



Generation Z Digital Wallet Usage Intention: Development of the Extended Digital Payment Adoption Model Through Promotional Activities



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Abstract

This study aims to analyze the factors within the Extended Digital Payment Adoption Model that influence the intention to use digital wallets, specifically GoPay and OVO, among Generation Z in the Jabodetabek metropolitan area, as well as to examine the integration of promotional activities as an additional variable in the digital payment adoption model. This study is motivated by the growing use of digital wallets and increasing competition among service providers to attract and retain users, creating a need to understand how convenience, security, cost, social influence, innovativeness, and promotional activities shape users' intention to use digital wallets. This study employs a quantitative approach using Partial Least Squares-Structural Equation Modeling (PLS-SEM). Data were collected in 2026 from 100 Generation Z respondents residing in Jabodetabek who had used GoPay and/or OVO for at least six months. The variables analyzed include perceived convenience, perceived security, perceived cost, social influence, innovativeness, promotional activities, and intention to use. The results show that perceived convenience, perceived security, social influence, innovativeness, and promotional activities have positive and significant effects on intention to use, while perceived cost has a negative and significant effect. The model explains 69.9% of the variance in intention to use, with a Q^2 value of 0.642. The managerial implications emphasize the importance of strengthening security, improving service convenience, managing costs, fostering innovation, leveraging social influence, and optimizing promotional activities that are relevant to the characteristics of Generation Z. These findings indicate that integrating promotional activities extends the explanatory capability of the Extended Digital Payment Adoption Model in explaining digital wallet usage intention among Generation Z.

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1. Introduction

The development of digital technology has driven a significant transformation in payment systems, particularly through the adoption of digital wallets. Digital wallets allow users to perform non-cash transactions quickly, practically, and integrated with various digital services. In Indonesia, digital wallet penetration has experienced rapid growth alongside increasing smartphone usage, the expansion of internet infrastructure, and support from the digital economy ecosystem. Services like GoPay and OVO have become two major players contributing significantly to driving digital payment adoption, especially in the Jabodetabek (*Jakarta, Bogor, Depok, Tangerang, and Bekasi*) metropolitan area, which has a very high level of economic activity and population mobility.

Digital transformation in the traditional financial industry aims not only to improve efficiency but also to prevent the loss of existing customers who now expect convenience and speed in financial transaction processes. This technological advancement has also spurred the birth of new business models in the financial sector, marked by the rapid growth of startups and technology companies offering innovative financial services. With a rapidly growing digital customer population and high internet penetration, Indonesia has become one of the largest digital economy markets in Asia. Currently, Indonesia is home to more than 100 fintech companies (OJK, 2020). The exponential growth in investment and number of players is a sign that digital financial innovators, including fintech companies, play a crucial role in driving the digital revolution.

Fintech has transformed the traditional financial landscape by offering innovative solutions that are more accessible, efficient, and inclusive. Adequate information and communication technology (ICT) infrastructure support has provided broad access and afforded opportunities for many people to use the internet for various purposes supporting the lifestyle needs of modern society today, especially the ease of carrying out various types of transactions. Furthermore, digital penetration among the public has created a digital scenario that has become the 'new normal' (Chauhan et al., 2022). The Jabodetabek area (Jakarta, Bogor, Depok, Tangerang, Bekasi) as a hub for economic activity, business, and modern lifestyle has become the region with the highest financial technology adoption in Indonesia.

Generation Z represents a highly relevant user segment in the context of digital payments. As a generation that grew up alongside digital technology (digital natives), Generation Z possesses a relatively high level of tech literacy and a propensity to adopt digital-based innovations in their daily lives (Francis & Hoefel, 2018). However, high technology exposure does not automatically guarantee a uniform level of adoption. In practice, Generation Z's intention to use digital wallets is still influenced by various perceptual, social, and contextual factors. According to the report from the Indonesian Internet Service Providers Association (APJII, 2025), the number of internet users in Indonesia reached 229.4 million people or approximately 80.66% of the population, with the largest concentration in urban areas where Generation Z emerges as the dominant group.

Bank Indonesia (2024) projects that the national electronic money transaction value in 2025 will reach Rp 1,051 trillion, an increase of approximately 25.77% compared to the previous year. Of this amount, over 40% of transactions originate from the Jabodetabek area, making this metropolitan region the primary barometer for the development of the digital payment ecosystem in Indonesia. Among various e-wallet providers, GoPay and OVO are dominant players. GoPay recorded 22.4 million monthly active transaction users in Q2 2025, while OVO excels in offline merchant penetration and repeat usage rate. Surveys show that over 70% of Generation Z

in Jabodetabek use e-wallets as their primary payment method for daily mobility, culinary, entertainment, and online shopping.

Despite the high adoption rate, sustainable intention to use still exhibits variation due to hesitation regarding transaction security, usage costs, and the effectiveness of promotional incentives. Previous research on digital payment adoption generally focuses on standard models such as TAM (Davis, 1989) or UTAUT (Venkatesh et al., 2003), but remains limited in exploring the integration of external stimulus variables such as promotional activities. In fact, more than 60% of e-wallet users choose applications based on promotional incentives such as cashback, discounts, and vouchers (DSInnovate, 2023). Therefore, this study aims to test the Extended Digital Payment Adoption Model, which integrates Perceived Convenience, Perceived Security, Perceived Cost, Social Influence, Innovativeness, and Promotional Activities towards the Intention to Use GoPay and/or OVO among Generation Z in Jabodetabek.

2. Materials and Method

This study employs a quantitative approach with an explanatory research design to examine causal relationships and hypothesized influences among variables. The data analysis method applied is Partial Least Squares–Structural Equation Modeling (PLS-SEM), which is highly suitable for testing predictive models and developing theory that integrates additional external variables.

Population and Sample

The target population in this study consists of Generation Z (born between 1995–2010) residing or having primary activities in the Jabodetabek metropolitan area (Jakarta, Bogor, Depok, Tangerang, Bekasi). The sampling technique used is non-probability sampling with a purposive sampling method. The sample inclusion criteria include: (1) Generation Z individuals aged between 16 and 31 years at the time of the study (2026), (2) residing in the Jabodetabek area, and (3) having actively used GoPay and/or OVO digital wallets for at least the past 6 months. The final sample size successfully collected and analyzed comprised 100 respondents who met all inclusion criteria.

Data Collection and Operationalization of Variables

Primary data collection was conducted through a structured questionnaire distributed online (online survey) during 2026. Each survey item was measured using a 5-point Likert scale, ranging from 'Strongly Disagree' (scale 1) to 'Strongly Agree' (scale 5). The variables studied and their operational definitions include following.

Perceived Ease of Use (PEOU) refers to users' perceptions of the ease, comfort, transaction speed, and practical accessibility and integration of GoPay and OVO digital wallet services. It reflects the extent to which users consider these platforms convenient and straightforward to operate in their daily financial transactions.

Perceived Security (PSEC) refers to users' perceptions of the extent to which GoPay and OVO protect personal data, maintain the confidentiality of financial information, ensure reliable encryption, and provide secure transaction authentication. This construct reflects users' confidence in the platforms' ability to safeguard their information and financial transactions.

Perceived Cost (PCOST) refers to users' perceptions of the financial burden associated with using GoPay and OVO, including transaction fees, administrative charges, top-up deductions, and other financial sacrifices incurred when accessing the services. It represents users' assessments of whether the costs associated with using these digital wallets are reasonable and acceptable.

Social Influence (SI) refers to the extent to which encouragement, opinions, and behaviors of peers, family members, co-workers, and the broader social environment, including social media, influence an individual's decision to use GoPay and OVO. This construct reflects the role of social expectations and interpersonal interactions in shaping digital wallet adoption decisions.

Innovativeness (INNO) refers to an individual's degree of openness, willingness, and personal tendency to explore and adopt new payment technologies or digital wallet features earlier than others. It reflects users' readiness to experiment with technological innovations and their interest in incorporating new digital payment solutions into their daily activities.

Promotional Activities (PA) refer to users' perceptions of the attractiveness and value of incentives offered by GoPay and OVO to encourage adoption and continued usage. These incentives include cashback programs, price discounts, shopping vouchers, and reward points, which may influence users' evaluations of the benefits associated with using the services.

Intention to Use (IU) refers to users' intention, willingness, and commitment to adopt and continue using GoPay and OVO in the future. It encompasses their inclination to use these digital wallets regularly for financial transactions and their willingness to recommend the services to others.

Data Analysis Techniques

PLS-SEM data analysis was carried out through two main stages: measurement model evaluation (Outer Model) and structural model evaluation (Inner Model):

1. Outer Model Evaluation: Conducted to test instrument validity and reliability. Convergent validity was tested via Outer Loading values (> 0.70) and Average Variance Extracted (AVE > 0.50). Discriminant validity was evaluated through Cross Loading, Fornell-Larcker Criterion, and Heterotrait-Monotrait Ratio (HTMT < 0.90). Reliability testing was measured using Composite Reliability (> 0.70) and Cronbach's Alpha (> 0.70).

2. Inner Model Evaluation and Hypothesis Testing: Structural model evaluation includes the coefficient of determination (R^2), effect size (f^2), model fit (Standardized Root Mean Square Residual / SRMR < 0.08), collinearity (VIF < 5.0), and predictive relevance ($Q^2 > 0$). Hypothesis testing was conducted via a bootstrapping procedure with a significance level of $\alpha = 5\%$ (t-statistic > 1.96 and p-value < 0.05).

3. Results and Discussion

Respondent Profile and Usage Characteristics

Based on the data collection results from 100 Generation Z respondents in Jabodetabek, demographic profiles and digital wallet usage patterns for GoPay and OVO are presented in Table 1 and Table 2.

Table 1. Demographic Characteristics of Respondents (n = 100)

Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	42	42.0%
Gender	Female	58	58.0%

Age	17 - 20 Years	31	31.0%
Age	21 - 24 Years	49	49.0%
Age	25 - 28 Years	20	20.0%
Domicile	DKI Jakarta	38	38.0%
Domicile	Bogor / Depok	24	24.0%
Domicile	Tangerang / Bekasi	38	38.0%
Primary Occupation	College / School Student	52	52.0%
Primary Occupation	Private / BUMN Employee	36	36.0%
Primary Occupation	Entrepreneur / Freelance	12	12.0%

Table 2. Digital Wallet Usage Characteristics (n = 100)

Characteristic	Category	Frequency (n)	Percentage (%)
Service Used	GoPay Only	28	28.0%
Service Used	OVO Only	19	19.0%
Service Used	Both (GoPay & OVO)	53	53.0%
Length of Usage	6 Months - 1 Year	18	18.0%
Length of Usage	> 1 Year - 3 Years	44	44.0%
Length of Usage	> 3 Years	38	38.0%
Transaction Frequency	1 - 5 times per week	22	22.0%
Transaction Frequency	6 - 10 times per week	41	41.0%
Transaction Frequency	> 10 times per week	37	37.0%

Based on the data presented in Tables 1 and 2, the demographic profile of the respondents indicates that the majority are female (58%), aged 21–24 years (49%), and hold student status (52%). These findings suggest that the sample predominantly represents young adults who are in the early stages of their professional and personal development, with students constituting the largest occupational group. The relatively high proportion of respondents aged 21–24 years is particularly relevant because individuals in this age group are generally familiar with digital technologies and increasingly engage with technology-based services in their everyday activities. Furthermore, the predominance of female respondents provides an important demographic characteristic for understanding the sample, although the distribution alone does not establish gender-based differences in digital wallet adoption or usage behavior.

Regarding digital wallet usage patterns, the findings reveal that 53% of respondents actively use both GoPay and OVO simultaneously. This indicates that a substantial proportion of respondents do not rely exclusively on a single digital wallet but instead utilize multiple platforms to support their digital payment needs. Such behavior may reflect users' efforts to take advantage of the different features, merchant partnerships, promotional offers, and transaction benefits provided by each platform. The simultaneous use of GoPay and OVO also suggests that digital wallet adoption among the respondents may involve comparative evaluation and flexible decision-making, whereby users select a particular platform according to transaction requirements, available incentives, and personal preferences. However, further analysis would be required to determine the specific factors motivating respondents to use both platforms.

In terms of usage duration, 78% of respondents reported having used digital wallets for more than one year, indicating that most participants have accumulated considerable experience with digital payment services. This level of experience is important because established users are likely to have developed familiarity with transaction procedures, platform features, security mechanisms, and the practical advantages and limitations of digital wallets. Their perceptions of perceived ease of use, perceived security, and perceived cost may therefore be informed by repeated interactions rather than initial impressions alone. Nevertheless, longer usage duration does not necessarily imply greater satisfaction or stronger intentions to continue using a particular platform, as these outcomes may also depend on users' experiences and evaluations of the services.

Furthermore, the reported transaction frequency of more than six times per week demonstrates a high level of engagement with digital wallet services among the respondents. Frequent transactions suggest that these platforms are used not merely for occasional online purchases but potentially for various routine financial activities, including food purchases, transportation payments, shopping, bill payments, and other daily transactions. The combination of extended usage duration and high transaction frequency indicates that digital wallets have become an important component of the respondents' payment behavior. These patterns also provide a relevant empirical context for examining the influence of perceived security, perceived cost, social influence, individual innovativeness, and promotional activities on users' intention to use GoPay and OVO.

Overall, the demographic characteristics and usage patterns presented in Tables 1 and 2 indicate that the respondents constitute an experienced and highly engaged group of digital wallet users from Generation Z in the Jabodetabek region. The substantial proportion of respondents using both GoPay and OVO, together with their extended usage experience and frequent transactions, supports the observation that digital wallets play an increasingly prominent role in their everyday financial activities. These findings provide a useful foundation for investigating the factors associated with digital wallet usage intention in a population that is already familiar with cashless payment technologies. However, because the findings describe the characteristics of the study sample, they should not automatically be generalized to all Generation Z individuals in Jabodetabek without considering the sampling method and representativeness of the respondents.

Measurement Model Evaluation (Outer Model)

Outer model evaluation was conducted to ensure that indicator constructs met validity and reliability requirements. The results of convergent validity, discriminant validity, and reliability tests are presented in Table 3.

Table 3. Summary of Measurement Model Evaluation (Outer Model)

Variable	Outer Loading	AVE	Composite Reliability	Cronbach's Alpha
Perceived Convenience (PC)	0.785 - 0.892	0.684	0.896	0.845
Perceived Security (PSEC)	0.812 - 0.904	0.721	0.912	0.871
Perceived Cost (PCOST)	0.754 - 0.865	0.642	0.877	0.812
Social Influence (SI)	0.791 - 0.880	0.678	0.893	0.838
Innovativeness (INNO)	0.820 - 0.895	0.705	0.905	0.860
Promotional Activities (PA)	0.835 - 0.915	0.748	0.925	0.890
Intention to Use (IU)	0.840 - 0.922	0.752	0.924	0.889

All indicators have Outer Loading values above 0.70 and the AVE value for each construct exceeds the critical threshold of 0.50, indicating that convergent validity requirements are well satisfied. Discriminant validity testing via HTMT values also shows that all variable pairs are below the 0.90 criterion. Furthermore, Composite Reliability and Cronbach's Alpha values for all constructs are above 0.70 and 0.80 respectively, proving that the research instrument possesses very high consistency and reliability.

Structural Model Evaluation (Inner Model) and Hypothesis Testing

Structural model evaluation yielded an R^2 value of 0.699, indicating that 69.9% of the variance in Intention to Use (IU) can be explained by the combination of Perceived Convenience, Perceived Security, Perceived Cost, Social Influence, Innovativeness, and Promotional Activities, while the remaining 30.1% is explained by other factors outside the model. The Q^2 predictive relevance value of 0.642 (> 0) indicates excellent predictive capability of the model, and an SRMR value of 0.058 (< 0.08) confirms that the model falls into the 'fit' category. Hypothesis testing results are presented in Table 4.

Table 4. Hypothesis Testing Results of the Structural Model

Hypothesis	Impact Path	Coefficient (β)	t-Statistic	p-Value	f^2	Decision
H1	PC $\rightarrow$ IU	0.245	3.412	0.001	0.082	Accepted
H2	PSEC $\rightarrow$ IU	0.281	4.105	0.000	0.105	Accepted
H3	PCOST $\rightarrow$ IU	-0.184	2.684	0.008	0.051	Accepted

H4	SI → IU	0.198	2.891	0.004	0.058	Accepted
H5	INNO → IU	0.215	3.120	0.002	0.069	Accepted
H6	PA → IU	0.312	4.856	0.000	0.134	Accepted

Discussion

Based on the hypothesis testing results presented in Table 4, all six hypotheses proposed in this study were supported, as the relationships between the independent variables and intention to use were statistically significant. The findings demonstrate that perceived convenience, perceived security, perceived cost, social influence, innovativeness, and promotional activities are significant predictors of Generation Z's intention to use GoPay and OVO digital wallet services. However, the direction and magnitude of these relationships differ across the six predictors, indicating that users' intentions are shaped by a combination of functional, psychological, social, financial, and promotional considerations.

Effect of Perceived Convenience on Intention to Use (H1)

Perceived convenience has a positive and statistically significant effect on intention to use GoPay and OVO ($\beta = 0.245$; $t = 3.412$; $p = 0.001$). This result indicates that the greater the convenience users perceive when interacting with digital wallet services, the stronger their intention to continue using them. In the context of the Technology Acceptance Model (TAM), this finding is consistent with the broader proposition that favorable perceptions of technology usability contribute to technology acceptance (Davis, 1989). For Generation Z, convenience may encompass intuitive interface navigation, rapid transaction processing, straightforward payment procedures, and seamless integration with other digital services, including ride-hailing, food delivery, and e-commerce platforms. These features can reduce the time and effort required to complete everyday financial transactions, making digital wallets attractive alternatives to conventional payment methods. The finding also aligns with the research by Al-Qudah et al. (2024), as cited in this study, regarding the relevance of usability and functional benefits in digital technology adoption. From a practical perspective, GoPay and OVO should continue to improve interface design, transaction reliability, and cross-platform integration to ensure that users can complete transactions efficiently and with minimal inconvenience. Such improvements may strengthen users' perceptions of convenience and, consequently, their intention to use digital wallets regularly.

Effect of Perceived Security on Intention to Use (H2)

Perceived security has a positive and statistically significant effect on intention to use, with a path coefficient of $\beta = 0.281$, a t-statistic of 4.105, and a p-value of less than 0.001. This result indicates that users who perceive digital wallet services as secure tend to demonstrate stronger intentions to use them. Among digital payment users, security perceptions are particularly relevant because transactions involve personal information, financial data, and the transfer or storage of monetary value. Users may therefore consider the protection of personal information, transaction confidentiality, authentication procedures, and mechanisms for preventing unauthorized access when evaluating the reliability of a digital wallet. Features such as personal identification numbers (PINs), biometric authentication, transaction notifications, and balance-

protection mechanisms may contribute to users' perceptions of security when they are implemented effectively. This finding is consistent with the trust- and security-related perspectives discussed by Almaiah et al. (2022) and Suryati and Yoga (2021), which emphasize the importance of security considerations in digital technology adoption. For Generation Z, who may conduct financial transactions frequently across different digital platforms, confidence in transaction security can reduce perceived risks and strengthen willingness to engage in cashless payments. Accordingly, GoPay and OVO should prioritize robust security controls, transparent privacy policies, effective fraud detection, and accessible procedures for resolving unauthorized transactions. Nevertheless, perceived security should be distinguished from objectively measured security performance, as the present result reflects users' perceptions rather than a technical audit of either platform.

Effect of Perceived Cost on Intention to Use (H3)

Perceived cost has a negative and statistically significant effect on intention to use GoPay and OVO ($\beta = -0.184$; $t = 2.684$; $p = 0.008$). The negative path coefficient indicates that higher perceived financial costs are associated with lower intentions to use digital wallet services. These costs may include transaction charges, administrative fees, top-up deductions, interbank transfer fees, and other expenses associated with accessing digital payment services. Although digital wallets offer convenience and speed, users may reconsider their usage when they perceive the associated charges as excessive or when comparable services provide more favorable financial conditions. This consideration may be particularly relevant to younger users, including students and early-career individuals, whose spending decisions may be influenced by limited discretionary income and the need to manage routine expenses. The result is consistent with the studies by Phonthanukitithaworn et al. (2016) and Li et al. (2023), as referenced in this study, which highlight the relevance of cost considerations in digital payment adoption. The finding also suggests that convenience and security alone may not be sufficient to sustain usage if users perceive the service as financially burdensome. From a managerial perspective, digital wallet providers should maintain transparent fee structures, communicate applicable charges before transactions are completed, and consider offering competitive transfer and top-up arrangements. Reducing unnecessary costs and improving fee transparency may help minimize financial barriers and strengthen users' willingness to continue using digital wallet services.

Effect of Social Influence on Intention to Use (H4)

Social influence has a positive and statistically significant effect on intention to use GoPay and OVO ($\beta = 0.198$; $t = 2.891$; $p = 0.004$). This finding indicates that encouragement, recommendations, and usage patterns within users' social environments are associated with stronger intentions to use digital wallets. The result is consistent with the Unified Theory of Acceptance and Use of Technology (UTAUT), which identifies social influence as an important factor in technology acceptance (Venkatesh et al., 2003). For Generation Z, digital payment decisions may be shaped by interactions with friends, family members, classmates, colleagues, and online communities. When individuals observe that people within their social networks frequently use a particular digital wallet, they may become more familiar with the platform and more willing to consider adopting it themselves. Peer recommendations can also provide informal information about transaction convenience, merchant acceptance, promotional benefits, and perceived reliability. Furthermore, social media and digital communities may reinforce awareness of particular platforms through shared experiences and discussions about payment practices. This finding is consistent with the social influence perspective examined by Malarvizhi et al. (2022), as cited in this study. In practical terms, GoPay and OVO may benefit from referral

programs, user-to-user incentives, and community-oriented promotional campaigns. However, such initiatives should be designed to encourage informed participation rather than rely solely on social pressure. The results suggest that the social environment is a meaningful consideration in digital wallet adoption, although its effect is smaller than those of perceived convenience, perceived security, innovativeness, and promotional activities in the reported model.

Effect of Innovativeness on Intention to Use (H5)

Innovativeness has a positive and statistically significant effect on intention to use, as indicated by a path coefficient of $\beta = 0.215$, a t-statistic of 3.120, and a p-value of 0.002. This result suggests that individuals who demonstrate greater openness to new technologies and a stronger willingness to experiment with innovative features tend to report higher intentions to use digital wallet services. The finding can be interpreted through the Diffusion of Innovations Theory (Rogers, 2003), which emphasizes the role of individual characteristics in the adoption and diffusion of technological innovations. In the context of GoPay and OVO, technologically innovative users may be more willing to explore new payment functions, digital financial services, and platform enhancements. They may also be more receptive to changes in user interfaces, new merchant payment options, and emerging features that extend beyond conventional transactions. For Generation Z, whose everyday activities frequently involve digital platforms, personal innovativeness may encourage exploration of new financial technologies and a willingness to integrate them into existing payment routines. This interpretation is consistent with the study by Hidayat-ur-Rehman et al. (2022), as referenced in the present research. From a managerial perspective, digital wallet providers should introduce useful innovations, communicate the practical benefits of new features, and provide clear guidance that enables users to explore these functions confidently. Features involving financial products, such as paylater services or investment-related offerings, should also be accompanied by transparent information about costs, risks, eligibility requirements, and user responsibilities. Overall, the findings indicate that individual innovativeness contributes positively to usage intention, suggesting that the appeal of digital wallets extends beyond their existing functionality to users' willingness to engage with technological developments.

Effect of Promotional Activities on Intention to Use (H6)

Promotional activities have the largest positive path coefficient among the six predictors in the reported model and exert a statistically significant effect on intention to use GoPay and OVO ($\beta = 0.312$; $t = 4.856$; p less than 0.001; $f^2 = 0.134$). This result indicates that users who perceive promotional incentives more favorably tend to report stronger intentions to use digital wallet services. The coefficient suggests that promotional activities have the strongest estimated relationship with intention to use among the six variables examined, although the interpretation of relative importance should also consider the measurement scales, coefficient comparability, and uncertainty associated with the estimates. Promotional activities may include cashback offers, direct discounts, shopping vouchers, reward points, and other incentives that reduce the effective cost of transactions or provide additional benefits to users. For Generation Z, such incentives may be particularly attractive when they are relevant to everyday spending and can be redeemed easily across commonly used merchants and services. Promotions may also encourage users to try a platform, increase transaction frequency, or compare the relative benefits of competing digital wallets. This finding is consistent with the research by Nguyen and Nguyen (2022) and Makmur et al. (2024), as cited in this study, concerning the role of

promotional stimuli in digital financial services. The reported f^2 value of 0.134 indicates a small-to-medium effect under commonly used PLS-SEM benchmarks, suggesting that promotional activities contribute a meaningful, although not necessarily dominant in every practical context, amount of explanatory power to the model. For GoPay and OVO, the managerial implication is that promotional strategies should be designed around relevance, transparency, and sustainable user engagement. Rather than relying exclusively on short-term cashback campaigns, providers could combine targeted promotions with loyalty programs and benefits that encourage repeated use. At the same time, the effectiveness of promotions should be evaluated in terms of sustained usage and user retention, rather than promotional participation alone. Because the dependent variable is intention to use, the findings do not by themselves establish that promotions cause an equivalent increase in actual transactions or long-term loyalty.

Managerial and Theoretical Implications

Managerial implications. The findings provide several implications for digital wallet service providers, particularly GoPay and OVO, in developing strategies to strengthen usage intention among Generation Z in the Jabodetabek region. First, promotional activities should be integrated into a broader value proposition that combines financial incentives, convenience, and reliable service performance. Although promotional activities exhibit the largest path coefficient in the reported model, providers should avoid excessive dependence on short-term incentives that may encourage temporary usage without establishing lasting user engagement. Instead, cashback programs, discounts, vouchers, and loyalty points should be designed to reflect users' spending patterns and offer clear, accessible benefits. Second, security should remain a strategic priority. Providers need to maintain effective authentication mechanisms, protect personal and financial information, communicate privacy practices transparently, and respond promptly to suspected fraudulent transactions. Third, perceived costs should be managed through competitive fee structures and clear communication regarding transaction charges, top-up fees, and transfer costs. Fourth, convenience can be strengthened through intuitive interfaces, reliable transaction processing, and seamless integration with frequently used services. Finally, providers can leverage social influence and individual innovativeness by encouraging responsible referrals, communicating useful product innovations, and helping users understand new features. Taken together, these measures suggest that sustainable digital wallet engagement is more likely to be supported by a combination of functional value, security, cost efficiency, social awareness, innovation, and well-designed promotional incentives than by any single strategy in isolation.

Theoretical implications. This study contributes to the literature on digital payment adoption by examining an extended model that incorporates six potential determinants of intention to use GoPay and OVO: perceived convenience, perceived security, perceived cost, social influence, innovativeness, and promotional activities. The findings provide empirical support for the relevance of these constructs within the sampled Generation Z population in the Jabodetabek region. The positive relationships observed for perceived convenience and perceived security reinforce the importance of functional usability and risk-related perceptions in understanding digital payment intentions. The negative relationship between perceived cost and intention to use highlights the relevance of financial considerations, while the significant effects of social influence and innovativeness indicate that technology adoption also reflects social context and individual differences. Furthermore, the positive relationship between promotional activities and intention to use suggests that external incentives provide an additional explanatory dimension beyond usability, security, cost, social influence, and innovativeness. These results offer a basis for examining how technological, financial, psychological, and marketing-related factors operate together within an extended digital payment adoption framework. However, the claim that adding promotional activities improves the model's explanatory power, as measured by R^2 ,

requires a direct comparison between the original and extended models. Without the relevant R^2 values and comparative model results, it is more accurate to conclude that promotional activities are a significant predictor in the current model than to claim that their inclusion has demonstrably improved explanatory power.

Overall, the results indicate that Generation Z's intention to use GoPay and OVO is associated with multiple complementary factors. Promotional activities have the largest estimated positive path coefficient, followed by perceived security, perceived convenience, innovativeness, and social influence, while perceived cost has a significant negative relationship with usage intention. This pattern suggests that digital wallet providers should balance immediate incentives with longer-term priorities, including security, usability, affordability, and meaningful innovation. Nevertheless, the findings should be interpreted within the scope of the study's sample, research design, and statistical model. In particular, statistically significant associations do not necessarily establish causality, and the relative strength of the reported coefficients should be interpreted in conjunction with the study's measurement model and additional model-quality indicators.

4. Conclusions

Based on the data analysis and discussion, several key conclusions can be drawn regarding the factors influencing Generation Z's intention to use GoPay and OVO digital wallets in the Jabodetabek region. First, perceived convenience, perceived security, social influence, innovativeness, and promotional activities were found to have positive and statistically significant effects on intention to use. These findings indicate that Generation Z's intention to use digital wallets is associated with the convenience of conducting transactions, confidence in security measures, encouragement from social networks, openness to technological innovations, and the perceived attractiveness of promotional incentives. Together, these factors highlight the importance of combining functional benefits, user trust, social considerations, and innovative services to encourage the continued use of digital payment platforms.

Second, perceived cost was found to have a negative and statistically significant effect on intention to use. This finding suggests that higher perceived transaction costs, including administrative fees, top-up charges, and transfer fees, are associated with lower intentions to use digital wallet services. Therefore, affordability and fee transparency remain important considerations in maintaining users' interest in cashless payment methods. Digital wallet providers should ensure that transaction charges are reasonable, clearly communicated, and aligned with the value users receive from the services.

Third, promotional activities emerged as the predictor with the largest positive path coefficient in the proposed model ($\beta = 0.312$). This result indicates that promotional incentives, such as cashback programs, discounts, shopping vouchers, and loyalty points, have the strongest estimated relationship with Generation Z's intention to use GoPay and OVO among the six factors examined. The finding underscores the relevance of promotional strategies in attracting users and encouraging continued engagement with digital payment services. However, promotional activities should be complemented by reliable security, convenient interfaces, and competitive transaction costs to support sustainable usage intentions beyond short-term incentives.

Finally, the Extended Digital Payment Adoption Model demonstrated substantial explanatory and predictive performance, with an R^2 value of 69.9% and a Q^2 value of 0.642. The R^2 result indicates that the six predictors jointly explain 69.9% of the variance in intention to use GoPay and OVO, while the Q^2 value indicates predictive relevance under the applicable assessment procedure. These findings support the usefulness of the proposed model for understanding digital wallet usage intention among the Generation Z respondents in

Jabodetabek. Nevertheless, the results should be interpreted within the scope of the study population and research design. Overall, the study highlights that digital wallet usage intention is shaped by a combination of technological, security-related, financial, social, individual, and promotional factors, providing useful insights for both the development of digital payment adoption theory and the formulation of practical strategies by digital wallet providers.

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