

SHOPEE PAY LATER USER PERCEPTIONS OF IMPULSE BUYING BEHAVIOR

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Abstract

The purpose of this study is to see the influence of perceived convenience, perceived benefits, and perceived risk on impulsive buying behavior among students at the Faculty of Economics and Islamic Business, UIN Syekh Ali Hasan Ahmad Addary Padangsidempuan. This study uses a quantitative approach. The results of this research are that simultaneously, convenience, benefits, and risks have a significant effect on impulsive buying behavior. Partially, convenience has a positive and insignificant effect on impulsive buying behavior. Partially, benefits do not have a significant effect on impulsive buying behavior. Partially, risk has a positive and significant effect on impulsive buying behavior.

Keywords: Shopee Pay Later, Convenience, Benefits, Risks, Impulse Buying.

Introduction

The increasing development of technology in the world has made the trend of conventional shopping online. People prefer shopping online due to several factors, one of which is that it is more time-efficient and can be done anywhere. Technological developments have not only changed people's shopping culture online but also changed people's way of paying online or non-cash. In recent years, there has been a new payment method via digital wallets, often called e-wallets. E-wallet is an application connected to the internet that stores nominal electronic money. You don't need a card. Use a smartphone that people carry nowadays so that an e-wallet can be used for various transactions. An e-wallet provides convenience and comfort in the financial transaction process. Some of the advantages of consumers using e-wallets include super practicality, efficiency, safety, transactions that can be done anywhere without cash, top-up balances that can be done anywhere, and lots of promos and discounts like credit cards.

According to surveys, it shows that when shopping online, people use digital wallets more. Nowadays, e-wallets are increasingly developing by presenting Pay Later features. The increasing number of Paylater users proves the public's enthusiasm for the presence of Paylater from time to time. The following is the Fintech report data for 2021 regarding Pay later applications with the most users:

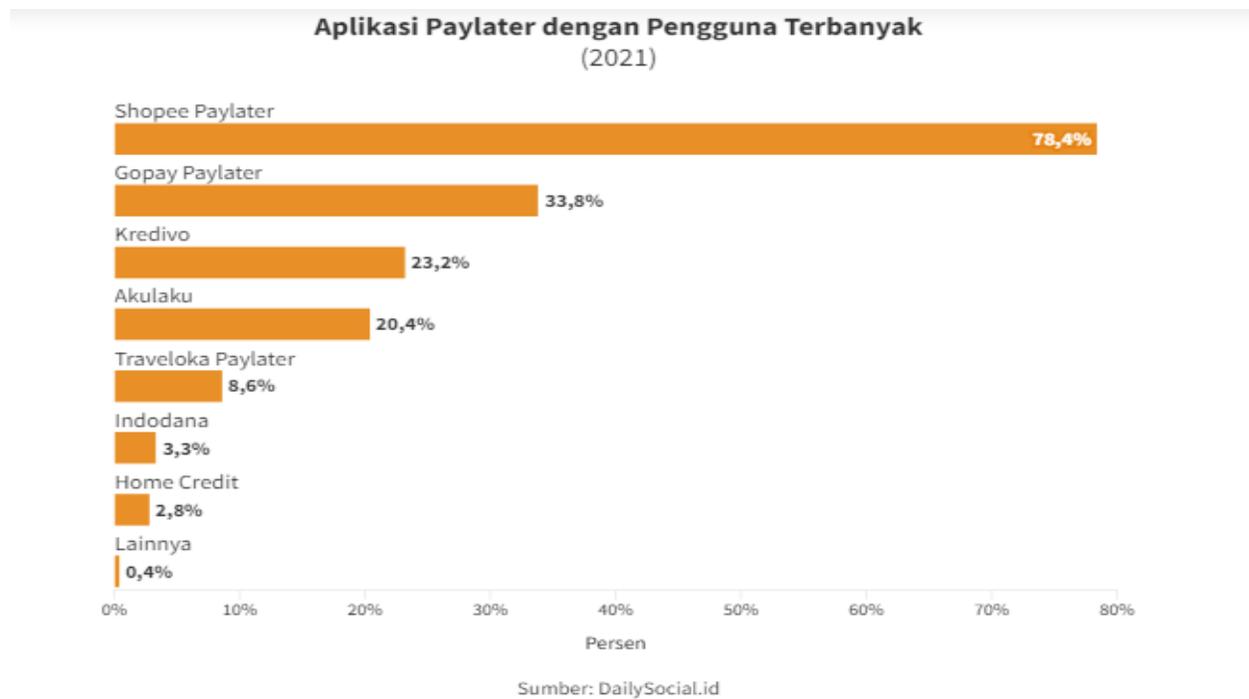


Figure 1. Most Paylater Application Users

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Based on the data above, one of the most popular platforms is Shopee Pay Later. Shopee Paylater is a financial facility from Shopee that provides payment methods in installments without requiring a credit card ranging from 1-month to 12-month terms for shopping on the Shopee platform with an interest rate of 0% - 2.95%. To use this service, users will be asked to provide personal data, a photo of themselves, and a photo of their KTP (Shopee, 2018). Consumers must also fill in personal data information on the form provided online (Farras, 2019).

Paylater is an alternative method for paying installments online without using a credit card (Sari, 2021). Paylater payment feature concept: buy now, pay later. Users pay bills to the Shopee Pay Later application because Pay Later is a payment option that uses bailout funds from the associated application company.

Pay Later aims to meet people's needs, especially millennials, who feel everything is online fast and instant. Millennials and Generation Z have a high tendency to consume digital media. Additionally, activating the Paylater feature has easier conditions and applications than a credit card. The ease of applying for Shopee Pay Later has made the millennial generation change their lifestyle. They were previously afraid of debt and have now become loyal users of this service. If you apply for credit at a bank, you must go through a long process. Users only need knowledge and understanding of the Shopee Paylater concept to avoid burdensome installments.

In Panjalu's research in 2022, the convenience factor significantly influenced user interest in the Paylater feature in the Shopee application. This research shows that the easier it is to use Shopee Pay Later, the more it will attract people's interest in using the Shopee Pay Later application. This is because users feel that when using Shopee Pay Later, they provide features that are easy to understand and not complicated. Even though the interest in the Paylater feature is higher, consumers still prefer to make transactions using it because the process is fast and easy to use. For security, it is protected and supervised by the OJK. Another benefit that can be felt from using Shopee Pay later is that consumers don't have to queue at the bank, and sometimes many sellers offer promotions.

Field (Andreas Septa Yogananda, 2017) found that perceived benefits significantly positively affected interest in using electronic money. This is because the perception of benefits makes students interested in using electronic money instruments. After all, they want to experience additional benefits by making payment transactions using electronic money. Some people say Paylater has benefits; even when we don't have money, we can still complete payments. So Paylater can cover very urgent needs. Apart

from the convenience and benefit factors that influence interest in using Pay Later, there will be a perception of risk.

Risk perception is one of the psychological factors that influences purchasing decisions. Two critical reasons customers do not buy products or services online are online shopping security concerns and personal information privacy (Ferrel, 2015). Each consumer's perception of risk has a different level. This is because the factors that influence risk vary, including economic risk, personnel, privacy, etc. Research conducted by (Ratna Asri Saras Sati, 2020) stated that risk perception significantly affects interest in using e-money among consumers who use Metland Card.

The ease of online transactions influences people's consumption behavior. The impact caused by this convenience is the increase in people's consumptive nature and impulse buying (Giswandhani, 2020). It is feared that this will make consumers lulled into impulse buying without paying attention to their financial abilities and capabilities (Ashfath, 2022).

Impulse buying is a behavior where the person does not plan anything when shopping. An unplanned purchase is made without prior planning, or the purchase decision occurs when opening the online shop application. At this time, impulse buying is increasing because consumers spend more time on the internet due to the stimulus, both internal and external factors, which trigger spontaneous purchases.

This unplanned purchase is caused by stimulus or stimulation when viewing an online shop application, such as feelings of joy, happiness, fantasy, social and emotional (Utami, 2014). Another stimulus that creates instant purchases is Promotion. Forms of sales promotion carried out to increase sales include price discounts, gifts, free shipping, Shopee Live, and banding or selling together (bundling).

Based on the description above, digital transformation changes consumer behavior towards shopping. Shopping online is more popular because of the convenience and efficiency of energy and time. Ease of payment is also why the shopping trend has changed to online. When shopping online, the online shopping application provides a Paylater feature. So, according to some people, Paylater has beneficial benefits, where even when we don't have money, we can still complete payments. So Paylater can cover very urgent needs. When using online shopping applications, especially Shopee, in this case, Shopee takes its responsibilities seriously based on applicable laws and regulations regarding privacy and is committed to respecting the rights and privacy concerns of all Platform Users. With these conveniences, it will influence people's consumption behavior. The impact caused by this convenience is the increase in people's consumptive nature and impulse buying. It is feared that this will make

consumers lulled into impulse buying without paying attention to their financial abilities and capabilities. This research analyzes the influence of perceived convenience, perceived benefits, and perceived risk on impulse buying behavior on Shopee Pay later accounts.

Methods

The population used in this research were students of the Sharia Banking Study Program, Faculty of Islamic Economics and Business, Uin Syahada Padangsidempuan. Samples were taken using the probability sampling method. Researchers use this method because every member of the population has the same opportunity to be selected or taken. The sample in this study was only students of the Sharia Banking Study Program, Faculty of Islamic Economics and Business, Uin Syahada Padangsidempuan, semester 3. In this research, the data collection method was carried out by distributing questionnaires. The data analysis process in this research involves digging up information about pay-later shopping, which can be analyzed from the survey data results via the Google form we have distributed online. Furthermore, the data will be presented in tables and percentages and equipped with respondents' descriptions, and researchers will summarize the data.

The data analysis method is the multiple regression analysis method with the Statistical Package for Social Science (SPSS) version 24.0 program. In this research, the independent and dependent variables are used. The independent variable used is perception Convenience (X1), perception Benefit (X2), and perception Risk (X3). The dependent variable used is impulse buying behavior (Y).

Table 1. Variables and indicators

Variable name	Definisi Variabel	Indicator
Perception of convenience (X1)	The degree to which a person believes that using a particular system will relieve great difficulty or effort. (Davis, 2015)	1. Information technology is easy to learn 2. Information technology is easy to obtain 3. Information technology is easy to operate (Davis, 2015)
Perception of Benefits (X2)	The extent to which a person believes that a system is capable of being used profitably and that using a particular system will improve its performance.	1. Make payment transactions easier. 2. Speed up payment transactions.

	(Davis, 2015)	3. Provides additional benefits when completing transactions 4. Provide a sense of security when making payment transactions 5. Increase efficiency in carrying out payment transactions (Davis, 2015)
Risk Perception (X3)	Perceived risk is defined as an unfavorable outcome related to a product or service, or the uncertainty of a purchasing decision. (Alalwan, 2016)	1. Economic risk 2. Personal risk 3. Company performance risks 4. Privacy risks (Yang, 2015)
Impulse buying behavior (Y)	Impulse buying is a consumer's tendency to buy a product spontaneously and immediately	Shopping Enjoyment 2. Availability of funds 3. In-store Browsing 4. Feel the Urge to Buy 5. Credit Card Ownership

Result and Discussion

Research result

The influence between the independent variable and the dependent variable was tested using the Multiple Regression Test. The following are the results of processing the regression test data which are explained in Table 2:

Tabel 2. T-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-3,720	13,083		-,284	,778
Convenience	,278	,148	,272	1,888	,067
Benefit	-,250	,232	-,142	-1,079	,288
Risk	3,122	,578	,695	5,398	,000

a. Dependent Variabel: IMPULSE BUYING

Based on Table 2, a multiple regression model is obtained :

$$Y = -3,720 + 0,278 X1 + -0.250 X2 + 3,122 X3$$

Where:

Y = *Impulse Buying*

X1 = Convenience

X2 = Benefit

X3 = Risk

The results of the data analysis in Table 2, shows that:

Convenience (X1)

Based on the probability value of the convenience variable (X1) $0.067 > 0.05$, the convenience variable has no significant effect on the impulse buying variable.

Benefit (X2)

Based on the probability value of the risk variable (X2) $0.288 < 0.005$, this shows that the benefit variable does not influence the impulse buying variable.

Risk (X3)

Based on the probability value of the risk variable (X3) $0.000 < 0.005$, this shows that the risk variable influences the impulse buying variable.

To determine the influence between variables simultaneously or simultaneously. So the F-test is carried out. The following are the results of the F-test which are explained in :

Tabel 3. F-test

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3539,603	3	1179,868	22,792	,000 ^b
Residual	1811,833	35	51,767		
Total	5351,436	38			

a. Dependent Variabel: IMPULSE BUYING

b. Predictors: (Constant), Risk, Benefit, Convenience

Based on Table 3, it shows that Convenience (X1), Benefits (X2), and Risks (X3) simultaneously influence impulse buying behavior among Shopee account users. It can be seen from the significance value of $0.000 < 0.05$. and the calculated F value is $22.729 > 2.87$, so it is concluded that it is acceptable, which means there is an influence of convenience, benefits, and risks on impulse buying behavior among Shopee account users.

To illustrate how much this model's ability to explain, it is necessary to carry out a Coefficient of Determination Test. The following are the results of the Determination Coefficient Test, which are explained in Table 4

Table 4. Coefficient of Determination

Model Summary ^a										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.813 ^a	.661	.632	7,195	.661	22,792	3	35	.000	1,046

a. Predictors: (Constant), RISIKO, MANFAAT, KEMUDAHAN
 b. Dependent Variable: IMPULSE BUYING

Based on Table 4, we get the following interpretation: it is known that the R Square value is 0.661, which reveals that in this model, the ability of the independent variable to explain the dependent variable is 66.1%. The remaining 34.9% is explained by other variables not discussed in this research.

Discussion

The influence of ease of using Shopee Pay on impulse buying behavior among Shopee account users later.

The regression coefficient value of the convenience variable is positive, and this research is in line with the theory. Still, the results show that the convenience variable affects impulse buying but is insignificant.

Based on the probability value of the convenience variable (X1) $0.067 > 0.05$, the convenience variable has no significant effect on the impulse buying variable. Based on the flow of the framework, it shows that if convenience increases, impulse buying behavior will increase.

This is because online shopping applications, especially Shopee, provide users convenience through offers such as shopping, buy now, pay later, called Pay later. Applying for Paylater is also relatively easy, and you only need to upload your KTP in the application. This makes the younger generation prefer shopping online because it's not complicated. Even though they don't have money, they can still buy goods by paying later because the younger generation, especially students, now prefer practical things. Then, sometimes, in the Shopee application, there are many promo features if the user uses Pay later. And this is what attracts the younger generation to use Pay Later.

This research is in line with research conducted by Rahmatica Sari in 2020. The results of her research show that Paylater has a calculated t-value greater than the t-table, so it can be concluded that Paylater influences Impulse Buying Behavior.

The influence of the benefits of Shopee Pay later users on impulse buying behavior among Shopee account users.

Based on the probability value of the risk variable (X2) $0.288 < 0.005$, this shows that the benefit variable does not influence the impulse buying variable. The regression coefficient value of the benefit variable is negative; this shows that this research is different from the theory, which shows that if there are many benefits, impulse buying behavior will increase. In this research, the benefit variable does not affect impulse buying.

This is because students are wise in determining what a need is and what a desire is, so impulse buying behavior only occurs in some students of the Febi Uin Syahada Sharia banking study program.

This research is different from research conducted by Sari (2021), Pratama & Suputra (2019), and Sijinjak (2019), which states that perceived benefits have a positive effect on impulse buying behaviors.

According to research conducted, consumers are starting to feel confident and understand the benefits of the Shopee Paylater feature. The benefits of Shopee Pay Later include that it can be used as an alternative for purchasing urgent needs and increasing productivity because it can meet current needs with a buy now pay later system. Therefore, the benefits of using the Paylater feature reduce barriers to transactions using Shopee Paylater so that consumers tend to make more purchases without paying attention to their needs and choose the tendency to shop without having to spend funds upfront.

This is proven by the fact that students are less interested in using shopeepay later because shopeepay later is financing that contains usury in paying off debts. The first month is subject to 0%, but if the person giving the loan (muqrid) pays past the due date, they will be subject to a fine of 5% of the nominal payment, and there is an administration fee of 1%. This means that some students of the Febi Uin Syahada Sharia banking study program are aware of the impact of usury on debt, which religion prohibits. So, impulse buying behavior does not affect students' desire to shop at Shopee using the Paylater feature.

The influence of Shopee Paylater user risk on impulse buying behavior among Shopee account users.

Based on the probability value of the risk variable (X3) $0.000 < 0.005$, this shows that the risk variable influences the impulse buying variable. Based on the flow of the thinking framework, it shows that the higher the risk, the higher the impulse buying behavior. The results of this research show that risk

influences impulse buying behavior. Purchasing via online media has the advantages of being practical (easy, fast) and efficient (saving search costs), but also has high risks.

In today's technological era, we can easily and quickly shop online.

The online shopping application has provided a Pay Later feature, which means shopping now and paying next month. Shopee Paylater has been registered with the financial services authority (OJK), and all transactions carried out with Paylater are guaranteed safe. Shopee Paylater is also committed to protecting its users' privacy data by applicable laws and policies. In other words, even though the Shopee Pay Later application has risks, this transaction is protected by the OJK, so it is guaranteed safe. This causes some students to dare still use Shopee Paylate, resulting in impulse buying among the younger generation.

This research is in line with research conducted by (Winda Suciani Siregar, 2023) which states that risk perception has a significant positive effect on the interest of students at the Islamic Economics and Business Faculty of UIN North Sumatra in their interest in using Shopee Paylater. This means that the perception of risk will influence the amount of information that students at the Faculty of Islamic Economics and Business, UIN North Sumatra, will seek.

Conclusion

The conclusions in this research are as follows: Simultaneously, convenience, benefits, and risks have a significant effect on impulse buying behavior. Partially, convenience has a positive and insignificant effect on impulse buying behavior. This is because online shopping applications, especially Shopee, provide users convenience through offers such as shopping, buy now, pay later, called Pay later. Partially, benefits do not have a significant effect on impulse buying behavior. This is because students are wise in determining what a need and a desire are, so impulse buying behavior only occurs in some students of the Febi Uin Syahada Sharia banking study program. This is proven by the fact that students are less interested in using Shopeepay later because Shopeepay later is financing that contains usury in paying off debts. Partially, risk has a positive and significant effect on impulse buying behavior. Shopee Paylater has been registered with the financial services authority (OJK), and all transactions carried out with Paylater are guaranteed safe. Shopee Paylater is also committed to protecting its users' privacy data by applicable laws and policies. For further research, it is best to use more research subjects if researchers are interested in using similar topics or case studies. Considering that we are a campus where the majority of students are Muslim, it would be a good idea for

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researchers to examine further the reasons why students still choose to use Shopee Pay later even though they already know the law on using usury.

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