

THE INFLUENCE OF FINANCIAL LITERACY, EASE OF USE AND USEFULNESS ON THE USE OF SHOPEE PAYLATER IN MALANG CITY STUDENTS

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ABSTRACT

The advancement of technology has led to the proliferation of online buying and selling applications or e-commerce platforms. The increase in the number of online buying and selling applications is accompanied by an increase in payment features that are increasingly easy and practical. One of them that is quite widely used is Shopee Pay Later. This study examines the effect of financial literacy, Ease Of Use, and benefits of using Shopee Paylater. This research method uses Quantitative methods. The location of this research is in Malang City. The sample of this research is 80 samples. The data utilized is primarily obtained through administering a questionnaire as the chosen data collection method. The variables used are Financial Literacy (X1), Ease Of Use (X2), Benefits (X3), and Shopee Paylater (Y). The test tool used is the SmartPLS 3.0 application. This study found that the variable of Financial Literacy (X1) demonstrates a significant negative influence on utilizing Shopee Pay later. So the higher the level of individual financial literacy, the lower the use of Shopee Paylater. The Ease Of Use variable (X2) has a significant effect in a positive direction. Benefit Variable (X3) has a significant effect in a positive direction. Then the higher the level of Ease Of Use and benefits of shopee pay later, the more users will also increase. The use of Shopee Paylater by individuals with high financial literacy will tend to be low because there will be much information taken into consideration in their financial decisions, such as interest and loan risk. Meanwhile, the Ease Of Use and benefits variables will lead to high use of Shopee Paylater regardless of the level of individual financial literacy. Because basically, humans will use technology if it provides Ease Of Use and benefits. So financial literacy is very important to consider in making financial decisions.

Keywords: Financial Literacy; Ease Of Use; Usefulness; E-commerce; Shopee Paylater

ABSTRAK

Kemajuan teknologi telah menyebabkan menjamurnya aplikasi perdagangan online atau platform e-commerce. Meningkatnya jumlah aplikasi perdagangan online dibarengi dengan peningkatan fitur pembayaran yang semakin mudah dan praktis. Salah satunya yang cukup banyak digunakan adalah Shopee Paylater. Penelitian ini mengkaji pengaruh literasi keuangan, Kemudahan Penggunaan, dan manfaat menggunakan Shopee Paylater. Metode yang digunakan adalah Kuantitatif. Lokasi penelitian ini berada di Kota Malang. Sampel penelitian ini adalah 80 sampel. Data yang digunakan terutama diperoleh melalui pemberian kuesioner sebagai metode pengumpulan data yang dipilih. Variabel yang digunakan adalah Literasi Keuangan (X1), Kemudahan Penggunaan (X2), Manfaat (X3), dan Shopee Paylater (Y). Alat pengujian yang digunakan adalah aplikasi SmartPLS 3.0. Hasil pengujian menemukan bahwa variabel Literasi Keuangan (X1) menunjukkan pengaruh negatif yang signifikan

terhadap penggunaan Shopee Paylater. Maka apabila tingkat literasi keuangan individu meningkat maka semakin rendah penggunaan Shopee Paylater. Variabel Kemudahan Penggunaan (X2) berpengaruh signifikan dan arah positif. Variabel Manfaat (X3) berpengaruh signifikan dan arah positif. Maka semakin tinggi tingkat Kemudahan Penggunaan dan Manfaat shopee paylater, maka semakin banyak pula penggunaannya. Penggunaan Shopee Paylater oleh individu dengan literasi keuangan yang tinggi akan cenderung rendah karena akan banyak informasi yang menjadi pertimbangan dalam keputusan keuangannya, seperti bunga dan risiko pinjaman. Sedangkan variabel Kemudahan Penggunaan dan manfaat akan menyebabkan tingginya penggunaan Shopee Paylater terlepas dari tingkat literasi keuangan individu. Karena pada dasarnya manusia akan menggunakan teknologi jika memberikan Kemudahan Penggunaan dan manfaat. Maka literasi keuangan sangat penting untuk dipertimbangkan dalam mengambil keputusan keuangan

Kata Kunci: Literasi Keuangan, Kemudahan Penggunaan, Manfaat, E-Commerce, Shopee Paylater.

INTRODUCTION

The world of commerce is currently experiencing rapid development. *E-commerce* platforms ease the buying and selling cycle. The phenomenon of online shopping is prevalent in Indonesia. Online shopping is done by selecting the desired goods or services through an *e-commerce platform*. With *E-commerce*, sellers can market their products widely, be closer to customers, and promote products easily (Alwendi, 2020) .

One of the factors driving the development of e-commerce is the rise of Internet technology. With increasingly affordable internet access, more and more people are using the Internet to shop. The Ease Of Use of online transactions, including payment and delivery of goods, has simplified the buying and selling process.

One of the newest innovations in e-commerce is pay later, where consumers can make payments after the goods are received. This pay-later service has become increasingly popular in Indonesia and other countries in Southeast Asia. Pay later allows consumers to buy goods without paying a certain amount upfront. Consumers can choose the pay later option at the time of payment and will be given a certain period to pay the bill. Some companies that offer pay-later services even provide low or no interest for payments within a certain period. This Pay Later feature is an E-commerce platform strategy as an attraction, for example, Shopee, Traveloka, and Lazada. Companies use this feature to increase consumer buying interest by delaying payments (Pratika *et al.*, 2021).

Shopee Paylater is a pay-later service provided by Shopee, one of the largest e-commerce platforms in Southeast Asia. This service allows Shopee users to buy goods online and pay within a particular time. Transactions using Shopee Paylater are subject to interest of at least 2.95% for 1 month, 3 months, 6 months, and 12 months. If there is a delay in payment, a fine of 5% of the total invoice will be imposed. Not only interest and penalties, but each Shopee Pay Later transaction is also subject to a service fee of 1% per transaction.

Shopee Pay Later offers several benefits for users, such as interest-free payments and free administration fees if users pay on time. This service also makes it easier for users to shop online without paying all at once, so they can manage their finances better. Shopee Paylater can be an attractive option for students who want to buy products at Shopee more practically and efficiently. According to a survey by the Alvara Research Center, most Shopee users are from Generation Z at 69.9%, and the second position is the millennial generation at 64.2%. Current students are a category of Generation Z. However, generation Z students also need to pay attention to the risks of using Shopee Pay later, such as getting caught in debt and having difficulty paying bills at the agreed time. Therefore, increasing financial literacy and wise managing finances is very important for Generation Z students using Shopee Paylater or other pay later services.

There is a close relationship between financial literacy and the use of pay later services such as Shopee Paylater. Financial literacy is a person's ability to understand and manage finances effectively. The higher a person's financial literacy, the better their ability to manage finances and make wise financial decisions. Users with low financial literacy may be more vulnerable to the risks of using pay later services, such as late payment or overuse, which can negatively impact their financial condition.

According to research (Pulungan and Febriaty, 2018) one of them discusses student financial literacy. The higher the financial literacy one has, the lower consumptive behavior will be. The role of financial literacy will assist students in financial management in the stages of determining sources of funds, use of funds, risk management, and future planning (Waluyo and Marlina, 2019).

Shopee Pay later offers Ease Of Use and its benefits, fast processing, and easy requirements so users do not have to bother making transactions. The benefits provided are also helpful for students who want to shop but need more money. According to the

findings of a study conducted by Purnamasari, Sasana and Novitaningtyas, (2021), found that perceptions of Ease of Use and perceived Usefulness significantly influence the adoption of Shopee Pay later. This finding is consistent with the Technology Acceptance Model (TAM) proposed by Davis (1989) which suggests that the perceived ease and benefits of using a technology influence users' acceptance and adoption of that technology. According to the TAM, users' perceptions of the ease and Usefulness of a technology play a crucial role in determining its acceptance among users.

From the background above, researchers want to get further results about the effect of financial literacy, ease of use, and usefulness of using Shopee Pay later for students in Malang City. This study examines the effects of financial literacy, Ease Of Use, and Usefulness of using Shopee Pay later for students in Malang City. From the results of this study, it is hoped that it can provide an overview and insight into the field of financial management, which examines the effect of financial literacy on the ease and Usefulness of using Shopee *Pay later*. In addition, this research is expected to be a reference for students in managing personal finances so that they can make wise decisions in using money.

REVIEW REFERENCES AND DEVELOPMENT HYPOTHESIS

Financial Literacy

Finance is an essential part of people's lives. The financial knowledge acquired can influence effective decision-making with available financial resources. Financial literacy encompasses a comprehensive range of knowledge and skills that empower individuals to make informed and effective decisions when planning and managing their financial resources. Understanding the basic systems of the financial system allows people to invest in the financial system itself.

As per the definition provided by the Financial Services Authorities (2016), financial literacy encompasses understanding, skills, and beliefs that shape attitudes and behaviors, all aimed at improving decision-making and financial management to attain prosperity. Additionally, Stolper and Walter, (2017) describe financial literacy as acquiring knowledge and comprehension of economic concepts and risks and the abilities, motivation, and confidence to apply this knowledge and understanding in making effective decisions across diverse financial scenarios. The ultimate goal of financial literacy is to enhance the financial well-being of individuals and society,

enabling active participation in the economy. According to Oseifuah, (2010) financial literacy encompasses the enhancement of financial knowledge or skills and subsequent changes in financial behavior.

Financial literacy also includes knowledge of the value of goods and personal financial priority scales, knowledge of savings and loans, knowledge of avoiding or repairing debt and being able to make financial records (Sardiyo and Martini, 2022). Mastery of financial literacy with these criteria is sufficient to manage personal finances.

Ease Of Use

Davis (1989) defines perceived ease of use as an individual's perception or belief that using a technological system will involve minimal effort. Individuals who perceive a system as easy to use are more likely to use it, while those who view it as difficult to use are less inclined to adopt it. Ease of use in technology is determined by factors such as its learnability, understandability, user-friendliness, and absence of complications.

Davis' research (1989) suggests that convenience, as a component of ease of use, can be measured through several indicators:

1. The ease of learning technology can be indicative of its ease. If individuals can quickly grasp and learn technology, it can be inferred that it is easy to use. Conversely, if the technology is difficult to learn, it is also likely to be challenging to use.
2. If individuals find technology easy to understand, they are more likely to perceive it as easy to use. Conversely, if individuals require assistance comprehending technology, it may not be easy to use. The ease of understanding technology is closely linked to the ease of using it, and individuals' perceptions of these factors are intertwined.
3. When individuals perceive that technology enables them to accomplish tasks quickly and effortlessly, they regard it as user-friendly. On the other hand, if technology allows tasks to be completed swiftly, it also contributes to the perception of ease of use. The notion of effortlessness in utilizing technology is closely linked to efficiency and time-saving aspects, shaping the perception of ease of use.
4. Individuals who perceive technology as easy to use tend to have higher levels of trust in that technology. On the other hand, if an individual finds technology challenging to use, their trust in the technology is likely to decrease. The ease of use plays a crucial

role in shaping individuals' trust towards technology, as it influences their confidence and belief in its reliability and effectiveness.

Usefulness

According to Davis (1989), Perceived Usefulness refers to the extent to which an individual believes technology will improve their performance or productivity. It measures how much trust a person places in the effectiveness and utility of technology in improving their overall performance or achieving desired outcomes. Humans will likely use an application if it helps and facilitates their work. Perceived usefulness itself can be interpreted through the helpful word, which means being able to use it profitably. Assessment of the usefulness of technology based on research conducted by Davis (1989) if it meets the following indicators:

1. Work more quickly, meaning that in using technology, the individual believes that the work he does will be faster with this technology. Conversely, if technology cannot speed up work, individual confidence in technology will decrease.
2. Useful, meaning that individuals believe that using technology will be helpful for their work.
3. Effectiveness means that by using technology, individuals believe their work will be more effective.
4. Easier, meaning that using technology will make work more accessible, making individuals believe that technology is helpful or useful for them.
5. Performance means that when individuals feel their work performance increases when using this technology, they will believe that it benefits them.

Theory of Reasoned Action (TRA)

The theory of Reasoned Action was formulated to investigate the connection between attitudes and behaviour. This theory proposes that individuals' behavioural intentions are influenced by their attitudes towards the behaviour in question and subjective norms—social pressures and perceived expectations from others. It suggests that attitudes, subjective norms, and behavioural intentions collectively shape an individual's behaviour. This theory emphasizes that individuals behave based on intention as a determinant of behavior. This theory was discovered by Ajzen & Fishbein, (1975) which assumes that humans behave consciously and consider all available information.

In this theory, the individual's intention to perform behavior is influenced by several factors. The first is behavior belief, namely one's belief in a behavior that will affect individual attitudes (Attitude towards behavior). Second, normative belief is a sociocultural factor that applies in the community around the individual, which will affect individual perceptions or Subjective Norms. Individual attitudes (Attitude towards behavior) and individual perceptions (Subjective Norms) will influence a person's intention to perform a behavior (Intention to Behavior).

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) expands upon the Theory of Reasoned Action (TRA) by incorporating perceived behavioral control. In addition to attitudes toward the behavior and subjective norms, TPB posits that perceived behavioral control plays a significant role in predicting an individual's behavioral intentions. According to TPB, behavioral intentions are influenced by attitudes toward the behavior, subjective norms (social pressures and perceived expectations from others), and the perceived ability to control the behavior. By considering perceived behavioral control, TPB recognizes that individuals' intentions and subsequent behavior are not solely determined by their attitudes and social influences but also by their perception of their ability to control the behavior. The theory further suggests that behavioral intentions impact an individual's actual behavior. (Ajzen, 1991).

In this theory, Ajzen (1991) assumes that individuals are pretty rational and use the available information and consider the consequences of their actions before deciding whether to follow a behavior or not. This theory is divided into three kinds of reasons that can influence behavior. First, behavioral beliefs are things that individuals believe about behavior that will shape an attitude toward the behavior. Second, normative beliefs are norms formed by people around the individual, forming subjective norms or individual perceptions. Third, control belief is the personal experience of a person or those around them that will affect perceptions of perceived behavioral control, namely the individual's belief that he is capable or not of carrying out the suggested behavior.

Technology Acceptance Model (TAM)

Davis (1989) proposed the Technology Acceptance Model (TAM) as a concise and valuable theoretical framework for studying how a new technology or service's perceived ease of use and perceived usefulness influence its acceptance. The TAM has

been widely employed to predict user acceptance and adoption by considering factors such as the technology or service's ease of use and usability. It provides insights into users' attitudes and intentions toward adopting and utilizing new technologies. It provides a valuable framework for understanding the factors influencing users' acceptance and utilization of new technologies. In his research, Davis (1989) found that in general, usability is more influential than ease of use in encouraging the behavior of using a technology (Davis, 1989).

Venkatesh and Davis (1996) conducted research that revealed the individual's computer proficiency level serves as the foundation for their perception of ease of use even before they directly engage with the system. This finding holds regardless of the procedural information individuals receive. Self-efficacy in using a computer is considered highly valuable, as it can significantly impact the system's acceptance in the long run. Investing time, effort, and resources to enhance individuals' computer self-efficacy are crucial, considering its potential long-term implications on the acceptance and utilization of the system (Venkatesh and Davis, 1996).

Hypothesis

The findings of the research conducted by Seldal and Nyhus, (2022) indicate that young individuals exhibit a high level of financial literacy and are early adopters of new payment technologies. Additionally, the results of the study conducted by (Mudrikah, 2021) demonstrate that financial literacy significantly impacts the usage of technology-based financial products. Moreover, (Pulungan and Febriaty, 2018) as well as Rahmawati & Mirati, (2022), reveal that financial literacy plays a role in reducing consumptive behaviour.

H1 = Financial literacy significantly affects the decision to use Shopee *Paylater*.

The research conducted by Aditya and Mahyuni (2022) indicates a positive relationship between the Ease of Use variable and millennials' interest in adopting fintech services. Similarly, Widiyanti (2020) reveals a significant and positive impact of the Ease of Use variable on the decision to use the OVO e-wallet. Same as the research conducted by Latief, Dirwan and Idris (2021) that Ease of Use affects the intention to use Shopeepay. Furthermore, Chawla and Joshi (2019) demonstrates that the Ease of Use variable positively and significantly affects consumer attitudes and intentions to use Mobile Wallets. These findings collectively suggest that the usability and user-friendly

nature of fintech services and mobile wallet platforms play a crucial role in attracting users and shaping their intentions to adopt these technologies.

H2 = Perceived Ease Of Use significantly affects the decision to use Shopee *Paylater*.

Perceived usefulness is an individual's belief that using technology will improve that individual's performance. Based on research conducted (Kumala, Pranata and Thio, 2020), (Aditya and Mahyuni, 2022), (Widiyanti, 2020), (Chawla and Joshi, 2019), (Purnamasari, Sasana and Novitaningtyas, 2021), (Wiyono and Kirana, 2020), shows that the perceived Usefulness of a technology have a positive effect on the use of a technology.

H3 = Perceived Usefulness significantly affects the decision to use Shopee Pay later.

RESEARCH METHODS

This research uses quantitative methods. This method involves collecting numerical data from real situations, and the researcher acts as the main instrument for expressing symptoms thoroughly in the appropriate context (Ahyar, Andriani and Sukmana, 2020). The location chosen in this study is the city of Malang. This location was chosen because Malang City has the highest financial literacy in Indonesia (OJK, 2022). This research will focus on students attending State Universities in Malang City, including UIN Maulana Malik Ibrahim Malang, Brawijaya University, State University of Malang, and State Polytechnic of Malang. In this study, the population size is unknown. Therefore, the sampling is conducted by multiplying 5 by the number of variable question items, as suggested by (Hair *et al.*, 2010). As a result, the sample size for this study was determined to be 5 multiplied by 16, totaling 80 samples. The study utilized primary data, and the data collection technique involved using questionnaires. The measurement scale employed was a Likert Scale ranging from 1 to 5, allowing respondents to indicate their agreement or disagreement with the given statements.

There are 2 classifications for the operational definition of variables in this study. The independent variables of this study include (1) Financial Literacy (X1) which assesses knowledge of finance; (2) Ease (X2) which assesses whether or not an application is difficult to use; (3) Usefulness (X3), which assess the function of technology can speed up and make work effective. The dependent variable for this research is Shopee Paylater (Y), a loan feature in the Shopee application that allows users to shop by paying in installments upfront.

The study utilized SmartPLS 3.0 as the analysis tool, explicitly employing the Partial Least Squares (PLS) method to examine the relationship between latent variables and validate the proposed theory. PLS was chosen due to its suitability for data-driven analysis and effectiveness in situations with limited estimation procedures. The evaluation of the research model consisted of two main stages: the Outer Model and Inner Model analyses. The Outer Model focused on evaluating the measurement validity and reliability of the indicators used in the study, ensuring that they accurately measured the intended constructs. The Inner Model, on the other hand, explored the structural relationships between the latent variables, examining the causal connections within the research model. Figure 1 provides a visual representation of the research model, aiding in understanding the relationships among the variables.

Outer Model Evaluation (Measurement Model)

The outer measurement model illustrates the relationship between indicator blocks and their corresponding latent variables. Several aspects need to be considered when assessing the measurement of the reflective model. These aspects include evaluating (1) the reliability of individual items, (2) the internal consistency or reliability of the construct, (3) the average variance extracted, and (4) the discriminant validity. The first three measurements are essential for establishing convergent validity, which indicates the extent to which the indicators effectively measure the same underlying construct.

In assessing convergent validity, standardized loading factor values can be utilized to evaluate the reliability of individual measurement items. The standardized loading factor measures the degree of correlation between each item (indicator) and the assessed construct. A loading factor value of ≥ 0.7 is typically considered excellent, indicating that the indicator effectively measures the intended construct with validity (Haryono, 2016). Furthermore, Average Variance Extracted (AVE) can also be employed to assess convergent validity. An AVE value of 0.5 or higher is generally considered a good indicator of convergent validity. It reflects the extent to which the variance captured by the indicators is greater than the variance attributed to measurement error. By evaluating both the standardized loading factor values and AVE, researchers can gain insights into the convergent validity of the measurement model and the degree to which the indicators are effectively measuring the underlying construct.

Discriminant Validity is assessed through cross-loading, namely by comparing the correlation between indicators and constructs with constructs from different blocks. This helps to show the extent to which the construct can differentiate between the size of its block and that of other blocks.

Evaluation of the Inner Model (Structural Model)

The inner model shows the strength of the latent or construct variables. The structural model is an analysis to predict causal relationships between variables that cannot be measured directly or latent variables. Testing this structural model uses *bootstrapping* and *blindfolding* SmartPLS techniques. This model is used to determine the value of R Square (R^2) (*Coefficient determinants*) and path coefficient (*path coefficient*), validating the goodness of the model (*model fit*) and predictive relevance.

Hypothesis Testing

Hypothesis testing involves the examination of the t-statistic value and the probability value (p-value). An alpha level of 5% is typically used, with a critical t-statistic value of 1.96. In hypothesis testing, if the calculated t-statistic value exceeds 1.96, the alternative hypothesis (H_a) is accepted, and the null hypothesis (H_0) is rejected. Similarly, when considering the p-value, if the calculated p-value is less than 0.05 (alpha level of 5%), the alternative hypothesis (H_a) is accepted, and the null hypothesis (H_0) is rejected. This indicates that the observed results are statistically significant and unlikely to occur by random chance. The decision to accept or reject the hypothesis is based on whether the calculated test statistic (t-statistic) or the calculated p-value falls within the specified thresholds, as described by (Hussein, 2015).

RESEARCH RESULTS AND DISCUSSION

Characteristics of Respondents

After distributing the questionnaires, the total number of respondents was 120 students. Respondents in this study were students at State Universities in Malang City in 2019-2022. The questionnaire results showed that the respondents comprised 52% women and 48% men. 25% of class 2019 students, 25.8% of 2020 class students, 30.8% of 2021 class students, and 18.3% of 2022 class students. Then from all respondents, it was known that 22.2% had a job and 77.8% did not, and it was pure pocket money from their respective parents. The respondents' ages in the study ranged from 18 to 23 years. The distribution of respondents within each age category is as follows: 11.7% of

respondents were 18 years old, 15% were 19 years old, 24.2% were 20 years old, 28.3% were 21 years old, 16.7% were 22 years old, and 4.1% were 23 years old. These percentages indicate the proportion of respondents within each age group in the study.

Outer Model Testing

Validity and Reliability Test

The validity test examines the correlation values between constructs and latent variables to assess Convergent Validity. Two commonly used criteria for convergent validity are the loading factor and the Average Variance Extracted (AVE) value. The loading factor measures the strength of the relationship between each measurement item (indicator) and its corresponding latent variable. A loading factor equal to or greater than 0.7 is generally considered acceptable, indicating that the indicator effectively measures the intended construct. This suggests that the indicator reliably represents the latent variable it is intended to capture.

On the other hand, AVE represents the average amount of variance captured by the indicators with the total amount of variance in the construct. AVE values of 0.5 or higher are typically deemed satisfactory, indicating good convergent validity. Therefore, researchers can examine the loading factor values while evaluating convergent validity to ensure they meet or exceed the 0.7 criteria. They can also calculate the AVE values and compare them to the threshold of 0.5 or higher. If both criteria are met, it suggests that the measurement items are valid and successfully measure the underlying construct. The findings in Table 1 indicate that all variables have Loading Factor values ≥ 0.7 and AVE values ≥ 0.5 , which suggests that the data used in this study are valid. Additionally, a discriminant validity test was conducted, and the cross-loading values for each variable, as shown in Table 2, were more significant than 0.7, further confirming their validity (Ghozali, 2021).

In this study, the measurement items' reliability was evaluated through Composite Reliability and Cronbach's Alpha. Composite Reliability assesses the internal consistency of the measurement items, with a value above 0.6 generally considered acceptable, indicating reliability. Cronbach's Alpha, another measure of internal consistency, is typically regarded as reliable when its value exceeds 0.7. These measures help determine the reliability of the measurement items in capturing the intended constructs, ensuring that the data obtained from these items are consistent and

dependable. As shown in Table 3, the Composite Reliability values for each variable surpass the threshold of 0.6. Additionally, Cronbach's Alpha values for each variable are above 0.7. These results demonstrate that the research data is reliable and can be trusted. The measurement items in the study exhibit good reliability, as indicated by the satisfactory values of Composite Reliability and Cronbach's Alpha. This suggests that the variables consistently measure the underlying constructs, thereby enhancing the overall reliability of the research data.

Inner Model Testing

The inner model analysis is employed to predict the causal relationships between variables that cannot be directly measured, including latent variables. The R Square value is a significant measure that indicates the proportion of variance in the dependent variable(s) that can be explained by the independent variable(s). In this case, an R Square value of 0.880 suggests that the model accounts for 88% of the dependent variable(s) variance based on the independent variable(s). This indicates a strong relationship between the model's exogenous variables (independent variables) and the endogenous variables (dependent variables). According to (Ghozali, 2021), if the effect of the exogenous variables on the endogenous variables is strong, it further supports the meaningfulness and significance of the relationships within the inner model. However, it is essential to note that the interpretation of the R Square value and the strength of the effects can vary depending on the research's specific context and theoretical framework. Researchers should also consider other statistical measures, conduct further analyses, and explore theoretical implications to understand the model and its results comprehensively.

Hypothesis testing

Hypothesis testing through bootstrapping is a standard method used to assess the significance of relationships between variables in a research model. By examining the t-statistic and probability values, researchers can determine if the hypothesized relationships are statistically significant. In your study, the results of hypothesis testing indicate that each variable has a significant influence. This is supported by the t-statistic values exceeding the threshold of 1.96, typically used for a significance level of 0.05. Additionally, the probability values (P-values) are reported to be less than 0.05, further indicating statistical significance. As shown in Figure 2, the statistical testing results

provide evidence that the data support the hypothesized relationships in your research model. This suggests that the variables in the model have a meaningful impact on each other and contribute to the overall understanding of the research phenomenon. The interpretation of the statistical results should consider the specific context of your study, the significance levels used, and the theoretical framework guiding your research. Researchers should also assess the practical significance and effect sizes in addition to statistical significance when evaluating the importance of the relationships between variables.

DISCUSSION

The Effect of Financial Literacy on the Use of Shopee Paylater

The hypothesis testing results indicate that financial literacy significantly impacts the use of Shopee Pay later. This conclusion is supported by a t-statistic value of 3.765, which exceeds the threshold value of 1.96, and a p-value of 0.000, which is lower than the significance level of 0.05. Therefore, the null hypothesis (H0) can be rejected, and the alternative hypothesis (H1) is accepted. These findings suggest a statistically significant relationship between financial literacy and using Shopee Pay later. Individuals with higher financial literacy are more likely to utilize this payment method. These findings align with prior research conducted by Seldal and Nyhus, (2022) and Mudrikah, (2021). Seldal and Nyhus found that young individuals with high financial literacy are early adopters of new payment technologies.

Similarly, Mudrikah's study indicated a significant influence of financial literacy on using technology-based financial products. The significant impact of financial literacy on the use of Shopee Pay later suggests that individuals with greater financial literacy are more likely to comprehend and effectively utilize this payment method. This finding underscores the importance of financial literacy in fostering the adoption and usage of innovative financial technologies. It is essential to interpret these results in the specific context of your study and recognize any limitations. Additionally, further research and analysis may be necessary to explore the underlying mechanisms and potential moderators or mediators of the relationship between financial literacy and using Shopee Pay later.

Students are the young generation with the provision of insight and knowledge. Knowledge of financial technology products and financial products is certainly no

stranger. Technology finance takes many forms, such as investing, payments, and loans. Financial technology is here to provide convenience and efficiency in both work and daily activities. So individuals who have good financial literacy certainly know financial technology. This knowledge encourages individuals to use products from financial technology to facilitate individual financial activities. Shopee Paylater is a financial technology product in the form of a shopping loan. The loans offered certainly have specific terms and conditions applied by Shopee.

Then it was found that the path coefficient value has a negative direction. So when individual financial literacy is high, the use of shopee pay later will decrease. According to research conducted by (Pulungan and Febriaty, 2018), (Rahmawati and Mirati, 2022), financial literacy would reduce consumptive behavior. In the Theory of Reasoned Action, it is said that human behavior is carried out consciously, and information is considered. Referring to this theory, someone with high financial literacy will have more material for consideration. From the results of this study, a student with high financial literacy tends not to use the shopee pay later. Some things that might be considered are the risk of interest and late installments. Then 77.8% of students in this study did not have a job and only relied on pocket money from their parents, so they had to consider their finances by not using Shopee Pay later, which is at risk of loan interest.

The Effect of Ease Of Use on Using Shopee Paylater

The results indicate that ease of use significantly influences the usage of Shopee Pay later, as evidenced by a t-statistic value of 4.810 and a p-value of 0.000. Therefore, the alternative hypothesis (H2) can be accepted. The path coefficient on this variable has a positive direction, so when the convenience level is higher, the use of Shopee Paylater will also be high. According to the TAM theory put forward by Davis (1989) and also in line with research conducted by (Chawla and Joshi, 2019; Widiyanti, 2020; Aditya and Mahyuni, 2022), (Latief, Dirwan and Idris, 2021) shows that the level of convenience of the technology itself influences the use of financial technology. The ease of use of technology basically depends on each individual and the tool used, in this case, a mobile phone. The level of convenience for each person is different. Therefore the more effortless the technology is to use, the more people will use the technology. If seen from the results of this study, Shopee Pay Later is classified as an easy-to-use technology.

In TAM theory, the convenience of technology will increase the use of technology. The ease of use of Shopee Paylater is enough to attract students' attention because the Paylater feature available on the Shopee application does not have complicated registration requirements. Ease in applying for a loan is only enough to take a selfie with an Identity Card (KTP) with a limit of IDR 750,000-IDR 1,500,000. The loan limit from Shopee Paylater can also be increased up to IDR 6,000,000 with terms and conditions that apply. The convenience of this loan makes students often use this feature to shop. This feature is a shortcut for students with no income because it can be paid in monthly installments. Especially with the characteristics of students who want everything quickly and instantly, this feature makes it easy for students.

Based on the Theory of Planned Behavior, which says that individual behavior is influenced by intention. In this case, students using Shopee Pay later intend to facilitate their activities. Speed up the shopping payment process with an easy loan. The intention of wanting everything to be easy, getting easy loans, and fast and easy payments are vital motivating factors in using Shopee Pay Later. From the theory, it is said that one's intention is influenced by individual behavior, people around, and self-control. The behavior of students who are used to being facilitated by technology will shape their intention to use Shopee Pay later. Then coupled with the experience of the people around him in using Shopee Pay later, self-control is a determinant of forming intentions to use or not. If they are used to convenience and added to the experience of people around that Shopee Pay Later is easy to use, then it tends to form a greater intention to use.

The Effect of Usefulness on the Use of Shopee Paylater

The statistical test results reveal that usefulness significantly impacts the usage of Shopee Pay later, as indicated by a t-statistic value of 7.712 and a p-value of 0.000. Consequently, the alternative hypothesis (H3) can be accepted. The path coefficient value of this variable has a positive direction; the higher the Usefulness, the higher the use of Shopee Paylater. This study follows the results of Kumala et al., (2020) , Aditya & Mahyuni, (2022) , Widiyanti, (2020) , Chawla & Joshi, (2019) , Purnamasari et al., (2021) , Wiyono & Kirana, (2020) shows that the Usefulness of technology affects the use of technology, the higher the level of Usefulness, the higher the use of technology.

The purpose of creating technology is to provide benefits, so if a technology does not have benefits, it will not be used.

Shopee Paylater is a payment technology product with a loan system. Shopee Pay later users will get loans to shop on the Shopee platform. Shopping using the Shopee Paylater payment feature often gets attractive promos and shopping discounts. The various benefits offered encourage students to use the Shopee Paylater feature. The needs of students related to fashion are still substantial. It is undeniable that in the current era, appearance is crucial. Both in terms of clothing and accessories, various choices are provided on the Shopee platform.

Not only fashion but also daily furniture and other necessities. Buying credit, internet packages and electricity tokens can also use the Shopee Paylater feature. The benefits of the loans provided will help the shopping needs of students who are short of money. This feature helps student finances if used wisely. From these benefits, this feature is widely used by students, who are dominated 52% of female respondents. Users can choose installation options for up to 12 months so that it is enough to help students with urgent needs financially.

CONCLUSION

The rapid development of technology resulted in the emergence of e-commerce in the world of commerce. Developments in payment methods are also growing along with the development of e-commerce. The Shopee Pay Later feature, a payment method with a loan system that can be paid in installments with promos, is attractive to its users.

The study's results reveal a negative association between financial literacy and the utilization of Shopee Pay later, indicating that higher levels of financial literacy are linked to a decrease in the usage of this payment method. Conversely, the variables of Ease of Use and Usefulness positively impact the adoption of Shopee Pay later, suggesting that individuals perceive higher levels of ease of use and usefulness in this payment method, leading to increased usage. This is because individuals with high financial literacy have the high financial information and insight, so they tend to need to be higher in using shopee pay later. Information and insights such as financial products, financial management, interest, and loan risk will be considered in using the Shopee Paylater feature. The Ease Of Use and Usefulness will increase the use of shopee pay later. Because of basically, humans will use technology if it makes it easy and provides

Usefulness. So that financial literacy is needed to be taken into consideration in making decisions. Respondents in this study were limited to State University students in Malang City, so it is hoped that future research can increase the breadth of respondents. Moreover, it is hoped that it can add variables that still need to be present in this study to expand the resulting relationships and influences.

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FIGURE, GRAPH AND TABLE

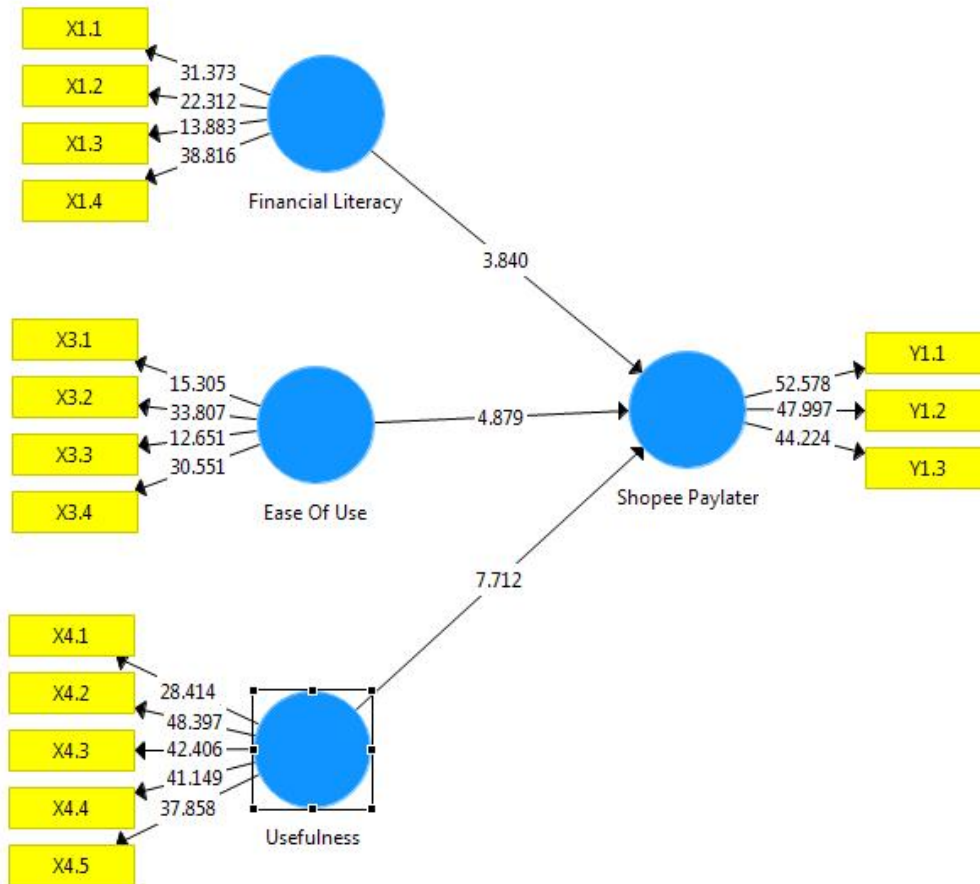


Figure 1. Research Model

Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
Ease Of Use -> Shopee Paylater	0.800	0.796	0.164	4.879	0.000
Financial Literacy -> Shopee Paylater	-0.562	-0.553	0.146	3.840	0.000
Usefulness -> Shopee Paylater	0.682	0.678	0.088	7.712	0.000

Figure 2. Test Bootstrapping

Table 1. Convergent Validity

Variable	Items	Outer Loading	AVE	Ket
Financial Literacy (X1)	X1.1	0.866	0.695	Valid
	X1.2	0.838		Valid
	X1.3	0.736		Valid
	X1.4	0.862		Valid
Ease Of Use (X2)	X2.1	0.789	0.656	Valid

	X2.2	0.861		Valid
	X2.3	0.736		Valid
	X2.4	0.847		Valid
Usefulness (X3)	X3.1	0.869	0.810	Valid
	X3.2	0.919		Valid
	X3.3	0.895		Valid
	X3.4	0.902		Valid
	X3.5	0.914		Valid
Shopee Paylater (Y)	Y1.1	0.920	0.835	Valid
	Y1.2	0.908		Valid
	Y1.3	0.913		Valid

Table 2. Cross Loading

Variable	Items	Cross Loading	Ket
Financial Literacy (X1)	X1.1	0.866	Valid
	X1.2	0.838	Valid
	X1.3	0.764	Valid
	X1.4	0.862	Valid
Ease Of Use (X2)	X2.1	0.789	Valid
	X2.2	0.681	Valid
	X2.3	0.736	Valid
	X2.4	0.847	Valid
Usefulness (X3)	X3.1	0.869	Valid
	X3.2	0.919	Valid
	X3.3	0.895	Valid
	X3.4	0.902	Valid
	X3.5	0.914	Valid
Shopee Paylater (Y)	Y1.1	0.920	Valid
	Y1.2	0.908	Valid
	Y1.3	0.913	Valid

Table 3. Composite Reliability and Croncbach's Alpha

Variable	Composite Reliability	Croncbach's Alpha	Ket
Financial Literacy (X1)	0.901	0.854	Reliable
Ease Of Use (X2)	0.884	0.828	Reliable
Usefulness (X3)	0.955	0.941	Reliable
Shopee Paylater (Y)	0.938	0.901	Reliable