



Beyond Financial Literacy: Impulsive Traits and Lifestyle as Drivers of Buy Now, Pay Later Usage among Generation Z

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ABSTRACT

Keywords:

Financial Literacy;
Impulsivity; BNPL Usage

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This study aims to examine the effects of financial literacy, impulsivity, and lifestyle on Generation Z's decision to use Buy Now, Pay Later (BNPL), as well as to investigate the moderating role of social media in these relationships. A quantitative explanatory approach was employed using an online survey of 300 Generation Z respondents selected through purposive sampling. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. The findings indicate that impulsivity and lifestyle have positive and significant effects on BNPL usage decisions, whereas financial literacy has no significant effect. Social media does not significantly moderate the relationships between any of the independent variables and BNPL usage decisions. The model yielded an R-square value of 0.069, indicating that the variables explain 6.9% of the variance in BNPL usage decisions, while 93.1% is explained by other factors outside the model. The findings highlight the importance of strengthening self-control and responsible financial behavior through targeted financial education to promote more prudent use of digital credit facilities.

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INTRODUCTION

The rapid development of digital technology has fundamentally transformed the financial industry through financial technology (fintech), offering greater convenience, speed, and accessibility in financial transactions (Fatmawati & Suwardi, 2024; Susilo et al., 2024). One of the most prominent innovations is Buy Now, Pay Later (BNPL), which enables consumers to obtain goods or services immediately and postpone payment through installments or deferred settlement (Cervellati et al., 2025; Kumar & Nayak, 2024). BNPL has

become particularly attractive to younger consumers because of its simple application process, flexible payment schemes, and accessibility compared with conventional credit products (Raj et al., 2024; Roslee, 2024). In Indonesia, Generation Z represents a substantial potential user group, accounting for 39.94% of BNPL debtors, making them the second-largest user segment after Millennials at 48.27% (Fitrisam et al., 2025). Therefore, understanding the determinants of BNPL usage is important for promoting responsible digital financial behavior and preventing potential financial vulnerability among younger consumers.

The relationships examined in this study can be explained through several complementary theoretical perspectives. Financial literacy is associated with the Theory of Planned Behavior (TPB), particularly perceived behavioral control, because financial knowledge and skills can improve an individual's ability to evaluate financial consequences and make informed decisions (Fatmawati & Suwardi, 2024; Prazadhea & Fitriyah, 2023). Impulsive traits can be explained through Dual-Process Theory and Present Bias, in which immediate emotional gratification may override deliberate consideration of future financial consequences (Kumar et al., 2023; Tahir et al., 2021). Lifestyle is consistent with Consumer Culture Theory, which explains consumption as a means of expressing identity, status, and social meaning (Raj et al., 2024; Rodziyah et al., 2024). Meanwhile, Social Influence Theory and the Stimulus-Organism-Response framework explain how social media can expose consumers to social norms, promotional stimuli, and idealized lifestyles that influence purchasing decisions (Anisah et al., 2023; Ningsih & Putra, 2020). These theories provide an integrated foundation for examining BNPL adoption.

Despite its convenience, BNPL presents a broader social and financial problem because immediate access to credit can encourage consumption beyond an individual's financial capacity. Previous studies indicate that BNPL may contribute to risky indebtedness, financial difficulties, and reduced financial well-being when consumers underestimate future repayment obligations (Cervellati et al., 2025; Du Plessis et al., 2025; Relja et al., 2024). This concern is particularly relevant among Generation Z because many young consumers have limited access to conventional credit products. Katauke et al. (2023) reported that 88% of Generation Z lacked access to conventional credit products such as credit cards, potentially making BNPL an important alternative source of financing. At the same time, Indonesia's 2025 National Survey of Financial Literacy and Inclusion reported financial literacy levels of 73.22% among those aged 18–25 and 51.68% among those aged 15–17 (OJK, 2025). These conditions indicate that access to digital credit may expand faster than consumers' capacity to evaluate its long-term consequences, creating an important social problem that requires empirical investigation (Powell et al., 2023; Aisyah et al., 2023).

Previous research has identified several factors associated with BNPL usage, including financial literacy, impulsivity, and lifestyle. Financial literacy is generally considered a protective factor because individuals with better knowledge of interest, debt, budgeting, and financial risk are expected to make more cautious credit decisions (Gerrans et al., 2022; Prazadhea & Fitriyah, 2023). However, empirical findings remain inconsistent, as financially literate consumers may either avoid BNPL because of perceived risks or use it more confidently because they understand its costs and repayment mechanisms (Fitriyah & Nadlifatin, 2024; Gerrans et al., 2022). In contrast, impulsivity has been consistently associated with unplanned purchases and greater willingness to use BNPL because deferred payment reduces the immediate psychological burden of spending (Juita et al., 2023; Ooi et al., 2024; Schomburgk & Hoffmann, 2023). Lifestyle, particularly materialistic and hedonistic orientations, has also been identified as an important determinant of BNPL adoption (Raj et al., 2024; Relja et al., 2024). Nevertheless, these studies have predominantly examined direct relationships, leaving the interaction between these consumer characteristics and social media insufficiently addressed.

Furthermore, existing studies provide evidence that social media can intensify consumption-related behavior through influencer marketing, social comparison, promotional content, and peer pressure (Tessy & Setiasih, 2024; Van Tuan, 2024). Social media exposure has been associated with impulsive buying and the internalization of idealized lifestyles, while BNPL can provide the financial mechanism required to satisfy these consumption aspirations (Osman et al., 2024; Prazadhea & Fitriyah, 2023). However, the literature has not sufficiently established whether social media actually changes the strength of the relationships between financial literacy, impulsivity, lifestyle, and BNPL usage decisions. Existing studies tend to investigate social media as a direct antecedent of consumption behavior rather than as a moderating mechanism. This represents an important research gap because social media may either weaken the protective effect of financial literacy or amplify the effects of impulsivity and lifestyle. Addressing this gap is necessary to provide a more comprehensive explanation of BNPL decisions among Generation Z.

The novelty of this study lies in positioning social media as a moderating variable within an integrated model that simultaneously examines financial literacy, impulsive traits, and lifestyle as determinants of BNPL usage decisions. Rather than examining these variables independently, this study investigates whether the digital social environment changes the strength of their respective relationships with BNPL decisions. This approach is particularly relevant because social media has evolved beyond a communication platform into a highly influential consumption ecosystem characterized by targeted advertising,

influencer recommendations, social comparison, and continuously circulating lifestyle. The study therefore extends previous research by connecting individual financial and psychological characteristics with contextual digital influences. Its findings are expected to contribute theoretically by clarifying the boundary conditions of existing consumer behavior relationships and practically by supporting financial education, consumer protection, and responsible digital-credit policies focused on self-control and informed decision-making.

Accordingly, the research problem addressed in this study is whether financial literacy, impulsive traits, and lifestyle influence Generation Z's decisions to use BNPL and whether social media moderates these relationships. Based on the theoretical perspectives and empirical evidence discussed above, financial literacy is expected to have a negative relationship with BNPL usage because stronger financial knowledge and skills should improve consumers' ability to recognize debt risks and evaluate repayment capacity. Conversely, impulsive traits are expected to have a positive influence because individuals who prioritize immediate gratification are more likely to utilize deferred-payment facilities. Lifestyle is also expected to positively influence BNPL usage because materialistic, hedonistic, and consumption-oriented individuals may use BNPL to sustain desired consumption patterns. Finally, social media is expected to weaken the negative effect of financial literacy while strengthening the positive effects of impulsivity and lifestyle by intensifying social influence, promotional exposure, and consumption-oriented norms.

H1: Financial literacy has a negative effect on BNPL usage decisions among Generation Z.

H2: Impulsive traits have a positive effect on BNPL usage decisions among Generation Z.

H3: Lifestyle has a positive effect on BNPL usage decisions among Generation Z.

H4: Social media weakens the negative effect of financial literacy on BNPL usage decisions among Generation Z.

H5: Social media strengthens the positive effect of impulsive traits on BNPL usage decisions among Generation Z.

H6: Social media strengthens the positive effect of lifestyle on BNPL usage decisions among Generation Z.

RESEARCH METHODS

This study employed a quantitative explanatory research design to examine the hypothesized relationships between financial literacy, impulsive traits, lifestyle, and BNPL usage decisions, with social media serving as a moderating variable. A quantitative explanatory design was selected because it enables the researcher to empirically test causal relationships among variables

and evaluate the proposed hypotheses using statistical analysis. The study targeted Generation Z in Indonesia, defined as individuals born between 1997 and 2012. No specific research location was designated because the study focused on respondents distributed across Indonesia and utilized an online survey. The population consisted of Generation Z individuals who actively use social media and have experience using BNPL. A total of 300 respondents were selected using purposive sampling based on the following criteria: Indonesian citizens born between 1997 and 2012, active social media users, and having used BNPL at least once within the previous six months. This sampling technique was applied to ensure that respondents possessed characteristics relevant to the research objectives.

Data were collected through an online questionnaire distributed to eligible respondents. All measurement items were assessed using a seven-point Likert scale, ranging from strongly disagree to strongly agree. Before testing the structural relationships, the measurement model (outer model) was evaluated using SmartPLS. Convergent validity was assessed through outer loadings, with values above 0.60 or preferably 0.70 considered acceptable. Discriminant validity was evaluated using the Heterotrait-Monotrait Ratio (HTMT), following Abed & Alkadi (2024), with values below 0.90 indicating adequate discriminant validity. Internal consistency reliability was assessed using Cronbach's Alpha and Composite Reliability (CR), with values above 0.70 indicating satisfactory reliability. These procedures were conducted to ensure that the research instruments adequately measured the constructs of financial literacy, impulsive traits, lifestyle, social media, and BNPL usage decisions before proceeding to hypothesis testing.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) through SmartPLS. PLS-SEM was selected because it is suitable for analyzing complex structural models and simultaneously examining direct and moderating effects without requiring normally distributed data. The structural model (inner model) was evaluated through the coefficient of determination (R^2) and hypothesis testing. The R^2 value was used to determine the proportion of variance in BNPL usage decisions explained by the predictors. Following Hair et al. (2021), a relatively low R^2 may still be acceptable in consumer behavior and financial behavior research because human decision-making is influenced by numerous factors, provided that the structural relationships demonstrate meaningful empirical effects. Hypotheses were tested using the bootstrapping procedure in SmartPLS based on path coefficients, t-statistics, and p-values. A relationship was considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below 0.05. The same criteria were applied to evaluate the moderating effects of social media on the relationships between financial literacy, impulsive traits, lifestyle, and BNPL usage decisions.

RESULTS AND DISCUSSION

Results

Respondent Characteristics

This subsection presents the demographic characteristics of the 300 respondents participating in the study. The respondent profile is described based on year of birth, employment status, social media platform most frequently used, and BNPL application used. These characteristics provide an overview of the composition of the sample analyzed in this study.

Table 4.1. Respondent Characteristics

Category	Item	f	%
Year of Birth	1997–2000	73	24.3
	2001–2004	112	37.3
	2005–2008	93	31.0
	2009–2012	22	7.3
	Total	300	100
Employment Status	Working/Entrepreneur	216	72.0
	Student	76	25.3
	Other	8	2.7
	Total	300	100
Social Media Application	Instagram	136	45.3
	TikTok	138	46.0
	Facebook	26	8.7
	Total	300	100
BNPL Application	Shopee PayLater	111	37.0
	TikTok PayLater	115	38.3
	GoPay Later	43	14.3
	Kredivo	18	6.0
	Akulaku	2	0.7
	Other applications	11	3.7
	Total	300	100

Source: Primary data processed by the authors (2026).

Table 4.1 shows that the largest proportion of respondents was born between 2001 and 2004, comprising 112 respondents (37.3%), followed by those born between 2005 and 2008, comprising 93 respondents (31.0%). In terms of employment status, most respondents were working or entrepreneurs, accounting for 216 respondents (72.0%), while 76 respondents (25.3%) were students and 8 respondents (2.7%) belonged to other categories. Regarding social media use, TikTok was the most frequently used platform, with 138 respondents (46.0%), followed closely by Instagram with 136 respondents (45.3%) and Facebook with 26 respondents (8.7%). For BNPL applications, TikTok PayLater

was the most frequently used service, with 115 respondents (38.3%), followed by Shopee PayLater with 111 respondents (37.0%). GoPay Later, Kredivo, Akulaku, and other applications accounted for the remaining respondents.

Measurement Model Evaluation

This subsection presents the evaluation of the measurement model using the PLS-SEM approach. The evaluation focuses on the relationships between latent constructs and their reflective indicators. Figure 1 provides a visual representation of the estimated research model before the measurement results are further examined.

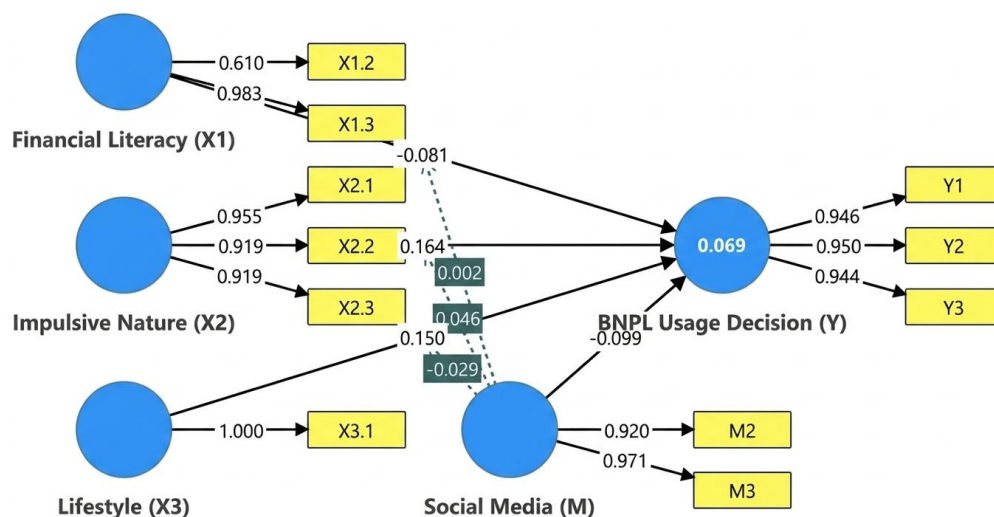


Figure 1. Outer Model

Source: Primary data processed by the authors (2026).

Figure 1 shows the path diagram of the research model estimated using SmartPLS. The model consists of five latent constructs, namely Financial Literacy, Impulsive Traits, Lifestyle, Social Media, and BNPL Usage Decision. The diagram also displays the relationships between each latent construct and its respective reflective indicators. The values displayed on the paths connecting the latent constructs to the indicators represent the estimated outer loadings. The endogenous construct is also associated with its coefficient of determination (R^2), which represents the proportion of variance explained by the structural model.

To assess whether the indicators adequately measure their respective constructs, convergent validity and construct reliability were examined using outer loadings, composite reliability (CR), and average variance extracted (AVE). The results of these assessments are presented in Table 2.

Table 2. Results of Convergent Validity and Reliability Testing

Variable	Items	Outer Loading	CR (rho_c)	AVE
Financial Literacy	Before pressing the payment button, I always calculate my ability to repay the PayLater bill the following month to avoid penalties.	0.610	0.793	0.669
	I only use PayLater services on official and trusted applications because I believe my personal data is secure.	0.983		
Impulsive Traits	I use PayLater to purchase items that I do not actually need.	0.955	0.951	0.867
	I often regret making purchases using PayLater.	0.919		
	I often use PayLater spontaneously to purchase items that were not included in my shopping plan.	0.919		
Lifestyle	I feel happier when I successfully purchase expensive or branded items.	1.000	1.000	1.000
Social Media	I sometimes feel left behind (FOMO) if I do not follow shopping trends on social media, and PayLater helps me overcome this feeling.	0.920	0.944	0.895
	The availability of PayLater payment options integrated directly into social media applications makes me interested in using them when I want the product.	0.971		
BNPL Usage Decision	I feel that the high price of an item is not a problem as long as I can purchase it in installments using PayLater.	0.946	0.963	0.897
	I often feel anxious or worried that I will not be able to repay my PayLater bill when it is due.	0.950		
	I am accustomed to paying the minimum bill amount or choosing the longest installment period so that my expenses for the current month feel lighter.	0.944		

Source: Primary data processed by the authors (2026).

Table 2 shows that most indicators have outer loading values above 0.90. The Financial Literacy construct contains one indicator with an outer loading of 0.610, while its other indicator has a loading of 0.983. The Impulsive Traits indicators have loading values ranging from 0.919 to 0.955. Lifestyle has an outer loading of 1.000. The Social Media indicators have loading values of 0.920 and 0.971, while the BNPL Usage Decision indicators range from 0.944 to 0.950. The AVE values range from 0.669 to 1.000, indicating that all constructs meet the convergent validity criterion used in the analysis. The CR values range from 0.793 to 1.000, indicating that all constructs meet the reliability criterion.

After evaluating convergent validity and reliability, discriminant validity was examined to determine whether each construct was empirically distinguishable from the other constructs in the model. The assessment was conducted using the Heterotrait-Monotrait Ratio (HTMT), with the results presented in Table 3.

Table 3. Results of Discriminant Validity Testing Using HTMT

Variable 1	Variable 2	HTMT	Description
Financial Literacy (X1)	Impulsive Traits (X2)	0.079	Valid
Financial Literacy (X1)	Lifestyle (X3)	0.150	Valid
Financial Literacy (X1)	Social Media (M)	0.035	Valid
Financial Literacy (X1)	BNPL Usage Decision (Y)	0.094	Valid
Impulsive Traits (X2)	Lifestyle (X3)	0.018	Valid
Impulsive Traits (X2)	Social Media (M)	0.027	Valid
Impulsive Traits (X2)	BNPL Usage Decision (Y)	0.155	Valid
Lifestyle (X3)	Social Media (M)	0.009	Valid
Lifestyle (X3)	BNPL Usage Decision (Y)	0.160	Valid

Source: Primary data processed by the authors (2026).

Table 3 shows that all HTMT values are below 0.90. The highest HTMT value is 0.160, found in the relationship between Lifestyle and BNPL Usage Decision. The other HTMT values range from 0.009 to 0.155. Thus, all construct pairs meet the discriminant validity criterion applied in this study.

The next stage of structural model evaluation examined the possibility of multicollinearity among the predictor constructs and interaction terms. This assessment was conducted using the inner Variance Inflation Factor (VIF), as presented in Table 4.

Table 4. Results of Inner VIF Testing

Variable	VIF	Tolerance Limit	Description
Financial Literacy (X1)	1.020	< 3.00	Free from Multicollinearity
Impulsive Traits (X2)	1.004	< 3.00	Free from Multicollinearity
Lifestyle (X3)	1.016	< 3.00	Free from Multicollinearity
Social Media (M) × Financial Literacy (X1)	1.021	< 3.00	Free from Multicollinearity
Social Media (M) × Impulsive Traits (X2)	1.024	< 3.00	Free from Multicollinearity
Social Media (M) × Lifestyle (X3)	1.033	< 3.00	Free from Multicollinearity

Source: Primary data processed by the authors (2026).

Table 4 shows that all predictor constructs and interaction terms have VIF values ranging from 1.004 to 1.033. All values are below the tolerance threshold of 3.00 used in this study. Therefore, the structural model does not show an indication of multicollinearity among the predictor variables or interaction terms.

After evaluating the measurement model and multicollinearity, the model fit was assessed to determine the overall adequacy of the estimated model. The model fit results based on the relevant PLS-SEM indices are presented in Table 5.

Table 5. Results of Model Fit Testing

Model Fit Index	Saturated Model	Estimated Model	Description
SRMR	0.037	0.037	Fit (< 0.08)
d_ULS	0.092	0.092	–
d_G	0.133	0.133	–
Chi-square	258.396	257.970	Model Fit
NFI	0.868	0.868	Marginal Fit (> 0.90)

Source: Primary data processed by the authors (2026).

Table 5 shows that the SRMR value for both the saturated and estimated models is 0.037. The Chi-square values are 258.396 for the saturated model and 257.970 for the estimated model. Meanwhile, the NFI value for both models is 0.868. Based on the criteria applied in this study, the SRMR value is below 0.08, while the NFI value remains below 0.90.

The hypotheses were tested by examining the direct effects of Financial Literacy, Impulsive Traits, and Lifestyle on BNPL Usage Decision, as well as the moderating effects of Social Media. The results of the bootstrapping procedure are presented in Table 6.

Table 6. Results of Hypothesis Testing

Hypothesis	Variable Relationship	Path Coefficient	T-Statistics	P-Values	Decision
H1	Financial Literacy → BNPL Usage Decision	-0.081	1.134	0.257	Rejected
H2	Impulsive Traits → BNPL Usage Decision	0.164	3.029	0.002	Accepted
H3	Lifestyle → BNPL Usage Decision	0.150	2.669	0.008	Accepted
H4	Financial Literacy × Social Media → BNPL Usage Decision	0.002	0.033	0.974	Rejected
H5	Impulsive Traits × Social Media → BNPL Usage Decision	0.046	0.819	0.413	Rejected

H6	Lifestyle × Social Media → BNPL Usage Decision	-0.029	0.491	0.623	Rejected
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Source: Primary data processed by the authors (2026).

Table 6 shows that Financial Literacy has a path coefficient of -0.081, with a t-statistic of 1.134 and a p-value of 0.257. Impulsive Traits have a path coefficient of 0.164, with a t-statistic of 3.029 and a p-value of 0.002. Lifestyle has a path coefficient of 0.150, with a t-statistic of 2.669 and a p-value of 0.008. The interaction between Financial Literacy and Social Media has a path coefficient of 0.002, a t-statistic of 0.033, and a p-value of 0.974. The interaction between Impulsive Traits and Social Media has a path coefficient of 0.046, a t-statistic of 0.819, and a p-value of 0.413. Finally, the interaction between Lifestyle and Social Media has a path coefficient of -0.029, a t-statistic of 0.491, and a p-value of 0.623.

Based on the statistical results, H1 is rejected because its t-statistic is below 1.96 and its p-value is above 0.05. H2 and H3 are accepted because their t-statistics exceed 1.96 and their p-values are below 0.05. Meanwhile, H4, H5, and H6 are rejected because their respective t-statistics are below 1.96 and their p-values exceed 0.05.

The explanatory power of the structural model was assessed using the coefficient of determination (R^2). The R^2 value indicates the proportion of variance in the endogenous construct explained by the predictor constructs included in the model.

Table 7. Results of R-Square Testing

Dependent Variable	R-Square	Category
BNPL Usage Decision (Y)	0.069	Low

Source: Primary data processed by the authors (2026).

Table 7 shows that the R^2 value for BNPL Usage Decision is 0.069. This indicates that 6.9% of the variance in BNPL Usage Decision is explained by Financial Literacy, Impulsive Traits, and Lifestyle and their associated model components. The remaining 93.1% is attributable to factors outside the variables included in the model.

The effect size (f^2) was assessed to determine the contribution of each predictor and interaction term to the endogenous construct. The results of the f^2 analysis are presented in Table 8.

Table 8. Results of f-Square Testing

Relationship	f-Square	Category
Financial Literacy → BNPL Usage Decision	0.007	No Effect
Impulsive Traits → BNPL Usage Decision	0.029	Low
Lifestyle → BNPL Usage Decision	0.024	Low

Financial Literacy × Social Media → BNPL Usage Decision	0.000	No Effect
Impulsive Traits × Social Media → BNPL Usage Decision	0.002	No Effect
Lifestyle × Social Media → BNPL Usage Decision	0.001	No Effect

Source: Primary data processed by the authors (2026).

Table 8 shows that Financial Literacy has an f^2 value of 0.007, indicating no effect. Impulsive Traits and Lifestyle have f^2 values of 0.029 and 0.024, respectively, which are categorized as low effects. The interaction effects of Financial Literacy × Social Media, Impulsive Traits × Social Media, and Lifestyle × Social Media have f^2 values of 0.000, 0.002, and 0.001, respectively, and are categorized as having no effect.

Discussion

The findings demonstrate that Financial Literacy does not significantly influence BNPL Usage Decision among Generation Z, as indicated by a path coefficient of -0.081, a t-statistic of 1.134, and a p-value of 0.257. This finding differs from the conventional assumption that greater financial literacy necessarily leads to more prudent financial decisions. However, it is consistent with Sinnewe and Nicholson (2023), who emphasize that financial decisions among younger consumers may be shaped more strongly by convenience, emotional involvement, digital habits, and contextual factors than by objective financial knowledge alone. Theoretically, this finding suggests that financial literacy may not function as a sufficient explanatory factor for BNPL decisions when financial services are embedded within highly convenient digital ecosystems. Practically, BNPL providers and financial educators should therefore avoid relying solely on financial-literacy interventions. Financial education should also address self-control, spending triggers, digital consumption habits, and consumers' perceptions of installment convenience.

In contrast, Impulsive Traits have a positive and significant influence on BNPL Usage Decision, with a path coefficient of 0.164, a t-statistic of 3.029, and a p-value of 0.002. This result indicates that respondents with stronger impulsive tendencies are more likely to use BNPL services. The finding is consistent with Laurinda (2024), which identifies emotional and psychological factors as important drivers of digital credit adoption. Theoretically, the result reinforces the importance of psychological characteristics in explaining consumer financial behavior, particularly when financial technology reduces the immediate psychological burden associated with payment. BNPL can make consumption appear more manageable by postponing or dividing payments, potentially facilitating impulsive purchasing decisions. From a practical perspective, BNPL providers should strengthen spending-awareness features, repayment reminders, and responsible-use mechanisms. For consumers, interventions

designed to encourage delayed decision-making and reflection before completing transactions may help reduce the potential consequences of impulsive BNPL use.

Lifestyle also has a positive and significant influence on BNPL Usage Decision, as demonstrated by a path coefficient of 0.150, a t-statistic of 2.669, and a p-value of 0.008. This finding indicates that lifestyle-related consumption patterns are associated with greater BNPL usage among Generation Z. The result is consistent with Laurinda (2024), particularly regarding hedonic motivation, and with Kumar & Nayak (2024), who identify modern lifestyle as an important factor associated with consumptive behavior. The finding theoretically expands the explanation of BNPL adoption by demonstrating that financial technology decisions are not solely rational financial choices but can also reflect consumers' aspirations, consumption preferences, and digitally influenced lifestyles. Practically, this suggests that responsible BNPL campaigns should communicate the long-term financial consequences of lifestyle-driven consumption. Financial educators can also incorporate lifestyle management into financial education programs, particularly for younger consumers whose consumption patterns may be strongly influenced by contemporary digital trends.

The moderation analysis provides an important contrast to the direct-effect findings. Social Media does not significantly moderate the relationship between Financial Literacy and BNPL Usage Decision ($\beta = 0.002$; $t = 0.033$; $p = 0.974$), Impulsive Traits and BNPL Usage Decision ($\beta = 0.046$; $t = 0.819$; $p = 0.413$), or Lifestyle and BNPL Usage Decision ($\beta = -0.029$; $t = 0.491$; $p = 0.623$). These results differ from an expectation that greater social-media exposure would strengthen the influence of individual and lifestyle factors on BNPL usage. The findings are nevertheless compatible with Sinnewe and Nicholson (2023), who highlight the importance of internal behavioral mechanisms in young consumers' financial decisions. Theoretically, Social Media may function more effectively as a direct environmental context or transactional infrastructure than as a variable that changes the strength of relationships between psychological characteristics and BNPL decisions. Practically, interventions should therefore focus on consumers' internal decision-making processes rather than assuming that reducing social-media exposure alone will substantially alter BNPL behavior.

The study also contributes to the understanding of the relatively modest explanatory power of the proposed model. The R^2 value of 0.069 indicates that Financial Literacy, Impulsive Traits, Lifestyle, and the associated interaction terms explain 6.9% of the variance in BNPL Usage Decision, while 93.1% remains attributable to factors outside the model. In addition, the f^2 results indicate that Impulsive Traits (0.029) and Lifestyle (0.024) have only low effect sizes, while

Financial Literacy and all moderation terms show no meaningful effect. These findings do not necessarily invalidate the model; rather, they indicate that BNPL usage is a multidimensional behavior that may involve numerous additional determinants. The state of the art of this study lies in examining financial literacy, psychological impulsivity, lifestyle, and social-media moderation simultaneously within a Generation Z BNPL context. This integrated perspective extends previous studies that have tended to emphasize individual psychological or lifestyle factors separately.

Overall, the contribution of this research lies in demonstrating that the drivers of BNPL usage among Generation Z are more strongly associated with internal behavioral tendencies and lifestyle characteristics than with financial literacy or the moderating role of social media. The findings Sinnewe and Nicholson (2023) by showing that the digital environment does not automatically strengthen every relationship associated with financial technology adoption. Theoretically, the study contributes to consumer and financial-behavior literature by positioning impulsivity and lifestyle as more relevant explanatory factors than financial literacy within the tested model. Practically, the findings suggest that financial institutions, BNPL providers, educators, and policymakers should develop responsible-use strategies that address psychological and behavioral dimensions alongside conventional financial knowledge. The novelty of the research is therefore reflected in its simultaneous examination of direct and moderating relationships, revealing that Social Media does not significantly alter the effects of the three antecedent variables on BNPL Usage Decision.

CONCLUSION

This study concludes that the most important finding is that BNPL usage decisions among Generation Z are driven more strongly by impulsive traits and lifestyle than by financial literacy, while social media does not significantly moderate the relationships between financial literacy, impulsive traits, lifestyle, and BNPL usage decisions. The key lesson from this finding is that improving financial knowledge alone may not be sufficient to encourage responsible digital financial behavior; greater attention should also be directed toward self-control, impulse management, and lifestyle-related consumption patterns. Scientifically, this study contributes to the literature on digital financial behavior by integrating financial literacy, psychological impulsivity, lifestyle, and social media moderation within a single PLS-SEM framework, thereby demonstrating that internal behavioral characteristics may be more relevant than the assumed moderating influence of the digital environment in explaining BNPL usage among Generation Z. Nevertheless, this study is limited by its focus on Generation Z, the selected sample characteristics, and the relatively low

explanatory power of the model ($R^2 = 0.069$), indicating that substantial determinants of BNPL usage remain unexplained. Future research should therefore examine additional variables such as self-control, perceived ease of use, personal financial management, perceived risk, financial attitudes, and digital financial experience, while also expanding the sample across different generations, regions, socioeconomic backgrounds, and national contexts to develop a more comprehensive understanding of responsible fintech adoption and BNPL usage.

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