



Governing Digital Consumption: The Impact of Materialism on Impulsive Buying with the Mediating Role of PayLater Services among Indonesian Generation Z

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Abstract

The expansion of buy now pay later payment facilities within e-commerce platforms has increasingly influenced the purchasing patterns of young consumers, especially Generation Z who are highly involved in digital shopping environments. Digital payment services like Shopee PayLater represents one of the most frequently utilized deferred payment options that allows users to complete transactions while postponing payment, which may affect how consumers manage their spending decisions. This study aims to examine the relationship between materialism and impulsive buying behavior while also assessing the mediating role of Shopee PayLater usage among Generation Z consumers. A quantitative research design was employed by distributing online questionnaires to Generation Z individuals in Indonesia who have utilized Shopee PayLater, resulting in 50 valid responses. The data were processed using Structural Equation Modeling Partial Least Squares (SEM-PLS). The results demonstrate that materialism has a significant influence on both Shopee PayLater usage and impulsive buying behavior. In addition, Shopee PayLater usage also significantly affects impulsive buying behavior. The mediation analysis further indicates that Shopee PayLater usage strengthens the relationship between materialism and impulsive buying behavior. These findings imply that deferred payment features may increase the tendency toward impulsive purchasing among consumers who exhibit stronger materialistic orientations in digital commerce settings.

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Introduction

The rapid development of digital technologies, combined with the widespread availability of internet access, has significantly transformed consumption patterns in Indonesia. This shift is particularly evident among individuals in Generation Z, who have grown up in a highly digitalized environment and are therefore deeply integrated into the platform-based economy. As digital natives, this generation tends to rely extensively on online platforms to support various aspects of daily life, including communication, entertainment, and consumption-related activities.

In this context, consumption behavior is increasingly mediated by mobile applications and social media platforms, which continuously expose users to a wide range of product offerings, promotional campaigns, and digital financial services. Such persistent exposure not only expands access to consumption but also accelerates the decision-making process, often reducing the level of deliberation prior to purchase. Consequently, purchasing behavior among Generation Z is shaped not only by functional needs but also by situational cues and psychological influences arising from the digital environment (Shankar et al., 2021; Badgaiyan & Verma, 2015a).

Building upon the increasing role of digital platforms in shaping consumption behavior, one of the most notable financial innovations emerging within this ecosystem is the buy now, pay later (BNPL) service, widely referred to as pay-later. This feature is commonly embedded within e-commerce platforms, enabling users to complete transactions seamlessly without requiring immediate payment. From a conceptual standpoint, BNPL represents a form of short-term consumer financing that allows individuals to acquire goods or services instantly while deferring payment to a later period, either through a single settlement or installment-based schemes without the need for traditional credit card ownership (Guttman-Kenney et al., 2023; Prelec & Loewenstein, 1998).

The growing adoption of BNPL services has been particularly prominent among younger consumers, as it provides easier access to credit and enhances purchasing flexibility. However, despite these advantages, prior studies have consistently highlighted several potential risks associated with its use. On one hand, BNPL expands financial inclusion by allowing consumers especially those with limited access to formal credit to participate more actively in digital commerce. On the other hand, it has been linked to rising levels of consumer debt, reduced financial discipline, and increasing difficulty in regulating personal expenditure. Furthermore, the deferred nature of payment may weaken consumers' perception of immediate financial consequences, thereby encouraging more spontaneous and less controlled purchasing behavior.

Consequently, the presence of BNPL services within digital platforms does not merely facilitate transactions but also plays a significant role in shaping consumption patterns. The combination of instant access, payment flexibility, and reduced perceived financial pressure creates conditions that are conducive to impulsive buying and excessive consumption tendencies (Lusardi & Mitchell, 2014; Mazar et al., 2017). This indicates that BNPL functions not only as a financial tool but also as a behavioral trigger that may intensify consumption behavior, particularly within digitally active segments such as Generation Z.

In the Indonesian digital marketplace, Shopee has positioned itself as one of the dominant e-commerce platforms and has expanded its ecosystem by integrating Shopee PayLater (SPayLater) as a short-term consumer credit feature (Shopee Indonesia, 2024). This facility enables users to activate the service entirely through a digital process, obtain access to relatively flexible credit

limits, and select from various repayment schemes, including “Pay Next Month” and installment options ranging from two to twelve months. The availability of such features reflects the growing convergence between e-commerce and financial technology, where payment flexibility becomes an integral part of the online shopping experience.

The attractiveness of SPayLater is further strengthened by various promotional incentives, such as cashback programs, price discounts, and exclusive vouchers, which are frequently integrated into purchasing campaign (Gerrans et al., 2022; Cao et al., 2021). Empirical evidence from the Databoks Katadata Insight Center indicates that Shopee PayLater has achieved the highest level of brand awareness among pay-later services in Indonesia, particularly among Generation Z and millennial consumers. In practice, the use of this feature is not limited to essential purchases, as many users also rely on it to maximize promotional benefits and to manage short-term financial limitations (Otoritas Jasa Keuangan, 2023). This pattern highlights how digital credit services are increasingly embedded in everyday consumption behavior.

Beyond its functional role as a payment method, SPayLater may also influence how consumers make purchasing decisions. By lowering immediate financial pressure and increasing perceived affordability, this feature can encourage more frequent transactions and reduce the need for extensive financial consideration before purchasing. As a result, the presence of SPayLater may contribute to an environment that facilitates higher consumption intensity and potentially reinforces impulsive buying tendencies, particularly among digitally engaged consumers such as Generation Z.

On the other hand, consumer psychological characteristics, particularly materialism, play a crucial role in explaining how financial facilities such as BNPL are utilised. Materialism is understood as a value orientation that places material possessions at the centre of life, as the primary source of happiness and as an indicator of social success (Richins & Dawson, 1992). Prior studies in consumer behaviour have consistently indicated that individuals who exhibit stronger materialistic values are more likely to engage in consumption activities not only to fulfill functional needs but also to manage their emotional states and construct their self-identity. As a consequence, these individuals tend to experience greater difficulty in controlling purchase impulses, which in turn increases their susceptibility to impulsive as well as compulsive buying behaviour (Kasser, 2016). A growing body of empirical evidence further highlights that materialism is significantly associated with higher levels of impulsive buying tendencies, particularly among adolescents and young adults who are in a more exploratory consumption phase. This pattern is consistently observed across both offline and online consumption contexts, indicating that the influence of materialistic values extends across different purchasing (Podoshen & Andrzejewski, 2012; Badgaiyan & Verma, 2015).

The link between materialism and the use of pay-later services has begun to receive attention in recent research. (Iyer et al., 2020) find that materialism has a positive effect on the use of pay-later services, as well as on impulsive and compulsive buying among e-commerce users in Indonesia (Iyer et al., 2020). demonstrate that BNPL mediates the relationship between materialism and impulsive buying among Indonesian consumers who use buy now, pay later services in general (Xiao & Porto, 2017). These findings are broadly consistent with a growing body of international research literature indicating that BNPL can further amplify the impact of materialistic values on consumer behavior. This occurs particularly because the availability of easy credit access and payment deferral mechanisms tends to reduce psychological barriers, thereby allowing individuals to pursue and fulfil their consumption desires with less hesitation and greater ease (Mazar et al., 2017). However, most of these studies focus on BNPL

in general or on multiple pay-later platforms, and have not specifically examined Shopee PayLater as a mediating variable between materialism and impulsive buying behaviour among Generation Z in Indonesia.

Given the dominant position of Shopee PayLater in the Indonesian pay-later market and its high penetration among Generation Z (Otoritas Jasa Keuangan, 2023), this context warrants more in-depth investigation. Furthermore, the limited number of studies that explicitly test the role of pay-later services as a mediating mechanism between psychological factors (such as materialism) and impulsive buying behaviour reveals a knowledge gap in the consumer finance and digital consumer behaviour literature (Iyer et al., 2020; Xiao & Porto, 2017).

Considering the growing integration of digital credit within e-commerce platforms, this study focuses on how materialistic values relate to impulsive buying behaviour among Generation Z consumers in Indonesia. Previous studies have shown that materialistic orientations are closely linked to consumption patterns that prioritize ownership and immediate gratification (Iyer et al., 2020; Xiao & Porto, 2017). In parallel, the rapid adoption of digital payment facilities such as buy now pay later (BNPL) systems has altered how consumers perceive affordability and financial risk (Prelec & Loewenstein, 1998). Rather than viewing Shopee PayLater solely as a transactional tool, this research examines its potential role in intensifying impulsive purchasing tendencies. Deferred payment features reduce the immediate “pain of paying,” which may increase consumers’ willingness to complete spontaneous purchases (Otoritas Jasa Keuangan, 2023). In this context, Shopee PayLater may function not only as a payment option but also as a behavioural mechanism that strengthens the connection between materialistic values and impulsive buying literature Review.

Literature Review

2.1 Conceptual Foundation

This study adopts the Stimulus Organism Response framework as a theoretical basis to explain how external stimuli are first perceived and interpreted through internal psychological processes, which then shape individuals’ cognitive and emotional evaluations before ultimately leading to observable behavioral outcomes in a consumption context. (Albert Mehrabian & James A. Russell, 1974). The model explains that individuals do not respond directly to external factors; instead, external influences are first processed internally through psychological evaluation before shaping observable behavior. In other words, behavior emerges from an interaction between environmental conditions and internal states.

Within digital shopping environments, various platform features may act as external triggers. Integrated payment systems, promotional campaigns, and embedded credit services can shape how consumers perceive opportunities and financial capability. These external elements interact with personal values and psychological predispositions before influencing purchasing decisions.

In this study, Shopee PayLater is positioned as an external stimulus available within the platform ecosystem. Materialism reflects the internal value orientation that shapes how individuals interpret consumption related cues, while impulsive buying behavior represents the resulting response. By applying this framework, the study is able to examine not only the direct influence of materialistic tendencies on buying behavior, but also how digital credit facilities may strengthen that relationship among Generation Z consumers.

2.2 Materialism

Materialism is commonly defined as a value orientation that places material possessions at the center of personal happiness and life success. According to (Richins & Dawson, 1992), individuals

with strong materialistic values tend to view ownership and acquisition as important indicators of achievement. In modern consumer culture, particularly within digitally connected societies, materialistic tendencies are often reinforced by exposure to social comparison and lifestyle representation.

(Kasser, 2016) explains that materialistic individuals are more likely to associate consumption with identity formation and emotional fulfillment. Purchasing, therefore, becomes more than a functional activity; it also serves symbolic and psychological purposes. A substantial body of empirical research has consistently demonstrated a significant association between materialism and both impulsive as well as compulsive buying tendencies, particularly within online shopping environments where consumers are continuously exposed to various promotional stimuli, social comparison cues, and personalized marketing strategies. Such conditions tend to intensify the influence of materialistic values, as individuals are more frequently encouraged to engage in consumption activities that fulfill not only functional needs but also emotional and symbolic desires (Iyer et al., 2020; Badgaiyan & Verma, 2015).

Among Generation Z consumers, who are highly immersed in social media and platform based commerce, materialism may influence how financial opportunities and promotional cues are interpreted. Individuals with stronger materialistic orientations are generally more sensitive to consumption related stimuli, which may increase their vulnerability to unplanned purchases in digital marketplaces.

2.3 PayLater Service

Shopee PayLater is a buy now pay later payment feature integrated into the Shopee platform that allows users to complete transactions immediately while settling payments in the following month or through installment schemes. (Kim & Ko, 2012) In Indonesia, this service has become one of the most widely recognized forms of digital credit, particularly among younger consumers who prioritize convenience and flexibility in financial transactions (Otoritas Jasa Keuangan, 2023). Such deferred payment arrangements influence how consumers perceive financial commitment at the time a purchase is made. By delaying the outflow of money, the perceived financial burden often becomes lighter and the psychological pressure associated with payment may be reduced (Prelec & Loewenstein, 1998). Several studies indicate that mechanisms of this kind may increase shopping frequency while simultaneously weakening consumers' self-control in managing their spending, particularly among young consumers who actively engage in online shopping (Mazar et al., 2017; Xiao & Porto, 2017). In this study, Shopee PayLater is not only positioned as a payment method but also as a financial stimulus embedded within the digital marketplace environment. Its presence may strengthen consumption impulses, especially when interacting with internal value orientations such as materialism, thereby potentially increasing the tendency toward more impulsive purchasing behavior among Generation Z individuals as active digital marketplace users.

2.4 Impulsive Buying Behavior

Impulsive buying behavior describes purchasing actions that occur unexpectedly, often without prior intention or detailed consideration (Rita et al., 2019). These decisions are generally influenced by immediate emotional reactions rather than deliberate analysis of future consequences. In consumer behavior studies, impulsive buying is viewed as a response that arises when situational stimuli interact with individual psychological tendencies (Bigne et al., 2020).

Digital shopping environments tend to create conditions that encourage such behavior. Limited time promotions, algorithm driven product suggestions, and simplified payment procedures

can accelerate purchasing decisions and reduce the opportunity for rational evaluation (Badgaiyan & Verma, 2015). When transactions become seamless and convenient, consumers may rely more heavily on affective impulses than on careful financial reasoning.

Personal value orientations also contribute to this tendency. Research shows that individuals with stronger materialistic values are more inclined to make unplanned purchases, as consumption is closely linked to emotional reward and self identity (Iyer et al., 2020). For Generation Z consumers, who are highly accustomed to platform based commerce and mobile transactions, impulsive buying may intensify when internal motivations align with digital marketplace features. In this setting, impulsive purchasing is shaped not only by external promotions, but also by deeper psychological drivers interacting with the structure of online retail platforms.

1.2 Hypotheses Development

1.2.1 Materialism and Shopee PayLater

Materialistic values influence how individuals interpret consumption opportunities and financial flexibility. Individuals who place strong importance on ownership and acquisition are more likely to seek mechanisms that facilitate purchasing. In digital marketplace environments, deferred payment systems such as Shopee PayLater provide an accessible way to obtain desired products without immediate financial burden.

Prior research suggests that materialism is positively associated with the use of buy now pay later services, as such facilities support consumption driven by symbolic and emotional motives (Iyer et al., 2020; Xiao & Porto, 2017). For Generation Z consumers, who are highly engaged in online shopping platforms, the presence of integrated digital credit may align closely with materialistic tendencies. Based on this reasoning, it is proposed that:

H1: Materialism has a positive and significant influence on Shopee PayLater usage.

1.2.2 Materialism and Impulsive Buying Behavior

Materialistic individuals often associate consumption with emotional gratification and identity expression. This orientation may reduce resistance to spontaneous purchasing decisions, particularly in environments rich with promotional cues. Empirical findings consistently indicate a significant association between materialism as well as impulsive buying tendencies within online consumption settings, where individuals are frequently exposed to a wide range of promotional cues, digital stimuli, and social comparison content that can intensify emotional responses and ultimately encourage more spontaneous and unplanned purchasing behavior (Iyer et al., 2020; Badgaiyan & Verma, 2015).

Within Generation Z, exposure to social comparison and digital consumption culture may further amplify this relationship. Within Generation Z, exposure to social comparison and digital consumption culture may further amplify this relationship. Therefore, it is expected that stronger materialistic values increase the likelihood of impulsive purchasing actions that occur with minimal prior planning and are often driven by immediate emotional responses.

H2: Materialism is positively and significantly associated with impulsive buying behavior.

1.2.3 Shopee PayLater and Impulsive Buying Behavior

Deferred payment mechanisms modify consumers' perception of financial sacrifice. When payment consequences are postponed, the psychological weight of spending may feel lighter (Prelec & Loewenstein, 1998). This reduction in perceived cost can encourage quicker decisions and weaken spending restraint.

Studies on BNPL services indicate that digital credit facilities are associated with higher spending frequency and greater impulsivity, particularly among younger users. In this context, Shopee PayLater may facilitate impulsive buying behavior by simplifying and accelerating transactions. Based on the theoretical explanation and empirical evidence presented above, this study proposes the following hypothesis:

H3: Shopee PayLater is positively and significantly associated with impulsive buying behavior.

1.2.4 The Mediating Role of Shopee PayLater

The SOR framework suggests that external financial mechanisms may interact with internal value orientations before shaping behavioral outcomes. Materialistic consumers may already possess a stronger inclination toward consumption, but the availability of digital credit can intensify this tendency by lowering transactional barriers.

In this study, Shopee PayLater is expected to function as a mediating mechanism that strengthens the influence of materialism on impulsive buying behavior. The deferred payment structure may amplify the effect of materialistic values by making consumption more immediately attainable. Therefore:

H4: Shopee PayLater is expected to mediate the relationship between materialism and impulsive buying behavior.

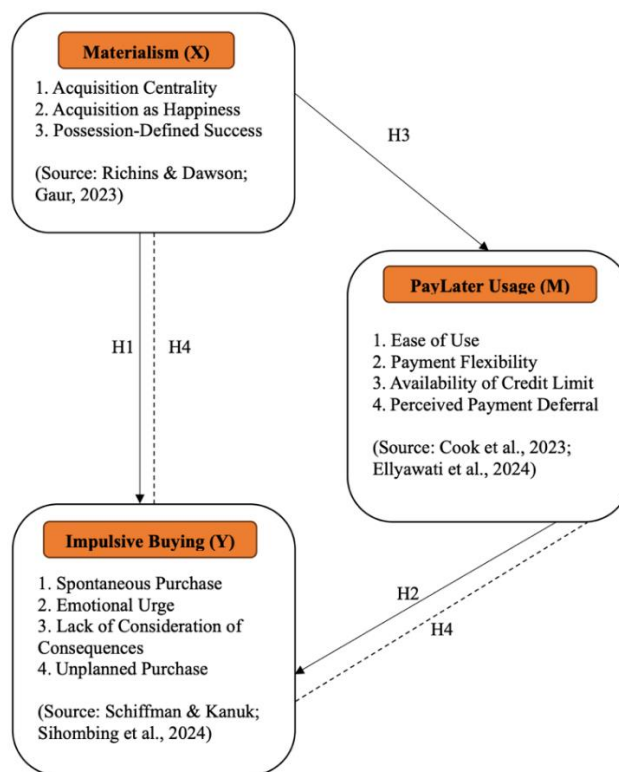


Figure 1. Conceptual Framework. Source: Author Research, 2025.

Methodology

The primary data used in this research were collected through a structured online questionnaire. The survey was distributed digitally using the Google Forms platform to facilitate broader reach and ensure efficient data collection from respondents. Respondents were selected using a convenience sampling technique, primarily due to accessibility considerations and alignment with the research criteria (Creswell & Creswell, 2018). The participants consisted of Generation Z consumers who had prior experience using Shopee and its Shopee PayLater feature. A total of 50 responses met the validity requirements and were subsequently analyzed. Although Structural Equation Modeling studies commonly recommend larger sample sizes, the Partial Least Squares based Structural Equation Modeling approach is widely considered to be particularly suitable for smaller datasets, especially in studies that aim to explore predictive relationships among latent constructs. In addition, this analytical approach is also recognized for its flexibility because it does not impose strict assumptions regarding data distribution, which makes it appropriate for research contexts with limited sample sizes and non-normal data characteristics (Hair et al., 2021).

This study investigated three latent constructs: Materialism, Shopee PayLater, and Impulsive Buying Behavior. The measurement indicators were adapted from a number of prior studies and were further refined to better align with the specific characteristics and consumption context of Generation Z users of Shopee. Materialism reflects the degree to which individuals prioritize material possessions as symbols of achievement and sources of personal satisfaction. Shopee PayLater captures perceptions of ease, flexibility, and the tendency to rely on deferred payment facilities. Impulsive Buying Behavior represents spontaneous purchasing actions characterized by limited prior planning and driven largely by emotional impulses.

All constructs in this study were measured using a five-point Likert scale, where respondents were asked to indicate their level of agreement ranging from strongly disagree (1) to strongly agree (5). This scaling approach was selected to capture variations in respondents' perceptions in a structured and quantifiable manner. The data analysis was carried out using SmartPLS 4.0, which was applied to evaluate both direct and indirect relationships among the variables within the proposed research model.

The analytical procedure was conducted in two main stages. The first stage involved assessing the measurement model to ensure the validity and reliability of the constructs, including the evaluation of indicator loadings, internal consistency, and convergent validity. The second stage focused on examining the structural model, which aimed to estimate path coefficients, determine R-square values, and assess the mediating effect within the model. Furthermore, the statistical significance of the relationships was tested using a bootstrapping procedure with 5,000 resamples, allowing for the generation of t-statistics and p-values to support hypothesis testing.

Table 1. Research Indicators

Variable	Indicator	Description
Materialism	M	Purchasing products is an important part of my life
	M	I often think about what other products I want to own
	M	I feel happier when I successfully buy the products I want
	M	Owning more products makes my life feel more satisfying

	M	I judge a person's success based on the products they own
	M	Owning branded or expensive products makes me feel more successful
Shopee PayLater Usage	SPU	Shopee PayLater is easy to use when I shop on Shopee
	SPU	The payment process using Shopee PayLater is practical and uncomplicated
	SPU	Shopee PayLater helps me manage payments according to my financial ability
	SPU	The installment options in Shopee PayLater give me more flexibility when shopping
	SPU	The Shopee PayLater credit limit allows me to purchase items that I cannot yet afford to pay in cash
	SPU	The availability of a Shopee PayLater credit limit increases my desire to shop
	SPU	With Shopee PayLater, I feel less financially burdened when making purchases
	SPU	Deferring payment through Shopee PayLater makes it easier for me to decide to buy
Impulsive Buying Behavior	IB	I often purchase products on Shopee suddenly without prior planning
	IB	I have bought products on Shopee spontaneously due to momentary interest
	IB	I purchase products because I feel happy or excited when I see them
	IB	Certain emotions (such as excitement or boredom) often drive me to shop
	IB	I rarely think about the financial consequences before purchasing products on Shopee
	IB	I continue to purchase products even when I know my expenses are already high
	IB	I often buy items that were not originally on my shopping list
	IB	I purchase products without carefully comparing or considering alternatives

Source: Author Research, 2025.

The data employed in this study were gathered from 50 respondents belonging to Generation Z through a structured online questionnaire that was disseminated via several social media channels. A convenience sampling method was used to reach individuals who matched the predetermined research criteria, namely respondents who had prior experience using Shopee and its Shopee PayLater feature. All participants were between 18 and 28 years old, which is consistent with the Generation Z category that forms the main focus of this research. After the responses had been collected, the data were analyzed using SmartPLS 4.0 in order to test and evaluate the proposed research model in a systematic manner.

In terms of demographic profile, female respondents made up 54% of the sample, while male respondents accounted for the remaining 46%. With regard to educational background, the largest proportion of participants were senior high school graduates (42%), followed by respondents with a bachelor's degree (38%), diploma holders (16%), and postgraduate respondents (4%). This

respondent composition indicates that the sample was largely dominated by a young and digitally engaged group, which is highly relevant to the context of this study that examines online shopping behavior and the use of digital payment facilities.

All research indicators were measured using a five point Likert scale to capture respondents' levels of agreement toward each statement. The analytical procedure was carried out in two main stages, consisting of an assessment of the measurement model and an evaluation of the structural model. Through these stages, the study sought to examine not only the direct effect of materialism on impulsive buying behavior but also the indirect effect occurring through the mediating role of Shopee PayLater usage. The results of the structural model analysis are presented and discussed in the following section.

Table 2. Respondent Profile

Profile Category	Criteria	Frequency	Percentage (%)
Age	18-28 years	50	100%
Gender	Female	27	54%
	Male	23	46%
Education Level	High School (SMA/SMK)	21	42%
	Diploma	8	16%
	Bachelor's Degree	19	38%
	Postgraduate	2	4%

Source: Author research, 2025.

3.1.1 Measurement Model (Outer Model)

The measurement model in this study was carefully examined as a preliminary step to confirm that each latent construct was adequately represented by a set of indicators that met the required standards of validity and reliability before proceeding to the analysis of structural relationships. This evaluation process is essential to ensure that the measurement instruments accurately capture the underlying concepts being studied and provide a sound basis for further analysis. This study examined three constructs: Materialism (M), Shopee PayLater Usage (SP), and Impulsive Buying Behavior (IB). The analysis was conducted using SEM-PLS through SmartPLS 4.

The outer model results indicate that the indicators demonstrate acceptable loading values in accordance with established PLS-SEM criteria, suggesting that each indicator contributes meaningfully to its respective construct. Overall, the indicators are considered sufficient in representing the latent variables, reflecting a good level of convergent validity. Therefore, the measurement model satisfies the necessary requirements to proceed with the evaluation of the inner model, where the relationships between constructs are further analyzed.

Measurement Model Assessment

The evaluation of the measurement model in this study was carried out by referring to four main assessment criteria, namely factor loadings, Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). These measurement indicators were selected because they provide an important basis for determining whether the constructs used in the study meet the required standards of reliability and validity within the PLS-SEM approach. Through these criteria, the analysis is able to show the extent to which the indicators consistently measure their respective constructs and adequately reflect the latent variables being examined.

Factor loadings indicate the magnitude of the relationship between each observed indicator and its associated latent construct, reflecting how well each indicator contributes to explaining the underlying variable. In general, a loading value exceeding 0.70 is regarded as an ideal threshold, as it suggests that the indicator demonstrates strong convergent validity and reliably represents the construct it is intended to measure. However, in the context of exploratory research, indicators with loading values ranging from 0.50 to 0.70 may still be considered acceptable and can be retained, provided that the overall reliability and validity of the construct remain within acceptable limits and are supported by other evaluation criteria.

In the present study, most of the indicators used to measure Materialism (M), Shopee PayLater Usage (PP), and Impulsive Buying (IB) produced loading values that were above the commonly recommended threshold of 0.70, indicating that the majority of the items were able to represent their respective constructs adequately. Although a limited number of indicators recorded slightly lower loading values, these values still remained within an acceptable range for exploratory analysis and therefore did not immediately warrant elimination. Since the constructs as a whole had already fulfilled the required standards of reliability and validity, as reflected in the results of Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE), all indicators were ultimately retained and included in the measurement model for further analysis.

Cronbach's Alpha was applied to assess the internal consistency of the indicators within each construct, ensuring that the measurement items consistently reflect the same underlying concept. In general, a Cronbach's Alpha value of 0.70 or higher is considered acceptable, indicating that the set of indicators has a satisfactory level of reliability in capturing the intended construct.

The findings of this study reveal that Materialism (M), Shopee PayLater Usage (PP), and Impulsive Buying (IB) all obtained Cronbach's Alpha values that exceeded the recommended threshold. This result suggests that the indicators within each construct demonstrate strong internal consistency, thereby confirming that the measurement scales used in this study are sufficiently reliable for further statistical analysis.

In addition to Cronbach's Alpha, Composite Reliability (CR) was also employed as a more comprehensive measure of internal consistency in the context of SEM-PLS, as it takes into account the variation in outer loadings across indicators. A CR value above 0.70 is generally regarded as satisfactory and indicates that the construct is reliably measured.

The results indicate that all three constructs achieved Composite Reliability values above the recommended threshold, demonstrating that the indicators are able to consistently represent their respective latent variables. This further reinforces the conclusion that the constructs possess adequate reliability and are suitable for inclusion in the model.

Furthermore, Average Variance Extracted (AVE) was used to evaluate convergent validity by measuring the extent to which a construct captures the variance of its indicators relative to measurement error. An AVE value greater than 0.50 is commonly interpreted as evidence of acceptable convergent validity.

The AVE results for Materialism (M), Shopee PayLater Usage (PP), and Impulsive Buying (IB) were found to exceed the minimum threshold of 0.50. This indicates that each construct is able to explain more than half of the variance of its indicators, thereby confirming that the constructs exhibit adequate convergent validity.

Overall, the measurement model in this study fulfills the required criteria of reliability and validity, indicating that all constructs are appropriately measured and can be confidently used for subsequent structural model analysis.

Table 3. Validity and Reliability

Variables	Indicator/ Items	Factor Loadings	Cronbach's Alpha	Composite Reliability	AVE
Materialism	M1	0,855	0,899	0,922	0,665
	M2	0,820			
	M3	0,820			
	M4	0,800			
	M5	0,763			
	M6	0,832			
Shopee PayLater Usage	SPU1	0,878	0,46	0,955	0,725
	SPU2	0,858			
	SPU3	0,897			
	SPU4	0,828			
	SPU5	0,844			
	SPU6	0,838			
	SPU7	0,806			
	SPU8	0,859			
Impulsive Buying	IB1	0,856	0,945	0,954	0,721
	IB2	0,843			
	IB3	0,844			
	IB4	0,889			
	IB5	0,861			
	IB6	0,802			
	IB7	0,810			
	IB8	0,887			

Source: Author research, 2025.

Table 4. Fornell-Larcker Criterion

	Materialism	Shopee PayLater Usage	Impulsive Buying
Materialism	0,816		
Shopee PayLater Usage	0,703	0,852	
Impulsive Buying	0,734	0,741	0,849

Source: Author research, 2025.

The table above reports the Fornell–Larcker criterion as a basis for assessing discriminant validity across the constructs of Materialism (M), Shopee PayLater Usage (PP), and Impulsive Buying (IB). Discriminant validity can be considered fulfilled when the square root of Average Variance Extracted (AVE), as reflected in the bold diagonal values, is greater than the correlations among the constructs being compared. The findings show that all constructs meet this criterion appropriately. The square root of AVE values for Materialism (0.816), Shopee PayLater Usage (0.852), and Impulsive

Buying (0.849) are greater than their respective inter-construct correlation values, including the correlations between Materialism and Impulsive Buying (0.734), Materialism and Shopee PayLater Usage (0.703), and Shopee PayLater Usage and Impulsive Buying (0.741). These results suggest that each construct is better able to explain the variance of its own indicators than the shared variance with other constructs, thereby supporting adequate discriminant validity within the financial behavior framework examined in this study.

Table 5. Path Coefficient Results

	Original Sample	Sample Mean	Standard deviation	T-statistics	P-Values	Result
Materialism → Impulsive Buying	0,421	0,418	0,107	3,943	0,000	
Materialism → Shopee PayLater Usage	0,703	0,688	0,140	5,010	0,000	
Shopee PayLater Usage → Impulsive Buying	0,445	0,433	0,136	3,278	0,001	

Source: Author research, 2025.

Explanation

The structural model results show that all hypothesized relationships in this study are supported at a statistically significant level. Materialism is positively associated with Impulsive Buying, as reflected by a path coefficient of 0.421 accompanied by a significant t value of 3.943, which indicates that individuals who attach greater importance to material possessions tend to be more inclined toward unplanned purchasing behavior. Furthermore, Materialism also demonstrates a substantial relationship with Shopee PayLater Usage, with a coefficient value of 0.703, suggesting that consumers with stronger materialistic tendencies are more likely to make use of deferred payment facilities in order to obtain desired products.

Shopee PayLater Usage likewise shows a positive and statistically significant relationship with Impulsive Buying, as indicated by a coefficient value of 0.445, implying that the convenience and flexibility offered by installment based payment systems may stimulate more spontaneous purchasing decisions among Generation Z consumers. Taken together, the findings offer empirical evidence that supports the structural relationships proposed in the research model and reinforce the assumption that both psychological orientation and digital payment facilities play an important role in shaping impulsive purchasing behavior.

We have concluded the hypotheses results from the quantitative analysis:

- H1 (Accepted): Materialism is found to demonstrate a significant positive relationship with Impulsive Buying. Individuals who strongly associate success and happiness with material possessions are more prone to engage in unplanned purchases, as consumption becomes a way to express identity and achieve emotional gratification.
- H2 (Accepted): Shopee PayLater Usage positively influences Impulsive Buying. The option to postpone payments lowers the perceived financial burden at the moment of purchase, which can encourage consumers to make quicker and less deliberative buying decisions.

- H3 (Accepted): Materialism significantly affects Shopee PayLater Usage. Consumers with higher materialistic orientation are more likely to take advantage of PayLater services, since these facilities allow them to access desired products even when immediate funds are not fully available.
- H4 (Accepted): Shopee PayLater Usage is found to mediate the relationship between Materialism and Impulsive Buying. This suggests that materialistic values not only directly encourage impulsive purchases but also indirectly strengthen such behavior through greater reliance on deferred payment features.

Discussion

The findings indicate that materialism is significantly associated with impulsive buying tendencies among Generation Z individuals. Individuals who strongly associate possessions with personal success and happiness tend to exhibit higher tendencies toward spontaneous purchasing. This suggests that impulsive buying is not merely situational but rooted in underlying value orientations. When consumption is closely tied to self-image and emotional fulfillment, purchasing decisions are more likely to occur without extensive deliberation.

The results also show that materialism has a strong influence on Shopee PayLater usage. Consumers with higher materialistic values appear more inclined to utilize deferred payment facilities, as these services provide flexibility in accessing desired products without immediate financial outflow. In this context, PayLater functions as an enabling mechanism that accommodates consumption-driven motivations. Rather than acting as the primary trigger, digital credit features reinforce pre-existing psychological tendencies toward acquisition.

Furthermore, the use of Shopee PayLater significantly increases impulsive buying and is shown to mediate the association between materialism and impulsive buying behavior. By allowing payment to be postponed, this feature reduces the sense of immediate financial consequence, which can weaken consumers' cognitive restraint at the moment of purchase. This mediating role illustrates how financial technology may reinforce consumption patterns, especially among younger users whose purchasing decisions are strongly shaped by material oriented values. In a broader sense, these results enrich the behavioral finance discussion by highlighting the interplay between psychological tendencies and digital credit facilities in influencing financial behavior.

Conclusion

This study confirms that materialism is significantly associated with impulsive buying tendencies among individuals in Generation Z, both through a direct pathway and through Shopee PayLater usage as an additional mechanism. Individuals who attach strong meaning to ownership and material achievement tend to make purchasing decisions in a more spontaneous manner and are also more likely to rely on deferred payment facilities to obtain desired products. The findings further indicate that Shopee PayLater reinforces the link between materialistic values and impulsive buying, thereby functioning as an important mediating mechanism.

Although deferred payment features offer financial flexibility, their availability may also encourage stronger consumption tendencies among younger users. The postponement of financial consequences can reduce perceived spending pressure at the moment of purchase, which may weaken self control in decision making. Overall, these results underline the importance of understanding psychological drivers when examining financial decision making in the context of digital payment systems.

This study provides several implications that are directly derived from the empirical findings, which are the significant role of materialism in increasing both Shopee PayLater usage and impulsive buying behavior highlights the need for greater awareness regarding how personal value orientation toward material possessions shapes financial decisions. Understanding this tendency may help Generation Z reflect more critically on their consumption patterns. The positive effect of Shopee PayLater on impulsive buying indicates that deferred payment features can facilitate spontaneous purchasing. Users are therefore encouraged to reconsider their purchasing motives before utilizing payment postponement facilities, as the ease of access may reduce perceived financial consequences at the moment of transaction. Because impulsive buying is influenced directly by materialism and indirectly through PayLater usage, improving self control in financial behavior becomes essential. When postponed payment options are easily accessible, consumers need stronger personal discipline to prevent excessive or unplanned spending

Despite the meaningful insights generated by this study, several limitations should be carefully considered. First, the research was conducted using a relatively limited sample of 50 respondents, which may restrict the extent to which the findings can be generalized to a broader population. Although this sample size remains acceptable for exploratory analysis within the selected methodological framework, involving a larger number of participants would likely improve the robustness of the results and provide stronger external validity.

Furthermore, this study specifically focuses on Generation Z users in Indonesia who utilize Shopee PayLater, which means that the applicability of the findings may not fully extend to other demographic groups or different market environments. Consumer behavior may vary across age groups, cultural backgrounds, and financial contexts, suggesting that the current results should be interpreted within the specific scope of this study.

Future research is therefore encouraged to expand the scope by including more diverse consumer segments and conducting comparative studies across regions or platforms. In addition, incorporating variables such as financial self-control, perceived financial risk, and attitudes toward credit usage may provide a more comprehensive understanding of impulsive buying behavior within digital commerce environments.

Declaration of Competing Interest

The authors confirm that language editing tools were used in a limited capacity solely to enhance grammar, clarity, and readability.

Their use did not involve any aspect of the research process, including research design, data collection, analysis, interpretation, or conclusion development. All core academic work was conducted independently by the authors, who take full responsibility for the originality and integrity of this study.

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Use of Artificial Intelligence (AI)-Assisted Technology

The authors declare that no artificial intelligence (AI) tools were used in the preparation, analysis, or writing of this manuscript. All aspects of the research, including data collection,

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