

CHAPTER V

CLOSING

5.1 Conclusion

This study aims to analyze the factors that influence the use of BNPL (Buy Now Pay Later) among the people of West Sumatra Province aged 18 to 43 years. The results of this study show and prove some findings which certainly answer the research questions. The research results were obtained from data processing using the IBM SPSS version 29 application using logistic regression analysis. There are 5 variables in this study, where 4 variables are X variables and 1 Y variable. X or independent variables consist of socioeconomic factors (gender, level of education, and income), BNPL promotion, social influence, and financial self-control. Then the Y or dependent variable is the use of BNPL services. Based on the results of the research that has been carried out, the following conclusions are obtained.

The first hypothesis, which posited that gender significantly affects BNPL usage, was rejected. The analysis shows that gender does not have a significant impact on the likelihood of using BNPL services. This indicates that both male and female consumers in the study sample use BNPL services similarly, regardless of gender differences. The second hypothesis, suggesting that education level influences BNPL adoption, was also rejected. The findings indicate that education level does not significantly affect BNPL usage, meaning individuals from various educational backgrounds show similar tendencies in using BNPL services. The third hypothesis, which claimed that income has a

significant effect on the use of BNPL, was rejected as well. This suggests that, within the study population, income does not play a decisive role in the decision to use BNPL services.

The fourth hypothesis, which stated that BNPL promotion has a significant and positive impact on usage, was accepted. The results demonstrate that promotional efforts, such as discounts, offers, and advertisements, significantly encourage consumers to adopt BNPL services. This highlights the importance of marketing strategies and promotional campaigns in increasing BNPL usage. The fifth hypothesis, proposing that social influence positively affects BNPL adoption, was also accepted. The analysis revealed that social factors, such as recommendations from friends, family, or peers, significantly influence individuals' decisions to use BNPL services. The sixth hypothesis, which suggested that financial self-control significantly affects BNPL usage, was rejected. The findings show that financial self-control does not have a significant impact on BNPL usage in the study sample. This may indicate that individuals, especially those in the younger demographic, may not always apply financial self-control when using BNPL services.

In conclusion, the results of this study show that socio-economic factors such as income, education level, and employment status do not significantly influence the decision to use Buy Now Pay Later (BNPL) services. This is because BNPL services are inclusive and accessible to people from various backgrounds, regardless of their socio-economic characteristics. The ease of use and the flexibility of installment payments make BNPL attractive to all groups,

regardless of gender, income level, or education. Additionally, financial self-control does not significantly affect the decision to use BNPL. While factors like the ability to resist the temptation to purchase, tendencies to buy unnecessary items, and the desire to be more disciplined with money are indicators of financial self-control, changes in consumption behavior driven by digital technology have reduced the relevance of this variable. Many consumers view BNPL more as a practical and flexible payment tool rather than a form of debt, so they feel comfortable using it without considering the immediate impact on their personal financial control.

Aggressive BNPL promotions, such as discounts, zero-interest rates, higher credit limits, and cashback, play an important role in increasing the adoption of these services. These promotions make BNPL seem safe and beneficial, even though they may increase the risk of debt if not managed properly. Consumers tend to view using BNPL as a rational and acceptable form of consumption because of the immediate benefits it offers. Social influence also plays a significant role. As installment payments become more common, social pressure from friends, family, or social media influences people to follow this trend. BNPL is seen as a modern and convenient way to meet needs and desires with greater ease.

This study also indicates that the combination of easy access, attractive promotions, and the normalization of digital credit usage weakens the impact of financial self-control and socio-economic factors, which are typically important in financial decision-making. BNPL encourages impulsive consumption behavior,

while many consumers overlook the financial risks because of features that create the illusion of affordability.

Therefore, there is a need for collaboration between regulators, BNPL providers, and financial institutions to improve financial literacy, protect consumers, and promote responsible financial behavior. Overall, the study highlights that BNPL promotions and social influence are more dominant in driving the use of these services than socio-economic characteristics or financial self-control, providing valuable insights for service providers to develop more sustainable marketing strategies and policies.

5.2 Research Implications

This research focuses on the use of Buy Now, Pay Later (BNPL) services among young people who live in West Sumatra Province. After all research data has been collected and processed into research results, several implication findings have also been obtained from this research. The following are some of the implications that have been obtained:

5.2.1 Socio-economic Factors

This study reveals that socio-economic factors such as gender, education level, and income do not have a significant impact on the use of Buy Now Pay Later (BNPL) services. These findings carry important implications for both consumers and BNPL service providers.

For consumers, the results affirm that BNPL services are inclusive, providing equal access to all groups. Gender does not determine BNPL usage, so

consumers of any gender should base their usage decisions on personal needs and financial conditions rather than the perception that BNPL is more suitable for a specific gender. Consumers from various educational backgrounds are advised to remain cautious, thoroughly understand the terms and conditions of the service, and use BNPL in line with their financial capacity. Enhancing financial literacy can help maximize the benefits of BNPL while minimizing financial risks. Additionally, the finding that income does not influence BNPL usage highlights that the service is accessible to all income levels. Low-income individuals should use BNPL wisely to avoid debt burdens, while middle- to high-income users can leverage BNPL for more efficient financial management, such as planned purchases with promotional benefits or discounts.

For BNPL service providers, these findings offer opportunities to develop more inclusive marketing strategies. Regarding gender, service providers can adopt gender-neutral marketing approaches, focusing on individual needs and preferences rather than relying on gender stereotypes. BNPL application features should be designed to appeal to all users by offering simple user guides, fee transparency, and educational campaigns relevant to all genders. To cater to consumers with varying education levels, service providers can simplify access and usage, emphasizing the practical benefits of BNPL and offering easy-to-understand educational materials. Lastly, marketing strategies that encompass all income groups can utilize incentives like cashback or loyalty points, appealing to users from diverse financial backgrounds. Educational efforts highlighting the advantages of BNPL, including expense management ease and structured

installment payments, can further encourage adoption across different income segments.

5.2.2 BNPL Promotion

The results showed that BNPL promotion has a significant and positive influence on the use of BNPL. For consumers, these findings highlight the importance of utilizing BNPL promotions wisely to gain maximum benefits without endangering their financial condition. Promotions such as discounts,, zero-interest rates, higher credit limits, and cashback can provide added value, especially if used for purchases that are truly necessary. However, consumers also need to beware of the temptation of impulse shopping that is often triggered by attractive promotions.

Consumers should make careful financial planning before deciding to use BNPL, ensuring that the promotions they take really suit their needs and ability to pay future installments. With this approach, they can benefit from BNPL promotions without being trapped in unhealthy consumption patterns. In addition, consumers are also expected to be more proactive in learning the terms and conditions of the promotion to avoid potential hidden costs or penalties that may arise.

The finding that BNPL promotions have a significant influence on service usage decisions illustrates the importance for service providers to continue utilizing promotional strategies as a key tool to increase adoption. BNPL service providers should design promotions that are relevant to the needs and preferences of young consumers, such as direct discounts, cashback, or free shipping, which have been proven to attract their attention. In addition to , the

frequency and delivery of promotions need to be optimized by leveraging digital platforms, such as social media and mobile applications, which are frequently used by the younger generation.

Providers may also consider more segmented promotional programs, for example offering additional incentives for the purchase of certain product categories, such as fashion, electronics, or daily necessities. This not only encourages increased transactions but also broadens the appeal of BNPL services to more merchants. On the other hand, service providers also need to pay attention to potential risks, such as encouraging excessive consumption behavior, by offering education on the responsible use of BNPL to maintain long-term consumer loyalty.

5.2.3 Social Influence

The results showed that social influence has a significant and positive influence on the use of BNPL. For consumers, especially those who are influenced by social trends, it is important to understand that the decision to use BNPL should not only be based on social pressure or the desire to follow trends. Consumers need to be wiser in assessing whether BNPL services really suit their needs and financial capabilities.

While the influence of friends or family may provide confidence in using BNPL, consumers are advised to consider such experiences and advice critically, and ensure that their decision is based on clear and accurate information. This way, they can take advantage of the benefits of BNPL without being trapped into uncontrolled use due to social influence alone.

The results show that social influence has an important role in driving

BNPL adoption, so service providers need to utilize this factor in their marketing strategies. Collaboration with influencers or public figures who have great influence among young people can be an effective way to create a positive perception of BNPL. Campaigns that feature real-life experiences from users or testimonials from trusted individuals, such as friends or family, can increase the social validation of the service.

Service providers can also strengthen social influence by integrating experience sharing features on their platforms, such as user reviews or referral programs. Referral programs, where existing users are incentivized to get their friends to join, not only encourage adoption but also build a strong user community. In addition, service providers need to focus on marketing messages that emphasize social trends and modern lifestyles, so that BNPL services appear relevant and attractive to the target social groups.

5.2.4 Financial Self Control

The results showed that financial self-control does not have a significant influence on the use of BNPL. For consumers, especially the younger generation, it is important to realize that although BNPL services provide convenience, the decision to use them must be accompanied by awareness of personal financial management. Consumers need to consider the long-term risks of spending without careful planning, especially if this service is used repeatedly to fulfill consumptive needs.

Consumers can start implementing simple steps to improve self-control in the use of BNPL, such as setting spending limits or only using these services for truly essential needs. With a more prudent approach, consumers can take

advantage of the benefits of BNPL without facing potential financial burdens in the future.

The results show that financial self-control does not have a significant influence on the decision to use BNPL services among young respondents. Therefore, BNPL service providers can take advantage of this insight by designing marketing strategies that highlight the convenience and flexibility of their services. Service providers can provide education on how to utilize the service wisely, such as providing payment reminder features or installment management simulations to help users feel more controlled in their spending.

In addition, BNPL providers can also develop loyalty or incentive programs that not only encourage repeat usage but also help users to understand and plan their budgets better. By providing financial management tools, providers can appeal to younger users who tend to prioritize convenience, but still want to feel in control of their financial decisions.

In addition, this research also has theoretical and practical implications, here are the implications for academics and practitioners:

1. For academics, this research is expected to help researchers to deepen knowledge in financial management and in developing theories used in individual behavior, especially on Theory of Planned Behaviour (TPB). In addition, this research is expected to increase readers' understanding of how socioeconomic factors (gender, level of education, and income), BNPL promotion, social influence, and financial self-control influence the use of BNPL services among young people.
2. For practitioners or parties related to the results of this study, as follows:

a. Government and Financial Regulators

The government and financial authorities need to develop regulations that protect the younger generation from the financial risks of uncontrolled use of Buy Now, Pay Later (BNPL) services. Rules related to fee transparency, credit limits based on financial capability, and ethical collection mechanisms must be enforced.

Regulations on fee transparency need to be strengthened, requiring service providers to implement payment simulation features that help consumers fully understand the payment structure, interest rates, and associated fees before using Buy Now, Pay Later (BNPL) services. Additionally, credit limits should be strictly based on a thorough assessment of consumers' financial capacity. BNPL providers must be mandated to reject credit applications if the consumer's risk profile indicates an inability to repay, to prevent the accumulation of debt and safeguard individual and societal financial stability.

b. Educational Institutions

Educational institutions, especially universities, can play an important role in improving students' financial literacy by integrating personal financial management topics into the curriculum. In addition, they can organize seminars, workshops, or trainings involving BNPL providers to educate students about the risks of credit services. This education can help students understand the benefits and risks of BNPL services, while

equipping them with the financial skills to make wiser decisions in the future.

c. Banks and Financial Institutions

Banks and financial institutions can respond to the BNPL trend by creating competitive financial products, such as microcredit or credit cards with flexible features to attract the younger generation. Through education and innovation, banks can improve their competitiveness while providing responsible credit alternatives for the younger generation.

5.3 Research Limitation

1. This study has a relatively homogeneous respondent group, which may affect the generalizability of the findings. The majority of respondents share similar characteristics, with 72.5% aged between 18 and 24 years, 80% being unmarried, and 63% residing in Padang City, West Sumatra. Additionally, 62% of the respondents are students. While the sample consists of individuals aged 18 to 43 from West Sumatra, it may not accurately represent the broader Buy Now, Pay Later (BNPL) user population across Indonesia. As a result, the findings may have limited applicability to other regions, different age groups, or more diverse demographic profiles.
2. The study relied on self-reported data through surveys, which can introduce biases such as social desirability bias or inaccurate recall. Respondents may not always report their BNPL usage or financial behaviors accurately, which could affect the validity of the findings.

3. This study only examines 5 variables, namely, socioeconomic factors, BNPL promotion, social influence, financial self-control, and BNPL use, so that the research results are limited to these variables.

5.4 Suggestion

1. To obtain more representative findings, future research should involve a more diverse sample in terms of age, employment status, education level, and geographical location. This will help to gain a broader understanding of Buy Now, Pay Later (BNPL) usage across different demographic groups.
2. Future research could include additional variables such as financial literacy, debt management habits, or the influence of advertising to provide a more comprehensive view of the factors influencing BNPL adoption.
3. Future research can use a qualitative approach to obtain deeper and more accurate research results.

