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Impulsive Buying and Paylater Adoption: A Behavioral Perspective on Gen Z Spending Habits

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Abstract

The rapid advancement of technology and information has played a crucial role in driving the growth of financial technology (fintech), particularly PayLater services. In Surabaya, the adoption of PayLater services has been steadily increasing each year. Generation Z, commonly known as Gen Z, represents the second-largest user group of this payment method and is expected to become the most financially active demographic in the near future. This research seeks to examine the factors that influence Gen Z in Surabaya when deciding to utilize PayLater services for shopping. The study incorporates the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT) to assess PayLater usage intention and impulsive buying tendencies. A quantitative methodology was employed, with data gathered through an online questionnaire completed by 219 PayLater users, which was then analyzed using SmartPLS and SPSS. The findings reveal a significant and positive correlation between Perceived Usefulness (X1), Perceived Ease of Use (X2), Perceived Security (X3), Social Influence (X4), and Intention to Use PayLater (Z). Furthermore, the study identifies a strong and positive link between Intention to Use PayLater (Z) and Impulsive Buying (Y) among Gen Z consumers in Surabaya.

Keywords: Perceived Usefulness, Perceived Ease of Use, Perceived Security, Social Influence, Intention to Use paylater, Impulsive Buying

1. Introduction

The rapid advancement of technology has significantly influenced and reshaped purchasing methods, shifting towards digital transactions. In today's market, businesses must adapt to the increasing demand for digital payment solutions, convenience, and seamless transactions (Pratika *et al*., 2021). This transformation has driven the growth of financial technology (fintech), enabling users to conduct transactions swiftly and efficiently. Data from Bank Indonesia indicates that digital payment transactions reached IDR 399.6 trillion in 2022, reflecting a 30.84% increase from the previous year. With the rising trend of online shopping, Bank Indonesia forecasts an additional 23.9% growth in digital payment transactions by 2023 (Wisnubroto, 2023) [24].

The growing adoption of fintech, coupled with consumer demand for flexible payment methods and the surge in digital transactions, has encouraged companies to innovate and introduce new financial solutions (Pratika *et al*., 2021). One of the most prominent fintech innovations in Indonesia is PayLater, a digital lending service that allows users to defer payments either in full or through installments. PayLater has become one of the most widely used fintech products in Indonesia, second only to digital wallets (DailySocial, 2021) [5]. Its popularity stems from its ease of use, flexible installment plans, and seamless integration with various mobile applications, including e-commerce platforms, ride-hailing services, and travel agencies. Furthermore, PayLater is regarded as a viable alternative for individuals seeking immediate installment-based financing.

In Indonesia, PayLater usage is particularly prominent in metropolitan areas, including Surabaya. Internal research from Kredivo highlights the increasing adoption of PayLater in urban centers, with substantial growth recorded in recent years (Mardiansyah, 2023 [20]; Zuraya, 2022). The primary demographic of PayLater users consists of young individuals, particularly Generation Z. A survey conducted by Tirto.id and Jajak Pendapat identified Gen Z as the second-largest user group of PayLater services (Hartanto, 2022) [13]. The study found that Gen Z consumers frequently make one to five additional purchases using PayLater in apps or retail stores. Similarly, LendingTree's survey discovered that 70% of women and 66% of

men tend to overspend when using PayLater services (Schulz, 2022). These findings indicate that the availability of PayLater services encourages impulsive spending behavior among Gen Z consumers.

Research conducted by Keni *et al*. (2020) [18] suggests that perceived usefulness, perceived ease of use, and perceived security significantly influence the intention to use mobile payment services. Another study by Yang *et al*. (2021) found a positive and significant relationship between perceived usefulness, perceived ease of use, social influence, and the intention to use e-wallets. Their findings suggest that individuals are more likely to adopt PayLater if they perceive its usefulness, find it easy to use, feel secure regarding their personal data, and are exposed to relevant product education. However, Kurniawan *et al*. (2021) [19] argued that perceived ease of use and perceived security do not directly influence PayLater adoption. Instead, perceived usefulness plays the most crucial role in shaping consumers' intention to use PayLater, although other internal and external factors may also contribute.

Additionally, Cuandra (2022) [4] concluded that the intention to use PayLater is primarily driven by perceived usefulness and perceived security, while perceived ease of use does not have a significant impact. The study further revealed that PayLater usage influences impulsive buying behavior. According to this perspective, PayLater encourages impulsive spending due to the convenience and accessibility it offers. The ability to defer payments through installments creates a psychological effect that reduces the perceived immediate financial burden. Consequently, individuals may underestimate the long-term financial impact, increasing the likelihood of impulsive purchasing decisions.

Based on these findings, this study aims to explore the factors influencing Gen Z's intention to use PayLater in Surabaya and its subsequent impact on impulsive buying behavior.

2. Literature Review

Generation Z

Generation Z, born between 1997 and 2012, is a demographic that has grown up in the digital era and possesses a strong affinity for technology (Dimock, 2019) [9]. They are highly proficient in utilizing various digital tools and have a greater understanding of financial technology compared to previous generations (Aseng, 2020) [3]. In managing their finances, Gen Z tends to rely on mobile banking apps, digital payment platforms, and budgeting tools to maintain better control over their financial activities. With high internet connectivity and instant access to information, this generation integrates technology seamlessly into their daily lives (Prensky, 2001; Tapscott, 2009).

Furthermore, as digital natives, Gen Z quickly adapts to evolving financial technologies, including the use of cryptocurrency, app-based investments, and AI-powered financial services (McKinsey, 2022). They are also more aware of data security and privacy concerns in digital transactions compared to previous generations (Pew Research Center, 2021). This indicates that Gen Z is not only a user of technology but also an active innovator in the modern digital financial ecosystem.

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), introduced by Davis *et al*. (1989) [7], is a theoretical framework that builds upon the Theory of Reasoned Action (TRA). TRA suggests that an individual's response or perception of something can influence their behavior. TAM was specifically developed to analyze behaviors related to computer usage, aiming to explain why some individuals are more inclined to adopt, utilize, or integrate certain information technologies into their daily routines, while others are not (Davis, 1989) [6].

This model provides a structured approach to understanding and predicting user behavior across various end-user computing technologies and user groups, while maintaining both theoretical rigor and simplicity. According to TAM, an individual's intention to use a system is primarily influenced by their perception of its usefulness and ease of use.

Unified Theory of Acceptance and Use of Technology (UTAUT)

The Unified Theory of Acceptance and Use of Technology (UTAUT) is a widely utilized model for analyzing technology acceptance among users within organizations. Developed by Venkatesh *et al*. (2003), UTAUT offers a comprehensive framework for understanding the key factors that influence an individual's decision to adopt new technology. This theory particularly emphasizes critical variables and contextual factors in predicting user adoption, primarily from a consumer perspective (Ikhsan & Sunaryo, 2020) [17].

The UTAUT model highlights four essential constructs that shape technology acceptance, which are measured through behavioral intention. These four key factors include performance expectancy, effort expectancy, social influence, and facilitating conditions, all of which play a significant role in determining whether users will embrace new technology.

Consumer Behavior

Engel *et al*. (2010) [10] define consumer behavior as a key indicator that encompasses the processes of purchasing, using, and consuming goods and services, along with the activities leading up to these actions. Similarly, Hermanto (2013) [14] explains that consumer behavior includes various activities such as searching for products, conducting research, and evaluating options. This suggests that consumer behavior involves the steps consumers take when making purchasing decisions.

In terms of payment choices, different perceptions of available payment methods lead to varying consumer decisions. Even individuals who share similar characteristics—such as age, social class, education, and cultural background—may exhibit distinct purchasing behaviors (Surapati & Mahsyar, 2020). Understanding these behavioral differences is a complex challenge, requiring businesses to adopt tailored strategies to analyze consumer behavior. Although similarities exist among consumers, their purchasing decisions can still vary significantly.

3. Conceptual Approach

Perceived Usefulness

Davis (1989) [6] describes perceived usefulness as the extent to which users believe that a particular technology or system will improve their performance. Similarly, Krempel and Beyerer (2014) define perceived usefulness as the degree to which individuals believe that a technological system can enhance user efficiency and effectiveness. This suggests that people are more inclined to adopt new information technology if they perceive it as beneficial in increasing their productivity and operational efficiency.

Moreover, the stronger the belief that a technology can reduce costs and simplify multiple transactions, the greater the likelihood of its adoption by consumers (Rahmadhani *et al*., 2022). Thus, perceived usefulness can be understood as users' perception of whether a system offers meaningful benefits that meet their needs.

Perceived Ease of Use

Davis (1989) [6] defines perceived ease of use as the degree to which individuals believe that utilizing information technology is effortless and convenient. Similarly, Krempel and Beyerer (2014) describe it as a user's perception of how simple and accessible a system or technology is to operate. People are more likely to adopt a technology or system that requires minimal effort and does not demand specialized skills.

In the context of transactions, consumers tend to prefer payment systems that are easy to understand and streamline the payment process (Rahmadhani *et al*., 2022). Therefore, perceived ease of use reflects the level of convenience and simplicity in using technology for accessing services and making purchases.

Perceived Security

Perceived security refers to the level of confidence individuals have in a system's ability to protect their sensitive information, such as credit card details and transaction records (Arpaci *et al*., 2015) [2]. When users trust that their data is secure and safeguarded against misuse or unauthorized access, they experience a greater sense of security.

This perception is shaped by various factors, including the technological safeguards implemented by service providers, privacy assurances offered by applications, and compliance with government and central bank regulations (Arpaci *et al*., 2015) [2]. Therefore, perceived security is closely associated with the confidentiality of customers' personal information and the dependability of the systems provided by service providers.

Social Influence

Venkatesh *et al*. (2003) define social influence as an individual's perception of the importance of others' opinions in their decision to adopt a new system. People often look to the attitudes and perspectives of those around them when determining whether to use a particular technology. When information comes from individuals with whom they have strong relationships, they are more likely to be influenced.

Social influence describes how a person's beliefs, attitudes, and opinions can shift through interactions with others or within groups (Phan *et al*., 2020). Key influences on an individual's behavior include family, relatives, colleagues, friends, peer groups, celebrities, and online communities on social media (Rahmadhani *et al*., 2022). Thus, social influence is closely tied to how an individual's social circle or reference groups, such as family and peers, shape their intention to adopt and use technology.

Impulsive Buying

Impulsive buying is defined as an individual's tendency to make spontaneous and immediate purchases without prior planning or evaluation of the product (Rook & Fisher, 1995) [22]. This behavior is driven more by a strong desire than by actual necessity.

Verplanken and Sato (2011) [23] found that impulsive buyers are primarily motivated by the pleasure and enjoyment associated with making a purchase rather than purely functional needs. Therefore, impulsive buying can be understood as a purchasing behavior that occurs without careful thought or prior consideration.

4. Hypothesis Development

Relationship of Perceived Usefulness and Intention to Use Pay later

Research findings consistently highlight the significant impact of perceived usefulness on individuals' intention to adopt financial technology products. The functionality and ease of use of the paylater system play a crucial role in shaping user intent. Yang *et al*. (2021) found a strong link between perceived usefulness and users' willingness to adopt e-wallets, as individuals are more inclined to use them when they fulfill specific financial transaction needs. Additionally, users with prior e-wallet experience tend to feel more confident and comfortable utilizing them for payments. These findings are further reinforced by Cuandra's (2022) [4] study, which underscores the convenience and various benefits of paylater payments. The study suggests that individuals are more likely to use paylater services when they perceive them as offering valuable features. This aligns with prior research demonstrating a positive correlation between perceived usefulness and the intention to adopt financial technology products (Kurniawan *et al*., 2021 [19]; Hidayat & Rudito, 2022 [15]; Rahmadhani *et al*., 2022). Therefore, based on this discussion, the first hypothesis of this study is as follows:

H1: Perceived usefulness positive influence on the intention to use the pay later.

Relationship of Perceived Ease of Use and Intention to Use Pay later

The ease of use is a critical factor in the adoption of financial technology, as users perceive convenience as a key motivator for utilizing these services. The ability to conduct payment transactions effortlessly, with minimal required skills and a hassle-free experience, enhances users' preference for financial technology. Rahmadhani *et al*. (2022) found a strong correlation between perceived ease of use and Gen Z's interest in adopting e-wallets, indicating that Gen Z individuals are more inclined to use e-wallets when they recognize clear benefits and encounter minimal challenges. Similarly, Yang *et al*. (2021) emphasized that e-wallets are user-friendly and require little effort to operate. These findings underscore the importance for e-wallet providers to implement advanced technologies that ensure seamless and efficient transactions. Previous research has also demonstrated that perceived ease of use significantly

influences users' intention to adopt technology (Keni *et al*., 2020; Deswari & Patrisia, 2022; Hidayat & Rudito, 2022; Agustin, 2022) [18, 8, 15, 1]. Based on this discussion, the following hypothesis is proposed:

H2: Perceived ease of use positive influence on the intention to use the pay later.

Relationship of Perceived Security and Intention to Use Pay later

The security of technology is a critical factor for users, as it fosters trust that their personal and financial data will be protected and not exploited by unauthorized parties. Users depend on service providers to safeguard their information, making security an essential component of financial technology. Simorangkir and Afgani (2021) found that security plays the most significant role in Gen Z's adoption of mobile payments. Gen Z perceives mobile payment systems as secure for managing financial transactions and feels more confident using e-wallets equipped with strong security measures and privacy protections. Agustin (2022) [1] further supports this notion, noting that users are more likely to adopt Shopee Paylater if they trust its robust security features and advanced anti-fraud system. Reliable mobile and digital payment platforms ensure that every transaction phase meets user expectations while providing the necessary security. Previous research consistently underscores the role of security in users' decisions to adopt financial technology (Cuandra, 2022; Keni *et al*., 2020; Deswari & Patrisia, 2022) [4, 18, 8]. Based on this discussion, the following hypothesis is proposed:

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

Relationship of Social Influence and Intention to Use Paylater

Social influence refers to the effect of communication and interaction with others in shaping an individual's attitudes and behaviors. This factor highlights how people within a user's social circle adopt and promote digital payment systems, ultimately influencing and encouraging others to follow suit. Phan *et al*. (2020) emphasized the significant role of social influence in the adoption of e-wallets among Vietnamese youth, even surpassing concerns about privacy and security. They argue that digitally literate Gen Z individuals are more inclined to adopt e-wallets based on recommendations from peers who already use them, thereby increasing interest in this technology. Social influence plays a vital role in shaping individuals' perceptions of technology, as they seek status and recognition within their social circles by adopting new innovations (Ikhsan & Sunaryo, 2020) [17]. Opinions from specific individuals strongly impact their attitudes. Simorangkir and Afgani (2021) further support this perspective, stating that the adoption of mobile payments is significantly influenced by social factors. Gen Z, in particular, is more likely to use mobile payment methods based on peer recommendations, as they are frequently exposed to their friends' opinions and reviews. Previous studies consistently show that social influence positively affects individuals' intention to use digital payment systems (Yang *et al*., 2021; Agustin, 2022 [1]; Deswari & Patrisia, 2022 [8]). Based on this discussion, the fourth hypothesis of this study is:

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

Relationship of Intention to Use Paylater and Impulsive Buying

When consumers come across a desired product, they often engage in impulsive buying, driven by an immediate attraction to a brand or item and a compelling urge to make a quick purchase (Rodrigues *et al*., 2021) [21]. Paylater services, as a credit-based payment option, have been shown to increase the likelihood of impulsive buying. This aligns with previous research by Mitchell and Qadar (2019), which suggests that installment-based payment methods like paylater encourage impulsive purchases due to the absence of rigorous credit assessments. Cuandra (2022) [4] found that the willingness to use paylater significantly influences impulsive online purchasing, as the user-friendly nature of paylater services facilitates transactions and promotes impulsive spending behavior. By simplifying the credit acquisition process, paylater options inadvertently contribute to consumers' impulsive shopping tendencies. Agustin (2022) [1] further supports this perspective, arguing that paylater usage is linked to impulsive purchases, as users have instant access to substantial funds while deferring payment. Prior studies also suggest that the intention to use paylater influences impulsive buying behavior (Pratika *et al*., 2021; Hilmi & Pratika, 2021 [16]). Based on this discussion, the fifth hypothesis of this study is proposed as follows:

H5: Intention to use paylater affects impulsive buying.

5. Conceptual Framework

This study aims to examine the relationship between perceived usefulness, perceived ease of use, perceived security, and social influence with the intention to use paylater services. Additionally, it explores the impact of willingness to use paylater on consumer impulsive buying. Based on these relationships, the conceptual framework for this study is illustrated in Figure 1.

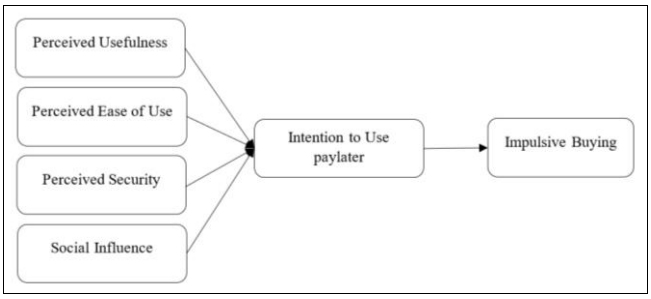

Fig 1: Conceptual Framework

6. Research Methodology

This research will be conducted over a one-month period in Surabaya. It employs a quantitative approach to analyze the relationships between perceived usefulness, perceived ease of use, perceived security, and social influence in influencing Generation Z's intention to use paylater services. Additionally, the study examines the impact of intention to use paylater on Gen Z's impulsive buying behavior. Data will be collected through an online questionnaire created using Google Forms. The study targets

Generation Z individuals (aged 17-26) who are paylater users residing in Surabaya. A purposive sampling technique is used to select the respondents. The research instrument is based on indicators from previous studies and utilizes a 5-point Likert scale ranging from strongly disagree to strongly agree. The minimum required sample size is 170 respondents, calculated by multiplying the total number of indicators and variables by 5. Ultimately, 219 responses were deemed valid for statistical analysis. Data analysis was conducted using SmartPLS.

7. Results and Discussions

7.1 Respondent Profile

The study was conducted in Surabaya with a total sample of 198 respondents. The majority of respondents are male (65.66%), while 34.34% are female. Most respondents fall within the age range of 22 to 26 years old (53.54%). In terms of occupation, college students constitute the largest group (51.52%), followed by employees (37.37%). Regarding paylater spending habits, a significant portion of respondents allocate a monthly budget of approximately Rp1,000,000 to Rp2,000,000 (47.47%). The majority of respondents reside in Central Surabaya (29.29%), with other distributions across East, West, South, and North Surabaya. The most frequently used paylater service among respondents is Shopee PayLater (76.77%). The detailed respondent profile is presented in Table 1.

Table 1: Respondents Profile

Demographic Characteristics		Frequency	Percentage
Age	17-21 years old	92	46.46%
	22-26 years old	106	53.54%
Gender	Male	130	65.66%
	Female	68	34.34%
Occupation	College Student	102	51.52%
	Employee	74	37.37%
	Entrepreneur	18	9.09%
	Others	4	2.02%
Paylater Allocation per Month	Less than IDR500,000	32	16.16%
	IDR500,000 –IDR1,000,000	56	28.28%
	IDR1,000,000 – IDR2,000,000	94	47.47%
	More than IDR2,000,000	16	8.08%
Most Frequently Used Paylater Service	Shopee PayLater	152	76.77%
	GoPay Later	22	11.11%
	Kredivo	14	7.07%
	Akulaku	10	5.05%

Source: Primary Data (2025)

7.2 Validity Test

In this research, the validity test will be performed using Average Variance Extracted (AVE) and Outer Loading. An AVE value of 0.5 or higher signifies adequate convergent validity, indicating that the latent variable explains more than half of the indicator's variance (Hamid *et al*., 2017) [12]. Furthermore, outer loadings greater than 0.6 are considered acceptable, as they demonstrate a strong relationship between the measurement items and the core concept (Ghozali & Latan, 2012) [11].

Table 2: AVE Values

Variable	Average Variance Extracted	Decision
Perceived Usefulness	0.580	Valid
Perceived Ease of Use	0.557	Valid
Perceived Security	0.583	Valid
Social Influence	0.534	Valid
Intention to Use	0.517	Valid
Impulsive Buying	0.588	Valid

Source: Primary Data (2025)

The test results presented in Table 2 indicate that the AVE values for perceived usefulness, perceived ease of use, perceived security, social influence, intention to use, and impulsive buying are 0.580, 0.557, 0.583, 0.534, 0.517, and 0.588, respectively. Since all these values exceed the threshold of 0.5, it confirms that the variables utilized in this study are valid and appropriate for further analysis.

Table 3: Outer Loading

Variable	Measurement Item	Outer Loading Value	Decision
Perceived Usefulness	PU1	0.811	Valid
	PU2	0.853	Valid
	PU3	0.863	Valid
	PU4	0.839	Valid
Perceived Ease of Use	PEU1	0.803	Valid
	PEU2	0.772	Valid
	PEU3	0.704	Valid
	PEU4	0.745	Valid
Perceived Security	PS1	0.770	Valid
	PS2	0.716	Valid
	PS3	0,837	Valid
	PS4	0,886	Valid
Social Influence	SI1	0,877	Valid
	SI2	0,862	Valid
	SI3	0,824	Valid
	SI4	0,813	Valid
Intention to Use	INT1	0,883	Valid
	INT2	0,828	Valid
	INT3	0,807	Valid
	INT4	0,782	Valid
Impulsive Buying	IB1	0,777	Valid
	IB2	0,831	Valid
	IB3	0,789	Valid
	IB4	0,847	Valid
	IB5	0,837	Valid
	IB6	0,886	Valid

Source: Primary Data (2025)

Additionally, the results shown in Table 3 reveal that all measurement variables fulfill the required criteria, with outer loadings surpassing the minimum threshold of 0.6. This confirms that the measurement items for all variables examined in this study are valid and suitable for further analysis.

7.3 Reliability Test

The reliability test aims to evaluate the consistency and stability of the measurements while identifying any problematic items that may need to be removed. Cronbach's Alpha values are used to assess the internal consistency of the instruments or indicators, with a value greater than 0.7 indicating reliability (Kurniawan *et al*., 2021) [19].

Tabel 4: Reliability Test

Variable	Cronbach's Alpha	Decision
Perceived Usefulness	0.803	Reliable
Perceived Ease of Use	0.772	Reliable
Perceived Security	0.704	Reliable
Social Influence	0.745	Reliable
Intention to Use	0.770	Reliable
Impulsive Buying	0.803	Reliable

Source: Primary Data (2025)

As shown in Table 4, the Cronbach's Alpha values for perceived usefulness, perceived ease of use, perceived security, social influence, intention to use, and impulsive buying exceed the threshold of 0.7. This indicates that the measurement items for each variable are reliable and consistent.

7.4 Regression Analysis

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

Tabel 5: Regression Analysis

	Original Sample	T Statistic	T-table	P Value	Sig. Level or α
PU→INT	0.357	3.244	1,97	0.001	5% or 0.05
PEU→INT	0.180	5.978		0.000	
PS→INT	0.224	3.554		0.012	
SI→INT	0334	6.562		0.000	
INT→IB	0.432	7.333		0.000	

Source: Primary Data (2025)

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

Model 1: Z = β0 + 0.357X1* + 0.180X2* + 0.224X3* + 0.334X4* + e

Model 2: Y = β0 + 0.432Z* + e

Based on these equations, the following explanations can be provided

1. The regression coefficient for Perceived Usefulness (PU) is 0.357, indicating a positive relationship between perceived usefulness and the intention to use paylater. A 1-unit increase in the perceived usefulness score leads to a 0.357-point rise in the intention to use paylater.
2. The regression coefficient for Perceived Ease of Use (PEU) is 0.180, signifying that perceived ease of use positively influences the intention to use paylater. A 1-unit increase in the perceived ease of use score results in a 0.180-point increase in the intention to use paylater.
3. The regression coefficient for Perceived Security (PS) is 0.224, demonstrating a positive effect of perceived security on the intention to use paylater. An increase of 1 unit in the perceived security score corresponds to a 0.224-point growth in the intention to use paylater.
4. The regression coefficient for Social Influence (SI) is 0.334, showing that social influence has a positive impact on the intention to use paylater. A 1-unit increase in the social influence score contributes to a 0.334-point rise in the intention to use paylater.
5. The regression coefficient for Intention to Use (INT) is 0.432, confirming a positive relationship between the intention to use paylater and impulsive buying. A 1-unit increase in the intention to use paylater score results in a 0.432-point increase in impulsive buying.

7.5 Determination Coefficient (R Square)

Tabel 6: Determination Coefficient

	R Square	R Square Adjusted
Intention to Use	0.670	0.664
Impulsive Buying	0.212	0.206

Source: Primary Data (2025)

Table 6 presents the results of the determination coefficient analysis. The Adjusted R-square value for the first model is 0.664, indicating that the independent variables in the model collectively explain 66.4% of the variance in Intention to Use, while the remaining 33.6% is influenced by other factors not examined in this study. Meanwhile, the Adjusted R-square value for the second model is 0.206, signifying that Intention to Use accounts for 20.6% of the variation in Impulsive Buying, whereas the remaining 79.4% is attributed to other factors beyond the scope of this research.

7.6 F-test

In this study, the F-test will be performed at a significance level of 5% or α = 0.05. The α value will be compared with the p-value in this test. If the p-value is lower than α (0.05), H0 will be rejected, suggesting that the independent variables collectively have a significant impact on the dependent variable. Conversely, if the p-value is greater than α, H0 cannot be rejected, indicating no simultaneous effect.

Tabel 7: F-test of Model 1

Anova		
Model	F	Sig.
Regression	93.780	.000b
a. Dependent Variable: INT		
b. Predictors: (Constant), SI, PS, PEU, PU		

Source: Primary Data (2025)

Based on Table 7, the ANOVA test results indicate that the independent variables significantly influence the dependent variable. The model produces an F-value of 93.780 with a p-value of 0.000, which is below the 0.05 threshold. This finding suggests that Perceived Usefulness (PU), Perceived Ease of Use (PEU), Perceived Security (PS), and Social Influence (SI) collectively have a statistically significant effect on the Intention to Use paylater services.

Tabel 8: F-test of Model 2

Anova		
Model	F	Sig.
Regression	46.500	.000b
a. Dependent Variable: INT		
b. Predictors: (Constant), SI, PS, PEU, PU		

Based on Table 8, it is evident that in Model 2, the independent variables demonstrate a significant effect on the dependent variable, as indicated by the p-value of 0.000, which is below the 0.05 threshold. This finding suggests that social influence, perceived security, perceived ease of use, and perceived usefulness collectively influence purchase

intention. The F-value of 46.500 further supports the overall significance of the model, reinforcing the relationship between the predictors and the dependent variable.

7.7 T-test

The T-test is used to assess the impact of each independent variable on the dependent variable. To evaluate the hypothesis, this test compares the T-statistic with the T-table and examines the p-value against a 5% significance level ($\alpha = 0.05$). The results of the T-statistic test are presented in Table 5 above. Based on Table 5, the following conclusions can be derived:

1. For Perceived Usefulness (PU), the T-statistic value is 3.244, which exceeds the T-table value of 1.97. Additionally, the p-value for this relationship is 0.001, which is below the 0.05 significance level. These findings confirm that the alternative hypothesis is accepted while the null hypothesis is rejected. Thus, it can be concluded that perceived usefulness has a significant positive influence on purchase intention.
2. Perceived Ease of Use (PEU) has a T-statistic of 5.978, which is considerably higher than the T-table value of 1.97. Moreover, the p-value of 0.000 is well below the 0.05 threshold. These results indicate that the null hypothesis is rejected, and the alternative hypothesis is accepted, confirming that perceived ease of use positively affects purchase intention.
3. The T-statistic for Perceived Security (PS) is 3.554, surpassing the T-table value of 1.97. Additionally, the p-value is 0.012, which is lower than 0.05. These results suggest that the null hypothesis is rejected, supporting the alternative hypothesis. Consequently, it can be inferred that perceived security has a significant positive effect on purchase intention.
4. Social Influence (SI) records a T-statistic of 6.562, which is notably higher than the T-table value of 1.97. The p-value of 0.000 is also below the significance level of 0.05. These results confirm that the alternative hypothesis is accepted, while the null hypothesis is rejected. Therefore, social influence is shown to have a significant positive impact on purchase intention.
5. The T-statistic for Purchase Intention (INT) is 7.333, exceeding the T-table value of 1.97. Furthermore, the p-value is 0.000, which is well below the 0.05 significance level. Based on these findings, the null hypothesis is rejected, and the alternative hypothesis is supported. This confirms that purchase intention significantly influences impulsive buying behavior.

8. Discussion

The Effect of Perceived Usefulness on Gen Z's Intention to Use Paylater

This study confirms the significant relationship between perceived usefulness and the intention to use Paylater, as demonstrated by the t-statistics and p-value from hypothesis testing. These findings are consistent with previous research highlighting the substantial influence of perceived usefulness on Paylater adoption (Kurniawan *et al*., 2021; Hidayat & Rudito, 2022; Deswari & Patrisia, 2022) [19, 15, 8]. The study indicates that individuals are more likely to use Paylater when they perceive it as beneficial. Specifically, Gen Z finds Paylater attractive due to the increased purchasing power it provides. The perceived usefulness of Paylater comes from its ability to offer access to desired products or experiences without requiring long-term savings. As a result, Gen Z in Surabaya is more inclined to use Paylater when they recognize its practical benefits as a payment method.

The Effect of Perceived Ease of Use on Gen Z's Intention to Use Paylater

This study supports H2, demonstrating that perceived ease of use positively influences the intention to use Paylater. This finding aligns with previous research by Agustin (2022) [1], Hidayat & Rudito (2022) [15], and Deswari & Patrisia (2022) [8]. Consumers' perceptions of technology are largely shaped by how easy it is to use (Deswari & Patrisia, 2022) [8]. A more user-friendly system encourages greater adoption. As stated by Agustin (2022) [1], people are more inclined to use Paylater if the technology enables efficient and seamless transactions. Paylater is appealing due to its minimal documentation and approval requirements, allowing users to make purchases with a simple tap. Therefore, the easier a Paylater service is to use, the stronger the intention of Gen Z in Surabaya to adopt it.

The Effect of Perceived Security on Gen Z's Intention to Use Paylater

This study also investigates H3, which suggests that perceived security influences the intention to use Paylater. The findings are in line with previous studies by Agustin (2022) [1], Cuandra (2022) [4], and Keni *et al*. (2020) [18]. Security is a crucial factor in technology adoption, particularly regarding personal and financial data (Cuandra, 2022) [4]. The intention to use Paylater is significantly linked to the level of security provided by fintech platforms. Since Gen Z is generally tech-savvy, they tend to trust online services. The likelihood of adopting Paylater increases when users perceive that the service provider has strong security measures in place to prevent unauthorized access (Agustin, 2022) [1]. When Paylater platforms prioritize secure transactions and offer a positive user experience, they strengthen users' trust and willingness to use the service. Consequently, the more a Paylater provider assures data protection and implements robust security measures, the higher the likelihood that Gen Z in Surabaya will use Paylater.

The Effect of Social Influence on Gen Z's Intention to Use Paylater in Surabaya

Additionally, this study supports H4, indicating that social influence positively impacts the intention to use Paylater. This finding aligns with research by Agustin (2022) [1], Deswari & Patrisia (2022) [8], Aseng (2020) [3], and Simorangkir & Afgani (2021), which emphasize the role of social influence in shaping consumers' Paylater adoption. Social influence, particularly from close friends and family, plays a significant role in individuals' attitudes toward new financial technologies (Simorangkir & Afgani, 2021). Deswari & Patrisia (2022) [8] found that external opinions can encourage someone to try Paylater. When peers and social circles express positive views on Paylater, it can influence Gen Z's decision to use the service (Agustin, 2022) [1]. Since Gen Z places great value on social recommendations, their likelihood of adopting Paylater increases when those around them speak favorably about it. Thus, the stronger the social endorsement of Paylater, the greater the intention of Gen Z in Surabaya to use it.

The Effect of Intention to Use Paylater on Impulsive Buying Among Gen Z

Furthermore, this study supports H5, which examines the relationship between the intention to use Paylater and impulsive buying behavior. These findings align with previous research by Cuandra (2022) [4], Agustin (2022) [1], Pratika *et al*. (2021), and Mitchell & Qadar (2019). The availability of installment-based payments, especially in online transactions, can encourage excessive spending due to its convenience (Cuandra, 2022) [4]. The Paylater system, as a digital payment alternative, simplifies access to credit, which can lead to impulsive purchasing (Mitchell & Qadar, 2019). By offering immediate financial flexibility, Paylater enables users to make purchases without waiting for sufficient savings, potentially increasing consumption (Pratika *et al*., 2021). Gen Z, known for their preference for instant gratification, is particularly susceptible to this behavior. According to Agustin (2022) [1], the accessibility of Paylater services allows users to acquire goods anytime, reinforcing the tendency toward impulsive buying. Therefore, the stronger the intention to use Paylater, the higher the likelihood of impulsive purchases among Gen Z in Surabaya.

9. Conclusion

This study explores the impact of perceived usefulness, perceived ease of use, perceived security, and social influence on the intention to use Paylater, as well as the effect of this intention on impulsive buying behavior. Conducted in the Greater Jakarta area, the research targeted Gen Z individuals aged 17 to 26 as respondents. The findings confirm that all examined factors significantly influence the intention to use Paylater, while this intention, in turn, has a significant effect on impulsive buying. In Model 1, perceived usefulness emerges as the most influential factor in Paylater adoption, whereas perceived ease of use has the weakest impact. Additionally, the independent variables in the first model account for 63.4% of the variance in the dependent variable, while the second model's independent variable explains 19.8% of the variance in impulsive buying.

Gen Z prioritizes the functional benefits of Paylater, viewing it as a practical and efficient payment method. The perceived usefulness of mobile payment services plays a crucial role in their adoption of such financial technologies. Furthermore, the study confirms that perceived ease of use positively affects Paylater usage intention among Gen Z in the Greater Jakarta area. When mobile payment services are user-friendly, they foster a more favorable attitude toward financial technology, increasing the likelihood of adoption.

Security and privacy also play a significant role in shaping Gen Z's Paylater usage intention. The study highlights that ensuring the confidentiality of personal and financial data is a key factor influencing consumer interest in Paylater services. Additionally, social influence significantly affects Gen Z's payment preferences, as exposure and education shape their perceptions. Recommendations and reviews from peers and close acquaintances encourage the adoption of Paylater, making individuals more inclined to use the service if their social circle does as well.

As one of the most active consumer groups, Gen Z exhibits high spending tendencies, which can lead to impulsive buying behavior. The findings indicate that the intention to use Paylater significantly contributes to impulsive purchasing. The ease of accessing installment-based payments facilitates immediate transactions, encouraging excessive spending. Consequently, the convenience and accessibility of credit through Paylater services drive Gen Z toward more frequent and impulsive purchasing decisions.

10. Managerial Implications

To attract and retain users, Paylater providers should emphasize the practicality and benefits of their services and features. Staying updated with technological advancements and maintaining a transparent system are essential. Paylater services are highly valued for their ability to enhance purchasing power and fulfill immediate financial needs, reflecting a growing demand for financial flexibility and alternative payment solutions. To meet user expectations, providers should prioritize accessibility, transparency, and a seamless user experience. Developing an intuitive interface with detailed service information and a system that is both simple and adaptable to evolving trends and technology is crucial. Additionally, ensuring the highest level of payment security through measures such as multifactor authentication and advanced encryption is imperative.

Moreover, Paylater is regarded as a trendy and popular payment option, offering flexibility that aligns with contemporary lifestyles. It is perceived as a fashionable tool for financial management and product accessibility. Gen Z, in particular, is strongly influenced by their peers and social media influencers when deciding to use Paylater. Providers should capitalize on this social influence by leveraging peer recommendations, testimonials, and referral programs to enhance user intention and foster long-term customer relationships. Active engagement on social media, the creation of compelling content, and interactive campaigns can strengthen a provider's trendy image and market visibility.

Cost-effectiveness and suitability are also key considerations for users. Therefore, businesses should ensure transparency and fairness in their pricing structures while offering flexible payment options tailored to individual financial situations. Timely discounts and promotional offers can create a sense of urgency, encouraging greater customer engagement. By analyzing consumer purchasing behavior and preferences, Paylater providers can offer personalized deals that align with users' interests, enriching the overall shopping experience and making Paylater services more attractive.

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