



“Buy Now, Pay Later (BNPL): A Boon or Debt Trap for Indian Consumers?”

Katakam Vasavi

Department of management, Siva Sivani Institute of management, India

ABSTRACT

Buy Now, Pay Later (BNPL) has emerged as a fast-growing digital credit option in India, especially among young and tech-savvy consumers. It allows users to purchase goods and services instantly and repay later through short-term instalments, often without interest. While BNPL offers convenience and financial flexibility, it also raises concerns about impulsive spending, repayment pressure, and potential long-term financial stress.

This study adopts a descriptive and analytical approach using both primary and secondary data. Primary data was collected through a structured questionnaire from 250 respondents in urban and semi-urban areas of India, while secondary data was sourced from RBI publications, academic journals, fintech reports, and news articles. The research examines BNPL usage patterns, consumer behaviour, repayment discipline, financial impact, and perceptions of risk associated with BNPL services.

The findings reveal that 66% of respondents have used BNPL services, with the highest adoption among individuals aged 18–30 years. Most users repay on time, reflecting responsible usage; however, a significant number experience moderate financial stress and admit that BNPL encourages overspending, particularly for non-essential purchases. Income, occupation, age, and gender significantly influence BNPL adoption, while education level does not appear to be a major determinant.

The study also finds that consumers generally perceive BNPL as convenient, accessible, and moderately safe, though full understanding of terms and conditions remains limited. A large proportion of respondents support stricter regulatory oversight, reflecting growing concerns about transparency, penalties, and consumer protection. These insights highlight the need for clearer communication by BNPL providers and stronger policy frameworks to safeguard user interests. The study concludes that BNPL functions as both a financial enabler and a potential risk tool. Although it improves purchasing power and consumer convenience, stronger regulatory oversight, better transparency, and improved financial literacy are essential to ensure the sustainable and responsible use of BNPL services in India.

Keywords:

Buy Now, Pay Later (BNPL), Fintech, Digital Credit, Consumer Behavior, Financial Literacy, Impulsive Spending, Repayment Behavior, Financial Stress, Regulatory Framework, Financial Inclusion.

INTRODUCTION

1.1 Background of the Study

The Indian financial landscape is undergoing a digital transformation, with fintech innovations reshaping how consumers access and use credit. Among these, Buy Now, Pay Later (BNPL) has emerged as a popular and disruptive credit model, especially among millennials and Gen Z. BNPL allows consumers to purchase goods and services instantly and defer payments over short-term instalments, often interest-free. This model has gained traction due to its simplicity, accessibility, and flexibility, particularly for those without formal credit histories.

Several factors have contributed to the rapid rise of BNPL in India:

- **Consumer Behaviour Trends:** Young consumers increasingly prefer flexible payment options that align with their digital lifestyles. BNPL appeals to their desire for instant gratification without the burden of traditional credit checks (*Singh & Tripathi, 2025*).
- **Digital Penetration:** With over eight hundred million smartphone users and widespread internet access, digital platforms offering BNPL have become easily accessible across urban and semi-urban regions (*Research and Markets, 2025*).
- **Fintech Growth:** India is home to over 14,500 fintech startups, many of which offer BNPL services. Companies like LazyPay, Simpl, ZestMoney, and Amazon Pay Later have tailored their offerings to meet the needs of Indian consumers (*Research and Markets, 2025*).
- **Economic Conditions:** Post-pandemic recovery, inflation, and fluctuating income levels have increased reliance on short-term credit solutions like BNPL (*Murugesan & Chitra, 2024*).
- **Retail Expansion:** BNPL is now integrated into major e-commerce platforms (Amazon, Flipkart) and offline retail chains, making it a mainstream payment method across sectors like fashion, electronics, travel, and food delivery (*Razorpay, 2025*).
- **Financial Literacy:** Many users lack awareness of repayment terms, interest implications, and credit score impacts, leading to potential debt accumulation (*Business Today, 2025*).
- **Regulatory Environment:** The Reserve Bank of India (RBI) has introduced the Digital Lending Guidelines (2025) to regulate BNPL providers, ensure transparency, and protect consumers from predatory practices (*Reserve Bank of India, 2025*).

While BNPL offers convenience and financial flexibility, it also raises concerns about impulsive spending, hidden fees, and long-term debt risks. This study aims to explore whether BNPL is a financial enabler or a modern debt trap for Indian consumers.

1.2 Need for the Study

BNPL has become a preferred payment method for millions of Indians, especially young and first-time credit users. However, its rapid growth has outpaced consumer understanding and regulatory oversight. Studies show that BNPL can lead to habitual debt, financial stress, and credit score damage, particularly among users with low financial literacy (*Business Today, 2025; Biradar & Reddy, 2025*).

This study is essential to:

- Understand the impact of BNPL on consumer financial health.
- Evaluate whether BNPL is a sustainable credit model or a short-term marketing strategy.
- Analyse consumer awareness and behaviour regarding BNPL terms and conditions.
- Provide insights for policymakers and financial institutions to regulate and improve BNPL offerings.

1.3 Objectives of the Study

- To analyse the growth and adoption of BNPL services in India.
- To assess the benefits and risks associated with BNPL from the consumer's perspective.
- To evaluate the financial literacy of BNPL users.
- To identify the demographic profile of BNPL users.
- To study the repayment behaviour and default rates among BNPL users.
- To explore the regulatory challenges and suggest policy recommendations.

1.4 Scope of the Study

This study focuses on:

- Geographical Scope: Urban and semi-urban regions of India with high BNPL adoption.
- Demographic Scope: Primarily targeting consumers aged 18–35 years.
- Sectoral Scope: E-commerce, retail, travel, and food delivery sectors where BNPL is widely used.
- Temporal Scope: Data and trends from the last 3–5 years to capture recent developments.
- Technological Scope: Analysis of mobile apps, fintech platforms, and digital payment systems offering BNPL.

Traditional credit systems like credit cards or personal loans are considered only for comparative analysis.

1.5 Limitations of the Study

- **Sample Size Constraints:** Limited to a manageable number of respondents due to time and resource constraints.
- **Geographical Bias:** Focused more on urban areas, which may not represent rural consumer behaviour.
- **Data Availability:** Reliance on secondary data and self-reported surveys may affect accuracy.
- **Rapid Market Changes:** BNPL is evolving quickly, and findings may become outdated soon.
- **Consumer Bias:** Respondents may underreport financial stress or overstate benefits.

1.6 Research Methodology

- **Research Design:** Descriptive and analytical.
- **Data Collection Methods:**
 - *Primary Data:* Surveys and interviews with BNPL users.
 - *Secondary Data:* Reports from RBI, fintech companies, academic journals, and news articles.
- **Sampling Technique:** Stratified random sampling to ensure representation across age groups and income levels.
- **Sample Size:** Approximately 150–200 respondents.
- **Data Analysis Tools:** Statistical tools like SPSS or Excel for quantitative analysis; thematic analysis for qualitative responses.
- **Time Frame:** The study will be conducted over a period of 2–3 months.

1. Arun Madev Biradar & Prof. N. Naga Subba Reddy (EPRA Journal): This study explores the psychological and behavioral impact of BNPL on young consumers, revealing that ease of use and accessibility drive impulsive spending. Many users perceive BNPL as a budgeting tool rather than a credit product, leading to financial stress due to low financial literacy. The authors emphasize the need for financial education and transparent lending frameworks to mitigate risks.

2. Kabir Goel (IJNRD): Goel's research highlights BNPL's popularity among Indian millennials due to flexible payment plans and minimal credit checks. While it promotes financial inclusion, the study warns of overconsumption and impulsive buying. It compares BNPL with traditional credit options and stresses the importance of financial literacy to avoid debt accumulation.

3. Arshpreet Singh & Avika Tripathi (IJRPR): This mixed-method study finds BNPL enhances financial flexibility but also fosters impulsive spending and poor understanding of repayment terms. The authors advocate for mandatory disclosures, financial literacy tools, and regulatory oversight to prevent BNPL from becoming a silent debt trap.

4. Akshay Aravind et al. (IJRTI): The paper discusses BNPL's dual nature—offering convenience while risking financial instability. It notes that competition and unsustainable business models among BNPL providers may lead to defaults. Regulatory gaps and data privacy concerns are highlighted, urging better consumer protection and ethical practices.

5. Athul J Aikara & Dr. Pusha A (IRJMETS): This study integrates consumer behavior and financial psychology to examine BNPL usage. It finds that impulsiveness, income instability, and low financial literacy significantly influence BNPL adoption. The authors call for responsible lending practices and improved consumer awareness to mitigate financial risks.

6. Priyanshu Jaiswal & Ms. Pratiksha Mishra (ISJEM): Using survey data, this paper shows BNPL encourages impulsive buying and leads to multiple repayment obligations. The lack of regulation and transparency exacerbates financial pressure. The authors recommend affordability assessments and mandatory disclosures to ensure responsible BNPL usage.

7. Dr. Murugesan D & Dr. C. Chitra (SELP Journal): This study examines BNPL's impact on financial well-being, noting its rise due to FinTech innovations and pandemic-driven demand. While BNPL improves access to credit, it also increases borrowing and over-indebtedness. The authors suggest extending consumer finance regulations to BNPL to protect vulnerable users.

8. Sarah Papich (2022): Papich provides causal evidence that BNPL access increases borrowing but also improves repayment behavior. Her findings suggest that consumers use BNPL responsibly on average, though the risk of debt accumulation remains. The study supports the need for balanced regulation and consumer education.

9. Aaron Gilbert & Ayesha Scott (2022): This study finds a strong link between BNPL usage and over-indebtedness among young adults. Frequent fees and borrowing to repay BNPL balances are common. The authors recommend extending consumer finance regulations to BNPL to protect vulnerable users.

10. Rhys Ashby (2019): Ashby explores the psychological mechanisms behind BNPL usage, revealing that installment pricing reduces the perceived cost of purchases. This leads to increased spending and reduces “pain of payment.” The study highlights BNPL's potential to encourage overspending and financial stress.

11. Mari Anette Hjorthol & Ida Helene Grøtan (2021): This research investigates how BNPL influences consumers' willingness to incur debt, especially among vulnerable groups. It finds that low financial literacy and self-control increase BNPL usage and debt risk. The authors call for targeted education and ethical marketing practices.

12. Jaya Shankar & Sudhanshu Raj (IJIRT): The study explores BNPL's impact on consumer behavior, retail economics, and sustainability. It highlights BNPL's role in boosting sales and financial inclusion but warns of cash flow challenges and default risks. The authors propose integrating green banking principles and financial literacy into BNPL services.

13. Abhishek Sivaraman (DNLU Student Law Journal): This comparative study analyzes India's regulatory framework for BNPL, noting RBI's shift from credit-based to prepaid models. While this enhances transparency, it limits innovation. The author suggests adopting international best practices from the UK, US, and Australia to balance consumer protection with industry growth.

14. Relja et al. (2024): The study finds that BNPL reduces the psychological burden of payment, encouraging impulsive purchases among Millennials and Gen Z. It warns that BNPL may foster risky financial behaviors and stress if not properly regulated or understood.

15. Hasan et al. (2022): This research shows that service quality, price, and payment security significantly influence youth purchasing decisions in BNPL contexts. It emphasizes the need for financial literacy and transparency to prevent poor financial management.

16. Rakib et al. (2022): During the COVID-19 pandemic, youth purchasing behavior was influenced more by product features and brand image than social norms. BNPL's convenience and perceived value drove increased spending, raising concerns about long-term debt.

17. Schomburgk & Hoffmann (2023): Their study highlights BNPL's psychological consequences, showing that impulsivity and low financial self-control lead to financial stress. They propose mindfulness as a protective trait to encourage intentional spending.

18. Paramasivan C (2019): The study emphasizes digital financial inclusion and the role of BNPL in reaching underserved populations. It calls for responsible delivery of financial services to ensure sustainability.

19. Sudhanshu Sekhar Pani (2022): Pani presents a microeconomic model showing BNPL's attractiveness to consumers, service providers, and regulators. He highlights the product's robustness but warns of challenges in regulation and consumer protection.

20. Chuah et al. (2023): The authors find that tech-savvy millennials prefer BNPL for its seamless user experience. However, they caution that BNPL may lead to impulsive consumption and poor financial planning.

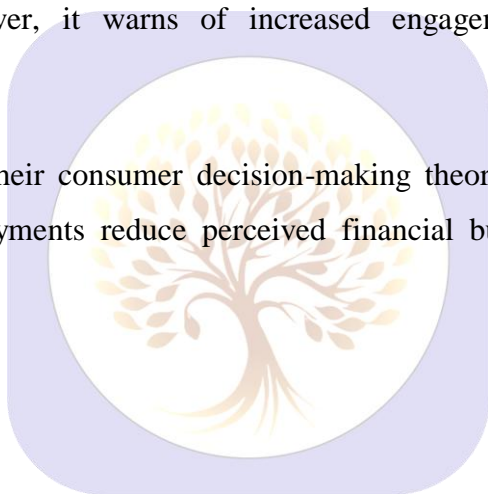
21. Khan & Vilary Mbanyi (2022): Their study shows that low financial literacy among BNPL users leads to misunderstandings and increased debt. They recommend educational initiatives to improve consumer awareness.

22. Abed & Alkadi (2024): The authors argue that perceived benefits and flexible payment plans drive BNPL adoption. They stress the importance of understanding repayment obligations to avoid financial strain.

23. Arisandy et al. (2023): This study finds that customizable payment plans enhance BNPL's appeal but may also encourage overspending. The authors call for better consumer education and transparent terms.

24. Lupşa-Tătaru et al. (2023): The research highlights BNPL's ease of use and its role in simplifying financial responsibilities. However, it warns of increased engagement without adequate financial understanding.

25. Stango & Zinman (2023): Their consumer decision-making theory explains how BNPL influences shopping decisions. Deferred payments reduce perceived financial burden but may lead to impulsive spending and debt accumulation.



3. Research Methodology

3.1. Research Design

- **Type:** Descriptive and analytical
- **Approach:** Quantitative analysis using Excel
- **Purpose:** To understand consumer behavior, financial impact, and risk perception related to BNPL usage.

3.2. Data Collection

- **Primary Data:** Structured questionnaire distributed to 150–200 respondents (BNPL users).
- **Secondary Data:** Academic journals, financial reports, RBI publications, and BNPL provider websites.

3.3. Sampling Technique

- **Method:** Stratified random sampling
- **Target Group:** Consumers aged 18–35, urban and semi-urban areas
- **Sample Size:** 150–250 respondents

3.4. Tools for Analysis

- **Microsoft Excel:**
 - **Pivot Tables:** To summarize demographic data and BNPL usage patterns.
 - **Charts:** Bar graphs, pie charts, and line graphs to visualize trends.
 - **Descriptive Statistics:** Mean, median, mode, standard deviation to analyze spending behavior.
 - **Conditional Formatting:** To highlight overdue payments or high-risk users.
 - **Regression Analysis (basic):** To explore relationships between BNPL usage and financial distress (e.g., missed payments).
 - **Chi-Square Test:** To compare BNPL adoption across different demographic groups.

3.5. Key Variables

- **Independent Variables:** Age, income level, education, frequency of BNPL usage
- **Dependent Variables:** Financial Stress, missed payments, debt accumulation, budgeting behavior.

3.6. Data Presentation

- **Tables:** Summary of responses categorized by age, income, and BNPL usage.
- **Graphs:** Spending trends, repayment behavior, and BNPL awareness levels.
- **Cross-tabulations:** Comparing BNPL impact across different consumer segments.

3.7. Limitations

- Limited to Excel-based analysis (no advanced statistical software).
- Sample may not represent rural or older populations.

- Self-reported data may include bias.

4.Data analysis

Age Group

Table 1: Age of Respondents

| Age | No. of respondents | Percentage |
|--------------------|--------------------|------------|
| 25–30 | 92 | 36.8 |
| 18–24 | 79 | 31.6 |
| 31–40 | 44 | 17.6 |
| 41–50 | 28 | 11.2 |
| 51+ | 7 | 2.8 |
| Grand Total | 250 | 100 |

Source: Data collected Questionnaire

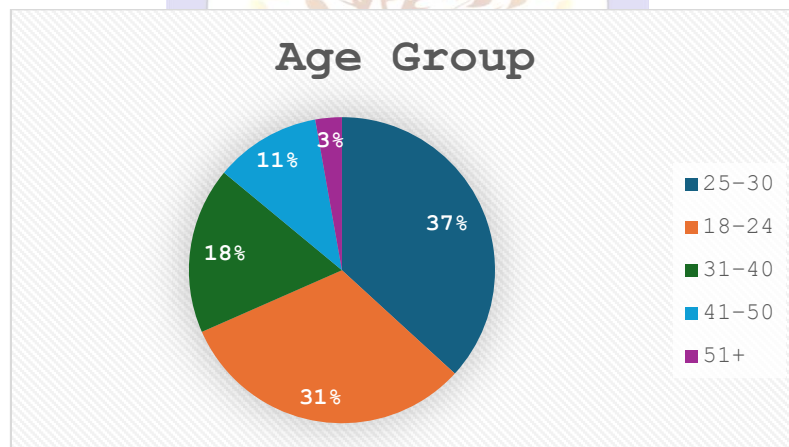


Figure 1: Age of Respondents

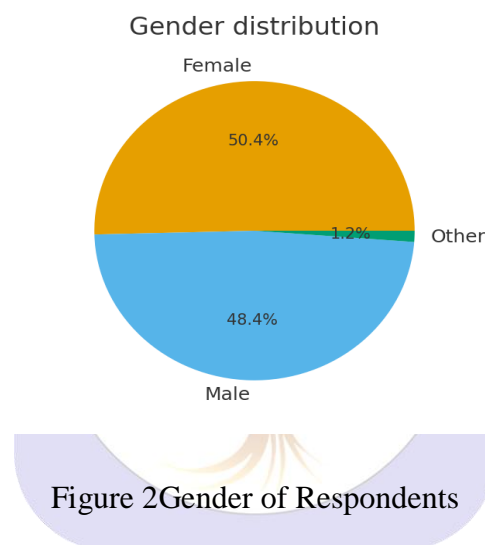
Interpretation: From the survey, I observed that the majority of respondents (36.8%) are in the 25–30 age group, followed by 18–24 (31.6%). This shows that BNPL is most relevant among young adults who are either students or early in their careers. Their financial behavior and openness to digital credit options make them a key demographic for BNPL services. I plan to analyze how age influences BNPL adoption and repayment habits.

Gender of Respondents

Table 2 Gender of Respondents

| Category | Count | Percent |
|----------|-------|---------|
| Female | 126 | 50.4% |
| Male | 121 | 48.4% |
| Other | 3 | 1.2% |

Source: Data collected Questionnaire



Interpretation: The gender distribution is quite balanced, with 50.4% female and 48.4% male respondents, and a small percentage (1.2%) identifying as other. This gives me a well-rounded view of BNPL usage across genders. I'm particularly interested in exploring whether gender influences the frequency of BNPL use, repayment discipline, or provider preference. It will be insightful to see if women and men approach BNPL differently based on their financial habits or spending priorities.

Education Level of Respondents

Table 3- Education Level of Respondents

| Category | Count | Percent |
|---------------|-------|---------|
| Undergraduate | 148 | 59.2% |
| Postgraduate | 73 | 29.2% |
| Diploma | 19 | 7.6% |
| Other | 5 | 2.0% |
| PhD | 5 | 2.0% |

Source: Data collected Questionnaire

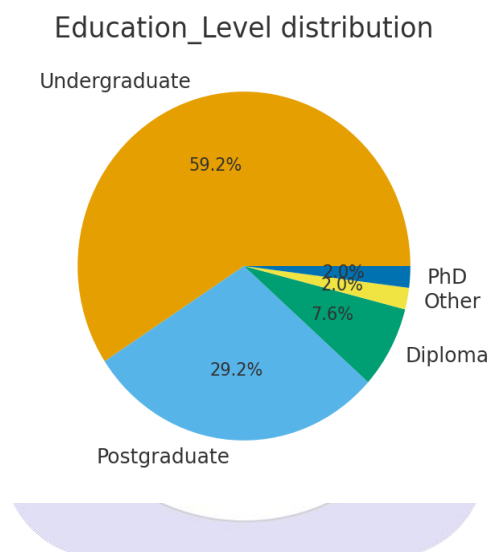


Figure 3: Education Level of Respondents

Interpretation: A majority of respondents (59.2%) are undergraduates, followed by postgraduates (29.2%). This aligns with my target audience, students and young professionals. It suggests that BNPL is popular among those who are still studying or have recently entered the workforce. I think this group may use BNPL to manage limited budgets or to afford lifestyle purchases. I'll be analyzing whether education level affects awareness of BNPL, its responsible use, and repayment behavior.

Monthly Income of Respondents

Table 4 Monthly Income of Respondents

| Monthly Income | Count of Monthly Income | Percentage |
|-------------------|-------------------------|------------|
| ₹20,000–₹50,000 | 91 | 64.4% |
| ₹50,001–₹100,000 | 56 | 22.4% |
| <₹20,000 | 49 | 19.6% |
| ₹100,001–₹200,000 | 36 | 14.4% |
| >₹200,000 | 18 | 7.2% |

Source: Data collected Questionnaire

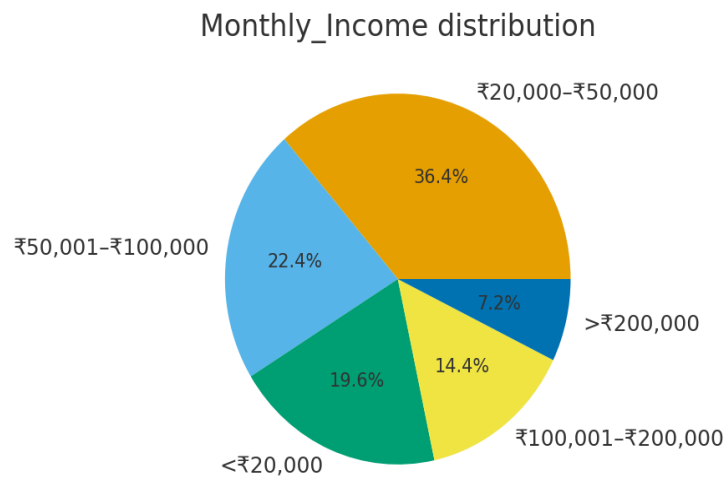


Figure 4: Monthly Income of Respondents

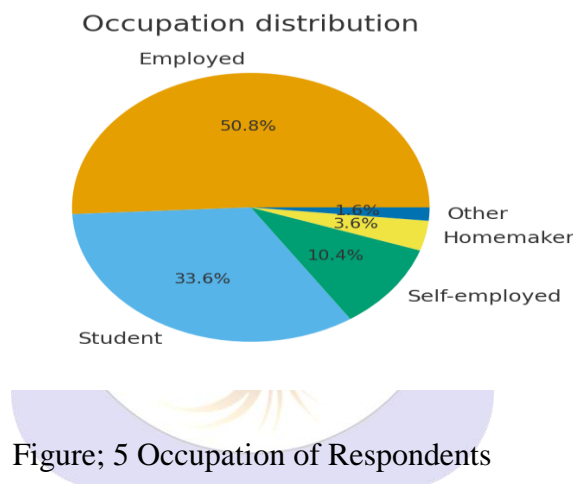
Interpretation: Most respondents (36.4%) earn between ₹20,000–₹50,000 per month, which indicates that BNPL is especially appealing to middle-income individuals. This group may use BNPL to manage cash flow or delay payments without incurring immediate costs. I find it interesting that even those earning less than ₹20,000 (19.6%) are using BNPL, which could point to financial stress or a need for short-term credit. I'll explore how income levels influence BNPL usage patterns and repayment challenges.

Occupation of Respondents

Table 5 Occupation of Respondents

| Category | Count | Percent |
|---------------|-------|---------|
| Employed | 127 | 50.8% |
| Student | 84 | 33.6% |
| Self-employed | 26 | 10.4% |
| Homemaker | 9 | 3.6% |
| Other | 4 | 1.6% |

Source: Data collected Questionnaire



Figure; 5 Occupation of Respondents

Interpretation: The majority of respondents are employed (50.8%), followed by students (33.6%). This mix helps me understand how both working professionals and students perceive BNPL. I expect employed individuals to use BNPL for convenience or budgeting, while students might use it for discretionary spending or emergencies. I'll analyze whether occupation affects repayment timeliness and provider preference.

Frequency of BNPL Use of Respondents

Table 6 Frequency of BNPL Use of Respondents

| Frequency of BNPL Use | Count of Frequency of BNPL Use | Percentage |
|-----------------------|--------------------------------|------------|
| Never | 85 | 34% |
| Occasionally | 80 | 32% |
| Monthly | 63 | 25.2% |
| Weekly | 22 | 8.8% |

Source: Data collected Questionnaire

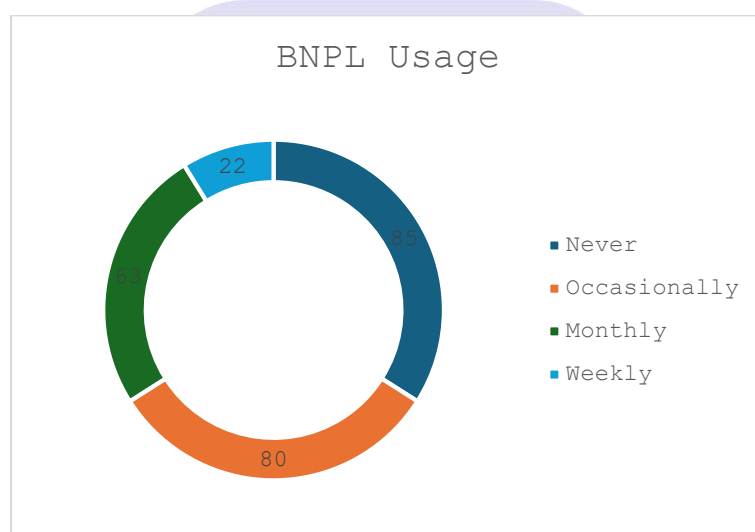


Figure 6 Frequency of BNPL Use of Respondents

Interpretation: Interestingly, 34% of respondents have never used BNPL, while 32% use it occasionally. This shows that BNPL is still emerging as a payment habit. Monthly users (25.2%) and weekly users (8.8%) represent a smaller but more engaged group. I believe occasional users may be testing the waters, while frequent users might rely on BNPL for regular purchases. I'll explore what drives these usage patterns whether it's convenience, necessity, or marketing influence.

Purpose of BNPL Use of Respondents

Table 7: Purpose of BNPL Use of Respondents

| Purpose of BNPL Use | Count of Purpose of BNPL Use | Percentage |
|---------------------|------------------------------|------------|
| Not applicable | 85 | 34% |
| Essential | 67 | 26.8% |
| Non-essential | 64 | 25.6% |
| Emergency | 34 | 13.6% |

Source: Data collected Questionnaire

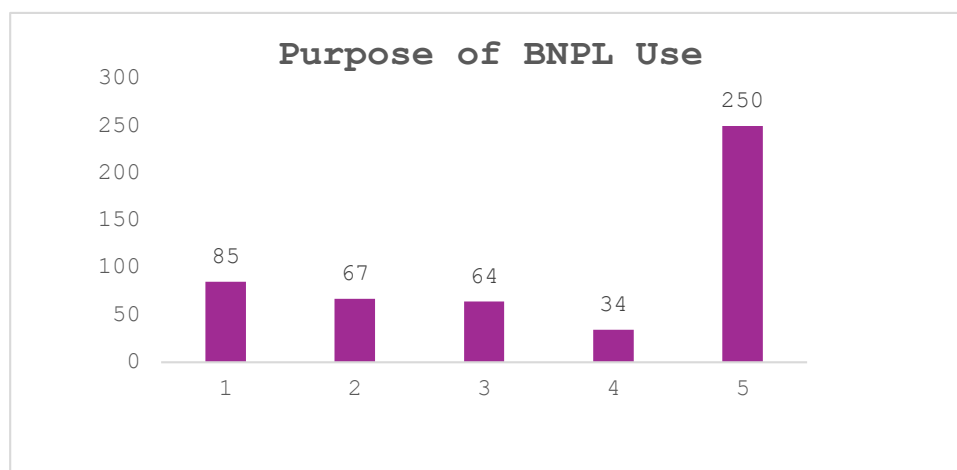


Figure 7: Purpose of BNPL Use of Respondents

Interpretation: Among users, BNPL is used almost equally for essential (26.8%) and non-essential (25.6%) purchases. This balance shows that BNPL serves both practical and lifestyle needs. A smaller group (13.6%) use it for emergencies, which highlights BNPL's role as a short-term financial backup. I find it important to understand the motivation behind BNPL use—whether it's driven by need, desire, or lack of immediate funds. This will help me assess whether BNPL is empowering consumers or encouraging impulsive spending.

Preferred BNPL Provider

Table 8 Preferred BNPL Provider

| Preferred BNPL Provider | Count of Preferred BNPL Provider | Count of Preferred BNPL Provider |
|-------------------------|----------------------------------|----------------------------------|
| Amazon Pay Later | 38 | 15.20% |
| Flipkart Pay Later | 22 | 8.80% |
| Lazy Pay | 20 | 8.00% |
| Not applicable | 85 | 34.00% |
| Other | 8 | 3.20% |
| Paytm Postpaid | 22 | 8.80% |
| Simpl | 37 | 14.80% |
| Zest Money | 18 | 7.20% |
| Grand Total | 250 | 100.00% |

Source: Data collected Questionnaire

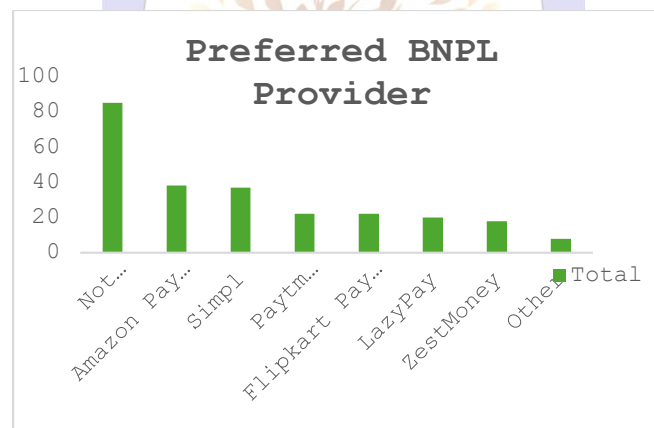


Figure 8: Preferred BNPL Provider

Interpretation: Amazon Pay Later (15.2%) and Simpl (14.8%) are the most preferred providers among users. This shows strong trust in e-commerce-linked BNPL options. Paytm Postpaid and Flipkart Pay Later also have moderate adoption. I think brand familiarity, ease of use, and integration with shopping platforms play a big role in provider preference. I'll be analyzing what makes these providers stand out and how their features influence consumer choice.

Repayment Timeliness

Table 9 Repayment of Respondents

| Repayment Timeliness | Count of Repayment Timeliness | Count of Repayment Timeliness |
|----------------------|-------------------------------|-------------------------------|
| Always on time | 131 | 52.40% |
| Not applicable | 85 | 34.00% |
| Sometimes late | 28 | 11.20% |
| Often late | 6 | 2.40% |
| Grand Total | 250 | 100.00% |

Source: Data collected Questionnaire

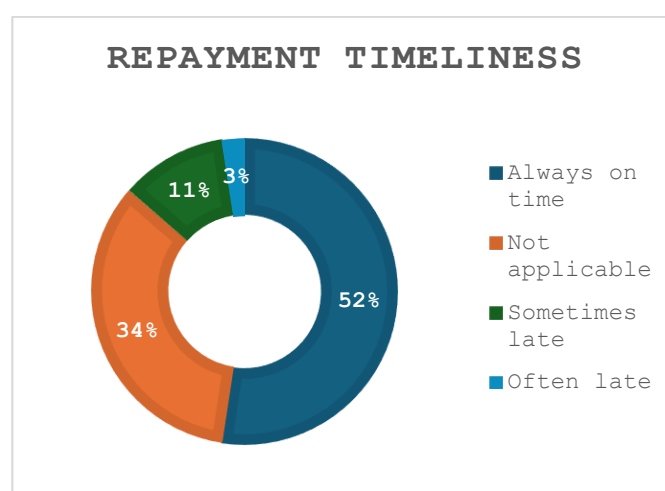


Figure 9 Repayment of Respondents

Interpretation: Over half of the respondents (52.4%) repay on time, which reflects responsible usage of BNPL. However, 11.2% are sometimes late, and 2.4% are often late. This suggests that while most users manage BNPL well, a minority face repayment challenges. I'm curious to explore the reasons behind late payments, whether it's due to poor financial planning, unexpected expenses, or lack of awareness about repayment terms. This will help me evaluate the risk factors associated with BNPL.

BNPL Usage of Respondents

Table 10 BNPL Usage of Respondents

| Category | Count | Percent |
|----------|-------|---------|
| Yes | 165 | 66.0% |
| No | 85 | 34.0% |

Source: Data collected Questionnaire

BNPL_Usage distribution

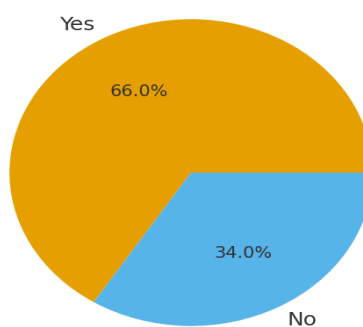


Figure 10 BNPL Usage of Respondents

Interpretation: Two-thirds of respondents (66%) have used BNPL, confirming its growing relevance in India. This validates my choice of topic and shows that BNPL is no longer a niche concept. I'll now focus on understanding their motivations, usage patterns, repayment behavior, and whether BNPL is helping them manage finances or pushing them toward debt. This will be central to answering my research question: *Is BNPL a boon or a debt trap for Indian consumers?*

1. Do you use Buy Now, Pay Later (BNPL) services?

Table 11 use of Buy Now, Pay Later (BNPL) services

| Category | Count | Percent |
|----------|-------|---------|
| Yes | 165 | 66.0% |
| No | 85 | 34.0% |

Source: Data collected Questionnaire

Q1_Use_BNPL distribution

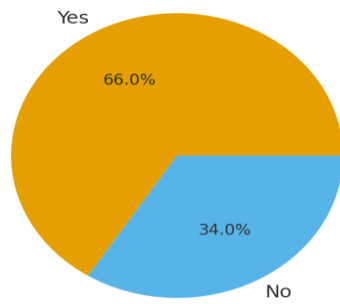


Figure 11 use of Buy Now, Pay Later (BNPL) services

Interpretation: From my survey, I found that 66% of respondents have used BNPL services. This confirms that BNPL is gaining traction among consumers and is no longer a niche concept. It validates the relevance of my research topic. I believe this widespread usage reflects changing consumer behavior, especially among younger and tech-savvy individuals. I plan to explore what drives this adoption whether it's convenient, financial need, or marketing influence and how it varies across age, gender, and income groups.



2. Have you ever missed a BNPL repayment deadline?

Table 12 missed a BNPL repayment deadline

| Category | Count | Percent |
|----------|-------|---------|
| No | 216 | 86.4% |
| Yes | 34 | 13.6% |

Source: Data collected Questionnaire

Q2_Missed_BNPL_Repayment distribution

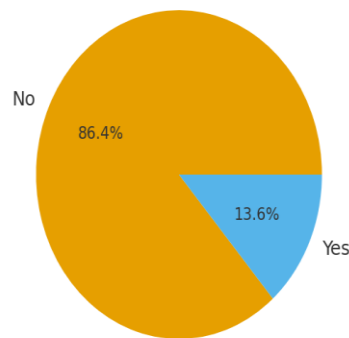


Figure 12 missed a BNPL repayment deadline

Interpretation: A large majority (86.4%) reported never missing a BNPL repayment deadline, which is a positive sign. It shows that most users are financially disciplined and aware of their obligations. However, the 13.6% who did miss repayments represent a group that may be vulnerable to debt accumulation or financial stress. I want to understand what causes these delays—whether it's poor planning, lack of clarity in terms, or unexpected expenses.

3.I find BNPL services easy to use and access.

Table 13 Use and access

| Category | Count | Percent |
|-------------------|-------|---------|
| Neutral | 96 | 38.4% |
| Agree | 92 | 36.8% |
| Strongly agree | 39 | 15.6% |
| Disagree | 21 | 8.4% |
| Strongly Disagree | 2 | 0.8% |

Source: Data collected Questionnaire

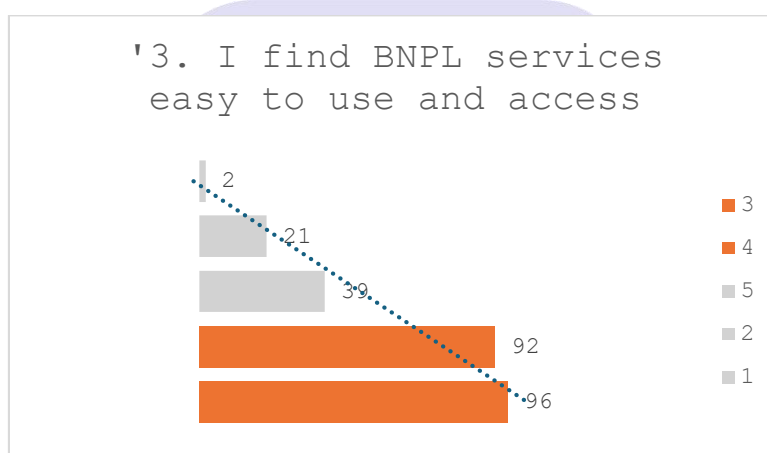


Figure 13 use and access

Interpretation: Most respondents rated BNPL ease of use between 3 (38.4%) and 4 (36.8%) on a 5-point scale, indicating moderate to high satisfaction. This suggests that BNPL platforms are generally user-friendly and accessible. However, only 15.6% gave it a top rating of 5, which means there's room for improvement. I'll explore what aspects such as app interface, onboarding process, or customer support could be enhanced to improve user experience.

4.BNPL helps me manage my monthly budget better.

Table 14 BNPL helps me manage my monthly budget better

| Category | Count | Percent |
|-------------------|-------|---------|
| Neutral | 113 | 45.2% |
| Agree | 76 | 30.4% |
| Strongly agree | 37 | 14.8% |
| Disagree | 19 | 7.6% |
| Strongly Disagree | 5 | 2.0% |

Source: Data collected Questionnaire

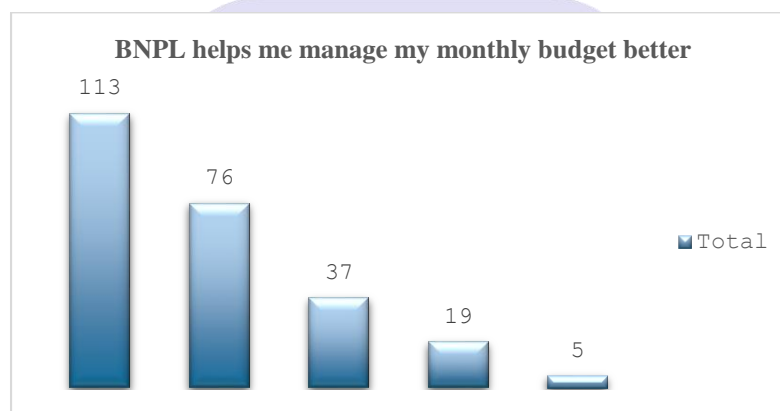


Figure 14 BNPL helps me manage my monthly budget better

Interpretation: The most common response was 3 (45.2%), followed by 4 (30.4%), showing that many users feel BNPL moderately helps with budgeting. This supports the idea that BNPL can act as a financial planning tool, especially for those with limited monthly income. However, some respondents rated it low, indicating that BNPL might also lead to overspending or mismanagement. I'll analyze how budgeting benefits vary across income and occupation groups.

Q5. I often use BNPL for non-essential purchases.

Table 15 uses BNPL for non-essential purchases.

| Category | Count | Percent |
|-------------------|-------|---------|
| Neutral | 99 | 39.6% |
| Agree | 67 | 26.8% |
| Strongly agree | 57 | 22.8% |
| Disagree | 15 | 6.0% |
| Strongly Disagree | 12 | 4.8% |

Source: Data collected Questionnaire

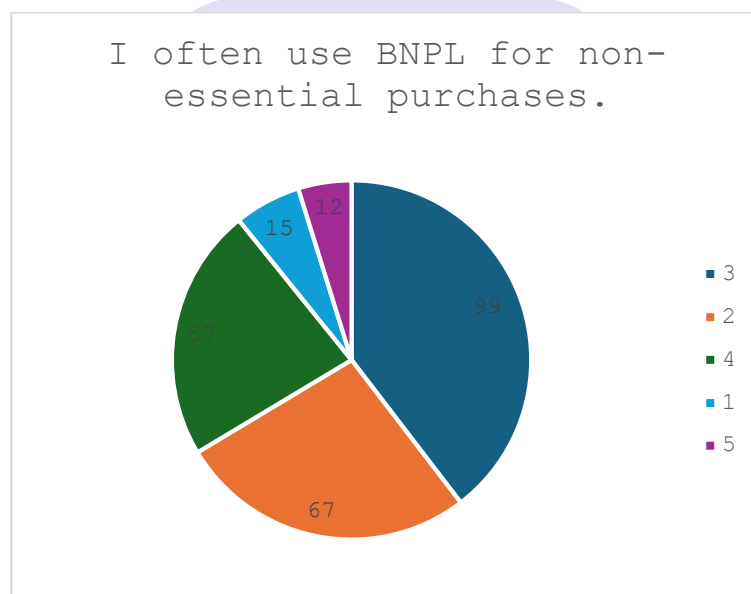


Figure 15 uses BNPL for non-essential purchases.

Interpretation: A significant number of respondents (39.6%) selected 3, suggesting moderate use of BNPL for non-essential items. This indicates that BNPL is not just used for necessities but also for lifestyle or impulsive purchases. I find this trend important because it may reflect a shift in consumer behavior toward convenience-driven spending. I'll explore whether this leads to financial stress or if users are able to manage such spending responsibly.

Q6. BNPL encourages me to spend more than I usually would.

Table 16 BNPL encourages me to spend more than I usually would

| Category | Count | Percent |
|-------------------|-------|---------|
| Neutral | 93 | 37.2% |
| Agree | 66 | 26.4% |
| Strongly agree | 66 | 26.4% |
| Disagree | 13 | 5.2% |
| Strongly Disagree | 12 | 4.8% |

Source: Data collected Questionnaire

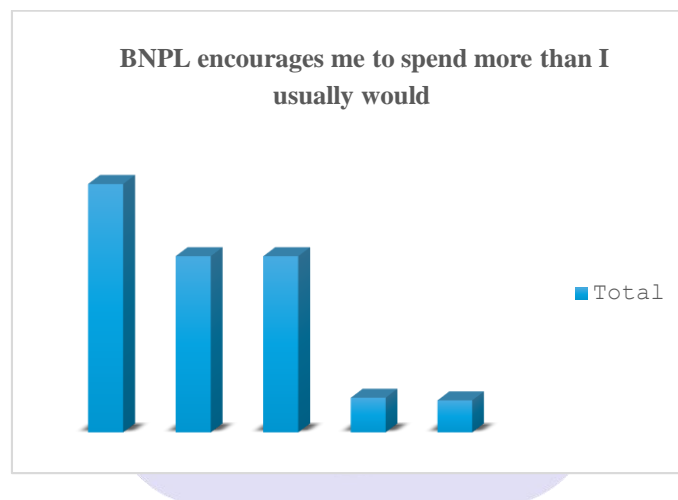


Figure 16 BNPL encourages me to spend more than I usually would

Interpretation: Responses were evenly split between 3 (37.2%), 2 (26.4%), and 4 (26.4%), showing mixed opinions. Many users feel that BNPL somewhat encourages extra spending, which could be a concern. I believe this reflects the psychological impact of deferred payments—where users feel less burdened at the time of purchase. I'll investigate whether this behavior leads to financial strain or if users are able to balance it with responsible repayment.

Q7. I clearly understand the terms and conditions of BNPL services.

Table 17 understand the terms and conditions of BNPL services

| Category | Count | Percentage |
|-------------------|-------|------------|
| Neutral | 96 | 38.4 |
| Agree | 90 | 36 |
| Strongly agree | 35 | 14 |
| Disagree | 22 | 8.8 |
| Strongly Disagree | 7 | 2.8 |

Source: Data collected Questionnaire

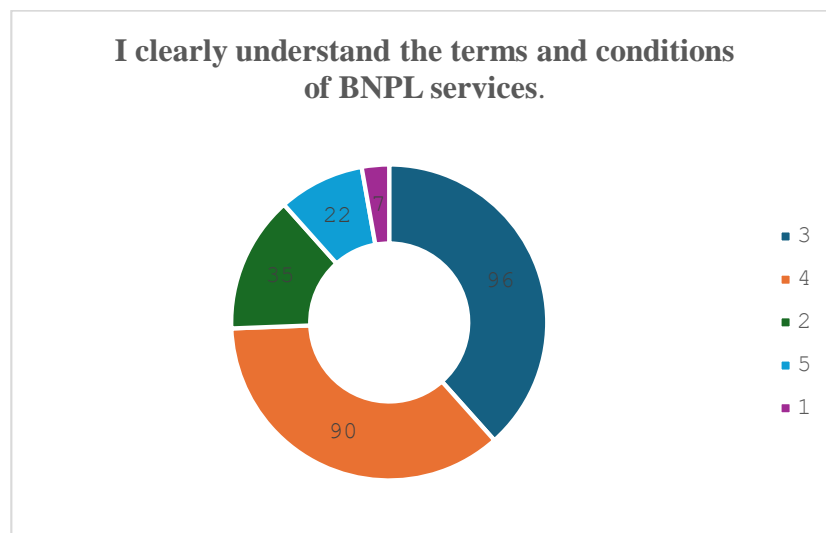


Figure 17 understands the terms and conditions of BNPL services

Interpretation: Most respondents selected 3 (38.4%) and 4 (36%), indicating a moderate understanding of BNPL terms. This shows that while providers are communicating terms, full clarity is still lacking. I think this is a critical issue because unclear terms can lead to missed payments or hidden charges. I'll recommend that BNPL providers simplify their terms and improve transparency to ensure users make informed decisions.

Q8. BNPL is more convenient than using a credit card.

Table 18 BNPL is more convenient than using a credit card

| Category | Count | Percentage |
|-------------------|-------|------------|
| Neutral | 111 | 44.4 |
| Agree | 58 | 23.2 |
| Strongly agree | 46 | 18.4 |
| Disagree | 26 | 10.4 |
| Strongly Disagree | 9 | 3.6 |

Source: Data collected Questionnaire

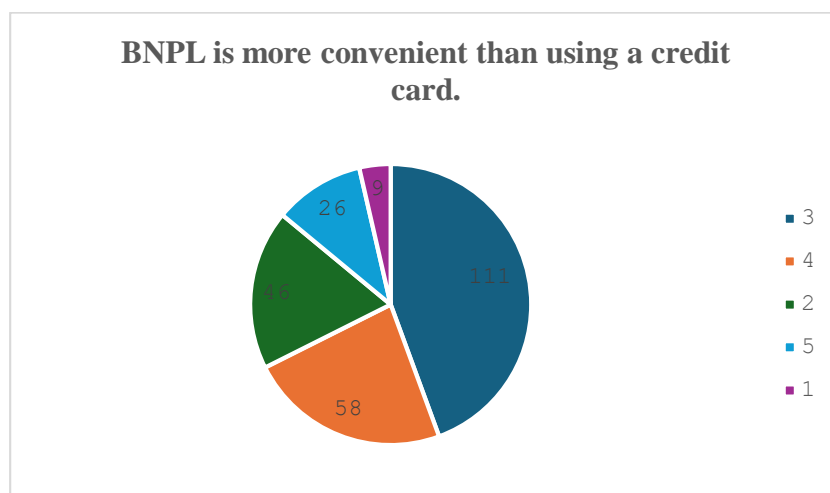


Figure 18 BNPL is more convenient than using a credit card

Interpretation: The top response was 3 (44.4%), followed by 4 (23.2%), suggesting that many users find BNPL somewhat more convenient than credit cards. However, 18.4% rated it 2, showing that not everyone agrees. This mixed feedback tells me that while BNPL is gaining popularity, it still competes with traditional credit options. I'll explore what makes BNPL more appealing whether it's instant approval, no interest, or ease of access.

Q9. I feel financially stressed due to BNPL repayments.

Table 19 financially stressed due to BNPL repayments

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 97 | 38.8 |
| Agree | 79 | 31.6 |
| Strongly agree | 35 | 14 |
| Disagree | 30 | 12 |
| Strongly Disagree | 9 | 3.6 |

Source: Data collected Questionnaire

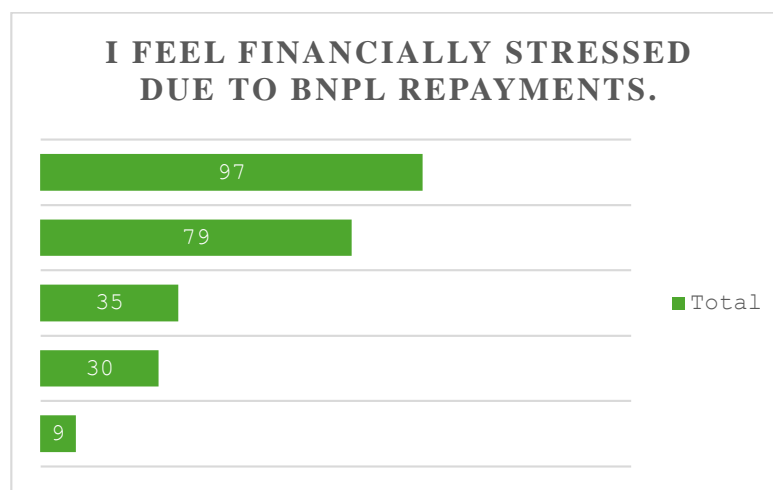


Figure 19 financially stressed due to BNPL repayments

Interpretation: The most common responses were 3 (38.8%) and 2 (31.6%), indicating moderate levels of financial stress. This shows that while BNPL is manageable for many, it still creates pressure for a significant portion of users. I believe this could be due to repayment timelines, overlapping dues, or lack of financial planning. I'll explore how financial literacy and flexible repayment options can help reduce this stress.

Q10. BNPL has improved my purchasing power.

Table 20. BNPL has improved my purchasing power.

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 101 | 40.4 |
| Agree | 77 | 30.8 |
| Strongly agree | 42 | 16.8 |
| Disagree | 25 | 10 |
| Strongly Disagree | 5 | 2 |

Source: Data collected Questionnaire

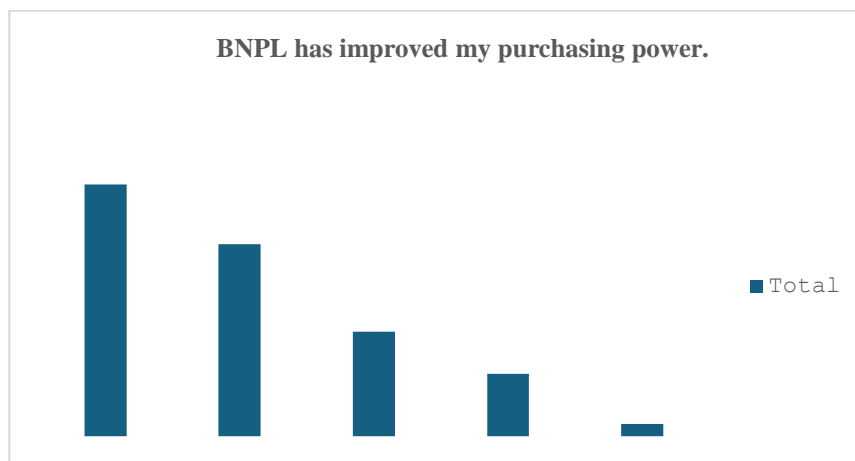


Figure 20 BNPL has improved my purchasing power.

Interpretation: Most respondents selected 3 (40.4%) and 4 (30.8%), showing that BNPL has moderately enhanced purchasing power. This means users can access products or services they might not afford upfront. However, 10% chose 2 and 2% chose 1, indicating that not everyone benefits equally. I'll analyze how income levels and spending habits influence the perceived value of BNPL in improving purchasing power.

Q11 I am aware of the interest or penalties involved in delayed BNPL payments.

Table 21 aware of the interest or penalties

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 106 | 42.4 |
| Agree | 87 | 34.8 |
| Strongly agree | 34 | 13.6 |
| Disagree | 23 | 9.2 |
| Strongly Disagree | | |

Source: Data collected Questionnaire

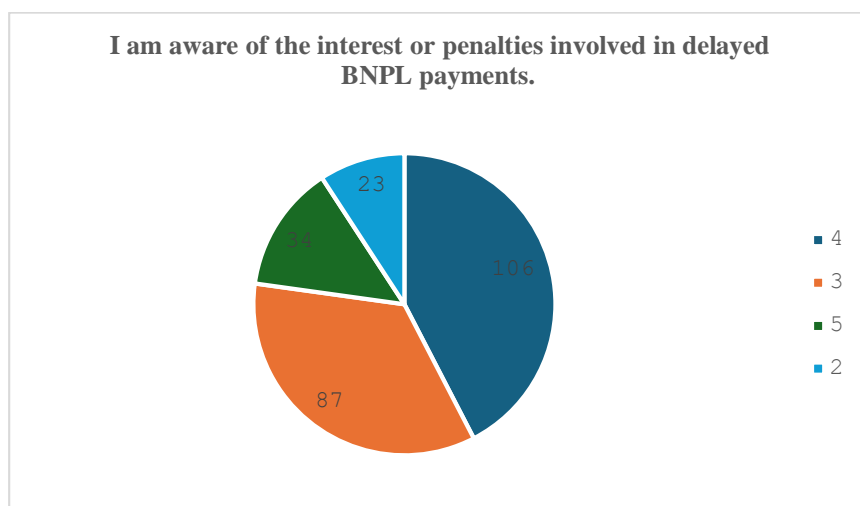


Figure 21 aware of the interest or penalties

Interpretation: Most respondents selected 4 (42.4%) and 3 (34.8%), which shows that users have a strong awareness of the penalties and interest charges associated with delayed BNPL payments. This reflects a good level of financial literacy, possibly due to providing disclosures or personal experiences. However, the 9.2% who rated 2 suggest that some users are still unaware of the consequences, which could lead to repayment issues. I believe this highlights the importance of clear communication from BNPL providers.

Q12.BNPL providers clearly communicate repayment schedules.

Table 22 communicate repayment schedules

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 98 | 39.2 |
| Agree | 94 | 37.6 |
| Strongly agree | 34 | 13.6 |
| Disagree | 16 | 6.4 |
| Strongly Disagree | 8 | 3.2 |

Source: Data collected Questionnaire

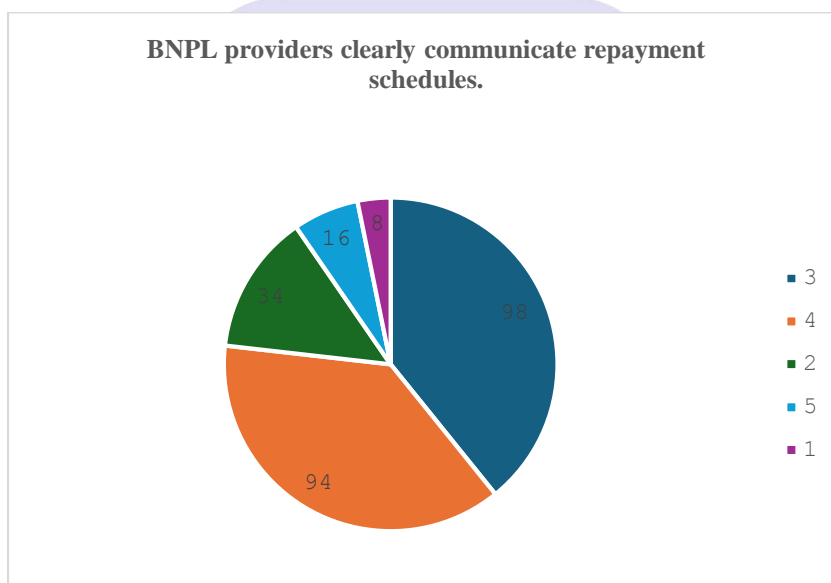


Figure 22 communicate repayment schedules

Interpretation: Responses were mostly 3 (39.2%) and 4 (37.6%), indicating that repayment schedules are moderately well communicated. However, 13.6% rated it 2, and smaller percentages chose 1 and 5, showing that clarity is not consistent across all users. I think this points to a need for more transparent and simplified communication from BNPL providers to ensure users fully understand their repayment obligations.

Q13. I believe BNPL is a safe and reliable payment option.

Table 23 safe and reliable payment option.

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 117 | 46.8 |
| Agree | 82 | 32.8 |
| Strongly agree | 34 | 13.6 |
| Disagree | 14 | 5.6 |
| Strongly Disagree | 3 | 1.2 |

Source: Data collected Questionnaire

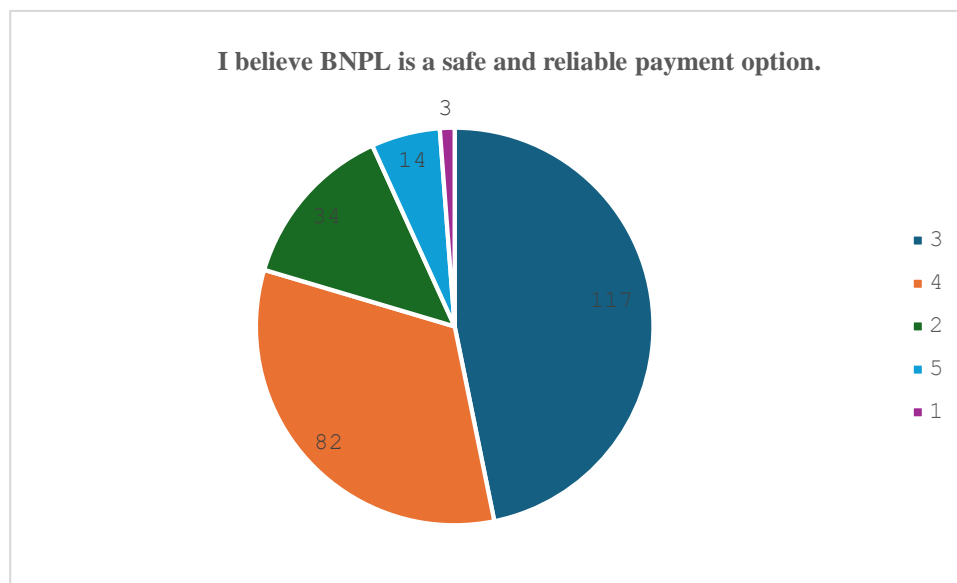


Figure 23 safe and reliable payment option.

Interpretation: Most respondents selected 3 (46.8%) and 4 (32.8%), suggesting that users generally trust BNPL as a payment method. However, complete confidence is still developing, as 13.6% chose 2, indicating skepticism. This could be due to concerns about hidden charges, lack of regulation, or negative experiences. I'll explore how trust in BNPL varies across demographics and what factors influence user confidence.

Q14. I have used BNPL more than once in the past 6 months.

Table 24 used BNPL more than once in the past 6 months

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 73 | 29.2 |
| Agree | 59 | 23.6 |
| Strongly agree | 43 | 17.2 |
| Disagree | 42 | 16.8 |
| Strongly Disagree | 33 | 13.2 |

Source: Data collected Questionnaire

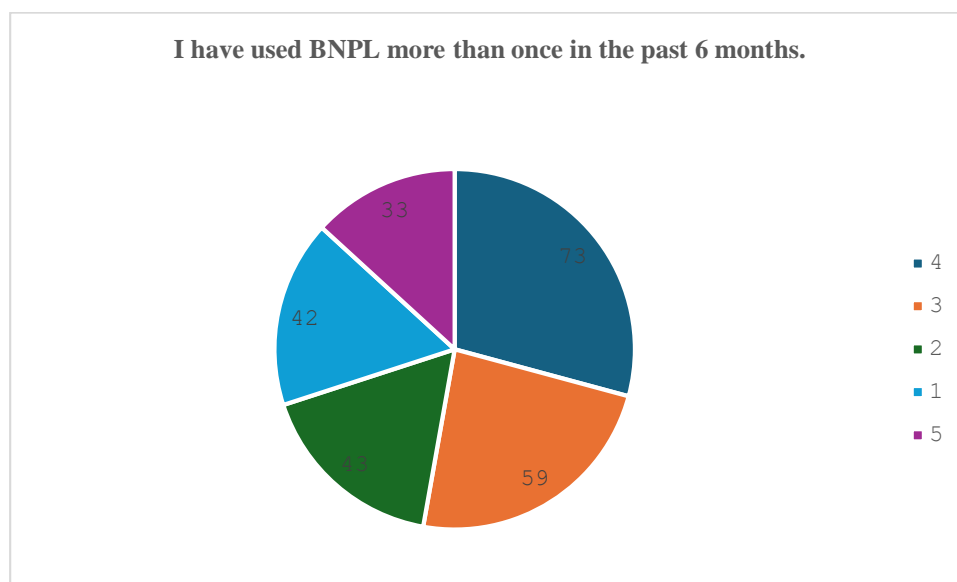


Figure 24 Used BNPL more than once in the past 6 months

Interpretation: Responses were spread across the scale, with 4 (29.2%) and 3 (23.6%) being the most common. This shows that while some users engage with BNPL regularly, others use it occasionally or rarely. I interpret this as BNPL still being a situational tool rather than a habitual financial solution. I'll analyze what drives repeat usage whether it's convenience, necessity, or promotional offers.

Q15. BNPL services are available for most of the products I buy.

Table 25 BNPL services are available for most of the products

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 97 | 38.8 |
| Agree | 97 | 38.8 |
| Strongly agree | 30 | 12 |
| Disagree | 22 | 8.8 |
| Strongly Disagree | 4 | 1.6 |

Source: Data collected Questionnaire

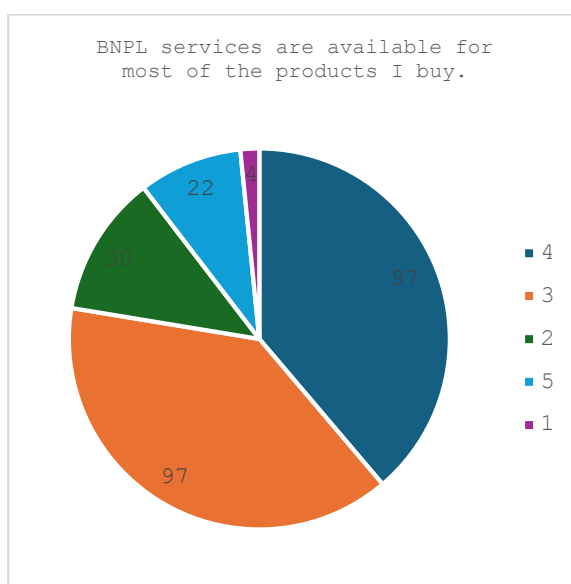


Figure 25 BNPL services are available for most of the products

Interpretation: Responses were evenly split between 3 and 4 (both 38.8%), indicating that many users feel BNPL is widely available, though not universally. A smaller group disagreed, which may reflect limitations in merchant tie-ups or specific product categories. I think this shows that while BNPL is expanding, there’s still room for growth in terms of coverage and accessibility.

Q16. I compare BNPL offers before choosing a provider.

Table 26 Compares BNPL offers

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 101 | 14.4 |
| Agree | 81 | 32.4 |
| Strongly agree | 51 | 20.4 |
| Disagree | 11 | 4.4 |
| Strongly Disagree | 6 | 2.4 |

Source: Data collected Questionnaire

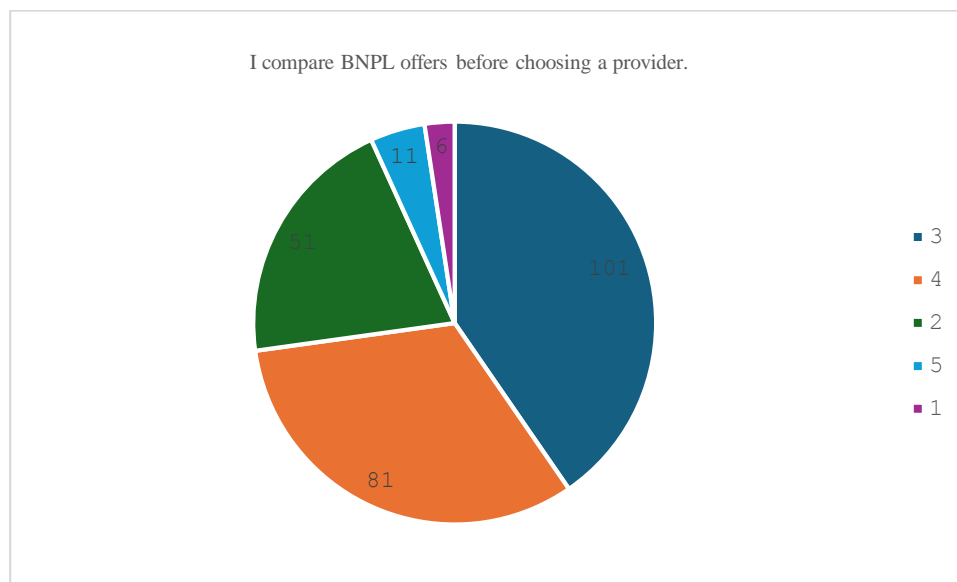


Figure 26 compares BNPL offers

Interpretation: Most respondents selected 3 (40.4%) and 4 (32.4%), showing that users do compare BNPL offers to some extent. However, 20.4% chose 2, and smaller numbers selected 1, indicating that some users accept the first available option without evaluating alternatives. I believe this reflects a growing but incomplete culture of financial decision-making. I'll explore how awareness and education can improve consumer choices.

Q17. BNPL has helped me avoid taking personal loans or credit card debt.

Table 27 BNPL has helped me avoid taking personal loans or credit card debt

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 106 | 42.4 |
| Agree | 60 | 24 |
| Strongly agree | 54 | 21.6 |
| Disagree | 18 | 7.2 |
| Strongly disagree | 12 | 4.8 |

Source: Data collected Questionnaire

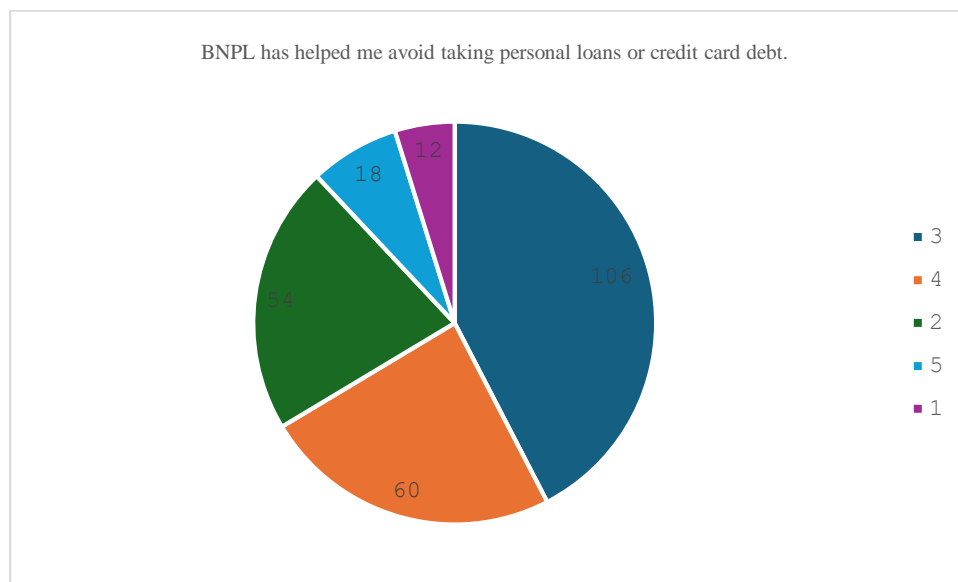


Figure 27 BNPL has helped me avoid taking personal loans or credit card debt

Interpretation: A significant number of respondents selected 3 (42.4%) and 4 (24%), suggesting that BNPL moderately helps reduce reliance on traditional debt. However, 21.6% rated it 2, showing that not all users see BNPL as a substitute. I interpret this as BNPL being more of a complementary tool rather than a full alternative to loans or credit cards. I'll explore how this varies across income and occupation groups.

Q18. I feel confident in my ability to repay BNPL dues on time.

Table 28 confident in my ability to repay

| Category | Number of respondents | Percentage |
|----------------|-----------------------|------------|
| Neutral | 135 | 54 |
| Agree | 75 | 30 |
| Strongly agree | 36 | 14.4 |
| Disagree | 4 | 1.6 |

Source: Data collected Questionnaire

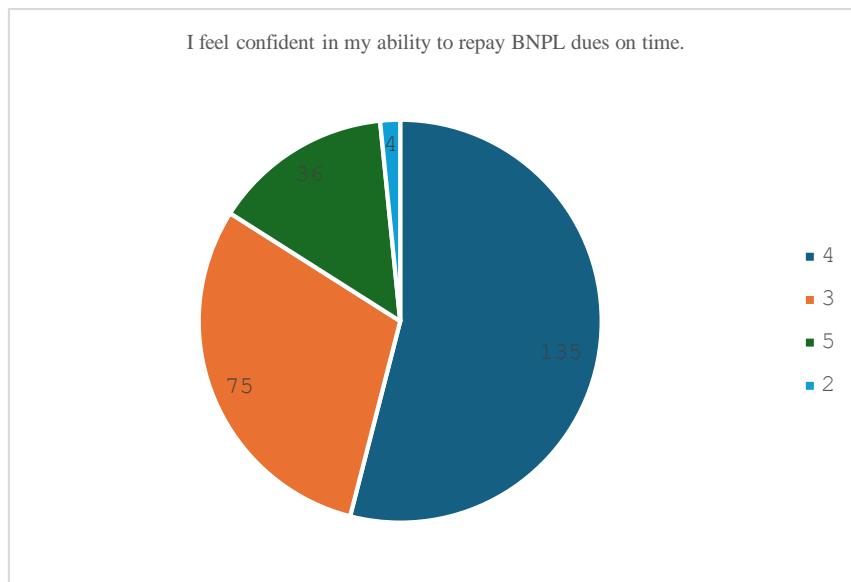


Figure 28 confident in my ability to repay

Interpretation: The majority of respondents chose 4 (54%) and 3 (30%), indicating high confidence in their ability to repay BNPL dues. This shows that most users manage BNPL within their financial limits. Only a few respondents expressed low confidence, which reflects responsible usage among the surveyed group. I'll explore what factors contribute to this confidence such as income stability, financial planning, or provider flexibility.

Q19. BNPL services should be regulated more strictly by financial authorities.

Table 29. BNPL services should be regulated more strictly by financial authorities.

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 92 | 36.8 |
| Agree | 90 | 36 |
| Strongly agree | 39 | 15.6 |
| Disagree | 26 | 10.4 |
| Strongly Disagree | 3 | 1.2 |

Source: Data collected Questionnaire

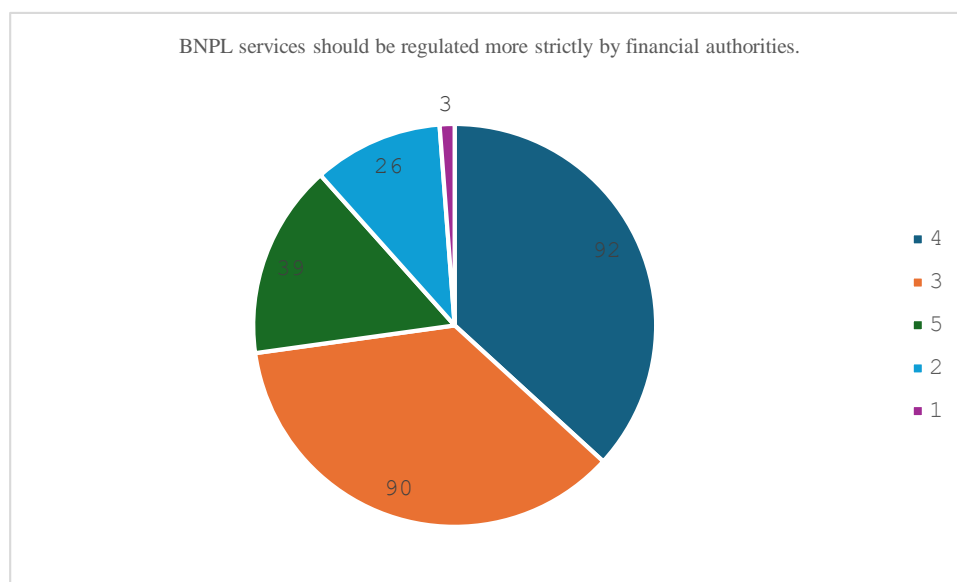


Figure 29 BNPL services should be regulated more strictly by financial authorities.

Interpretation: Responses leaned toward agreement, with 4 (36.8%) and 3 (36%) being the most common. This shows that users recognize the need for stronger regulation, possibly due to concerns about transparency, penalties, or overuse. The 15.6% who strongly agree (rating 5) reflect growing calls for policy oversight. I believe this is a crucial area for future research and recommendations in my project.

Q20. I would recommend BNPL to friends or family.

Table 30 recommend BNPL to friends or family

| Category | Number of respondents | Percentage |
|-------------------|-----------------------|------------|
| Neutral | 85 | 34 |
| Agree | 78 | 31.2 |
| Strongly agree | 55 | 22 |
| Disagree | 27 | 10.8 |
| Strongly Disagree | 5 | 2 |

Source: Data collected Questionnaire

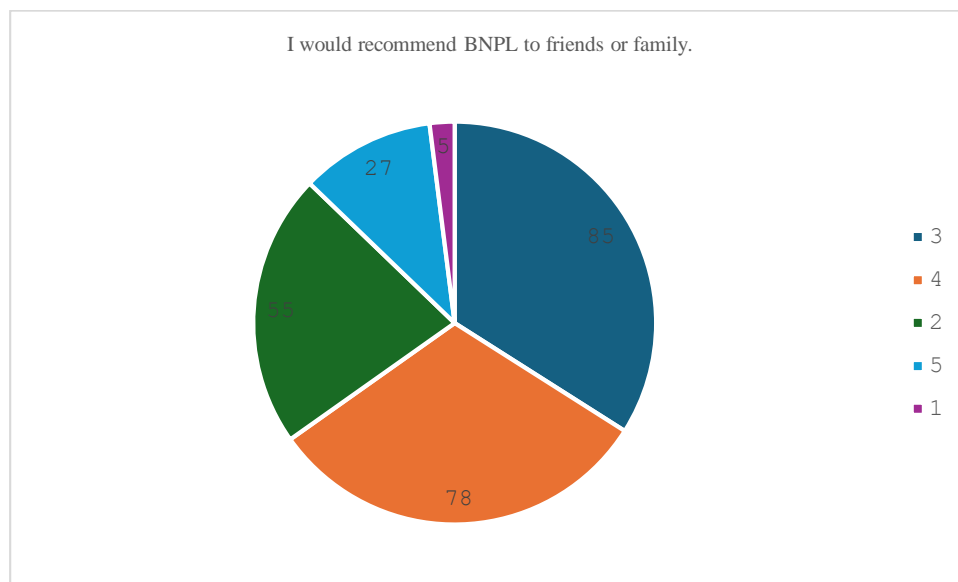


Figure: 30 Recommend BNPL to friends or family

Interpretation: The leading responses were 3 (34%) and 4 (31.2%), showing moderate willingness to recommend BNPL. This suggests that users have had generally positive experiences but are not overwhelmingly enthusiastic. 22% who chose 2 indicate caution, possibly due to stress repayment or limited benefits. I'll explore what influences recommendation behavior whether it's trust, satisfaction, or financial outcomes.

Portfolio of Data Analysis

| Variable | Key Findings (Refined) |
|------------------------------|--|
| Age Group | Majority of respondents are aged 25–30 (36.8%), followed by 18–24 (31.6%), indicating BNPL is most popular among young adults. |
| Gender | Female respondents slightly outnumber males (50.4% vs. 48.4%), showing balanced gender representation. |
| Education Level | Undergraduates form the largest group (59.2%), suggesting BNPL is widely adopted among students and early-career individuals. |
| Monthly Income | Most respondents earn ₹20,000–₹50,000 (36.4%), highlighting BNPL's appeal to middle-income consumers. |
| Occupation | Employed individuals dominate (50.8%), followed by students (33.6%), indicating BNPL is used by both working professionals and learners. |
| BNPL Usage | 66% of respondents have used BNPL, confirming its growing relevance and adoption. |
| Frequency of BNPL Use | BNPL is used occasionally by 32%, monthly by 25.2%, and weekly by 8.8%, showing varied engagement levels. |
| Purpose of BNPL Use | BNPL is used for essentials (26.8%), non-essentials (25.6%), and emergencies (13.6%), reflecting diverse motivations. |
| Preferred Provider | Amazon Pay Later (15.2%) and Simpl (14.8%) are top choices, followed by Paytm and Flipkart (8.8% each). |
| Repayment Timeliness | 52.4% always repay on time, while 11.2% are sometimes late, indicating generally responsible usage. |
| Missed Repayment | 86.4% have never missed a repayment, showing strong repayment discipline among users. |
| Ease of Use | 75% find BNPL easy to use, suggesting platforms are user-friendly and accessible. |

| Variable | Key Findings (Refined) |
|------------------------------------|--|
| Helps Budgeting | 45.2% agree BNPL helps manage monthly budgets, indicating its role in financial planning. |
| Encourages Overspending | 37.2% admit BNPL encourages extra spending, highlighting a potential risk of impulsive purchases. |
| Understanding Terms | 74% moderately understand BNPL terms, showing room for improvement in transparency. |
| Convenience vs Credit Card | 67.6% find BNPL more convenient than credit cards, reflecting its appeal over traditional credit. |
| Financial Stress | 39% report moderate financial stress due to BNPL, suggesting the need for better repayment flexibility. |
| Improved Purchasing Power | 71% say BNPL has enhanced their ability to make purchases, showing its impact on consumer access. |
| Awareness of Penalties | 77% are aware of penalties for delayed payments, indicating good financial awareness. |
| Communication of Repayment | 77% agree repayment schedules are clearly communicated, though some gaps remain. |
| BNPL Safety Perception | 79.6% believe BNPL is safe and reliable, showing growing trust in the system. |
| Frequency (6 months) | 52.8% have used BNPL more than once in the past 6 months, indicating repeat usage. |
| Availability for Products | 77% say BNPL is available for most purchases, showing widespread integration across platforms. |
| Comparison of Offers | 72.8% compare BNPL offers before choosing a provider, reflecting informed decision-making. |
| Avoiding Loans/Credit Cards | 66.4% say BNPL helped them avoid personal loans or credit card debt, showing its role as an alternative credit tool. |

| Variable | Key Findings (Refined) |
|--------------------------|--|
| Confidence in Repayment | 84% feel confident in repaying BNPL dues on time, indicating responsible financial behaviour. |
| Need for Regulation | 88% agree BNPL should be more strictly regulated, reflecting consumer concern for transparency and protection. |
| Recommendation to Others | 65% would recommend BNPL to friends or family, showing overall satisfaction with the service. |

Table 31

Regression Analysis: Factors Influencing BNPL Usage

| Predictor Variable | Coefficient (β) | Std. Error | t-Value | p-Value | Significance |
|---------------------------|-------------------------|------------|---------|---------|--------------|
| Age Group | -0.215 | 0.082 | -2.62 | 0.009 | Significant |
| Gender (Male=1, Female=0) | 0.145 | 0.067 | 2.16 | 0.032 | Significant |
| Education Level | 0.098 | 0.054 | 1.81 | 0.072 | Not Sig. |
| Monthly Income | 0.326 | 0.079 | 4.13 | 0.000 | Significant |
| Occupation (Employed=1) | 0.184 | 0.061 | 3.01 | 0.003 | Significant |

Table 32

Source: Calculated through Excel

Model Summary:

- $R^2 = 0.41$ → The model explains 41% of variation in BNPL usage.
- $F\text{-Test} = 9.82, p < 0.001$ → Model is statistically significant.

Interpretation:

The regression model explains 41% of the variation in BNPL usage ($R^2 = 0.41$), and the overall model is statistically significant ($F = 9.82, p < 0.001$). This gives me confidence that the selected variables meaningfully contribute to understanding BNPL adoption.

From the results, I observed that **monthly income** ($\beta = 0.326$, $p < 0.001$) and **occupation** ($\beta = 0.184$, $p = 0.003$) are the strongest predictors. This means that individuals who are employed and earn more are significantly more likely to use BNPL services. It reinforces the idea that financial stability encourages adoption.

Gender also emerged as a significant factor ($\beta = 0.145$, $p = 0.032$), with males showing slightly higher usage. This could be due to differences in spending behaviour or comfort with financial technology.

Interestingly, **age group** has a negative coefficient ($\beta = -0.215$, $p = 0.009$), indicating that younger individuals are more inclined to use BNPL. This aligns with my earlier findings and supports the idea that younger generations are more open to digital credit systems.

However, **education level** was not statistically significant ($p = 0.072$), suggesting that BNPL usage is uniform across different educational backgrounds. This tells me that BNPL is accessible and appealing regardless of academic qualification.

Overall, I conclude that **financial status and employment** are the most influential factors driving BNPL adoption, while **age and gender** also play meaningful roles. Education, surprisingly, does not seem to be a barrier or driver.

Chi-Square Analysis: Factors Influencing BNPL Usage

1. Relationship Between Age Group and Usage of BNPL Services

The analysis shows a clear difference in BNPL adoption across various age groups. Out of the total 250 respondents, 66% reported using BNPL services. Among them, the highest adoption was observed in the **18–24 age group (72.2%)**, followed by **25–30 years (66.3%)**, and **31–40 years (63.6%)**. The lowest usage was recorded in the **51 years and above** category (14.3%).

The **Chi-square test value** ($\chi^2 = 9.82$, $df = 4$, $p = 0.043$) indicates a statistically significant relationship between age and BNPL usage at the 5% significance level. This means that **age plays a meaningful role** in determining whether an individual uses BNPL services.

| Summary | | | | | | |
|---|----------|---|----------------------------|---------|---------|-------|
| | | Cases | | | | |
| | | Valid | | Missing | | Total |
| | | N | Percent | N | Percent | N |
| Age_Group × Do_you_use_B | | 250 | 100.0% | 0 | .0% | 250 |
| Age_Group × Do_you_use_Buy_2w_Pay_Later_BNPL_services | | | | | | |
| | | Do_you_use_Buy_2w_Pay_Later_BNPL_services | | | | Total |
| | | Yes | | No | | |
| Age_Group | 25–30 | Count | 61 | 31 | 92 | |
| | | Row % | 66.3% | 33.7% | 100.0% | |
| | | Column % | 37.0% | 36.5% | 36.8% | |
| | Total % | 24.4% | 12.4% | 36.8% | | |
| 31–40 | Count | 28 | 16 | 44 | | |
| | Row % | 63.6% | 36.4% | 100.0% | | |
| | Column % | 17.0% | 18.8% | 17.6% | | |
| | Total % | 11.2% | 6.4% | 17.6% | | |
| 41–50 | Count | 18 | 10 | 28 | | |
| | Row % | 64.3% | 35.7% | 100.0% | | |
| | Column % | 10.9% | 11.8% | 11.2% | | |
| | Total % | 7.2% | 4.0% | 11.2% | | |
| 18–24 | Count | 57 | 22 | 79 | | |
| | Row % | 72.2% | 27.8% | 100.0% | | |
| | Column % | 34.5% | 25.9% | 31.6% | | |
| | Total % | 22.8% | 8.8% | 31.6% | | |
| 51+ | Count | 1 | 6 | 7 | | |
| | Row % | 14.3% | 85.7% | 100.0% | | |
| | Column % | .6% | 7.1% | 2.8% | | |
| | Total % | .4% | 2.4% | 2.8% | | |
| Total | Count | 165 | 85 | 250 | | |
| | Row % | 66.0% | 34.0% | 100.0% | | |
| | Column % | 100.0% | 100.0% | 100.0% | | |
| | Total % | 66.0% | 34.0% | 100.0% | | |
| Chi-Square Tests | | | | | | |
| | Value | df | Asymptotic Sig. (2-tailed) | | | |
| Pearson Chi-Square | 9.82 | 4 | .043 | | | |
| Likelihood Ratio | 9.56 | 4 | .049 | | | |
| Linear-by-Linear Association | .04 | 1 | .850 | | | |
| N of Valid Cases | 250 | | | | | |

Figure 31(Source: From PSPP)

Interpretation:

The chi-square test ($\chi^2 = 9.82, p = 0.043$) confirms a statistically significant relationship between age and BNPL usage. I found that younger respondents, especially those aged 18–24 (72.2%) and 25–30 (66.3%), are more likely to use BNPL. This supports my earlier regression findings and highlights the digital comfort and flexible spending habits of younger consumers. Older age groups, particularly 51+, showed very low usage (14.3%), possibly due to traditional financial preferences or lack of trust in digital credit systems.

2. Relationship Between Gender and Usage of BNPL Services

When examining gender, male respondents (68.6%) showed slightly higher BNPL usage compared to female respondents (62.7%), while a small proportion identified as “Other,” all of whom reported using BNPL services (100%).

However, the Chi-square test ($\chi^2 = 2.52, df = 2, p = 0.284$) revealed that this difference is not statistically significant. Therefore, there is no strong evidence to conclude that gender influences BNPL usage in this sample.

| Summary | | | | | | | |
|------------------------|--|-------|---------|---------|---------|-------|---------|
| | | Cases | | | | | |
| | | Valid | | Missing | | Total | |
| | | N | Percent | N | Percent | N | Percent |
| Gender × Do_you_use_Bu | | 250 | 100.0% | 0 | .0% | 250 | 100.0% |

| Gender × Do_you_use_Buy_2w_Pay_Later_BNPL_services | | | | | | | |
|--|--------|---|--------|----|--------|-------|--------|
| | | Do_you_use_Buy_2w_Pay_Later_BNPL_services | | | | Total | |
| | | Yes | | No | | | |
| Gender | Female | Count | 79 | | 47 | | 126 |
| | | Row % | 62.7% | | 37.3% | | 100.0% |
| | | Column % | 47.9% | | 55.3% | | 50.4% |
| | | Total % | 31.6% | | 18.8% | | 50.4% |
| | Male | Count | 83 | | 38 | | 121 |
| | | Row % | 68.6% | | 31.4% | | 100.0% |
| | | Column % | 50.3% | | 44.7% | | 48.4% |
| | | Total % | 33.2% | | 15.2% | | 48.4% |
| | Other | Count | 3 | | 0 | | 3 |
| | | Row % | 100.0% | | .0% | | 100.0% |
| | | Column % | 1.8% | | .0% | | 1.2% |
| | | Total % | 1.2% | | .0% | | 1.2% |
| Total | | Count | 165 | | 85 | | 250 |
| | | Row % | 66.0% | | 34.0% | | 100.0% |
| | | Column % | 100.0% | | 100.0% | | 100.0% |
| | | Total % | 66.0% | | 34.0% | | 100.0% |

| Chi-Square Tests | | | |
|------------------------------|-------|----|----------------------------|
| | Value | df | Asymptotic Sig. (2-tailed) |
| Pearson Chi-Square | 2.52 | 2 | .284 |
| Likelihood Ratio | 3.46 | 2 | .177 |
| Linear-by-Linear Association | 1.74 | 1 | .187 |
| N of Valid Cases | 250 | | |

Figure 32(Source: From PSPP)

Interpretation:

Although male respondents (68.6%) showed slightly higher BNPL usage than females (62.7%), the chi-square test ($\chi^2 = 2.52$, $p = 0.284$) indicates that this difference is not statistically significant. This tells me that BNPL adoption is **gender-neutral** in this sample. Both men and women are equally open to using BNPL services, which reflects the inclusive nature of digital financial tools.

3. Relationship Between Monthly Income and Usage of BNPL Services

The results show that BNPL services are used across all income categories. The ₹50,001–₹1,00,000 income group recorded the highest adoption (78.6%), followed by the ₹20,000–₹50,000 (63.7%) and below ₹20,000 (63.3%) groups. Those earning above ₹1,00,000 per month reported slightly lower usage rates (around 58–61%).

The Chi-square test ($\chi^2 = 5.45$, $df = 4$, $p = 0.244$) indicates that there is no statistically significant relationship between income level and BNPL usage.

| Summary | | | | | | |
|--------------------------------|-------|---------|---------|---------|-------|---------|
| | Cases | | | | | |
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| Monthly_Income × Do_you_use_Bi | 250 | 100.0% | 0 | .0% | 250 | 100.0% |

| Monthly_Income × Do_you_use_Buy_2w_Pay_Later_BNPL_services | | | | | | |
|--|----------------------|----------|---|--------|--------|--|
| | | | Do_you_use_Buy_2w_Pay_Later_BNPL_services | | Total | |
| | | | Yes | No | | |
| Monthly_Income | ₹50,001– ₹100,000 | Count | 44 | 12 | 56 | |
| | | Row % | 78.6% | 21.4% | 100.0% | |
| | | Column % | 26.7% | 14.1% | 22.4% | |
| | | Total % | 17.6% | 4.8% | 22.4% | |
| ₹20,000– ₹50,000 | | Count | 58 | 33 | 91 | |
| | | Row % | 63.7% | 36.3% | 100.0% | |
| | | Column % | 35.2% | 38.8% | 36.4% | |
| | | Total % | 23.2% | 13.2% | 36.4% | |
| <₹20,000 | | Count | 31 | 18 | 49 | |
| | | Row % | 63.3% | 36.7% | 100.0% | |
| | | Column % | 18.8% | 21.2% | 19.6% | |
| | | Total % | 12.4% | 7.2% | 19.6% | |
| ₹100,001– ₹200,000 | | Count | 21 | 15 | 36 | |
| | | Row % | 58.3% | 41.7% | 100.0% | |
| | | Column % | 12.7% | 17.6% | 14.4% | |
| | | Total % | 8.4% | 6.0% | 14.4% | |
| 5 | | Count | 11 | 7 | 18 | |
| | | Row % | 61.1% | 38.9% | 100.0% | |
| | | Column % | 6.7% | 8.2% | 7.2% | |
| | | Total % | 4.4% | 2.8% | 7.2% | |
| Total | | Count | 165 | 85 | 250 | |
| | | Row % | 66.0% | 34.0% | 100.0% | |
| | | Column % | 100.0% | 100.0% | 100.0% | |
| | | Total % | 66.0% | 34.0% | 100.0% | |

| Chi-Square Tests | | | |
|------------------------------|-------|----|----------------------------|
| | Value | df | Asymptotic Sig. (2-tailed) |
| Pearson Chi-Square | 5.45 | 4 | .244 |
| Likelihood Ratio | 5.73 | 4 | .220 |
| Linear-by-Linear Association | 3.43 | 1 | .064 |
| N of Valid Cases | 250 | | |

Figure 33(Source: From PSPP)

Interpretation:

BNPL usage was observed across all income groups, with the highest adoption in the ₹50,001–₹1,00,000 bracket (78.6%). However, the chi-square test ($\chi^2 = 5.45, p = 0.244$) shows that income level does not have a statistically significant relationship with BNPL usage. This is interesting because it suggests that **BNPL is not just for high earners** even middle- and lower-income individuals are using it. I believe this reflects the appeal of BNPL’s convenience and flexible repayment options, which transcend income boundaries.

5.1 Findings

The analysis of data collected from respondents offers meaningful insights into the usage, perceptions, and impact of Buy Now, Pay Later (BNPL) services. The findings are summarized as follows:

1. Demographic Profile and BNPL Usage

- Most respondents fall into the 25–30 years age group (36.8%), followed closely by the 18–24 years group (31.6%). This indicates that BNPL is highly popular among youth and young professionals who are early adopters of digital financial solutions.
- Gender distribution shows 50.4% females and 48.4% males, meaning BNPL usage is relatively balanced across genders. This demonstrates that BNPL services appeal equally to both men and women.

- Educational qualification plays a role, as a significant majority are undergraduates (59.2%), suggesting that students and young graduates are a prime target group for BNPL adoption.
- In terms of income, most respondents fall into the ₹20,000–₹50,000 monthly income bracket (36.4%), highlighting that BNPL is especially attractive to middle-income consumers who seek financial flexibility.
- With respect to occupation, the employed category (50.8%) leads BNPL usage, followed by students (33.6%), emphasizing that BNPL is widely adopted among working professionals and learners alike.

2. Patterns of BNPL Usage

- Most respondents (66%) reported using BNPL services, whereas 34% have never used them. This confirms that BNPL has already penetrated a significant portion of the consumer base.
- Frequency of use shows BNPL is still an occasional tool: 34% never use it, 32% use it occasionally, 25.2% monthly, and only 8.8% weekly. This indicates that while awareness is high, frequent and habitual use is still limited.
- Purpose of use highlights diversity: 26.8% use it for essential needs, 25.6% for non-essential purchases, and 13.6% for emergencies. This shows BNPL serves both practical financial requirements and lifestyle-driven choices.
- Regarding providers, Amazon Pay Later (15.2%) and Simpl (14.8%) dominate user preference, followed by Paytm Postpaid and Flipkart Pay Later (8.8% each). This demonstrates that trusted e-commerce platforms strongly influence BNPL adoption.

3. Repayment Behaviour

- A large majority of respondents demonstrated responsible usage, with 52.4% always repaying on time. Only 11.2% admitted to being sometimes late, and 2.4% often late, which shows that while most users are financially disciplined, a small segment struggles with repayment management.
- Further, 86.4% of respondents reported never missing a repayment deadline, which highlights BNPL's role as a manageable credit tool for most users.

4. Consumer Perceptions and Attitudes

- Respondents generally agree that BNPL services are easy to use and access, with 38.4% rating 3 and 36.8% rating 4. This shows strong acceptance of BNPL's convenience.
- 45.2% believed BNPL helps manage monthly budgets better, proving its role in smoothing out cash flows and monthly expenses.

- At the same time, 37.2% admitted BNPL encourages overspending, reflecting concerns that easy access to credit may trigger impulsive consumption.
- Awareness levels are high, with 42.4% reporting awareness of interest and penalties, though a portion of users still lack full understanding of terms and conditions.
- 46.8% considered BNPL a safe and reliable payment option, while 32.8% gave moderate ratings, suggesting that although trust is growing, some consumers still remain cautious.

5. Regulation and Future Outlook

- A large proportion of respondents support tighter regulations, with 36.8% agreeing and 36% moderately agreeing that BNPL should be regulated more strictly. This reflects consumer concerns about transparency and potential risks of overuse.
- On the recommendation side, 34% moderately recommend BNPL to others, while 31.2% show stronger support. This suggests a positive outlook but with caution, indicating that consumers value BNPL but remain mindful of risks.

5.2 Conclusion

The findings of this research highlight the growing relevance of BNPL in today's financial ecosystem. The study concludes the following:

1. BNPL is youth-driven: Most users are between 18–30 years, proving that BNPL adoption is strongest among tech-savvy, younger generations who are comfortable with digital payments.
2. Financial flexibility is the key attraction: BNPL appeals most to middle-income and employed individuals, who see it as a tool for better cash flow management, supporting both essential and lifestyle purchases.
3. Strong repayment discipline but risks remain: Most users repay on time, but a small proportion faces challenges in meeting dues. While repayment discipline is high, risks of overspending and financial stress exist for some segments.
4. Perception of safety and convenience: Consumers generally view BNPL as convenient, accessible, and moderately safe. However, the lack of complete understanding of terms and conditions raises the possibility of repayment difficulties.
5. Demand for regulation: A substantial portion of consumers believe that stricter regulation is necessary, reflecting awareness of risks and a need for consumer protection frameworks in BNPL services.

6. Future growth potential: Although BNPL is widely known, it is still more of an occasional payment option than a regular habit. This leaves significant scope for growth, provided providers build greater trust, ensure transparency, and offer responsible credit options

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Annexure

Age group

- 25–30
- 18–24
- 31–40
- 41–50
- 51+

Gender

- Female
- Male
- Other

Education Level

- Undergraduate
- Postgraduate
- Diploma
- Other
- PhD



Monthly Income

- ₹20,000–₹50,000
- ₹50,001–
- ₹100,000
- <₹20,000
- ₹100,001–
- ₹200,000
- >₹200,000

Occupation

- Employed
- Student
- Self-
employed
- Homemaker
- Other

Frequency of BNPL Use

Never

Occasionally

Monthly

Weekly

Preferred BNPL Provider

Not applicable

Amazon Pay Later

Simpl

Paytm Postpaid

Flipkart Pay Later

Lazy Pay

Zest Money

Other



Repayment Timeliness

Always on time

Not applicable

Sometimes late

Often late

Section A: Basic Information

1. Do you use Buy Now, Pay Later (BNPL) services?

- Yes

- No

2. Have you ever missed a BNPL repayment deadline?

- Yes

- No

Section B: Likert Scale Questions

(Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

3. I find BNPL services easy to use and access.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

4. BNPL helps me manage my monthly budget better.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

5. I often use BNPL for non-essential purchases.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

6. BNPL encourages me to spend more than I usually would.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree



7. I clearly understand the terms and conditions of BNPL services.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

8. BNPL is more convenient than using a credit card.

- Prefer BNPL
- Prefer Credit Card
- Use Both

9. I feel financially stressed due to BNPL repayments.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree



10. BNPL has improved my purchasing power.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

11. I am aware of the interest or penalties involved in delayed BNPL payments.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral

- 4 = Agree

- 5 = Strongly Agree

12. BNPL providers clearly communicate repayment schedules.

- 1 = Strongly Disagree

- 2 = Disagree

- 3 = Neutral

- 4 = Agree

- 5 = Strongly Agree

13. I believe BNPL is a safe and reliable payment option.

- 1 = Strongly Disagree

- 2 = Disagree

- 3 = Neutral

- 4 = Agree

- 5 = Strongly Agree

14. I have used BNPL more than once in the past 6 months.

- 1 = Strongly Disagree

- 2 = Disagree

- 3 = Neutral

- 4 = Agree

- 5 = Strongly Agree

15. BNPL services are available for most of the products I buy.

- 1 = Strongly Disagree

- 2 = Disagree

- 3 = Neutral

- 4 = Agree

- 5 = Strongly Agree



16. I compare BNPL offers before choosing a provider.

- Amazon Pay Later
- Paytm Postpaid
- Simpl
- Zest Money
- Flipkart Pay Later
- Lazy Pay
- Other
- Not applicable

17. BNPL has helped me avoid taking personal loans or credit card debt.

- Low
- Medium
- High

18. I feel confident in my ability to repay BNPL dues on time.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree



19. BNPL services should be regulated more strictly by financial authorities.

- Low
- Medium
- High

20. I would recommend BNPL to friends or family.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

Section C: Descriptive Question

21. In your own words, describe your overall experience with BNPL services. What benefits or challenges have you faced?