

Paylater as The Millennial Payment: Theory Planned Behavior

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ABSTRACT

This study aims to identify the motivations of Millennials who use Paylater services as a payment method in transactions and then investigates their perceptions and financial control regarding the risk of Paylater through the theory of planned behavior. This research involves individuals from the Millennial generation who have used Paylater services, using a qualitative approach through interviews. Primary data in the form of interviews in this study uses thematic analysis, by collecting and analyzing data, coding data, developing analytical ideas and concepts, and connecting analysis with the theory used. The results revealed that the ease of access, flexibility, and promo incentives of Paylater motivate Millennials to use it. Social pressure from relatives, the environment, and social media influences this motivation, along with their belief in their control over Paylater. However, Millennials also perceive risks such as spontaneous purchases, financial difficulties, and default, which raises doubts about using this service. These findings highlight the importance of considering psychological aspects, financial literacy, and financial behavior in using Paylater responsibly.

Keywords: Buy-Now-Paylater; financial literacy; risk perception; theory of planned behavior.

INTRODUCTION

In today's digital economy, the accessibility and convenience of financial services have increased significantly, leading to a situation where people are more easily in debt. Innovative financial services like financial technology (fintech) peer-to-peer (P2P) lending stand out in this context. Fintech P2P lending revolutionized the lending landscape by connecting borrowers with lenders directly. One of the popular financial services from fintech P2P lending is Paylater with the total outstanding receivables of Paylater finance companies as of March 2024 reaching Rp6.13 trillion [36].

Buy-now-pay-later (BNPL) known as Paylater, is one of the financial service innovations that introduce credit or installment payment methods originating from cooperation between P2P lending services and e-commerce, then becomes popular and in demand by many people [37]. Once the user agrees to the terms and conditions in each service provider application, they can easily access Paylater services. This process is simple and straightforward because service users only need to submit proof of identity after agreeing to the terms and conditions.

Despite the initial ease and convenience of transactions, recent evidence suggests worrying implications, particularly in instances where individuals' debt exceeds their income capacity. Research by BPS 2023 shows a significant gap between the amount individuals borrow online and

their income. Moreover, regulatory interventions from OJK to limit access to loan sources and funding values underscore the severity of the problem [35].

Online loan borrowers in Indonesia are dominated by the younger generation with an age range of 17-34 years as the main contributor, including Paylater debt, and as borrowers with the highest level of non-current and bad debt [36]. [14] also said that the millennial generation is the biggest contributor to Paylater debt, reaching Rp2 trillion. This is in line with the research findings [42], which show that most Paylater users are millennials.

The purpose of using Paylater is mostly used for consumptive activities [5] [21]. This shows that Paylater can lead to consumptive behavior if the level of individual purchasing ability increases, followed by the possibility for someone to access goods or services that they may not have with a mechanism without them having to pay immediately [24] [43]. The use of innovative financial services as a form of payment method shift, in this context, is Paylater among the younger generation, followed by their financial behavior.

The phenomenon of Paylater usage among millennials reflects the changing dynamics of financial management in the digital era. While this service offers convenience and ease of transactions, millennials need to use it responsibly, ensuring that it can improve their lives without causing financial stress in the future. Therefore, it is crucial to

understand their motivations, perceptions, and financial control regarding the risks associated with Paylater. Without a good understanding, millennials may end up accumulating debt without realizing the risks and long-term impact [44].

Several studies have discussed the motivation of a person to use a Paylater. In the research of [37], [7], and [20], it is known that the main motivation of Paylater users is to fulfil immediate needs as an easy and fast payment alternative. In line with this, [15] highlights Paylater as a convenient and enjoyable payment option.

However, research from [38], [9], and [17] indicates that Paylater and other credit payment innovations pose financial risks. These financial risks include potential overspending, debt accumulation, and negative impacts on financial well-being. These risks are consequences of using Paylater, which can indirectly influence individual attitudes [30]. Therefore, while Paylater can be seen as a convenient method of payment, it is not risk-free, and consumers should be aware of the potential financial consequences before using this service. Financial risks can be minimized for individuals who are aware of financial knowledge literacy [3], [6], [29], [45], [18].

Previous research suggestions underscore the importance of risk and financial literacy aspects in shaping debt behavior using Paylater services [17], [28], [39], [40]. Thus, this study can investigate the relationship between the use of Paylater services and increased debt and financial instability among millennials by highlighting aspects of risk and financial literacy as potential consequences of Paylater use through the lens of the theory of planned behaviour (TPB), which provides a framework for examining factors that shape individual intentions and behaviors [4], [10]. In line with a qualitative research approach, this study seeks to explore how the use of Paylater services influences the development of debt and financial instability among millennials. By leveraging qualitative methods, the research aims to delve into the complex, subjective experiences and thought processes that shape financial behaviors, particularly through the lens of the theory of planned behavior (TPB). Unlike quantitative studies that focus on measurable outcomes, qualitative research provides the opportunity to explore how and why millennials engage with Paylater services and how their risk perceptions, financial literacy, and intentions interact to influence their financial decisions.

Qualitative methods, like interviews and focus groups, will facilitate the examination of how attitudes toward debt, social pressures, and perceived control over financial management shape intentions toward Paylater services. Through in-

depth exploration of these processes, the study can provide insights into how Paylater use may lead to financial risks and instability. This approach enables a nuanced understanding of the connection between Paylater services and financial outcomes, which quantitative data alone may not readily capture. By focusing on the process of intention formation, this research contributes novel insights into the broader implications of fintech services on consumer behavior and financial well-being [4], [10].

Literature Review

Theory of Planned Behavior

The theory of planned behavior (TPB) is a theory developed by Icek Ajzen in 1991. TPB is an extension of the theory of reasoned action (TRA), which is necessary due to the limitations of the original model in dealing with behavior where people have incomplete volitional control. As in TRA theory, the central factor in TPB is an individual's intention to perform a particular behavior. Thus, TRA alone is not sufficient to study people's behavior [4].

Attitude towards behavior refers to the extent to which a person has positive or negative feelings towards a behavior of interest. The more positive a person's attitude towards a behavior, the more likely a person is to accept the behavior [2]. Attitude has a high correlation with behavioral intention and leads to verbal responses and overt actions [4]. It can also be predicted by various types of behavior including debt behavior by adopting Paylater services. Attitude toward debt refers to an individual's feelings, beliefs, and perceptions towards debt, which can influence debt behavior and financial decision-making [6] and [19]. Factors that shape attitudes toward debt include risk-taking and financial literacy [6].

The second predictor, a social factor known as subjective norm, pertains to the perceived social pressure to either perform or refrain from a behavior. Subjective norms refer to individual beliefs about the influence of their social environment on certain actions [30]. The basic determining factor is normative beliefs. The focus of normative beliefs is the likelihood that relevant people or reference groups accept or disapprove of certain behaviors [30]. In the context of Paylater usage, individuals may be influenced by the opinions and expectations of peers, family, and other important people in their lives.

The third predictor is perceived behavioral control. This predictor refers to the perceived ease or difficulty of performing the behavior and is assumed to reflect past experiences as well as anticipated

barriers and risks. Perceived behavioral control also includes individuals' beliefs about their ability to perform a particular behavior and the influence of external factors on their control over that behavior [4], [10]. These determinants are particularly relevant in the context of Paylater service adoption, where individuals' self-confidence and perceived control are important factors that influence their intentions and behavior. The following is a picture of the research framework using the theory of planned behavior.

Debt Behavior

Others borrow money to use goods or services, which must be repaid with interest [25]. A person incurs debt when they take out a loan from a bank, pawnshop, relative, or use a Paylater service [19]. Debt behavior is the act of using money or goods or services belonging to another party with the obligation to return the principal and other costs [19].

Financial Literacy

Financial literacy is a process that aims to increase knowledge, beliefs, and skills that can influence attitudes and behavior in improving the quality of decision-making and financial management to achieve prosperity [8], [23], [34].

Financial literacy has a significant impact on debt behavior. Those who are more financially literate tend not to have credit card debt or Paylater. Low financial literacy can lead to various problems, including debt management, savings and credit management, and future planning [18].

Financial literacy has been shown to influence savings and investment behavior as well as debt management. Individuals with higher levels of financial literacy are also more likely to finance their obligations and less likely to use high-cost borrowing methods, such as pawnshops, credit cards, or Paylater services [11] and [31]. This makes financial literacy an important factor in making informed financial decisions, including the adoption of payment services, and can help individuals avoid debt and make better financial choices.

Risk Perceived

Perception of risk refers to a negative perception that a person has when taking an action; this can occur when the consumer's situation is not favorable at that moment. Consumers often identify perceived risk as the primary barrier to reconsidering their use of Paylater services [30]. This risk is significant because certain beliefs influence consumer decisions when using financial services.

The perception of this risk is the primary obstacle that prevents individuals from making informed decisions about using Paylater.

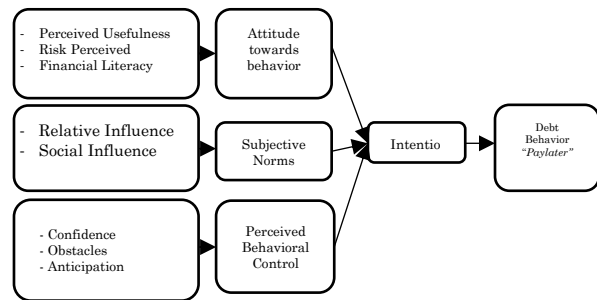


Figure 1. Theoretical Framework of Planned Behavior

RESEARCH METHOD

This research employs a qualitative approach based on phenomenology. This research is qualitative, which aims to explore and understand experiences through specific phenomena in the field. [16] explain that a qualitative approach is best used to understand individual or group understanding of social problems.

Phenomenology is an approach that explores phenomena, including appearances, everything that appears in our experience, how we interpret these experiences, and the meaning we can derive from them. The focus of phenomenological attention is not just on the phenomena experienced but focuses on conscious experience from the point of view of the first person or who experiences it directly. This research was conducted to understand the phenomenon formed from the millennial generation's perception of their debt behavior in using Paylater services, which leads to impulse purchases and irresponsible spending habits.

People who have used Paylater in transactions and belong to the millennial generation born between 1980 and 2000 are the objects of study [1], [32], [44]. The purposive sampling technique, which involves the researcher using their judgment to select participants who are willing to provide such information by setting certain criteria, forms the basis for participant selection [1]. We conducted the data collection in Balikpapan City and Yogyakarta City.

This research uses primary data from interviews and secondary data from documents like OJK fintech lending statistics 2018-2024 and the latest Paylater news. Primary data in the form of interviews in this study uses thematic analysis, by collecting and analyzing data, coding data, developing analytical ideas and concepts, and connecting analysis with the theory used. This research uses data collection techniques in the form of interviews with 14 respondents.

Table 1. List Respondent

No	Respondents	Income	Number of paylater Applications
Balikpapan			
1	AL	2.5m-5m	2
2	MH	5m-7m	2
3	HD	2.5m-5m	2
4	SH	2.5m-5m	1
5	CT	2.5m-5m	2
6	TR	2.5m-5m	2
7	AP	<2.5m	1
Yogyakarta			
8	JA	<2.5m	1
9	OD	5m-7m	1
10	LMP	<2.5m	1
11	IS	2.5m-5m	1
12	NK	<2.5m	1
13	PT	2.5m-5m	1
14	RF	<2.5m	1

Source: Processed primary data (2024)

RESULTS AND DISCUSSION

Attitude towards Using Paylater

4] defines attitude as the extent to which a person has a favorable or unfavorable evaluation or assessment of the behavior in question. Several factors, including financial literacy, perceived risk, and perceived benefits, influence attitudes toward using a Paylater [28] and [34]. The results of research on the use of Paylater have paid attention to the perceived benefits of the service. Paylater, also referred to as buy now, pay later, provides numerous benefits to its users, attracting a significant number of users. First, it provides straightforward access to credit, with a simple application process and easy requirements.

"...Then it's also easy to use, right if, for example, the Paylater. For us to be able to access the loan, we only need to enter our ID card and justify ourselves. Then, during the payment treatment, we can use the QRIS method. So when we use QRIS, we can switch to Paylater." (Respondent LM)

"...Because it's younger without going to the bank. Then we just take a selfie, that's it" (Respondent PT)

Secondly, Paylater services also provide the flexibility for individuals to make purchases without immediate payment, thus allowing them to manage their cash flow effectively. This benefit is especially useful for users who may be facing financial constraints.

"Paylater is a payment platform that allows payments to be made later." This makes things slightly easier for me, especially if the payment is

scheduled for a later date. Additionally, I lack the necessary funds to make the transaction. Therefore, Paylater is designed to simplify the transaction process for me. (Respondent HD)

"...because of urgent needs. Then the money is not in hand. So, I am interested in using Paylater" (Respondent AP)

Furthermore, Paylater services offer incentives in the form of shipping promos, cashback, cheaper service fees, and 0% interest promos given to users of these services. With these incentives, Paylater users can save costs, increase the value of their shopping, and feel extra satisfaction in using Paylater. The benefits of these incentives can encourage individuals to use Paylater.

"Yes, that's why I was more interested in it from the beginning. Because of that. Shopee offers a variety of services, such as Shopee Paylater and various other promotions. Then what is the discount or free shipping? In my view, the price is already quite affordable. The shipping can be discounted by up to 50%. (Respondent MH)

The second source comes from the discounts that Shopee itself offers. There is usually a \$100,000 discount using the first Paylater. So yes, I had a \$100,000 discount in the past when using the first Paylater payment. Well that... the same Paylater is 100 thousand... And considering the interest is also not so high." (Respondent OD)

Using a Paylater can provide hedonic motivation, or a sense of pleasure among users [15] and [37]. Users generally express a sense of happiness and personal satisfaction when they obtain the desired item at that precise moment, thereby enhancing their overall shopping experience. In addition, the flexibility inherent in the Paylater arrangement contributes to hedonic motivation by giving users the freedom to make spontaneous purchases or splurge on luxury items without having to worry about financial constraints. As a result, this hedonic pleasure associated with Paylater services serves as an incentive for people to use such services.

"Yes, I frequently take this risk." By replacing it with personal happiness... If I need it, what do I need? I need personal happiness. I make myself happy by buying clothes. (Respondent JA)

"...It's more like really happy practically. Just not pleased with the money. That's it. But I'm pleased because it's practical. Practically, it's simple. It's straightforward for transactions. But for us to pay is difficult too." (Respondent PT)

As a convenient and useful payment method, on the other hand, users also express their concerns about the potential risks associated with using Paylater. These risks can manifest as spontaneous purchases, where users purchase items without

prior planning or consideration of their needs [45]. Only based on momentary desires, this leads to consumptive behavior.

"Since I've been using Paylater, I often shop on impulse. This is due to the availability of funds. I feel more consumptive since using Paylater." (Respondent JA)

"I am increasingly unable to control myself." Very consumptive." (Respondent SH)

The consumptive behavior caused by using Paylater results in excessive spending. Additionally, users bear an interest fee that contributes to their overall costs. Users of Paylater express apprehension that their expenses have escalated with Paylater, potentially reducing their allocated budget for other needs as a result of paying Paylater bills.

"Quite worried. Because of the use of the Paylater itself, there is an interest calculation. So my expenses are somewhat higher than usual; using the Paylater itself increases costs. Due to the use of the Paylater, my expenses may increase by approximately 600-700. This is the case, for instance, if the payment is made within a span of 2-3 months. (Respondent AP)

Initially, I believed it to be cost-effective. But it turned out to be a very wasteful waste in my opinion." (Respondent SH)

In addition, the risk that arises from using Paylater is financial difficulties that allow users to pay late or even to default, thus becoming a burden on their finances. This issue arises due to the accumulation of debt and excessive spending. Some users even try to pay their Paylater bills by opening new online loans.

Yesterday, there was a three-month payment challenge. So I have opened one of them; there is another Paylater right?" (Respondent HD)

"At first, it was supportive, but over time, it grew larger." I have to cover it every month. Originally, we set the limit at approximately 500 thousand. It's still small. However, the timely payment led to a gradual increase in size. Indeed, the bill is increasing in size. That's the danger... Initially happy, later dragging." (Respondent SH)

As one of the conditions of using Paylater, users are required to provide their identity data to the service provider. While this eases the application process and allows service providers to assess users' creditworthiness, it also raises concerns regarding the security and privacy of personal information. In some cases, security breaches or data leaks may occur, potentially exposing users to identity theft, fraud, or unauthorized access to their financial information. As a result, users may weigh the security risk of a data breach when deciding whether to use a Paylater service. Conversely, some users assert that their data remains secure, and

they trust the service provider to safeguard it. Therefore, when deciding whether to use a Paylater, users often consider a delicate balance between convenience and security. Despite the allure of deferred payments and simplified transactions, one cannot overlook the potential risks associated with data breaches.

"It's not safe, ma'am, because I've been hacked by people... I'm afraid, ma'am. Especially when my account was hacked. That made me afraid. So I closed several accounts. I just don't use them anymore." (Respondent TR)

"So it's like this. Yes, what else can we do? Spreading our data is akin to taking a risk. However, what other options do we have? Like it or not, we have to follow the rules. Yes, we just trust it." (Respondent NK)

Financial literacy includes a comprehensive set of knowledge and skills that empower individuals to make informed decisions and effective skills when planning and managing their financial resources. Financial literacy is influenced by factors such as knowledge of financial products, particularly Paylater, and proficiency in financial management [25] and [27]. Firstly, users need to grasp the concept of financial products, their interest costs, service fees, and the risks involved in using Paylater. The level of understanding of financial products, especially Paylater, among users, is still lacking overall.

"Paylater is a payment—uh, a payment method—that has a transaction nominal that we can use to pay for the purchases we want" (Respondent SH).

"I know if it's late. So far, that's what I know. If, for example, it is late, there is indeed a fine. In some cases, people may need to contact others. When you input the information, you can contact others, right? Well, that too. Then there was the record at the bank. However, I'm uncertain about the significance of the credit score. That's all I'm aware of. (Respondent IS)

Furthermore, financial management skills play an important role in shaping an individual's attitude toward using a Paylater. Individuals who possess strong financial management skills, such as budgeting, debt management, and the ability to assess financial risks such as late payments, high interest penalties, or other negative impacts of using Paylater, are more likely to approach the use of Paylater with a cautious and responsible mindset. However, the reality is that there are still some users who have not implemented effective financial management, so they may be more prone to misuse Paylater services.

As long as the item you desire remains within the Paylater limit's nominal amount, there is no

transaction limit. Never recorded. It's just estimated." (Respondent CT)

"Maybe not to record it, ma'am. It's more like just adjusting directly; what is it? Directly without recording. Usually, I'm more into this anyway. For instance, this month's revenue has exceeded expectations. I usually already know what the income for the next month will be. From there, I can make decisions about the maximum limit I can allocate for fulfilling my obligations. From there, I usually decide on how much of the maximum limit I can spend on debt, for example. And to set aside other things. Like as monthly needs, investment needs, savings, and others. I usually just look at it from there. The calculation is based on the income amount, without any recording. How much do you need to record? It seems like a lot, really." (Respondent MH)

Subjective Norms on the Use of Paylater

According to [4], subjective norms refer to the social pressure felt to do or not do the behavior. Subjective norms towards the use of Paylater refer to perceived social pressure or influence from others regarding acceptance or rejection of the use of Paylater services. Subjective norms reflect individuals' perceptions of the attitudes and behaviors of their peers, family, and social circle towards Paylater [6], [28], [30], [34]. Relatives, starting from family and friends, strongly influence users' subjective norms towards the use of Paylater by sharing their experiences and knowledge about it.

As close relatives, they often share their experiences, opinions, and knowledge about various financial products and services, including Paylater options. Their guidance and support can shape one's perception of Paylater, either positively or negatively. Conversely, the subjective norm of relative influence arises when users entrust their relatives to use Paylater on their behalf. This practice can lead to increased defaults and negatively impact users. This suggests that entrusting others to access Paylater accounts can lead to irresponsible borrowing habits and an overall decrease in financial discipline.

"Sometimes it's a friend. Sometimes time friends are also like, What's the name? Yes, including earlier. For what? Motorcycle modification. Usually in what? It's like being encouraged. Oh, your bike hasn't been modified. Which is new, which is good? Already use a Paylater. Never mind, sometimes the influence is there. Ah, try using Ah. Instead, what's the name? See you hanging out at friends' places. I was made fun of again, so that's how it started. In the end, I spent almost \$6 million on motorcycle spare parts." (Respondent MH).

"Mostly from my friend's experience, he paid for other people's Paylater-in, but he paid for it.

Well, that's also my experience. That's why I don't want to. Therefore, Paylater is exclusively for my use, not for the benefit of others. Don't use it to make purchases for others, either. Let's say someone entrusts it. Buy this, then Paylater-in later. I don't want to... And that was quite a lot at that time. So I'm careful. I don't want to." (Respondent IS)

Furthermore, subjective norms towards Paylater use among users are also strongly influenced by social influences, such as community environment and social media, which contribute to shaping subjective norms of Paylater use among individuals [28], [30], [34]. The community environment includes the shared values, beliefs, and practices that exist within a particular social group or geographical area. These factors may influence individuals' perceptions of Paylater services, as they may observe how others in their community use or perceive these services.

"Only if, for example, we are hanging out. Then people say. It's beneficial to use Paylater. So we also feel. Eh, I want to try it. I tried it, and it feels good." (Respondent JA)

"For me, yes. It's people's testimonials." (Respondent OD)

On the other hand, social media has become a powerful platform for sharing information, experiences, and opinions about various products and services, including Paylater options. The digital space allows users to connect with others, learn from their experiences, and form their own opinions about Paylater services. Social media can also facilitate the spread of both positive and negative information about Paylater services, which can influence users' attitudes and perceptions.

"At first I saw it in an ad, ma'am." (Respondent SH)

"But if I see him on FYP Tiktok, sometimes those who apply for work are also checked. BI checking too... So it does go there. Maybe he doesn't pay his ShopeePaylater or something. That's up to that." (Respondent PT)

The perceived acceptance and support of Paylater in their environment can create social pressure to conform to the same behavior. Likewise, if there is perceived disapproval or skepticism toward Paylater due to negative experiences or opinions, users are likely to be cautious about using it.

Perceived Behavioral Control of Paylater Use

Not all behaviors are under an individual's volitional control. Therefore, this dimension enters as a means to predict the type of behavior. Perceived behavioral control refers to the perceived ease or difficulty of performing a behavior and is assumed to reflect past experiences as well as anticipated

barriers and obstacles [4] and [34]. Based on the results of interviews, respondents expressed confidence or trust in the context of using Paylater, indicating that they believe their income can cover Paylater bills, are confident in their ability to use Paylater responsibly, and have faith in service providers. Users express confidence in their ability to pay their Paylater bills by considering and allocating a budget ranging from 20% to 80% of their income for Paylater usage. Although some users have Paylater bills that exceed their income, they are still able to pay the bills by doing various things to cover the bills.

"Because I just took it. How many percent is it? Maybe only 20% of my salary. Indeed, I have done the calculations from the outset. Be sure to include payment costs when buying items. Because, for example. I use Paylater, I happen to use Shopee. I've never used anything else. I've only ever used Shopee; I've used Paylater. That's also there if, for example, we buy goods and get coins, right? Well, that also helps. You can cut down on expenses and save a variety of items. So yes, it's quite easy." (Respondent IS)

"In percentage terms, it's probably around 80%, because I can't guarantee 100% whether my funds will be enough to cover my Paylater in the future. But 80% of it I try to set aside some of my income to pay for my Paylater... Yes, it happens. Over the last 2–3 months, expenses have exceeded my budget, leading to a slight sense of overwhelm. However, I can now manage it gradually." (Respondent HD)

The next principle is to use Paylater responsibly. Responsible use of PayPal includes understanding the terms and conditions, setting realistic spending limits, making payments on time, and avoiding impulse purchases. Based on the interview results, users are still not fully convinced to use Paylater responsibly because certain conditions are beyond their control.

If you are confident, the rate should be no more than 7 or 8. This is due to my lack of experience in the field. That's how it is." (Respondent AL)

"If you are sure, maybe about 70% are sure, 30% are not so sure... Now 30% are afraid of being irresponsible, increasing their Paylater debt. Meanwhile, income does not necessarily increase according to stability. But if it's 70%, it's responsible because, yes, I'm afraid there will be fines or something, that's another thing to think about." (Respondent HD)

Trust in service providers has a role in users' perceived behavioral control in terms of Paylater services. When individuals trust their service providers, they are more likely to have a positive perception of their control over the transaction [1].

The interview results indicate that factors like transparency, reliability, security, and effective customer support build this trust, giving users a sense of security and control. This trust empowers users to make informed decisions and adhere to payment schedules.

"I don't know, but I always trust the Shopee marketplace application itself." (Respondent AP)

"The facilities provided by Shopee Paylater itself. I think it can control this amount too, ma'am. The amount of our debt is indeed manageable, based on what I have observed so far. Why am I using Shopee until now? Yes, because of that. Because the fees are cheap. The interest that is given is also quite minimal. And I think that also includes this. Including control from the Paylater itself to provide facilities to its customers. To make it easier in my opinion, too." (Respondent MH)

Barriers to perceived behavioral control can affect an individual's ability to exercise control over their behavior in using Paylater. Based on the interview results, barriers such as impulsive spending habits, overpaying, and limited financial resources may hinder individuals' perceived control over their use of Paylater. Consequently, some individuals end up paying bills beyond their due dates, leading to financial difficulties.

"Yes, that's right. It's a habit; I've thought about it beforehand. I use Paylater. Instead of using cash" (Respondent CT)

"Oh, because at that time it was due, then the paycheck had not been disbursed. So I was confused about the right to pay for it. I wanted to use my savings to pay for it. That's all it was worth. Finally, because it was a week late, it was frozen." (Respondent TR)

Anticipated perceived behavioral control involves individuals' expectations or predictions about their abilities in a given situation. In the context of Paylater usage, anticipated perceived behavioral control refers to an individual's belief or trust in their ability to manage their use of Paylater effectively. The interview results indicate that past experiences and financial controls, including budgeting and planning, monitoring and tracking transactions, and setting transaction value and usage purpose limits, influence this anticipation. Positive past experiences, where users have successfully used Paylater effectively and fulfilled their obligations, can increase their confidence and ability to exercise control over their behavior and are more likely to continue using Paylater. On the other hand, negative past experiences, such as getting into debt or having difficulty paying off Paylater bills, can undermine perceived behavioral control. Such experiences may create doubts and reduce their confidence in their ability to use

Paylater effectively, leading to a more cautious approach or even avoiding using Paylater altogether.

"Actually, in the future, there may be an intention to stop. But now, because it's already stepped on. So it's difficult too. It's already hurting; it's already done, so it's already... Dependence becomes" (Respondent PT)

"If you use a Paylater, it must increase. But honestly, ma'am, even though I am just a motorcycle taxi driver. As for debts, I'd rather not have any. That's why I have to take this debt into account. Oh, in 3 months I can shop again. So that it doesn't, so that it doesn't affect basic daily needs. So for me, what do I do? Just according to my needs." (Respondent NK)

Anticipating perceived behavioral control with financial controls that include budgeting and planning, transaction monitoring, and setting transaction value limits and usage goal limits involves setting purchase goals according to needs, setting Paylater usage limits, reviewing previous transaction history, allocating funds for important expenses, and setting payment plans for Paylater obligations. Users revealed that they still have not done detailed budgeting and planning; they only estimate expenses. On the other hand, they have set a nominal limit for Paylater transactions, but under certain conditions, they will still use Paylater if it has reached the specified limit, especially in urgent conditions, so that it can result in uncontrolled spending and difficulty in achieving long-term financial goals.

"It is also limited. If I find myself unable to make a payment later, I will discontinue using Paylater for my purchases. I mean, it will be stopped for this month until there is a reduction in fees for monthly Paylater payments" (Respondent CT)

"So when I use Paylater, I first look at the installment payments. So if, for example, the installment payment is really big. For example, as I said earlier, it's almost like 1 million or 1 million more. I will stop the purchase. Even though the limit has been collected, isn't that correct? Because I already paid for that. I will refrain from buying first." (Respondent SH)

Anticipated perceived behavioral control is influenced by experience and financial control. Individuals who have previously used Paylater services effectively and responsibly tend to show higher behavioral control when considering their future use. Positive experiences and successful financial management contribute to their confidence in handling Paylater transactions..

Discussion

Attitudes toward Paylater usage among millennials are strongly influenced by their perceived

benefits, perceived risks, and financial literacy. The benefits of using a Paylater, which include accessibility, flexibility, incentives earned, and personal enjoyment, play an important role in shaping their positive evaluation of Paylater services [7], [20], [30], [37], [41]. These factors contribute to the positive evaluation of Paylater, making it an attractive option for many individuals seeking a convenient and flexible financial solution as a payment method. Then the risks of using Paylater consist of spontaneous purchases that lead to consumptive behavior, excessive spending, financial difficulties, and privacy security, playing an important role in shaping their evaluation of Paylater services [29], [30], [38]. These factors contribute to a negative evaluation of Paylater, making it an important point to consider in deciding to use Paylater.

Attitudes toward Paylater use among users are also strongly influenced by one's financial literacy [6]. Individuals with a high level of financial literacy tend to have a more thoughtful and responsible attitude toward Paylater use [34], [39], [45]. Users who have better financial knowledge are more likely to understand the financial risks caused by credit problems, which helps them avoid Paylater abuse and improve their financial security [12]. Without a solid foundation of the importance of financial knowledge, some users underestimate the risks associated with Paylater and focus only on the immediate benefits of accessing funds without considering the long-term consequences, prioritizing short-term gratification over long-term financial stability, ignoring the potential pitfalls of over-borrowing and its impact on their financial well-being. Lack of financial literacy contributes to poorer financial attitudes and behaviors and increases the value of greater debt [13], [22], [26], [33].

Subjective norms towards the use of Paylater among users are strongly influenced by the perception of relatives and social influence. Kin influence starts from family and friends by sharing experiences and knowledge related to Paylater. When someone observes their relatives, including family and friends, using Paylater services and sharing positive experiences or knowledge about its benefits, it can affect their subjective norms [6], [28], [30], [34]. The perceived acceptance and support of Paylater in one's close relationships can create social pressure to conform to the same behavior. Likewise, if there is perceived disapproval or skepticism towards Paylater among peers, users will use it with caution. On the other hand, the subjective norm of relative influence is when users entrust relatives to use Paylater on their behalf. This practice can lead to increased defaults and negatively impact users. This suggests that entrusting others to access Paylater accounts may lead to irresponsible borrowing habits and an overall decrease in financial discipline.

Subjective norms towards Paylater use among users are strongly influenced by social influences, such as community environment and social media, which contribute to shaping subjective norms of Paylater use among individuals [28], [30], [34]. When an individual observes their neighborhood or social group using Paylater services and share positive experiences or knowledge about its benefits, it can significantly influence their subjective norms. The perceived acceptance and support of Paylater in their environment can create social pressure to conform to the same behavior. Likewise, if there is perceived disapproval or skepticism towards Paylater due to negative experiences or opinions, users are likely to be cautious in using it.

Perceived behavioral control over the use of Paylater among users is strongly influenced by confidence in their ability to pay Paylater bills, the ability to use Paylater responsibly, and supported by trust in service providers [1] and [34]. These three interconnected factors form perceived behavioral control. Confidence in their ability to make the right decisions and manage their credit responsibly allows them to use Paylater services as a useful tool to meet their financial needs [28], and [34].

On the other hand, those who have faced challenges or difficulties in managing Paylater usage may have lower behavioral control. They may feel apprehensive about relying on Paylater because of past experiences when they have overspent or struggled to repay debt. To improve their expected behavioral control, they should focus on learning from past experiences, developing better financial habits, and seeking guidance to ensure responsible use of Paylater services in the future. By doing so, they can increase their confidence and effectively utilize Paylater to meet their financial needs without compromising their overall financial stability.

Based on the theory of planned behavior which says that individual behavior is influenced by intentions. In this case, millennials who use Paylater services intend to fulfill their needs and wants. Accessibility and flexibility in obtaining loans which are positive evaluations for them in forming attitudes towards behavior are important motivating factors in using Paylater services. Then coupled with the influence of the people around them in using Paylater, self-control determines the formation of intention and debt behavior in using Paylater.

Perceived benefits, perceived risks, and financial literacy strongly influence millennials' attitudes toward Paylater usage. The benefits of using a Paylater, which include accessibility, flexibility, incentives earned, and personal enjoyment, play an important role in shaping their positive

evaluation of Paylater services. [7], [20], [30], [37], [41]. These factors contribute to the positive evaluation of Paylater, making it an attractive option for many individuals seeking a convenient and flexible financial solution as a payment method. Then the risks of using Paylater consist of spontaneous purchases that lead to consumptive behavior, excessive spending, financial difficulties, and privacy security, playing an important role in shaping their evaluation of Paylater services [29], [30], [38]. These factors contribute to a negative evaluation of Paylater, making it an important point to consider in deciding to use Paylater.

Financial literacy also strongly influences users' attitudes toward Paylater use [6]. Individuals with a high level of financial literacy tend to have a more thoughtful and responsible attitude toward Paylater use [34], [39], [45]. Users who have better financial knowledge are more likely to understand the financial risks caused by credit problems, which helps them avoid Paylater abuse and improve their financial security [12]. Without a solid foundation of the importance of financial knowledge, some users underestimate the risks associated with Paylater and focus only on the immediate benefits of accessing funds without considering the long-term consequences, prioritizing short-term gratification over long-term financial stability and ignoring the potential pitfalls of overborrowing and its impact on their financial well-being. Lack of financial literacy contributes to poorer financial attitudes and behaviors and increases the value of greater debt [13], [22], [26], [33].

Perceptions of relatives and social influence strongly influence users' subjective norms towards Paylater use. Kin's influence starts with family and friends sharing experiences and knowledge related to Paylater. When someone observes their relatives, including family and friends, using Paylater services and sharing positive experiences or knowledge about its benefits, it can affect their subjective norms [6], [28], [30], [34]. The perceived acceptance and support of Paylater in one's close relationships can create social pressure to conform to the same behavior. Likewise, if there is perceived disapproval or skepticism about Paylater among peers, users will use it with caution. On the other hand, the subjective norm of relative influence occurs when users entrust their relatives to use Paylater on their behalf. This practice can lead to increased defaults and negatively impact users. This suggests that entrusting others to access Paylater accounts may lead to irresponsible borrowing habits and an overall decrease in financial discipline.

Social influences, such as the community environment and social media, strongly influence the subjective norms of Paylater use among users

[28], [30], and [34]. When an individual observes their neighborhood or social group using Paylater services and shares positive experiences or knowledge about their benefits, it can significantly influence their subjective norms. The perceived acceptance and support of Paylater in their environment can create social pressure to conform to the same behavior. Likewise, if there is perceived disapproval or skepticism toward Paylater due to negative experiences or opinions, users are likely to be cautious about using it.

Perceived behavioral control over the use of Paylater among users is strongly influenced by confidence in their ability to pay Paylater bills, the ability to use Paylater responsibly, and supported by trust in service providers [1] and [34]. These three interconnected factors form perceived behavioral control. Their confidence in their ability to make sound decisions and manage their credit responsibly enables them to utilize Paylater services as an effective tool to meet their financial needs [28] and [34].

On the other hand, those who have faced challenges or difficulties in managing Paylater usage may have lower behavioral control. They may feel apprehensive about relying on Paylater due to past experiences of overspending or struggling to repay debt. To improve their expected behavioral control, they should focus on learning from past experiences, developing better financial habits, and seeking guidance to ensure responsible use of Paylater services in the future. By doing so, they can increase their confidence and effectively utilize Paylater to meet their financial needs without compromising their overall financial stability.

The theory of planned behavior asserts that intentions shape individual behavior. In this scenario, millennials who utilize Paylater services aim to satisfy their needs and desires. Accessibility and flexibility in obtaining loans, which positively shape their attitudes towards behavior, are significant motivators for using Paylater services. Then, coupled with the influence of the people around them when using Paylater, self-control determines the formation of intention and debt behavior.

CONCLUSION

The aim of this study is to determine the motivation behind the use of Paylater, comprehend the perception of risk, and explore the relationship between aspects of user financial control, particularly among the millennial generation. The data analysis results indicate that the Millennial generation uses Paylater due to its easy access, flexibility, and promotional incentives. This motivation is also influenced by social pressure from relatives,

the environment, and social media, as well as confidence in their ability to control Paylater. However, Millennials also see risks such as spontaneous purchases, financial difficulties, and default, which creates hesitation to use this service. They tend not to budget and plan, often exceeding the set usage limit. Other findings from this study reveal that perceived ownership of the credit value offered by Paylater, low literacy levels, abusive practices, and income levels affect the number of Paylater applications used. These findings highlight the importance of considering psychological aspects, financial literacy, and financial behavior in using Paylater responsibly. This research makes an important contribution to raising millennial awareness by emphasizing the importance of using Paylater services carefully and responsibly so as not to jeopardise the financial health of individuals' finances and themselves. The implications of these findings also provide input for service providers to tighten up their analysis of the eligibility and capabilities of prospective borrowers. The government, especially the Financial Services Authority, and service providers can work together to provide financial literacy education to the public regarding the responsible use of Paylater, providing an understanding of the risks and impacts that may arise in the future.

This research is limited to the use of theory, so it needs to be combined with other theories or a more holistic approach that includes emotional factors, technology, and more complex social dynamics.

Future research is expected to be able to further develop the topic of Paylater from various perspectives. Then, future research can adopt a mixed-method approach to produce data that is more representative and rich in information..

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