

ABSTRACT

The development of fintech services, especially pay later services, has been accelerating after the Covid-19 pandemic. In Indonesia, Shopee Pay Later is the Top of Mind of the Community in terms of Pay Later services. This study analyzes the factors that affect the use of Shopee Pay Later, using the UTAUT2 model combined with the variables of trust, perceived benefit, and perceived risk.

The purpose of this study is to see how the survey results are shared with respondents, to find out the direct and indirect influence between the variables in this study. 450 data were obtained from online survey respondents with a minimum of 3 months of use. This study tested the proposed conceptual model using structural equation modeling (SEM-PLS).

The results of the study from 450 respondents dominated by women (57.33%) and millennials and Gen Z (95.55%) showed that all variables measured were in the "Good" category with an average score of 79.3%-81.3%. Key findings reveal that Performance Expectancy, Effort Expectancy, and Trust significantly affect continued use intent, while Habit becomes the strongest predictor for actual use behavior. However, Perceived Benefits and Perceived Risk did not have a significant effect. Social Influence, Price Value, and Hedonic Motivation influence the formation of initial intentions, but their impact on sustainable behavior is limited. The Facilitating Condition does not affect intentions but has a direct effect on behavior.

This research contributes to the development of the theory of financial technology adoption in Indonesia. It can then provide practical implications for Pay Later service providers to focus on user experience, build trust, provide competitive offers, and habit-building strategies to improve long-term user retention. For regulators, it can provide balanced regulations between innovation and consumer protection.

Keywords: *pay later, perceived benefits, perceived risk, trust ,UTAUT2*