



# FINANCIAL ABILITY AND IMPULSIVE BUYING BEHAVIOR IN ONLINE PAYLATER SYSTEMS: CASE STUDY IN MARKETPLACE

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## ABSTRACT

*This study aims to test to analyze and measure the effect of financial Ability (capacity) on the Online Pay Later System and to analyze and measure the effect of Impulsive Buying Behavior on the Online Pay Later System. The object of this research is the people in the Municipality of Depok who use the online paylater system in several marketplaces (Shopee Paylater, Gopaylater, Ovo Paylater, Tokopedia Paylater, etc.). As many as 150 data were collected using the survey method with convenience sampling technique. Data analysis was performed using the SmartPLS application. The results of the study show that the PayLater Online System on the Marketplace is influenced by Financial Ability (capacity) and Impulsive Buying Behavior*

**KEYWORDS:** *Impulsive Buying Behavior, Financial Ability( Capacity), Online Paylater System*

## I. INTRODUCTION

development trend of e-commerce in the community has led to a change in people's behavior, which initially could only shop offline, now the whole community can shop very easily because it is enough to do it online from home and only need to prepare gadgets and the internet to shop online. . The change in people's behavior that has occurred has in fact been heavily influenced by customer perceptions regarding distance, price, promotions, places that have been set by the company so far because every online store always offers convenience (Sari, 2021).

Very rapid developments occurred in the payment system and became one of the factors supporting the development of e-commerce. The payment system, which is one of the factors supporting the stability of the financial system, is currently continuing to develop, as is the case with the development of a payment system that was originally cash only, now a digital system is available. The majority of payment methods provided by e-commerce are digital payments such as intra-bank transfers, virtual accounts, online credit cards, online debit cards, e-wallets, etc. However, cash payments can also be used as an option. Some e-commerce provide cash payments using the Cash On Delivery (COD) system where users can pay cash to the courier when the goods are delivered. Apart from the cash on delivery method, some e-commerce also provide cash payment options through mini markets. In recent years, since 2018 to be precise, a new payment method has been introduced to the public, namely paylater technology (Sari, 2021)

Various fintech product and service initiatives have emerged along with changes in the online lifestyle of people who feel fast and easy. People are encouraged to be able to meet their needs, such as shopping for a number of products to traveling here and there without having to wait to have enough money, because there is a PayLater digital credit card installment feature which is one of the trends that attracts the attention of millennials and Paylater is increasingly popular in a society that frequently shop *online* . Considered more practical, paylater is a facility that is now starting to replace credit cards . (bi.go.id, 2019 in Fanny, 2020).

The phenomenon of the mushrooming of marketplaces makes big shops and brands participate in the online market. Not only that, the application provider also makes a strategy so that users feel comfortable shopping. These strategies vary, for example by creating a user rank consisting of silver, gold, and premium members. To reach that rank, of course, you have to complete missions like in the game. The difference is, in this mission the user must complete shopping challenges. For example, you have to shop several times a month. Whether you realize it or not, it can make someone crazy shopping. This Paylater trend then makes many people tempted and complacent. This is due to the lifestyle of the Indonesian people who tend to be consumptive, so they can easily be tempted to own these goods. Not to mention, if *the e-commerce* provides a limit that will increase if customers actively use the *e-commerce platform* as a *reward* for customer loyalty. Not infrequently,

many people are entangled with this trend, so they have to accept the consequences of being ready to be terrorized by *debt collectors* who collect debts for the consumption patterns they do. In addition, even Debt Collectors do not hesitate to call several emergency numbers that Customers have provided during registration of the Paylater user. (Dani, 2021 kompasiana.com)



Source: Dailysocial.id

Picture. 1.1

The Most Frequently Used Paylater Service in Indonesia

DailySocial research (2019) in Fanny (2020) also shows that 51.9% of 347 respondents said that the PayLater that was most used so far this year belonged to OVO PayLater. Furthermore, the second position is occupied by Gopaylater and the third position is Shopee PayLater. Shopee is an e-commerce that has a PayLater facility as an alternative method of shopping payment in installments or paying in full at the maturity date of the loan by collaborating with peer to peer lending company PT Lentera Dana Nusantara (LDN). Shopee is the e-commerce that gets the highest number of shopping frequencies, namely 29%. While Tokopedia is in second place, followed by Lazada. However, Shopee is also in second place after Tokopedia in terms of the number of visitors, even though the frequency of shopping at Shopee is higher than Tokopedia (shopee.id, 2019 in Fanny 2020)

Table 1.1  
PayLater Service Comparison

Pembanding	GoPaylater	OVO Paylater	Shopee PayLater
Syarat pengguna	Meng-upgrade akun Gojek	Terpilih	Minimal 3 kali transaksi belanja
Saldo limit awal	Rp500.000,-	Rp1.000.000,-	Rp 450.000- Rp1.800.000,-
Tanggal Pengembalian	Sebelum tanggal 1	Sebelum tanggal 1	Sebelum tanggal 5
Bunga pinjaman	0-12 % per bulan	0-2,90 % per bulan	0-2,95 % per bulan
Cara aktifkan	Gojek	Tokopedia	Shopee
Penggunaan Fasilitas	Go-ride, Go-car, Go-bills, Go-tix dan Go-Shop.	Belanja melalui marketplace Tokopedia	Belanja melalui marketplace Shopee

Source: ovoid.com (2018); shopee.id (2018); gojek.com (2018), data is processed.

Table 1.1 shows a comparison of the most used services from Paylater. From the table it can be seen that Shopee PayLater is easier to apply in terms of how to activate it, the number of loan limits given is greater and the loan period given is longer.

A person's ability to choose a product is strongly influenced by his financial ability and can be seen in terms of his income. Consumer income level reflects how he should behave or choose a product to be used. Ability is the capacity of an individual to perform various tasks in a job. Ability is an up-to-date assessment of what a person can do and a person's ability to solve problems or manage their finances, whether obtained from salary or pocket money, which means referring to the economic situation where these conditions will affect product selection and purchasing decisions for a particular product (I Kamils, 2020) .

*Impulse* buying is a consumer tendency to buy a product spontaneously and immediately (Rook and Fisher, 1995). Meanwhile, according to Baumeister (2002) *impulsive buying* is a sudden impulse to buy a product, this purchase is unplanned or there is no initial intention to buy, where consumers will buy products on impulse without considering the long-term consequences of the purchase. *Impulsive buying* behavior occurs suddenly and the individual cannot resist the desire to buy an item even though the item is not a need or goal. In essence, impulsive buying is behavior when an individual feels a spontaneous urge to buy a product without planning beforehand. This behavior can be caused by two factors that come from the individual himself or from the market. (Sari 2021).

The development of *Artificial Intelligence* is in line with the growth of new businesses ( *Start-ups* ), especially in the accounting sector through *Financial Technology* ( *Fintech* ) with the rise of online loan applications , especially during the Covid-19 Pandemic. It cannot be denied that people's lifestyles have also changed with the ease of obtaining various needs through *online transactions*, this has also made it possible to increase *impulse buying* supported by hedonic values when shopping online, namely the feeling of joy and happiness from the *online shopping experience* . This requires strong *self-control* from society so that they are not trapped in a consumptive attitude. The purpose of this research is to prove empirically about:

1. To analyze and measure the effect of financial ability to the Online *Paylater System* .
2. To analyze and measure the influence of *Impulsive Buying Behavior* on the Online *Paylater System* .

## II. LITERATURE REVIEW

### *Paylater Online System*

Fintech is a combination of financial services and technology that changes the business model from conventional to moderate, initially paying face-to-face and carrying a certain amount of cash, can now make remote transactions by making payments that can be made in minutes or seconds (Hamdani, 2019). Fintech is currently gaining popularity with the PayLater feature, aka pay later. PayLater allows people to buy something, both goods and services in installments without using a credit card. With this fintech, of course it makes it easier for people to make any transactions. So that credit is also served in fintech. The PayLater feature is increasingly popular, because the PayLater payment feature can be used to pay 'later' for various kinds of transactions ranging from daily necessities such as online shopping to paying for traveling needs, such as buying airplane tickets, ordering hotels and filling out internet data packages (Hadijah, 2019) .

In mid-2018 the fintech company introduced a payment technology with the concept of installments without a credit card, namely Paylater. Currently, paylater has been widely adopted by e-commerce in Indonesia, ranging from entertainment companies, ticket and hotel bookings, marketplaces, to companies providing online transportation services (Nabila, 2020 in Sari, 2021). Paylater is an alternative payment method that adopts an online installment system without the need for a credit card. Several platforms are now beginning to adopt a lot of cardless credit installment technology (Quiserto, 2019 in Sari 2021).

Paylater in 2020 can already be enjoyed by the public on several online shopping platforms, ticket and hotel bookings, and online transportation. The advantages of Paylater are: 1. Easy registration process 2. Supervised by OJK 3. Flexible and fast 4. Special promos While Paylater's shortcomings include: 1. Interest is quite high 2. Fines 3. Data security. A preliminary study conducted by Sari (2021) on the results of data processing can be concluded that the ease of using paylater technology by e-commerce users in Indonesia is very good and paylater users tend to do impulse buying when shopping .

Some of the advantages of paylater which are a factor for consumers to use the pay later payment system for every shopping (Eria & Hadrika, 2021 in Purnama, et al 2022 ) include:

1. Easy registration process
2. Supervised by the financial services authority (OJK) Flexible and fast
3. There are special promos for paylater members
4. Convenience for consumers who do not have money to buy something according to their wishes and needs, consumers use a pay later system.

5. Assisting in urgent needs however, will cause problems afterwards. Meanwhile, there are disadvantages to using paylaters, including:
  1. The loan interest is quite high
  2. Fines for not paying on time
  3. Personal data security
  4. Being a consumptive individual who cannot be controlled because of some of the conveniences provided by the service provider, this will make the individual owe more to services

### Financial ability

Financial capability is an up-to-date assessment of what a person can do and a person's ability to solve problems or manage their finances, whether obtained from salary or pocket money, which means referring to the economic situation where these conditions will affect product selection and purchasing decisions for a particular product ( I Kamil, 2020)

According to Stephen (2007:57) in I Kamil 2020 that ability is the capacity of an individual to perform various tasks in a job. Ability is a current assessment of what a person can do. Basically ability consists of two groups of factors, namely:

1. Intellectual ability is the ability needed to carry out various mental activities to think, reason and solve problems.
2. Physical ability, namely the ability to perform tasks that require stamina, skill, strength and similar characteristics.

Indicators of financial capability are:

- a. Financial capability
- b. Manage finances

### Impulsive Buying Behavior

*Impulsive buying behavior* is defined as buying actions that were not previously consciously recognized as a result of a consideration or purchase intention that was formed before entering the store. Shopping is a fun activity for most people, so for some people it is difficult to separate from shopping habits. For some people, the spending model has experienced shifts and changes. People make purchases not only based on needs, but because they want to fulfill the desires that arise within themselves. This shopping activity is called buying based on impulsiveness , or the process of buying an item, where the buyer has no intention to buy beforehand, it can be said to be a purchase without a plan or an instant purchase. (Intan Ayu, 2020).

The indicators used to measure *impulsive buying behavior* are as follows:

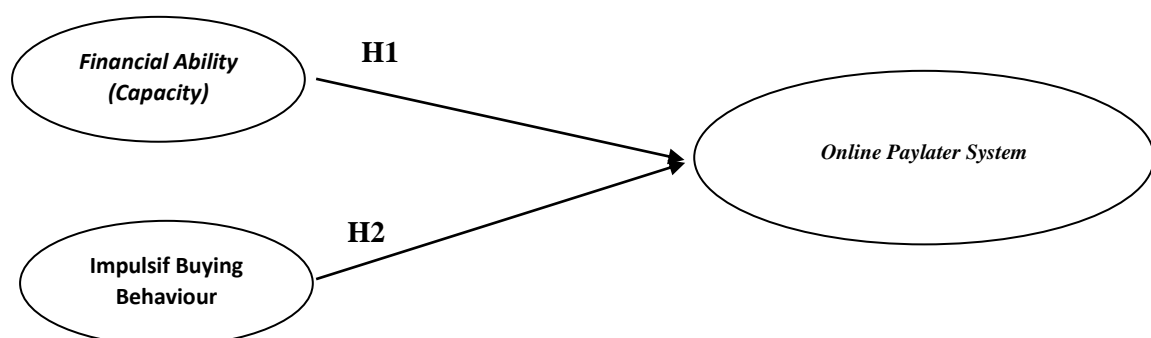
1. Spontaneous buying, is a situation where customers often buy something without planning it first.
2. Purchase without thinking about the consequences, is a situation where customers often make purchases without thinking in advance about the consequences of the purchase done.
3. Rush buying, is a situation where customers often feel that they are too hasty in buying something.

Buying influenced by emotional state, is a customer evaluation where the customer does shopping activities influenced by the emotional state felt \_ ( Aprilia Eka . 2014) .

### Conceptual Framework and Preliminary Study

The framework in this study is to describe the influence between the independent variables and the dependent variable as follows:

Picture 2 .1  
Research Conceptual Framework



Several preliminary studies include, Sari (2021) with the title " *The Effect of Using Paylater on the Impulse Buying Behavior of E-Commerce Users in Indonesia* ". This study found that the ease of using paylater technology by e-commerce users in Indonesia is very good and paylater users tend to do impulses buying moment shopping , I Kamil (2020) with the title " *The Influence of Financial Capability, Convenience and Security on the Behavior of Financial Technology Use Systems (Empirical Studies on Cashless Payment Users Jakarta, Bogor, Depok, Tangerang and Bekasi 2019)* ". This research found that Financial Capability, Convenience and Security have a positive and significant effect on the System for Using Financial Technology (Fintech) and Ayu (2020) with the title " *The Influence of Lifestyle, Religiosity, Impulsive Buying, Hedonism and Prices on Purchasing Decisions at Online Stores Social Media With Self Control As Intervening Variables (Studies on Sharia Economics Students at Sunan Ampel State Islamic University and Islamic Economics at Airlangga University Surabaya)* " This study found that from the *original sample test* there were four variables that had a positive effect and seven variables that had a negative effect. Partially the religiosity variable has a negative and insignificant effect on purchasing decisions, the *impulsive buying variable* has a positive and not significant effect on purchasing decisions, the hedonism variable has a positive and significant effect on purchasing decisions, the price variable has a negative and insignificant effect on purchasing decisions, lifestyle variables have an effect negative and not significant to *self control*, religiosity variable has negative and not significant effect to *self control*, *impulsive buying variable* has negative and not significant effect to *self control*, hedonism variable has positive and significant effect to *self control*, price variable has positive and significant effect to *self control* and the *self control variable* has a negative and insignificant effect on purchasing decisions

## Hypothesis

### 1. The Effect of Financial Ability against the Online Pay Later System .

capability is an up-to-date assessment of what a person can do and a person's ability to solve problems or manage their finances, whether obtained from salary or pocket money, which means referring to the economic situation where these conditions will affect product selection and purchasing decisions for a particular product ( I Kamil, 2020). In this research in order . Based on this description, the research hypothesis is as follows:

***H1 : Financial Ability Influencing the Online Pay Later System***

### 2. The Influence of Impulsive Buying Behavior against the Online Pay Later System .

*Impulsive buying behavior* is defined as buying actions that were not previously consciously recognized as a result of a consideration or purchase intention that was formed before entering the store. Shopping is a fun activity for most people, so for some people it is difficult to separate from shopping habits. For some people, the spending model has experienced shifts and changes. People make purchases not only based on needs, but because they want to fulfill the desires that arise within themselves. This shopping activity is called buying based on impulsiveness , or the process of buying an item, where the buyer has no intention to buy beforehand, it can be said to be a purchase without a plan or an instant purchase. (Intan Ayu, 2020). In Sari's research (2021) he found that the ease of using paylater technology by e-commerce users in Indonesia is very good and paylater users tend to do impulses buying moment shop. Based on this description, the research hypothesis is as follows:

***H2 : Impulsive Buying Behavior Influencing the Online Pay Later System***

## III. RESEARCH METHODS

### Research methods

This study uses a causal research method that aims to examine the effect, between a variable (Independent /  $X_n$ ) with other variables (Dependent Variable /  $Y_n$ ). In this case it consists of:  $X_1$  = Financial Ability  $X_2$  = *Impulsive Buying Behavior* , and  $Y$  = *Online Paylater System* . This research requires hypothesis testing with statistical tests .

### Variable Definitions and Operations

definition of a variable is a definition given to a variable by giving meaning or providing an operation needed to measure that variable. The Operational Definition of Variables used by the author in preparing the research are

#### 1. Financial Ability

The indicators of the financial capability variable ( $X_1$ ) are:

1. Financial capability
2. Manage finances

#### 2. *Impulsive Buying Behavior*

Indicators used to measure *impulsive buying behavior* (X2) as follows:

1. Spontaneous buying, is a situation where customers often buy something without planning it first.
2. Purchase without thinking about the consequences, is a situation where customers often make purchases without thinking in advance about the consequences of the purchase done.
3. Rush buying, is a situation where customers often feel that they are too hasty in buying something

### 3. Online Paylater System

The *Online Pay Later system* is measured by the following indicators:

1. Varied Tenors (Some Up to 1 Year) The choice of tenor or payment term can also be adjusted to the wishes and abilities of consumers (buyers). The PayLater tenor varies in various e-commerce and e-wallets, starting from 1 month to 12 months. The shorter the tenor chosen, the smaller the interest may be. In fact, some e-commerce only charge 1% interest for those who choose a 1-month tenor.
2. Lots of Attractive Promos The more widespread the development of the PayLater feature, the more companies are providing attractive promos for users who use the feature when shopping. So, the existence of this promo is also one of the reasons why many people are tempted to use this payment method . .

### Population and Research Sample

Population can be interpreted as a generalization area which consists of: objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then drawn conclusions. So the population is not only people, but also objects and other natural objects. The population is also not just the number of objects/subjects being studied, but includes all the characteristics/traits possessed by that subject or object. (Sugiyono 2018). The population used in this study were users of the Online Paylater System in the Municipality of Depok. The sampling technique in this study was the Convenience Sampling technique, by distributing questionnaires to Users of the Online Paylater System in the Municipality of Depok. The sample is a part of a particular population that is of concern (Suharyadi and Purwanto, 2004: 323 in Annisa Heny 2018). The sample in the study is Online Paylater System Users in the Municipality of Depok who have characteristics that match those needed in research and can be used as respondents. Determining the number of representative samples according to Hair et al. (1995 in Annisa Heny 2018) the required sample size is between 5 - 10 times the number of parameters. With the number of research parameters, in this case the number of construct indicators as many as 30, then the ideal number of respondents is between 100-200 respondents. Based on the calculation of the 30 x 5 construct indicators, the minimum sample is 150 respondents.

### Partial Analysis Method Least Square

In this study, data analysis used the *Partial Least Square* (PLS) approach. According to Field (in Abdillah & Hartono, 2015: 161) *Partial Least Square Analysis* (PLS) is a multivariate statistical technique that makes comparisons between multiple dependent variables and multiple *independent variables* . PLS is a variant-based SEM statistical method designed to solve multiple regression when specific problems occur in the data, such as small study sample sizes, *missing values* , and multicollinearity.

According to Abdillah & Hartono (2015: 180) parameter estimation carried out on the measurement model and structural model in PLS is divided into three categories. First, the *weight estimate* is used to produce latent variable scores. Second, the path estimate that reflects the weight of the contribution of variations in changes in the *independent* variable to the dependent variable. The weight produces a value of  $R^2$  that appears in the *dependent variable* . Third, is the average score ( *mean* ) and the regression constant for latent variables. The PLS iteration process consists of three stages. The first iteration produces a *weight estimate* performed in the algorithm integration. Weight estimate used as a parameter of the validity and reliability of the instrument. Second iteration produce *inner* and *outer model* values . *The inner model* is used as a significance parameter in hypothesis testing while the outer model is used as a construct validity parameter (reflective and formative). The third iteration produces the mean score and the latent variable constant which is used as a parameter, the nature of the causality relationship and the average sample value. generated.

### 1. Measurement Model ( *Outer models* )

*The outer model* or measurement model describes the relationship between the indicator blocks and their latent variables (Abdillah & Hartono, 2015: 188). The measurement model itself is used to test the construct validity and instrument reliability. The validity test was carried out to determine the ability of the research instrument to measure what should be measured (Cooper et al., 2006 in Abdillah & Hartono, 2015: 194). The reliability test is used to measure the consistency of measuring instruments in measuring a concept or

it can also be used to measure the consistency of respondents in answering question items in questionnaires or instruments study.

#### A. Validity test Construct

Construct validity shows how well the results are obtained from the use of a theory used to define a construct (Hartono, 2008 in Abdillah & Hartono, 2015: 195).

#### B. validity Convergent

Convergent validity occurs if the scores obtained from two different instruments that measure the same construct have a high correlation (Hartono, 2008:63 in Abdillah & Hartono, 2015:195). Another method used to assess discriminant validity is to compare the AVE roots for each construct with correlations Among construct with other constructs in the model. models have discriminant validity \_ which enough if root AVE for every construct greater than the correlation between constructs and other constructs in the model (Chin, Gopal & Salinsbury, 1997 in Abdillah & Hartono, 2015: 196). AVE can be calculated by the following formula:

$$AVE = \frac{(\sum \lambda_i)^2}{(\sum \lambda_i)^2 + \sum \text{var}(\epsilon_i)}$$

Where:

$\lambda_i$  is the loading factor (convergent validity), and  $\epsilon_i = 1 - \lambda_i^2$ . Fornell and Larcker in Ghazali (2013) state that this measurement can be used to measure reliability and the results are more conservative than the composite reliability value ( $\rho_c$ ).

#### C. validity Discriminant

Discriminant validity occurs if two different instruments that measure two constructs that are predicted to be uncorrelated produce scores that are not correlated (Hartono, 2008:64 in Abdillah & Hartono, 2015:195).

#### D. Reliability Test

Reliability shows the accuracy, consistency, and accuracy of a measuring instrument in making measurements (Hartono, 2008a in Abdillah & Hartono, 2015: 196). Reliability test in PLS can use two methods, namely *Cronbach's Alpha* and *Composite reliability*. *Cronbach's alpha* measures the lower limit of the reliability value of a construct, while *composite reliability* measures the actual value of the reliability of a construct (Chin, 1995 in Abdillah & Hartono, 2015: 196).

## 2. Structural Model ( Inner models )

*inner model* or structural model describes the causal relationship between latent variables which is built based on theoretical substance (Abdillah & Hartono, 2015: 188). The structural model in PLS is evaluated by using  $R^2$  for the dependent construct, path coefficient values or *t-values* for each path to test the significance between constructs in the structural model. The value of  $R^2$  is used to measure the level of variation in the independent variable changes to the dependent variable.

## IV . ANALYSIS OF RESULTS AND DISCUSSION

The data that has been collected from the questionnaires that have been distributed are tabulated with aim as tool analysis data. Results tabulation the processed using programs SPSS version 21.0 which generates the description statistics variable research, like which looked at table 4.1 following:

Table 4.1  
Description Statistics Respondents

Variable	N	Minimum	Maximum	Means	std. Deviation
Online Paylater System (Y)	150	35	65	38,19	2,2 88
Financial ability (Capacity) (X1)	150	29	55	35,25	2,1 91
Impulsive Buying Behavior (X2)	150	30	40	32,54	2,156

Source: Data primer treated, 2022

Based on table 4.1 above, it shows that the number of respondents (N) in this study was 100 respondents. In the *Online Pay Later System (Y)* variable, respondents gave the lowest value of 35 and the highest value was 65 and the average respondent gave a value of 38.19 with a standard deviation of 2.288.

On the variable Financial Capability (X1) respondents gave the lowest score of 29 and the highest score of 55, with an average value of 35.25 and a standard deviation of 2.191.

While on the *Impulsive Buying Behavior variable* (X2), the minimum respondent's answer is 24 and the maximum is 40, with an average value of 32.54 and a standard deviation of 2.156.

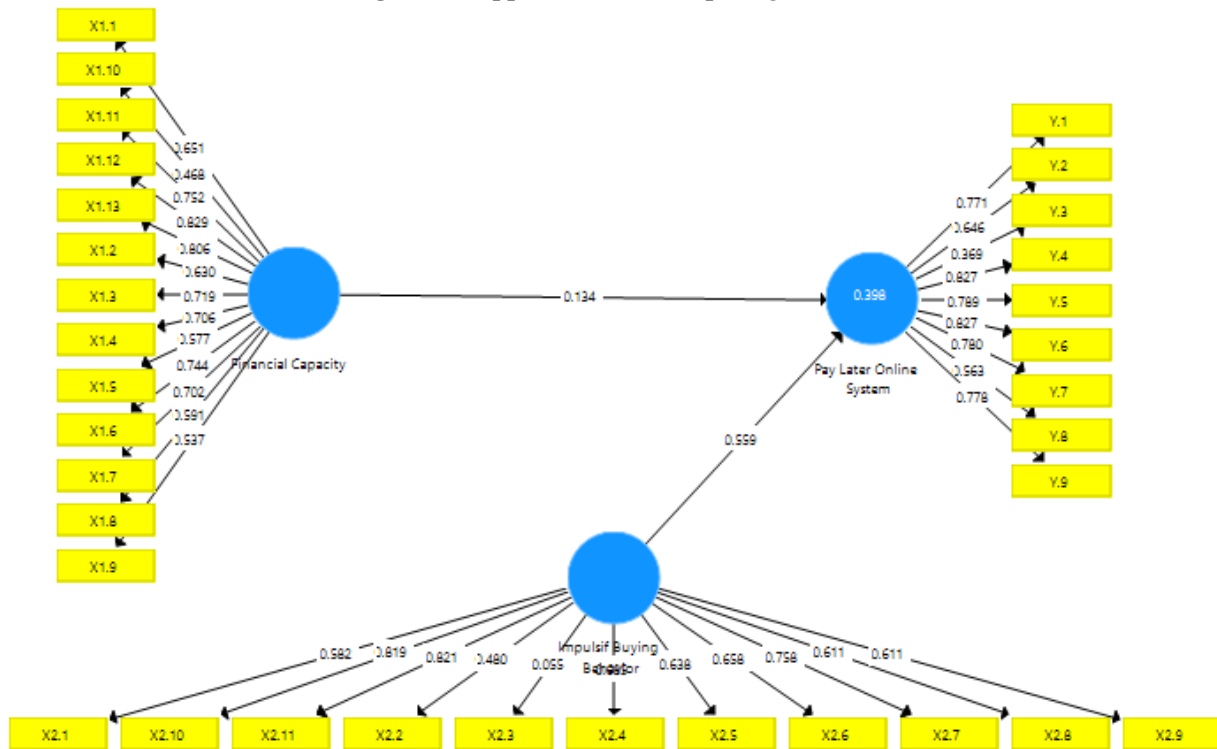
From the table above it can also be seen that all the variables in this study show a standard deviation smaller than the mean value, this indicates that there is low variation between the maximum and minimum values during the observation period, or in other words there is no large enough gap in the quality of variable data. -the variable of this research is good data

**Analysis Data**

**1. Evaluation Measurements (Outer) Model**

The measurement model for validity test and reliability, coefficient model determination and path coefficients for the equation model, can be seen in picture 4.1 follows:

**Figure 4.1 Appearance Results pls Algorithm**



**2. Convergent validity**

**Table 4.2**  
**AVE and communality**

	<b>AVE</b>	<b>Communality</b>
Financial ability (Capacity) (X1)	0.460	0.992
Impulsive Buying Behavior (X2)	0.413	0.972
Online Paylater System (Y)	0.519	0.903

Source: Processing data with pls, 2022

validity convergent from model measurement with use indicator reflective rated based on *loading factor* indicators which measure the construct. Based on the results of testing the measurement model shown in Figure 4.1 and table 4.2 can be explained as follows:

- a. Construct Financial ability be measured with use X1.1 - X1.13. All indicator have factor loading above 0.7, and *communality* > 0.5 while AVE 0.460 < 0.5.





- b. Construct *Impulsive Buying Behavior* be measured with use X2. 1- X2. 1 1 . All indicator have factor loading on 0.7, and *communality* > 0.5 while AVE 0.413 < 0.5
- c. Construct *Online Pay Later System* be measured with use Y1- Y9 . \_ All indicator have factor loading above 0.7, and *communality* > 0, while AVE 0, 519 > 0.5.

Based on results factor loading on so could concluded that construct have *convergent validity* which both on the *Online Pay later System* variable .

From Table 4.2 it is known that the AVE value of each construct is still there is which is at in lower 0.5. By because that still there is problem *convergent validity* on model which tested so that construct in model study this needs to be modified.

### 3. Discriminate Validity

Testing *discriminant validity* done for prove is indicator on something construct will have *loading factor* biggest on construct that is formed from the loading factor with another construct. Could seen *cross loading* on table 4.3 follows:

**Table 4.3**  
Cross loading

	Financial Ability (X1)	Impulsive Buying Behavior (X2)	Online Pay Later System (Y)
X1.1	0.651	0.206	0.124
X1.10	0.468	0.139	0.040
X1.11	0.752	0.272	0.178
X1.12	0.829	0.268	0.228
X1.13	0.806	0.502	0.527
X1.2	0.630	0.134	0.083
X1.3	0.719	0.220	0.189
X1.4	0.706	0.214	0.228
X1.5	0.577	0.315	0.313
X1.6	0.744	0.294	0.186
X1.7	0.702	0.464	0.287
X1.8	0.591	0.106	0.083
X1.9	0.537	0.224	0.114
X2.1	0.398	0.582	0.175
X2.10	0.386	0.819	0.693
X2.11	0.392	0.821	0.711
X2.2	0.334	0.480	0.190
X2.3	0.404	0.055	0.032
X2.4	0.299	0.685	0.300
X2.5	0.334	0.638	0.333
X2.6	0.153	0.658	0.212
X2.7	0.230	0.758	0.297
X2.8	0.216	0.611	0.190
X2.9	0.205	0.611	0.250
Y.1	0.250	0.566	0.771
Y.2	0.142	0.283	0.646
Y.3	0.073	0.224	0.369
Y.4	0.329	0.538	0.827
Y.5	0.355	0.413	0.789
Y.6	0.386	0.493	0.827
Y.7	0.324	0.449	0.780
Y.8	0.302	0.351	0.563
Y.9	0.244	0.538	0.778

Source: Processing data with pls, 20 2 2

Based on table 4.3 in on, show mark *cross loading* also shows good *discriminate validity* because of the correlation value indicator to the construct is higher than the correlation indicator value with construct other.

Table the also show that indicators *Financial capability* also has a higher *loading factor* value than *loading factor* with construct which other. Matter similar also looked on indicator *Impulsive Buying Behavior* . Thus, the latent construct predicts the indicators on the block they better compared to the indicators on the block which other.

#### 4. Composite Reliability dan Cronbach’s Alpha

In addition to the construct validity test, a construct reliability test was also carried out which be measured with *composite reliability* and *cronbach's alpha* from indicator block which measure construct. Following this is results testing *compositereliability* and Smart 's *cronbach's alpha* pls:

**Tabel 4.4**  
**Composite Reliability dan Cronbach’s Alpha**

Construct	Composite Reliability	Cronbach Alpha
Financial Ability (Capacity) (X1)	0,915	0,908
Impulsif Buying Behaviour (X2)	0,875	0,860
Sistem Online Paylater (Y)	0.903	0.878

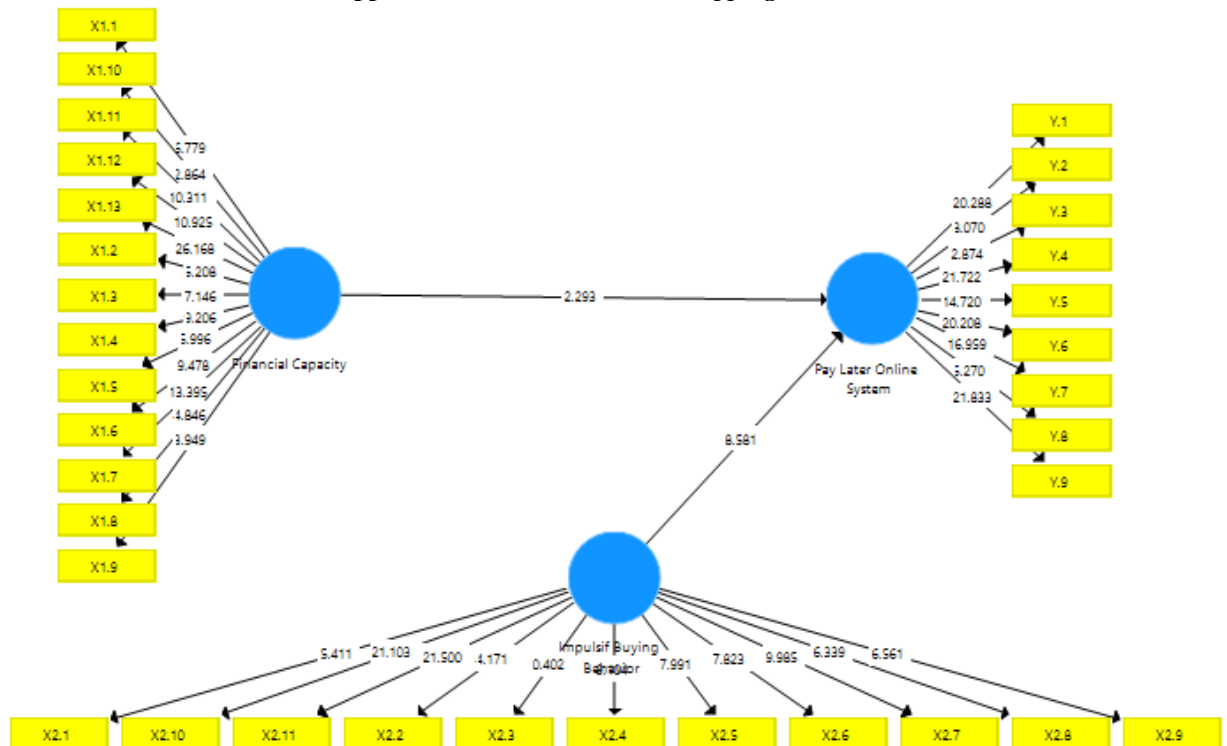
Source: Management data with pls, 2022

A construct is declared reliable if it has a *composite reliability value* at above 0.70 and *cronbach's alpha* above 0.60. From the SmartPLS output above all constructs have a *composite reliability value* above 0.70 and *Cronbach's alpha* above 0.60. So it can be concluded that the construct has reliability which good.

#### 5. Testing Structural Model (Inner Model)

The structural model in PLS is evaluated using  $R^2$  for variable dependent and mark coefficient *path* for variable independent which then its significance is assessed based on the *t-statistic value of each path* . As for model research structure this can be seen on picture following:

**Picture 4.2**  
**Appearance Results PLS Bootstrapping**



For evaluate significance model prediction in testing modelstructurally, it can be seen from the *t-statistic value* between the independent variables to the variables dependent in *Paths table coefficient on output SmartPLS* below this

**Tabel 4.5**  
**Path Coefficients (Mean, STDEV, t-Value)**

	Original Sample Estimate	mean of subsamples	Standarddeviation	T-Statistic
<b>Financial Ability (Capacity) -&gt; Online Paylater System</b>	0.134	0.153	0.058	2.303
<b>Impulsive Buying Behavior -&gt; Online Paylater system</b>	0.559	0.5 77	0.0 59	9,532

Source: Processing data with pls, 2022

## Testing Hypothesis

### 1. Testing hypothesis H1

From table 4.5 above it can be seen the value of the *original sample estimate* Financial Capability is of 0.134 with a significance below 5% as indicated by the t-value statistic 2 , 303 is greater than the t-table value of 0 , 676 . *Original sample value a positive estimate* indicates that, Financial Capability has a positive effect to *the Online Pay Later System* . Based on the regression results could concluded that **the first hypothesis (H1) is accepted.**

### 2. Testing hypothesis H2

The second test was conducted to see whether *Impulsive Buying Behavior* positive effect on *the Online Pay Later System* . Results testing could seen from table 4. 5 in on, *Impulsive Buying Behavior to the Online Pay Later System* obtain mark *original sample estimate* of 0.5 59 with a t- statistic value of 9 .532 > 0.676 which means *Impulsive Buying Behavior* positive effect on *the Online Pay Later System* with level significance on 5% (significant). Based on results testing the could concluded that **hypothesis second (H2) accepted** .

## Discussion

### 1. The Effect of Financial Capability on the Online Pay Later System in the Marketplace

Based on the results of testing the first hypothesis it can be concluded that variable Financial ability has a positive effect to *the Online Pay Later System* . Results study this in line with study I Kamil (2020) ) found that fact Financial Capability, Convenience and Security have a positive and significant effect on the Financial Technology (Fintech) Utilization System . In the results of this study it can be assumed because the smaller a person's financial ability, the more likely that person is to use the *online paylater system* in transactions on the marketplace and if someone has high enough financial ability, the less likely that person is to use the *online paylater system* in transactions on marketplace . But apart from these assumptions, being financially savvy plays an important role in order to be wiser in managing finances and wise in e-commerce transactions on the marketplace , especially for people in the Municipality of Depok.

### 2, The Influence of Impulsive Buying Behavior on the Online Pay Later System in the Marketplace

Based on the results of testing the second hypothesis it can be concluded that variable *Impulsive Buying Behavior* positive effect on *the Online Paylater System* . Results study this in line with study Sari (2021) found that the ease of using paylater technology by e-commerce users in Indonesia Indonesia is very good and paylater users tend to do impulses buying moment shop . The results of this study significantly explain that by using the *online system paylater* is at on category very good. Matter the means that *Paylater Online System* which is a new technology in digital payments used very well by user *e-commerce* on the *marketplace* at Indonesia. and *impulses buying behavior* from user *Paylater Online System* in Indonesia is at on category enough tall. It means that user *Paylater Online System* tend still often do *impulse buying* in online shopping on *e-commerce* in various *marketplaces* that offer payments using *the online paylater system method*, especially for people in the Depok Municipality area .



## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

Based on the results of the discussion in the previous chapter, some conclusions from the results of this study are summarized as follows:

1. Financial ability has a positive effect to *the Online Pay Later System*. In the results of this study it can be assumed because the smaller a person's financial ability, the more likely that person is to use the *online paylater system* in transactions on the marketplace and if someone has high enough financial ability, the less likely that person is to use the *online paylater system* in transactions on marketplace. But apart from this assumption, being financially savvy plays an important role so that you are wiser in managing finances and wise in e-commerce transactions on marketplaces, especially for people in the Municipality of Depok.
2. *Impulsive Buying Behavior* positive effect on *the Online Pay Later System*. The results of this study significantly explain that by using the *online system paylater* is at on category very good. Matter the means that *Paylater Online System* which is a new technology in digital payments used very well by user *e-commerce* on the *marketplace* at Indonesia, and *impulses buying behavior* from user *Paylater Online System* in Indonesia is at on category enough tall. It means that user *Paylater Online System* tend still often do *impulse buying* in online shopping on *e-commerce* in various *marketplaces* that offer payments using *the online paylater system method*, especially for people in the Depok Municipality area

### Suggestion

The suggestions in this study are:

1. The next researcher looks for research areas because in this study it is only limited to individual taxpayers in the Municipality of Depok. The research is limited to survey methods without direct interviews.
2. *online paylater* system providers, it is more important to provide detailed information and understanding regarding the advantages and risks and sanctions in using *the Online Paylater System*.

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