

The influence of understanding financial literacy, perceived ease of users, and consumptive lifestyles on the use of Shopee paylater (to student in the special region of Yogyakarta)

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Abstract

The purpose of this study was to find out whether financial literacy has a positive and significant effect on the use of Shopee Paylater, to find out whether user convenience has a positive and significant effect on the use of Shopee Paylater and whether the consumptive lifestyle has a positive and significant effect on the use of Shopee Paylater. This research uses quantitative research methods. The data used in this study are primary data and secondary data. The data analysis technique used is Partial Least Square (PLS) analysis. The PLS measurement model consists of three main elements: the outer model, the goodness of fit criteria, and the inner model. Then the results show that financial literacy has a positive and significant effect on the use of Shopee Paylater, ease of use has a positive and significant effect on the use of Shopee Paylater, and a consumptive lifestyle has a positive and significant effect on the use of Shopee Paylater for students in the Special Region of Yogyakarta.

Keywords: Financial Literacy, User-Perceived Ease, Consumerist Lifestyle, Shopee Paylater

INTRODUCTION

Indonesia is experiencing rapid development as a developing country, especially in the field of technology. Even though it is still lagging behind compared to developed countries, internet usage in Indonesia has reached an astonishing figure, namely 215.63 million individuals during the 2022-2023 period (APJII, 2023). The existence of the internet makes everything easier, especially in the financial sector. In a digital era like this, various types of Fintech (Financial Technology) have emerged.

Fintech advances have succeeded in integrating this digital payment system with a number of e-commerce platforms operating in Indonesia. E-commerce is a form of electronic commerce, where buying and selling transactions are carried out through platforms that utilize the internet network. By providing convenience and comfort in online shopping, this platform can be accessed from various locations (Triton, 2006). There are various types of e-commerce, including Business-to-Business and Consumer-to-Business. The presence of e-commerce makes it very easy for consumers to compare prices and quality quickly and gives consumers the freedom to shop anytime and anywhere.

According to data from Databox, Paylater features, especially Shopee, have seen an increase in demand since the COVID-19 pandemic. This definitely makes your work easier and allows users to have their needs and desires met instantly. This is especially important during the pandemic. The country's economy and population are in decline. Therefore, many businesses, especially e-commerce companies and other marketplaces, are keen to implement Paylater functionality. The requirements for using Paylater itself are very simple, just register and authenticate using a KTP (Identification Card). Shopee paylater is legally recognized and monitored by his OJK and operates under the auspices of the PT. Rentela Dana Nusantara. Users can avail her Paylater service with various installment periods such as 1 month, 3 months, 6 months, and 12 months. Long-term options of 18-24 months are also available to suit specific users. Interest charged starts at 2.95% of the total amount due, with a processing rate of 1% per transaction.

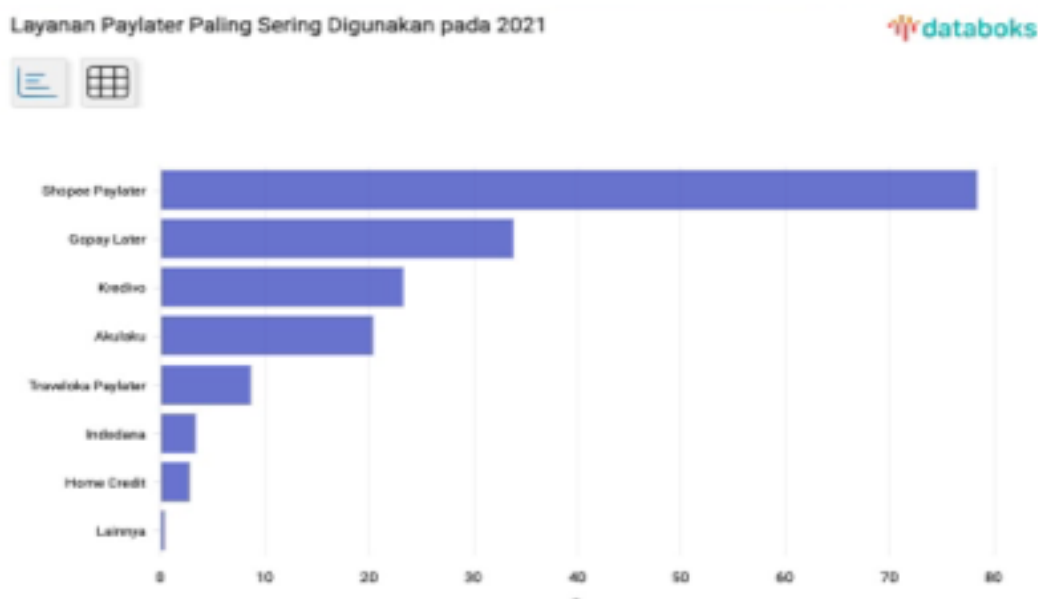


Figure 1. Graph of the most used Paylater services in 2021

Source: databooks.co.id Year 2022.

Reporting from Radar Jogja's news entitled The Sweet Paylater Service, published on May 13, 2023, stated that several students in Jogja had known about Paylater services for a long time and were then tempted to use them. With this paylater, it certainly makes it easier for students to fulfill their needs and even desires. In the interview contained in the news, it was stated that the average student uses their desire for a staycation to a beautiful place for social media needs.

Several students in the Special Region of Yogyakarta experienced payment failure which resulted in Shopee Paylater billing being carried out in the field. This of course makes debtors even more afraid. As a result of the consumptive lifestyle of students who have no income and lack of financial literacy, students are addicted to using Shopee Paylater without looking at the future risks. There is an example of a student at a private university in Yogyakarta ending his life just because he was in debt, one of which was Shopee Paylater.

Previously, research conducted by Salsabila (2022) showed that the level of financial literacy had a positive and significant effect on the intention to use Shopee Paylater. The lifestyle adopted by Indonesian students also has a positive and significant influence on their desire to use paylater. In contrast to Rahmawati & Mirati's (2022) research, it was concluded that there was no positive and significant influence between financial literacy and consumer behavior of Shopee Paylater users from the millennial generation.

This update from researchers processes test result data using the SmartPLS 4.0 application, while previous researchers used SPSS. Based on what has been explained in the phenomenon that occurs, researchers need to examine more deeply the use of Shopee Paylater which influences its users and take the title "The Influence of Understanding Financial Literacy, Perception of User Ease and Consumptive Lifestyle on the Use of Shopee Paylater (On Students in the Special Region of Yogyakarta)".

LITERATURE REVIEW

Technology acceptance model

The basis of this research is Technology Acceptance Theory (also known as Technology Acceptance Model or TAM). This theory serves as a basis for explaining the reasons for individuals' behavior and acceptance of particular technologies and systems (Davis, 1993). There are two elements within the TAM framework that influence how people perceive technology They are perceived system ease of use (PEOU) and perceived system usefulness (PU). Perceptions of usability and usefulness (PU) influence technology adopters' behavioral intentions (BI) (Zhang, 2020).

Paylater

According to the Financial Services Authority (OJK), paylater is a term for financing goods or services. The institution providing the service provides the borrower with bailout funds to pay for the necessary goods or service transactions (Khoirul Anam, 2022).

Shopee

Sastika (2018) explained that Shopee is a rapidly growing online trading platform in Indonesia, which operates through mobile applications and is accessed via the internet. Shopee is included in the e-commerce category and acts as a forum for online buying and selling activities. The platform has business coverage in the Southeast Asia region.

a. Shopee Indicator

1. Sales and Profit. Experts have analyzed that sales growth and profitability could be indicators of Shopee's financial health and business growth.
2. Increase in active users. If the number of active users of the Shopee application increases, it may indicate that we are successful in retaining and attracting new users to use Shopee as an online shopping destination.
3. User ratings and reviews. High ratings and positive reviews for product purchases on Shopee may indicate user satisfaction with the shopping experience on the platform.

b. Shopee Features and Service

Shopee's features and services continue to evolve and, of course, become more accessible.

So far, Shopee has a variety of features and services, including:

1. Shopee Paylater. The service is a digital service feature that acts as a "buy now, pay later" payment method with interest-bearing installments with different terms.
2. Shopee live. This service is very helpful for sellers and buyers to promote their products directly through the online system.
3. ShopeePay. This service feature is electronic money that functions as a simple payment method for Shopee.
4. Shop coin. This service is Shopee's official virtual money feature, which is credited to the user's account every time he makes a purchase on a Shopee store account with the mall's logo and of course requests cashback his vouchers for the same.
5. Shopee Games are games offered by Shopee to attract the attention of consumers by offering prizes in the form of Shopee coins, cashback vouchers, free diamonds, etc.
6. Free shipping. On Shopee, all users are entitled to receive free shipping coupons with various minimum order quantities and certain additional terms and conditions.
7. Cashback Extra. This service feature is provided by sellers to provide and attract attention and discounts to potential consumers during shopping.

Financial literacy

OJK (2013) defines financial literacy as the ability to understand and manage finances for the purpose of increasing future growth and prosperity. The National Financial Literacy Strategy Program consists of four main pillars:

1. Being well-educated is knowledge and confidence about the financial institution, starting from the products offered, the benefits and risks, and the obligations and skills when using the institution's products (21, 84%).
2. Good literacy skills, including understanding and knowledge of financial services institutions, including the benefits, products offered, associated benefits and risks, and rights and responsibilities associated with the use of these products (75.69%).
3. No education, including basic knowledge about financial services institutions and the various service products they provide (2.06%).
4. Illiteracy refers to a lack of understanding and knowledge of financial services institutions and a lack of skills to use the service products provided (0.41%).

User perception of youthfulness

Amstrong et al. (2012) state that perception is the process of selecting, organizing, and translating incoming information so that we can understand the world around us. Apley & Solomon (2017), perception is the process by which a person filters, organizes, and interprets the information they receive. Perception is related to physical stimuli and how those stimuli interact with each person's circumstances and conditions. According to this definition, perceived usefulness refers to an individual's belief that using technology will improve job performance.

Consumer lifestyle

According to Amstrong et al. (2012), lifestyle generally refers to a person's pattern of life that results from his or her activities, interests, and views. How a person interacts with their environment reflects their lifestyle.

Conceptual framework of the study

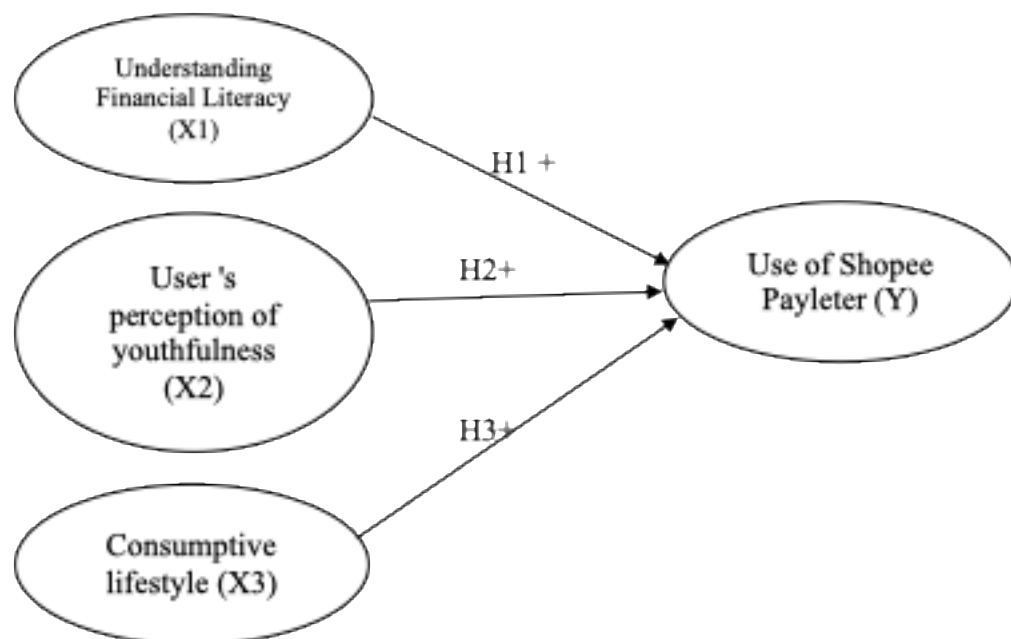


Figure 2. Research Framework
Source: Self processed

Hyphotesis development

1. The Effect of Financial Literacy with the Use of Shopee Paylater

A person who has a basic understanding of income, expenses, debt, investments, etc. is called financially literate. According to the Technology Acceptance Model (TAM), financial literacy consists of perceived ease of use, perceived usefulness, and perceived action. In such situations, financial literacy can influence the way people think to make smart financial management decisions using convenient and profitable technologies such as Paylater. Rahmawati & Mirati (2022) study shows that financial knowledge has a positive and significant impact. For example, this hypothesis can be formulated as:

H1: Financial literacy has a positive and significant impact on the use of Shopee Paylater.

2. The Influence of User Convenience Perception with the Use of Shopee Paylater

Zhang (2020) People who are confident in using technology tend to feel more comfortable and understandable when using it. This allows users to remain consistent and interact with other users through the same technology platform. The Technology Acceptance Model (TAM) defines usability as aspects that are considered easy to use. This indicates that users tend to find the technology easy to use. demonstrated that perceived ease of use influences interest through her two causal pathways. that is, those that directly influence interest and those that influence interest indirectly through perceived

usefulness. The direct effect suggests that perceived ease of use may be an important factor in increasing the likelihood of user adoption. Therefore, the following hypotheses were formulated in this study.

H2: The perception of user convenience has a positive and significant effect on the use of shopee paylater.

3. Impact of a consumptive lifestyle using Shopee Paylater.

A consumptive lifestyle usually occurs because people are influenced by the environment in which they are accustomed to living within their social status. A consumerist lifestyle is common among students who are just beginning to find their identity and are accustomed to shopping to satisfy their desires. With the evolution of times, this lifestyle has certainly become easier with the advent of pay later systems. In this case, you may be financially limited while living a high-class lifestyle. Perhaps Mr. Paylater can find a solution here.

In the context of the Technology Acceptance Model (TAM), lifestyle summarizes perceptions about the usefulness and ease of use of technology. This lifestyle reflects the relationship between comfort and practicality levels and personal desires and how technology is used. The results of a study conducted by (Salsabila, 2023). suggest that lifestyle has a positive and significant impact on the intention to use postpaid services. Rahmawati & Mirati (2022) study found a negative and non-significant relationship between consumer lifestyle and Shopee Paylater usage. This study is based on the following hypothesis: H3: Consumers' lifestyle has a positive and significant impact on the use of Shopee PayLater.

RESEARCH METHODS

This study adopts a quantitative approach. In order to obtain primary data, a questionnaire will be distributed to respondents who are Shopee Paylater users in Yogyakarta Special Region. Quantitative approaches are used because they rely on empirical data in the form of numbers that can be measured using statistical methods to test and analyze relationships related to the research topic (Sugiyono, 2018). This research will also use primary data as material for processing. Meanwhile, theoretical data uses secondary data which was re-developed from previous research. Primary data is data obtained or collected directly in the field by the person conducting the research or the person concerned who needs the data (Hasan, 2002: 82).

After all data is collected from respondents and other sources, data analysis is carried out in accordance with research methodology (Sugiyono, 2017:147). This analysis includes various steps such as displaying data and testing predetermined hypotheses, dividing data according to the type of variables and respondents. In carrying out this research, the required primary data was obtained by distributing a questionnaire designed based on a Likert measurement scale.

Variable measurement

Use of shopee paylater

In the Indonesian Dictionary, "use" means the process of using something, the way of using something, or the use of something. According to the Office of Financial Services (OJK), the term refers to the financial transaction of goods or services. Shopee Paylater is a credit card alternative service with an installment system for a fixed period of time. As stated in POJK No.77/2016, Shopee Paylater is a data innovation-based credit service implemented through direct deposit.

Financial literacy

Financial literacy is a scientific field related to the management of the financial system, including the planning, management, and monitoring of finances to ensure the efficiency of the financial situation. Gaining financial literacy understanding and experience allows individuals to better manage certain aspects of their personal finances. Financial literacy includes the ability to identify and understand financial risks, which enables more informed financial decisions. The researchers apply the financial literacy variable using five questions derived from the study of Zhou et al. (2022) and Kumar et al. (2020) was adopted and developed. In this survey, respondents are asked to respond on a Likert scale of 1 to 5.

Consumer lifestyle

Lifestyle is a parameter that determines how a person lives in this world, and how it is interpreted varies from person to person. However, as times change, people's lifestyles also change. This can be seen in how someone uses money to meet their needs and wants, how they interact with their surrounding environment, and how they carry out their daily activities. In this study, researchers adopted the variable "financial literacy" by asking respondents his four questions derived from the study of Zhou et al. (2022) and Kumar et al. (2020) was developed. Respondent responses are measured using a Likert scale from 1 to 5. A value of 1 means very strongly agree (STS) and a value of 5 means very strongly agree (SS).

RESULTS AND DISCUSSIONS

After all data is collected from respondents and other sources, data analysis is carried out in accordance with research methodology (Sugiyono, 2017:147). This analysis includes various steps such as displaying data and testing predetermined hypotheses, dividing data according to the type of variables and respondents. In carrying out this research, the required primary data was obtained by distributing a questionnaire designed based on a Likert measurement scale.

Reliability test

Table 1. Cronbach's Alpha Data Results Table

| | <i>Cronbach's Alpha</i> | <i>Rule of Thumb</i> | Conclusions |
|-------------|-------------------------|----------------------|--------------------|
| Variable X1 | 0,725 | 0,700 | Valid |
| Variable X2 | 0,790 | 0,700 | Valid |
| Variable X3 | 0,876 | 0,700 | Valid |
| Variable Y | 0,860 | 0,700 | Valid |

Source: Data processed

Based on the results of Cronbach's alpha calculation developed by Lee Cronbach in Table 1 above, this is a measure of internal reliability to measure the consistency between indicators measuring the same construct in an analysis. When assessing reliability with Cronbach's alpha, a threshold of 0.700 or "rule of thumb" is commonly used. If Cronbach's alpha exceeds this value, the indicator can be considered to have an acceptable level of consistency.

Composite reliability

Table 2. Composite Reliability (ρ_c) Data Processing Results

| | <i>Cronbach's Alpha</i> | <i>Rule of Thumb</i> | Conclusions |
|-------------|-------------------------|----------------------|--------------------|
| Variable X1 | 0,841 | 0,700 | Valid |
| Variable X2 | 0,863 | 0,700 | Valid |
| Variable X3 | 0,915 | 0,700 | Valid |
| Variable Y | 0,899 | 0,700 | Valid |

Source: Data processed

Inner model test analysis

1. Multicollinearity

Table 3. Results of Multicollinearity Data Processing

| | Variabel X1 | Variabel X2 | Variabel X3 | Variabel Y |
|-------------|-------------|-------------|-------------|------------|
| Variable X1 | | | | 1,000 |
| Variable X2 | | | | 1,000 |
| Variable X3 | | | | 1,000 |
| Variable Y | | | | 1,000 |

Source: Data processed

From the table presented, we can see that each independent variable (X1, X2, X3) has a perfect correlation (1,000) with the dependent variable (Y). This indicates that in this analysis there is a very strong or perfect correlation between the independent and dependent variables. This perfect correlation is indicated by a Pearson correlation coefficient value of 1.000, indicating a perfect linear relationship between the variables.

2. Goodness of fit

Table 4. Goodness of Fit Data Processing Results

| | Saturated Model | Estimated Model |
|------|-----------------|-----------------|
| SRMR | 0,083 | 0,083 |

Source: Data processed

Table 4 shows the data processing results for measuring the goodness of fit (model fit) of the saturated model and the estimated model. Model fit measurements were performed using the standardized root mean square residual (SRMR), which is one of the metrics used in analyzes to assess how well the estimated model matches the observed data.

The obtained results show that both the saturated and estimated models have the same SRMR value (0.083). SRMR is a measure of the difference between the covariance matrix and the covariance matrix estimated from the model. Lower SRMR values indicate better agreement between the model and observed data. In this context, the SRMR value of 0.083 indicates that the estimated model is in good agreement with the observed data. But more interesting is the comparison of her SRMR values from the estimated and saturated models. The SRMR values obtained for both are the same 0.083, indicating that the estimated model was able to achieve a similar level of fit as the saturated model.

3. F-square

Table 5. F-Square Data Processing Results

| | Variabel X1 | Variabel X2 | Variabel X3 | Variabel Y |
|-------------|-------------|-------------|-------------|------------|
| Variable X1 | | | | 0,110 |
| Variable X2 | | | | 0,211 |
| Variable X3 | | | | 0,048 |
| Variable Y | | | | |

Source: Data processed

Based on Table 4.12, the results show that variable X2 contributes the most to explaining the variation in variable Y between variable X1.

1. Variable X1 also has a fairly large contribution (0.110), but it is lower than variable X2.
2. Variable X3 has a smaller contribution (0.048) compared to other variables.

Hypothesis test 1

Ho1: The understanding of financial literacy has an impact on Shopee Paylater users.

Ha1: Shopee Paylater Impact of understanding financial literacy on users.

Where the P value is $0.000 < 0 > 1.96$, Ho1 and Ha1 are accepted. This means that understanding financial literacy has a positive and significant impact on Shopee Paylater users. Previously, research conducted by Salsabila (2022) produced that the level of financial literacy has a positive and significant effect on intentions using Shopee Paylater.

Hypothesis test 2

Ho2: Shopee Paylater User usability is affected.

Ha2: Usability is affected for Shopee Paylater users.

Ho2 and Ha2 are accepted if the P value is $0.000 < 0 > 1.96$. This means that P's perceived ease of use has a positive and significant impact on Shopee Paylater users.

Hypothesis test 3

Ho3: Shopee Paylater Users are influenced by consumer lifestyle.

Ha3: Shopee Paylater users are influenced by a consumptive lifestyle.

Ho3 and Ha3 with P value of $0.000 < 0 > 1.96$ are accepted. This means that consumer lifestyle has a positive and significant impact on Shopee Paylater users.

Discussion

1. Understanding financial literacy has a positive and significant impact on the use of shopee paylater.

Based on Table 4.13 with P value of $0.000 < 0 > 1.96$, Ho1 and Ha1 are accepted. This means that understanding financial literacy has a positive and significant impact. Significant impact on Shopee Paylater users.

The results of this study show that there is a positive and significant relationship between ease of use and usage of Shopee Paylater. This means that the more convenience the user gets, the more the user's decision to use Shopee Paylater grows. This means that users believe that using the application can provide convenience and improve work performance. Students are known to like practical tasks that do not take a lot of time. Shopee Paylater allows students to borrow money with an easier payment method than a credit card, so students are interested in using Shopee Paylater. This is consistent with the TAM construct of perceived ease of use, where users believe that the technology is freely used without much effort.

2. The user's perception of convenience has a positive and significant effect on the use of shopee paylater

Based on Table 4.13, P with a value of $0.000 < 0.05$ or t-statistic $5.971 > 1.96$, then Ho2 and Ha2 are accepted, which means that the perceived ease of use of P has a positive and significant effect on Shopee Paylater users. The results of this study show that there is a positive and significant relationship between ease of use and usage of Shopee Paylater. This means that the more convenience the user gets, the more the user's decision to use Shopee Paylater increases. This means that users believe that using the application can provide convenience and improve work performance. Students are known to like practical tasks that do not take a lot of time. Shopee Paylater allows students to borrow money with an easier payment method than a credit card, so students are interested in using Shopee Paylater. This is consistent with the TAM construct of perceived ease of use, where users believe that the technology is freely used without much effort.

3. The lifestyle of the consumer positively and significantly affects the use of Shopee paylater

Based on Table 4.13, P with a value of $0.000 < 0.05$ or t-statistic $5.971 > 1.96$, then Ho3 and Ha3 are accepted, which means that consumer lifestyle has a positive and significant effect on Shopee Paylater users. Based on the data obtained, it can be seen that lifestyle has a positive and significant effect on the use of Shopee Paylater, which indicates that the higher the lifestyle of students in the special area of Yogyakarta, the higher the tendency to use Shopee. Paylater increases or if students' lifestyle increases, good or high can significantly increase students' intention to use Shopee Paylater. Because lifestyle is a social deliberation related to the pleasure and desire of an individual to wear what he wants in any activity or behavior and is characterized by the desire of a person to follow the changes in clothing fashion and trends over time. Students are unstable by nature, and the surrounding environment such as eating in a restaurant, resting or living in prestigious places is still with them, so the income is not enough to meet their daily needs.

CONCLUSION

The financial literacy variable applies to using Shopee Paylater. This means that the better a student understands financial literacy, the more students will continue to use Shopee Paylater to manage their personal finances. The user convenience variable has a positive and significant effect on the use of Shopee Paylater. This means that the more convenient users get, the more they decide that Shopee Paylater is easier to use, and the more the use of Shopee Paylater increases. The consumer lifestyle variable has a positive and significant effect on the use of Shopee Paylater. This means that the higher the lifestyle of students in the special area of Yogyakarta, the more likely they are to use Shopee Paylater.

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