

DETERMINANTS OF PAYLATER USAGE AMONG GENERATION Z IN DENPASAR CITY

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Abstract. The development of Buy Now Pay Later (PayLater) services in Indonesia has experienced rapid growth alongside the expansion of digital transactions and the high adoption of financial technology among Generation Z. Denpasar City, as the center of economic activities in Bali Province, exhibits relatively high levels of consumption and digital literacy, which may encourage the utilization of PayLater services. However, the factors influencing the intention to use PayLater have produced inconsistent findings across previous studies. This study aims to analyze the effects of performance expectancy, social influence, and trust on the intention to use PayLater among Generation Z in Denpasar City. The research was conducted in Denpasar City with a sample of 100 respondents selected using a purposive sampling technique. Data were collected through questionnaire distribution and analyzed using multiple linear regression analysis. The results indicate that performance expectancy, social influence, and trust simultaneously have a significant effect on the intention to use PayLater among Generation Z in Denpasar City. Partially, performance expectancy and trust have a positive and significant effect on the intention to use PayLater, while social influence has a positive but insignificant effect. These findings suggest that perceived benefits and trust in PayLater services are more dominant factors in shaping usage intention than social influence. The implications of this study indicate that PayLater service providers should enhance service benefits, system security, information transparency, and service credibility to increase the intention to use PayLater among Generation Z. Furthermore, the findings support the application of the UTAUT2 model in explaining the intention to adopt digital financial technology.

Keywords: Performance Expectancy, Social Influence, Trust, Usage Intention, PayLater, Generation Z.

INTRODUCTION

The development of Industry 5.0 has encouraged the integration of digital technologies that are increasingly human-centered, thereby influencing various economic activities, including digital payment systems. One of the rapidly growing innovations is the Buy Now Pay Later (BNPL) or PayLater service, a payment method that allows consumers to make purchases through installments without requiring full upfront payment. Globally, BNPL usage continues to increase and has become an essential component of the modern digital commerce ecosystem. In the Asia-Pacific region, Indonesia ranked fifth in terms of BNPL adoption, with a usage rate of approximately 5.7 percent in 2023, supported by a user base that reached 17.26 million people in February 2025. In line with this trend, the transaction volume of PayLater services in Indonesia has increased by approximately 32 percent over the past two years, driven by ease of access, payment flexibility, and changes in increasingly digital consumer behavior. PayLater users are predominantly Millennials

and Generation Z, with the highest concentration found in regions characterized by advanced economic activities and digital infrastructure. Nevertheless, PayLater usage outside Java Island, including Bali, remains relatively lower. However, Bali has experienced a significant increase in PayLater transactions, with offline transactions in 2023 recorded at 2.5 times higher than the previous year. This phenomenon indicates that PayLater has become increasingly accepted as part of economic activities and has emerged as one of the digital financial services widely utilized by Generation Z.

Table 1. Ten Regencies/Cities with the Highest Average Monthly Per Capita Expenditure in Indonesia (IDR/Person/Year)

Regency/City	Adjusted Per Capita Expenditure (Thousand IDR/Person/Year)
South Jakarta	26,387
West Jakarta	22,831
Denpasar	21,185
Yogyakarta	21,104
Surabaya	20,679
North Jakarta	20,584
Batam	19,944
East Jakarta	19,824
Central Jakarta	19,309
Bandung	19,280

Source: Statistics Indonesia (BPS), 2025.

This phenomenon is closely related to the economic condition of Denpasar City as the center of economic activities in Bali Province. Based on Statistics Indonesia (BPS) data presented in Table 1, Denpasar ranks third nationally among the ten regencies/cities with the highest per capita expenditure, following South Jakarta and West Jakarta. This position indicates that the level of consumption and purchasing power of Denpasar residents is relatively higher than that of most other regions in Indonesia (Statistics Indonesia, 2025). One factor explaining this high level of per capita expenditure is the greater allocation of household spending toward non-food categories, including clothing, housing, transportation, and services, which exceeds expenditure on food consumption (Bali Post, 2025)

Table 2. Average Monthly Per Capita Expenditure in Bali Province by Regency/City (IDR)

Regency/City	2021	2022	2023	2024
Jembrana Regency	1,114,672	1,128,905	1,213,080	1,220,015
Tabanan Regency	1,304,744	1,095,066	1,650,927	1,694,323
Badung Regency	1,811,807	1,741,969	2,196,165	2,584,659
Gianyar Regency	1,613,103	1,725,527	1,912,609	1,940,056
Klungkung Regency	970,829	1,283,547	1,360,177	1,349,130
Bangli Regency	1,086,908	1,196,580	1,421,697	1,531,358
Karangasem Regency	803,683	828,750	999,970	968,099

Regency/City	2021	2022	2023	2024
Buleleng Regency	961,202	968,052	1,150,043	1,083,146
Denpasar City	2,125,061	1,980,002	2,343,025	2,621,604
Bali Province	1,468,624	1,442,610	1,741,523	1,872,760

Source: Statistics Indonesia (BPS), 2025.

Table 2 indicates that Bali Province experienced a relatively high increase in household consumption during the 2021–2024 period, in line with the recovery of economic activities, particularly within the tourism and service sectors, reflecting the reactivation of economic activities following the pandemic (Statistics Indonesia, 2025). Denpasar City consistently recorded the highest average per capita consumption in Bali Province from 2021 to 2024. This condition demonstrates that Denpasar serves as the primary contributor to Bali’s consumption structure compared with other regencies and cities. This phenomenon has not been limited to a single year but has persisted consistently throughout the observed period (Statistics Indonesia, 2025).

The dominance of consumption in Denpasar is further supported by the data presented in Table 2, which show that the average monthly per capita consumption of Denpasar residents reached IDR 2,621,604, the highest figure in Bali Province and even higher than that of Badung Regency, despite the latter having a higher minimum wage (Statistics Indonesia, 2025). This consistency is closely associated with Denpasar’s role as a metropolitan center characterized by high non-food living costs, relatively high per capita income, intensive economic and educational activities within Eastern Indonesia, advanced digital infrastructure, and increasing technological literacy among its residents (Denanda et al., 2025).

This condition aligns with the increasing level of digital maturity among the population. According to the 2025 Digital Society Index (IMD), Indonesia achieved a national score of 44.53 points, indicating an improvement in the public’s ability to utilize digital technologies across various economic and social activities. Nationally, the provinces with the highest IMD scores were DKI Jakarta (56.97 points), Bangka Belitung Islands (52.15 points), and West Java (52.05 points), reflecting the strength of digital ecosystems in regions with concentrated economic activities, educational institutions, and technological infrastructure. The variation in provincial rankings highlights differences in digital literacy and technology utilization across regions in Indonesia (BPSDM KOMDIGI, 2025). Bali Province ranked eleventh nationally with an IMD score of 48.22 points, exceeding the national average. This position indicates that Bali residents possess relatively strong digital competencies compared with those in most other provinces, although the province still lags behind regions with the most advanced digital ecosystems, such as DKI Jakarta and West Java. At the regency/city level, Denpasar City recorded an IMD score of 54.70 points and ranked 51st nationally, while simultaneously achieving the highest position among all regencies and cities in Bali Province (BPSDM KOMDIGI, 2025).

Table 3. Indonesian Digital Society Index (IMDI) of Regencies/Cities in Bali Province, 2025

Regency/City	Infrastructure and Ecosystem	Digital Skills	Empowerment	Employment	IMDI Score
Jembrana Regency	62.97	53.04	48.39	48.37	53.20

Regency/City	Infrastructure and Ecosystem	Digital Skills	Empowerment	Employment	IMDI Score
Tabanan Regency	62.49	42.81	24.66	44.20	42.31
Badung Regency	67.35	56.22	42.77	49.21	53.58
Gianyar Regency	63.86	51.40	25.87	44.73	45.49
Klungkung Regency	62.72	46.03	24.88	47.96	44.00
Bangli Regency	60.57	46.31	23.38	49.18	43.32
Karangasem Regency	57.45	46.61	28.57	45.72	43.60
Buleleng Regency	65.02	54.77	51.35	41.33	53.81
Denpasar City	73.42	61.55	38.56	46.15	54.70
Bali Province	63.98	50.97	34.27	46.32	48.89

Sumber: Badan Pusat Pengembangan Ekosistem SDM Komunikasi dan Digital (BPSDM KOMDIGI), 2025.

Table 3 shows that Denpasar City has the highest level of digital literacy, technological infrastructure accessibility, and utilization of digital services. This achievement has been supported by the local government's successful implementation of various digital literacy programs targeting diverse segments of society, including students, educators, micro, small, and medium-sized enterprises (MSMEs), as well as the general public (Baliilu, 2024). Furthermore, this accomplishment is reinforced by Denpasar City's economic structure, which is predominantly driven by the service, trade, and tourism sectors that require fast, practical, and efficient transactions, thereby encouraging greater public acceptance and adoption of digital payment systems (BPSDM KOMDIGI, 2025). Nevertheless, despite the convenience and flexibility offered by PayLater services, their increasing use has raised concerns regarding potential financial risks for users, including heightened consumerism and a growing tendency toward indebtedness. Consequently, the Financial Services Authority (OJK) continues to monitor the development of the PayLater industry while promoting collaboration among financial institutions, fintech companies, and government agencies to ensure that these services develop in a healthy and sustainable manner (Rachman et al., 2024).

Generation Z is defined as individuals born between 1997 and 2012; therefore, in 2025, they are approximately 13 to 29 years old. This age group comprises adolescents and young adults who are actively engaged in education, employment, and economic activities that are increasingly integrated with digital technologies (Statistics Indonesia, 2025). These characteristics position Generation Z as a highly potential segment for adopting digital payment systems and demonstrate a relatively stronger intention to engage in investment activities than in traditional financial products such as insurance (Ginartha & Permana, 2025). The high intensity of digital payment usage among Generation Z has significantly contributed to accelerating the transition toward cashless transactions, with approximately 79.4% of this generation using digital payment services in their daily economic activities (Widiantari et al., 2023).

Considering the rapid growth of PayLater services, although Generation Z is widely

recognized as a digital-native generation that readily adapts to technological innovations, their decision to use such services is not solely determined by their familiarity with technology. Rather, it is also influenced by rational and social considerations that shape their behavioral intention (Rita & Fitria, 2021).

Performance expectancy refers to an individual's belief that using a particular technology will provide benefits and improve the effectiveness of the activities being performed (Venkatesh et al., 2016). Previous studies have produced inconsistent findings regarding the factors influencing the intention to use digital financial services. Research conducted by Alalwan et al. (2017) and Abdennebi (2023) among mobile banking customers found that performance expectancy has a positive and significant effect on behavioral intention. These findings suggest that the stronger individuals believe in the performance of digital services, the greater their intention to use them. However, contrasting evidence was reported by Shaw and Sergueeva (2019) among mobile commerce users in Canada, indicating that performance expectancy does not have a significant direct effect on usage intention. These inconsistent findings imply that performance expectancy does not always directly shape individuals' intentions to adopt technology.

In addition to performance expectancy, social influence is another important factor explaining the extent to which individuals are encouraged by people around them to adopt a particular technology (Venkatesh et al., 2016). Kenny and Firdausy (2022), in their study of ShopeePay users in Jakarta, found that social influence has a positive and significant effect on behavioral intention. In contrast, studies by Alalwan et al. (2017) on mobile banking customers, Shaw and Sergueeva (2019), and Tam et al. (2020) on mobile application users reported that although social influence had a positive direction of effect, it was not statistically significant in influencing technology adoption intention. Moreover, Pratama and Jin (2019), in their study of international students in China, found that social influence had a negative and significant effect on the intention to use mobile payment services. These findings indicate that social influence does not consistently encourage technology adoption and, under certain circumstances, may even weaken individuals' decisions to adopt new technologies.

Another important determinant in digital financial services is trust. Trust reflects individuals' confidence in system security, service provider integrity, and the reliability of technology in facilitating financial transactions (Alalwan et al., 2017). Studies conducted by Alalwan et al. (2017), Fakhira and Hanani (2025) among taxpayers, and Hidayat et al. (2020) consistently found that trust has a positive and significant effect on behavioral intention. However, Rita and Fitria (2021) reported different findings, showing that although trust positively influences behavioral intention, its effect is not statistically significant. Similarly, Shaw and Sergueeva (2019) demonstrated that perceived risk and privacy concerns exert a stronger influence than trust in determining users' intentions to adopt digital financial services. These findings suggest that trust does not always operate as a direct determinant but may instead be influenced by users' experiences and perceptions of the value provided by the service.

Based on the phenomenon of digital financial service adoption and the characteristics of Generation Z as a technology-oriented cohort, previous studies have reported inconsistent findings regarding the effects of performance expectancy, social influence, and trust on behavioral intention toward digital financial technologies. These inconsistencies indicate that the relationships among these variables require further

investigation, as they may vary depending on respondent characteristics, research settings, and the types of digital financial services examined. Furthermore, most previous studies have focused on mobile banking, e-wallets, fintech platforms, mobile applications, and QRIS, whereas research specifically investigating PayLater services remains relatively limited. Studies examining PayLater usage among Generation Z in Denpasar City are particularly scarce, despite this generation being the most active users of digital technologies and residing in an environment characterized by high consumption levels and advanced digital literacy.

These conditions reveal a research gap concerning the limited number of studies investigating the factors influencing PayLater usage intention among Generation Z, particularly in Denpasar City. The present study extends previous research by enhancing both the theoretical framework and the measurement instruments employed. Moreover, this study specifically positions PayLater services as the primary research object by adapting the measurement indicators to reflect the unique characteristics of PayLater usage, particularly among Generation Z in Denpasar City. Therefore, this study is expected to provide empirical evidence regarding the determinants of PayLater usage intention among Generation Z in Denpasar City by integrating the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2), Consumer Behavior Theory, and Utility Theory. Furthermore, the findings are expected to enrich the existing literature on the adoption of PayLater-based digital financial services, which remains relatively underexplored compared with studies focusing on other forms of digital financial services, particularly within the context of Denpasar City.

METHOD

This study employed a quantitative approach with an associative research design to examine the effects of performance expectancy, social influence, and trust on the intention to use PayLater services among Generation Z in Denpasar City. Denpasar was selected as the research location due to its high level of digital literacy and technology adoption, making it a relevant setting for investigating digital financial service usage behavior. The research focused on Generation Z individuals aged 17–29 years who reside in Denpasar and possess knowledge of or interest in PayLater services.

The study utilized three independent variables, namely performance expectancy, social influence, and trust, while the dependent variable was the intention to use PayLater services. All variables were measured using a five-point Likert scale based on indicators adapted from previous studies. The population consisted of 218,393 Generation Z individuals in Denpasar City, from which a sample of 100 respondents was determined using the Slovin formula. The respondents were selected through a purposive sampling technique according to specific criteria relevant to the research objectives.

Primary data were collected through an online questionnaire distributed to respondents. The research instrument was evaluated using validity and reliability tests to ensure the accuracy and consistency of the measurements. Data analysis was conducted using descriptive statistics and multiple linear regression to assess the influence of each independent variable on the intention to use PayLater services. Prior to hypothesis testing through the F-test and t-test, the regression model was subjected to classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, to ensure the validity and reliability of the analytical results.

RESULTS AND DISCUSSION

Respondent Characteristics

The respondent characteristics in this study were obtained from 100 Generation Z individuals aged 17–29 years who reside in Denpasar City and possess knowledge of PayLater services. Based on gender, the proportion of male and female respondents was equal, with each accounting for 50 percent of the sample, indicating a balanced distribution. In terms of age, respondents were predominantly 21 and 22 years old, each representing 19 percent of the sample. Regarding domicile, respondents were evenly distributed across the four districts of Denpasar City, namely West Denpasar, East Denpasar, North Denpasar, and South Denpasar, with each district accounting for 25 percent of the respondents. This balanced distribution indicates that the collected data adequately represent the characteristics of Generation Z in Denpasar City in an objective manner.

Based on occupation, the majority of respondents were students, accounting for 59 percent of the sample, followed by private-sector employees at 21 percent and members of the Indonesian National Police at 15 percent. From an economic perspective, most respondents reported monthly incomes ranging from IDR 2,500,000 to IDR 4,000,000 (36 percent), while sources of income were evenly divided between those who earned income from employment and those who received financial support from their parents, each representing 50 percent. Furthermore, respondents' average monthly expenditures were predominantly within the range of IDR 1,000,000 to IDR 2,500,000, accounting for 44 percent of the sample. These findings indicate that most respondents belong to the early productive-age group, possess relatively moderate economic conditions, and are actively engaged in daily consumption activities.

Regarding knowledge and experience of PayLater services, the most recognized platform among respondents was Shopee PayLater (33.3 percent), followed by GoPay Later (29.7 percent) and OVO PayLater (15.5 percent). Although awareness of PayLater services was relatively high, only 44 percent of respondents had previously used such services, while the remaining 56 percent had no prior usage experience. Among respondents who had used PayLater, the most common transactions involved e-commerce purchases (54.5 percent), followed by online food delivery services (27.4 percent). These findings suggest that the utilization of PayLater among Generation Z is primarily associated with digital shopping activities integrated with e-commerce platforms and application-based services.

Descriptive Analysis of Variables

The descriptive analysis indicates that all research variables received positive evaluations from respondents. The PayLater usage intention variable recorded the highest mean score of 4.386, which falls within the very high category, indicating that Generation Z in Denpasar City has a strong tendency to use PayLater services in the future. Meanwhile, performance expectancy obtained a mean score of 3.806, social influence 3.818, and trust 4.022, all of which fall within the high category. These findings indicate that respondents perceive PayLater as a beneficial service, supported by their social environment, and characterized by a satisfactory level of security and reliability in facilitating digital transactions.

More specifically, the highest-scoring indicator within the usage intention variable was the desire to use PayLater (4.48). For performance expectancy, respondents

perceived PayLater as a beneficial and flexible payment solution (3.83). Within the social influence variable, the use of PayLater by influential individuals in respondents' social circles emerged as the primary motivating factor (3.83). Regarding trust, respondents most strongly agreed that PayLater serves as an appropriate solution for addressing urgent financial needs, with an average score of 4.29. These results suggest that the intention to use PayLater among Generation Z is driven not only by perceived benefits and convenience but also by social influence and a high level of trust in the service.

Results of Validity and Reliability Testing of Research Instruments

1) Validity Test

The validity test was conducted to determine the extent to which questionnaire items accurately measure the intended constructs. A questionnaire is considered valid if its items are capable of effectively capturing the variables being measured. The validity criterion requires that the calculated correlation coefficient ($r_{\text{calculated}}$) exceeds the critical value of r_{table} at a significance level (α) of 0.05. Conversely, if $r_{\text{calculated}}$ is lower than r_{table} , the questionnaire item is considered invalid.

Based on the results presented in Table 4, all research instrument variables, namely performance expectancy (X_1), social influence (X_2), trust (X_3), and PayLater usage intention (Y), satisfied the validity test criteria. This is evidenced by the Pearson Correlation values of all indicators, which exceeded the critical r -table value of 0.3610. Therefore, these instruments are considered valid and appropriate for measuring the constructs examined in this study.

Table 4. Validity Test Results

Item	$r_{\text{calculated}}$	r_{table}	Description
Question 1 X_1	0.626	0.361	Valid
Question 2 X_1	0.704	0.361	Valid
Question 3 X_1	0.607	0.361	Valid
Question 4 X_1	0.760	0.361	Valid
Question 5 X_1	0.701	0.361	Valid
Question 1 X_2	0.589	0.361	Valid
Question 2 X_2	0.420	0.361	Valid
Question 3 X_2	0.627	0.361	Valid
Question 4 X_2	0.707	0.361	Valid
Question 5 X_2	0.511	0.361	Valid
Question 1 X_3	0.703	0.361	Valid
Question 2 X_3	0.769	0.361	Valid
Question 3 X_3	0.634	0.361	Valid
Question 4 X_3	0.584	0.361	Valid
Question 5 X_3	0.645	0.361	Valid
Question 1 Y	0.680	0.361	Valid
Question 2 Y	0.571	0.361	Valid
Question 3 Y	0.609	0.361	Valid
Question 4 Y	0.738	0.361	Valid

Item	r-calculated	r-table	Description
Question 5 Y	0.537	0.361	Valid

Source: SPSS Data Processing Results, 2026.

2. Reliability Test

Table 5. Reliability Test Results

Cronbach's Alpha	Number of Items
0.923	20

Source: SPSS Data Processing Results, 2026.

Based on the reliability test results presented in Table 5, all questionnaire items achieved a Cronbach's Alpha value greater than 0.60. Therefore, it can be concluded that all questionnaire items are reliable and appropriate for use in this study. The high Cronbach's Alpha value of 0.923 indicates a very strong level of internal consistency among the measurement items.

Descriptive Statistical Analysis

Table 6. Descriptive Statistics Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Performance Expectancy	100	11.00	25.00	19.0300	1.96152
Social Influence	100	15.00	22.00	18.4400	1.99150
Trust	100	14.00	25.00	19.0900	2.11343
PayLater Usage Intention	100	16.00	25.00	21.9300	1.58436
Valid N (listwise)	100				

Source: SPSS Data Processing Results, 2026.

Based on the descriptive statistical results presented in Table 6, the Performance Expectancy (X_1) variable has a mean score of 19.03 with a standard deviation of 1.96, indicating that respondents generally perceive PayLater services as beneficial and effective. The Social Influence (X_2) variable achieved a mean score of 18.44 and a standard deviation of 1.99, suggesting that social environments, including friends, family members, and social media, contribute to encouraging PayLater usage. Meanwhile, the Trust (X_3) variable recorded a mean score of 19.09 with a standard deviation of 2.11, reflecting a relatively high level of confidence in the security and reliability of PayLater services. The PayLater Usage Intention variable exhibited the highest mean score of 21.93 with a standard deviation of 1.58, indicating a strong intention among Generation Z in Denpasar City to utilize PayLater services in their transaction activities.

Overall, the standard deviation values for all variables are lower than their respective mean values, indicating that respondents' answers are relatively homogeneous and that there is no substantial variation among respondents in their perceptions of the variables examined.

Multiple Linear Regression Analysis Results

Table 7. Multiple Linear Regression Results

Variable	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Constant	5.110	0.947	-	5.397	0.000

Variable	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Performance Expectancy	0.469	0.041	0.581	11.449	0.000
Social Influence	0.037	0.042	0.047	0.893	0.374
Trust	0.377	0.039	0.503	9.763	0.000

Source: SPSS Data Processing Results, 2026.

Table 7 presents the regression equation describing the influence of Performance Expectancy (X_1), Social Influence (X_2), and Trust (X_3) on the dependent variable, namely PayLater Usage Intention (Y), among Generation Z in Denpasar City. The resulting regression equation is as follows:

$$Y = 5.110 + 0.469X_1 + 0.037X_2 + 0.377X_3$$

Based on the multiple linear regression estimation results, the regression coefficients indicate the direction and magnitude of the influence of each independent variable on PayLater usage intention. The interpretation of each coefficient is as follows:

1. Constant (β_0)

The constant value of 5.110 indicates that when the variables of performance expectancy, social influence, and trust are assumed to be constant or equal to zero, the predicted value of PayLater usage intention is 5.110.

2. Performance Expectancy (X_1)

The regression coefficient for performance expectancy is 0.469, indicating a positive effect on PayLater usage intention. This means that a one-unit increase in performance expectancy is associated with an increase of 0.469 units in PayLater usage intention, assuming all other variables remain constant. The positive coefficient suggests that the greater the perceived benefits and convenience of PayLater services, the stronger the respondents' intention to use such services.

3. Social Influence (X_2)

The regression coefficient for social influence is 0.037, indicating a positive relationship with PayLater usage intention. This suggests that an increase in social influence is associated with a corresponding increase of 0.037 units in usage intention, assuming other variables remain constant. However, the magnitude of this effect is relatively small compared with the other independent variables. This finding indicates that social influence is not the primary factor driving PayLater usage intention among Generation Z in Denpasar City.

4. Trust (X_3)

The regression coefficient for trust is 0.377, indicating a positive effect on PayLater usage intention. This implies that a one-unit increase in trust toward PayLater services is associated with an increase of 0.377 units in usage intention, holding other variables constant. These findings suggest that the higher the level of trust in the security, reliability, and benefits of PayLater services, the stronger the respondents' intention to use such services.

Results of Classical Assumption Tests

1. Normality Test

The normality test was conducted to determine whether the residuals in the regression model are normally distributed. The test was performed using the One-Sample

Kolmogorov-Smirnov (K-S) Test with a significance level of 5 percent (0.05). The decision criterion for the Kolmogorov-Smirnov test is that if the significance value (Sig.) is greater than 0.05, the residuals are considered normally distributed; conversely, if the significance value is less than 0.05, the residuals are considered not normally distributed.

Based on the normality test results presented in Table 8, the Asymp. Sig. (2-tailed) value was 0.200. This value exceeds the significance level of 0.05, indicating that the data in this study are normally distributed. Therefore, the regression model satisfies the normality assumption.

Table 8. Normality Test Results

No. One-Sample Kolmogorov-Smirnov Test Value		
1	N	100
2	Test Statistic	0.055
3	Asymp. Sig. (2-tailed)	0.200

Source: SPSS Data Processing Results, 2026.

Furthermore, the Normal P-P Plot of Regression Standardized Residuals shows that the residual points are distributed around and closely follow the diagonal line. Most points do not exhibit substantial deviations from the diagonal line, indicating that the data distribution closely approximates a normal distribution. This condition confirms that the residuals in the regression model satisfy the normality assumption. Therefore, the regression model is appropriate for further analysis because the residuals are normally distributed.

2. Multicollinearity Test

The multicollinearity test was conducted to determine whether a high correlation exists among the independent variables in the regression model. A good regression model should be free from multicollinearity among independent variables. In this study, multicollinearity was assessed using the Tolerance and Variance Inflation Factor (VIF) values. If the Tolerance value is greater than 0.10 and the VIF value is less than 10, the regression model is considered free from multicollinearity.

Table 9. Multicollinearity Test Results

No.	Variable	Tolerance	VIF	Description
1	Performance Expectancy (X_1)	0.866	1.155	Free from multicollinearity
2	Social Influence (X_2)	0.805	1.243	Free from multicollinearity
3	Trust (X_3)	0.837	1.194	Free from multicollinearity

Source: SPSS Data Processing Results, 2026.

Based on the results presented in Table 9, the Performance Expectancy variable has a Tolerance value of 0.866 and a VIF value of 1.155. The Social Influence variable has a Tolerance value of 0.805 and a VIF value of 1.243, while the Trust variable has a Tolerance value of 0.837 and a VIF value of 1.194. These results indicate that all independent variables have Tolerance values greater than 0.10 and VIF values less than 10. Therefore, it can be concluded that the regression model does not suffer from multicollinearity. Consequently, the relationships among the independent variables are not excessively correlated, and the regression model is suitable for further analysis.

3. Heteroscedasticity Test

The heteroscedasticity test was conducted to determine whether the variance of residuals differs across observations in the regression model. A good regression model

should exhibit homoscedasticity, meaning that the residual variance remains constant. In this study, heteroscedasticity was examined using the Glejser Test, which evaluates the significance values of the independent variables. If the significance value is greater than 0.05, the model is considered free from heteroscedasticity.

Table 10. Heteroscedasticity Test Results

No.	Variable	Sig.	Description
1	Performance Expectancy (X_1)	0.787	Free from heteroscedasticity
2	Social Influence (X_2)	0.769	Free from heteroscedasticity
3	Trust (X_3)	0.411	Free from heteroscedasticity

Source: SPSS Data Processing Results, 2026.

Based on Table 10, the significance values for Performance Expectancy, Social Influence, and Trust are 0.787, 0.769, and 0.411, respectively. Since all significance values exceed 0.05, there is no indication of heteroscedasticity in the regression model. This finding suggests that the residual variance remains relatively constant across observations and that no unequal distribution of residuals occurs among the independent variables. Therefore, the regression model satisfies the heteroscedasticity assumption and is appropriate for further analysis.

Simultaneous Significance Test of Regression Coefficients (F-Test)

The simultaneous significance test (F-test) was conducted to determine whether the independent variables Performance Expectancy (X_1), Social Influence (X_2), and Trust (X_3) collectively influence the dependent variable, namely PayLater Usage Intention (Y). In addition, the F-test was used to assess the overall feasibility of the regression model. The decision can be based on the significance value (Sig.) and the comparison between the calculated F-value and the critical F-value.

Table 11. Simultaneous Significance Test Results (F-Test)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	195.382	3	65.127	117.681	0.000
Residual	53.128	96	0.553	–	–
Total	248.510	99	–	–	–

Source: SPSS Data Processing Results, 2026.

Based on the ANOVA results in Table 11, the significance value is 0.000, which is lower than the significance threshold of 0.05. Therefore, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted. This result indicates that Performance Expectancy (X_1), Social Influence (X_2), and Trust (X_3) simultaneously have a significant effect on PayLater Usage Intention (Y).

Furthermore, the calculated F-value is 117.681, while the critical F-value at a significance level of 0.05 with degrees of freedom ($df_1 = 3$ and $df_2 = 96$) is 2.70. Since the calculated F-value is substantially greater than the critical F-value, H_0 is rejected and H_1 is accepted. These findings demonstrate that the three independent variables jointly explain variations in PayLater Usage Intention effectively.

Partial Significance Test of Regression Coefficients (t-Test)

Table 12. Partial Significance Test Results (t-Test)

No.	Variable	Regression Coefficient	t-value	Sig.
1	Performance Expectancy (X_1)	0.469	11.449	0.000
2	Social Influence (X_2)	0.037	0.893	0.374
3	Trust (X_3)	0.377	9.763	0.000

Source: SPSS Data Processing Results, 2026.

Based on the partial significance test results, Performance Expectancy (X_1) and Trust (X_3) have positive and significant effects on PayLater Usage Intention (Y), whereas Social Influence (X_2) has a positive but insignificant effect. These findings indicate that PayLater usage intention among Generation Z in Denpasar City is more strongly influenced by perceived benefits and trust in the service than by social factors.

Coefficient of Determination (R^2)

Table 13. Coefficient of Determination Results (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.887	0.786	0.780	0.74392

Source: SPSS Data Processing Results, 2026.

Based on the results presented in Table 13, the R Square (R^2) value is 0.786, or 78.6 percent. This result indicates that 78.6 percent of the variation in PayLater Usage Intention can be explained by Performance Expectancy, Social Influence, and Trust within the proposed research model. The remaining 21.4 percent is explained by other factors outside the scope of this study that were not included in the model.

Discussion

Based on the results of the simultaneous test, Performance Expectancy (X_1), Social Influence (X_2), and Trust (X_3) collectively have a significant effect on PayLater Usage Intention among Generation Z in Denpasar City. The calculated F-value of 117.681 with a significance level of 0.000 indicates that the combination of these three variables is capable of explaining variations in PayLater usage intention. This finding is consistent with the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2), which posits that technology acceptance is influenced by perceived benefits, social environmental influences, and users' confidence in the technology being utilized. Therefore, the greater the perceived benefits, the stronger the social support, and the higher the level of trust, the stronger the intention of Generation Z to use PayLater services.

Partially, Performance Expectancy was found to have a positive and significant effect on PayLater Usage Intention. This result indicates that Generation Z perceives PayLater as a service that provides convenience, efficiency, payment flexibility, and practical solutions for fulfilling transaction needs. This finding supports the UTAUT2 framework, which identifies performance expectancy as a primary determinant influencing individuals' adoption of technology. Furthermore, the result is consistent with Consumer Behavior Theory and Utility Theory, which suggest that individuals tend to choose alternatives that provide the highest level of benefits and satisfaction according to their needs and preferences.

In contrast to Performance Expectancy, Social Influence exhibited a positive but

insignificant effect on PayLater Usage Intention. Although respondents acknowledged receiving recommendations and information from friends, family members, and social media regarding PayLater usage, these factors were not considered the primary determinants of their usage decisions. This condition indicates that Generation Z tends to be more independent in evaluating digital financial services and places greater emphasis on perceived benefits than on social pressure. These findings suggest that social influence functions primarily as a source of information but is not sufficiently strong to significantly shape PayLater usage intention.

Meanwhile, Trust was found to have a positive and significant effect on PayLater Usage Intention. This result demonstrates that security, credibility, and service reliability are important considerations for Generation Z when using digital financial services. The higher the level of trust in the service provider's ability to protect personal data and ensure transaction security, the stronger the intention to use PayLater services. These findings reinforce the view that, in addition to functional benefits, a sense of security and confidence in the service are essential factors in shaping the intention to adopt digital financial technologies among Generation Z.

IMPLICATIONS

This study has both theoretical and practical implications. From a theoretical perspective, the findings reinforce the applicability of the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) in explaining the intention to use PayLater services, particularly among Generation Z. The results demonstrate that performance expectancy and trust are significant determinants of behavioral intention, whereas social influence does not emerge as a primary influencing factor. From a practical perspective, the findings suggest that PayLater service providers should prioritize enhancing the perceived usefulness of their services, improving ease of use, and strengthening system security and reliability to increase users' intention to adopt PayLater services. Furthermore, regulators and service providers should continue to promote digital financial literacy to encourage more prudent and responsible use of PayLater services.

CONCLUSION

Based on the results of the analysis and discussion regarding the influence of Performance Expectancy (X_1), Social Influence (X_2), and Trust (X_3) on PayLater Usage Intention (Y) among Generation Z in Denpasar City, the following conclusions can be drawn:

1. Simultaneously, Performance Expectancy (X_1), Social Influence (X_2), and Trust (X_3) have a significant effect on PayLater Usage Intention.
2. Partially, Performance Expectancy (X_1) and Trust (X_3) have positive and significant effects on PayLater Usage Intention (Y) among Generation Z in Denpasar City. Meanwhile, Social Influence (X_2) has a positive but insignificant effect on PayLater Usage Intention (Y).

Recommendations

Based on the findings of this study, PayLater service providers are encouraged to enhance service benefits through improved ease of use, faster transaction processing, and expanded partnerships with various merchants. In addition, providers should strengthen system security, data protection, information transparency, and service quality to increase user trust. For government institutions and regulators, particularly the Financial Services

Authority (Otoritas Jasa Keuangan OJK), stronger supervision of PayLater service providers is recommended through the implementation of consumer protection principles, personal data security measures, and enhanced digital financial literacy programs to ensure that the public understands both the benefits and risks of using such services responsibly. Furthermore, members of the public, especially Generation Z in Denpasar City, are advised to use PayLater services based on careful consideration of their financial capacity and the perceived benefits offered. Users should also develop a thorough understanding of service terms, associated costs, and repayment obligations to ensure that PayLater services are utilized optimally and responsibly.

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