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The Influence of Ease of Use and Cashback Promotions on Shopee PayLater Usage Intention in Tegal City

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Abstract—The development of financial technology has encouraged the emergence of embedded finance, including Buy Now Pay Later services integrated into e-commerce platforms. Shopee PayLater is one of the digital financial services that combines transaction convenience with promotional incentives such as cashback. This study aims to analyze the effect of perceived ease of use and cashback promotion on the intention to use Shopee PayLater in Tegal City. The study employed a quantitative approach using survey data collected through an online questionnaire from 100 respondents selected using purposive sampling. Respondents were at least 17 years old, domiciled in Tegal City, had used Shopee, knew or had used PayLater, and had conducted transactions through Shopee. The data were analyzed using multiple linear regression with SPSS version 22. The results show that perceived ease of use has a positive and significant effect on intention to use, with a regression coefficient of 0.799, t-value of 13.220, and significance of 0.000. Cashback promotion does not have a significant effect, with a coefficient of 0.002, t-value of 0.024, and significance of 0.981. Simultaneously, perceived ease of use and cashback promotion have a positive and significant effect on intention to use, as indicated by an F-value of 88.633 and significance of 0.000. The adjusted R square of 0.639 indicates that the two independent variables explain 63.9% of the variation in intention to use Shopee PayLater. The findings suggest that improving user experience and ease of use should be prioritized, while cashback programs need to be designed more effectively to match user needs.

Keywords— *Cashback Promotion; Embedded Finance; Intention to Use; Perceived Ease of Use; Shopee PayLater*

I. INTRODUCTION

The rapid advancement of digital technology has significantly transformed the financial services industry by changing how consumers access payment facilities, credit, and other financial products. The emergence of financial technology (fintech) has enabled financial service providers to deliver increasingly accessible and integrated digital solutions. One important development in this transformation is embedded finance, which refers to the integration of financial services into non-financial platforms, allowing consumers to access payment and financing facilities directly within digital ecosystems they already use. This integration reduces the need to switch between separate applications and can streamline the overall transaction process (Schueffel, 2016; Gomber et al., 2018; Bank for International Settlements, 2023).

The expansion of digital financial services is closely associated with the growth of electronic payments and alternative consumer financing. In Indonesia, the development of digital payment infrastructure has been supported by initiatives aimed at accelerating payment system digitalization and expanding financial inclusion. Bank Indonesia's Blueprint of Indonesia Payment System 2025 highlights the importance of digital transformation in creating an integrated, efficient, and secure payment ecosystem (Bank Indonesia, 2019). Alongside electronic payments, buy now, pay later (BNPL) services have emerged as an alternative financing mechanism that enables consumers to purchase products immediately and settle their payments at a later date or through installments, subject to the applicable terms. The growing availability of such services reflects the increasing integration of consumer financing into digital commerce.

Shopee PayLater represents an example of embedded finance within an e-commerce platform. The service enables eligible users to access deferred payment or installment facilities within the Shopee application. By integrating financing options, transaction information, repayment schedules, and promotional offers into a single digital environment, Shopee PayLater provides consumers with a relatively seamless purchasing experience. Nevertheless, the availability of an integrated service does not necessarily guarantee that consumers will develop an intention to use it. Their decisions may depend on how they evaluate the ease of interacting with the system, the benefits associated with its use, and the incentives offered by the platform.

The Technology Acceptance Model (TAM), introduced by Davis (1989), provides a theoretical foundation for understanding consumers' acceptance of digital technologies. TAM identifies perceived usefulness and perceived ease of use as fundamental determinants of technology acceptance. Perceived ease of use refers to the extent to which individuals believe that using a particular system requires minimal effort. In the context of Shopee PayLater, ease of use may be reflected in the clarity of the interface, the simplicity of activating and accessing the service, the accessibility of transaction information, and the ease of understanding repayment procedures. When consumers perceive that a digital financing service is straightforward to operate, they may be more willing to consider using it. Subsequent research has extended the application of technology acceptance theories to online and mobile services, demonstrating their relevance to understanding technology adoption in different contexts (Venkatesh et al., 2003; Venkatesh et al., 2012).

In addition to technological factors, promotional incentives may influence consumers' decisions to adopt digital financial services. Cashback promotions provide consumers with a financial incentive in the form of a partial return of the transaction value, subject to specific promotional conditions. Such incentives can increase the perceived economic attractiveness of a transaction and encourage consumers to consider a particular payment method. From a marketing perspective, promotional incentives can function as external stimuli that shape consumer evaluations and behavioral responses (Kotler & Keller, 2016). Previous research has also demonstrated the importance of promotional activities and other marketing-related factors in explaining consumers' adoption of digital payment services. For example, William and Tjokrosaputro (2021) examined factors associated with the intention to use e-wallets, while Nangin et al. (2020) investigated the role of perceived benefits and perceived risks in mobile payment adoption. These studies provide a basis for examining whether cashback promotions contribute to consumers' intention to use an embedded financing service such as Shopee PayLater.

The relationship between ease of use, promotional incentives, and usage intention is particularly relevant because these factors represent different dimensions of consumer evaluation. Ease of use concerns the perceived effort required to operate a service, whereas cashback promotions concern the economic incentives associated with a transaction. A service may offer a convenient user experience but fail to attract consumers who perceive its financial benefits as limited. Conversely, attractive cashback offers may encourage initial interest, although the complexity of accessing the service could reduce consumers' willingness to use it. Therefore, examining both factors simultaneously can provide a more comprehensive understanding of the considerations underlying consumers' intention to use digital financing services.

Tegal City provides a relevant setting for investigating these relationships in a local consumer market outside Indonesia's principal metropolitan centers. Although digital financial services are increasingly integrated into e-commerce platforms, the factors associated with their adoption may vary across geographical and demographic contexts. Differences in consumer purchasing patterns, digital familiarity, financial circumstances, and exposure to promotional campaigns may influence how users evaluate the attractiveness of embedded financing. Consequently, findings from studies conducted in major metropolitan areas cannot automatically be generalized to consumers in Tegal City.

Preliminary evidence cited in a previous study by Fitriyana (2025), involving 100 Generation Z users of Shopee PayLater in Tegal City, indicates that respondents had varying durations of service usage and monthly income levels. Specifically, 57% had used the service for more than six months, 24% for three to six months, and 19% for less than three months. Furthermore, 68% reported monthly incomes ranging from IDR 2 million to IDR 5 million. These figures suggest that Shopee PayLater has an established user base among the respondents examined in that study. However, the distribution of usage duration and income alone does not explain whether perceived ease of use and cashback promotions influence their intention to use the service. The original source and underlying dataset must therefore be verified before these figures are used as evidence in the final proceedings paper.

Despite the growing body of research on technology acceptance, mobile payments, and digital financial services, further empirical investigation is warranted into the simultaneous influence of ease of use and cashback promotions on the intention to use embedded financing services in a local Indonesian context. In particular, examining these factors in relation to Shopee PayLater in Tegal City can help clarify whether technological convenience and promotional incentives are associated with consumers' behavioral intentions in the same setting. This study addresses that research problem by focusing on two explanatory variables: ease of use and cashback promotions, with usage intention as the dependent variable.

Accordingly, this study aims to analyze the influence of ease of use and cashback promotions on consumers' intention to use Shopee PayLater in Tegal City. The study is expected to contribute to the literature on technology acceptance and embedded finance by examining technological and promotional factors within a single empirical framework. Practically, the findings may provide insights for digital platform managers and marketers in designing user experiences and promotional strategies that correspond to consumer preferences. The results may also offer contextual evidence for understanding the adoption of embedded financing services in local markets beyond Indonesia's major metropolitan areas.

Based on the research background, this study examines the influence of ease of use and cashback promotions, both individually and simultaneously, on the intention to use Shopee PayLater in Tegal City. Accordingly, this study hypothesizes that ease of use (H1) and cashback promotions (H2) have positive and significant effects on usage intention, while both variables simultaneously have a significant effect (H3).

II. METHOD

This study employed a quantitative approach to examine the influence of ease of use and cashback promotions on the intention to use Shopee PayLater in Tegal City. The target population consisted of Shopee users residing in Tegal City who were familiar with or had experience with the PayLater feature. Since the population size was unknown, non-probability sampling using a purposive sampling technique was applied. A total of 100 respondents were selected based on the following criteria: being at least 17 years old, residing in Tegal City, having used the Shopee application, being familiar with or having experience with PayLater, and having conducted transactions through Shopee.

Data were collected through an online questionnaire distributed via social media using Google Forms. All measurement items employed a five-point Likert scale. Ease of use (X1) was measured through ease of learning, ease of operation, clarity and ease of interaction, and ease of becoming proficient. Cashback promotions (X2) were assessed based on promotional attractiveness, cashback value, ease of obtaining cashback, and promotional frequency. Usage intention (Y) was measured through indicators reflecting the intention to use the service and willingness to recommend it. Instrument testing indicated that all items were valid and reliable, with Cronbach's alpha values of 0.833 for ease of use, 0.771 for cashback promotions, and 0.856 for usage intention.

Data analysis involved descriptive statistics, classical assumption tests, and multiple linear regression using SPSS version 22. The normality test indicated normally distributed residuals, with an Asymp. Sig. value of 0.200 (greater than 0.05). Multicollinearity was not detected, as the tolerance value was 0.986 and the variance inflation factor (VIF) was 1.014. Visual inspection of the residual scatterplot indicated no apparent pattern, suggesting no evidence of heteroscedasticity. The multiple linear regression model was specified as $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$, where (Y) represents

usage intention, (X1) represents ease of use, (X2) represents cashback promotions, α is the constant, β_1 and β_2 are the regression coefficients, and (e) is the error term.

III. RESULTS AND DISCUSSION

A. Multiple Linear Regression Analysis Results

The multiple linear regression analysis yielded a constant of 4.747. The regression coefficient for ease of use was 0.799, while the coefficient for cashback promotions was 0.002. Therefore, the regression equation for this study is as follows:

$$Y = 4,747 + 0,799X_1 + 0,002X_2 + e$$

TABLE I. MULTIPLE LINEAR REGRESSION ANALYSIS RESULTS

Variabel	B	Std. Error	Beta	t	Sig.
Constant	4,747	2,240	–	2,119	0,037
Ease of Use (X1)	0,799	0,060	0,804	13,220	0,000
Cashback Promotions (X2)	0,002	0,066	0,001	0,024	0,981

Source: SPSS version 22 output, 2026

B. Hypothesis Testing

The partial effects of the independent variables were examined using the t-test with 97 degrees of freedom at a 5% significance level, resulting in a critical t-value of 1.98472. Ease of use obtained a t-value of 13.220, which exceeded the critical value of 1.98472, with a significance level of 0.000 ($p < 0.05$). These results indicate that ease of use has a positive and significant effect on the intention to use Shopee PayLater in Tegal City. This suggests that the easier users perceive the PayLater feature to learn, operate, and understand, the stronger their intention to use the service.

This finding supports the Technology Acceptance Model (TAM), which identifies perceived ease of use as an important factor in technology acceptance. When a system is perceived as easy to use, consumers are more likely to develop positive perceptions of the technology. The finding is also consistent with Nangin et al. (2020), who highlighted the importance of perceived ease of use in fintech adoption, and Khoir and Soebiantoro (2022), who reported a positive influence of perceived ease of use on the intention to use digital services. From a practical perspective, service providers should maintain a simple user interface, streamline transaction procedures, and present billing information, fees, and installment options clearly.

In contrast, cashback promotions yielded a t-value of 0.024, which was lower than the critical value of 1.98472, with a significance level of 0.981 ($p > 0.05$). Therefore, cashback promotions do not have a statistically significant effect on the intention to use Shopee PayLater in Tegal City. Although the regression coefficient is positive, its magnitude is very small and statistically insignificant. This finding suggests that cashback promotions are not a primary consideration for respondents when deciding whether to use PayLater. Instead, users may place greater importance on convenience, security, perceived benefits, transaction efficiency, and their actual financial needs.

This result is consistent with Mulyati (2025), who reported that cashback promotions did not significantly influence the intention to use digital services. Conceptually, cashback represents a short-term financial incentive whose effectiveness depends on consumers' perceived value and the ease of redeeming the promotional benefit. Therefore, cashback strategies should be tailored to users' needs, communicated through clear terms and conditions, and designed to deliver tangible benefits. However, the findings indicate that cashback promotions alone may be insufficient to increase consumers' intention to use Shopee PayLater.

C. Simultaneous Significance Test

The F-test yielded an F-value of 88.633, with a significance level of 0.000. The calculated F-value exceeded the critical F-value of 3.09, and the significance level was below 0.05. Therefore, ease of use and cashback promotions jointly have a statistically significant effect on the intention to use Shopee PayLater in Tegal City. These findings indicate that although cashback promotions do not have a statistically significant partial effect, they remain part of a regression model that, together with ease of use, demonstrates a significant overall relationship with usage intention.

TABLE II. SIMULTANEOUS SIGNIFICANCE TEST RESULTS

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1337,534	2	668,767	88,633	0,000
Residual	731,897	97	7,545	-	-
Total	2069,432	99	-	-	-

Source: SPSS version 22 output, 2026

D. Coefficient of Determination

The coefficient of determination analysis yielded an R-value of 0.804, an R-squared value of 0.646, and an adjusted R-squared value of 0.639. The adjusted R-squared value indicates the explanatory power of the model after accounting for the number of independent variables. Accordingly, ease of use and cashback promotions explain 63.9% of the variation in the intention to use Shopee PayLater in Tegal City, while the remaining 36.1% is attributable to other factors not included in the research model.

TABLE III. RESULTS OF THE COEFFICIENT OF DETERMINATION ANALYSIS

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0,804	0,646	0,639	2,74688

Source: SPSS version 22 output, 2026

the findings indicate that ease of use is the strongest predictor in the research model, as reflected by a standardized beta coefficient of 0.804 and a t-value of 13.220. This finding reinforces the Technology Acceptance Model (TAM), which emphasizes the importance of perceived ease of use in technology acceptance. In the context of Shopee PayLater, consumers tend to demonstrate greater usage intention when the feature is easy to learn, operate, and understand.

In contrast, cashback promotions do not have a statistically significant partial effect on usage intention. This finding highlights that promotional incentives do not automatically determine consumers' intention to use digital financing services. Consumers may prioritize functional benefits and user experience over short-term financial incentives. Nevertheless, both variables jointly have a statistically significant effect and explain 63.9% of the variation in usage intention. These results suggest that service development strategies should focus not only on promotional activities but also on improving the overall user experience.

IV. CONCLUSIONS

Based on the research findings, ease of use has a positive and significant effect on the intention to use Shopee PayLater in Tegal City. The easier the feature is to learn, operate, and understand, the stronger consumers' intention to use the service. In contrast, cashback promotions do not have a statistically significant partial effect on usage intention. Although the regression coefficient is positive, its magnitude is very small and statistically insignificant. Simultaneously, ease of use and cashback promotions have a statistically significant effect on usage intention. The adjusted R-squared value of 0.639 indicates that the two variables explain 63.9% of the variation in usage intention, while the remaining 36.1% is associated with factors outside the research model.

Based on these findings, Shopee is encouraged to prioritize improvements in user experience by simplifying transaction procedures, providing an intuitive interface, and presenting billing information, fees, payment due dates, and installment options more clearly. Cashback promotions may still be implemented, but their design should emphasize relevant benefits, straightforward terms and conditions, and an easy-to-understand redemption process. Meanwhile, users should use PayLater responsibly by considering their financial capacity and understanding the applicable repayment terms.

This study has several limitations, including the use of only two independent variables—ease of use and cashback promotions—and a sample restricted to 100 respondents in Tegal City. Future research could incorporate additional variables, such as perceived usefulness, trust, perceived risk, social influence, service quality, economic conditions, and other promotional factors. Expanding the geographical coverage and increasing the sample size would also help improve the generalizability of the findings.

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