

PROMOTING THE INTENTION TO USE BUY NOW, PAY LATER PAYMENT SERVICES: INSIGHTS FOR FINANCIAL INNOVATION

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ABSTRACT

In today's digital economy, innovation is more vital in fostering the development of new financial products and services. It helps firms react to market changes and fulfill the market's increasingly diverse needs, thereby strengthening their competitiveness. As a result, it is critical to investigate the factors that influence individuals' intentions to adopt and use innovative financial solutions. Buy Now Pay Later (BNPL) is a novel financial service that is gaining popularity, contributing to the rapid development of e-commerce and digital financial innovation. This study employed a quantitative approach, with an online survey of young consumers in Ho Chi Minh City. This study is grounded in the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) to explain the behavioral intention to use BNPL. Data were analyzed using SPSS and AMOS software for descriptive statistics, Cronbach's Alpha reliability assessment, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modeling. The study's findings revealed that social influence, promotion, and attitude all had a positive and significant effect on young consumers' intention to use BNPL services. The research findings provide valuable insights for fintech companies, e-commerce platforms, policymakers, and consumers to foster financial innovation and the sustainable growth of BNPL services.

Keywords: Buy Now Pay Later (BNPL), behavioral intention, young consumers, fintech.

1. INTRODUCTION

In recent years, BNPL services have expanded and evolved into a new financial service that encourages consumption and transforms purchasing habits, particularly in emerging markets. This service enables consumers to pay for products and services in advance, with payment divided into several installments, usually with a portion paid upfront at the time of the transaction [1]. BNPL is expected to keep growing significantly across Southeast Asia, a region characterized by its young and tech-savvy population, reaching US\$53.2 billion by 2027 [2]. As indicated by Research and Markets, the value of Vietnam's BNPL market is projected to hit USD 5.9 billion, backed by the developing cashless payment system [2]. As reported by "TGM Vietnam E-commerce 2025", the number of individuals using BNPL in Vietnam is significantly expanding, from 17% in 2022 to 49% in 2025 [3]. Moreover, this payment method is particularly popular among female consumers and those aged 25 to 34 – who prioritize digital experiences, convenience, and flexible cash flow [3]. However, young

individuals are often prone to financial mismanagement and may face a higher risk of problematic debt in the absence of effective financial planning. BNPL is an emerging form of digital credit in the fintech sector. It not only reshapes existing payment infrastructures but also alters consumer payment behavior, posing a challenge to established credit evaluation and risk management methods in the financial industry. As a result, understanding consumers' intentions to utilize BNPL is critical for fostering the growth of BNPL services and financial innovation, ensuring that such innovations contribute to sustainable economic growth rather than undesirable outcomes.

The study aims to identify and analyze the factors influencing young people's intention to use BNPL, including their direct and indirect effects through attitude, as well as the mediating role of attitude. It further examines previously overlooked differences in these effects across gender and between working individuals and students. This study addresses the following four research questions:

RQ1: What factors influence young consumers' intention to use BNPL?

RQ2: How does attitude mediate the relationship between these factors and BNPL usage intention?

RQ3: To what extent does attitude directly influence the intention to use BNPL?

RQ4: Do these relationships differ between male and female consumers, between students and employed individuals?

To answer these problems, this study adopts UTAUT2, a well-established theoretical framework, to explore customer intentions. Social influence and performance expectancy have been obtained from UTAUT2. To further understand the underlying mechanism influencing intention, attitude was examined as a new mediating variable. Furthermore, the proposed approach incorporates promotion and trust elements into the study model, which are conceptualized as influencers of consumers' internal responses and were ignored in prior research. While many younger generations favor promotions that motivate people to act. This study validates the proposed model by surveying young individuals studying and working in Ho Chi Minh City.

Therefore, this study makes a significant contribution by providing deeper insight into young people's consumer behavior in the context of the rapid development of BNPL, where determinants of behavioral intention may differ from those identified in traditional technology acceptance frameworks. Empirically, the findings indicate that social influence and promotion have a significant impact, implying that external and short-term motivating factors are becoming increasingly important in financial technology adoption among young people. Notably, attitude, a critical psychological process, has been proven to have a strong positive effect on behavioral intention. In contrast, there is no statistically significant relationship between performance expectancy and trust. As a result, these findings strengthen previous theoretical perspectives by emphasizing a contextual reordering of the role of cognitive, social, and affective aspects in BNPL use. Furthermore, this study proposes some recommendations for e-commerce platforms, fintech companies, governments, and consumers to develop sustainable and appropriate BNPL services tailored to the behavior of young consumers, as well as more advanced digital financial solutions.

The following sections are organized into five parts. Section 2 discusses literature review. The proposed research model and method were outlined in Section 3. The results and recommendations are discussed in Sections 4, respectively. Section 5 closes with a conclusion and further work.

2. LITERATURE REVIEW

2.1. Buy Now Pay Later Payment Service (BNPL)

BNPL is a form of installment credit that enables the acquisition of products instantly and with modest or no prepayment. The outstanding amount is no more than four installments [4]. It is believed that BNPL originated with the Singer sewing machine company in 1840, which began offering its sewing machines on a "dollar down, dollar a week" basis. This decision helped make items once considered luxuries more accessible to lower-income groups. Thus, retail sales increased, and consumer satisfaction also rose, demonstrating that BNPL has created a symbiotic relationship between retailers and consumers [5].

Modern BNPL payment services are formed from the development of payment technology and consumer credit. Since the early 2000s, in developed countries such as the UK and the US, financial companies began offering payment solutions that allowed consumers to separate purchases and payments into different installments; BNPL quickly became a global payment trend. According to the World Bank [6], BNPL platforms typically provide short-term credit involving predetermined, interest-free installments and have emerged as a typical offering associated with “new non-card payment services”.

From a financial innovation perspective, BNPL is a digital credit model directly integrated into the consumption process. This transformation changes the traditional approach to credit, thereby making BNPL a crucial element in driving financial innovation.

2.2. Unified Theory of Acceptance and Use of Technology

UTAUT2 is an extended version of the UTAUT model developed by the authors [7]. The UTAUT2 model includes seven key factors that impact behavioral intention, thereby influencing actual consumer behavior (as shown in Figure 1). Specifically, they consist of the following factors: Performance Expectancy (PE), Facilitating Conditions (FC), Hedonic Motivation (HM), Social Influence (SI), Price Value (PV), Effort Expectancy (EE), and Habit (HB). The group of supplementary factors is moderators, which describe individual characteristics such as gender, age, and experience. Finally, there are two dependent factors: Use Behavior (UB) and Behavioral Intention.

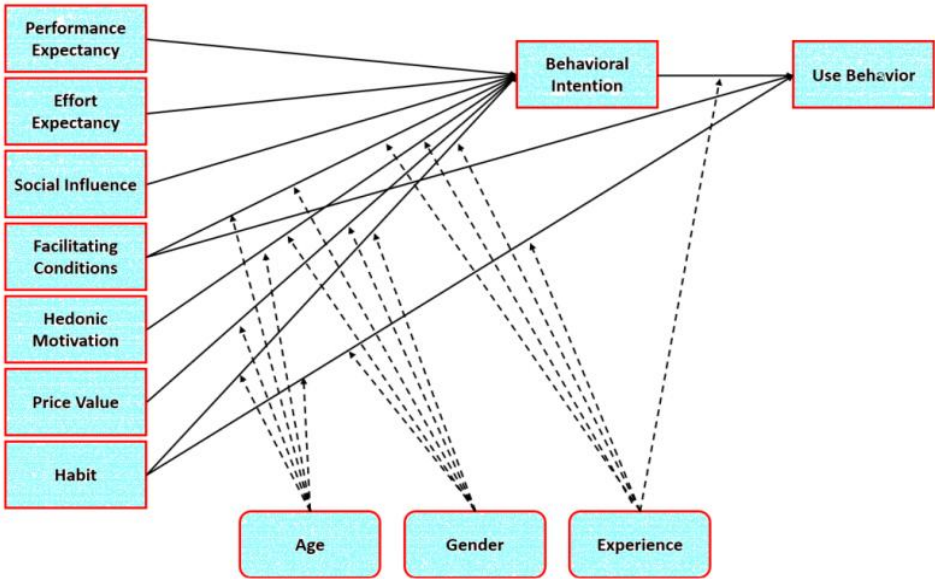


Figure 1. UTAUT2 Model [7]

However, when applied to financial innovation contexts such as BNPL, UTAUT2 requires adaptation to capture financial-specific behavioral drivers.

2.3. Related research on consumers' intention to utilize BNPL

This study gathered relevant recent studies on willingness to use BNPL, shown in Table 1. Several models have been established to investigate consumers' intention to use BNPL services in these studies, such as the Theory of Planned Behavior (TPB), the Technology Acceptance Model (TAM), the Stimulus-Organism-Response (S-O-R) Model, UTAUT2.... Hence, this study will rely on UTAUT2 to investigate factors impacting consumers' intention.

Evidently, the elements that influence consumers' intention might vary depending on the context. Different studies were carried out in various countries. Specifically, [8] shows that in Australia and the United States, demographic factors and personal financial status—are key factors in the decision to use BNPL. Meanwhile, technology-related factors such as perception of usefulness, ease of use, and consumer attitudes are more significant in Malaysia [8], [9], [10]. Besides, some research was conducted on Vietnamese consumers. For example, [11] points out that four factors positively influence the behavior of using BNPL, including: perceived usefulness, perceived ease of use, attitude towards BNPL, and perceived control over behavior. Researchers [8] showed that the intention to use BNPL is influenced by contextual elements such as the development of e-commerce and fintech.

As shown in Table 1, many studies have concentrated on young people, students, and Gen Z living in cities since they tend to adopt new financial technologies faster and regularly shop online, making them easily drawn to the ease and interest-free installment payment choices. On the other hand, the young are also easily influenced by many factors and prone to losing control of their finances, with a high risk of bad debt if they do not have a clear financial plan. And social influence is always evident in most research concentrating on this group, although it does not exist when assessing consumers in general [9]. Additionally, researchers have paid attention to BNPL promotion, which impacts consumers' intention to use them. For instance, [12] found that BNPL promotion (such as discounts or no-cost installment payments) acts as a stimulus that increases extreme emotions and reduces self-control, thereby encouraging impulsive buying among Gen Z in e-commerce. This is explained by the Stimulus-Body-Response (S-O-R) model, which shows the indirect impact of promotion through psychological factors on consumer behavior. As a result, it is necessary to do further research to understand how BNPL marketing influences Vietnamese consumers' intention.

Overall, the most significant factors identified were social influence, trust, performance expectancy, promotion, and attitude, based on a review and selection of relevant factors from previous studies. These findings form the foundation for developing the research model in Section 3.

This study contributes theoretically by redefining BNPL as a form of financial innovation integrated within the fintech ecosystem. Simultaneously, the study adjusts the UTAUT2 model by retaining relevant variables such as PE and SI, while removing less relevant variables (EE, FC, HM, HB) based on BNPL characteristics. The model is expanded by adding Trust (TR) and Promotion (PRO) to reflect financial behavior and consumer incentives. The inclusion of Attitude (AT) as a mediating variable clarifies the mechanism influencing adoption intentions. Through this, the study enhances the explanatory power of technology adoption theory in the context of financial innovation.

Table 1. Summary of some related studies.

References	Theoretical Model	Determinants	Data Analysis Method(s)	Sample	Nation
[8]	TAM, UTAUT 1&2, TRA, TPB	Convenience	Systematic Literature Review (SLR) and Regression Analysis	University students, Generation Y, and Generation Z.	Malaysia, China, Australia, USA, Europe
		Perceived Ease of Use			
		Perceived Risk			
		Financial Literacy (financial behavior, financial attitude, and financial knowledge)			
[9]	UTAUT	Perceived Usefulness	Cronbach's Alpha, CR & AVE	101 Gen Z students	Malaysia
		Financial Literacy			
		Social Influence			
[10]	UTAUT	Perceived Usefulness	SEM	118 young adults	Malaysia
		Social Influence			
[11]	TRA, TPB, TAM, UTAUT2	Perceived Usefulness	Regression analysis	303 Gen Z individuals in Hanoi	Vietnam
		Perceived Ease of Use			
		Perceived Risk			
		Digital Financial Literacy			
		Attitude			
		Switching Cost			
[12]	S-O-R, TPB	BNPL Promotion	PLS-SEM	386 Gen Z individuals	Vietnam
		Accessibility			
		Social Influence			
[13]	UTAUT	Performance Expectancy	EFA	176 students	Vietnam
		Effort Expectancy			
		Social Influence			
		Facilitating Conditions			
[14]	S-O-R, TPB, TAM	Attitude	PLS-SEM	430 Gen Z e-wallet users.	Vietnam
		Trust			
		Perceived Risk			
		Perceived Ease of Use			
		Subjective Norm			
[15]	UTAUT	Performance Expectancy	SEM	380 Gen Z consumers	Saudi Arabia
		Effort Expectancy			
		Social Influence			
[16]	TPB, DOI	Convenience	Content & trend analysis	210 young adults aged 18–35 from major cities.	Vietnam
		Flexible Financial Management			
		Difficulty in Controlling Spending			

Source: Compiled by authors.

2.4. Proposed research model and hypothesis development

This study expanded the UTAUT2 model, a well-established theoretical framework for addressing technology adoption behavior. Social Influence (SI), Trust (TR), Promotion (PRO), and Performance Expectancy (PE) will be employed to measure and evaluate young people's intention to use BNPL in Ho Chi Minh City, Vietnam. SI and PE variables, which were retained from UTAUT2, while the Trust (TR) and Promotion (PRO) variables were incorporated as supplementary factors to better capture consumer behavior in the BNPL environment. The attitude variable will act as a mediating variable.

Performance Expectancy (PE)

Performance Expectancy for users is that using BNPL will improve their payment efficiency. Previous studies have demonstrated that it has a positive effect on technology adoption. However, in the context of BNPL in Vietnam, this effect may be very different because e-wallets and platform techniques have also yielded similar results. Therefore, we suggest the following hypothesis:

H1: Performance Expectancy has a positive influence on attitudes toward using BNPL payment services.

Social Influence (SI)

Social influence refers to an individual's level of interest in a technology or service influenced by important people around them, such as family and friends. SI has shown an optimistic effect on technology utilization. Therefore, the following hypothesis is proposed.

H2: Social influence (SI) has a positive influence on attitude toward using BNPL payment services

Trust (TR)

Trust is also considered a crucial factor influencing user attitudes and behavior when using digital finance. When users believe BNPL systems are secure, it leads to more effective perceptions of the service. Previous studies have shown that Trust significantly impacts acceptance and use [7], [14],. Hence, the following hypothesis is proposed.

H3: Trust (TR) has a positive influence on attitude toward using BNPL payment services

Promotion (PRO)

Promotions are a crucial element in marketing. In e-commerce and fintech, promotional programs or 0% interest rates can create a strong incentive to attract consumers. Studies such as [12] have shown that promotion has a positive impact on users. Hence, the following hypothesis is proposed.

H4: Promotion (PRO) has a positive effect on attitude toward using BNPL payment services

They will form positive opinions about the service, thereby impacting their attitude. Furthermore, according to behavioral theory (TPB, TAM), a positive attitude is a crucial factor in promoting future intentions. Some researchers have found a positive influence between attitude and intention to use BNPL [11], [14]. Therefore, this study aims to examine the indirect relationship of these factors to the intention to engage in BNPL through the attitude construct.

H5. Attitude (AT) has a positive effect on the intention to use BNPL. Figure 2 illustrates the research model developed in this study.

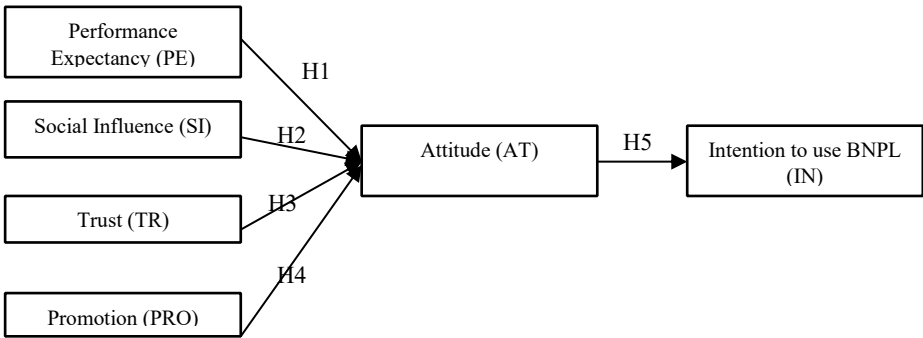


Figure 2. The proposed model. Source: Authors' proposal

3. METHODOLOGY

This study employed a quantitative approach to examine determinants affecting the intention to use BNPL services. This study consists of six stages. Each research stage will be explained as follows:

Stage 1: Research question formulation. There are four research questions as shown in the Introduction.

Stage 2: Review related work. This study reviewed related studies on intentions to adopt and use BNPL services. We collected recent publications to explore the main theories and determinants, as well as research gaps.

Stage 3: Research model proposal. Drawing on stage 2, considering the young generation's behavior, and discussing two experts in the e-commerce and finance fields. This study proposed the research model and five hypotheses.

Stage 4: Data collection. Data were gathered through a survey targeting young people aged 18–29 in Ho Chi Minh City using a Google Forms questionnaire. The research employed a non-probability approach and a convenience sampling technique. The survey is divided into two sections. Section 1 provides the characteristics of respondents, including gender, occupation, and BNPL payment suppliers. Table 2 describes the main factors. We launched the survey for three months from September 2025 to November 2025. As a result, this study collected 201 valid responses. The online survey approach is ideal since the target audience comprises youthful consumers who frequently use digital platforms and BNPL services.

Moreover, this study chooses Ho Chi Minh City because it is recognized as the main e-commerce center of Vietnam. It has a high proportion of young people, especially those who frequently purchase online. This study employs convenience sampling to select. To address the limitations of convenience sampling, the study incorporated demographic screening questions (e.g., age and place of residence) and disseminated the survey link across diverse populations, including office workers, freelancers, and residents of shared university dormitories.

Furthermore, we attempted to enhance sample diversity by distributing the survey across various social groups to reach a broad range of participants, including students, full-time employees, and freelancers. Screening questions (e.g., age, location, and relevance to the study) were also applied to ensure appropriate respondent selection and to minimize invalid responses.

Table 2. Constructs and Measurement Items for the Proposed Research Model.

Constructs		Definition	Source
Performance Expectancy (PE)	PE1	Using BNPL will help me complete payments more quickly.	[15]
	PE2	Using BNPL will improve my payment efficiency.	
	PE3	Using BNPL will be helpful to me.	
	PE4	Using BNPL will make my life easier.	
Social Influence (SI)	SI1	People who are important to me believe I should use BNPL.	[11]
	SI2	People who influence my behavior encourage me to use BNPL.	
	SI3	The opinions of those I value all support my use of BNPL platforms.	
	SI4	Advertisements for BNPL services in the media influence me.	[11]
Trust (TR)	TR1	Use BNPL because I believe it meets most of my preferences for a payment service.	[14]
	TR2	Believe BNPL meets most of my consumer needs.	

	TR3	BNPL has all the features and benefits as promised by the provider when opening the account.	[8]
	TR4	Compared to other traditional platforms that raise concerns about information leakage, I have confidence in the security of user information and transactions offered by the BNPL payment service.	
	TR5	I have confidence in my ability to fully repay my BNPL loan.	
Promotion (PRO)	PR O1	I'm interested in shopping online with BNPL because of the low or zero interest rates.	[12]
	PR O2	Interested in shopping online with BNPL because there are many discount offers when using this service.	
	PR O3	Interested in BNPL because the increasing credit limit allows me to shop more freely.	
	PR O4	Interested in using BNPL because I receive direct rewards such as discount codes or gifts.	
	PR O5	Interested in using BNPL because it offers promotions that help me save more costs.	
Attitude (AT)	AT1	Think using BNPL is a good idea.	[17]
	AT2	Using BNPL makes shopping more convenient and easier for me.	
	AT3	Enjoy using BNPL.	
	AT4	Believe using BNPL is in line with current trends.	
Intention to use BNPL (IN)	IN1	Intend to continue using BNPL in the future.	[7]
	IN2	Will always try to use BNPL in my daily life.	
	IN3	Have a desire to use BNPL in the future.	
	IN4	Will recommend BNPL to my friends or relatives.	

Source: Authors

All items were assessed using a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). This scale is widely used in behavioral research due to its effectiveness in capturing respondents' perceptions and attitudes. Measurement items were adapted from prior studies with minor modifications to fit the BNPL context. Since the data in this study were collected through self-report surveys and at the same time, the possibility of common method bias (CMB) may exist. To mitigate this risk, several procedural measures have been implemented, including ensuring the anonymity of respondents and designing the questionnaire clearly to limit response bias. The sample size of 201 is considered sufficient for SEM analysis based on recommended thresholds in prior studies.

Stage 5: Results analysis. Data was processed using SPSS and AMOS software for descriptive analysis, asset reliability, Cronbach's Alpha, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modeling.

Stage 6: Recommendations. This study provides meaningful insights for e-commerce platforms, fintech companies, policymakers, and consumers to foster financial innovation and the sustainable growth of BNPL services.

4. RESULTS AND DISCUSSION

4.1. Descriptive Analysis

Table 3 describes the demographic profile of respondents. Of the 201 samples collected, 136 were young females, accounting for 67.7%, and 65 were young males, representing

32.3%. Besides, the table shows that 112 young, employed individuals, accounting for 55.7% of the total sample, while 89 young non-working individuals, accounting for 44.3%.

Table 3. Demographic characteristics of the respondents.

		Frequency	Percent
Gender	Male	65	32.3 %
	Female	136	67.7 %
Occupation	Employed	112	55.7 %
	Unemployed	89	44.3 %

Source: Authors' calculation

Consumers have different BNPL options. The respondents used BNPL services from several suppliers such as Momo, Spaylater, Zalopay, and banks. Spaylater is the most used provider, accounting for 28.1% of the total. Momo is the second most used provider with 109 responses, accounting for 27.8%, almost equivalent to Spaylater. ZaloPay accounted for 18.9%, equivalent to 74 responses, indicating its significant popularity.

4.2. Using Cronbach's Alpha coefficient for reliability testing

In this study, Cronbach's Alpha was selected to assess the reliability of the measurement scale before conducting further analyses. Specifically, this method allows for checking internal consistency among observed variables within the same factor, thereby ensuring that the measured variables reflect the same research concept. Compared with other indices such as Composite Reliability (CR), Cronbach's Alpha is more suitable in the initial stage because it does not require a measurement model to have been validated in advance (as in CFA). Cronbach's Alpha is suitable for research using survey data and Likert scales, when screening and removing inappropriate variables before building the official model. In addition, applying Cronbach's Alpha also helps ensure the reliability of intermediate variables (such as "Attitude") from the very first step, instead of only testing them in later advanced analysis steps. The Cronbach's Alpha value of the scale (in the Reliability Statistics table) is above 0.7, considered acceptable (or above 0.6 for exploratory studies) [10], [14].

Cronbach's Alpha coefficient is shown in Table 4. The results show that the coefficient is greater than 0.7.

Table 4. Cronbach's Alpha Test Results.

Factor	Number of variables	Cronbach's Alpha coefficient	Conclusion
Performance Expectancy (PE)	4	0.825	Acceptable
Social Influence (SI)	4	0.905	High reliability
Trust (TR)	5	0.865	Good reliability
Promotion (PRO)	5	0.841	Good reliability
Attitude (AT)	4	0.815	Good reliability
Intention (IN)	4	0.873	Good reliability

Source: Authors' calculation

4.3. Exploratory Factor Analysis - EFA

After testing reliability using Cronbach's Alpha, the study uses EFA to assess the suitability of the survey data and the scale structure. EFA makes it possible to explore the

relationships among observed variables and determine how they are grouped into factors in practice, thereby testing the convergent and discriminant validity of the scale. Compared with other methods, such as CFA, EFA does not require prior assumptions about the structure of the factor, so it is more suitable in an exploratory research context. EFA also helps assess the suitability of survey data through indicators such as KMO and Bartlett, ensuring that the data are eligible for factor analysis. Using EFA before CFA and SEM helps minimize the risk of model bias, while also increasing the reliability and validity of the mediating variables as well as the entire research model.

The results of the KMO of 0.885 ($0.5 \leq \text{KMO} \leq 1$), and Bartlett's test have a significance value of 0.000 (<0.05). Four factors were identified with eigenvalues greater than 1 and a total extracted variance of 69.228 % (as shown in Table 5).

Table 5. Results of the eigenvalues.

Factor	Initial Eigenvalues			Extraction Variance			Rotated Loadings Variance
	Total	% of Variance	Cumulative Variance %	Total	% of Variance	Cumulative Variance %	Total
1	7.554	41.968	41.968	7.554	41.968	41.968	5.726
2	2.282	12.676	54.644	2.282	12.676	54.644	5.429
3	1.445	8.026	62.671	1.445	8.026	62.671	4.277
4	1.180	6.557	69.228	1.180	6.557	69.228	5.305

Source: Authors' calculation

Table 6 illustrates the factor loading of all factors, which indicates a value higher than 0.6. Hence, the exploratory factor analysis results for the independent constructs were satisfactory. All observed variables have factor loadings that are greater than 0.6, indicating strong correlations with their respective constructs. Hence, no items were removed, as all variables satisfied the criteria for inclusion.

Table 6. Results of the Component matrix.

Component Matrix ^a				
	Component			
	1	2	3	4
TR3	0.909			
TR4	0.872			
TR5	0.819			
TR2	0.716			
TR1	0.629			
SI2		0.905		
SI4		0.871		
SI1		0.835		
SI3		0.779		
PRO2			0.939	
PRO4			0.839	
PRO5			0.765	
PRO3			0.682	
PRO1			0.613	
PE1				0.944
PE3				0.750

PE2				0.713
PE4				0.618
Principal Component Analysis: Extraction Method				
Promax with Kaiser Normalization: Rotation Method				
a. Rotation converged in 5 iterations.				

Source: Authors' calculation

4.4. Confirmatory Factor Analysis (CFA)

Figure 3 illustrates the CFA model. The CFA results indicate acceptable model fit with CMIN/df = 2.412, GFI = 0.805, and CFI = 0.881.

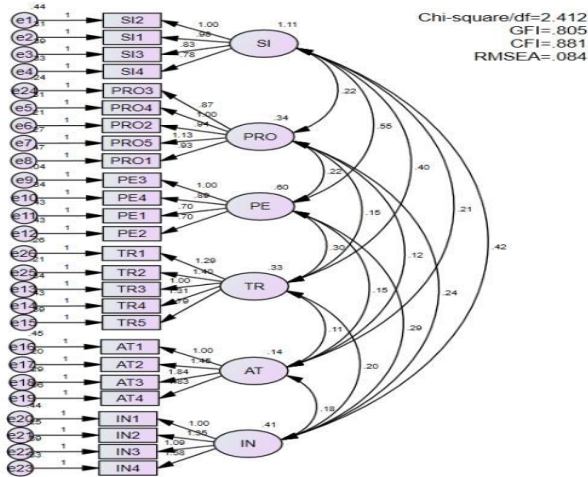


Figure 3. CFA chart of the research model. Source: Authors' calculation

Although the study did not conduct formal statistical tests for CMB, the analysis results indicate that CMB is unlikely to have a significant impact. Specifically, the results of EFA and CFA show a clear multi-factor structure, with no single dominant factor appearing. Additionally, the SEM results include both statistically significant and non-significant relationships (e.g., Performance Expectancy and Trust are not significant), indicating that the results are not "inflated" uniformly due to common method bias. Therefore, it can be concluded that CMB is not a serious issue in this study.

Table 7 illustrates the results regarding reliability, convergent validity, and discriminant validity. It indicates that all factors are satisfactory. All CR values exceed 0.7, indicating good reliability. AVE values are above 0.5, confirming the convergent validity of factors. Discriminant validity is also satisfied as the square root of AVE is greater than inter-construct correlations.

Table 7. Measurement model results.

CR	AVE	MSV	MaxR(H)	SI	PRO	PE	TR	AT	IN	
SI	0.906	0.708	0.451	0.910	0.841					
PRO	0.848	0.529	0.426	0.855	0.364***	0.727				
PE	0.843	0.581	0.473	0.943	0.671***	0.481***	0.762			
TR	0.864	0.564	0.473	0.887	0.671***	0.445***	0.688***	0.751		
AT	0.842	0.584	0.577	0.915	0.524***	0.545***	0.531***	0.510***	0.764	
IN	0.873	0.635	0.577	0.892	0.627***	0.653***	0.584***	0.549***	0.760***	0.797

*Note: CR stands for Composite Reliability; AVE stands for Average Variance Extracted; MSV stands for Maximum Shared Variance; and MaxR(H) stands for Maximum Reliability. The values on the diagonal (in bold) are the square roots of AVE. Statistical significance levels are denoted as follows: *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.*

Source: Authors' calculation

Discriminant validity is ensured when the square root of AVE is greater than the correlation coefficients between variables, and MSV is less than AVE. The measurement results show that all meet the requirements for reliability and validity. Specifically, the composite reliability (CR) values are all greater than 0.7, indicating high internal consistency of the observed variables. At the same time, the AVE values are all greater than 0.5, confirming the convergent validity of the scales. Regarding discriminant validity, the square root of the AVE of each variable is greater than the correlation coefficient with other variables. Furthermore, the MSV values are all smaller than their corresponding AVEs, further confirming the discriminant validity between the research concepts. Overall, these results demonstrate that the measurement model is appropriate, reliable, and valid, thus providing a basis for structural model analysis in subsequent steps.

4.5. Factors influencing the intention to use BNPL

Table 8 illustrates the determinants affecting the intention to use BNPL payment services. The findings show that three hypotheses were accepted and two were rejected. Among the four factors affecting AT, SI, and PRO were statistically significant, while PE and TR had no significant impact. Furthermore, AT exerted a strong positive effect on the intention to use BNPL. Thus, we addressed RQ1, RQ2, and RQ3. Figure 4 illustrates SEM results.

Table 8. The hypothesis testing.

	Hypothesis	Coefficient	P-value	Influence	Conclusion
PE->AT	H1	0.13	$p > 0.05$	0.127	Rejection
SI->AT	H2	0.28	$p < 0.05$	0.276	Acceptance
TR->AT	H3	0.13	$p > 0.05$	0.125	Rejection
PRO->AT	H4	0.39	$p < 0.05$	0.392	Acceptance
AT->IN	H5	0.83	$p < 0.05$	0.827	Acceptance

Source: Authors' calculations

Performance Expectancy (PE): The findings indicated that the association between PE and AT was not statistically significant ($p = 0.184$, $\beta = 0.127$). This indicates that performance is not strong enough to form a positive attitude. This shows that BNPL has become a standardized feature in e-commerce platforms, reducing its perceived performance differentiation among users. Therefore, the performance advantage of BNPL has not significantly impacted young people. This result is consistent with the arguments in the paper that BNPL does not offer a significant performance advantage over existing digital payment systems.

Social Influence (SI): It had a positive and statistically significant impact on attitude, with a p-value of 0.004 and a β of 0.276. This finding suggests that the influence of friends, family, or social trends significantly affects the formation of positive attitudes among young people towards BNPL. Furthermore, the rapid development of social media means that social factors have become a crucial driving force in promoting awareness and acceptance among young people. These results are consistent with previous studies [9,[12],[13].

Trust (TR): It was found to have a statistically insignificant relationship with attitude ($p = 0.204$; standardized coefficient = 0.125). This indicates that while there is interest, it is insufficient to significantly influence usage Attitude. This finding reflects Trust has become a baseline factor, as users default to trusting major platforms like Shopee or MoMo, where trust is no longer a differentiating factor but rather a hygiene factor. Therefore, it can be seen that young consumers tend to experiment based on trends rather than relying on financial Trust assessments.

Promotion (PRO): It has the strongest positive impact on Attitude (AT), with $p < 0.001$ and a standardized impact coefficient of 0.392. This suggests that discount programs, cashback, or 0% installment payment offers are the top attractive factors driving young people to have a positive attitude towards BNPL. These results are aligned with previous studies [12].

Attitude (AT): The findings of the hypothesis test H5 indicate that Attitude (AT) has a strong and statistically significant positive impact on Intention to use BNPL (IN), with $p < 0.001$ and a standardized coefficient of 0.827. This demonstrates that when young people have an optimistic attitude towards BNPL, they are more likely to use it. With an R^2 value of 0.683, it can be concluded that Attitude explains 68.3% of the variance in Intention to use BNPL, highlighting the strong influence of this perceived factor on digital financial behavior.

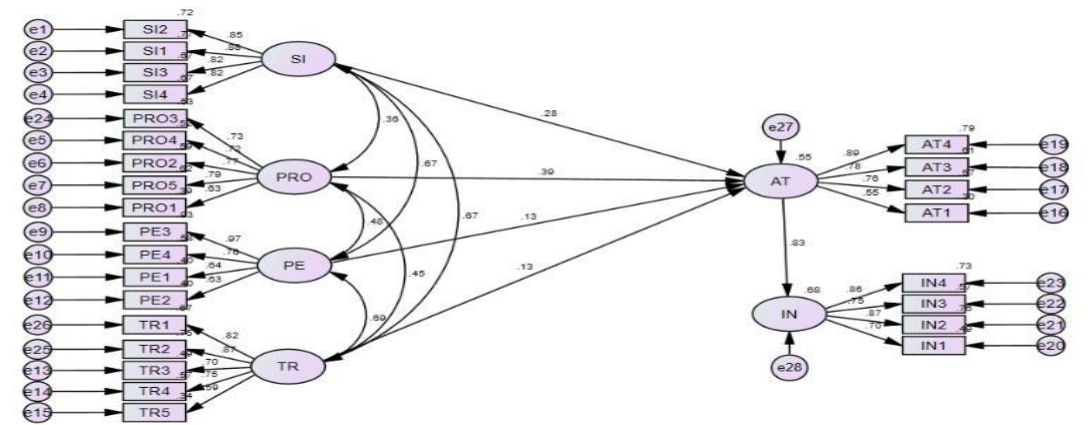


Figure 4. Results of the SEM model. Source: Authors’ calculation

Moreover, this study conducted the Independent Samples Test to look into the differences in consumers’ intention to use BNPL across various demographics.

Table 9. Results of the Independent Samples t-test for gender.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
IN	Equal variances assumed	9.154	.003	2.014	199	.045	.25919	.12868	.00544	.51295

	Equal variances not assumed.			2.235	164.898	.027	.25919	.11597	.03022	.48816
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Source: Authors' calculation

Table 10. The Independent Sample T-test results for occupation.

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
IN	Equal variances assumed	19.951	.000	6.622	199	.000	.73382	.11081	.51531	.95233
	Equal variances not assumed.			6.329	145.565	.000	.73382	.11595	.50467	.96298

Source: Authors' calculation

As shown in Tables 9 and 10, the results of the independent samples t-test indicate a statistically significant difference in intention to use BNPL between gender groups ($p < 0.05$). Likewise, the results indicate a significant difference in intention to use BNPL across occupational groups ($p < 0.001$). Hence, demographic factors such as gender and occupation play a meaningful role in influencing users' intention to use BNPL. As a result, RQ4 has been addressed.

4.6. Recommendations

This study provides meaningful implications for fintech firms and online retail platforms, policymakers, and consumers to foster financial innovation and the sustainable growth of BNPL services. The recommendations are developed from research constructs, measured through survey variables (observed variables). While the constructs represent abstract theoretical concepts, the survey variables reflect users' specific perceptions. Therefore, the recommendations are formed based on both statistically meaningful relationships among the constructs and real-world behavior as evidenced by survey data, ensuring a close linkage between the results.

For fintech companies, Promotion (PRO) is the factor with the strongest impact on Attitude. This shows that consumers are very sensitive to financial benefits such as PRO1 (low/0% interest), PRO2 (discounts), and PRO4 (rewards). Therefore, fintech companies need to prioritize designing personalized promotional programs, including 0% installments, cashback, and user behavior-based offers. In addition, SI also has a significant impact on Attitude, showing that users are influenced by friends, society, and media. Therefore, businesses need to enhance their social media strategies, leveraging KOLs, influencers, and user-generated content to spread positive awareness about BNPL services. Trust is not statistically significant. Survey variables such as TR3 (fulfillment of commitments) and TR4 (information security) indicate that users tend to default to a basic level of trust across platforms. Therefore, instead of focusing too much on building trust, businesses should consider this as a foundational element, while maintaining transparency and security, and placing more emphasis on promotion and social interactions.

For e-commerce platforms, the results show that Attitude (AT) has a very strong impact on intention to use BNPL, making it the most important factor in the model. Survey variables such as AT2 (convenience) and AT3 (enjoyment) show that users value both functional and emotional factors. Therefore, e-commerce platforms need to: Integrate exclusive BNPL programs, improve user experience and convenience, and enhance social proof such as reviews, feedback, and user-generated content. The combination of positive experiences and attractive incentives will help convert positive Attitude into actual usage behavior.

For the government, although Trust is not statistically significant, variables such as TR4 (concern about information security) still reflect the perception of financial risk. This indicates a gap between perception and actual risk that needs to be managed. Regulatory agencies need to establish a separate legal framework for BNPL activities, clearly defining licensing conditions, credit limits, and the responsibilities of stakeholders in ensuring information transparency. At the same time, it is advisable to connect borrower data through the National Credit Information Center (CIC) to control the risk of cross-borrowing across multiple platforms. Additionally, the government should facilitate fintech companies and establish appropriate measures for fintech companies to effectively implement the BNPL model through a financial sandbox program, helping to test and refine the model before widespread deployment. Furthermore, it is necessary to issue policies to protect financial consumers, ensuring transparency in contracts, clearly handling disputes, and limiting risks arising from the utilization of BNPL services.

For consumers, the results show that Attitude is the main determining factor for the intention to use BNPL, while PRO and SI are the factors that shape the attitude. Variables such as AT4 (trend-following) and SI4 (media influence) show that many young people are swayed by trends rather than making rational financial assessments. Therefore, there needs to be collaboration between universities, financial organizations, and media agencies to build basic financial education programs. Consumers need to be aware that BNPL is only a short-term financial support tool and should not be used to spend beyond their repayment capacity (TR5). Everyone should determine an appropriate credit limit and only use BNPL for essential purposes or reasonable investments such as education, work, or necessary living expenses.

5. CONCLUSION

The research focuses on analyzing the determinants influencing the intention to use the BNPL service among young people residing in Ho Chi Minh City. The results indicate that social influence and promotion are the key factors significantly shaping consumers' attitudes, with promotion exerting the strongest effect. In contrast, performance expectancy and trust were not found to have significant impacts, suggesting that young consumers are less driven by functional benefits or trust-related considerations. Additionally, the study confirms that attitude serves as a key mediating factor, transmitting the effects of social influence and promotion to behavioral intention. This highlights that psychological evaluation shaped by social and marketing stimuli plays a central role in forming young consumers' intention to use BNPL. Furthermore, the findings reveal significant differences across gender and occupation groups, indicating that demographic characteristics also influence intention. Thus, the study suggests that stakeholders can more effectively promote BNPL usage intention by focusing on promotional strategies and social engagement, rather than relying solely on functional or trust-related factors.

Based on the findings and their implications, this study offers several important contributions to both theory and practice in the context of intention to use BNPL.

From a theoretical perspective, this study contributes to the theoretical foundation by extending the UTAUT2 model in the context of BNPL services in Vietnam, a rapidly

developing digital financial market. Specifically, the study not only inherits the core elements of UTAUT2 but also integrates two important variables, Promotion and Trust, which have been emphasized in recent studies on digital financial consumer behavior but have not been fully explored in the original model. At the same time, the study clarifies the mediating role of Attitude, thereby explaining the mechanism by which cognitive and social factors influence the intention to use BNPL through attitude. In addition, the study provides empirical evidence in the context of Ho Chi Minh City – Vietnam's major e-commerce hub – where young consumers have high levels of technology access and distinctive digital consumption behaviors. The results from the literature review and empirical testing also help reinforce the role of social and marketing factors (especially social influence and promotion) in shaping digital financial behavior, thereby expanding the understanding of young consumer behavior in emerging markets.

From a practical perspective, the research provides important implications for businesses, policymakers, and consumers in promoting the sustainable development of BNPL services. The results show that young consumers are highly sensitive to promotional factors and social influence. Fintech companies and e-commerce platforms need to prioritize strategies based on financial incentives (such as 0% installment payments, cashback, personalized discounts) combined with social media communication, leveraging KOLs and user-generated content to increase reach. At the same time, since Attitude is an important intermediary factor determining the intention to use BNPL, platforms need to focus on enhancing user experience, combining both functional and emotional elements to transform positive Attitude into actual behavior. On the part of the government, in the context of the rapid growth of BNPL but with potential financial risks, the study suggests the need to establish a separate legal framework, control credit, and implement experimental mechanisms such as a financial sandbox to ensure system safety. The study also emphasizes the necessity of enhancing financial literacy for young consumers, helping them use BNPL responsibly, thereby contributing to the development of a digital financial ecosystem efficiently and sustainably.

Although certain results have been achieved, the study still presents several constraints. The survey scope mainly focuses on young people within Ho Chi Minh City; the research results may not fully reflect consumer behavior in other areas. As this study is based on a cross-sectional survey design, causal relationships cannot be definitively established. The current model focuses on four main factors (PE, SI, TR, PRO) and the mediating variable Attitude. Some other factors in the extended models, such as expected effort, perceived value, or financial risk, have not been considered, limiting the model's overall explanatory capability. The new research stops at the intention to use BNPL and has not deeply analyzed post-usage behavior, such as satisfaction, loyalty, or bad debt risk. Regarding research methods, future studies should apply stricter testing techniques (e.g., Harman's single-factor test or marker variable) to better control for common method bias.

Furthermore, this study proposes multiple future research possibilities. To improve the sample's representativeness, survey coverage should be expanded to include more regions and target groups. Future studies should employ longitudinal or experimental designs to better validate causal inferences. In addition, future research models should incorporate factors such as risk perception, financial management skills, and perceived value to more comprehensively reflect financial consumer behavior in the current digital transformation context.

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