FACTORS INFLUENCE THE INTENTION TO USE IN PAYLATER FEATURE AMONG THE MILLENNIAL GENERATION

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Abstract: These days the use of PayLater has become a trend in society, focusing on the gen z and millennials. This is because digital adoption in significantly higher than the previous generation. Shopee introduced the latest digital credit card payment feature called Shopee PayLater (SPayLater). In this case, research is carried out on Acceptance and Use Technology in Shopee PayLater feature using UTAUT2 Model. This research aims to analyze the factors that influence the intention to use the PayLater feature on Shopee PayLater using UTAUT2 Model. The data used was obtained from distributing questionnaires with 122 respondents of millennial generation Shopee PayLater users. The data collection technique used is Nonprobability Sampling. The data was processed using SmartPLS 3. The resuts of this study indicate that there are variables that have a significant and no significant effect on the use of Shopee PayLater. The variables of Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, and Price Value have no significant effect on Behavioral Intention. In addition, the Hedonic Motivation and Habit variables have a significant effect on the Behavioral Intention of using SPayLater. Another result of this research is that Behavioral Intention, Facilitating Conditions, and Habit variables have a significant effect on Use Behavior using Shopee PayLater.

Keywords: Financial Technology, PayLater, UTAUT2

INTRODUCTION

The development of the internet goes hand in hand with technology. Technology and the internet are an inseparable part of human life in this era of globalization. Infinite information makes it easier for people to get what they want. The internet has become a daily need for people in various areas of life, namely economic, social, educational, and health fields. Data show that Indonesia's total population was 277.7 million in January 2022. There were 204.7 million internet users in Indonesia and the intenet penertration rate in Indonesia stood at 73.7 percent of the total population at the start of 2022 (Fintech Report, 2021). According to Widjojo (2020), the new digital payment systems have been rising in Indonesia in the past years, and transportation apps and other non-bank enterprises pioneer digital payments. Although e-commerce, digital finance, and cloud services disrupt the market due to the advance in technology (Yao et al., 2018) underline that the digital payment system in one of the innovative products. Some digital payment systems that facilitate an easy transaction when dealing with online shopping offer consumers (Pratika et al., 2021).

According to OJK, PayLater is a service to provide funds for a transaction at a late date. PayLater usually is offered by many digital companies as a payment alternative. Nowadays, e-commerce and e-wallet provide PayLater feature to get consumers who do not have access

to a credit card but still want to purchase in credit (Hilman et al., 2021). A survey from Research Institute Socio-Economic Development (RISED) showed an increase in PayLater services before and during the pandemic. With the popularity of digital credit products, PayLater has increased among the internet users. Each platform has different spesifications and coverage. Shopee introduced the latest digital credit card payment feature called Shopee PayLater (SPayLater). Shopee PayLater offers benefits in the form of instant loan funds with the minimal interest to active users on the Shopee application. In 2021, Shopee PayLater became the most used PayLater application, surpassing GoPayLater, Kredivo, Akulaku, and Traveloka PayLater.

Based on the background stated above, this research has examined the acceptance of technology using Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) Model. User behavior is one of the factors can influence users in carrying out the technology use activities. The constructs from UTAUT2 that the researchers adopted in this study are Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI), Facilitating Conditions (FC), Hedonic Motivation (HM), Price Value (PV), Habit (H), Behavioral Intention (BI), and Use Behavior (UB). The goal of this study is to analyze the factors that influence the intention to use in PayLater feature on Shopee PayLater (SPayLater).

LITERATURE REVIEW
Pay Later
Pay Later is a method of deferring or paying in credit without credit card when buying something through the platform. Pay Later is a service to provide funds for a transaction at a late date (OJK). The growing use of digital payments has been expected to result in a "cashless" society for a while. The Financial Services Authority (OJK) as a financial agency regulates fintech peer-to-peer lending through POJK No. 77pojk.01/2016 concerning Information Technology-Based Loan Services. This POJK aims to protect consumers interest related to the security of funds and data, and also protect national interests related to preventing money laundering activities, financial terrorism, and financial system stability. Pay later is introduced as a new payment called Buy Now Pay Later (BNPL). Globally, BNPL is a fast growing market that will grow from 7.3 billion dollars in 2019 to 33.6 billion dollars in 2027 at compound annual growth are (CAGR) of 21.2% according to estimates by Coheret Market Insights. PayLater was ranked second in the fintech product category reported by Fintech Report Survey (2021).

Unified Theory of Acceptance and Use of Technology 2 (UTAUT2)
There are several theorical models, developed from theories in psychology and sociology, employed to explain technology acceptance and use (Venkatesh, 2003). UTAUT has condense the important elements and variables related to prediction of behavioral intention to use a technology utilization in organizational context. The first version of UTAUT by Venkatesg proposed four key constructs (2003), namely Performance Expectancy, Effort Expectancy, Social Influence, and Facilitating Conditions that influence use behavior of the new technology. The extended model of UTAUT consists new added constructs aimed to help broading the UTAUT's theorical frontiers. Complementary conception can increase the UTAUT's scope and generalizability. Venkatesh (2012) stated UTAUT2 Model with the three new constructs Hedonic Motivation, Price Value, and Habit. UTAUT2 research model by Venkatesh (2012) is shown in Figure 1:
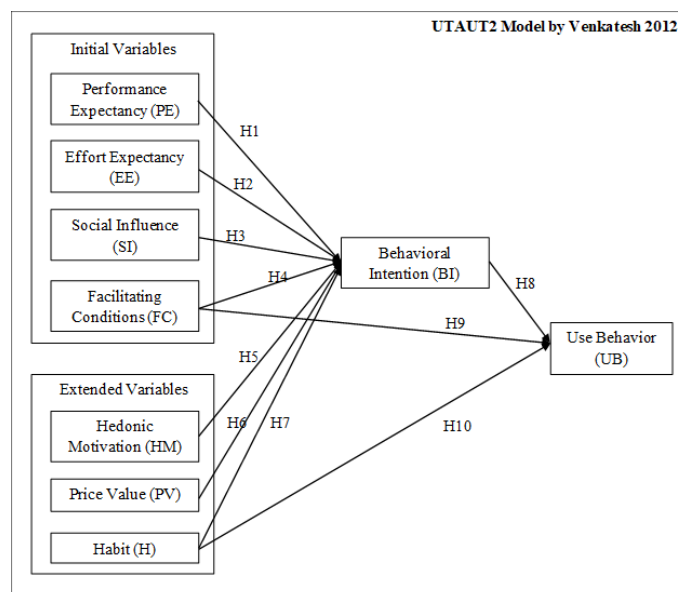
Figure 1
UTAUT2 Model
Source: Venkatesh (2012)

Based on the theoritical framework showed in figure 1, the formulation of the hypothesis in this study are as follows:

H1 : Performance Expectancy has an effect on Behavioral Intention
H2 : Effort Expectancy has an effect on Behavioral Intention
H3 : Social Influence has an effect on Behavioral Intention
H4 : Facilitating Conditions has an effect on Behavioral Intention
H5 : Hedonic Motivation has an effect on Behavioral Intention
H6 : Price Value has an effect on Behavioral Intention
H7 : Habit has an effect on Behavioral Intention
H8 : Behavioral Intention has an effect on Use Behavior
H9 : Facilitating Conditions has an effect on Use Behavior
H10 : Habit has an effect on Use Behavior

RESEARCH METHODOLOGY

The research instrument for collecting days in this study was a questionnaire. Questionnaires were created using Google Forms and distributed through social media. The questionnaire model is a closed questionnaire containing a list of questions with alternative answers provided for respondents. The scale used in this study is the Likert Scale, each item was measured on five-point from 'strongly disagree' (1) to 'strongly agree' (5). The population in this study are peoplle in the millennial generation who use Shopee PayLater (SPayLater). The sample size in this study was determined using nonprobability sampling with purposive sampling technique. The formulation by Roscoe with the minimum sample taken need to be 90 respondents. This study used SEM-PLS method as an analytical method and SmartPLS v.3 as analytical tool. The SEM-PLS method is carried out in the three steps: Outer Model Analysis, Inner Model Analysis, and Hypothesis Test.

RESULTS AND ANALYSIS

The distribution of questionnaire was carried out from June to July 2022. The number of questionnaire filled in was 122 respondents. Table 1 is the overview of the respondents that explained based on gender and duration of use Shopee PayLater (SPayLater).

Table 1
Descriptive statistic of respondents

Description		Frequency	Percentage(%)
Gender	Male	95	78
	Female	27	22
Duration of Use	Less than 1 year	70	57
	1 – 2 years	31	25
	More than 2 years	21	17
n = 122			

Source: Primary data that has been processed (2022)

The PLS aims to predict the effect of variable X on Y to explain the theoritical relationshopp between the independent variable and dependent variable. The analysis is carried out from testing the outer model, inner model, and hypothesis testing.

Outer Model Analysis
The outer model test aims to specify the relationship between latent variables and their indicators. The outer model begins with testing the construct validity and instrument reliability.

Table 2
Validity and Reliability Test Results

Constructs	Indicators	Outer Loadings	AVE	Composite Reliability	Cronbach's Alpha
Behavioral Intention (BI)	BI1	0,890	0,779	0,913	0,858
	BI2	0,899			
	BI3	0,857			
Effort Expectancy (EE)	EE2	0,903	0,786	0,917	0,866
	EE3	0,888			
	EE4	0,869			
Facilitating Conditions (FC)	FC1	0,812	0,666	0,857	0,758
	FC2	0,799			
	FC3	0,837			
Habit (H)	H1	0,834	0,720	0,911	0,871
	H2	0,877			
	H3	0,837			
	H4	0,845			
Hedonic Motivation (HM)	HM1	0,907	0,828	0,935	0,896
	HM2	0,931			
	HM3	0,892			
Performance Excpectancy (PE)	PE1	0,798	0,627	0,834	0,709
	PE2	0,770			
	PE4	0,806			
Price Value (PV)	PV1	0,893	0,795	0,921	0,872
	PV2	0,900			
	PV3	0,883			
Social Influence (SI)	SI1	0,832	0,646	0,845	0,727
	SI2	0,820			
	SI3	0,757			

Constructs	Indicators	Outer Loadings	AVE	Composite Reliability	Cronbach's Alpha
Use Behavior (UB)	UB1	0,860	0,739	0,895	0,824
	UB2	0,868			
	UB3	0,850			

Source : Primary data that has been processed (2022)

A common rule of thumb is that the standardized outer loadings should be higher that 0.70. indicators with outer loadings between 0.40 until 0.70 should be considered for removal from the scale only when deleting the indicators increases the composite reliability (Hair, 2017). On the first step in Convergent Validity, informations are obtained that each indicator is valid except for EE1, FC4, and PE3 which have outer loadings < 0.70. in the second step, indicators that are not included in the valid criteria must be eliminated and retested in the outer model test. Then the EE1, PE3, and FC4 are removed from the following test series. The AVE value must be greater than 0.50 (Ghozali). The results show that more than half of varianvce of its indicators because all indicators have value of more than 0.50.

The convergent validity showed in Table 2 was the second step after retesting the construct with several indicators being removed. The retest declared that all indicators are valid in the second step. The outer loadings are more than 0.70 this means that all indicators in this step represent each latent variable. The seond-step of outer model analysis is Composite Reliability. From the result shows in Table , all construct have met the criteria for the composite reliability and Cronbach's alpha of more than 0.70. This proves that the measurement is reliable.

The discriminant validity is the extent to which construct is entirely different from another construct by empirical standards. The external loading of the indicator on the related construction must be greater than its cross loadings on the other constructs (Hair, 2017). As can be seen in the Table 3, the loadings exceed the cross loadings, the the discriminant validity has been established.

Table 3.
Discriminant Validity

	BI	EE	FC	H	HM	PE	PV	SI	UB
BI1	**0,890**	0,185	0,291	0,667	0,68	0,381	0,399	0,233	0,712
BI2	**0,899**	0,101	0,296	0,684	0.558	0,297	0,307	0,386	0,623
BI3	**0,857**	0,161	0,275	0,624	0,511	0,342	0,313	0,36	0,577
EE2	0,18	**0,903**	0,503	0,161	0,324	0,364	0,431	0,168	0,364
EE3	0,136	**0,888**	0,549	0,156	0,194	0,276	0,264	0,217	0,375
EE4	0,121	**0,869**	0,617	0,184	0,227	0,289	0,377	0,192	0,381
FC1	0,221	0,469	**0,812**	0,228	0,293	0,388	0,42	0,335	0,404
FC2	0,123	0,660	**0,799**	0,109	0,268	0,325	0,382	0,221	0,337
FC3	0,386	0,445	**0,837**	0,41	0,54	0,488	0,511	0,377	0,464
H1	0,581	0,143	0,271	**0,834**	0,594	0,378	0,302	0,263	0,537
H2	0,580	0,109	0,214	**0,877**	0,449	0,278	0,181	0,302	0,446
H3	0,719	0,107	0,290	**0,837**	0,569	0,315	0,350	0,395	0,533
H4	0,636	0,262	0,349	**0,845**	0,556	0,409	0,347	0,322	0,652
HM1	0,543	0,312	0,445	0,534	**0,907**	0,407	0,441	0,372	0,625
HM2	0,658	0,211	0,423	0,602	**0,931**	0,484	0,461	0,328	0,628
HM3	0,605	0,275	0,440	0,614	**0,892**	0,458	0,531	0,380	0,705
PE1	0,314	0,437	0,494	0,315	0,485	**0,798**	0,453	0,320	0,439
PE2	0,224	0,284	0,304	0,270	0,346	**0,770**	0,352	0,274	0,289
PE4	0,353	0,144	0,382	0,370	0,345	**0,806**	0,292	0,357	0,237
PV1	0,362	0,322	0,448	0,292	0,412	0,322	**0,893**	0,171	0,365

PV2	0,304	0,427	0,523	0,331	0,525	0,483	**0,900**	0,270	0,408
PV3	0,364	0,356	0,501	0,327	0,477	0,431	**0,883**	0,253	0,392
SI1	0,311	0,181	0,365	0,318	0,348	0,373	0,228	**0,832**	0,235
SI2	0,313	0,155	0,251	0,323	0,313	0,317	0,200	**0,820**	0,232
SI3	0,252	0,184	0,347	0,276	0,286	0,286	0,190	**0,757**	0,244
UB1	0,744	0,232	0,385	0,629	0,626	0,338	0,359	0,335	**0,860**
UB2	0,559	0,396	0,441	0,528	0,582	0,321	0,282	0,193	**0,868**
UB3	0.546	0.475	0.483	0.494	0.64	0.387	0.481	0.211	**0.850**

Source : Primary data that has been processed (2022)

Inner Model Analysis

Inner Model Analysis describes the relationship between the latent variables based on substantive theory. The structural model was evaluated using R-Square. R-Square is way to asses how much endogenous constructs can be explained by exogenous constructs. The R-Square result of 0.67 indicates that the model is "substantial"; 0.33 as "moderate"; and 0.19 as "weak" (Ghozali). Table 4 shows the result of the R-Square value for the Behavioral Intention variable is 0.621 or 62.1%, it means that the percentage of the influence of the exogenous variables on Behavioral Intention is 62.1% and other factors influence the rest. The effect of all exogenous variables on endogenous Behavioral Intention is moderate.

The R-Square valye for the Use Behavior variable is 0.62 or 62%, it means that the percentage of the exogenous variables on Use Behavior is 62% and other factors influence the rest. Then the effect of all exogenous variables on Use behavior is moderate.

Table 4
Inner model result

	R Square	R Square Adjusted
BI	0,621	0,597
UB	0,620	0,611

Source : Primary data that has been processed (2022)

Hypothesis Test

Hypothesis testing aims to prove the effect of each variable X on variable Y. The rule of thumb used is T-Statistics > 1.96 with a significant level used is P-Value <0.05 for the accepted hypothesis. Based on the table , from ten hypothesis proposed, five hypotheses are accepted and five hypotheses are rejected.

Table 5.
Hypothesis Test Result

	Original Sample (O)	T Statistics	P Values	Description
BI -> UB	0,504	5,541	0,000	Accepted
EE -> BI	-0,035	0,478	0,633	Rejected
FC -> BI	-0,024	0,286	0,775	Rejected
FC -> UB	0,281	3,725	0,000	Accepted
H -> BI	0,533	6,083	0,000	Accepted
H -> UB	0,175	2,063	0,040	Accepted
HM -> BI	0,294	2,704	0,007	Accepted
PE -> BI	0	0,002	0,999	Rejected
PV -> BI	0,059	0,752	0,452	Rejected
SI -> BI	0,048	0,654	0,513	Rejected

Source : Primary data that has been processed (2022)

Performance Expectancy has no significant effect on Behavioral Intention. Performance Expectancy is defined as the level of benefits consumers obtain in using technology (usefulness, quickness, and productivity). SPayLater aims to make it easier fot users to make transactions, however customers think that SPayLater does not help them complete transactions quickly or increase productivity. This makes the intentions to use the system decrease, because the millennials users with a limited free time tend to choose fast and practical transactions. Along with Performance Expectancy, variable Effort Expectancy has no significant effect on Behavioral Intention. The SPayLater registration process requires users to upload a photo of their ID card and verify their face. If the system does not work correctly, the user must repeatedly re-do the face identification. Facilities in the form of availability of resources such as electronic devices or smartphones and knowledge increase the intention to use users (Venkatesh, 2012).

Social influence is the degree to which an individual feels it is essential for other to believe they should use the technology. SPayLater uses ads to promote in the form of service offers, discount, and social media promotional. However, those are not enough to make users tempted to intend to use SPayLater. Another reason is that there are not many active SPayLater users in the user environment, most users use ShopeePay, or bank transfer. Facilitating Conditions is defined with knowledge, application compatibility, and the ease of getting help from other parties for using the SPayLater. Consumer resources are insufficient to make transactions easier and faster, so the intention to use PayLater is reduced. This explains that although users have understood the PayLater system but consumers do not fully believe in using it (Pratika et al, 2020). The price of using the SPayLater is not equal with simple transactions. The payment include the interest in the installment bill. Some users do not use SPayLater because the price after these fees are higher than buyers paying with other methods. It indicates that Price Value has no signicant effect on Behavioral Intention.

Hedonic Motivation has a significant effect on Behavioral Intention. Purchasing products using the SPayLater payment method only take a minute to process because transactions have been systematically intergrated, making it easier for users to continue transaction. Hedonic factors cause transactions to occur using the installment method to ease the burden on sonsumers because consumers ae happy to buy goods as soon as possible even though they are not urgent (Pratika et al, 2020). The SPaylater method is easy because users just need smartphone, internet network, and Shopee Application. Transactions can be done anytime and anywhere, this has become a habit of workers, which is driving factor interest in using SPayLater. Habit has a significant effect on Behavioral Intention.

The hypothesis test results indicate that Behavioral Intention has a significant effect on Use Behavior. Behavioral intention is the perceived or subjective probability that a person will engage in a given behavior. As with credit cards, the availability of a PayLater payment can be lucrative alternative for consumers who want to purchase products of services even though at the same time they do not have sufficient funds to make the purchase. SPayLater has succeeded in getting users interested in its promotions and has become one of the user's preferred payment methods in e-commerce Shopee. The variable Facilitating Condition on Use Behavior means that users already trust the system and the organization of the system, so users plan to use the technology further. This indicates that Facilitating Condition has a significant effect on Use Behavior. Along with the trust in system, the user's habit of using the system creates a level of addiction and a feeling of obligation from the user to continue using the system. The relationship between habit and use behavior means that the frequency to use in technology effects the attitude of sustainable to use in adopting a new system called SPayLater.

CONCLUSION

Based on the discussion oh the research results, Hedonic Motivation and Habit have significant effect on Behavioral Intention. These results indicate that fun, enjoyment and entertainment is using the SPayLater increase the user's intention to use. SPayLater helps users get the things they need when financial conditions do not allow. When users feel pleasure and enjoyment in suing SPayLater, users will get used to it, so they will always intend to use it. These user habits increase the intention to use SPayLater. The continuity of the intention to use becoming an ongoing basis. The users's habit of using the SPayLater will continue to be used frequently because of addiction to running it. The availability of resources in the form of supporting the use of the system, can make users intend to use them. These make SPayLater active users get used to it and makes SPayLater the payment tool of choice.

For the future research, this research limits the number of representatives sample because it only take data at a limited age or the Millennial Generation. It is also expected that further studies can expand the study by capturing more than a single paylater payment provider. This research also only uses the main variable of UTAUT2 without moderating variables, namely age, gender, and experience. it is hoped that future research can add moderating variables for testing the influence of individual characters on technology acceptance and use.

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