

A Comprehensive Review of Buy Now Pay Later (BNPL) Influence Factors on Young Consumer Spending Behaviour in E-Commerce Platform

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ABSTRACT

Buy Now Pay Later (BNPL) service has gained significant popularity among young consumers, especially within e-commerce platforms. BNPL is now the top choice among university students and low-income early-career earners due to its convenience, but it also poses risks such as impulse buying and poor financial management. This paper aims to review the influence factors of the BNPL on spending behavior among young consumers in e-commerce platforms. The contribution of this paper lies in identification of four main categories of factors influencing BNPL use, which are psychological, social, financial, and technological.

Keywords— Buy Now Pay Later (BNPL), E-Commerce Platform, Financial Literacy, Spending Behaviour, Young Consumer

INTRODUCTION

In recent years, the trend of online shopping has increased drastically, especially among young consumers. The changing digital lifestyle and easy access to e-commerce services have created a variety of more flexible payment methods to meet the needs of modern consumers (MDEC, 2024). Among the methods increasingly popular among young consumers is BNPL, a payment option that enables purchases to be made immediately and paid later in several interest-free instalments (Ashby et al., 2025). This method is one of the latest global innovations in payment technology, revolutionizing consumer interactions with traditional financial systems. Its rapid global rise, including in Malaysia, has introduced a new dimension to consumer spending behaviours (Soong et al., 2024).

According to Soong et al. (2024), BNPL usage among young Malaysian consumers is rising because it offers a short-term, interest-free payment facility that is convenient and perceived as useful. Consumers also feel that BNPL provides greater freedom and control in managing their purchases. However, this payment method also raises concerns about uncontrolled and impulsive spending among young consumers, as BNPL users tend to spend more and are particularly prone to impulsive buying behaviors (Raj, Jasrotia, & Rai, 2023). This is because BNPL only promises temporary pleasure, but on the other hand, consumers have the potential to bear financial burdens if not used carefully.

The use of BNPL can be seen to contribute to the increase in impulsive purchases because consumers do not have to pay in full payment when making a purchase. This payment method helps consumers feel less

emotionally burdened by expenses, as BNPL users perceive a lower "pain of payment" during transactions (Bakar, Fauziyah, & Rahmat, 2025). This makes users feel it is easy to make transactions just with their fingertips without thinking about the actual cash in hand. In a study on Malaysian university students, easy access to credit combined with weak financial literacy was linked to challenges in managing short-term debt (Masnih Mustapa et al., 2024). The influence of social media, peers and aggressive promotions were also identified as the main driving factors that encourage young consumers to use BNPL even without urgent needs.

In addition, the increasingly strong consumerism culture among young people makes BNPL an attractive method because it allows them to obtain their desired items immediately without having to wait to save up money first (Roslee, 2024). A study found that materialistic motivations such as the desire to appear stylish and keep up with consumer trends predict BNPL usage among young adults, with BNPL intensifying materialism-driven purchases (Raj, Jasrotia, & Rai, 2023). Furthermore, social influence and peer pressure play key roles in driving purchasing decisions among young consumers, as peer conformity significantly contributes to impulsive buying behaviors (Rozman & Hashim, 2023). This has made it one of the factors that influence young consumers to prefer to use the BNPL payment method.

This helping situation raises the question of whether BNPL really helps consumers in terms of convenience in purchasing and financial management or on the contrary encourages burdensome and unsustainable spending habits. Therefore, this study was conducted to examine the influence of BNPL on the spending behaviour of young consumers on e-commerce platforms, especially from the psychological, social and buying habits aspects. The results of this paper are hoped to provide a clearer picture of how BNPL shapes the spending lifestyle of today's young generation as well as provide guidance to build better financial awareness.

Background of Study

This section will explain in detail several important aspects that form the background of the study. Among them are the introduction to the Buy Now Pay Later (BNPL) system, the development of e-commerce in Malaysia, factors that influence the selection of BNPL and the behavioural effects arising from its use.

Evolution of Buy Now Pay Later (BNPL) services

Along with the advancement of the digital era, financial technology is increasingly playing an important role in changing the way consumers spend and manage their daily finances (Rooled, 2024). This can be seen from various types of innovations that have gained public attention, including e-wallets, contactless payments, digital payments and the most popular at this time is Buy Now Pay Later (BNPL). BNPL has emerged as a popular alternative in e-commerce payment systems. The BNPL service is gaining more attention because it allows users to make purchases immediately and pay off payments in interest-free instalments over a certain period of time (Ashby et al., 2025).

The BNPL concept was introduced and developed around 2014 in line with the advancement of financial technology and the growth of e-commerce. (Guttman-Kenney, Firth, & Gather good, 2023). This service not only offers financial flexibility, but also influences consumer purchasing decisions, especially in the context of e-commerce. BNPL allows consumers to buy the goods they want without having to wait to collect money first. This system appeals to the younger generation who tend to take shortcuts in fulfilling their desires. According to Osman et al. (2024), the popularity of BNPL in Malaysia has risen in tandem with the rapid growth of e-commerce platforms like Shopee and Lazada, which integrated BNPL as a seamless checkout option. This makes BNPL a convenient and attractive option among online shoppers, especially the younger generation who are more likely to shop online.

The Evolution of E-Commerce Platform

In recent years, global digital commerce has experienced rapid growth due to increasing internet penetration, smartphone adoption and changing consumer lifestyles. According to a report by the United Nations Conference on Trade and Development (UNCTAD, 2021), the value of global e-commerce sales reached USD 26.7 trillion in 2019, with the business-to-consumer (B2C) segment showing significant growth. This surge was largely driven by changes in purchasing patterns due to the COVID-19 pandemic, which accelerated the shift to digital channels.

At the local level, e-commerce in Malaysia has also grown progressively. A report by Global Data (2023) reported that the Malaysian e-commerce market recorded a growth of 12.2% in 2023, with transaction value reaching RM43.5 billion (USD9.5 billion). Among the main factors contributing to this development are the high internet penetration rate in Malaysia, which is around 89% of the population (Capillary Technologies, 2023), as well as the widespread use of smartphones.

This evolution has been driven by most e-commerce users in Malaysia, consisting of young people aged between 18 and 30 who are more tech-savvy and easily influenced by digital trends. A study by Wang et al. (2024) showed that ease of access to digital platforms, trust in online payment systems, and the influence of social media are among the main factors influencing purchasing decisions among young consumers.

Overall, the rapid growth of the e-commerce sector in Malaysia not only marks the success of digitalization, but also creates new challenges related to spending patterns and financial control, especially when combined with the emergence of payment methods such as Buy Now Pay Later (BNPL) that offer convenience but have the potential to have a long-term impact on young consumers' financial management.

Trends in the use of Buy Now Pay Later (BNPL) among the young consumer in Malaysia.

In Malaysia, the BNPL service began to gain attention around 2019 to 2021. According to a report by ResearchAndMarket.com, the BNPL industry in Malaysia has recorded significant growth during the period, with the value of BNPL payments expected to increase by 76.3% in 2021 and have reached USD 479.3. This has shown a significant increase in the use of BNPL services during the period. This trend occurred in Malaysia due to economic uncertainty caused by the 2019 pandemic which has driven the growth of increased e-commerce usage and changing consumer Behaviour.

In addition, the trend of using BNPL in Malaysia is growing in line with the increase in online transactions and the young generation's tendency towards mobile payment applications. A study by Soong et.al (2024) showed that the majority of BNPL users are between the ages of 18 and 30. This group is attracted to BNPL due to the factors of technological convenience, in-app promotions and peer influence. However, most of them do not have a sufficient level of financial literacy to assess the risks and long-term commitments involved.

Spending Behaviour of Young Consumers in the Digital Era

In this fast-paced digital era, the spending Behaviour of young consumers has undergone significant changes compared to previous decades. Studies have found that young consumers are more likely to make impulsive and emotional purchases, especially when they are exposed to aspirational content on platforms such as Instagram, TikTok, and YouTube (Teo, Tee, & Liew, 2023). Purchases fulfil not only the functional needs of the product, but also the symbolic value associated with lifestyle, luxury, or personal satisfaction (Kori & Mat Said, 2024). This change is driving an increase in spending based on wants rather than needs, thus making this group more vulnerable to long-term financial risks.

The emergence of payment systems such as BNPL has further reinforced this spending pattern. BNPL offers instant access to products without having to make full payment immediately, which aligns with the younger generation's desire for instant gratification (Osman et al., 2024). This convenience makes young consumers easily influenced to buy beyond their actual means. According to PYMNTS Intelligence (2024), BNPL users are especially likely to purchase clothing and fashion accessories accounting for 41% of such transactions suggesting that the service is popular for non-essential items tied to self-image and social influence.

Furthermore, the lack of strong financial education among youth makes them less aware of the long-term risks of using microcredit facilities such as BNPL. A study by Ismail et al. (2021) highlights that lack of awareness about personal financial management is among the main factors contributing to young consumer debt, especially in the highly accessible e-commerce environment.

Overall, the flexible nature of the BNPL system has changed the spending dynamics among young consumers. It has led to more impulsive purchasing Behaviour, based on emotions and social symbolism, rather than rational

financial considerations. This creates a need to better understand the relationship between modern payment methods and the spending psychology of young consumers, especially in the context of e commerce.

LITERATURE REVIEW

Introduction

This section reviews existing research related to the influence of buy now pay later spending Behaviour among young consumer in e commerce platform. It aims to contextualize the study, understanding concept of buy now pay later, identifying the factors that influence young consumers using buy now pay later as their main payment method and highlighting the impact of Buy Now pay Later on spending Behaviour among young consumers whether it increase overspending (debt) or help consumer plan financially. The review is structured as follows: concept of buy now pay later, factors that influence young consumers use buy now pay later, impact of buy now pay later young consumer spending Behaviour, theoretical framework and conceptual framework.

Concept of buy now pay later

Buy now pay later is a payment method that allows users to make purchases immediately and pay in interest-free instalments over a certain period. This concept has gained widespread attention worldwide due to its flexibility in managing consumer finances, especially among the younger generation who tend to rely more on digital payment methods. With Buy Now Pay Later (BNPL), consumers can purchase the products they want without having to wait or pay in full at the time of transaction. This gives them the opportunity to plan their spending better, while improving their online shopping experience. BNPL not only offers convenience but also serves as a more accessible alternative to credit cards often perceived as expensive and complex because its instalment pricing reduces payment friction and increases spending compared to traditional credit (Holmes & Nguyen, 2025). Therefore, BNPL promises a more flexible financial solution making it a top choice for consumers looking for a simpler and more user-friendly way to manage their purchases in a digital environment (Sheth, 2020). The development of this BNPL service reflects a larger shift in the financial and e-commerce industry, where consumers are increasingly choosing payment methods that are more experience-oriented and financial freedom-oriented.

This service becomes even more relevant when considering the major changes in the habits of young consumers who prefer to buy online. According to a study by Sheth (2020), changes in consumer spending Behaviour, especially among the young, have influenced the growth of BNPL services. In addition, most e-commerce platforms are also increasingly adding BNPL services to attract more customers who may not be able to pay in full. This proves that BNPL not only offers more flexible financial freedom, but also a form of innovation that connects technology, finance, and e-commerce in a more seamless way. Therefore, BNPL is often seen as a tool that allows consumers to manage their finances more wisely, especially when it is offered with no or minimal interest (Jaelani & Pradana, 2025). However, this service is not free from challenges and risks, especially related to the potential for increasing debt if not managed properly. Blue et al. (2024) cautions that although BNPL provides payment flexibility, it can also encourage consumers, especially young adults to purchase beyond their means, potentially leading to financial difficulties.

Popularity of buy now pay later among young consumers

A study conducted in Malaysia among young adults found that BNPL is primarily adopted by consumers under the age of 35, particularly Gen Z, and is frequently used in impulsive online purchases underscoring its prevalence among younger demographics in the country (Soong et al., 2024). This phenomenon shows how popular BNPL is among the younger generation, who are increasingly seeking convenience and financial freedom in purchasing products. Factors such as in-app promotions, peer influence, and technological convenience play a large role in increasing BNPL usage among them. For example, BNPL apps such as Atome, Grab PayLater, and Shopee's SPayLater in Malaysia have attracted the attention of many young users because they offer a more user-friendly shopping experience and attractive promotions such as discounts or easy instalment payments.

Young people are more likely to use BNPL because they are more exposed to technology and more flexible in managing their personal finances. A study Osman et al., 2024 also showed that young users choose BNPL because it gives them a greater sense of control over their spending and helps them manage their cash flow more. Younger consumers are more likely to choose BNPL because they can buy the goods they want immediately without having to wait or think about making large lump sum payments. In this context, peer influence and attractive promotions through applications become factors that influence their spending decisions, with most young consumers tending to spend more than they can afford if there is no good control over BNPL use.

E-Commerce Platform Development

E-commerce refers to the activity of buying and selling products or services through digital channels such as websites and mobile applications. In the last decade, the development of e-commerce platforms has experienced very rapid growth and played a significant role in changing the global retail landscape. In Malaysia, this phenomenon has also grown rapidly, driven by the increasing use of digital technology and changes in consumer behaviour patterns, especially among the younger generation. Platforms such as Shopee, Lazada, TikTok Shop, and Zalora not only offer a variety of products at affordable prices, but also provide an interactive, fast, and easily accessible shopping experience via mobile devices (Chan et al., 2022). Consumers are now more comfortable shopping online than physically because of the ease of product search, doorstep delivery, daily discount offers, and a variety of payment method options including BNPL. The emergence of various digital features such as live streaming, user ratings (reviews), and reward systems in e-commerce applications makes the shopping experience more attractive and increases trust in online platforms (Liu et al., 2022). In this context, the development of e-commerce platforms has become an important element in the modern digital ecosystem that supports the lifestyle of young consumers who are always online and emphasize efficiency, speed, and comfort in every transaction.

Growth of E-Commerce in Malaysia

The rapid growth of the e-commerce industry in Malaysia is not a coincidence but is driven by several important factors including high internet penetration, widespread smartphone usage, and increasing consumer awareness of the advantages of online shopping. According to the Malaysian Communications and Multimedia Commission (MCMC), the country's internet penetration rate is expected to exceed 90% by 2023, while the number of smartphone users is increasing every year (MCMC, 2023). This phenomenon directly supports the growth of e-commerce platforms, which are now not only limited to retail, but also include the service, education, and entertainment sectors.

A report by Statista (2024) predicts that the value of the Malaysian e-commerce market will reach USD 16 billion by 2025, reflecting the increasing consumer confidence in online shopping methods and the platform's ability to meet increasingly complex and diverse market demands. This finding is also supported by Wang et al. (2024) who found that ease of access to digital platforms, increased levels of trust in electronic payment systems, and the influence of social media were among the main drivers in the purchasing decisions of young consumers in Malaysia. They also found that young consumers were more responsive to digital marketing strategies such as social media advertising, app-exclusive promotions, and the use of influencers as product ambassadors Wang et al. (2024).

Furthermore, the COVID-19 pandemic that has been sweeping the world since 2020 has also accelerated the digitalization process among businesses and consumers, thus increasing reliance on e-commerce as the main purchasing channel. A study by Chan et al. (2021) stated that over 60% of small and medium-sized businesses (SMEs) in Malaysia have switched to e-commerce platforms to ensure business continuity during the pandemic, which indirectly expands consumer choices and drives wider adoption. E commerce is now not just an option, but a necessity for modern consumers who value convenience, variety, and flexibility.

Term of young consumer in e commerce platform

In Malaysia's e-commerce market, "young consumers" usually means people aged between 18 and 34 years old. This group includes Generation Z (ages 18–24) and younger Millennials (ages 25–34). They make up a large

number of online shoppers in the country. A study by Mokhtar et al. (2020) found that 51% of online shoppers are between 25 and 34, and another 24% are between 18 and 24. This means that 75% of all online shoppers in Malaysia are young people. These young consumers are very comfortable using technology. They often shop using their smartphones and are active on social media platforms like Facebook, Instagram, and TikTok. They are influenced by what they see online, such as product reviews and recommendations by influencers. They prefer online shopping because it is easy, saves time, and helps them compare prices quickly.

More young people are also using BNPL services. This is because they want more flexible ways to pay, especially when the cost of living is high and incomes are not increasing. A report by the Malaysia Digital Economy Corporation (MDEC, 2022) said that the use of BNPL by Malaysians aged 18 to 35 went up by more than 50% between 2020 and 2022. Many young people use BNPL to buy things like clothes, electronics, and beauty products. A 2023 survey by Milieu Insight showed that 68% of Malaysian Gen Z and Millennials had used BNPL at least once in the past year. Although Malaysia's official statistics department (DOSM) doesn't give a clear age range for "young consumers," most studies agree that 18 to 34 years is the correct range (Zainudin et al., 2023). These young shoppers often want to manage their own money but sometimes struggle with overspending, especially if they don't understand the risks of using BNPL too often. Young consumers aged 18 to 34 are the main drivers of e-commerce in Malaysia. Their strong use of digital tools and new payment methods like BNPL shows that it's important to provide them with financial education to avoid long-term debt while still supporting smart shopping habits.

Factors influence young consumer spending behaviour when using Buy Now Pay Later (BNPL) in e-commerce platform.

Factors that influence young consumer spending behaviour when using Buy Now Pay Later (BNPL) in e-commerce platform will be discussed further in this section. Researchers have identified 37 factors that influence the spending behavior of young consumers in the context of BNPL and e-commerce platforms in 7 references that have been made. Based on a discussion of past studies, it was found that most of these studies did not categorize these factors. This makes it difficult for researchers to conduct research because the factors found are too many, which is 37 factors. At the same time, researchers have identified these factors as consisting of different categories. Therefore, there are two studies that have attracted the attention of researchers to explore into them and make them the main references in categorizing these factors. The two studies are the results of Mukhtar et al. (2023) and Wong et al. (2024). These factors can be illustrated in Table I below:

TABLE I Categories of factors that influence the spending behavior of young consumer

Mukhtar et al. (2023)	Wong et al. (2024).
Psychological factors <ul style="list-style-type: none"> - Perceived Usefulness - Perceived Ease of Use - Perceived Financial Risk Social factors <ul style="list-style-type: none"> - Peers - Family Financial factors <ul style="list-style-type: none"> - Behavioural intention 	Psychological factors <ul style="list-style-type: none"> - Perceived Usefulness - Perceived Risk Social factor <ul style="list-style-type: none"> - Social norm Financial factors <ul style="list-style-type: none"> - Perceived behavioural control Technology factor <ul style="list-style-type: none"> - trust

Studies by Mukhtar et al. (2023) and Wong et al. (2024) show important similarities in the factors influencing young consumers' spending behavior towards BNPL, especially in terms of psychological factors such as perceived usefulness and perceived risk. Both studies emphasize that young consumers make decisions based on the benefits of BNPL in facilitating purchases without immediate payment as well as concerns about financial

risks such as debt and hidden charges.

In addition, social influence is also recognized as a major factor, where peers, family, and social media shape norms and social pressures that influence BNPL use. The main difference between the studies is that Mukhtar et al. (2023) focuses on behavioral intention and perceived ease of use, emphasizing ease of use and technological propensity as factors of intention to use BNPL. In contrast, Wong et al. (2024) includes perceived behavioral control and trust, assessing users' ability to control financial behavior and level of trust in the BNPL system.

Therefore, the two studies have helped researchers to categorize 37 factors from 7 journals that have been analyzed under categories such as psychological & perception factors, social, financial and technological. Researchers will categorize factors that have the same meaning and overlap into an appropriate category based on the journals that have been studied. Therefore, because of the analysis, researchers have identified psychological factor breakdowns, which is Hedonistic Motivation, Impulse Buying, Instant Gratification, Fear of Missing Out (FOMO) and Purchase Intention. For social factors, researchers have identified factor breakdowns such as Peer Influence and Social Norms. For financial factors, researchers have identified factor breakdowns such as Financial Literacy, Perceived Risk, Price Sensitivity, and Marketing Influence. Finally, for technological factors, researchers have identified factor breakdowns such as Trust in Platform, Technology Convenience, Perceived Usefulness, Platform Availability & Payment Flexibility.

Psychological factors

Psychological factors are divided into 4 elements which are Hedonistic Motivation, Impulse Buying, Instant Gratification, Fear of Missing Out (FOMO) and Purchase Intention.

Hedonistic Motivation

Hedonistic motivation refers to an individual's internal drive to seek pleasure, enjoyment, and sensory satisfaction through purchasing activities (Faisal et al., 2020). Osman et al. (2024) explained that young consumers are often driven by hedonistic motivations when using BNPL services. Their study found that there is a high tendency among young consumers to purchase products that fulfill wants rather than needs, due to the desire to obtain immediate pleasure. Furthermore, BNPL serves as a complementary tool to this hedonistic lifestyle because it offers the opportunity to have something immediately without direct financial burden. This shows that BNPL services not only fulfill financial needs, but more importantly, they fulfill the psychological drive for instant gratification, especially among young people who tend to be emotional impulses and have materialistic lifestyles.

Impulse Buying

Mukhtar et al. (2023) highlighted that the tendency to make impulsive purchases increases when consumers are provided with facilities such as BNPL. Among young consumers, purchasing decisions are often not through a careful rational consideration process, but are instead influenced by emotions and the digital environment that stimulates immediate responses. BNPL acts as an activator of impulsive purchases because consumers do not have to spend money immediately. This factor shows that BNPL is not just a financial innovation but rather accelerates the tendency to make unplanned purchases among young consumers who are naturally inclined to a lifestyle based on short-term gratification.

Instant Gratification

Halim et al. (2024) in their research examine how BNPL has become a major channel for the culture of instant gratification among young consumers. They tend to obtain goods or services immediately without considering their ability to pay in the future. In the context of e-commerce, the speed and convenience of obtaining goods through "click and own" increases the incentive to use BNPL as a means of fulfilling immediate desires. This reflects a change in values among young consumers, where immediate gratification is prioritized over long-term financial planning. BNPL reinforces this culture and makes it more difficult for consumers to practice financial discipline.

Fear of Missing Out (FOMO)

Fear of missing out (FOMO) drives consumers to make purchases so as not to be left out of current social trends. According to Soong et al. (2024), the FOMO phenomenon is a strong psychological factor in driving the use of BNPL, especially when it involves limited offers, current trends or exclusive items. In a very active social media environment, young consumers are easily influenced by what is shared by friends and 'influencers' and feel that they need to own the items to maintain their social status or digital image. BNPL gives them the space to fulfill this need without delay. This shows that BNPL not only meets the financial needs of consumers, but also the psychosocial needs to be part of the trend and not be left behind in the digital community.

Purchase Intention

Wong et al. (2024) found that positive attitudes towards BNPL, such as belief in its convenience and flexibility, increased consumers' intention to make purchases using this service. This attitude was influenced by experience, peer perceptions, and marketing campaigns that portrayed BNPL as a modern and responsible financial option. This positive attitude ultimately made BNPL a norm in e-commerce, where consumers not only chose it based on necessity, but as a habit and lifestyle, even though they could afford to pay directly.

Social Factors

Social factors are divided into 3 elements, which are Peer Influence and Social Norms.

Peer Influence

Peer influence plays an important role in young consumers' purchasing decisions. Tan et al. (2024) stated that peer influence provides indirect social pressure on young consumers in making decisions about using BNPL. In today's digital era, young consumers often associate their social status with the goods they own or the lifestyle they display. When peers also use BNPL, this social pressure makes other individuals follow suit, to avoid feeling 'left behind' or 'incompetent'. This shows that peer influence not only affects purchasing decisions but also shapes the norms of using financial technologies such as BNPL in daily life.

Social Norms

Social norms refer to the collective beliefs within a society about what is considered acceptable behavior. According to Soong et al. (2024), social norms among digital users contribute to the normalization of BNPL use. In the e-commerce system, BNPL use has become a widely accepted habit, making it part of everyday consumer practices. When a behavior is accepted by the majority, individuals will feel safe and confident doing it without feeling guilty or worried. This proves that when BNPL is seen as something "normal", consumers will be less cautious about potential long-term risks such as debt burden or shopping addiction.

Family Influence

Family influence refers to the direct or indirect impact of family members on individual spending behavior. In the context of young consumers, family members, especially parents, play an important role in shaping financial values and habits from an early age. They may provide encouragement, warnings, or examples of financial use that indirectly influence BNPL usage decisions. A study by Halim et al. (2024) shows that financial advice and role models from family, especially in collectivist cultures such as Southeast Asia, have an impact on purchasing decisions among young consumers. In addition, Mokhtar et al. (2020) stated that family is often the main reference in decisions related to risky purchases such as those involving long-term financial commitments.

Social Media Influence

Social media serves as a primary medium of communication and information among the younger generation. The display of user testimonials, targeted ads, celebrity or influencer reviews, and peer-to-peer promotions through platforms such as Instagram and TikTok can create strong social pressure to use BNPL for e-commerce purchases. A study by Osman et al. (2024) asserted that high exposure to purchase-related content on social

media has a psychological impact on young consumers, increasing the tendency to spend beyond their actual means. Soong et al. (2024) also stated that the credibility given to social media influencers can drive trust in payment platforms such as BNPL.

Financial factors

Financial factors are divided into 4 elements which are Financial Literacy, Perceived Risk, Price Sensitivity and Marketing Influence

Financial Literacy

Skills The level of financial literacy influences the ability of consumers to make wise financial decisions. Mokhtar et al. (2020) revealed that weaknesses in financial literacy are among the main reasons why young consumers make unwise financial decisions, including in the use of BNPL. Many consumers do not understand the implications of hidden fees, late penalties, and the impact of double debt that can occur due to excessive use of BNPL. This highlights the need for more comprehensive financial education among young people, so that they can make wiser decisions before using BNPL.

Perceived Risk

The perceived risk of BNPL is related to consumers' trust in data security, cost transparency, and the possibility of getting into debt. Mukhtar et al. (2023) show that young consumers often have a perception that the risk of using BNPL is low. They see it as a convenient payment tool, without thinking about the long-term costs or the possibility of missing payments. This perception makes them more likely to take financial risks without thorough evaluation. This proves that low risk perception can lead to irrational financial decisions, further exposing consumers to debt problems.

Price Sensitivity

Price sensitivity also plays a role in influencing young consumers spending behaviour in BNPL context. Tan et al. (2024) reported that young consumers are highly price responsive and are more likely to use BNPL when the price of goods is perceived to be high. BNPL is used as a strategy to break down payments into more 'affordable' installments. While this provides short-term benefits, it can also lead to an illusion of affordability, where consumers buy more than they can afford.

Marketing Influence

Promotions and advertisements are also very influential in stimulating the use of BNPL. Halim et al. (2024) studied how promotions such as exclusive discounts, free shipping, or cashback when using BNPL influence consumer purchasing decisions. This marketing technique can create needs that did not exist before. This shows that marketing strategies can manipulate the behavior of young consumers who are easily influenced and immature in terms of financial considerations.

Technological factors

Technological factors are divided into 4 elements which are Trust in Platform, Technology Convenience, Perceived Usefulness, Platform Features (Availability & Payment Flexibility).

Trust in Platform/Website

Trust in the e-commerce platform or BNPL provider is an important factor. Soong et al. (2024) showed that consumers will only use BNPL if they trust the e-commerce platform that provides the service. Aspects such as data security, information transparency and the reputation of the provider are very important in influencing trust. Furthermore, Wong et al. (2024) stated that confidence in the security of transactions and the integrity of the payment system motivates consumers to try BNPL. This trust is built through past experiences, positive reviews, and the reputation of the service provider. This shows that digital trust is an important prerequisite for the

widespread use of BNPL.

Technology Convenience

The ease of use of BNPL technology also has a positive impact on user decision making. Osman et al. (2024) stated that BNPL's easy-to-use interface and transaction speed are very attractive to young users. This ease reduces the barriers to trying new services. In addition, according to a study by Soong et al. (2024) it is emphasized that one of the main reasons Gen Z tends to BNPL is because the registration and payment process is fast, easy, and integrated with e-commerce applications. This makes users feel more comfortable and tend to use BNPL repeatedly. This proves that if a system is designed intuitively and easily accessible, it is more easily accepted by digital generation users.

Perceived Usefulness

Perceived usefulness such as payment flexibility, access to high-value items, and short-term financial management make BNPL more attractive to young consumers. According to a study by Wong et al. (2024), he linked BNPL's ability to help consumers manage their budgets to the perception of its benefits. BNPL is seen as a tool that facilitates cash flow and provides flexibility that traditional payment methods do not offer. Furthermore, according to Tan et al. (2024), the higher the perception of the benefits of BNPL, the higher the tendency to use the service. This shows that the perception of the usefulness of BNPL directly influences its usage rate among young consumers.

Platform Availability & Payment Flexibility

Technical features offered by the BNPL platform such as installment options, flexible payment terms, and availability across multiple e-commerce platforms are key drivers of purchase decisions. Mukhtar et al. (2023) stated that factors such as multiple payment options, flexible scheduling, and easy integration into the checkout process make BNPL more attractive. These features give users control and reduce the pressure of paying in full at one time. This indicates that technological advancements in e-commerce platforms support the growth of BNPL usage and increase user convenience.

CONCLUSION AND FUTURE RESEARCH

For the conclusion, there are 37 factors that have the potential to influence the spending behavior of young consumers. However, the researchers selected two previous studies that have categorized these factors into four main categories, which are psychological, social, financial and technological factors, as a guide to classifying all 37 factors identified. To summarize the frequency factor, researchers use the plotting method based on previous studies. The result is shown in Table II below:

TABLE II Analysis Factors Influencing Spending Behavior of Young Consumers

Factors/ Authors	Osman et al. (2024)	Halim et al. (2024)	Mukhtar et al. (2023)	Wong et al. (2024)	Tan et al. (2024)	Mokhtar et al. (2020)	Soong et al. (2024)	Frequency factor
Psychology								
Hedonistic motivation	X	X	X	X	X			5
Impulse buying	X	X			X	X		4
Instant gratification	X	X						2
Fear of missing	X		X	X	X		X	5

out (FOMO)								
Purchase intention			X	X	X		X	4
Social								
Peer influence	X		X	X	X	X		5
Social norms				X			X	2
Social media influence	X						X	2
Family influence		X	X					2
Financial								
Financial literacy	X	X	X			X	X	5
Perceived risk	X		X	X	X			4
Price sensitivity			X		X			2
Marketing influence		X				X		2
Technology								
Trust in platform				X	X		X	3
Technology Convenience	X		X		X			3
Perceived usefulness			X				X	2
Platform availability & payment flexibility	X			X	X	X		4

For future research, this study aims to develop a robust conceptual framework based on the factors identified in Table II and to further discuss relevant theoretical perspectives, including the Technology Acceptance Model (TAM), the Theory of Planned Behaviour (TPB), and the Protection Motivation Theory (PMT). A quantitative approach will be adopted through the distribution of questionnaires to UTeM students, particularly from the Faculty of Technology Management and Technopreneurship (FPTT). To ensure the reliability of the instrument, a pilot study will be conducted, and internal consistency will be assessed using Cronbach's Alpha values. Data will be analysed using descriptive statistics and Pearson correlation to identify patterns and relationships among variables. The expected findings of this study are to reveal whether BNPL gives more benefit or being a financial burden to young consumers.

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Conflict of Interest

The authors have no conflicts of interest to declare.

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