



Exploring The Impact of Paylater Payments on Consumer Behavior and Public Financial Management: A Systematic Literature Review

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ABSTRACT

The development of financial technology has driven the emergence of various innovations in payment systems, one of which is the paylater service or "buy now, pay later." This service has been widely adopted by marketplace platforms to enhance consumer convenience. This literature review aims to analyze the impact of paylater services on the increase in consumerist behavior among marketplace users. The method used in this study is a Systematic Literature Review (SLR) of journal papers published from 2022 to 2025. Based on the review of various studies, it was found that easy access, quick approval processes, and minimal psychological barriers in making purchases contribute to increased frequency and transaction value among consumers. This review concludes that paylater services tend to encourage consumerist behavior, particularly among the younger generation who actively use digital platforms. The study recommends the need for digital financial literacy so that users can make wiser use of these services.

Keywords: *Financial Literacy, PayLater, Consumer Behavior, E-marketplace, Financial Technology.*

1. INTRODUCTION

Modern society's consumption patterns have of late transformed to a huge extent with the advancement of digital technology. This has perhaps been most evident with the infiltration of e-commerce and technology-based financial services, more commonly known as 'fintech'. A striking modern advancement in the fintech industry is the buy now pay later scheme, more locally referred to as "paylater". Especially in today's inflation-driven economy, it attempts to facilitate purchases by eliminating the prerequisite of owning a credit card which further makes 'paylater' easier to use for all. Shopee's BNPL product "Shopee PayLater" is the most popular feature in Indonesia. According to Astuti and Dasman, approximately 77 percent of paylater users in Indonesia have used Shopee PayLater, making it the most used paylater service [1]. The proportion of users who prefer Shopee PayLater is attributed to its generous credit limits, ease of registration, and direct

integration with Shopee. This is a clear example of the growing demand consumers have for payment solutions that are effortlessly practical as well as convenient with current lifestyles.

Despite the conveniences offered by Shopee PayLater, worries have emerged over the unhealthy consumer behaviour patterns it may cause especially amongst students and younger demographics. This group particularly experiences the phenomenon of consumer financing causing instant access to impulse buying [2] [3]. Shopee PayLater has effectively lowered the barrier to uncontrolled consumption and unplanned spending commonly target driven by marketing with novelty value and the availability of online credit facilities. Other research suggests that the convenience and immediate advantages associated with Shopee PayLater markedly encourage reckless spending [2] [4]. This is further corroborated by the fact that users tend to disregard the financial limitations they set for themselves when using paylater systems, leading to unmanaged and potentially disastrous long-term debt [5] [6].

Moreover, there are other drivers of the consumer behavior of paylater users, such as lifestyle choices and financial literacy. According to Rahmawati and Mirati [5], financial literacy negatively affects consumer behavior, whereas lifestyle exerts a positive influence. This implies that consumers with higher financial literacy do exercise caution when using digital financial services, while those under the influence of modern lifestyle tend to be more spendthrift.

Moreover, the rise of hedonic motivation in the use of Shopee PayLater also biases consumer behavior. This type of motivation stems from the enjoyment of purchasing products to fulfill short term emotional needs, irrespective of the function of the product [7]. Such hedonism-driven consumption, coupled with social media and peer pressure, is critical in shaping and driving self-perception and identity, and consequently perpetuates binge and careless spending.

Research carried out in particular regions of Indonesia, like Jadetabek, Bekasi, Jambi, and Lampung, demonstrates the same trends which show an increase in consumer behavior pertaining to the usage of Shopee PayLater [8] [4]. Not all studies provide compelling evidence of the correlation, yet most findings appear to endorse the assumption that BNPL services, particularly Shopee PayLater, stimulate impulsive consumption tendencies. However, evidence from some works like that of Rahima and Cahyadi [9] shows that there is no notable relationship regarding the effect of this feature's utilization on students' spending patterns. This points out the existence of gaps among various findings which underscores the need for more investigation on the interrelationship of such variables.

External elements such as regulation and security of payment systems also contribute significantly alongside internal components. Public trust in the security of services along with OJK regulations from the authorities has grown in relation to security, which has increased the use of paylater as a preferred payment method [4]. Such services are difficult for most regulators to control, especially ensuring that there are no long-term impacts due to widespread access. In academic circles, there is a gap regarding the combination of technological convenience, lifestyle, financial literacy, and hedonic motivation as drivers of consumer behavior. While many studies analyze these variables, not many have explored the relationship between these factors simultaneously through the lens of Shopee PayLater utilization by Indonesian youth [3] [1].

For that reason, why this research seeks to analyze the factors impacting the behaviours of Shopee PayLater users' consumers, is because these factors are very important. The alteration in utilizing the paylater functionality in more metropolitan areas, particularly amongst millennials and Generation Z, necessitates holistic comprehension to effectively shape the appropriate financial literacy campaign and responsible initiatives.

2. RESEARCH METHOD

This approach to the research is associated with the work done by Zaqiyah et al [10]. This particular study focuses on the exploration of one's shopping lifestyle, hedonic shopping incentives, and impulse buying. These three subjects were selected based on their relation to in-app purchases during e-commerce shopping. The first stage, planning, starts with formulating research questions (RQ) and creating a flowchart relevant to the study. The second stage, conducting, comprises gathering relevant literature, scanning abstracts, and harvesting data. The last stage, reporting, integrates all the crafted research documentation.

2.1. Planning

This stage begins with the formulation of a guiding question which assists in outlining the relevant literature needed for searching, selection, and analysis pertaining to the research question. The set of queries

is completed based on the parameters of the selected topic. This excerpt lists the questions for the specific study:

Table 1. Research Question (RQ)

| | |
|-------------|--|
| RQ 1 | Does the PayLater payment method affect consumer behavior in e-marketplaces? |
| RQ 2 | In what ways do Paylater payments influence payment behavior in E-Marketplace? |

2.2. Conducting

The conducting stages consists of several phases or steps: the first is reviewing the literature to obtain relevant sources that correspond to answer the Research Questions (RQ1 and RQ2) set. This incorporates national and international publications which revolve around delving into shopping lifestyle as well as hedonic shopping motivation in relation to impulse buying. The journal search process is conducted with a search engine Google at the website address <https://scholar.google.com>. This is then followed by the Inclusion and Exclusion Criteria Stage. This stage assesses the relevance of the data for SLR study. The criteria include publication within the last five years, specifically 2021-2025, from <https://scholar.google.com>, and the content of the journals must focus exclusively on shopping lifestyle, hedonic shopping incentive and the impulse buying. Finally, the last step is the quality assessment which has to be undertaken. In systematic literature review research, the information collected will be analyzed based on these quality evaluation criteria answer questions:

Tabel 2. *Quality Assessment*

| | QUALITY ASSESSMENT CRITERIA | CRITERIA | |
|-----|--|----------|----|
| | | YES | NO |
| QA1 | Are journal papers published in the 2022 – 2025 time frame? | √ | |
| QA2 | Is the journal paper related to Paylater and consumer behavior? | √ | |
| QA3 | Can the journal be accessed via the site https://scholar.google.com/ ? | √ | |

The last step outlines the articles with exemption criteria, as inclusion articles which is part of the mapping study activities whereby articles are excluded and relevant ones are included [10]. This study defined certain criteria for retrieving information from published documents.

Table 3. Inclusion & Exclusion

| INCLUSION | EXCLUSION |
|--|--|
| <ol style="list-style-type: none"> 1. The research focuses on Paylater and consumer behavior in purchases on E-Marketplace. 2. Indonesian language. 3. Research Journals and Proceedings. | <ol style="list-style-type: none"> 1. Journals that do not discuss Paylater and consumer behavior in purchases on E-Marketplace. 2. Languages other than Indonesian. 3. In addition to research journals and proceedings. |

Then, try to add previous works or articles relevant to assessment of quality and the set inclusion and exclusion criteria. For example, some past research integrates documentation of scientific investigations and relevant journals which support studies addressing similar or related topics.

Table 4. Prior Investigations

| Author and Year | Title of Research | Methodology of Research | Research Findings |
|---------------------------|--|--|---|
| Rahima & Cahyadi (2022) | The Influence of Shopee Paylater Features on the Consumptive Behavior of Mataram University College Students | Quantitative, Spearman Rho Correlation | Shopee Paylater has no meaningful relevance on consumer behavior |
| Rahmawati & Mirati (2022) | The Influence of Financial Literacy and Lifestyle on the Consumptive Behavior of Shopee Paylater Users | Quantitative with Multiple Linear Regression technique | Financial literacy is highly negative while lifestyle is highly positive |
| Aftika et al. (2022) | The Influence of Using the ShopeePayLater Payment System on the Consumptive Behavior of UIN Raden Intan College Students | Quantitative with Multiple Linear Regression technique | ShopeePayLater has a significant influence on student consumer behavior |
| Panjalu & Mirati (2022) | Analysis of the Influence of User Interest in the PayLater Feature on the Shopee Application | Quantitative with Multiple Linear Regression technique | The elements of ease, income level, and hedonic motivation contribute greatly to the interest of using Shopee PayLater services |
| Rossa & Ashfath (2022) | The Relationship between Users' Impulse Buying Behavior of SPayLater and Trust, Risk, Security, and Perceived Ease of Use | Quantitative with Multiple Linear Regression technique | The dimensions of trust, convenience and security are of primary importance while risk does not hold significance |
| Nikmah & Iriani (2023) | The Influence of Hedonic Shopping Motivation and Store | Quantitative with Multiple Linear Regression technique | How the Convenience and Advantages of Utilizing Shopee Paylater Section Affect Impulsive Buying Behavior |
| Islami et al. (2023) | The Influence of E-Money Usage and Shopee Paylater Payment System on the Consumptive Behavior of FEBI UIN College Students | Quantitative with Multiple Linear Regression technique | There is a notable impact on consumer behavior with regard to Shopee Paylater mt e-money services as payment options |
| Astuti & Dasman (2024) | The Influence of Ease of Use of Paylater on Consumptive Behavior with Lifestyle as a Moderating Variable | Quantitative with SmrtPLS | There is a notable impact on consumer behavior with regard to Shopee Paylater mt e-money services as payment options |

| | | | |
|------------------------|--|--|---|
| Nikolaus et al. (2024) | The Influence of Using Pay Later Payment Methods and Financial Literacy on Impulsive Buying Behavior | Quantitative with Regression technique | PayLater and financial literacy impact spontaneous buying |
| Elvi (2025) | The Impact of Using Shopee PayLater on Student Consumptive Behavior | Quantitative with Multiple Linear Regression technique | The Shopee PayLater feature notably impacts the purchasing behavior of college students |

2.3. Reporting

As always, ensure that all citations from other authors are properly cited. Neglecting to cite material properly can result in Academic Dishonesty. The 'reporting' phase is the final activity undertaken in a systematic literature review investigation. During this phase, the results of the systematic literature review are documented in a prescribed manner according to the instructions.

3. RESULTS AND DISCUSSION

Introduced on marketplace platforms such as Shopee, the PayLater payment method has permanently changed consumer behavior. This method allows consumers to buy or make installment payments at a later date. Several studies, including Panjalu and Mirati's [7] study, show that payment sequence, service accessibility, and ease of registration are critical factors for using Shopee PayLater. Davis [11], within the Technology Acceptance Model (TAM) framework, classifies this convenience factor as a determinant of user intention to use a particular technology, claiming that this factor drives intention because users feel the system is not complicated. The Payment Portability Effect drives consumer behavior, especially among the younger generation.

Shopee and other service offerings targeted at this group increase competition and convenience. Elvi [6] found that the use of Shopee PayLater had a significant effect on student consumer behavior, especially related to meeting their impulsive spending needs. Saragih and Lestari [12] support this claim by showing that consumer lifestyle and inadequate financial literacy are the main factors responsible for users' shopping urges through the PayLater feature. Low financial knowledge results in consumers not considering the long-term impact of digital credit.

Shopee PayLater's perceived benefits and ease of use have a positive impact on impulse buying behavior, as explained by Nikmah and Iriani [2]. Users perceive Shopee PayLater's attributes as increasing their ability to spend on products which are needed on an impulse basis. This explains the phenomenon why purchases are now preceded by want rather than need, where an individual is emotionally influenced by advertisements and available credit. This form of impulsive purchase illustrates the erratic shift in consumer trends, especially in the online world.

In addition, the modern lifestyle that is openly associated with hedonism and peer influence further drives this behavior. A significant finding by Rahmawati and Mirati [5] highlights that lifestyle is an influencer on the behavior of consumers using Shopee PayLater. Here, using PayLater can be regarded as a financial solution and mark of social status, and confirmation of contemporaneity. The capability to purchase the latest fashion, cosmetic, or technological products is a paradigm of social presence among young people that actively participate in digital media.

Despite the opportunities provided by this advancement, its negative impacts also deserve attention. While PayLater programs may contribute positively to consumption, lack of financial literacy will only worsen the consumer's financial situation. As Rahmawati and Mirati [5] has noted, the level of educational attainment among some millennials is quite often paradoxical to their frenetic spending habits which is due to inadequate financial management. There is a possibility that the misuse of PayLater, will over time lead to accruing debt, paying overdue charges, and reduced purchasing ability in the future.

Available research points out that the use of PayLater as a payment method during shopping may increase spending tendency. Lifestyle, convenience, and inadequate financial literacy are critical gap explanations to this linkage. Therefore, without sound regulation and financial literacy programs, the intention to broaden access to financial services through PayLater will void the goal of maintaining personal finance sustainability.

4. CONCLUSION

By examining six relevant studies, it can be summarised that the adoption of the PayLater Method increases marketplace activities, particularly among the youth and active users of e-commerce platforms. The ease of access, streamlined registration, and benefits of services motivate users to make purchases that are often spontaneous and illogical [7] [2]. Factors such as hedonistic lifestyles coupled with low financial literacy intensify these tendencies, where the consumers focus more on fulfilling immediate gratification rather than long-term financial goals [4]. Following the Technology Acceptance Model by Davis [11], perceptions around ease of use and the benefits of lending technologies serve as fundamental bases to explain the adoption of the PayLater feature; however, in the absence of sound financial literacy, users will become trapped in a cycle of debt and financial mismanagement [13] [6].

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