Determinants Influencing the Decision to Use the ShopeePay Digital Wallet in Generation Z in North Bekasi City

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ABSTRACT

The research's main objective is to measure the decision of generation Z in North Bekasi City to use the ShopeePay digital wallet which is influenced by financial literacy, perceived benefits, perceived convenience, and income. This study used quantitative methods with purposive sampling techniques and a total sample of 145 respondents. Using the structural equity model (SEM) – SmartPLS 4.0. The results of this study provide an explanation that the variables perceived benefits, perceived convenience, and income have a positive effect on the decision to use the ShopeePay digital wallet in generation Z in North Bekasi City. However, the financial literacy variable has no effect on the decision to use the ShopeePay digital wallet.

Keywords: *Financial Literacy, Perceived Benefit, Perceived Convenience, Income, and Decision to Use.*

INTRODUCTION

At present all countries are entering the era of globalization and becoming the 4.0 industrial revolution marked by very fast growth, change and progress. This is also felt by technological developments that enable the digitization of various services such as transportation, health, basic needs, shopping, and including money storage devices. This increasingly rapid development has created an innovation in payment instruments so that money is not only in the form of cash but also in digital form (Kusumawardhany et al., 2021).

The development of digital money and changes in people's lifestyles in making transactions also trigger the development of new payment methods, namely the existence of Financial technology (fintech). Fintech is an efficiency of the use of technology as a whole in improving services in the financial sector and it is hoped that its use can make practical activities safe and modern(Saleh & F, 2020). One of the developments in financial technology is a digital wallet that has started to be used by the public for transactions. Several types of digital wallet companies that are popular with people in Indonesia are DANA, OVO, GOPAY, LINK and SHOPEE PAY(Kusumawardhany et al., 2021).

In 2018 and 2020 the number of Fintech companies in Indonesia is 88 and 158 companies. ShopeePay is a payment tool that provides digital payment features developed by the Shopee company in Indonesia. ShopeePay is the fastest growing new digital wallet currently with a monthly transaction frequency of 9.1, according to Snapcart research. The largest percentage of 68% are users of the ShopeePay digital wallet brand.(Indahyani, 2021).Based on the results of research conducted by Bank Indonesia, it shows that there has been an increase every month in the use of electronic money. January showed financial transactions of 25 trillion rupiahs and increased in November by 10 trillion to as many as 35 trillion rupiahs. This shows that the decision to use a digital wallet also increases every month. The increase in the use of digital wallets also makes users use the application approximately ten times in one month.

Based on the description of the background above, the researcher aims to examine to determine the effect of several variables, namely financial literacy variables, perceived benefits, perceived convenience and income on usage decision variables, so this study proposes the title "Determinants Influencing Decisions to Use ShopeePay Digital Wallet in Generation Z in Bekasi City North".

Usage Decision

The decision to use can also be interpreted as selecting from two or more existing alternatives and choosing one of them. The best choice is chosen by users based on needs encouraging them to choose the right way to determine the use of digital wallet applications (Nursal et al., 2022).

Financial Literacy

Financial literacy is a way to be able to understand, analyze, manage, and write about finances that affect everyday financial decisions so that the aim is to achieve prosperity. The key to making decisions and ways to avoid the risk of mistakes in making decisions related to how to manage finances is the notion of financial literacy (Sulistyowati et al., 2022).Study(Yushita, 2017)Financial literacy is a financial decision in everyday life with the ability to distinguish between types of finance, talk about money and financial issues, and plan future finances.

According to (Chen & Volpe., 1998) in (Princess & Lestari, 2019)There are four indicators of financial literacy, as follows.

1. Basic knowledge, namely how to organize and manage income, expenses and can understand the basics of finance.
2. Saving, namely deposits in the form of money or gold that are kept at a bank with certain conditions to make withdrawals.
3. Insurance, which is a way of dealing with risk with an agreement between two parties, namely the insurer and the insured where the insured pays a sum of money to the insurer.
4. Investment, namely a financial management by buying a company's shares that are expected to provide benefits in the future.

Perceived Benefit

Davis (1989) suggests in (Meileny, 2020) Perceived benefit as a person's belief in using a technology that can be useful to improve performance. Meanwhile, according to Priambodo in (Ningsih et al., 2021)Perceived usefulness is a belief in perceived usefulness, that is, when individuals believe that using technology will increase performance on the job. In the Big Indonesian Dictionary, it is stated that benefit has a meaning, namely use or benefit. While expediency has the meaning of being useful or usability.

Davis (1989) in (Rismalia & Sugiyanto, 2022)Perceived benefits can be measured by constructing the perceived benefits construct using the following 4 items.

1. Making work faster, by using a system or technology someone believes that can make work done faster.
2. Beneficial, as a whole by using a system or technology someone believes that it can provide benefits for that person.
3. Increasing productivity, by using a system or technology someone believes that their productivity can increase.
4. Increase effectiveness, by using a system or technology someone believes that work will be more effective.

Perception of Convenience

According to Jogiyanto (2007:115) in (Ardianto & Azizah, 2021)Perceived ease of use is an individual's belief that by using technology, he can avoid great effort. Someone will get encouragement to use a system if it is easy to use the application in daily activities. Easy Use

A person's belief in using technology will not be detrimental in its use and is a core element that determines a person's belief in certain technologies from effort, both mental and physical, which is a definition of convenience.(PG et al., 2022).

Based on (Jogiyanto, 2007:115) Perceived ease of use on(Ardianto & Azizah, 2021)can be measured by how much a person believes that using a technology will free him from effort.

1. Easy to Learn, that is someone will be interested in determining a system that does not require more effort when learning it.
2. Easy to use, that is someone will determine a system that is not difficult to use
3. Flexible, that is, someone prefers a payment system that is easy to manage.
4. Increased Skills, namely with someone who feels that using a system can make him more proficient then he is willing to use it.

Income

According to (Rianto, 2021) Revenue is defined as an increase in assets resulting in an increase in equity, but not due to an increase in new equity and not an increase in assets due to an increase in equity due to an increase in liabilities. Income (Income) is all the wealth received by a person in a certain period, for example one month (Ria.

The following is how income in this study can be measured based on.

1. Income earned from work. This income is the result of a person's work in a certain time or period.
2. Income earned without providing services. This income is the result that someone gets without giving any activity

METHOD

In this study, we analyze the relationship to test the determinants of the decision to use the ShopeePay digital wallet in generation Z in North Bekasi City. The time in which this research was carried out was approximately 3 months starting from October 2022 to December 2022 and the place of this research was in North Bekasi City. Population is an area in which there are objects or subjects that have specific criteria that have been determined for the purpose of analysis and then conclusions are drawn. The population in this study is Generation Z in North Bekasi City. The sample in this study were 145 respondents. The benchmarks in taking this research sample are:

1. Have used the ShopeePay application,
2. Born in the year from 1996 to 2012 (10th -26th),
3. have income,
4. Domiciled in North Bekasi City,

In this study using a questionnaire or questionnaire data collection technique by distributing questionnaires online, and the scale technique used is the Likert scale. This study uses a data analysis method in the form of Partial Least Squares (PLS) which consists of three analyzes namely the outer model test, the inner model test and hypothesis testing.

FINDING AND DISCUSSION

Convergent Validity

In convergent validity, acceptable values or indicators are said to be valid if the loading factor value must be more than 0.7 (Ghozali & Latan, 2020). The following is the loading factor of each indicator.

Table 1: Financial Literacy

Items	Outer Loading Results	Convergent Validity Terms	Conclusion
LK1	0.794	0.7	Valid
LK2	0.805	0.7	Valid
LK3	0.745	0.7	Valid

LK4	0.668	0.7	Invalid
LK5	0.294	0.7	Invalid

Source: SmartPLS Ver 4.0

Shows that the 3 statement items from the financial literacy variable meet the requirements with LK1 values (0.794> 0.7), LK2 (0.805> 0.7), and LK3 (0.745> 0.7) requirements for outer loading values> 0.7. However, 2 statement items from the literacy variable have LK4 values (0.668<0.7), and LK5 (0.294<0.7) can be said to be invalid or not eligible

Table 2: Perceived Benefit

Items	Outer Loading Results	Convergent Validity Terms	Conclusion
PM1	0.871	0.7	Valid
PM2	0.847	0.7	Valid
PM3	0.906	0.7	Valid
PM4	0.910	0.7	Valid

Source: SmartPLS Ver 4.0

Shows that the 4 item statements from the perception of benefits variable have values PM1 (0.871> 0.7), PM2 (0.847> 0.7), PM3 (0.906> 0.7), and PM4 (0.910> 0.7) with outer value requirements loading > 0.7 so that it can be concluded that it is valid or can fulfill the requirements.

Table 3: Perception of Convenience

Items	Outer Loading Results	Convergent Validity Terms	Conclusion
PK1	0.876	0.7	Valid
PK2	0.909	0.7	Valid
PK3	0.782	0.7	Valid
PK4	0.756	0.7	Valid

Source: SmartPLS Ver 4.0

Shows that the 4 statement items from the perceived ease of variable have PK1 (0.876> 0.7), PK2 (0.909> 0.7), PK3 (0.782> 0.7) and PK4 (0.756> 0.7) values outer loading > 0.7 so that it can be concluded that it is valid or can fulfill the requirements.

Table 4: Income

Items	Outer Loading Results	Convergent Validity Terms	Conclusion
P1	0.786	0.7	Valid
P2	0.911	0.7	Valid
P3	0.879	0.7	Valid

Source: SmartPLS Ver 4.0

Shows that the 3 statement items of the income variable have a value of P1 (0.786> 0.7), P2 (0.911> 0.7), and P3 (0.879> 0.7) have an outer loading value of > 0.7 conditions can be concluded valid or can qualify.

Table 5: Usage Decision

Items	Outer Loading Results	Convergent Validity Terms	Conclusion
KP1	0.817	0.7	Valid
KP2	0.799	0.7	Valid
KP3	0.778	0.7	Valid
KP4	0.727	0.7	Valid
KP5	0.742	0.7	Valid

Source: SmartPLS Ver 4.0

Shows that the 5 item statements of the use decision variable have a value of KP1 (0.817> 0.7), KP2 (0.799> 0.7), KP3 (0.778> 0.7), KP4 (0.727> 0.7), and KP5 (0.742 > 0.7) the condition for outer loading is > 0.7 so that it can be concluded that it is valid or can fulfill the requirements.

Discriminant Validity

Discriminant validity or discriminant validity should not have a high correlation or it can be seen from the value of the cross loading factor which must be more than 0.7 and greater than the value of the other variables.

Items	Variable				
	KP	LK	P	PK	PM
LK1	0.402	0.794	0.458	0.608	0.520
LK2	0.400	0.805	0.406	0.434	0.290
LK3	0.314	0.745	0.319	0.383	0.336
PM1	0.539	0.421	0.323	0.671	0.871
PM2	0.517	0.503	0.369	0.696	0.847
PM3	0.607	0.443	0.317	0.700	0.906
PM4	0.642	0.388	0.363	0.791	0.901
PK1	0.650	0.490	0.429	0.876	0.784
PK2	0.665	0.549	0.480	0.909	0.735
PK3	0.503	0.403	0.299	0.782	0.610
PK4	0.532	0.615	0.520	0.756	0.547
P1	0.377	0.364	0.786	0.283	0.220
P2	0.501	0.474	0.911	0.552	0.421
P3	0.434	0.470	0.879	0.473	0.334
KP1	0.817	0.536	0.485	0.706	0.644
KP2	0.799	0.443	0.427	0.697	0.689
KP3	0.778	0.226	0.428	0.398	0.353
KP4	0.727	0.226	0.416	0.324	0.306
KP5	0.742	0.278	0.162	0.468	0.340

Source: SmartPLS Ver 4.0

Shows that each question item from financial literacy, perceived benefits, perceived convenience, income, and usage decisions is greater than the value of the cross loading variable > 0.7 so that all items meet the requirements of discriminant validity.

Average Variant Extracted (AVE)

Discriminant Validity can also be calculated by comparing the AVE (Average Variant Extracted) value. A variable in the requirements is > 0.5, it is stated that discriminant validity has been achieved

Variable	Average Variance Extracted (AVE)
LK	0.611
PM	0.781
PK	0.694
P	0.740
KP	0.598

Source: SmartPLS Ver 4.0

Shows the value of AVE (Average Variant Extracted) all variables have > 0.5 consisting of LK (0.611 > 0.5), PM (0.781 > 0.5), PK (0.694 > 0.5) P (0.740 > 0. 5) and KP (0.598 > 0.5). Thus it has been stated that the indicators and variables have achieved discriminant validity.

Composite Reliability

Through the composite reliability test, it can be seen that the consistency and stability test of the instrument in the study can be said to be highly reliable if the composite reliability value is more than 0.7.

Variable	Results	Composite Reliability Standards	Conclusion
LK	0.825	0.7	Reliable
PM	0.935	0.7	Reliable
PK	0.900	0.7	Reliable
P	0.895	0.7	Reliable
KP	0.881	0.7	Reliable

Source: SmartPLS Ver 4.0

Hypothesis test

hypothesis	Original Sample (O)	Sample Means (M)	Standard Deviations (STDEV)	Q Statistics	P Values
LK ➡ KP	0.003	0.011	0.086	0.034	0.973
PM ➡ KP	0.235	0.227	0.104	2,266	0.023
PK ➡ KP	0.421	0.429	0.122	3,445	0.001
P ➡ KP	0.202	0.201	0.087	2,327	0.020

Source: SmartPLS Ver 4.0

Shows that of the four hypotheses taken in this study H2, H3, and H4 can be accepted because the P - Value has a value of <0.05. Whereas the H1 hypothesis in this study was rejected because the P – Value has a value of > 0.05. So it can be concluded that the perceived benefits, perceptions of ease, and income have a significant influence on the use decision variable, but for the financial literacy variable it has no effect on the use decision variable.

DISCUSSION
The Effect of Financial Literacy on Decisions to Use

Based on the results of the hypothesis testing it was concluded that the hypothesis (H1) was not accepted where financial literacy did not affect the decision to use. Research

contradicts research (Herlinawati & Krisnawati, 2021) which results in financial literacy having an influence on usage decisions. This research is in line with (Pradini & Susanti, 2021) which provides an understanding that application users are not affected by high levels of literacy. Based on these results it can be concluded that the financial literacy level of generation Z does not affect the decision to use a digital wallet, this can be due to a lack of education in implementing an increase in financial understanding in generation Z.

Effect of Perceived Benefit on Decision Use

Based on the results of the hypothesis testing, it was concluded that hypothesis (H2) was accepted where the perceived usefulness influenced the decision to use. This research is in line with research (Widiyanti, 2020) which states that there is a positive influence between perceived benefits on usage decisions. This shows that the more benefits people receive, the higher the decision to use a digital wallet. Research (Mahyuni & National, 2022) shows that the perception of benefits is related to the decision to use a digital wallet. This shows that generation Z uses technology that is beneficial to them in conducting digital transactions such as helping performance, being accessible anywhere, increasing productivity and effectiveness.

The Effect of Perceived Convenience on Usage Decisions

Based on the results of the hypothesis testing, it was concluded that hypothesis (H3) was accepted where perceived ease of use influences the decision to use. This research is in line with research (Widiyanti, 2020) which states that there is a positive influence between perceived ease of use on decisions to use, this shows that the more convenience the community accepts, the higher the decision to use a digital wallet. Research (Mahyuni & National, 2022) shows that perceived convenience is related to the decision to use a digital wallet. This shows that generation Z uses technology that makes it easier for them to carry out digital transactions such as easy to use, easy to learn, flexible, and adds to technological knowledge.

The Effect of Income on the Decision to Use

Based on the results of hypothesis testing, it is concluded that hypothesis (H4) is accepted where income influences the decision to use. This research is in line with research (Polisoa et al., 2015) which states that there is a positive influence between income on usage decisions, this shows that the higher the income, the higher the tendency of people to use digital wallets. Research (Dewi et al., 2021) shows the result that income is related to the decision to use a digital wallet. Income can affect the decision to use a digital wallet because the higher a person's income level, the easier it will be to use a digital wallet application. High income will encourage the ability to use digital wallet applications compared to people who earn less or have no income.

CONCLUSSION

The purpose of this study was to determine financial literacy, perceived benefits, perceived convenience, and income on decisions to use the ShopeePay digital wallet in generation Z in North Bekasi City. Based on the data obtained, financial literacy has a negative effect on usage decisions, this shows that lack of awareness the community in managing finances, the perception of benefits has a positive effect on the decision to use this can indicate that the higher the benefits received by the community, the higher the decision to use it, the perceived ease of use has a positive effect on the decision to use this shows that people use technology that makes it easier for them to transact digitally , income has a positive effect on usage decisions. This shows that the higher a person's income, the easier it is to use the application at smart phone.

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