

THE INFLUENCE OF HEDONIC MOTIVATION, FACILITATING CONDITIONS, AND BEHAVIORAL INTENTION ON THE USE OF SHOPEE PAYLATER BEHAVIOR AMONG GEN Z MODERATED BY GENDER

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ABSTRACT

The digital era has significantly changed consumer shopping behavior, with digital financial technology emerging as the fastest growing digital service sector in Indonesia. One of the fastest growing services in this sector is paylater services, which allow payments to be postponed to be settled at a later date. This study investigates the factors that influence the adoption and usage behavior of one of the largest paylater services in Indonesia, Shopee Paylater, among Generation Z, using the Extended Unified Theory of Acceptance and Use of Technology (UTAUT) model as the basis for this study. This study identifies key factors such as hedonic motivation, facilitating conditions, behavioral intention, and use behavior, with gender as a moderating variable. The purpose of this study is to provide insight into Gen Z consumer behavior in adopting Shopee Paylater, as well as to help paylater service providers understand, adapt, and optimize their products for this demographic. The results of this study indicate that the hedonic motivation and facilitating conditions variables influence the behavioral intention to adopt Shopee Paylater services, and the facilitating conditions and behavioral intention variables influence the use behavior of Shopee Paylater users. The moderating variable in the form of gender also has an important role in determining the intention to adopt Shopee Paylater services.

Keywords - Paylater Service, Shopee Paylater, Gen Z, Consumer Behaviour

INTRODUCTION

In the digital era, there have been many changes related to consumer behavior in shopping. In a report compiled by Frost and Sullivan in 2018, it was stated that most digital services have interrupted traditional markets and most of these services come from e-commerce, digital finance, and cloud services, with digital financial technology as the fastest growing digital service in Indonesia (Frost & Sullivan, 2018). One of the digital financial technologies that is growing very rapidly in Indonesia is BNPL (Buy Now Pay Later), which is a delayed payment system that must be paid off at a later date. Paylater allows users to buy a product without paying in advance, and pay the bill when the bill is due. This is certainly quite beneficial for people who have urgent needs such as food, drinks, and health. However, this can make things worse if people are unable to repay the bill, where the interest rate and late fines given by paylater are usually quite high.

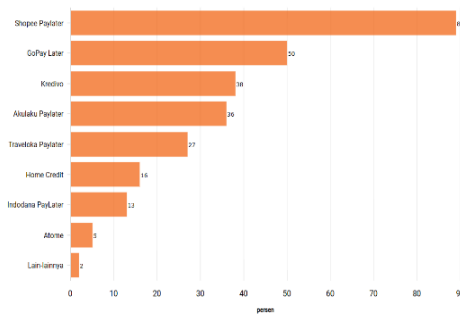
Paylater services in Indonesia first started with the collaboration of fintech companies with e-commerce which then created the service. The first e-commerce that successfully developed paylater in Indonesia was Traveloka which collaborated with a fintech company called PT. Dana Pasar Pinjaman (Sari, 2021). Based on Kredivo survey data, paylater services have experienced a significant increase per year, as many as 38% of consumers who use paylater when shopping on e-commerce in the past year, an increase compared to the previous year of 28% (Kredivo, 2022), this shows that there is quite a lot of interest from the public to use paylater services. According to the IDN Institute, one of the main drivers

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of BNPL's popularity is the low credit card ownership among the Indonesian people, especially among Gen Z, namely people born between 1997 and 2012. As many as 88% of Gen Z are reported not to have a credit card, BNPL is used by Gen Z to fill the gap and function as an alternative solution that can be accessed with similar functions, especially in terms of borrowing money (IDN Research Institute, 2022). In addition, Kredivo research data also states that payment flexibility (with installments), and practicality of use are quite large influencing factors for Gen z to use paylater services. According to the report Unveiling Indonesia's Financial Evolution: Fintech Lending & Paylater Adoption October 2023 edition, the most popular and most widely used paylater service is Shopee Paylater, followed by Gopay and Kredivo (Databoks, 2023). Shopee is an e-commerce service founded in 2015 headquartered in Singapore under the auspices of Sea Group, formerly known as Garena, an online gaming company based in Asia. First launched in Singapore in 2015, Shopee has successfully built an e-commerce business and expanded its reach to Asian markets such as Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines, and has grown into one of the most successful e-commerce in the Asian market (Shopee, 2024).

Figure 1. Shopee Paylater as The Most Popular Paylater.



This study identifies several factors that can influence the adoption and use of paylater services from Shopee Paylater services inspired by the Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) model, such as hedonic motivation, facilitating conditions, and behavioral intention. According to Venkatesh, hedonic motivation can be defined as the perception of pleasure or enjoyment felt from using a technology, which can be a strong enough influence for Gen z to adopt and use the technology. Hedonic motivation is often characterized by the desire for instant pleasure and gratification associated with using the service. Facilitating conditions, on the other hand, include the resources and support available to individuals, such as knowledge, support, and compatibility with existing systems, which can influence individuals to adopt the technology. This includes factors such as ease of use, infrastructure that facilitates use, and compatibility with each user's finances, where these conditions can significantly affect the ease of adoption for Gen Z. While behavioral intention is an individual's intention to adopt technology and is influenced by two other variables, namely hedonic motivation and facilitating conditions and affects use behavior or technology use behavior (Venkatesh, Thong, et al., 2012). The influence of these factors on usage behavior is also moderated by demographic factors in the form of gender, where gender differences can play a significant role with the existence of quite different psychological conditions between women and men in the adoption and use of technology. Researchers identified that these variables are variables that may influence the intention to adopt and use Shopee Paylater technology. By providing attractive promos specifically for Shopee Paylater users and features that are very helpful to users such as installments, cashback, and free shipping, this can trigger the

perception of hedonic motivation which is a fairly strong construct in the technology acceptance model. Facilitating conditions can also have a fairly strong influence, where Shopee provides infrastructure support to users.

Based on data from PT Pefindo Biro Kredit (IdScore), paylater users from Gen Z reached an average of 1.62 million borrowers per month. In terms of debt, Gen Z contributed around IDR 460 billion of the total debt which reached IDR 2.12 trillion as of December 2023 (Untari, 2024). Katadata Insight Center also conducted a survey on the paylater phenomenon in society, involving 1,504 respondents. Of the total respondents, around 53 percent came from the Millennial generation (806 respondents), followed by Gen Z with 38 percent (582 respondents), and Gen X with 7 percent (116 people). In a comparison between these three generations, it was found that Gen Z had the highest payment failure rate, which was 26 percent (Hartanto, 2022).

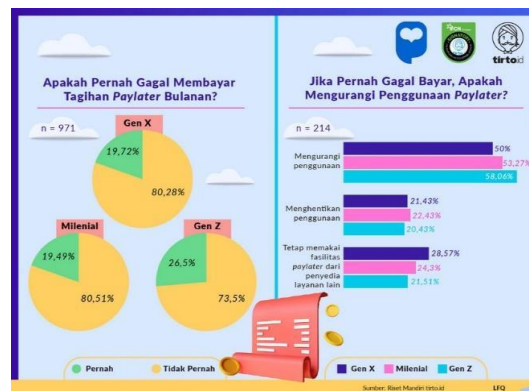


Figure 2. Infographic of Independent Research on the Use of Paylater in Society.

Source: tirto.id/Quita

In addition, twenty-one percent of Gen Z choose to use other paylater services if they fail to pay on one Paylater platform (Hartanto, 2022), as if ignoring the risk of payment failure. This can be a reflection of the attitude of Gen Z who are increasingly consumptive but not accompanied by adequate financial capabilities.

As a demographic group with significant and influential percentage in using Shopee Paylater services, it is very important to conduct research to understand the factors that drive the use of Shopee Paylater among Gen Z in order to provide education on the factors that influence Gen Z in their adoption intentions and behavior in using Shopee Paylater services, as well as to further deepen the understanding of Gen Z consumer behavior itself in using Shopee Paylater services.

LITERATURE REVIEW

This chapter will discuss in detail the research and methodology used. In this chapter, the type of research, operational definition and measurement of variables, types and sources of data, population and sample, data collection methods, and data analysis techniques, as well as a review of references used in the research will be explained.

1. Theory of Reasoned Action

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to Ajzen, the cause of a behavior is the intention to do or not do the behavior. This intention is determined by a person's attitude (self-evaluation of the behavior) and subjective norms (other people's evaluation of the behavior) (Trafimow, 2009).

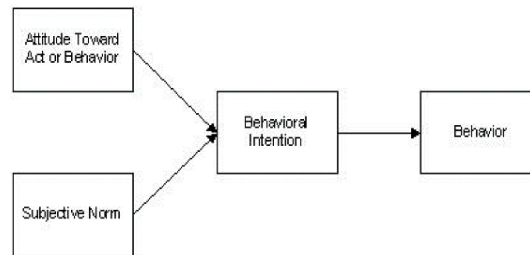


Figure 3. *Theory of Reasoned Action*
(Source : Sheppard et, al. 1988).

2. Theory of Planned Behaviour

Theory of Planned Behavior comes from the Theory of Reasoned Action developed in 1967 by Ajzen and Martin Fishbein (Mahyarni, n.d.). This theory was redeveloped because the Theory of Reasoned Action was considered to have shortcomings, namely ignoring social factors that can influence individual behavior (Grandon and Mykytyn 2004; Werner 2004). After identifying gaps and shortcomings in the Theory of Reasoned Action, Ajzen (1991) proposed the addition of an additional factor, namely Perceived Behavioral Control or perceived behavioral control. Perceived Behavioral Control is defined as an individual's perception of the extent to which a behavior is easy or difficult to do, which can indirectly influence the individual's behavior (Ajzen, 1991).

3. Unified Theory of Acceptance and Use of Technology

The UTAUT model, as a development of various theories such as the Theory of Reasoned Action, Theory of Planned Behavior, and Technology Acceptance Model, focuses on behavioral intention as a determinant of technology adoption. UTAUT is designed to integrate various terminologies and variables from different models and theories of technology acceptance. Thus, this model is an attempt to unify various approaches in the study of technology adoption (Ahmad, 2014).

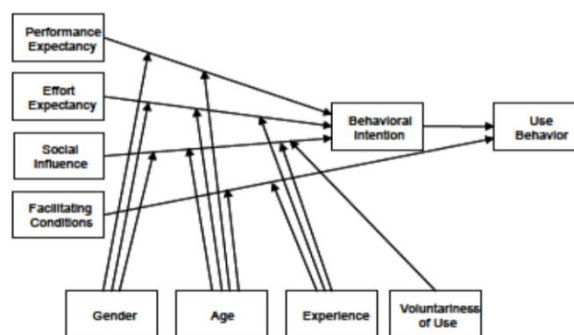


Figure 4: Unified Theory of Acceptance and Use of Technology, Source: (“User Acceptance Of Information Technology: Toward A Unified View”, pp. 447.)

4. Extended Unified Theory of Acceptance and Use of Technology

Extended UTAUT is a development of the UTAUT model, with the addition of several developments from the first UTAUT model which consists of the addition of three variables.

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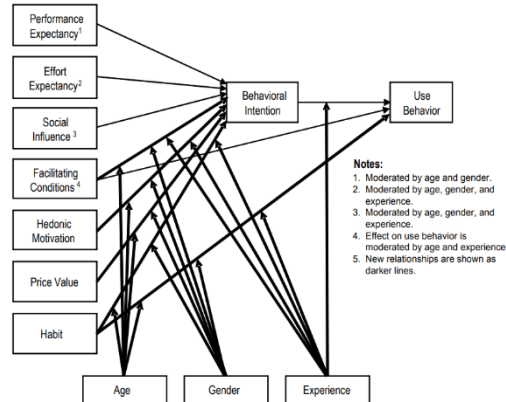


Figure 5. Extended Unified Theory Of Acceptance And Use Of Technology.
Source Venkatesh, et.al 2015

METHODOLOGY

This study adopts a quantitative approach. In this study, the type of research used is quantitative research. According to Sugiyono, quantitative research is defined as "a research method based on the philosophy of positivism, used to research a certain population or sample, with data collection using research instruments, and quantitative or statistical data analysis, with the aim of testing the established hypothesis" (Sugiyono, 2017).

The type of data used is quantitative data where this data has an absolute value. This data was obtained from a questionnaire distributed through Google Forms, because this form uses a Likert scale with a scale of one to five, the results obtained are data with absolute values or quantitative data. While the data sources in this study are a combination of primary data and secondary data, where the primary data itself is obtained directly from the results of a Google Forms survey distributed through social media. While secondary data is obtained from survey results and credible reports taken through credible data sources such as Databox and CNN. In determining the number of samples, researchers use the Cochran formula. The Cochran formula is used to calculate the number of samples when the population is very large or not known with certainty, and aims to obtain a representative sample size with a level of confidence and margin of error determined by the researcher (Cochran, 1977). In this case, researchers use the following reference values:

- a) Z (95% confidence level) = 1.96
- b) P (estimated proportion) = 0.5
- c) Q (1-p) = 0.5

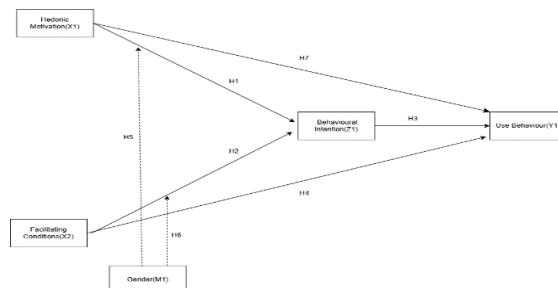


Figure 6. Proposed Research Model

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d) E (margin of error) = 0.1 with the formula $n = z^2 * p * q / e^2$, then by entering these values, we can calculate the required n value with a margin of error of 10% and a confidence level of 95%, then the number obtained is 96.4 or 96 samples.

RESULTS

This chapter will discuss the results of data processing. Hypothesis testing is done with the SMARTPLS application, using the calculate, bootstrapping menu. Because this study uses moderation variables, the hypothesis test results are divided into three, namely hypotheses on combined male and female respondents, male only respondents, and female only respondents. The following bootstrapping results are collected with respondents as many as 122 male and female respondents.

1. Hypothesis Results for Combined Male and Female

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Behavioural Intention</i>					
-> Use Behaviour	0.246	0.258	0.107	2.300	0.022
<i>Facilitating Conditions</i>					
-> Behavioural Intention	0.194	0.190	0.095	2.047	0.041
<i>Facilitating Conditions</i>					
-> Use Behaviour	0.324	0.301	0.140	2.316	0.021
<i>Hedonic Motivation</i>					
-> Behavioural Intention	0.586	0.594	0.085	6.864	0.000
<i>Hedonic Motivation</i>					
-> Use Behaviour	0.318	0.329	0.175	1.815	0.070

Table 1. Bootstrapping Results for Male and Female.
Source : SMARTPLS

Based on the results of data analysis, it can be concluded that:

1. The behavioral intention variable has a significant effect on use behavior in combined male and female respondents.
2. The facilitating conditions variable has a significant effect on behavioral intention in combined male and female respondents.
3. The facilitating conditions variable has a significant effect on use behavior in combined male and female respondents.
4. The hedonic motivation variable has a significant effect on behavioral intention in combined male and female respondents.
5. The hedonic motivation variable does not have a significant effect on use behavior in combined male and female respondents.

2. Hypothesis Results for Female

The following bootstrapping results are the combined results of the dataset collected from 70 female respondents, and are described in the following table.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Facilitating Conditions -></i>					
<i>Behavioural Intention</i>	0.116	0.107	0.142	0.818	0.414
<i>Hedonic Motivation -> Behavioural Intention</i>					
	0.650	0.662	0.112	5.811	0.000

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Table 2. Bootstrapping Results.
Source : SMARTPLS

Based on the results of the data analysis, it can be concluded that:

1. The facilitating conditions variable does not have a significant effect on behavioral intention in female respondents.
2. The hedonic motivation variable has a significant effect on behavioral intention in female respondents.

3. Hypothesis Results for Male

The following bootstrapping results are the combined results of the dataset collected from 52 male respondents, and are described in the following table.

	Original Sample		Standard		
	Sample Mean (O)	Mean (M)	Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Facilitating Conditions -> Behavioural</i>					
<i>Intention</i>	0.307	0.313	0.133	2.302	0.022
<i>Hedonic Motivation -> Behavioural Intention</i>	0.499	0.500	0.123	4.055	0.000

Table 3. Bootstrapping Results for Female.
Source : SMARTPLS

Based on the results of the data analysis, it can be concluded that:

1. The facilitating conditions variable has a significant effect on behavioral intention in male respondents.
2. The hedonic motivation variable has a significant effect on behavioral intention in male respondents.

DISCUSSION

After going through a series of tests to test the feasibility of the data, the researcher processed the data using SMARTPLS. Hypothesis testing aims to test how strong the influence is between the variables being studied. Research is considered influential if it meets the rule of thumb criteria with a T statistic value above 1.96, and a p-value with a value below 0.05, and the results are :

1. Hypothesis H1: Hedonic Motivation Has a Significant Influence on Behavioral Intention.
2. Hypothesis H2: Facilitating Conditions Has a Significant Influence on Behavioral Intention.
3. Hypothesis H3: Behavioral Intention Has a Significant Influence on Use Behavior.
4. Hypothesis H4: Facilitating Conditions Has an Influence on Use Behavior.
5. Hypothesis H5a: Hedonic Motivation Has an Influence on Behavioral Intention in Female Respondents.
6. Hypothesis H5b: Hedonic Motivation Affects Behavioral Intention in Male Respondents
7. Hypothesis H6a: Facilitating Conditions Do Not Affect Behavioral Intention in Female Respondents
8. Hypothesis H6b: Facilitating Conditions Affect Behavioral Intention in Male Respondents
9. Hypothesis H7: Hedonic Motivation Does Not Affect Use Behavior.

CONCLUSION

Based on the results of the analysis conducted on Gen Z respondents and Shopee Paylater users, it can

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be concluded that:

1. Hedonic motivation has a significant influence on the behavioral intention of Shopee Paylater technology among Gen Z. This shows that the perception of pleasure or satisfaction obtained from using Shopee Paylater technology influences an individual's intention to adopt the technology.
2. Facilitating conditions have a significant influence on the behavioral intention to adopt Shopee Paylater technology. This shows that the easy and fast verification process, very easy use, and compatibility with the norms and customs in Indonesia provided by Shopee Paylater have a significant influence on an individual's intention to adopt Shopee Paylater technology.
3. Behavioral intention has a significant influence on the use behavior of Shopee Paylater technology among Gen Z. This shows that the higher an individual's intention to adopt technology, the more likely the individual is to use and explore the functionality of the technology.
4. Facilitating conditions have a significant influence on Use Behavior. This shows that the support provided by Shopee, such as easy and fast verification process, very easy use, and compatibility with the norms and customs in Indonesia, strengthen the behavior of using Shopee Paylater technology.
5. The moderation effect of gender moderates the relationship between the hedonic motivation variable, where hedonic motivation has a significant effect on the behavioral intention of women and men.
6. The moderation effect of gender moderates the relationship between the facilitating conditions and behavioral intention variables, where facilitating conditions have a significant effect on the behavioral intention of men, and have no effect on women.
7. Hedonic motivation does not have a significant effect on the use behavior of Shopee Paylater users. This shows that the perception of pleasure or satisfaction obtained from using Shopee Paylater technology does not affect individual behavior in using the technology.

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