

Factors Influencing Buy Now, Pay Later Usage Intention Among Gen Z Consumers in Malaysia: An Empirical Investigation

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ABSTRACT:

The rapid expansion of Buy Now, Pay Later (BNPL) services has transformed consumer payment practices and increased access to deferred payment facilities, particularly among digitally engaged Generation Z (Gen Z) consumers. However, empirical evidence regarding the factors associated with BNPL usage intention remains inconsistent, particularly concerning financial literacy and perceived risk, while the role of materialism warrants further examination within the Malaysian Gen Z context. Accordingly, this study examines the relationships of materialism, financial literacy, social influence, and perceived risk with BNPL usage intention among Gen Z consumers in Malaysia. A quantitative, cross-sectional survey design was employed using purposive sampling. Data were collected through an online self-administered questionnaire from Malaysian Gen Z age definition of 14–29 years; who had previous experience using BNPL services however, the final analysed sample comprised respondents aged 18–29 years. After data screening, 405 valid responses were retained for analysis. The data were analysed using frequency analysis, descriptive statistics, reliability analysis, Pearson correlation analysis, analysis of variance (ANOVA), and multiple linear regression using SPSS. The results indicate that materialism and social influence are positively associated with BNPL usage intention, whereas financial literacy and perceived risk are negatively associated with BNPL usage intention. The multiple regression results indicate that the proposed predictors collectively explain a substantial proportion of variance in BNPL usage intention. The findings contribute to the understanding of BNPL-related consumer behaviour among Malaysian Gen Z consumers by demonstrating that psychological, social, financial, and risk-related factors are associated with their intention to use BNPL services. The findings also provide implications for promoting more informed and responsible use of deferred payment services among young adult consumers.

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Keywords: BNPL usage intention, materialism, financial literacy, social influence, perceived risk

Introduction

The rapid advancement of financial technology (fintech) has fundamentally transformed consumer payment behaviour, with Buy Now, Pay Later (BNPL) emerging as one of the prominent alternative payment solutions in contemporary digital commerce (Tan, 2022; Tirtaatmadja et al., 2025). BNPL refers to a short-term deferred payment arrangement that allows consumers to obtain goods or services immediately and repay the purchase amount through instalments over a specified period, often with minimal or no interest when repayments are made on time (Aalders, 2023). Its integration into major e-commerce and digital platforms has made consumer credit increasingly accessible, particularly to younger and digitally connected consumers. While BNPL can provide consumers with payment flexibility and facilitate access to goods and services, its increasing accessibility also highlights the importance of understanding how consumers evaluate and intend to use deferred payment facilities.

The instant expansion of BNPL raises an important consumer financial concern because the ease and immediacy of accessing deferred payment facilities may reduce the salience of the financial commitment associated with a purchase (Azmi et al., 2024; Raj et al., 2024). Unlike conventional credit decisions, BNPL is frequently embedded directly within digital purchasing environments, allowing consumers to obtain products immediately while postponing payment. This accessibility may be particularly consequential for younger consumers, whose financial resources and financial management experience may still be developing (Furqan et al., 2025). In Malaysia, the growing scale of BNPL usage has increased the relevance of this issue. Bank Negara Malaysia (2025) reported that active BNPL users increased substantially and that outstanding BNPL debt reached RM4.9 billion by December 2025, while emphasising that the rapid expansion of the segment warrants continued monitoring. Recent Malaysian evidence has also highlighted concerns surrounding financial

vulnerability, difficulties in managing repayments, limited understanding of BNPL terms, and the potential accumulation of debt among Generation Z users (Ting et al., 2025). These developments suggest that understanding why consumers intend to use BNPL is not merely a question of technology adoption or payment convenience, but also an important issue of responsible consumer financial decision-making.

Although previous studies have examined various determinants of BNPL usage intention, important questions remain concerning how different dimensions of consumer decision-making operate simultaneously in the Malaysian Gen Z context (Osman et al., 2024). Existing research has commonly examined technology and convenience-related factors, such as perceived usefulness, ease of use, performance expectancy, and social influence, while financial capability and psychological orientations have received comparatively less integrated attention (Abed & Alkadi, 2024). Recent Malaysian studies have begun to examine financial literacy, social influence, perceived usefulness, convenience, and related factors, but these studies do not consistently provide an integrated explanation of how consumers' psychological orientation, financial capability, social environment, and risk perceptions jointly relate to BNPL usage intention (Huey et al., 2025). More importantly, the financial implications associated with BNPL adoption indicate that examining a single technology-adoption factor may provide only a partial explanation of consumers' decisions to use deferred payment facilities (Simiyu et al., 2025). Materialism may reflect consumers' desire for immediate acquisition, financial literacy represents their capacity to understand and manage financial commitments, social influence captures the interpersonal environment surrounding BNPL use, while perceived risk reflects consumers' recognition of possible adverse consequences (Salah et al., 2026; Utami & Osman, 2026; Srivastava et al., 2025; Gosal et al., 2026). However, these dimensions have not been sufficiently examined together within a single empirical model focusing specifically on

Malaysian Gen Z consumers. Addressing this gap can provide a more comprehensive understanding of the factors associated with BNPL usage intention and, in turn, contribute to a clearer understanding of the consumer characteristics underlying the growing use of deferred payment facilities.

The issue is also relevant to the broader objectives of sustainable development, particularly those concerning responsible consumption and inclusive economic participation (Juita et al., 2023). Understanding how consumers make decisions regarding deferred payment facilities can contribute to wider discussions on responsible consumption, financial awareness, and sustainable consumer financial practices (Anggapratama et al., 2026). In the context of BNPL, examining the psychological, financial, social, and risk-related factors associated with usage intention may therefore provide useful insights into how digital financial services can develop alongside greater consumer awareness and responsible financial decision-making. Although the present study does not directly measure Sustainable Development Goal (SDG) outcomes, its focus is relevant to the broader principles underlying SDG 8 and SDG 12, particularly responsible economic participation and consumption (Hiew et al., 2026).

Accordingly, this study examines the relationships between materialism, financial literacy, social influence, perceived risk, and BNPL usage intention among Gen Z consumers in Malaysia. Specifically, the study seeks to provide an integrated understanding of how psychological orientation, financial capability, social environment, and risk perceptions are associated with consumers' intention to use BNPL services. By examining these four dimensions within a single empirical framework, the study responds to the need for further evidence from the Malaysian Gen Z context and provides a more comprehensive account of the factors associated with BNPL usage intention. This focus is particularly relevant as BNPL continues to develop within the digital financial ecosystem and as understanding consumer

decision-making becomes increasingly important for financial education, responsible consumption, and the sustainable development of digital financial services in Malaysia (Hassan et al., 2025).

2. Literature Review

Intention Towards BNPL Usage

Intention towards BNPL usage refers to a consumer's willingness, readiness, or likelihood to use BNPL as a payment facility when making purchases (Oanh & Linh, 2026). Behavioural intention is commonly regarded as an important indicator of prospective technology and service usage because it reflects an individual's inclination to perform a particular behaviour (Ajzen, 1991). In the context of BNPL, usage intention concerns consumers' willingness to select deferred payment as an alternative payment arrangement when purchasing goods or services (Gerrans et al., 2022; Guttman-Kenney et al., 2023). However, the meaning of usage intention may differ according to consumers' previous experience with the service (Hesniati & Limgestu, 2023). For consumers who have never used BNPL, intention may represent an initial adoption decision, whereas for existing users, intention may reflect their willingness to use the service again, continue using it, or increase their future usage (Pertwi et al., 2025). This distinction is particularly relevant to the present study because the respondents were required to have previous experience using BNPL services.

Accordingly, this study conceptualises BNPL usage intention as a future-oriented intention to use, continue using, or increase the use of BNPL among consumers with prior BNPL experience. This operationalisation is consistent with the measurement items employed in the study, which capture several aspects of future usage intention. The items assess respondents' willingness to use BNPL for payments, intention to use BNPL when the associated cost and time are considered reasonable, intention to use BNPL in the future, intention to continue using BNPL more frequently, habitual use of BNPL, and intention to use BNPL in the near future (Raj et al., 2024). Thus, the construct does not represent first-time adoption alone but captures the broader

behavioural intention of existing BNPL users toward future engagement with the payment facility. This approach is particularly relevant in examining the Malaysian Gen Z population because their prior experience with BNPL enables them to form usage intentions based on familiarity with the service rather than hypothetical perceptions of a payment facility, they have never encountered (Hoo et al., 2024).

Understanding BNPL usage intention is important because intention provides an indication of consumers' prospective engagement with deferred payment services. Consumers may evaluate personal, financial, social, and risk-related considerations before deciding whether to use or continue using BNPL (Waliszewski et al., 2025). Previous research has identified factors such as perceived usefulness, convenience, social influence, financial considerations, consumer characteristics, and perceived risk as relevant to the formation of BNPL-related behavioural intentions (Abu Seman, 2025; Van et al., 2024). In the present study, usage intention is therefore examined as the dependent construct through which materialism, financial literacy, social influence, and perceived risk are investigated. Examining these relationships among existing BNPL users allows the study to provide evidence on the factors associated with consumers' willingness to engage with BNPL in the future, rather than limiting the analysis to the decision of whether to adopt the service for the first time.

Underpinning Theory: Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB), developed by Ajzen (1991), provides an established theoretical perspective for explaining behavioural intention and decision-making. The theory proposes that an individual's intention to perform a behaviour is primarily determined by three components: attitude towards the behaviour, subjective norm, and perceived behavioural control. Attitude refers to an individual's favourable or unfavourable evaluation of performing a particular behaviour, subjective norm reflects perceived social

expectations or social pressure from important individuals or groups, and perceived behavioural control represents the individual's perception of the availability of resources, opportunities, and ability required to perform the behaviour (Hesniati et al., 2025). According to TPB, these components contribute to the formation of behavioural intention, which subsequently provides an indication of the likelihood that the behaviour will be performed (Raj et al., 2025). The theory has been applied extensively to explain behavioural intentions across financial decision-making, digital payment, and technology-related contexts, including emerging forms of digital financial services (Akhtar et al., 2023).

In the context of BNPL, TPB provides a useful theoretical lens for understanding why consumers may develop intentions to use deferred payment facilities. Consumers may evaluate BNPL based on their personal values and perceptions, consider the views and behaviours of people who are important to them, and assess their perceived ability to manage the financial commitments associated with BNPL (Ahmad et al., 2026). These considerations are relevant to the present study because BNPL usage involves not only technological access but also individual decision-making within a social and financial environment. Accordingly, TPB provides a theoretical basis for considering psychological orientation, social surroundings, and financial capability when examining consumers' intention towards BNPL usage (Chan et al., 2026).

However, the present study does not seek to empirically test the complete TPB model. Specifically, attitude, subjective norm, and perceived behavioural control are not operationalised as three separate endogenous constructs in the proposed research framework. Instead, the study draws on selected concepts that have theoretical relevance to the behavioural mechanisms described by TPB. Materialism is considered relevant to the individual's evaluative orientation towards consumption and acquisition, financial literacy reflects consumers' financial knowledge and capability when

considering financial commitments, and social influence captures the social environment surrounding BNPL usage (Sarangi et al., 2026; Wang & Wong, 2026; Kiran et al., 2024). Perceived risk is incorporated to account for consumers' perceptions of potential adverse consequences associated with BNPL (Kumar & Nayak, 2024). Therefore, TPB is used in the present study as a supporting theoretical lens rather than as a complete structural model being directly tested.

This positioning allows the study to apply the behavioural-intention perspective of TPB while maintaining consistency between the theoretical discussion and the variables that are actually measured. The focus is consequently placed on examining how materialism, financial literacy, social influence, and perceived risk are associated with BNPL usage intention among Malaysian Gen Z consumers. By explicitly treating TPB as a theoretical lens rather than claiming to test all of its constituent constructs, the study avoids implying that the empirical model represents a full test of TPB.

Unified Theory of Acceptance and Use of Technology 2 (UTAUT2)

The Unified Theory of Acceptance and Use of Technology 2 (UTAUT2), developed by Venkatesh et al. (2012), extends the original Unified Theory of Acceptance and Use of Technology (UTAUT) by incorporating additional factors that explain consumers' acceptance and use of technology (Retnaningrum & Sundari, 2025). UTAUT2 proposes seven key constructs, namely performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, and habit. These constructs provide a comprehensive perspective for explaining why consumers may develop intentions to adopt and use technology-based products and services (Simiyu et al., 2025). The framework has subsequently been applied across various digital consumption and financial technology contexts because it considers not only functional evaluations of technology but also social and experiential factors that may shape consumer intention.

The relevance of UTAUT2 to BNPL usage arises from the fact that BNPL is embedded within digital commerce and payment environments in which consumers may be associated by both technological characteristics and their surrounding social environment. In particular, social influence reflects the extent to which consumers perceive that important people, peers, or members of their social environment believe that they should use a particular technology or service (Zheng et al., 2026). For BNPL, consumers may encounter recommendations, experiences, opinions, and usage practices from friends, family members, peers, or online communities. Such social exposure may contribute to perceptions that BNPL is an accepted or appropriate payment option and may consequently be associated with stronger intention to use the service (Yamuna, 2025).

Among the UTAUT2 constructs, social influence is therefore selected as a relevant dimension for the present study because of its direct theoretical relevance to the social processes surrounding BNPL usage intention. The selection is also consistent with the study's focus on Gen Z consumers, for whom digital consumption and social interaction are closely connected (Abed & Alkadi, 2024; Sarifuddin, 2025). However, the present study does not seek to empirically test the complete UTAUT2 framework. Performance expectancy, effort expectancy, facilitating conditions, hedonic motivation, price value, and habit are outside the scope of the current research model and are therefore not operationalised as separate constructs. Instead, UTAUT2 is used as a supporting theoretical lens, with social influence drawn from the framework to explain the role of social surroundings in shaping BNPL usage intention (Raj et al., 2025).

The selective application of UTAUT2 is appropriate because the present study is not intended to provide a comprehensive test of all technology-adoption determinants. Rather, it focuses specifically on four selected dimensions—materialism, financial literacy, social influence, and perceived risk—to examine their relationships with BNPL usage intention. Social influence provides the technology-

adoption and social-context dimension within this framework, while materialism, financial literacy, and perceived risk address psychological, financial, and risk-related considerations that are not represented as core constructs in the selected UTAUT2 component. Consequently, UTAUT2 complements rather than replaces the other theoretical perspectives used in the study.

Materialism and Intention Towards BNPL Usage

Materialism refers to the extent to which individuals place importance on possessions, acquisition, and the attainment of material goods as a means of achieving desired life outcomes or expressing personal success (Raj et al., 2024). Materialistic individuals tend to assign greater importance to acquiring and possessing goods and may place consumption at a relatively central position in their lives. Within consumer behaviour research, materialism has therefore been associated with stronger acquisition motives and greater emphasis on obtaining products that provide symbolic, functional, or psychological value. In the context of younger consumers, materialistic orientations may become particularly relevant when purchasing opportunities are readily accessible through digital commerce platforms (Ellyawati & Tarigan, 2024).

The relationship between materialism and BNPL usage intention can be understood through the purchasing flexibility provided by deferred payment arrangements (Aalders, 2023). Materialistic consumers may experience a stronger desire to acquire desired products, while the requirement to make an immediate full payment may represent a barrier to acquisition when available financial resources are limited (Schomburgk & Hoffmann, 2023). BNPL can reduce the immediate payment requirement by allowing the purchase to be obtained while the payment is distributed across instalments. Consequently, the availability of BNPL may make immediate acquisition more feasible for consumers who place greater importance on possessions and consumption. In this sense, materialism does not necessarily imply that consumers are financially irresponsible; rather, a

stronger orientation towards acquisition may increase the attractiveness of payment arrangements that facilitate access to desired products (Relja et al., 2024).

Previous research has increasingly examined the relationship between materialistic values and consumers' financial and consumption-related behaviours, including emerging forms of digital payment and BNPL (Dewantara et al., 2026). Materialistic consumers may be more receptive to payment mechanisms that facilitate immediate access to products because such mechanisms reduce the salience of the upfront financial commitment at the point of purchase (Guttman-Kenney et al., 2023). This may be particularly relevant for Gen Z consumers who frequently encounter products, promotional content, and digital purchasing opportunities through online. However, existing evidence concerning materialism and BNPL usage remains relatively limited within the Malaysian Gen Z context, particularly when materialism is examined alongside financial literacy, social influence, and perceived risk (Ismail et al., 2024). Examining materialism within this integrated framework therefore provides an opportunity to assess whether consumers' psychological orientation towards possessions is associated with their intention to use BNPL). Therefore, consumers with stronger materialistic orientations are expected to demonstrate greater intention towards BNPL usage because the payment facility can provide greater flexibility in obtaining desired products without requiring the full purchase amount to be paid immediately. Based on this reasoning, the following hypothesis is proposed:

H1: Materialism has a positive and significant relationship with intention towards BNPL usage.

Financial Literacy and Intention Towards BNPL Usage

Financial literacy refers to an individual's ability to understand and manage financial matters in ways that support appropriate financial decision-making. In consumer financial behaviour, financial literacy is not limited to the possession of financial knowledge but may also be reflected

in individuals' ability to apply financial understanding when managing their financial resources (Luo et al., 2023). Effective financial management may involve budgeting, controlling expenditure, saving, and making appropriate decisions regarding borrowing and other financial commitments (Gafoor et al., 2026). These capabilities are particularly relevant when consumers engage with financial services that allow purchases to be paid overtime, as such arrangements create future payment obligations that need to be incorporated into an individual's financial planning.

In the present study, financial literacy is operationalised through self-reported financial management practices and perceived financial capability. The measurement items assess respondents' perceived ability to manage personal finances, prepare monthly and daily expenditure budgets, allocate money towards savings, and manage their finances in a manner that reduces reliance on borrowing from others. Therefore, the construct primarily captures practical aspects of financial management rather than objective financial knowledge alone. The relationship between financial literacy and BNPL usage intention can be understood from the financial obligations associated with deferred payment arrangements (Ahmad et al., 2026). Consumers with stronger financial management capabilities may be more conscious of their available financial resources, expenditure commitments, savings requirements, and ability to meet future payments. Such consumers may therefore evaluate BNPL more cautiously because they recognise that the convenience of deferred payment does not eliminate the underlying financial obligation. Conversely, consumers with weaker financial management practices may perceive the immediate affordability offered by instalment-based payments without fully considering the accumulation of future commitments (Verriest, 2026). Consequently, differences in financial management capability may be associated with differences in consumers' intention to use BNPL.

Financial literacy is particularly relevant in the Malaysian Gen Z context because BNPL

provides consumers with relatively accessible deferred payment arrangements within digital purchasing environments (Sarifuddin, 2025; Podin et al., 2025). Although BNPL may provide payment flexibility, its use requires consumers to manage instalment commitments alongside other regular expenditures. Consumers who actively budget their expenses and maintain savings may be more attentive to whether additional payment commitments are compatible with their existing financial resources. Therefore, stronger financial literacy, as reflected through effective financial management practices, may be associated with lower intention towards BNPL usage (Mohammad et al., 2025). This relationship does not imply that financially literate consumers necessarily avoid BNPL; rather, they may be more likely to evaluate the financial implications of deferred payment before deciding whether to use the facility.

Previous research has examined financial literacy as an important factor in consumers' financial decision-making and the use of emerging financial services (Chan et al., 2026). However, the relationship between practical financial management capability and BNPL usage intention remains relevant for further examination because BNPL differs from conventional payment methods by separating the acquisition of a product from the immediate settlement of its full cost. In the present study, financial literacy is therefore examined alongside materialism, social influence, and perceived risk to provide a broader assessment of the individual and contextual factors associated with BNPL usage intention. This approach recognises that consumers' decisions regarding BNPL may reflect not only their desire to acquire goods or the influence of others, but also their perceived ability to manage the financial commitments arising from deferred payment. Based on this reasoning, consumers with stronger financial literacy and financial management capabilities are expected to demonstrate lower intention towards BNPL usage because they may be more attentive to budgeting, saving, expenditure control, and the management of future financial obligations. Therefore, the following hypothesis is proposed:

H2: Financial literacy has a negative and significant relationship with intention towards BNPL usage.

Social Influence and Intention Towards BNPL Usage

Social influence refers to the extent to which an individual's behavioural decisions are shaped by the opinions, expectations, experiences, or behaviours of people within their social environment. Individuals may consider the views of family members, friends, peers, colleagues, or other socially relevant groups when deciding whether to engage in a particular behaviour (Garamoun, 2025). In technology and digital service contexts, social influence is particularly relevant because consumers are frequently exposed to the experiences and recommendations of others through interpersonal communication and digital platforms (Huang & Mohamad, 2025). The perceptions formed through such social interactions may contribute to an individual's evaluation of whether a particular service is acceptable, useful, or appropriate for personal use.

The relevance of social influence to BNPL usage intention can be explained by the social environment in which consumers encounter and use digital payment services (Mat et al., 2025). BNPL is commonly integrated into online shopping and digital commerce environments where consumers may observe the payment practices of friends, peers, family members, or online communities. Positive experiences shared by others may increase familiarity with BNPL and reduce uncertainty regarding its use, while frequent exposure to BNPL usage within a social group may contribute to perceptions that the service is a normal or acceptable payment option (Halim et al., 2026). Consequently, consumers may develop stronger intention to use BNPL when individuals who are important to them express favourable views towards the service or demonstrate similar usage behaviour.

This relationship may be particularly relevant among Gen Z consumers because their consumption decisions are frequently situated

within digitally connected social environments. Social interaction through online platforms can expose consumers to product recommendations, purchasing experiences, reviews, and payment practices beyond their immediate interpersonal relationships (Akhtar et al., 2023). Such exposure does not necessarily mean that consumers simply follow social pressure; rather, social information may provide reference points that assist consumers in evaluating unfamiliar or evolving financial technologies. In the case of BNPL, observing others using the service may increase familiarity with deferred payment arrangements and contribute to perceptions that BNPL is a convenient and socially accepted payment alternative (Threadgold et al., 2025).

Previous research has identified social influence as a relevant factor in explaining behavioural intention towards technology-based services and digital financial applications (Lim, 2025). Within the UTAUT2 perspective, social influence represents the extent to which consumers perceive that important people believe they should use a particular technology or service (Abed & Alkadi, 2024). This provides a theoretical basis for examining whether the social environment surrounding BNPL is associated with consumers' intention to use the service. In the present study, social influence is therefore incorporated as one of the selected antecedents of BNPL usage intention, alongside materialism, financial literacy, and perceived risk.

However, the role of social influence should be considered together with other psychological and financial characteristics rather than in isolation. The present study therefore examines social influence within an integrated model containing materialism, financial literacy, and perceived risk. This approach allows the relationship between social influence and BNPL usage intention to be examined while accounting for other relevant characteristics that may also be associated with consumers' intentions. Hence, who perceive stronger social influence towards BNPL are expected to demonstrate greater intention towards BNPL usage. Accordingly, the following hypothesis is proposed:

H3: Social influence has a positive and significant relationship with intention towards BNPL

Perceived Risk and Intention Towards BNPL Usage

In the context of BNPL, perceived risk may encompass several concerns because the service involves both digital transactions and deferred financial commitments (Raj et al., 2024). Consumers may be concerned about fraud when providing payment information, privacy when personal and financial data are processed, security when connecting payment accounts, financial consequences arising from repayment obligations, and the extent to which BNPL transactions are adequately protected (Octaviana et al., 2024). Legal or regulatory protection may also contribute to consumers' overall perception of risk. Therefore, perceived risk in the BNPL context is not necessarily restricted to financial risk but can reflect several forms of uncertainty surrounding the use of the payment facility.

The present study operationalises perceived risk through six measurement items addressing fraud, privacy, account security, overall risk, financial risk, and legal protection (adapted from Featherman & Pavlou, 2003; Raj et al., 2024; Setiawan et al., 2024). Thus, the measurement captures several related manifestations of consumers' perceived risk towards BNPL rather than focusing exclusively on a single risk dimension. Although these items represent different facets of risk, they are combined in the present study to represent respondents' overall perceived risk associated with BNPL usage. This approach allows the study to examine the broader perception of potential negative consequences while maintaining a manageable model consistent with the study's research objectives.

The relationship between perceived risk and BNPL usage intention can be explained through consumers' evaluation of uncertainty and potential loss. When consumers perceive greater risks associated with a payment service, they may become more cautious about engaging with that service. Concerns about fraud, privacy breaches, unauthorised access, financial obligations, or insufficient protection may reduce consumers'

willingness to select BNPL as a payment option (Yadav et al., 2026). Conversely, when consumers perceive fewer risks, uncertainty surrounding the service may be reduced, potentially facilitating greater willingness to use BNPL (Hasibuan et al., 2025). Therefore, perceived risk is expected to represent a potential barrier to BNPL usage intention.

This relationship is particularly relevant because BNPL combines characteristics of digital payment and short-term deferred payment. Consumers therefore need to consider not only the security of the digital transaction but also the financial obligations created by the arrangement (Schomburgk & Hoffmann, 2023). For consumers who perceive BNPL as involving substantial financial or transactional risk, the perceived disadvantages may outweigh the convenience associated with deferred payment. Such perceptions may subsequently be reflected in lower intention to use the service (Trinh et al., 2021). However, the strength of this relationship may vary according to consumers' previous experience, financial circumstances, and familiarity with digital financial services.

Previous research has identified perceived risk as an important consideration in consumers' acceptance of digital financial and payment services. Nevertheless, the specific nature of perceived risk in BNPL warrants further examination because BNPL introduces deferred financial commitments alongside conventional concerns regarding digital transaction security and privacy. Within the present study, perceived risk is therefore examined together with materialism, financial literacy, and social influence to provide a broader understanding of the factors associated with BNPL usage intention among Malaysian Gen Z consumers. Therefore, consumers who perceive greater risk associated with BNPL are expected to demonstrate lower intention towards BNPL usage (Namahoot & Jantasri, 2022). Based on this reasoning, the following hypothesis is proposed:

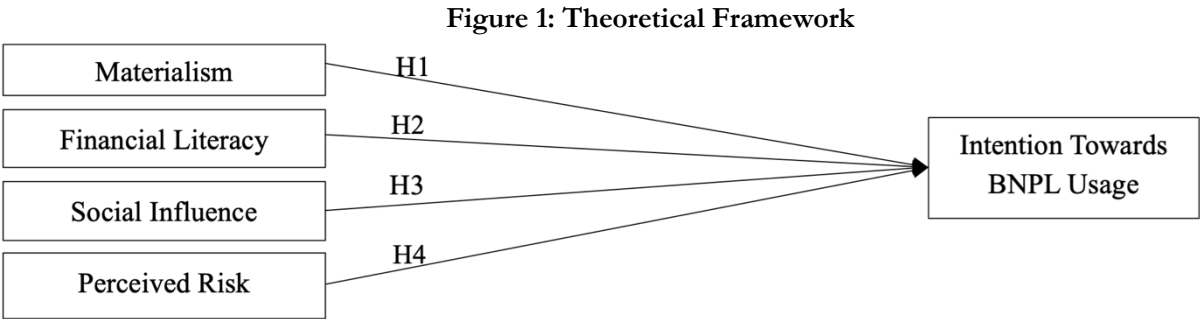
H4: Perceived risk has a negative and significant relationship with intention towards BNPL usage.

3. Methodology

Research Design

Research design mainly referred as the framework that carries a research project (Singh, 2024). This study employed a quantitative research design to examine the determinants of Buy Now, Pay Later (BNPL) usage intention among Generation Z (Gen Z) consumers in Malaysia. A quantitative approach was considered appropriate because the study aimed to examine the relationships between materialism, financial literacy, social influence, perceived risk, and

intention towards BNPL usage using numerical data obtained from respondents. The study adopted a cross-sectional survey design, whereby data were collected from respondents at a single point in time through a structured questionnaire. The use of a survey approach is appropriate for BNPL research as it enables researchers to collect information regarding consumers' perceptions, attitudes, and behavioural intentions from a relatively large number of respondents. Recent BNPL studies in Malaysia have similarly employed quantitative survey approaches to investigate determinants of BNPL adoption and usage intention.



The target population of this study comprised Gen Z consumers in Malaysia who had previous experience using BNPL services. Respondents were selected based on their relevance to the research objectives, as the study specifically aimed to understand the association of BNPL usage intention among consumers with actual experience and familiarity with BNPL services.

Data Collection

The target population of this study comprised Gen Z consumers in Malaysia, defined as individuals within the age range of 14 to 29 years. The study focused on respondents who had previous experience using Buy Now, Pay Later (BNPL) services because the research examines factors associated with their intention to use BNPL. Respondents were recruited from different backgrounds within the Gen Z population, including university students, interns, and young working adults. This approach enabled the study to capture BNPL users who engage with the service within different educational and employment contexts.

A purposive non-probability sampling technique was employed because the study required respondents to fulfil specific eligibility criteria, particularly previous experience with BNPL services. The use of purposive sampling was appropriate because there was no comprehensive sampling frame identifying Malaysian Gen Z consumers who had previously used BNPL services. Consequently, respondents were approached through social media and online networks where eligible members of the target population could be reached. The questionnaire was distributed electronically to potential respondents through relevant social media platforms and networks involving university students, interns, and young workers. Data collection was conducted over a period of one month.

A total of 449 responses were received during the data collection period. The responses were subsequently screened according to the study's eligibility and data-quality criteria. Furthermore, 41 responses were excluded because the respondents had no previous experience using

BNPL services and therefore did not meet the inclusion criterion of the study. A further three responses were excluded because the respondents provided the same response across the questionnaire items (i.e., selecting “5” for all items), indicating an invalid response pattern that did not provide meaningful variation in the collected data. After these exclusions, 405 valid responses remained for the analysis. The final valid dataset therefore contained no respondent below 18 years of age. Although the broader target population was defined as Gen Z aged 14–29, the analysed respondents were aged 18–29 years. For any future recruitment involving respondents below 18 years of age, the appropriate parental or guardian permission procedures would be followed in accordance with the applicable research ethics requirements.

The final sample of 405 valid respondents was subsequently used for the statistical analysis. The screening procedure ensured that the analysed sample consisted of respondents who had prior BNPL experience and whose responses met the established data-quality criteria.

Sampling and Measurement Items

The research instrument was developed by adapting measurement items from previously established instruments relevant to the constructs examined in the study. The use of existing measurement items was considered appropriate because the study examines established psychological, financial, social, and risk-related constructs within the specific context of BNPL usage. Rather than developing entirely new measures, the questionnaire adapted items from previous studies and contextualised their wording to reflect BNPL usage among Gen Z consumers in Malaysia.

The questionnaire consisted of two main sections. The first section collected information concerning the demographic and background characteristics of the respondents. These questions were used to describe the characteristics of the final sample, including respondents’ age, gender, educational background, employment-related characteristics, income or allowance, and BNPL usage

characteristics. The second section contained the measurement items for the study constructs, namely materialism, financial literacy, social influence, perceived risk, and intention towards BNPL usage. The questionnaire was administered in English.

A total of 29 measurement items (see Table 1) were used for the five constructs examined in the present empirical model. Intention towards BNPL usage was measured using six items adapted from Yang et al. (2021) and Jiatong et al. (2021). The items capture respondents’ willingness to use BNPL, intention to use BNPL in the future, intention to continue or increase usage, and intention to use the service in the near future. Materialism was measured using six items adapted from Richins and Dawson (1992) and Raj et al. (2023), focusing on the importance of possessions, luxury goods, acquisition, success, status, and prestige. Financial literacy was measured using five items adapted from Herdinata and Pranatasari (2020). These items assess respondents’ self-reported financial management capability, including budgeting, expenditure management, saving, and management of borrowing.

Social influence was measured using six items adapted from Yang et al. (2021) and Venkatesh et al. (2003). The items assess the extent to which important people, family members, friends, community members, and individuals whose opinions respondents value are associated with their BNPL usage decisions. Perceived risk was measured using six items adapted from Alalwan et al. (2018), Singh et al. (2021), Wu and Wang (2005), and Senyo and Osabutey (2020). The items capture several facets of BNPL-related risk, including fraud, privacy, security, overall risk, financial risk, and legal protection. Although these items represent different aspects of perceived risk, they were aggregated in the present study to represent respondents’ overall perceived risk towards BNPL usage.

All construct items were measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. The use of a consistent response scale across the constructs

facilitated comparison of respondents' perceptions and enabled the data to be analysed using the statistical procedures specified for the study. The resulting main-study data were subsequently analysed using SPSS. Cronbach's alpha was used to assess the internal consistency reliability of the measurement items, while descriptive, correlation, and regression analyses were conducted to examine the proposed relationships between the study variables.

Data Analysis

The collected data were analysed using the Statistical Package for the Social Sciences (SPSS). SPSS was used to organise, screen, and analyse the data obtained from the 405 respondents. The analysis began with data screening to ensure that the dataset was suitable for further analysis.

Descriptive statistics were subsequently used to summarise the demographic characteristics of the respondents and provide an overview of the sample.

In addition, reliability analysis was conducted to assess the internal consistency of the measurement items. Correlation and inferential statistical analyses were then conducted to examine the relationships between materialism, financial literacy, social influence, perceived risk, and intention towards BNPL usage. Regression analysis was used to determine the influence of the independent variables on the dependent variable and to evaluate the proposed hypotheses. The use of SPSS for analysing survey data and examining relationships between BNPL determinants and usage intention is consistent with previous Malaysian BNPL research.

Table 1: Development of Measurement Items

Construct	Items	Sources
Intention towards BNPL usage	Given that BNPL as a payment option, I will use it to make payments I intend to use BNPL if the cost and time is reasonable for me I intend to use BNPL in future I intend to continue using BNPL more frequently in the future I always try to use BNPL in my daily life I intend to use BNPL soon	Yang et. al (2021) & Jiatong et. al (2021)
Materialism	Acquiring valuable things is important for my happiness Having luxury items is important to a happy life I feel good when I buy expensive things; people think of me as a success I will pay more for a product if people think of it as a sign of success I like to own expensive thing than most people because this is a sign of success I love to buy new products that affect status and prestige	Richins and Dawson (1992); Raj et. al (2023)
Financial Literacy	I understand how to manage personal finances well I prepare a monthly expense budget I prepare a budget for living expenses per day I set aside money for savings I manage my finances well so as not to borrow money from others	Herdinata & Pranatasari (2020)
Social Influence	People who influence my behaviour think that I should use BNPL People who are important to me think that I should use BNPL BNPL are widely used by people in my community My family members and friends use BNPL In my social circle, BNPL is considered important for financial transactions In my social circle, people whose opinions that I value prefer that I use BNPL	Yang et al. (2021) & Venkatesh et al. (2003)

Perceived Risk	I feel that using BNPL as a payment option while shopping online exposes me to potential fraud I fear that while using BNPL as a payment option during online shopping, my privacy is at risk I fear that while I am using BNPL as a payment option during online shopping, someone may hack my bank account I fear that using BNPL as a payment option while shopping online exposes me to an overall risk Using BNPL services involves more financial risk BNPL transactions are not adequately protected by law	Alalwan et al. (2018); Singh et al. (2021); Wu and Wang (2005); Senyo and Osabutey (2020)
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4. Results

A total of 405 valid responses were included in the final analysis. The respondent profile was examined using frequency and percentage distributions to describe the demographic characteristics and BNPL usage patterns of the sample. The demographic variables considered were gender, age, marital status, educational attainment, race, occupation, and income level. In addition, BNPL usage frequency and the BNPL platform used by respondents were included to provide a more context-specific description of the participants. The inclusion of these characteristics is important because the study focuses specifically on Gen Z consumers with

previous experience using BNPL services.

Referring to Table 2, the results show that female respondents constituted 61.5% of the sample ($n = 249$), while male respondents accounted for 38.5% ($n = 156$). Regarding age, 27.2% of respondents were aged between 18 and 21 years ($n = 110$), 39.8% were aged between 22 and 25 years ($n = 161$), and 33.1% were aged between 26 and 29 years ($n = 134$). Thus, the largest age group in the sample was respondents aged 22 to 25 years. Although the target population was defined as Gen Z consumers aged 14 to 29 years, the final valid sample consisted of respondents aged 18 to 29 years.

Table 2: Respondents' demographic profile

Variable	Category	Frequency (n)	Percentage (%)
Gender	Female	249	61.5
	Male	156	38.5
Age	18 – 21 years old	110	27.2
	22 – 25 years old	161	39.8
	26 – 29 years old	134	33.1
Marital Status	Married	62	15.3
	Single	343	84.7
Highest Education	College Diploma	69	17.0
	University Degree	282	69.6
	Master	37	9.1
	PhD	17	4.2
Race	Malay	159	39.3
	Chinese	174	43.0
	Indian	45	11.1
	Others	27	6.7
Occupation	Government servant	46	11.4
	Private servant	90	22.2
	Self-employed	47	11.6
	Part-time worker	21	5.2
	Student	190	46.9
Income level	Unemployed	11	2.7
	Less than RM1,500	142	35.1
	RM1,500-RM3,000	152	37.5

	RM3,001 – RM4,500	66	16.3
	Above RM4,500	45	11.1
BNPL Frequency	Daily	73	18.0
	Weekly	51	12.6
	Bi-Weekly	68	16.8
	Monthly	108	26.7
	Bi-Monthly	105	25.9
BNPL Platform	Atome	42	10.4
	Shopee Paylater	180	44.4
	TikTok Paylater	85	21.0
	Grab Paylater	63	15.6
	Others	35	8.6

With respect to marital status, the majority of respondents were single, representing 84.7% of the sample ($n = 343$), whereas married respondents represented 15.3% ($n = 62$). Educational attainment was concentrated at university degree level, with 69.6% of respondents ($n = 282$) reporting a university degree. This was followed by college diploma holders at 17.0% ($n = 69$), master's degree holders at 9.1% ($n = 37$), and PhD holders at 4.2% ($n = 17$).

The occupational distribution indicates that students constituted the largest group, representing 46.9% of the respondents ($n = 190$). Private-sector employees accounted for 22.2% ($n = 90$), followed by self-employed respondents at 11.6% ($n = 47$), government employees at 11.4% ($n = 46$), part-time workers at 5.2% ($n = 21$), and unemployed respondents at 2.7% ($n = 11$). In terms of income, 35.1% of respondents reported monthly income below RM1,500 ($n = 142$), while 37.5% reported income between RM1,500 and RM3,000 ($n = 152$). A further 16.3% reported income between RM3,001 and RM4,500 ($n = 66$), while 11.1% reported income above RM4,500 ($n = 45$).

The BNPL usage profile indicates that respondents varied in their frequency of BNPL use. Monthly users constituted the largest category at 26.7% ($n = 108$), followed by bi-monthly users at 25.9% ($n = 105$). Daily users represented 18.0% ($n = 73$), while 16.8% ($n = 68$) reported using BNPL on a bi-weekly basis and 12.6% ($n = 51$) reported weekly usage. In terms

of platform, Shopee PayLater was the most frequently reported BNPL platform, used by 44.4% of respondents ($n = 180$), followed by TikTok PayLater at 21.0% ($n = 85$), Grab PayLater at 15.6% ($n = 63$), Atome at 10.4% ($n = 42$), and other platforms at 8.6% ($n = 35$).

Overall, the respondent profile indicates that the final sample comprised Gen Z BNPL users aged 18 to 29 years with varied educational, occupational, income, and BNPL usage characteristics. The demographic and usage distributions provide contextual information for interpreting the subsequent descriptive, correlation, and regression analyses.

Descriptive Statistics

Descriptive statistics were conducted to provide an overview of the respondents' responses towards intention towards BNPL usage (ITBU), materialism, financial literacy, social influence, and perceived risk. A total of 405 valid responses were included in the analysis. As presented in Table 3, intention towards BNPL usage recorded the highest mean value of 3.291 ($SD = 1.065$), indicating a moderate level of intention among Gen Z consumers to use BNPL services. Materialism recorded a mean of 3.138 ($SD = 1.098$), followed by social influence with a mean of 3.081 ($SD = 1.064$). Financial literacy recorded a mean value of 3.010 ($SD = 1.163$). Perceived risk had the lowest mean of 2.731 ($SD = 1.091$), suggesting that respondents generally reported a relatively lower level of perceived risk associated with BNPL services.

Table 3: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Intention Towards BNPL Usage	405	1.00	5.00	3.291	1.065
Materialism	405	1.00	5.00	3.138	1.098
Financial Literacy	405	1.00	5.00	3.010	1.163
Social Influence	405	1.00	5.00	3.081	1.064
Perceived Risk	405	1.00	5.00	2.731	1.091

Reliability Test

The reliability of the measurement instruments was assessed using Cronbach's alpha to determine the internal consistency of the items representing each construct. Cronbach's alpha is appropriate for examining whether the items intended to measure the same construct demonstrate a consistent response pattern. In the present study, reliability assessment was conducted for the five constructs examined, namely Intention Towards BNPL Usage (ITBU), Materialism, Financial Literacy, Social Influence, and Perceived Risk.

The internal consistency reliability of the measurement instruments was assessed using Cronbach's alpha. This procedure was conducted using SPSS to determine whether the items representing each construct demonstrated an acceptable degree of consistency. The analysis covered the five constructs examined in the study, namely Intention Towards BNPL Usage (ITBU), Materialism, Financial Literacy, Social Influence, and Perceived Risk.

As presented in Table 4, all constructs recorded Cronbach's alpha coefficients above the commonly applied threshold of 0.70. Intention Towards BNPL Usage, measured using six items, recorded a Cronbach's alpha of 0.902. Materialism, also measured using six items, recorded a coefficient of 0.916. Financial Literacy, measured using five items, recorded a Cronbach's alpha of 0.916. Social Influence, measured using six items, recorded a coefficient of 0.895, while Perceived Risk, also measured using six items, recorded the highest coefficient of 0.919. Overall, the Cronbach's alpha coefficients ranged from 0.895 to 0.919, indicating satisfactory internal consistency across

all five constructs.

The reliability results provide support for retaining the respective measurement items for the subsequent statistical analyses. However, Cronbach's alpha assesses internal consistency rather than construct validity. Therefore, the present study does not interpret the alpha coefficients as evidence of convergent or discriminant validity. Instead, measurement quality is supported by the use of established measurement scales, their adaptation to the BNPL context, the instrument development and pre-testing procedures described in the methodology, and the satisfactory internal consistency demonstrated by the final dataset.

Table 4: Construct Reliability and Validity

Variable	No. of Items	Cronbach's Alpha	Interpretation
Intention Towards BNPL Usage	6	0.902	Acceptable
Materialism	6	0.916	Acceptable
Financial Literacy	5	0.916	Acceptable
Social Influence	6	0.895	Acceptable
Perceived Risk	6	0.919	Acceptable

Correlation Analysis

Pearson correlation analysis was conducted to examine the bivariate relationships among intention towards BNPL usage (ITBU), materialism, financial literacy, social influence,

and perceived risk. The analysis was based on 405 valid observations. The results indicate that all four proposed antecedents were significantly associated with ITBU (in Table 5).

Materialism demonstrated a significant positive relationship with ITBU ($r = 0.671$, $p < 0.001$), indicating that higher levels of materialism were associated with higher levels of intention towards BNPL usage. Similarly, social influence demonstrated a significant positive relationship with ITBU ($r = 0.681$, $p < 0.001$). These results indicate that respondents reporting stronger materialistic tendencies and stronger perceived social influence also tended to report greater intention to use BNPL. In contrast, financial literacy demonstrated a significant negative relationship with ITBU ($r = -0.510$, $p < 0.001$), while perceived risk also demonstrated a significant negative relationship with ITBU ($r = -0.534$, $p < 0.001$). Thus, higher reported financial literacy and higher perceived risk were associated with lower intention towards BNPL

usage within the sample.

The correlation matrix also revealed a relatively strong positive association between materialism and social influence ($r = 0.761$, $p < 0.001$). This relationship warrants further examination in the multiple regression analysis because substantial correlations among independent variables may affect the stability and interpretation of their individual regression coefficients. Accordingly, multicollinearity diagnostics, including tolerance and variance inflation factor (VIF), should be considered before interpreting the regression coefficients. The correlation results demonstrate statistically significant associations among the study variables; however, these bivariate relationships should not be interpreted as evidence of causal effects. The subsequent multiple regression analysis was therefore used to examine the unique statistical contribution of each predictor while the other predictors were included simultaneously in the model.

Table 5: Results of Correlation Analysis

Variables	ITBU	MAT	FL	SI	PR
Intention Towards BNPL Usage (ITBU)	1				
Materialism (MAT)	0.671**	1			
Financial Literacy (FL)	-0.510**	-0.495**	1		
Social Influence (SI)	0.681**	0.761**	-0.460**	1	
Perceived Risk (PR)	-0.534**	-0.487**	0.429**	-0.542**	1

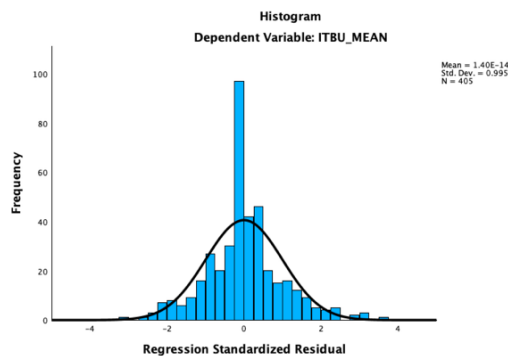
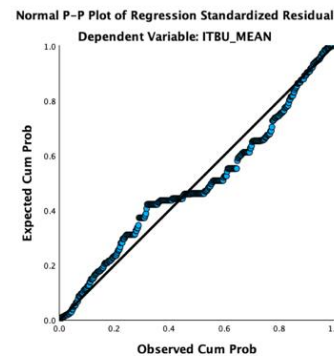
**Significant at the 2-tailed level, N=405

Regression Assumption Assessment

Normality of Residuals

The normality of the regression residuals was assessed using a histogram and a Normal P-P plot of the regression standardized residuals. The histogram showed that the residuals were broadly centred around zero and approximately bell-shaped. The Normal P-P plot showed that the

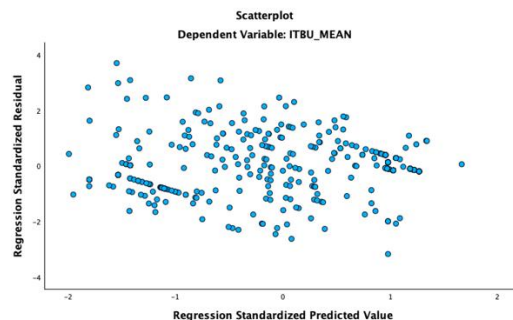
observed cumulative probabilities generally followed the expected diagonal reference line, although some deviations were observed (See Figure 2 and Figure 3). Overall, the residual distribution was considered approximately normal and did not indicate a severe departure that would preclude the subsequent regression analysis.

Figure 2: Histogram of Regression Standardized Residuals**Figure 3: Normal P-P Plot of Regression Standardized Residuals**

Linearity and Homoscedasticity

Linearity and homoscedasticity were examined using a scatterplot of the regression standardized predicted values against the regression standardized residuals. The scatterplot did not demonstrate a pronounced curvilinear pattern, suggesting that the linearity assumption was reasonably satisfied. The residuals were distributed around the zero line across the range

of predicted values, although some variation in the dispersion of residuals was observed. No severe systematic funnel-shaped pattern was evident. Therefore, while the residual dispersion was not perfectly uniform, there was no substantial visual indication of a serious violation of linearity or homoscedasticity (see Figure 4).

Figure 4: Scatter Plot of Regression Standardized Predicted Values and Regression Standardized Residuals

Independence of Errors

The independence of errors was assessed using the Durbin–Watson statistic. The regression model produced a Durbin–Watson value of 1.645. The result did not indicate problematic autocorrelation among the regression residuals. Therefore, the independence of errors was considered acceptable for the multiple linear regression analysis.

Multicollinearity

Multicollinearity was assessed using tolerance and variance inflation factor (VIF) statistics. This assessment was particularly important because the Pearson correlation analysis identified a

relatively strong association between Materialism and Social Influence ($r = .761, p < .001$). The tolerance values ranged from .380 to .704, while the VIF values ranged from 1.420 to 2.633. Materialism recorded a tolerance value of .392 and a VIF of 2.553, Financial Literacy recorded a tolerance value of .704 and a VIF of 1.420, Social Influence recorded a tolerance value of .380 and a VIF of 2.633, and Perceived Risk recorded a tolerance value of .661 and a VIF of 1.513. As all tolerance values exceeded .20 and all VIF values were below 5, the results indicated that multicollinearity was not a concern among the independent variables. Therefore, the four predictors could be entered simultaneously into

the multiple linear regression model.

Table 6: Multicollinearity Analysis

Predictor	Tolerance	VIF
Materialism (MAT)	.392	2.553
Financial Literacy (FL)	.704	1.420
Social Influence (SI)	.380	2.633
Perceived Risk (PR)	.661	1.513

Influential Observations

Potential influential observations were assessed using Cook's Distance in Table 7. The analysis produced a minimum Cook's Distance of 0.00000 and a maximum value of .10737, with a mean of .0038434 and a standard deviation of .00988222 across the 405 observations. The maximum Cook's Distance did not indicate the presence of an excessively influential observation. Therefore, no observation was identified as exerting undue influence on the regression estimates, and all 405 valid responses were retained for the regression analysis.

Table 7: Cook's Distance Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Cook's Distance	405	.00000	.10737	.0038434	.00988222
Valid N (listwise)	405				

Multiple Linear Regression Analysis

Following the assessment of the regression assumptions, a multiple linear regression analysis was conducted to examine the relationships between Materialism, Financial Literacy, Social Influence, Perceived Risk, and Intention Towards BNPL Usage. All four independent variables were entered simultaneously into the regression model.

Model Summary

The multiple linear regression model produced an R value of .752 and an R² value of .565. The adjusted R² was .561, indicating that the four independent variables collectively explained 56.5% of the variance in Intention Towards BNPL Usage, with the adjusted estimate accounting for the number of predictors in the model. The standard error of the estimate was .70538. Overall, the model demonstrated a substantial proportion of explained variance in respondents' intention towards BNPL usage.

Table 8: Multiple Linear Regression Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.752	.565	.561		.70538	1.645

a. Dependent Variable: ITBU

b. Predictors: (Constant), PR_MEAN, FL_MEAN, MAT_MEAN, SI_MEAN

Analysis of Variance (ANOVA)

The significance of the overall regression model was assessed using the analysis of variance (ANOVA) test. The regression model was statistically significant, $F(4, 400) = 130.024$, $p < .001$. The result indicates that the set of four independent variables, namely Materialism,

Financial Literacy, Social Influence, and Perceived Risk, collectively provides a statistically significant prediction of Intention Towards BNPL Usage. Therefore, the regression model was considered suitable for proceeding with the examination of the individual predictor relationships.

Table 9: ANOVA for Multiple Linear Regression

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	258.777	4	64.694	130.024
	Residual	199.023	400	.498	<.001b
	Total	457.800	404		

a. Dependent Variable: ITBU

b. Predictors: (Constant), PR, FL, MAT, SI

Regression Coefficients and Hypothesis Testing

The regression coefficients revealed that all four independent variables was a significant predictor of intention towards BNPL usage. Social influence was the largest positive predictor ($\beta = 0.307$, $p < 0.001$), followed by materialism ($\beta = .0270$, $p < 0.001$). Therefore, H1 and H3 were supported. Financial literacy had a significant negative relationship with ITBU ($\beta = -0.148$, $p <$

0.001) indicating that H2 was supported also supported. Perceived risk also had a significant negative relationship with ITBU ($\beta = -0.159$, $p < 0.001$), supporting H4. Overall, the findings indicate that social influence had the largest standardized regression coefficient among the four predictors included in the model, while materialism increases intention and financial literacy and perceived risk reduce it.

Table 10: Coefficient and Hypothesis Testing Results

Hypothesis	B	Std. Error	Beta	t	Sig.	Decision
MAT $\rightarrow$ ITBU	0.270	0.051	.278	5.281	<.001	Supported
FL $\rightarrow$ ITBU	-0.148	0.036	-0.162	-4.116	<.001	Supported
SI $\rightarrow$ ITBU	0.307	0.054	0.307	5.731	<.001	Supported
PR $\rightarrow$ ITBU	-0.159	0.040	-0.163	-4.027	<.001	Supported

5. Discussion

H1 was supported, as materialism demonstrated a positive and significant relationship with intention towards BNPL usage ($\beta = 0.278$, $t = 5.281$, $p < 0.001$). This indicates that respondents with stronger materialistic tendencies were more likely to report an intention to use BNPL. The finding is consistent with previous research involving Gen Z consumers, which identified materialism as a relevant factor associated with BNPL adoption and usage intention (Mohammad et al., 2025; Dewantara et al., 2026). One possible explanation is that consumers who place greater importance on possessions and consumption may perceive BNPL as a suitable payment arrangement because it allows desired purchases to be obtained without requiring full payment at the time of purchase. This interpretation is consistent with the consumption-oriented nature of materialism and

the deferred-payment characteristics of BNPL. The finding indicates that psychological consumption orientation should be considered alongside functional characteristics when examining BNPL usage intention among Gen Z consumers.

H2 was supported, as financial literacy demonstrated a negative and significant relationship with intention towards BNPL usage ($\beta = -0.162$, $t = -4.116$, $p < 0.001$). This suggests that respondents reporting higher levels of financial literacy tended to report lower intention to use BNPL. The finding is consistent with previous evidence among Malaysian Gen Z consumers, which reported a negative relationship between financial literacy and BNPL intention (Abu Seman, 2025), although other research has found no significant relationship (Surjandy et al., 2024). One possible explanation is that consumers with greater financial literacy

may pay closer attention to repayment commitments, borrowing costs, and the financial obligations associated with deferred payment arrangements. However, the present study did not directly test whether financial literacy operates through greater awareness of debt risk or repayment consequences. Therefore, this explanation should be interpreted as a possible mechanism rather than an established causal pathway. The finding indicates that financial literacy may function as a factor associated with lower BNPL usage intention among the respondents examined in this study.

H3 was supported, as social influence had a positive and significant relationship with intention towards BNPL usage ($\beta = 0.307$, $t = 5.731$, $p < 0.001$). This indicates that greater social influence was associated with stronger intention to use BNPL. The finding is consistent with previous research reporting that peer influence, family expectations, and social exposure can shape BNPL-related decisions among younger consumers (Al Mamun et al., 2025; Van Tuan et al., 2024; Tay et al., 2024; Soong et al., 2024). Among the four predictors included in the present regression model, social influence had the largest standardized regression coefficient, indicating the largest relative contribution within this model. One possible explanation is that Gen Z consumers are highly connected through digital platforms, where BNPL usage, purchasing experiences, and payment practices can become visible within peer and social networks. Such exposure may increase familiarity with BNPL and contribute to its perceived social acceptance. The finding therefore highlights the relevance of the social environment when examining BNPL usage intention among Malaysian Gen Z consumers, without implying that social influence is universally the most important determinant of BNPL adoption.

H4 was supported, as perceived risk had a negative and significant relationship with intention towards BNPL usage ($\beta = -0.163$, $t = -4.027$, $p < 0.001$). This indicates that respondents who perceived greater risks associated with BNPL tended to report lower

intention to use the service. The finding is consistent with recent research examining BNPL among Malaysian Gen Z consumers, including evidence identifying perceived risk as a relevant factor in behavioural intention (Lau & Yusoff, 2026). However, previous findings have not been entirely consistent, as Waliszewski et al. (2025) and Gopinath and Jayaprakasam (2026) reported insignificant relationships between perceived risk and BNPL intention in their respective contexts. One possible explanation for the present finding is that concerns regarding repayment obligations, unexpected charges, privacy, security, and accumulated payment commitments may increase consumers' hesitation towards BNPL. Nevertheless, the present study did not examine which specific dimension of perceived risk was responsible for the observed relationship. The finding indicates that perceived risk remains a relevant consideration in explaining BNPL usage intention among the Malaysian Gen Z respondents examined in this study.

6. Conclusion

Theoretical Contribution

This study contributes to the literature on BNPL usage intention by applying UTAUT2 and TPB to explain BNPL-related decision-making among Gen Z consumers in Malaysia. Rather than focusing only on technology-related considerations, the proposed model incorporates materialism, financial literacy, social influence, and perceived risk to capture individual, social, and risk-related factors associated with BNPL usage intention. The findings provide empirical support for the relevance of these factors within a BNPL context and demonstrate how the theoretical perspectives of UTAUT2 and TPB can be applied alongside broader consumer and financial considerations to understand intention to use BNPL. In particular, the significant relationships identified for materialism, financial literacy, social influence, and perceived risk provide empirical evidence that BNPL usage intention is shaped by more than technology acceptance considerations alone.

Practical Implications

The findings have practical implications for BNPL providers, financial educators, regulators, and consumers. For BNPL providers, the significant relationships involving social influence and perceived risk suggest the importance of responsible communication that does not rely excessively on peer-driven or promotional appeals while clearly presenting repayment terms, charges, and potential risks. Given the significant negative relationship between financial literacy and BNPL usage intention, financial education initiatives should strengthen consumers' understanding of instalment commitments, total repayment obligations, and the financial consequences of BNPL use. Regulators can support responsible BNPL practices by encouraging transparent disclosure and consumer-protection measures that enable users to assess repayment commitments before using BNPL services. For consumers, greater awareness of financial obligations and potential risks may support more informed BNPL decisions rather than focusing solely on the affordability of individual instalments.

Research Limitations

This study has several limitations. First, the respondents had previous BNPL experience; therefore, the findings primarily reflect continued or future usage intention among existing BNPL users rather than initial adoption intention among individuals who have never used BNPL. Second, the cross-sectional design captures respondents' perceptions and intentions at a single point in time and therefore cannot establish temporal or causal relationships between the variables examined.

Third, the study relied on a single self-administered questionnaire completed at one point in time, meaning that common method bias cannot be completely ruled out. Although appropriate statistical procedures were applied, the possibility of shared measurement-related effects remains. Fourth, several constructs were adapted or combined from measurement items originating from multiple sources. Differences in

the original instruments and research contexts may influence how respondents interpret the items, highlighting the importance of careful construct validation when applying these measures to the BNPL context.

Recommendations for Future Research

Future research could employ longitudinal designs to examine whether BNPL usage intention develops over time and translates into actual BNPL behaviour. Research using broader or probability-based samples could also include different age groups, geographical regions, income levels, and BNPL non-users to improve the generalisability of findings and distinguish factors associated with initial adoption from those associated with continued usage.

Further studies could examine theoretically justified mediating and moderating mechanisms, such as financial attitudes, debt attitudes, or financial self-efficacy, to clarify how and under what conditions the identified relationships occur. In addition, future research could incorporate BNPL-specific variables such as convenience, perceived usefulness, promotional incentives, debt aversion, financial stress, and actual repayment behaviour where these variables are supported by an appropriate theoretical rationale. These extensions could provide a more comprehensive understanding of BNPL usage intention and behaviour.

Conclusion

This study examined the factors associated with Buy Now, Pay Later (BNPL) usage intention among Gen Z consumers in Malaysia. Drawing on the Theory of Planned Behaviour (TPB) and the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2), the study investigated how selected psychological, financial, social, and risk-related factors relate to consumers' intention to use BNPL. The analysis was conducted using data from 405 respondents with prior BNPL experience.

The findings show that the proposed factors were significantly associated with BNPL usage intention. Materialism and social influence demonstrated positive relationships with usage

intention, while financial literacy and perceived risk demonstrated negative relationships. These findings indicate that BNPL usage intention among Malaysian Gen Z consumers is shaped by a combination of individual characteristics, financial considerations, social influences, and perceptions of risk.

The main contribution of this study is the provision of empirical evidence that extends

understanding of BNPL usage intention among Gen Z consumers in the Malaysian context. By bringing together psychological, financial, social, and risk-related factors within a framework informed by TPB and UTAUT2, the study provides a broader perspective on the factors associated with BNPL usage intention beyond technology adoption considerations alone.

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8. Author Declaration

The author declares that this manuscript is an original work and has not been published previously or submitted for publication elsewhere. All sources and contributions have been appropriately acknowledged and cited.

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