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HEDONISM AND COMPULSIVE BUYING BEHAVIOR AMONG GENERATION Z: THE ROLE OF SHOPEE PAYLATER USAGE AND IMPULSIVE BUYING BEHAVIOR

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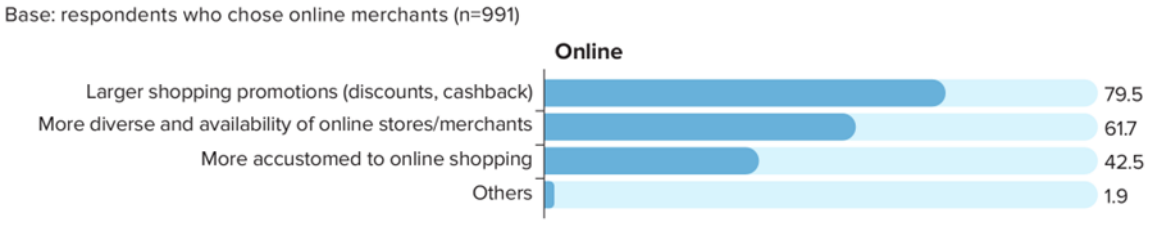
ABSTRACT

The increasing accessibility of e-commerce platforms and digital payment methods, such as Shopee PayLater, has contributed to the intensification of consumerist behavior among Generation Z. One prominent manifestation of this phenomenon is compulsive buying, which often evolves from impulsive purchasing and is driven by hedonistic motivations. This study aims to examine the influence of hedonism on impulsive and compulsive buying behavior, as well as to investigate the mediating roles of Shopee PayLater usage and impulsive buying behavior. A quantitative research approach was employed using purposive sampling, involving 197 Generation Z respondents in Surabaya who had used Shopee PayLater at least once within the past six months. Data were collected through structured questionnaires and analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) technique. The findings reveal that hedonism has a significant positive effect on Shopee PayLater usage, impulsive buying, and compulsive buying behavior. Furthermore, Shopee PayLater significantly influences impulsive buying and serves as an indirect mediating variable in the relationship between hedonism and compulsive buying, alongside impulsive behavior. These results indicate that the interaction between hedonistic motivation and the convenience of digital credit payment systems reinforces a cycle of emotionally driven consumption among Generation Z.
Keywords: Hedonism, Impulsive Buying, Compulsive Buying, Shopee PayLater, Gen Z

INTRODUCTION

Compulsive buying behavior often originates from impulsive purchasing, which refers to spontaneous buying decisions made without prior planning and is commonly triggered by emotional states or environmental influences (Ellyawati et al., 2024). Within e-commerce platforms, such consumer behavior is intensified by various stimuli, including trending products, influencer endorsements, flash sales, and algorithm-driven product recommendations tailored to users' preferences. Although impulsive buying is situational in nature, repeated and continuous impulsive behavior can gradually develop into compulsive buying behavior (Olsen et al., 2016). A study conducted by Kredivo (2024) revealed that 79.5% of consumers use PayLater services due to promotional exposure in e-commerce platforms, highlighting the strong role of external stimuli in shaping unplanned purchasing decisions.

Figure 1. Report Behavior Users PayLater in Indonesia

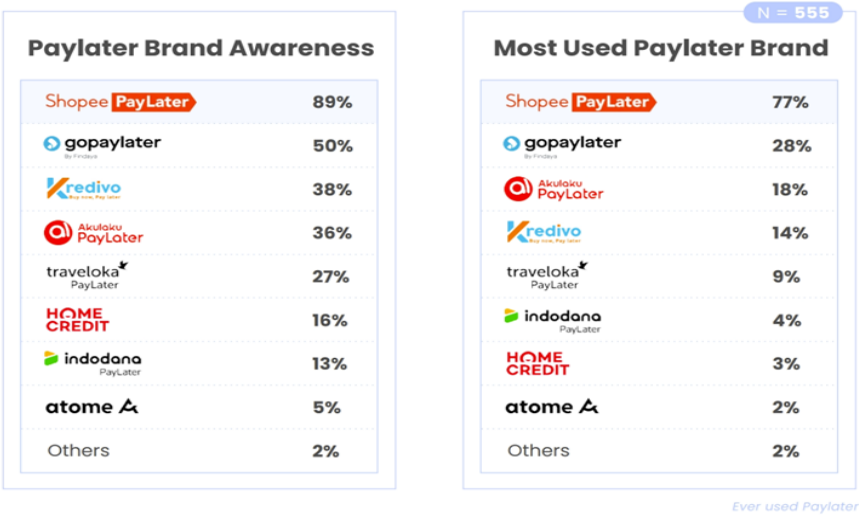


Source: Kredivo (2024)

Hedonistic consumers tend to seek pleasure, excitement, and entertainment during shopping activities, often spending extended periods browsing e-commerce platforms, which frequently culminates in impulsive purchasing behavior (Widagdo & Roz, 2021). One of the most widely adopted Buy Now, Pay Later (BNPL) services in Indonesia is Shopee PayLater (SPL). According to a survey conducted by Populix (2023), 77% of SPL users are

aged between 17 and 25 years, indicating that the majority of users belong to Generation Z. In terms of market presence, Shopee PayLater is recorded as the most recognized paylater brand, achieving a brand awareness rate of 89%, significantly surpassing its competitors such as GoPayLater (50%), Kredivo (38%), and Akulaku (36%). Beyond brand awareness, Shopee PayLater also ranks first as the most frequently used paylater service, with a usage rate of 77%, compared to GoPayLater (28%), Akulaku (18%), and Kredivo (14%). These findings demonstrate that Shopee PayLater strongly dominates the BNPL market in Indonesia, both in terms of popularity and actual usage behavior. This dominance strengthens the rationale for selecting Shopee PayLater as the focal context of this study, given its substantial influence on consumer consumption patterns, particularly among Generation Z, a demographic group that is highly susceptible to hedonic motivations and impulsive purchasing tendencies.

Figure 2. Research Unveiling Indonesia's Financial Evolution: Fintech Lending and Paylater Adoption



Source : Populix (2023)

The popularity of Shopee PayLater (SPL) is driven by several factors, including ease of access, relatively low interest rates, high credit limits, and attractive merchant promotions (Ramadany, 2022). Shopee PayLater is also directly integrated into the Shopee e-commerce platform, creating a comprehensive digital shopping ecosystem in which users can shop and pay in installments within a single platform. Compared to traditional credit cards, SPL offers significantly less stringent requirements, requiring only a national identification card and a minimum age of 18 years, without the need for a prior credit history. These features increasingly encourage Generation Z to engage in rapid and instant consumption, supported by the perception that SPL is not a form of debt but rather a flexible and convenient shopping solution (Schomburgk & Hoffmann, 2023). However, the Indonesian Financial Services Authority (OJK) has warned that young generations are among the most vulnerable groups to digital loan traps, including PayLater services. Friderica Widyasari Dewi, Executive Head of Consumer Education and Protection at OJK, emphasized that consumerist lifestyles and social pressure are key factors driving the high adoption of digital credit among young people. If left unmanaged, the continuous use of SPL particularly when driven by hedonic motivations may lead to the formation of dysfunctional consumption habits and compulsive buying behavior.

The rapid digital transformation in the financial sector has undeniably introduced innovations such as Buy Now, Pay Later (BNPL) services as tools for financial inclusion. Nevertheless, behind the narrative of convenience lies a latent risk to the financial well-being of younger generations, especially those who rely on such services to fulfill predominantly consumptive needs. This study is positioned within the perspectives of consumer psychology and behavioral finance, focusing on how Generation Z responds to consumption temptations in digital environments facilitated by transaction-easing services such as PayLater. This research adopts an approach that considers emotional factors, internal drives, and external stimuli in consumer decision-making processes. The primary objective of this study is to empirically examine the influence of hedonism on compulsive buying behavior, as well as to explore the mediating roles of Shopee PayLater usage and impulsive buying behavior in this relationship.

Specifically, this study investigates whether hedonism has a direct effect on Shopee PayLater usage, impulsive buying, and compulsive buying behavior, whether Shopee PayLater usage influences impulsive buying behavior, and whether Shopee PayLater usage and impulsive buying behavior significantly mediate the relationship between hedonism and compulsive buying behavior.

LITERATURE REVIEW

Regulatory Focus Theory (RFT)

Regulatory Focus Theory (RFT), developed by E. Tory Higgins, is employed in this study to explain how individuals regulate their behavior in pursuing goals through two distinct motivational orientations: promotion focus and prevention focus. Individuals with a promotion focus orientation tend to emphasize growth, aspirations, achievements, and emotional fulfillment, whereas individuals with a prevention focus orientation prioritize security, responsibilities, and the avoidance of negative outcomes. RFT posits that human motivation is fundamentally driven by the desire to pursue pleasure or avoid loss. In the context of this study, promotion focus is considered more dominant among Generation Z, a cohort characterized by achievement orientation, novelty-seeking behavior, and a strong desire for emotional satisfaction. This motivational orientation increases susceptibility to impulsive buying behavior, which may subsequently evolve into compulsive buying behavior, particularly when consumption is facilitated by convenient financial technologies such as Shopee PayLater. The ease of deferred payment and reduced perceived financial risk further amplify promotion-focused tendencies, reinforcing impulsive decision-making and excessive consumption.

Elaboration Likelihood Model (ELM)

This theory explains that individuals process information through two distinct pathways: the central route, which involves rational and systematic evaluation, and the peripheral route, which relies on emotional cues and heuristic signals. As digital natives, Generation Z is more frequently exposed to peripheral cues, where purchasing decisions are strongly influenced by promotional discounts, positive online reviews, viral trends, and transaction convenience, all of which tend to trigger impulsive buying behavior. In the long term, continuous exposure to uncontrolled stimuli can reduce self-control and increase negative emotional outcomes such as anxiety, regret, financial burden, and the need for social validation. At this stage, individuals may begin to use purchasing behavior as a coping mechanism to escape emotional pressure or psychological discomfort (Müller et al., 2022). The Elaboration Likelihood Model (ELM) provides a useful framework for understanding how e-commerce stimuli are processed by Generation Z through the peripheral route. Promotional elements such as discount advertisements, free shipping offers, and influencer recommendations are often accepted with minimal cognitive effort (low elaboration), without in-depth information processing.

Hedonism

Hedonism is defined as an individual behavioral orientation that emphasizes the pursuit of pleasure, emotional satisfaction, and enjoyment, often as a means of minimizing negative feelings or psychological discomfort (Coelho et al., 2023). Hedonistic tendencies are driven by imagination, emotional experiences derived from product usage, and the desire to escape from everyday reality (Nawi et al., 2024). Individuals who engage in shopping primarily for hedonic pleasure tend to spend extended periods browsing e-commerce platforms, a behavior that frequently culminates in spontaneous or impulsive purchases (Widagdo & Roz, 2021). Arnold and Reynolds (2003) identified six dimensions of hedonic shopping motivation that serve as key indicators of pleasure- and emotion-driven shopping behavior: gratification seeking, idea shopping, adventure shopping, social shopping, role-playing, and value shopping.

Shopee PayLater

Shopee is widely used by Generation Z in Indonesia due to its user-friendly features and the wide range of product categories it offers, including fashion, food and beverages, furniture, and electronic goods (S. Lestari et al., 2021). To further simplify the shopping process, Shopee provides transaction convenience through a Buy Now, Pay Later (BNPL) payment system known as Shopee PayLater. Shopee PayLater allows users to defer payments and

repay purchases in installments, thereby reducing the immediate financial burden associated with online shopping. The Shopee PayLater feature is designed with a credit limit of up to IDR 15,000,000, which can increase automatically based on transaction frequency and usage history. In addition, the interest rate for Shopee PayLater instant cash loans is relatively low, amounting to 2.95%, making it an attractive financing option for young consumers (Ramadany, 2022).

Impulsive Buying

Impulsive buying is defined as a spontaneous and unplanned purchasing action that occurs suddenly in response to stimuli within the market environment (Ellyawati et al., 2024). This response to stimulation is typically characterized by feelings of excitement and a strong urge to immediately acquire a product (Olsen et al., 2016). In e-commerce settings, impulsive buying behavior is commonly triggered by emotional stimuli arising from market conditions, emerging trends, attractive advertisements, and reviews from other buyers. Various marketing strategies employed by online merchants such as limited-time promotions, special discounted prices, and free shipping subsidies often utilize consumerist narratives that intensify consumers' desire to quickly obtain products without careful or rational consideration (AU Zafar et al., 2021).

Compulsive Buying

Based on the research conducted by Müller et al. (2022), compulsive buying behavior develops as a result of habitual and excessive shopping that exceeds actual needs. In addition, excessive shopping is often used as a means of emotional escape to alleviate negative psychological states such as anxiety, sadness, stress, and emotional tension. From a psychological perspective, compulsive buying is considered a behavioral disorder in which individuals experience a strong and persistent urge to shop, accompanied by difficulty in controlling their purchasing impulses. Compulsive buyers frequently exhibit obsessive purchasing patterns, characterized by repetitive buying behaviors despite awareness of negative consequences, including financial problems and emotional distress.

RELATIONSHIP BETWEEN VARIABLES AND HYPOTHESES

Hedonism with Using Shopee Paylater

In modern lifestyles, shopping activities are increasingly associated with emotional satisfaction and self-expression, rather than merely fulfilling functional needs. Hedonism, in this context, refers to the motivation to obtain immediate pleasure and instant gratification (Babin et al., 1994). Shopee PayLater provides a facility that allows consumers to acquire goods instantly without making direct payments at the time of purchase, a feature that strongly aligns with hedonic preferences. The positive relationship between hedonism and the use of Shopee PayLater is supported by the study conducted by Widagdo and Roz (2021), which found that consumers driven by pleasure-oriented motives tend to show greater interest in using PayLater services as a means of achieving immediate satisfaction.

H1: Hedonism influential significant to use of Shopee Paylater

Shopee Paylater with impulsive buying

A growing number of essential household financial activities such as consumption, investment, and payment transactions are now conducted through financial technology (FinTech) platforms (Hong et al., 2020). In e-commerce contexts, impulsive buying behavior occurs when consumers make spontaneous purchases without prior planning, typically triggered by situational factors and verbal or non-verbal social cues, including advertisements and limited-time offers (Zafar, 2021). An attractive online store environment and the perceived presence of other consumers can further stimulate impulsive purchasing behavior (Šeinauskienė, 2021). Additionally, factors such as appealing website design, persuasive signals, customer reviews, and visual elements significantly influence consumers' impulsive purchase decisions (Sari, 2021). Promotional strategies employed by merchants such as free shipping, price discounts, and special low-price offers further intensify consumers' urge to engage in impulsive buying behavior (Aji & Adawiyah, 2022).

H2: Shopee Paylater influential significant to impulsive buying

Hedonism with Compulsive Buying

Compulsive buyers tend to derive enjoyment from the act of purchasing itself, as it provides internal psychological benefits such as emotional relief and mood regulation (Babin et al., 1994). When shopping is used as a mechanism to improve emotional states or to escape from emotional pressure, consumers may become trapped in patterns of compulsive buying behavior. The relationship between hedonic motivation and compulsive buying has been widely documented in prior studies. Research by Horváth and Adıgüzel (2018), Kesari and Atulkar (2016), and Tarka and Harnish (2020) indicates that compulsive shopping behavior is often driven by hedonic motives, functioning as a means of escaping both negative and positive emotional states.

H3: Hedonism influential significant to compulsive buying

Hedonism with Impulsive Buying

Hedonic motives encourage consumers to pursue pleasant and emotionally rewarding experiences in a spontaneous and unplanned manner. Research conducted by Coelho (2023) examines the relationship between various personality-based motivational dimensions that trigger hedonic shopping behavior, which subsequently leads to impulsive purchasing. These values tend to drive consumers toward instant satisfaction and personal gratification, reinforcing impulsive decision-making during shopping activities. This finding is further supported by Khoi and Le (2024), who state that hedonic shopping motivation is a primary driving force behind impulsive purchasing behavior, as it offers immediate emotional rewards and hedonic satisfaction to consumers.

H4: Hedonism influential significant to impulsive buying

Shopee Paylater with Compulsive Buying

The use of Shopee PayLater can increase the tendency toward compulsive buying behavior. This payment facility allows users to shop without making immediate payments, thereby creating an illusion of affordability and reducing the perceived financial risk associated with purchases (Raj, 2023). As a result, individuals become more easily tempted to engage in repeated purchasing behavior without careful planning. In addition, various attractive promotions offered by merchants often stimulate consumers to purchase products that they do not actually need, leading to a loss of self-control over purchasing decisions (Aji & Adawiyah, 2022). Ellyawati (2024) further emphasizes that such facilities not only simplify transactions but also function as emotional drivers, encouraging consumers to spend more in order to fulfill momentary desires, which may ultimately reinforce compulsive buying tendencies.

H5: Use of Shopee Paylater influential significant to compulsive buying

Impulsive Buying with Compulsive Buying

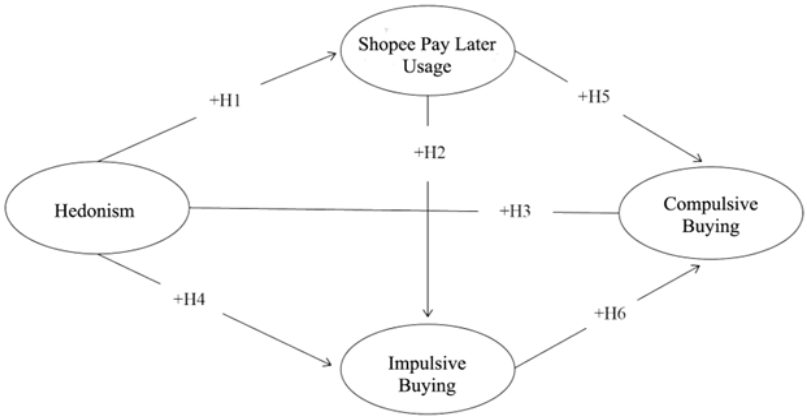
Impulsive buying in e-commerce platforms is generally triggered by emotional stimuli, including market conditions, emerging trends, attractive advertisements, and reviews from other buyers. Impulsive buying is defined as a spontaneous and unplanned purchasing action; however, individuals may still retain a degree of control by avoiding or resisting such stimuli (Ellyawati et al., 2024). In digital contexts, the ease of transactional access, the availability of features such as PayLater, and exposure to personalized advertising further exacerbate this tendency by reducing individuals' self-control. Although not all impulsive purchases culminate in compulsive buying behavior, a linear relationship is hypothesized due to the existence of a consumption behavior continuum, in which impulsive buying represents the initial stage, while compulsive buying occupies the extreme end of the spectrum (Thompson & Prendergast, 2015).

H6: Impulsive Buying influential significant to compulsive buying

Analysis Model

The following is a conceptual model that can be formulated based on explanation on:

Figure 3. Framework Conceptual



Source Data : Processed data , 2024

RESEARCH METHODS

This study adopts a quantitative research method using a Structural Equation Modeling Partial Least Squares (SEM-PLS) approach to test the hypothesized relationships between hedonistic behavior and compulsive buying behavior, mediated by Shopee PayLater usage and impulsive buying behavior among Generation Z. The research was conducted between February 2025 and April 2025, focusing on Generation Z users of the Buy Now, Pay Later (BNPL) feature Shopee PayLater. The study population consists of Generation Z individuals residing in Surabaya, aged 18–28 years. This age range was selected in accordance with regulations issued by the Indonesian Financial Services Authority (OJK), which stipulate that BNPL users must be at least 18 years old or married and have a minimum monthly income of IDR 3,000,000. A purposive sampling technique was applied, as the sample needed to meet specific characteristics aligned with the research objectives. To determine the sample size, the rule-of-thumb proposed by Hair et al. (2014) was employed, which recommends multiplying the number of indicators by 5 to 10 times. Given that the research model consists of 19 observed indicators, the minimum required sample size was calculated as 190 respondents (19 × 10). Data collection was carried out over a period of 84 days, from February 20 to May 14, 2025, resulting in 197 valid responses. The questionnaire was developed using Google Forms and measured using a five-point Likert scale (1–5). The survey link was distributed to Generation Z Shopee PayLater users through social media platforms, including Instagram, WhatsApp, and Line.

RESULT AND DISCUSSION

Validity Test

Validity Test Convergent

Convergent validity in the measurement model was assessed using outer loading values, which indicate the contribution of each indicator to its latent construct. According to Hair et al. (2017), indicators are considered to have adequate convergent validity if their outer loading values exceed 0.70. Conversely, indicators with outer loading values below 0.40 are recommended for removal from the model, as they are deemed to lack sufficient validity. Out of the initial 19 indicators, eight indicators were removed because they did not meet the required threshold. This decision was not based solely on statistical considerations but also on conceptual relevance to the characteristics of the respondents, namely Generation Z in Surabaya, who exhibit distinctive patterns of digital consumption behavior. Removing these indicators improved the overall quality of the measurement model while maintaining theoretical consistency. The table below presents a comparison of outer loading values before and after indicator deletion:

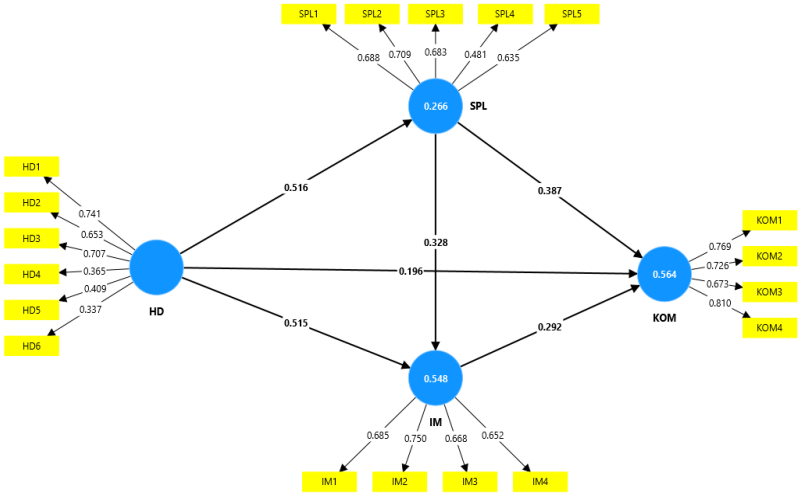
Table 1. Comparison of Outer Loading Values Before and After Deletion Indicator

Variables	Indicator	Outer Loading (Before)	Outer Loading (After)	Status
Hedonism (HD)	HD1	0.741	0.916	Maintained
	HD2	0.653	—	Deleted
	HD3	0.707	0.839	Defended
	HD4	0.365	—	Deleted
	HD5	0.409	—	Deleted
	HD6	0.337	—	Deleted
Shopee PayLater (SPL)	SPL1	0.688	0.708	Defended
	SPL2	0.709	0.718	Defended
	SPL3	0.683	0.704	Defended
	SPL4	0.481	—	Deleted
	SPL5	0.635	—	Deleted
Impulsive (IM)	IM1	0.685	0.750	Defended
	IM2	0.750	0.715	Defended
	IM3	0.668	0.735	Defended
	IM4	0.652	—	Deleted
Compulsive (COM)	KOM1	0.769	0.805	Defended
	COM2	0.726	0.783	Maintained
	KOM3	0.673	—	Deleted
	KOM4	0.810	0.827	Maintained

Source: Processed Data (2025)

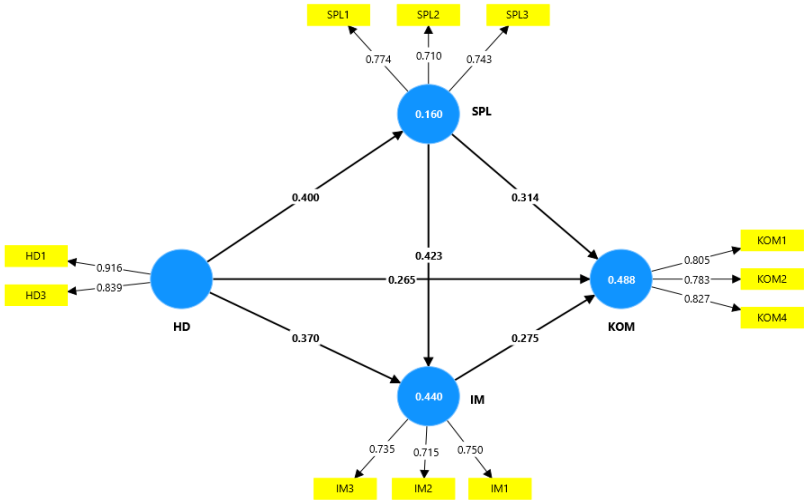
Table 1 presents a comparison of the outer loading values of each indicator before and after deletion. Based on the analysis results, eight indicators showed outer loading values below 0.70, namely HD2 (0.653), HD4 (0.365), HD5 (0.409), HD6 (0.337), SPL4 (0.481), SPL5 (0.635), IM4 (0.652), and KOM3 (0.673). The deletion was carried out based on the results of the convergent validity evaluation, considering the minimum outer loading threshold of 0.70 as suggested by Hair et al. (2017). Although indicators with outer loading values between 0.40–0.70 can still be considered if the AVE and construct reliability are fulfilled, in this study the deletion was still performed because these indicators hindered the fulfillment of the minimum AVE value of ≥ 0.50. Therefore, to maintain overall construct validity, the eight indicators with low outer loading values were removed from the model.

Figure 4. Research Path Model Before Deletion Indicator



Source: Processed Data (2025)

Picture 5. Research Path Model After Deletion Indicator



Source: Processed Data (2025)

Table 2. Comparison of AVE and Composite Reliability Before and After Deletion Indicator

Variables	Composite Reliability (Before)	Composite Reliability (After)	AVE (Before)	AVE (After)
Hedonism (HD)	0.715	0.871	0.315	0.771
Shopee PayLater (SPL)	0.777	0.787	0.415	0.552
Impulsive (IM)	0.784	0.777	0.476	0.538
Compulsive (COM)	0.833	0.847	0.557	0.648

Source: Processed Data (2025)

Table 2 shows a comparison of the Average Variance Extracted (AVE) and Composite Reliability (CR) values before and after the deletion of indicators with outer loading values below the required standard. The deletion of these indicators is proven to have a positive impact on improving construct validity and reliability in the model. Overall, the removal of indicators with low outer loading values improves the measurement model structure, particularly in enhancing convergent validity (AVE) and construct reliability (CR). With AVE and CR values that meet the required standards after revision, the constructs in this study have fulfilled the criteria of a good-quality PLS-SEM measurement model and can be continued to the structural model analysis stage.

Validity Test Discriminant

Discriminant validity refers to the extent to which a construct is truly distinct from other constructs in the model. This type of validity evaluates whether a theoretically different concept can indeed be measured as a separate entity. In testing discriminant validity, three main approaches are used, namely the heterotrait–monotrait (HTMT) ratio of correlations, cross loadings, and the Fornell–Larcker criterion. According to Hair et al. (2017), in cross-loading evaluation, indicators must have the highest loading value on their respective construct compared to other constructs, and the loading value should ideally be above 0.70. If these three approaches show consistent results, it can be concluded that the constructs in the model have clear distinctions and do not exhibit overlapping or ambiguity with one another.

Table 3. Cross Loading

Indicator	Hedonism (HD)	Impulsive Buying (IM)	Compulsive Buying (COM)	Shopee Pay Later (SPL)

HD1	0.916	0.517	0.546	0.409
HD3	0.839	0.420	0.381	0.276
IM1	0.329	0.750	0.461	0.403
IM2	0.441	0.715	0.402	0.405
IM3	0.414	0.735	0.450	0.445
KOM1	0.493	0.479	0.805	0.474
KOM2	0.346	0.467	0.783	0.489
KOM4	0.457	0.496	0.827	0.432
SPL1	0.283	0.403	0.447	0.774
SPL2	0.279	0.472	0.418	0.710
SPL3	0.327	0.392	0.419	0.743

Source: Processed Data (2025)

Based on the results presented in Table 3, all indicators show the highest loading values on their respective constructs, which are marked in green. The HD1 indicator has a loading value of 0.916 on the Hedonism (HD) construct, which is significantly higher than its loading values on other constructs, such as Impulsive Buying (0.517), Compulsive Buying (0.546), and Shopee PayLater (0.409). Likewise, indicators HD3, IM1, IM2, IM3, KOM1, KOM2, KOM4, as well as all Shopee PayLater indicators (SPL1, SPL2, and SPL3), exhibit the highest loading values on their respective constructs.

This result indicates that each indicator measures its intended construct more strongly than other constructs, and therefore it can be concluded that the model has fulfilled the discriminant validity criteria based on cross-loading evaluation. Good discriminant validity strengthens the argument that the variables Hedonism, Shopee PayLater, Impulsive Buying, and Compulsive Buying are distinct constructs and can be measured separately in a statistical manner within this research model framework.

Table 4. Fornell-Larcker Criteria

Indicator	Hedonism (HD)	Impulsive Buying (IM)	Compulsive Buying (COM)	Shopee Pay Later (SPL)
HD	0.878			
IM	0.539	0.734		
KOM	0.539	0.597	0.805	
SPL	0.400	0.570	0.577	0.743

Source: Processed Data (2025)

Table 4 shows that all constructs have square root values of AVE (diagonal values) that are greater than the correlations with other constructs (values outside the diagonal). For each construct Hedonism (0.878), Impulsive Buying (0.734), Compulsive Buying (0.805), and Shopee PayLater (0.743), the square root of AVE is higher than the correlations with other constructs in the same row and column. This indicates that each construct demonstrates good discriminant validity in accordance with the Fornell–Larcker criterion. Therefore, each construct in this study possesses distinctiveness and does not overlap with other constructs.

Table 5. Heterotrait-Monotrait Ratio (HTMT)

Indicator	Hedonism (HD)	Impulsive Buying (IM)	Compulsive Buying (COM)	Shopee PayLater (SPL)
HD				
IM	0.835			
KOM	0.728	0.925		
SPL	0.601	0.977	0.878	

Source: Processed Data (2025)

Table 5 presents the results of discriminant validity testing using the HTMT (Heterotrait–Monotrait Ratio) approach, which was used to evaluate the extent to which the constructs in the model are empirically distinct from one another. In practice, the ideal HTMT value is below 0.90 (Henseler et al., 2015). This is in line with Shaffer et al. (2016), Newman et al. (2016), and Rönkkö and Cho (2022), who stated that high HTMT values do not always indicate model failure, especially when constructs are theoretically closely related and influenced by the contextual characteristics of the respondent data. Thus, the relatively high HTMT values in this model do not indicate conceptual failure or weaknesses in the instrument design, but rather reflect the empirical reality that, in the context of Generation Z digital consumption in Surabaya, the use of Shopee PayLater, impulsive buying, and compulsive buying are behaviors that frequently occur simultaneously and mutually reinforce each other emotionally and functionally.

Reliability Test

Cronbach's Alpha and Composite Reliability

Construct reliability is measured through internal consistency, which reflects the extent to which indicators within a variable are consistently related to one another in measuring the same concept. Two measures commonly used to evaluate this consistency are Composite Reliability and Cronbach's Alpha. In general, Cronbach's Alpha is used to measure the level of internal consistency of a construct, where a value of ≥ 0.70 is considered to indicate good reliability (Hair et al., 2017). However, in the context of exploratory studies or social field research, values ranging from 0.60 to 0.70 are still considered acceptable (Nunnally & Bernstein, 1994).

Table 6. Cronbach's Alpha

Variables	Cronbach's alpha
Hedonism (HD)	0.710
Purchase Impulsive (IM)	0.571
Purchase Compulsive (COM)	0.729
Shopee Pay Later (SPL)	0.592

Source: Processed Data (2025)

Table 6 shows the results of the construct reliability test based on Cronbach's Alpha values. The Hedonism (HD) construct has a Cronbach's Alpha value of 0.710, which is above the minimum threshold. This indicates that the two remaining indicators (HD1 and HD3) are able to consistently reflect the hedonism construct. This result is also supported by the Composite Reliability (0.871) and AVE (0.771) values, which are relatively high, indicating that this construct has good reliability and validity. This consistency reflects that hedonistic behavior among Generation Z in Surabaya is focused on pleasant and personal shopping experiences (HD1 and HD3). This finding is further reinforced by the descriptive statistical results, which show high mean values for both indicators (HD3 = 4.274 and HD1 = 4.218). Thus, although the construct has a Cronbach's Alpha value close to the minimum threshold, it is still retained in the model because it is supported by adequate construct validity through AVE and Composite Reliability. These results are consistent with contemporary social research approaches that emphasize the integration of statistical results and conceptual context in instrument evaluation.

Reliability Indicator

Indicator reliability refers to the extent to which each indicator is able to consistently represent the latent construct it measures. In a PLS-SEM–based measurement model, indicators are considered reliable if their outer loading values reach a minimum of 0.70. Values between 0.60 and 0.70 are still acceptable in the context of exploratory studies, provided that the indicators are conceptually relevant and do not reduce overall construct quality. In addition, indicators with outer loading values below 0.40 should be removed, as they are considered invalid and may reduce the overall quality of the measurement model (Hair et al., 2017).

Table 7. Outer Loadings

Indicator	Hedonism (HD)	Impulsive Buying (IM)	Compulsive Buying (COM)	Shopee PayLater (SPL)
HD1	0.916			
HD3	0.839			
IM1		0.750		
IM2		0.715		
IM3		0.735		
KOM1			0.805	
KOM2			0.783	
KOM4			0.827	
SPL1				0.774
SPL2				0.710
SPL3				0.743

Source: Processed Data (2025)

Table 7 shows the outer loading values of all indicators for the constructs being measured. All retained indicators have fulfilled the convergent validity criteria, with outer loading values above 0.70, as suggested by Hair et al. (2017). The HD1 and HD3 indicators have outer loading values of 0.916 and 0.839, respectively, indicating strong measurement quality for the Hedonism construct. For the Impulsive Buying construct, the IM1, IM2, and IM3 indicators show outer loading values of 0.750, 0.715, and 0.735, reflecting a significant contribution in representing impulsive buying behavior. These results indicate that the model has fulfilled convergent validity requirements, where each indicator measures its construct consistently and accurately. Thus, the measurement instrument can be considered valid in representing the variables of hedonism, impulsive buying, compulsive buying, and Shopee PayLater usage among Generation Z in Surabaya.

Research Tests (Inner Model)

R Square

R-squared (R^2), or the coefficient of determination, is used to measure the overall effect size of the structural model, with values ranging between 0 and 1. A low R^2 value (less than 0.30) indicates a weak model in explaining the data, whereas moderate values ($0.30 \leq R^2 < 0.70$) indicate a sufficient or moderate model, and high values (0.70 or higher) indicate a substantial model (Hair et al., 2017).

Table 8. R-Square Test

Variables	R-square	R-square adjusted
Purchase Impulsive (IM)	0.440	0.435
Purchase Compulsive (COM)	0.488	0.480
Shopee PayLater (SPL)	0.160	0.155

Source: Processed Data (2025)

Table 8 shows the R-square values, which are used to evaluate how much variation in the dependent variable can be explained by the independent variables. The R^2 value for Compulsive Buying (0.488) indicates that approximately 48.8% of the variance in compulsive buying behavior among Generation Z in Surabaya can be explained by the variables Hedonism, Shopee PayLater, and Impulsive Buying. This result shows that the model has sufficient predictive power. Among the three predictors, Impulsive Buying plays the most dominant role as the variable with the strongest direct influence on compulsive buying behavior. This influence is further strengthened by the presence of Shopee PayLater as a mediating variable in the relationship between Hedonism and Compulsive Buying, reinforcing the indirect effect pathway in the model.

F-Square

F-square (f^2) is a measure used to assess the magnitude of the contribution of each independent variable in explaining the dependent variable after the variable is included in the structural model. Based on the interpretation proposed by Cohen (1988), f^2 values are categorized as follows: 0.02 = small, 0.15 = medium, and 0.35 = large.

Table 9. F-Square test

Variables	Impulsive Buying (IM)	Compulsive Buying (COM)	Shopee PayLater (SPL)
Hedonism (HD)		0.206	0.096
Purchase Impulsive (IM)			0.083
Purchase Compulsive (COM)			
Shopee PayLater (SPL)		0.268	0.128

Source: Processed Data (2025)

In Table 9, the Shopee PayLater (SPL) variable shows an f^2 value of 0.268 on Compulsive Buying (COM), indicating a moderate and sufficiently strong influence in explaining the variation in compulsive buying behavior. This result confirms that the use of Shopee PayLater features provides a substantial contribution in strengthening compulsive buying tendencies, in line with the findings from the R-square analysis.

Q-Square

Q-square (Q^2) is a measure that assesses the predictive relevance of a model, indicating how well the model can predict the values of the dependent variables based on the existing independent variables. Q^2 values greater than 0, 0.15, and 0.35 respectively indicate low, medium, and high levels of predictive relevance (Hair et al., 2017).

Table 10. Q-Square test

Variables	Q^2 (=1-SSE/SSO)
Hedonism (HD)	**0.000**
Impulsive Buying (IM)	**0.228**
Compulsive Buying (COM)	**0.306**
Shopee PayLater (SPL)	**0.081**

Source: Processed Data (2025)

Based on Table 10, it can be seen that the Q-square (Q^2) value for the Compulsive Buying (KOM) variable is 0.306, which indicates that the model has a moderately strong predictive ability. This result shows that the exogenous constructs in the model Hedonism, Shopee PayLater, and Impulsive Buying are able to explain variations in compulsive buying behavior sufficiently well. Overall, these results strengthen the conclusion that the model has the highest predictive ability for compulsive buying, followed by impulsive buying, with the lowest predictive ability observed for Shopee PayLater usage.

T-test

The t-test is a statistical method used to test the significance of variation in path coefficients, indicating the extent to which independent variables influence dependent variables. A t-value greater than 1.96 is considered statistically significant at the 0.05 significance level. In the context of this study, the t-test is used to evaluate the direct relationships between latent variables in the structural model, where higher t-statistic values indicate statistically significant relationships (Hair et al., 2017).

Table 11. Path Coefficients

Hypothesis	Connection	coefficient (O)	T Statistics	P Value	Decision
H1	**HD → IM**	0.370	5,638	0.000	Accepted

H2	**HD → KOM**	0.265	4,708	0.000	Accepted
H3	**HD → SPL**	0.400	6,596	0.000	Accepted
H4	**IM → KOM**	0.275	4.141	0.000	Accepted
H5	**SPL → IM**	0.423	6,050	0.000	Accepted
H6	**SPL → KOM**	0.314	4,725	0.000	Accepted

Source: Processed Data (2025)

Based on Table 11, all proposed hypotheses in this study are accepted because the t-statistic values are above 1.96 and the p-values are 0.000, indicating that the relationships between variables are statistically significant at the 95% confidence level. The obtained path coefficient values also show positive relationship directions among the constructs. Overall, all relationship paths in the structural model support the theoretical assumptions and previous empirical findings, and reflect digital consumerism behavior patterns that are typical among Generation Z, particularly in Surabaya.

Mediation Effect Test

Mediation effect testing is conducted to evaluate the role of intervening variables in explaining the relationship between independent and dependent variables in the model. In this study, Shopee PayLater and Impulsive Buying variables are tested as mediators in the relationship between Hedonism and Compulsive Buying. The analysis is carried out using the bootstrapping approach in PLS-SEM to obtain the significance values of the formed mediation paths. Mediation effects are analyzed through three approaches, namely: specific indirect effects, which examine the indirect influence of each path individually; total indirect effects, which indicate the accumulation of all indirect influences from one construct to another; and total effects, which include the overall influence, both direct and indirect.

Table 12. Total Effects

Influence Path	Coefficient (O)	T Statistics	P-Value	Conclusion
HD → IM	0.539	10,431	0.000	Significance
HD → COM	0.539	11,245	0.000	Significance
HD → SPL	0.400	6,596	0.000	Significance
IM → COM	0.275	4,141	0.000	Significance
SPL → IM	0.423	6,050	0.000	Significant
SPL → KOM	0.430	7,458	0.000	Significant

Source: Processed Data (2025)

Table 12 shows that all relationships between variables in the model have statistically significant total effects, as indicated by t-statistic values above 1.96 and p-values below 0.05. Hedonism has a strong total effect on impulsive buying (0.539) and compulsive buying (0.539), indicating that orientations toward self-reward, digital convenience, and personal shopping experiences play an important role in shaping the behavior of Generation Z consumers in Surabaya. This finding is supported by Babin et al. (1994), who stated that hedonic values in shopping are correlated with emotionally driven purchasing decisions. Overall, these results show that all variables in the model have mutually reinforcing causal relationships in influencing compulsive buying behavior and emphasize the important role of hedonism and digital payment convenience in triggering consumptive behavior among Generation Z Shopee PayLater users in Surabaya.

Table 13. Total Indirect Effects

Indirect Path	Coefficient (O)	T Statistics	P Value	Conclusion
HD → IM	0.169	3,815	0.000	Significant
HD → KOM	0.274	6,335	0.000	Significant
SPL → KOM	0.116	3,162	0.002	Significant

Source: Processed Data (2025)

Table 13 shows that all indirect effect paths in this model are statistically significant. The indirect path from Hedonism to Impulsive Buying has a coefficient of 0.169 with a t-value of 3.815 and a p-value of 0.000, which indicates that there is a significant indirect influence of hedonism on impulsive behavior through the mediating variable. Furthermore, the indirect path from Hedonism to Compulsive Buying shows the highest coefficient, which is 0.274, with a t-statistic of 6.335 and a p-value of 0.000. This indicates that the indirect influence of hedonism on compulsive buying behavior occurs through more than one mediator, namely Shopee PayLater and impulsive buying. Thus, all mediation paths in this study can be concluded to be statistically valid and strengthen the theoretical relationships between constructs in the studied model.

Table 14. Specific Indirect Effects

Mediation Path	Coefficients (O)	T Statistics	P Value	Conclusion
HD → IM → KOM	0.102	3,388	0.001	Significant
SPL → IM → KOM	0.116	3,162	0.002	Significant
HD → SPL → IM → KOM	0.046	2,547	0.011	Significant
HD → SPL → IM	0.169	3,815	0.000	Significant
HD → SPL → KOM	0.126	3,880	0.000	Significant

Source: Processed Data (2025)

Table 14 (Specific Indirect Effects) shows all specific mediation paths in the structural model, and all of them are statistically significant. The path "hedonism → impulsive → compulsive" has a coefficient of 0.102, with a t-value of 3.388 and a p-value of 0.001. This indicates that hedonistic behavior among Gen Z does not directly lead to compulsive purchasing, but rather through an increase in impulsive purchasing tendencies. This result is in line with the findings of Coelho et al. (2023) and Tarka et al. (2022), which state that hedonistic emotional drives contribute to impulsive behavior that eventually leads to compulsive purchasing. Overall, these results show that both impulsive buying behavior and the use of Shopee PayLater play an important mediating role in explaining how a hedonistic lifestyle encourages compulsive purchasing behavior among Gen Z in Surabaya. The validity of these paths is not only indicated by statistical significance, but also supported by recent theoretical and empirical literature.

DISCUSSIONS

Relationship between Hedonism to Using Shopee Paylater

The results of the total effect test show that hedonism has a positive and significant influence on the use of Shopee PayLater, with a coefficient value of 0.400, a t-statistic of 6.596, and a p-value of 0.000 (< 0.05). This indicates that the higher the level of hedonism among respondents, the greater their tendency to use Shopee PayLater. Based on these results, it can be concluded that hedonistic orientation makes a significant contribution in encouraging the use of Shopee PayLater, especially among Gen Z consumers in Surabaya who prioritize fun, practicality, and instant shopping experiences.

The relationship between Shopee PayLater and Behavior Impulsive

The results of the total effect test show that Shopee PayLater has a positive and significant influence on impulsive purchasing behavior, with a coefficient value of 0.423, a t-statistic of 6.050, and a p-value of 0.000 (< 0.05). This indicates that the more frequently Gen Z uses the Shopee PayLater feature, the higher their tendency to make spontaneous purchases. BNPL services can reduce consumers perceived financial risk when shopping, thereby triggering impulsive behavior (Raj et al., 2023). In the context of Gen Z, the desire to obtain instant satisfaction without immediate financial burden often leads to emotional purchasing decisions rather than rational consideration (Coelho et al., 2023). Thus, these findings confirm that the use of Shopee PayLater makes a significant contribution to the formation of impulsive purchasing behavior among Gen Z in Surabaya, both from a psychological perspective and the technical convenience offered by the feature.

Relationship between Hedonism to Compulsive Buying

The study results show that hedonism has a positive and significant influence on compulsive buying behavior, with a coefficient value of 0.539, a t-statistic of 11.245, and a p-value of 0.000. This indicates that the higher an individual's hedonistic tendency, the greater the likelihood of exhibiting compulsive purchasing behavior. Thus, these empirical findings confirm that compulsive consumptive behavior among Gen Z in Surabaya cannot be separated from their hedonistic psychological aspects, where shopping activities are used as a medium to obtain personal pleasure as well as a temporary diversion from emotional pressure.

Relationship between Hedonism against Impulsive Buying

This study shows that hedonism has a positive and significant influence on impulsive purchasing behavior, with a coefficient value of 0.539, a t-statistic of 10.431, and a p-value of 0.000. This indicates that the higher an individual's hedonistic tendency, the greater the likelihood of engaging in impulsive purchases. These findings are consistent with the study by Khoi and Le (2024), which found that hedonic shopping motivation is one of the main driving factors of impulsive buying behavior, particularly among digitally active young consumers. Thus, it can be concluded that in the context of Gen Z in Surabaya, hedonism plays an important role in shaping impulsive shopping behavior, which is triggered by emotional urges and a highly dynamic digital environment.

Mediating Role of Shopee PayLater in the Relationship Between Hedonism and Compulsive Buying Behavior

The results of the specific indirect effect test indicate that there is a significant indirect relationship between hedonism and compulsive purchasing behavior through the use of Shopee PayLater, as shown by a t-statistic value greater than 1.96 and a p-value below 0.05. This finding demonstrates that Shopee PayLater functions as a partial mediator in the relationship between hedonism and compulsive purchasing behavior. In other words, a hedonistic lifestyle can still drive compulsive purchasing both directly and indirectly through preferences for digital financial services such as Shopee PayLater. Meanwhile, the total indirect effect test also confirms that the overall mediating contribution remains statistically significant, with a t-statistic of 2.894 and a p-value of 0.004. Overall, these results confirm that Shopee PayLater acts not only as a payment tool but also as a reinforcing mechanism that strengthens the effect of hedonism on compulsive purchasing behavior, particularly among Generation Z. This feature accelerates the transition from consumptive motivation to dysfunctional purchasing behavior.

Mediating Effect of Impulsive Buying Behavior on the Relationship Between Hedonism and Compulsive Purchasing Behavior

The test results indicate that there is a significant indirect relationship between hedonism and compulsive purchasing behavior through impulsive buying behavior, as evidenced by a t-statistic value greater than 1.96 and a p-value below 0.05. This finding demonstrates that impulsive buying behavior significantly mediates the relationship between hedonism and compulsive purchasing, where individuals with a hedonistic lifestyle are more prone to making purchases without rational consideration. Impulsive buying behavior, which is triggered by emotional urges and the need for immediate gratification, serves as a psychological bridge between a hedonistic lifestyle and extreme consumptive behavior such as compulsive purchasing. This result is consistent with the findings of Coelho et al. (2023), who stated that hedonistic motivation can trigger a series of psychological reactions that ultimately lead to compulsive purchasing behavior. Overall, these results confirm that impulsive buying behavior is not merely a consequence of hedonism, but also functions as a psychological connector between momentary pleasure-seeking motives and dysfunctional compulsive consumption, particularly within the context of digital shopping behavior among Generation Z

CONCLUSIONS AND PRACTICAL IMPLICATION

CONCLUSIONS

This study aims to analyze the influence of hedonism on compulsive buying behavior among Generation Z in Surabaya, with Shopee PayLater usage and impulsive buying behavior serving as mediating variables. The findings are consistent with the core assumptions of Regulatory Focus Theory (RFT), which suggests that individuals with a promotion-focused orientation tend to make decisions driven by emotions and pleasure-seeking achievements.

In this context, the use of Shopee PayLater facilitates instant purchasing, thereby strengthening the transition from impulsive buying to compulsive buying behavior within Gen Z's digital consumption patterns. The results confirm that the combination of hedonic motivation and the ease of access to digital credit services creates an ecosystem that triggers excessive consumptive behavior among Generation Z. Amid the increasing influence of social trends, consumerist narratives, and aggressive e-commerce promotions, these dynamics pose serious risks to the financial and psychological well-being of young users.

IMPLICATIONS

This section discusses the practical implications of the research findings that can serve as references for relevant stakeholders, particularly company management, e-commerce developers, and business actors utilizing Shopee PayLater services. The managerial implications aim to translate the study's results into concrete strategies and actionable recommendations that can enhance marketing effectiveness, manage the risks of consumers' consumptive behavior, and strengthen customer loyalty, especially within the Generation Z segment. By understanding key factors such as hedonism, impulsivity, and the use of digital credit services, industry players can design more ethical, personalized, and experience-based approaches in managing online consumer behavior.

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