Factors Affecting the Intention to Buy Now - Pay Later for Online Payment of Generation Z

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ABSTRACT
In recent years, Buy Now - Pay Later forms of payment are becoming popular, however, the core basic principle of "Buy Now Pay Later" in providing credit Interest-free benefits for consumers are being challenged by inflation and rising interest rates. This study was conducted to build a model to study factors affecting the intention to buy now - Pay later for online payment methods of generation Z, including: (1) Perceived benefits, (2) Perceived ease of use, (3) Perceived risks, (4) Digital financial knowledge, (5) Social influence. Using a survey of 306 sample members, the authors concluded that the Social Influence factor has the strongest impact on the intention to use Buy now - Pay later for customers. with the online payment method of generation Z. From there, the authors propose appropriate solutions to help the government, consumers and businesses doing business on e-commerce platforms.

Overview

According to Worldpay's report "buy now, pay later" forms will be one of the fastest growing forms of online payment globally in the next 5 years. Asia is one of the most potential markets, predicted to grow with the volume of non-cash transactions increasing by 109% by 2025. Especially Vietnam - Where there is a banking system and organizations The financial sector is relatively young and dynamic, with a young, technology-loving, adaptable population structure. The form of buy now, pay later in Vietnam in 2021 will grow by 71.5%, and it is predicted that by 2028, the value of goods through this payment method can increase up to 21 times (about 10 billion USD).

In Vietnam, consumer demand tends to increase while a large number of people do not have the opportunity to access credit at traditional credit institutions such as banks (the proportion of the population owning credit cards is currently, it is estimated to only reach about 5-6%, while the rate in developed countries is 50-90%). Mortgage loan services often have too high interest rates, even loan interest rates through the app are up to 2,000%/year (Tuoi Tre Newspaper). In that context, the form of buy now, pay later attracts strong attention from consumers. BNPL overcomes the current situation of limited credit options by providing flexible short-term loans with simple and reputable procedures, making it easier for customers to shop and expanding access. credit for those with no credit history or limited credit history and provides a solution to help customers better manage their finances by allowing repayment in small installments instead of one large sum.

However, the financial landscape has changed in recent years and now the most pressing problem facing the BNPL market is the rising interest rates and inflation that bring many disadvantages and challenges for market. High interest rates are a double-edged sword. On one hand, it will encourage more consumers to use BNPL, but at the same time, it puts pressure on BNPL businesses to raise money for lending from the debt market. Combine higher costs of credit financing with a decline in consumer spending due to inflation and falling real wages, along with repeated accusations from countless reports of as consumers incur a series of debts through the BNPL platform, the BNPL market will face a decline in user trust and a significant impact on revenue. "Whether BNPL businesses can turn a profit in these uncertain times is a complex question". In essence, BNPL businesses operate on profit margins low, and their profits largely depend on their ability to attract and retain customers. The more customers BNPL businesses retain, the more revenue they can generate. Customer centricity is becoming the focus of current finance, the best way to adapt is to become less one-sided to better meet customer needs.

Facing challenges from the current and possibly difficult financial context in the future, what businesses need to do right now is to adapt to the changing needs of the market. Businesses need to gain a comprehensive understanding of user preferences, interests, and motivations when choosing a BNPL platform. Along with that, it is necessary to clarify the social, technical, and behavioral factors that influence user intentions as well as grasp their preferences in choosing BNPL businesses. In particular, in Vietnam, the BNPL market is still in its infancy and there are not many research articles on this topic. Therefore, the topic "Research on factors affecting the intention to buy now - Pay later for online payment methods of generation Z" aims to find research gaps in the fields of online payment. this topic before. This research will help BNPL businesses, governments and others better understand consumer concerns and support improved understanding of Buy Now Pay Later payments in general and its Factors affecting user intention to use and satisfaction in particular.

Background Theoretical Framework and Research Methods
Background Theoretical Models
Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB)
Theory of Reasoned Action (TRA - Theory of Reasoned Action) was proposed by Ajzen and Fishbein. The theory asserts that people will choose to perform actions that lead to the outcomes they desire because they often consider the outcomes before performing various actions. In particular, TRA theory believes that intention is the most important factor determining behavior. This intention is formed after people consider the attitudes of themselves and others toward their behavior (subjective norm).

Theory of Planned Behavior (TPB - Theory of Planned Behavior), is a theory extended from the theory of reasoned action (TRA - Theory of Reasoned Action), assuming postulates that a behavior can be predicted or explained by behavioral tendencies to perform that behavior. Similar to the theory of reasoned action (TRA), the central factor in the theory of planned behavior (TPB) is the individual's intention to perform a certain behavior. Intention is believed to be a motivational factor leading to behavior, providing information that predicts how much effort people will spend to perform that behavior. Obviously, as a general rule, the stronger the intention, the greater the likelihood of the behavior being performed. The fact that the intention to perform an act becomes an actual act can only be seen through acts that are under the complete control of reason. However, in reality, the performance of behaviors, more or less, depends on hindering factors such as necessary external conditions or the availability of internal resources. Thus, in the theory of intentions (TPB), Fishbein and Ajzen believe that the intention to perform a behavior is influenced by three independent factors: (1) attitude toward the behavior; (2) subjective norms and (3) perceived behavioral control.

Technology Acceptance Model (TAM)
Based on the theory of reasoned action (TRA), Davis developed the Technology Acceptance Model (TAM Model) which is more specifically related to the prediction of the acceptability of a given product. information system. This is considered the most prominent and most used model in previous literature to study customer acceptance of this new method of e-shopping

for two decades. TAM, like TRA, predicts that an individual's attitudes will influence their intention to act. Davis replaced the construct of subjective norms with personal beliefs, called Perceived Usefulness and Perceived Ease of Use. Perceived usefulness refers to the extent to which people believe that using this new technology will increase their performance. Perceived ease of use refers to the degree to which a person believes that using a system will be easy and effortless. These two factors help strengthen customers' attitudes toward new technology.

Unified Theory of Acceptance and Use of Technology (UTAUT)
Unified Theory of Acceptance and Use of Technology (UTAUT) is a technology acceptance model developed by V. Venkatesh, MG Morris, FD Davis elaborated in "User acceptance of information technology: Towards a unified view". The Unified Theory of Acceptance and Use of Technology (UTAUT) was developed to explain users' intentions when using information systems and subsequent usage behavior. The theory is built with four core elements of intention: (1) Performance expectations, (2) Effort expectations, (3) Social influence and (4) Favorable conditions.

Proposed Research Model
Based on background theory and previous research models, and starting from the social context, the research team proposes a model of factors affecting the intention to buy in advance and pay in advance. Buy now - Pay later for online payment of generation Z includes 5 factors: (1) Perceived benefits, (2) Perceived ease of use, (3) Perceived risks, (4) Digital financial knowledge, (5) Social influence. In particular, the elements of the research model are explained as follows:

Perceived Benefits
Perceived benefits, or perceived usefulness in the technology acceptance model (TAM) is defined as the degree to which a people believe that using a system will improve their performance. Therefore, once consumers realize that using the buy now, pay later (BNPL) payment method brings them many benefits and values, they will tend to choose it as a form of payment. Some studies have shown that perceived benefits have an impact on usage attitudes and some also point out the positive impact between perceived benefits and intention [1-3}. Therefore, in the study Factors affecting the intention to buy now - Pay later for online payments of generation Z, the authors proposed the following hypothesis:

H1: perceived benefits have a positive impact on the attitude to use "buy now - pay later" (BNPL) for Online payment of generation Z.

H2: perceived benefits have a positive impact generation z's intention to use "buy now - pay later" (BNPL) for online payment.

Perceived Ease of use
Perceived ease of use is the degree to which a person believes that using a system should be easy and effortless. Perceived ease of use has been studied to influence various technological systems such as mobile services, mobile data services mobile commerce services. In Vietnam, PhD. MSc. Vu Van Diep pointed out the positive relationship between perceived ease of use and attitude, the positive influence of perceived ease of use on intention was

also proven by MSc Tran Thi Thanh Nhan, Nguyen Nhat Minh [3,4]. From the above studies, the research team proposed the following hypothesis:

H3: Perceived ease of use has a positive impact on the attitude to use the "Buy Now - Pay Later" (BNPL) form. online payment of generation Z.

H4: Perceived ease of use has a positive impact on the generation's intention to use "Buy now - Pay later" (BNPL) for online payment Z.

Risk Perception
Bauer's Theory of Perceived Risk (TPR) mentions that perceived risk when using will affect usage behavior when users feel financial loss money. While Roselius believes that perceived risk is a combination of the potential harm of a specific behavior and the severity of that harm. During the actual product purchase process, consumers may feel uncertain about the product's features as well as the consequences arising from that feeling of uncertainty. Six components or types of perceived risk have been identified: financial, performance, social, physical, privacy, and loss of time. However, aspects of perceived risk may vary by product (or service) type. Therefore, the research team proposes the following hypothesis:

H5: Risk perception has a negative influence on the attitude to use "Buy now - Pay later" (BNPL) for online payment. of generation Z.

H6: Risk perception has a negative influence on generation Z's intention to use "Buy Now - Pay Later" (BNPL) for online payment.

Digital Financial Knowledge
Digital financial knowledge is the development of digital financial knowledge that adapts to the development of the financial industry towards digitalization, which is considered necessary in today's conditions. Digital financial literacy connects directly or provides knowledge about online purchases, online payments through various means and online banking systems. Financial literacy is an issue in the digital age. People need a high level of financial literacy to use financial technology (fintech) products and services effectively, while avoiding fraud and large losses. Digital financial literacy is important because it will influence how people save and spend money it was found that digital financial literacy can influence financial behavior because digital financial services can improve several aspects such as convenience and timeliness. transaction time, provider variations, service variations and other useful transactions between financial providers and consumers. From the above studies, the research team proposed the following hypothesis:

H7: Digital financial knowledge has a positive impact on the attitude to use "Buy now - Pay later" (BNPL) for payment methods. online payment of generation Z.

H8: Digital financial knowledge has a positive impact on the intention to use "Buy now - Pay later" (BNPL) for online payment of generation Z.

Social Influence
According to UTAUT's theoretical model, social influence refers to the degree to which an individual perceives that important people around them believe that they should use a new technological system [5]. Many studies show that social influence has a positive impact on the intention to use mobile payment. Based on inheritance and application from previous research articles, the authors propose the following hypothesis:

H9: Social influence has a positive influence on the attitude to use the form "Buy now - Pay later" (BNPL) for online payment of generation Z.

H10: Social influence has a positive influence on the intention to use "Buy now - Pay later" (BNPL) for payment method online of generation Z.

Attitude
According to TRA, a person's behavior is determined by the person's interest or intention to perform the behavior. Also, according to this study, the subject's attitude plays an important role in controlling that person's intention or interest. Meanwhile, Davis's TAM theory also asserts that a person's intentions are influenced by that person's attitude. If a person perceives the consequences of performing a behavior as positive, they will have a positive attitude toward performing that behavior and vice versa [6]. Attitude plays a significant role in Internet usage, especially online purchasing behavior. Research by Pham also shows that attitude factors have a positive impact on consumers' online purchasing intentions. From that basis, the hypothesis is proposed:

H11: Attitude has a positive influence on the intention to use "Buy now - Pay later" (BNPL) for online payment of generation Z.

Switching Costs
Switching costs are the customer's understanding of the importance of additional costs in ending the current relationship and ensuring replacement with another relationship Not only do they include things that can be measured in monetary terms, switching costs are also the psychological effects of becoming a customer of another supplier, as well as the time and effort involved. to buy a new product.

H12: Switching costs moderate the relationship between attitude and intention to use "Buy Now - Pay Later" (BNPL) for payment method generation Z online.

Demographics
Demographic characteristics include age education, income level, gender are factors that affect users' purchasing intentions. In particular, gender has a significant influence on the financial factors of the house. The relationship between demographics and intent has also been demonstrated by Carla S. Marques, João J. Ferreira, Daniela N. Gomes, Ricardo Gouveia Rodrigues and Wang L, Wong PP, Narayanan EA.

Thus, applying background theories and research overview based on original theories, models and previous studies, the authors propose a theoretical model consisting of 05 independent variables. established: (1) Perceived benefits, (2) Perceived ease of use, (3) Perceived risks, (4) Digital financial knowledge, (5) Social influence. Proposed research model:
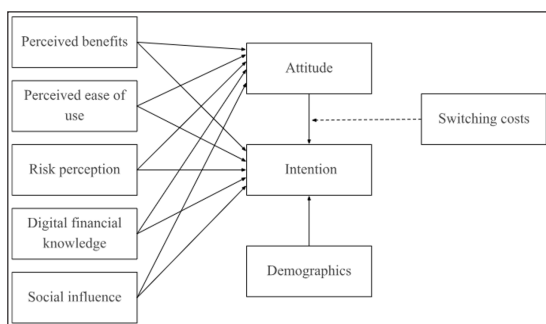
Proposed Research Model

Research Method

Before conducting the official survey, the team conducted preliminary research using in-depth interviews with a sample size of 15 people who have ever known and used or not the buy now, pay later payment methods. on e-wallet and e-commerce platforms in Hanoi City (Hanoi City) to ensure the suitability of the research model as well as the scale and adjustment promptly before conducting official research.

After conducting in-depth interviews, the research obtained the following results: with the discussion outline given, most participants expressed agreement with the proposed research model and its clear explanation, easy to understand [6].

According to Bollen, the minimum sample size should be 5 times the number of observed variables. The final research scale was built with 33 observed variables, so the sample size is equal to 60*5=300. The result collected was 306 votes.

This research was conducted in Hanoi City and collected via Google online form. The questionnaire includes four parts: (1) introduction, (2) personal information and (3) survey content. For respondents who have never heard of the buy now, pay later method, the research team will briefly present the process, registration procedures, usage and other related information so that respondents can understand. to complete the survey questionnaire [7].

After being collected, the data was analyzed using SPSS 26.0 software with the following verification steps: data cleaning, scale reliability analysis using Cronbach's Alpha coefficient, EFA exploratory factor analysis, analysis of the scale's reliability [8]. Regression analysis, testing the difference between control factors and testing the influence of moderating variables. Of the 306 surveys returned, 303 of them responded satisfactorily. Therefore, the survey sample for this study is 303 samples.

Results and Discussion
Demographic Information

After screening and eliminating invalid questionnaire responses, valid usable responses included 22.5% male respondents and 77.5% female respondents. Most study participants were single (73.5%). Regarding education, the majority of respondents have university degrees, accounting for 91.2%. In terms of income, 50% of respondents have income under 3 million/month, 33.3% have income from 3-6 million/month, 16.7% have income over 6 million/month. Regarding the number of online shopping orders per month, participants mainly buy an average of 1-5 orders/ month (70.9%). The analysis results show that the survey sample is qualified to represent the entire study.

Results of Cronbach Alpha Reliability test and EFA Exploratory Factor Analysis

Testing the reliability of the scale of all factors showed that the Cronbach's Alpha coefficients of the observed variables were greater than 0.6 and the total variable correlation coefficients were greater than 0.3. This implies that the measurement scales ensure quality and are retained for the next steps. The measurement model is determined to be reliable because the observed variables have a variable-total correlation coefficient greater than 0.4, and the Cronbach Alpha coefficient of the scales is greater than 0.4. 0.7.

The results of 3 EFA analyzes showed that there were 7 extracted factors consistent with the proposed model with KMO equal to 0.891 (greater than 0.5 and less than 1), Barlett test with sig value equal to 0.000 (less than 0.05), Eigenvalue coefficient reaches 1.046 (greater than 1); The extracted variance is 67.945% (greater than 50%), the factor loadings of all factors are greater than 0.5, so the analysis is appropriate.

EFA analysis for the dependent variable (attitude when using the buy now pay later payment method) has KMO reaching 0.762, sig value of the Bartlett test reaching 0.000, Eigenvalue reaching 2.859, variance extracted reaching 71.478%, there is an extracted factor. In conclusion, the analysis results also meet the requirements.

Similarly, EFA analysis for the dependent variable (intention to use the buy now pay later payment method) has KMO reaching 0.714, sig value of the Bartlett test reaching 0.000, Eigenvalue reaching 2.257, variance extracted reaching 75.245%, there is one factor to be extracted. Therefore, the analysis results also meet the requirements.

Regression Analysis
Table 1: Results of linear regression analysis

Hypothesis		Regression coefficients are not standardized	P-value (Sig.)	Result
H1	TD ← NTLI	0,350	0,000	Accepted
H2	TD ← NTDSD	0,144	0,005	Accepted
H3	TD ← NTRR	-0,109	0,013	Accepted
H4	TD ← KTTC	0,146	0,008	Accepted
H5	TD ← AHXH	0,468	0,000	Accepted
H6	YD ← TD	0,814	0,000	Accepted
H7	YD ← NTLI	0,402	0,000	Accepted
H8	YD ← NTDSD	0,015	0,785	Rejected
H9	YD ← NTRR	-0,196	0,000	Accepted
H10	YD ← KTTC	0,197	0,001	Accepted
H11	YD ← AHXH	0,462	0,000	Accepted

Evaluate the impact of factors on Attitude about using the buy now, pay later payment form.

Regression results show that the proposed model has R2 coefficient = 0.607 and adjusted R2 coefficient = 0, 60, proving that the model explains 60.1% of the change in the variable Intention to use the buy now pay later payment form. The p-value coefficients of the 5 independent variables are all less than 0.05, reaching 95% reliability, so the impact relationships of the independent variable on the dependent variable are all meaningful.

The Social Influence factor has the strongest and most positive impact on Attitude about using the buy now, pay later form of payment. Meanwhile, the variable Risk Perception has a negative effect on Attitude with an unstandardized regression coefficient (β) of -0.109, the more risk consumers perceive when using the form of buy now, pay later, the lower their attitude. Their performance in this form decreases more and more positively.

Evaluate the impact of Attitude on Intention to use the buy now, pay later form of payment. Research results show that Attitude is positively related to Intention to use the buy now, pay later form of payment (p-value). < 0.05, β = 0.814). This means that the more positive attitudes consumers have toward the buy now, pay later payment method, the higher their intention to pay using this form.

Evaluate the impact of factors on the intention to use the buy-now-pay-later payment method. Based on the regression test results, it can be seen that the variable Perceived ease of use has p-value = 0.785 > 0, 05, therefore hypothesis H8 will be rejected. The remaining 4 variables all have p-values < 0.05, proving that these variables are all meaningful in explaining the variable Intention to use the buy-now-pay-later payment method. Among them, social influence has the strongest and positive influence on the intention to use the buy now, pay later payment method. On the contrary, Risk Perception is negatively related to Intention to use the above form.

$$YD = 0.446* AHXH + 0.337* NTLI + 0.163* KTTC -0.168* NTRR$$

Testing the Average Difference in the Intention to use the Buy Now, Pay Later Payment Method of the Control Variables Hypotheses H01, ..., H06: there is no difference in the intention to use between groups in each control variable control (personal characteristics): (i) Gender, (ii) Education level; (iii) Current job; (iv) Age; (v) Monthly income.

Testing the Moderator Variable
In addition, the research model also considers the impact of the moderator variable Switching costs in the relationship between the variable Attitude and Intention to use the buy now pay later payment form. The results show that Conversion costs do not have a moderating role in the above relationship because p-value = 0.5793 > 0.05.

Conclusion and Solutions
Conclusion
The results of the study testing the average difference of control variables (demographic characteristics) on the intention to use the buy now, pay later payment method show: (i) Gender, (ii) Education level and (iv)Age have no difference.

From the above results, it can be seen that if any value of the 5 factors (Perceived benefit, Perceived ease of use, perceived ease of use) is improved. Risk awareness, Digital financial knowledge, social influence) will increase Generation Z's attitude about using the buy now pay later payment method. Similarly, except for perceived ease of use, improving any of the remaining 4 factors mentioned above will also increase generation Z's intention to use buy-now-pay-later payment. Research results this study has also reinforced the results of previous studies on factors affecting attitudes and intentions to use buy now pay later payment methods. The research contributes and adds to the topic of intention to use payment methods in general and in the field of buy now pay later in particular.

Management Implications
For businesses providing buy-now-pay-later payment services, based on the research results, the research team recommends a number of solutions to promote positive attitudes and intention to use the service. customers below:

First, the results show that Social Influence has the strongest and most positive impact on attitudes and intentions to use BNPL payment, so businesses need to maintain and continuously Enhance the image, brand, and quality of products provided to consumers while combining appropriate marketing policies for young people of generation Z. Current customers lack trust in businesses. career and is influenced by social opinions from relatives, colleagues and friends. Therefore, businesses need to build trust in the hearts of customers by being transparent and honest with their customers and the public, being specific and consistent in all input and output activities of the business. In addition, businesses always need to be vigilant and develop policies to prevent risks related to credit fraud and other financial issues that affect customers' trust in businesses in particular. and the industry as a whole. The biggest challenge for businesses is to manage the speed of information spread when a crisis occurs because customers are the source of information that spreads to other customers and has great influence, so not only at the same time, using word of mouth as a marketing tool to promote usage, businesses also need to manage unpredictable risks that will occur.

Second, the research results show that consumers are more likely to use BNPL the more knowledgeable they are about digital finance knowledge. Therefore, businesses themselves also play an important role in promoting and improving consumers' knowledge about the financial sector in general and the use of BNPL in particular. Businesses need to actively communicate content on how to allocate finances and control spending so that consumers have a proper awareness of the benefits of the BNPL payment method as well as avoid risks when using it. Uses such as: overdue debt or credit reduction. Businesses also need to participate and accompany customers in every transaction, always ready to answer, support and advise them on reasonable and smart usage.

For the State, in order to build a fair and favorable business environment, in addition to changes in businesses, the State

should evaluate and consider macroeconomic influences to create a favorable environment. more for the operation and business of BNPL services.

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