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BUY NOW PAY LATER IMPACT TO ONLINE FOOD DELIVERY TRANSACTIONS OF UNIVERSITY STUDENT CUSTOMER SEGMENT

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Abstract. This study investigates the impact of Buy Now Pay Later (BNPL) adoption, specifically XYZLater, on online food delivery (OFD) transactions among university students. Despite high usage of OFD services driven by convenience and promotions, BNPL adoption for small, routine purchases like food delivery remains limited due to perceptions of BNPL as a debt-related feature intended for large, infrequent expenses. This study aims to understand the behavioral impact of BNPL on transaction frequency, order value, and customer retention within the university student segment. Employing a mixed-method approach, the research combines quantitative analysis of historical transaction data and surveys with qualitative interviews to explore students' perceptions and financial behaviors. Results reveal that while students trust digital payment ecosystems and frequently use OFD platforms, hesitation to use BNPL for daily needs persists, driven by fears of overspending and financial mismanagement. However, reframing BNPL as a smart financial assistant rather than a credit facility emerges as a promising strategy to increase adoption, transaction volume, and loyalty. The study suggests that targeted marketing, financial literacy initiatives, and user control features could enhance BNPL's alignment with student behaviors. These findings offer actionable insights for OFD platforms seeking sustainable growth in competitive markets by leveraging BNPL to address price sensitivity and budgeting needs of young consumers.

Keywords: Online Food Delivery, Buy Now Pay Later, University Students, GoFood, GoPayLater, Consumer Behavior, Digital Payment, Indonesia.

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INTRODUCTION

Online food delivery services have grown exponentially in recent years, driven by factors such as increasing smartphone ownership and access to the internet, advancements in technology, and the rise of digital platforms (Hong et al., 2023; Jun et al., 2022; Keeble et al., 2020, 2022; Suhartanto et al., 2019). The online food delivery (OFD) leverages mobile apps and digital services to connect consumers with restaurants, offering a seamless and convenient way to order food, such as multiple payment options and food tracking systems. OFD is a part of mobile commerce, transaction activities that are made through mobile devices.

The online food delivery (OFD) business is disruptive and very significant due to its market growth. Indonesia, with a growing middle-class population and high smartphone penetration, has become a hotspot for online food delivery services. The OFD service showed significant expansion and potential in the future due to urbanization, changing lifestyles, and the increasing trend of ordering food online (Gavilan et al., 2021; Meena & Kumar, 2022; R. Dewi Sulastriningsih et al., 2023; Tan & Eng Kim, 2021).

The COVID-19 pandemic has also accelerated massive changes in consumer behavior related to food ordering, which continue to this day, where consumers increasingly prefer the convenience of having meals delivered directly to their doorsteps. Research shows that as many as 64 % of customers in Indonesia use OFD services more frequently during the Covid-19 pandemic, and the gross merchandise value (GMV) of OFD services in Indonesia increased to US$ 6.9 billion in 2021, increasing by +36% year on year (Kurniawan et al., 2024).

Despite the growth and potential market of the industry, multiple players competing to dominate the market share have created challenges related to maintaining customer loyalty, profitability, and long-term sustainability. By Q4 2024, there will be at least 3 big players providing online food delivery services in Indonesia, namely ABCDFOOD, Grabfood, and Shopeefood.

Apart from the fierce competition between platforms to win market share, the characteristics and needs of online food delivery service users are also very diverse. For example, the housewife user segment will have different order patterns and considerations in choosing an OFD platform compared to workers or students. With this condition, every OFD platform has to create a strategic approach to market segmentation, targeting, and positioning (STP) in order to engage each of the customer segments, creating customer retention and ensuring business sustainability by gaining a competitive advantage among the other online food delivery platforms.

With the growth of e-commerce and OFD transactions, the "Buy Now, Pay Later" (BNPL) feature significantly influences customer retention and online transaction dynamics. BNPL services allow customers to purchase a product from a merchant (whether online or in store), receive the product immediately, and then repay the cost of the product to the third-party BNPL service in installments over a set timeframe. By offering financial flexibility, BNPL offers financial flexibility that makes it effective in retaining budget-conscious customers and driving incremental sales growth. The study's empirical findings highlight that customers adopting BNPL demonstrate a marked increase in their overall order size and loyalty, underscoring its role as a strategic tool in e-commerce platforms. (Lim & De Run, 2022; Núñez et al., 2024; Smith & Brown, 2019; Teresya et al., 2022).

University Students are one of the important customer persona cohorts for OFD platforms like ABCDFOOD due to their potential contribution to transaction volume and revenue generation, specifically for education center areas like Bandung. Based on data from BPS, the university students' population in Indonesia in 2024 is growing by 2.7% year on year to 7.875.281, while in West Java, the growth is 4% year on year, with a total of 859.997 university students in 2024. University students segment has unique behaviors, preferences, and needs that make them a lucrative and distinct customer segment due to their behaviors and characteristics or preferences that create the perfect environment for the OFD platform to thrive. Capturing this segment can lead to sustained growth, brand loyalty, and dominance in a competitive market. While university students offer a lucrative opportunity, capturing their loyalty requires a deep understanding of their unique characteristics, behavioral patterns, and preferences. Students are cost-sensitive, digitally engaged, and highly influenced by social trends, but they also demand speed, quality, and variety. Despite its strengths, ABCDFOOD faces challenges in tailoring its marketing and product offerings to meet these needs effectively.

This study and research will be focused on the Jatinangor area, a sub-district in the Kabupaten Sumedang, which is 40 km from the center of Bandung city and growing as one of the university areas with the likes of Unpad, ITB, IPDN, and IKOPIN. Based on the BPS data, Jatinangor has a 98,000 population of 98,000 with more than 50,000 university students coming from different areas.

From the graph of yearly Jatinangor University student population and ABCDFOOD monthly transacting users on one of the education center areas above, we can see that ABCDFOOD monthly transacting users are growing on a yearly basis from 2020 to 2024. However, if we compare the growth rate to the student population growth, the penetration rate is still at 76% and fluctuates on a year-by-year basis. In terms of customer retention and loyalty, there is another challenge for ABCDFOOD as the customer churn rate is quite high at 48% average in the Jan 2023 - Oct 2024 period. Churn rate is defined as a customer who has a minimum of 1 ABCDFOOD transaction in the previous month but did not make an order in the following month.

Growth of Buy Now, Pay Later (BNPL) services has a high potential for the digital payment landscape as a BNPL feature and might affect customer behavior and willingness to buy, as it enables a flexible and accessible financing option for consumers. This model has gained significant traction among younger demographics, particularly university students, who value convenience and affordability. In Indonesia, where the on-demand food delivery (OFD) market continues to grow rapidly, BNPL services like XYZLater present a unique opportunity to drive increased transactions and customer acquisition. University students represent a critical segment for OFD services due to their tech-savvy nature, reliance on convenience, and frequent consumption of affordable meals. However, their limited purchasing power often acts as a barrier to higher transaction volumes. By integrating BNPL into OFD platforms, companies like ABCD can address this gap, enabling students to access food delivery services without immediate financial constraints.

From the graph of BNPL user growth and percentage of OFD transactions among the university students in Jatinangor, we see a significant growth where October 2024 BNPL users have been multiplied 4 times compared to October 2023, while the BNPL order penetration has increased to 6%. Despite the potential benefits, the correlation between BNPL adoption and increased OFD transactions, as well as its impact on acquiring and retaining university students, remains underexplored. Understanding this relationship is crucial for platforms like ABCD to refine their strategies and maintain a competitive edge in the highly saturated OFD market.

This thesis seeks to investigate how BNPL services can enhance transaction frequency, average order value, and customer acquisition among university students in Indonesia. By examining user behavior, financial preferences, and the role of BNPL in shaping consumer decisions, this study aims to provide actionable insights for businesses and marketing strategy for ABCDFOOD looking to optimize their payment solutions and increase customer loyalty and transaction volume among the university student customer segment.

MATERIALS AND METHODS

Research methodology is a specific, structured approach to resolving research problems, including the selection and construction of research techniques and instruments. Research Methodology is crucial to ensure this thesis has all the information and data required to address research questions and achieve the objectives. Research methodology is needed to ensure the conceptual framework is implemented.

Research design for this study will employ positivism and interpretivism philosophies to test hypotheses and gain a deep understanding of a condition or phenomenon from the perspective of the customer directly. Positivism focuses on statistical results while interpretivism emphasizes the individual perspective of the study subject (Junjie & Yinxing, 2022). Positivism can help quantify and measure key variables, such as the correlation of customer buying power to BNPL usage. Interpretivism captures the subjective nature of individual preference and understanding of social phenomena from the customer perspective.

This study uses a mixed-methods research design that combines both qualitative and quantitative approaches to gain a comprehensive understanding of the correlation between BNPL and online food delivery (OFD) preferences among university students using ABCDFOOD and XYZ platforms. This approach is suitable given the need to analyze both behavioral patterns and perceptions by exploring deeper insights qualitatively.

Quantitative Analysis will be conducted through historical OFD & BNPL transaction data combined with Likert scale surveys to examine and analyze patterns, correlations, and customer segmentation. Qualitative Analysis will be done through in-depth interviews with University students as the research object to explore their perceptions of BNPL services, OFD features, financial literacy, and consumption behavior.

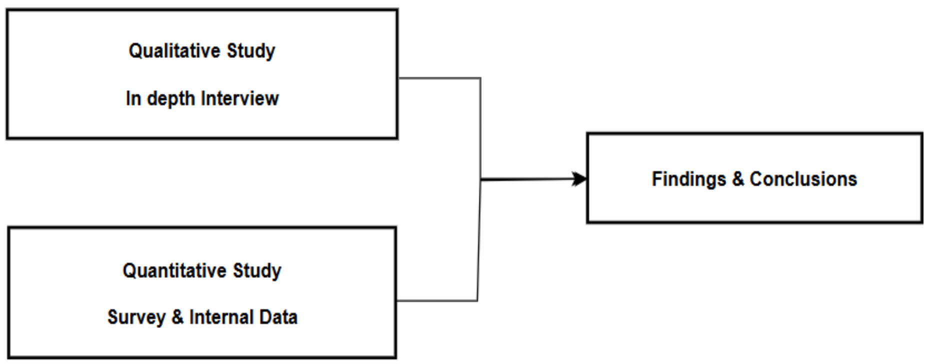
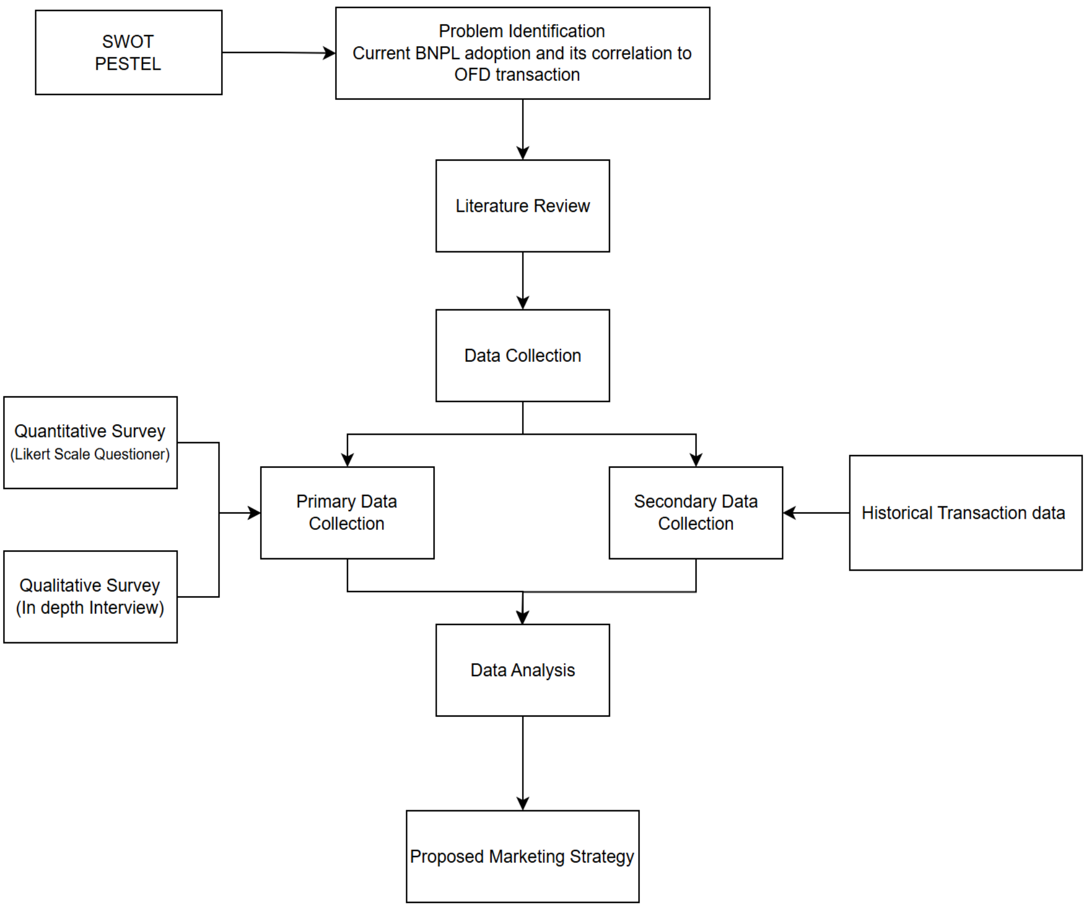


Figure 1. Mix Method Diagram

The research design objective ensures that the methodologies chosen for the research effectively address the research questions. In this study, the research design aims to systematically investigate the relationship between Buy Now Pay Later (BNPL) adoption and online food delivery (OFD) transactions among university students using ABCDFOOD and XYZ, with key objectives :

1. Establishing the Relationship Between BNPL and OFD Transactions to determine whether BNPL adoption increases the frequency, order value, and retention of university students using OFD platforms, and analyze the BNPL usage and consumer spending behavior in the OFD sector.
2. To identify how financial literacy, spending control, and affordability perception influence students' BNPL adoption for food delivery transactions.
3. Identifying the Moderating Role of Customer Characteristics to assess how demographic factors (loyalty level, income, financial literacy, and promotion sensitivity) influence the impact of BNPL adoption on OFD transactions. Evaluating BNPL's Perceived Benefits and Risks in OFD to explore university students' motivations for using BNPL in food delivery (e.g., convenience, flexibility, affordability, debt accumulation, impulsive spending, repayment challenges) associated with BNPL adoption.

Developing Strategic Insights for ABCDFOOD & XYZ to provide actionable marketing strategies for ABCDFOOD based on the findings, ensuring better customer segmentation, engagement, and promotional strategies.



Data collection in research is commonly classified into two categories: primary and secondary data, where both have their own function to ensure comprehensive analysis. Primary data is collected directly by the researcher from the respondents through various methods such as questionnaires, interviews, surveys, and observations (Saunders et al., 2023). Primary data helps researchers to study behavior, perception, or patterns related to the study. On the other hand, secondary data is collected by the researcher from pre-existing data sources such as academic journals, government reports, industry databases, and company records.

Secondary data is useful in validating the findings and understanding the research problem (Johnston, 2014).

This research will apply the common data collection procedure in business research: qualitative and quantitative. The difference between qualitative and quantitative methods is the type of data collected, where qualitative methods are used when analyzing non-numerical data, such as interviews or focus group discussions, and quantitative methods are used to analyze numerical data.

Primary Data Collection Method

Primary data collection for this study will be conducted through in-depth interviews for qualitative data and Likert scale surveys for quantitative data. Qualitative and quantitative data collection is essential for this research to identify the university students' perception towards BNPL and key factors influencing consumer behavior.

Qualitative Data Collection Method

The qualitative data aims to explore consumer motivations, perceptions, and behavioral drivers in the use of on-demand food delivery services. It is collected through in-depth interviews conducted with 10–15 university students from the Jatinangor area. Interview topics and questions are built based on the research question and the hypothesis to explore university students' characteristics, behaviors, and perceptions regarding on-demand food delivery (OFD) platforms and Buy Now, Pay Later (BNPL) features, assessing whether BNPL can influence their food delivery transactions. The expected outcomes of the interview will be as stated below :

- Understanding of student behaviors and motivations when using OFD platforms.
- Insights into financial habits and the role of BNPL in their spending decisions.
- Perceptions of BNPL's benefits and risks, especially in the context of food delivery.
- Potential impact of BNPL on increasing OFD transactions among university students.

Quantitative Data Collection Method

The quantitative data is used to validate findings from the qualitative phase and to measure relationships between key variables affecting consumer behavior. Qualitative data collection will be done through structured questionnaires in the form of likert scale distributed online. The questionnaire will utilize google forms with a minimum 200 respondents of University students in Jatinangor who have used OFD services at least once in the past three months with and without experience using BNPL services. Survey structure consists of 5 sections covering demographic data, OFD usage, financial behavior, BNPL perceptions, and potential adoption of BNPL for food delivery transactions. All items use Likert-scale questions (1 = Strongly Disagree, 5 = Strongly Agree) to measure attitudes and behaviors quantitatively.

Secondary Data Collection Method

Secondary data is important to complement findings from primary data to add contextual insight and historical trends. Secondary data for this research will be collected by taking existing data from reliable sources from ABCD internal data, Market research report, and public database. ABCD internal data will provide transaction records consisting of University Student ABCDFOOD transactions, spending patterns, BNPL adoptions trend, and customer churn rate. Market research reports will add macro trends and competitor benchmarking while public databases will help to contextualize consumer behavior and industry trends.

Data Analysis Method

The research employs a mixed-methods approach to analyze both qualitative and quantitative data to provide a more comprehensive understanding of a research problem (Johnson et al., 2007). Structured approaches need to be done to ensure that insights from both qualitative and quantitative data is interpreted effectively to achieve the research objectives. Utilizing a mixed methods research approach is particularly advantageous when investigating complex research questions that cannot be sufficiently addressed by solely quantitative or qualitative methods (Kaur, 2016). The comprehensive insights afforded by mixed methods research make it a valuable approach in various fields, including marketing, social sciences, ect.

Qualitative Data Analysis

Qualitative data analysis approach will be employed to gain an in-depth understanding of students' experiences, perceptions, and behaviors. This method is particularly effective for exploring complex phenomena where numerical data alone may not capture the full context. The collected qualitative data from in depth interviews with university students will be analyzed using thematic analysis method. Thematic analysis serves as a foundational method for qualitative analysis, offering flexibility and accessibility to researchers across various disciplines. It enables the examination of diverse perspectives, facilitating a rich and detailed understanding of the research topic. Thematic analysis allows for a nuanced understanding of what people say and do within their particular social contexts (T.Jowsey et al., 2021). By focusing on patterned meaning within data, thematic analysis assists in elucidating the underlying themes that emerge from participants' narratives.

Quantitative Data Analysis

The quantitative data collection via surveys allows for a structured and scalable assessment of university students’ behavior, perceptions, and likelihood of adopting BNPL for OFD transactions. The data collected from Likert scale questions provides measurable insights into the degree of agreement or disagreement on specific statements, enabling the analysis of trends, relationships, and predictive factors. Ms Excel or Google Sheet will be used for descriptive statistics and data visualizations.

Data Integration and Strategy Development

The research aims to provide better understanding on how University Students perceive BNPL features and give actionable insights for ABCD as OFD platform with BNPL feature within their ecosystem to identify gaps in ABCDFOOD’s current offerings, and suggest targeted marketing strategies specific for the University Students users cohort. With better understanding and fit marketing strategy ABCD can increase the OFD transaction among the University Students persona as one of the important cohorts and create a competitive advantage compared to other similar platforms.

RESULTS AND DISCUSSION

Business Analysis

The conceptual framework mentions that customer characteristics such as financial literacy, promotion sensitivity, and income level are critical moderating variables that shape BNPL adoption behavior. After conducting the analysis of both the qualitative and quantitative research, the findings indicate that University students exhibit characteristics consistent with hyperbolic discounting and present-bias phenomena, aligned with behavioral theories outlined in the conceptual framework. These conditions are seen in their strong preference for instant gratification when ordering food online, especially when supported by discounts or convenience-driven use cases. BNPL features such as XYZlater had the potential to be enhanced to the OFD services like ABCDFOOD to increase user loyalty and transaction volume among university students.

However, BNPL features such as XYZlater need to be improved and adjusted to meet the unique characteristics and needs of university student users. Survey results reveal that while students trust the ABCD ecosystem and are highly familiar with digital payments, there is a lack of financial literacy around BNPL and concerns about overspending limit adoption. BNPL is currently associated with high-value purchases such as electronics or fashion items, not with daily small transactions such as food, which is reflected in how university students manage their finances, aligned with the principle of mental accounting theory.

BNPL adoption for small, high-frequency transactions remains low due to emotional concerns about future debt and loss of financial control. Additionally, university students' strong dependency on discounts and budget discipline is impacting their OFD transaction behavior. Also, it further moderates how BNPL is perceived and used. These findings confirm the framework's assumption that BNPL effectiveness is contingent on both cognitive and emotional alignment with the user's profile.

BNPL is this insight confirms the conceptual need to reframe BNPL as a tool for daily budgeting—positioning XYZLater not as a credit product, but as a smart, bounded spending mechanism tailored for student needs.

Moderating Role of Customer Characteristics

The conceptual framework identifies customer characteristics such as financial literacy, promotion sensitivity, and income level as critical moderating variables that shape BNPL adoption behavior.

The insights from mixed-payment users are especially relevant to the conceptual framework. This cohort exhibited the highest transaction frequency and average order value, demonstrating that when BNPL is used alongside traditional payment methods, it enhances overall engagement. This validates the strategic value of targeting these users for retention programs, further strengthening the framework's pathway toward increasing transaction frequency and loyalty.

Strategic Implications for Value Creation

- The results underscore the importance of aligning XYZLater with students' behavioral logic and spending routines. Tactically, this includes:
- Offering small-limit, interest-free BNPL options for food purchases to lower perceived financial risk and support mental accounting logic.
- Enhancing user control via customizable limits and in-app trackers, addressing overspending fears, and supporting present-bias mitigation.
- Promoting financial literacy through in-app content and offline campus-based campaigns,

targeting the knowledge gaps identified in the survey.

These recommendations directly operationalize the conceptual framework’s proposed relationship between BNPL design, psychological drivers, and consumer transaction behavior. If implemented, they can elevate XYZLater from an underused payment option into a behaviorally aligned financial enabler, unlocking higher ABCDFOOD engagement and sustainable platform loyalty among university students.

ABCD has a major opportunity to convert the university student' needs of convenience and practicality from OFD services, along with their price sensitivity, budgeting habits, and digital readiness, into higher transaction volume through the smarter use of BNPL. High demand and consistent use of OFD services among university students is largely driven by practicality and time efficiency, while BNPL can help to address the price sensitivity and dependency on promotion and discount.

Based on the research, we find that the challenge for ABCD to increase the adoption of XYZ later is not technology, but rather BNPL service perception and positioning amongst the university students. University students tend to associate BNPL features with debt or lending platforms with financial risk, and are suitable only for large purchases or emergency situations. As a result, XYZLater is currently underutilized for daily and high-frequency use cases with relatively small amounts, such as food delivery.

XYZLater must be strategically repositioned as a smart financial assistant rather than a credit product to increase the adoption rate before combining it with relevant use cases like ABCDFOOD order payment. By framing XYZ later as a budgeting tool that offers payment flexibility, spending control, and short-term financial relief, ABCD can align the service with the financial behavior and lifestyle of students. Only after this perceptual shift is established can XYZLater be effectively embedded into relevant high-frequency use cases, such as ABCDFOOD transactions, where it can unlock greater transaction volume, enhance customer retention, and contribute to a more sustainable business model in the long term.

Positioning XYZ later as Smart-Budgeting Tools

One of the clearest insights from both the qualitative interviews and survey responses is that university students are highly budget-conscious. They closely monitor their daily expenses, including food, which is treated as a recurring need rather than a luxury. This behavior creates a unique opportunity to reframe the role of BNPL from a credit tool into a flexible, budget-management solution. To shift the perception of the BNPL among the university students, XYZlater must empower them to use it strategically and address their cautious attitude over debt by providing them access:

1. Create a small-limit, interest-free XYZlater for ABCDFOOD transactions. One of the key barriers to BNPL adoption among university students is the perceived risk of BNPL overuse and overindebtedness. To address this, ABCD should create a dedicated small-limit, interest-free XYZLater feature that is exclusive only for ABCDFOOD transactions. For example, students could be offered a monthly cap of IDR 200,000–300,000 that they can use for food orders with zero interest and no hidden fees. By limiting the scope and value of credit, ABCD reinforces financial safety and trust, allowing students to perceive XYZLater not as a general loan tool, but as a daily cash flow aid. This specific configuration directly supports user behavior and needs of high-frequency, low-risk transactions like ABCDFOOD, without enabling harmful credit behavior.
2. Highlight user control features: XYZlater “Pick Your Limit” and “Spending Tracker”. University students mostly manage limited monthly allowances. Hence, a sense of

control and discipline over their financial behavior is very important. ABCD has provided a feature for users to limit their maximum usage of XYZ later and monitor their transactions. Highlighting these features can mitigate overspending concerns among university students and reframes XYZLater as a supportive, user-driven tool rather than a company-driven product. It allows the service to align with the university students' budgeting logic and makes financial management more intuitive and less intimidating.

3. Integrating Financial Literacy Through In-App Education and Campus-Based Engagement. To reframe BNPL later among university students, it's important to address the knowledge gap and negative perception surrounding BNPL usage. To overcome this challenge, ABCD can combine digital financial education content within their digital-app platform with specific offline engagement campaign strategies for university students to build both awareness and trust. The content example can share how students can use it responsibly for everyday needs like food and practical budgeting tips tailored to student life (e.g., how to manage meal spending when allowance is delayed).

By positioning XYZLater as a Smart Budgeting Tool, the challenge from emotional barriers of the university students' hesitation about BNPL usage for daily needs will be resolved. XYZlater can be perceived to align with the university student's financial behavior and create a new use case for BNPL that is frequent, controlled, and sustainable. This approach transforms XYZLater from an underused feature into a trusted financial companion, creating deeper brand value and user retention.

Optimizing XYZlater to Shift Promo-Oriented Behavior and Build Sustainable ABCDFOOD Transactions Growth

The research finds that university students mostly choose OFD platforms based on discounts and promotions. This condition is also applied for ABCDFOOD, with the highest Likert score in the survey (4.55/5) linked to choosing platforms based on the biggest discounts. Promos and discounts are effective for short-term user acquisition, but dependency on them undermines long-term profitability and company sustainability by reducing margins and creating a high user churn rate when promotions are removed.

ABCD must shift the university student behavior from being promo-dependent to being value-driven. BNPL features such as XYZlater can be utilized as a key enabler for this behavioral transformation, as it will address the price sensitivity characteristics of university students without the requirement to sacrifice margin by burning money on a discount. XYZlater offers payment flexibility that relieves short-term financial pressure. Even though research has shown that university students hesitate to use BNPL for small daily needs such as food, with repositioning XYZ later as smart budgeting tools, the usage of this BNPL can align with the hyperbolic discounting behavior, where the immediate gratification impact still occurs as the worry of future financial impact is minimized.

Instead of continuing universal discount schemes on ABCDFOOD, ABCD can utilize XYZlater to create loyalty programs that focus on :

1. Reward usage frequency rather than one-off transactions.
2. Encourage mix-payment behavior (alternating between XYZ and XYZLater), which, as data shows, correlates with the highest order frequency and value.
3. Provide non-monetary rewards (e.g., free delivery, loyalty points, or vouchers) upon completing milestones with XYZLater.

This approach helps establish routine-ordering habits and drives user loyalty and retention, while reducing dependency on discounts and price subsidies. In the medium and long term, BNPL may be the tool to shift the current behavior of the OFD users and improve their loyalty not only towards ABCDFOOD but also other ABCD services such as Goride and Gocar.

Table 1. BNPL Long-term impact for ABCD

Old Behavior	BNPL Driven Behavior	Long-term Impact
Always wait for the Promo	Will order with flexible payment	Higher retention and fewer churn users
Switches the OFD platform often	Stay with ABCDFOOD for BNPL + Loyalty rewards	User stickiness on the ABCD ecosystem
Only order when cash is available or when you need convenience	Routine OFD order, as the budget is already allocated	Higher order frequency
Associate ABCD with Discount	Associate ABCD with Value and flexibility	Improve brand equity

Marketing Campaign Plan

To convey the XYZlater feature enhancement and positioning as smart budgeting tools, a holistic marketing activity specific to university students' characteristic needs needs to be done. The marketing campaign design objective is to encourage students to adopt XYZLater for food-related transactions with confidence and purpose.

The campaign will use the tagline "#Aturduitmakan", combining several marketing channels to optimize the reach and accuracy to specifically target university students. The campaign will be implemented at the city-level scale to ensure budget efficiency and can be replicated to other locations with similar user targets with certain adjustments. On Table 1 below, we can see the list of marketing channels, activities, and budget of the "#Aturduitmakan" campaign for the Bandung area.

Table 2. BNPL Long-term impact for ABCD

Marketing Channel	Activities	Budget
Digital media & paid ads	Social Media and YouTube ads to raise awareness of XYZ later (student persona targeting)	Content Production: 100,000,000 Posting Cost: 150,000,000
Influencer & UGC marketing	10 food TikTokers, 5 micro-finance influencers, and content seeding	100,000,000
Student ambassador program	50 ambassadors across 10 major campuses (stipends, merchandise, training)	150,000,000
Campaign rewards &	Cashback, free delivery,	200,000,000

gamification	ABCDFOOD vouchers for mission completions	
Offline campus activation	Budgeting workshops, roadshows, merchandise, and banners	200,000,000

Table 3. BNPL Long-term impact for ABCD

Metric	Baseline	Target
XYZ later activation (University Students Cohort)	6%	≥15%
BNPL penetration on ABCDFOOD payment (University Students Cohort)	5%	≥12%
Average ABCDFOOD order per month (mixed-payment users)	9.4 / month	≥12 / month
ABCDFOOD Churn Users (University Students Cohort)	40%	≤35 %

Through behavioral nudges, financial education, and peer-based advocacy, ABCD can unlock new transaction volume, reduce promo overdependence, and build a long-term value proposition with the student segment, fostering both profitability and platform loyalty.

Strategic Implications for Value Creation

The results underscore the importance of aligning XYZLater with students' behavioral logic and spending routines. Tactically, this includes:

1. Offering small-limit, interest-free BNPL options for food purchases to lower perceived financial risk and support mental accounting logic.
2. Enhancing user control via customizable limits and in-app trackers, addressing overspending fears and supporting present-bias mitigation.
3. Promoting financial literacy through in-app content and offline campus-based campaigns, targeting the knowledge gaps identified in the survey.

These recommendations directly operationalize the conceptual framework's proposed relationship between BNPL design, psychological drivers, and consumer transaction behavior. If implemented, they can elevate XYZLater from an underused payment option into a behaviorally-aligned financial enabler, unlocking higher ABCDFOOD engagement and sustainable platform loyalty among university students.

CONCLUSIONS

This research explored the adoption and behavioral impact of BNPL services, specifically XYZLater, on ABCDFOOD transactions among university students, revealing that while students frequently use online food delivery (OFD) services driven by convenience and promotions, their loyalty to specific platforms remains low and highly price-sensitive. Despite high digital payment adoption and trust in the ABCD ecosystem, BNPL use for daily needs like food delivery is limited due to perceptions of BNPL as a debt-related feature suited for large, infrequent purchases, causing hesitation around overspending and financial mismanagement. However, the study identifies a significant opportunity for ABCD to increase ABCDFOOD transactions and build customer loyalty by repositioning XYZLater as a smart financial assistant rather than a credit product, addressing both functional and emotional concerns of budget-conscious, digitally savvy students. This reframing could enhance user retention, transaction frequency, and customer lifetime value sustainably. For future research, it is recommended to examine the long-term behavioral effects of such repositioning strategies, investigate BNPL adoption across other demographic segments and industries, and explore the impact of financial literacy interventions on BNPL usage and consumer financial well-being to further optimize digital payment solutions and customer engagement strategies.

By pursuing these future directions, researchers can contribute to the development of financial technology that is not only commercially successful but also socially responsible, supporting digital inclusion, financial literacy, and long-term consumer well-being in Indonesia's fast-evolving digital economy.

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