



## Determinants of Students' Decisions to Use Paylater Digital Financial Products

Novrida Qudsi Lutfillah\*<sup>1</sup>, Aziizah Putri Hapsari<sup>1</sup>, Triesti Candrawati<sup>1</sup>

<sup>1</sup>, Politeknik Negeri Malang, Indonesia

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### Abstract

*The use of digital financial technology is increasingly widespread among society, especially among students who are digitally active. One product that is increasingly popular is PayLater. This research aims to analyze the influence of digital financial literacy, lifestyle, social influence, and ease of use on the decision to use PayLater among students in Malang City. The t test is used as a data analysis method. The unit of analysis in this research is students who live in Malang, totaling 106 respondents. The research results show that digital financial literacy, lifestyle, social influence, and ease of use influence students' decisions to use digital financial products such as PayLater. It is hoped that this research will provide a deeper understanding of the factors that influence the use of PayLater among students and the implications for future financial management policies and practices.*

\*Corresponding author:

Novrida Qudsi Lutfillah

E-mail address:

novrida@polinema.ac.id

## INTRODUCTION

In this digital era, financial technology (fintech) has become an inseparable part of people's lives. One fintech innovation that is increasingly popular is PayLater, an online loan service without a credit card that allows consumers to postpone payments or pay in installments at a later date (Novendra & Aulianisa, 2020). PayLater's popularity is increasing rapidly with features that offer bailout funds and easy payments on various digital platforms, including online shopping, ticket and hotel bookings, and delivery services (Prastiwi and Fitria, 2021). Various PayLater services are intensively promoting the convenience and benefits that users will get when using PayLater services. Putri & Iriani (2020) stated that with the existence of fintech, people are encouraged to be able to fulfill their daily needs, such as shopping and traveling without having to wait for enough money because the PayLater digital credit card installment feature is available. PayLater itself has been established based on the law regulated by the OJK, namely Financial Services Authority Regulation Number 77/POJK.01/2016 concerning information technology-based money lending and borrowing services. A significant increase in the use of PayLater in e-commerce in Indonesia from 30.5% in 2022 to 45.9% in 2023. Data shown by the Indonesian Payment Service Providers Association (APPI) data reflects the increasing popularity of this payment method among e-commerce users. Factors such as the convenience and flexibility offered by PayLater services, as highlighted in research by Fithriyani and Rachmawati (2023) and Putri and Iriani (2020), especially among Generation Z, are the main drivers in the decision to use PayLater.

Digital financial literacy plays a crucial role in determining the decision to use PayLater. The results of research by Andriani and Rahmawati (2023) and Nugroho and Arini (2022) emphasize the importance of digital financial literacy in the context of using PayLater. This research shows that a high level of digital financial literacy, together with a responsible attitude towards risk, has a positive impact on the decision to use PayLater. The higher the financial literacy and responsible consumer behavior, the less likely users are to get into PayLater debt. With high digital financial literacy, users have a better understanding of the risks and benefits associated with these services. Different from research Putri et al (2023) obtained the results that the financial literacy variable did not have a significant effect on interest in using PayLater among students. This condition shows that the level of student financial literacy has no impact on the decision to use Paylater. The decision to use PayLater services is the result of considerations involving several factors. Individual lifestyle plays an important role in determining consumption preferences, which in turn can encourage them to use digital financial services such as PayLater to fulfill their needs and desires according to their lifestyle (Nurfikri & Jahrizal, 2019). Social influence also plays a significant role in decision making, where other users' opinions and experiences in using PayLater can influence user perceptions and decisions (Veronica & Rodhiah, 2021). Research by Fadhila et al (2020) shows that social factors have a positive and significant impact on the decision to use PayLater, confirming the importance of social influence in technology adoption.

Ease of use is also an important factor in the decision to use PayLater. Perceived ease of use of technology, as measured in the Technology Acceptance Model (TAM), can increase users' interest and interest in adopting the service (Aditya & Mahyuni, 2022). The aspect of ease of use is the main factor in choosing a PayLater service provider by consumers. People's decisions to use PayLater services are not only influenced by digital financial literacy, lifestyle and social influence, but also by the perceived ease of using the service. Overall, these factors interact with each other and contribute to the formation of user preferences for digital financial services such as PayLater. Research conducted by Wiyanti, et al., (2022) and Asja, et al., (2021) had different results, where ease of use had no effect on the decision to use fintech services. Previous research shows different results regarding the influence of digital financial literacy, lifestyle, social influence, and ease of use on decisions to use digital financial products.

The difference with previous research is that there is still little research that specifically explores the relationship between these factors in the context of PayLater use among students, especially in Malang City. Research by Darmawan and Putri (2020) highlights the profile of students in Malang City, which is a popular destination for prospective students seeking higher education in Indonesia. This city is a place full of immigrants from outside the city, especially prospective students with diverse backgrounds. The presence of students who migrate has a significant impact on living needs and lifestyle. Students who do not come from big cities tend to be influenced by the dominant lifestyle in their campus environment, which is often influenced by their peers who come from big cities. This phenomenon gives rise to the need for them to adapt to a new lifestyle, including the need for alternatives that make it easier for them to fulfill their desired lifestyle.

The aim of this research is to fill existing knowledge gaps by exploring more deeply the relationship between factors such as digital financial literacy, lifestyle, social influence, and ease of use with decisions to use digital

financial products, especially in the context of PayLater use among Malang City students. Through this research, it is hoped that a more comprehensive understanding will be obtained about how these factors interact with each other and influence the decision to use PayLater among students, which can become the basis for developing more effective policies and strategies in increasing financial literacy and managing lifestyle needs among students.

## LITERATURE REVIEW

### The Influence of Digital Financial Literacy on Decisions to Use PayLater

Siswanti (2023) defines digital financial literacy as limited payment or financial system service activities carried out not through physical offices, but with technology including mobile based or web based and third party services (agents) with the target of serving unbanked and underbanked communities (Banks). Indonesia). The level of people's digital financial literacy has a direct impact on the decision to use digital financial services such as PayLater. Digital financial literacy refers to an individual's knowledge, understanding and skills related to financial management in the context of digital technology.

Digital financial literacy can be interpreted as an individual's knowledge and understanding regarding financial products and services using digital technology (Rahayu, 2022). Adequate digital financial literacy skills can make a person's life more comfortable because all financial transactions are easy, save costs, and are not limited by time (Siswanti, 2023). Research by Dwiwansi et al (2023); Aditya & Mahyuni (2022); Wijayanti, et al., (2022) stated that decisions in using digital technology or fintech can be influenced by financial literacy. This shows that someone who uses digital technology or fintech with sufficient financial literacy will make the right and wise decisions. Based on several explanations, the first hypothesis in this research was developed as follows:

H1 = There is an influence between digital financial literacy on the decision to use PayLater services

### The Influence of Lifestyle on Decisions to Use PayLater

Thaha and Afriyani (2021) categorize two levels of digital financial literacy, namely 1) high, belonging to the "well literate" and "sufficient literate" categories indicating that the individual has a good understanding of digital financial products and services, including the associated risks and benefits. Individuals in this category have skills in using Paylater services. Individuals with a high level of digital financial literacy tend to make decisions about using PayLater more wisely and responsibly because they have sufficient understanding to evaluate the risks and benefits. On the other hand, 2) individuals with a low level of digital financial literacy, such as those belonging to the "less literate" and "non literate" categories, tend to make less wise decisions about using PayLater because they only have a limited understanding of digital financial products and services, so more vulnerable to the risk of getting into uncontrolled debt.

Lifestyle is closely related to developments over time and technology (Putra & Julianto, 2021). Moving with the times, people have a more modern lifestyle, such as using PayLater payment technology innovations today. The results of research conducted by Putra & Julianto (2021) show that lifestyle is an indicator that can influence consumer behavior, including the decision-making process. Research with the same results was also proven by Waroka and Fadila (2022) regarding the influence of lifestyle on the decision to use PayLater. This shows that lifestyle can determine a person's decision to use a product or service. Based on several explanations, the second hypothesis was developed in this research as follows:

H2 = There is an influence between lifestyle on the decision to use PayLater services

### **The Influence of Social Influence on Decisions to Use PayLater**

A person's lifestyle is closely related to the decision to use PayLater. The way a person uses money to meet their daily needs and desires, as well as their lifestyle in managing their finances, can influence their decision to use a service like PayLater. Nurfikri & Jahrizal (2019) defines lifestyle as the pattern in which people live and use their money and time. Lifestyle shows a person's social status and level of social interaction can influence the decision to use PayLater (Andriani & Srihandayani, 2021). Social influence is a theory that explains the behavior of individuals who are influenced by other individuals through interactions that occur in their social environment (Harnovinsah et al. (2020), which arise due to social interactions that occur between individuals (Abdulsyani, 2015), fulfilling two conditions, namely Social Contact and Social Communication. Social influence plays an important role in various aspects of life, including financial decisions (Rahmawati & Fitriyani, 2023). In the context of PayLater, social influence can come from various sources (Oktaviani & Rosalina, 2023), such as: 1) Family and Friends: Recommendations and experiences of people closest to them can influence the decision to use PayLater; 2) Influencers and Social Media: Influencer promotions and testimonials on social media can attract interest and encourage use of PayLater; 3) Groups and Communities: Norms and values within social groups can influence the perception and use of PayLater.

*Social influence* is the influence exerted by a person or group of people around the consumer and can influence the behavior or decisions of other people. Research conducted by Veronica & Rodhiah (2021) shows that social influence has a significant positive effect on online purchases via digital platforms. The same results were also obtained from research by Fadhila et al (2020) which stated that social factors had a positive and significant influence on Shopee PayLater users' decisions. This means that the greater the influence exerted by the people around them, the higher the level of a person's decision in choosing to use fintech services. Based on several explanations, the third hypothesis was developed in this research as follows:

H3 = There is an influence between social influence on the decision to use PayLater services

### **The Influence of Ease of Use on Decisions to Use PayLater**

PayLater's ease of use is one of the main factors driving the decision to use it (Fithriyani & Rachmawati, 2023). According to Putri and Iriani (2020), this convenience is due to: 1) Easy and fast process: PayLater offers an easy and fast process compared to traditional payment methods. Users can apply and get PayLater approval in no time, without the need for complicated paperwork; 2) Easy access: PayLater can be accessed via various platforms, such as e-commerce applications, marketplaces, and even offline stores. This makes PayLater easier to reach and use by various groups; and 3) Attractive features: PayLater offers various attractive features, such as promos, cashback and 0% installments. These features can interest users and encourage them to use PayLater.

Ease of use is a form of individual trust and confidence that they do not need to expend a lot of effort in using a particular system or technology. Research conducted by Aditya & Mahyuni (2022) shows that the influence of perceived ease of use on interest in using fintech has a positive and significant relationship. This proves that the easier a technology is to use, the higher a person's decision level in using fintech. However, research conducted by Wiyanti, et al., (2022) and Asja, et al., (2021) had different results where they stated that ease of use had no effect on the decision to use fintech services. Based on several explanations, the third hypothesis was developed in this research as follows:

H4 = There is an influence between ease of use on the decision to use PayLater services

## **METHODS**

The population in this study were all students in Malang City. A non-probability sampling technique using quota sampling was chosen as the sampling determination. Quota sampling is a technique for determining samples from a population that has certain characteristics to the desired number of samples

(quota) (Sugiyono, 2019). The following are several criteria that respondents who use the PayLater service feature must have.

- a. Respondents were students in Malang City aged 19-26 years.
- b. Respondents are students in Malang City who use PayLater using: a) Regularly (using as a payment method at least 1 transaction every month regularly) and b) Not regularly (using as a payment method at least 1 transaction but not regularly every month).

From the questionnaires that were distributed, 121 students filled out the questionnaires. Of the 121 questionnaires, there were 15 questionnaires that did not meet the criteria because they are not students in Malang City, so the total number of questionnaires that can be processed is 106. The questionnaires that have been filled in by respondents are then processed based on predetermined criteria. The scale used in the measurement level is a Likert scale which contains four levels of answer preferences.

### Research Variables and Operational Definitions

The dependent variable in this research is the decision to use PayLater (Y). Digital financial literacy, lifestyle, social influence, and ease of use are independent variables in this research. The operational definition and indicators of the dependent variable can be seen in table 1 and the operational definition and indicators of the independent variable can be seen in table 2.

**Table 1. Operational Definition and Dependent Variable Indicators**

No	Operational Definition of Variables	Indicators and Question Items	
1.	Decision to Use PayLater (Y) is a form of utilizing technological innovation to carry out online transactions so that they are more effective and efficient (Sari, 2017)	Usage indicators based on Massie's (2013) views:	
		Awareness of needs	1. I use the PayLater feature as a payment feature as needed and know its benefits
		Evaluation of alternatives	2. I feel making payments using PayLater is the best alternative
		Accuracy in making decisions	I feel confident in deciding to make a purchase using the PayLater payment method
		Impact after use	I feel satisfied after making payments using PayLater and will probably use it again

*Source: Authors (2024)*

**Table 2. Operational Definitions and Independent Variable Indicators**

No.	Operational Definition of Variables	Indicators and Question Items	
Digital financial literacy indicators based on Rahayu's views (2022):			
1.	Digital Financial Literacy (X1) is a development of financial literacy that is adapted to the development of the financial industry towards digitalization (Effendi, et al., 2022).	<i>Knowledge</i>	1. I understand and understand digital payment service products
			2. I understand and understand digital loan alternatives
		<i>Experiences</i>	3. I have experience in using digital financial service products
			4. I have experience in using fintech products and services for loans and investments
		<i>Skills</i>	5. I have the ability to control financial activities through digital platform services
		<i>Awareness</i>	6. I am aware of the potential financial risks in using digital financial services
Lifestyle indicators based on the views of Sathish & Rajamoha (2012):			
2.	Lifestyle (X2) is a person's lifestyle pattern described through activities, interests and opinions Sathish & Rajamoha (2012)	<i>Activity</i>	1. I fill my free time by shopping or consuming trendy/fashionable products
		<i>Opinion</i>	2. I have to look according to trends and be fashionable
			3. In my opinion, follow current trends so as not to be out of date
<i>Interest</i>	4. In my opinion, it looks trendy and fashionable from what I wear		
	5. I am easily attracted to products that are trending		
			6. I feel happy when I appear to follow trends and be fashionable
Social influence indicators based on the views of Wang & Chou (2014):			
3.	<i>Social Influence</i> (X3) is a theory that explains the behavior of individuals who are influenced by other individuals through information that is	<i>Subjective norms</i>	1. I used PayLater because of recommendations from people around me 2. People around me who influence my behavior think that I should use PayLater

	intertwined in their social environment (Harnovinsah, et al., 2020)	<i>Social Factors</i>	<ol style="list-style-type: none"> <li>3. I use PayLater because many people around use it</li> <li>4. My friends/family helped me in using PayLater</li> </ol>
Ease of use indicators found in research by Fatmawati (2015):			
4.	Ease of Use (X4) is the level at which a person believes that the use of a system is something that is not difficult to understand and does not require heavy effort to use it (Resa, 2022)	<i>Clear and understandable</i>	1. PayLater service features are clear and easy to understand
		<i>Easy to use</i>	2. I find it easy to use PayLater services as a payment method
		<i>Easy to learn</i>	3. It was easy for me to learn to use PayLater
		<i>Flexible</i>	4. Using PayLater makes it easier for me to process transactions because it can be used anywhere and at any time
		<i>Controllable</i>	5. I found it easy to control or control the PayLater service

*Source: Authors (2024)*

Hypothesis testing in this research uses multiple linear regression analysis. To prove the hypothesis, researchers used statistical tests, the F test and the t test. The multiple linear regression model is shown through equation 1.

$$\text{Decision to use paylater} = \sigma + \beta_1\text{LKU} + \beta_2\text{GH} + \beta_3\text{SI} + \beta_4\text{KP} + \varepsilon \dots (1)$$

Based on equation 1, there are four independent variables and one dependent variable in this research. The independent variables in this research are Digital Financial Literacy (LKU), Lifestyle (GH), Social Influence (SI), and Ease of Use (KP), then the dependent variable is the Decision to use paylater.

## RESULT AND DISCUSSION

The results of the tests carried out by researchers using descriptive statistical data analysis techniques can be seen in table 3.

**Table 3. Descriptive Statistics Output Results**

Variable	<i>N</i>	<i>Min.</i>	<i>Max.</i>	<i>Mean</i>	<i>Std. Deviation</i>
Digital Financial Literacy (X1)	106	8	28	22.40	5,057
Lifestyle (X2)	106	8	30	19.14	5,494
<i>Social Influence</i> (X3)	106	6	20	15.50	3,527
Ease of Use (X4)	106	9	25	18.68	3,826
Decision to Use PayLater (Y)	106	9	19	15.06	2,254

*Source: Authors (2024)*

Based on the calculation results from Table 3, it can be seen that N or the amount of data for each variable is 106. Each variable will be described according to the calculation results as follows:

- a. **Digital Financial Literacy**  
 In the table above, the digital financial literacy variable from 106 samples shows that the minimum value is 8 and the maximum value is 28. The mean value is 22.40 and the standard deviation (std deviation) is 5.057. This means that the mean value is greater than the standard deviation, so that data deviations are low and the value distribution is even. Standard deviation is a reflection of very high deviations, in this study the data shows normal and unbiased results.
- b. **Lifestyle**  
 In the table above, the lifestyle variables from 106 samples show that the minimum value is 8 and the maximum value is 30. The mean value is 19.14 and the standard deviation (std deviation) is 5.494. This means that the mean value is greater than the standard deviation, so that data deviations are low and the value distribution is even. Standard deviation is a reflection of very high deviations, in this study the data shows normal and unbiased results.
- c. **Social Influence**  
 In the table above, the social influence variable from 106 samples shows that the minimum value is 6 and the maximum value is 20. The mean value is 15.50 and the standard deviation (std deviation) is 3.527. This means that the mean value is greater than the standard deviation, so that data deviations are low and the value distribution is even. Standard deviation is a reflection of very high deviations, in this study the data shows normal and unbiased results.
- d. **Ease of Use**  
 In table 3, the ease of use variable from 106 samples shows that the minimum value is 9 and the maximum value is 25. The mean value is 18.68 and the standard deviation (std deviation) is 3.826. This means that the mean value is greater than the standard deviation, so that data deviations are low and the value distribution is even. Standard deviation is a reflection of very high deviations, in this study the data shows normal and unbiased results.
- e. **PayLater Use Decision**  
 In the table above, the digital financial literacy variable from 106 samples shows that the minimum value is 9 and the maximum value is 19. The mean value is 15.06 and the standard deviation (std deviation) is 2.254. This means that the mean value is greater than the standard deviation, so that data deviations are low and the values are spread evenly. Standard deviation is a reflection of very high deviations, in this study the data shows normal and unbiased results.

**Table 4. Multiple Linear Regression Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,382	1,257		2,691	,008
	Total_X1	,073	,031	,163	2,336	,021
	Total_X2	,220	,029	,536	7,711	,000
	Total_X3	,127	,044	,199	2,857	,005
	Total_X4	,207	,040	,351	5,121	,000

a. Dependent Variable: Total\_Y

*Source: Authors (2024)*

The results of multiple linear regression research between Digital Financial Literacy, Lifestyle, Social Influence and Ease of Use on the Decision to Use PayLater are presented in equation 2 as follows:

$$Y = 3,382 + 0,073 LKU + 0,220 GH + 0,127 SI + 0,207 KP + \varepsilon \dots (2)$$

Based on equation 2 and table 4, the results of multiple linear regression can be interpreted:

- a. The constant value (a) is 3.382, indicating that the independent variable digital financial literacy, lifestyle, social influence and ease of use is considered zero, so the dependent variable value is 3.382. If digital financial literacy, lifestyle, social influence and ease of use do not have an influence then the decision to use PayLater will be worth 3,382.
- b. The digital financial literacy coefficient of 0.073 indicates that digital financial literacy has a significant, positive influence on the decision to use PayLater. This means that every time there is an increase in digital financial literacy by one unit, the decision to use PayLater will increase by 0.073 units.
- c. A lifestyle coefficient of 0.220 indicates that lifestyle has a significant, positive influence on the decision to use PayLater. This means that every time there is an increase in lifestyle by one unit, the decision to use PayLater will increase by 0.220 units.
- d. The social influence coefficient of 0.127 indicates that social influence has a significant influence in a positive direction on the decision to use PayLater. This means that every time there is an increase in social influence by one unit, it will increase the decision to use PayLater by 0.127 units.
- e. The ease of use coefficient of 0.207 indicates that ease of use has a significant positive effect on the decision to use PayLater. This means that every time there is an increase in ease of use by one unit, it will increase the decision to use PayLater by 0.207.

Based on the results of the partial t test (calculated t) in table 4, it is known that the digital financial literacy variable has a positive coefficient value of 2.336 and it is known that the significance value is 0.021, which means it is smaller than  $\alpha$  (0.05). The lifestyle variable has a positive coefficient value of 7.711 and it is known that the significance value is 0.000, which means it is smaller than  $\alpha$  (0.05). The social influence variable has a positive coefficient value of 2.857 and it is known that the significance value is 0.005, which means it is smaller than  $\alpha$  (0.05). The ease of use variable has a positive coefficient value of 5.121 and it is known that the significance value is 0.000, which means it is smaller than  $\alpha$  (0.05).

### **The Influence of Digital Financial Literacy on Decisions to Use PayLater**

The research results indicate a positive and significant influence of digital financial literacy on the decision to use PayLater services, affirming that H1 is accepted. Questionnaire responses reveal that students in Malang City, who use PayLater, are aware of digital financial products such as digital payment services and digital loan alternatives. This awareness implies that these students possess knowledge and understanding in the fields of financial products and financial technology. Their familiarity with digital financial products facilitates the operation of PayLater services, enabling them to easily navigate the application process, which is straightforward and quick to complete online. Additionally, students show awareness of the potential risks associated with using PayLater services, such as interest rates, admin fees, and fines for late payments. These insights suggest that students carefully consider their financial decisions and are aware of the risks posed by digital financial services. As Rahayu (2022) stated, digital financial knowledge encompasses understanding digital products, experiences in using these products, managing digital financial activities, and awareness of both the risks and benefits of digital financial services. The research aligns with similar findings from Dwiwansi et al. (2023) and Wijayanti et al. (2022), which concluded that financial literacy significantly affects interest in using PayLater services. Aditya & Mahyuni (2022) also found that financial literacy positively influences the interest in fintech use. However, these findings contrast with research by Putri et al. (2023), which found no significant effect of financial literacy on the interest in using PayLater among students.

Despite students' knowledge of PayLater and other digital financial tools, financial literacy remains low among certain groups. This may be due to a lack of formal education on important topics such as budgeting, investing, and long-term financial planning. Without structured learning in these areas, their understanding remains incomplete, resulting in gaps when managing their overall financial well-being. Moreover, many students tend to rely on peers or social media for financial advice. While this may increase

their awareness of trendy digital products like PayLater, it often leads to a superficial understanding of financial management, leaving them unprepared for more complex financial decisions.

Although research shows that students are familiar with digital financial services, they may still lack comprehensive knowledge of traditional financial products like savings, investments, and debt management. This selective literacy creates the illusion of financial competence, even though their understanding may be limited to the digital realm. Furthermore, the simplicity and ease of use of PayLater and other fintech products can give students a false sense of confidence in their financial literacy, as they may not fully understand the long-term financial consequences of over-relying on these services. To address low financial literacy levels, educational institutions, particularly universities in Malang, should implement comprehensive financial literacy programs that encompass both digital and traditional financial topics. These programs would offer practical education in personal finance, equipping students with the skills to budget, save, invest, and manage debt effectively. Additionally, since students frequently engage with social media, targeted campaigns featuring engaging and easy-to-understand content can help bridge existing knowledge gaps. Utilizing videos, infographics, and interactive materials that explain essential financial concepts would ensure these messages effectively reach and resonate with this demographic.

### **The Influence of Lifestyle on Decisions to Use PayLater**

There is a positive and significant influence between lifestyle variables on the decision variable to use PayLater, so that H2 is accepted. This proves that student lifestyle determines the tendency to use PayLater. Lifestyle is a social reflection that is related to an individual's pleasure and desire in every activity or behavior to use what they want. The results of the questionnaire show that respondents have a lifestyle that follows trends, which means that students in Malang City follow current developments in consuming, using and carrying out activities that are currently popular or up to date. The results of the questionnaire also show that students in Malang City feel happy to appear using products that are trending and look fashionable. These products include clothes, shoes, bags, beauty products and the gadgets they use. Students can get benefits when buying the products they want using PayLater because there are promos specifically offered to PayLater users, such as free shipping promos so they can minimize their expenses.

Apart from appearance, the lifestyle of Malang City students is also reflected in their behavior. As is known, Malang City has many nicknames, one of the nicknames that is often given by students in Malang City is "Malang City of a Thousand Cafes" which refers to a phenomenon that is currently happening, namely the abundance of coffee shops in Malang City. This phenomenon gives rise to various lifestyles, starting from the habit of hanging out in trendy coffee shops or just updating stories on social media to make them look up to date. Students who have used PayLater find it easier to fulfill their lifestyle because they can use it anywhere and at any time.

The results of this research support research conducted by Waroka & Fadila (2022) which states that there is a positive influence between lifestyle on purchasing decisions using Shopee PayLater. Similar research was also conducted by Nurkri and Jahrizal (2019) regarding the influence of lifestyle on attitudes and decisions to use credit cards which resulted in a positive and significant influence. However, this research does not support the results of research conducted by Rahmani (2023) which states that lifestyle does not have a significant and negative effect on purchasing decisions using Shopee PayLater from an Islamic economic perspective.

### **The Influence of Social Influence on Decisions to Use PayLater**

The research results demonstrate a positive and significant influence of social influence on the decision to use PayLater services, thus supporting H3. This finding suggests that the more social influence a person experiences, the more likely they are to use PayLater. Recommendations from people around them, such as peers, family members, or even social media influencers, can shape a person's behavior and perception of PayLater services. The results of the questionnaire reveal that students in Malang City often decide to use

PayLater because they are influenced by people around them who have prior experience with the service and recommend it. Observing others using PayLater, coupled with support from peers or family in navigating the service, further reinforces their decision to adopt it.

While this study confirms the significant role of social influence, a deeper exploration of the specific social factors involved could provide richer insights. For example, peer pressure may play a critical role, as students often rely on the financial behaviors of their peers to make decisions. Additionally, family influence - whether through financial advice or direct support in managing digital payments - could further clarify how closely-knit social groups impact financial choices. Moreover, social media trends may significantly contribute to shaping perceptions, as students are frequently exposed to influencers or advertisements promoting PayLater services, which can subtly drive their interest and usage.

The findings of this research align with studies by Fadhila et al. (2020), which also concluded that social factors positively and significantly impact the decision to use Shopee PayLater. Similarly, Aditya and Mahyuni (2020) found that social influence significantly affects the interest in using fintech services. However, these results contrast with Aswan et al. (2023), who found that social influence did not have a significant impact on the use of the PayLater feature in the Shopee application.

### **The Influence of Ease of Use on Decisions to Use Paylater**

There is a positive and significant influence between the ease of use variable on the decision variable to use PayLater, so that H4 is accepted. The results of this research prove that the easier a digital product is to use, the more users' decisions to use PayLater increase. This means that users believe that using an application will make it easier. If students shop online with the intensity of their needs as quickly as possible, PayLater can be used as an alternative because the process is fast and practical. The results of the questionnaire show that students find it easy to understand and learn how to use PayLater, starting from the application process to using it in payment transactions.

Generally, to apply for PayLater prospective users only need easy documents such as Resident Identity Card (KTP), Family Card (KK), and BPJS. The application process is also very fast, it doesn't take long for users to be able to make payment transactions using the PayLater service. This is in accordance with the statement according to Novendra and Aulianisa (2020), there are several advantages of PayLater being used as a payment alternative, namely the process is fast and more practical. The average student has busy activities so he wants everything to be fast and practical. By choosing the PayLater service, they only need to download the application then register the application and wait for verification from the PayLater provider.

The results of this research support research conducted by Putri and Iriani (2020) which states that there is a significant positive influence between ease of use on purchasing decisions using Shopee PayLater online loans. The same thing was also found in research conducted by Widiyanti (2020) which stated that ease of use had a positive and significant effect on the decision to use *e-wallet*. Meanwhile, research conducted by Aditya and Mahyuni (2022) stated that interest in using fintech is positively and significantly influenced by ease of use. However, the results of this study do not support research conducted by Wijayanti et al (2022) which found that ease of use had no effect on the decision to use Shopee PayLater.

### **CONCLUSION**

The results of the study indicate that the decision to use PayLater services among students in Malang is influenced by factors such as digital financial literacy, lifestyle, social influence, and ease of use. The research data shows that many students use PayLater to meet their needs and support their lifestyle. Some students showed a strong understanding of digital financial services, including how to manage finances through digital platforms and recognize the associated risks. However, there are also students who use PayLater despite not having adequate digital financial literacy, often influenced by social pressure from their environment without fully understanding the service. Although this study offers valuable insights into digital

financial behavior among students, there are several limitations to this study, namely that this study relies heavily on self-reported data, which can lead to social desirability bias.

Students may have given answers that they believed were expected, especially regarding their financial literacy or decision-making process. This may result in an overestimation of their true financial literacy or their true motivations for using PayLater. In addition, the sample was taken exclusively from students in Malang, which may limit the generalizability of the findings to other regions or populations. Cultural, social, and economic factors can vary greatly across regions, meaning that the digital financial behaviors observed in Malang may not reflect the behaviors of students in other regions of Indonesia.

Future research should consider a broader and more diverse sample to ensure a more comprehensive understanding of digital financial behaviors across contexts. This study did not fully explore the psychological and behavioral factors that may influence students' decisions to use PayLater. Factors such as impulse buying, the desire to meet social status expectations, or emotional responses to financial decisions were not explicitly addressed. These aspects can have a significant impact on financial decision-making and are worthy of further exploration. By acknowledging these limitations, the study findings become more credible and open the door for future research. Future researchers can explore these areas by diversifying the sample, delving deeper into psychological and social factors, and comparing self-reported behaviors with actual financial data. Doing so would help create a more complete picture of how students manage digital financial services such as PayLater and the factors that shape their decisions.

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