The Effect of Trust and Risk on Purchase Decisions Using The Shopee Pay later Payment Method (Study on Management Students of the Faculty of Economics, Tribhuwana Tunggadewi University)

Katharina Wulen Arkian [1], Nur Ida Iriani [2], and Moch Nurhidayat [3]

*Correspondence Author: wulenarkian62@gmail.com

[1,2,3] Management, Faculty of Economics, University of Tribhuwana Tunggadewi, Malang, Indonesia

I N D E X I N G	A B S T R A C T
	This study aims to determine the effect of trust and risk on purchasing decisions using the Shopee Pay later payment method on Management students of the Faculty of Economics, Tribhuwana Tunggadewi University, Class of 2021. This study uses a quantitative approach with a multiple regression design. The study population consisted of 246 students, with sampling using the Slovin formula, which resulted in 100 respondents. The sampling technique used was non-probability sampling through purposive sampling. The variables tested were trust (X1) and risk (X2), which are expected to influence purchasing decisions (Y). Data were analyzed using multiple regression to test the simultaneous and partial effects between independent variables (trust and risk) on the dependent variable (purchase decision). The F test was used to partially test the simultaneous impact, and the t-test was used to test each independent variable's effect. The results of the F test show that the f count value of 12.130 is greater than the f table of 3.940 with a significance value of 0.000 (<0.05), which indicates that trust (X1) and risk (X2) have a positive and significant effect on purchasing decisions. Partially, the results of the t-test show that trust (X1) and risk (X2) each have a positive and significant impact with a significance value of 0.000 (<0.05), so H1 and H2 are accepted. Based on the research results, trust (X1) and risk (X2) positively and significantly affect students' purchasing decisions, with trust as a dominant factor. This research contributes to understanding the factors that influence purchasing decisions, which can be used as a reference for business actors in designing more effective marketing strategies.

INTRODUCTION

In the field of financial services, the utilization of various technologies brings significant changes. These changes can be seen from four aspects that drive changes in the characteristics of future financial services, including changes in consumer expectations, improving the quality of products and services using data, the emergence of new partnerships with financial technology and big technology companies, and changing business models from conventional to digital. The digital world's development and the government's support of digital transformation is a tough challenge for some retail companies because it changes consumer shopping trends (Rossa, 2022). The growing digital transactions make it easier for consumers to get the desired items without leaving the house. To overcome this, some retail industries have streamlined physical stores and started to enter the online world. Consumer perceptions

of distance, price, promotion, and place set by the company so far affect changes in consumer behavior (Kurniaputra, 2017).

The convenience offered by online stores is the biggest reason purchasing behavior patterns change from offline to online stores. However, the convenience offered is still one of the many factors that make consumers hesitate to shop online, including the risk of fraud in terms of quality and payment system (Swiegers, 2018). Therefore, if the risk of use can be adequately resolved, convenience and consumer confidence can make consumers place repeat orders. Susanti *et al.* (2021) said that e-commerce is currently the place for the buying and selling transaction process, and it is most often used because of the ease and efficiency of transactions. To increase consumer efficiency and convenience, e-commerce provides various financial services to facilitate more manageable payments in e-commerce transactions, one of which is payment using the Pay later feature.

Kusnaedy and Setianungrum (2024) stated that the pay later is an alternative payment method that can delay or install payments when buying something through a platform, including e-commerce. This feature is similar to an online loan service without a credit card. One of the advantages of Pay later is that it provides convenience in more manageable payments; through Pay later, consumers can choose to divide payments over a specific period (1-12 months). This makes it easier for them to manage and avoid high interest rates. At first glance, Pay later has the same function as a credit card, but what distinguishes this Pay later is whether it is digital or without a card.

Table 1. Top Users of The Pay later App

Marketplace	Percentage
Shopee Pay later	78,4%
Go *Pay later*	33,8%
kredivo	23,2%
akulaku	20,4%
Traveloka Paylatter	8,9 %
Idodana	3,3%
Home Credit	2,3%
lainnya	0,4%

Source: Indonesia.id data (2025)

One of the largest e-commerce in ASEAN is Shopee. The most common use of Pay Later or Pay Later is Shopee. Therefore, this e-commerce company works with fintech companies to facilitate consumer transactions and provide Pay Later services. In Shopee e-commerce, the Pay later feature is called SPay later (Shopee Pay later). Pay later has excellent potential to become the leading choice in credit payments if credit card distribution does not experience exponential growth, including for the lower middle class, as explained by Agustin (2022), Attamimi & Aulia (2024), and also Azzindani *et al* (2024).

Millennials and Generation Z have a high propensity for digital consumption. In addition, activating the Pay later feature has more straightforward requirements and applications than using credit cards (Mathur, 2024). Even though the interest in the Pay later feature is higher, consumers still prefer to make transactions with the Pay later feature because the process is fast (Husna, 2023). For security, Pay later is protected and supervised by the Financial Services Authority (Otoritas Jasa Keuangan Republic) of Indonesia (Purwanto *et a.l*, 2024).

However, this does not demand the possibility of having risks, including being late in paying the bill, getting fined, and added interest. Risk is a risk concern that cannot be predicted at the beginning and can occur to every consumer before making a purchase decision to use pay later payments. The purpose of this research is to find out how the influence of trust and risk on purchasing decisions using the shop pay later payment method (study on management students of the economics faculty of Tribhuwana Tunggadewi University class of 2021).

LITERATURE REVIEW
Trust on the Purchase Decisions
Fadhilah *et al* (2021) stated that customer trust is essential for successful transactions in e-marketplaces, where buyers often engage with unfamiliar sellers. In this environment, trust primarily stems from: the e-marketplace company (or market maker) and the individual sellers. Market makers play a pivotal role in establishing institutional trust by implementing structures, rules, and systems to regulate and legitimize the commercial activities on their platform. Meanwhile, the sellers are directly accountable for ensuring the quality and punctual delivery of their products or services, which fosters trust at the buyer-seller level. Customer reviews offer valuable insights during the purchasing decision process. This process involves several stages: recognizing a need, searching for information, evaluating alternatives, making a purchase decision, completing the purchase, and assessing the post-purchase phase. Reviews can guide buyers by providing critical feedback and aiding evaluation at key decision points.

Risk on the Purchase Decisions
Perceived Risk refers to the potential adverse outcomes of consumer decisions, often from uncertainty. It plays a key role in influencing purchasing choices for goods and services on marketplaces. This concept can be categorized into three leading indicators: product risk, transaction risk, and psychological risk. To build trust and encourage purchases, marketplace companies must focus on reducing these risks within their platforms. Both ease of use and perceived risk have a substantial combined impact on purchasing decisions. Consumers can evaluate the risk associated with a product by reviewing positive and negative product feedback on the marketplace. These reviews are crucial in shaping their perception of the potential risks linked to their purchase (Wicaksono *et al*, 2023).

RESEARCH METHODS
Data analysis in this study used multiple regression analysis techniques to test the effect of independent variables (trust and risk) on the dependent variable (purchase decision). Before carrying out the regression analysis, several classical assumption tests were carried out, namely the multicollinearity test to ensure that there is no strong relationship between the independent variables, the heteroscedasticity test to check whether the variance of the error does not change, and the normality test to ensure that the data used is usually distributed. After the classical assumptions are met, multiple regression tests are carried out to determine the simultaneous influence between the independent variables on purchasing decisions. Hypothesis testing is carried out using the t-test to test the effect of each independent variable on purchasing decisions and the F-test to determine the joint effect of the independent variables on the dependent variable. The significance of the research results was analyzed using the p (sig) value

with an error rate of 5% ($\alpha = 0.05$). If the p-value is <0.05, then the hypothesis is accepted, indicating that trust and risk variables significantly influence purchasing decisions using Shopee Pay later.

RESULTS AND DISCUSSION
1. Result
General Description of Respondents

This study has 100 respondents who are Shopee Pay later users, Management students class of 2021, for respondent data in the form of gender.

Table 2. Gender

No	Gender	Number (people)	Percent
1	Male	28	28%
2	Female	72	72%
Total		100	100%

Source: Primary Data Processed, 2022

Based on the data in Table 2, it can be seen that the respondents are predominantly female, as many as 72 people, while the male respondents are 28 people, with a percentage of 28%. This proves that those who use the payment system with Shopee Pay later among the management students class of 2021 Unitri are women because the percentage of women is 72%, compared to men's only 28%. The rest of the men mostly prefer to pay using other payment systems.

Data Analysis
Normality Test

This test determines whether confounding or residual variables have a normal distribution in the regression model. It also finds out if the shape of the data is standard or not seen from the standard probability plot image. The normal distribution will form a diagonal straight line; if so, the data is declared normal. The following figure shows the normal P-plot of the Regression Standardized Residual normality test.
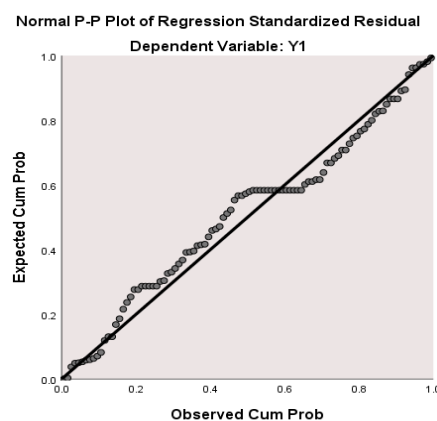

Figure 1. Distribution Normality Test
Source: Primary data processed, 2024

Based on Figure 1. the data is declared to meet the normality test (standard) because the distribution of data (points) on the diagonal source of the normal P-Plot Of the Regression Standardized Residual graph is around the diagonal line and follows the direction of the diagonal line.

Multicollinearity Test

Multicollinearity symptoms are symptoms of correlation between independent variables. A significant correlation between the independent variables indicates this symptom. A good regression model should not correlate with the independent variables. Multicollinearity detection is known from the tolerance and VIF values; if the tolerance value is more significant than 0.1 or the VIF value is less than 10, the data is declared not to have multicollinearity symptoms. The following is a table of multicollinearity test results.

Table 3. Multicollinearity Test

VARIABLE	TOLERANCE	VIF VALUE	DESCRIPTION
X1	0.908	1.102	No multicollinearity
X2	0.908	1.102	No multicollinearity

Source: Primary data processed, 2024

Table 3, shows that for the trust variable (X1) and the risk variable (X2), there are no symptoms of multicollinearity, indicated by a tolerance value greater than 0.1 and a VIF value smaller than 10,000.

Heteroscedasticity Test

This test aims to determine whether the variance of the residuals is not the same or observation to another observation in regression. Symptoms of variance that are not symptoms of heteroscedasticity, while the presence of the same residual variant symptoms from one observation to another is called homoscedasticity. Good data should not experience symptoms of heteroscedasticity; in this study, a plot graph is used between the predicted value of the independent variable and its residuals. Decision-making criteria are carried out if there is a specific pattern. In the regression model, a heteroscedasticity problem is suspected. There are no heteroscedasticity symptoms if no clear pattern and the points spread above and below the number on the Y axis. The following is a graphic plot of the heteokedastisitas test.
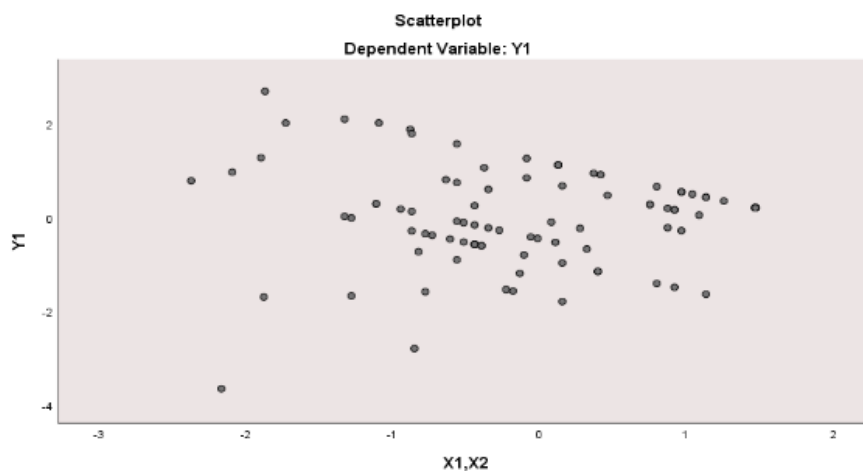

Figure 2. Heteroscedasticity Assumption Testing
Source: Primary data processed, 2024

Based on Figure 2, the data is declared to have no symptoms of heteroscedasticity because the data distribution on the diagram lies between the value 0 of the X-axis and the Y-axis, and the data distribution has no clear pattern.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the influence of the trust variable (X1), the risk variable (X2), and the purchasing decision variable (Y). The results of the multiple linear regression test are known in the following table.

Table 4. Multiple Linear Regression Test

Model	Unstandardized Coefficients
(Constant)	8,917
X1	0,273
X2	0,349

Source: Primary data processed, 2024

$Y = a + b_1X_1 + b_2X_2 + e$

$Y = 8.917 + 0.273 X_1 + 0.349 X_2$

Based on Table 4. the regression equation can be interpreted that, for the value of the purchasing decision variable (Y), the constant value is 8.917. If the value of variables X1 and X2 increases by 0.622, the total effect value is 9.539. Thus, the meaning of the regression value of each variable is as follows:

- Y = Purchasing decision variable, the dependent variable whose value will be predicted by the variables of trust (X1) and risk (X2).
- X1 = Regression coefficient (X1) of 0.273, which states that if the trust variable increases or decreases by 1 unit and the values of the other variables remain constant, the purchase decision will increase or decrease by 0.273.
- X2 = Regression coefficient (X2) of 0.349, with this stating that if there is an increase or decrease in the risk variable by 1 unit, the value of the other variables remains the same. Then, the purchasing decision variable will increase or decrease by 0.349.

Multiple linear regression tests show that the risk variable dominates purchasing decisions with a regression coefficient of 0.349.

Hypothesis Tester

The t-test was conducted to determine the partial effect of trust (X1) and risk (X2) on purchasing decisions (Y) among Unitri students. The magnitude of each influence of the independent variable on the dependent variable can be seen in the following table.

Test T (Partial)

Table 5. Results of the t-test

Variable	T-count	T-tabel	SIG T
X1	3.776	1.984	0.000
X2	4.065		0.000

Source: Primary data processed, 2024

The results of the T-test calculation to determine the effect of each variable, namely:

The trust variable (X1) has a positive and partially significant effect on the purchasing decision variable (Y) among UNITRI 2021 Management students; this is evidenced by the count = 3.776> t table 1.984 with a significant value of 0.000 (p <0.05), so H1 is accepted.

The risk variable (X2) has a positive and partially significant effect on purchasing decisions (Y) among UNITRI management students class of 2021 because the count value = 4, 065> ttabe1 1.984 with an essential value of 0.000 (p <0.05), so H2 is accepted.

Test F (Simultaneous)

The simultaneous f test is a statistical test to determine the effect of trust (X1) and risk (X2) on purchasing decisions (Y) in the UNITRI management students class of 2021. Based on the analysis results, the results of hypothesis testing are presented in the following table.

Table 6. Results of the F-test

Variable	F-count	F-table	SIG f
Convenience (X1) Security (X2)	22.085	3.940	0.000

Source: Primary data processed, 2024

The results of the F test obtained the value of F-count (22.085)> ftabel (3.940) with a significant value (0.000), which means that together or combined, the variables of trust (X1) and risk (X2) simultaneously have a positive and significant effect on purchasing decisions (Y) on UNITRI management students class of 2021., so H3 is accepted, meaning that trust and risk have a relationship to purchasing decisions (Y) on UNITRI management students class of 2021.

Coefficient of Determination (R2)

The coefficient of determination (R2) essentially measures how far the model can explain variations in the dependent variable. The test results for the coefficient of determination (R2) are presented in the following table:

Table 7. Test coefficient of determination (R2)

Model	R square
1	0.313

Source: Primary Data Processed, 2024

The analysis's results found an r-square value of 0.313, meaning that the variables of trust and risk affect purchasing decisions by 31.3%, the remaining 68.7% is influenced by other variables not examined in this study.

The influence of trust on purchasing decisions for UNITRI management students class of 2021.

Based on the results of the analysis, it is known that the value of editing = 3.776> Table 1.984; this proves that trust has a positive influence on purchasing decisions with a significant value of 0.000 (<0.05), so H1 is accepted. with this it can be concluded that the trust variable partially has a positive and vital influence on purchasing decisions by using the shop pay later payment method. This is evidenced by Shopee Pay later, a safe and secure payment method; transactions using Shopee Pay later will be protected, and information privacy will be maintained. Shopee Pay later provides responsive and reliable customer service and will process payments promptly and without difficulty. I prefer to use Shopee pay later for product purchases because I highly trust this payment method.

Trust is the belief that a product has different features and benefits. Consumer trust is all the knowledge consumers possess and all the conclusions they make about objects, their attributes, and benefits. Objects can be products or people; consumers will always use these attributes if they trust them. One of them, such as shop pay later, is here with efforts to provide the best services to captivate the hearts of the community, one of which is young people, who currently often use this pay-later electronic payment media.

The Shopee Pay later service facilitates users to feel that their payment transactions are guaranteed to be safe in payment and information about personal data is well protected; besides that, the system using Shop Pay Later is also high-speed to make payments. This convenience offered by online stores is the biggest reason purchasing behavior patterns have changed from offline to online stores. This research aligns with Canestren & Saputri (2021), stating that trust, Convenience, and Risk affect Purchasing Decisions Using the Pay later Payment Method. Moreover, supported by research (Prayusi & Ingriyani, 2023) with the title of effect of Financial literacy, Perceptions of Ease, Perceptions of Risk, and Trust on Interest in Using Shopee Pay later the results of Ease, Perception of Risk, and Trust have a partial and simultaneous effect on Interest in Using Shopee Pay later.

The Effect of Risk on Purchasing Decisions on UNITRI Management Students, Class of 2021

Based on the analysis results, the value of count = 4.065> t table 1.984 proves that risk positively affects purchasing decisions. With a significant value of 0.00 < (0.05), risk significantly affects buying decisions, so H2 is accepted. So, risk positively and significantly influences purchasing decisions. This is evidenced by worrying about the risk of payment failure when using Shopee Pay later, using shopee pay later increases the risk of my online purchases, and worrying about the security risk of my data when using Shopee Pay later; despite the risk, I still tend to use Shopee Pay later for product purchases and the risk of purchasing using shopee pay later is higher than other payment methods.

Risk is a consumer response to the belief that the goods or services they use are risky. High risk leads to a lack of confidence in technology. Risk is one of the psychological factors that influence purchasing decisions. Two critical reasons customers do not buy products or services on the Internet are the safety concerns of online shopping and the privacy of personal information. Perceived risk is an impact or possibility not expected by users when using a system. Many risks might occur if using financial transactions, such as when you want to pay but the transaction fails, but the balance has decreased; this makes consumers anxious about the services provided, not to mention the personal data provided. However, it did not demand the possibility of using Shopee Pay later; it is still popular and has become the most popular user, especially for students. Apart from providing relief to get the items they want, they can also pay using this pay later within the period they want, ranging from 3, 6, to 12 months.

This research is in line with research (Dary and Pudjiharjo, 2022) The Effect of Trust, Convenience, Religiosity and Risk Perceptions on Purchasing Decisions Using Spay later. The results of the research obtained that trust, convenience, religiosity together have a significant effect on purchasing decisions using Spay later. and supported by Anggraeni and Darma (2023) with the title The Effect of Trust, Convenience, Religiosity and Risk Perceptions on (Purchasing Decisions Using Spay later, 2023) with the title The Effect of Convenience, Risk, Lifestyle, and Trust on the Consumptive Behavior of Shopee Pay later Users in Indonesia. Mentioning that convenience, risk, lifestyle, and trust affect the consumptive behavior of Shopee Pay later users in Indonesia.

The Effect of Risk and Trust on Purchasing Decisions on UNITRI Management Students, Class of 2021

Based on the analysis of the results of this study, it proves that the results of the f test obtained the value of count (12,130)> F-table (3,940) with a significant value (0.000) which means that together or combined the variables of trust (X1) and risk (X2) have a positive and significant effect on purchasing decisions (Y) on UNITRI Management students class of 2021, meaning that trust and risk have a relationship to buying decisions. So that H3 is accepted. This is evidenced by my interest in using the Shopee Pay later payment method. Various promos and offers encourage me to use the Shopee Pay later payment method; I am used to buying using Shopee Pay later, and I am more likely to choose products that can be purchased using Shopee Pay later than products that do not support this payment method. Always use Shopee Pay later if you want to shop.

Consumer trust or consumer knowledge concerns the belief that a product has attributes and benefits from various other attributes. Also known as consumer knowledge, it is the belief that a product has different features and benefits. Risk is a consumer response to the assumption that the goods or services they use are risky. High risk will lead to a lack of user confidence in their technology. A purchasing decision is a final decision that a consumer has to buy a good or service with certain considerations. Purchasing decisions have a very important role because they can increase profits for companies by increasing marketed products. Consumers, usually before making a purchase decision, need to consider and take into account alternatives to a product where trust and risk have a very close relationship with purchasing decisions, especially in making financial transactions.

With promos and discounts, making payments using Shopee Pay later attracts consumers to transact using this one payment method. Pay later is an alternative payment method that can delay or install payments when buying something through a platform, including e-commerce. This feature is similar to an online loan service without a credit card. One of the advantages of Pay later is that it provides convenience and easier payments; through Pay later, consumers can choose to divide payments over a specific period (1-12 months). This makes it easier for them to manage and avoid high interest rates. At first glance, it seems that this Pay later has the same function as a credit card, but what distinguishes this Pay later is whether digital or without a card (Rossa, 2022) with the title The Effect of Perceptions of Ease of Use, Trust, Risk and Security on Impulse Buying Spay later Users (Shopee Pay later) in Jadetabek with the results of research on Perceptions of Ease of Use, Trust, Risk, and Security affect Impulse Buying SPay later Users (Shopee Pay later) in Jadetabek.

CONCLUSION

Based on the analysis, trust, and risk significantly influence purchasing decisions for UNITRI Management students, Class of 2021, using the Shopee Pay later payment method. The higher the confidence level in Shopee Pay later, the more likely students will to use this payment method. Even though there are concerns regarding risks, such as failed payments and personal data security, students still choose to use Shopee Pay later because of its convenience, promos, and other benefits. Trust and risk acceptance are necessary when making later purchases through Shopee Pay Later.

REFERENCES
Dissertation from a Database
Kurniaputra, A. Y. (2017). *Pengaruh Persepsi Kemudahan, Risiko Dan Manfaat Terhadap Keputusan Nasabah Menggunakan Mobile Banking Bri Di Surabaya* (Doctoral dissertation, STIE Perbanas Surabaya).
Swiegers, L. (2018). *Perceived risk barriers to online shopping: experiences of technologically enabled generation y consumers* (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Journal Articles
Agustin, L. (2022). Evaluation of Factors influencing the Shopee Pay later adoption in Indonesia. *Management Science and Business Decisions*, 2(2), 5-18.
Akbar, R. (2023). Pengaruh kemudahan, keamanan, resiko dan promosi, terhadap keputusan penggunaan shopee pay later di Solo Raya. *Jurnal Riset Ekonomi dan Akuntansi*, 1(3), 213-235.
Anggraeni, N. P. N., & Darma, G. S. (2023). Pengaruh Kemudahan, Risiko, Gaya Hidup, dan Kepercayaan Terhadap Perilaku Konsumtif Pengguna Shopee Pay later di Indonesia. *JPEK (Jurnal Pendidikan Ekonomi dan Kewirausahaan)*, 7(2), 625-639.
Attamimi, Z. F., & Aulia, N. (2024). The Standard Digital Agreement For Shopee Pay Later Users In Terms Of Consumer Protection Laws Perspective. *Law and Justice*, 9(1), 151-162.
Azzindani, M. N., Tayo, Y., & Susanto, T. (2024). The Influence of Using the Shopeepay later Payment Feature on Impulse Buying Behavior. *International Journal of Education, Information Technology, and Others*, 7(3), 218-226.
Fadhilah, F., Putri Wenang L, F., & Affifatusholihah, L. (2021). Factors affecting trust on purchase decisions through E-Marketplace. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 5(4), 1120-1129.
Canestren, I. A., & Saputri, M. E. (2021). Pengaruh Kepercayaan, Kemudahan, Dan Resiko Terhadap Keputusan Pembelian Menggunakan Metode Pembayaran Shopee Pay later. *eProceedings of Management*, 8(3).
Dary, R. W., & Pudjiharjo, M. (2022). Pengaruh Kepercayaan, Kemudahan, Religiusitas, dan Persepsi Risiko terhadap Keputusan Pembelian Menggunakan Spay later. *Islamic Economics and finance in Focus*, 1(3), 252-263.
Husna, F. (2023). Get It Fast, Pay It Later: Analysis of Pay later Features as A Support of The Generation Z Lifestyle. *Edueksos Jurnal Pendidikan Sosial & Ekonomi*, 12(01).
Kusnaedy, D., & Setianingrum, R. B. (2024). Legal Construction and Dispute Resolution of Non-Payment Debtors in Pay later Shopee. *Law Research Review Quarterly*, 10(1).
Mathur, A. G. (2024). Unboxing Credit for All: Buy Now, Pay Later: Empowering India's Underbanked. *Issue 1 Int'l JL Mgmt. & Human.*, 7, 2310.
Purwanto, E., Adzikri, M. W., Permana, C. G., Marlina, T., & Handiriono, R. (2024). Legal protection of personal data in e-commerce online transactions with the pay later method. *Interdisciplinary Social Studies*, 3(3), 117-122.
Susanti, R. A. D., Fardahlia, D., & Indrihastuti, P. (2021). Kemudahan dan kemanfaatan pengaruhnya terhadap keputusan penggunaan sistem pembayaran E-Money Ovo, Go-Pay, dan Dana. *J-MACC: journal of management and accounting*, 4(1), 57-71.
Wicaksono, D. S., Ruhamak, M. D., & Yap, N. (2023). The Effect Ease Of Use And Perceived Risk On Purchasing Decisions On Marketplace Shopee. *Jurnal Studi Manajemen dan Bisnis*, 10(2), 208-214.

Proceedings

Rossa, A. (2022). Pengaruh Persepsi Kemudahan Penggunaan, Kepercayaan, Risiko dan Keamanan terhadap Impulse Buying Pengguna SPay later (Shopee Pay later) di Jadetabek. In *Seminar Nasional Akuntansi dan Manajemen PNJ* (Vol. 3).