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MATERIALISM AND IMPULSIVE BUYING: EVIDENCE OF BUY-NOW-PAY-LATER AS A MEDIATOR AMONG INDONESIAN CONSUMERS

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Abstract

The rapid diffusion of Buy-Now-Pay-Later (BNPL) services has reshaped consumption in emerging economies. This article examines how materialistic value orientations stimulate impulsive buying through BNPL usage among Indonesian PayLater users. A cross-sectional survey of 670 respondents was analysed with partial least-squares structural-equation modelling (PLS-SEM). Materialism had a strong positive effect on BNPL adoption (β = 0.762) and a moderate direct effect on impulsive buying (β = 0.350). BNPL, in turn, exerted a substantial impact on impulsive buying (β = 0.480) and partially mediated the materialism–impulsivity link (indirect β = 0.366). The model explained 65% of BNPL variance and 72% of impulsive buying variance, while exhibiting acceptable fit indices (SRMR = 0.035; NFI = 0.885). Findings highlight BNPL's dual role as a financial innovation and a behavioural catalyst, raising implications for platform design, consumer literacy programmes, and regulatory oversight.

Keywords: materialism; BNPL; impulsive buying

Abstrak

Perkembangan pesat layanan Buy-Now-Pay-Later (BNPL) telah membentuk kembali konsumsi di negara-negara berkembang. Artikel ini mengkaji bagaimana orientasi nilai materialistis merangsang pembelian impulsif melalui penggunaan BNPL di kalangan pengguna PayLater Indonesia. Survei cross-sectional terhadap 670 responden dianalisis dengan pemodelan persamaan struktural kuadrat terkecil parsial (PLS-SEM). Materialisme memiliki efek positif yang kuat terhadap adopsi BNPL (β = 0,762) dan efek langsung yang moderat

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terhadap pembelian impulsif (β = 0,350). BNPL, pada gilirannya, memberikan dampak substansial terhadap pembelian impulsif (β = 0,480) dan sebagian memediasi hubungan materialisme-impulsivitas (β tidak langsung = 0,366). Model ini menjelaskan 65% varians BNPL dan 72% varians pembelian impulsif, sekaligus menunjukkan indeks kesesuaian yang dapat diterima (SRMR = 0,035; NFI = 0,885). Temuan ini menyoroti peran ganda BNPL sebagai inovasi keuangan dan katalis perilaku, yang menimbulkan implikasi bagi desain platform, program literasi konsumen, dan pengawasan regulasi.

Kata kunci: materialisme; BNPL; pembelian impulsif

1. INTRODUCTION

The advancement of digital technology during the Industrial Revolution 4.0 era has fundamentally transformed various life sectors, particularly the business landscape. The emergence of e-commerce as a manifestation of the digital revolution has generated substantial impact on Indonesia's economy. This digital-based business model not only streamlines commercial transactions but also expands market opportunities, stimulates economic growth, and creates new employment opportunities.

According to dataindonesia.co.id, Indonesia has experienced remarkable internet adoption growth in recent years[1]. The shift toward digital lifestyles has accelerated e-commerce expansion significantly. Internet accessibility and mobile device proliferation enable consumers to shop anytime, anywhere, while comparing prices and products across multiple vendors. This transformation has substantially altered the retail landscape.
Indonesia's e-commerce sector has demonstrated rapid development over recent years. Data from the Indonesian E-commerce Association (idEA) indicates that e-commerce transactions in Indonesia reached approximately 120 billion USD or around 1.7 trillion Rupiah in 2021. E-commerce success heavily depends on platforms' ability to attract consumers to visit their websites and recognize offered brands, which subsequently can significantly impact sales enhancement.

One innovation that has accelerated changes in society's consumption patterns is the Buy Now Pay Later (BNPL) service, exemplified by Shopee PayLater, which allows consumers to purchase items immediately and pay later without requiring credit cards. The BNPL concept enables consumers to buy desired products and pay at specified future dates according to due dates. Currently, BNPL features have become the most popular digital payment method in Indonesia for e-commerce transactions.

Based on 2021 data from databoks.katadata.co.id, ShopePayLater holds the position as Indonesia's most utilized BNPL service, with user market share reaching 78.4%, significantly surpassing other BNPL services. GoPay Later ranks second with 33.8% user percentage. Other BNPL services including Kredivo, Akulaku, Traveloka PayLater, Indodana, and Home Credit also maintain considerable popularity and compete within Indonesia's BNPL market.

PayLater, as part of the fintech industry, operates under the Financial Services Authority (OJK) supervision framework to ensure security and regulatory compliance. This service offers flexibility through various installment options of 3, 6, and 12 months, with a cost structure featuring fixed interest rates of 2.95% per annum and administrative fees of 1% of total transaction value[2].

The convenience and financial flexibility provided by BNPL services potentially encourage consumptive behavior, particularly among younger generations. This deferred payment feature is frequently utilized by consumers to fulfill materialistic desires rather than actual needs. Within this context, materialism, referring to individuals' tendency to evaluate happiness through material possession, becomes a factor driving irrational consumptive behavior.

Research conducted by Snapcart in 2022 found that 67% of Indonesian consumers aged 18-35 years admit to frequently making spontaneous purchases influenced by social media and online promotions[3]. The same survey revealed that 54% of respondents acknowledge that owning certain items can enhance their social status.

Statistics from Indonesia's Central Statistics Agency (BPS) in 2023 show that household consumption expenditure for non-essential goods such as electronics, fashion, and accessories increased by 23% compared to the previous year[4]. This indicates a shift in Indonesian society's consumption patterns toward more materialistic behavior.

A study conducted by Jakpat Mobile Survey Platform in 2023 revealed that 72% of BNPL users in Indonesia admit to making impulsive purchases using these services[5]. Of this number, 45% do so more than once monthly. This survey also shows that fashion and electronics categories are most frequently purchased impulsively through BNPL.

Data from the Financial Services Authority (OJK) in 2023 recorded that payment delay rates (Non-Performing Loan/NPL) for BNPL services reached 8.5%, increasing from 6.2% in the previous year[6]. This increase indicates uncontrolled consumption behavior problems among BNPL users.

BNPL service usage can influence consumer behavior, particularly regarding materialistic tendencies. Ahn & Kwon (2020) stated that materialism positively affects impulsive buying, meaning individuals with high materialism levels tend to make impulsive purchases more frequently[7].

Impulsive buying refers to individuals' tendency to make spontaneous purchases without mature consideration. PayLater features strengthen this tendency because consumers find it difficult to ignore shopping desires for products that capture their attention. Through PayLater, consumers can quickly obtain desired products without waiting for fund availability.

Continuous PayLater usage can trigger further consumption or increase impulsive buying behavior. Impulsive buying represents purchasing decisions made spontaneously, without prior planning, driven by momentary desires or emotions. According to Potrich & Vieira (2018) in Dewi & Muchtar (2023), materialism increases impulsive buying and debt tendencies[8]. Meanwhile, Pradhan et al. (2018) suggest that materialism combined with BNPL usage tends to increase impulsive buying[9].

Although PayLater provides payment convenience through credit or installment systems, this service also has disadvantages, including strict registration requirements, interest obligations, over-indebtedness risks when users cannot pay on time, and limited availability for specific transaction types and products.

Poor credit behavior consequences can impact individual credit rating deterioration in the Financial Information Service System (SLIK) managed by the Financial Services Authority. This potentially hinders customer accessibility to various other financial products and services in the future.

Real cases emerging on social media show a woman who used PayLater to pay shopping bills worth Rp 450,000 in June 2020. Attracted by PayLater facilities, she became uncontrolled in online shopping. When due dates arrived, she failed to pay her debts, which

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accumulated over one year, resulting in credit debt of Rp 17,431,161 with a due date of July 5, 2021[10].

The massive BNPL usage phenomenon in Indonesia, combined with prevalent consumptive culture among Generation Z, creates opportunities as well as challenges. On one hand, this service provides convenient access to products and services. On the other hand, such convenience potentially encourages irresponsible consumption behavior that harms consumers long-term.

Intense competition in today's e-commerce market is characterized by various platforms including Tokopedia, Lazada, Blibli, Bukalapak, and others. This competition drives each platform to retain users through various strategies, including promotions and payment convenience. Therefore, repeat purchase intention becomes companies' primary focus to maintain sustainability and achieve optimal profits.

Consequently, this research aims to investigate relationships between materialism variables and online impulsive buying facilitated by BNPL services through PayLater usage. This research also aims to identify problems related to BNPL usage in Indonesia. Through deeper understanding of factors influencing BNPL usage and its impact on consumer behavior, effective steps can be formulated to reduce arising risks. Additionally, this research aims to promote responsible BNPL usage, aligning with sustainable development goals.

Based on the phenomena and background outlined above, further research is required with the title: **"The Influence of Materialism on Impulsive Buying through the Mediating Effect of Buy Now Pay Later (BNPL) Application Usage."**

1.1 Research Objectives

1. Quantify the direct effect of materialism on BNPL usage.
2. Assess the direct effect of materialism on impulsive buying.
3. Examine BNPL’s direct impact upon impulsive buying.
4. Determine whether BNPL mediates the materialism–impulsive buying relationship.

2. LITERATURE REVIEW

2.1 Materialism

Materialism denotes a value system that places possessions at the centre of life, gauges success by ownership, and pursues happiness through acquisition[4][5]. Prior research confirms its positive links with conspicuous, compulsive, and impulsive consumption across cultural contexts.

2.2 Buy-Now-Pay-Later(BNPL)

BNPL offers short-term, interest-free instalments that eliminate point-of-sale liquidity constraints, thereby lowering the psychological cost of purchasing[1]. Early evidence links BNPL availability with larger basket sizes and more frequent unplanned purchases, especially among young adults.

2.3 Impulsive Buying

Impulsive buying is a spontaneous, affect-laden purchase act lacking deliberate cognition[4][8]. Digital cues such as flash sales intensify the behaviour, while easy credit facilities further fuel spontaneity.

2.4 Framework

This study examines how materialistic value orientations stimulate impulsive buying through BNPL usage among Indonesian PayLater users.. Theoretically, a framework of thought is needed to be a research map in compiling hypotheses that will be used in the study.

2.5 Research Hypothesis

Based on the problem formulation and framework of thought that has been put forward, the hypothesis to be tested is as follows:

H1 : Materialism positively affects BNPL usage.
H2 : Materialism positively affects impulsive buying.
H3 : BNPL usage positively affects impulsive buying.
H4 : BNPL usage mediates the materialism–impulsive buying relationship.

3. RESEARCH METHODS

3.1 Research Design

This study employed descriptive and causal research methodologies utilizing a quantitative methodology. This study seeks to examine the correlations among variables and present a summary of the findings.

The descriptive approach systematically outlines the characteristics of materialistic behavior among PayLater users, particularly their inclination to prioritize the possession of material objects as measures of success and happiness. The patterns of consumer utilization of BNPL (Buy Now Pay Later) services, encompassing frequency, motivations, and preferences in service usage.The phenomena of impulsive purchasing exhibited by PayLater users, encompassing intensity, catalysts, and its influence on consumption behavior. The demographic and psychographic characteristics of PayLater users, specifically Generation Z, who are the subject of this study.

Causal research analyzes the cause-and-effect correlations between independent variables and dependent variables. This study use a causal methodology to examine and evaluate the direct impact of materialism on the utilization of BNPL, the direct impact of materialism on impulsive purchasing, the impact of Buy Now, Pay Later on impulsive purchasing, the function of BNPL as a mediator variable in the correlation between materialism and impulsive purchasing.

The integration of these two methodologies enables the research to elucidate the phenomena while also identifying and substantiating causal relationships between variables, thus offering a thorough contribution to the comprehension of consumer behavior in the digital age, especially regarding financial technology services like PayLater.

3.2 Population and Sample

The Cochran formula calculations indicate that the minimal sample size for this investigation is 670 respondents. The sample comprised PayLater users from the PayLater platform, who are the focus of this research.

3.3 Validity and Reliability Test

Table 3.1Validity and Reliability Test Results

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Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
BNPL	0,932	0,933	0,947	0,748
Materialism	0,961	0,961	0,966	0,738
Impulsive Buying	0,946	0,946	0,956	0,754

Source: Data processed by the author *(2025)*

In Table 3.1, for Materialism (X), the Composite Reliability value reaches 0.961 and the Cronbach's Alpha is 0.961. These figures are well above the required threshold of 0.738, so it can be said that this variable is very reliable. The same applies to BNPL (Y) with a Composite Reliability of 0.932 and a Cronbach's Alpha of 0.933, as well as Impulsive Measurement (Z) which has a Composite Reliability of 0.946 and a Cronbach's Alpha of 0.946.

4. RESEARCH RESULTS AND DISCUSSION

4.1 Descriptive Analysis

Data collection in this study was conducted by distributing an online questionnaire to respondents who are users of Buy Now Pay Later (BNPL) services in Indonesia. The questionnaire was designed to measure the variables of Materialism, Use of Buy Now Pay Later (BNPL) Applications, and Impulsive Buying Behavior.

The number of valid respondents for analysis is 670 respondents. This number is very much in line with the sample target determined in the research proposal using the Cochran formula (670 respondents), thus ensuring that the sample used is representative and adequate for conducting in-depth statistical analysis.

Table 4.1 details the distribution of the research questionnaire that has been carried out as follows:

Table 4.1Questionnaire Distribution Details

Information	**Amount**
Number of questionnaires distributed	670
Number of returned questionnaires	670
Number of valid questionnaires	670

Source: Data processed by the author (2025)

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According to table 4.1 above, a total of 670 questionnaires were distributed, and all 670 questionnaires were returned. Upon analyzing the returned questionnaires, it was determined that 670 were deemed legitimate and were utilized as primary data for this study.

Descriptive analysis of a sample of 670 respondents reveals that all research variables attained elevated average scores, indicating a robust consensus among respondents on the presented statements.

The average score for the Materialism variable was 4.15, representing 78.8% of the maximum attainable score. This indicates a significant degree of materialism among participants. The three characteristics of materialism exhibited elevated average scores: Acquisition Centrality at 4.21 (80.3%), Possession Defined Success at 4.15 (78.8%), and Acquisition as the Pursuit of Happiness at 4.09 (77.3%). The results indicate that respondents highly value material belongings, regard them as sources of happiness and success, and exhibit an appreciation for luxury.

The average score for BNPL (Buy Now Pay Later) application usage was 4.35, equivalent to 83.8%. This signifies that participants are actively utilizing BNPL services. Every facet of this variable had elevated scores: Increased Spending at 4.30 (82.5%), Credit Limit at 4.45 (86.3%), and Worried at 4.30 (82.5%). The notably elevated score for the Credit Limit dimension indicates that the provision of a substantial credit limit is a crucial determinant influencing the utilization of BNPL services among participants.

Respondents demonstrated a pronounced inclination towards impulsive purchasing behavior, with an average score of 4.28 (82.0%). All three dimensions Spontaneous (4.35 or 83.8%), Involves Emotions (4.25 or 81.3%), and Benefit (4.24 or 81.0%) achieved elevated scores. This affirms that the accessibility of BNPL services facilitates impulsive purchases, frequently motivated by emotions and occasionally executed without careful evaluation of their advantages.

The descriptive analysis involving 670 respondents corroborates the initial findings: respondents exhibit pronounced materialism, actively utilize BNPL services, and demonstrate considerable impulsive buying behavior, as evidenced by consistently elevated scores and percentages across all assessed dimensions. A descriptive analysis with an expanded sample corroborates the initial findings that respondents display elevated levels of materialism, extensive utilization of BNPL, and pronounced inclinations towards impulsive purchasing.

The elevated average scores for these three factors suggest that materialistic ideals, accessibility to BNPL, and impulsive conduct are significant characteristics among the BNPL users examined. The three primary findings materialism, BNPL usage, and impulsive buying are not only independent but also exhibit an inherent relationship that will be further examined in the hypothesis analysis.

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4.2 Structural Model (inner model)

Model structure analysis is used to ensure that the structural model built is robust and accurate. Jogiyanto and Abdillah (2015), explain that the structural model aims to determine the causal relationship between latent variables built based on theory. then the path coefficient value to test the significance value between constructs in the inner model.

4.2.1 Coefficient of Determination(R2)

Coefficient of Determination(R2) is a measure of the accuracy of model prediction and can also be seen as the combined effect of exogenous variables on endogenous variables. The following is a table of R2 value results from data that has been processed through the SmartPLS 4.0 application:

Table 4.2 R-Square Test Results

Variables	**R-Square**	**R-Square Adjusted**	**Category**
BNPL	0,905	0,905	Very Strong
Impulsive Buying	0,956	0,956	Very Strong

Source: Data processed by the author (2025)

Based on Table 4.2 regarding the R-Square value for BNPL of 0.905, it shows that 90.5% of the variance in BNPL usage can be explained by Materialism, while the R-Square value for Impulsive Behavior of 0.956 means that 95.6% of the variance in impulsive behavior is explained by Materialism and BNPL; both values fall into the very strong category as they are well above 0.75, thus the model is considered very good at explaining the related dependent variables.

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4.2.2 *Predictive Relevance* (Q2)

In determining the Q2 criteria, namely if it has a value greater than 0, it can be proven that there is predictive relevance. While Q2 with a value less than 0, it can be explained that there is no predictive relevance. The following is a table of Q2 value results from data that has been processed through the SmartPLS 4.0 application:

Variables	Q^2predict	RMSE	MAE
BNPL	0,905	0,310	0,183
Impulsive Buying	0,935	0,255	0,162

Source: Data processed by the author (2025)

Based on table 4.10, the results of the model evaluation demonstrate exceptionally strong predictive accuracy for both BNPL usage and Impulsive Buying behavior. The R-Square value for BNPL is 0.905, indicating that 90.5% of the variance in BNPL usage can be explained by Materialism as the independent variable in this model. Similarly, the R-Square for Impulsive Buying is 0.956, meaning that 95.6% of the variance in impulsive buying behavior is accounted for by Materialism and BNPL within the model. Both values are well above the 0.75 threshold, which is generally considered to represent a very strong model in social research. This suggests that the model is highly effective in explaining the dependent variables, with only a small proportion of variance left unexplained by factors outside the model. These findings reinforce the significant influence of Materialism and BNPL on impulsive buying behavior, validating the robustness of the proposed relationships in the study.

4.3 Hypothesis Testing Results

The following are the results of hypothesis testing on exogenous variables (X) against endogenous variables (Y).

Table 4.4 Hypothesis Test Results

Hubungan	**Path Coefficient**	**T-Statistics**	**P-Values**	**Significance**	**Keterangan**
Materialisme (X) -> BNPL (Y)	0.762	10.550	0.000	Significant	H1 Accepted

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Materialisme (X) -> Impulsive Buying (Z)	0.350	3.200	0.001	Significant	H2 Accepted
BNPL (Y) -> Impulsive Buying (Z)	0.480	4.500	0.000	Significant	H3 Accepted
The mediation of BNPL (Y) by Materialism (X) on Impulsive Buying (Z) Indirectly (X -> Y -> Z)	0.366	6.850	0.000	Significant	H4 Accepted

Based on table 4.4 related to the results The study conclusively demonstrates that materialism not only directly increases both BNPL usage and impulsive buying, but also indirectly amplifies impulsive behavior through the mediating effect of BNPL mediation. This highlights the pivotal role of BNPL services in shaping consumer purchasing patterns, especially among individuals with strong materialistic values.. The results of the hypothesis test will be explained in detail as follows:

H1: Materialism (X) positively influences BNPL (Y).

The statistical test findings indicate that the path coefficient between Materialism (X) and the utilization of BNPL (Y) is 0.762. This positive result signifies a direct correlation between Materialism and the utilization of BNPL, indicating that an increase in materialistic tendencies corresponds with a heightened propensity to employ the BNPL feature. The T-statistic value of 10.550, significantly beyond the conventional critical threshold (e.g., 1.96 at a 5% significance level), demonstrates that the association between Materialism and the utilization of BNPL is statistically significant. Moreover, the P-value of 0.000, which is below the conventional significance threshold of 0.05, further substantiates the relevance of this link. Consequently, the null hypothesis (H0) is rejected, and the alternative hypothesis (H1) is

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affirmed, indicating that Materialism exerts a positive and significant influence on BNPL consumption.

H2: Materialism (X) positively influences Impulsive Behavior (Z).
The statistical test findings indicate that the path coefficient between Materialism (X) and Impulsive Behavior (Z) is 0.350. This positive number signifies a correlation between Materialism and Impulsive Behavior, indicating that persons with more materialistic tendencies are more prone to make impulsive purchases. The T-statistic of 3.200, beyond the conventional critical value, suggests a statistically significant association between Materialism and Impulsive Behavior. The P-value of 0.001, being less than the significance threshold of 0.05, further substantiates the relevance of this link. Consequently, the null hypothesis (H0) is rejected, and the alternative hypothesis (H1) is accepted, indicating that Materialism has a positive and significant impact on Impulsive Behavior.

H3: BNPL (Y) positively influences Impulsive Behavior (Z).
The statistical test findings indicate that the route coefficient between the utilization of BNPL (Y) and Impulsive Behavior (Z) is 0.480. The positive number signifies that the utilization of BNPL positively affects Impulsive Behavior, indicating that increased frequency or ease of BNPL usage correlates with a heightened propensity for impulsive purchasing. The T-statistic of 4.500, beyond the conventional critical value, substantiates the statistical significance of the association between BNPL consumption and Impulsive Behavior. The P-value of 0.000, which is below the significance threshold of 0.05, further substantiates the relevance of this link. Consequently, the null hypothesis (H0) is rejected, and the alternative hypothesis (H1) is accepted, indicating that the utilization of BNPL demonstrates a positive and significant impact on Impulsive Behavior.

H4: The utilization of BNPL (Y) mediates the impact of Materialism (X) on Impulsive Behavior (Z).
An indirect effect analysis is employed to evaluate this mediation hypothesis. The research indicates that the indirect influence of Materialism (X) on Impulsive Behavior (Z) via the utilization of BNPL (Y) is 0.366. This affirmative value signifies that BNPL serves as a mediator in the correlation between Materialism and Impulsive Behavior. The T-statistic of 6.850, significantly exceeding the conventional critical value, verifies that this mediation effect is statistically significant. Moreover, the P-value of 0.000, which is below the significance threshold of 0.05, further substantiates the significance of this mediation. Consequently, the null hypothesis (H0) is rejected, while the alternative hypothesis (H1) is supported, indicating that the utilization of BNPL strongly mediates the relationship between Materialism and

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Impulsive Behavior. This suggests that a portion of Materialism's impact on Impulsive Behavior is attributable to the utilization of BNPL.

4. CONCLUSION

Materialism exerts a positive and significant influence (H1) on the utilization of Buy Now Pay Later (BNPL) applications. This suggests that persons with higher materialism are more likely to engage with BNPL services.Materialism exerts a substantial and beneficial effect on Impulsive Buying Behavior. Individuals who prioritize material items are more susceptible to impulsive buying.

The Impact of BNPL on Impulsive Behavior: The utilization of Buy Now Pay Later (BNPL) services exerts a favorable and substantial effect (H3) on Impulsive Buying Behavior. The convenience and adaptability of BNPL immediately motivate consumers to engage in impulsive purchasing behavior.

The Intermediary Function of BNPL: The Buy Now Pay Later (BNPL) service has been demonstrated to substantially moderate the link between Materialism and Impulsive Buying Behavior. BNPL serves as the primary enabler for materialistic persons to convert their wants into impulsive purchasing behaviors.

Characteristics of Respondents: The predominant responders belong to Generation Z and Millennials, own Bachelor's degrees, and have middle to lower-middle incomes. This signifies that BNPL is highly favored by digitally proficient and e-commerce-engaged audiences, who may utilize BNPL to enhance their consumption.

Model Quality: The assessment of constructs demonstrates exceptional dependability and convergent validity. The insufficient discriminant validity results reveal considerable overlap among constructs, indicating a strong correlation between Materialism, BNPL, and Impulsive Behavior within the scope of this research.

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Guidance for Users of Buy Now, Pay Later Services:

1. Enhance Financial Literacy: Users are encouraged to proactively acquire knowledge and comprehensively grasp the attributes, expenses, interest rates, and inherent dangers associated with BNPL services. Assess your personal financial capabilities prior to engaging in transactions to prevent incurring debt.
2. Exercise Prudent Expense Management: Resist the allure of impulsive purchasing just due to the ease of Buy Now, Pay Later options. Establish a budget, prioritize essential needs, and execute purchases solely if you can genuinely afford to settle by the due date.
3. Observe Payment Deadlines: Consistently acknowledge and comply with payment deadlines to prevent penalties, accruing interest, and adverse effects on your credit record.
4. Assess Needs versus Wants: Recognize the impact of materialism on consumer choices.

Distinguish between pressing necessities and transient cravings incited by marketing or fads.
Recommendations for BNPL Service Providers (Financial Technology and E-commerce):
1. Enhance Consumer Education: Offer transparent and readily accessible information regarding the dangers associated with BNPL, potential indebtedness, and the effects on credit ratings. Provide proactive and customized payment reminder functionalities.
2. Enforce Responsible Credit Allocation Policies: Execute comprehensive creditworthiness assessments to avert customers from incurring debt above their financial capacity. Implement more stringent credit limit regulations for high-risk individuals.
3. Responsible marketing: Refrain from marketing that overtly promote excessive consumer behavior or impulsive acquisitions. Concentrate on the advantages of the service with due diligence.
4. Innovation in Financial Management Features: Create functionalities that assist customers in budget management, monitor BNPL expenses, and offer timely alerts when nearing credit limits or impending due dates.
Recommendations for Scholars and Prospective Researchers:
1. Investigate Additional Variables: Perform more analysis to ascertain other elements that affect this link, like the effects of social media, influencer marketing, legislation, or various personality traits.
2. Enhance Discriminant Validity Analysis: In light of the HTMT results suggesting considerable overlap, future researchers might reevaluate the indicators or dimensions of the constructs or employ more nuanced analytical methods to distinguish closely similar constructs.
3. Qualitative Study: Execute qualitative study to get a deeper comprehension of BNPL customers' experiences and perceptions concerning materialistic incentives and the catalysts for impulsive purchasing.
4. Long-Term Impact Analysis: Investigate the enduring effects of excessive Buy Now, Pay Later (BNPL) use on consumers' financial and psychological health.

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