

## FINANCIAL LITERACY, RISK PERCEPTION, AND PAYLATER ADOPTION: A TPB ANALYSIS

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### Abstract:

**Background:** Paylater, a service allowing users to defer payments with borrowed money, offers convenience but also potential risks.

**Purpose:** This study aimed to 1) assess financial literacy among millennials in Jabodetabek, 2) analyze how financial literacy and risk perception influence the intention to use Paylater, and 3) explore the impact of social influence and perceived control on this intention.

**Design/methodology/approach:** Descriptive analysis and SEM-PLS analysis were employed. Research model was developed from Theory Planned of Behavior with 4 variables: attitude, subjective norms, perceived behavioral control, and intention to use. Risk perception variables were used in the model, included performance risk, time risk, social risk, security risk, and financial risk. Financial literacy could be seen from 3 measurements including financial knowledge, financial behavior, and financial attitudes.

**Findings/Result:** The results showed that only 44.85% of respondents demonstrated strong financial literacy. Financial literacy itself did not directly influence the intention to use Paylater. However, perceived risks like performance delays, security concerns, and financial burdens negatively impacted attitudes towards using Paylater. Social pressure and perceived control over using Paylater positively influenced the intention to use it.

**Conclusion:** Financial literacy in millennial generation showed well literacy category. Financial literacy had no effect on the interest in using paylater. Meanwhile, performance risk, time risk, security risk and financial risk had a negative and significant influence on the attitude of using paylater, and there was no influence of social risk on the attitude of using paylater. In addition, attitudes, subjective norms, and perceived behavioral control had a positive and significant effect on the interest in using paylater.

**Originality/value (State of the art):** Paylater as an easy payment tool but has several risks, through the TPB approach combined with the risk perception variables and financial literacy can be used to analyze intention to use of paylater in the millennial generation.

**Keywords:** financial literacy, millennial generation, paylater, risk perception, subjective norm

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## INTRODUCTION

Consumer behavior has changed by wanting every activity to be carried out effectively and efficiently in the digital era, including financial services, which have been supported by the use of financial technology (Fintech) which can accelerate the mobility of its users. Financial technology can help purchase transactions and payment systems become more effective and efficient because consumers do not have to go to a bank/ATM to make purchases and payments (Hidayat et al.2020). Over time, many digital-based financial service providers in various sectors have collaborated with fintech P2P lending companies to provide fintech P2P lending services as a payment method by providing loan services in installments without a credit card called Paylater.

Paylater services provide benefits and advantages that make it easier for users because users only need to prepare an ID card and fill in some personal data and then can apply for a loan on the application. However, behind all the convenience offered by the paylater provider in lending funds to users there are several risks that can harm its users (Pingit, 2019). This is supported by Ginantra et al. (2020) which states that every financial technology service has potential risks that will generally arise such as fraud, market risk, and cyber security. Therefore, a basic understanding of the risks of using paylater to good literacy can affect individual interest in using these services. Kefela (2011) states that individual literacy and ability can influence the use of financial products to be appropriate and wise. However, the national financial literacy index has not supported the use of financial products because the financial literacy index in 2019 was only 38.03% and the index is still lower than the literacy index of Myanmar and Singapore with a financial literacy index of 52% and 59% (Klapper et al.2015).). Low financial literacy is a risk that will cause problems in using paylater as part of digital financial services because it has occurred and caused many losses and inconveniences, this can affect people's perceptions of paylater (Mukmin et al. 2021).

The people who are users of this service come from the millennial generation. This is based on the behavior of the millennial generation, which has the characteristics of the millennial generation, which has high purchasing power, causing financial behavior, namely how knowledge of financial products is a key thing for the millennial generation to be wise in using a financial

product (Ali and Purwandi, 2017). Furthermore, the millennial generation also has a behavior that is open to change and is interested in trying new things in the face of change (Rohmiyati, 2018) and intense interaction with the internet, they really like to surf the internet to find entertainment, share information, highlight self-existence, and hang out with communities in chat groups (Sari, 2019). Concerns about this generation using paylater need to be taken into account, given the low national financial literacy index.

Based on the Theory of Planned Behavior (TPB), Ajzen (1991) suggests that interest is considered as a driving component so that it can control action as a clue to how hard the individual wants to prove and how much effort the individual plans to carry out the behavior, and can be predicted by attitude, subjective norm, and perceived behavior control. This study focuses on analyzing the effect of financial literacy and risk perception on interest in using paylater with variables in TPB which have three aspects, namely attitude, subjective norm, and perceived behavior control. Dwiwansi et al. (2023) state that financial literacy has an influence on the use of paylater in e-commerce. Perception of risk refers to Lee's (2009) research which states that the use of online financial services to carry out transactions has risks that can affect a person's attitude in making a decision to do or not do this behavior, of which there are five types of risk, namely performance risk, time risk, social risk, security risk, and financial risk. Perception of risk has a negative effect on interest in using electronic money, which means that if the perception of risk owned by users is lower, the interest in using e-money and e-wallet services will increase and vice versa, the higher the risk perception, the lower the interest in using these services (Ali and Purwandi 2017; Rodiah and Melati 2020). Satoto et al. (2020) state that financial literacy, financial capability, perceived benefits, and perceived convenience directly affect the interest in using electronic money. Furthermore, Prasetya and Putra (2020) also stated that perceived convenience and benefits have a positive effect on interest in using e-money in Surabaya. Meanwhile, risk perception has a negative effect. This was also revealed in Priambodo and Prabawani's research (2016).

From the things that have been described, the researcher is interested in researching "The Effect of Financial Literacy and Risk Perceptions on Interest in Using Paylater with the Theory of Planned Behavior (TPB) Approach" with the aim of (1) analyzing the level of

literacy of the millennial generation; (2) analyzing the effect of financial literacy and risk perception on interest in using paylater; and (3) analyzing the effect of attitudes, subjective norms, and perceived behavioral control on interest in using paylater.

## METHODS

This type of research is quantitative research. The research data was obtained through distributing questionnaires that took place from March to April 2022 on various social media online. The sample used in this study was taken using purposive sampling with specific criteria, namely (1) millennial generation born in 1982-2000, (2) residing in Jabodetabek, (3) knowing paylater and have never used paylater with a total of 214 respondents participating. The data analysis method uses descriptive analysis and Structural Equation Modeling-Partial Least Square (SEM-PLS) analysis. The research model is depicted in Figure 1.

The TPB research model with financial literacy and risk perception was chosen because paylater is a new innovation in payment methods and involves a person's individual finances so it is important to look at the risk aspects that might arise. Financial literacy is defined as the understanding and knowledge of financial concepts and risks, the skills, determination and confidence to engage, and the ability to apply existing understanding and knowledge to make effective financial decisions, achieve economic well-being for individuals and society, and improve the economic sector (OECD, 2016). Financial literacy can be seen from 3 measurements including financial knowledge, financial behavior, and financial attitudes (OECD, 2016). Risk perception as an expectation of loss when using online financial services subjectively when users consider certain things when making certain online transactions, including performance risk, time risk, social risk, security risk, and financial risk (Lee, 2009). In this study, financial literacy and risk perception were measured using a Likert scale of 1-5 (1= strongly disagree, 5= strongly agree) and operational indicators for each variable could be seen in Table 1.

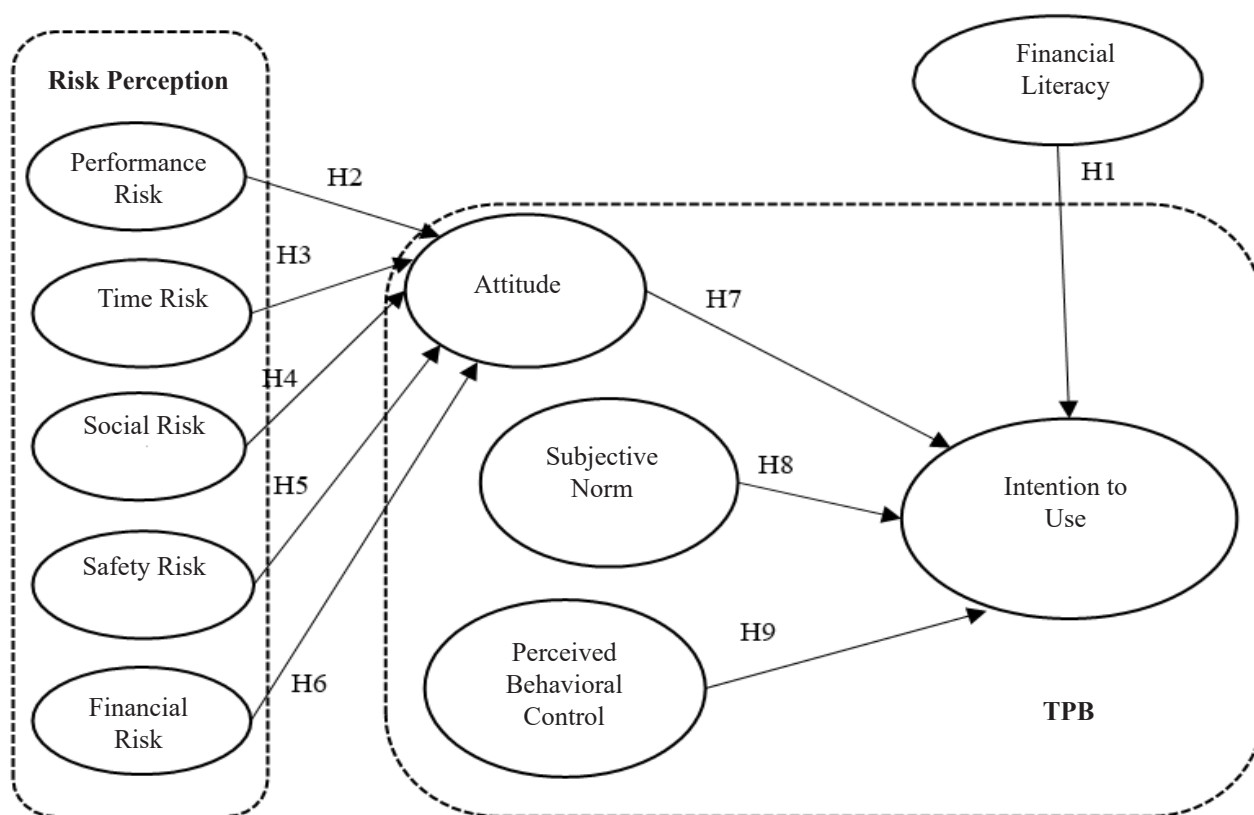


Figure 1. Research model

Table 1. Operational indicators for each variable

Variable	Dimension	Indicator Symbol	Indicator	Reference	
Financial Literacy	Financial Knowledge	FK1	Sometimes expenses are allowed to be higher than income	OECD (2016); MFPC (2018)	
		FK2	Someone needs to prioritize saving before spending		
		FK3	Credit cards can be used for shopping without any restrictions		
		FK4	The longer the repayment period, the lower the overall loan costs		
		FK5	Debt cannot be inherited		
		FK6	All types of investments are profitable and low risk		
		FK7	A person needs to save at least 10% for emergency needs		
		FK8	If my retirement fund is insufficient, I will continue to work		
		FK9	If I can afford the risk, I don't need to buy insurance		
		FK10	All types of risks can be insured		
	Financial Behavior	FB1	Please consider carefully before making a purchase	OECD (2016)	
		FB2	Actively save		
		FB3	Pay bills on time		
		FB4	Make a long-term financial plan and strive to achieve it		
		FB5	Borrow to meet needs		
	Financial Attitude	FA1	Feeling satisfied to spend money rather than saving it in the long term	OECD (2016)	
		FA2	Money is there to be spent		
		FA3	I tend to live for today and let what tomorrow brings		
		FA4	My financial situation limits my ability to do anything important		
Risk Perception	Performance Risk	PER1	Paylater is not working well due to slow service speed and the website is frequently down	Featherman and Pavlou (2003)	
		PER2	Paylater is not working properly when processing payments		
	Time Risk	TIR1	Paylater will spend a lot of time paying off loan funds	Featherman and Pavlou (2003)	
		TIR2	Paylater will need a lot of time to learn how to use the service		
	Social Risk	SOR1	Paylater will have a negative impact on other people's views	Featherman and Pavlou (2003)	
		SOR2	Paylater will make friends, family and co-workers look down on it if something goes wrong with its use		
	Security Risk	SER1	Paylater will cause loss of privacy because personal information will be used without knowledge	Featherman and Pavlou (2003)	
		SER2	Paylater has the potential for account hacking		
		Financial Risk	FIR1	Paylater will cause financial losses	Featherman and Pavlou (2003)
			FIR2	Paylater does not provide compensation if a transaction error occurs	
Theory of Planned Behavior (TPB)	Attitude	ATT1	Using paylater is the right decision	Lee (2009)	
		ATT2	Using paylater for financial transactions is a wise decision		
		ATT3	Using paylater is fun		
	Subjective Norms	SN1	People who are important to me support me using paylater	Lee (2009)	
		SN2	The people who influenced my decision wanted me to use paylater		
		SN3	People I appreciate prefer to use paylater		
	Perceived Behavioral Control	PBC1	I think that I will be able to use paylater well for payments	Lee (2009)	
		PBC2	I thought that using paylater would be completely within my control		
		PBC3	I think that I have the resources, knowledge and ability to use paylater		
Intention to Use		INT1	I intend to use paylater in the next few months	Lee (2009)	
		INT2	I predict that I will be using paylater in the next few months		
		INT3	I plan to use paylater in the next few months		

The hypothesis applied in this study was as follows:

- H1 : Financial literacy has a positive effect on interest in using paylater.
- H2 : Performance risk has a negative effect on attitudes towards using paylater.
- H3 : Time risk has a negative effect on the attitude of using paylater.
- H4 : Social risk has a negative effect on the attitude of using paylater.
- H5 : Security risk has a negative effect on the attitude of using paylater.
- H6 : Financial risk has a negative effect on the attitude of using a paylater.
- H7 : Attitude has a positive effect on interest in using paylater.
- H8 : Subjective norms have a positive effect on intention to use paylater.
- H9 : Perceived behavioral control has a positive effect on intention to use paylater.

## RESULTS

### Respondent Characteristics

The number of respondents obtained in this study were 214 respondents who are millennials and live in Jabodetabek. Respondents as many as 122 people or 57.01% were female and had an age range dominated by 22-26 years as many as 126 people or 58.88%. Jakarta dominates the domicile of respondents as much as 34.11% or 73 people. The majority of respondents are students as many as 47.66% or 102 people and as many as 44.39% or 95 people have the latest education as high school / equivalent graduates. Respondents in this study generally get a variety of monthly incomes, but 28.50% or 61 people dominate with a nominal amount of IDR1,000,001-IDR3,000,000. As for monthly expenses, 46.26% or 99 people have total expenses of IDR1,000,001-IDR3,000,000. Based on debt status, 79.44% or 170 respondents did not have debt and the remaining 44 people with a percentage of 20.56% of respondents had debt. The results of respondent characteristics are shown in Table 2.

### Financial Literacy Level of Millennials

The measurement of financial literacy level was conducted on 214 respondents who are millennial generation in Jabodetabek by assessing the level of

financial knowledge, financial behavior, and financial attitude. The classification of financial literacy level is divided into 4 (four) categories referring to OJK (2013). The results of the measurement of the respondents' financial literacy level are shown in Table 3.

Based on Table 3, it shows that the level of financial literacy of the millennial generation in Jabodetabek is dominated by the sufficient literate category, namely 106 people or 49.53%. Meanwhile, the millennial generation in Jabodetabek who are in the well literate category is only 44.85%. This figure is obtained by dividing the total respondents in the category by the total number of respondents, namely 214 people. The level of financial literacy of millennials in Jabodetabek who are in the well literate category in this study has a higher percentage when compared to the national financial literacy level according to the SNLIK results (OJK, 2019), which is 38.03% and a difference of 6.82%. Furthermore, when viewed based on the characteristics of respondents in this study presented in Table 1 which shows that most of them have worked, it is in accordance with the results of Ismanto and Amayyah's research (2020) which states that high and low financial literacy simultaneously determines financial behavior, especially in private employees, but individually income has no effect on financial behavior. This is possible because private employees dominate a conservative risk profile and are more careful in making investment decisions due to the limited resources and funds available as a means of investment (Rois et al. 2022).

### Measurement Model Evaluation (Outer Model)

The Convergent Validity test is carried out to test the validity of the relationship between the indicators and their latent variables based on the loading factor values. A valid indicator is an indicator with an outer loading value of more than 0.7. However, according to Ghozali (2014), a loading factor value of 0.5 to 0.6 is still acceptable. If there are indicators with values that do not meet the criteria, dropping will be carried out on the indicators that have the smallest loading factor value. The indicators that were eliminated because they had an outer loading value of less than 0.6 on financial literacy were FL1\_2, FL1\_2, FL1\_3, FL1\_4, FL1\_5, FL1\_6, FL1\_7, FL1\_8, FL2\_1, FL2\_2, FL2\_3 and FL2\_4. The results of the outer model after dropping can be seen in Table 4.



Table 2. Characteristics of Respondents

Category	Characteristic	Frequency (people)	Percentage	Category	Characteristic	Frequency (people)	Percentage
Gender	Man	92	42.99%	Monthly Revenue	Lecturer	1	0.47%
	Woman	122	57.01%		Self-employed	24	11.21%
Age	22-26 years old	126	58.88%		Pharmacist	1	0.47%
	27-31 years old	48	22.43%		Laborer	4	1.87%
	32-36 years old	30	14.02%		Freelancers	1	0.47%
	37-40 years old	10	4.67%		Honorary	1	0.47%
Marital status	Not married yet	151	70.56%		Housewife	5	2.34%
	Marry	58	27.10%		< IDR 1,000,000	40	18.69%
	divorced	5	2.34%		IDR 1,000,001 - IDR 3,000,000	61	28.50%
Domicile	Jakarta	73	34.11%		IDR 3,000,001 - IDR 5,000,000	44	20.56%
	Bogor	57	26.64%	IDR 5,000,001 - IDR 7,000,000	36	16.82%	
	Depok	28	13.08%	IDR 7,000,001 - IDR 9,000,000	16	7.48%	
	Tangerang	31	14.49%	> IDR 9,000,000	17	7.94%	
	Bekasi	25	11.68%	Monthly Expenses	< IDR 1,000,000	52	24.30%
Last Education Level	Elementary School/ Equivalent	2	0.93%		IDR 1,000,001 - IDR 3,000,000	99	46.26%
	Middle School/ Equivalent	1	0.47%		IDR 3,000,001 - IDR 5,000,000	34	15.89%
	High School/ Equivalent	95	44.39%		IDR 5,000,001 - IDR 7,000,000	18	8.41%
	Primary Expert (D1)	6	2.80%		IDR 7,000,001 - IDR 9,000,000	6	2.80%
	Associate Expert (D3)	11	5.14%	> IDR 9,000,000	5	2.34%	
	Bachelor (D4/ S1)	78	36.45%	Debt Status	Have Debt	44	20.56%
	Master (S2)	21	9.81%		Have No Debt	170	79.44%
Employment	Student	102	47.66%				
	Civil Servants (PNS)	26	12.15%				
	Private employees	48	22.43%				
	BUMD employees	1	0.47%				

Table 3. Financial Literacy Level of Millennials

Indicator	Financial Literacy Level Category			
	Not Literate	Less Literate	Sufficient Literate	Well Literate
Financial Knowledge	0.47%	14.49%	57.48%	27.57%
Financial Behavior	4.20%	5.61%	18.22%	71.96%
Financial Attitude	3.27%	14.49%	33.18%	49.07%
Financial Literacy	0.01%	5.61%	49.53%	44.85%

Based on Table 4, the result showed that the long-term spending or savings fund indicator (FL3\_1) in Financial Literacy variable had the highest external loading value of 0.855. These results showed that the Millennial generation has adequate financial literacy if supported by good spending decisions and long-term savings. The risk perception variable consists of performance risk, time risk, social risk, security risk and financial risk. The indicators with the highest external stress value for each risk are: Paylater does not perform well in the payment process (PER2); Paylater spends too much time disbursing loan funds (TIR1); paylater will make friends, family, and co-workers look down on it if something goes wrong use of such services (SOR2); the payer can hack the account (SER2); and causing financial loss to the payer (FIR1). These results suggested that if these risks could be minimized or eliminated, the millennial generation's risk perception would be lower.

Meanwhile, the indicator that had the largest outer loading describing the attitude variable is ATT1 (0.943). The respondent said that using paylater is the right decision for transaction. Subjective norms were described by SN2 (0.940) which had the largest outer loading compared to other indicators. The indicator described about the people who influenced my decision wanted me to use paylater. If we look at the Perceived Bahavioral Control variable, the indicators that best describe this variable were PBC1 - I think that I will be able to use paylater well for payments (0.912) and PBC2 - I thought that using paylater would be completely within my control. And also, intention to use paylater of respondents was illustrated by the INT1 indicator (0.953), that they think that I will be able to use paylater well for payments.

Table 4. External/outer loading of indicator in model after dropping analysis

Variable	Dimension	Indicator	Outer Loading
Financial Literacy	Financial Behavior	FB5	0.601
		FA1	0.855
	Financial Attitude	FA2	0.832
		FA3	0.839
		FA4	0.725
Risk Perception	Performance Risk	PER1	0.881
		PER2	0.953
	Tim Risk	TIR1	0.935
		TIR2	0.846
	Social Risk	SOR1	0.929
		SOR2	0.943
	Security Risk	SER1	0.938
		SER2	0.953
	Financial Risk	FIR1	0.946
		FIR2	0.945
Theory of Planned Behavior (TPB)	Attitude	ATT1	0.943
		ATT2	0.936
		ATT3	0.914
	Subjective Norms	SN1	0.938
		SN2	0.94
		SN3	0.939
	Perceived Behavioral Control	PBC1	0.912
		PBC2	0.912
		PBC3	0.877
	Intention to Use	INT1	0.953
INT2		0.952	
INT3		0.946	

After conducting a convergent validity test by looking at the outer loading value, then construct testing was carried out by looking at the Average Variance Extracted (AVE) value. The acceptable AVE value is greater than 0.5. Apart from that, a discriminant validity test was carried out by looking at the cross loadings value of each indicator. A model can be said to be able to predict its own indicators well if the cross loadings value of each latent variable indicator on its construct is higher than the cross loadings value of that indicator with other constructs. In this study, it was found that the cross loadings value of each indicator for the construct was higher compared to other constructs, thus indicating that the model had met the discriminant validity test. To measure reliability, it is done by looking at the composite reliability and Cronbach's alpha values. A structural model can be said to be reliable if all latent variables have composite reliability and Cronbach's alpha greater than 0.7. All latent variables in this study show composite reliability and Cronbach's alpha values greater than 0.7, so it can be concluded that the construct model is reliable. The overall composite reliability and Cronbach's alpha values were shown in Table 5.

### Structural Model Evaluation (Inner Model)

The structural model (inner model) was used to describe the relationship between exogenous variables and endogenous variables. Structural model testing is carried out by looking at the R-Square value. The greater the resulting R-Square value, the better the independent variable explains the dependent variable in the model.

Based on Table 6, it can be seen that the R-Square value for Attitude is 0.257 which indicates that performance risk, time risk, social risk, security risk and financial risk are able to explain attitudes towards use by 25.7% and the remaining 74.3%. explained by other variables outside the research. The interest in using variable has an R-Square value of 0.758, which shows that financial literacy, attitudes, subjective norms, and perceived behavioral control are able to explain 75.8% of interest in using and the remaining 24.2% is explained by other variables outside the research.

Tabel 5. AVE, composite reliability, and cronbach's alpha value

Latent Variable	AVE value	Composite Reliability value	Cronbach's Alpha value	Explanation
Financial Literacy	0.602	0.882	0.831	Reliable
Performance Risk	0.842	0.914	0.821	Reliable
Security Risks	0.794	0.944	0.750	Reliable
Social Risk	0.876	0.934	0.859	Reliable
Time Risk	0.895	0.885	0.883	Reliable
Financial Risk	0.894	0.944	0.881	Reliable
Attitude	0.867	0.951	0.923	Reliable
Subjective Norms	0.882	0.957	0.933	Reliable
Perceived Behavioral Control	0.811	0.928	0.884	Reliable
Intention to Use	0.903	0.965	0.946	Reliable

Table 6. R-square value

	R Square
Attitude	0.257
Intention to Use	0.758



Tale 7. The results of the path coefficient value

	Hypothesis	Original Sample	T-Statistic	P-Values	Result
Financial Literacy → Intention to Use	H1	-0.029	0.881	0.378	Rejected
Performance Risk → Attitude	H2	-0.315	3.787	0.000	Accepted
Time Risk → Attitude	H3	-0.260	2.684	0.007	Accepted
Social Risk → Attitude	H4	0.161	1.563	0.118	Rejected
Safety Risk → Attitude	H5	-0.230	2.108	0.035	Accepted
Financial Risk → Attitude	H6	-0.381	3.241	0.001	Accepted
Attitude → Intention to Use	H7	0.390	4.191	0.000	Accepted
Subjective Norms → Intention to Use	H8	0.332	3.568	0.000	Accepted
Perceived Behavioral Control → Intention to Use	H9	0.213	3.391	0.001	Accepted

The next test is to test the influence between variables by carrying out a bootstrapping process. A variable can be said to have a significant relationship if it has a T statistics value > T table of 1.96 and has a P value < 0.05 so that the variable is acceptable. The original sample value is used to describe the direction of positive or negative relationships between variables in the research model.

Based on the path coefficient values presented in Table 7, the results of Hypothesis 1 test showed that financial literacy had no significant effect on interest in using paylater. These results are in line with research by Herdinata (2020) which found that financial literacy does not influence interest in using financial technology products. Based on the analysis of the financial literacy level of the millennial generation which is dominated by the sufficient literate category at 49.53%, it shows that the millennial generation has an understanding and confidence regarding financial products and services, and based on the characteristics of respondents, it was found that 79.44% of respondents in this study did not have debt so it can be explained that with The understanding, beliefs and behavior of the millennial generation in this study cannot shape their interest in using paylater.

Based on the results of the analysis, Hypothesis 1, that financial literacy has a positive effect on interest in using paylater, is rejected. It is possible that the people who are respondents already have good literacy, so it does not have a significant impact on their interest in using paylater. Hypothesis 2 test results show that performance risk has a negative and significant effect on attitudes towards using paylater. These results are in line with research by Lee (2009) which revealed that performance risk has a negative and significant

influence on attitudes towards using online banking services.

Hypothesis 3 test results showed that time risk has a negative and significant effect on attitudes towards using paylater. These results are in line with research by Lee (2009) and Fadare et al. (2016) who found that time risk has a negative influence on attitudes towards using online banking. These results also indicate that respondents in this study have concerns about using Paylater, especially worried about the length of time it will take to pay off loan funds in Paylater services and the length of time spent learning how to use Paylater so they feel that the decision to use Paylater is not a good decision. precise and wise.

The test results of Hypothesis 6 showed that financial risk had a negative and significant effect on attitudes towards using paylater. The results of this study are in line with Lee's (2009) research which found that financial risk has a negative and significant effect both directly and indirectly on interest in using online banking. This also illustrates that respondents in this study have concerns about using paylater, especially related to financial losses and compensation provided by the paylater in the event of a transaction error.

The results of Hypothesis 7 test showed that attitude had a positive and significant effect on interest in using paylater. The results of this study are in line with research by Lee (2009), Mha (2015), and Rahmatika and Fajar (2019) which show that attitude has a positive effect on interest in using financial technology products. This indicates that if the attitude towards using paylater is positive, it will increase the interest in using paylater and vice versa.

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The results of Hypothesis 7 test showed that attitude had a positive and significant effect on interest in using paylater. The results of this study are in line with research by Lee (2009), Mha (2015), and Rahmatika and Fajar (2019) which show that attitude has a positive effect on interest in using financial technology products. This indicates that if the attitude towards using paylater is positive, it will increase the interest in using paylater and vice versa.

The results of Hypothesis 8 test showed that subjective norms had a positive and significant effect on interest in using paylater. The results of this study are in accordance with the research of Rahmatika and Fajar (2019) and Dharmawan et al. (2021) which found that there is a positive influence of subjective norms on interest in using financial technology products. This explains that a person's interest in using paylater is strongly influenced by the people around him such as family, relatives, and people who are important and influential to him.

The results of Hypothesis 9 test showed that perceived behavioral control had a positive and significant effect on interest in using paylater. The results of this study are in line with the research of Rahmatika and Fajar (2019) which found that perceived behavioral control has a positive effect on interest in using e-money. This illustrates that respondents in this study have positive behavioral control such as having good knowledge and ability to control the resources owned by respondents which ultimately affects respondents' interest in using or not using paylater.

### **Managerial Implications**

Based on the research results, managerial implications that can be done include improving services through regular maintenance by the paylater provider in order to

minimize performance risks that may occur when using paylater, for example a slow system during transactions. In addition, creating a simple (user friendly) but complete paylater site, in order to minimize the time risk and financial risk of learning and understanding the payment terms when making loans on the paylater. Multiple security systems and regular password/pin updates also need to be conveyed to paylater users to ensure their security, so that security risks can be minimized. In addition, related parties can provide massive education regarding the use of paylater to increase knowledge and awareness in using paylater. Thus, the community can plan in such a way before deciding to use a paylater.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

The level of financial literacy of the millennial generation in Jabodetabek is 44.85%. The results of the SEM-PLS analysis showed that there is no effect of financial literacy on the interest in using paylater. Meanwhile, performance risk, time risk, security risk and financial risk had a negative and significant influence on the attitude of using paylater, and there was no influence of social risk on the attitude of using paylater. In addition, attitudes, subjective norms, and perceived behavioral control had a positive and significant effect on the interest in using paylater. Thus, people need to consider their risks, attitudes, subjective norms, and perceived control well before deciding to use paylater as a tool for payment.

### **Recommendations**

Through this research, it is hoped that the public will be more concerned about matters related to the risks faced in making decisions about using paylater. Suggestions for further research are that researchers can conduct research on interest in using paylater based on the TAM (Technology Acceptance Model), UTAUT (Unified Theory of Acceptance and Use of The Technology), or UTAUT2 (Unified Theory of Acceptance and Use of The Technology 2) model. Apart from that, further research can also look more specifically at the type of paylater in order to provide insight to the public and companies that issue this type of paylater.

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