

Kingdom of Saudi Arabia
Midocean
Project Management

GRADUATION PROJECT 1

**The Impact of Buy Now Pay Later (BNPL) Services on
Consumer Purchasing Decisions in Saudi Arabia**

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Chapter Four: Statistical Analysis & Findings Discussion

4.1 Introduction

This chapter presents the results of the statistical analysis conducted using SPSS version 28. The data was collected through an online self-administered questionnaire distributed to Saudi consumers who have used at least one Buy Now Pay Later (BNPL) service. A total of 397 questionnaires were distributed, of which 385 were valid and usable for analysis, meeting the minimum sample size determined in Chapter Three.

The chapter is organized as follows: it starts with a descriptive profile of the sample, then covers the validity and reliability tests for the measurement scales, followed by descriptive statistics for each research variable, hypothesis testing through multiple regression analysis, and a discussion connecting the findings to the existing literature. A conclusion summarizes the key takeaways.

4.2 Sample Profile (Descriptive Statistics for Research Sample)

The following tables describe the demographic characteristics of the 385 respondents who participated in this study.

Table 4.1: Distribution of respondents by gender

Gender	Frequency	Percentage (%)
Male	178	46.2%
Female	207	53.8%
Total	385	100%

Note: The sample is slightly female-dominant, which is consistent with broader trends in Saudi e-commerce usage reported in recent market studies.

Table 4.2: Distribution of respondents by age group

Age Group	Frequency	Percentage (%)
18–24	142	36.9%
25–34	163	42.3%
35–44	61	15.8%
45 and above	19	4.9%
Total	385	100%

Note: The majority of respondents fall in the 18–34 age range (79.2%), which aligns with existing research showing that BNPL usage is concentrated among younger, digitally engaged consumers.

Table 4.3: Distribution of respondents by monthly income level

Monthly Income (SAR)	Frequency	Percentage (%)
Less than 5,000	89	23.1%
5,000–10,000	174	45.2%
10,001–15,000	84	21.8%
Above 15,000	38	9.9%
Total	385	100%

Table 4.4: Most frequently used BNPL provider

Provider	Frequency	Percentage (%)
Tabby	176	45.7%
Tamara	134	34.8%
Madfu	52	13.5%
Other	23	6.0%
Total	385	100%

Table 4.5: Frequency of BNPL usage

Usage Frequency	Frequency	Percentage (%)
Weekly	47	12.2%
Monthly	198	51.4%
Occasionally	112	29.1%
Rarely	28	7.3%
Total	385	100%

Note: Over half of respondents (51.4%) use BNPL at least once a month, indicating that this is a regular payment behaviour rather than an occasional one for the majority of the sample.

4.3 Validity & Reliability Tests for the Questionnaires

Reliability testing was conducted using Cronbach's Alpha coefficient to assess the internal consistency of each measurement scale. A value of 0.70 or above is generally considered acceptable in social science research (Nunnally, 1978).

Table 4.6: Reliability test results (Cronbach's Alpha)

Variable	Number of Items	Cronbach's Alpha	Interpretation
Ease of Use (EOU)	5	0.861	Good
Financial Flexibility (FF)	5	0.843	Good
Risk Awareness (RA)	5	0.798	Acceptable
Consumer Purchasing Decisions (CPD)	5	0.877	Good

All four scales exceed the 0.70 threshold, confirming that the questionnaire items within each scale are measuring their respective constructs in a consistent and reliable manner. The overall instrument is therefore considered reliable for further analysis.

4.3.1 Validity (Exploratory Factor Analysis)

Validity was assessed through exploratory factor analysis (EFA) using principal component analysis with varimax rotation. The Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity were first checked to confirm that the data was suitable for factor analysis.

Table 4.7: KMO and Bartlett's Test

Test	Value
Kaiser-Meyer-Olkin (KMO) Measure	0.871
Bartlett's Test — Chi-Square	3,847.23
Bartlett's Test — df	190
Bartlett's Test — Sig.	0.000

The KMO value of 0.871 indicates that the sample is adequate for factor analysis, and Bartlett's Test is statistically significant ($p < 0.001$), confirming that the correlation matrix is not an identity matrix. The EFA results showed that all items loaded cleanly onto their respective factors with factor loadings above 0.50, providing evidence of construct validity for all four scales.

4.4 Descriptive Statistics for Research Variables

Table 4.8 presents the descriptive statistics for the four research variables, including the mean and standard deviation for each. All variables were measured on a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

Table 4.8: Descriptive statistics for research variables

Variable	N	Min	Max	Mean	Std. Dev.	Interpretation
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Ease of Use (EOU)	385	1	5	4.12	0.673	High
Financial Flexibility (FF)	385	1	5	3.94	0.721	High
Risk Awareness (RA)	385	1	5	3.21	0.889	Moderate
Consumer Purchasing Decisions (CPD)	385	1	5	3.87	0.744	High

Ease of use received the highest mean score ($M = 4.12$), suggesting that Saudi BNPL users generally perceive these platforms as simple and effortless to use. This is consistent with the design philosophy of platforms like Tabby and Tamara, which are built around minimal friction at checkout.

Financial flexibility also scored highly ($M = 3.94$), indicating that most respondents see BNPL as a meaningful tool for managing their budgets and making purchases more financially accessible.

Risk awareness showed a notably lower and more moderate mean ($M = 3.21$), which is an important finding in itself. It suggests that while respondents are not entirely unaware of the risks associated with BNPL, their awareness sits at a mid-level — neither particularly high nor particularly low. This has implications for the hypothesis testing discussed below.

Consumer purchasing decisions ($M = 3.87$) indicate a generally positive inclination toward using BNPL when making purchases, though with some variation across the sample.

4.5 Testing Hypotheses

Multiple regression analysis was used to test the three research hypotheses. Consumer Purchasing Decisions (CPD) was entered as the dependent variable, with Ease of Use (EOU), Financial Flexibility (FF), and Risk Awareness (RA) as the independent variables. The assumptions of regression — normality, homoscedasticity, and absence of multicollinearity — were checked and confirmed prior to running the analysis.

4.5.1 Model Fit

Table 4.9: Model summary

R	R ²	Adjusted R ²	Std. Error	F	Sig.
0.734	0.539	0.535	0.507	148.67	0.000

The model explains 53.9% of the variance in consumer purchasing decisions ($R^2 = 0.539$), and is statistically significant ($F = 148.67$, $p < 0.001$), indicating that the three independent variables together are meaningful predictors of purchasing decisions.

4.5.2 Regression Coefficients

Table 4.10: Regression coefficients

Variable	B	Std. Error	Beta (β)	t	Sig.	Decision
(Constant)	0.612	0.187	—	3.272	0.001	—
Ease of Use (EOU)	0.431	0.047	0.389	9.170	0.000	H1 Supported ✓
Financial Flexibility (FF)	0.298	0.043	0.289	6.930	0.000	H2 Supported ✓
Risk Awareness (RA)	0.071	0.038	0.085	1.868	0.062	H3 Not Supported ✗

4.5.3 Discussion of Hypothesis Results

H1 — Supported:

Ease of use has a statistically significant positive effect on consumer purchasing decisions ($\beta = 0.389$, $t = 9.170$, $p < 0.001$). This was the strongest predictor among the three variables, meaning that when Saudi consumers find a BNPL platform easy to use, they are considerably more likely to complete a purchase using it. H1 is therefore supported.

H2 — Supported:

Financial flexibility also has a statistically significant positive effect on consumer purchasing decisions ($\beta = 0.289$, $t = 6.930$, $p < 0.001$). Consumers who perceive BNPL as a way to ease their budget constraints are more likely to use it at checkout. H2 is therefore supported.

H3 — Not Supported:

Risk awareness does not have a statistically significant effect on consumer purchasing decisions ($\beta = 0.085$, $t = 1.868$, $p = 0.062$). Although the relationship is in a positive direction, it falls below the 0.05 significance threshold. This means that, within this sample, a consumer's level of risk awareness does not meaningfully predict whether they will use BNPL to make a purchase. H3 is therefore not supported.

Table 4.11: Summary of hypothesis testing results

Hypot he sis	Statement	Result
H1	Ease of use has a significant positive relationship with consumer purchasing decisions	Supported ✓
H2	Financial flexibility has a significant positive relationship with consumer purchasing decisions	Supported ✓
H3	Risk awareness has a significant relationship with consumer	Not Supported ✗

	purchasing decisions	
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4.6 Connecting the Results with Literature

The finding that ease of use is the strongest predictor of BNPL-related purchasing decisions is consistent with Davis's (1989) Technology Acceptance Model, which identifies perceived ease of use as one of the primary drivers of technology adoption. It also aligns with research on mobile payment adoption in the Middle East, which has consistently shown that transaction speed and minimal effort at checkout are among the most valued features for consumers in the region.

The significant relationship between financial flexibility and purchasing decisions supports the broader consumer finance literature, which suggests that installment-based payment structures reduce the perceived financial burden of a purchase and therefore increase the likelihood of completion. This is particularly relevant in a market like Saudi Arabia, where a large share of the active consumer base consists of young adults who are early in their earning years and may have limited liquidity for large upfront payments.

Perhaps the most interesting finding is the non-significant effect of risk awareness on purchasing decisions. This is consistent with emerging BNPL-specific research, including Guttman-Kenney, Firth, and Gathergood (2023), which suggests that the simplified, low-friction nature of BNPL at the point of purchase may effectively bypass the deliberative risk-assessment process that consumers might otherwise apply. In other words, knowing that risks exist does not necessarily translate into changing one's purchasing behavior when convenience and flexibility are both present and strong. This finding has real implications for consumer protection policy, as it suggests that simply making consumers aware of risks may not be sufficient to alter their behavior — more active regulatory intervention or friction by design may be needed.

Taken together, these results suggest that BNPL adoption in Saudi Arabia is primarily driven by experiential and financial factors — how easy the platform is to use and how much financial relief it appears to offer — rather than by risk cognition. This pattern mirrors findings from Western markets but confirms that it holds in a culturally and regulatorily distinct context.

4.7 Conclusion

This chapter has presented the full statistical analysis for this study. The sample of 385 Saudi BNPL users was broadly representative, skewing young and predominantly monthly users of platforms such as Tabby and Tamara. All measurement scales demonstrated acceptable to good reliability, and the factor analysis supported the validity of the instrument. The regression model

explained 53.9% of the variance in consumer purchasing decisions, with ease of use emerging as the strongest predictor, followed by financial flexibility. Risk awareness, while present in consumers' minds at a moderate level, did not significantly influence their purchasing decisions. These findings are discussed in relation to prior literature and their implications are taken up in Chapter Five.

Reference List

Listed in APA (7th edition) format, alphabetically by author surname. This list includes all references from Assignments 1, 2, and 3.

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