

Taken for Granted

The Impact of Buy Now, Pay Later on Consumers' Online Purchase Intention

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Abstract

Buy Now, Pay Later (BNPL) is a rapidly growing payment method that allows consumers to make purchases and postpone payment, generally interest-free. While adoption accelerates, research on its behavioral effects remains limited. This paper aims to contribute to this body of literature by investigating whether the mere presence of BNPL influences young consumers' purchase intention in an e-commerce setting. Drawing on behavioral economic theories, a 2x2 between-subjects online experiment was conducted with Swedish consumers aged 18-35 (N = 506). The experiment manipulated payment method (*with vs. without BNPL*) and purchase type (*material vs. experiential*), while measuring Purchase Intention and mediating effects of Perceived Financial Constraint (PFC) and Pain of Paying (PoP). The main analysis revealed no significant direct or indirect effect of the mere presence of BNPL on purchase intention. However, the results indicated that a large part of respondents who were not exposed to BNPL nonetheless believed it was available. This suggests that the effects are context dependent, and in the Swedish context of this study BNPL appears to be perceived as a normalized and expected payment method. The findings contribute to the growing body of research on BNPL, and nuance existing findings by providing a contextual lens. For practitioners this study offers strategic insights on how the payment method could be managed.

Keywords: *Buy Now, Pay Later, Purchase Intention, Pain of Paying, Perceived Financial Constraint, Purchase Type, Payment Methods, Consumer Behavior.*

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1 Introduction

The rapid expansion of digital commerce has significantly transformed how consumers pay for goods and services online. Alongside traditional payment methods such as debit and credit cards, retailers increasingly offer a wide range of more flexible payment solutions at the point of purchase. One of the fastest growing examples is buy now, pay later (BNPL), a short-term financing arrangement that allows consumers to make a purchase and postpone the payment (Kumar et al., 2024). Service providers typically offer either a 30-day invoice option or a division of the total cost into smaller installments, with the former usually being free of interest and additional charges (Sveriges Riksbank, 2023). Unlike traditional credit cards, BNPL generally involves less credit assessment and is often framed as a convenient payment method rather than debt in the traditional sense (Svahn, 2023).

The fast development of BNPL is reflected in recent market figures. The payment method has become a prominent feature of contemporary e-commerce and is projected to grow by 70% in transaction value, reaching \$500 billion between 2025 and 2030 (Statista, 2026). This development is particularly evident in Sweden, where the payment method accounts for approximately 24 percent of all e-commerce payments (Sveriges Riksbank, 2023). In addition, BNPL reduces perceived risks associated with online shopping, such as uncertainty regarding product quality, delivery reliability, and potential fraud, thereby increasing its attractiveness to consumers (Sveriges Riksbank, 2023). Research further suggests that offering BNPL can enhance the trustworthiness of online brands (Lupşa-Tătaru et al., 2023).

Although the payment method offers consumer flexibility, convenience, and easier access to short-term financing in online shopping environments, it also raises several concerns. Recent empirical evidence has emerged regarding BNPL's potential behavioral and financial consequences, particularly among younger consumers. Research suggests that Millennials and Generation Z constitute the primary users of BNPL services driven by their preference for online shopping, demand for transparency, and less established traditional credit use (Lupşa-Tătaru et al., 2023; deHaan et al., 2024). These consumer groups are considered particularly vulnerable to potential risks such as insufficient budgeting prior to purchase, and research further links BNPL to impulsive shopping, increased spending, and increased financial stress (Powell et al., 2023; Raj et al., 2024; deHaan et al., 2024; Donou-Adonsou & Leslie-Piper, 2026). As BNPL becomes increasingly integrated into online shopping environments, understanding its influence on consumer decision-making becomes increasingly important.

Previous research in behavioral economics has demonstrated that payment methods shape consumer behavior by influencing psychological responses to payment. Studies comparing cash and credit payments show that less transparent payment methods reduce the psychological discomfort associated with spending, and thereby increasing consumers' willingness to pay (Feinberg, 1986; Soman, 2003; Prelec & Loewenstein, 1998). More recent research has further suggested that borrowing preferences may depend on contextual factors such as purchase type and purchase-timing (Bauer et al., 2021; Tully & Sharma, 2018). Within this broader literature, research on BNPL has gained traction in recent years, primarily focusing on factors driving adoption and usage, as well as its relationship to spending behavior and financial well-being (Relja et al., 2024; Kumar et al., 2024; deHaan et al., 2024). Few studies have even argued that BNPL increases consumers' willingness to make a purchase and their spending by increasing perceived financial flexibility (Li et al., 2025; Maesen & Ang, 2025).

However, notable gaps remain. First, existing research on BNPL has primarily focused on adoption intentions, usage behavior, and its financial consequences (Relja et al., 2024; Kumar et al., 2024; deHaan et al., 2024), while limited attention has been given to whether the mere presence of the payment method itself nudges consumers' purchase intention independently of active usage (Li et al., 2025). Second, existing research presents mixed findings regarding the psychological processes through which credit options, such as BNPL, may influence consumer decision-making, including pain of paying (PoP), and perceived financial constraint (PFC) (Prelec & Loewenstein, 1998; Li et al., 2025). However, limited research has examined these mechanisms within the same framework. Third, prior literature provides conflicting expectations regarding whether financing choices differ between different purchase contexts. While some studies have suggested that consumers prefer financing material purchases (Bauer et al., 2021), others have argued that consumers prefer financing for experiential ones (Tully & Sharma, 2018; Li et al., 2025).

Against this background, the present study adopts a behavioral economic perspective and aims to provide a more comprehensive understanding of how the mere presence of BNPL influences consumers' purchase intention in an e-commerce setting. In addition, the study aims to examine potential psychological mechanisms underlying this relationship and investigate whether different purchase contexts influence how consumers respond to the deferred payment method's availability.

1.1 Purpose

The purpose of this study is to examine whether the mere presence of BNPL (*vs. without*) influences consumers' purchase intention in an e-commerce setting. More specifically, drawing on behavioral economic theory of PFC and PoP, the study aims to investigate the psychological mechanisms through which BNPL may increase purchase intention, while also examining whether purchase type (*material vs. experiential*) moderates the effect of BNPL on PoP. This purpose is addressed through a 2x2 between-subject online experiment, in which participants are exposed to a simulated online shopping setting. Manipulating payment method (*with vs. without BNPL*) and purchase type (*material vs. experiential*), purchase intention, PoP and PFC is measured.

1.2 Delimitations

This study is delimited to Swedish consumers, a context characterised by high levels of digital adoption, widespread online shopping habits and substantial BNPL usage (Svea Bank, 2025-a; Sveriges Riksbank, 2023). Furthermore, the study focuses on consumers aged 18–35, as Millennials and Generation Z represent the main adopters of BNPL, thus are considered particularly relevant in research on BNPL (Lupşa-Tătaru et al., 2023; Powell et al., 2023; Kumar et al., 2024; Svea Bank, 2025-a).

Additionally, the study is delimited to an e-commerce setting as it highly embedded in Swedish consumer behaviour (Svensk Handel, 2026), and where BNPL is predominantly used. Moreover, the study focuses specifically on the most common form of BNPL, “Pay within 30 days” (Svea Bank, 2025-a), excluding installment payments to maintain a manageable scope. Finally, the study relies on self-reported measures of behavioural intentions rather than actual purchasing behaviour.

1.3 Disposition

The subsequent parts of this study are structured as follows. Section 2 presents the theoretical framework by reviewing prior research on payment methods in general, BNPL and factors influencing purchase intention, which together form the basis for the hypothesis development. Section 3 outlines the methodology, including the research design, measures, and data collection procedure. Section 4 presents the empirical findings and hypothesis testing. Section 5 then concludes the study by discussing the findings in relation to the purpose of the study, presents both theoretical and practical implications, and outlines limitations of the study as well as recommendations for future research.

2 Theoretical Background & Hypothesis Development

This section examines existing research on payment methods, behavioral economics, and buy now, pay later (BNPL) as a contemporary payment method. Prior literature explains how payment methods influence purchase intention through cognitive evaluations such as perceived financial constraint (PFC), psychological mechanisms such as pain of paying (PoP), and contextual factors such as payment-benefit duration matching. Based on these theoretical components, four hypotheses are developed.

2.1 Payment Methods and Consumer Decision-Making

Payment methods can be categorized into forms such as cash, credit cards and checks, broadly referring to the process through which value for a product or service is transferred between parties (Wu et al., 2020; Hirschman, 1979). They can be further distinguished by payment timing: pre-payment, post-payment, or immediate payment (Worthington, 1995). Importantly, the timing and structure of payment methods evoke psychological responses that influence consumer behaviours. Research within mental accounting suggests that consumers do not experience all payment methods equally. Evidently, payment methods differ in their structure and timing, and this influences how consumers perceive, evaluate, and respond to spending decisions (Prelec & Loewenstein, 1998). Payment methods also vary in convenience, transparency, and the degree to which the payment is coupled with consumption, all of which subsequently influence spending behaviours and purchase decisions (Prelec & Loewenstein, 1998; Boden et al., 2020; Soman, 2003; Thaler, 1999). As such, payment methods constitute a fundamental component in understanding consumer decision-making processes and consumer behaviour.

2.2 Buy Now, Pay Later as an Emerging Payment Method

BNPL has emerged as a rapidly growing payment solution that remains relatively unexplored in research (deHaan et al., 2024). Existing literature describes BNPL as a payment method that streamlines the checkout process, enhances the customer experience by reducing friction and increasing convenience, while also providing consumers that might not qualify for traditional credit with an option to borrow (Kumar et al., 2024). Unlike traditional credit, BNPL has been found to be particularly attractive to younger consumers, especially Millennials and Generation Z, who increasingly use BNPL as an alternative to traditional credit cards (Lupşa-Tătaru et al., 2023). Additionally, the payment method has been seen to enhance the trustworthiness of online brands (Lupşa-Tătaru et al., 2023), making it a particularly relevant payment method for

e-commerce actors to offer. For a new payment method to be adopted as an alternative, it must add an extra sense of security or assurance to consumers (Rehncrona, 2018). In the case of BNPL, consumers can receive and evaluate their purchase before completing the payment, which may reduce risks associated with product quality, returns, and delivery uncertainty. Consequently, this may be one of the factors explaining its widespread adoption in modern e-commerce.

The emerging payment method has resulted in a growing interest within behavioral economics and consumer behavior research. Prior studies have primarily examined factors driving BNPL adoption and usage, as well as its relationship to spending behavior (Kumar et al., 2024; Relja et al., 2024; Maesen & Ang, 2025). Emerging research has further suggested that BNPL usage may be associated with increased impulsive purchasing, particularly among more materialistic consumers, which may escalate into compulsive buying behavior (Raj et al., 2024). The negative consequences of the payment method are highlighted, with research suggesting that BNPL may contribute to overborrowing and negative financial outcomes, including missed payments and the use of BNPL to circumvent formal credit checks (deHaan et al., 2024). Furthermore, active BNPL users also report higher levels of financial stress, an effect that is amplified by social media exposure (Donou-Adonsou & Leslie-Piper, 2026). Taken together, the existing body of literature on the payment method suggests that BNPL represents not only a technological innovation, but also a payment method with potentially important behavioral implications for consumer decision-making.

2.3 Factors Influencing Purchase Intention

To better understand how BNPL may influence consumers' purchase intention, the following section delves into behavioral economics perspectives that explain how payment methods may shape consumer decision-making through various factors. First, emerging research suggests that BNPL itself may function as a contextual cue that can nudge consumers' purchase intention (e.g., Li et al., 2025). Second, literature on PFC emphasizes how consumers' spending decisions are shaped by their subjective perceptions of available financial resources (e.g., Tully et al., 2015). Third, payment-benefit duration matching theory suggests that consumers evaluate financing differently depending on how payment timing aligns with expected benefits of consumption (e.g., Tully & Sharma, 2018; Bauer et al., 2021). Lastly, research on PoP highlights the emotional discomfort associated with spending money (e.g., Zellermayer, 1996; Prelec & Loewenstein, 1998).

2.3.1 The Mere Presence of Buy Now, Pay Later

A foundational insight from behavioral economics is that the method of payment shapes not only how consumers pay, but whether they choose to purchase at all. Early research has shown that credit-based payment methods increase consumers' motivation to spend compared to more immediate forms of payment such as cash (Feinberg, 1986; Hirschman, 1979; Prelec & Loewenstein, 1998; Prelec & Simester, 2001). This is largely explained through payment coupling, which is the degree of psychological association between the purchase and the actual outflow of money. The weaker this association, the lower the perceived cost of spending, which in turn increases enjoyment of the consumption (Prelec & Loewenstein, 1998; Thaler, 1999).

BNPL embodies these decoupling characteristics in a pronounced way. By separating the moment of purchase from the moment of payment, BNPL reduces the immediate psychological cost associated with spending (Maesen & Ang, 2025; Relja et al., 2024). The effect of decoupling is further reinforced by the interest-free nature of BNPL. Traditional deferred payment often carries a cost, whereas BNPL generally do not. Bauer et al. (2021) show that interest-free framing decreases negative emotional responses to borrowing and reduces debt aversion, and Johnson et al. (2021) find that the absence of fees lowers purchase barriers across both small and large transactions. As a result, BNPL enables consumers to experience the immediate benefits of a purchase while postponing its associated costs. This dynamic is consistent with present bias, whereby individuals systematically prioritize immediate gratification over future consequences (Kumar et al., 2024).

Beyond its structural characteristics, the mere presence of BNPL as an available option may itself function as a psychological cue. Li et al. (2025) suggest that the visibility and accessibility of BNPL signal the availability of financial resources, thus increasing the propensity to spend. Similarly, Kumari and Tripathi (2026) argue that the mere presence of BNPL reduces purchase abandonment by shifting consumer attention away from immediate payment concerns. By integrating financing directly at the point of purchase, BNPL creates a frictionless and more convenient experience that encourages purchasing behavior (Kumar et al., 2024).

Taken together, these mechanisms suggest that BNPL lowers both the psychological and financial barriers to purchasing. Therefore, the following hypothesis is proposed:

H1: The mere presence of Buy Now, Pay Later (*vs. without*) positively influences consumers' Purchase Intention.

2.3.2 Perceived Financial Constraint

According to traditional mental accounting theory, individuals do not treat money as fully fungible but rather categorize their financial resources into distinct mental accounts (Thaler, 1985). As a result, financial behavior is often seen as economically irrational but psychologically predictable (Thaler, 1985; Thaler, 1999). Decisions related to spending and financing are shaped by categorization processes and mental organization of the budget based on the perceived availability of resources within these mental accounts (Silva et al., 2023; Hendersson & Peterson, 1992).

Building on this, consumers may perceive their financial situation as restricting their ability to achieve a desired outcome, resulting in them feeling financially constrained (Tully et al., 2015). Importantly, this perception is not equivalent to objective financial scarcity. Rather, it represents a psychological state that can be experienced across income levels (Tully et al., 2015). Thus, both high- and low-income consumers may experience PFC if their available financial resources cannot fulfill their consumption desires (Fan et al., 2020).

Consistent with this distinction, previous research shows that consumers who perceive themselves as financially constrained consume less than those who perceive themselves as financially better off, driven by lower perceived available financial resources within their mental accounts (Karlsson et al., 2004; Karlsson et al., 2005). This effect can be further explained by the perceived accessibility of consumers' mental accounts. When accessible resources are limited, the objective cost of a purchase is perceived as subjectively higher, thereby decreasing the likelihood of consumption (Morewedge et al., 2007). Conversely, the mere consideration of a larger and more accessible resource account, such as available credit, can increase consumption by manipulating the cognitive accessibility of financial resource accounts (Morewedge et al., 2007).

Expanding this logic to contemporary payment solutions, BNPL can be understood as a mechanism that increases the perceived accessibility of financial resources by making consumers feel they have additional financial resources available, thereby reducing consumers' PFC. Newer research supports this reasoning, suggesting that BNPL installment structures can lower perceived costs and financial constraint and thereby increase consumers' willingness to spend (Maesen & Ang, 2025). Similarly, recent empirical evidence indicates that BNPL may broaden consumers' perceived financial resources, thereby reducing PFC and increasing purchase intention (Li et al., 2025).

Taken together, the existing literature suggests that the mere presence of BNPL reduces consumers PFC and thereby has a positive impact on purchase intention. Accordingly, the following hypothesis is proposed:

H2: The influence of the mere presence of Buy Now, Pay Later on Purchase Intention is mediated by Perceived Financial Constraint.

H2a: The mere presence of Buy Now, Pay Later (*vs. without*) reduces consumers' Perceived Financial Constraint.

H2b: Reduced Perceived Financial Constraint increases Purchase Intention.

2.3.3 Pain of Paying

One important insight from the research done on spending decisions is that it is significantly affected by PoP (Prelec & Loewenstein, 1998; Rick, 2018). PoP is one of the most frequently used concepts in research on payment methods and economic behavior, referring to the negative emotions that a person feels related to the act of paying (e.g., Zellermayer, 1996; Prelec & Loewenstein, 1998; Thomas et al., 2011; Boden et al., 2020; Bauer et al., 2021; Reshadi & Fitzgerald, 2023). Notably, it is the emotional distress that the consumer feels when parting with their money, rather than actual physical pain (Zellermayer, 1996; Reshadi & Fitzgerald, 2023). The greater PoP experienced, the less likely the consumer is to make a purchase (Prelec & Loewenstein, 1998). In contrast to PFC, which reflects a broader cognitive evaluation of available resources within one's mental accounts, PoP instead acts as an emotional transaction-level mechanism reminding one of the consequences of consumption (Zellermayer, 1996).

Traditionally, PoP has been conceptualized as occurring the moment the payment is being executed, referred to as immediate PoP (Zellermayer, 1996). More recent research, however, suggests that these emotions can arise earlier in the decision-making process, even before a purchase is made. This is referred to as anticipated PoP, which captures the expected discomfort associated with a future payment. Critically, anticipated PoP is particularly relevant in the context of purchase intention. While immediate PoP reduces actual spending, higher levels of anticipated PoP have been shown to reduce both spending and purchase intention. Notably, they both capture the same emotional reaction (Reshadi & Fitzgerald, 2023).

The payment method used in the transaction has been shown to influence the degree of PoP experienced by the consumer (Soman, 2003; Thomas et al., 2011). The difference in experienced PoP using different payment methods can be explained by mental coupling. The more decoupled, or separated, the payment is from the actual purchase, the lower the PoP (Prelec & Loewenstein, 1998). Credit cards have been shown to exhibit effective decoupling, by postponing payment from the purchase, thereby reducing the psychological cost of spending (Thaler, 1999).

Another factor influencing PoP is payment transparency, defined as the salience and visibility of the act of parting with money. The greater payment transparency, the stronger experience of PoP (Soman, 2003). When a payment is more explicit, consumers experience greater psychological discomfort, which in turn reduces their likelihood of spending (Reshadi & Fitzgerald, 2023). Conversely, less transparent payment methods decrease this discomfort, thereby increasing the likelihood of purchase. Cash is generally perceived as the most transparent payment method, evoking the highest level of PoP (Soman et al., 2001; Shah et al., 2016; Boden et al. 2020). In contrast, credit cards are generally considered less transparent than cash and thus reducing PoP and increasing spending (Soman, 2003; Thomas et al., 2011). More recent digital payment methods further reduce transparency. As digital payment processes become increasingly seamless consumers may barely register the transaction, further reduce PoP and weaken the barriers to spending (Shah et al., 2016).

BNPL can be positioned at the lower end of both the coupling and transparency spectrums. Maesen & Ang (2025) argues that BNPL exhibits similar decoupling characteristics to those of credit cards, separating the moment of consumption from the moment of payment and thereby reducing associated PoP. Beyond decoupling, BNPL integrates financing directly at the point of purchase, creating a frictionless and convenient user experience (Kumar et al., 2024). This reduction in salience and increase in convenience attenuates the psychological discomfort associated with spending, thereby increasing the likelihood of purchase (Raj et al; 2024; Boden et al., 2020).

Building on these insights, BNPL can be understood as a payment method that reduces PoP through both increased decoupling and reduced payment transparency. By lowering the psychological cost and PoP associated with spending, it can be assumed that BNPL would increase consumers' willingness to make purchases. Accordingly, the following hypothesis is proposed:

H3: The influence of the mere presence of Buy Now, Pay Later on Purchase Intention is mediated by Pain of Paying.

H3a: The mere presence of Buy Now, Pay Later (*vs. without*) reduces consumers' Pain of Paying.

H3b: Reduced Pain of Paying increases Purchase Intention.

2.3.4 Purchase Type

Consistent with mental accounting theory, consumers prefer to finance purchases whose consumption benefits correspond with the repayment period (Hirst et al., 1994). As a result, consumers are generally more willing to finance purchases with greater longevity, as benefits that persist over the repayment period can be psychologically “matched” with deferred payments (Prelec & Loewenstein, 1998). In contrast, for purchases where the benefits are more short-lived, such matching is lower, making consumers less willing to finance them. This matching mechanism has been shown to influence consumers' reliance on both reasons and feelings in their financing decisions (Prelec & Loewenstein, 1998).

A common way to operationalize payment-benefit duration matching is through the distinction between material and experiential purchases. Experiential purchases are focused on acquiring life experiences, whereas material purchases emphasize the ownership and possession of tangible and longer-lasting items (Tully & Sharma, 2018; van Boven & Gilovich, 2003). Accordingly, experiential purchases are typically associated with low payment-benefit duration matching, while material purchases are associated with high matching (Bauer et al., 2021; van Boven & Gilovich, 2003). Importantly, consumers are aware of and readily recognize this distinction between material goods and experiences (Tully et al., 2015; van Boven & Gilovich, 2003).

Recent research, however, suggests that borrowing preferences may be more context dependent than traditionally assumed. While traditional theory predicts stronger preferences for financing material purchases (Prelec & Loewenstein, 1998), Tully and Sharma (2018) show that consumers may be more willing to finance experiential purchases when consumption is tied to a specific opportunity, as missing the experience is perceived as a permanent loss. Similarly, interest-free financing solutions, such as BNPL, has been found to reduce debt aversion and increase consumers' willingness to finance experiential purchases (Bauer et al., 2021). Further

evidence shows that the mere presence of BNPL can increase purchase intention across purchase types, with particularly strong effects for experiential purchases (Li et al., 2025).

Although recent research suggests that BNPL and contextual framing may increase consumers' willingness to finance experiential purchases, these findings have not examined the mediating effect of PoP. BNPL differs from traditional credit and is expected to strengthen the role of payment-benefit duration matching and thereby consumers' reliance on their feelings, especially PoP, when making financing decisions (Prelec & Loewenstein, 1998).

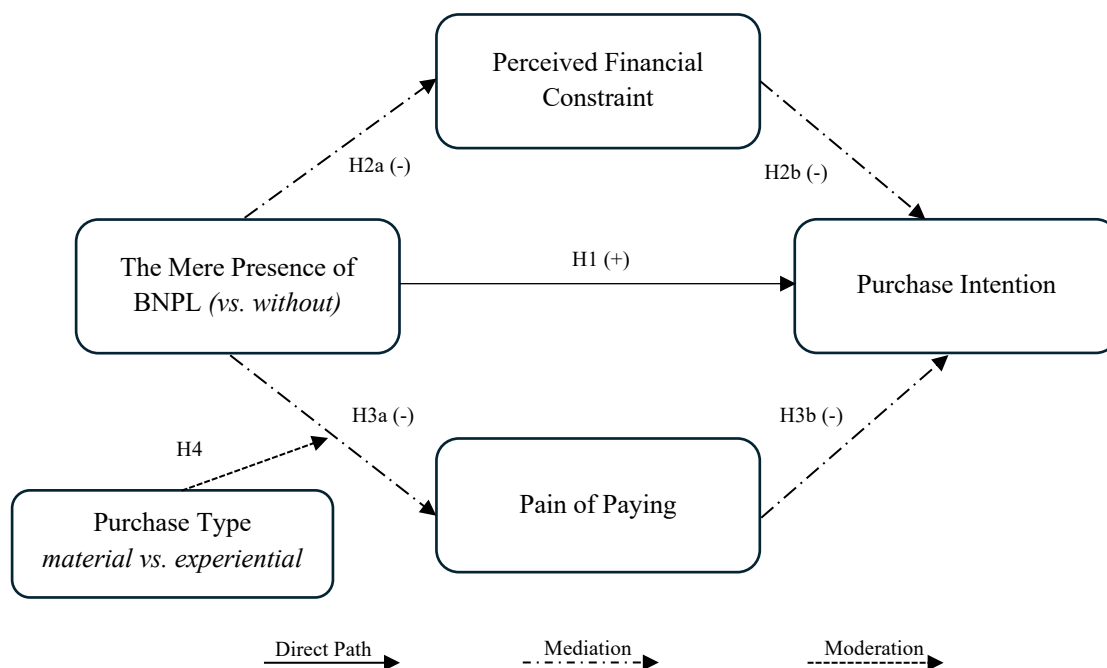
Building on this logic, purchase type is expected to moderate the psychological effect of BNPL on purchase intention through PoP. Specifically, when payment-benefit duration matching is high (i.e., for material purchases), the deferred payment structure of BNPL is matched with the extended consumption benefits, thereby reducing PoP. This reduction, in turn, increases purchase intention. In contrast, when matching is low (i.e., for experiential purchases), BNPL should attenuate PoP less effectively because consumption benefits are more short-lived compared to the deferred payment structure. Thus, the following hypothesis is proposed:

H4: Purchase Type moderates the indirect effect of the mere presence of Buy Now, Pay Later on Purchase Intention through Pain of Paying. Specifically, material purchases yield reduced Pain of Paying and thereby increased Purchase Intention (*vs. experiential purchases*).

2.4 Visualization of the Hypotheses

To summarize, this study proposes four hypotheses as illustrated in Figure 1. H1 hypothesizes the direct effect of the mere presence of BNPL (vs. without) on consumers' purchase intention. H2 introduces PFC as a mediating mechanism. More specifically, the mere presence of BNPL is expected to reduce PFC (H2a), which subsequently increases purchase intention (H2b). Additionally, H3 further introduces PoP as a mediating mechanism. Specifically, the mere presence of BNPL is expected to reduce perceived PoP (H3a), which in turn increases purchase intention (H3b). H4 proposes that this mediating pathway is moderated by payment-benefit duration matching. In particular, the negative effect of BNPL on PoP is expected to be stronger for purchases with high payment-benefit duration matching (i.e., material purchases) than for those with low matching (i.e., experiential purchases).

Figure 1. Visualization of the Hypotheses



3 Methodology

3.1 Research Approach

This study adopted a quantitative research approach using a between-subjects 2×2 factorial experimental design administered through an online survey using Qualtrics. The method was chosen because experimental designs are well suited for testing and establishing causal relationships (Söderlund, 2018, p.16). In addition, similar approaches have been widely employed in prior research on payment methods and consumer behavior (e.g., Soman, 2001; Tully & Sharma, 2018; Boden et al., 2020; Bauer, 2021; Li et al., 2025).

Participants were randomly assigned to four experimental groups, each receiving a different treatment combination. The treatments consisted of payment method (*with* vs. *without BNPL*), and purchase type (*material* vs. *experiential purchase*) (see Figure 2). This design enabled comparison between the groups after exposure to their respective treatments, allowing the study to examine whether any influence of these variables influenced consumers' purchase intention (Söderlund, 2018, p. 13). Furthermore, the study aimed to draw generalized insights in a broader context based on a smaller sample, making a quantitative approach the most appropriate choice (Malhotra, 2019, p. 153).

3.2 Research Framework Specification

The study was designed to examine whether the mere presence of BNPL (*vs. without*) had a causal effect on consumers' purchase intention in an online shopping context. To do so, the study tested a research framework in which BNPL served as the independent variable and purchase intention as the dependent variable. Perceived financial constraint (PFC) and pain of paying (PoP) were specified as mediating variables to examine the mechanisms through which the mere presence of BNPL (*vs. without*) may influence purchase intention. Additionally, the study included purchase type (*material* vs. *experiential*) as a moderating variable affecting the relationship between BNPL and PoP.

3.3 Experimental Study Design

3.3.1 Preparatory Work

Conducting a pre-study is considered a recommended procedure in experimental research to ensure that the observed effects in the main study can be attributed to the intended manipulations (Söderlund, 2018, pp. 87-88; Perdue & Summers, 1986). However, no separate pre-study was conducted due to the relatively straightforward nature of the manipulations.

The first manipulation was related to the payment methods offered by the online store (*with vs. without BNPL*), which was clearly displayed in the accompanying visualization in the scenario. The second manipulation was related to the type of purchase presented in the scenario (*material vs. experiential*). The distinction between a material good versus experience is something that consumers are aware of and readily recognize (Tully et al., 2015; van Boven & Gilovich, 2003), hence it was deemed unnecessary to test this in a pre-study beyond the manipulation checks conducted in the main study.

Nevertheless, some preparatory work was carried out prior to the distribution of the main study. A small pilot study was carried out to evaluate the survey wording, flow and clarity to make sure participants understood the various aspects of the study. The survey was distributed through convenience sampling to a small group of individuals, including other students, faculty members and representatives from the data collection agency. Based on the feedback collected from the pilot, some improvements were made to the survey before distribution.

3.3.2 Main Study Design

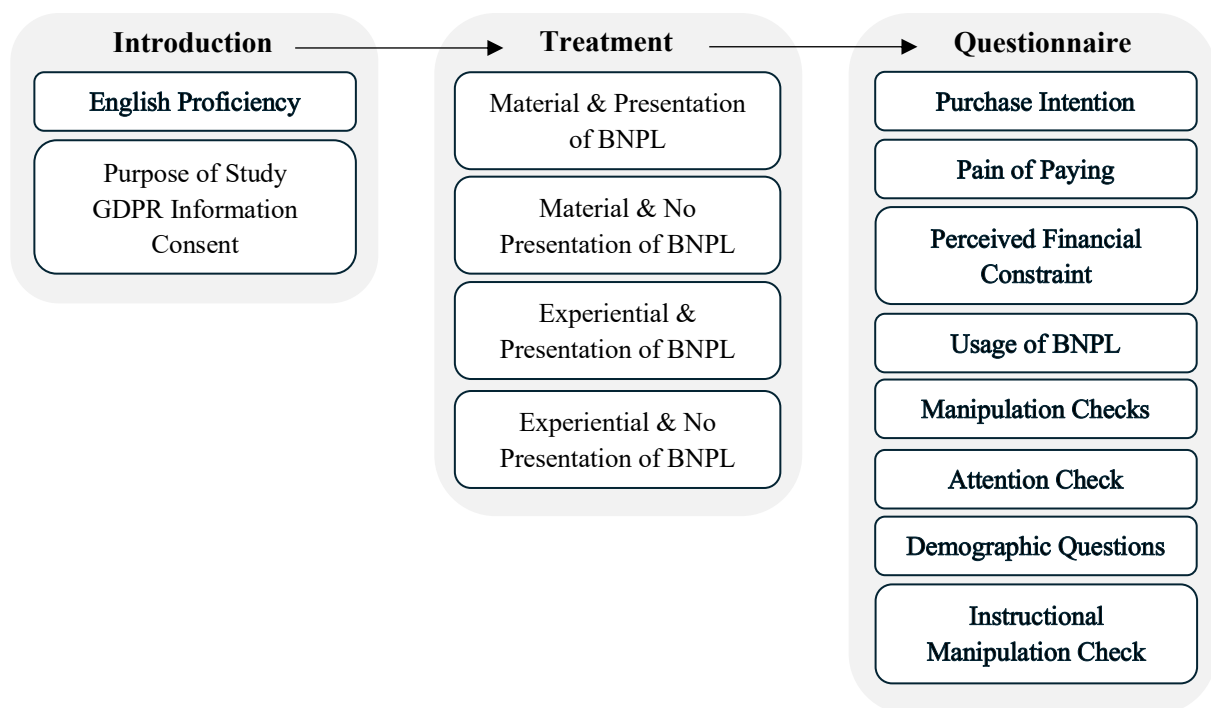
To test the proposed hypotheses, a scenario-based online survey was developed to simulate an online shopping situation. The study thereby employed an experimental design, manipulating the independent variables to test their causal effects on the dependent variable (purchase intention). This approach was chosen due to its high theoretical justification when the objective is to test causal claims on the dependent variable (Söderlund 2018, pp.16-18). Moreover, the experiment applied a 2x2 factorial design (see Figure 2), a common study design approach in contemporary experiments (Söderlund, 2018, p. 46).

Figure 2. 2x2 Between-Subjects Design

	With BNPL	Without BNPL
Material Purchase	Material purchase at an online store that accepts both BNPL and direct payment <i>n</i> = 125	Material purchase at an online store that accepts only direct payment <i>n</i> = 127
Experiential Purchase	Experiential purchase at an online store that accepts both BNPL and direct payment <i>n</i> = 127	Experiential purchase at an online store that accepts only direct payment <i>n</i> = 127

The online survey was structured into four sequential sections. Respondents first confirmed that they were comfortable answering survey questions in English, and provided informed consent to participate, including information regarding the purpose of the study and GDPR compliance. Secondly, they were randomly allocated to one of the four experimental treatments based on purchase type (*material vs. experiential*) and the mere presence of BNPL (*with vs. without*) (for reference of the scenarios, see Appendix A). This random allocation ensured that the respondents had an equal chance of being exposed to the different treatments, thereby accounting for potential differences among participants (Söderlund, 2018, pp. 34-36). A minimum viewing time of five seconds was implemented to ensure that the participants carefully read the scenario before they could proceed to the next stage. Moreover, the questionnaire was designed to capture the hypothesized effects. Purchase intention was measured as the dependent variable, PFC and PoP were included as the proposed mediators. The participants were also asked about their current possession of an account at a BNPL service provider, as well as their approximate usage of the payment method. Lastly, demographic questions were collected for descriptive purposes. These were placed towards the end of the survey, recognizing the potentially sensitive nature of such questions (Malhotra, 2019, p. 316). In total, the questionnaire consisted of 16 questions, all of which were closed-ended. The survey flow is presented in Figure 3.

Figure 3. Visualization of the Survey Flow & Central Constructs



3.4 Stimuli Design

The stimuli in the experiment consisted of four scenarios in which respondents were asked to imagine themselves making a purchase. Purchase type was manipulated as either a pair of headphones (*material*) or a concert ticket (*experiential*). The price was held constant at 1,500 SEK across all scenarios to fully ensure internal validity and control for potential confounding effects. Additionally, since PoP has been shown to increase with the price of a product (Parks-Stamm & Flinner, 2024), holding price constant mitigated the risk of price-driven variation influencing the results.

The use of headphones and a concert ticket was adapted from prior research on purchase types, which has commonly employed stimuli such as a stereo and tickets to a music festival (Tully et al., 2015; Tully & Sharma, 2018; Bauer et al., 2021; Li et al., 2025). These stimuli were slightly modified to better suit the Swedish context and the young target audience and to allow for a consistent price across all experimental conditions.

Respondents were also exposed to different payment conditions, where the online store either accepted only direct payment or both direct payment and BNPL. In both conditions, two payment options were displayed to maintain visual consistency. In the control condition without BNPL, respondents were shown the two options of debit card and bank transfer. In the test condition with BNPL, respondents were shown debit card and BNPL.

This design ensured that all factors other than the variables of interest (*with vs. without BNPL and purchase type*) were held constant, such that only the intended manipulations varied between conditions (Söderlund, 2018, p. 59).

3.5 Measures

3.5.1 Measures of Main Constructs

The measures used in this study were adapted from previous peer-reviewed research, with minor modifications to ensure both contextual relevance and construct reliability. To capture the effects, several seven-point Likert scale measures were employed (see Table 1).

Purchase Intention was captured using a three-item scale, where participants rated their agreement with each item on a seven-point Likert scale (*1 = strongly disagree, 7 = strongly agree*). This scale was adopted from the studies of Li et al. (2025) and Dodds et al. (1991).

Moreover, *pain of paying*¹, was measured using multiple items adopted from three different peer-reviewed studies to ensure comprehensive construct coverage due to its abstract nature. First, a single-item measure was adopted from the original study on the construct by Zellermayer (1996), where respondents rated the question “*How painful would it feel to pay for this purchase*” (1 = *very painful*, 7 = *very pleasurable*). Second, respondents were asked to indicate the extent to which they experienced specific feelings at this point in their shopping process. This was measured using seven items: *Pain, Restricted, Comfortable, Pleasant, Irritated, Empowered and Annoyed* (1 = *not at all*, 7 = *very much*), adapted from Sheehan and van Ittersum (2018). Third, a non-verbal scale developed by Thomas et al. (2011) was included, where respondents evaluated their feelings toward spending money on the purchase using a seven-point Likert scale ranging from a negative (☹) to a positive (☺) facial expression.

Perceived financial constraint was further measured using scales adopted from the study by Fan et al. (2020) and Li et al. (2025). Respondents rated their agreement with the statement “*In the described scenario, I felt financially constrained*” (1 = *strongly disagree*, 7 = *strongly agree*), and answered the question “*In the described scenario, the extent to which I felt financially constrained was...*” (1 = *almost none*, 7 = *very severe*).

¹ In this study, PoP should be understood as “anticipated PoP”, as participants evaluated a hypothetical purchase situation rather than making an actual purchase. For further explanation of the concept, see page 8.

Table 1. Overview of Constructs and Measures

Construct	Item	Scale	Source	Cronbach's Alpha
<i>Purchase Intention</i>	I am likely to make this purchase	1 (strongly disagree) to 7 (strongly agree)	Li et al., 2025; Dodds et al., 1991	$\alpha = .901$
	I am considering making this purchase			
	I am willing to make this purchase			
<i>Pain of Paying</i>	How painful would it feel to pay for this purchase?	1 (very painful) to 7 (very pleasurable)	Zellermayer (1996)	$\alpha = .769$
	How do you feel about spending money at this point in your shopping trip?" A) Pain B) Restricted C) Comfortable D) Pleasant E) Irritated F) Empowered G) Annoyed	1 (not at all) to 7 (very much)	Sheehan & van Ittersum (2018)	
	A store's online payment policy can influence how customers feel when making a purchase. How do you feel about spending money on this online shopping trip?	Nonverbal scale from 1 (☹) to 7 (☺)	Thomas et al. (2011)	
<i>Perceived Financial Constraint</i>	In the described scenario, I felt financially constrained	1 (strongly disagree) to 7 (strongly agree)	Li et al., 2025; Fan et al., 2020	$\alpha = .839$
	In the described scenario, the extent to which I felt financially constrained was...	1 (almost none) to 7 (very severe)		

3.5.2 Manipulation Checks

The manipulation checks were placed after the treatment and the dependent measures to reduce the risk of the manipulation checks influencing respondents' evaluations, thereby avoiding potential bias where manipulation checks act as causal cues (Söderlund, 2018, p.91).

To assess the effectiveness of the purchase type manipulation, respondents were first provided with a brief explanation of the difference between material and experiential purchases. They were then asked to indicate the extent to which they perceived the purchase in the scenario as material or experiential (*7-point Likert scale, 1 = completely material, 7 = completely experiential*). This measure was adapted from the study of Li et al. (2025).

To verify the payment method manipulation, respondents were asked *“What payment methods were accepted by the online store in the scenario?”*. The response options were: (1) *“Direct payment was the only accepted payment method by the online store in the scenario”* (2) *“Both direct payment and Buy Now, Pay Later were accepted payment methods by the online store in the scenario”*, and (3) *“I don't remember”*.

Furthermore, to assess participant's attention, a directive question was included: *“To make sure you are reading this properly, please answer OK”*, whereafter the demographic questions were asked. Finally, an instructional manipulation check was used at the end of the survey (Söderlund, 2018, pp. 95-97). Participants were asked about the nature of the study with the question *“What was this study about?”* given three plausible answer choices.

3.6 Data Collection & Sampling Technique

Data was collected through an online survey designed in Qualtrics and distributed via Norstat, a well-established Swedish market research company with rigorous data quality controls. Norstat collects data by randomly selecting individuals from a pre-recruited panel that is carefully constructed to reflect the broader population. Participation is by invitation only (Norstat, 2024). The use of a consumer panel was motivated by the need to reach a broad and reasonably representative sample of the Swedish population within the targeted age of 18–35. Apart from age, no additional selection criteria were imposed by Norstat during survey distribution. Consequently, all members of their Swedish panel within this age group were eligible for participation, supporting a diverse sample in terms of demographics and geographic location. Thereby, the sampling technique constituted non-probabilistic quota sampling, as inclusion was limited to individuals aged 18-35 registered in the Norstat panel who opted to participate in the online survey (Malhotra, 2019, pp. 362-364). The data was collected between

the 1st of April 2026 to the 8th of April 2026, resulting in a total of 617 responses. This sample size was considered substantial enough for between-groups testing (Malhotra, 2019 p. 359; Söderlund, 2018, p. 48).

3.7 Ethical Considerations

This study was carried out in accordance with established ethical principles to protect participants' rights and privacy, in compliance with the General Data Protection Regulation (GDPR). Participants were informed of their rights, assured of their anonymity, and provided with information regarding data handling procedures. Participation was entirely voluntary, and informed consent was obtained from all participants prior to proceeding with the survey. Participants who did not consent were automatically directed to the end of the survey.

Although participants were provided with information regarding the study's duration and general procedure prior to giving consent, the full purpose of the study was intentionally withheld to prevent response bias and protect the internal validity of the results. This approach, referred to as deception by omission (Söderlund, 2018, p.195), was considered ethically acceptable given that the study posed no anticipated risk of harm or psychological distress to the participants. Furthermore, only essential demographic information, namely gender, age, occupational status, and educational level, was collected to minimize potential privacy concerns.

3.8 Data Quality: Assessment of Validity and Reliability

As outlined in section 3.5.1, the constructs were adapted from established multi-item scales reported in peer-reviewed articles, supporting construct validity by ensuring that the measures capture the intended constructs (Söderlund, 2018, p.136). The use of multiple items per construct is particularly recommended in contemporary experiments examining psychological responses (Söderlund, 2018, p.134). Furthermore, internal reliability was assessed using Cronbach's alpha to evaluate the consistency of multi-item measures. As shown in Table 1, all constructs exceeded the commonly recognized threshold of $\alpha > .70$ (Söderlund, 2018, p. 136), indicating satisfactory internal consistency in results. Considering these results, indices for *purchase intention*, *pain of paying*, and *perceived financial constraint* were computed. The indexes were then used in the data analysis to capture nuances of these constructs.

4 Results

4.1 Descriptive Statistics & Randomization Check

During the period the survey was being distributed, a total of 617 responses were collected. The data set was cleaned by removing any respondents who did not provide informed consent regarding GDPR and those who were not comfortable in answering survey questions in English. In addition, respondents who failed the attention check and instructional manipulation checks were excluded. The data set was further filtered to include only respondents within the intended age span of 18-35 years. The final data set consisted of $N = 506$. All respondents reported gender, and the cohort consisted of 207 men (40.9%), 292 women (57.7%) and 7 non-binary or preferred not to say (1.4%). The four experimental treatments were almost exactly equally sized, with 125 respondents (24.9%) in the material with BNPL condition, 127 (25.0%) in the material without BNPL condition, 127 (25.0%) in the experiential with BNPL condition and 127 (25.0%) in the experiential without BNPL condition.

To further describe the sample, the usage of BNPL was assessed. Looking at the whole sample, 399 respondents (78.9%) currently possess an account at a BNPL service provider. The usage was distributed evenly across the experimental treatment groups, with 100 users (80%) in the material with BNPL condition, 106 (83.5%) in the material without BNPL condition, 97 (76.4%) in the experiential with BNPL condition, and 96 (75.6%) in the experiential without BNPL condition. The whole sample uses BNPL on average once every six months ($M = 3.00$, $SD = 1.52$), with the mean being slightly higher for those with a BNPL account ($M = 3.34$, $SD = 1.41$). Frequent users (*once a month or more*) constitute 232 respondents (45.8%), and non-frequent (*once every six months or less*) constitute 274 respondents (54.2%).

To assess whether the random assignment between the four treatments produced comparable groups, demographics were compared between them. An ANOVA showed no significant differences in age between treatments, ($F(3, 502) = .27$, $p = .85$). A chi-square test further indicated that gender distribution also did not differ significantly across treatments ($\chi^2(9) = 8.53$, $p = .482$). These results suggest that the randomization was successful, and that demographic variables were unlikely to confound the experimental effects.

4.2 Manipulation Checks

An independent samples t-test was used to assess if the purchase type manipulation worked as intended. Participants in the experiential treatment groups perceived the purchase as more experiential ($M = 5.45$, $SD = 1.55$, $t(504) = -14.91$, $p < .001$) than participants in the material treatment groups ($M = 3.44$, $SD = 1.48$). These results indicate that the manipulation of purchase type was successful.

Additionally, participants were asked to identify what payment options were offered by the online store. The results indicate that the vast majority (90.9%) of the participants who were exposed to both BNPL and direct payment correctly identified the payment options offered. In contrast, only 62.6% of participants who were only exposed to direct payment correctly identified the payment options offered. Overall, this implied that the manipulation of payment method was weaker than intended. This will be acknowledged in further analysis.

4.3 Descriptive Statistics of Main Variables

Preliminary descriptive statistics was conducted for the key variables across the 2x2 experimental conditions. The results are presented in Table 2. Notably, experiential purchases generated higher purchase intention (*with BNPL* $M = 4.68$; *without BNPL* $M = 4.63$) than material purchases (*with BNPL* $M = 4.55$; *without BNPL* $M = 4.44$). Respondents experienced higher levels of pain of paying (PoP) for experiential purchases (*with BNPL* $M = 3.86$; *without BNPL* $M = 3.92$) compared to material purchases (*with BNPL* $M = 3.68$; *without BNPL* $M = 3.85$). Across both purchase types, PoP was higher in the control condition where BNPL was not presented. Similarly, perceived financial constraint (PFC) was higher for experiential purchases (*with BNPL* $M = 4.00$; *without BNPL* $M = 4.07$) than material purchases (*with BNPL* $M = 3.86$; *without BNPL* $M = 3.96$).

Table 2. Mean Comparisons (Standard Deviations) of Main Variables

Variable	Material with BNPL	Material, without BNPL	Experiential with BNPL	Experiential, without BNPL
Purchase Intention	4.55 (1.39)	4.44 (1.41)	4.68 (1.40)	4.63 (1.45)
Pain of Paying	3.68 (.79)	3.85 (.76)	3.86 (0.78)	3.92 (.87)
Perceived Financial Constraint	3.86 (1.30)	3.96 (1.15)	4.00 (1.27)	4.07 (1.43)

Additionally, Pearson correlations for purchase intention, PoP and PFC are presented in Table 3. Purchase intention was negatively correlated with both PoP and PFC, with the strongest correlation observed for PoP. Taken together, the correlations among the main variables were statistically significant, and in line with the expected relationships proposed in prior research.

Table 3. Descriptive Statistics and Correlation Matrix for Main Variables

Variable	M	SD	Purchase Intention	Perceived Financial Constraint	Pain of Paying
Purchase Intention	4.58	1.41	1	-.19**	-.46**
Perceived Financial Constraint	3.98	1.29	-.19**	1	.40**
Pain of Paying	3.83	.80	-.46**	.40**	1

Note. N = 506 for each variable. **p < .001

4.4 Hypothesis Testing

To guide the results, Table 4 provides an overview of the hypotheses tested. Based on the structure of the hypotheses, three types of analysis were done. First, a two-sided t-test was used to test the direct effect of BNPL on purchase intention (H1). Second, Hayes' PROCESS Model 4 was used in the mediation analysis (H2 & H3). Thirdly, a 2x2 between-subjects ANOVA was used to examine the moderating effect of purchase type (H4). For all hypothesis testing, the statistical significance was set at the 5% level, consistent with standard academic practices (Söderlund, 2018, p.156).

Table 4. Overview of Hypotheses

#	Hypothesis
H1	The mere presence of Buy Now, Pay Later (<i>vs. without</i>) positively influences consumers' Purchase Intention.
H2	The influence of the mere presence of Buy Now, Pay Later on Purchase Intention is mediated by Perceived Financial Constraint. H2a: The mere presence of Buy Now, Pay Later (<i>vs. without</i>) reduces consumers' Perceived Financial Constraint. H2b: Reduced Perceived Financial Constraint increases Purchase Intention.
H3	The influence of the mere presence of Buy Now, Pay Later on Purchase Intention is mediated by Pain of Paying. H3a: The mere presence of Buy Now, Pay Later (<i>vs. without</i>) reduces consumers' Pain of Paying. H3b: Reduced Pain of Paying increases Purchase Intention.
H4	Purchase Type moderates the indirect effect of the mere presence of Buy Now, Pay Later on Purchase Intention through Pain of Paying. Specifically, material purchases yield reduced Pain of Paying and thereby increased Purchase Intention (<i>vs. experiential purchases</i>).

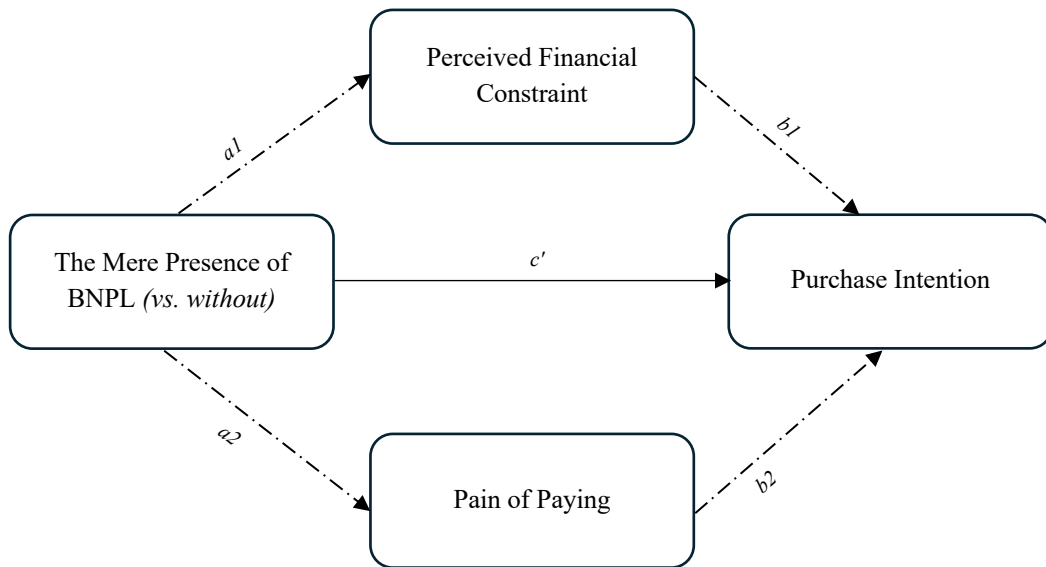
4.4.1 Direct Effect

H1 was examined using an independent samples t-test to compare purchase intention between the two experimental treatment groups (*with vs. without BNPL*). The results indicated no significant difference in purchase intention between the two groups. Participants in the treatment group (*with BNPL*) reported a mean purchase intention of $M = 4.61$ ($SD = 1.39$), while those in the control group (*without BNPL*) rated it at a slightly lower mean at $M = 4.54$ ($SD = 1.43$, $t(504) = .603$, $p = .547$). Although a small difference in means, this difference was not statistically significant, hence H1 was *not supported*.

4.4.2 Mediation Analysis

A mediation analysis for H2 was conducted using Hayes' PROCESS macro (Model 4; 5000 bootstrap sample). A 95% confidence interval (CI) not containing 0 was considered to indicate a significant mediating effect. The mere presence of BNPL (*with* = 1, *without* = 0) was set as the independent variable (X), PFC as the mediator (M1), and purchase intention as the dependent variable (Y).

Figure 4. PROCESS Model 4 Visualized Model



BNPL did not have a significant direct effect on purchase intention ($b = -.0186$, $t = -.1659$, $p = .8683$). Hence, the mere presence of BNPL did not significantly reduce consumers' PFC ($b = -.0871$, $p = .4480$) and as a result H2a was *not supported*. Similarly, PFC was not a significant predictor of purchase intention ($b = -.0064$, $p = .8928$), thus H2b was *not supported*. The results revealed no significant indirect effect of BNPL on purchase intention through PFC ($b = .0006$, 95% CI $[-.0161, .0154]$). Accordingly, H2 was *not supported*.

H3 was tested in the same way, using Hayes' PROCESS macro (Model 4; 5000 bootstrap sample). The mere presence of BNPL (*with* = 1, *without* = 0) was set as the independent variable (X), PoP as the mediator (M2), and purchase intention as the dependent variable (Y). The mere presence of BNPL did not significantly reduce consumers' PoP ($b = -.1160$, $p = .1051$). Accordingly, H3a was *not supported*. Furthermore, PoP had a significant negative effect on purchase intention ($b = -.8080$, $p < .0001$). Thus, lower PoP is associated with higher purchase intention, *supporting* H3b. The results revealed no significant indirect effect of BNPL on purchase intention through PoP ($b = .0937$, 95% CI $[-.0197, .2136]$). Accordingly, H3 was

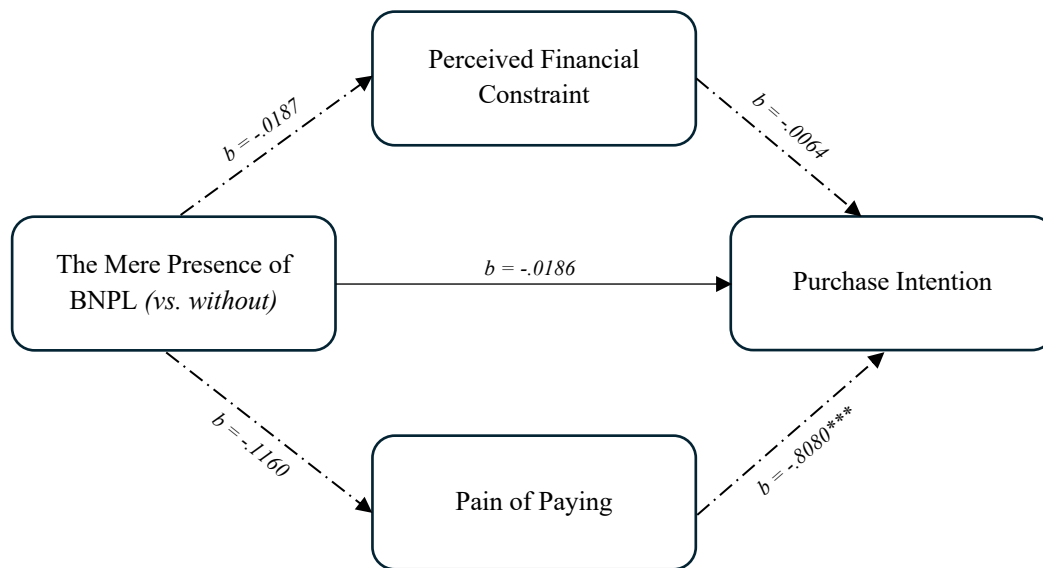
not supported, as the findings indicate that PoP does not mediate the relationship between BNPL and purchase intention. Table 5 first provides a summary of the indirect paths in the mediation analysis. Figure 5 then illustrates the individual paths through which BNPL influences purchase intention. Note that only one out of four individual paths are statistically significant (PoP to Purchase Intention).

Table 5. Indirect Effects of BNPL on Purchase Intention

Indirect Path	Effect (b)	BootSE	BootLLCI	BootULCI	Interpretation
$X \rightarrow M1 \rightarrow Y$	.0006	.0073	-.0161	.0154	Not significant
$X \rightarrow M2 \rightarrow Y$	.0937	.0589	-.0197	.2136	Not significant

Note: BootSE = bootstrap standard error; BootLLCI = bootstrap lower limit confidence interval; BootULCI = bootstrap upper limit confidence interval.

Figure 5. Individual Paths (PROCESS Model 4) Results



Note. *** $p < .0001$

4.4.3 Moderation Analysis

To examine whether purchase type had a moderating effect on the relationship between BNPL and PoP (H4) a 2x2 between-subjects ANOVA was conducted. The main effect of purchase type on PoP was not statistically significant ($F(1, 502) = 3.405, p = .066, \text{partial } \eta^2 = .007$), indicating that purchase type did not significantly influence the level of PoP experienced by participants. Additionally, the interaction between BNPL and purchase type was not

statistically significant ($F(1, 502) = .496, p = .482, \text{partial } \eta^2 = .001$), suggesting that purchase type did not moderate the effect of BNPL on PoP. Accordingly, H4 was *not supported*.

Table 6. 2x2 ANOVA Summary Table

Effect	F	p	Partial η^2	Interpretation
Purchase Type	3.405	.066	.007	Not significant
BNPL x Purchase Type	.496	.482	.001	Not significant

4.4.4 Summary of Hypotheses Testing

Table 7. Hypothesis Testing Summary

#	Hypothesis	Result
H1	The mere presence of Buy Now, Pay Later (<i>vs. without</i>) positively influences consumers' Purchase Intention.	<i>Not supported</i>
H2	The influence of the mere presence of Buy Now, Pay Later on Purchase Intention is mediated by Perceived Financial Constraint.	<i>Not supported</i>
	H2a: The mere presence of Buy Now, Pay Later (<i>vs. without</i>) reduces consumers' Perceived Financial Constraint.	<i>(Not supported)</i>
	H2b: Reduced Perceived Financial Constraint increases Purchase Intention.	<i>(Not supported)</i>
H3	The influence of the mere presence of Buy Now, Pay Later on Purchase Intention is mediated by Pain of Paying.	<i>Not supported</i>
	H3a: The mere presence of Buy Now, Pay Later (<i>vs. without</i>) reduces consumers' Pain of Paying.	<i>(Not supported)</i>
	H3b: Reduced Pain of Paying increases Purchase Intention.	<i>(Supported)</i>
H4	Purchase Type moderates the indirect effect of the mere presence of Buy Now, Pay Later on Purchase Intention through Pain of Paying. Specifically, material purchases yield reduced Pain of Paying and thereby increased Purchase Intention (<i>vs. experiential purchases</i>).	<i>Not supported</i>

4.5 Further Analysis: Robustness Check

Because the manipulation of payment method (*with vs. without BNPL*) did not fully work as intended, further analysis was conducted to examine whether this affected the results. Participants who correctly identified the payment manipulation were retained for the robustness analysis where the same analysis as in section 4.4. was conducted again. The filtering resulted in a lower total sample of $N = 388$. The four experimental treatment groups became more uneven, with 113 respondents (29.1%) in the material with BNPL condition, 79 (20.4%) in the material without BNPL condition, 116 (29.9%) in the experiential with BNPL condition, and 80 (20.6%) in the experiential without BNPL condition.

4.5.1 Direct Effect

The direct effect was examined again using an independent samples t-test to compare purchase intention between the two experimental treatment groups (*with vs. without BNPL*). Participants in the treatment group (*with BNPL*) reported a mean purchase intention of $M = 4.61$ ($SD = 1.43$), while those in the control group (*without BNPL*) reported a mean of $M = 4.60$ ($SD = 1.40$, $t(386) = .072$, $p = .943$). Despite the robustness check, the results suggested an even smaller difference between the groups, and the results remained statistically insignificant.

4.5.2 Mediation & Moderation Analysis

The mediating effect of PoP on purchase intention, was again analyzed using Hayes' PROCESS Model 4. Notably, BNPL still does not have a significant direct effect on purchase intention ($b = -.1209$, $t = -.9171$, $p = .3596$).

The results showed that BNPL did not significantly predict PFC ($b = -.1017$, $p = .4543$), as well as PFC did not significantly predict purchase intention ($b = -.0252$, $p = .6640$). Furthermore, as the bootstrap confidence interval included zero, the indirect effect of BNPL on purchase intention through PFC was not significant ($b = .0026$, 95% CI $[-.0185, .0267]$). Hence, these results indicate that the mediating effect of PFC on purchase intention remained statistically insignificant despite control for treatment understanding.

Moreover, the results showed that BNPL had a significant effect on PoP ($b = -.1675$, $p = .0456$), and PoP also had a significant effect on purchase intention ($b = -.7691$, $p < .001$). The indirect effect of BNPL on purchase intention through PoP was significant, as the bootstrap confidence interval did not include zero ($b = .1288$, 95% CI $[.0035, .2604]$). These findings provide evidence of a significant indirect effect through PoP among participants who correctly

identified the payment condition. The regression model predicting purchase intention explained 20.2% of the variance ($r^2 = .2018$).

A 2×2 univariate ANOVA was conducted to examine the moderating effects of purchase type on PoP between the groups (*with vs. without BNPL*). No significant main effect of purchase type on PoP was found ($F(1, 384) = 0.994, p = .319, \text{partial } \eta^2 = .003$). In addition, the interaction effect between BNPL and purchase type was not significant, ($F(1, 384) = 1.841, p = .176, \text{partial } \eta^2 = .005$). This suggests that purchase type has no moderating effect on the relationship between BNPL and PoP.

4.5.3 Discussion of Robustness Check Findings

The robustness check provided partial support for the proposed explanatory model. Although the direct effect of BNPL on purchase intention and the mediating effect of PFC remained insignificant, the results revealed a significant indirect effect through PoP. The findings thereby indicate that BNPL may reduce the PoP associated with payment, which in turn indirectly increases purchase intention when consumers correctly recognize the availability of BNPL. The robustness check suggests that participants' understanding of the treatment conditions may play an important role in explaining the psychological effects of BNPL. At the same time, the observed effects appear relatively small and should therefore be interpreted with caution.

5 Discussion

5.1 General Discussion of Main Findings

Connecting back to the introduction, *the purpose of this study is to examine whether the mere presence of BNPL (vs. without) influences consumers' purchase intention in an e-commerce setting*. Drawing on behavioral economic theories of perceived financial constraint (PFC) and pain of paying (PoP), the study investigated the psychological mechanisms through which BNPL may increase purchase intention. In addition, it explored whether purchase type (*material vs. experiential*) moderated the effect of BNPL on PoP.

Overall, the findings do not provide the clear support that the theoretical framework anticipated. Notably, both PFC and PoP showed significant negative relationships with purchase intention when looking at correlations, implying that the proposed mechanisms are relevant in explaining consumer decision-making. However, when looking at the empirical data, no direct effect was observed between the mere presence of BNPL and purchase intention, contrasting recent findings from Li et al., (2025). Moreover, in the main hypothesis testing, the mere presence of BNPL was not sufficient to activate the mediating mechanisms of PFC and PoP. Although the descriptive means of purchase type and PoP followed the predicted direction, the interaction effect was not statistically significant, and no moderating effect was found. Consequently, the proposed model was not supported in the main hypothesis testing. However, the robustness check suggests that PoP may partially explain the relationship between BNPL and purchase intention when respondents correctly recognize the presence of BNPL.

These findings contrast theoretical expectations from mental accounting theory, particularly related to consumers' perception of available financial resources within mental accounts (Morewedge et al., 2007), as well as research on payment decoupling (Prelec & Loewenstein, 1998). Nevertheless, in the robustness analysis, looking at only respondents who correctly identified the available payment options, an increase in purchase intention through the mediating effect of PoP was observed. The same effect was not observed for PFC, but rather the results remained insignificant. Moreover, the mere presence of BNPL did not influence consumers' purchase intention differently depending on whether they were exposed to a material or experiential purchase either in the main hypothesis testing, nor the robustness check.

One of the most important insights that emerged from the findings is the distinction between the actual presence of BNPL and consumers' unconscious assumption that payment method is available when it is not. Since a large proportion of the control group thought BNPL was

offered despite its absence, one possible interpretation is that BNPL has become so embedded in Swedish e-commerce that consumers take its availability for granted.

Before turning to the theoretical contributions, a plausible explanation for the limited effect of the BNPL manipulation may be the Swedish market in which the study was conducted. BNPL has become highly established in Sweden, accounting for approximately 24% of all e-commerce payments (Sveriges Riksbank, 2023). As a result, consumers may perceive BNPL as a standard and expected payment option rather than a distinctive alternative. Consequently, the contrast between the experimental conditions may have been weakened, thereby attenuating its effect on consumers' purchase intention.

Overall, the findings suggest that BNPL's influence on consumer purchase intention may not depend on its mere presence, but that it may instead depend on consumers recognizing its availability rather than merely being exposed to it. Thus, it may indicate that consumers expect BNPL to be offered by contemporary e-commerce retailers.

5.2 Theoretical Contributions

This study contributes to literature on behavioral economics and consumer finance by shifting the attention from the actual usage of BNPL toward the psychological effects of the payment methods' mere presence at the point of purchase. By integrating PFC, PoP and purchase type into a unified theoretical framework, tested on a Swedish sample of young consumers in a controlled experimental setting, the study responds to researchers who have expressed a need for future research on the behavioral effects of BNPL, particularly among younger consumers (Donou-Adonsou & Leslie-Piper, 2026).

First, the study challenges the increasingly common assumption in emerging BNPL literature that the availability of BNPL automatically increases purchase intention. Prior research has largely suggested that credit options, such as BNPL, increases consumers' willingness to purchase through payment decoupling, reduced payment transparency and increased perceived access to financial resources (Prelec & Loewenstein, 1998; Soman, 2003; Kumar et al., 2024; Li et al., 2025; Maesen & Ang, 2025). However, the present study found no significant direct effect of BNPL on purchase intention. By failing to replicate the positive effects recently reported in research on BNPL (Li et al., 2025; Maesen & Ang, 2025), the findings suggests that the psychological influence of the payment method may be weaker or more context dependent than previously implied. This contribution therefore refines current theoretical

assumptions by indicating that the mere presence of BNPL may be insufficient to consistently nudge consumers' purchase intention.

Second, the findings contribute to literature on PFC by raising questions about whether the mere presence of BNPL is sufficient to alter consumers' cognitive evaluation of their financial means and thereby nudge their purchase intention. Recent research suggests that BNPL decreases consumers' PFC, thereby increasing willingness to purchase (Li et al., 2025; Maesen & Ang, 2025), consistent with mental accounting theory's proposition that spending decisions are shaped by perceptions of available resources within consumers' mental accounts (Thaler, 1985). However, the present study found no significant mediating effect of PFC in either the main hypotheses testing nor the robustness check. These findings suggest that passive exposure to BNPL may be insufficient to shift consumers' broader evaluation of financial capacity, and that such an assessment may require more deliberate engagement with the payment method than previous literature has suggested.

Third, the findings contribute to literature on mental accounting and payment transparency by suggesting that activation of PoP from BNPL may depend on consumers actively recognizing and processing the available payment methods. Existing literature have argued that payment methods separating payment from consumption reduce the PoP and thereby increase purchase tendencies (Thaler, 1985; Thaler, 1999; Prelec & Loewenstein, 1998). Moreover, recent research has suggested that the lower transparency and increased convenience of modern payment methods decrease payment salience, increasing the user experience and thereby the likelihood of purchase (Kumar et al., 2024; Raj et al., 2024; Boden et al., 2020). Although the main hypothesis testing did not support PoP as a significant mediator, the robustness check revealed a statistically significant mediating effect of PoP in the hypothesized direction among participants who clearly understood the manipulation. The findings suggests that BNPL may have a potential influence on PoP, but that this effect may only be found when consumers correctly recognize and remember the available payment method. Consequently, the study identifies an important condition for when PoP may emerge in BNPL contexts.

Fourth, this study contributes to the literature on material and experiential purchases in financing contexts by questioning whether purchase type functions as a stable moderating variable in BNPL settings. Prior research presents mixed findings. Theories on payment-benefit duration matching and PFC proposes that consumers prefer financing material purchases whose benefits persist over the repayment period (Tully et al., 2015; Bauer et al.,

2021), while other studies suggest that purchase timing and lowered PFC may strengthen financing preferences for experiential purchases (Tully & Sharma, 2018; Li et al., 2025). In contrast, the present study found no significant moderating effect of purchase type. These findings indicate that the distinction between material and experiential purchases may be less influential in BNPL contexts than previous research has proposed, and that purchase type may not function as a consistent moderating variable across contexts.

Moreover, this study contributes to a more nuanced perspective on BNPL's role in relation to the harmful consumption outcomes documented in recent research. Emerging literature emphasizes the potentially harmful consequences of BNPL, including overborrowing, impulsive purchase behavior, and financial stress (deHaan et al., 2024; Raj et al., 2024; Donou-Adonsou & Leslie-Piper, 2026), particularly among young consumers due to their lower financial literacy (Gerrans et al., 2022; Powell et al., 2023). Evidently, these existing findings are to be taken seriously. However, the present study suggest that these negative outcomes may not arise simply from the mere presence of BNPL. This does not diminish the risks associated with BNPL, but it suggests that the pathway from availability to harmful outcomes may be more indirect than current literature implies. This paper thereby contributes to a more nuanced understanding of BNPL's effects rather than viewing it as equally influential across all purchase contexts and markets.

Taken together, this paper contributes by refining the current theoretical understanding of BNPL. Rather than consistently increasing purchase intention, the effects appear to depend on consumers actively recognizing the available payment methods, thereby highlighting the need to understand the cognitive conditions underlying its influence on consumer decision-making.

5.3 Practical Implications

The findings of this study offer several valuable implications for retailers regarding the role of BNPL services in shaping consumer behavior. First, the results suggest that retailers should not treat the mere presence of BNPL as a guaranteed driver of increased sales. In contrast to what Li et al. (2025) found, the mere presence of BNPL did not increase purchase intention, neither directly nor indirectly through PFC. However, the robustness analysis suggests that BNPL may still influence purchase intention indirectly through PoP when consumers clearly recognize the payment option. Despite this, the findings do not imply that BNPL lacks strategic value for retailers. Rather than functioning primarily as a tool for increasing purchases, BNPL may be more effectively understood as a mechanism that supports convenience, transactional

flexibility, and a frictionless checkout experience. It has been shown that simply offering BNPL can strengthen the trustworthiness and reduce perceived risk associated with online shopping, such as uncertainties regarding product quality and delivery reliability (Sveriges Riksbank, 2023; Lupşa-Tătaru et al., 2023). The payment method therefore remains of strategic importance for retailers, despite not increasing purchase intention in the present study.

Second, in markets such as Sweden, where BNPL has become highly prevalent (Sveriges Riksbank, 2023), consumers may increasingly view the payment option as an expected part of the online shopping experience. The prevalence of the payment method was also reflected in the present study, where approximately 80% of the sample reported having a BNPL account, and approximately 46% being frequent users (*once a month or more*). Additionally, the payment method manipulation check indicated that a large part of the respondents' thought BNPL was available when it was not. Thus, retailers should acknowledge the established nature of BNPL and consider offering it at the checkout. Notably, not necessarily to increase purchase intention, but because the payment method is expected in today's e-commerce. At the same time, retailers should balance the prominence against growing ethical concerns and regulatory scrutiny surrounding BNPL. Offering BNPL without adequate transparent communication of its terms and financial risks may contribute to problematic overborrowing behaviors identified in recent research (deHaan et al., 2024). Since 2020, retailers in Sweden have been required to present the debit payment alternative(s) before any credit option(s) at checkout (Klarna Docs, n.d.). Newer regulations will be implemented by the EU by the end of 2026, introducing stricter requirements regarding information, transparency, and preview of consumers' creditworthiness (Svea Bank, 2025-b). Retailers should therefore approach BNPL as a conversion tool that requires responsible implementation and communication in accordance with regulations.

Third, the absence of a moderating effect from purchase type, suggests that BNPL's psychological influence does not meaningfully differ between material and experiential purchases. Thus, if the aim is to increase purchase intention, retailer may have to consider additional incentives more than simply offering BNPL. This seems to be the case for both material and experiential purchases. Retailers should therefore be cautious in assuming that BNPL strategies need to differ substantially between experiential and material categories, at least in terms of their influence on purchase intention.

5.4 Limitations & Future Research

This study provides valuable insights into how BNPL influences consumer behavior in e-commerce settings, while also being subject to several limitations that should be acknowledged and naturally invites future research on this emerging body of literature. First, the present findings constitute a clear limitation, namely that the theoretical framework could not explain the relationship between BNPL and purchase intention. Instead, the findings suggest that BNPL's effects may be more dependent on context and familiarity with the payment method than previous literature has assumed. Future research is therefore encouraged to test the same theoretical framework in other contexts where BNPL is not as established. It is also encouraged to refine the theoretical framework by examining additional relevant factors such as financial literacy, self-control, or attitude towards debt, contributing to a more comprehensive understanding of when, how, and for whom BNPL influences purchase intention in e-commerce settings.

Second, the geographical and contextual setting of the study constitutes a central limitation. The sample consisted exclusively of Swedish consumers, a population characterized by their widespread adoption of BNPL services (Sveriges Riksbank, 2023). The familiarity of BNPL in this context may have reduced the effectiveness of the payment method manipulation and thereby weakened the contrast between the experimental conditions (*with vs. without BNPL*). Consequently, the findings may not be fully generalizable to markets where BNPL is less established, or in cultural contexts with different attitudes towards debt, credit, and consumption. Additionally, the study was limited to consumers aged 18-35, as this age group constitutes the primary users of BNPL services (Lupşa-Tătaru et al., 2023; deHaan et al., 2024). While this demographic was theoretically relevant, it limits the generalizability of the findings to older consumers groups who may differ in financial behavior, payment behavior and attitudes toward deferred payments. Future research is therefore encouraged to replicate the study across diverse national and cultural contexts, as well as across age groups, to determine whether BNPL exerts stronger psychological influence in markets where the payment method is still perceived as novel.

Building on the above, it became evident that the experimental manipulation of payment method was weaker than intended, as a substantial proportion of respondents in the control condition failed to correctly identify the available payment methods. While the robustness check did provide useful insights by only looking at respondents who correctly understood the manipulation, the issue nonetheless limits the internal validity of the hypotheses testing. Future

research is therefore recommended to devote more attention to manipulation clarity, for example through conducting a pre-study specifically designed to ensure that the payment conditions are sufficiently salient and cognitively recognized by participants before conducting the main experiment. This recommended course of action may be particularly relevant in contexts, like the Swedish market, where BNPL has become normalized and therefore risks not being salient enough at the checkout process.

Furthermore, the experimental design itself is subject to certain limitations. Although the methodological selection was based on its known ability to test causal relationships (Söderlund, 2018, p. 16), the fictional scenario may have reduced participants' emotional and financial engagement with the purchase setting, thereby limiting external validity. As the purchase was hypothetical rather than real, participants may not have experienced the same level of emotional investment that would arise in a real purchasing situation involving actual financial consequences. Moreover, the more a consumer perceives a purchase as relevant to their needs, values and goals, the less PoP they feel (Reshadi & Fitzgerald, 2023), potentially explaining the weak effect of the purchase-type manipulation (*headphones vs. concert ticket*). Additionally, participants were only exposed to BNPL as a passive payment method rather than actively choosing or engaging with it. Future research would benefit from replicating the design using real purchase situations, or natural field studies where respondents actively interact with the different payment options. These methods would make it possible to assess whether the findings in this study persists in richer conditions. Furthermore, one could replicate the study across different purchases to see if other items or experiences could evoke the anticipated emotions. It would also be of interest to complement quantitative results with qualitative insights to capture greater aspects of the emotions that revolve around purchase decisions.

Relatedly, the online shopping scenario itself may have introduced contextual factors that were not incorporated into the theoretical framework but that could have influenced the results. Purchases conducted in an e-commerce setting involve delayed product delivery, uncertainties regarding product quality, shipping risks, reduced physical interaction with products and frictionless checkout processes, all of which may influence consumers' emotional responses to payment methods. Future research could therefore examine how contextual features of e-commerce interact with BNPL specifically, and whether these factors strengthen or weaken mechanisms such as PoP and PFC.

The limitations outlined above highlight the complexity of BNPL in e-commerce settings. Future research is encouraged to continue refining the theoretical understanding of BNPL by examining how deferred payment methods interact with different consumer segments, market contexts, and purchase environments. Ultimately, the findings suggest that the psychological influence of BNPL is strongly shaped by context. In Sweden, the payment method may be taken for granted.

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Appendix

Appendix A: Stimulus Used in Experiment

Material Purchase & Presentation of BNPL

Imagine the following scenario:

You have been thinking about buying a new pair of headphones for some time. The headphones cost a total of 1500 SEK. If you purchase them today, the headphones will be delivered in three days.

The online store accepts both direct payment and buy now pay later.

Payment Method

☐ Direct Payment
Debit Card

☐ Buy Now. Pay Later.
Invoice, 30 Days, 0kr

Material Purchase & No Presentation of BNPL as a Payment Solution

Imagine the following scenario:

You have been thinking about buying a new pair of headphones for some time. The headphones cost a total of 1500 SEK. If you purchase them today, the headphones will be delivered in three days.

The online store accepts Direct Payments.

Payment Method

☐ Direct Payment
Debit Card

☐ Direct Payment
Bank Transfer

Experiential Purchase & Presentation of BNPL

Imagine the following scenario:

You have been thinking about buying a ticket to a concert that you really want to go to. The concert ticket costs a total of 1500 SEK. The concert takes place in three days.

The online store accepts both Direct Payment and Buy Now Pay Later.

Payment Method

☐ Direct Payment
Debit Card

☐ Buy Now. Pay Later.
Invoice, 30 Days, 0kr

Experiential Purchase & No Presentation of BNPL

Imagine the following scenario:

You have been thinking about buying a ticket to a concert that you really want to go to. The concert ticket costs a total of 1500 SEK. The concert takes place in three days.

The online store accepts Direct Payments.

Payment Method

☐ Direct Payment
Debit Card

☐ Direct Payment
Bank Transfer

Appendix B: AI Disclosure

This thesis was written with the help of three primary AI Tools, ChatGPT, Microsoft Copilot, and SciSpace, in strictly supportive roles. More specifically, ChatGPT 5.0 and Microsoft Copilot has been used only for text refinement purposes. Typical prompts focused on readability and grammar, making sure our text was read as intended (*e.g.*, “*you are my supervisor for my BSc thesis, please help me by providing feedback on how I can improve clarity and phrasing of this paragraph*”). Using AI to provide feedback on writing allowed for greater focus on the content of the paper itself. However, its output is generic, and it often resulted in a lack of personality and sentences not always saying what we intend them to, and sometimes even altering the meaning of them. Additionally, ChatGPT often distorted references by either citing them wrong or removing them from the paragraph altogether. Accordingly, all output was reviewed and rewritten by the authors to make sure it resonated with our preferred language, included the intended content and that it upheld the desired quality.

Additionally, SciSpace was utilized as a complementary tool in literature searches in Scopus and SSE Library by providing additional peer-reviewed articles relevant to the topic that we did not initially find with our keywords in other manual searches. However, all articles were read by the authors before being cited to ensure accurate citing and understanding of the literature.

Apart from this, all other parts of the thesis including research design, theoretical background and hypotheses development, study design, and analysis of the results were made exclusively without the use of AI.