

Original Article

Factors that Influence Purchasing Decisions with Fintech Payment

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Abstract: *This research aims to find out how trust and ease of using Shopee Paylater influence purchasing decisions through an interest in using it as an intervening variable. This study uses a quantitative approach. The population in this research is consumers who have made transactions using the Shopee Paylater payment method at least once and live in Bogor City. Sampling used a purposive sampling technique with 210 respondents. The analysis technique used is Structural Equation Modeling (SEM). The study's findings indicate that while convenience has a large and negative impact on interest in using, trust has an advantageous and considerable impact on interest in utilizing; trust has no effect and is not significant on purchasing decisions, whereas convenience has no effect and is not significant on purchasing decisions, interest in using has a positive and significant effect on purchasing decisions, interest in using mediates between trust and purchasing decisions with a positive relationship, and interest in using mediates between convenience and purchasing decisions with a negative relationship.*

Keywords: *Trust, Easy Use, Intention to Use, Purchase Decision.*

I. INTRODUCTION

The rapid development of increasingly complex information and communication technology in the digital era has an impact on all aspects of human life. The development of information and communication technology, especially the internet, is increasingly playing an important role in economic, political, social and cultural life. Every year the role of the internet increasingly influences human life. This is a driving factor for the development of the global business world. The internet network, which has a very wide reach, means that people can carry out their economic activities online. Currently, the phenomenon of online shopping has become a habit among people because there are many conveniences provided to meet their daily needs. People can search for the items they need without being limited by area or time.

Many business people are interested and run their businesses through marketplace companies such as Shopee, Tokopedia, Lazada, Blibli, Bukalapak, and so on. This happens because of changes in people's behavior who like easy and fast processes in making purchases. The high level of community mobility requires fast trade in goods and services so that consumer needs can be met. Therefore, the presence of a marketplace becomes a link between providers of goods and services and consumers. One of the marketplace sites that is popular among Indonesian people is Shopee. Based on SimilarWeb data, Shopee is the marketplace with the most site visits in Indonesia throughout the fourth quarter of 2022, with a total of 191.6 million visits. Tokopedia is in second place with 136.7 million visits, and Lazada is in third place with 83.2 million visitors. With the highest number of visitors in Indonesia, Shopee is a promising tool for sellers to market their products.

Shopee was able to occupy the first position because various promotional efforts influenced it carried out, such as advertisements on television, websites and various other social media. The payment system, which continues to develop, is one of the supporting factors for Shopee to become the marketplace with the most users. Payment systems that previously only used cash are now available in a digital system. Payment via bank transfer, virtual account, online debit card, online credit card, e-wallet, and so on. Among these payment systems, there is an interesting payment method provided by Shopee, namely the paylater (pay later) feature. Shopee Paylater is a buy now and pay later payment method provided by PT Commerce Finance in the Shopee application. PT Commerce Finance itself is a multi-finance company that provides loan products for Shopee Paylater. By using the Shopee Paylater payment method, consumers can make purchases first and pay in the following month or installments over several months.

Based on a survey conducted by the Katadata Insight Center (KIC) entitled Indonesian E-Commerce Consumer Behavior Report 2023. The results of the survey show that payment using e-wallet is the most widely used method, reaching 84.3% of respondents. Furthermore, the cash payment method or Cash On Delivery (COD) is in second place, namely at 61.4%. Meanwhile, bank transfers or virtual accounts are in third place as the digital payment method that respondents, namely 47.8%, widely used. Then PayLater is in fourth place with a gain of 45.9%. The PayLater feature occupies the fourth position as the



payment method of choice in the Shopee marketplace because there are several reasons for society which result lack of interest in purchasing decisions using Shopee Paylater. Researchers conducted a preliminary research survey where the survey was conducted on 30 respondents in the Bogor City area. The results of the research survey showed that 66.7% of respondents did not use the Shopee PayLater payment method, and 33.3% of respondents had used the Shopee PayLater payment method when making purchases.

The large number of users of the Shopee marketplace platform in Bogor City who do not use this payment method is partly due to the lack of consumer trust in the Shopee Paylater feature. Trust is an important factor for consumers in deciding to purchase a product online. Consumers who do not trust this feature will certainly not make purchasing decisions using Shopee Paylater. There are cases of fraud that make the Pay Later feature less popular. The existence of cases like this makes the Pay Later feature difficult for some people to accept and results in low consumer confidence in the Pay Later feature. A security system that irresponsible parties misuse makes people reluctant to use Shopee Paylater.

The ease of using the Shopee Paylater payment system is also a determining factor for consumers to make purchasing decisions. According to Darmayanti, Purnamawati, and Prayudi's (2017:458) Technology Acceptance Model (TAM) theory, a technology's ease of use is a gauge of how easily an individual maintains it can be comprehended and utilized to complete a task because using the system allows for more effective job completion. The perceived ease of use has the potential to lessen the learning curve for a technology or system. Activating the Shopee Paylater feature is easier because it has easy conditions and applications compared to credit cards, but some consumers, such as rejection of applications, still experience difficulties. This rejection can occur because the conditions are not met. To be able to use the Shopee Paylater feature, the user's Shopee account must be frequently used for transactions, registered and verified, and the Shopee account must be at least three months old. The lack of education provided by Shopee regarding the Shopee Paylater payment system means that some people do not know the requirements that must be met in the application process and how to apply them.

With the convenience of this technology, it is feared that consumer behavior will emerge, which will make consumers impulse buy without paying attention to their financial abilities and capabilities. Basically, consumers carry out purchasing activities for a product because consumers have a need for that product which is then influenced by the availability of a budget to meet these needs. With the current development of payment systems, the benchmark for budget availability is not only seen from the availability of funds in the form of cash but can also be measured from the form of facility services such as credit cards or other digital payments (Widawati, 2011: 125).

Consumers feel that a payment system that involves interest will cost more than using other payment methods such as cash on delivery (COD), bank transfer, or top-up your balance without interest with the Shopee Pay feature. The interest rate is 2.95% for all loan terms, a penalty fee of 5% per month if there is a delay in payment and a handling fee or administration fee of 1% per transaction (Shopee, 2020). This makes consumers use Shopee Paylater as an alternative payment method.

II. LITERATURE REVIEW

A) Purchasing Decision

In purchasing a product, consumers are faced with various considerations to choose the product that best meets their needs and desires. According to Mutiara and Wibowo (2020:12), consumer behavior, which is the study of how people, groups, and organizations select, acquire, use, and satisfy their needs and aspirations through products, services, concepts, or experiences, includes purchasing decisions. According to Kotler and Armstrong (2016: 185), the purchasing decision process consists of the following five stages: 1) Problem recognition, 2) Information search, 3) Alternative evaluation, 4) Purchase decision, and 5) Post-purchase behavior.

B) Interest in Using

According to Keni, Tjoe, Wilson, & Negara (2020:79) interest in using can be understood as a person's possibility to learn, use, or adapt certain technology in daily activities. Thus, it can be concluded that if a person thinks technology can help them perform better and if it can be used simply or with little effort, they will be interested in adopting it. According to Setyawati (2021: 82), there are four dimensions that form interest in using, namely, 1) transactional interest, 2) referential interest, 3) preferential interest, and 4) exploratory interest.

C) Trust

Trust is needed when ordering online and when buyers send their personal data to sellers. According to Canestren and Saputri (2021:368), customers' propensity to trust goods and services despite all the hazards indicates that they have hope that is promised and is able to provide positive results for consumers. According to Canestren and Saputri (2021:369), the dimensions of trust in transactions are 1) Benevolence, 2) Ability, 3) Integrity, and 4) Willingness to depend.

D) Convenience

The development of online business makes it easier for consumers to purchase goods and services, because consumers find it easier and more practical to shop, so this increases their online purchasing capacity. According to Purnamasari, Sasana, & Novitaningtyas (2021:422) perceived ease of use means the extent to which individuals believe that they will spend less effort when using certain technology or are free from effort. The variable dimensions of transaction ease, according to Canestren and Saputri (2021:369), are 1) ease of navigation, 2) ease of understanding, 3) ease of payment, and 4) flexible transaction options.

Based on the theory and description above, the research hypothesis is as follows:

- H1: Trust has a positive and significant effect on Intention to Use
- H2: Convenience has a positive and significant effect on Intention to Use
- H3: Trust has a positive and significant effect on purchasing decisions
- H4: Convenience has a positive and significant effect on purchasing decisions
- H5: Interest in Using has a positive and significant effect on Purchasing Decisions
- H6: Trust has a positive and significant effect on Purchasing Decisions through Interest in Using
- H7: Convenience has a positive and significant effect on Purchasing Decisions through Interest in Using

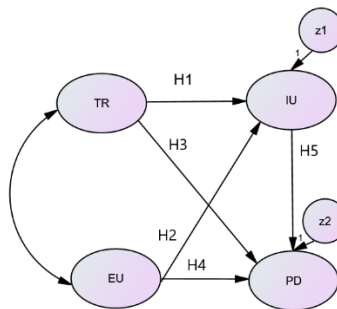


Fig. 1 Research Framework

III. METHODOLOGY

A) Population and Sample

The target population in this research is Shopee marketplace users who have carried out the shopping process using the Shopee Paylater payment method and live in Bogor City. The sample used was 210 respondents using a purposive sampling technique. The criteria used as research samples are consumers who have made transactions using the Shopee Pay later payment method on the Shopee marketplace at least once. Because there were outlier data, 43 respondents' answers had to be deleted from the calculation data, so until the end, there were 167.

B) Data Collection Technique

For this study, both primary and secondary data are required. In this study, primary data was directly collected through the distribution of questionnaires containing statements to Shopee Paylater users in Bogor City with the help of Google Forms. Secondary data in this research was obtained from literature studies, books, journals, and various literature related to problems and documentation that can be obtained via the internet.

C. Data Analysis Technique

The statistical data analysis tool used in this research uses Structural Equation Modeling (SEM), which is operated through the AMOS 24.00 program with the Maximum Likelihood (ML) technique. The steps, according to Ghazali (2017), in carrying out data analysis through AMOS are creating a Full Model, Normality Test, Construct Reliability Test, and Discriminant Validity.

IV. RESULTS AND DISCUSSION

Table 1: Maximum Likelihood Estimates

Path	CR.	P	Estimate	Conclusion
IU <--- TR	6.366	***	.583	Accepted
IU <--- EU	-2.555	.011	-.204	Accepted
PD <--- TR	-1.227	.220	-.086	Rejected
PD <--- EU	-.384	.701	-.021	Rejected
PD <--- IU	8.112	***	.901	Accepted

Table 2: Squared Multiple Correlations

	Estimate
IU	0,350
PD	0,739

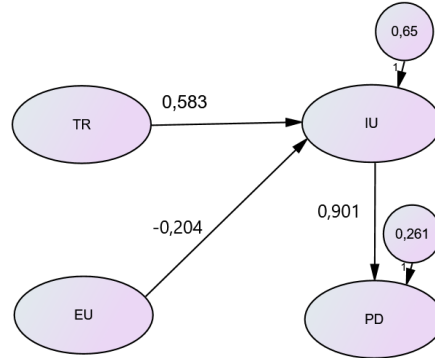


Fig. 2. Full Model

Where:

TR : Trust
 EU : Perceived Easy of Use
 IU : Interest of Use
 PD : Purchase Decision

Based on the results above, it can be seen that the trust variable has a positive and significant effect on interest in using because it has a CR value. ≥ 1.96 or probability (P) ≤ 0.05 . The convenience variable has a negative and significant effect on interest in using because it has a CR value. $\geq |1.96|$ or probability (P) ≤ 0.05 and there is a negative sign. The trust and convenience variables have no effect and are not significant in purchasing decisions because they have CR values. ≤ 1.96 or probability (P) ≥ 0.05 . The variable of interest has a positive and significant effect on purchasing decisions because it has a CR value. ≥ 1.96 or probability (P) ≤ 0.05 . Trust and ease influence interest in using by 35%, and the remainder is the influence of other variables not examined in this research. Minar uses influence on purchasing decisions by 73.9%.

Table 3. Assessment of Normality

Variable	kurtosis	c.r
Multivariate	151.292	26.606

The normality test shows that the results of CR The multivariate for this study is 26,606, where this value is far from 2.58. So it is indicated that the data is not normal. Researchers conducted a normality test using the Bootstrap procedure. Where the research data is multiplied into 500 samples and the SE values are compared. Between bootstrap and ML Mean difference SE Bootstrap and SE ML differ by around 0.263%. So it can be concluded that SE before and after the bootstrap is small, so it can be concluded that the sample of 167 has a normal distribution (not different from SE with a sample of 500)

Table 4. Construct Reliability Test Result

No	Variable	CR	VE	Conclusion
1.	TR	0.9476	0.7217	Reliable
2.	EU	0.8964	0.6856	Reliable
3.	IU	0.8011	0.5461	Reliable
4.	PD	0.9413	0.6197	Reliable

Based on the table above shows that all dimensions and indicators of the research construct have a standard loading factor value of ≥ 0.5 , so they all have good validity. Overall it can be concluded that all research variables in this research have good reliability and validity.

Table 5. Discriminant Validity

	TR	EU	IU	PD
TR	0,8495			
EU	0,130	0,8280		
IU	0,583	-0,204	0,7389	

PD	-0,086	-0,021	0,901	0,7872
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Given that each latent construct has a value greater than the Pearson correlation between the constructs, the table above demonstrates that each hidden construction has excellent discriminant validity.

Table 6. Sobel Test

Exogenous Variable	Intervening Variable	Endogenous Variable	Limitation	Result	Conclusion
TR	IU	PD	1,96	5,771	Reliable
EU	IU	PD	1,96	-2,550	Reliable

V. CONCLUSION AND RECOMMENDATIONS

Based on research results, trust has a positive and significant effect on interest in using. The results of this research support research conducted by Putu Agus Arya Jagadhita and Viany Utami Tjin (2023) with the title "The Analysis of Factors Influencing Intention to Use Pay Later using Technology Acceptance Model (TAM)". This research proves that Perceived Usefulness, Perceived Convenience, and Trust have a positive effect on interest in using Pay Later. Then, Trust is considered as a partial mediation for Perceived Usefulness and Perceived Convenience.

Based on the research results, convenience has a negative and significant effect on interest in using. The results of this research support research conducted by Vivi Eviana and Agung Joni Saputra (2022) with the title "Analysis of Factors that Influence Interest in Using the Pay Later Payment System". This research proves that convenience has a negative and significant effect on interest in using the Pay Later payment method.

Based on the research results, trust has no effect and is not significant on purchasing decisions. Likewise, convenience has no effect and is not significant on purchasing decisions. The results of this research support research conducted by Aminatus Zahroh, Aldila Septiana, and R. Zaiful Arief (2023) with the title "The Influence of Trust, Convenience and Benefits on Purchasing Decisions Using the Spaylater Online Loan Method among Students in Bangkalan Regency". This research proves that convenience has no effect on purchasing decisions using the SpayLater online loan method for students in Bangkalan Regency. This shows that not everyone makes transactions because of the ease of Shopee Pay later online payments. Interest in using has a positive and significant effect on purchasing decisions. The results of this research support research conducted by Damayanti et al. (2022) with the title "Factor Analysis of Interest in Using Pay Later in E-commerce Applications Using Principal Component Analysis and Maximum Likelihood Estimation Methods". This research proves that interest in using Shopee Pay later using the Principal Component Analysis method has the highest loading factor in purchasing decision-making. Interest in using mediates between trust and purchasing decisions with a positive relationship. Interest in Using mediates between convenience and purchasing decisions with a negative relationship.

Based on the research results, discussions and conclusions that have been obtained, the following suggestions can be given:

1. In this research, trust, which consists of the dimensions of benevolence (sincerity), ability, integrity and willingness to depend, still needs to be improved, such as Shopee's ability in the Shopee Paylater feature to be better able to serve, maintain identity consumers, to ensure security in transactions using Shopee Paylater.
2. In this research, convenience, which consists of the dimensions of ease of navigation, ease of understanding, ease of payment, and flexible transaction options, still needs to be improved, such as ease of registration, procedures for using it, and information regarding limits on Shopee Pay later.
3. In this research, interest in using consists of the dimensions of transactional interest, referential interest, preferential interest and exploratory interest, which influence purchasing decisions. It is hoped that Shopee can increase its choice of stores so that it can increase interest in using the Shopee Pay Later payment method, which will influence purchasing decisions.

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