EXPLORING FACTORS INFLUENCING GEN Z'S PAYLATER USAGE INTENTION AND ITS IMPACT ON IMPULSIVE BUYING

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ABSTRAK

Kemajuan teknologi dan informasi telah menjadi salah pendorong utama bagi kemajuan *financial technology* (fintech), seperti layanan paylater. Di wilayah Jabodetabek, transaksi paylater terus mengalami peningkatan setiap tahunnya. Generasi Z atau Gen Z, merupakan kelompok pengguna terbesar kedua untuk metode pembayaran ini dan diperkirakan menjadi kelompok yang paling aktif dalam pengeluaran keuangan dalam beberapa tahun mendatang. Penelitian ini bertujuan untuk menguji faktor-faktor yang mempengaruhi keputusan Gen Z di wilayah Jabodetabek untuk menggunakan paylater dalam pembelian. Penelitian ini menggabungkan model TAM dan UTAUT untuk menganalisis niat penggunaan paylater dan perilaku pembelian impulsif. Penilitian ini menggunakan metode kuantiatif dimana data dikumpulkan melalui kuesioner online yang diisi oleh 219 pengguna paylater dan diolah dengan menggunakan SmartPLS dan SPSS. Hasil penelitian menunjukkan adanya hubungan positif dan signifikan antara *Perceived Usefulness* (X1), *Perceived Ease of Use* (X2), *Perceived Security* (X3), *Social Influence* (X4), dan *Intention to Use* paylater (Z). Selain itu, penelitian ini juga mengungkapkan adanya hubungan positif dan signifikan antara *Intention to Use* paylater (Z) dan *Impulsive Buying* (Y) pada penduduk Gen Z di daerah Jabodetabek.

ABSTRACT

The advancement of technology and information has been a key driver for the progress of financial technology (fintech), such as paylater services. In the Jabodetabek area, paylater transactions have been consistently increasing each year. Generation Z, or Gen Z, constitutes the second-largest user group for this payment method and is expected to become the most active group in financial expenditures in the coming years. This study aims to examine the factors influencing the decisions of Gen Z residents in the Jabodetabek area to use paylater for purchases. The study combines the TAM and UTAUT models to analyze the intention to use paylater and impulsive buying behavior. This research employs a quantitative method, where data was collected through online

questionnaires completed by 219 paylater users and analyzed using SmartPLS and SPSS. The research results indicate a positive and significant relationship between Perceived Usefulness (X1), Perceived Ease of Use (X2), Perceived Security (X3), Social Influence (X4), and Intention to Use paylater (Z). Additionally, the study reveals a positive and significant relationship between Intention to Use paylater (Z) and Impulsive Buying (Y) among Gen Z residents in the Jabodetabek area

INTRODUCTION

The advancement of technology has significantly impacted and transformed purchasing methods into digital forms. Nowadays, businesses are compelled to adapt to the demand for digital payments, convenience, and streamlined transactions (Pratika et al., 2021). This has led to the emergence of financial technology, commonly known as fintech. Fintech enables individuals to conduct transactions swiftly, efficiently, and effectively. Bank Indonesia's statistical data reveals that the value of digital payment transactions reached IDR399.6 trillion in 2022, reflecting a growth of 30.84% from the previous year. Additionally, due to the growing preference for online shopping, Bank Indonesia projects a further increase of 23.9% in the value of digital payment transactions by 2023 (Wisnubroto, 2023).

The development of fintech, the demand for convenient purchasing methods, and the surge in digital transactions have prompted many companies to innovate and introduce fresh products or services (Pratika et al., 2021). One such intriguing fintech idea currently developing in Indonesia is paylater. Paylater is an online loan service that allows consumers to defer payment for a transaction, either in one payment or installments. It is a popular fintech product in Indonesia after digital money (DailySocial, 2021). People choose paylater for its easy application process and installment flexibility. This method is also integrated into well-known mobile apps, such as e-commerce, ride-sharing, and travel agencies, making it convenient for users. Moreover, paylater is considered the best alternative for meeting urgent installment payment needs.

In Indonesia, paylater usage is dominant in metropolitan areas, including the Greater Jakarta area. Internal research from Kredivo revealed a growth in paylater transactions in Jakarta in 2022, with a 52% increase in the first quarter compared to the previous year

(Mardiansyah, 2023; Zuraya, 2022). Paylater users are predominantly young people, as indicated by a survey conducted by Tirto.id and Jajak Pendapat, which found that Generation Z or Gen Z is the second-largest user group (Hartanto, 2022). The survey found that individuals, including Gen Z, tend to make 1 to 5 additional purchases using paylater payment method in apps or stores. This result is supported by LendingTree's survey, which discovered that 70% of women and 66% of men overspend when utilizing paylater services (Schulz, 2022). These findings suggest that the availability of paylater services contributes to an increased inclination for Gen Z to engage in impulsive spending.

Research by Keni et al. (2020) explains that there is a significant influence between the variables of perceived usefulness, perceived ease of use, and perceived security on the intention to use mobile payment. Another study by Yang et al. (2021) also found a positive and significant relationship between perceived usefulness, perceived ease of use, social influence, and the intention to use e-wallet. They concluded that individuals would be interested in using a paylater service if they perceive multiple uses, find it effortless to learn, perceive security related to personal data, and receive product education. However, Kurniawan et al. (2021) stated that perceived ease of use and perceived security do not have an influence on someone's interest in using paylater services. Only perceived usefulness has been proven to have a strong significant influence on the intention to use paylater services. They mentioned that other factors, both internal and external, could possibly have an influence on someone's intention to use paylater services.

Moreover, Cuandra (2022) concluded that someone's intention to use paylater services is influenced by perceived usefulness and perceived security and is not influenced by perceived ease of use. In that study, it was also found that the intention to use paylater services has an impact on impulsive buying. According to the researcher's argument, the use of paylater services often leads to impulsive buying behavior due to the convenience and ease it offers in making purchases. The ability to spread payments over time or through installments also creates a perception of reduced immediate financial burden. As a result, individuals may underestimate the overall impact on their finances, further contributing to impulsive purchasing tendencies. Based on the description, the author is

interested in conducting research titled: "Exploring Factors Influencing Gen Z's Paylater Usage Intention and Its Impact on Impulsive Buying."

LITERATURE REVIEW

A. THEORETICAL APPROACH

Generation Z

Generation Z or Gen Z, born between 1997 and 2012, is a generation that has grown up in the digital age and has a strong affinity for technology (Dimock, 2019). They are highly skilled in using digital tools and are more informed about the latest financial technologies compared to earlier generations (Aseng, 2020). Gen Z relies on mobile banking apps, digital payment platforms, and budgeting tools to manage their finances efficiently and take control of their financial activities. Being connected to the internet and having immediate access to information, Gen Z embraces technology as an integral part of their identity.

Technology Acceptance Model (TAM)

The Technology Acceptance Model or commonly abbreviated as TAM, is a theoretical model invented by Davis et al. (1989). TAM is an expansion on the Theory of Reasoned Action (TRA) concept, which states that a person's response or judgment about something might affect how they act. The TAM was developed to understand computer-related behaviors. Its primary objective is to explain why certain individuals are receptive to adopting, using, or incorporating specific information technologies into their daily lives, while others are not (Davis, 1989). TAM offers a framework for describing and predicting individual behaviors across a wide range of end-user computing technologies and user groups, while maintaining simplicity and theoretical soundness. According to TAM, an individual's behavioral intention to use a system is determined by their perception of its usefulness and ease of use.

Unified Theory of Acceptance and Use of Technology (UTAUT)

The Unified Theory of Acceptance and Use of Technology (UTAUT) is a model which has been extensively adopted for conducting analysis on technology user acceptance in organizations. UTAUT is a theoretical model constructed by Venkatesh et al., (2003).

UTAUT provides a comprehensive framework for understanding the factors that influence user acceptance of new technology. This theory focuses particularly on critical factors and contingencies in predicting users' intention to adopt technology, primarily from a consumer perspective (Ikhsan & Sunaryo, 2020). The UTAUT model identifies four key constructs that contribute to the acceptance of new technology, which are assessed through behavioral intention. These four determining constructs include performance expectancy, effort expectancy, social influences, and facilitating conditions.

Consumer Behavior

According to Engel et al. (2010), consumer behavior is a metric that is closely engaged in the purchase, usage, and consumption of goods and services, as well as the activities that lead up to them. Hermanto (2013) proposes that consumer behavior encompasses activities such as product searching, researching, and evaluating. This implies that consumer behavior involves the actions undertaken by consumers when making purchasing decisions. When it comes to payment decisions, differing perceptions of various payment methods lead to consumers making varied choices. Even individuals with similar characteristics such as age, social class, education, and culture may exhibit different consumer behaviors (Surapati & Mahsyar, 2020). Understanding the behavior of diverse individuals poses a challenge, and each company must adopt a unique approach to comprehend consumer behavior. Despite similarities, individuals can still make contrasting purchasing choices.

B. CONCEPTUAL APPROACH

Perceived Usefulness

Davis (1989) defines perceived usefulness as the degree to which users believe that a technology or system will enhance their performance when utilized. According to Krempel and Beyerer (2014), perceived usefulness refers to the extent to which individuals believe that a technological system can enhance the performance level of its users. This means that individuals are more likely to adopt a new information technology solution if they perceive it as capable of improving their productivity and efficiency. The stronger the impression that using technology will save money and facilitate multiple transactions, the higher the likelihood of customer usage (Rahmadhani et al., 2022).

Therefore, perceived usefulness can be understood as users' perception of whether a system will provide significant benefits that fulfill their needs.

Perceived Ease of Use

Davis (1989) defines perceived ease of use as the extent to which individuals perceive employing information technology as convenient and requiring minimal effort. Similarly, according to Krempel and Beyerer (2014), perceived ease of use refers to the user's perception of how easily a system or technology can be utilized. Customers are more inclined to use a technology or system that does not demand excessive effort or specialized skills. In the context of transactions, people believe that payment systems that are easy to comprehend and facilitate smoother payment processes are preferred (Rahmadhani et al., 2022). Therefore, perceived ease of use represents the convenience and simplicity of using technology to access and make purchases.

Perceived Security

Perceived security refers to the sense of protection that a system offers in safeguarding customers' sensitive data, such as credit card details and transaction records (Arpaci et al., 2015). When individuals have assurance that their information is well-protected and will not be misused or tampered with, they feel a sense of security. This perception is influenced by factors such as the technological support provided by service providers, privacy assurances from applications, and adherence to government and central bank regulations (Arpaci et al., 2015). Therefore, perceived security is closely tied to the confidentiality of customers' personal data and the reliability of the supporting system provided by the service provider.

Social Influence

According to Venkatesh et al. (2003), social influence refers to a person's perception of the significance of others' opinions regarding their adoption of a new system. Individuals often rely on the attitudes and opinions of others to determine their own use of technology. Through information shared by individuals with strong relationships, one is more likely to be influenced. Social influence explains how individuals' attitudes, beliefs, and opinions can change after interacting with others or groups (Phan et al., 2020). Significant influences on an individual's behavior include family, relatives, colleagues, friends, peer

groups, celebrities, and virtual communities on social media platforms (Rahmadhani et al., 2022). Therefore, it can be concluded that social influence is related to how an individual's social circle or reference community, such as their family, can impact their intention to adopt and engage with technology.

Intention to Use

In the context of technology, the intention to use refers to the inclination and interest that arises in users when they are considering the use of a particular technology or system (Davis et al., 1989). The intention to use also encompasses consumers' beliefs and willingness to accept a specific object, which can subsequently influence their behavior towards that object in the future (Keni et al., 2020). An individual's behavior towards a product or object is influenced by personal circumstances and desires. The intention to use represents the stage where individuals demonstrate a tendency to act and utilize a specific system or technology before actually engaging with it.

Impulsive Buying

Impulsive buying refers to an individual's inclination to engage in spontaneous and immediate transactions to acquire goods (Rook & Fisher, 1995). It occurs when people make purchases without conducting prior evaluations or assessments of the product being bought, driven by a strong sense of desire rather than actual necessity. Verplanken and Sato (2011) discovered that impulsive buyers are motivated by the pleasure and enjoyment derived from the purchase, rather than solely functional considerations. Thus, impulsive buying can be understood as a purchasing behavior carried out without prior contemplation or consideration.

C. HYPOTHESIS DEVELOPMENT

Relationship of Perceived Usefulness and Intention to Use Paylater

Research findings have consistently demonstrated the significant influence of perceived usefulness on individuals' intention to use financial technology products. The functionality and usability of the paylater system play a crucial role in shaping users' intent. Yang et al. (2021) conducted a study that revealed a strong connection between perceived usefulness and users' inclination to adopt e-wallets. Users are more likely to embrace e-wallets when they perceive them as meeting their specific financial transaction

needs. Moreover, users with prior experience using e-wallets exhibit confidence and enjoyment in adopting them for payment purposes. These findings are further supported by Cuandra's (2022) research, which emphasizes the convenience and multitude of benefits associated with paylater payments. The study highlights that individuals' intention to use paylater increases when they perceive it as offering various useful features. This aligns with previous research showing a positive relationship between perceived usefulness and intention to use financial technology products (Kurniawan et al., 2021; Hidayat & Rudito, 2022; Rahmadhani et al., 2022). Therefore, based on the discussion, the hypothesis 1 of this study is as follows:

H1: Perceived usefulness has a positive influence on the intention to use the paylater.

Relationship of Perceived Ease of Use and Intention to Use Paylater

Ease of use plays a crucial role in the adoption of financial technology. Users perceive greater convenience as a key driver for their willingness to use these services. The ease of conducting payment transactions, requiring minimal skills and being hassle-free, contributes to users' preference for financial technology. Rahmadhani et al. (2022) conducted a study revealing the close relationship between perceived ease of use and Gen Z's interest in using e-wallets. Their findings indicate that Gen Z individuals are more likely to embrace e-wallets when they perceive clear benefits and minimal difficulties associated with them. E-wallets are considered user-friendly and require minimal effort to operate, as emphasized by Yang et al. (2021). These insights highlight the importance for e-wallet providers to prioritize cutting-edge technologies that enable seamless and efficient transactions. Previous studies have also shown that perceived ease of use influences users' intention to adopt technology (Keni et al., 2020; Deswari & Patrisia, 2022; Hidayat & Rudito, 2022; Agustin, 2022). Accordingly, this study formulates the following hypothesis:

H2: Perceived ease of use has a positive influence on the intention to use the paylater.

Relationship of Perceived Security and Intention to Use Paylater

The security of technology is crucial to users, as it instills trust that their personal data, including financial information, will be secured and not misused by unauthorized parties. Users rely on service providers to maintain the security of their data, making it a vital aspect of financial technology. Simorangkir and Afgani (2021) found that security has

the greatest influence on Gen Z's adoption of mobile payments. Gen Z perceives mobile payment systems as secure for managing financial transactions, and they feel more confident when using e-wallets that offer proper security measures and privacy protection. Agustin (2022) also supports this finding, observing that users are more likely to use Shopee Paylater if they trust the service's robust security measures and sophisticated anti-fraud system. Reliable mobile or digital payments ensure that all transaction phases meet user expectations and provide the necessary level of security. Previous studies consistently highlight the importance of security in users' decisions to adopt financial technology (Cuandra, 2022; Keni et al., 2020; Deswari & Patrisia, 2022). Based on the discussion, this study proposed the hypothesis as follows:

H3: Perceived security has a positive influence on the intention to use the paylater.

Relationship of Social Influence and Intention to Use Paylater

Social influence refers to the impact of communication and interaction with others, where it can shape a person's attitudes and behaviors. This variable focuses on how individuals close to the user utilize and promote digital payment systems, influencing and encouraging others to adopt them. Phan et al. (2020) highlighted the significant role of social influence in the adoption of e-wallets by Vietnamese youth, surpassing concerns about privacy and security. They argue that digitally literate Gen Z individuals are more likely to be influenced by recommendations from their peers who already use e-wallets, leading to increased interest in adopting this technology. Social influence plays a crucial role in shaping people's attitudes towards technology, as they seek status and influence within their social circles when embracing new technologies (Ikhsan & Sunaryo, 2020). Opinions from specific individuals have a significant impact on their attitudes. Simorangkir and Afgani (2021) support this idea by stating that consumers' adoption of mobile payments is influenced by social influence. Gen Z is more likely to use mobile payment methods due to recommendations from their peers, as they are exposed to their friends' opinions and reviews. Previous studies consistently indicate that social influence has a positive effect on the intention to use digital payment methods (Yang et al., 2021; Agustin, 2022; Deswari & Patrisia, 2022). Accordingly, the hypothesis 4 of this study is:

H4: Social influence has a positive influence on the intention to use paylater.

Relationship of Intention to Use Paylater and Impulsive Buying

When customers encounter a product they desire, they often succumb to impulsive buying, which involves being drawn to a brand or item and feeling compelled to make a quick purchase (Rodrigues et al., 2021). Paylater services as a credit payment option have been found to increase the likelihood of impulsive buying. This finding is consistent with previous research by Mitchell and Qadar (2019), indicating that installment payment methods like paylater can lead to more impulsive purchases due to the absence of credit assessments. Cuandra (2022) discovered that the willingness to use paylater significantly influences impulsive online purchasing. The user-friendly paylater system boosts customer transactions and encourages impulsive buying. The availability of paylater as a digital payment alternative simplifies the credit acquisition process for consumers, inadvertently leading to impulsive shopping tendencies. Agustin (2022) also argues that paylater usage is associated with impulsive purchases, as users can access substantial funds at any time and defer payment. Previous studies support the idea that the intention to use paylater influences impulsive buying (Pratika et al., 2021; Hilmi & Pratika, 2021). Based on the discussion, the hypothesis 5 proposed as below:

H5: Intention to use paylater affects impulsive buying.

D. CONCEPTUAL FRAMEWORK

This study is formulated to investigate the relationship between perceived usefulness, perceived ease of use, perceived security, social influence and intention to use paylater services. Additionally, this study will also examine the effect of willingness to use paylater on consumer impulsive buying. Therefore, the conceptual framework used in this study is shown in Figure 1.
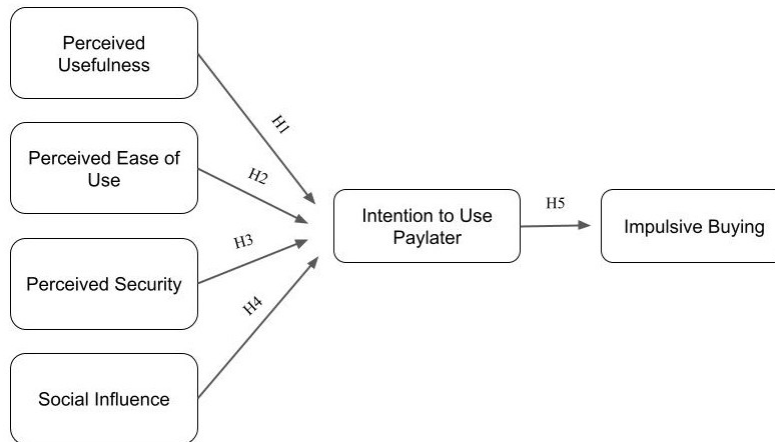
Figure 1. Conceptual Framework

RESEARCH METHODOLOGY

This research will be conducted for a period of one month and will take place in the Greater Jakarta area. The study utilizes a quantitative method to examine the variables of perceived usefulness, perceived ease of use, perceived security, social influence, and their influence on Generation Z's intention to use paylater. Additionally, this study will investigate the effect of intention to use paylater on Gen Z's impulsive buying behavior. This study collects data through online questionnaires created using Google Form. The study focuses on Generation Z individuals (aged 17-26), who are paylater users residing in Greater Jakarta. The purposive sampling technique is employed to select the study sample. The research instrument incorporates indicators from previous studies and utilizes a 5-point Likert scale ranging from strongly disagree to strongly agree. A minimum of 170 respondents is required for this study, calculated based on the number of indicators and variables, multiplied by 5. In total, 219 responses were deemed eligible for statistical analysis. The data analysis was conducted using SmartPLS and SPSS.

RESULTS AND DISCUSSIONS

A. RESPONDENT PROFILE

The research locations were in Greater Jakarta (Jakarta, Bogor, Depok, Tangerang, and Bekasi). The total number of samples is 219 respondents, with 69.86% being female and 30.14% male. Most respondents fall within the age range of 22 to 26 years old (69.86%).

The majority of respondents are college students (51.14%), followed by employees (33.33%). Additionally, a significant portion of Gen Z allocates a monthly paylater fund of around Rp1,000,000 to Rp2,000,000 (51.14%). Moreover, most of the respondents reside in Jakarta (44.75%). The respondent profile can be seen in Table 1.

Table 1. Respondents Profile

Demographic Characteristics		Frequency	Percentage
Age	17-21 years old	66	30.14%
	22-26 years old	153	69.86%
Gender	Male	66	30.14%
	Female	153	69.86%
Occupation	Student	4	1.83%
	College Student	112	51.14%
	Employee	73	33.33%
	Entrepreneur	26	11.87%
	Others	4	1.83%
Paylater Allocation per Month	Less than IDR500,000	33	15.07%
	IDR500,000 – IDR1,000,000	58	26.48%
	IDR1,000,000 – IDR2,000,000	112	51.14%
	More than IDR2,000,000	16	7.31%
Residency	Jakarta	98	44.75%
	Bogor	29	13.24%
	Depok	30	13.70%
	Tangerang	36	16.44%
	Bekasi	26	11.87%

Source: Primary data, 2023.

B. VALIDITY TEST

In this study, the validity test will be conducted using Average Variance Extracted (AVE) and Outer Loading. An AVE value of 0.5 or higher indicates sufficient convergent validity, meaning the latent variable explains more than half of the indicator's variance (Hamid et al., 2017). Additionally, outer loadings of more than 0.6 are considered acceptable, indicating a strong relationship between the measurement items and the main concept (Ghozali & Latan, 2012).

Table 2. AVE Values

Variable	Average Variance Extracted (AVE)	Decision
Perceived Usefulness	0.593	Valid

Perceived Ease of Use	0.564	Valid
Perceived Security	0.583	Valid
Social Influence	0.510	Valid
Intention to Use	0.569	Valid
Impulsive Buying	0.519	Valid

Source: Primary data, 2023.

The test results on Table 2 show the AVE value of perceived usefulness, perceived ease of use, perceived security, social influence, intention to use, and impulsive buying are 0.593, 0.564, 0.583, 0.510, 0.569, and 0.519, respectively. These values are higher than 0.5. These values indicate that the variables used in this study are valid and suitable for further examination.

Table 3. Outer Loading

Variable	Measurement Item	Outer Loading Value	Decision
Perceived Usefulness	PU1	0.771	Valid
	PU2	0.727	Valid
	PU3	0.746	Valid
	PU4	0.832	Valid
Perceived Ease of Use	PEU1	0.790	Valid
	PEU2	0.728	Valid
	PEU3	0.777	Valid
	PEU4	0.705	Valid
Perceived Security	PS1	0.753	Valid
	PS2	0.814	Valid
	PS3	0.791	Valid
	PS4	0.690	Valid
Social Influence	SI1	0.727	Valid
	SI2	0.773	Valid
	SI3	0.700	Valid
	SI4	0.610	Valid
	SI5	0.751	Valid
Intention to Use	INT1	0.746	Valid
	INT2	0.729	Valid
	INT3	0.769	Valid
	INT4	0.728	Valid
	INT5	0.798	Valid
Impulsive Buying	IB1	0.698	Valid
	IB2	0.816	Valid
	IB3	0.728	Valid
	IB4	0.702	Valid
	IB5	0.702	Valid

IB6	0.667	Valid

Source: Primary data, 2023.

Furthermore, the outcomes presented in Table 3 indicate that all the measurement variables meet the criterion, with outer loadings exceeding the minimum threshold of 0.6. This means that the measurement items for all the variables assessed in this study are valid and can be further analyzed.

C. RELIABILITY TEST

The reliability test is conducted to assess the consistency and stability of the measurements and identify any problematic items that should be removed. Cronbach's Alpha values are used to evaluates the internal consistency of the instruments or indicators, and a value above 0.7 indicates reliability (Kurniawan et al., 2021).

Table 4. Reliability Test

Variable	Cronbach's Alpha	Decision
Perceived Usefulness	0.770	Reliable
Perceived Ease of Use	0.774	Reliable
Perceived Security	0.761	Reliable
Social Influence	0.758	Reliable
Intention to Use	0.811	Reliable
Impulsive Buying	0.818	Reliable

Source: Primary data, 2023.

Based on Table 4, the Cronbach's Alpha values for perceived usefulness, perceived ease of use, perceived security, social influence, intention to use, and impulsive buying are exceeding the criterion of 0.7, indicating that the measurement items for each variable are dependable.

D. REGRESSION ANALYSIS

To obtain the regression coefficients, this study utilized SmartPLS. The results of the regression analysis can be seen in Table 5.

Table 5. Regression Analysis

	Original Sample	T Statistic	T-table	P Value	Sig. Level or α
PU → INT	0.350	5.523	1.971	0.000	5% or 0.05
PEU → INT	0.148	2.533		0.012	

PS → INT	0.215	3.795	0.000
SI → INT	0.313	6.393	0.000
INT → IB	0.449	8.291	0.000

Source: Primary data, 2023.

In this study, there are two regression models. Referring to the table as a reference, the regression coefficient values for each variable in the following equations are obtained:

$$\text{Model 1: } Z = \beta_0 + 0.350X_1^* + 0.148X_2^* + 0.215X_3^* + 0.313X_4^* + e$$
$$\text{Model 2: } Y = \beta_0 + 0.449Z^* + e$$

Based on these equations, the following explanations can be provided:

1. The regression coefficient value for Perceived Usefulness (X1) is 0.350. This result indicates a positive influence between perceived usefulness and the intention to use paylater among Gen Z living in Greater Jakarta. An increase of 1 unit in perceived usefulness score is associated with a 0.350-point increase in the intention to use paylater score.

2. The regression coefficient value for Perceived Ease of Use (X2) is 0.148. This result indicates a positive influence between perceived ease of use and the intention to use paylater among Gen Z living in Greater Jakarta. An increase of 1 unit in perceived ease of use score is associated with a 0.148-point increase in the intention to use paylater score.

3. The regression coefficient value for Perceived Security (X3) is 0.215. This result indicates a positive influence between perceived security and the intention to use paylater among Gen Z living in Greater Jakarta. An increase of 1 unit in perceived security score is associated with a 0.215-point increase in the intention to use paylater score.

4. The regression coefficient value for Social Influence (X4) is 0.313. This result indicates a positive influence between social influence and the intention to use paylater among Gen Z living in Greater Jakarta. An increase of 1 unit in social influence score is associated with a 0.313-point increase in the intention to use paylater score.

5. The regression coefficient value for Intention to Use (Z) is 0.449. This result indicates a positive influence between intention to use paylater and impulsive buying among

Gen Z living in Greater Jakarta. An increase of 1 unit in the intention to use paylater score is associated with a 0.449-point increase in the impulsive buying score.

E. DETERMINATION COEFFICIENT (R Square)

Table 6. Determination Coefficient

	R Square	R Square Adjusted
Intention to Use	0.640	0.634
Impulsive Buying	0.202	0.198

Source: Primary data, 2023.

Table 6 represents the result of the determination coefficient. Based on the results, the coefficient of determination or Adjusted R-square for Model 1 is 0.634, indicating that the independent variables including Perceived Usefulness, Perceived Ease of Use, Perceived Security, and Social Influence collectively account for 63.4% of the Intention to Use paylater, while the remaining 36.6% is influenced by other factors not included in the research. Additionally, the adjusted R-square for Model 2 is 0.198, suggesting that the independent variable of Intention to Use paylater explains 19.8% of the variance in Impulsive Buying. The remaining 80.2% are influenced by factors beyond those examined in this study.

F. F-test

In this study, the F-test will be conducted at a significant level of 5% or $\alpha = 0.05$. In this test, the α value will be compared with the p-value. If the p-value is less than α (0.05), then H0 is rejected, indicating that there is a simultaneous effect between the independent variables and the dependent variable, and vice versa.

Table 7. F-test of Model 1

ANOVA		
Model	F	Sig.
Regression	92.780	.000[b]

a. Dependent Variable: INT
b. Predictors: (Constant), SI, PS, PEU, PU

Source: Primary data, 2023.

Based on Table 7 above, it can be observed that for Model 1, the independent variables have a p-value of 0.000, which is less than 0.05. This result indicates a significant

influence between the independent variables and the dependent variable. It suggests that perceived usefulness, perceived ease of use, perceived security, and social influence collectively have an impact on the intention to use paylater.

Table 8. F-test of Model 2

ANOVA		
Model	F	Sig.
Regression	44.775	.000[b]

a. Dependent Variable: IB
b. Predictors: (Constant), INT

Source: Primary data, 2023.

Furthermore, the F-test result for Model 2 can be seen on Table 8. Based on the result, the p-value for Model 2 is 0.000, which is significantly lower than 0.05. This finding indicates a significant relationship between the intention to use paylater as the independent variable and impulsive buying as the dependent variable. It implies that the intention to use paylater has an impact on impulsive buying.

G. T-test

The statistical T-test aims to determine the effect of each independent variable on the dependent variable. In order to draw conclusions from the hypothesis, this test will compare T-statistic and T-tables, and significance level of 5% or $\alpha = 0.05$ with p-value. Here are the results of the T-statistic test, which can be seen in Table 5 above. Based on Table 5, the following conclusions can be drawn:

1. For Perceived Usefulness (X1), the T-statistic is 5.523, which is significantly higher compared to the T-table with a value of 1.971. Additionally, the p-value shown in Table 5 of perceived usefulness to intention to use paylater is 0.000, which is lower than 0.05. These results imply that the alternative hypothesis is accepted, while the null hypothesis is rejected. It can be claimed that there is a positive relationship between perceived usefulness and intention to use paylater.

2. The Perceived Ease of Use (X2) has T-statistic value of 2.533, which is higher compared to the T-table value of 1.971. Moreover, the p-value of this hypothesis is 0.012, which is significantly less than the significance value of 0.05. Based on the results, the null hypothesis is rejected, and the alternative hypothesis is accepted. It

can be claimed that there is a positive relationship between perceived ease of use and intention to use paylater.

3. The T-statistic of Perceived Security (X3) is 3.795 which is significantly higher than the T-table which has a value of 1.971. In addition, the p-value of this path is 0.000, which is less than the alpha of 0.05. These findings suggest that the null hypothesis is rejected, and the alternative hypothesis is proven to be accepted. As a result, it may be interpreted that perceived security influences the intention to use paylater among Gen Z positively.

4. The T-statistic value of Social Influence (X4) is 6.393, which is higher than the T-table value of 1.971. Moreover, it can be seen that the variable social influence has a lower p-value than 0.05, with a value of 0.000. These results indicate that the hypothesis alternative is accepted, whereas the null hypothesis is rejected. It may be interpreted that social influence influences the intention to use paylater among Gen Z positively.

5. The T-statistic of Intention to Use (Z) is 8.291 which is bigger than the T-table of 1.971. Additionally, the p-value for variable intention to use is 0.000, which is significantly less than the significance value of 0.05. With these results, the null hypothesis is then rejected, and the alternative hypothesis is accepted. The variable intention to use is found to be significant in the regression model using the variable impulsive buying as the dependent variable.

H. DISCUSSION

The Influence of Perceived Usefulness on the Intention of Gen Z living in Greater Jakarta to Use Paylater.

This study confirms the supported relationship between perceived usefulness and intention to use paylater, as indicated by the t-statistics and p-value for hypothesis testing. The findings align with previous research that has demonstrated the significant influence of perceived usefulness on paylater usage intention (Kurniawan et al., 2021; Hidayat and Rudito, 2022; Deswari & Patrisia, 2022). The study reveals that perceived usefulness plays a substantial role in shaping individuals' intention to use paylater. When people perceive technology as valuable, they are more inclined to use paylater as a payment option (Cuandra, 2022). Gen Z, in particular, finds paylater appealing due to the increased

purchasing power it offers. The perceived usefulness of paylater stems from its ability to provide desired products or experiences without the need for long-term savings. Consequently, Gen Z is more likely to embrace paylater when they can experience its tangible benefits and functionalities as a payment method.

The Influence of Perceived Ease of Use on the Intention of Gen Z Living in Greater Jakarta to Use Paylater.

This study provides support for H2, indicating that perceived ease of use significantly influences the intention to use paylater in a positive manner. This finding is consistent with the research conducted by Agustin (2022), Hidayat and Rudito (2022), and Deswari and Patrisia (2022). It can be inferred that the consumer's perception of information technology is shaped by their perceived ease of use (Deswari & Patrisia, 2022). This suggests that a technology system that is more user-friendly than others will encourage greater adoption. As stated by Agustin (2022), individuals are more likely to embrace paylater if the technology allows for efficient and effective transaction completion. Paylater provides convenience to users as it involves minimal documentation and approval processes. This service enables Gen Z to make purchases with just simple press button action. Therefore, the higher the perceived ease of use offered by the paylater service provider, the stronger the intention of Gen Z to utilize paylater.

The Influence of Perceived Security on the Intention of Gen Z Living in Greater Jakarta to Use Paylater.

Moreover, this study examines H3, which suggests that perceived security influences the intention to use paylater. This finding aligns with previous research conducted by Agustin (2022), Cuandra (2022), and Keni et al. (2020). The security aspect of a system is crucial when considering the adoption of technology, especially concerning personal data and financial matters (Cuandra, 2022). It implies that the intention to use paylater is significantly linked to the security provided by fintech platforms or transactions. As Gen Z is generally comfortable and familiar with technology, they tend to trust online services. The likelihood of using paylater increases when individuals perceive that the service provider has established a secure framework to prevent unauthorized activities (Agustin, 2022). Users of fintech platforms are more inclined to use them if the company assures the security of the system. When Gen Z perceives that the paylater provider prioritizes

secure transactions and offers a positive customer experience, it enhances their trust and intention to use the service. Therefore, the stronger the assurance from paylater providers regarding the protection of personal information and the implementation of robust security measures, the higher the willingness of Gen Z to use paylater.

The Influence of Social Influence on the Intention of Gen Z Living in Greater Jakarta to Use Paylater.

Furthermore, this study provides support for H4, which suggests that social influence has a positive impact on the intention to use paylater. This finding aligns with previous research conducted by Agustin (2022), Deswari & Patrisia (2022), Aseng (2020), and Simorangkir & Afgani (2021), which found that social influence significantly influences the intention to use paylater. It has been observed that social influence, particularly from close friends and family, shapes individuals' attitudes towards adopting new technological innovations and services (Simorangkir & Afgani, 2021). Deswari and Patrisia (2022) discovered that others' opinions can motivate an individual to use paylater. When someone expresses their liking for a particular fintech, it may influence the consumer's intention to try the same fintech. As Gen Z is influenced by the opinions and recommendations of their social groups, their intention to use paylater increases (Agustin, 2022). This is because they highly value the opinions and recommendations of their social circles. Such influence can sway Gen Z's perception of paylater. Therefore, it can be concluded that Gen Z's intention to use paylater will be higher when their close connections express positive sentiments and encouragement about paylater.

The Influence of Intention to Use Paylater on Impulsive Buying among Gen Z Living in Greater Jakarta.

In addition, this study supports H5, which examines the influence of intention to use paylater on impulsive buying. These findings are consistent with previous research conducted by Cuandra (2022), Agustin (2022), Pratika et al. (2021), and Mitchell & Qadar (2019). The availability of installment payments, particularly in online transactions, can lead individuals to engage in excessive buying behavior due to its ease and speed (Cuandra, 2022). The paylater mechanism, as an electronic payment alternative, provides convenience for customers to access credit, potentially triggering impulsive purchasing behavior (Mitchell & Qadar, 2019). The buy-now-pay-later system facilitates consumer

needs and demands, and the numerous benefits it offers may stimulate consumptive behavior (Pratika et al., 2021). Gen Z, known for their desire for immediate rewards, may be more inclined to use paylater as it allows for instant gratification. According to Agustin (2022), since paylater services provide ample funds that can be utilized at any time, users can continue acquiring goods without waiting for sufficient cash. This mechanism reinforces the idea that Gen Z can indulge their desires without immediate financial consequences, leading to impulsive buying. Therefore, it can be concluded that the intention to use paylater influences Gen Z's behavior in making impulsive purchases.

CONCLUSIONS

This study examines the influence of perceived usefulness, perceived ease of use, perceived security, and social influence on paylater usage intention, as well as the impact of intention to use paylater on impulsive buying. The research was conducted in the Greater Jakarta area, targeting Gen Z individuals aged 17 to 26 as respondents. The results indicate that all the factors studied significantly affect paylater usage intention and intention to use significantly affect impulsive buying. In Model 1, perceived usefulness has the strongest influence on intention to use paylater, while perceived ease of use has the weakest influence. Moreover, the first model's independent variables account for 63.4% of the dependent variable, while the second model's independent variable can explain 19.8% of the dependent variable.

Gen Z considers the benefits they can gain from using paylater as an important factor, as they seek a functional and practical payment method. The perceived usefulness of mobile payment services plays a role in their acceptance of such systems. Additionally, this study found that perceived ease of use positively influences Gen Z's intention to use paylater in the Greater Jakarta area. When mobile payments are perceived as easy to use, it fosters a positive attitude towards technology. Consequently, the easier the paylater process is for Gen Z, the more interested they become in using it.

Moreover, Gen Z places a high priority on the confidentiality and privacy of their personal and financial data when using paylater. This finding indicates that guaranteeing the confidentiality of consumer data influences people's interest in using paylater. Social influence also plays a role in Gen Z's choice of payment method, as exposure and

education influence their perspectives. Opinions and reviews from close individuals impact their inclination to use mobile payment. Hence, Gen Z is more likely to use paylater if their social circle also utilizes the service and expose it to them.

As one of the biggest spending generations, Gen Z tends to be active in spending, which can lead to impulsive buying. This study reveals that the intention to use paylater affects impulsive buying behavior in Gen Z. Paylater mechanisms make it easier for individuals to quickly acquire items through installment payments. Consequently, the simplicity of obtaining credit through paylater drives Gen Z to engage in excessive purchasing behavior.

MANAGERIAL IMPLICATIONS

To attract and retain users, paylater providers should focus on the usefulness of their services and features. They should stay updated with the latest technologies and ensure a clear system. Paylater services are highly valued for their ability to increase purchasing power and meet immediate needs, reflecting the demand for financial flexibility and alternative payment options. To meet customer expectations, providers should prioritize accessibility, transparency, and a seamless user experience. It is crucial to create a user-friendly interface with comprehensive service details and a mechanism that is simple and adaptable to changing trends and technology. Ensuring the highest level of payment security is also vital, with measures such as multifactor authentication and advanced encryption.

Furthermore, paylater is perceived as a popular and trendy payment option. It offers flexibility that aligns with modern lifestyles and is considered fashionable for managing finances and accessing products. Gen Z is particularly influenced by their social circle and social media influencers when choosing paylater. Paylater providers should leverage this social influence through peer endorsements, testimonials, and referral programs to increase user intention and foster long-term relationships. Active participation on social media, creating engaging content, and running interactive campaigns can enhance the provider's trendy image and visibility. Cost-effectiveness and suitability are also important factors for customers. Therefore, businesses should prioritize transparency and fairness in their cost structures and offer flexible payment options tailored to individual

situations. Timely discounts and promotions can create a sense of urgency and encourage customer engagement. By studying consumer buying habits and preferences, providers can offer personalized deals that align with their interests, enhancing the overall buying experience and making paylater more appealing.

LIMITATIONS AND FUTURE STUDIES

The authors acknowledge that this research has limitations. Several constraints were encountered during the study, which can serve as valuable insights for future research. Firstly, the sample size was limited to a specific generation and age range, namely Gen Z individuals aged 17 to 26 years old. Future research could address this limitation by utilizing a larger and more diverse sample, considering the distribution of respondent data for better generalizability. Secondly, this study focused solely on Gen Z in the Greater Jakarta area. To provide a more comprehensive and generalized perspective on paylater usage intention, future studies may explore different backgrounds or cities in Indonesia.

Thirdly, the research examined paylater in a general sense without focusing on a specific brand. It could be valuable to investigate the impact of perceived usefulness, perceived ease of use, perceived security, and social influence on intention to use paylater within a specific brand context. Additionally, consumer behavior is influenced by various situational factors beyond internal perspectives. Therefore, future research is recommended to incorporate constructs from the Unified Theory of Acceptance and Use of Technology (UTAUT) 2 model, such as Hedonic Motivation and Habit, to analyze the intention to use paylater among Gen Z and its implications on impulsive buying (Agustin, 2022). Other variables, such as Income and Cashback Promotion, which have been found to significantly affect the intention to use digital payment, can also be explored (Raninda et al., 2022).

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