

## Impulsive buying behavior as the main driver of college students' intention to use buy now, pay later (BNPL) services



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### **ABSTRACT**

*This study examines the influence of financial parenting and impulse buying behavior on the intention to use Buy Now, Pay Later (BNPL) services among university students, with financial self-efficacy serving as a mediating variable. As BNPL services continue to gain popularity among younger consumers, understanding the behavioural and financial factors that drive adoption has become increasingly important for promoting responsible financial decision-making. Employing a quantitative research approach, data were collected from student respondents and analyzed to assess the direct and indirect relationships among the variables. The findings reveal that financial parenting does not significantly influence either financial self-efficacy or the intention to use BNPL services. Similarly, financial self-efficacy was found to have no significant effect on BNPL usage intention and did not mediate the relationship between financial parenting and BNPL adoption. In contrast, impulse buying behavior exerts a positive and significant influence on the intention to use BNPL, indicating that spontaneous purchasing tendencies are a primary driver of deferred-payment service adoption among students. These findings suggest that psychological and behavioural factors may play a more influential role than financial socialization or self-confidence in financial management when shaping BNPL usage intentions. The study contributes to the growing literature on consumer finance, financial technology adoption, and youth financial behaviour by highlighting the importance of addressing impulsive consumption tendencies through targeted financial education and responsible spending initiatives to reduce future financial vulnerability.*

**Keywords:** Buy Now Pay Later (BNPL); Financial Parenting; Financial Self-Efficacy; Impulsive Buying; Intention to Use BNPL



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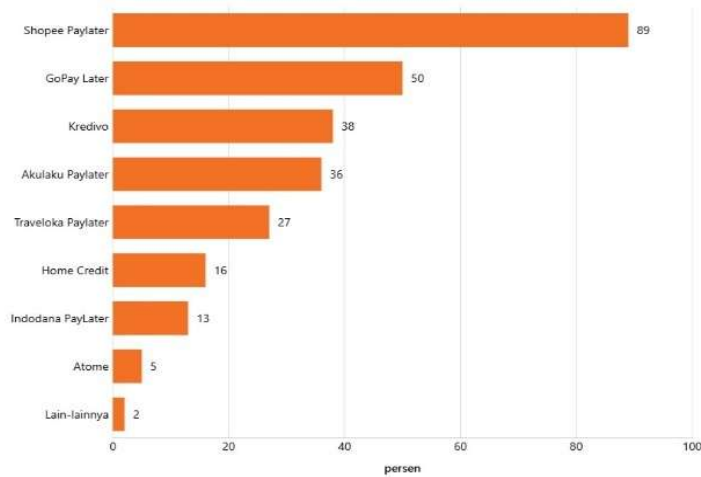
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## INTRODUCTION

In recent years, the adoption of Buy Now, Pay Later (BNPL) as a preferred payment mechanism has expanded substantially among young consumers, particularly among university students who are drawn to its flexibility and convenience (Sitepu & Fadila, 2024). This method provides flexibility for consumers to make purchases and pay gradually, without interest if payments are made on time. In the Indonesian context, BNPL is in great demand by Generation Z and millennials who prefer the convenience of digital transactions and payment flexibility (Adiprasetyo & Surjandy, 2024; Aisjah, 2024). According to the Populix report entitled *Unveiling Indonesia's Financial Evolution: Fintech Lending & Paylater Adoption* (October 2023), BNPL services have experienced remarkable growth in Indonesia, with usage rates rising consistently each year, especially among the 17–25 age group who represent the most dominant segment of PayLater users.

The Paylater with the highest brand awareness and users is Shopee PayLater, which is recognized by 89% of respondents. In second place is GoPay Later, which is recognized by 50% of respondents, followed by Kredivo (38%) and Akulaku PayLater (36%). The use of this service is very dominant among 17-25-year-olds, who account for 55% of the total respondents, indicating the high dependence on BNPL services in this age group. The dominance of various Paylater platforms among Indonesian consumers can be observed in Figure 1, which illustrates the percentage of users across different service providers based on data from Populix (2023).



Source: Populix "Unveiling Indonesia's Financial Evolution: Fintech Lending & Paylater Adoption" October 2023 edition

**Figure 1**  
**Horizontal Bar Chart of Paylater Service Usage Among Indonesian Customers (%)**

However, while BNPL offers many conveniences, the growing utilization of BNPL among university students has prompted serious concerns regarding the risk of unmanageable debt accumulation and consumption patterns driven by impulse rather than financial planning (Gerrans et al., 2021; Relja et al., 2024). Prior studies indicate that inadequate financial literacy among BNPL users can generate misconceptions regarding how deferred payment mechanisms work, ultimately contributing to debt accumulation that is difficult to manage (Lusardi & Mitchell, 2013; Noor et al., 2020). BNPL also

increases the tendency to impulse shopping, which often leads to over-consumption, especially in an online shopping environment that greatly facilitates spontaneous purchasing decisions (Fook & McNeill, 2020; Gerrans et al., 2022).

Financial guidance provided by parents commonly referred to as financial parenting is recognized as a foundational element in cultivating responsible financial behavior among young individuals, including shaping attitudes toward the use of credit-based services such as BNPL (Bandura, 1991; Gudmunson & Danes, 2011). Financial self-efficacy is believed to be a protective factor against unplanned consumption behavior and supports more prudent financial decision-making (Aisjah, 2024; Schomburgk & Hoffmann, 2023).

The increasing use of BNPL among students and young people indicates the need for a deeper understanding of the factors that drive this consumption behavior, as well as the importance of financial education in the family as a preventive measure. Given the growing relevance of digital payment adoption and the complexity of behavioral and financial factors involved, this study seeks to examine the influence of financial parenting and impulsive buying behavior on the intention to use BNPL services, with financial self-efficacy serving as the mediating variable. It is anticipated that the findings will contribute to broader efforts in financial literacy promotion and support healthier financial decision-making among Indonesian youth.

Lately, online shopping has become an integral part of life, especially for young people. Just scroll for a bit, see something interesting, tap "buy now," and you are ready to go. In addition, there is now a Buy Now, Pay Later (BNPL) feature that allows people to shop without having to pay up front. This convenience does feel fun at first, but unknowingly, it makes many people, especially students and the younger generation, shop more often without thinking twice. Data from multiple sources indicate that more than 60% of BNPL users in Indonesia are composed of Gen Z and millennial consumers who primarily utilize this service for discretionary, non-essential expenditures (Sitepu & Fadila, 2024; Adiprasetyo & Surjandy, 2024). No wonder this phenomenon is increasingly mushrooming in e-commerce. Kompas.com calls BNPL one of the most popular methods today because it is practical and not as complicated as credit cards. However, because it is too simple, many clients end up stuck in a pattern of impulsive consumption shopping first, then pursuing later.

## **LITERATURE REVIEW, RESEARCH FRAMEWORK, AND HYPOTHESIS**

The theoretical framework in this study aims to provide a conceptual basis for understanding the relationship between financial parenting, impulsive buying, financial self-efficacy, and the intention to use BNPL (Buy Now Pay Later). To achieve a comprehensive understanding, the two primary theoretical frameworks underpin this study: Social Cognitive Theory (SCT) by Bandura (1991) and the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) by Venkatesh et al. (2003).

Social Cognitive Theory (SCT) posits that individual behavior is shaped through the dynamic interplay between personal cognitive attributes, the surrounding social environment, and the resulting behavioral outcomes. Within the framework of this study, SCT is applied to examine how parental financial guidance influences a student's financial self-efficacy. Bandura (1991) emphasizes that an individual's confidence in managing financial matters referred to as financial self-efficacy is developed through direct personal experience and social modeling, especially from parental figures.

Meanwhile, the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) offers a comprehensive framework for understanding how external determinants shape

individuals' decisions to adopt emerging technologies, including digital financial services such as BNPL (Venkatesh et al., 2003; Adiprasetyo & Surjandy, 2024). According to UTAUT2, an individual's decision to adopt a new technology is influenced by multiple factors, including performance expectancy, effort expectancy, social influence, and hedonic motivation, all of which collectively shape behavioral intention and actual usage behavior (Venkatesh et al., 2003; Adiprasetyo & Surjandy, 2024). Performance expectancy captures an individual's perception that BNPL delivers meaningful functional advantages in their purchasing activities. Simultaneously, social influence encompasses the pressure or encouragement originating from peers, family, and social media platforms that motivate individuals to adopt BNPL services (Venkatesh et al., 2003; Relja et al., 2024).

Overall, this theory proposes that financial self-efficacy can act as a mediating variable between financial parenting and impulsive buying with the intention of using BNPL. Individuals with higher levels of financial self-efficacy tend to make wiser decisions when using BNPL. In contrast, those with low self-efficacy may be more susceptible to social influences and emotional impulses in adopting BNPL (Aisjah, 2024).

### **Financial Parenting on Financial Self-Efficacy**

Financial parenting refers to the process by which parents transmit financial knowledge, values, and behavioral norms to their children from an early age, playing a foundational role in shaping long-term financial attitudes and money management habits (Gudmunson & Danes, 2011; Vosylis et al., 2023). Prior scholarship demonstrates that children who benefit from structured financial education at home develop stronger foundational competencies in money management and are generally better equipped to resist excessive or impulsive consumption patterns in adulthood (Gudmunson & Danes, 2011; Vosylis et al., 2023).

Financial parenting constitutes a developmental process through which parents actively guide their children in understanding and applying fundamental financial concepts from childhood, thereby equipping them with the skills necessary for independent financial management in later life (Shim et al., 2015). The financial learning given by parents has a meaningful position in forming financial self-efficacy, namely a person's confidence in their skills in managing finances (Shim et al., 2015). Sustained exposure to parental financial behaviors and attitudes through observation and direct interaction allows children to internalize financial values and develop decision-making frameworks grounded in the models they witness within the family environment (Bandura, 1991; Shim et al., 2015).

Based on the theoretical and empirical evidence presented above, it can be inferred that financial education provided by parents plays a constructive role in strengthening a student's belief in their own financial management capabilities. Accordingly, the following hypothesis is proposed:

*H1: Financial Parenting has a positive effect on Financial Self-Efficacy among university students.*

### **Financial Self-Efficacy on BNPL Usage Intention**

Financial self-efficacy refers to an individual's degree of confidence in their capacity to manage personal finances, regulate expenditures, and navigate financial challenges effectively. Within the theoretical framework of self-efficacy, this construct plays a decisive role in shaping financial behavior by determining whether individuals pursue prudent or risky financial choices (Bandura, 1991; Farrell et al., 2016). Individuals who

possess strong financial self-efficacy tend to demonstrate greater resistance toward unplanned consumption behaviors, even when confronted with tempting circumstances such as the readily accessible and frictionless nature of BNPL services (Farrell et al., 2016; Schomburgk & Hoffmann, 2023). In this study, financial self-efficacy is assumed to be a mediating variable that affects the relationship between financial parenting and impulsive buying on BNPL use intention (Bandura, 1991; Schomburgk & Hoffmann, 2023).

At a practical level, financial self-efficacy manifests in an individual's ability to construct and adhere to a budget, maintain saving habits, and avoid accumulating excessive debt obligations (Farrell et al., 2015; Schomburgk & Hoffmann, 2023). Self-efficacy constitutes a critical psychological construct that significantly influences an individual's behavioral choices and outcomes, including the domain of financial decision-making, where confidence in one's own capabilities directly determines the quality and consistency of financial judgments made (Bandura, 1991; Farrell et al., 2016). People with great financial self-efficacy tend to make wiser financial decisions, stay away from excessive consumptive attitudes, and are better able to manage financial stress (Bandura, 1991; Farrell et al., 2015; Shim et al., 2015).

In relation to the intention to use BNPL, a person who has good financial self-efficacy tends to understand the risks of using credit and prefers to avoid these risks. This makes them less interested in using BNPL as a solution to financing. Empirical evidence consistently demonstrates that higher levels of financial self-efficacy are associated with more disciplined financial behavior and a diminished tendency to depend on short-term credit instruments, including digital deferred-payment services (Montford & Goldsmith, 2016; Noor, et al., 2020).

The foregoing review suggests that individuals who develop financial self-confidence through parental guidance are likely to exercise greater caution when considering deferred payment options such as BNPL. Based on this reasoning, the following hypothesis is formulated:

*H2: Financial Self-Efficacy has a negative effect on Intention to Use BNPL among university students.*

### **Financial Parenting Towards BNPL Use Intention Mediated by Financial Self-Efficacy**

The intention to use BNPL is a person's desire or tendency to use BNPL services to meet their consumption needs. According to Planned Behavior Theory, these intentions are formed by a person's attitude towards behaviors, social norms, and an individual's perception of their control over those behaviors. When it comes to BNPL use, younger individuals, especially college students, tend to show strong intentions, as the service provides easy, flexible access and an efficient and fast shopping experience (AJZEN, 1991; Amin et al., 2011; Venkatesh et al., 2003).

However, the tendency to use BNPL is influenced by more than just external elements such as ease of use and availability. Internal factors, such as financial teachings from parents, also contribute, although the impact is indirect. This is where financial self-efficacy emerges as a key factor connecting these concepts. Financial parenting, which includes how parents instill financial principles and skills in their children from an early age, can affect their confidence in managing finances. Those with high financial self-efficacy tend to make more informed financial choices and are less likely to abuse BNPL services (Bandura, 1991; Gudmunson & Danes, 2011).

In this case, financial self-efficacy serves as a psychological mediator that increases the effectiveness of the relationship between financial parenting and intention to use BNPL. This suggests that while financial parenting may not directly influence the intention to engage with BNPL, this parenting approach can support one's self-efficacy, which further encourages more thoughtful intentions regarding BNPL use. Found in their study of students, that financial self-efficacy partially mediated the relationship between parental financial guidance and more responsible financial behavior (Shim et al., 2015).

Additionally, it highlights that financial self-efficacy describes a person's confidence in their ability to manage their finances and make informed financial choices. Their research shows that women with high self-efficacy are more likely to plan, save, and engage in thoughtful long-term financial practices. This implies that individuals with low self-efficacy may be more prone to making irrational financial decisions, such as relying on digital credit options such as BNPL. As a result, financial self-efficacy plays an important role in linking the approach to financial parenting with the possible use of BNPL, related to the spending behavior of today's younger generation in an increasingly digital world (Farrell et al., 2015).

The synthesis of the above literature indicates that financial self-efficacy serves as a psychological bridge connecting parental financial education with responsible usage decisions regarding BNPL. Therefore, the following hypothesis is advanced:

*H3: Financial Self-Efficacy mediates the relationship between Financial Parenting and Intention to Use BNPL among university students.*

### **Impulsive Buying on BNPL Intention**

Impulsive buying or impulsive consumption behavior is a purchase made spontaneously without careful consideration, which is often triggered by momentary emotions or the need for instant gratification. In the context of BNPL use, impulse buying is increasing due to the ease of access to products without the need for direct payment. This theory is relevant to understanding how impulsive shopping tendencies can affect the intention of using BNPL among the younger generation, sourced from the social area and the media, which have a significant influence on shaping people's consumption attitudes (Bandura, 1991; Fook & McNeill, 2020; Relja et al., 2024).

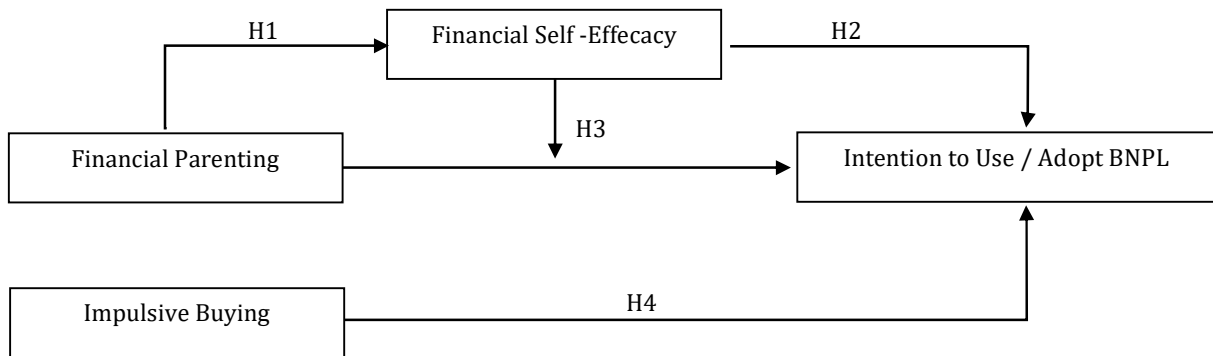
Bandura (1991) describes that human actions are shaped by the interaction of personal characteristics, the surrounding social context, and the behavior in question. Impulse purchases, as consumer behavior, often stem from internal motivations, such as feelings or anxiety, which are amplified by external factors, such as the direct and easy access provided by BNPL payment methods. This dynamic makes impulse buying a key element in increasing the likelihood of someone choosing BNPL, as consumers perceive it as an easy way to fulfill their desires without the need to have enough funds at the time.

Studies show that people who tend to make impulse purchases tend to use BNPL services more often than those who engage in more intentional shopping habits. Impulse purchases focus on the immediate fulfillment of desires, whereas BNPL offers quick solutions that facilitate purchase decisions without directly facing financial limitations. Therefore, the greater a person's propensity for impulse purchases, the higher their interest and intention to incorporate BNPL into their daily expenses (Gupta & Verma, 2019).

Collectively, the evidence reviewed indicates that individuals with high impulsive buying tendencies are more likely to be drawn toward payment mechanisms that minimize immediate financial friction, such as BNPL. Thus, the following hypothesis is proposed:

*H4: Impulsive Buying has a positive effect on Intention to Use BNPL among university students.*

The conceptual model developed in this study is presented in Figure 2, illustrating the hypothesized relationships among the four main variables.



Source: Adapted from Aisjah (2024); Bandura (1991); Venkatesh et al. (2003)

**Figure 2**  
**Conceptual Framework**

Figure 2 depicts the structural relationships between Financial Parenting and Impulsive Buying as independent variables, Financial Self-Efficacy as the mediating variable, and Intention to Use BNPL as the dependent variable. This model is built based on four hypotheses that have been described earlier, and is the basis for the preparation of research instruments and data analysis strategies in the research methods section.

**METHOD**

This study employs a quantitative research design using a structured survey approach to collect primary data from respondents. The data obtained were subsequently analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4 software, a technique well-suited for examining complex structural relationships among latent variables, particularly in studies with relatively small to medium sample sizes (Hair Jr et al., 2014; Hair, 2014).

This study's target population consisted of students in Batam City between the ages of 18 and 59 who had used BNPL services at least once in the previous six months. This demographic group was chosen because of their significant engagement with digital technologies and their vulnerability to consumer behavior influenced by internal elements such as financial parenting style and financial self-efficacy levels. The sampling method used is purposive sampling, which is adjusted to meet the research objectives (Aprilianty & K, 2022).

Respondents were sampled in accordance with established recommendations suggesting a minimum sample size of 150–200 participants for effective path and regression analysis (Hair Jr et al., 2014; Hair, 2014). Data were collected using a structured questionnaire featuring a 5-point Likert scale, encompassing four main variables: financial parenting, impulsive buying, financial self-efficacy, and intention to use BNPL services. The collected data were subsequently analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) through SmartPLS-4 software. This

analytical technique was selected due to its suitability for examining complex structural relationships among latent variables and its effectiveness with small to medium sample sizes (Hair Jr et al., 2014; Hair, 2014).

The design of the items in this survey was informed by previous research to guarantee the validity of the concept and the suitability of the tool for the research context.

a. Financial Parenting Variables

Financial parenting was measured using a number of items that describe the level of education and financial direction that parents give their children. These measurements include questions about how often parents discuss family financial matters, whether parents monitor their spending, and how parents teach savings and money management habits. Some examples of items used include: "My financial management decisions are supported by my parents." and "My parents value my financial management decisions" (Aisjah, 2024; Vosylis et al., 2023).

The measurement of this financial parenting style is based on research, which emphasizes that financial education provided by parents has a significant influence on shaping healthy financial behaviors in children in adulthood. This research shows that children who receive financial literacy from their parents tend to have greater confidence in managing finances and are better able to make wise financial decisions (Aisjah, 2024; Vosylis et al., 2023). The measurement items used for the Financial Parenting variable are presented in Table 1.

**Table 1**  
**Financial Parenting**

Variable	Item	Indicator Code	Source
Financial Parenting	My financial management decisions are supported by my parents.	FP 1	(Aisjah, 2024; Vosylis et al., 2023)
	My parents appreciated my financial management decisions.	FP 2	
	My parents gave me freedom in managing my finances.	FP 3	
	My financial decisions are influenced by my parents.	FP 4	
	My parents taught me how to manage finances for the future (pension fund, emergency fund).	FP 5	
	My parents evaluated my financial planning and expenses.	FP 6	

b. Impulsive Buying Variables

Impulse purchases were measured using several items that illustrate respondents' tendency to shop without careful planning. Some items on this scale include: "When shopping online, I buy things spontaneously" and "When shopping online, I feel like buying things spontaneously." This measurement refers to research that identified impulsive buying as a consumption behavior triggered by emotional urges and the need for immediate gratification. The study emphasizes that impulse purchases are often influenced by psychological factors such as emotional urges and social influences, which encourage consumers to make purchasing decisions without careful planning (Rook & Fisher, 1995). The items used to measure Impulsive Buying behavior in this study are outlined in Table 2.

**Table 2**  
**Impulsive Buying**

Variabel	Item	Indicator Code	Source
Impulsive Buying	When shopping online, I buy things spontaneously	IB 1	(Rook & Fisher, 1995)
	When shopping online, I often buy things without first consideration	IB 2	
	When shopping online I feel like buying things spontaneously	IB 3	
	When shopping online I shop implicitly	IB 4	

c. Financial Self-Efficacy Variables

Financial independence is measured using items that reflect an individual's level of confidence in managing their finances. Examples of items used include: "It is hard to set up my spending plan when unexpected expenses occur," and "I am having trouble achieving financial goals." This measurement is based on the theory of self-efficacy, which states that individuals with high levels of confidence in their ability to manage finances tend to be better able to make wise financial decisions. Financial self-efficacy is thought to affect an individual's ability to make sound financial decisions, manage expenses, and avoid consumptive debt (Bandura, 1991).

Financial self-efficacy is measured by assessing respondents' confidence in their ability to manage finances, which is related to their confidence in saving, managing expenses, and avoiding debt (Farrell et al., 2015). Table 3 presents the measurement indicators for the Financial Self-Efficacy variable used in this study.

**Table 3**  
**Financial Self-Efficacy**

Variabel	Item	Indicator Code	Source
Financial Self - Efficacy	It's hard to set up my spending plan when unexpected expenses occur	FSE 1	(Farrell et al., 2015)
	I'm struggling to achieve my financial goals	FSE 2	
	I use a credit card for unexpected expenses	FSE 3	
	When facing financial problems, it is difficult for me to find a solution	FSE 4	
	I lack confidence in my ability to manage my finances	FSE 5	
	I'm worried about not having a pension fund	FSE 6	

d. Intention to Use BNPL (BNPL) Variable

BNPL usage intentions were measured using several items that described respondents' intention to use BNPL services in the near future. Items used in this measurement include: "I am interested in using Paylater" and "I am going to use Paylater." This measurement is based on the Unified Theory of Acceptance and Use of Technology (UTAUT) model developed by (Bandura, 1991; Venkatesh et al., 2003). This model explains that the intention to use a new technology is influenced by the perception of ease of use, benefits obtained, and social influence. In this case, the

intention to use BNPL is influenced by the user's perception of the benefits and convenience offered by Paylater services as well as the social influences that exist around them (Venkatesh et al., 2003).

The measurement of BNPL intent refers to respondents' level of willingness to use the service in future transactions and their perception of the flexibility offered by BNPL (Amin et al., 2011). The items developed to assess respondents' intention to use BNPL services are summarized in Table 4.

**Table 4**  
**Intention to Use/Adopt BNPL**

Variabel	Item	Indicator Code	Source
Intention to Use / Adopt BNPL	I am interested in using Paylater	INT 1	(Amin et al., 2011)
	I will use Paylater	INT 2	
	I love using Paylater	INT 3	
	I would recommend using Paylater	INT 4	

**Validity and Reliability of the Instrument**

Instrument validity was assessed through Confirmatory Factor Analysis (CFA) to evaluate the degree to which individual measurement items accurately represent their corresponding theoretical constructs (Hair, 2014). Reliability was measured using the Cronbach's Alpha coefficient, with a threshold value of 0.70 serving as the minimum acceptable benchmark for internal consistency (Hair Jr et al., 2014). A rigorous approach to validity and reliability testing is essential to ensure that the data collected accurately captures the phenomena under investigation and produces findings that are both stable and replicable (Hair Jr et al., 2014).

**RESULTS AND DISCUSSION**

In this study, 232 respondents were included, who were Indonesian citizens and especially residents of Batam City, with an age range of 18 years to 59 years. Two hundred eight respondents had used Buy Now Pay Later (BNPL) services at least once a year. They met the research criteria, according to research by Adiprasetyo & Surjandy (2024); Aprianty (2022). The respondents are in accordance with the research points that offer the behavior of the younger generation towards BNPL usage in the context of reading and financial behavior. A demographic overview of the 208 valid respondents included in the analysis is provided in Table 5 below, encompassing information on gender, educational background, age range, domicile, BNPL usage frequency, and preferred BNPL platform.

**Table 5**  
**Characteristics**

Demography	Frequency	Percentage
<b>Gender:</b>	150	72,12%
Male	58	27,88%
Woman		
<b>Final Education:</b>		
SMA-SMK/ High School- Vocational school	146	70,19%
Diploma III	39	18,75%
Bachelor 1/ Bachelor	19	9,13%
Bachelor 2/ Master	4	1,92%

<b>Age (years):</b>		
18 – 27	129	62,02%
28 – 43	76	36,54%
44 – 59	3	1,44%
<b>Domicile:</b>		
Batam	208	100%
<b>BNPL usage intensity:</b>		
At Least Once Every Six Month	11	4,68%
Every Few Month	52	22,13%
Less Than Once A Year	61	25,96%
Once A Year	30	12,77%
More Than Once A Year	50	21,28%
Once A Month	7	2,98%
Once A Week	16	6,81%
<b>BNPL platforms used:</b>		
Shopee PayLater	152	73,08%
Traveloka PayLater	24	11,54%
GoPay PayLater	22	10,58%
Akulaku PayLater	3	1,44%
Kredivo PayLater	7	3,37%

Source : Data processed, 2025

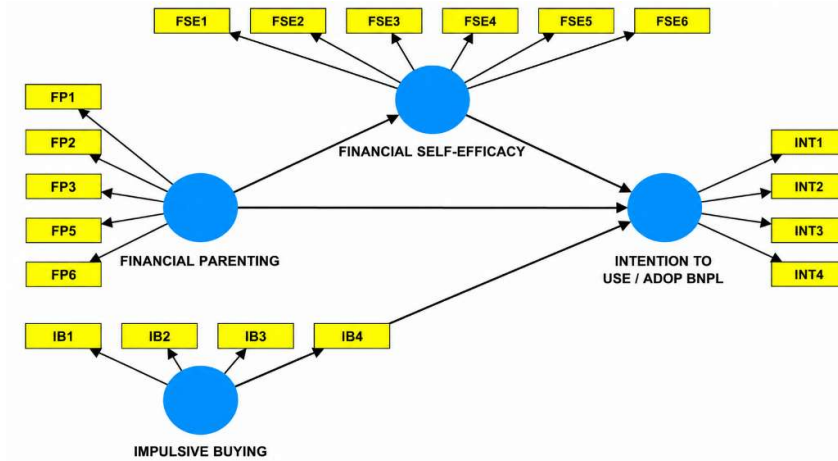
In Table 5, this study initially distributed questionnaires to 232 respondents, but after selection, 208 respondents in Batam met the analysis criteria. In this study, the largest proportion of respondents were men, which is about 70% of all respondents, while women were only about 30%. This suggests that men appear to be more dominant when it comes to utilizing BNPL services, which they think may be related to differences in financial decision-making based on sexual orientation. In terms of education, most respondents are still in high school or vocational school, which suggests that BNPL is widely used by those who have not completed higher education.

The most dominant respondents were the young age group, i.e., 18 to 27 years old, who are known to adapt quickly to advanced technologies, including financial services such as BNPL. Interestingly, all respondents are from Batam City, which reflects that this city includes a fairly high level of infiltration and BNPL utilization compared to other zones (Adiprasetyo & Surjandy, 2024; Lusardi & Mitchell, 2014; Montford & Goldsmith, 2015; Relja et al., 2024).

Regarding the increase in BNPL utilization, the results are very different. Most respondents use this service occasionally, such as once a year or less. At the same time, some use it regularly, for example, every month or even every week. This shows that although BNPL is very prevalent, not everyone is really dependent on its expectations. In terms of platform choice, Shopee PayLater was the winner with the highest utilization rate, with almost 67% of respondents. Other platforms, such as Traveloka and GoPay, are also very well-known, but the number is far below that of Shopee. Meanwhile, other services such as Dana, Akulaku, and Kredivo are only used by a small percentage of respondents, and some have never even tried BNPL at all. This information shows that, along with the increasing usage trends, customers also tend to be loyal to certain BNPL

brands that they consider the most realistic or trusted (Gerrans et al., 2022; Relja et al., 2024).

Hypothesis testing was performed at a significance level of 0.05 using an application such as SMART PLS (F. Hair Jr et al., 2014). This test allows for hypothesis verification and conclusion drawing regarding the relationship between the variables studied, which supports efforts to generalize the study's results. The structural model and path relationships derived from the SmartPLS-4 analysis are visualized in Figure 3, which presents the graphical output of the measurement and structural model estimation.



Source: Smart PLS-4 data processing, 2025

**Figure 3**  
**Graphical Output**

The validity and reliability of the test are carried out on all data that has been collected. The test results showed that all indicators of 20 items had an outer loading value of more than 0.70. This shows that each indicator can measure its construct well. In addition, the Average Variance Extracted (AVE) value of each variable exceeded the minimum value of 0.50, which indicates that the variables in this model have sufficient convergent validity. Thus, according to these results, it can be concluded that this research instrument is reliable and valid, and is suitable for further analysis.

The following are the test results through SMART PLS-4.

**Table 6**  
**Validity Test**

Indicator	Outer Loading	Average Variance Extracted (AVE)	Information
FP1	0,717	0,644	Valid
FP2	0,774		
FP3	0,910		
FP5	0,783		
FP6	0,817		
FSE1	0,820	0,761	Valid
FSE2	0,908		
FSE3	0,863		
FSE4	0,927		

FSE5	0,833		
FSE6	0,877		
IB1	0,817		
IB2	0,846		
IB3	0,808	0,690	Valid
IB4	0,851		
INT1	0,826		
INT2	0,851		
INT3	0,810	0,698	Valid
INT4	0,854		

Source: Data processing with Smart PLS-4, 2025

Hypothesis testing in this study was conducted using the bootstrapping procedure within SmartPLS-4 at a significance level of  $\alpha = 0.05$ . A hypothesis is considered supported when the T-statistic value exceeds 1.96 and the corresponding P-value falls below 0.05 (Hair Jr et al., 2014; Hair, 2014). The path coefficient results and specific indirect effects from the bootstrapping analysis are presented in Table 7. The results of hypothesis testing based on path coefficient analysis and specific indirect effects are summarized in Table 7.

**Table 7**  
**Reliability Test**

Variable	Cronbach's Alpha	Composite Reliability
Financial Parenting	0,869	1,008
Financial Self-Efficacy	0,944	1,158
Impulsive Buying	0,850	0,851
Intention toUse/Adopt BNPL	0,856	0,856

Source: Data processing with Smart PLS-4, 2025

Furthermore, by looking at the results of the reliability test presented in Table 7, it can be concluded that all variables in this study have met the reliability criteria. This can be justified by the value shown, namely Cronbach's Alpha for these four main variables, which is in the range of 0.778 to 0.860, indicating a good level of internal consistency. In addition, the Composite Reliability value also showed strong results, with a range of 0.851 to 1.042, which further strengthened the certainty of the research instruments used. Based on these two indicators, it can be affirmed that all variables can be considered reliable, so that the research results are stable and consistent.

### Hypothesis Test

The results of hypothesis testing based on path coefficient analysis and specific indirect effects are summarized in Table 8.

**Table 8**  
**Path Coefficients and Spesific Indirect effects**

	T-statistics	P-value
FP -> FSE	0.415	0.678
FP -> INT	0.769	0.442
ESF -> INT	0.508	0.611
IB -> INT	283.617	0.000
FP -> ESF -> INT	0.177	0.860

Source: Data processing with Smart PLS-4, 2025

### **Financial Parenting on Financial Self-Efficacy**

The test results showed that parenting patterns related to finances or financial parenting did not significantly influence financial self-efficacy, with a T-statistic of 0.474 and a P-value of 0.635. These results suggest that an individual's involvement in receiving financial instruction from parents does not necessarily shape their confidence in managing finances independently. These findings are in line with research that concludes that financial parenting does not have the same effect on financial self-efficacy in the environment of the younger generation in Indonesia (Aisjah, 2024)

In accordance with, self-efficacy is formed through a learning process that includes the involvement of authority, indirect experience, verbal influence, and physiological input. In this context, although people get direction or control from their parents with regard to financial management from an early age, the most decisive factor in the formation of self-efficacy comes from the real-life experiences that a person has in overcoming financial challenges firsthand. This is also confirmed by those who have found that financial self-efficacy is stronger through experienced or real experience in managing budgets, dealing with difficult financial conditions, and developing independent financial habits, rather than relying solely on the guidance of others, including parents (Bandura, 1991; Farrell et al., 2015).

In addition, the research states that the adequacy of financial education from parents is greatly influenced by how people internalize these values in their daily financial lives. Meanwhile, the research also highlights the importance of formal financial education and the social environment in shaping education and financial sufficiency, especially among young adults who are increasingly financially independent (Lusardi & Mitchell, 2014; Noor et al., 2020).

Given that most of the respondents in this study were people who had or were in the early productive age group, individual experiences and learning from a developed environment or peer group had a greater impact than parenting obtained in the past. Research emphasized this, which found that for millennials and Gen Z, social media and technology-based financial experiences have a stronger impact on regulating financial behavior than parental intervention (Mahdzan et al., 2019).

### **Financial Parenting and Intention to Use BNPL**

The results showed that financial childcare did not have a significant influence on the desire to use BNPL, as shown by the T-statistical value of 0.840 and the P value of 0.401. Thus, financial education from parents does not play an adequate role in influencing an individual's decision to avail BNPL services. These findings confirm the view that in the digital era, financial values taught from an early age through childcare are not necessarily carried over into technology-based financial decisions. It states that parenting financially does not directly affect the desire to utilize BNPL but may work through intervention instruments such as self-efficacy or individual financial involvement (Aisjah, 2024).

Lunt & Livingstone (2013) state that although parents can instill great financial values, people are still vulnerable to impulsive financial choices due to the impact of promotions, social pressure, or consumption trends shaped by the environment. In the context of BNPL, the choice to use these benefits is largely influenced by variables such as ease of access, convenience of transactions, and the introduction of effective marketing campaigns and personalized calculations.

In its development, the age and lifestyle components are very important in explaining these findings. The respondents in this study are generally young individuals who are in the stage of seeking independent funds. At this stage, budget choices tend to

be shaped by immediate needs, lifestyle tendencies, and progressive influences rather than long-term values that may have been ingrained in parents. This is generally in line with the findings, which show that young individuals are more easily influenced by digital access and peer behavior than by conventional family influence. Therefore, it is not surprising that financial parenting has not proven to be an important factor in determining the active use of BNPL in this population (Tang & Peter, 2015)

### **Financial Self-Efficacy on BNPL Intention to Use BNPL**

The test showed that financial self-efficacy did not have a significant impact on the desire to use BNPL, with a statistical T-value of 0.694 and a P-value of 0.488. This means that an individual's level of confidence in their ability to manage finances is not enough to inhibit their desire to use installment-based payment services such as BNPL. These findings contradict existing theories in financial self-efficacy writing, but have been observed in several subsequent studies. States that financial self-efficacy has a greater influence on long-term financial behavior than temporary options such as the use of BNPL (Farrell et al., 2015)

Kusairi et al. (2020), in a study of Indonesian students, found that people with high financial self-efficacy continue to use digital credit services because they feel confident they can manage them, regardless of their financial condition. This reinforces the findings that financial self-efficacy must be supported by self-control and an understanding of risk to be effective in avoiding adverse financial behaviors (Norvilitis et al., 2006).

In the context of financial digitalization, financial self-efficacy can lose its relevance as a limiting factor in consumer behavior due to the strong influence of technology that facilitates access and transactions.

### **The Effect of Impulsive Buying on BNPL Intention to Use BNPL**

In contrast to the three hypotheses before it, the test showed that unwise or impulsive purchases had a very critical impact on intention to use BNPL, with a statistical T-value of 301,507 and a P-value of 0.000. These findings suggest that uncontrolled purchasing behavior without careful planning is one of the main drivers in the use of BNPL services. States that BNPL speeds up purchase decisions without careful consideration because it removes the burden of upfront payment. Hence, it makes perfect sense for buyers who have the characteristics of being careless (Fook & McNeill, 2020).

Gupta & Verma (2019). It also found that sophisticated promotions and aggressive promotions amplified unwise purchases through social media, especially among young shoppers. Shopee PayLater and similar services take advantage of this miracle by embedding a "buy now, pay later" feature that specifically coordinates with a strong shopping experience; through the Regular Behavior Hypothesis, emphasizing that when controlling impulsive behavior and high social burden, time utilization will increase rapidly a condition that corresponds to the characteristics of less cautious clients (AJZEN, 1991).

The findings of the study conducted showed that impulse buying habits greatly affect how often BNPL services are used, particularly through the PayLater option on online shopping sites. They found that shoppers often make unplanned purchases in the fashion sector because the payment method makes it easy (the pay-later option alleviates the "payment challenge"), which therefore increases their likelihood of using BNPL repeatedly. This phenomenon is explained through the lens of self-regulation theory when immediate financial barriers are removed, emotional impulses dominate decision-making, which increases impulsive actions. Therefore, impulse buying acts not only as an

isolated trigger but also initiates a substantial pattern to revisit BNPL due to its ease and few barriers during the buying process (Bakar et al., 2025).

### **Financial Self - Efficacy as a mediating effect between the relationship between Financial Parenting and the Intention to Use BNPL (Intention to Use BNPL)**

Findings from the mediation analysis revealed that financial self-efficacy did not play a meaningful role in mediating the relationship between financial parenting and intention to use BNPL, with a T-statistic of 0.246 and a P-value of 0.806. This lack of significance suggests that while individuals may receive financial training from their parents, it does not develop strong enough personal beliefs regarding financial management, which will then affect their propensity to choose BNPL. Notes that in the complex realm of digital finance, the influence of parenting on self-efficacy and financial behavior can be easily disrupted by stronger external elements (Aisjah, 2024).

Shim et al. (2015) explains that self-efficacy needs to be significantly correlated with actual financial actions in order to function as an effective mediator. In this scenario, financial self-efficacy does not fulfill this role because it cannot translate the values learned through parenting into tangible behaviors such as not applying for consumer credit.

In addition, research has shown that even those with high levels of financial knowledge or self-efficacy can engage with complicated credit products if they do not have self-control or a clear understanding of the long-term implications of their financial choices. This highlights that in an environment oriented towards ease and speed, the power of self-efficacy regulation is greatly reduced (Lusardi & Mitchell, 2014).

Another study highlights that even if a person has confidence in their financial management, they are still at risk of impulsive purchasing decision-making if it is not accompanied by practical financial literacy and good environmental control. In this case, financial self-efficacy becomes a weak instrument if it stands alone without the support of other behavioral aspects (Pinto et al., 2024).

Therefore, the results of this study reinforce the insight that while financial self-efficacy is essential for developing healthy financial habits, it lacks the power needed to link financial parenting patterns and BNPL intention to use BNPL among young individuals who are digital natives. An approach that focuses solely on improving self-efficacy through family education is not enough unless it is complemented by strategies that encourage behavior change, strengthen internal controls, and foster financial norms that adapt to the digital age.

### **CONCLUSION AND SUGGESTIONS**

Based on the results of path analysis and statistical tests, financial parenting did not show a significant influence on financial self-efficacy or intention to use Buy Now Pay Later (BNPL) services. In addition, financial self-efficacy also did not have a significant effect on the intention to use BNPL and did not mediate the relationship between financial parenting and the intention to use BNPL. This indicates that education or financial experience gained from parents or the level of confidence in managing personal finances are not the main factors in shaping a person's decision to use BNPL.

In contrast, impulse buying behavior has been shown to have a very significant and positive influence on BNPL usage intentions. These findings confirm that the tendency to make purchases spontaneously and without careful planning is the main factor that drives someone to choose this payment method. Therefore, consumption management strategies and education about the risks of impulse purchases need to be

strengthened as an effort to control the use of BNPL to be wiser and not cause financial problems in the future.

From a practical standpoint, the findings of this study call for a more targeted approach to financial education that goes beyond family-based instruction. Educational institutions, financial regulators such as OJK, and BNPL service providers should jointly develop intervention programs that specifically address impulsive buying tendencies among young consumers. Financial workshops, in-app spending alerts, and behavioral nudges embedded within BNPL platforms could serve as effective tools to promote more deliberate purchasing decisions and reduce the risk of debt accumulation among students (Relja, 2024; Schomburgk & Hoffmann, 2023).

Future studies are encouraged to explore additional variables that may more directly influence BNPL adoption among young consumers, such as financial attitude, hedonic motivation, social media influence, and digital financial literacy, as these factors have been identified as increasingly relevant in the context of fintech adoption (Sitepu & Fadila, 2024; Aisjah, 2024). Furthermore, expanding the geographic scope beyond Batam City to encompass respondents from multiple Indonesian cities would enhance the generalizability of the findings. Longitudinal research designs may also provide deeper insight into how financial behavior patterns evolve over time as students transition into the workforce.

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