

Analysis of Convenience, Service Features and Risk in the Decision to Use the Generation Z ShopeePay Payment System in the Wates District Area

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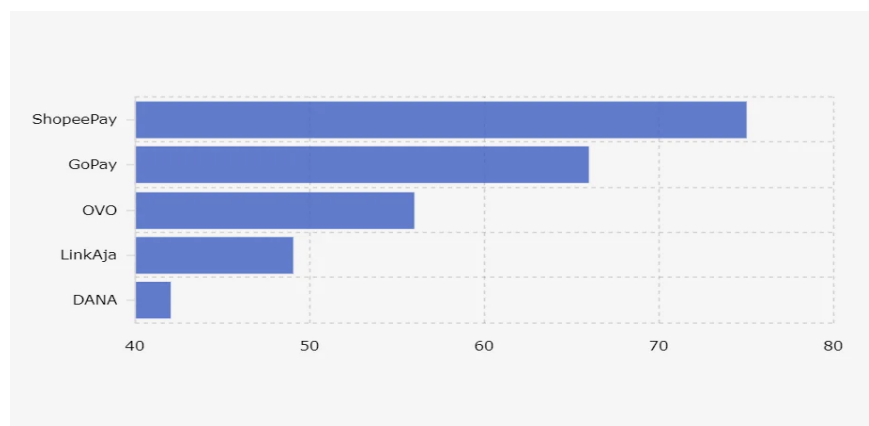
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Article Information		Abstract
Submission date	30 January 2025	<p>Research aim : Aims to explore and analyse the convenience, service features, and risks of Generation Z in Wates District towards using ShopeePay as a payment method. Ease and service features can access risks of using ShopeePay is a digital payment tool that can facilitate transactions.</p> <p>Design/Method/Approach : The research can use a quantitative causality approach. Processing with nonprobability sampling method with accidental technique, and distributing questionnaires to 40 respondents, using goggle form in the Wates District area.</p> <p>Research Finding : This finding shows that Generation Z in Wates District tends to prefer the ShopeePay application as a payment that can be used easily. The availability of simple navigation features makes the payment process fast. Risks in the use of ShopeePay among Generation Z such as not realizing the importance of maintaining personal information.</p> <p>Theoretical contribution/Originality : The theoretical contribution of this analysis can provide new insights in understanding the factors that influence Generation Z's use of ShopeePay.</p> <p>Practitioner/Policy implication : Meanwhile, the practical implications can help financial managers and other stakeholders in formulating more effective strategies to meet the needs of Generation Z in district Wates.</p> <p>Research limitation : However, this study has some limitations that need to be considered. The sample used was limited to Generation Z in Wates Sub-district, so the results may not be generalizable to a wider population. This study relied on data collected through questionnaires, which could be affected by respondent bias and limitations in their understanding of the questions asked.</p> <p>Keywords : Convenience, Service Features, Risk, ShopeePay</p>
Revised date	30 April 2025	
Accepted date	11 June 2025	

1. Introduction

The more widespread advances in the technological era, of course, make changes in the way humans live an increasingly advanced life. With the rapid development of technology, it is also able to facilitate human activities [1]. The media used will certainly be more diverse and flexible. Today, many *e-wallet platforms* provide payment options. Due to outstanding customer feedback in terms of quality and service, and the number of enthusiasts that continues to increase every month. E-Wallets can certainly be used using a smartphone. As the times

progress, several companies have been able to create all innovations with electronic wallets that require smartphones and internet services [3]. Advances in technology in the payment system are becoming an easier form of digital payment. E-Wallet is a prepaid account with password protection. E-wallet as a digital payment system in the way consumers transact and the impact on efficient financial use decisions on consumers.



Source: Databooks - Katadata, 2023

Reporting from [4], ShopeePay itself is an *e-wallet* product from PT AirPay International Indonesia which was founded in November 2015. In some countries this has certainly penetrated quickly, the use of digital payment products known as Digital Payment or Electronic Money [5]. The research problem regarding the use of ShopeePay among Generation Z is very important to raise, because generation Z in the Wates District Area is a group that is most connected to increasingly advanced digitalization. This encourages Generation Z to switch from traditional payment methods to digital payment systems such as ShopeePay. This phenomenon shows that there is a significant need to understand Generation Z in Wates District who are adapting to this change, as well as the factors that encourage them to choose ShopeePay as the main payment system. By accessing and utilizing the features that have been offered by ShopeePay, it has become a phenomenon in the use of ShopeePay among Gen Z in the Wates District area, which reflects a significant change in consumer behavior influenced by technological advances and the need for efficiency. The ease of access and various features available make Generation Z in Wates District increasingly accustomed to making online transactions, both for daily needs and others. Research on the use of ShopeePay among Generation Z provides a deeper context for the problem being studied. In Wates Sub-district, the adoption of ShopeePay by Generation Z shows a meaningful shift, as they value innovation and seek a better transaction experience, creating high expectations of the app and encouraging continued engagement. In addition, this opens up great opportunities for the development of the digital economy in the sub-district.

From these things, it shows that there is a problem gap. Although the app is designed to be user-friendly, some users still experience difficulties with ease of navigation. There are a

variety of interesting service features, some users may want additional, more specific features. Although this application is equipped with a sophisticated security system, there are still concerns among users regarding potential fraud and data leakage. Although the use of digital wallets such as ShopeePay among Generation Z has become a topic of interest, there is still a significant research gap, especially at the local level such as district Wates. Many of the studies that have been conducted tend to focus more on the use of digital wallets in big cities or among a wider population, without paying attention to specific local conditions. In district Wates, social, economic, and cultural characteristics may differ from other areas, so that this matter becomes an understanding of the use and access of ShopeePay by Generation Z. This gap signals the need for more in-depth research to explore the local context that influences user behavior.

In recent years, research related to the utilization of digital wallets among the younger generation has shown a significant trend. So the adoption of digital wallets, including ShopeePay has increased among Gen Z, which contributes to increased financial awareness and ease of transactions. Convenience that can encourage in attracting users [6]. By providing convenience, it can be expected that consumers feel helped to choose ShopeePay [7]. One of the main conveniences of ShopeePay is the fast and efficient transaction process. Users only make payments with just a few clicks, so without the need to enter credit card information or other personal data every time they make a transaction. The indicators of convenience according to Davis a) on payment transactions will be easy, b) payment transactions are done quickly, c) gain an advantage when completing the transaction process, d) increase efficiency in making payment transactions [8]. In addition, there are several indicators on service features according to Poon, namely: a) easy access to product/service information, b) service on diversified transactions, c) assortment of features provided, d) all kinds of products that innovate [9]. The features offered by ShopeePay must be analyzed to determine their suitability for the needs of Generation Z's usage decisions in Wates District. In addition, it must be analyzed to determine its suitability for the needs of Generation Z's usage decisions in Wates District. Risk is a concern about the security of payments using smart phones [10]. The decision to use ShopeePay is influenced by various factors, such as ease of access, transaction security, and promotions and discounts offered. One of the main risks faced by ShopeePay users is the security of personal and financial data. ShopeePay is equipped with various security features, such as data encryption, there is still a possibility of data leakage or cyber attacks. Risk has two types of positive impacts, known as threats. According to Desita & Dewi, there are several indicators of risk, : 1) Security on the balance, 2) Security on the system, 3) Success on transactions made, 4) High risk, 5) Privacy risk. Indicators of usage decisions according to Kotler, namely: a) Stability in a product, b) Habitual use of products and services, c) Provide recommendations to others, d) Reuse. In contrast to previous research which is more general, this article will focus on analyzing the convenience, service features, and risks that influence the use of ShopeePay among Gen Z in Wates District. This research aims to identify what drives the adoption and decision to use ShopeePay, as well as how it interacts with the shopping habits

and financial management of generation Z in the Wates District area. With a more focused approach, this article is expected to provide new insights into the dynamics of digital wallet usage in the local context, as well as the implication for the financial behavior of generation Z in the district Wates area, an area located in Kediri, East Java. In previous studies that focused more on big cities. This article not only examines the risks faced by users, such as security and fraud issues. With this approach, this article provides new insights into how local factors influence Generation Z's system decisions on digital payments, and highlighted the importance of understanding financial literacy in the digital era. It can contribute to the literature that provides guidance for app developers to improve services.

Research also needs to be done to understand the risks associated with the decision to use ShopeePay, so that the impact on Generation Z in the Wates District Area can be known. Thus, it is important to consider whether ShopeePay is the main choice for Generation Z in the Wates District Area in adopting digital payment methods. Thus, this research will provide a deeper insight into the factors that influence the decision to use ShopeePay by Generation Z in the area. To formulate the focus of research on the utilization of ShopeePay by Generation Z in Wates District, it aims to identify and evaluate several important aspects, such as convenience, service features, and risks associated with using ShopeePay. In addition, this research seeks to understand how these factors influence Generation Z's decision to adopt a digital payment system. Through in-depth analysis of these elements, This research certainly provides a comprehensive insight into the dynamics of ShopeePay usage among Generation Z, and provides useful recommendations for application developers and other stakeholders in improving the service and security of digital payment systems in that location.

1.1. Statement Of Problem

- a. Does the convenience of the ShopeePay payment system for Generation Z in the Wates District Area affect usage decisions?
- b. Do the service features of the ShopeePay payment system for Generation Z in the Wates District Region affect the decision to use?
- c. Does the risk of the ShopeePay payment system for Generation Z in the Wates District Area affect usage decisions?
- d. Do the convenience, service features, and risks of ShopeePay for Generation Z in the Wates District Area influence usage decisions?

1.2. Research Objectives

- a. To determine the ease of the ShopeePay payment system for Generation Z in Wates District on usage decisions.
- b. To determine the service features of the ShopeePay payment system for Generation Z in Wates District on usage decisions.
- c. To determine the risk of the ShopeePay payment system for Generation Z in Wates District on usage decisions

- d. To find out the convenience, service features, and risk of the ShopeePay payment system for Generation Z in Wates District on user decisions

2. Method

With quantitative methodology with causality techniques. In determining the number of samples using non-probability sampling techniques with accidental using goggle forms containing statements, that the sample size is 40 respondents. The research was conducted in Wates District, Kediri Regency, East Java Province. Total sampling was used as a sampling technique, involving an accidental sample of 40 respondents. Usage decision (Y) is the dependent variable, independent variables include convenience (X1), service features (X2), and risk (X3). Furthermore, the data is processed using instrument tests (including validity, reliability tests), classical assumption tests including, multiple linear regression analysis tests, determination coefficient analysis tests, hypothesis tests which include T tests, F tests. The results of all tests that have been carried out, it is concluded that convenience has a significant effect on purchasing decisions using the ShopeePay payment transaction method.

3. Result and Discussion

Obtained a total sample of 40 respondents who have met the requirements as the characteristics of the respondents, namely ShopeePay digital payment users in Generation Z in Wates District, Kediri Regency, East Java. By filling out an online questionnaire that can be accessed on goggle form. This study uses 3 independent variables consisting of convenience, service features, and risk and the dependent variable on usage decisions.

Table 1
Multiple Linear Regression Test

Unstandardized Coefficients			Standardized Coefficients	t	Sig.
Model	B	Std. Error	Beta		
1 (Constant)	14,496	5,880		2,465	0,019
Ease	0,103	0,149	0,107	0,689	0,495
Service Featur	0,336	0,127	0,389	2,638	0,012

a. Dependent Variable: Usage Decision

Source : SPSS 25

The value of a is 14.496, the constant of the convenience variable (X1), service features (X2), and risk (X3) has a positive effect on usage decisions, an increase of 1 unit of the convenience variable will affect usage decisions by 0.103, assuming other variables are not examined. Furthermore, b1 (X1 regression coefficient value) is 0.103, that the convenience variable has a

positive effect on usage decisions, an increase of 1 unit of the convenience variable affects usage decisions by 0.103, assuming other variables are not examined. Then b2 (X2 regression coefficient value) is 0.336, indicating that the service feature variable has a positive influence on usage decisions, that each increase of 1 unit of the service feature variable will affect usage decisions by 0.336, assuming other variables are not examined in this study. Then there is b3 (regression coefficient value X3), indicating that the risk variable has a positive influence on usage decisions, that each increase of 1 unit of the risk variable affects usage decisions by 0.122, assuming it her variables are not examined in this study.

Table 2
Test Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.467 ^a	0,218	0,153	4,66050

a. Predictors: (Constant), Risk, Service Features, Convenience

Source : SPSS 25

Shows the influence of the coefficient R Square (R²) value of 0.467 or 44.6%. That the effect of ease of service features, and risk on usage decisions is 0.336 (44.6%).

Table 3
Simultaneous Significance F Test

ANOVA ^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	218,469	3	72,823	3,353	.029 ^b
	Residuals	781,931	36	21,720		
	Total	1000,400	39			

a. Dependent Variable: Usage Decision

b. Predictors: (Constant), Risk, Service Features, Convenience

Source : SPSS 25

F test for simultaneous (overall) significance of the independent variable on the dependent variable. Convenience, service features, and risk have a significant negative effect on usage decisions. Obtained sig of 0.0029 greater (>) than the probability value of 0.05. So that it shows

simultaneously or together convenience, service features, and risk have a negative effect on usage decisions.

Table 9
Partial Significance T Test

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	14,496	5,880		2,465	0,019
	Ease	0,103	0,149	0,107	0,689	0,495
	Service Features	0,336	0,127	0,389	2,638	0,012
	Risk	0,122	0,096	0,196	1,267	0,213

a. Dependent Variable: Usage Decision

Source : SPSS 25

Based on this table, the significance value (Sig) for the convenience variable is 0.495. Because this value greater than 0.05, we cannot reject the null hypothesis (H0) and conclude that convenience has no significant effect on usage decisions. In other words, H1 (alternative hypothesis) is rejected. The significance value for service features is 0.012. Since this value is smaller than 0.05, we can reject H0 and conclude that service features have a significant influence on usage decisions. The better the service features, the more likely someone will decide to use the service. The significance value for risk is 0.213. Since the value is greater than 0.05, we cannot reject H0 and conclude that risk has no significant effect on usage decisions. Thus, H1 for the risk variable is also rejected. Of the three independent variables tested, only service features have a significant influence on usage decisions, while convenience and risk show no significant influence. This suggests that in the context of this study, more attention should be paid to developing service features to improve usage decisions.

4. Conclusion

Research shows that ease of access drives Generation Z ShopeePay. Intuitive interface allows users to make transactions quickly and easily in just a few steps, creating a positive user

experience and increasing transaction efficiency. The features provided by ShopeePay, such as convenience, variety of transaction service features, and risk, are highly valued by users. Although ShopeePay has a strong security system, there are still concerns among users about the possibility of fraud and data leakage, so security remains a major concern in choosing a payment app. Users are more inclined to choose apps that offer better security guarantees. These findings emphasize the importance for app developers to continuously improve security aspects to build user trust and encourage wider use.

In practice, the results of this study can provide guidance for application developers and e-wallet service providers on ShopeePay, to improve the features and services offered. By understanding the needs and preferences of Generation Z in Wates District, developers can design applications that are more user-friendly and in accordance with user expectations. Research shows that users want additional features or increased security, developers can focus on developing these features. In addition, this research can also help in formulating more effective marketing strategies, by customizing promotions and discounts that are relevant to Generation Z's shopping habits. With the increasing adoption of digital wallets, it is important for the government to create a safe and supportive environment for users, including in terms of data protection and transaction security. This research can be the basis for formulating better policies in terms of financial literacy, so that Generation Z can use digital payment technology more wisely and safely. Thus, the contribution of this research is not only limited to academic aspects, but also has practical and policy implications that can support the growth of the digital economy at the local level. The novelty of this research lies in the in-depth focus on the use of ShopeePay by Generation Z in Wates Sub-district, which is an area that is less explored in the existing literature. This research not only examines the convenience and features of the service, but also investigates the risks that users face, such as security and fraud issues. With this approach, this research provides new insights into how local factors influence Generation Z's decision to use digital payment systems. Overall, this research makes a meaningful contribution in understanding the dynamics of e-wallet usage among Generation Z, as well as its implications for financial behavior and digital economy development at the local level.

This study may be limited to a sample drawn from a specific population, so the results cannot be generalized to the entire Generation Z population in Indonesia. This limitation may affect the external validity of the research findings, as the characteristics and behavior of users in Wates Sub-district may differ from other areas. Although this study focused on convenience, service features, and risk, it is possible that other factors, such as previous user experience, social influence, and psychological factors, also play an important role in usage decisions, but were not explored in depth in this study. Based on the existing limitations, several relevant research agendas can be carried out to expand the understanding of the use of ShopeePay among Generation Z. This approach can help understand users' motivations, challenges, and expectations of the application, as well as the factors that influence usage decisions. Comparison with Other E-Wallet Platforms by Conducting research that compares the use of

ShopeePay with other e-wallet platforms among Generation Z. This comparative analysis can provide insights into the use of ShopeePay. This comparative analysis can provide insight into the advantages and disadvantages of each platform, as well as the factors that influence user choice. By carrying out this research agenda, it is expected to make a greater contribution to the understanding of the use of ShopeePay and other digital wallets, as well as provide better recommendations for application developers and stakeholders in improving the service and security of digital payment systems.

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