

1. Introduction

1.1 General Description of The Research Object

The research object of this study is Shopee PayLater, a financial service provided by Shopee, one of the largest e-commerce platforms in Southeast Asia. Shopee PayLater allows consumers to make purchases and defer payments to a later date, offering a buy-now-pay-later (BNPL) option. This service aims to provide consumers with greater financial flexibility, especially during times of economic uncertainty and downturns.

1.1.1 Key Features of Shopee PayLater:

1. **Deferred Payment:** Users can purchase items without immediate payment, delaying the expense to a future date.
2. **Interest and Fees:** Depending on the terms, deferred payments may incur interest or fees, influencing consumer behavior.
3. **Accessibility:** Available to eligible Shopee users, integrating seamlessly with the platform's checkout process.
4. **Credit Limit:** Users are provided with a credit limit based on their purchasing history and creditworthiness.
5. **Payment Options:** Flexible repayment options are offered, allowing users to choose payment plans that best suit their financial situation.

1.1.2 Context of Use:

1. **Economic Downturns:** During periods of economic instability, consumers face financial constraints and uncertainties. Services like Shopee PayLater can help maintain purchasing power by spreading the cost over time.
2. **Consumer Behavior:** The availability of BNPL options can influence consumer spending patterns, potentially increasing overall expenditure despite economic challenges.

1.1.3 Research Scope

The study focuses on analyzing how Shopee PayLater impacts consumer purchasing power during economic downturns. It examines both the benefits and potential risks associated with the service, providing a comprehensive review of its effectiveness and strategic implications for e-commerce platforms and policymakers.

1.2 Research Background

In recent years, the global economy has faced numerous challenges, with economic downturns becoming more frequent and severe. These downturns have a profound impact on consumer behavior, often leading to reduced purchasing power and cautious spending. Amidst this backdrop, financial technologies have emerged as vital tools to support consumer spending and economic stability. One such innovation is Shopee PayLater, a buy-now-pay-later (BNPL) service provided by Shopee, one of Southeast Asia's leading e-commerce platforms.

Shopee PayLater offers consumers the ability to make purchases and defer payments, providing financial flexibility that is especially valuable during times of economic uncertainty. By allowing deferred payments, Shopee PayLater helps consumers manage their cash flow more effectively, enabling them to maintain their purchasing activity even when immediate funds are limited.

This study explores the role of Shopee PayLater in boosting consumer purchasing power during economic downturns. It examines how the service influences consumer spending behavior, evaluates its benefits and risks, and provides strategic implications for e-commerce platforms and policymakers. By understanding the impact of Shopee PayLater, the research aims to offer insights into the broader implications of BNPL services on consumer behavior and economic resilience.

The analysis leverages both quantitative data from consumer surveys and qualitative insights from industry experts to provide a comprehensive understanding of Shopee PayLater's effectiveness. The findings of this study are expected to contribute to the growing body of knowledge on financial technologies and their role in enhancing consumer spending capacity, particularly in challenging economic environments.

By investigating the dynamics of Shopee PayLater, this research seeks to provide actionable recommendations for e-commerce platforms looking to implement similar services and for policymakers aiming to maximize the benefits of BNPL options while mitigating potential

drawbacks. This study is particularly relevant as the global economy continues to navigate through periods of volatility and change.

