicates that the data in the study fulfill the criteria for the convergent validity test. Consequently, it can be inferred that the data in this study satisfy the convergent validity requirements.

Table 2. Fornell Lacker Criterion

	X1 (Perceived Ease of Use)	X2 (Ability to Pay)	X3 (Sales Promotion)	X4 (Security)	Y1 (Intention to Use)
X1 (Perceived Ease of Use)	0.788				
X2 (Ability to Pay)	0.408	0.769			
X3 (Sales Promotion)	0.453	0.282	0.805		
X4 (Security)	0.261	0.148	0.399	0.821	
Y1 (Intention to Use)	0.381	0.275	0.659	0.580	0.826

The Fornell-Larcker Criterion indicates the validity of a variable when a latent variable has a greater correlation compared to the correlation between different variables. If a variable in the Fornell-Larcker Criterion has a higher value than another variable, then that latent variable has a better ability to predict indicators than other variables. Based on Table 2, all latent variables have good discriminant validity, where each latent variable has a higher value than the other latent variables tested.

Table 3. Cross Loading

	X1 (Perceived Ease of Use)	X2 (Ability to Pay)	X3 (Sales Promotion)	X4 (Security)	Y1 (Intention to Use)
X1.1	0.783	0.205	0.390	0.229	0.250
X1.10	0.833	0.321	0.378	0.263	0.283
X1.2	0.809	0.342	0.319	0.213	0.341
X1.3	0.757	0.237	0.276	0.152	0.208
X1.4	0.763	0.426	0.346	0.158	0.333
X1.5	0.777	0.312	0.350	0.104	0.307
X1.6	0.838	0.259	0.422	0.192	0.330
X1.7	0.740	0.411	0.365	0.300	0.274
X1.8	0.792	0.335	0.357	0.244	0.331
X2.1	0.301	0.729	0.104	0.055	0.156
X2.10	0.312	0.800	0.182	0.042	0.189
X2.2	0.197	0.743	0.314	0.092	0.254
X2.3	0.323	0.811	0.148	0.101	0.178
X2.4	0.377	0.721	0.234	0.165	0.189
X2.5	0.440	0.827	0.228	0.070	0.246
X2.6	0.337	0.790	0.123	0.108	0.176
X2.7	0.305	0.770	0.160	0.073	0.148
X2.9	0.251	0.724	0.326	0.255	0.276
X3.10	0.297	0.274	0.773	0.428	0.519
X3.2	0.352	0.244	0.811	0.297	0.566
X3.3	0.353	0.242	0.867	0.290	0.506
X3.4	0.405	0.171	0.739	0.252	0.408
X3.5	0.393	0.212	0.877	0.285	0.553
X3.6	0.397	0.224	0.723	0.365	0.542
X3.7	0.393	0.249	0.829	0.286	0.544
X3.8	0.337	0.190	0.807	0.352	0.573
X4.1	0.207	0.220	0.310	0.775	0.360
X4.10	0.202	0.194	0.317	0.821	0.553
X4.2	0.243	0.122	0.346	0.837	0.427
X4.3	0.202	0.136	0.338	0.798	0.440
X4.4	0.141	0.080	0.249	0.866	0.399
X4.5	0.187	0.107	0.311	0.865	0.440
X4.6	0.256	0.191	0.310	0.701	0.364
X4.7	0.181	0.137	0.292	0.846	0.475
X4.8	0.246	0.013	0.319	0.891	0.509
X4.9	0.257	0.067	0.430	0.790	0.645
Y1.1	0.305	0.329	0.507	0.477	0.794
Y1.10	0.360	0.177	0.549	0.515	0.809
Y1.2	0.278	0.373	0.522	0.449	0.732
Y1.3	0.244	0.236	0.470	0.547	0.858
Y1.4	0.364	0.228	0.578	0.490	0.814
Y1.5	0.336	0.253	0.571	0.538	0.839
Y1.6	0.253	0.228	0.501	0.415	0.870
Y1.7	0.338	0.146	0.517	0.366	0.882
Y1.8	0.370	0.176	0.651	0.384	0.838
Y1.9	0.282	0.120	0.547	0.571	0.811

Based on Table 3, it can be seen that all loading values of each indicator item against its construct are higher than cross-loading values. Hence, it can be inferred that all latent variables fulfill the criteria for discriminant validity more effectively than other indicators listed in the column.

Table 4. Construct Reliability & Validity

	Cronbach's Alpha	Composite Reliability
X1 (Perceived Ease of Use)	0.924	0.937
X2 (Ability to Pay)	0.914	0.929
X3 (Sales Promotion)	0.922	0.936
X4 (Security)	0.946	0.954
Y1 (Intention to Use)	0.948	0.955

If the Cronbach's Alpha value is greater than 0.7, the data is considered to possess strong reliability. Furthermore, the Composite Reliability value for each variable also surpasses 0.7, indicating favorable data reliability. As seen in the data processing results presented in Table 4, both the Cronbach's Alpha value and the Composite Reliability value exceed the threshold of 0.7.

Table 5. R Square

	R Square	R Square Adjusted
Y1 (Intention to Use)	0.562	0.547

Based on the table above, the R Square value is .562 or 56.2%. This means that the variables Perceived Ease of Use (X1), Ability to Pay (X2), Sales Promotion (X3), and Security (X3) affect Intention to Use (Y1) by 56.2%. Meanwhile, the remaining 43.8% was influenced by other variables or factors that were not studied.

Table 6. Path Coefficient

	Path Coefficient Result
X1 (Perceived Ease of Use) -> Y1 Intention to Use	0.042
X2 (Ability to Pay) -> Y1 (Intention to Use)	0.069
X3 (Sales Promotion) -> Y1 (Intention to Use)	0.473
X4 (Security) -> (Y1 Intention to Use)	0.370

The path coefficient is a value that indicates the direction of the variable relationship. This value is to measure whether the hypothesis has a positive or negative direction. If the value is in the range of 0 to 1, it can be said that the hypothesis has a positive direction. Conversely, if the value is in the range of -1 to 0, then it can be said that the hypothesis has a negative direction. When the value is predominantly near 0, it indicates a lack of significant relationship between these variables. Based on the results of the study, the following values of the path coefficient were obtained:

- 1) There's no relationship between X1 (Perceived Ease of Use) to Y1 (Intention to use) as the path coefficient result is predominantly near 0 (0.042).
- 2) There's no relationship between X2 (Ability to Pay) and Y1 (Intention to Use) as the path coefficient result is predominantly near 0 (0.069).
- 3) The direction of the relationship between X3 (Sales Promotion) to Y1 (Intention to Use) is positive (0.473)
- 4) The direction of X4 (Security) to Y1 (Intention to Use) relationship is positive (0.370).

Table 7. T-Statistics

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 (Perceived Ease of Use) -> Y1 (Intention to Use)	0.042	0.054	0.091	0.468	0.640
X2 (Ability to Pay) -> Y1 (Intention to Use)	0.069	0.078	0.111	0.621	0.535
X3 (Sales Promotion) -> Y1 (Intention to Use)	0.473	0.464	0.102	4.626	0.000
X4 (Security) -> Y1 (Intention to Use)	0.370	0.369	0.088	4.215	0.000

To identify structural relationships between latent variables, hypothesis testing is required by comparing whether the p-value (p-value) < 0.05 and the statistical t value > 1.96.

1) Effect of Perceived Ease of Use (X1) on Intention to Use (Y1)

H1: Perceived Ease of Use has a positive and significant effect on Generation Z's Intention to Use in using Shopee Pay Later in Jakarta, Bogor, Depok, Tangerang, and Bekasi

Based on Table 7, it can be concluded that the relationship between the variables Perceived Ease of Use (X1) and Intention to Use (Y1) is not significant. This inference is drawn from a p-value of 0.640, surpassing the significance level of 0.05, along with a statistical t-value of 0.468, which is below 1.96. Consequently, the rejection of the H1 hypothesis is warranted as the p-value exceeds 0.05, and the t-statistic value is less than 1.96.

2) Effect of Ability to Pay (X2) on Intention to Use (Y1)

H2: Ability to Pay has a positive and significant effect on Generation Z's Intention to Use in using Shopee PayLater in Jakarta, Bogor, Depok, Tangerang, and Bekasi.

Based on Table 7, it can be concluded that the relationship between the variables Ability to Pay (X2) and Intention to Use (Y1) is not significant. This inference is drawn from a p-value of 0.535, surpassing the significance level of 0.05, along with a statistical t-value of 0.621, which is below 1.96. Consequently, the rejection of the H2 hypothesis is warranted as the p-value exceeds 0.05, and the t-statistic value is less than 1.96.

3) Effect of Sales Promotion (X3) on Intention to Use (Y1)

H3: Sales Promotion has a positive and significant effect on Generation Z's Intention to Use in using Shopee PayLater in Jakarta, Bogor, Depok, Tangerang, and Bekasi

Based on Table 7, it can be concluded that the relationship between the variables Sales Promotion (X3) and Intention to Use (Y1) is significant. This inference is drawn from a p-value of 0.00 which is less than a significance level of 0.05, along with a statistical t value of 4.626 which is greater than 1.96. Therefore, the H3 hypothesis is accepted as the p-value is smaller than 0.05 and the t-statistic value is greater than 1.96.

4) Effect of Security (X4) on Intention to Use (Y1)

H4: Security has a positive and significant effect on Generation Z's Intention to Use in using Shopee PayLater in Jakarta, Bogor, Depok, Tangerang, and Bekasi

Based on Table 7, it can be concluded that the relationship between the variables Security (X4) and Intention to Use (Y1) is significant. This inference is drawn from a p-value of 0.00 which is less than a significance level of 0.05, along with a statistical t value of 4.215 which is greater than 1.96. Therefore, the H4 hypothesis is accepted because the p-value is smaller than 0.05 and the t-statistic value is greater than 1.96.

Table 8. Predictive Relevance

	SSO	SSE	Q ² (=1-SSE/SSO)
X1 (Perceived Ease of Use)	1.080.000	1.080.000	
X2 (Ability to Pay)	1.080.000	1.080.000	
X3 (Sales Promotion)	960.000	960.000	
X4 (Security)	1.200.000	1.200.000	
Y1 (Intention to Use)	1.200.000	762.857	0.364

Predictive relevance assesses the effectiveness of a research or observation. If the Q square value is below 0 (<0), it suggests that the observation is not satisfactory. Conversely, a Q square value exceeding 0 (>0) indicates a good observation. In the case of the Y1 variable (Intention to Use), the calculated Q square value is 0.384. Given that this value is greater than 0, it can be inferred that this study has a favorable observation quality.

Table 9. Model Fit

	Saturated Model	Estimated Model
SRMR	0.077	0.077
d _{ULS}	6.424	6.424
d _G	3.643	3.643
Chi-Square	1.914.299	1.914.299
NFI	0.660	0.660

NFI value of 0.660 or 66%. This indicates that the model owned has been 66% fit.

5. Discussion

The discussion in this study describes the effect of Perceived Ease of Use (X1), Ability to Pay (X2), Sales Promotion (X), and Security (X4) on Intention to Use (Y1).

1) The Effect of Perceived Ease of Use (X1) on Intention to Use (Y1)

The results of data analysis in this study indicate that the perceived ease of use variable does not have any significant effect on the intention to use Shopee PayLater. Contrary to the initial hypothesis, the higher the level of user perception of Shopee PayLater in terms of ease of use, the study does not find a statistically significant correlation with the intention to use it. This finding aligns with the findings of previous studies (Bregashtian & S.E., M.M., CFP2, 2021; Budi et al., 2013; Kartika, 2023; Nathania et al., 2021; Setiawan et al., 2022). This implies that, within the scope of this study involving Generation Z in the Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek) region, the perceived ease of use does not play a significant role in influencing the intention to use Shopee PayLater. Although Shopee PayLater offers great ease of use, it alone may not attract or motivate users to consider adopting the Shopee PayLater payment method. This is because consumers' decisions to use Shopee PayLater involve factors beyond just its convenience; other considerations are also essential. Further research is needed to uncover and understand these potentially influential factors.

2) The Effect of Ability to Pay (X2) on Intention to Use (Y1)

The results of the data analysis show that the ability to pay variable does not have any significant effect on the intention to use Shopee PayLater. Contrary to the initial hypothesis, there is no statistically significant relationship between respondents' financial capability and their intention to use Shopee PayLater in this study. Therefore, differences in respondents' ability to pay cannot be considered as a factor significantly influencing the intention to use Shopee PayLater in this context. These findings suggest that other unexplored factors may play a more substantial role in influencing the intention to use Shopee PayLater among Generation Z in Jakarta, Bogor, Depok, Tangerang, and Bekasi. This presents an opportunity for further research to uncover and understand factors that may be more significant in the context of using Shopee PayLater.

3) The Effect of Sales Promotion (X3) on Intention to Use (Y1)

The results of data analysis in this study clearly shows that the sales promotion variable has a positive and significant effect on the intention in using Shopee PayLater. This finding aligns with the findings of previous studies (Agustin, 2022; Nagayo et al., 2022). From the statistical results, it can be concluded that the sales promotion offered by Shopee PayLater has a positive and significant influence on the intention of generation Z users in the Jakarta, Bogor, Depok, Tangerang, and Bekasi area to use this service. In other words, when respondents see promotions such as discounts, cashback, or other special offers provided by Shopee PayLater, their intention in using them increases significantly. These results support the hypothesis proposed in this study, and suggest that sales promotion strategies can play an important role in increasing intention in using Shopee PayLater among generation Z.

4) The Effect of Security (X4) on Intention to Use (Y1)

The results of data analysis in this study clearly show that security variable has a positive and significant effect on the intention in using Shopee PayLater. This finding aligns with the findings of previous studies (Immawati & Dadang, 2019; Sari and Wulandari, 2019; Min & Cheng, 2023.) Based on the statistical results obtained, it can be concluded that the security factors provided by Shopee PayLater, such as personal data protection and a strong transaction security system, have a positive and significant influence on the intention of generation Z users in the Jakarta, Bogor, Depok, Tangerang, and Bekasi area to use this service. In other words, users feel more motivated and confident to use Shopee PayLater because of the security offered. This finding supports the research hypothesis that states that a high level of security can increase intention in using Shopee PayLater and strengthen consumer confidence in the service.

6. Conclusion, Implication, and Recommendation

In this series of studies, the results of data analysis reveal several important research results related to factors that influence the intention in using Shopee PayLater among generation Z in the Jakarta, Bogor, Depok, Tangerang, and Bekasi area.

Notably, the study establishes that both perceived ease of use and ability to pay do not have a significant effect on the intention to use Shopee PayLater. Contrary to the initial

hypotheses, the statistical analysis reveals a lack of substantial correlation between perceived ease of use and intention to use Shopee Paylater, as well as ability to pay and intention to use Shopee PayLater. Therefore, the proposed hypotheses for both factors are invalidated.

Moreover, the results of data analysis also revealed that sales promotion has a positive and significant influence on the intention in using Shopee PayLater. This shows that sales promotions offered by Shopee PayLater, such as discounts, cashback, and special offers, have a significant impact in stimulating intention in using this service. Additionally, security demonstrates a positive and significant influence on the intention to use Shopee PayLater. This shows that that a high level of security can enhance the intention to use Shopee PayLater and bolster consumer confidence in the service.

The conclusion from the results of this study is that Shopee PayLater needs to focus more efforts on improving security factors and sales promotion to increase intention in use. The results of this study provide valuable guidance for Shopee in designing a more effective marketing strategy, taking into account the key factors that influence the intention in using Shopee PayLater among generation Z

7. References

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