

The Influence of Fintech (Paylater) Hedonism on Student Personal Financial Management

Bagus Suherman^{1*}, M. Jamal Abdul Nasir², Bagus Ibnu Utama³

Universitas Gajayana, Indonesia

Emails: bagussuherman26@gmail.com, jamal@unigamalang.ac.id,
bagusibnuutama@unigamalang.ac.id

Abstract

The hedonistic behavior of young people is amplified by the convenience of purchasing goods through financial technology (fintech), particularly the Buy Now Pay Later (BNPL) feature, commonly referred to as Paylater. The unstoppable advancement of digital technology, especially in the financial sector, has made transactions faster, more accessible, and more efficient without requiring face-to-face interactions. This research aims to provide valuable insights for students and the broader Indonesian community regarding the impact of fintech Paylater innovations and lifestyle choices on personal financial behavior. Specifically, the study investigates whether fintech Paylater innovations and lifestyle habits influence the personal financial management of students in the Malang Raya area. Adopting a quantitative research approach, data were collected via a questionnaire from a sample of 186 respondents. The study, conducted from July to August, utilized multiple linear regression analysis with the assistance of SPSS v25 software. The findings indicate a positive and significant relationship between fintech Paylater innovations, lifestyle habits, and personal financial behavior. The results suggest that increased hedonistic tendencies, facilitated by the flexibility of Paylater payments, significantly influence financial planning, potentially improving future financial management for Malang Raya students. To provide a focused discussion, this study emphasizes payment flexibility, the negative impacts of hedonism, and effective financial management.

Keywords: financial technology, digital innovation, credit, hedonism, personal financial management.

INTRODUCTION

Student lifestyles have undergone significant changes, driven not only by evolving needs but also by the pervasive influence of consumerism in the world of social media (Cohen et al., 2017). This shift is exacerbated by the ease of accessing goods through technological advancements, particularly in the financial sector. Financial technology (fintech), which aims to create more practical and secure financial transaction processes, has inadvertently posed challenges for younger generations lacking adequate financial literacy (Usman et al., 2024). One prominent example is the Buy Now Pay Later (BNPL) feature, popularly known as "paylater."

BNPL, or buy now pay later, allows consumers to purchase items on credit without a credit card, offering flexibility in payment terms, either through single payments or installments (Kumar et al., 2024). This facility, often integrated into fintech platforms, e-commerce sites, and digital wallets, appeals especially to students with limited budgets. Platforms such as Gopay PayLater,

OVO PayLater, and services offered by Traveloka, Shopee, and Kredivo, among others, have capitalized on this trend. According to Kredivo and Katadata data (June 2022), users are drawn to BNPL for its flexibility (56%), ease of access (55%), and perceived safety due to integration with e-commerce platforms supervised by the Financial Services Authority (OJK, *Otoritas Jasa Keuangan*).

However, despite these benefits, the ease of BNPL has led many students into unsustainable consumer behavior. By merely tapping their screens, students can acquire non-essential goods, order luxury items, or fund vacations they cannot afford. The result is a cycle of debt, with some students owing tens of millions in repayments they cannot fulfill. This often leads to a "dig a hole, cover the hole" debt cycle, where one loan is used to pay off another. Combined with a lack of financial literacy and the addictive nature of online shopping, this pattern becomes deeply problematic (Weinstein et al., 2016).

The consumer lifestyle among students increasingly leans towards excessive consumption, driven by a desire for social recognition, prestige, and adherence to trends. Students allocate their limited funds to branded goods and fashionable items instead of essential academic resources like books (Williams & Powell, 2019). This behavior is fueled by the involvement of advanced payment technologies and the influence of platforms like TikTok, which amplify consumerist tendencies (Bowo et al., 2023). The interplay of a modern, hedonistic lifestyle with inadequate income management creates gaps in personal financial management (Neni Nurlelasari, 2022).

Despite being part of the highly educated demographic, many students lack the ability to manage personal finances optimally. Research indicates that this is due to limited financial literacy education, parental income levels, and the inadequacy of monthly pocket money (Putri & Lasmanah, 2022). Enhancing financial literacy is critical, as it serves as the foundation for personal finance management and reduces the risk of financial missteps (Hidayah & Novianti, 2023). Students with higher financial literacy are more likely to make informed financial decisions, considering both immediate needs and long-term risks (Kenale Sada, 2022).

Previous studies on the impact of fintech on financial behavior have yielded inconsistent results. Apriani et al. (2023) found that fintech payments did not influence financial management behavior, whereas Azhima & Pinem (2024) observed a positive effect of fintech on the financial behavior of Generation Z in Pulo Village. Firlianti et al. (2023) emphasized the importance of students managing their finances, noting that poor financial behavior could hinder future success post-graduation.

Building on these findings, this study aims to address the gaps and resolve the inconsistencies by introducing new variables and exploring the underlying factors in greater depth. Specifically, it seeks to investigate the influence of ease of use, perceived risks, and lifestyle on students' financial management behavior, while also providing practical recommendations for Malang Raya students to improve their personal financial practices. By doing so, this study not only updates previous research but also offers a more comprehensive understanding of the interplay between financial literacy, fintech, and student consumer behavior.

RESEARCH METHOD

This research was conducted in Malang City in 2024, from July to the end of August, with data sourced from observations of active students in Malang, who were members of a WhatsApp chat forum. The study identified a population of 250 active students, assuming that these students had experience using PayLater online loans. However, data was successfully collected from 186 respondents. The sampling technique used, whether purposive sampling or convenience sampling, was not explicitly stated and should be clarified to provide a better understanding of the potential limitations of the sample. This research employed a multiple linear regression approach and hypothesis testing, supported by SPSS v25 software, to analyze primary data and uncover factual insights. Data collection was conducted using a questionnaire distributed online via Google Forms. The questionnaire employed a Likert scale with four response options: 1 = Strongly disagree, 2 = Disagree, 3 = Agree, and 4 = Strongly agree, to measure variables related to financial technology (PayLater), hedonistic lifestyle, and financial literacy on student financial management. The operational variables used in this study were X1 (Fintech PayLater), X2 (Lifestyle/Hedonism), and Y (Personal Financial Management).

RESULT AND DISCUSSION

The results of this research are based on processed data to find that the proposed hypothesis is accepted. Financial technology (Pay later) has a positive and significant effect on the personal financial management of Malang City students. The hedonism lifestyle has a positive and significant effect on the personal financial management of Malang City students. Fintech (Pay later) and Hedonism have a positive and significant effect on the personal financial management of Malang City students. This means that the effects of using financial technology (Pay later) and balanced hedonism can help manage student finances well, which is assumed to understand the negative impact of excessive pay later and hedonism to be more specific in explaining the results of data processing from the SPSS output.

Determination Coefficient Test (R²)

The coefficient of determination test is used to measure how far the model's ability to explain variations in the dependent variable. The R² value ranges between 0-1, the closer it is to 1, the better the independent variable's ability to explain the dependent variable (Ghozali, 2018).

Table 1. Table Determination Coefficient Test

R	R Square	Adjusted R Square
0,526	0,276	0,268

Source: Data in processed 2024

Based on the results of the determination test table (R²) above, the Adjusted R Square value of the 2 independent variables in this study is 0.276. This value shows that the influence of the 2 independent variables X1 Fintech (Pay later) and X2 Lifestyle on the dependent variable (Personal

Financial Management) is 27.6%. Meanwhile, the remainder (100% - 72.4%) is influenced by other variables - outside the independent variables in this research.

T/Parsial Test

The t test is used to determine whether the independent variable (X) partially (individually) has a real effect on the dependent variable (Y). The degree of significance used in this research is 0.05. Where if the significance value (Sig.) < 0.05 then the independent variable partially influences the dependent variable. The t test results are explained in the following table:

Table 2. Table T/Parsial Test

Variabel	T	Sig
X1	3,614	0,000
X2	6,655	0,000

Source: Data in processed 2024

Based on the significance value, X1 Fintech (Pay later) is 0.000 and the Lifestyle significance value is 0.000. Because the significance value of the two independent variables is <0.05, the first hypothesis (H1) and second hypothesis (H2) are accepted. From these results there is an influence between the variables Fintech (Pay later) and Lifestyle partially (each) on the dependent variable Personal financial management of Malang City Students.

Then, based on the comparison of the calculated t value with the t table, there are partial test results using the t test, the calculated t value is $3.641 > t \text{ table } 1.653$, which means that in this study the variable Y (Personal Financial Management) is influenced by the variable X1 (Fintech (Pay later)). Then X2 (Lifestyle) is $6.655 > t \text{ table } 1.653$ which means that in this study the variable Y (Personal Financial Management) is influenced by) and the second hypothesis (H2) is accepted, where there is an influence between the variables Fintech (Pay later and Lifestyle) on the dependent variable Personal financial management in Malang City Students

F/Simultane Test

The F test is carried out with the aim of determining the influence of variable X simultaneously (together) on the dependent variable (Y). The degree of confidence used is 0.05. If the calculated F value is <0.05, then the independent variable simultaneously has a significant effect on the dependent variable. The results of the F test can be seen in the following table:

Table 3. Table F/Simultane Test

Variabel	F	Sig
X1. X2	34,918	0,000

Source: Data in processed 2024

Based on the significance value (Sig.) from the Anova output, it is known that the Sig value. is 0.000 and is in accordance with the basis for decision making in the F test, where if $0.000 < 0.05$ it can be concluded that the hypothesis is accepted. Which means that the variables between Fintech (Pay later) and Lifestyle simultaneously influence the dependent variable Personal financial management, so H3 is accepted.

Based on a comparison of the calculated F value with the F table, it is known that the F table value is 3.89 where the calculated value is $34.918 > 3.89$, which means that in this research the Fintech variable (Pay later) influences the dependent variable Personal financial management of Malang City Students. So according to these results the third hypothesis in this research is accepted and it can be concluded that the Fintech (Pay later) and Lifestyle variables simultaneously influence the dependent variable Personal financial management, so H3 is accepted. This significance value proves that the variables Fintech (Pay later) and Lifestyle together or simultaneously influence the dependent variable Personal financial management.

Regression Equation

The regression equation is used in this research to provide information regarding whether or not there is an influence of the Fintech (Pay later) and Lifestyle variables on the dependent variable Personal financial management of Malang City Students.

The regression equation formula in this research is as follows: $Y = a + b_1x_1 + b_2x_2 + e$

Table 4. Table F/Simultane Test

Variabel	B
Constant	5,655
X1	0,232
X2	0,391

Source: Data in processed 2024

Based on the table above, the researcher formulated the multiple linear regression equation as follows:

$$Y = 5.655 + 0.232x_1 + 0.391x_2$$

Based on the results above, positive constant values indicate the positive influence of the independent variables (X1 and X2).

0.232 (X1) is the regression coefficient value of variable

0.391 (X2) is the regression coefficient value of variable

The influence of Fintech (Pay Later) on personal financial management

Based on the test results, it can be concluded that Pay later has a positive influence on students' personal financial management, the higher the Pay later, the higher the financial literacy. This is in line with research Pengaruh Kemudahan, Risiko, Gaya Hidup, Dan Kepercayaan Terhadap Perilaku Konsumtif Pengguna Shopee Paylater Di Indonesia (2023) "The Influence of Convenience, Risk, Lifestyle and Trust on the Consumer Behaviour of Shopee Pay later Users in Indonesia" with the results that there is a significant influence on consumer behaviour in Indonesia.

The Influence of Lifestyle on Personal Financial Management

Based on the results of partial data processing, hedonism influences personal financial management. This shows that the higher the hedonism style, the higher the level of managing students' finances. This is in line with research (Hidayah & Novianti, 2023) The results of respondents' responses regarding the hedonism lifestyle variable statement with the most answers strongly agreeing with the statement "when I want to buy something I take it into consideration

and don't rush." and with the most affirmative answers to the statement "I save regularly every month." This answer shows that the students of the Faculty of Economics Class of 2020 at Gunadarma University have a responsibility to be able to manage money productively and to be able to control the needs and high desires of individual students.

The influence of fintech (pay later) and Hedonism on student financial management

The results of the F test show that Fintech (Pay Later) and Hedonism simultaneously have a positive and significant effect on students' personal financial management, meaning that Fintech (Pay later) and lifestyle have a positive impact on managing students' finances. This is inversely proportional to the results of research (Fitriyani et al., 2023) which states that the results of this research show that partially lifestyle has a positive and significant influence on consumer behaviour and lifestyle has a negative and significant influence on financial literacy, while financial literacy has no influence on consumptive behaviour, financial literacy has an influence in mediating the relationship between lifestyle and consumptive behaviour.

CONCLUSION

This research explores user decisions in utilizing Pay Later services, focusing on factors such as lifestyle, risk, and personal financial management. The study aims to examine the relationships among consumer behavior, ease of payment, risk, lifestyle, and financial management. The findings indicate that the ease of using Pay Later services and lifestyle significantly and positively influence financial behavior, which, in turn, has a substantial and meaningful impact on students' financial management. Notably, this study highlights that fintech plays a pivotal role in shaping consumer behavior, which significantly affects financial management practices.

This research provides critical theoretical and practical contributions. From a theoretical perspective, it advances understanding in the fields of fintech and personal financial management, particularly regarding the interplay between consumer behavior and digital payment systems. Practically, the findings offer valuable insights for policymakers, educational institutions, and fintech companies to design strategies that enhance financial literacy among students and encourage responsible financial behavior. Specifically, students should prioritize financial literacy related to Pay Later services to prevent financial losses and manage debt effectively. Additionally, students are encouraged to focus on essential needs over wants and cultivate strong financial management skills from an early age. While this research provides valuable insights, there are limitations that need to be addressed. Future studies are encouraged to include additional variables beyond those investigated here, potentially uncovering more comprehensive and innovative findings in this area.

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