

DETERMINANTS OF BUY NOW PAY LATER USAGE DECISIONS MEDIATED BY BEHAVIORAL CONTROL AMONG GENERATION Z IN BALI



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Abstract

The rapid growth of financial technology in Indonesia has encouraged the widespread use of Buy Now Pay Later (BNPL), particularly among Generation Z. While BNPL offers convenience and flexibility in digital transactions, its use also carries risks such as overspending, payment defaults, and long-term financial pressure. This study aims to analyze the influence of financial literacy, saving orientation, tendency for social comparison, and regulatory environment on the decision to use BNPL services among Generation Z in Bali, with perceived behavioral control serving as a mediating variable. This research adopts a quantitative associative approach. The population consists of Generation Z individuals domiciled in Bali who have used BNPL services, with a sample of 400 respondents selected through purposive sampling. Data were collected using a questionnaire and analyzed using Partial Least Squares (PLS). The findings are expected to show that financial literacy and saving orientation tend to reduce BNPL usage decisions, while tendency for social comparison and regulatory environment tend to increase them. Perceived behavioral control is also expected to play an important mediating role in explaining how cognitive, behavioral, social, and external factors shape BNPL usage decisions. This study contributes to the literature on behavioral accounting and digital financial behavior, particularly in understanding the financial decision-making patterns of Generation Z in the context of short-term digital credit in Bali.

Keywords: Buy Now Pay Later, Financial Literacy, Saving Orientation, Social Comparison, Regulatory Environment, Perceived Behavioral Control, Generation Z

INTRODUCTION

The rapid development of financial technology has accelerated the emergence of Buy Now Pay Later (BNPL) services in Indonesia, especially among Generation Z, who are highly connected to digital platforms and e-commerce. BNPL enables consumers to purchase goods or services immediately and pay later through short-term instalment schemes, making it attractive because of its convenience, speed, and accessibility. However, behind such convenience, BNPL also carries financial risks, including overspending, late-payment penalties, misunderstanding of accumulated costs, and potential financial distress in the medium and long term (CFDS, 2024; Cemarawati et al., 2025; Tisya & Tasrim, 2025). As explained in the manuscript, the increasing use of BNPL among young consumers reflects not only technological adoption but also a broader shift in financial decision-making patterns in the digital era.

In the Indonesian context, the expansion of BNPL has been supported by collaborations between fintech providers and e-commerce platforms such as Shopee PayLater, Kredivo, GoPayLater, OVO PayLater, Akulaku, and others. This development has made digital credit more accessible, but at the same time has strengthened the illusion of purchasing power among users who often perceive BNPL limits as real disposable income. Previous evidence suggests that a large proportion of BNPL users in Indonesia come from Generation Z, indicating that this age group is one of the most dominant segments in digital credit adoption (CFDS, 2024). In Bali, this phenomenon becomes increasingly relevant because Generation Z is part of a socially dynamic population that is strongly exposed to consumption trends, social comparison, and digital financial services.

The decision to use BNPL is not merely an economic choice, but also a behavioral one, shaped by the interaction of cognitive, psychological, social, and external factors. One important factor is financial literacy, which refers to an individual's knowledge, understanding, and skills in managing financial matters effectively. Individuals with better financial literacy are generally more capable of evaluating the risks and benefits of short-term credit services and making more rational financial decisions (OJK, 2017; Suhartini et al., 2023; Diviariesty & Dewinta, 2025). In the context of BNPL, limited financial literacy may cause users to underestimate service fees, penalties, and repayment burdens, thereby increasing the possibility of consumptive and risky borrowing behavior (Gerrans et al., 2021).

Another relevant factor is saving orientation, which reflects an individual's tendency to prioritize long-term financial goals by postponing present consumption (Setyawati, 2020; Hajam, 2020). Individuals with a stronger saving orientation tend to avoid consumptive debt because they consider the long-term consequences of financial commitments more carefully. In contrast, low saving orientation is often associated with impulsive consumption and greater acceptance of instant credit facilities such as BNPL. Prior studies have shown that people with higher personal saving orientation are more likely to prefer financially disciplined behavior and less likely to perceive BNPL as beneficial (Brannon & Manshad, 2022; Gerrans et al., 2021).

In addition, tendency for social comparison has become increasingly significant in explaining the financial behavior of young consumers. Based on social comparison theory, individuals naturally evaluate themselves by comparing their achievements, lifestyle, and consumption patterns with those of others (Festinger, 1954). In the digital era, this tendency is amplified through social media exposure, peer interaction, and influencer culture, all of

which intensify pressure to maintain social image and follow consumption trends (Saputra, 2024; Mappadang et al., 2025; Abed & Alkadi, 2024). For Generation Z, particularly in socially active environments such as Bali, this tendency may encourage the use of BNPL as a means to fulfill lifestyle expectations even when financial resources are limited.

Besides internal and social factors, regulatory environment also plays an important role in shaping user perceptions and decisions regarding BNPL. Regulatory environment refers to the set of rules, policies, and supervisory mechanisms established by authorities to ensure that digital financial services operate fairly, transparently, and safely. In Indonesia, BNPL has largely been regulated under the broader fintech framework, particularly through Peraturan Otoritas Jasa Keuangan Nomor 10/POJK.05/2022, before the issuance of a more specific BNPL regulation in POJK Nomor 32 Tahun 2025. A clear and adaptive regulatory environment may strengthen consumer trust, enhance perceived safety, and support more confident use of BNPL services (Waliszewski et al., 2024; Sangeetha et al., 2025). Therefore, regulatory perception is highly relevant in understanding why users decide to adopt or avoid BNPL services.

To explain how these factors translate into actual behavior, this study adopts the Theory of Planned Behavior (Ajzen, 1991), which states that behavior is influenced by attitude, subjective norms, and perceived behavioral control. Among these components, perceived behavioral control is especially important because it reflects an individual's belief in their ability to manage actions, resources, and obstacles when making decisions (Ajzen, 2002). In the context of BNPL, perceived behavioral control may determine whether financial literacy, saving orientation, social comparison, and regulatory perceptions actually shape responsible or risky usage decisions. Previous studies have also suggested that the direct effects of cognitive and social variables on digital credit decisions are often weak unless mediated by psychological mechanisms such as control behavior (Liu et al., 2013; Lestari & Rahayu, 2024; Sofiyana et al., 2025; Gerrans et al., 2022; Fernandes et al., 2013).

Although many previous studies have examined financial literacy, social influence, and digital credit behavior, most of them still emphasize direct relationships and pay limited attention to the mediating role of psychological control. This indicates a research gap, especially in the context of BNPL use among Generation Z in Indonesia. The novelty of this study therefore lies in placing perceived behavioral control as a mediating variable that integrates financial literacy, saving orientation, tendency for social comparison, and regulatory environment into one comprehensive model. In addition, this study extends prior BNPL research by including regulatory environment as an external factor that remains relatively underexplored in Indonesian BNPL studies.

Based on this background, the present study aims to examine the role of perceived behavioral control in mediating the influence of financial literacy, saving orientation, tendency for social comparison, and regulatory environment on the decision to use BNPL services among Generation Z in Bali. This study is expected to contribute theoretically to the literature on behavioral accounting and digital financial behavior, while also offering practical insights for regulators, BNPL providers, and financial educators in promoting more responsible financial decision-making among young consumers.

REVIEW OF LITERATURE

This study is based on the Theory of Planned Behavior by Ajzen (1991), which explains that behavior is influenced by attitude, subjective norms, and perceived behavioral control. In the context of BNPL, this theory is relevant because the decision to use digital credit is shaped not only by rational financial consideration, but also by social pressure and self-control. Previous studies also show that perceived behavioral control is important in explaining whether intention is translated into actual behavior (Gerrans et al., 2021; Liu et al., 2013). Therefore, this theory provides a suitable foundation for understanding BNPL usage decisions among Generation Z.

Financial literacy refers to an individual's knowledge and ability to manage personal finances wisely (Maharani, 2025; Ramanda, 2024). In BNPL usage, financial literacy is important because users must understand repayment obligations, service fees, and financial risks before using digital credit. Individuals with stronger financial literacy tend to make more rational decisions and are generally more careful in using short-term credit services (Sholehah & Amaniyah, 2024; Putri & Suratno, 2025). Thus, financial literacy is relevant in explaining whether Generation Z uses BNPL prudently or impulsively.

Saving orientation reflects the tendency of individuals to prioritize saving as part of their financial habits and long-term lifestyle (Dholakia et al., 2016; Brannon & Manshad, 2022). Individuals with stronger saving orientation are more likely to postpone consumption, avoid unnecessary debt, and consider long-term financial stability. In contrast, those with lower saving orientation may be more attracted to the convenience of instant credit. Therefore, saving orientation is important in understanding the tendency to use BNPL for consumptive purposes.

Tendency for social comparison refers to the tendency of individuals to evaluate themselves by comparing their lifestyle, achievements, or financial condition with others (Festinger, 1954; Gibbons & Buunk, 1999). Among Generation Z, this tendency becomes stronger because of continuous exposure to peers, influencers, and ideal lifestyles on social media. Previous studies indicate that social comparison may encourage consumptive behavior and increase the desire to maintain social image (Rahma & Setiasih, 2024; Mappadang et al., 2025). In this context, BNPL may become an easy tool to meet those social expectations.

Regulatory environment refers to the set of rules, policies, and supervisory mechanisms designed to ensure fairness, transparency, and consumer protection in financial activities. In the BNPL context, regulation is important because it influences users' perceptions of security, legality, and trust. The manuscript explains that BNPL was mainly regulated under POJK No. 10/POJK.05/2022 during the study period, before the issuance of POJK No. 32 of 2025. Adaptive regulation may strengthen consumer confidence while still supporting financial innovation (Waliszewski et al., 2024).

Perceived behavioral control refers to the extent to which individuals believe they are capable of controlling their actions and decisions (Ajzen, 2002). In this study, it is positioned as a mediating variable because financial literacy, saving orientation, social comparison, and regulatory environment may influence BNPL decisions through a person's sense of control. Individuals with stronger perceived behavioral control are more likely to manage spending, assess repayment ability, and avoid impulsive borrowing (Kurjono & Setiawan, 2020;

Joplinita, 2024). This makes perceived behavioral control a key variable in explaining BNPL behavior among Generation Z.

The decision to use BNPL refers to a consumer's choice to adopt BNPL as a payment method based on perceived benefits and risks. BNPL is often seen as practical, easy to understand, and helpful for budgeting, but it may also encourage overspending and threaten financial well-being (Gerrans et al., 2021; Ashby et al., 2025). Therefore, BNPL usage is not only a financial decision but also a behavioral outcome shaped by cognitive, social, and psychological factors.

Previous studies show that BNPL behavior is influenced by multiple factors. Gerrans et al. (2021) found that financial literacy and saving orientation reduce positive perceptions of BNPL, while Chatterjee et al. (2019) showed that social comparison may worsen financial well-being. Waliszewski et al. (2024) emphasized the importance of regulatory support, and Sofiyana and Aryanto (2025) highlighted the role of psychological control in financial behavior. Based on these findings, this study addresses the gap by examining perceived behavioral control as a mediator linking financial literacy, saving orientation, tendency for social comparison, and regulatory environment to BNPL usage decisions among Generation Z in Bali.

RESEARCH METHOD

This study uses a quantitative approach with an associative-causal design to examine the effect of financial literacy, saving orientation, tendency for social comparison, and regulatory environment on the decision to use BNPL services among Generation Z in Bali, with perceived behavioral control as a mediating variable. The population consists of Generation Z in Bali, and the sample was determined using the Slovin formula, resulting in 400 respondents selected through purposive sampling. Data were collected through an online questionnaire using a Likert scale. The data were analyzed using PLS-SEM, which is suitable for testing direct and indirect relationships among latent variables in one structural model.

Before formulating the hypotheses, this study develops a model in which financial literacy (X1), saving orientation (X2), tendency for social comparison (X3), and regulatory environment (X4) act as exogenous variables, perceived behavioral control (M) as the mediating variable, and the decision to use BNPL (Y) as the endogenous variable. The model is based on the assumption that BNPL usage decisions are influenced not only directly by cognitive, behavioral, social, and regulatory factors, but also indirectly through the individual's level of behavioral control.

Research Hypothesis

Based on the theoretical framework and previous studies, this research proposes that financial literacy and saving orientation have a negative effect on the decision to use BNPL, while tendency for social comparison and regulatory environment have a positive effect. In addition, perceived behavioral control is expected to have a negative effect on the decision to use BNPL because individuals with stronger control are more likely to manage their financial behavior carefully. This study also proposes that perceived behavioral control mediates the relationship between the four independent variables and the decision to use BNPL.

The hypotheses are formulated as follows:

H1: Financial literacy has a negative effect on the decision to use BNPL.

H2: Saving orientation has a negative effect on the decision to use BNPL.

H3: Tendency for social comparison has a positive effect on the decision to use BNPL.

H4: Regulatory environment has a positive effect on the decision to use BNPL.

H5: Perceived behavioral control has a negative effect on the decision to use BNPL.

H6: Perceived behavioral control mediates the effect of financial literacy on the decision to use BNPL.

H7: Perceived behavioral control mediates the effect of saving orientation on the decision to use BNPL.

H8: Perceived behavioral control mediates the effect of tendency for social comparison on the decision to use BNPL.

H9: Perceived behavioral control mediates the effect of regulatory environment on the decision to use BNPL.

Research Model

The research model of this study illustrates the structural relationship among the proposed variables. In this model, financial literacy (X1), saving orientation (X2), tendency for social comparison (X3), and regulatory environment (X4) are positioned as exogenous variables. Meanwhile, perceived behavioral control (M) functions as the mediating variable, and the decision to use Buy Now Pay Later (BNPL) services (Y) is treated as the endogenous variable. This model was developed based on the Theory of Planned Behavior, which emphasizes that individual behavior is shaped by both internal and external factors, as well as by the individual's perception of control over the behavior.

The model assumes that financial literacy and saving orientation tend to reduce the decision to use BNPL, whereas tendency for social comparison and regulatory environment tend to increase the likelihood of BNPL usage. At the same time, all four independent variables are also expected to influence BNPL usage decisions indirectly through perceived behavioral control. This means that the effect of cognitive, behavioral, social, and regulatory factors on BNPL decisions may become stronger or weaker depending on the extent to which individuals perceive themselves as capable of controlling their financial behavior. Thus, the research model highlights both direct effects from X1, X2, X3, and X4 to Y, and indirect effects through M as the mediating variable.

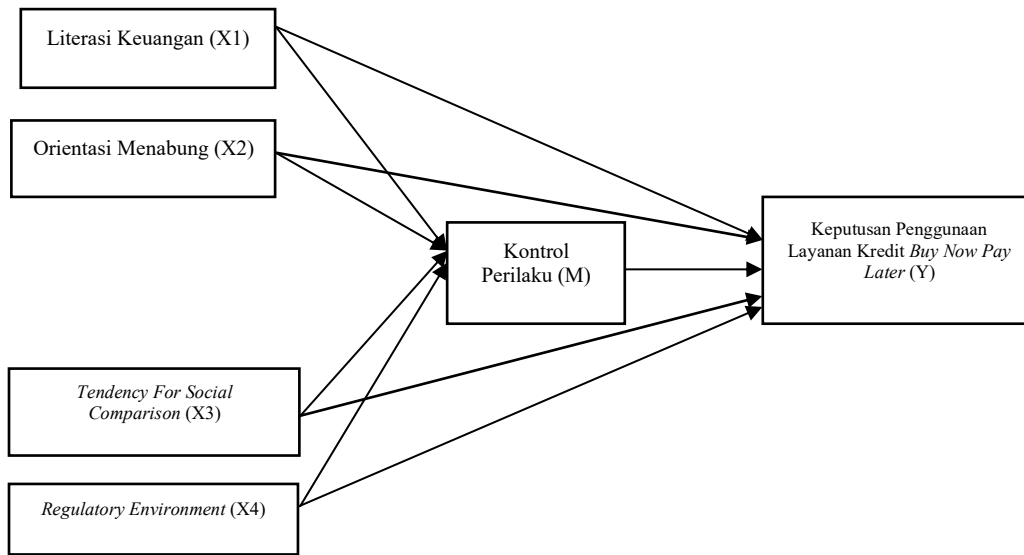


Figure 1.
Research Model

To ensure that each variable in this study can be measured accurately, an operational definition of variables is required. The operational definition serves to translate abstract variables into measurable indicators that can be assessed through the questionnaire instrument. By providing clear operational definitions, each variable becomes more structured and facilitates the data analysis process. The operational definitions of variables used in this study are presented in the following table.

Table 1.
Operational Definition of Variables

Variable	Indicator	Operational Definition
Financial Literacy (X1)	Basic financial knowledge	Ability to understand financial management concepts, expense control, and financial risk identification
	Savings and loans	Understanding the difference between saving and borrowing, including BNPL consideration
	Insurance	Understanding financial protection and risks related to BNPL
	Investment	Ability to allocate funds and prioritize long-term financial planning
Saving Orientation (X2)	Day-to-day action	Habit of saving regularly and planning financial activities
	Saving lifestyle	View that saving is part of a sustainable lifestyle
Tendency for Social Comparison (X3)	Peer influence	Tendency to follow consumption due to social pressure
	Family expectation	Effort to meet social standards within family context

Variable	Indicator	Operational Definition
	Social media influencer	& Influence of digital exposure on consumptive behavior
Regulatory Environment (X4)	Consumer protection	Perception of transparency and user protection in BNPL
	Stability security	& Confidence in financial system safety and regulation
	Innovation compliance	& Perception of balance between innovation and user protection
	Regulatory coordination	Assessment of cooperation among regulators
Perceived Behavioral Control (M)	Knowledge	Understanding procedures, risks, and financial decisions
	Capital	Availability of financial resources and capability
	Time	Ability to plan and manage financial decisions
BNPL Usage Decision (Y)	Benefit	Perceived ease, usefulness, and flexibility of BNPL
	Risk	Perceived risk of overspending and financial instability

RESULTS AND DISCUSSION

This study involved 400 Generation Z respondents in Bali who had used BNPL services. Most respondents used Shopee PayLater, lived in Denpasar, were female, and were in the age group of 25-29 years. These characteristics indicate that the respondents were largely young, urban, and digitally active users, which is relevant to the context of BNPL adoption. Instrument testing showed that all questionnaire items were valid and reliable. In addition, the descriptive results indicate that respondents generally had positive perceptions of all variables, including financial literacy, saving orientation, tendency for social comparison, regulatory environment, perceived behavioral control, and the decision to use BNPL.

Table 2.
Respondent Characteristics

Category	Dominant Group	Percentage
BNPL platform	Shopee PayLater	39.8%
Education	Bachelor's degree (Economics/Management/Accounting/Finance)	52.0%
Domicile	Denpasar	54.5%
Gender	Female	52.8%
Age	25–29 years	38.0%

Category	Dominant Group	Percentage
Occupation	Private employee	35.5%

Source: Processed primary data, 2026.

The measurement model met the required criteria. After removing several indicators with loadings below 0.70, all constructs achieved satisfactory convergent validity, discriminant validity, composite reliability, and Cronbach’s alpha. The structural model also showed acceptable explanatory power, with an R² of 0.601 for perceived behavioral control and 0.664 for the decision to use BNPL. The Q² value of 0.866 and GoF of 0.637 further indicate that the model had strong predictive relevance and good overall fit.

Table 3.
Summary of Measurement and Structural Model Results

Construct / Indicator	Value	Interpretation
AVE range	0.580–0.684	Valid
Composite Reliability range	0.821–0.935	Reliable
Cronbach’s Alpha range	0.819–0.933	Reliable
R ² for Perceived Behavioral Control (M)	0.601	Moderate
R ² for Decision to Use BNPL (Y)	0.664	Moderate
Q ²	0.866	Strong predictive relevance
GoF	0.637	Good fit

Source: Processed SmartPLS output.

The hypothesis testing results are presented in Table 4. The hypothesis testing results reveal several important findings. Financial literacy had a negative and significant effect on the decision to use BNPL ($\beta = -0.226$; $p = 0.001$), while saving orientation had no significant direct effect ($\beta = 0.096$; $p = 0.084$). Tendency for social comparison ($\beta = 0.232$; $p = 0.000$) and regulatory environment ($\beta = 0.276$; $p = 0.000$) had positive and significant direct effects. Perceived behavioral control also had a positive and significant direct effect on the decision to use BNPL ($\beta = 0.510$; $p = 0.000$). For indirect effects, perceived behavioral control significantly mediated the effects of financial literacy ($\beta = -0.076$; $p = 0.043$), saving orientation ($\beta = -0.212$; $p = 0.000$), and regulatory environment ($\beta = 0.323$; $p = 0.000$), but it did not mediate the effect of tendency for social comparison ($\beta = -0.033$; $p = 0.236$).

Table 4.
Hypothesis Testing Results

Hypothesis	Path	Coefficient	t-statistic	p-value	Decision
H1	X1 → Y	-0.226	3.405	0.001	Supported
H2	X2 → Y	0.096	1.726	0.084	Not supported
H3	X3 → Y	0.232	4.859	0.000	Supported
H4	X4 → Y	0.276	4.232	0.000	Supported
H5	M → Y	0.510	10.537	0.000	Supported
H6	X1 → M → Y	-0.076	2.020	0.043	Supported
H7	X2 → M → Y	-0.212	6.146	0.000	Supported

Hypothesis	Path	Coefficient	t-statistic	p-value	Decision
H8	X3 → M → Y	-0.033	1.185	0.236	Not supported
H9	X4 → M → Y	0.323	7.125	0.000	Supported

Source: Processed SmartPLS output.

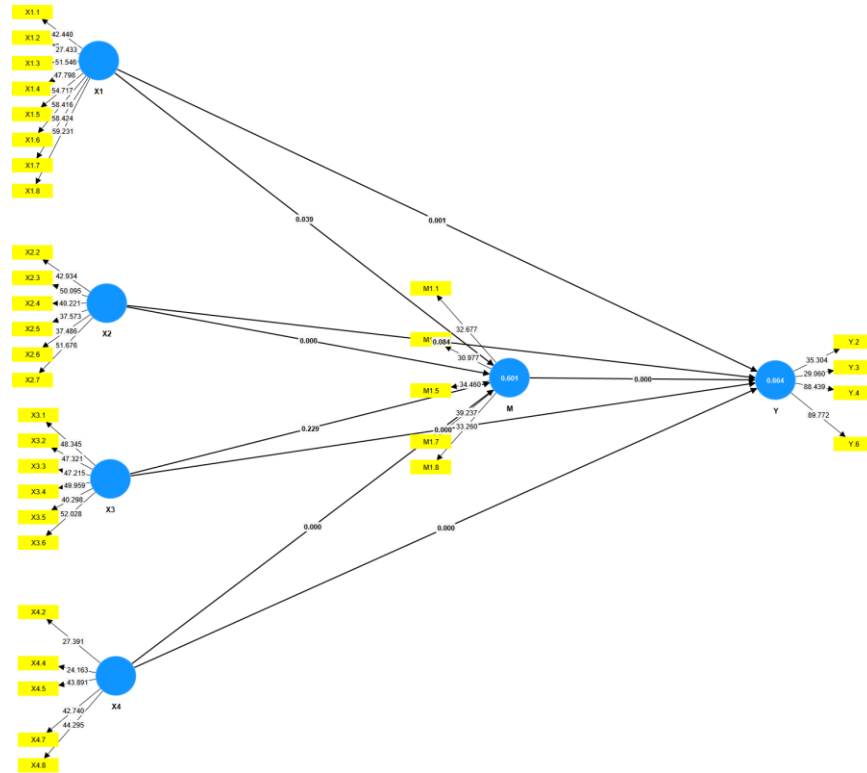


Figure 2.
Structural Model Results

The figure presents the final structural model and the path coefficients obtained from SmartPLS analysis.

The Effect of Financial Literacy on the Decision to Use BNPL

The results of this study indicate that financial literacy has a significant and negative effect on the decision to use BNPL services among Generation Z in Bali. This finding means that the higher the level of financial literacy, the lower the tendency to use BNPL. Respondents with better financial knowledge were more likely to understand repayment obligations, penalties, and long-term financial risks, so they tended to be more cautious in deciding whether to use BNPL.

This result is consistent with Gerrans et al. (2021), who found that financial literacy increases risk perception and reduces the perceived benefits of BNPL. Similar findings were also reported by Aisjah (2024) and Selviana and Zulkarnain (2025), who emphasized that financial literacy helps individuals avoid risky credit behavior. These studies support the view that financial knowledge encourages more rational and careful financial decision-making.

In this study, respondents generally showed a good level of financial literacy, especially in understanding personal financial management and the risks of BNPL. This suggests that financial literacy functions as a cognitive control factor that reduces impulsive borrowing. Therefore, improving financial literacy remains important to encourage more responsible BNPL decisions among Generation Z.

The Effect of Saving Orientation on the Decision to Use BNPL

The results of this study indicate that saving orientation does not have a significant effect on the decision to use BNPL services among Generation Z in Bali. This means that respondents who have a positive saving orientation do not necessarily avoid using BNPL. In other words, saving habits alone are not strong enough to directly explain BNPL usage decisions.

This finding is in line with Gerrans et al. (2021) and Brannon and Manshad (2022), who found that saving orientation tends to shape financial preferences and attitudes, but does not always directly determine the use of credit instruments. Thomas et al. (2020) also explained that individuals with strong saving values may still use credit when they feel financially capable of controlling it. These findings indicate that saving orientation is relevant, but not sufficient by itself to reduce BNPL use.

In this study, respondents generally valued saving, but BNPL may still have been perceived as a practical payment tool that helps maintain liquidity. This explains why saving orientation and BNPL use may coexist. Therefore, saving orientation needs to be supported by behavioral control in order to influence actual BNPL decisions.

The Effect of Tendency for Social Comparison on the Decision to Use BNPL

The results of this study indicate that tendency for social comparison has a significant and positive effect on the decision to use BNPL services among Generation Z in Bali. This means that the stronger the tendency to compare oneself with others, the higher the likelihood of using BNPL. Social comparison appears to encourage BNPL use not only for functional reasons, but also for maintaining social image and following lifestyle trends.

This finding supports Chatterjee et al. (2019), who showed that social comparison contributes to materialistic tendencies and weaker financial well-being. It is also consistent with Rahma and Setiasih (2024) and Saputra (2024), who found that social comparison and digital exposure strengthen consumptive behavior. These studies confirm that peer influence, family expectations, and social media can strongly shape financial choices among young consumers.

In this study, respondents showed a relatively high tendency for social comparison, especially in relation to peer trends and media influence. This suggests that BNPL is often used as a practical tool for meeting social expectations quickly and conveniently. Therefore, reducing excessive BNPL use requires attention not only to financial literacy, but also to social and lifestyle pressures.

The Effect of Regulatory Environment on the Decision to Use BNPL

The results of this study indicate that regulatory environment has a significant and positive effect on the decision to use BNPL services among Generation Z in Bali. This finding means that the more positively respondents perceive the regulatory environment, the more likely they are to use BNPL. Clear regulation, consumer protection, and institutional supervision appear to increase trust in BNPL services.

This result is consistent with Waliszewski et al. (2024), who found that adaptive regulation strengthens trust in digital financial services. It also supports Putri and Suratno (2025), who argued that perceptions of legal protection and transparency encourage the adoption of paylater services. These findings show that regulation functions not only as a protection mechanism, but also as a source of legitimacy and confidence.

In this study, respondents generally perceived BNPL regulation positively, especially regarding safety, transparency, and supervision by OJK and related institutions. This perception created confidence that BNPL operates within an officially monitored system. Therefore, regulation may encourage BNPL use by making the service appear safer and more trustworthy.

The Effect of Perceived Behavioral Control on the Decision to Use BNPL

The results of this study indicate that perceived behavioral control has a significant and positive effect on the decision to use BNPL services among Generation Z in Bali. This means that respondents who feel more capable of managing their financial behavior are more likely to decide to use BNPL. In this study, perceived behavioral control reflects confidence in monitoring repayments, managing due dates, and controlling the consequences of BNPL use.

This finding is consistent with Ajzen's Theory of Planned Behavior, which states that perceived behavioral control is an important factor in shaping actual behavior. It is also in line with Putri and Yuhelmi (2025), Annisak and Maryam (2024), and Crusius et al. (2022), who showed that self-control plays a central role in financial and consumptive behavior. These studies suggest that the stronger the sense of control, the more likely the individual is to act confidently.

In this study, respondents generally reported a good level of behavioral control, especially in their ability to regulate BNPL use and monitor repayment schedules. This suggests that BNPL decisions among Generation Z are not always purely impulsive, but may also reflect confidence in their ability to manage short-term credit responsibly.

The Mediating Effect of Perceived Behavioral Control on the Relationship Between Financial Literacy and the Decision to Use BNPL

The results of this study indicate that perceived behavioral control significantly mediates the effect of financial literacy on the decision to use BNPL. This means that financial literacy influences BNPL decisions not only directly, but also indirectly through the individual's level of behavioral control. Respondents with better financial knowledge tended to have stronger control over their financial actions, which then affected their BNPL decisions more carefully.

This finding is consistent with Gerrans et al. (2021), Lusardi and Mitchell (2014), and Sari and Anam (2021), who emphasized that financial knowledge becomes more effective when individuals are able to apply it in real decision-making situations. Liu et al. (2013) also showed that control plays an important mediating role between cognitive factors and actual behavior. These studies support the argument that knowledge must be translated into self-regulation to influence real financial choices.

In this study, respondents with good financial literacy also showed stronger caution in using BNPL, such as evaluating needs and repayment ability. Therefore, perceived behavioral control serves as an important psychological mechanism that converts financial literacy into more rational BNPL decisions.

The Mediating Effect of Perceived Behavioral Control on the Relationship Between Saving Orientation and the Decision to Use BNPL

The results of this study indicate that perceived behavioral control significantly mediates the effect of saving orientation on the decision to use BNPL. This suggests that saving orientation becomes meaningful in influencing BNPL decisions when it is supported by the individual's ability to control financial behavior. Without such control, saving values may remain only as attitudes and may not appear in actual decisions.

This result is consistent with Liu et al. (2013), who argued that attitudes become more behaviorally relevant when supported by perceived behavioral control. It also supports the view that financial values such as saving orientation need a behavioral mechanism in order to influence actual choices. In this study, respondents generally valued saving, but BNPL was still used when they believed they could manage it responsibly. Therefore, the role of perceived behavioral control is to strengthen and operationalize saving orientation into real financial decisions. This finding suggests that long-term financial values are more effective when supported by short-term self-regulation.

The Mediating Effect of Perceived Behavioral Control on the Relationship Between Tendency for Social Comparison and the Decision to Use BNPL

The results of this study indicate that perceived behavioral control does not significantly mediate the effect of tendency for social comparison on the decision to use BNPL. This means that social comparison affects BNPL decisions more directly, without passing through the mechanism of behavioral control. Social pressure, peer influence, and digital comparison appear to trigger BNPL use immediately.

This finding is consistent with Chatterjee et al. (2019), Gupta and Vohra (2019), and Juliawan et al. (2023), who found that social comparison and digital pressure often stimulate consumptive behavior directly. These influences are frequently emotional and situational, making them less likely to be filtered through self-regulation processes.

In this study, respondents showed relatively high social comparison tendencies, especially in relation to friends, family, and media influence. This suggests that perceived behavioral control is less effective in mediating socially driven consumption motives. Therefore, efforts to reduce BNPL misuse should also address emotional and social triggers, not only individual control.

The Mediating Effect of Perceived Behavioral Control on the Relationship Between Regulatory Environment and the Decision to Use BNPL

The results of this study indicate that perceived behavioral control significantly mediates the effect of regulatory environment on the decision to use BNPL. This means that regulation influences BNPL decisions partly because it strengthens the user's sense of control and confidence in managing BNPL responsibly. When respondents perceive the regulatory system as clear and protective, they feel more secure in using BNPL.

This result supports Waliszewski et al. (2024) and Liu et al. (2013), who explained that external norms and institutional structures can influence behavior more effectively when they strengthen perceived behavioral control. Clear rules, transparency, and supervision may therefore shape behavior not only through trust, but also through a stronger sense of self-regulation.

In this study, respondents reported that OJK regulation, transparency, and coordination among regulators increased their confidence in using BNPL. Therefore,

perceived behavioral control serves as an important link between regulatory environment and BNPL decisions, suggesting that regulatory policy should not only focus on legal protection, but also help users feel capable of making well-controlled financial decisions.

CONCLUSION

Based on the findings of this study, financial literacy has a negative effect on BNPL usage decisions, indicating that individuals with higher financial knowledge tend to be more careful and less likely to use BNPL services. Saving orientation, however, does not have a significant direct effect on BNPL usage decisions, suggesting that a positive attitude toward saving alone is not enough to determine whether someone will use BNPL. On the other hand, social comparison tendency, regulatory environment, and perceived behavioral control have positive effects on the decision to use BNPL services. This means that individuals who are more influenced by social comparison, who perceive the regulatory environment as supportive, and who feel capable of managing their financial behavior are more likely to use BNPL. In terms of mediation, perceived behavioral control plays an important role in explaining the relationship between several variables and BNPL usage decisions. It mediates the effects of financial literacy, saving orientation, and regulatory environment on BNPL usage decisions, showing that these factors can influence BNPL decisions indirectly through individuals' sense of control over their behavior. However, perceived behavioral control does not mediate the effect of social comparison tendency, which means that social comparison influences BNPL usage decisions directly rather than through behavioral control.

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