



The Influence of Paylater Existence on the Level of Impulsive Buying Behavior in Society

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Abstract

The study aims to examine the influence PayLater's existence on impulsive buying behavior in society. Using in-depth analysis involving observation and literature review, the research assesses the effects of PayLater services on consumer actions. Results reveal that the dependent variable, impulsive buying behavior, is partially influenced by the existence of PayLater while other factors also contribute significantly. The findings show that PayLater facilitates immediate purchases, allowing payment installments. Impulsive buying behavior is more prevalent among individuals aged 18-21 years, indicating younger consumers may be more susceptible to these effects. The PayLater system has both positive and negative implications: it allows users to acquire essential products during urgent financial situations, offering financial flexibility. However, it also fosters consumerism, encourages impulsive purchases, and may lead to financial instability if not managed responsibly. This study highlights the need for better consumer education and policies to mitigate the negative consequences of using PayLater services.

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INTRODUCTION

The rapid development of technology and information has significantly transformed various aspects of life, notably impacting the economic sector. Indonesian society is now increasingly exposed to quick and instant shopping systems. This evolution has not only changed online shopping culture but also payment methods.



In this digital era, Indonesians are witnessing a transformation in transaction processes, such as the rise of digital wallets (e-wallets), a form of financial technology (Fintech) that uses internet-based payment methods to simplify transactions. The increase in online shopping transactions has led to a corresponding rise in digital payment transactions, a trend accelerated during the pandemic along with the advancement of digital transactions.

Indonesia has several e-wallet providers, such as Gopay, OVO, Dana, and ShopeePay, among others. These providers benefit consumers through flexible services and various promotional offers available on each platform and e-commerce site. As e-wallets evolve, they now offer a PayLater feature—a service similar to but distinct from credit cards, requiring users to pay bills in installments to e-commerce platforms. Like credit cards, PayLater users are subject to interest on payments or installment methods, often with minimal fees.

According to research, platforms such as e-commerce and service providers have implemented PayLater payment options for users (Prastiwi & Fitria, 2021). However, users must be selective amid the PayLater surge and carefully choose services that are registered and supervised by the Financial Services Authority (OJK) (Novendra, 2020)

Impulsive buying behavior as an individual's spontaneous urge to make unplanned purchases, both goods and services, driven by factors like surrounding environment, promotions, or available vouchers (Erlangga et al., 2021). Impulsive behavior may also vary depending on mood or other impulses (Iyer et al., 2020). A negative example for PayLater users can arise if someone is unable to pay their debt, leading to increasing penalties and interest. This spontaneity often leads to a disregard for the purpose and value of items purchased.

The study concludes that impulsive buying behavior among PayLater users in Indonesia is relatively high, with impulsive purchasing behavior prevalent among the population, which has a substantial impact on society, highlighting the need for technological advancements, particularly in finance, to be used prudently (Sari, 2021).

This shift in consumer habits promotes ease of transaction with a "buy now, pay later" mindset, simplifying the decision-making process. However, this convenience carries significant implications, as previously discussed. Purchasing behavior is rising, often without consideration of the utility and prioritization between wants and needs. Consumers increasingly overlook the repercussions, leading to impulsive buying as a consequence of the ease offered by PayLater services.

METHOD

This research employs a qualitative approach that focuses on understanding a particular issue for generalization purposes, utilizing in-depth analysis techniques. In qualitative research, data collection techniques include participant observation, interviews, and documentation. These three techniques serve as methods to gather the necessary data.

The study utilizes qualitative descriptive analysis, with the primary aim of this method being to provide an overview that facilitates the reader's understanding of the types of variables and their interconnections. To obtain comprehensive data and information, this research was conducted within the community surrounding the researcher's residence, incorporating both online and offline observations as well as literature studies, wherein the researcher utilized various sources to gather research data.



RESULTS AND DISCUSSION

Research Result

Below are the results of research from journals related to the author's study:

Table 1. Research Findings on the Impact of the Paylater System on Impulsive Buying Behavior

No.	Researcher and Year	Title	Findings
1	Fauzan Firdaus, Fauzan Muhammad Suryoputro, Rulaa Zhalfa Shafirah3, Mochamad Whilky Rizkianfi (Firdaus et al., 2023)	PayLater Systems in E-Commerce: Its Influence on Impulsive Buying Behavior	The use of PayLater leads to unplanned purchases, increased shopping frequency, and difficulty in ceasing shopping, which serves as a reference for consumer behavior due to favorable factors for users. PayLater is particularly useful during financial crises.
2	Dheri Febiyani Lestari, Yudi Setia Rachmanda, Rudi Kurniawan. (Lestari et al., 2023)	Beyond Clicks: The Influence of ShopeePayLater on Impulsive Buying in E-Commerce, A Case Study in Tasikmalaya	The results indicate that the use of ShopeePayLater positively affects impulsive buying behavior. Hypothesis testing shows that ShopeePayLater usage has a positive influence on impulsive buying behavior.
3	Rahmatika Sari (Sari, 2020)	The Influence of PayLater Usage on Impulsive Buying Behavior Among E-Commerce Users in Indonesia	Data shows that the ease of using PayLater among e-commerce users in Indonesia is very favorable. Each PayLater user tends to engage in impulsive buying.
4	Nuraeni Hadiati Farhani, Annisa Alifa Ramadhani, Dini Ayuning Ratri Sukimin, A Nursyamsi Amin (Farhani et al., 2023)	Analysis of Factors Influencing Students' Interest in Using PayLater with the UTAUT2 Model	The results indicate that effort expectancy, performance expectancy, social influence, supporting facilities, price value, hedonic motivation, and habits positively and significantly influence the decision to use PayLater among students at Politeknik Negeri Jakarta. Simultaneously, these factors have a significant impact on the interest in using PayLater.

Source: Researcher, 2024

Based on the findings of the first study, the implementation of the PayLater system indicates that users engage in unplanned purchases, shop more frequently, and experience difficulty in ceasing their shopping activities. These three aspects can trigger consumer behavior in shopping. The PayLater system also facilitates users by



simplifying payment processes and assisting them in making purchases during financial crises.

Discussion

The impact of the PayLater system is evident in individual behaviors, where it can ease payments in urgent situations, particularly when buying necessary items rather than merely desired ones, especially when financial conditions are inadequate. However, there are negative consequences if this system is used continuously without a prioritization scale, leading to impulsive buying behavior within society. This phenomenon is notably prevalent among individuals aged 18 to 21 years, as late adolescents are still influenced by various internal and external psychological factors, which hampers their ability to self-regulate.

The results of the second study indicate that the hypothesis test shows a positive effect of ShopeePayLater usage on impulsive buying behavior. This aligns with the theory that PayLater is a financial facility allowing consumers to pay in installments without using a credit card (Arif & Ali, 2021). Impulse buying refers to the tendency of consumers to make spontaneous purchases of products without prior planning (Hasanah, 2021). The existence of the PayLater system can lead consumers to make spontaneous and unplanned purchases of products.

The findings from the third study highlight the significant impact of PayLater on impulsive buying behavior among e-commerce users in Indonesia. The increasing integration of PayLater options within e-commerce platforms offers a convenient solution for users to defer payments, allowing them to purchase items without the immediate burden of expense (Ziemba, 2024). This convenience, while beneficial for those in need of flexible financial solutions, inadvertently encourages users to make more impulsive purchases, driven by the perceived ease and lack of immediate financial commitment. The study emphasizes the importance of understanding these behavioral dynamics as PayLater becomes a staple feature in online shopping environments.

One notable aspect observed in the study is the correlation between gender and shopping frequency, with women showing a higher tendency for frequent shopping compared to men. There are several factors that may support this trend. Women, for example, tend to be more responsive to promotions and discounts, especially in e-commerce, where targeted advertisements are tailored to attract shoppers with offers that appeal to their preferences (Andersson & Thomas, 2020). Additionally, the convenience of shopping from home and the availability of various options for household, personal care, and family needs align more closely with women's purchasing behavior patterns. This can result in a greater propensity towards impulsive buying, particularly when supported by flexible payment options such as PayLater.

Technological advancements in online transactions have made shopping easier and more accessible than ever before. Features like PayLater not only add flexibility but also make the purchasing process more seamless, which can further drive consumerism. The combination of instant product availability, simplified check-out processes, and deferred payment options creates an environment that fosters rapid purchasing decisions. While this has improved the overall shopping experience for consumers, it also poses challenges in terms of financial management and self-control, as users may fall into the trap of overspending and accumulating debt without realizing the long-term consequences.

Furthermore, the findings indicate that there are socio-cultural aspects



influencing shopping behavior in Indonesia. Social norms and expectations often play a role in shaping how men and women engage with shopping. For women, shopping is sometimes perceived as an activity tied to caregiving roles, such as buying products for family or household needs, which can partly explain their higher frequency of shopping. On the other hand, men may engage in more purposeful shopping with a focus on specific needs rather than browsing or taking advantage of promotions (Fuentes & Svingstedt, 2017). These differences in shopping behavior highlight the nuanced ways in which payment innovations like PayLater affect different segments of society.

Given these insights, there is a need for greater consumer education regarding the responsible use of financial products like PayLater. Increasing awareness about the potential pitfalls of impulsive buying and providing financial literacy programs can help mitigate the risks associated with deferred payment systems (Moser et al., 2019). E-commerce platforms also have a role to play in promoting responsible spending by offering features that help users monitor their expenditures and set financial limits (Ali, 2023). By fostering a culture of mindful consumption, both consumers and e-commerce platforms can ensure that the benefits of technological innovation in payments contribute to sustainable and positive financial well-being, rather than exacerbating consumer debt and financial instability.

The fourth study's results identify several factors influencing students' interest in using PayLater. The features of PayLater facilitate rapid acquisition of desired items and ease of use. The abundance of advertisements also attracts students to PayLater, providing flexible access across various platforms, and creating comfort with the offered concepts without needing to wait until they have sufficient funds. This fosters habits of impulsive shopping without leading to informed decision-making.

The fourth study sheds light on the increasing interest among students in using PayLater, identifying several factors that drive this trend. One of the key influences is the ease of acquiring items rapidly without upfront payments. For students, this feature is especially attractive as it allows them to access goods and services immediately, which is particularly useful when their financial resources are limited. The ability to buy now and pay later provides a sense of independence in managing finances, even if it often lacks careful planning and budgeting. This flexibility is appealing for students seeking convenience, but it also leads to increased susceptibility to impulsive spending habits.

The prevalence of advertisements promoting PayLater services also plays a significant role in encouraging its use among students (Zahra et al., 2022). Digital advertisements, personalized promotions, and targeted marketing campaigns are designed to attract younger audiences who are active online. For students, seeing frequent ads for PayLater services across social media and e-commerce platforms can create a sense of urgency or fear of missing out (FOMO), prompting them to make quick purchasing decisions. These ads often emphasize convenience and offer discounts or cashback, which may obscure the potential downsides of using credit-based payment systems, such as interest charges or future financial obligations.

Another important factor is the availability of PayLater across various platforms, from e-commerce to travel and entertainment services. This widespread availability makes it easy for students to access PayLater features for a wide range of needs, from buying clothes and gadgets to purchasing tickets for concerts or travel. The convenience of PayLater transcending different aspects of students' lives results in the normalization of deferred payments as part of their everyday spending habits. Unfortunately, this broad accessibility also means that students may be more inclined to use PayLater for non-essential purchases, adding to their financial burdens over time without fully



considering their ability to repay.

The concept of not having to wait until sufficient funds are available is another appealing aspect for students, as it contrasts with traditional budgeting and saving practices. PayLater essentially eliminates the waiting period, allowing instant gratification. However, this mindset can hinder the development of essential financial skills such as saving, budgeting, and prioritizing spending. By repeatedly relying on PayLater, students may not learn the importance of delayed gratification and may face challenges in managing their finances in the future. The ease of accessing credit can thus lead to an ongoing cycle of debt accumulation, particularly when students do not have a stable income to support repayment.

The findings of the study underscore the need for targeted financial literacy initiatives aimed at young adults, particularly students. It is crucial to educate students about the risks of using deferred payment methods like PayLater, including the accumulation of interest, potential penalties for missed payments, and the impact on their creditworthiness. E-commerce platforms could also implement safeguards, such as spending limits or mandatory education modules before activating PayLater features, to help users make informed decisions. By fostering awareness of responsible financial behaviors, students can be better equipped to navigate the convenience of PayLater without compromising their financial health and long-term economic stability. Empowering students with the right knowledge and tools will not only prevent impulsive buying but also promote more sustainable financial habits that will benefit them well into the future.

From the above journals, there is a significant influence between the PayLater system and the level of impulsive purchasing behavior in society. With this system, users can make immediate purchases of products while opting for installment payments. This leads to an increase in impulsive purchasing behavior, particularly among users who may not have funds available or are experiencing financial crises. Impulsive buying behavior is often vulnerable among individuals aged 18 to 21, as their emotions are still unstable, compounded by factors that support impulsive purchasing.

The influence of the PayLater system on impulsive purchasing behavior in society is becoming increasingly evident. With the PayLater system allowing users to make immediate purchases and defer payments through installments, the convenience provided by this option often leads to more frequent impulsive buying (Khan & Haque, 2020). This effect is especially pronounced among individuals who may not have enough funds at the moment or are experiencing financial stress, yet still feel encouraged to spend due to the perceived flexibility in payment options. The "buy now, pay later" approach offers instant gratification, making it difficult for users to control their spending impulses.

One demographic particularly susceptible to this influence is young adults aged 18 to 21. This age group, which is just starting to gain financial independence, often lacks experience in managing their finances effectively. Emotional instability during this life stage further contributes to impulsive decision-making, especially in spending. The desire to fit in with peers, fear of missing out (FOMO), and the attractiveness of discounts or special promotions can all drive impulsive purchases, leading to financial challenges down the line. Without adequate guidance on financial literacy, young adults may find themselves trapped in a cycle of mounting debts due to uncontrolled spending via the PayLater system.

The emotional aspect of impulsive buying is a critical factor. For young adults, emotions can often dictate spending patterns, with shopping serving as an outlet for



stress relief or social gratification. The convenience of PayLater exacerbates this tendency by allowing users to act on their emotions without facing immediate financial consequences. However, deferred payments eventually accumulate, leading to potential financial burdens that can be difficult to manage. This cycle of emotional purchasing and deferred financial responsibility is concerning, especially for those in the early stages of building their financial foundations.

Additionally, the marketing strategies used by e-commerce platforms play a significant role in shaping consumer behavior. Young users are frequently targeted with advertisements that promote instant purchasing and deferred payment options, making it challenging to resist temptation. Flash sales, limited-time offers, and personalized discounts are all tactics that create a sense of urgency, pushing users towards impulsive buying decisions. With PayLater, the immediate barrier to purchase is removed, making it even easier for consumers to give in to these marketing tactics without considering their financial limitations or future repayment obligations.

To mitigate the impact of PayLater on impulsive purchasing, it is essential to increase financial literacy among young adults (Kamil et al., 2024). Education on budgeting, the true costs of installment plans, and the importance of distinguishing between needs and wants can help users make more informed spending decisions. Furthermore, e-commerce platforms could introduce features that promote responsible spending, such as reminders about upcoming payments or setting spending limits for PayLater purchases. By combining financial education with responsible platform design, it is possible to reduce the risk of impulsive purchasing and promote healthier financial habits, ultimately helping young consumers achieve greater financial stability in the long term.

The PayLater system indeed presents two distinct facets that have both positive and negative implications for society (Cervi et al., 2023). On the positive side, PayLater provides users with the flexibility to purchase essential products during times of financial hardship, offering a safety net that can alleviate immediate pressures. It represents a meaningful innovation in payment methods, enabling users to navigate financial constraints with greater ease. This type of convenience can be particularly valuable during unexpected situations, where timely access to goods is crucial and traditional forms of payment may not be feasible.

On the other hand, the PayLater system also has its drawbacks, primarily in fostering consumerist behavior and encouraging impulsive purchasing. The ease of deferred payments can blur the line between needs and wants, leading individuals to make purchases without fully considering their financial stability. The deferred nature of the payment often disconnects consumers from the immediate consequences of their spending, resulting in a tendency to overspend or accumulate debt. This can be especially problematic for younger users, who may not have the financial literacy or experience needed to manage such payment plans effectively. The allure of instant gratification without upfront costs can quickly lead to financial strain if not handled responsibly (Gerrans et al., 2022).

In conclusion, while the PayLater system offers a convenient and innovative solution for financial flexibility, it also necessitates a level of caution. Users need to be aware of the potential pitfalls of impulsive buying and the long-term impacts on their financial health. Increasing awareness through financial education and promoting responsible spending behavior can help balance the benefits and risks associated with PayLater. By understanding both sides of this system, individuals can make more informed decisions that harness its advantages while minimizing its potential



downsides, ultimately contributing to more sustainable financial habits within society.

CONCLUSIONS

In this era of digitalization, the Indonesian society is presented with a transformation in transactions. One prominent example is the emergence of digital wallets (e-wallets), which are a manifestation of financial technology (Fintech). These systems utilize internet-based payment methods to facilitate transactions. The increase in online shopping transactions has, naturally, led to a rise in digital payment transactions, particularly during the pandemic, accompanied by the rapid development of digital transaction methods.

The tendency towards impulsive buying behavior among users of the PayLater method in Indonesia is categorized as relatively high, as it is coupled with the impulsive purchasing behavior of society. This significantly impacts daily life, alongside the advancement of technology that should be utilized wisely, especially in the financial sector.

The use of PayLater and impulsive buying fosters a habit among society to enjoy the ease of transactions through the method of "buy now, pay later." This creates a mindset that simplifies decision-making; however, behind this convenience lies significant repercussions, as previously explained. The implications of purchasing items are increasingly rising, often without considering the benefits and utility of the goods, as well as the prioritization between wants and needs. Society is now inclined to overlook the nature of purchases that result in impulsive buying, facilitated by the convenience of transactions via PayLater.

The PayLater system has two sides: the positive aspect, which assists users in acquiring essential products during financial crises and represents an innovation in payment methods; and the negative aspect, where this system may encourage consumerist behavior and lead to impulsive buying tendencies within society.

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