

The Effect of "Buy Now, Pay Later" Mode on Impulsive Buying Behavior

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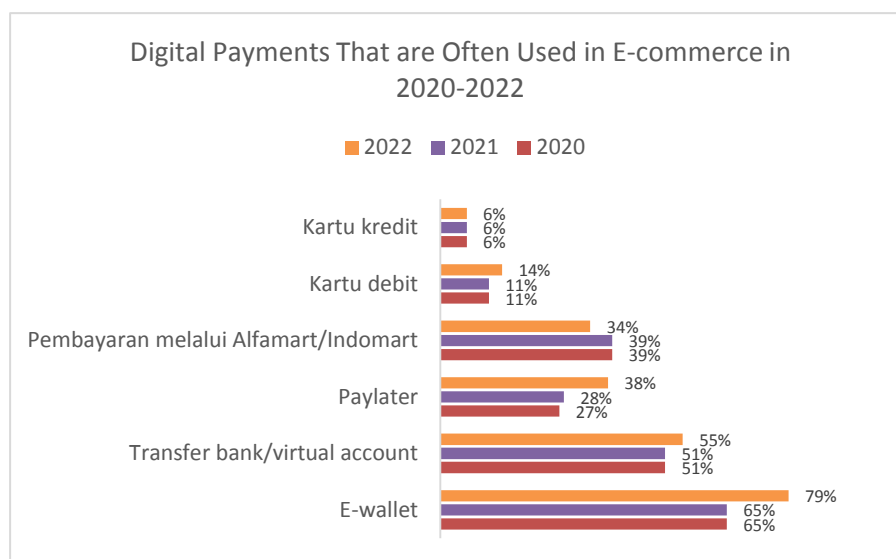
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Abstract : Behaviour finance is the study of how psychological phenomena affect financial behaviour. This financial science is used in making financial decisions. Amid the development of the digital economy, paylater innovation has emerged. It is feared that the ease of use of paylater can have a negative impact, one of which is the attitude of impulsive buying. This research will analyze the effect of financial literacy, self-control, risk perception, and perceived ease of use on impulsive buying behaviour. This research is based on Decision Affect Theory, which is a theory that discusses financial decision behaviour that is influenced by self-emotion. This research uses purposive sampling with 100 respondents who are people of Surabaya who in the last 6 months have made transactions using Shopee Paylater. Data analysis using Partial Least Square analysis techniques. variable measurement using Likert scale. This research found that indicate that the variables financial literacy, self control, and risk perception have a negative effect on impulsive buying behavior. Meanwhile, the variable perceived ease of use has a positive effect on impulsive buying behavior.

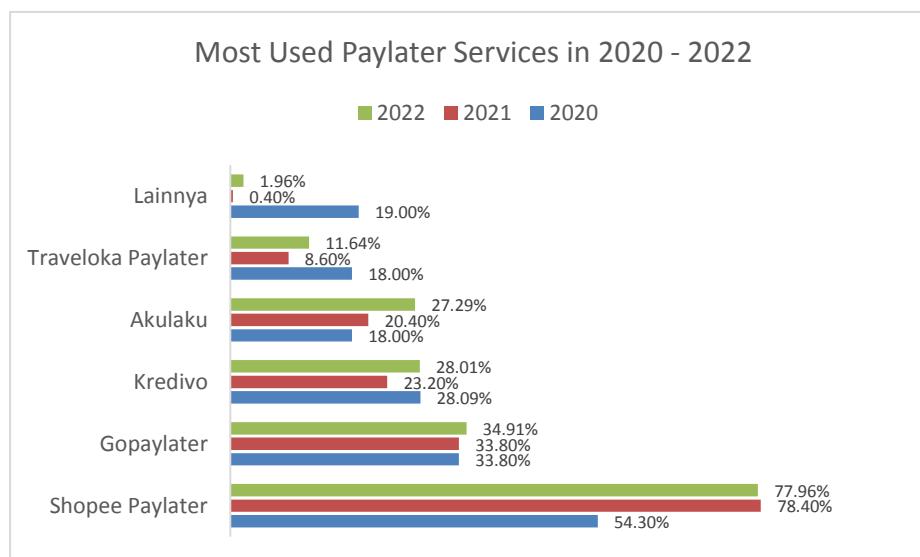
Keywords - : Financial Literacy; Self Control; Risk Perception; Perceived Ease Of Use; Impulsive Buying Behavior.

I. INTRODUCTION

With the digital revolution, creating financial technology or fintech innovations. One of these fintech innovations is paylater. According to OJK, paylater is a service that provides online money loans or credit payments with services carried out fully online, starting from submitting documents and so on (OJK, 2021).



According to research by the Katadata Insight Center and Kredivo in 2022, paylater will become a monitored payment tool. Paylater users increase every year, reaching 27% in 2020 and increasing in 2021, namely 28%, then this figure increases to 38% in 2022.



Based on data released by Katadata.co.id, in 2020 Shopee Paylater users became the most frequently used paylater service, reaching 54.3%. In 2021 Shopee Paylater users have increased to 78.4%. And in 2022, based on research conducted by Tirto and Jakpat, Shopee Paylater remains the most frequently used paylater service.

Shopee Paylater is increasingly popular in the Surabaya community. According to research from Kadence International 2021 on e-wallets, Surabaya is the second city for e-wallet users and as many as 59% of respondents have used the Shopee Paylater feature. Same as the research of Wulandari & Damayanti (2022), it is known that 82.86% of 54 Surabaya respondents are Shopee Paylater users.

It is feared that the use of Shopee Paylater can have a negative impact on one's consumption patterns so that it can encourage impulsive buying. Like the case quoted from <https://bbc.com/> about a young man who was still a student and did not yet have an income, he admitted to making purchases using Shopee Paylater continuously and without a plan. This made him overwhelmed to pay his bills and asked his parents for help to pay the bills.

Based on a pre-survey conducted by researchers on 52 Shopee Paylater Surabaya users. The researcher also found that 54.4% of respondents made sudden or spontaneous purchases when they saw attractive items. This means that most respondents have an impulsive buying attitude. This shows that the use of paylater by e-commerce users in Indonesia can have an influence on impulse buying behavior (Sari, 2020).

According to Sari (2021) impulsive buying is the tendency to make spontaneous and unplanned purchases. Impulsive buying behavior shows poor financial management (Suratno et al., 2021). The level of financial management is directly proportional to financial literacy (Humaidi et al. 2020). According to Efendi & Indartono (2019), it states that financial literacy can affect impulsive buying mediated by the self-control factor, thus when someone can control their desires when shopping, it will avoid impulsive buying. The possibility of risk when making transactions using Shopee Paylater will raise concerns from consumers, thereby reducing impulsive purchases (Aisah et al., 2021). According to Rossa & Ashfath (2022) impulsive buying behavior is feared to arise along with the perceived ease of use.

II. LITERATURE REVIEW AND HYPOTHESIS

Decision Affect Theory

According to Mellers et al. (1997) Decision Affect Theory is a science of behavior finance which states that when making decisions, it is always influenced by personal emotions. Yuniningsih (2020) revealed that emotions can be classified into two dimensions, namely positive and negative. When someone makes a purchase decision with negative emotions, it will result in a bad decision and will cause disappointment and regret, and vice versa. The accuracy of a decision is realized if an individual can minimize negative emotions and can maximize positive emotions. The surrounding environment also forms the potential to create emotions in a person, so that it can affect the purchase decision (Waluyo, Nurohman, and Qurniawati 2022). In this study,

Decision Affect Theory is used as theoretical basis for testing the effect of financial literacy, self-control, and risk perception to impulsive buying.

TAM (Technology Acceptance Model)

Davis et al. (1989) states that the Technology Acceptance Model (TAM) which a model used in analyzing the factors that influence the acceptance of an information system. According to Maninggar and Yuniningsih (2023) TAM discusses how an individual can accept the ease to use of the technology system. There are two models of acceptance of this technology, namely perceived ease of use and perceived use of usefulness. Ease of use means that a person can use the technology easily. Meanwhile, the usefulness of use is the level of trust a person has in using a special system that will improve his job performance (Lusiana and Ichsanuddin 2022). In this study, Technology Acceptance Model (TAM) Theory is used as theoretical basis for testing the effect of perceived ease of use on impulsive buying.

Impulsive Buying

R. Sari (2021) reveals that impulse buying is an unplanned and spontaneous purchasing activity without planning. Unplanned purchases can lead to consumptive behavior by buying goods only based on desire and not considering their usefulness and purpose (N and Anwar 2022).

Zahra et al. (2022) say that impulsive buying behavior is an action that is cognitively recognized due to thoughts that occur when making a purchase. The increasingly widespread impulsive buying behavior is also supported by technological advances for online shopping, especially the existence of digital wallets such as Shopee Paylater.

Financial Literacy

Humaidi et al. (2020) argue that financial literacy is an action that involves how to get money, examine and evaluate before making financial decisions through effective financial planning and management with influence on the family education, social environment, and other people's experiences in finance.

Financial literacy is related to how a person can organize the use and management of finances effectively so that they can make wise and appropriate financial decisions in the future, resulting in a better financial situation and improving welfare (Gunawan, Pulungan, and Koto 2019). Individuals with high financial literacy will be more confident in making the right decisions (Ningtyas and Vania 2022).

Self Control

Albab (2020) argues that self-control is an individual's ability to read the situation of self and the environment and control behavior in accordance with the circumstances or situation at hand. D. W. P. Sari & Anwar (2022) state that self control is the ability of individuals to control themselves properly over their expenses by fighting the urge to spend money excessively. Pangkaca et al. (2021) argue that every individual has a mechanism that can help regulate and direct their financial behavior.

Risk Perception

According to Silva & Yuniningsih (2022) risk is the tendency of individuals to choose and decide on their choices which contain risk options. The magnitude of the relationship of negative consequences to uncertainty creates perceived risk. Haryani (2019) also argues that risk perception is related to situations where buyers have to deal with the uncertainty of new products involving both favorable and unfavorable outcomes. Iswara (2018) argues that when risk perception becomes high, there is motivation whether to avoid purchase and use or minimize risk through pre-purchase alternative search and evaluation in the decision-making stage.

Perceived Ease of Use

Lusiana & Ichsanuddin (2022) argue that based on the Technology Acceptance Model (TAM) theory that perceived ease of use on technology when someone believes that technology is easy to understand and use for the efficiency of a job. Purnamasari et al. (2021) suggest that perceived ease of use is that the perceived ease and benefits of using a technology. Perceived ease of use has an affect impulse buying behavior on the use of SPaylater in according to the results of research conducted by Rossa & Ashfath (2022).

Hypothesis

In research conducted by Wulandari & Damayanti (2022) showed a negative effect of financial literacy on impulsive buying behavior. It similar as research by Suratno et al. (2021) that poor financial literacy will result in high impulsive buying behavior by students.

H1 : Financial literacy has a negative effect on impulsive buying behavior.

Self control affects impulsive buying behavior. The higher the individual's ability to apply self control, the lower the likelihood of individuals experiencing impulsive buying behavior, and vice versa (Elnina, 2022). This research is the same as research by Arisandy (2018) and Efendi & Indartono (2019).

H2 : Self control has a negative effect on impulsive buying behavior.

Aisah et al. (2020) state that the higher the level of risk perception of Shopee Paylater, the consumer will not make impulsive buying with Shopee Paylater. In line with what Canestren & Saputri (2021) and Aisah et al (2021) did.

H3 : Risk perception has a negative effect on impulsive buying behavior.

Perceived ease of use will affect impulse buying behavior on the use of SPaylater in according to the results of research conducted by Rossa & Ashfath (2022). The result of that is the same as research conducted by Aisah et al. (2020).

H4 : Percieved ease of use has a positive effect on impulsive buying behavior

III. RESEARCH METHODS

This study using the survey study method with a quantitative approach. Testing of hypothesis using the Structural Equation Model-Partial Least Square (SEM-PLS) method.

Variable	Indicator
<i>Financial Literacy</i> (X1) Arianti (2020) and Albab (2020)	X1.1 : Personal finance management skills X1.2 : Financial decision making skills X1.3 : Money and transaction X1.4 : Planning and managing finance
<i>Self Control</i> (X2) Maulana (2018) and Ayuningtyas & Irawan (2021)	X2.1 : Self-discipline. X2.2 : Deliberate/non impulsive attitude. X2.3 : Cognitive control X2.4 : Decisional control
<i>Risk Perception</i> (X3) Haryani (2019) and Aisah et al. (2020)	X3.1 : Financial risk X3.2 : Psychological risk X3.3 : Performance risk X3.4 : Security risk
<i>Percieved Ease of Use</i> (X4) Joan dan Sitinjak (2019) and Pramudana & Santika (2018)	X4.1 : Controllable X4.2 : Flexible X4.3 : Clear and easy to understand X4.4 : Easy to master
<i>Impulsive Buying</i> (Y) Ramadhan & Jatra (2018) and R. Sari (2021)	Y.1 : Purchase without planning Y.2 : There is a sudden urge that consumers feel to make transactions Y.3 : Excitement and stimulation Y.4 : Indifference to consequences

The population of this study used Surabaya people who made transactions using Shopee Paylater in the last 6 months. This study used a purposive sampling technique which then took samples using the Lemeshow formula (1997), and obtained 100 respondents.

IV. RESULT AND DISCUSSION

Result

Validity Convergence

Variable	Indicator	Outer Loading
Financial Literacy (X1)	X1.1	0.911

	X1.2	0.928
	X1.3	0.928
	X1.4	0.915
Self Control (X2)	X2.1	0.884
	X2.2	0.929
	X2.3	0.909
	X2.4	0.890
Risk Perception (X3)	X3.1	0.889
	X3.2	0.838
	X3.3	0.856
	X3.4	0.863
Percieved Ease Of Use (X4)	X4.1	0.846
	X4.2	0.874
	X4.3	0.855
	X4.4	0.857
Impulsive Buying (Y)	Y1	0.921
	Y2	0.922
	Y3	0.893
	Y4	0.888

The factor loading value is greater than 0.70, thus the estimation results of all reflective indicators in this study are said to fulfill convergent validity.

Variable	Average Variance Extracted (AVE)
Financial Literacy (X1)	0.847
Self Control (X2)	0.816
Risk Perception (X3)	0.743
Percieved Ease Of Use (X4)	0.736
Impulsive Buying (Y)	0.821

Other methods can be found through the Average Variance Extracted (AVE) value above 0.5, so that overall the variables in this study can be said to have fairly good validity.

Variable	Composite Reability
Financial Literacy (X1)	0.943
Self Control (X2)	0.931
Risk Perception (X3)	0.886
Percieved Ease Of Use (X4)	0.882
Impulsive Buying (Y)	0.931

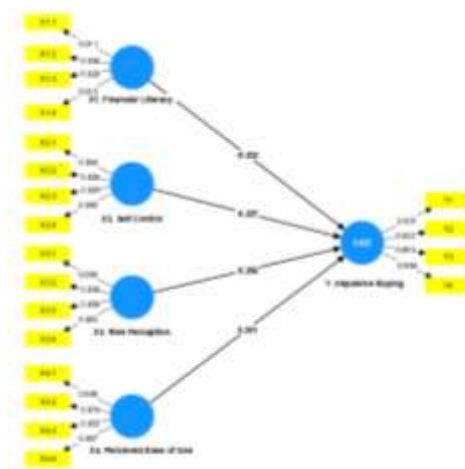
These results show the Composite Reliability value above 0.7, then all variables in this study are said to be reliable.

Inner Model

Variable	R-Square
Impulsive Buying (Y)	0.606

The value of $R^2 = 0.606$ means that this model is able to show the phenomenon of impulsive buying which is influenced by the independent variables with financial literacy, self control, risk perception, and percieved ease of use with a variance of 60.6%, while 39.4% is affected by other variables outside this study.

Analisis Model PLS



From the image above is known This means that there is a better relationship directly between financial literacy, self-control, risk perception, and perceived ease of use on impulsive buying because the path coefficient value is greater than the variables that are indirectly related.

Hypothesis Testing Result

	Original Sampel (O)	Sampel Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	-0.232	-0.228	0.067	3.442	0.001
X2 -> Y	-0.227	-0.230	0.072	3.171	0.002
X3 -> Y	-0.286	-0.286	0.072	3.988	0.000
X4 -> Y	0.351	0.351	0.077	4.533	0.000

Testing of hypothesis 1: Financial Literacy (X1) has a negative effect on Impulsive Buying (Y), then H1 can be accepted.

Testing of hypothesis 2: Self Control (X2) has a negative effect on Impulsive Buying (Y), then H2 can be accepted.

Testing of hypothesis 3: Risk Perception (X3) has a negative effect on Impulsive Buying (Y), then H3 can be accepted.

Testing of hypothesis 4: Percieved Ease of Use (X4) has a positive effect on Impulsive Buying (Y), then H4 can be accepted.

Discussion

The Influence of Financial Literacy on Impulsive Buying

Based on hypothesis testing 1, it proves that Financial Literacy affects Impulsive Buying negatively and significantly, so hypothesis 1 accepted. It means that individuals with a high Financial Literacy level, the attitude of Impulsive Buying using Shopee Paylater will be significantly lower. In accordance with Decision Affect Theory (Mellers et al., 1997) which states that a person's financial knowledge is influenced by one's feelings which will result in good or bad purchasing decisions.

In this study, it was found that the Surabaya community can understand that making transactions using Shopee Paylater can lead to debt in the future. Which is that the existence of debt will cause financial problems in the future. Surabaya people can be more careful in making financial decisions to avoid debt due to impulsive buying habits. This results is similar to research conducted by (Suratno, Rosmiati, and Siswono 2021) and (Wulandari and Damayanti 2022) which implies that Financial Literacy has a negative significant effect on Impulsive Buying.

The Influence of Self Control on Impulsive Buying

Based on testing of hypothesis 2, it proves that Self Control affects Impulsive Buying negatively and significantly, so hypothesis 2 can be accepted. This means that with high Self Control, the Impulsive Buying behavior using Shopee Paylater will be significantly lower. In accordance with Decision Affect Theory (Mellers et al., 1997) which states that Self Control and supported by positive emotions, will avoid impulsive buying. This proves that Surabaya people can control themselves not to make spontaneous purchases when they see attractive items. Surabaya people are also aware that making impulsive purchases using Shopee Paylater will end up in arrears in debts and bills because they never think about these consequences when taking impulsive actions. This results is the same as research by (Efendi and Indartono 2019) and (Dewanti and Haryono 2021) which show the results that Self Control has a negative and significant effect on Impulsive Buying.

The Influence of Risk Perception on Impulsive Buying

Based on testing of hypothesis 3, it proves that Risk Perception affects Impulsive Buying negatively and significantly, then hypothesis 3 accepted. It proves that with high Risk Perception, the attitude of Impulsive Buying using Shopee Paylater will be significantly lower. In accordance with Decision Affect Theory (Mellers et al., 1997) that mistakes in making decisions can result in bad decisions so that they have a higher risk of disappointment and regret. From this study, it is known that Surabaya people have a high sense of worry about bills after making purchases using Shopee Paylater. Thus, the people of Surabaya are aware that using Shopee Paylater can lead to debt bills which can then create financial problems in the future. This results is the same as research by (Rossa and Ashfath 2022) and (Fasyni, Budiarti, and Lasmini 2021) that proves the results that Risk Perception has a negative and significant effect on Impulsive Buying.

The Influence of Percieved Ease Of Use on Impulsive Buying

Based on testing of hypothesis 4, it proves that Percieved Ease of Use affects Impulsive Buying positively and significantly, so hypothesis 4 is accepted. That along with the higher level of Percieved Ease of Use, a person's Impulsive Buying attitude using Shopee Paylater will be significantly higher. In accordance with the Technology Acceptance Model (TAM) Theory (David et al., 1989) that percieved ease of use tends to make it easier for someone to make transaction decisions. This will result in an increase in impulsive buying attitudes. The Shopee Paylater feature can help the people of Surabaya anywhere. Shopee Paylater can be used at any time because of its ease of access. Shopee Paylater provides convenience in transactions with a clear and easy-to-understand access method for all groups. Shopee Paylater also makes it easy with the buy now pay later system, which makes them interested in using it. In line with research conducted by (Rossa and Ashfath 2022) and (Sanoesi and Setiawan 2022) which shows the results that Percieved Ease of Use has a positive and significant effect on Impulsive Buying.

V. CONCLUSION

Surabaya people have good Financial Literacy. they have basic knowledge about finance and awareness of the debt incurred from using Shopee Paylater, can make Surabaya people avoid impulsive purchases. Surabaya people have good enough self control so that they can make the right purchasing decisions and avoid impulsive buying behavior. Surabaya people know that there are several risks of debt collection after using Shopee Paylater so that they are always careful so that there are no regrets later. In this research, it was found that the value of percieved ease of use in the Shopee Paylater feature is feared to make the Surabaya people carry out impulsive buying attitudes. Therefore, it is hoped that the Surabaya community will still be able

to control themselves and understand financial management when making purchase plans according to existing needs and still pay attention to existing risks so that they can reduce impulsive buying attitudes.

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