EXPLORING THE DYNAMICS OF PAY LATER IN E-COMMERCE: TRUST, SECURITY, SATISFACTION, AND CONTINUANCE INTENT

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ABSTRACT

The ever-evolving landscape of the financial technology (FinTech) sector has witnessed a surge in the popularity of non-cash transactions on e-commerce platforms. Among these, the Pay Later option has gained considerable prominence as it allows users to defer payments, akin to traditional credit cards. This research delves into the crucial factors influencing users' intention to continue using the Pay Later feature on e-commerce platforms, with a particular focus on the role of user satisfaction. We conducted an online survey using Google Forms to collect empirical data, targeting Pay Later users on e-commerce apps within the Jabodetabek region. Our study comprised a purposive sample of 401 respondents. The data was subjected to advanced statistical analysis, specifically variance-based structural equations modeling (SEM) employing the partial least squares (PLS) path modeling approach facilitated by SMARTPLS 3.0. Our findings indicate that user perception of security, trust, and user interface directly impacts their intention to continue using Pay Later. However, perceived enjoyment and perceived usefulness did not exhibit a direct correlation with continuance intention. Notably, user satisfaction emerges as a crucial mediator in the relationship between perceived security, trust, perceived usefulness, perceived enjoyment, and user interface on the one hand and users' intention to continue utilizing Pay Later on the other. The implications of this study extend to stakeholders in the e-commerce industry, offering valuable insights that can be harnessed to enhance customer continuance intention and foster the widespread adoption of the Pay Later system within e-commerce platforms.

ABSTRAK

Lanskap yang terus berkembang dalam sektor teknologi keuangan (FinTech) telah menyaksikan lonjakan popularitas transaksi non-tunai di platform e-commerce. Di antara ini, opsi Bayar Nanti telah mendapatkan perhatian besar karena memungkinkan pengguna menunda pembayaran, mirip dengan kartu kredit tradisional. Penelitian ini menggali faktor-faktor penting yang memengaruhi niat pengguna untuk terus menggunakan fitur Bayar Nanti di platform e-commerce, dengan fokus khusus pada peran kepuasan pengguna. Kami melakukan survei online menggunakan Google Forms untuk mengumpulkan data empiris, menargetkan pengguna Bayar Nanti di aplikasi e-commerce di wilayah Jabodetabek. Studi kami terdiri dari sampel yang dipilih secara sengaja dari 401 responden. Data tersebut dikenakan analisis statistik lanjutan, khususnya pemodelan persamaan struktural berbasis varian (SEM) menggunakan pendekatan pemodelan jalur least squares parsial (PLS) yang difasilitasi oleh SMARTPLS 3.0. Temuan kami menunjukkan bahwa persepsi pengguna terhadap keamanan, kepercayaan, dan antarmuka pengguna secara langsung memengaruhi niat mereka untuk terus menggunakan Bayar Nanti. Namun, persepsi kesenangan dan manfaat yang dirasakan tidak menunjukkan korelasi langsung dengan niat kelanjutan. Terutama, kepuasan pengguna muncul sebagai mediator penting dalam hubungan antara persepsi keamanan, kepercayaan, manfaat yang dirasakan, kesenangan yang dirasakan, dan antarmuka pengguna di satu sisi dan niat pengguna untuk terus menggunakan Bayar Nanti di sisi lain. Implikasi dari penelitian ini melibatkan para pemangku kepentingan di industri e-commerce, menawarkan wawasan berharga yang dapat dimanfaatkan untuk meningkatkan niat kelanjutan pelanggan dan mendorong adopsi luas sistem Bayar Nanti dalam platform e-commerce.

Keywords: Perceived Security, Trust, Perceived Usefulness, User Interface, Confirmation, Satisfaction, Continuance Intention

***Kata Kunci:** Persepsi Keamanan, Kepercayaan, Persepsi Manfaat, Antarmuka Pengguna, Konfirmasi, Kepuasan, Niat Kelanjutan*

ARTICLE INFO

INTRODUCTION

The rapid advancement of technology has exerted a discernible influence across diverse domains. Among these, financial transactions have emerged as a prominent focal point. As of 2021, the Southeast Asian region has been anticipated to serve as the cradle for more than a quarter of nascent financial technology enterprises (Annisa, 2023). Indonesia, in particular, has assumed a leadership role in this technological revolution. Notably, one of the pioneering innovations from this trajectory is the Pay-Later system, which offers a distinctive payment mechanism permitting installment-based transactions without a credit card. This payment system has garnered extensive adoption within various e-commerce platforms in Indonesia, spanning entertainment enterprises, ticket and hotel reservation services, online marketplaces, and ride-hailing providers. Research conducted by the Katadata Insight Center (2021) has unveiled a progressive upsurge in Pay-Later users, while e-wallets continue to serve as the primary choice for e-commerce transactions.

Furthermore, a study by Kredivo predicts a surge in the utilization of Pay-Later in 2022 compared to the preceding year (Ariningsih et al., 2022). Data from Hootsuite (2022) reaffirms this trend, underscoring the pervasive dominance of e-commerce platforms in community engagements. Among these activities are product or service acquisitions (60.6%) and adopting the Pay-Later system (43.3%). This empirical evidence underscores the enticement of online marketplaces for Indonesian consumers who exhibit a proclivity for frequent weekly shopping. Nonetheless, a significant challenge looms in establishing trust in non-cash payment methods. A noteworthy portion of the populace still prefers cash transactions, driven by concerns relating to technological dependency and infrastructural vulnerabilities (Prima Network, 2020).

Fintech enterprises must comprehensively understand the determinants driving users' strong proclivity towards Pay-Later services, as this comprehension holds pivotal significance for their overall success. The central goal is the attainment of user satisfaction, a paramount objective in ensuring that users perceive the value derived from a service to be in line with their expectations, as elucidated by Yassierli et al. (2018). According to Yassierli and colleagues, user satisfaction fosters positive behaviors, including a continued commitment to service utilization. In light of this, it is crucial to explore the role of user satisfaction as a mediating factor in the context of Pay-Later service adoption. Simultaneously, the perceived level of security has been recognized as influencing users' intention to continue using Pay-Later services, as noted by Novita and Budiarti (2022). This disparity underscores lingering reservations among certain customers when embracing such services. Consequently, fintech companies must take measures to ensure and effectively communicate the security of user transactions. Customers who feel secure in their transactions are more likely to experience satisfaction and sustain their utilization of these services.

In addition to security considerations, the design and usability of the system's interface emerge as another pivotal factor shaping user engagement. Research conducted by Tan and colleagues (2020) implies that the more intuitive and user-friendly the interface, the greater the likelihood of users continuing to engage with the services. Against this backdrop, this study endeavors to conduct an in-depth examination of the factors that directly and indirectly impact the intention of Pay-Later users to continue their usage. Notably, the user interface assumes a pivotal role in molding user satisfaction. A well-crafted and user-friendly interface can substantially elevate the user experience, thereby potentially influencing the intention to persist in service usage.

LITERATURE REVIEW

Electronic commerce, commonly referred to as e-commerce, encompasses sharing business information, maintaining business relationships, and the execution of business transactions through telecommunications networks, as originally defined by Zwass (1996). E-commerce technology empowers businesses with an unprecedented capability to establish direct communication channels with their target markets. The availability of active content, personal identification through mechanisms like 'cookies' or the exchange of digital certificates, and the utilization of advanced customer databases have enabled businesses to foster highly personalized relationships with their clientele, as noted by Meyer and Taylor (2000), Bhat et al. (2016), and Wang et al. (2021). This digital realm of commerce has experienced explosive growth, particularly in emerging economies. Nevertheless, a significant disparity persists between online and conventional brick-and-mortar transactions. An integral facet of e-commerce, as underscored by Yang et al. (2021), is the safeguarding of personal data. Incorporating robust data transmission systems, reinforced by dependable electricity infrastructures, is paramount in cultivating user trust and ensuring the overall success of e-commerce platforms.

The Pay-Later system represents an innovative evolution of the peer-to-peer lending (P2P) model. In this configuration, an intermediary, distinct from conventional banks, connects the lender and the borrower. The unique appeal of this system lies in its flexibility, allowing consumers to facilitate online installment payments without the reliance on credit cards as a prerequisite. This payment method has witnessed widespread adoption across a spectrum of Indonesian e-commerce platforms, encompassing diverse sectors ranging from entertainment to essential services.

Much like many other digital services, the domain of Pay-Later systems heavily relies on user satisfaction. Satisfaction in this context refers to the contentment or disappointment experienced by users of a product or service, which is assessed by comparing the actual performance after use to the initial expectations before use, as defined by Kotler and Keller (2016). Tam (2004) explains that user satisfaction materializes when there is a harmonious alignment between the perceived value users derive from a service and their preconceived expectations. This perspective is also supported by Yassierli et al. (2018), who contend that content users tend to exhibit loyalty and a higher inclination toward sustained service use.

The intricate interplay between satisfaction and the intention to continue using a service is not merely theoretical; it finds empirical support in various studies. For example, Razak et al. (2021) conducted a study on e-campus platforms and determined that satisfaction significantly influences users' intention to continue using these platforms. This finding was further corroborated when Razak et al. (2021) identified satisfaction as a mediator that bridges the relationship between system quality and the persistent intent to use e-campus platforms. Studies by Yin and Lin (2022) and Inan et al. (2021) also demonstrate that satisfaction has a notably positive impact on the continued use of mobile banking. When users perceive that mobile banking benefits them, they are more likely to exhibit the behavior of continued usage. A similar study was conducted by Yulida et al. (2023), where customer experience and sales promotion exhibited a positive relationship with repurchase intention.

The realm of social media similarly offers insights into this dynamic. Mouakket (2015) delved into the world of Facebook and found that user satisfaction plays a pivotal role in determining the intention to continue using the platform. Interestingly, the study also revealed that habitual usage patterns mediate the relationship between satisfaction and the intent to continue using the platform. Masrani et al. (2023)

investigated open and distance learning institutions in the context of education. They found that learner satisfaction directly and significantly influences their intention to continue, underscoring the universality of the satisfaction-continuance intention relationship across diverse domains. Private universities in Indonesia can benefit significantly from social media, providing them with advantages like enhanced visibility, broader outreach, and cost-efficient marketing. These institutions can utilize social media platforms to connect with their intended audience, establish their brand's recognition, and market their academic programs and offerings (Mandagie & Rana, 2023).

Zooming out to a broader business perspective, the connection between customer satisfaction and the intention to continue is even more evident. Continuance intention represents a customer's inclination to remain loyal to a company's offerings (Hsiao & Chang, 2014). Conversely, customer satisfaction gauges the contentment users derive from a company's products or services (Novita & Budiarti, 2022). Based on this explanation, the research hypothesis can be stated as follows:

H_{11}: Satisfaction positively affects the intention to continue using the service.

In the digital era, ensuring the security of financial transactions is of paramount importance. As highlighted by Zhang et al. (2019), consumer confidence in the robustness of information system security is pivotal in instilling a heightened sense of safety and trust. This trust assumes particular significance when user data is at stake. Ensuring the well-protected user information fosters a sense of security, making users more inclined to engage with digital services. Marianus and Ali (2021) shed light on specific indicators that measure the perception of security. They emphasize the importance of "guaranteed transactions" and "transactional security" as critical metrics for evaluating the perceived security of a system. Novita and Budiarti (2022) further underscore the significance of perceived security, positing that safeguarding user privacy is a cornerstone for enhancing user satisfaction. Garrouch (2021) discovered that when users have confidence in robust security measures, they are more likely to adopt a service and continue using it for subsequent transactions. This sentiment is echoed by Gurung and Raja (2016), who found that concerns about online company information security can deter consumers from online shopping. Their findings indicate that perceived security is pivotal in shaping user behavior, particularly online transactions. Synthesizing insights from these studies, it becomes evident that a high level of perceived security significantly influences user intentions to continue using a service. With this backdrop, the following hypotheses are proposed:

H_1: Perceived security positively affects user satisfaction.

H_7: Perceived security positively affects user intention to continue using the service.

H_{12}: Perceived security positively affects user intention to continue using the service through its impact on user satisfaction.

Trust plays a pivotal role in digital transactions. As defined by Kantsperger and Kunz (2010), trust is the confidence that users have in the reliability of service providers, both in the present and future. Tsai et al. (2019) assess this trust based on how well electronic payment systems meet user expectations. Flavián and Guinalíu (2006) further suggest that online providers should emphasize competence, honesty, and good faith to cultivate trust. Empirical studies also underscore the crucial role of trust in shaping user behavior. Novita and Budiarti (2022) found that satisfaction enhances trust in a company's reliability, while Sasongko et al. (2022) identified trust as a key factor influencing the intention to continue using a service. Given these insights, the following hypotheses are proposed:

H_2: Trust positively affects user satisfaction.

H_8: Trust positively affects user intention to continue using the service.

H$_{13}$: Trust positively affects user intention to continue using the service through its impact on user satisfaction.

According to Davis (1989), perceived usefulness is defined as the extent to which an application enhances user performance. This concept is rooted in users' perceptions of the advantages offered by systems or information technology (Bhattacherjee, 2011). In the context of mobile payments, Sasongko et al. (2022) suggest that perceived usefulness assists users in efficiently conducting digital payments and reaping economic benefits, such as discounts or rewards, which leads to increased satisfaction. Jogiyanto (2007) identifies several indicators to measure perceived usefulness, including faster task completion, enhanced work efficiency, increased productivity, and overall ease of use. This perceived usefulness is intrinsically linked to user satisfaction. When users are content with the quality of the service, it directly influences their inclination to use the system. Zviran et al. (2005) assert that perceived usefulness directly impacts satisfaction, emphasizing that services that enhance user productivity and facilitate efficient task completion lead to greater user satisfaction. Supporting this, Monica and Briliana (2019) found that users with higher perceived usefulness of a service exhibit a stronger intention to continue using that service over an extended period. This finding is further supported by Tsai et al. (2019), who concluded that perceived usefulness significantly influences the intention to continue using a service. The prevailing research suggests that when consumers recognize the benefits of a system (perceived usefulness), it substantially impacts their long-term intention to continue using it (continuance intention). Based on this discussion, the following hypotheses are proposed:

H$_3$: Perceived usefulness positively affects user satisfaction.

H$_9$: Perceived usefulness positively affects user intention to continue using the service.

H$_{14}$: Perceived usefulness positively affects user intention to continue using the service through its impact on user satisfaction.

Perceived enjoyment in the context of information systems refers to the pleasure users derive from interacting with technology, as defined by Wang and Scheepers (2012). Davis (1989) defines it as the extent to which computer system use is inherently pleasurable beyond the specific technological functionalities. Rinofah and Sari (2022) underscore the significance of perceived enjoyment, highlighting it as a primary factor influencing user satisfaction. Research suggests that when users experience comfort and pleasure while interacting with systems, such as mobile applications, their level of satisfaction increases, leading to a greater desire to reuse the service. This viewpoint is reinforced by Budirahardjo & Laksmidewi (2021), who found that user comfort during system interaction encourages regular usage. Furthermore, Belanche et al. (2021) and Nuriska and Azizah (2021) have concluded that perceived enjoyment positively influences continuance intention. Their findings indicate that when users experience comfort and pleasure, it positively affects their long-term usage intentions. Based on this discussion, the following hypotheses are proposed:

H$_4$: Perceived enjoyment positively affects user satisfaction.

H$_{10}$: Perceived enjoyment positively affects user intention to continue using the service.

H$_{15}$: Perceived enjoyment positively affects user intention to continue using the service through its impact on user satisfaction.

The significance of the user interface (UI) in our digital interactions cannot be overstated. A well-designed interface has the potential to enhance our engagement, while a poorly designed one can deter us. Insights from Tsai et al. (2019) further enrich this discussion. They conceptualized the UI as the digital "front door" – the initial point of interaction that sets the tone for the user's journey. This

perspective underscores the UI's pivotal role in shaping user perceptions and experiences. In a compelling study, Budiraharjo and Laksmidewi (2022) delved into the relationship between UI and user satisfaction, uncovering a nuanced interplay. Their findings suggest that user satisfaction can mediate the impact of UI on continuance intention. This finding aligns with Kim (2023), who emphasizes the importance of clarity and user-friendliness in fostering satisfaction and promoting sustained system use. User commitment to a service strengthens when they can effortlessly grasp essential information. Drawing from these insights, we can propose hypotheses that delve into the intricate dynamics between UI design, user satisfaction, and continuance intention in the digital realm.

H_5: User interface design positively affects user satisfaction.

H_{11}: User interface design positively affects user intention to continue using the service.

H_{14}: User interface design positively affects user intention to continue using the service through its impact on user satisfaction.
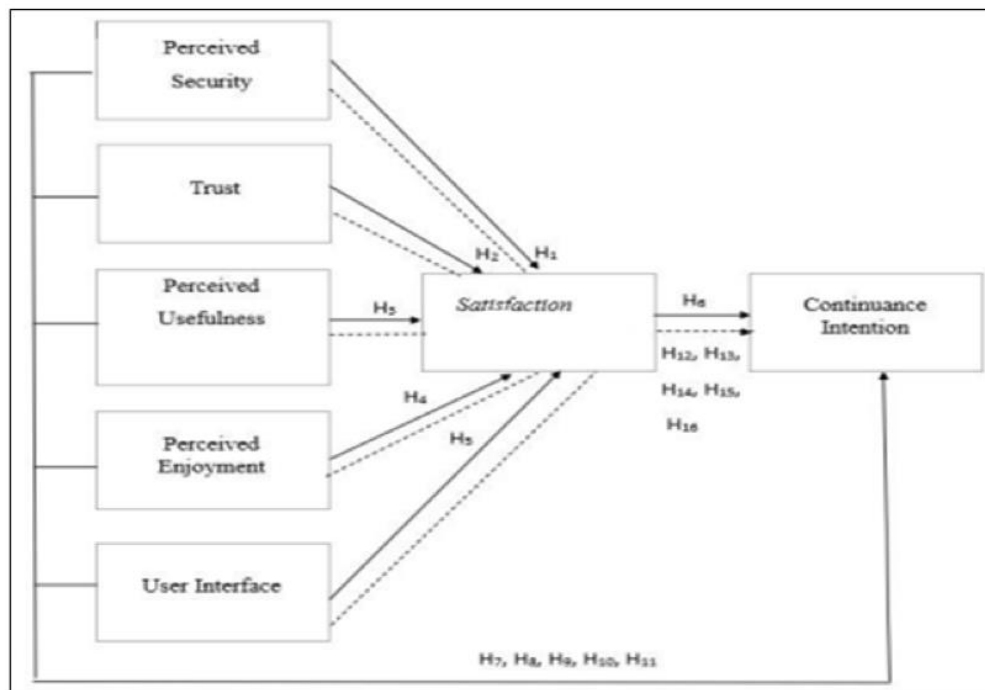

Figure 1: Conceptual Framework

METHODS

This study employed a quantitative approach with a cross-sectional design. An online survey was conducted using Google Forms, targeting users of the Pay-Later service on e-commerce apps. A total of 401 valid responses were collected, constituting a purposive sample drawn from the Jabodetabek region. Among the respondents, 36% identified as male, while 64% identified as female. Regarding age distribution, 63% fell within the 18-25 age bracket, representing Generation Z, and the remaining 37% were in the 26-41 age bracket. A significant portion, 43%, resided in Greater Jakarta. Primary data was gathered through questionnaires employing a Likert scale that ranged from 1 (strongly disagree) to 5 (strongly agree). This information provided the foundation for our analysis.

Our research incorporated a structural model within SmartPLS, encompassing key latent variables, including Perceived Security, Trust, Perceived Usefulness, Perceived Enjoyment, and User Interface as independent variables. Satisfaction was introduced as the mediating variable, while Continuance Intention was the dependent variable. We employed the PLS algorithm to calculate the path coefficients. Initially, we assessed the direct relationships between the independent variables and Continuance

Intention before introducing the mediator (satisfaction). Significance was determined by t-values exceeding 1.96, with a significance threshold of 0.05, following an approach used by Kurniadi and Rana (2023).

Subsequently, we integrated satisfaction into our model, allowing us to analyze the path coefficients from the independent variables to the mediator and, in turn, from the mediator to Continuance Intention. Once again, a t-value surpassing 1.96 indicated significance. This approach helped us discern the nature of the mediation effects. The nature of mediation was determined as follows:

1. In cases where the direct relationship between the independent variables and Continuance Intention persisted even after introducing the mediator, and both the paths from the independent variables to the mediator and from the mediator to Continuance Intention were significant, it indicated a partial mediation scenario (Barron & Kenny, 1986).

2. Conversely, when the direct effect between the independent variables and Continuance Intention became non-significant upon including the mediator, yet the paths from the independent variables to the mediator and from the mediator to Continuance Intention remained significant, it pointed to a full mediation scenario (Preacher & Leonardelli, 2001).

RESULT AND DISCUSSION

Our data analysis was meticulously executed using the SmartPLS 3.0 application, segmented into two pivotal stages. In the initial stage of our analysis, the outer model was assessed to ensure the reliability and validity of our research constructs. We employed two key indicators for assessing reliability: Cronbach's Alpha and Composite Reliability. Following the guidelines provided by Hair et al. (2017), constructs with both Cronbach's Alpha and Composite Reliability values greater than 0.7 were considered reliable.

We used the Average Variance Extracted (AVE) criterion to assess convergent validity. Constructs with AVE values exceeding 0.5, following the recommendation by Hair et al. (2017), were considered valid. During this phase, it became apparent that the two constructs did not meet our predefined benchmarks for reliability and validity. Consequently, we excluded these two constructs from further analysis. However, the remaining constructs comfortably met our criteria, demonstrating both Cronbach's Alpha and Composite Reliability values above 0.7 and AVE values exceeding 0.5.

With the validation of the outer model completed, our focus shifted to the inner model. This phase was critical for unveiling our variables' intricate relationships and confirming our hypotheses. We employed the bootstrapping procedure with Smart-PLS to facilitate this exploration. Our assessment hinged on the t-value of the path coefficient, following the criteria set by Hair et al. (2017). A t-value exceeding 1.96 and a p-value below 0.05 indicated statistical significance. In addition, we evaluated the predictive power of our research model using the R^2 value. Following Chin (1998), an R^2 value above 0.67 is considered good, 0.33 moderate, and 0.19 weak. Our model, boasting an R^2 value of 0.741, demonstrated strong predictive capabilities, aligning with the findings of Kurniadi and Rana (2023).

Table 1: Inner & Outer Model

Variable	Outer Model			Inner Model	
	AVE	*Composite Reliability*	*Cronbach's Alpha*	*R^2 Adjusted*	*Predictive Relevance (Q^2)*
Perceived Security	0.771	0.905	0.901		
Perceived enjoyment	0.643	0.870	0.861		
Perceived usefulness	0.811	0.924	0.922		
Trust	0.803	0.939	0.938		
User interface	0.716	0.907	0.901		
Satisfaction	0.656	0.870	0.868	0.787	0.783
Continuance intention	0.699	0.894	0.892	0.741	0.682

Table 1 shows that all variables' loading factors and Average Variance Extracted (AVE) values surpass the threshold of 0.5. This affirmation underscores the validity and suitability of these variables for measuring the underlying constructs. Furthermore, the Composite Reliability for all variables exceeds 0.7, further establishing their reliability. Additionally, Cronbach's Alpha, with values exceeding 0.6, corroborates the robustness of our research questionnaire, suggesting that each question in our survey is well-constructed and suitable for this study.

Transitioning to our inner model analysis, we calculated the coefficient of determination, represented by the R-squared adjusted value. The Continuance Intention variable demonstrated an R-squared adjusted value of 74.1%. This implies that our independent variables collectively explain 74.1% of the variance in Continuance Intention. Similarly, the Satisfaction variable yielded an R-squared adjusted value of 78.7%, indicating that the independent variables predominantly influence it. These notably high R^2 values categorize our structural research model as robust, aligning with the standards established by Hair et al. (2017).

Q^2 test results in Table 1 reveal that both Continuance Intention and Satisfaction exhibit values of 0.682 and 0.783, respectively. These values exceeding zero emphasize the strong predictive relevance of our study. This conclusion aligns with the criteria outlined by Chin (1998), where a Q^2 value greater than zero signifies a commendable level of predictive relevance.

Table 2: Model Fit

Model Fit	Saturated model	Estimated model
SRMR	0.058	0.058
NFI	0.752	0.752

Referring to Table 2, the results reveal a favorable model fit for this study. This is evident through the standardized root mean square residual (SRMR) value, which falls below the 0.10 threshold, signifying a good fit. Furthermore, the Normal Fit Index (NFI) value of 0.752 indicates that our model is 75.2% more effective in explaining the data than a null model. These findings support the adequacy of our model's fit to the data.
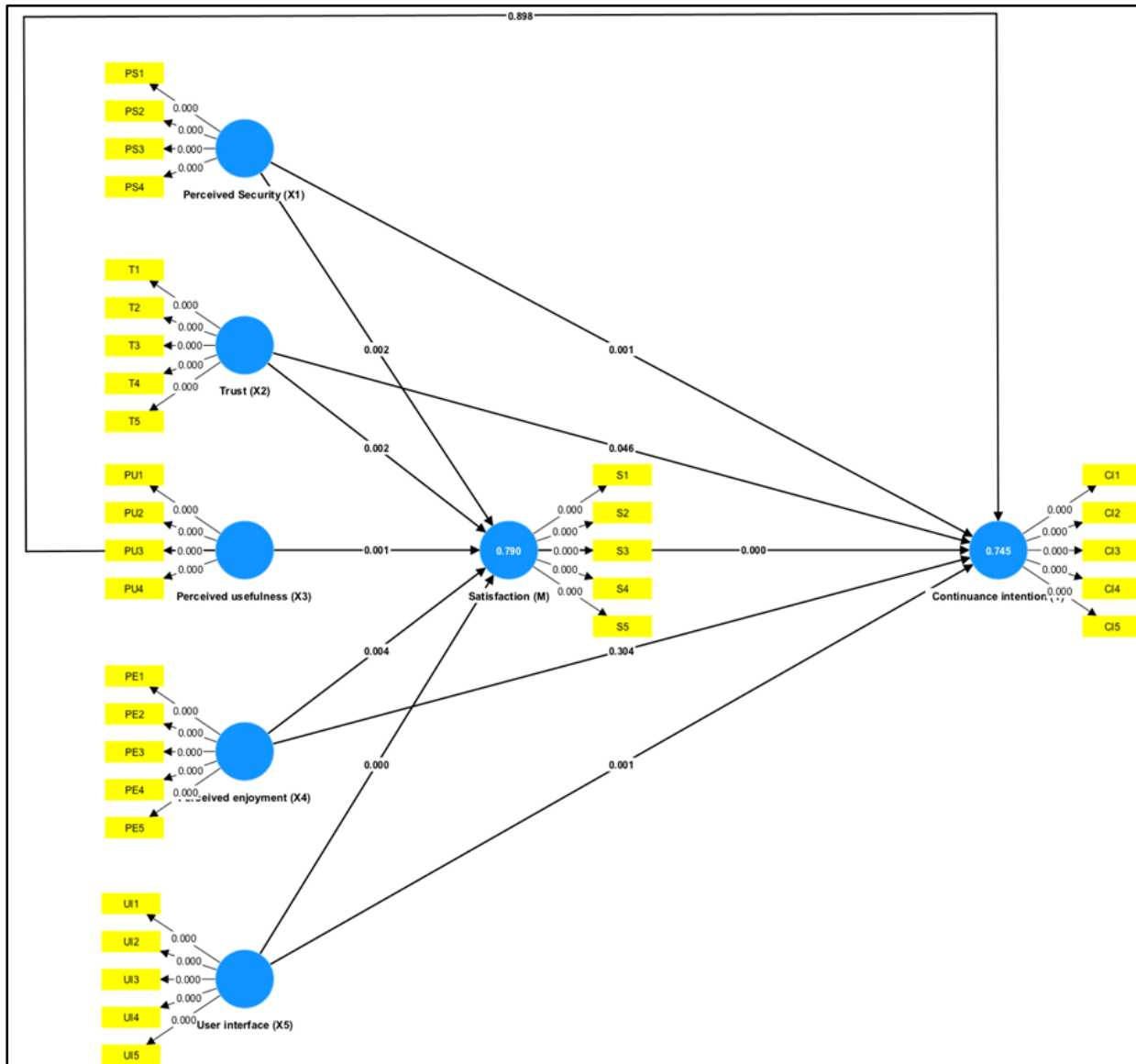
Figure 2: Structural Equation Modelling

Table 3: Path Analysis Results

	Hypothesis	**Original Sample (O)**	**T Statistics**	**P Values**	**Description**
Direct Effect					
H_1	Perceived Security → Satisfaction	0.182	3.082	0.002	Accepted
H_2	Trust → Satisfaction	0.174	3.101	0.002	Accepted
H_3	Perceived usefulness → Satisfaction	0.211	3.335	0.001	Accepted
H_4	Perceived enjoyment → Satisfaction	0.191	2.861	0.004	Accepted
H_5	User interface → Satisfaction	0.215	4.889	0.000	Accepted
H_6	Satisfaction → Continuance intention	0.509	10.565	0.000	Accepted
H_7	Perceived Security → Continuance Intention	0.189	3.395	0.001	Accepted
H_8	Trust → Continuance Intention	0.123	1.995	0.046	Accepted
H_9	Perceived Usefulness →Continuance Intention	-0.008	0.129	0.898	Rejected

		Hypothesis	Original Sample (O)	T Statistics	P Values	Description
H_{10}		Perceived Enjoyment →Continuance Intention	-0.072	1.029	0.304	Rejected
H_{11}		User Interface → Continuance Intention	0.181	4.889	0.000	Accepted
Indirect Effect						
H_{12}		Perceived Security → *satisfaction* → Continuance Intention	0.093	3.003	0.003	Accepted
H_{13}		Trust → S*atisfaction* → Continuance Intention	0.088	2.794	0.005	Accepted
H_{14}		Perceived Usefulness → *Satisfaction* → Continuance Intention	0.107	3.371	0.001	Accepted
H_{15}		Perceived Enjoyment → S*atisfaction* → Continuance Intention	0.097	2.659	0.008	Accepted
H_{16}		User Interface → *satisfaction* → Continuance Intention	0.109	4.662	0.023	Accepted

Our findings reveal that perceived security, trust, and user interface significantly and positively influence the continuance intention of Pay-Later in e-commerce. Specifically, a strong perception of security associated with the Pay-Later system enhances users' inclination toward it. Conversely, if users perceive the security of the Pay-Later system as inadequate, their interest diminishes. In contrast, perceived usefulness and perceived enjoyment did not demonstrate a direct impact on Pay-Later continuance intention. This aligns with Young et al. (2019), which found that perceived enjoyment does not directly influence the sustained intention to use technology. However, it diverges from the findings by Budihardjo and Laksmidewi (2021), where perceived enjoyment was identified as a significant predictor of continuance intention.

Upon incorporating e-satisfaction into our model, a significant positive effect became evident. E-satisfaction was revealed to serve as a complete mediator in the relationship between perceived usefulness and Pay-Later continuance intention, aligning with the findings of Budirahardjo and Laksmidewi (2021). This implies that for perceived usefulness to translate into continued intention, it must first enhance customer satisfaction. A heightened perception of utility derived from using Pay-Later, which increases satisfaction, subsequently intensifies users' intention to persist with this payment method.

Collectively, our research underscores the pivotal role of both direct and mediating factors in shaping users' intentions to embrace Pay-Later as their preferred e-commerce payment method. Notably, perceived security, user interface, perceived usefulness, and trust directly influence this intention, emphasizing the significance of these aspects. Furthermore, satisfaction emerges as a central mediator, mediating the impact of perceived usefulness on continuance intention. Our findings have important practical implications for businesses and marketing strategies in the e-commerce sector.

First, in light of the substantial influence of security, e-commerce platforms and Pay-Later service providers should prioritize robust security measures, including advanced encryption methods and two-factor authentication, while conducting regular security audits. Promoting these measures in marketing campaigns can alleviate customer concerns and build trust. Second, trust plays a crucial role in continuance intention. To foster trust, businesses should maintain transparency in their operations,

offering clear service terms, promptly addressing customer queries, and openly disclosing fees or charges. Regular communication regarding system updates or enhancements can further solidify this trust. The significance of the user interface in influencing continuance intention underscores the need for a seamless and user-friendly experience. E-commerce platforms should invest in user-centric design, making the Pay-Later option easily accessible and ensuring a straightforward transaction process while paying close attention to user feedback for continuous improvement.

While perceived usefulness does not directly influence continuance intention, its mediated effect through satisfaction is noteworthy. Therefore, marketing campaigns should emphasize the benefits of using Pay-Later, such as convenience, flexibility, and potential rewards or discounts, and demonstrating how Pay-Later enhances shopping efficiency and convenience can enhance its perceived usefulness. Finally, as a central mediator, satisfaction is key to influencing continuance intention. Businesses should aim for consistent service quality, prompt customer support, and regular engagement through feedback surveys and loyalty programs. Satisfied customers are more likely to continue using the service and can become brand ambassadors, promoting the service through word of mouth. These strategic considerations offer valuable guidance for businesses in the e-commerce sector seeking to foster Pay-Later adoption.

This study comes with a set of limitations. First and foremost, it primarily focuses on the Jabodetabek region and predominantly encompasses the Z generation and millennials. To broaden the scope and enhance the generalizability of our findings, future research could consider diverse research subjects encompassing various payment methods within e-commerce, including mobile banking applications. Moreover, this field has room for further development, such as combining the established model with additional variables for confirmation. This approach would allow future researchers to scrutinize each indicator within those variables, thus offering a more comprehensive perspective.

CONCLUSION

In conclusion, this research delves into the intricate dynamics of user behavior and decision-making in digital financial services, specifically focusing on Pay-Later systems' adoption and continuance intention in e-commerce. The study has illuminated the significant role of key factors, including perceived security, trust, user interface, usefulness, and enjoyment, in shaping users' intentions and experiences. One of the central findings of this research is the paramount importance of user satisfaction. Satisfaction is a linchpin that bridges the gap between the perceived benefits of the Pay-Later system and users' intentions to continue using it. When users derive satisfaction from their interactions, they are likelier to exhibit loyalty and persist in using the Pay-Later system. Furthermore, the research highlights the vital roles of security and trust. Robust security measures and transparent, trustworthy operations play pivotal roles in building and maintaining user trust, which, in turn, influences their continuance intention. The significance of a user-friendly interface cannot be overstated, as it can either enhance or deter user engagement.

While perceived usefulness and enjoyment did not directly impact continuance intention, their indirect influence through satisfaction underscores their importance. Demonstrating the benefits and convenience of the Pay-Later system is a potent strategy for fintech companies to encourage its adoption. This research offers practical implications for businesses in the e-commerce and fintech sectors. It underscores the importance of regular satisfaction surveys, proactive improvements, and a user-centric approach to ensure the Pay-Later system remains relevant and user-focused. User

satisfaction is the linchpin for success in the rapidly evolving digital financial services landscape. By enhancing user satisfaction and addressing the diverse aspects of the Pay-Later system, fintech companies can foster user loyalty, build trust, and maintain their position as key players in the digital financial ecosystem.

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