FACTORS INFLUENCING THE INTENTION TO USE BUY NOW PAY LATER IN MALAYSIA

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DECEMBER 2023

FACTORS INFLUENCING THE INTENTION TO USE BUY NOW PAY LATER (BNPL) IN MALAYSIA

BY

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A final year project submitted in partial fulfilment of the requirement for the degree of

BACHELOR OF INTERNATIONAL BUSINESS (HONOURS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT
DEPARTMENT OF INTERNATONAL BUSINESS

DECEMBER 2023

DECLARATION

I hereby declare that:

(1) This undergraduate FYP is the end result of my own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Sole contribution has been made by mem in completing the FYP.

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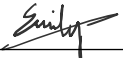Name of student: Student ID: Signature:

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Date: 13th December 2023

ACKNOWLEDGEMENT

First of all, I would like to take this opportunity to express my deepest gratitude to my supervisor, Ms. Rae Hooi. Her unwavering encouragement and constructive feedback have helped me a lot throughout the entire final year project. She has sacrificed her precious time to meet me for discussion as well as guide me to the right path. Also, she has always been there whenever I faced difficulties during that period of time, even if it was weekends or she had gotten off work. No matter how busy she was, she would get back to me as soon as possible.

Furthermore, I would also like to convey my appreciation to my second examiner, Ms. Goh Poh Jin, for providing me with valued comments and recommendations on my research project during the VIVA presentation so that I could perform better.

Apart from that, I would also like to thank Universiti Tunku Abdul Rahman (UTAR) for giving me such a great learning opportunity to further explore my academic growth. In addition, this research project couldn't be finished without the help of all the participants. Thus, their efforts and generosity were much appreciated since they provided crucial information for this study.

Lastly, and perhaps most importantly, I want to extend my thanks to my beloved family and friends for their endless support and understanding during the past few months. Their belief in my capabilities kept me motivated, and I am extremely grateful for that.

DEDICATION

First and foremost, this study is dedicated to my respected supervisor, Ms Hooi Pik Hua @ Rae Hooi, who have provided time, guidance, and assistance to me for completing this final year project during these few months.

Moreover, this study is dedicated to my dearest family who have supported me with passion by providing the emotional support, encouragement, and motivation during the tough period. I acknowledge and appreciate their efforts and understanding.

In addition, this study is also dedicated to my lovely and helpful friends. Practical assistance provided by them really helps a lot when I was encountering difficulties. Without their kindness and help, it would be tough in completing this project.

Last but not least, this study is also dedicated to all participants who have sacrificed their time to provide valuable insights by filling the questionnaire. The generous contributions of all participants were appreciated.

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LIST OF ABBREVIATIONS

BNPL	Buy Now Pay Later
Covid-19	Coronavirus disease of 2019
U.S.	United States
UTAUT	Unified Theory of Acceptance and Use of Technology
IT	Information Technology
PE	Performance Expectancy
EE	Effort Expectancy
FC	Facilitating Condition
SI	Social Influence
M	Materialism
T	Trust
S	Satisfaction
Et al.	And others

LIST OF APPENDICES

PREFACE

The landscape of retail and online shopping has grown in recent years, and this makes the alternative payment methods such as Buy Now Pay Later to gain reputation. Therefore, this study aims to provide a comprehensive understanding of Buy Now Pay Later concept, implications, and how it operates in our daily lives.

It is of utmost importance to know the changing dynamics of consumer behaviour and the increasing demand for flexible payment options. Unlike the traditional payment methods, Buy Now Pay Later offers users the ease of making purchases and deferring payments. Previous research has shown that Buy Now Pay Later has been widely used in many countries. However, research related to Buy Now Pay Later in Malaysia is still limited. Thus, there is a need for service practitioners to capture the concerns of users towards Buy Now Pay Later.

Therefore, the purpose of this study is to investigate the factors influencing the intention of Malaysian to use Buy Now Pay Later, based on Unified Theory of Acceptance and Use of Technology (UTAUT) model.

ABSTRACT

Buy Now Pay Later (BNPL) has become more and more famous in the last few years, especially during the Covid-19. People all around the world started to use Buy Now Pay Later when they were purchasing online via certain applications such as Atome, SpayLater, Hoolah, so on and so forth. Thus, the aim of this research is to study the relationship between performance expectancy, effort expectancy, facilitating conditions, social influence, materialism, trust, and satisfaction with the intention to use Buy Now Pay Later in Malaysia. In this study, the researcher has adopted the Unified Theory of Technology Acceptance and Technology Use (UTAUT) to develop a conceptual framework based on the context of Buy Now Pay Later.

Besides that, there were a total of 270 sets of survey questionnaires distributed to local Buy Now Pay Later users. However, only 255 sets were used for data analysis. From the findings and results, it shows that only performance expectancy, social influence, and satisfaction are significantly influencing the intention to use Buy Now Pay Later, whereas effort expectancy, facilitating conditions, materialism, and trust are not significantly influencing the intention to use Buy Now Pay Later.

In short, this research provides some theoretical and practical implications for practitioners and academics, which will help them to have a better understanding of Buy Now Pay Later in the future.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

The main objective of this research is to investigate the factors influencing the intention to use Buy Now Pay Later (BNPL) in Malaysia. BNPL is one of the digital payment options that has started to grow rapidly in Malaysia since the Covid-19 Pandemic. It is also categorised as a short-term financing or an instalment loan that enables customers to split the bigger amount into smaller monthly instalment payments, usually at zero percent (0%) of interest. Hence, this chapter provides an outline of the factors influencing factors influencing the intention to use BNPL in Malaysia. There are six (6) sections in this chapter. First and foremost, research background as well as research problem will be discussed. Then, followed by research objectives and research questions, and lastly, research significance as well as the summary of this chapter will be presented.

1.1 Research Background

Buy Now Pay Later (BNPL) is a new kind of electronic instalment payment arrangement that allows users to purchase even smaller items and pay them off over time (Katterbauer et al., 2023). In recent years, the popularity of BNPL has grown all around the world as more and more users are using this scheme when they are purchasing online. Instead of using credit cards, people are switching to BNPL after the pandemic. Hence, it leads to a rise in the use of BNPL all over the world.

According to Grand View Research (n.d.), the global market size for BNPL in 2022 was estimated at 6.13 billion US Dollar, and it is expected to demonstrate a 26.1% compound annual growth rate from 2023 to 2030. Additionally, the total BNPL transactions on a global basis were estimated to exceed 200 billion US Dollar in 2022.

Figure 1.1: BNPL Market

Source: Grand View Research (n.d.). Buy Now Pay Later market size, share & trends analysis report by channel (online, POS), by end-use (retail, automotive), by enterprise size, by region, and segment forecasts, 2023 – 2030.

Gupta (2023) reported that Sweden, Germany and Norway are the top three countries that use BNPL the most in their daily lives. For Sweden, it was captured that 25% of e-commerce payment were conducted by using BNPL, whereas Germany and Norway reached 20% and 18% respectively in 2021. For Malaysia, it was ranked 14th, which is after Singapore.

Figure 1.2: Countries where BNPL is used the most

Countries where BNPL is used the most
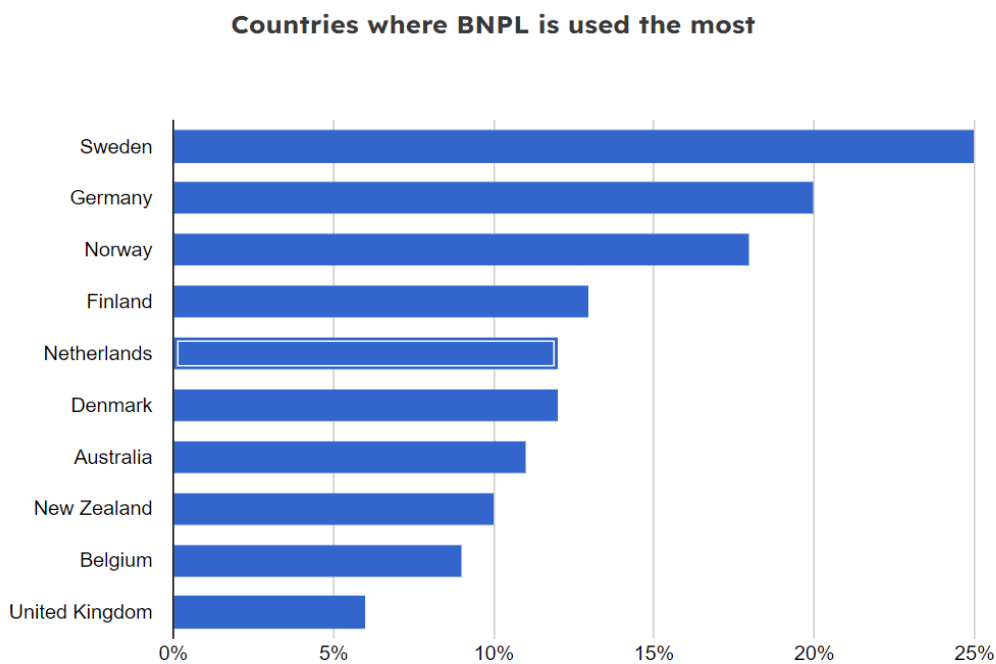
Source: Gupta, R. (2023). Buy Now Pay Later statistics: Market size, users, debt (2023).

In Malaysia, the recent global pandemic has undeniably changed consumer behaviour and transformed the retail industry. Many people had encountered financial difficulties and uncertainties during the pandemic, and this had prompting them to search for adaptable payment alternatives to better manage their expenses. Hence, BNPL services became the better solution, as it enabled consumers to distribute their payments over a period, thus easing financial pressures. According to Research and Markets (2023), Malaysia's BNPL payments are expected to reach 2.4 billion U.S. dollars in 2023 and forecasted to reach 4.3 U.S. dollars by 2028.

Figure 1.3: Malaysia BNPL Market

Source: Research and Markets (2023). Malaysia Buy Now Pay Later Business and Investment Opportunities Databook - 75+ KPIs on BNPL Market Size, End-Use Sectors, Market Share, Product Analysis, Business Model, Demographics - Q2 2023 Update

According to Tan (2022), there are various types of BNPL services in Malaysia. For instance, Atome, hoolah, SPayLater, PayLater by Grab, etc. Similar to credit cards, individuals will be charged for late payment fees, however, different platform will have different charges. Also, every paylater merchants will also have different requirements that need to be fulfilled by consumers. Hence, users can make comparison before applying an account for Buy Now Pay Later.

1.2 Research Problem

BNPL users are growing globally, including in Malaysia. Presently, users of BNPL in Malaysia are still increasing drastically since the past few years, especially during and after the Covid-19 pandemic. Thus, this study is to explore the factors that are influencing the intention to use BNPL.

Previous study has adopted Technology Acceptance Model (TAM) or Theory of Planned Behaviour (TPB) to explore the factors influencing users to use BNPL (Azmi et al, 2022), and there was not much research

using Unified Theory of Acceptance and Use of Technology (UTAUT) to explore the factors influencing intention to use Buy Now Pay Later. Thus, this study has adopted UTAUT model with the fore core determinants (performance expectancy, effort expectancy, social influence, and facilitating condition) in order to examine the relationship between them and the intention to use BNPL.

Furthermore, people nowadays especially the younger generation are becoming more materialistic compared to the older generation. Thus, materialism affects their well-being and cause them to spend more over saving (Maison and Adamczyk, 2020). According to Richins (2011), past researchers have examined the relationship between materialism and consumer credit practices, and it has not been conducted to study if there is relationship between materialism and the intention to use BNPL. Therefore, materialism is added to be one of the indicators under the framework in this research.

Apart from that, trust is the issue that people are concerning when it comes to fintech products or services, especially BNPL. Trust has positively impacted the intention to use BNPL (Setiawan et al., 2020). However, some potential issues such as debt issue may be appeared in the future if one does not use BNPL wisely (Dhahana & Ulpah, 2023). According to Fook and McNeill (2020), adopting Buy Now Pay Later can cause an individual to be in debt. Also, several studies have proved that BNPL could lead to overspending and irresponsible purchase behaviour (Erasmus & Lebani, 2008; Limbu, 2014; Lo & Harvey, 2011). This is because BNPL encourages individuals to delay their payments. When one (especially with low self-control) has the chance of making immediate purchase without paying any upfront payments, one may create a false perception of affordability, which in return, causing one to spend more or make impulsive purchases, and lastly, causing debt accumulation. Thus, consumer's trust toward BNPL have been negatively influenced by the news of debt accumulation. Moreover, users may not have clearer understanding of the total amount they are going to repay due to the lack of transparency regarding fees and charges (NST Business, 2023). Then, there might be an increase in debt accumulation, and bankruptcy will be a major issue that might be happened in the future if this situation happens in the long run.

Also, BNPL may lead to an increase in missed repayments rate among Buy Now Pay Later users. According to NST Business (2023), Bank Negara Malaysia had reported that the proportion of Buy Now Pay Later (BNPL) users with overdue payments had increased to 17.0% in the fourth quarter (Q4) of 2022, and this had marked a rise from 14.0% in the second quarter (Q2) of the same year. Also, it was a significant increase compared to the 7.0% recorded in the fourth quarter (Q4) of 2021. In addition, more than 80% of the BNPL users are only paid RM3000 as their monthly salary. Hence, they will be more sensitive to financial stress. Bank Negara also pointed out that users of BNPL are easy to spend beyond their means without thinking their ability to repay the loans, as the facilities of BNPL is easy to use (NST Business, 2023). With this

assumption made by Bank Negara, it is crucial to study the facilitating conditions and the intention to use BNPL.

The study related to BNPL has been conducted by many past researchers. However, most of the studies were conducted in other countries, and there was less, and limited research examined the factors influencing the intention to use BNPL in Malaysia. Hence, to fill in this gap, this research is conducted to investigate the factors influencing the intention to use BNPL in Malaysia.

1.3 Research Objectives

This research is aimed to determine and to look into the solutions in solving the research problems. There are two (2) categories of research objectives, which are the general objectives and the specific objectives.

1.3.1 General Objective

The aim of this study is to investigate the factors influencing the intention to use BNPL in Malaysia. The factors proposed are performance expectancy, effort expectancy, social influence, facilitating condition, trust, materialism, satisfaction, and the intention to use BNPL mechanism.

1.3.2 Specific Objectives

There are seven objectives in this study, and it aims to build a better understanding of the factors that influence the intention to use BNPL in Malaysia.

i. To study if performance expectancy influences the intention to use BNPL.
ii. To study if effort expectancy influences the intention to use BNPL.
iii. To study if social influence influences the intention to use BNPL.
iv. To study if facilitating condition influences the intention to use BNPL.
v. To study if trust influences the intention to use BNPL.
vi. To study if materialism influences the intention to use BNPL.
vii. To study if satisfaction influences the intention to use BNPL.

1.4 Research Questions

This study proposed the following questions:

i.   Does performance expectancy positively influence the relationship on intention to use BNPL?

ii.   Does effort expectancy positively influence the relationship on intention to use BNPL?

iii.   Does social influence positively influence the relationship on intention to use BNPL?

iv.   Does facilitating condition positively influence the relationship on intention to use BNPL?

v.   Does trust positively influence the relationship on intention to use BNPL?

vi.   Does materialism positively influence the relationship on intention to use BNPL?

vii.   Does satisfaction positively influence the relationship on intention to use BNPL?

1.5 Research Significance

The major significance of this study is to examine the factors that influence the intention to use BNPL in Malaysia. By conducting this research, practitioners and academics could gather insights in order to have a better understanding on users' intention to use BNPL.

From a consumer perspective, this study helps consumers to have a better understanding of BNPL. For example, consumers are able to compare BNPL with traditional payment methods or other financial tools in terms of benefits, implications, convenience and so on. Since BNPL is considered a new financial tool in Malaysia, this study may help all individuals to understand it.

Furthermore, this research can also help businesses to gain insights of consumers towards BNPL. For instance, businesses are able to understand the elements (performance expectancy, effort expectancy, facilitating conditions, social influence, materialism, trust and satisfaction) that drive consumers to adopt BNPL through this study. Therefore, enterprises can make improvements to meet the customers' needs and expectations by using the information they have obtained from this study. For example, businesses can develop a more effective and secure online payment method or system with more features.

Apart from that, conducting this study on this topic can also be advantageous for the government in economic growth. When more and more people develop the skill and knowledge of using BNPL (which is a recent

fintech offerings), it helps to create more job opportunities and also attract investment, thus improving the economy of our country. When economy is growing, Gross Domestic Product (GDP) will also increase, which means more income is generated. Thus, it is very important for the population to have the knowledge of using the financial systems. By studying this research, individuals may be familiar with the process of transactions using BNPL.

1.6 Chapter Summary

In short, all sections of this chapter have been clearly stated and presented. The following chapters will be further discussing and presenting literature review, methodology, data analysis and so on.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter covers the reviews and analyses of past literatures in accordance with the research issues discussed in Chapter 1. The theory, variables of this research, theoretical framework, and hypotheses will be discussed in this chapter.

2.1 Underlying Theory

2.1.1 Unified Theory of Acceptance and Use of Technology (UTAUT)

Unified Theory of Acceptance and Use of Technology or UTAUT originates from a combination of eight established psychological theories that consists of Technology Acceptance Model (TAM), theory of reasoned action (TRA), theory of planned behaviour (TPB), a combination of Technology Acceptance Model and theory of planned behaviour, the model of PC utilization, the diffusion of innovation, the motivational model, and social cognitive theory (Venkatesh et al., 2003). According to Alajmi and Alotaibi (2020), Venkatesh et al. had evaluated the similarities and differences between those eight theories, which were used in earlier studies to justify the acceptance and use of Information Systems (IS). The UTAUT is constructed upon four core determinants of user intentions and actual use of technology, which are the performance expectancy (PE), effort expectancy (EE), social influence (SI), and facilitating conditions (FC).

Over the past decades, UTAUT has been widely adopted and applied within the Information Systems (IS) field. Furthermore, it has also been found out that researchers have used UTAUT model to investigate a range of technologies, like online learning, online recruitment processes, online banking, online ticketing systems, so on and so forth (Alajmi & Alotaibi, 2020). Since BNPL is one of the digital payment methods, UTAUT model is applied in this study with three of the four core determinants (performance expectancy, effort expectancy, social influence, and facilitating conditions), along with three (3) additional variables (materialism, trust and satisfaction) added.

Figure 2.1: Example of UTAUT Model
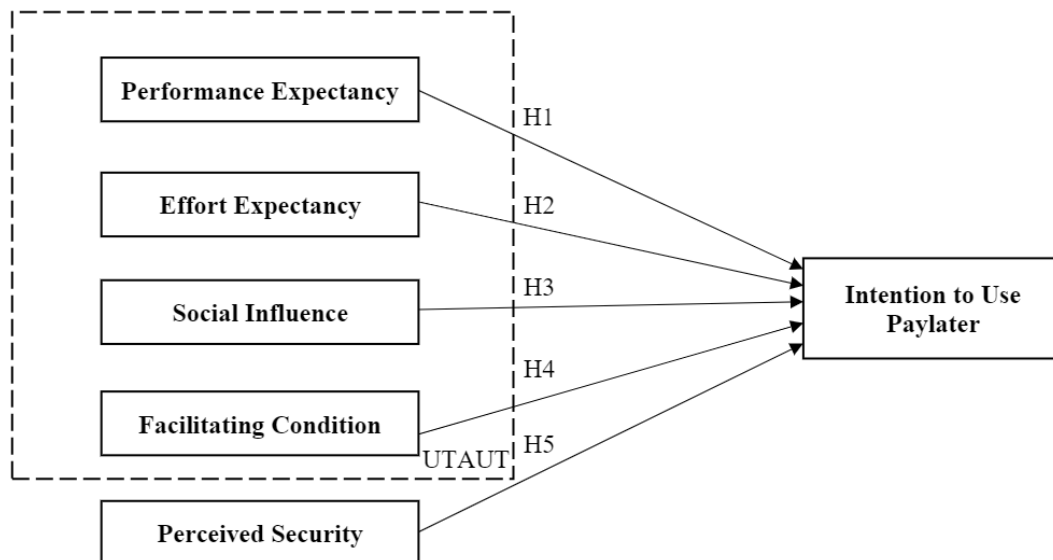
Source: Lee, H. M., & Tai, L. C. (2023). Consumers' intention to use Buy Now Pay Later in Malaysia. Combines.

2.2 Review of Variables

2.2.1 Performance Expectancy (PE)

Performance expectancy described the extent of one believes that one's job performance or capability can be improved if one uses a system (Venkatesh et al., 2003). For this study, performance expectancy refers to the expectations of the individuals towards BNPL mechanism. As reported by Venkatesh et al. (2003), performance expectancy comprehends five constructs derived from several models, which include perceived usefulness, extrinsic motivation, job-fit, comparative advantage, and outcome expectations.

Performance expectancy is observed to be influenced an individual to adopt and utilize an IT system or technology (Rahi et al., 2019). When individuals start using IT systems to perform job and in return, gaining the benefits, the positive perception towards technology will arise, and this will affect them in continuing adopting the IT systems since the individuals has started to believe in the values of technology. According to Alalwan et al, (2017) and Venkatesh et al. (2003), individuals will only have the intention to adopt a particular technology if they realize they can get more benefits from using the technology in their daily lives. Moreover, individuals that experienced and satisfied with the systems may share their positive experiences with surrounding people such as colleagues, friends, and family, and thus leading to a broader acceptance of technology.

Additionally, past research showed that performance expectancy drives individual's intention to use mobile application and mobile payment as users only have to tap the e-money on the system, and payment is recorded easily.

2.2.2 Effort Expectancy (EE)

According to Venkatesh et al. (2003), effort expectancy is referred to the level of simplicity and convenience associated with the use of system. There are three constructs from existing models capturing the notion of effort expectancy within this concept, which includes perceived ease of use, complexity and ease of use.

Zhou et al. (2010) claimed that, when users perceive technology as user-friendly and does not require much effort, they are more likely to embrace in adopting the technology or system. This is because when the system is simple and easy to use, individuals will be more inclined to explore the features and functionality of the system. However, on the other hand, a complicated system that is not easy to use will not be adopted by the users (Moya et al., 2017).

Moreover, according to Eneizan et al. (2020), a system that is easy to use will increase the probability of individuals to make a purchase via the system. Some researchers have shown that BNPL is popular nowadays is because it provides a convenient way for users to make online purchases. The simple checkout process enhances the overall convenience for the users, as time and effort can be diminished since the checkout process just needs a few clicks. Therefore, the payment method of BNPL attracts numerous users, as the loan approval and the process are easy to use compared to using credit cards or other payments (Wulandari & Damayanti, 2022).

2.2.3 Social Influence (SI)

Social influence is characterized as the level of an individual believes that other people who are considered important to them, expect them to utilize the new merchant or technology (Venkatesh et al, 2003). In simpler words, social influence is determined as how can an individual be influenced to adopt a new technology by their social connections.

Social influence can be everywhere. It can be family, colleagues, friends or neighbours (Bagozzi & Lee, 2002). In this era, individuals always seek for recommendations or suggestions from their inner circles, as a recommendation from the inner circles such as close friends and family helps to strengthen the perception of the individual before making crucial decisions. Hence, individuals will always gather information about a service or product by seeking input from others who have tried the product or service (Macedo, 2017). Recommendations from inner circles is considered word-of-mouth recommendations that is highly convincing, since the recommendations are from trusted sources (Cheema & Kaikati, 2010).

Apart from that, previous research has also claimed that social influence play an important role in affecting the intention of individuals to use technology, such as mobile banking and mobile payment (Gharaibeh et al., 2018; Slade, Dwivedi, Piercy, & Williams, 2015). Therefore, a person's recommendations may have an impact on one's decision to use BNPL. When one provides positive opinions towards BNPL, it can skip the decision-making step, and straight forwards to adopt BNPL services.

Moreover, when one observes the widespread of using BNPL services in community, one is more likely to use it. Thus, social influence is a type of consideration that can positively affect the intention of an individual to use BNPL.

2.2.4 Facilitating Condition (FC)

Venkatesh et al. (2003) defined that facilitating conditions is the extent of an individual in perceiving that the technical or infrastructure of the organizational supports the usage of a particular technology or system. Basically, it shows the level to which the environment in which the technology operates is favourable and accepting, thus affecting an individual's willingness and ability to effectively use the particular technology or system. Moreover, facilitating conditions also defined as the factors and technical infrastructure that strengthen mobile banking like training about the techniques of conducting mobile banking or skill and resources of a user (Chawla & Joshi, 2020).

Facilitating conditions plays a crucial role in affecting individuals' intention in purchasing a product or service (Hossain et al., 2017). When users experience the convenience and support that a service provider provides in terms of payment or transaction facilitation, a positive outcome can be determined. For instance, customer support is of utmost importance. This is because customer support helps to assist or guide users whenever they encountered any questions or problems about their BNPL

transactions. Hence, when there are customer service representatives in helping users to solve the issues, users may get satisfaction, thus continuing to use BNPL.

2.2.5 Materialism (M)

According to Podoshen and Andrzejewski (2012), materialism consists of two perspectives. The definition of materialism by Belk (1985) is as "the importance a consumer attaches to worldly belongings", and it involves three key elements which are the greed, non-generosity, and envy. These elements are referred to as the level of values of one's material items, dislikes sharing one's items, and jealousy when others own more valuable items. However, the definition of materialism by Richins and Dawson (1992) is defined as a situation that individuals place material acquirement at the core of their existence and consider these material belongings as the primary means to achieve joyfulness.

Additionally, materialism is now evolving into a worldwide phenomenon (Podoshen & Andrzejewski, 2012). According to Podoshen and Andrzejewski (2012), materialism refers to a personal trait where the ownership of objects (particularly products), is deemed significant for demonstrating one's status or reaching personal happiness. The initial significance of an individual having materialistic behaviour is a shopping interest to fulfil uncontrolled shopping enthusiasm. Individuals with this behaviour will lead to an impulsive buying or spending as they do not consider or think much before spending. Since they do not consider the consequences, it results in adverse financial behaviour (Podoshen & Andrzejewski, 2012; Nye & Hillyard, 2013). Thus, the intention to use BNPL will be high when they wish to fulfil their materialism behaviour even if they are having financial difficulties. Hence, the intention to use BNPL is stated to be affected by materialism.

Apart from that, Watson (2003) stated that individuals with higher materialism value are more likely to spend, borrow money for luxury goods, and rarely to save. Hence, those individuals are more likable to adopt BNPL since they can get now and pay afterwards or split the amount into instalments.

2.2.6 Trust (T)

According to Gefen et al. (2003), trust or customers' trust towards mobile banking can be defined as the accumulation of customers' belief regarding the integrity, benevolence, and competence of

mobile banking services. These beliefs can enhance the willingness of customers to rely on mobile banking for their financial transactions.

In accordance with Luo et al. (2010), trust not only affects an individual's intention, but it also affects performance expectancy. When one trusts the system or technology, one will be intended to use the technology. Also, when one trusts the system, one may have high expectations towards the system. Hanafizadeh et al. (2014) also pointed that trust is a key driver for individuals to use mobile banking. This is because individuals believe and trust that all their financial, personal information, and transactions are safe and protected when they are using the mobile banking apps. Same as usual, the personal data in BNPL will be kept privately and safely to protect all users.

2.2.7 Satisfaction (S)

According to Dawi et al. (2002), satisfaction is defined as the outcomes that a customer obtains from the service that has met or exceeded his or her expectation. Satisfaction of users is also an important element focused on evaluating the effectiveness of the relations between an Information System and users. It evaluates how effectively the system meets the needs and expectations of the users and if it contributes to their overall satisfaction (Tella & Abdulmumin, 2015). In this study, satisfaction is a variable to study the connection between satisfaction and the intent to use BNPL.

In order to develop sustain in the market, organizations must enhance their customer satisfaction. Therefore, it is very important for an organization to recognize and fulfil the needs of customers so that it can retain the customers for the business (Timothy, 2012). Therefore, if the concern of users is about safety issue, BNPL must enhance the security system to fulfil or meet their satisfaction, so that they are satisfied with the new security system, thus continuing to adopt BNPL.

2.2.8 Intention to Use BNPL

Intention is defined as a particular probability that one will perform a specified behaviour (Fishbein and Ajzen, 1975). In this modern era, technology is so advanced that almost everyone is willing to make payment through digital platforms with their smartphones. The advancement in technology provides advantageous features that motivates users to adopt it. As per the internet user and online shopping keep growing, the options for payment systems also increase. One of the payment systems that has gained popularity recently is the BNPL service. BNPL is a payment option that found out to

be like a credit or instalment system. The only difference is that it doesn't require a credit card and offers an easier and more accessible process for users (Cuandra, 2022).

BNPL has started to grow since the Covid-19 Pandemic, as the whole population in the world were restricted to stay at home. Hence, people started to buy things online, and ever since then, BNPL has become a common tool that people use to make transactions.

According to Cuandra (2022), survey data from previous study has shown that the usage of BNPL is predicted to be grown by 75% in 2022 compared to 2011, and the intention to use BNPL is predicted to be increased from 2021 to 2028. The main reason for BNPL system to grow continuously is that online businesses are increasing since the pandemic. For an example, e-commerce industry is expected to be grew for the next four to eight quarters in Indonesia. Therefore, more and more pay later providers are enrolled in this sector. The online platforms that have employed BNPL service in Indonesia include Shopee, Gojek, Tokopedia, so on and so forth (Sari, 2021).

In short, more and more population are adopting BNPL nowadays. According to Sari (2021), SpayLater users have increased to 1.27 million users, with approximately 850 thousand borrowers (which is a 67% accumulation rate) actively adopting the service.

2.3 Conceptual Framework

Figure 2.2: Conceptual Framework
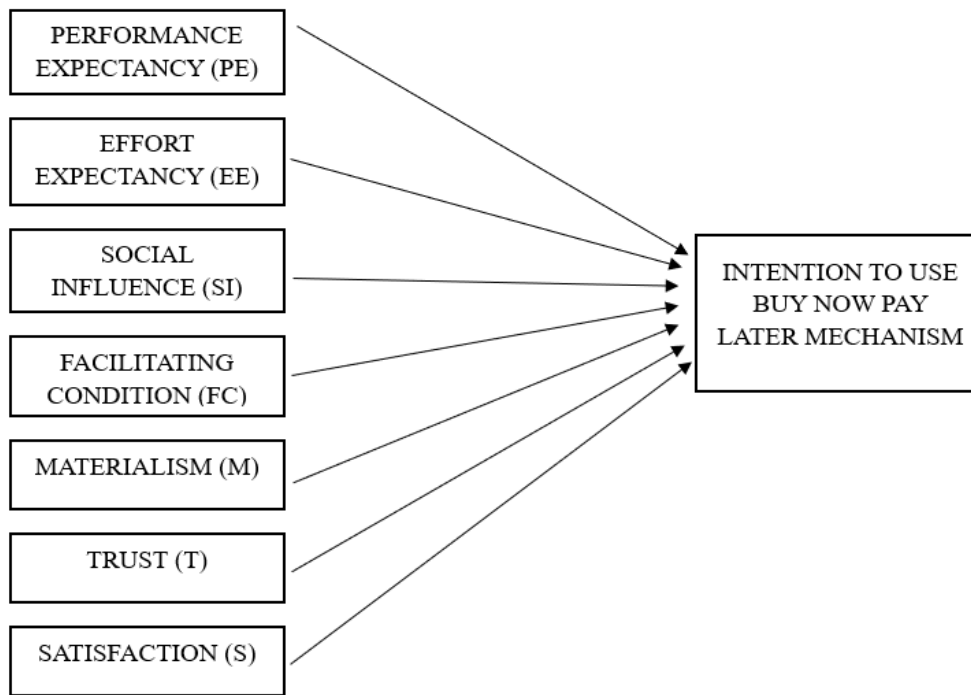
Source: Developed for the research

Figure 2.2 shows the proposed conceptual framework. There are a total of eight (8) variables in this framework, including seven (7) independent variables, and one (1) dependent variable. Hence, there are seven (7) hypotheses being proposed in this model for testing the connection between the variables.

2.4 Hypotheses Development

2.4.1 Relationship between Performance Expectancy and intention to use BNPL

In accordance with Lee and Tai (2023), there are empirical evidence arguing the statement that performance expectancy is a foundation to the effective adoption of alternative payment methods. When it comes to mobile payments, performance expectancy pertains to the degree to which mobile payment methods can strengthen the efficiency of transactions. Several studies have supported that the intention of individuals to use BNPL is notably affected by their expectations regarding the performance.

Hence, it proposed that:

H1: There is a relationship between PE and the intention to use BNPL.

2.4.2 Relationship between Effort Expectancy and intention to use BNPL

Based on previous study, effort expectancy can affect the intention to use BNPL. Numerous researchers have validated the influence of effort expectancy on a customer's intention to utilize online banking channels (Alalwan et al., 2017). This is because BNPL is easy to use even if there is no guidance, and individuals do noy need much effort to make a payment.

Hence, the hypothesis is formulated:
H2: There is a relationship between EE and the intent to use BNPL.

2.4.3 Relationship between Social Influence and intention to use BNPL

A few previous research discovered that users' intention to use BNPL is significantly influenced by social influence (Alalwan et al., 2017). This is because information and encouragements given or suggested by people around an individual plays a vital position in providing to the individual's alertness, especially the intent toward technology (Alalwan, Dwivedi, & Williams, 2016; Alalwan, Rana et al., 2015)

Hence, the hypothesis is drawn:
H3: There is relationship between SI and intention to use BNPL.

2.4.4 Relationship between Facilitating Condition and intention to use BNPL

According to Vinitha (2017), facilitating conditions have positive impact on adoption of online banking services. Different online banking studies have illustrated that facilitating conditions can bring an effect on the intention to implement mobile banking. Hence, there is a positive relationship that facilitating conditions affects the intention to use BNPL.

Hence, the hypothesis proposed:
H4: There is relationship between FC and intention to use BNPL.

2.4.5 Relationship between Materialism and intention to use BNPL

Consumer's intention to use BNPL is influenced by materialism. Previous study found that materialism could increase credit card usage (Pradhan et al., 2018), and this is caused by the materialism behaviour of the individuals. Individuals can use BNPL when they do not have enough money to purchase the items they want to buy. Hence, there is an obvious impact for materialism towards the intention to use BNPL.

Hence, the hypothesis is formulated:

H5: There is a relationship between M and intention to use BNPL.

2.4.6 Relationship between Trust and intention to use BNPL

The previous study stated that there should be significant relationship between trust and the intention to use BNPL service (Gefen et at, 2003). According to Rachmawati and Astuti (2020), trust in BNPL services is influenced by customers' expectations regarding security. Therefore, a safe platform can build the confidence of users in adopting BNPL services.

Hence, the hypothesis proposed:

H6: There is a connection between T and intention to use BNPL.

2.4.7 Relationship between Satisfaction and intention to use BNPL

According to Ladkoom and Thanasopon (2020), satisfaction has a positive effect on intention to use IT products or services, such as BNPL. Previous study has shown that throughout 418 respondents, 94.20% were satisfied with the BNPL mechanism, as they have received benefits from using it (Sengupta, 2022). They may be satisfied by the ease of use of the system, transaction process, etc.

Hence, the hypothesis proposed:

H7: There is a relationship between S and intention to use BNPL.

2.5 Conclusion

The chapter included review of literature on the factors influencing the intention to use BNPL. Besides, a theoretical framework was developed to test the variables' relationship. The methodology for this research study will be discussed in the following chapter.

CHAPTER 3: METHODOLOGY

3.0 Introduction

In this chapter, several elements like design of the research, methods used for data collection, design of sampling, instruments of research, construct measurements, data processing and data analysis will be further examined in a more specified way. Moreover, summary of this chapter will also be presented at the end of this chapter.

3.1 Research Design

Research designs are the blueprint, or the strategy developed to address the research topic and manage the variance (Dulock, 1993). In other words, a research design is a basic approach for connecting the conceptual research issues to the appropriate and practicable empirical research. According to Rezigalla (2020), a research design is aimed to answer the initial question(s) with the data collected in a clearer basis.

3.1.1 Quantitative Research

Quantitative research is one of the research methods that is being used in education. According to Watson (2015), quantitative research contains a variety of approaches dedicated to systematically examining social phenomena by utilizing statistical or numerical information. Therefore, it requires the process of measurement and operates on the premise that the studied phenomena are quantifiable. Thus, quantitative research is mainly used to scrutinize the data for patterns and associations while also confirming the accuracy of the measurements taken simultaneously. In this study, quantitative research is used to examine that which independent variables significantly affect the intention to use BNPL in Malaysia.

3.1.2 Causal Research

According to Sheth and Malhotra (2010), causal research is the research that used to seek for the causal relationship between one or more independent variables and one or several dependent

variables. Hence, the objective of applying causal research in this study is to analyse the factors influencing the intention to use BNPL in Malaysia. By referring to the proposed framework, the relationship that need to be examined in this study is between the six independent variables including performance expectancy, effort expectancy, facilitating condition, trust, materialism and satisfaction and one dependent variable which is the intention to use BNPL in Malaysia.

3.2 Data Collection Method

There are two common data collection methods in conducting research. The first is primary data, and the second is secondary data. According to Rabianski (2003), primary data is referred to the information or data that are being collect first hand such as via questionnaire or experiments, whereas secondary data is referred to the information or data that are gathered from secondary sources like article. Therefore, to conduct this research, primary and secondary data collection methods are being employed.

3.2.1 Primary Data

Primary data are the data that are sourced directly from the original information. Thus, the data obtained are more reliable and will lead to a greater confidence level in decision-making due to the trustworthy analysis (Abu-Taieh, Mouatasim & Al Hadid, 2020). An example for primary data would be survey questionnaires. Distributing a survey questionnaire helps to reach a wider variety of respondents and also enables researchers to get the latest data from the respondents even though it is time consuming (Sansoni, 2011). Hence, in this research, questionnaire is distributed to 270 targeted respondents in order to obtain primary data.

3.2.2 Secondary Data

According to Abu-Taieh, Mouatasim and Al Hadid (2020), secondary data are the data collected from journals, articles, books, newspaper, website and etc. In this research, the secondary data used are from different sources such as journals, eBooks, articles, and other reliable online resources.

3.3 Sampling Design

The process of selecting a sample from a population is called sampling (Saunders, Lewis & Thornhill, 2020). Zikmund et al. (2013) stated that sampling is also defined as the process of illustrating conclusions by taking a small sample from a larger population.

3.3.1 Target Respondents

This study is aimed to determine the variables that can affect the intention to use BNPL in Malaysia. Thus, the target respondents in this study are those individuals (Generation Z) who have used or tried BNPL in purchasing goods in their daily lives.

3.3.2 Sampling Frame and Sampling Location

A sampling frame refers to a set of elements from which a sample can potentially be selected (Zikmund et al., 2013). To conduct this research, the target respondents are the BNPL users who are 18 years old and above. The sampling location to conduct the survey for this research study is Klang Valley. Lastly, 270 sets of survey questionnaire are randomly distributed in this study.

3.3.3 Sampling Technique

Saunders, Lewis and Thornhill (2020) stated that a sampling technique is a technique that is being employed in order to select a sample from a population. According to Amadebai (n.d.), there will be two kinds of sampling techniques, one is probability sampling while another is non-probability sampling techniques. Probability sampling refers to each individual in the population has an equal chance of being selected, whereas non-probability sampling refers to the participants are being selected randomly, and they do not have equivalent chance to be selected by the researchers. For this research, convenience sampling from non-probability sampling is being used.

3.3.4 Sample Size

G Power calculator has been used to calculate the minimum number of participants in the study. The total sample size by using the G power is 153, but the sample size for this research reached 270. According to Comrey and Lee (1992), sample size of 100 is poor, 200 is fair, 300 to 500 is good and very good, and it is excellent if the sample size is more than 1000. Hence, a total of 270 sets of questionnaires $(200 < 270 < 300)$ including 30 sets of questionnaires for pilot test purpose are distributed to the target respondents in this study.

Figure 3.1: G Power Calculator
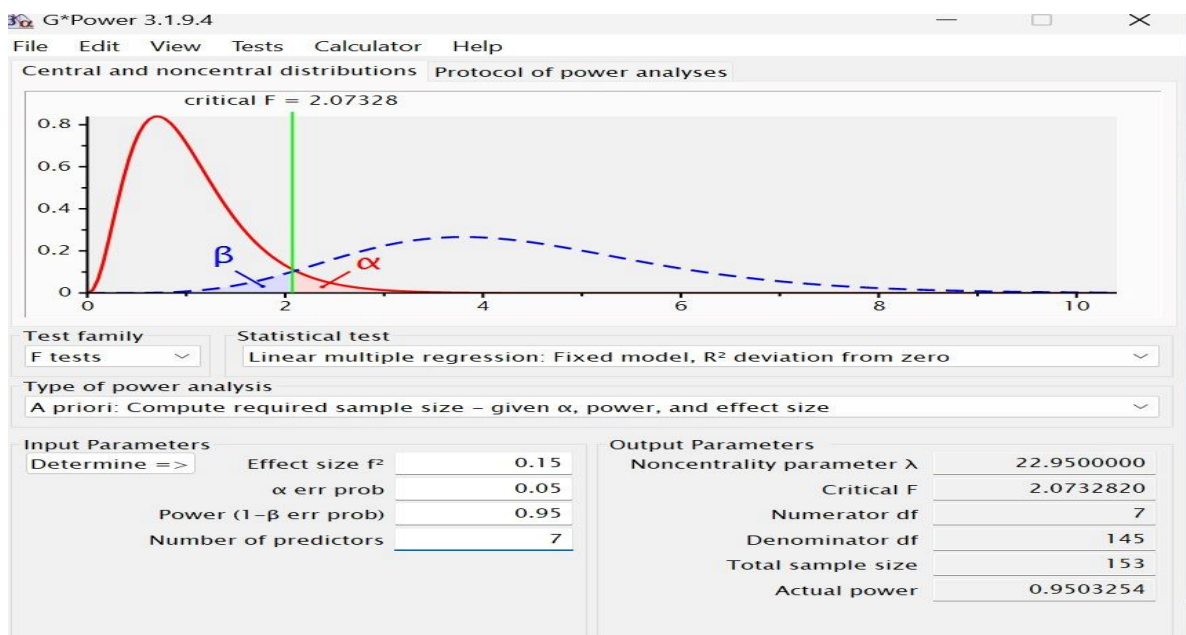
Source: Developed for the research

3.4 Research Instruments

A research instrument is an instrument employed for the purpose of gathering, measuring, and examining data associated with research inquiries (Columbia University, n.d.). Such instruments include interviews, tests, surveys, so on and so forth. In this study, questionnaire is given to the respondents.

3.4.1 Questionnaire Design

The survey questionnaire for this research consists of three parts, which are part A, part B and part C. Part A is the demographic information of the target respondents such as gender, age, race, education background, occupation, and monthly income, whereas Part B is about the general

information regarding BNPL, asking how long have the respondents been using BNPL, how often do they use, so on and so forth. For the last part, which is the part C, the questions are related to the seven independent variables and the dependent variable of present research.

Table 3.1: The sections in the Survey Questionnaire

Section	Number of Items	Measurement Scale
A: Demographic Information	6	-
B: General Information	6	-
Filter Question	1	-
C: Independent Variables		
Performance Expectancy (PE)	4	Likert Scale
Effort Expectancy (EE)	4	Likert Scale
Social Influence (SI)	4	Likert Scale
Facilitating Condition (FC)	3	Likert Scale
Trust (T)	4	Likert Scale
Materialism (M)	5	Likert Scale
Satisfaction (S)	4	Likert Scale
Dependent Variable		
Intention to use BNPL	6	Likert Scale

Source: Developed for the research

3.4.2 Pilot Test

Pilot test is a test whereby it is carried out before an actual survey is conducted. The aim of conducting a pilot test is to test the reliability of each variable, to discover weaknesses, and to determine if there are any errors appear in the questionnaire. For instance, grammar mistakes or errors in the sentences can be determined through pilot test as feedback can be collected from the respondents. Hence, it is vital to make sure that all words and sentences are clear and understandable to respondents even without the help of researchers.

For this research, there were 30 sets of survey questionnaire being distributed for handling the pilot test. Lackey and Wingate (1998) stated that a pilot test should be 10 percents of the final study size. Since the final study size is 270, 10 percents of it is 27. However, instead of taking odd number, this research takes 30 sets for pilot test.

Table 3.2: Summary of Reliability Statistics (Pilot Test)

Variables	Cronbach's Alpha	No. of items
Performance Expectancy (PE)	0.813	4
Effort Expectancy (EE)	0.784	4
Social Influence (SI)	0.904	4
Facilitating Condition (FC)	0.821	3
Materialism (M)	0.767	5
Trust (T)	0.767	4
Satisfaction (S)	0.848	4
Intention to Use Buy Now Pay Later	0.860	6

Source: Developed for the research

3.5 Construct Measurement

3.5.1 Scale Measurement

Scale measurement is a method utilized to assess the validity and reliability of a statistical analysis. In this study, the types of scale measurements employed include nominal scale, ordinal scale, and interval scale.

3.5.1.1 Nominal Scale

Nominal scales, which is also known as categorical scales or dichotomous scales, is used to categorise the respondents into some categories such as natural and artificial category (Brown, 2011).
One of the examples of nominal scale in this study is the gender of respondents which is one of the questions being set in the questionnaire, under Section A.

Table 3.3: Example of Nominal Scale

Section A: Demographic Information
Please fill in some of your personal information on all the questions below.

1. Gender
  ☐ Male
  ☐ Female

Source: Developed for the research

3.5.1.2 Ordinal Scale

According to Zikmund et al. (2013), an ordinal scale is a non-numeric measurement that rank things in order. In the questionnaire of this study, age is one of the examples for the ordinal scales in Section A.

Table 3.4: Example of Ordinal Scale

Section A: Demographic Information
Please fill in some of your personal information on all the questions below.

2. Age
  ☐ 18-25 years old
  ☐ 26-35 years old
  ☐ 36-45 years old
  ☐ Above 45 years old

Source: Developed for the research

3.5.1.3 Interval Scale

According to Brown (2021), interval scales demonstrate the sequence of items, while maintaining consistent intervals between each point along the scale. The interval scale in this study is using the 5-point Likert scale with a value from "Strongly Disagree" to "Strongly Agree" in the Section C of the questionnaire.

Table 3.5: Example of Interval Scale

Section C: Factors influencing the intention to use Buy Now Pay Later in Malaysia.

Listed below are the measurement items regarding factors influencing the intention to use Buy Now Pay Later in Malaysia. Kindly select the answer that reflects your opinion for each of the following questions.

Satisfaction (S)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Buy Now Pay Later is wonderful.	1	2	3	4	5
2. Buy Now Pay Later is stimulating.	1	2	3	4	5
3. I am satisfied with Buy Now Pay Later because it is free from error.	1	2	3	4	5
4. Overall, I am extremely satisfied purchasing through Buy Now Pay Later.	1	2	3	4	5

Source: Developed for the research

3.5.2 Origin of Construct

Table 3.6: Origin of Construct

Construct	Measurement Items	Sources
1. Performance Expectancy (PE)	1. BNPL is a useful tool for conducting transactions. 2. BNPL enables me to conduct transactions easily. 3. I can conduct transactions faster on BNPL payment as compared to cash transactions. 4. Using BNPL improves my shopping experience.	Gupta et al., 2020

2. Effort Expectancy (EE)	1. Learning to use BNPL is easy. 2. It's easy to enter in the BNPL page. 3. It's easy to use the BNPL service skilfully. 4. I do not have any doubts about what I'm doing when I'm using the service.	Dong, X. M. (2018)
3. Social Influence (SI)	1. In my social circle people who influences on my behaviour think that I should use BNPL. 2. In my social circle people who are important to me think that I should use BNPL. 3. In my social circle BNPL is considered important for financial transactions. 4. In my social circle people whose opinions that I value prefer that I use BNPL.	Venkatesh et al., 2003
4. Facilitating Condition (FC)	1. Guidance is available to me in the selection of the BNPL system. 2. Specialized instruction concerning the BNPL system is available to me. 3. A specific person (or group) is available for assistance with system difficulties.	Venkatesh et al., 2003
5. Trust (T)	1. Overall, I think BNPL is trustworthy. 2. I believe that BNPL will always consider the best interests of customers. 3. I believe BNPL will fulfil its promise and commitment. 4. Even if not monitored, I'm sure the BNPL services can do their job properly.	Purwandari et al., 2022
6. Materialism (M)	1. Buying things give me a lot of pleasure.	Zainudin et al., 2019

	2. It sometimes bothers me that I can't afford to buy things I like.	
	3. The things I own say a lot to others in terms of how my life is.	
	4. I like to own things that impress people.	
	5. I enjoy spending money on things that aren't practical.	
7. Satisfaction (S)	1. BNPL is wonderful.	Tella et al., 2015
	2. BNPL is stimulating.	
	3. I am satisfied with BNPL because it is free from error.	
	4. Overall, I am extremely satisfied purchasing through BNPL.	

Source: Developed for the research

3.6 Data Processing

Data processing is crucial for quantitative research to undergo before a researcher can start the data analysis, as it helps to ensure the quality of data (Bourque & Clark, 1992).

3.6.1 Data Checking

According to Malhotra (2012), data checking is the process of ensuring that the questionnaires are completed and are of high quality. Therefore, before moving to the next step, which is data editing, data collected from the 270 respondents will be examined so that the data are valid and reliable.

3.6.2 Data Editing

According to Zikmund et al. (2013), data editing contains reviewing the data for consistency, omissions, and clarity. The purpose of doing so is to avoid inconsistent and incomplete responses, especially those with missing data, since responses with missing values are considered unfinished.

3.6.3 Data Coding

Data coding is the third step in data processing whereby data gathered by researchers are convert into a numerical values or symbols (Zikmund et al., 2013). It must be done after data editing, since the existing data is not appropriately structured.

3.6.4 Data Cleaning

Data cleaning, according to Bourque and Clark (1992), encompasses consistency checks and handling missing responses. Despite the initial consistency checks being conducted during the editing process, the checks at this stage are more comprehensive and accurate as they are generated by a computer.

3.7 Data Analysis

Zikmund et al. (2013) claimed that data analysis is a process that of converting the raw data using reasonable reasoning. By conducting data analysis, it helps to prevent from identifying the findings and information incorrectly. In this study, data collected are analysed via descriptive analysis, inferential analysis, and reliability analysis.

3.7.1 Descriptive Analysis

According to Kaur, Stoltzfus and Yellapu (2018), a descriptive analysis summarizes and describes the data after collection, in a structured way. Thus, researchers are able to categorize the data collected for a clearer explanation via this analysis. According to Sekaran and Bougie (2010), there are several examples of descriptive analysis like frequency analysis, measurements of central tendency, graphs such as pie chart, so on and so forth.

3.7.2 Reliability Analysis

According to Thanasegaran (2009), reliability is the degree to which measurements are without errors and consequently produce consistent and dependable results. In order to evaluate the reliability of the data, the most frequent way is to employ the coefficient alpha. However, there are three distinct measures of coefficient alpha, the most common used is Cronbach's coefficient alpha. Cronbach's alpha is a value of the internal stability or reliability between multiple items, measurements, or ratings. In simple words, it evaluates the degree of reliability in the responses that obtained from a questionnaire (Bujang, Omar & Baharum, 2018). The value of the coefficient ranges from 0 to 1, and a value of 0.6 or lower indicates inadequate internal consistency reliability. In contrast, a value of 0.7 to 0.8 is categorised as strong and acceptable reliability (Thanasegaran, 2009).

3.7.3 Inferential Analysis

Burns and Bush (2006) pointed that an inferential analysis is a common technique that used to make conclusions about an entire population based on the data collected from a sample of the population. Researchers may also use this technique to assess differences between variables and make conclusions. Hence, R Square, Collinearity Statistics (VIF), Discriminant Validity (HTMT), so on and so forth will be used for inferential analysis in this research.

3.8 Conclusion

All in all, this chapter outlined the research methodology of this study that includes research and sampling design, data collection methods, research instrument, construct measurement, data processing and data analysis.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter includes descriptive analysis and inferential analyses. The results as well as the analysis of data collected, along with related research questions and hypotheses will be presented under this chapter. There was a total of 270 sets of questionnaires being distributed, to target the respondents in this research. However, only 255 sets of the questionnaires were accepted and used, after data cleaning. Descriptive analysis is analysed by using the excel, while the inferential analysis is analysed by Smart PLS.

4.1 Descriptive Analysis

In this section, the demographic characteristics of respondents are presented with relevant tables and charts. The initial number of respondents who filled in the survey questionnaire was 270 sets. However, 15 sets were excluded as they belonged to unqualified respondents who did not use buy Now Pay Later services. Hence, the number of valid questionnaires used in this study is 255 sets after filtering the questions.

4.1.1 Filter Question

4.1.1.1 Filter Question 1

Have you ever used Buy Now Pay Later before?

No
6%

Yes
94%

- Yes
- No
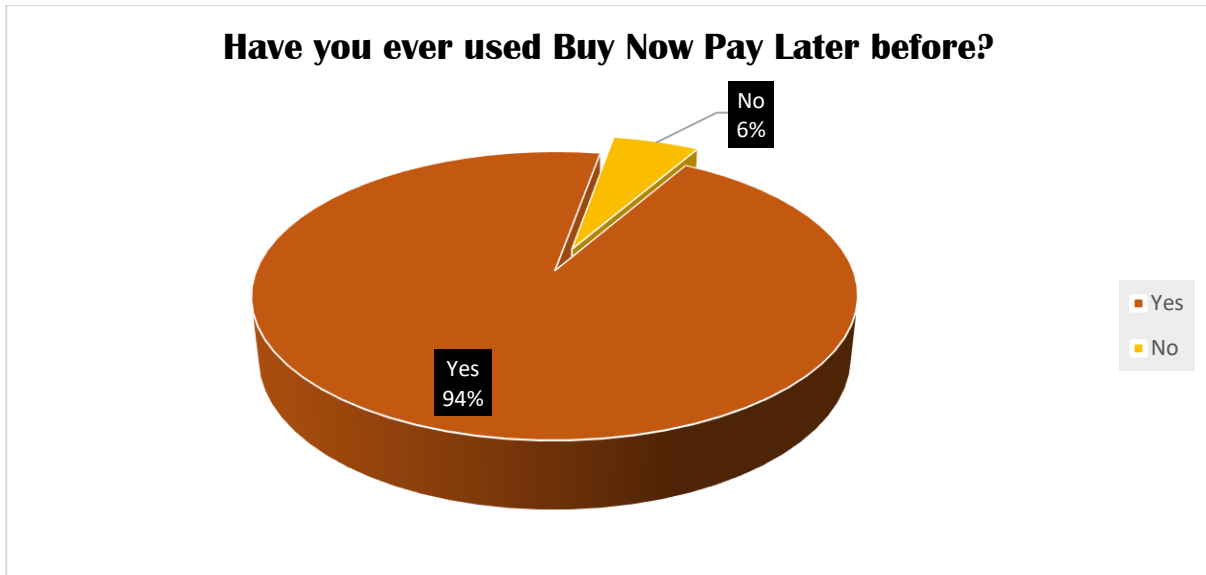
Source: Developed for the research

Table 4.1: Filter Question 1

Have you ever used BNPL before?	Frequency	Percentage (%)
Yes	255	94.44
No	15	5.56
Total	270	100

Source: Developed for the research

According to the filter question that is shown in Figure 4.1 and Table 4.1, there are 255 (94.44%) respondents who have used BNPL before. However, 15 of the total respondents (270 respondents) have not used BNPL before in their daily lives. Therefore, 15 sets (5.56%) of the survey questionnaires were excluded from this study.

4.1.2 Demographic Profile

4.1.2.1 Gender

Figure 4.2: Gender
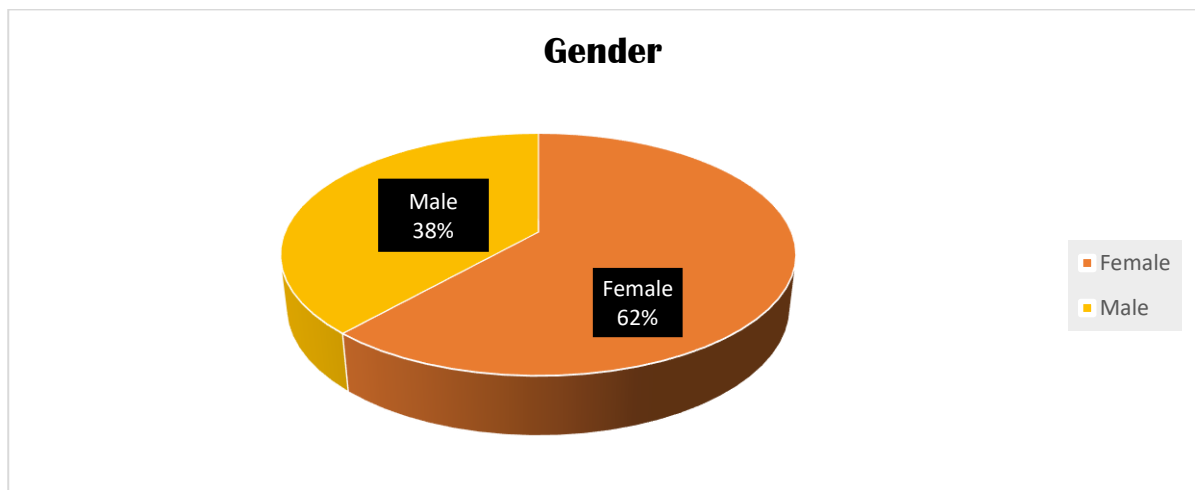
Source: Developed for the research

Table 4.2: Gender

Gender	Frequency	Percentage (%)
Male	98	38.43
Female	157	61.57
Total	255	100

Source: Developed for the research

Figure 4.2 and Table 4.2 show the gender distribution of the respondents who had participated in this study. From the data above, it can be seen that the number of female respondents is a bit more than the male respondents, as there were 157 (61.57%) female respondents while there were only 98 (38.43%) male respondents.

4.1.2.2 Age

Figure 4.3: Age
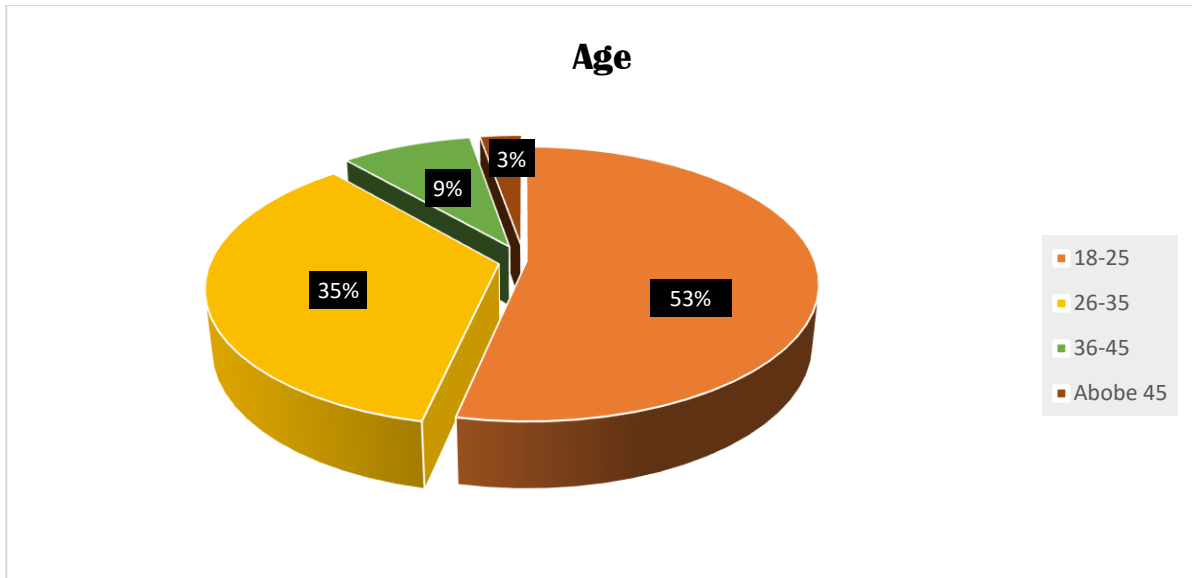
Source: Developed for the research

Table 4.3: Age

Age	Frequency	Percentage (%)
18 – 25 years old	136	53.33
26 – 35 years old	90	35.29
36 – 45 years old	22	8.63
Above 45 years old	7	3.11
Total	255	100

Source: Developed for the research

Figure 4.3 and Table 4.3 illustrate the age of the respondents who participated in the study. There are four different age groups that range from 18 – 25 years old, 26 – 35 years old, 36 – 45 years old, and above 45 years old. With the pie chart and table above, it can be clearly seen that 18 – 25 years old (which is also categorised as Generation Z) has the highest proportion of 53.33%, followed by 26 – 35 years old (35.29%) and 36 – 46 years old (8.63%). The lowest percentage is above 45 years old, as it only occupies 3.11%.

4.1.2.3 Race

Figure 4.4: Race
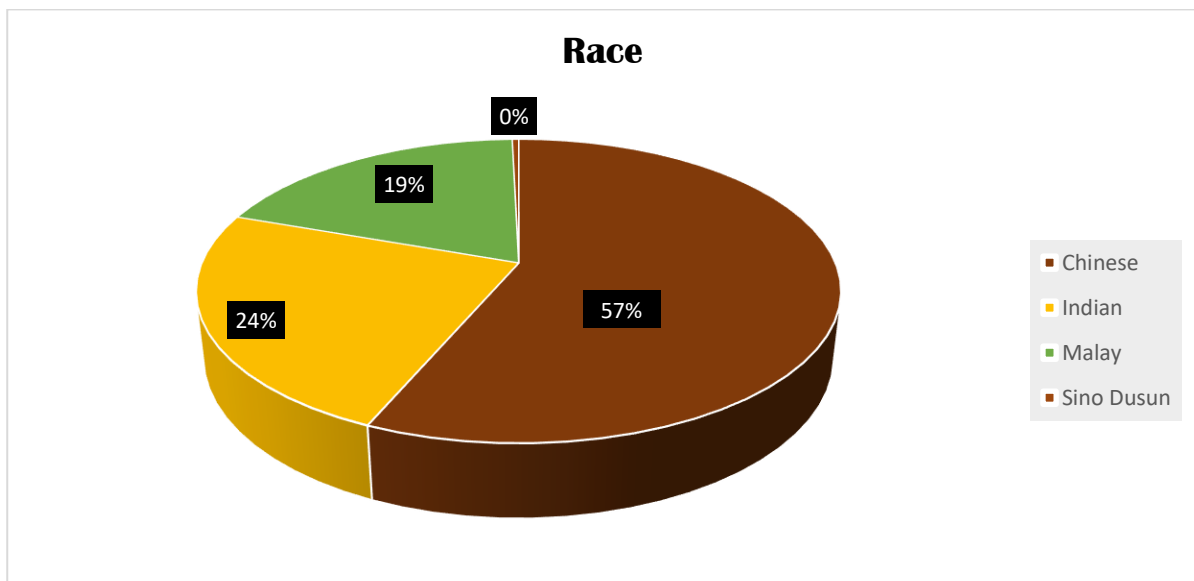
Source: Developed for the research

Table 4.4: Race

Race	Frequency	Percentage (%)
Chinese	144	56.47
Indian	61	23.92
Malay	49	19.22
Sino Dusun	1	0.39
Total	255	100

Source: Developed for the research

Figure 4.4 and Table 4.4 show the race of the respondents who participated in this study. Most of the respondents who participated in this survey questionnaire were Chinese, followed by Indians (61 respondents, which have contributed to 23.92%) and Malays (49 respondents, which have contributed to 19.22%). There is only 1 (0.39%) respondent whose race is Sino Dusun.

4.1.2.4 Educational Background
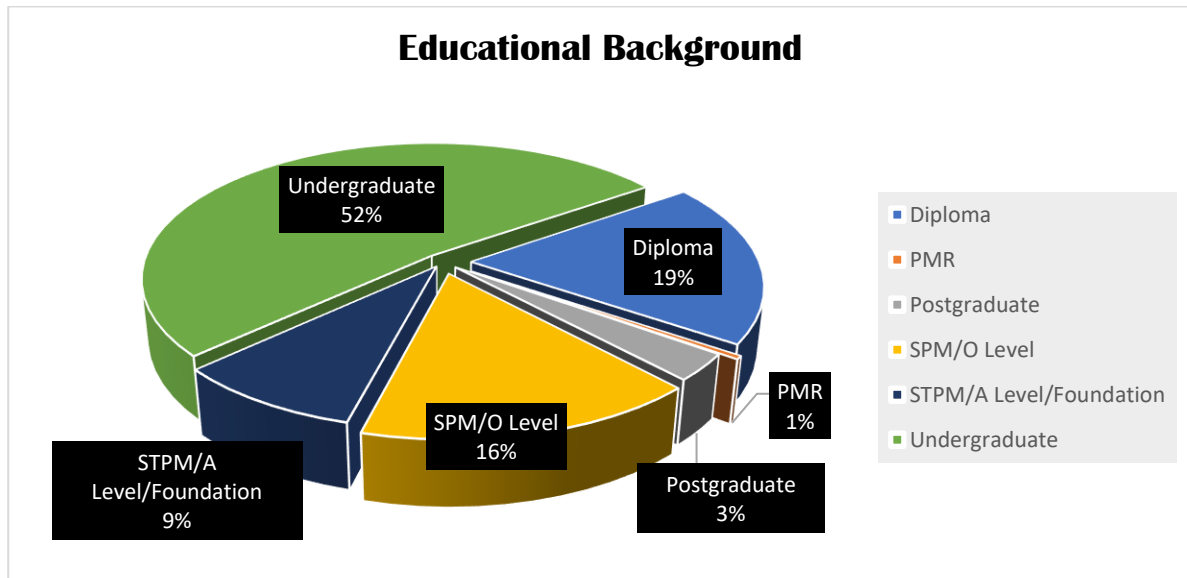
Source: Developed for the research

Table 4.5: Educational Background

Educational Background	Frequency	Percentage (%)
Undergraduate	133	52.17
Diploma	49	19.22
SPM/O Level	41	16.08
STPM/A Level/Foundation	23	9.02
Postgraduate	8	3.14
PMR	1	0.39
Total	255	100

Source: Developed for the research

Based on Figure 4.5 and Table 4.5, it can be clearly seen that majority of the respondents (133 individuals) hold Undergraduate degrees, contributing to 52.17%. Besides that, 19.22% (49 individuals) of the respondents hold Diploma certificates, followed by 16.08% (41 individuals) who are just holding SPM/O Level certificates. Then, 23 of the respondents that contributes to 9.02%, are

37

STPM/ A Level/ Foundation holders, and 8 of the respondents that contributes to 3.14% are Postgraduate holders. Lastly, there is only 1 respondent (0.39%) graduated from PMR.

4.1.2.5 Occupation

Figure 4.6: Occupation
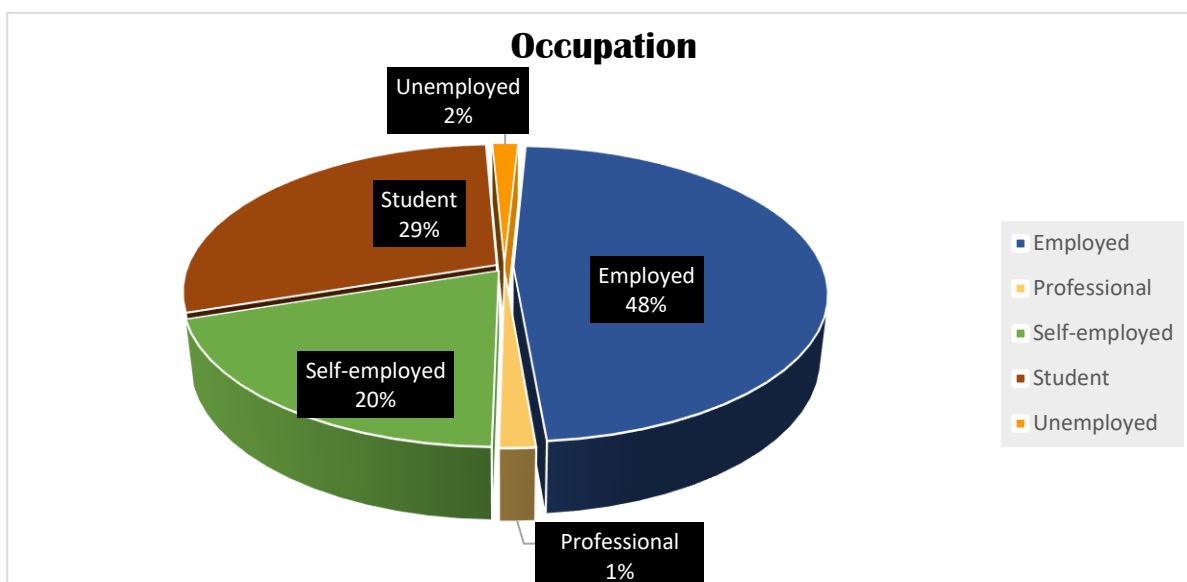
Source: Developed for the research

Table 4.6: Occupation

Occupation	Frequency	Percentage
Unemployed	4	1.57
Professional	4	1.57
Self-employed	50	19.61
Student	75	29.41
Employed	122	47.84
Total	255	100

Source: Developed for the research

Figure 4.6 and Table 4.6 show the current occupation of 255 respondents. Based on the data, both unemployed individuals and professional individuals contribute to 1.57%, as there were 4 respondents each. Besides, 50 (19.61%) of respondents are self-employed while 75 (29.41%) of the respondents are students. Then, it is evident that most of the respondents (122) are employed, and it has contributed to 47.84%.

4.1.2.6 Monthly Income

Figure 4.7: Monthly Income
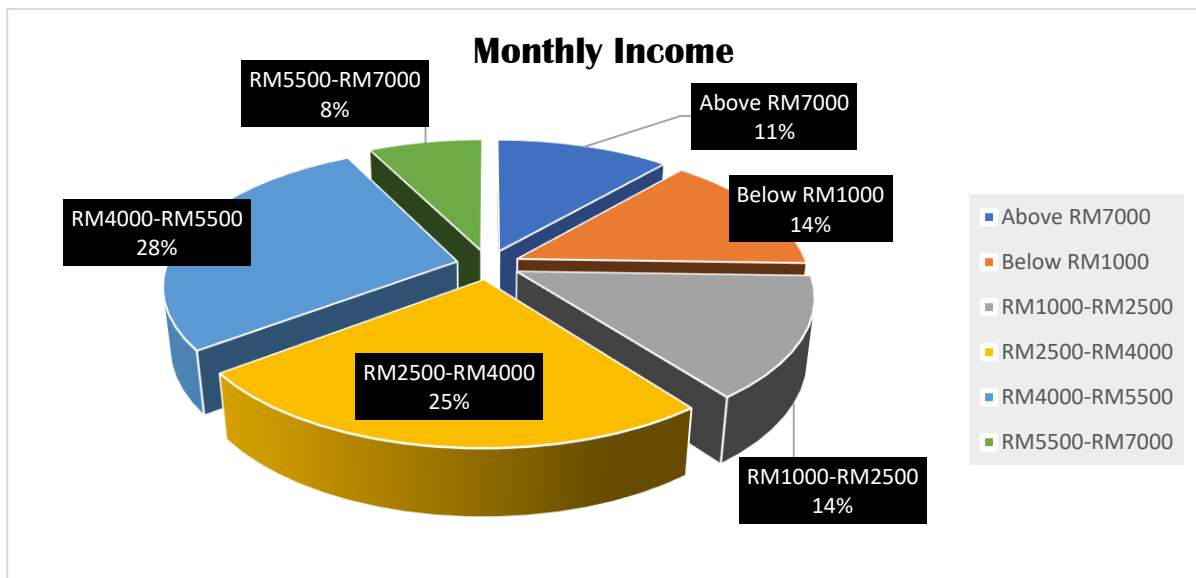
Source: Developed for the research

Table 4.7: Monthly Income

Monthly Income (RM)	Frequency	Percentage (%)
Below RM1000	36	14.12
RM1000 – RM2500	36	14.12
RM2500 – RM4000	64	25.10
RM4000 – RM5500	71	27.84
RM5500 – RM7000	19	7.45
Above RM7000	29	11.37
Total	255	100

Table 4.7 and Figure 4.7 illustrate the monthly income of 255 respondents who participated in the survey questionnaire. Based on the data shown, there are 36 respondents whose monthly income is below RM1000, and between RM1000 to RM2500. Hence, both contributed 14.12%. Moreover, 64 (25.10%) of the total respondents earn RM2500 to RM4000 per month, whereas majority of the respondents (71 over 255 respondents or 27.84%) earn RM4000 to RM5500 per month. Besides that, 19 respondents (7.45%) and 29 respondents (11.37%) earn RM 5500 to RM7000 and above RM7000 accordingly.

4.1.2.7 How long have you been using BNPL?

Figure 4.8: How long have you been using BNPL?
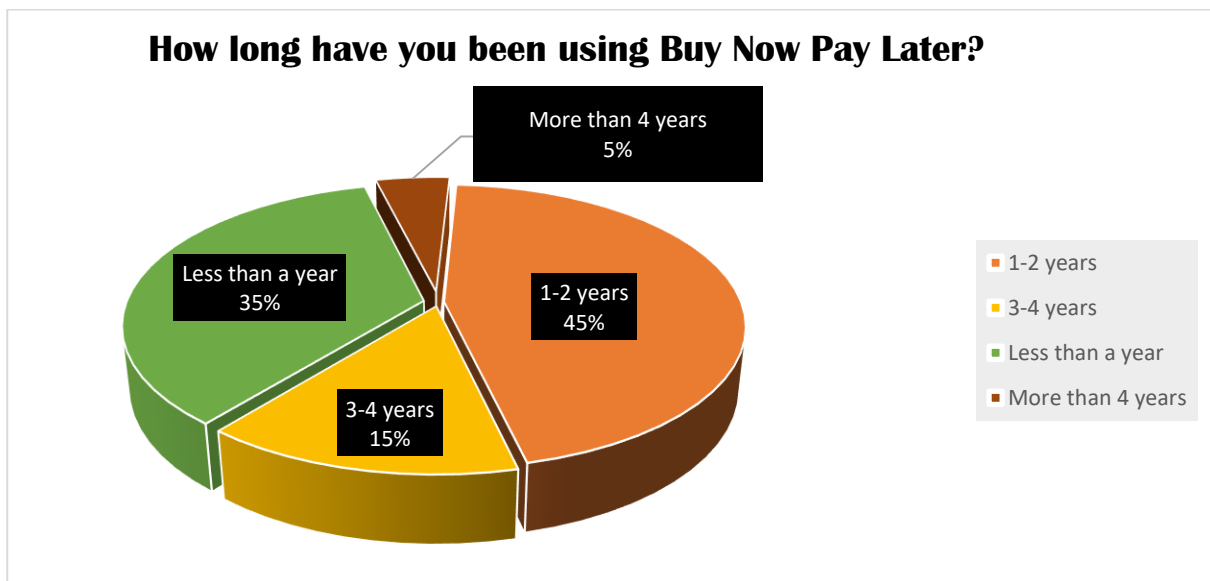
Source: Developed for the research

Table 4.8: How long have you been using BNPL?

Duration	Frequency	Percentage (%)
Less than a year	90	35.29
1 – 2 years	116	45.49
3- 4 years	37	14.51

More than 4 years	12	4.71
Total	255	100

Source: Developed for the research

Figure 4.8 and Table 4.8 show the duration of 255 respondents in using BNPL. There are 90 (35.29%) of the respondents who have used BNPL in less than a year, while there are 116 (45.49%), which is most of the respondents have used it for 1 to 2 years. Besides, 37 (14.51%) of the respondents have used BNPL for 3 to 4 years, and the minority of the respondents (12 individuals or 4.71%) have used it for more than 4 years.

4.1.2.8 How often do you use BNPL?

Figure 4.9: How often do you use BNPL?
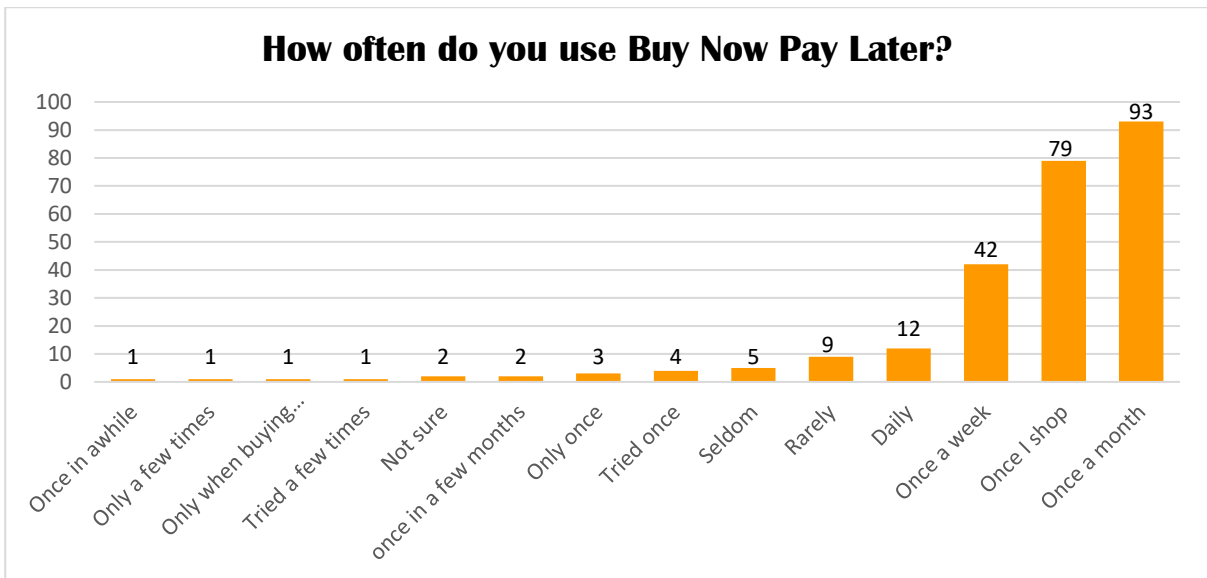
Source: Developed for the research

Table 4.9: How often do you use BNPL?

How often/ When	Frequency	Percentage (%)
Once in a while	1	0.39
Only a few times	1	0.39

Only when buying expensive items	1	0.39
Tried a few times	1	0.39
Not sure	2	0.78
Once in a few months	2	0.78
Only once	3	1.18
Tried once	4	1.57
Seldom	5	1.96
Rarely	9	3.53
Daily	12	4.71
Once a week	42	16.47
Once I shop	79	30.98
Once a month	93	36.47
Total	255	100

Source: Developed for the research

According to Figure 4.9 and Table 4.9, majority of the respondents (93 of them) use BNPL once a month, and it has contributed to 36.47%. Then, 79 of the respondents (30.89%) will use BNPL once they shop, followed by 42 respondents (16.47%) who will use it once a week. Besides, the table and figure above also show that there are 12 respondents (4.71%) who will use BNPL daily, 9 respondents (3.53%) use it rarely, 5 respondents (1.96%) it seldomly, 7 respondents (2.75%) only tried once, 2 respondents (0.78%) use it once in a few months, 2 respondents (0.78%) are not sure when will they use BNPL, and 2 respondents (0.78%) saying that they only tried a few times. Lastly, there are 2 respondents each (each contributes 0.39%) for using BNPL once in a while, and when buying expensive items.

4.1.2.9 Which Buy Now Pay Later platform do you usually use?

Figure 4.10: Which BNPL platform do you usually use?
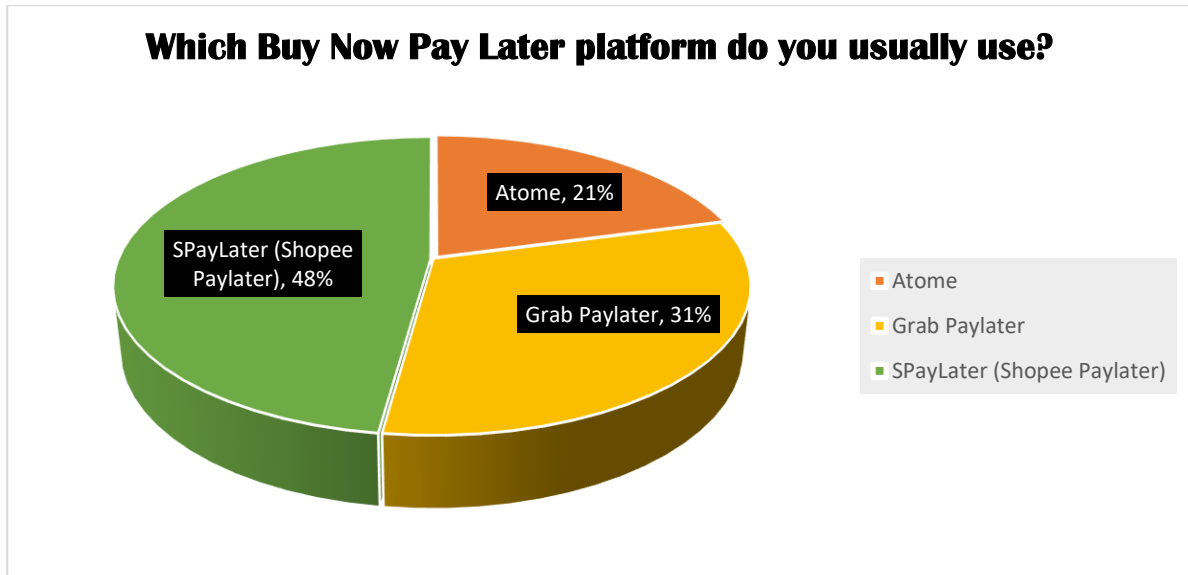
Source: Developed for the research

Table 4.10: Which BNPL platform do you usually use?

Types of BNPL	Frequency	Percentage (%)
Atome	53	20.78
Grab Paylater	80	31.37
SPayLater (Shopee Paylater)	122	47.84
Total	255	100

Source: Developed for the research

Figure 4.10 and Table 4.10 present the overall data of 255 respondents. It can be seen that 122 of the respondents (47.84%), which is also the majority of the respondents will usually use SPayLater or Shopee Paylater, instead of using Atome and Grab Paylater. However, 80 of the respondents (31.37%) and 53 of the respondents (20.78%) will normally use Grab Paylater and Atome respectively.

4.1.2.10 What are the shopping categories of products or services that you always shop using Buy Now Pay Later? (You are able to select multiple categories)

Figure 4.11: What are the shopping categories of products or services that you always shop using BNPL?
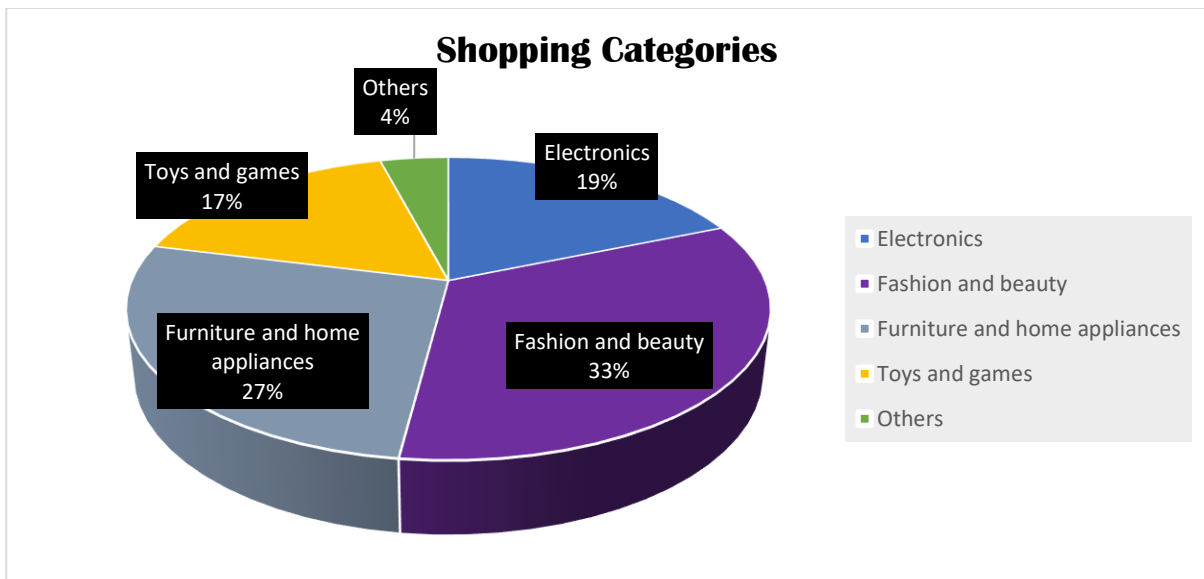
Source: Developed for the research

Table 4.11: What are the shopping categories of products or services that you always shop using BNPL?

Shopping categories	Frequency	Percentage (%)
Electronics	87	18.71
Fashion and beauty	155	33.33
Furniture and home appliances	125	26.88
Toys and games	79	16.99
Others	19	4.09
Total	465	100

Source: Developed for the research

Figure 4.11 and Table 4.11 illustrate the shopping categories that 255 respondents usually shop while using BNPL. Every respondent is allowed to select more than one options. With the data given, many of the respondents (155 responses that contributes to 33.33%) use BNPL for fashion and beauty category, followed by furniture and home appliances with a total of 125 responses (26.88%). Besides that, there are 87 responses (18.71%) for electronics category while there are 79 responses (16.99%) for toys and games category. Lastly, there are 19 responses for other categories, and the categories referred to supplements, skincare products, pet supplies, so on and so forth.

4.1.2.11 Money spent in the past 3 months using BNPL

Figure 4.12: Money spent in the past 3 months using BNPL
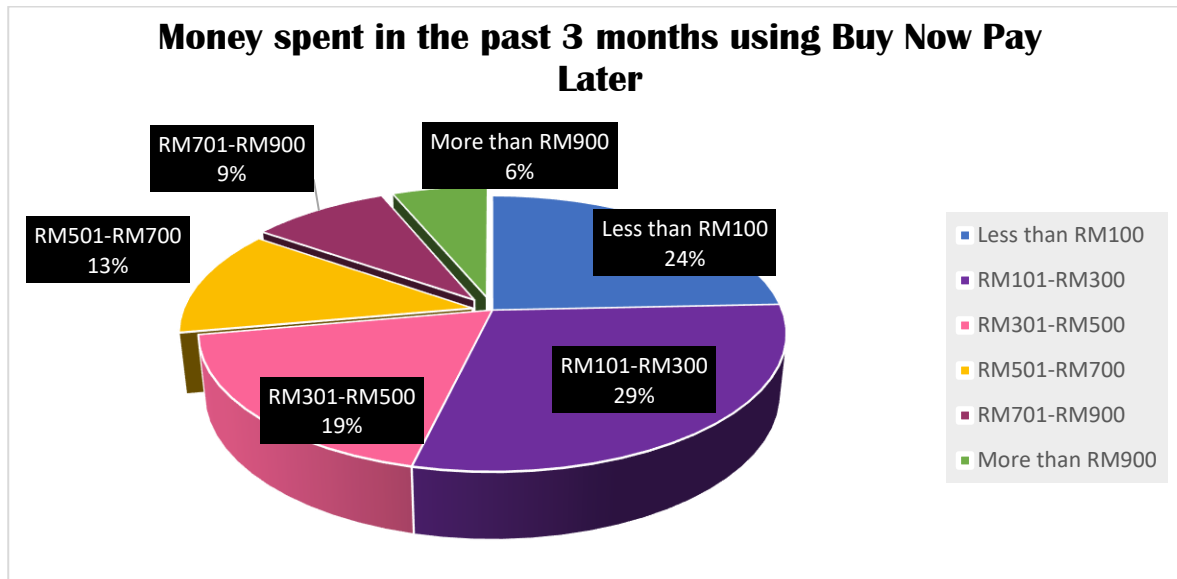
Source: Developed for the research

Table 4.12: Money spent in the past 3 months using BNPL

Money spent in the past 3 months	Frequency	Percentage (%)
Less than RM100	62	24.31
RM101-RM300	75	29.41
RM301-RM500	47	18.43
RM501-RM700	32	12.55
RM701-RM900	23	9.02
More than RM900	16	6.27
Total	255	100

Source: Developed for the research

Figure 4.12 and Table 4.12 are the pie chart and table that show the money spent by the respondents in the past three months by using BNPL. It can be clearly seen that most of the respondents (75 individuals, 29.41%) has spent RM101 to RM300 in the past three months, followed by 62 respondents (24.31%) who has spent less than RM100 and 47 respondents (18.43%) who has spent

RM301 to RM500 in the last 3 months. Furthermore, there are 32 respondents (12.55%) spent nearly RM501 to RM700 whereas there are 23 respondents (9.02%) spent RM701 to RM900 when they shopped using BNPL in the past three months. Lastly, there is only 16 of the respondents (6.27%) spent more than RM900.

4.2 Scale Measurement

4.2.1 Reliability Analysis

Table 4.13: Summary of Reliability Statistic (Actual Research)

Variables	Cronbach's Alpha	No. of items
Performance Expectancy (PE)	0.757	4
Effort Expectancy (EE)	0.766	4
Social Influence (SI)	0.951	4
Facilitating Condition (FC)	0.609	3
Materialism (M)	0.776	5
Trust (T)	0.750	4
Satisfaction (S)	0.777	4
Intention to Use Buy Now Pay Later	0.914	6

Source: Developed for the research

Table 4.13 displays the actual reliability statistic results of this study. A Cronbach's Alpha analysis is frequently used to test the reliability of a survey. According to George and Mallery (2003), the value of Cronbach's alpha that is greater than 0.90 is considered excellent, greater than 0.80 is good, greater than 0.70 is acceptable. However, for the Cronbach's Alpha that is greater than 0.60 is questionable, greater than 0.50 is poor, and if the value is below than 0.50, it is considered unacceptable. However, according to Churchill (1979), a Cronbach's alpha value of 0.6 is also acceptable. Based on Table 4.13, the Cronbach's Alpha values are greater than 0.60, ranging from 0.609 to 0.951. Hence, there are acceptable.

4.3 Inferential Analysis

4.3.1 R-Square

Table 4.14: Model Summary

	R-Square	**Adjusted R-square**
BNPL	0.510	0.497

Source: Developed for the research

A multiple regression analysis is conducted with dependent variable (intention to use Buy Now Pay Later) and independent variables (PE, EE, FC, SI, M, T & S). With the table shown in above, R-square is 0.510, and the adjusted R-square is 0.497, which means that the 51% of the dependent variable (intention to use BNPL) can be explained by the 7 independent variables.

4.3.2 Collinearity Statistics (VIF)

Table 4.15: Collinearity Statistics (VIF)

	VIF
BNPL1	2.593
BNPL2	2.066
BNPL3	2.210
BNPL4	2.762
BNPL5	2.958
BNPL6	2.485
EE1	1.576
EE2	1.783
EE3	1.522
EE4	1.383

SI1	4.531
SI2	3.734
SI3	5.493
SI4	5.525
FC1	1.186
FC2	1.223
FC3	1.230
M1	1.352
M2	1.355
M3	2.107
M4	2.417
M5	1.754
PE1	2.021
PE2	1.528
PE3	1.182
PE4	1.970
S1	1.738
S2	1.534
S3	1.393
S4	1.505
T1	1.344
T2	1.433
T3	1.485
T4	1.526

Source: Developed for the research

According to Hair et al. (2019) Variance inflation factor (VIF) is used to calculate the formative collinearity of indicators. A good VIF value should be about 3 or lower, and if a VIF value of 5 or more, shows that it must be a critical collinearity problem among the indicators formatively measured constructs (Hair et al., 2017). However, even if the value of VIF is lower than 3, a collinearity problem may also occur (Purwanto, 2021).

The data collected range from 1 to 5, and it shows that performance expectancy, effort expectancy, facilitating condition, materialism, trust, and satisfaction are all related to the intention to use Buy Now Pay Later, except for the social influence. Based on Table 4.15, the VIF values of social influence are greater than 3, and this can be explained that there is existence of collinearity problem. According to Kline (1998) and Schumacker and Lomax, (2004), collinearity appears when there are mistakes in questionnaire design or grouping of indicators that involve pairs of latent variables, and these mistakes may cause three or more latent variables to be collinear. Whereas Schmidt et at. (2004) on the other hand stated that collinearity problems may appear when the sample size is small.

4.3.3 Discriminant Validity (HTMT)

Table 4.16: Discriminant Validity (HTMT)

	BNPL	EE	FC	M	PE	S	SI	T
BNPL								
EE	0.482							
FC	0.508	0.685						
M	0.542	0.621	0.693					
PE	0.757	0.771	0.693	0.656				
S	0.441	0.295	0.446	0.380	0.374			
SI	0.512	0.368	0.542	0.471	0.438	0.279		
T	0.440	0.663	0.87	0.681	0.611	0.449	0.552	

Source: Developed for the research

Discriminant validity is used to check whether the construct genuinely differs from the others. According to Yusoff et al. (2020), a problem in discriminant validity may occur if the HTMT value is greater than 0.85 or 0.90. With the table above, it can be seen that all HTMT values of the variables are below 0.85. Hence, it shows that the level of collinearity is low enough in this study.

4.4 Test of Significant

Table 4.17: Test of Significant

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
EE -> BNPL	-0.004	-0.013	0.070	0.055	0.956
FC -> BNPL	0.018	0.020	0.062	0.285	0.775
M -> BNPL	0.110	0.116	0.080	1.373	0.170
PE -> BNPL	0.480	0.479	0.084	5.696	0.000
S -> BNPL	0.173	0.177	0.058	2.990	0.003
SI -> BNPL	0.238	0.235	0.066	3.596	0.000
T -> BNPL	-0.090	-0.087	0.068	1.320	0.187

Source: Developed for the research

Hypothesis 1

H1: There is positive relationship between PE and the intention to use BNPL. Based on the Table 4.17, p value of PE (p = 0.000) is lower than the significant level of 0.05. Hence, H0 is rejected and H1 is accepted. Thus, there is a positive relationship between PE and the intention to use BNPL.

Hypothesis 2

H2: There is a negative relationship between EE and the intention to use BNPL. Based on Table 4.17, p value of EE (p = 0.956) is higher than the significant level of 0.05. Hence, H0 is accepted and H2 is rejected. Thus, there is a negative relationship between EE and the intention to use BNPL.

Hypothesis 3

H3: There is positive relationship between SI and the intention to use BNPL. Based on the Table 4.17, p value of SI (p = 0.000) is lower than the significant level of 0.05. Hence, H0 is rejected and H3 is accepted. Thus, there is a positive relationship between SI and the intention to use BNPL.

Hypothesis 4

H4: There is a negative relationship between FC and the intention to use BNPL. Based on Table 4.17, p value of FC (p = 0.775) is higher than the significant level of 0.05. Hence, H0 is accepted and H3 is rejected. Thus, there is a negative relationship between FC and the intention to use BNPL.

Hypothesis 5

H5: There is a negative relationship between M and the intention to use BNPL. Based on Table 4.17, p value of M (p = 0.170) is higher than the significant level of 0.05. Hence, H0 is accepted and H4 is rejected. Thus, there is a negative relationship between M and the intention to use BNPL.

Hypothesis 6

H6: There is a negative relationship between T and the intention to use BNPL. Based on Table 4.17, p value of T (p = 0.187) is higher than the significant level of 0.05. Hence, H0 is accepted and H5 is rejected. Thus, there is a negative relationship between T and the intention to use BNPL.

Hypothesis 7

H7: There is positive relationship between S and the intention to use BNPL. Based on the Table 4.17, p value of S (p = 0.003) is lower than the significant level of 0.05. Hence, H0 is rejected and H6 is accepted. Thus, there is a positive relationship between S and the intention to use BNPL.

4.5 Conclusion

In conclusion, descriptive analysis is applied in this research in order to analyse the demographic profile of all respondents. Moreover, there are six scale measurement variables being used to perform the reliability test in this study. Furthermore, the Collinearity statistics (VIF), Discriminant Validity (HTMT), R-square and so on are used to test the relationship between each independent variable and dependent variable under the inferential analysis.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

Chapter five consists of discussions on major findings to justify the study objectives and hypotheses, theoretical and managerial implications, research limitations, as well as recommendation for future research.

5.1 Discussions of Major Findings

The aim of this research is to study the factors that influence the intention of Malaysian to use BNPL.

Table 5.1: Summary Results for discussions of Major Findings

Hypotheses	Standardized Coefficient (Beta)	P Values	Result
H1: There is a significant relationship between PE and the intention to use BNPL in Malaysia.	0.480	0.000	Supported
H2: There is a significant relationship between EE and the intention to use BNPL in Malaysia.	-0.004	0.775	Rejected
H3: There is a significant relationship between SI and the intention to use BNPL in Malaysia.	0.238	0.000	Supported
H4: There is a significant relationship between FC and the intention to use BNPL in Malaysia.	0.018	0.775	Rejected

H5: There is a significant relationship between M and the intention to use BNPL in Malaysia.	0.110	0.170	Rejected
H6: There is a significant relationship between T and the intention to use BNPL in Malaysia.	-0.090	0.187	Rejected
H7: There is a significant relationship between S and the intention to use BNPL in Malaysia.	0.173	0.003	Supported

Source: Developed for the research

5.1.1 Hypothesis 1

H1: There is a significant relationship between PE and the intention to use BNPL in Malaysia.

According to Table 5.1, performance expectancy (PE) has a positive influence on the intention to use BNPL, as the β is 0.513, and the p value is 0.000 ($\beta = 0.513$, $p = 0.000$). Hence, this result is in line with previous studies by Nikolopoulou et al. (2021), as the researcher argued that PE is the strongest predictor of intention to use a technology. This is because, people tend to be interested in using and accepting new technology if they believe that it is beneficial and valuable (Ghalandari, 2012; Gull et al., 2020). Thus, when BNPL users believe that BNPL is a useful tool for conducting daily financial transactions, and enhances shopping experiences, their intention to use BNPL increases.

Therefore, PE is a key element in affecting users' decision regarding technology adoption. When users get the direct advantages they expect to obtain from adopting a new technology, their attitudes toward use of technology becomes positive. Thus, the hypothesis of this study is acceptable, H1 is accepted, and H0 is rejected.

5.1.2 Hypothesis 2

H2: There is a significant relationship between EE and the intention to use BNPL in Malaysia.

According to Table 5.1, the result shows that effort expectancy (EE) is negatively influencing the intention to use BNPL (β = -0.004, p = 0.956), which means H2 is not supported and said to be insignificant. This outcome is unexpected that there is no significant relationship between EE and the intention to use BNPL. According to the research done by Oh et al. (2009), there was a significant relationship that EE influenced the intention to use mobile technology.

Meanwhile, there is also research showing that EE is not a significant predictor. For instance, the relationship between EE and the intention to adopt technology is insignificant in Lebanon (Merhi et al., 2019). Also, another previous study has also proved that effort expected by users regarding the intention to use BNPL has a negative effect whereby users still require more effort when using BNPL (Adirinekso et al., 2020).

Moreover, there are some other reasons that can lead to an insignificance of EE in influencing the intention to use BNPL. One of the reasons is the design of most of the BNPL mechanisms. Since all BNPL from different platforms are almost the same (for instance, process), users may not feel or perceive the significant differences in the effort required to use the services. Thus, that is the reason why it shows an insignificant positive relationship between EE and intention to use BNPL.

Therefore, the hypothesis of this study is unacceptable, H2 is rejected, and H0 is accepted in this study.

5.1.3 Hypothesis 3

H3: There is a significant relationship between SI and the intention to use BNPL in Malaysia.

According to Table 5.1, social influence (SI) has a positive influence on the intention to use BNPL, as the β is 0.238, and the p value is 0.000 (β = 0.238, p = 0.000). Hence, it is in line with past study by Lewis et al. (2015) and Yadav (2016) that SI has strong impact on intention of one to adopt financial services. Past studies have shown that people are more likely to rely on peer-to-peer communication, and this makes SI plays an important role in affecting people to adopt new technologies (Dickinger et al., 2008).

Family, friends, peer groups, as well as virtual communities on social networking media can easily affect one's behaviours. Therefore, positive experiences, word-of-mouth recommendations made by such agents of SI become a better motivator for one to try out or adopt BNPL services (Yadav, 2016).

Thus, the hypothesis of this study is acceptable, H3 is accepted, and H0 is rejected.

5.1.4 Hypothesis 4

H4: There is a significant relationship between FC and the intention to use BNPL in Malaysia.

Based on the data shown in Table 5.1, the p value of facilitating condition (FC) is 0.775 (p = 0.775), which is higher than the significant value (p > 0.05). Thus, it indicates a negative relationship between FC and intention to use BNPL. This result seems to be surprising as it is the contrary of several past research that have proved that facilitating condition is among the strong indicators that it influences the intention to use a technology (Yang et al., 2021).

FC is the infrastructure that can enhance the experiences of users when they are conducting mobile banking transactions (Chawla et al, 2020). According to Hossain et al. (2017), users are more likely to use Buy Now Pay Later continuously if they find out that it is easy to use and convenient. In addition, another prior research has also proved that there is a significant relationship between FC and intention to adopt internet banking (Yeoh, 2011).

However, FC may also lead to a negative relationship with the intention to use BNPL if users are not satisfied with the services (Shuhaiber, 2016). For example, users form a negative attitude towards the intention to use BNPL if they experience technical issues such as system downtimes. Negative experiences related to the functionality of technology can affect the perspectives of users in FC which will in turn affecting the intention to use BNPL.

Thus, the hypothesis of FC positively influencing the intention to use BNPL is rejected. Hence, H3 is rejected, and H0 is accepted.

5.1.5 Hypothesis 5

H5: There is a significant relationship between M and the intention to use BNPL in Malaysia.

Table 5.1 shows the p value of materialism (M) is 0.17, which is greater than the significant value of 0.05. Thus, it indicates a negative relationship between M and intention to use BNPL.

Materialism is said to have no positive effect on the intention to use BNPL. According to Rafidarma and Aprilianty (2022), the findings of the research show that the influence of M on intention to use BNPL is very small. One of the possible reasons that show an insignificant relationship between materialism and the intention to use BNPL may be the preference for immediate ownership. Individuals with materialism typically seek immediate or direct ownership after purchases. However, BNPL introduced Buy Now, and Pay Later, which means that items purchased are not fully owned by the person who purchased. The items will only be owned by the person when the final instalment is paid. Hence, this leads to a negative influence of materialistic individuals on the intention to use BNPL.

Thus, the hypothesis of M positively influencing the intention to use BNPL is rejected. Hence, H4 is rejected, and H0 is accepted.

5.1.6 Hypothesis 6

H6: There is a significant relationship between T and the intention to use BNPL in Malaysia.

Based on the data shown in Table 5.1, the p value of trust (T) is 0.187 (p = 0.187), which is higher than the significant value (p > 0.05). Thus, it indicates a negative relationship between T and intention to use BNPL.

One of the examples of past research related to mobile banking stated that the intention of using certain technology like mobile banking is positively affected by trust factor, as when adequate transactional services are provided (Pennington, Wilcox and Grover, 2003). However, according to (Kurniasari et al, 2023), trust does not play a significant role in influencing the intention to use mobile banking services or Buy Now Pay Later, and this has also proved to be aligned with past studies (Kurniasari et al., 2021 & Ho et al., 2020).

There could be some possible reasons that causing the results of this research is not align to the past research. One of it may be focusing on other influencing factors such as performance expectancy and satisfaction. Since performance expectancy and satisfaction are the variables that demonstrate stronger influences on the intention to use BNPL, trust indicator may be surpassed, resulting in a negative relationship.

Apart from that, over-reliable on traditional payment methods might also be the reason for causing to an insignificant relationship between trust and intention to use BNPL. As the BNPL services are still new in Malaysia, consumers may still feel insecure while they are using BNPL compared to the traditional payment methods.

Therefore, the hypothesis of T positively influencing the intention to use BNPL is rejected. Hence, H5 is rejected, and H0 is accepted.

5.1.7 Hypothesis 7

H7: There is a significant relationship between S and the intention to use BNPL in Malaysia.

According to Table 5.1, satisfaction (S) has a positive influence on the intention to use Buy Now Pay Later, as the β is 0.173, and the p value is 0.003 ($\beta = 0.173$, $p = 0.003$). Hence, it indicates a significant relationship with the intention to use Buy Now Pay Later.

User satisfaction is strongly related to the decision of users whether to continue using a service or an information technology or not (Bakri et al. 2023). According to Bakri et al. (2023), S has a significant positive effect on the intention to use BNPL. As aligns to what have Bakri et al. (2023) proven, satisfaction shows positive relationship with the intention to use BNPL in this research. This can be said that majority of the respondents are very satisfied with the shopping experience, or the quality of services that BNPL provides.

Therefore, the hypothesis of S positively influencing the intention to use BNPL r is accepted. Hence, H6 is accepted, and H0 is rejected.

5.2 Implications of the Study

5.2.1 Theoretical Implications

This study has adopted the UTAUT theoretical framework with variables of PE, EE, FC, SI, M, T, and S and the intention to use BNPL. Since there are limited studies related to BNPL in Malaysia, researcher aims to study the factors that will influence the intention to use BNPL within Malaysia.

Theoretically, all core determinants (PE, EE, SI and FC) under UTAUT model are supposed to be influencing the intention to use BNPL, as BNPL is related to technology field. However, it turns out that only three variables (PE, SI and S) have significant relationship with the intention to use BNPL. One of the reasons that causes this to be happened is unsatisfactory in sample size. Thus, future

researchers should be aware of this issue while conducting the future research. For example, future researchers may increase the sample size to 350 to examine the significance between variables.

On the other hand, future researchers may also replace other variables that may bring positive impact to the intention to use BNPL, rather than using the variables that have no significant effect (EE, FC, M and T) on the intention to use BNPL in this research.

5.2.2 Practical Implications

In this study, the insights obtained helps marketers to better understand the factors that BNPL users are concerned about when they adopt BNPL financial tools. Through this research, both marketers and consumers are benefited as marketers are able to know how to improve in order to attract more users to adopt BNPL, while the consumers are able to know the implications of adopting BNPL services.

Based on the research, PE has been proved to have a significant relationship with the intention to use BNPL. This can be meant by, BNPL is a useful tool that enhances users' shopping experiences. Therefore, BNPL marketers should put more efforts in developing better financial tools in order to benefit their users. Marketers should also understand that making customers the first priority will definitely help the business.

Furthermore, data has also proved that there is a significant relationship between satisfaction and the intention to use BNPL. This has highlighted that satisfaction is one of the critical factors that can influence the decision of adopting BNPL. Only when users are satisfied with the services, the intention to use certain financial tools increases. Thus, practitioners should improve the BNPL mechanisms by reducing the chances of getting error to the minimum level and provide a superb mechanism to meet the satisfaction of the users.

5.3 Limitations of the Study

One of the limitations of this study is that the sample size is small (n = 270), thus leading to less accurate and reliable results. The smaller the sample size, the greater the p-values, the more difficult to reject a null hypothesis. However, on the contrary, a larger sample size will provide more accurate, consistent and reliable results, as when the sample size increases, p-value decreases.

Besides that, this study shows an imbalance in demographic factors such as respondents' gender and race that female respondents are more than male respondents, and most of them are Chinese. Thus, overrepresentation of female and Chinese respondents may lead to bias in results, since the perspectives and behaviours of male, as well as other races may not be adequately obtained.

Furthermore, there is not much or limited information about BNPL in Malaysia, as it is still considered a new phenomenon or a new field in our country. Hence, it is said to be one of the limitations of this study that it limits the opportunity to understand BNPL usage in Malaysia.

Moreover, since this research is conducted on the basis of non-probability sampling methods, the results of this study cannot be generalized. This is because the participants were chosen using non-probability sampling methods, and this means that they cannot reflect the characteristics of the larger population. Thus, probability sampling method will be more accurate compared to non-probability sampling method.

Furthermore, this study only targets residential who are from Klang Valley, and it does not represent the results of overall population in Malaysia. Thus, future researchers may study and target people from other states such as Penang, Ipoh, Johor and so on to get more insights from other demographics.

Last but not least, the majority of the respondents in this research fall under the category of 18 to 25 years old (53.33%). Therefore, the findings are limited, as this study primarily study the behaviours of younger demographics and does not reflect the behaviours of elder generation. Moreover, different age groups may have different attitudes and behaviours, especially when it comes to technology adoption such as financial tools. Hence, the findings and results of this study focuses more on younger generation.

5.4 Recommendations for Future Research

This study has investigated the intention of Malaysians to use BNPL services, which is only within the Malaysian context. Therefore, future researchers can conduct a more in-depth and comprehensive study for future research by examining the intention of Malaysian and non-Malaysians to use BNPL. By extending the scope to internationally, it could provide valuable insights into cross-cultural patterns, and thus offering a better understanding of the factors that influence their intentions across the diverse or different demographics. For instance, it helps to investigate the reasons of them using those financial tools, especially when it comes to different backgrounds and characteristics.

In addition, future researchers can conduct research to study if the BNPL users get in debt when they continue or keep using BNPL services in their daily lives. This helps to know how such financial tools (BNPL) affect users' financial in their lives, and study if there is relationship between continuously using BNPL and accumulating debt. By studying this, it helps to understand the consequences of using BNPL in the long run.

Apart from that, future researchers can also include moderators such as age and gender to examine their intention to use BNPL in the research. For instance, researchers can add gender such as female as a moderator to examine if it strongly affects the intention to adopt BNPL, as well as their decisions to use BNPL.

Lastly, future researchers may opt to target Generation X (43 years old – 58 years old) and Y or millennials (27 years old – 42 years old) to study their attitudes toward using Buy Now Pay Later. In this research, majority of the respondents were Generation Z (18 – 25 years old). Thus, by focusing on Generation X or Y, researchers can study the differences in behaviours and preferences of them compared to Generation Z.

5.5 Conclusion

The overall study explains the factors influencing the intention to use BNPL in Malaysia. The researcher has used UTAUT model with seven variables of PE, EE, FC, SI, M, T and S to find the relationship with the intention to use BNPL. The final result shows that only PE, SI and S, have relationship and have significant impacts on the intention to use BNPL, whereas other variables such as EE, FC, M and T, are totally

insignificant with the intention to use BNPL. In addition, this research also provides limitations and recommendations of the study so that the future researchers will not be facing the same issues and have more thoughts on the topic.

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Appendices

FYP NO: 202306-17

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

BACHELOR OF INTERNATIONAL BUSINESS (HONOURS)

FINAL YEAR PROJECT

TITLE OF RESEARCH:

Factors influencing the intention to use Buy Now Pay Later (BNPL) in Malaysia

Dear respondents,

I am Loh Pui Yee, currently a final year undergraduate student pursuing degree of Bachelor of International Business (Hons) from Faculty of Accountancy & Management (FAM) at Universiti Tunku Abdul Rahman (UTAR). I am conducting my final year project (FYP) on "Factors Influencing the Intention to Use Buy Now Pay Later in Malaysia".

I would like to invite you to participate in this questionnaire survey. This questionnaire consists of three sections including Section A, Section B and Section C. Kindly answer ALL questions in ALL sections. It will only take 5-10 minutes of your time to complete this questionnaire. The participation of this questionnaire is on a voluntary basis. Your acceptance to participate in this survey is sincerely appreciated. Thank you for your time and effort.

Your responses are important for me to complete the research. Kindly be informed that all of your answers and information is solely for academic purposes and will be kept private and confidential. If you have any questions about the questionnaire, please email me at emily0806@1utar.my. Once again, thank you for your participation and cooperation in this survey.

Section A: Demographic Information

Please fill in some of your personal information on all the questions below.

1. Gender

☐ Male
☐ Female

2. Age

☐ 18-25 years old
☐ 26-35 years old
☐ 36-45 years old
☐ Above 45 years old

3. Race

☐ Malay
☐ Chinese
☐ Indian
☐ Others: _____

4. Educational background

☐ SPM/O Level
☐ STPM/A Level/Foundation
☐ Diploma
☐ Undergraduate
☐ Postgraduate
☐ Others: _____

5. Occupation

☐ Student
☐ Self-employed
☐ Employed
☐ Unemployed
☐ Professional

6. Monthly income

☐ Below RM1000
☐ RM1000-RM2500
☐ RM2500-RM4000
☐ RM4000-RM5500
☐ RM5500-RM7000
☐ Above RM7000

Section B: General Information

Please answer the questions below.

* Buy Now Pay Later is an instalment loan that enables customers to split the bigger amount into smaller monthly instalment payments, usually at zero percent (0%) of interest.

1. Have you ever used Buy Now Pay Later before?

☐ Yes
☐ No

2. How long have you been using Buy Now Pay Later?

☐ Less than a year
☐ 1-2 years
☐ 3-4 years
☐ More than 4 years

3. How often do you use Buy Now Pay Later?

☐ Daily
☐ Once a week
☐ Once a month
☐ Once I shop
☐ Others: _____

4. Which Buy Now Pay Later platform do you usually use?

☐ Atome
☐ Grab Paylater
☐ S-paylater (shopee paylater)
☐ Others: _____

5. What are the shopping categories of products or services that you always shop using Buy Now Pay Later? (You are able to select multiple categories)

☐ Electronics
☐ Fashion and beauty
☐ Furniture and home appliances
☐ Toys and games
☐ Others: _____

6. How much have you spent by using Buy Now Pay Later in the past 3 months?

☐ Less than RM100
☐ RM101-RM300
☐ RM301-RM500
☐ RM501-RM700
☐ RM701-RM900
☐ More than RM900

Section C: Factors influencing the intention to use Buy Now Pay Later in Malaysia.

Listed below are the measurement items regarding factors influencing the intention to use Buy Now Pay Later in Malaysia. Kindly select the answer that reflects your opinion for each of the following questions.

Intention to Use Buy Now Pay Later	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I would use Buy Now Pay Later for any purchase in the future.	1	2	3	4	5
2. Using Buy Now Pay Later for handling my online shopping is something I would do.	1	2	3	4	5
3. I intend to make use of all different kinds of Buy Now Pay Later in the future.	1	2	3	4	5
4. I intend to use Buy Now Pay Later more frequently in the future.	1	2	3	4	5
5. I intend to recommend Buy Now Pay Later to my family and friends in the future.	1	2	3	4	5
6. I intend to try out the latest Buy Now Pay Later in the future.	1	2	3	4	5

Performance Expectancy (PE)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Buy Now Pay Later is a useful tool for conducting transactions.	1	2	3	4	5
2. Buy Now Pay Later enables me to conduct transactions easily.	1	2	3	4	5
3. I can conduct transactions faster on Buy Now Pay Later payment as compared to cash transactions.	1	2	3	4	5

4. Using Buy Now Pay Later improves my shopping experience.	1	2	3	4	5

Effort Expectancy (EE)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Learning to use Buy Now Pay Later is easy.	1	2	3	4	5
2. It's easy to enter in the Buy Now Pay Later page.	1	2	3	4	5
3. It's easy to use the Buy Now Pay Later service skilfully.	1	2	3	4	5
4. I do not have any doubts about what I'm doing when I'm using the service.	1	2	3	4	5

Social Influence (SI)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. In my social circle people who influences on my behaviour think that I should use Buy Now Pay Later.	1	2	3	4	5
2. In my social circle people who are important to me think that I should use Buy Now Pay Later.	1	2	3	4	5
3. In my social circle Buy Now Pay Later is considered important for financial transactions.	1	2	3	4	5
4. In my social circle people whose opinions that I value prefer that I use Buy Now Pay Later.	1	2	3	4	5

Facilitating Condition (FC)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1. Guidance is available to me in the selection of the Buy Now Pay Later system.	1	2	3	4	5
2. Specialized instruction concerning the Buy Now Pay Later system is available to me.	1	2	3	4	5
3. A specific person (or group) is available for assistance with system difficulties.	1	2	3	4	5

Trust (T)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Overall, I think Buy Now Pay Later is trustworthy.	1	2	3	4	5
2. I believe that Buy Now Pay Later will always consider the best interests of customers.	1	2	3	4	5
3. I believe Buy Now Pay Later will fulfil its promise and commitment.	1	2	3	4	5
4. Even if not monitored, I'm sure the Buy Now Pay Later services can do their job properly.	1	2	3	4	5

Materialism (M)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Buying things give me a lot of pleasure.	1	2	3	4	5
2. It sometimes bothers me that I can't afford to buy things I like.	1	2	3	4	5
3. The things I own say a lot to others in terms of how my life is.	1	2	3	4	5
4. I like to own things that impress people.	1	2	3	4	5

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
5. I enjoy spending money on things that aren't practical.	1	2	3	4	5

Satisfaction (S)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Buy Now Pay Later is wonderful.	1	2	3	4	5
2. Buy Now Pay Later is stimulating.	1	2	3	4	5
3. I am satisfied with Buy Now Pay Later because it is free from error.	1	2	3	4	5
4. Overall, I am extremely satisfied purchasing through Buy Now Pay Later.	1	2	3	4	5

Appendix B: Origin of Construct

Construct	Measurement Items	Sources
1. Performance Expectancy (PE)	1. BNPL is a useful tool for conducting transactions. 2. BNPL enables me to conduct transactions easily. 3. I can conduct transactions faster on BNPL payment as compared to cash transactions. 4. Using BNPL improves my shopping experience.	Gupta et al., 2020
2. Effort Expectancy (EE)	1. Learning to use BNPL is easy. 2. It's easy to enter in the BNPL page. 3. It's easy to use the BNPL service skilfully. 4. I do not have any doubts about what I'm doing when I'm using the service.	Dong, X. M. (2018)
3. Social Influence (SI)	1. In my social circle people who influences on my behaviour think that I should use BNPL. 2. In my social circle people who are important to me think that I should use BNPL. 3. In my social circle BNPL is considered important for financial transactions. 4. In my social circle people whose opinions that I value prefer that I use BNPL.	Venkatesh et al., 2003
4. Facilitating Condition (FC)	1. Guidance is available to me in the selection of the BNPL system. 2. Specialized instruction concerning the BNPL system is available to me. 3. A specific person (or group) is available for assistance with system difficulties.	Venkatesh et al., 2003

5. Trust (T)	1. Overall, I think BNPL is trustworthy.	Purwandari et al., 2022
	2. I believe that BNPL will always consider the best interests of customers.	
	3. I believe BNPL will fulfil its promise and commitment.	
	4. Even if not monitored, I'm sure the BNPL services can do their job properly.	
6. Materialism (M)	1. Buying things give me a lot of pleasure.	Zainudin et al., 2019
	2. It sometimes bothers me that I can't afford to buy things I like.	
	3. The things I own say a lot to others in terms of how my life is.	
	4. I like to own things that impress people.	
	5. I enjoy spending money on things that aren't practical.	
7. Satisfaction (S)	1. BNPL is wonderful.	Tella et al., 2015
	2. BNPL is stimulating.	
	3. I am satisfied with BNPL because it is free from error.	
	4. Overall, I am extremely satisfied purchasing through BNPL.	

Appendix C: Collinearity Statistics (VIF)

	VIF
BNPL1	2.593
BNPL2	2.066
BNPL3	2.210
BNPL4	2.762
BNPL5	2.958
BNPL6	2.485
EE1	1.576
EE2	1.783
EE3	1.522
EE4	1.383
SI1	4.531
SI2	3.734
SI3	5.493
SI4	5.525
FC1	1.186
FC2	1.223
FC3	1.230
M1	1.352
M2	1.355
M3	2.107
M4	2.417
M5	1.754
PE1	2.021
PE2	1.528
PE3	1.182
PE4	1.970
S1	1.738
S2	1.534
S3	1.393
S4	1.505
T1	1.344
T2	1.433

T3	1.485
T4	1.526

Appendix D: Summary Results for Discussions of Major Findings

Hypotheses	Standardized Coefficient (Beta)	P Values	Result
H1: There is a significant relationship between PE and the intention to use BNPL in Malaysia.	0.480	0.000	Supported
H2: There is a significant relationship between EE and the intention to use BNPL in Malaysia.	-0.004	0.775	Rejected
H3: There is a significant relationship between SI and the intention to use BNPL in Malaysia.	0.238	0.000	Supported
H4: There is a significant relationship between FC and the intention to use BNPL in Malaysia.	0.018	0.775	Rejected
H5: There is a significant relationship between M and the intention to use BNPL in Malaysia.	0.110	0.170	Rejected
H6: There is a significant relationship between T and the intention to use BNPL in Malaysia.	-0.090	0.187	Rejected
H7: There is a significant relationship between S and the intention to use BNPL in Malaysia.	0.173	0.003	Supported