



The Influence of Social Media and Financial Literacy on Decision to Use Shopee PayLater (Case Study of the Young Generation in Surakarta)

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Abstract. For today's young generation, Shopee PayLater makes it easy to make payment transactions. This research aims to determine the influence of financial literacy and social media on the decision to use Shopee Paylater among the young generation of Surakarta, Indonesia. This research is quantitative research. Using multiple linear regression analysis, through immersion tests, validity tests, reliability tests, classical assumption tests and F tests. The population in this study is the younger generation in Surakarta. The sample for this research was 60 samples. The results of this research show that financial literacy and social media both partially influence the decision to use Shopee Paylater.

Keywords: *Financial literacy, Social media, and Usage decisions, shopee paylater*

INTRODUCTION

The rapid development of technology has had a positive impact on making human life easier and more efficient. Technology is essential to competitive businesses, such as small and large businesses, and enables remote communications and transactions. More than 80% of Indonesia's population uses the internet actively. This is different from 60% of people in other countries. This is proven by the growth and development of the internet, allowing many people to interact with each other. In the past, transactions were carried out in person or through bartering, now they can be done through online websites.

Currently transactions are easier by paying later or paylater, one of the applications is Shopee Paylater. Paylater makes transactions easy because it offers many benefits. This has helped some people by technological advances because they can fulfill their needs and desires. Shopee PayLater is very popular among the younger generation because the terms are easy and flexible and the interest rate is relatively low (Rahmawati & Mirati, 2019).

Shopee in attracting the attention and preferences of consumers, especially from the 19-30 year age group, confirms its position as the leader of the e-commerce market in Indonesia (Al Hafiz 2023).

For today's young generation, Shopee PayLater makes it easy to carry out payment transactions, because at the end of 2021, Indonesia will be one of the countries with the top 10 populations in the world. Thus, people have great opportunities in the digital financial industry, and the millennial generation will dominate Indonesia's population.

Shopee paylater influences the younger generation in using paylater. Social media is also used to market their goods through social media, encouraging online buying and selling and making it easier for those who are active on social media to quickly find the items they are looking for and want (Dini, 2021).

Another factor that may be causing today's young generation to use Shopee Paylater services is financial literacy. Today's young generation must be able to manage their own finances. Many of the young generation today are still considered quite low in terms of planning and managing their finances (Yulfiswandi, et al, 2022). Napitupulu, Ellyawati, and Astuti (2021) said that understanding the importance of financial management is very important because financial management is something that everyone always does in their life, so a person must act wisely in managing finances so they don't get trapped easily. Financial problems. Based on the background described above, the author is interested in conducting research with the title "The Influence of Financial Literacy, Social Media and Lifestyle on the Decision to Use Shopee Paylater (Case Study of the Young Generation in Surakarta)".

LITERATURE REVIEW

Financial Literacy

Huston (in Ismanto et al., 2019). said that financial literacy is a person's ability and knowledge about how to do things related to money that have an impact on their behavior and their well-being. Financial literacy is knowledge, understanding and skills regarding financial affairs and management. The ability of any person to understand the concepts and principles of financial systems, financial goods and services, and to control their own income is called financial literacy.

Many studies examine financial literacy from various perspectives. A person's ability to understand financial information is known as financial literacy (Bay et al. 2014). Financial knowledge: includes knowledge of how interest is calculated, how inflation affects returns, how risk affects returns, and how diversification can help reduce risk.

Financial behavior: a person's responsibilities are closely related to how they manage their finances. Financial attitude: how a person thinks and evaluates financial matters (Burton and Yunita 2024). According to research conducted by Sriani, et al, (2022) four measures can be used to measure financial literacy:

- a. Basic knowledge of financial management
- b. Credit management
- c. Savings management
- d. Risk management

Social Media

Social media is developing very rapidly. Social Media is also now a digital marketing tool or activity, such as Social Media Maintenance, Social Media Endorsement and Social Media Activation. Therefore, social media has now become a form of service offered by digital agencies Cahyono, (2016). According to Park, et al, (2017) the indicators used to measure social media use are:

- a. Utility
- b. Benefits obtained

Usage Decisions

The use decision is an integration process used to combine knowledge to evaluate two or more alternatives and choose one of them. Consumer decisions are a problem-solving approach to human activities in purchasing goods or services to fulfill wants and needs R.P Mayo, et al (2023). Users' decision behavior can be influenced by various factors, including their own background knowledge and the context around them. To improve users' decision behavior and the outcomes they choose, the relationship between users' decision behavior and their background knowledge in a particular context must be revealed in the environment (Argiyama, 2020). As for the indicators regarding usage decisions according to Kotler and Keller (2020), namely:

- a. Product selection
- b. Brand selection
- c. Purchase time
- d. Purchase amount

e. Payment method

METHODS

This research uses a quantitative approach. Data for this research was collected through questionnaires. Apart from that, the Surakarta area was the chosen location. According to Sugiyono, (2018), population is a generalization of areas grouped into objects or subjects that have certain qualities and characteristics that researchers use to study and make conclusions. The young generation in Surakarta is the subject of this research. This research uses non-probability sampling techniques. The collection method is based on respondents who use Shopee PayLater in the Surakarta area. To determine the number of samples to be taken in this research, it is like the theory according to Ferdinand, (2014), where certain factors will be considered and adjusted to the research objectives and the number of indicators will be multiplied by 5–10. In this study, there are 2 variables X, namely financial literacy and social media. And the sample used in this research is 6 indicators multiplied by 10 which is 60 samples.

RESULTS

Table 1. Validity Test Results

| Variable | Statement | Sig. | A | Remarks |
|--------------------|-----------|-------|------|---------|
| Financial Literacy | X1.1 | 0,000 | 0,05 | Valid |
| | X1.2 | 0,000 | 0,05 | Valid |
| | X1.3 | 0,000 | 0,05 | Valid |
| | X1.4 | 0,000 | 0,05 | Valid |
| | X1.5 | 0,000 | 0,05 | Valid |
| Social Media | X2.1 | 0,000 | 0,05 | Valid |
| | X2.2 | 0,000 | 0,05 | Valid |
| | X2.3 | 0,000 | 0,05 | Valid |
| | X2.4 | 0,000 | 0,05 | Valid |
| | X2.5 | 0,000 | 0,05 | Valid |
| Usage Decisions | Y1 | 0,000 | 0,05 | Valid |
| | Y2 | 0,000 | 0,05 | Valid |
| | Y3 | 0,000 | 0,05 | Valid |
| | Y4 | 0,000 | 0,05 | Valid |
| | Y5 | 0,000 | 0,05 | Valid |

Source: Primary data processed in 2024 Shows that each questionnaire statement in this study is declared valid and meets the assessment criteria, namely Sig < 0.05.

Table 2. Reliability Test Results

Source: Primary data processed in 2024

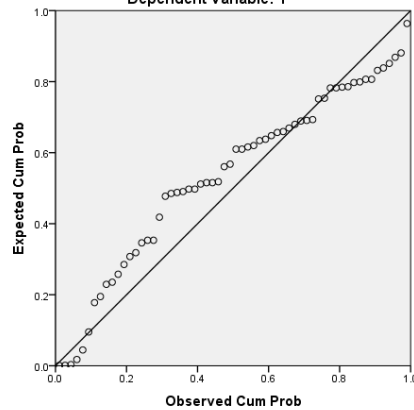
| Variable | Value <i>Alpha Cronbach</i> | Standard Value <i>Alpha Cronbach</i> | Remarks |
|--------------------|------------------------------------|---|----------|
| Financial Literacy | 0,648 | > 0,60 | Reliabel |
| Social Media | 0,718 | > 0,60 | Reliabel |
| Usage Decisions | 0,914 | > 0,60 | Reliabel |

Based on the table of reliability test results, it shows that all variables are declared reliable because the value of Crochbach alpha for all variables is greater than 0.60

Graph 1. Normality Test Results

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Y



Source: Data processed in 2024

Based on the Normal P-Plot graph above, you can see data bubbles scattered around the diagonal line, so it can be concluded that this research data has a normal distribution.

Table 3. Multicollinearity Test Results

Coefficients^a

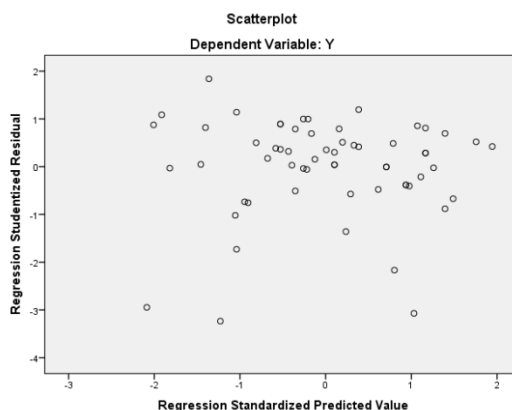
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -2.436 | 5.843 | | -.417 | .678 | | |
| | X1 | .443 | .168 | .313 | 2.645 | .011 | .998 | 1.002 |
| | X2 | .627 | .217 | .341 | 2.883 | .006 | .998 | 1.002 |

a. Dependent Variable: Y

Source: Data processed in 2024

The Multicollinearity Test Results Table above shows that the Tolerance value for the financial literacy and social media variables is greater than 0.1. Meanwhile, the Variance Inflation Factor (VIF) value for each variable also shows less than 10. Thus, there is no multicollinearity between the financial literacy and social media variables.

Graph 2. Heteroscedasticity Test Results



Source: Data processed in 2024

Based on the Scatter Plot graph above, you can see that the data bubbles are scattered randomly, freely and irregularly. This shows that between the financial literacy and social media variables there is no heteroscedasticity.

Table 4. Autocorrelation Test Results

| Runs Test | |
|-------------------------|-------------------------|
| | Unstandardized Residual |
| Test Value ^a | .87707 |
| Cases < Test Value | 30 |
| Cases >= Test Value | 30 |
| Total Cases | 60 |
| Number of Runs | 31 |
| Z | .000 |
| Asymp. Sig. (2-tailed) | 1.000 |

a. Median

From the results of the run test table, a significance value of 1,000 is greater than 0.05, so the research data passes the autocorrelation test and it can be said that the residuals follow and conform to a normal distribution.

Table 5. F Test Results

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|-------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 222.365 | 2 | 111.182 | 7.307 | .001 ^b |
| | Residual | 867.285 | 57 | 15.216 | | |
| | Total | 1089.650 | 59 | | | |

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Source: Primary data processed 2024

Based on the results of the F test or simultaneous test in the table, it can be seen the value with the following calculations, $df = n-k$ or $60 - 4 = 56$, namely 2.741574, which means that F_{count} is $7.307 > 2.743711$, with a significance value of $0.001 < 0.05$. This shows that H_0 is rejected and H_a is accepted so that it can be concluded that the variables of financial literacy, social media have a significant effect together on the decision to use Shopee PayLater.

Table 6. coefficient of determination R^2

| Model Summary ^b | | | | | | | | | | |
|----------------------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
| 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 | .452 ^a | .204 | .176 | 3.90071 | .204 | 7.307 | 2 | 57 | .001 | 1.959 |

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Source: Primary data processed 2024

From the results of the coefficient of determination R^2 , that the Adjusted R Square value is 0.176 or 17.6% of the Shopee PayLater usage decision variable is influenced by financial literacy variables, and social media and the rest ($100\% - 17.6\% = 82.4\%$) is influenced by variables not in the study.

Table 7. Result of multiple linear regression Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -2.436 | 5.843 | | -.417 | .678 | | |
| | X1 | .443 | .168 | .313 | 2.645 | .011 | .998 | 1.002 |
| | X2 | .627 | .217 | .341 | 2.883 | .006 | .998 | 1.002 |

a. Dependent Variable: Y

Source: Primary data processed 2024

- a. The multiple linear regression equation is as follows: $Y = -2.436 + 0.443X_1 + 0.627X_2 + \varepsilon$ Based on the regression equation, it can be interpreted as follows:
- b. a. The value of α is negative, which is -2.436, which means that financial literacy, and social media are equal to zero (0), so the decision to use will decrease.

- c. b. The regression coefficient value of the financial literacy variable (X1) is 0.443, which means that financial literacy increases by 1 (unit), the decision to use Shopee Paylater will also increase by 0.443
- d. c. The regression coefficient value of the social media variable (X2) is 0.627, which means that social media increases by 1 (unit), the decision to use Shopee Paylater will increase by 0.627.

Table 8. Result of t Test

| Variable | t | Sig. |
|-------------------------|----------|-------------|
| Financial Literacy (X1) | 2,645 | 0,011 |
| Social Media (X2) | 2,883 | 0.006 |

Source: Primary data processed 2024

Based on the table of test results to show the effect of each independent variable (X) on the dependent variable (Y), the results are as follows:

- a. The effect of financial literacy on the decision to use Shopee PayLater
The significance value of the financial literacy variable (X1) is 0.011. With a sig value. variable X1 of $0.011 < 0.05$, it can be concluded that the financial literacy variable has a significant effect on the decision to use Shopee PayLater.
- b. The effect of social media on the decision to use Shopee PayLater
The significance value of the social media variable (X2) is 0.006. With a sig value. variable X1 of $0.006 < 0.005$, it can be concluded that the social media variable has a significant effect on the decision to use Shopee PayLater.

DISCUSSION

- a. The Effect of Financial Literacy on Shopee PayLater Usage Decisions

There is a significant influence between financial literacy on the decision to use Shopee PayLater. The higher the financial literacy knowledge, the more young people in Surakarta use shopee paylater. This is because paylater can help financial management to realize buying necessities without having to pay cash. Some respondents feel that by paying in installments shopee paylater makes them like

saving money to buy these items. The price increase for using shopee paylater according to them is not a problem because it is very small and affordable.

b. The Influence of Social Media on Shopee PayLater Usage Decisions.

There is a significant influence between social media on the decision to use Shopee PayLater. The younger generation uses social media as entertainment which causes addiction, as well as social media as a means of information in shopping online, one of which is shopping online with paylater payment through shopee. In deciding to use PayLater, it cannot be separated from the advertisements offered by social media which can be found easily on Google, Web, TikTok or Instagram. Many platforms from social media offer convenience, terms and benefits that can be obtained when using PayLater.

CONCLUSION

This research was conducted to determine the effect of financial literacy, and social media on the decision to use Shopee PayLater for the younger generation in Surakarta. Based on research and with tests carried out on several hypotheses in the study, the results show that all independent variables or variable X, namely financial literacy, and social media have a significant effect on variable Y in terms of the decision to use Shopee PayLater. The suggestion of this research is that it is hoped that the Shopee PayLater company will always keep up with technological developments to improve services to users, namely young generations. Shopee Paylater hopes to also pay attention to the negative risks that might arise to find a solution.

LIMITATION

Not all variables used in this study are variables that have a lot of influence on usage decisions. There are still other variables that can influence the decision to use Shopee Paylater. The data obtained from the respondent's assessment by distributing questionnaires online, so it is possible that the respondent's filling in is not serious and may not be in an actual situation.

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