

Mitigating the Long-Term Risks of Debt and Consumerism Behaviour: In the Perspective of Gen Z in Indonesia and Malaysia

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Abstract

The purpose of this study is to create regulations, ethical standards for the use of BNPL that play an important role in protecting consumers. The population of this study is students at universities in Indonesia and Malaysia, with a sample of 410 respondents used. This study uses a quantitative approach with a survey, data will be collected from students who shop online in Indonesia and Malaysia. The test results of this study show that: (1) BNPL Service Convenience has a significant positive effect on Intention to Use BNPL in students who shop online in Indonesia and Malaysia; (2) Impulse Buying has a significant positive effect on Intention to Use BNPL in students who shop online in Indonesia and Malaysia; (3) Intention to Use BNPL has a significant positive effect on BNPL User Behavior in students who shop online in Indonesia and Malaysia; (4) Financial Self-control moderates pseudo-the influence of Intention to Use BNPL on BNPL User Behavior; (5) Psychological Risk pseudo-moderates the effect of Intention to Use BNPL on BNPL User Behavior. The implications of this study underscore the importance of designing more proactive policies in mitigating long-term risks from consumer debt and consumerism among Gen Z in Indonesia and Malaysia. Considering the high use of the Buy Now Pay Later (BNPL) scheme among the younger generation, the policies formulated should include more in-depth financial literacy education, regulations that protect consumers from excessive debt accumulation, and policy frameworks that promote more sustainable consumption behaviors.

Keywords: *Convenience, Social media intensity, Self-control, Indonesian; Malaysia.*

Introduction

Many people have changed the way they transact due to the COVID-19 pandemic and switched from cash to digital payments to reduce physical contact and reduce the risk of virus transmission (Mu & Lee, 2022). Many countries have responded by supporting cashless policies and encouraging digital payment methods, which has resulted in a huge increase in the use of transactions and payments (Mansour, 2022). This trend is expected to continue even after the pandemic, marking a major shift towards a more digital payments ecosystem in the future. So that digital transactions increase, improve financial education to help consumers understand the risks and benefits of using BNPL services, because of this adverse impact on poor people in developing countries, thus highlighting the need for a careful and inclusive formalization approach, consider issues such as consumer protection, data privacy, and financial security (Veryzhenko et al., 2022). This change reflects people's adaptation to the digital environment and has an impact on policy, so supervision and ethical standards are needed to handle consumer complaints. BNPL Finally, it emerged as a financial option that suits the increasingly digital purchasing pattern. With the advent of BNPL, financial regulators face new challenges to ensure adequate consumer protection, sound credit risk management, and compliance with applicable financial regulations. Overall, incorporating social and consumer considerations into regulatory structures and adopting a behavior-based approach can improve sustainability and ensure effective regulation of BNPL and services Financial Technology (FinTech) (Aisjah, 2024).

In today's era of globalization, the business world places technology as a key element in achieving competitive advantage in the market as a top priority. Technology has significantly transformed the

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consumer experience and operational strategies across a wide range of industries. In particular, the financial and banking sectors are undergoing an important transformation driven by disruptive technological innovations, especially FinTech (Murinde et al., 2022). FinTech, which leverages information technology-based innovations and advanced software programs, aims to improve the efficiency of the financial ecosystem. With the rise of online commerce and the increasing use of smartphones, the financial industry is adopting FinTech solutions such as digital wallets, paperless loans, and digital money to address the challenges of a dynamic market environment. Projections from Boston Consulting Group (BCG) and QED Investors show substantial growth in FinTech market revenue, which is expected to increase from about \$0.25 trillion to \$1.5 trillion by 2030 (Goyal et al., 2023). Moreover, the Asia-Pacific (APAC) region is expected to surpass the United States in terms of FinTech market growth, with an estimated compound annual growth rate (CAGR) of 27%, driven by a number of factors such as a large number of small and medium-sized enterprises, tech-savvy young generation, middle-class growth, and significant underbanked populations in developing countries in APAC such as China, Indonesia, and India (Goyal et al., 2023).

Excessive use of BNPL services, particularly by students, can lead to debt dependence, impulse purchases, and overconsumption, which can limit their financial well-being in the future. BNPL services create a sense of pleasure and fun, differentiating them from other financial services and presenting themselves only as a "way of paying" and not as a form of credit (Cook et al., 2023). Mindfulness can reduce BNPL use by increasing consumers' financial self-control and reducing impulse buying propensity. Greater BNPL usage is associated with lower subjective evaluations of overall well-being, increased current money management pressures, and an expected decline in financial security in the future (Schomburgk & Hoffmann, 2023). It's important for BNPL providers to take responsibility to ensure consumers don't fall into debt traps, while retailers should make the payment process more "careful" (Faia et al., 2023). Students should be cautious about using BNPL services to avoid negative consequences on their financial well-being (Gerritsen et al., 2023), (Chen et al., 2023). The use of BNPL services can have a significant impact on an individual's work and finances, especially for those who face constraints with identity documents such as ID cards (Amperawati et al., 2024; Kantus et al., 2025). Difficulties with ID cards can limit access to financial services such as BNPL, which can hinder the ability to purchase items necessary for work (Werthschulte, 2023). Additionally, the use of BNPL without careful consideration can increase financial risks, including excessive debt and negative credit ratings (Katterbauer et al., 2023). Therefore, it is crucial for individuals to understand these risks and manage their finances wisely (Cook et al., 2023).

The goal of this research is that the ever-evolving digital landscape requires ethical standards and regulations to address issues such as consumer protection, data privacy, and financial security. These adjustments are particularly important because current privacy laws may not adequately protect individuals from potential harm arising from data practices and include minimizing adverse impacts. So the importance of complying with regulations and ethical standards to prevent privacy violations and ethical dilemmas related to emerging technologies. As society adapts to the digital world, changes in financial policies and regulations play a crucial role in shaping the future digital transaction landscape and its implications for society (Daryono, Anshori et al., 2024; Setiawati et al., 2024).

This study uses Financial anxiety theory (Nancy W. Sheehan, 1988) states that financial uncertainty and anxiety can play an important role in shaping an individual's financial behavior. Feelings of stress due to financial circumstances and debt. Understanding financial anxiety is important for managing personal finances and making financial decisions. When consumers face high financial pressure, they may look for immediate solutions such as online loans (Bouaynaya & Vaslin, 2023). This theory can help explain the negative impact of online lending on consumers, as it highlights the impact of financial stress on decision-making (Xin et al., 2023).

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impact of online lending on consumers, as it highlights the impact of financial stress on decision-making (Xin and Lin, 2022).

Until now, there have been many models of factors that affect consumer attitudes towards BNPL and the intention to use BNPL (Aisjah, 2024); (Jasrotia, and Rai, 2023),. Customer attitudes towards BNPL services are influenced by affordability, flexibility, structural guarantees, and perceived benefits (Kumar and Ritika, 2023). Risk perception reduces consumer confidence in BNPL services Jasrotia, and Rai, 2023. In addition, previous research has mainly focused on the negative impacts of BNPL (Gerrans et al., 2021; Powell et al., 2023; Schomburgk and A. Hoffmann, 2023; (Aalders, 2023; Raj et al., 2024). Based on these theoretical and practical issues, this study offers several important contributions, namely creating regulations and ethical standards because the integration of smart technology in smart cities raises legal and ethical concerns regarding data use, technology application, and its misuse, thus emphasizing the need for a strong regulatory framework on financial security, especially in the context of BNPL services.

Theoretical Review

Financial anxiety has a significant impact on an individual's behaviour and relationships, often leading to negative outcomes such as late payments and increased debt (Mishra et al., 2024; Rosso et al., 2024). Financial anxiety can also hinder financial communication within relationships, exacerbating stress and conflict (Mishra et al., 2024). However, some individuals can develop resilience and adaptive coping strategies, which improve their financial literacy and decision-making over time (Nettle et al., 2024). This duality highlights the complexity of financial anxiety and its impacts. Financial anxiety can lead to delaying financial obligations, which increases debt levels, High financial stress reduces the willingness to discuss finances with a partner, leading to relationship strain (Mishra et al., 2024). Financial stress negatively impacts employee health and productivity, increasing work-family conflict (Rosso et al., 2024). Individuals facing financial challenges can improve their financial knowledge and skills (Nettle et al., 2024). Emotional and instrumental support can mitigate the impact of financial stress, some individuals develop better financial management practices in response to stress (Nettle et al., 2024). Although financial anxiety often leads to detrimental behaviours, it can also lead to personal growth and improved financial decision-making, suggesting a complex interplay between stress and resilience in the financial context.

The theory of planned behavior (TPB) was developed by Ajzen (1991) and has been widely used in predicting behavioral intentions, including in the context of digital financial services such as BNPL. This theory is the basis for understanding how a person's intention can affect his or her actual behavior. Ajzen (1991) explained that a person's behavior is influenced by three main components: (1) Attitude towards behavior: This reflects how positive or negative a person's feelings are towards a particular behavior. In the context of BNPL (Buy Now Pay Later), a positive consumer attitude towards the convenience and flexibility of payment can increase their intention to use this service. (2) Subjective norms: Perceived social influences, such as family or friends, can encourage or discourage a person from taking an action. Social norms that support the use of BNPL (e.g., friends also use the service) will increase the intention to use the service. (3) Perceived behavioral control: A person's feelings about his ability to control certain behaviors. In this context, the easier it is for consumers to feel in accessing and using BNPL services, the greater their intention to use them (Dwianto, 2024).

In the context of BNPL, consumers' positive attitudes towards service convenience, payment flexibility, and accessibility drive their intention to use BNPL services. Social norms, such as the influence of friends or family, can also reinforce this intention, while perceived behavioral control, which is related to consumers' perception of the ease of using these services, increases the likelihood that such intentions will be manifested in real behavior. Intention to Use BNPL acts as a mediating variable that affects BNPL User Behavior. As the intention to use BNPL increases, so does the actual behavior of users. Perceived behavioral control affects both intent and behavior, as the ease of BNPL services will encourage more frequent user behavior.

Impulse Buying. Impulse buying is a buying behavior that is made without planning, usually driven by momentary emotional impulses. This factor is often attributed to the ease of use of digital services, such as BNPL (Buy Now Pay Later), which allows consumers to make purchases quickly without thinking about the long-term consequences. Research by Badgaiyan and Verma (2015) shows that impulse spending can be triggered by special offers, discounts, and ease of transactions in e-commerce, which is increasingly relevant in the use of BNPL. In the context of this study, Impulse Buying is predicted to increase Intention to Use BNPL, where consumers are more encouraged to use this payment service when making impulse purchases.

H1: Impulse Buying has a positive effect on Intention to Use BNPL.

BNPL Service Convenience. The convenience of BNPL services can be divided into several specific components: (1) Decision Convenience: Ease in making decisions to use BNPL, which reduces the time and effort needed to choose a payment method. (2) Access Convenience: BNPL accessibility through e-commerce platforms, where consumers can quickly choose these services. (3) Transaction Convenience: An easy and fast transaction process, which allows consumers to complete payments in a few simple steps. (4) Benefit Convenience: Benefits of BNPL services such as payment delays that provide financial flexibility for consumers. (5) Post Benefit Convenience: Ease in managing payments after a transaction, including scheduling installment payments in accordance with consumer preferences. The convenience of BNPL services is important in forming Intention to Use BNPL, because consumers will be more likely to choose this method if they feel comfortable and easy to use. Research by Lee and Lee (2021) found that convenience in digital payments, including BNPL, significantly affects consumers' intention to use these services.

H2: BNPL Service Convenience has a positive effect on Intention to Use BNPL.

Intention to Use BNPL. Intention to Use BNPL refers to the consumer's intention or desire to use BNPL services as a payment method in their transactions. This intent is a direct predictor of user behavior, which means that the higher the consumer's intent to use BNPL, the more likely they are to actually use the service. The Theory of Planned Behavior (Ajzen, 1991) underlines that intention is a key factor in predicting actual behavior. In the context of BNPL, the intention to use these services is heavily influenced by the convenience offered, as well as the impulsive shopping behavior that may underlie consumer decisions. BNPL User Behavior is the actual behavior of consumers in using BNPL services to make payments. This includes the use of BNPL in online shopping, as well as the management of installment payments after transactions. Research shows that this behavior is greatly influenced by the intention and ease of service perceived. Lim et al. (2022) found that service convenience and user intent are the main factors influencing BNPL user behavior.

H3: Intention to Use BNPL has a positive effect on BNPL User Behavior.

Financial Self-Control. Financial Self-Control is a person's ability to control expenses and maintain financial health. In this study, Financial Self-Control functions as a moderation variable that can affect the relationship between Intention to Use BNPL and BNPL User Behavior. Consumers who have low self-control over their finances are more prone to overusing BNPL, even when they realize that the purchase is not necessary. Xiao et al., (2020) found that low financial self-control often leads to overconsumption behavior.

Financial Self-Control Financial self-control is an important factor in financial behavior, which moderates the relationship between intention and consumption behavior. Consumers with low financial self-control tend to use BNPL more impulsively, even when they realize that the purchase is not necessary. A study by Lee et al., (2022) supports the finding that low self-control often triggers higher BNPL usage, as consumers are tempted by the ease of the service. Financial Self-Control is self-control in financial management that helps individuals resist the urge to make unnecessary purchases. In the context of BNPL, this self-control acts as a moderation variable that affects the relationship between the intention to use BNPL and the behavior of BNPL users. Consumers with low financial self-control tend to be more easily tempted by

BNPL services, although they may realize that they don't need the items purchased. In contrast, consumers with high self-control tend to be more selective in using BNPL services.

H4: Financial Self-Control moderates the relationship between Intention to Use BNPL and BNPL User Behavior.

Psychological Risk. Psychological Risk refers to the uncertainty and concerns felt by consumers regarding the use of BNPL services, such as potential late payments or debt accumulation. These psychological risks may moderate the relationship between Intention to Use BNPL and BNPL User Behavior, although the results suggest that these risks may not always be significant enough to deter consumers from using BNPL. Kahneman and Tversky (1979) explain in Prospect Theory that individuals often overlook long-term risks in decision-making if they focus more on short-term gains (Dwianto & Setiawati, 2024).

H5: Psychological Risk pseudo-moderates the relationship between Intention to Use BNPL and BNPL User Behavior.

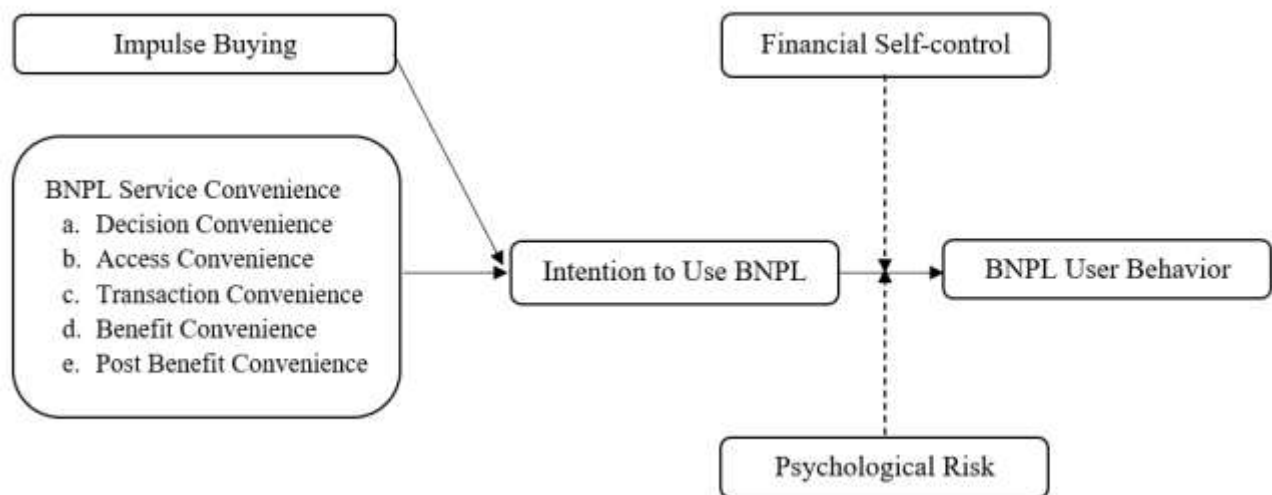


Figure 1. Conceptual Framework

Methodology Research

This study uses a mixed method. A qualitative approach with a case study approach and FGD with various parties involved in this study, including the Financial Services Authority (OJK), the Deposit Insurance Corporation (LPS), BNP. BNPL platforms in Indonesia and Malaysia such as GrabPayLater, Atome, and Shopee SPayLater. The quantitative approach is carried out through a survey. The population of this study is individuals (students) in the spectrum of organizations (universities) studying in Indonesia and Malaysia. The number of samples used in this study was calculated using the formula of Hair et al., (2020), where in the study that had a population size, it was not known who was among the students studying in Indonesia and Malaysia. So, the minimum sample size was 5-10 observations from each indicator (instrument) used. The sampling technique in this study was simple random sampling, which was used to gather statistical information about a population. This contributes to maintaining high internal validity, and random sampling is the most effective method for minimizing the potential confounding impact of variables.

The questionnaire survey was distributed to students studying in Indonesia and Malaysia. The data collection method is through an online questionnaire sent via email. The questionnaire uses an interval scale of measurement to collect data. The instrument of each variable is measured using a five (5) point Likert scale as below: 1 - Strongly disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly agree. Measurement items adopt Impulse Buying (Sneath et al., 2009); Psychological Risk (Johnston & Warkentin, 2010);

Intention to use BNPL (Amin et al., 2011); Financial Self-Control (Haws et al., 2016); BNPL Service Convenience (Berry et al., 2002) and BNPL User Behavior (Chopdar et al., 2018).

Result

Based on the results of a study conducted on 410 respondents, namely student representatives in Indonesia and Malaysia, it is possible to get a general picture of the characteristics of the respondents based on gender, current age, and domicile. For more details, below is a general overview of the research respondents one by one. Respondent characteristics by gender, age and domicile can be seen in the following table.

Table 1. Characteristics of Respondents

	<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Percent</i>
Gender			
Man	106	25,9	25,9
Woman	304	74,1	100,0
Age			
<20 Years	68	16,6	16,6
20-30 Years	254	62,0	78,5
>30 Years	88	21,5	100,0
Domicile			
Indonesian	212	51,7	51,7
Malaysia	198	48,3	100,0

Source of data; Observation of collaborating authors Research 2024

Based on the results of data processing in Table 1 above, it shows that of the 410 respondents, there are 106 respondents or 25.9% are male, while the remaining 304 respondents or 74.1% are female. Of the 410 respondents who have the highest number of respondents are respondents between the ages of 20-30 years, namely 254 respondents or 62.0% and the lowest are respondents between the ages of <20 years, namely 68 respondents or 16.6%. Respondents domiciled in Indonesia were 212 respondents or 51.7% while those domiciled in Malaysia accounted for 198 respondents or 48.3%.

This study also uses descriptive statistics to describe the mean, highest, lowest, and standard deviation of the respondents to the various variables studied.

Impulse Buying: indicates that the statement "I bought things and then didn't know why I bought them" had the highest average value (3.61) with a standard deviation of 0.965, indicating an impulsive tendency to shop. The lowest score is found in the statement "I buy things I don't actually need" with an average of 3.54.

BNPL Service Convenience: The results of the BNPL service convenience analysis show that the statement "I can get the benefits of BNPL services with minimal effort" has the highest average (4.31) and a standard deviation of 0.902, indicating the convenience perceived by users in using BNPL services. In contrast, the statement "I can quickly get to the location of the BNPL service provider" had the lowest average value (3.45).

Intention to Use BNPL: The highest average (3.52) is found in the statement "I would definitely recommend BNPL services to others," indicating a desire to recommend this service. The statement with the lowest average value is "I will use BNPL services someday" with a value of 3.34.

Financial Self-control: The results of the analysis showed that the statement "Sometimes I can't stop myself from buying something even though I know it's really unnecessary" had the highest average (3.68), indicating a challenge in financial self-control. The lowest score was found in the statement "I wish I had more self-discipline in spending my money" with an average of 3.48.

Psychological Risk: The highest average (3.64) was found on the statement "It is possible that BNPL users are exposed to psychological risk," indicating that users are aware of the potential psychological risks of this service. The lowest score was found in the statement "The consequences of psychological risk from using BNPL services can be very significant" with a value of 3.53.

BNPL User Behavior: The highest average is found in the statement "I have used various BNPL services in the last six months" (3.61), indicating a high level of BNPL service usage. The lowest score is found in the statement "I have used BNPL services in the last six months to shop online" with an average of 3.53. Overall, the study revealed patterns of impulsive behavior and ease of using BNPL services, despite concerns related to psychological risk and lack of financial self-control among respondents.

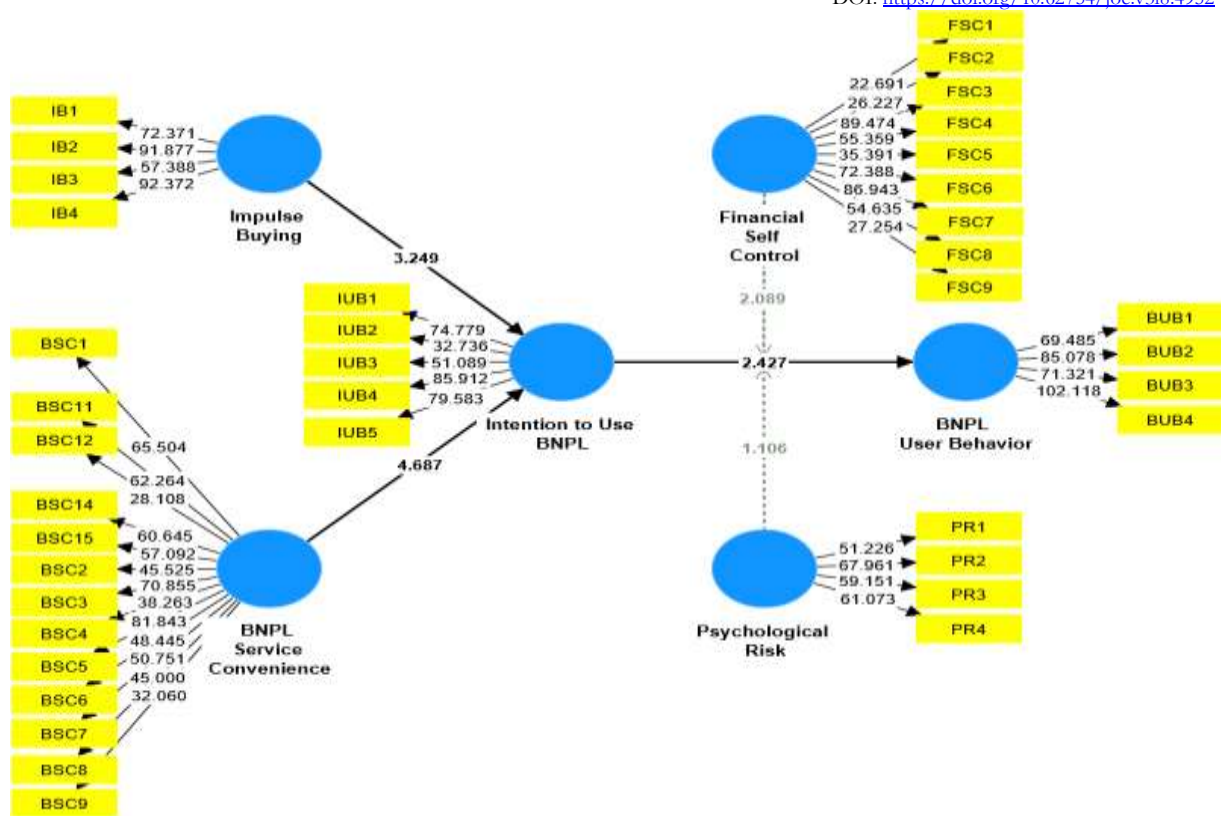
Results of Hypothesis Testing (Estimation of Path Coefficients)

The estimated values for path relationships in the structural model should be significant. The significance value of this hypothesis can be obtained by the bootstrapping procedure. Seeing the significance of the hypothesis by looking at the value of the parameter coefficient and the significance value of the T-statistic in the algorithm bootstrapping report. To find out whether it is significant or insignificant, it is seen from the T-table at alpha 0.05 (5%) = 1.96, then the T-table is compared with the T-count (T-statistics).

Table 2. Hypothesis Test Results

	<i>Original Sample</i>	<i>Standard Deviation</i>	<i>T-Statistics</i>	<i>P Values</i>	Information
BNPL Service Convenience -> Intention to Use BNPL	0,478	0,102	4,687	0,000	Positive - Significant
Impulse Buying -> Intention to Use BNPL	0,227	0,070	3,249	0,001	Positive - Significant
Intention to Use BNPL -> BNPL User Behavior	0,210	0,087	2,427	0,040	Positive - Significant
Financial Self Control Intention to Use BNPL -> BNPL User Behavior	0,207	0,099	2,089	0,048	Pseudo-Moderation
Psychological Risk Intention to Use BNPL -> BNPL User Behavior	0,107	0,097	1,106	0,915	Pseudo-Moderation (has no effect)

Source: PLS Output, 2024



Source: PLS Output, 2024

Figure 2. Bootstrapping Test Results

Effect of BNPL Service Convenience on Intention to Use BNPL

Based on the hypothesis test in this study, the results of the *T-statistic* value of 4.687, the *original sample* value of 0.478, and the *P Values* value of 0.000 were obtained. The *T-statistic* value is greater than the *T-table* value of 1.96, the *original sample* value shows a positive value, and the *P value* shows a value of less than 0.05, this result shows that BNPL Service Convenience has a significant positive effect on BNPL Intention to Use.

The Effect of Impulse Buying on Intention to Use BNPL

Based on the hypothesis test in this study, the results of the *T-statistic* value of 3.249, the *original sample* value of 0.227, and the *P Values* value of 0.001 were obtained. The *T-statistic* value is greater than the *T-table* value of 1.96, the *original sample* value shows a positive value, and the *P value* shows a value of less than 0.05, this result shows that Impulse Buying has a significant positive effect on Intention to Use BNPL.

Effect of Intention to Use BNPL on BNPL User Behavior

Based on the hypothesis test in this study, the results of the *T-statistic* value of 2.427, the *original sample* value of 0.210, and the *P Values* value of 0.040 were obtained. The *T-statistic* value is greater than the *T-table* value of 1.96, the *original sample* value shows a positive value, and the *P value* shows a value of less than 0.05, this result shows that Intention to Use BNPL has a significant positive effect on BNPL User Behavior.

The Effect of Intention to Use BNPL on BNPL User Behavior Moderated by Financial Self Control

Based on the hypothesis test in this study, the results of the *T-statistic* value of 2.089, the *original sample* value of 0.207, and the *P Values* value of 0.048 were obtained. The *T-statistic* value is greater than the *T-table* value of 1.96, the *original sample* value shows a positive value, and the *P value* shows a value of less than

0.05, this result shows that Financial Self Control is able to pseudo-moderate the influence of Intention to Use BNPL on BNPL User Behavior.

The Effect of Intention to Use BNPL on BNPL User Behavior Moderated by Psychological Risk. The effect of **Intention to Use BNPL** on **BNPL User Behavior** moderated by **Psychological Risk** shows that this moderation is not significant, with a **T-statistic value of 1.106**, an **original sample of 0.107**, and a **P-value of 0.915**. A T-statistic value of less than 1.96 and a P-value greater than 0.05 indicate that **Psychological Risk** has no significant influence in moderating the relationship between the intention to use BNPL and the behavior of BNPL users.

Discussion

Effect of BNPL Service Convenience on Intention to Use BNPL

This study showed significant results, with a T-statistic value of 4.687, an original sample of 0.478, and a P-value of 0.000. This means that the convenience of BNPL services positively affects consumers' intention to use these services in the future. The easier and more convenient a service is to use, the more likely consumers are to intend to use it again. This finding is consistent with the Theory of Planned Behavior (TPB) developed by Ajzen (1991), which states that perceived behavioral control in this case, the convenience of service plays an important role in shaping a person's intention to act. In the context of BNPL, the convenience of services such as easy access, quick provision of information, and efficient problem solving make consumers feel more confident and likely to use BNPL in the future. Previous research by Sheth (2021) also supports these findings, where he found that the ease and accessibility of digital financial services, including BNPL, is a major factor influencing consumer decisions. This research states that consumers prefer services that make their transactions easier, especially during the pandemic, when fast access and efficiency are priorities. Research by McKinsey (2021) further emphasizes that changes in post-pandemic consumer behavior, especially in the adoption of online shopping and digital financial services, are triggered by the convenience factor. The convenience offered by platforms like BNPL allows consumers to complete transactions quickly and seamlessly, thus increasing the intention to use the service again in the future.

The Effect of Impulse Buying on Intention to Use BNPL

This study showed significant results, with a T-statistic value of 3.249, an original sample of 0.227, and a P-value of 0.001. These results indicate that impulsive shopping behavior is significantly positively correlated with consumers' intention to use BNPL. This means that the greater the tendency of a person to make impulse purchases, the higher their intention to use BNPL as a payment method. This discovery is in accordance with the Stimulus-Organism-Response (SOR) Model theory proposed by Mehrabian and Russell (1974). This model explains that environmental stimuli such as the ease and flexibility of BNPL services can trigger impulsive emotional reactions from individuals, which ultimately encourage them to behave in a certain way, in this case, using BNPL. The convenience and flexibility of BNPL is an attraction for consumers who often make purchases without a plan, because BNPL allows them to make quick transactions without having to pay in full upfront. Research by Lia and Natswa (2021) also supports these findings. They found that Generation Z tends to be more impulsive in shopping, especially through e-commerce services that offer BNPL payment methods. Fintech and e-commerce are capitalizing on this trend by offering ease of shopping that encourages consumptive behavior among the younger generation, especially since they do not yet have a fixed income but still want to meet their consumption needs. In addition, Frigerio et al., (2020) in their meta-analysis of over-indebtedness found that impulsive behavior tends to encourage the use of services such as BNPL because consumers feel compelled to buy the goods they want instantly without having to think about paying upfront. Impulsive consumers are more likely to take financial risks by using payment methods such as BNPL, which allows them to delay payments.

The effect of Intention to Use BNPL on BNPL User Behavior showed significant results, with a T-statistic value of 2.427, an original sample value of 0.210, and a P-value of 0.040. T-statistical values greater than T-table 1.96 and P-values less than 0.05 indicate that the intention to use BNPL has a positive effect on BNPL

user behavior. This means that the higher the intention of a person to use BNPL, the more likely they are to actually use this service for online transactions. These findings are in line with the Theory of Reasoned Action (TRA) developed by Fishbein and Ajzen (1975), which states that intention is the main predictor of actual behavior. In the context of BNPL, consumers' intention to use the service is a strong indicator of how often they will utilize BNPL in their daily lives, especially for online shopping. Consumers who have strong intentions will be more likely to choose BNPL as a payment method in their transactions. Research by Aljuhmani et al., (2022) supports these findings, where it was found that intentions to use digital financial services, including BNPL, significantly predict actual user behavior. In the study, the high intention to use BNPL was driven by the perception of convenience and benefits offered by this service, such as more flexible payments and convenience in online transactions. In addition, a study by Wong et al., (2021) found that the intention to use BNPL is greatly influenced by factors such as consumer trust in the platform, convenience in use, and perception of financial benefits. This intention then contributes to the increase in the frequency of BNPL use, which makes this service part of consumer spending habits, especially among the younger generation.

The effect of Intention to Use BNPL on BNPL User Behavior moderated by Financial Self-Control showed significant results, with a T-statistic value of 2.089, an original sample value of 0.207, and a P-value of 0.048. This means that Financial Self-Control is able to moderate the relationship between the intention to use BNPL and the behavior of BNPL users, but only pseudo-them. This means that even though respondents have low financial self-control, they continue to use BNPL due to the inability to resist the urge to buy unnecessary items, which is driven by the ease and flexibility of BNPL payment methods.

Financial Self-Control significantly moderated the effect of Intention to Use BNPL on BNPL User Behavior, but in a pseudo-moderation capacity, which showed that consumers with low financial self-control were still likely to use BNPL even though they were aware that the purchase was not necessary (Dwianto et al., 2017; Haws et al., 2016).

This finding is in line with Ajzen's (1991) Theory of Planned Behavior (TPB), which states that a person's intention to perform an action (e.g. using BNPL) is influenced by their attitude towards that behavior, subjective norms, and perceived behavioral control. In this context, even though consumers have weak perceived behavioral control, the intention to use BNPL still has a strong influence on BNPL usage behavior due to the convenience and flexibility aspects provided by these platforms. Research by Lee et al., (2022) supports these findings, where financial self-control has a significant influence in moderating the relationship between BNPL usage intentions and behaviors. However, even though consumers are aware of the financial risks, they are still tempted to use BNPL, especially among consumers who tend to be impulsive or have low self-control. This shows that Financial Self-Control can function as a pseudo-moderation, where the intention to use BNPL still leads to consumptive behavior. In addition, a study by Xiao et al. (2020) also found that consumers who have low financial control are often interested in using payment methods that make it easy to buy directly without the burden of upfront payment. They focus more on the ease of use of BNPL services than on the long-term financial implications, which makes them stick with the service despite being aware of the debt risks.

The effect of Intention to Use BNPL on BNPL User Behavior moderated by Psychological Risk shows that this moderation is not significant, with a T-statistic value of 1.106, an original sample of 0.107, and a P-value of 0.915. A T-statistic value of less than 1.96 and a P-value greater than 0.05 indicate that Psychological Risk has no significant influence in moderating the relationship between the intention to use BNPL and the behavior of BNPL users. These results suggest that while consumers may be aware of psychological risks, such as concerns about the security of personal data or long-term financial consequences, these risks are not strong enough to deter them from using BNPL services. Consumers are still inclined to use BNPL despite being aware of the potential risks, especially because of the ease and convenience offered by these services. This finding is consistent with the Prospect Theory put forward by Kahneman and Tversky (1979), where individuals are often irrational in decision-making, especially in situations of uncertainty. While psychological risks may exist, consumers are more focused on the short-term benefits, such as convenience and flexibility offered by BNPLs, rather than potential future risks. Research by Guttman-Kenney et al., (2023) also supports these findings. They found that even though

consumers are aware of psychological risks such as accumulated debt or potential late payments, BNPL services are still used because they offer attractive short-term benefits. These findings suggest that psychological risk has minimal impact on BNPL usage behavior, as consumers are more concerned with direct benefits. In addition, Frigerio et al., (2020) in their study found that consumers who use BNPL tend to ignore long-term risks and focus more on the immediate satisfaction obtained from using the service. This is especially true for consumers with lower self-control, who are often tempted by the ease and flexibility of payments.

Conclusion

This study tries to analyze variables related to Impulse Buying, BNPL Service Convenience, Intention to Use BNPL, Financial Self-control, Psychological Risk, and BNPL User Behavior. The results of this study were obtained from research on Indonesian and Malaysian Student Representatives. From the results of the calculations in this study, the following conclusions can be drawn: BNPL Service Convenience has a positive and significant influence on Intention to Use BNPL, meaning that the more convenient the BNPL service is felt by consumers, the higher their intention to use this service in the future. Convenience factors, such as quick access to information, ease in the transaction process, and quick resolution of issues, play an important role in increasing the intention to use BNPL.

Impulse Buying has a significant positive effect on Intention to Use BNPL in Indonesian and Malaysian Student Representatives. This means that the more often a person makes impulse purchases, the greater their intention to use BNPL. This relationship is supported by the Stimulus-Organism-Response (SOR) Model, in which the ease of access and flexibility of BNPL as a stimulus triggers an impulsive response that increases intent to use. Intention to Use BNPL has a significant positive effect on BNPL User Behavior in Indonesian and Malaysian Student Representatives, this indicates that the intention to use BNPL positively affects the behavior of BNPL users. This means that the higher the intention of a person to use BNPL, the more likely they are to actually use this service for online transactions. Financial Self-Control significantly moderated the effect of Intention to Use BNPL on BNPL User Behavior, but in a pseudo-moderation capacity, which showed that consumers with low financial self-control were still likely to use BNPL even though they were aware that the purchase was not necessary. Psychological Risk moderated pseudo-the effect of Intention to Use BNPL on BNPL User Behavior in Indonesian and Malaysian Student Representatives. showed that Psychological Risk did not have a significant effect in moderating the relationship between intention to use BNPL and BNPL user behavior.

Suggestion

BNPL platforms are advised to be more selective in determining the target market to prevent consumers from making impulsive purchases that do not suit their needs. For example, BNPL platforms can focus more on marketing products that are relevant to their needs, such as promoting stationery to parents of students, who tend to make more planned purchases. It is recommended that BNPL platforms continue to pay attention to timeliness in providing service benefits to consumers. One of the efforts that can be made is to provide a flexible payment grace period, so that consumers can feel comfortable and convenient in using BNPL services without feeling burdened. To increase respondents' intention to use BNPL services in the future, BNPL platforms are advised to offer attractive incentives, such as providing guarantees of ease of payment processing and low interest rates. This will help increase consumer interest and confidence in using BNPL services in a sustainable manner. With the right marketing strategy, service flexibility, and attractive incentives, BNPL platforms can optimize the consumer experience and increase user loyalty in the future. For further researchers, it is recommended to further explore the impact of the use of BNPL schemes on the long-term financial health of consumers, particularly among Gen Z. Research can also focus on cross-cultural and regional comparisons related to consumption behavior and use of BNPL, in order to understand the specific factors that influence financial decisions. Additionally, developing a model that considers psychological variables such as self-control and financial literacy can provide deeper insights into impulsive consumption behavior.

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