

Major Research Project Report on
A Study on the Impact of Buy Now Pay Later
(BNPL) Services on Consumer Buying Behavior
among Young Consumers in India

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CERTIFICATE

This is to certify that **Ayush Jain (Roll No: 24/DMBA/54)** has submitted the project report titled “**A Study on the Impact of Buy Now Pay Later (BNPL) Services on Consumer Buying Behavior among Young Consumers in India**” in partial fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA) from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2025–26.

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DECLARATION

I, **Ayush Jain**, student of Delhi School of Management, Delhi Technological University, hereby declare that the Major Research Project report titled “**A Study on the Impact of Buy Now Pay Later (BNPL) Services on Consumer Buying Behavior among Young Consumers in India**” submitted in partial fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA) is my original work.

I confirm that this project has not been submitted to any other institution or university for any other degree or diploma.

I further declare that the information collected from various sources has been duly acknowledged in this project.

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Place: New Delhi, India

Date: _____

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EXECUTIVE SUMMARY

The Indian financial sector has experienced major transformation due to the rapid development of digital technology and fintech innovations. Digital payment systems, online banking, UPI services, mobile wallets, and e-commerce platforms have significantly changed the way consumers purchase goods and services. Among these technological advancements, Buy Now Pay Later (BNPL) has emerged as one of the fastest-growing digital credit systems in recent years.

BNPL services allow consumers to purchase products immediately and make payments at a later date, either in installments or after a fixed repayment period. These services have become increasingly popular among young consumers because they provide convenience, flexibility, quick approval, and easy accessibility without lengthy banking procedures. The growing popularity of online shopping and digital payments in India has further accelerated the adoption of BNPL platforms such as Simpl, LazyPay, Amazon Pay Later, Flipkart Pay Later, Paytm Postpaid, and ZestMoney.

The present research project focuses on analyzing the impact of Buy Now Pay Later services on consumer buying behavior among young consumers in India. The study aims to understand how BNPL services influence purchasing decisions, spending habits, impulsive buying behavior, repayment patterns, and overall customer satisfaction. The research also examines the reasons behind the growing adoption of BNPL services among students, salaried employees, and digitally active consumers.

For conducting the study, primary data was collected through a structured questionnaire distributed among respondents belonging mainly to the age group of 18–35 years. The questionnaire included demographic questions along with questions related to awareness, usage frequency, convenience perception, satisfaction level, spending behavior, and repayment experiences associated with BNPL services. The responses were analyzed using percentage analysis and interpretative methods to understand consumer attitudes and behavioral patterns.

The findings of the study reveal that BNPL services are highly popular among young consumers due to their convenience and flexibility. Most respondents reported that BNPL platforms make online shopping easier and improve purchasing power by reducing immediate financial burden. Students and salaried employees were identified as the primary users of BNPL services because these groups often seek flexible payment solutions for managing short-term financial needs.

The study also indicates that BNPL services significantly influence consumer buying behavior. Many respondents admitted that they tend to spend more when deferred payment options are available. The availability of instant credit encourages consumers to make purchases that they might otherwise postpone. In several cases, consumers also reported making impulsive purchases because the payment responsibility is shifted to a future date. This reflects the psychological impact of deferred payment systems on consumer decision-making behavior.

Another important observation from the study is that brand trust and ease of use play a major role in consumer preference toward BNPL platforms. Consumers generally prefer services integrated with trusted e-commerce platforms because they offer secure transactions, quick approvals, and better customer experience.

Although the overall response toward BNPL services was positive, the study also identified certain risks and challenges associated with digital credit usage. Some respondents reported facing repayment difficulties due to overspending and poor financial planning. The findings suggest that excessive dependence on BNPL services may lead to financial stress, debt accumulation, and

reduced financial discipline among consumers. Therefore, while BNPL provides financial convenience, responsible usage remains highly important.

The study concludes that Buy Now Pay Later services have become an important component of India's digital payment ecosystem and are significantly transforming consumer purchasing behaviour. The future growth potential of BNPL services in India is very high due to increasing digital adoption and expanding e-commerce activities. However, consumers must develop financial awareness and spending discipline to avoid repayment-related issues. Similarly, fintech companies and regulatory authorities should promote responsible lending practices and consumer education to ensure sustainable growth of the BNPL sector.

Overall, the research highlights both the opportunities and challenges associated with BNPL services and provides valuable insights into changing consumer behaviour in the digital economy.

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CHAPTER 1

INTRODUCTION

1.1 Background

Introduction to the study

The Indian financial system has undergone a major transformation in recent years due to rapid technological advancement and increasing digitalization. The emergence of financial technology (FinTech) has revolutionized the way financial services are delivered and consumed. Traditional banking methods are gradually being replaced by digital payment systems such as Unified Payments Interface (UPI), mobile wallets, internet banking, QR-code payments, and contactless transactions. Consumers today prefer fast, convenient, and secure payment methods that can be accessed anytime and anywhere through smartphones and digital platforms.

India has become one of the fastest-growing digital economies in the world. Government initiatives such as Digital India, demonetization, expansion of internet connectivity, and growth in smartphone penetration have accelerated the adoption of digital financial services across urban as well as semi-urban areas. Along with digital payments, digital lending and short-term credit solutions have also gained significant popularity among consumers. One of the most rapidly emerging innovations in this area is Buy Now Pay Later (BNPL).

Buy Now Pay Later (BNPL) is a modern financing option that allows consumers to purchase goods and services immediately and make payment at a later date. Instead of paying the full amount at the time of purchase, customers are provided with the flexibility to repay after a specified period or through easy monthly instalments (EMIs). BNPL services are designed to simplify consumer purchasing by offering quick and convenient access to short-term credit without the lengthy procedures associated with traditional banking systems.

The concept of deferred payment is not entirely new; however, technological integration has transformed it into a highly accessible and digital financial service. Earlier, instalment-based purchasing was mostly limited to banks and credit card providers. Today, fintech companies and digital platforms provide instant credit approval within seconds using artificial intelligence, data analytics, and digital verification systems. This has made BNPL services more convenient and attractive, especially for younger consumers who seek speed, flexibility, and ease of use.

BNPL services have become increasingly popular among millennials and Generation Z consumers. These groups are highly active in online shopping, digital transactions, food delivery applications, travel bookings, entertainment subscriptions, and e-commerce platforms. The increasing desire for convenience and lifestyle-oriented consumption has contributed significantly to the growth of BNPL services. Young consumers often prefer BNPL because it enables them to purchase products immediately even if they do not have sufficient funds available at the moment.

In India, BNPL services are offered by various fintech companies, non-banking financial companies (NBFCs), banks, and e-commerce platforms. Some of the major BNPL providers operating in the Indian market include LazyPay, Simpl, Amazon Pay Later, Flipkart Pay Later, Paytm Postpaid, Mobikwik ZIP, and ZestMoney. These companies have integrated their services with e-commerce websites, payment gateways, food delivery applications, travel booking platforms, and online retail systems to provide seamless checkout experiences for consumers.

The rapid growth of e-commerce in India has also played a vital role in increasing BNPL

adoption. Online marketplaces such as Amazon, Flipkart, Myntra, Ajio, and many others encourage flexible payment methods to improve customer convenience and increase sales. Consumers are more likely to complete purchases when they are given the option to pay later rather than making immediate full payment. As a result, BNPL has become an important tool for increasing customer acquisition, improving conversion rates, and enhancing user experience in the online retail sector.

Another major factor contributing to the expansion of BNPL services is the increasing penetration of smartphones and internet connectivity. Affordable smartphones and low-cost mobile internet have enabled millions of consumers to access digital financial services. Mobile applications have simplified the process of registration, verification, transaction management, and repayment tracking. Most BNPL providers offer user-friendly applications with quick onboarding processes, minimal documentation requirements, and instant approval systems, making digital credit more accessible to the masses.

BNPL services also contribute to financial inclusion by providing short-term credit access to individuals who may not possess credit cards or formal credit histories. Many young users, students, and first-time borrowers are unable to access traditional banking credit facilities due to strict eligibility criteria. BNPL platforms use alternative credit assessment methods such as transaction history, digital payment behaviour, and online activity to evaluate customer eligibility. This has allowed a larger population segment to access digital credit services conveniently.

Despite its advantages, BNPL also raises several concerns regarding financial discipline and consumer behaviour. Since payments are delayed, consumers may develop a tendency toward impulsive purchasing and overspending. Easy access to credit may encourage users to buy products beyond their repayment capacity. In cases where consumers fail to repay on time, additional charges, penalties, and financial stress may arise. Therefore, responsible usage and financial awareness are extremely important while using BNPL services.

The Reserve Bank of India (RBI) and financial regulators have also started paying attention to the rapid expansion of digital lending platforms and BNPL systems. Regulatory supervision is necessary to ensure consumer protection, transparency, data security, and ethical lending practices. As the industry continues to grow, fintech companies must focus on responsible lending, transparent policies, and improved customer education to maintain long-term sustainability and trust among users.

The COVID-19 pandemic further accelerated the growth of digital transactions and online purchasing behaviour in India. During the pandemic period, consumers increasingly relied on online platforms for shopping, healthcare, education, and entertainment services. This shift significantly increased the demand for flexible digital payment options, including BNPL services. Even after the pandemic, consumer preference for digital convenience has continued, further strengthening the position of BNPL in the Indian fintech ecosystem.

In recent years, artificial intelligence (AI), machine learning, and data analytics have become integral components of BNPL systems. These technologies help companies assess consumer risk profiles, detect fraudulent activities, personalize offers, and improve operational efficiency. AI-based algorithms analyze consumer transaction patterns and repayment behaviour to make faster and more accurate lending decisions. This technological integration has enhanced the efficiency and scalability of BNPL services.

The growing adoption of BNPL services indicates a significant shift in consumer payment behaviour and digital finance culture in India. Consumers are increasingly moving away from traditional payment methods toward flexible, technology-driven financial solutions. As competition among fintech companies intensifies, BNPL providers are continuously innovating to offer better user experiences, cashback rewards, zero-interest installments, and customized repayment options.

This research study aims to analyze consumer awareness, usage behaviour, satisfaction level,

repayment discipline, and the overall impact of BNPL services in India. The study focuses on understanding how consumers perceive BNPL services, the factors influencing adoption, the benefits enjoyed by users, and the challenges associated with digital credit systems. The research also attempts to evaluate whether BNPL services encourage impulse buying and influence consumer spending habits.

The findings of this study will help in understanding the growing role of BNPL in India's digital economy and provide valuable insights for consumers, fintech companies, researchers, policymakers, and financial institutions. The study will also contribute to understanding the future scope, opportunities, and risks associated with Buy Now Pay Later services in the Indian financial market.

1.2 Problem Statement

The rapid growth of digital payment systems and financial technology in India has transformed the way consumers purchase goods and services. Among the various innovations in the fintech sector, Buy Now Pay Later (BNPL) services have emerged as one of the fastest-growing digital credit solutions. BNPL allows consumers to purchase products instantly and pay later through deferred payments or easy instalments. The increasing adoption of online shopping, smartphone usage, and digital payment platforms has significantly contributed to the expansion of BNPL services in India.

Although BNPL services provide convenience, flexibility, and improved purchasing power to consumers, they have also created several financial and behavioural concerns. Many consumers, especially millennials and Generation Z users, are increasingly relying on BNPL services for online shopping, lifestyle products, food delivery, entertainment subscriptions, travel bookings, and other expenses. The easy availability of short-term digital credit and minimal approval procedures have made BNPL highly attractive to young consumers. However, this ease of access may also encourage impulsive buying behaviour, overspending, and poor financial discipline.

One of the major problems associated with BNPL services is the lack of awareness regarding repayment obligations, hidden charges, penalties, and financial risks. Many users consider BNPL as a simple payment option rather than a form of credit. As a result, consumers may fail to manage their repayments properly and accumulate multiple outstanding dues across different BNPL platforms. This can create financial stress, repayment burden, and potential debt-related problems, especially among young users with limited or unstable income sources.

Another important issue is the increasing dependence on digital credit systems for regular consumption activities. Consumers may develop a habit of purchasing products without considering their actual repayment capacity because the payment burden is shifted to a future date. This delayed payment mechanism psychologically reduces the immediate impact of spending and encourages consumers to make unnecessary or impulsive purchases. Such behaviour can negatively affect personal financial management and savings habits.

The rapid expansion of BNPL services has also raised concerns regarding responsible lending practices and consumer protection. Since many BNPL providers offer instant approval with limited credit assessment, there is a possibility that credit may be provided to consumers who may not have sufficient repayment capacity. Additionally, lack of transparency in terms and conditions, hidden fees, and insufficient financial literacy among consumers can further increase financial risk.

Despite the growing popularity of BNPL services in India, there is limited awareness and research regarding consumer perception, usage behaviour, repayment discipline, satisfaction level, and the overall impact of BNPL on consumer financial behaviour. Most consumers focus mainly on convenience and affordability while ignoring long-term financial implications. Therefore, it becomes important to study how consumers perceive BNPL services, why they adopt these services, how frequently they use them, and whether these services influence their spending patterns and financial decisions.

The present study attempts to address these issues by analyzing consumer awareness, satisfaction,

usage frequency, repayment behaviour, and the psychological impact of BNPL services in India. The study also focuses on understanding whether BNPL services encourage impulse buying and increase dependency on digital credit systems. Furthermore, the research aims to identify the benefits, challenges, and risks associated with BNPL adoption among different categories of consumers such as students, salaried employees, self-employed individuals, and business owners. This research is important because BNPL services are becoming a major part of India's digital economy and fintech ecosystem. Understanding the opportunities and challenges associated with BNPL will help consumers make informed financial decisions and assist fintech companies and policymakers in developing responsible and sustainable digital lending practices.

1.3 Objectives of the Study

1. Primary Objective

The primary objective of this study is to analyse the awareness, usage behaviour, satisfaction level, and financial impact of Buy Now Pay Later (BNPL) services among consumers in India.

2. To Study Consumer Awareness about BNPL Services (Secondary Objectives)

The study aims to understand the level of awareness among consumers regarding Buy Now Pay Later services, including knowledge about different BNPL platforms, features, repayment systems, and digital credit facilities.

3. To Identify the Factors Influencing Adoption of BNPL

The research seeks to identify the major factors that encourage consumers to use BNPL services such as convenience, affordability, flexible repayment options, easy accessibility, online shopping habits, and instant credit availability.

4. To Analyse the Usage Pattern of BNPL Services

The study aims to examine how frequently consumers use BNPL services and for what purposes they use them, such as online shopping, electronics, food delivery, travel bookings, fashion products, and lifestyle purchases.

5. To Examine Consumer Satisfaction Level

Another objective of the study is to evaluate the satisfaction level of users regarding BNPL services based on factors such as ease of use, repayment flexibility, customer experience, speed of approval, and overall convenience.

6. To Study the Impact of BNPL on Consumer Purchasing Behaviour

The research intends to analyse how BNPL services influence consumer spending habits and purchasing decisions, especially in relation to impulse buying and increased consumption behaviour.

7. To Understand Repayment Behaviour of Consumers

The study aims to examine whether consumers repay their BNPL dues on time and to understand the repayment discipline, financial management practices, and repayment-related challenges faced by users.

8. To Identify the Benefits of BNPL Services

The research seeks to identify the major advantages of BNPL services for consumers, including improved purchasing power, financial flexibility, accessibility to short-term credit, and enhanced shopping convenience.

9. To Analyse the Challenges and Risks Associated with BNPL

The study also focuses on identifying the problems and risks related to BNPL services such as overspending, hidden charges, financial stress, debt accumulation, and lack of financial awareness among users.

10. To Study the Role of Technology in BNPL Growth

The research aims to understand how technologies such as Artificial Intelligence (AI), machine learning, data analytics, and digital payment systems contribute to the growth and functioning of BNPL services.

1.4 Scope of Study

The scope of this study focuses on understanding consumer awareness, usage behaviour, satisfaction level, and financial impact of Buy Now Pay Later (BNPL) services in India. The study examines how consumers use BNPL services, the factors influencing their adoption, and the benefits and challenges associated with digital credit systems. The research also studies the effect of BNPL on consumer spending behaviour and financial management practices.

Geographic Scope

The study is limited to India, mainly focusing on urban and semi-urban consumers who actively use smartphones, internet services, digital payments, and online shopping platforms. The research reflects the behaviour of digitally active consumers in the Indian fintech market.

Demographic Scope

The study includes respondents from different demographic groups such as:

- Students
- Salaried employees
- Self-employed individuals
- Business owners
- Young professionals

The research mainly focuses on millennials and Generation Z consumers because they are the major users of BNPL services. Variables such as age, occupation, income level, and spending behaviour are also considered.

Conceptual Scope

The conceptual scope covers topics related to:

- Financial Technology (FinTech)
- Digital payments
- Digital lending
- Consumer behaviour
- Online shopping behaviour
- Impulse buying
- Financial management

The study explains how BNPL works as a digital credit system and how it influences consumer

purchasing decisions and spending habits.

Industry Scope

The study is related to the fintech and digital payment industry in India, specifically focusing on the BNPL segment. It includes major BNPL providers such as:

- LazyPay
- Simpl
- Amazon Pay Later
- Flipkart Pay Later
- Paytm Postpaid
- ZestMoney

The study also considers the role of e-commerce companies, banks, NBFCs, and digital lending platforms.

Methodological Scope

The study is descriptive and analytical in nature. Data has been collected through:

Primary Data

- Survey questionnaire
- Consumer responses

Secondary Data

- Research papers
- Websites
- Journals
- FinTech reports
- RBI publications

Convenience sampling method has been used for collecting responses.

Scope Analysis

The study helps in understanding:

- Consumer awareness regarding BNPL
- Usage frequency and satisfaction level
- Repayment behaviour
- Impact on spending habits
- Benefits and risks of BNPL services

The findings may be useful for consumers, researchers, fintech companies, and policymakers.

Limitations within the Scope

The study has certain limitations:

- Limited sample size
- Focus mainly on urban consumers
- Time constraints
- Responses may contain personal bias
- Rapid changes in fintech industry
- Limited analysis of legal and regulatory aspects

Despite these limitations, the study provides useful insights into the growth and impact of BNPL services in India.

1.5 Hypothesis of the Study

Following are some of the theories that have been formulated for exploring the relationship between the dependent and independent variables according to the objectives of the study and their respective variables.

Relationship between convenience of BNPL services and consumer adoption

Convenience is one of the major factors influencing the adoption of Buy Now Pay Later (BNPL) services. Consumers prefer payment systems that are simple, fast, flexible, and easy to access. Features such as instant approval, minimal documentation, quick checkout process, and flexible repayment options increase the attractiveness of BNPL services among consumers. A higher level of convenience is expected to encourage more consumers to adopt BNPL platforms for online and offline purchases.

Therefore, the following hypothesis can be suggested:

H01: Convenience of BNPL services has no significant impact on consumer adoption.

H1: Convenience of BNPL services have a significant positive impact on consumer adoption.

Relationship between ease of use and consumer satisfaction

Ease of use refers to the simplicity and user-friendliness of BNPL platforms and applications. Consumers are more likely to feel satisfied when the repayment process, registration procedure, payment tracking, and approval systems are easy to understand and operate. Complicated procedures and technical difficulties may negatively affect user experience and satisfaction levels.

Accordingly, the following hypothesis can be formulated:

H02: Ease of use has no significant impact on consumer satisfaction.

H2: Ease of use has a significant positive impact on consumer satisfaction.

Relationship between social influence and BNPL adoption

“Social influence” refers to the effect of friends, family members, social media platforms, online reviews, advertisements, and digital trends on consumer decision-making. In the digital era, consumers are highly influenced by peer recommendations and online promotional activities. Positive reviews and social acceptance of BNPL services can encourage consumers to adopt these digital credit systems.

Consequently, the following hypothesis is proposed:

H03: Social influence has no significant impact on BNPL adoption.

H3: Social influence has a significant positive impact on BNPL adoption.

Relationship between financial flexibility and usage frequency

Financial flexibility provided by BNPL services allows consumers to purchase products without making immediate full payment. Consumers who perceive BNPL as a flexible financial solution may use these services more frequently for shopping, travel, entertainment, and other expenses. Flexible repayment options and instalment facilities can positively influence usage frequency. The following hypothesis can therefore be suggested:

H04: Financial flexibility has no significant impact on the usage frequency of BNPL services.

H4: Financial flexibility has a significant positive impact on the usage frequency of BNPL services.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Literature review is an important part of every research study because it provides a detailed understanding of the existing knowledge related to the research topic. It helps in identifying major theories, concepts, previous findings, and research gaps associated with the study area. The literature review creates a strong theoretical foundation for the research and helps in understanding how earlier researchers have analyzed similar topics.

The present study focuses on Buy Now Pay Later (BNPL) services and their impact on consumer behaviour in India. The literature review mainly examines previous studies related to digital payments, fintech growth, consumer adoption of BNPL services, financial flexibility, impulse buying behaviour, consumer satisfaction, repayment behaviour, social influence, and perceived risks associated with digital credit systems.

The rapid development of financial technology and digital payment systems has transformed the consumer finance industry worldwide. In India, the increasing use of smartphones, internet services, and e-commerce platforms has accelerated the adoption of digital payment methods such as UPI, mobile wallets, internet banking, and BNPL services. BNPL has emerged as one of the fastest-growing segments in the fintech industry because it provides consumers with instant purchasing power and flexible repayment options.

Several studies have highlighted that convenience, accessibility, and financial flexibility are the major factors influencing the adoption of BNPL services among consumers. According to Agarwal and Chomsisengphet (2020), digital credit systems have changed consumer borrowing patterns by making credit more accessible and user-friendly. Similarly, studies by Di Maggio et al. (2022) suggest that younger consumers are more attracted toward BNPL services because of easy approval procedures and installment-based repayment facilities.

Consumer behaviour plays a major role in the growth of BNPL services. Researchers have found that deferred payment systems psychologically reduce the immediate financial burden of purchases, which may encourage consumers to spend more. Studies by Soman (2001) explain that consumers tend to spend more when payments are delayed because the “pain of payment” is reduced. This behavioural effect has increased the popularity of BNPL services, especially among millennials and Generation Z consumers.

Many researchers have also discussed the risks associated with BNPL services. While BNPL improves affordability and convenience, it may also encourage impulsive buying behaviour, overspending, and poor financial management. According to Financial Conduct Authority (2021), lack of awareness regarding repayment obligations and hidden charges can create financial stress among users. Multiple BNPL accounts and easy availability of digital credit may increase the risk of debt accumulation.

Social influence and digital marketing have also contributed significantly to the growth of BNPL services. Online advertisements, social media promotions, peer recommendations, and influencer marketing play an important role in shaping consumer attitudes toward digital credit systems. Consumers are increasingly influenced by digital trends and online shopping culture, which encourages the use of flexible payment methods.

Technological advancement is another important aspect discussed in previous studies. Artificial Intelligence (AI), machine learning, and data analytics are widely used by fintech companies for

credit assessment, fraud detection, customer profiling, and personalized financial services. According to Gomber et al. (2018), technology-driven financial solutions have improved operational efficiency and customer experience in the fintech industry.

The literature also highlights the importance of consumer trust and satisfaction in digital financial services. Consumers are more likely to use BNPL platforms if they perceive them as secure, transparent, and easy to use. Factors such as quick approval, simple repayment process, low documentation requirements, and user-friendly mobile applications positively influence customer satisfaction and repeated usage.

Although several studies have been conducted on digital payments and fintech services, limited research is available specifically on BNPL services in the Indian context. Existing studies mainly focus on developed markets, while consumer perception and behavioural impact of BNPL services in India require further exploration. Therefore, the present study attempts to analyze consumer awareness, usage behaviour, satisfaction level, repayment behaviour, and financial impact of BNPL services among Indian consumers.

The literature review provides theoretical support for understanding the relationship between convenience, financial flexibility, social influence, perceived risks, impulse buying behaviour, and consumer adoption of BNPL services. It also helps in identifying research gaps and developing hypotheses for the present study.

2.2 Buy Now Pay Later (BNPL) and its Evolution

Growth of BNPL Services

Over the last few years, Buy Now Pay Later (BNPL) services have experienced rapid growth globally as well as in India. The increasing use of digital payment systems, online shopping platforms, and smartphone applications has significantly contributed to the expansion of BNPL services. Consumers today prefer flexible payment solutions that allow them to purchase products instantly and pay later through installments or deferred payments.

Traditional credit systems often involve lengthy approval procedures, strict documentation requirements, and limited accessibility. In contrast, BNPL services provide instant approval, simplified digital verification, and easy repayment options, making them more attractive to consumers. According to studies by Di Maggio et al. (2022), younger consumers prefer BNPL services because they provide financial flexibility without the need for credit cards.

The growth of e-commerce platforms such as Amazon, Flipkart, Myntra, and food delivery applications has also accelerated the adoption of BNPL services. Consumers increasingly use BNPL for purchasing electronics, fashion products, travel services, food delivery, and entertainment subscriptions. Researchers have observed that the convenience and accessibility offered by BNPL platforms have made them one of the fastest-growing segments in the fintech industry.

Another major factor contributing to BNPL growth is the increasing penetration of smartphones and affordable internet services. Mobile applications allow consumers to register, verify accounts, track spending, and repay dues easily. This digital convenience has encouraged greater consumer participation in fintech services.

The COVID-19 pandemic further increased the adoption of digital payments and online shopping, leading to higher usage of BNPL services. During the pandemic, consumers relied heavily on online platforms for shopping and essential services, which created strong demand for flexible payment systems.

Overall, the growth of BNPL reflects the changing financial behaviour and digital lifestyle of modern consumers.

Transition from Traditional Credit to Digital Credit Systems

The development of BNPL services represents a shift from traditional banking and credit systems toward digital lending platforms. Earlier, consumers mainly depended on credit cards and bank loans for short-term financing. However, these systems often involved complex procedures and limited accessibility for young consumers or individuals without formal credit history.

BNPL services have transformed the borrowing process by making credit faster, simpler, and technology-driven. Fintech companies use Artificial Intelligence (AI), machine learning, and data analytics to assess consumer eligibility and provide instant credit approval. According to Gomber et al. (2018), technological innovation has improved the efficiency and accessibility of financial services significantly.

Unlike traditional financial institutions, BNPL providers focus heavily on digital convenience and customer experience. Consumers can complete the entire borrowing process online using smartphones and digital applications. This has made digital credit systems more accessible, especially for millennials and Generation Z consumers.

However, the transition to digital credit systems also creates challenges related to financial discipline and responsible borrowing. Easy availability of credit may encourage excessive spending and impulsive purchasing behaviour among consumers.

2.3 Consumer Behaviour and BNPL Adoption

Concept of Consumer Behaviour

Consumer behaviour refers to the study of how individuals make decisions regarding the purchase, usage, and disposal of products and services. It involves psychological, social, emotional, and financial factors that influence purchasing decisions. In the context of BNPL services, consumer behaviour is greatly influenced by convenience, affordability, social trends, and digital lifestyle preferences.

Researchers have found that consumers are more likely to adopt payment systems that reduce immediate financial pressure and improve purchasing flexibility. According to Soman (2001), consumers tend to spend more when payment is delayed because the psychological “pain of payment” decreases.

Digital finance has significantly changed traditional consumer behaviour patterns. Consumers increasingly prefer online shopping and digital payment systems because of convenience and speed. BNPL services fit perfectly into this modern digital lifestyle by providing instant purchasing power and deferred repayment facilities.

Factors Influencing BNPL Adoption

Several factors influence consumer adoption of BNPL services. One of the most important factors is convenience. Consumers prefer payment methods that are easy to access and require minimal documentation. Instant approval systems and user-friendly mobile applications further improve adoption rates.

Financial flexibility is another major factor. BNPL services allow consumers to manage short-term

financial needs without making immediate full payment. This flexibility encourages consumers to use BNPL services for online shopping and lifestyle-related expenses.

Social influence also affects adoption behaviour. Recommendations from friends, family members, online reviews, social media advertisements, and digital trends shape consumer attitudes toward BNPL services. According to Cialdini (2001), social proof strongly influences decision-making processes during uncertain situations.

Trust and security are equally important. Consumers are more likely to use BNPL platforms if they perceive them as secure, transparent, and reliable. Easy repayment systems and low hidden charges also improve consumer confidence.

2.4 Impulse Buying Behaviour

Concept of Impulse Buying

Impulse buying refers to unplanned purchasing behaviour where consumers make spontaneous buying decisions without proper evaluation or planning. Emotional attraction, promotional offers, and ease of payment often contribute to impulse purchases.

BNPL services are closely linked with impulse buying because they reduce the immediate financial burden of purchases. Consumers feel psychologically comfortable making purchases when payment is delayed to a future date.

According to Rook and Fisher (1995), impulse buying behaviour is strongly influenced by emotional excitement and reduced spending control. BNPL services may increase such behaviour because consumers focus more on affordability of installments rather than total product cost.

Impact of BNPL on Consumer Spending Behaviour

Several studies suggest that BNPL services encourage higher consumer spending. Deferred payment systems reduce the financial pressure associated with immediate payments, increasing consumer willingness to purchase expensive or unnecessary products.

Consumers may also develop overspending habits due to the easy availability of short-term digital credit. Multiple BNPL accounts can create repayment burden and financial stress if spending is not managed responsibly.

Researchers have highlighted that impulsive buying behaviour is especially common among younger consumers who actively participate in online shopping and social media trends.

2.5 Consumer Satisfaction and Trust

Importance of Consumer Satisfaction

Consumer satisfaction refers to the level of contentment experienced by users after utilizing a product or service. Satisfaction is important because it influences repeated usage, customer loyalty, and positive word-of-mouth communication.

In BNPL services, satisfaction depends on factors such as:

- Ease of use
- Quick approval process
- Flexible repayment options

- User-friendly applications
- Transparency of charges
- Customer support services

Consumers are more likely to continue using BNPL platforms if they experience convenience and positive service quality.

Trust in Digital Financial Services

Trust is a critical factor influencing digital financial behaviour. Consumers prefer platforms that provide secure transactions, data privacy, and transparent repayment terms.

According to Morgan and Hunt (1994), trust reduces uncertainty and strengthens long-term consumer relationships. In the fintech industry, trust becomes even more important because financial transactions involve sensitive personal and financial information.

Lack of transparency, hidden charges, or repayment difficulties may negatively affect consumer trust and reduce adoption of BNPL services.

2.6 Perceived Risks and Financial Challenges

Concept of Perceived Risk

Perceived risk refers to the uncertainty and potential negative consequences associated with using a product or service. In BNPL services, consumers may face risks related to repayment burden, hidden fees, overspending, and financial stress.

Many consumers consider BNPL as a simple payment method rather than a form of credit. This misunderstanding may create financial problems if consumers fail to manage repayments properly.

Financial Challenges Associated with BNPL

Several researchers have highlighted concerns regarding debt accumulation and financial discipline among BNPL users. Easy access to credit can encourage consumers to make purchases beyond their repayment capacity.

Late payment penalties, hidden charges, and poor financial planning may negatively impact consumers' financial health. Regulatory authorities such as the Reserve Bank of India (RBI) and Financial Conduct Authority (FCA) have emphasized the importance of responsible lending practices and consumer awareness in digital credit systems.

2.7 Technology and FinTech Innovation

Role of Technology in BNPL Services

Technology plays a central role in the growth and functioning of BNPL platforms. Artificial Intelligence (AI), machine learning, automation, and data analytics are widely used for credit assessment, fraud detection, and customer profiling.

According to Gomber et al. (2018), technological innovation has transformed the financial industry by improving operational efficiency and customer experience.

BNPL platforms use digital algorithms to evaluate consumer spending behaviour and repayment capability within seconds. This enables instant approval systems and personalized financial services.

Future of BNPL Services

The future of BNPL services appears highly promising due to continuous growth in e-commerce, digital payments, and smartphone usage. Fintech companies are increasingly investing in technology-driven financial solutions to improve customer experience and market expansion.

However, sustainable growth of BNPL services will depend on responsible lending practices, consumer financial awareness, regulatory supervision, and ethical use of digital credit systems.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Design

Research design is a systematic framework used for conducting research in an organized and logical manner. It acts as a blueprint that helps the researcher in collecting, analyzing, and interpreting data effectively in order to achieve the objectives of the study. A proper research design ensures accuracy, reliability, and validity in the research process.

In the present study, descriptive research design has been used because the study focuses on examining consumer awareness, usage behaviour, satisfaction level, repayment behaviour, and the impact of Buy Now Pay Later (BNPL) services on consumer purchasing behaviour. Descriptive research helps in identifying and explaining the behaviour, opinions, preferences, and attitudes of consumers regarding BNPL services without manipulating any variables.

The study also adopts a quantitative research design because it allows the researcher to measure consumer responses numerically and perform statistical analysis. A structured questionnaire using a Likert scale has been used to collect responses from consumers regarding convenience, financial flexibility, impulse buying behaviour, trust, social influence, and satisfaction related to BNPL services.

The quantitative approach provides objectivity and helps in analysing relationships between variables through statistical techniques such as mean, correlation, regression, t-test, and ANOVA. The research design therefore helps in understanding consumer perception and behavioural patterns related to BNPL services in a systematic manner.

3.2 Research Approach

Quantitative approach

The present study uses a quantitative research approach for analyzing consumer behaviour and testing the hypotheses related to Buy Now Pay Later (BNPL) services. Quantitative research involves the collection and analysis of numerical data in order to identify patterns, relationships, and trends among variables.

This approach is suitable for the present study because it helps in measuring the impact of independent variables such as convenience, financial flexibility, social influence, trust, and perceived risk on dependent variables like consumer adoption, satisfaction, and purchase behaviour.

A structured questionnaire has been used for collecting quantitative data from respondents. The questionnaire consists of close-ended questions measured through a five-point Likert scale where respondents express their level of agreement or disagreement with various statements. The numerical responses collected through the survey are then converted into measurable data for statistical analysis.

The quantitative approach provides several advantages such as objectivity, reliability, ease of comparison, and statistical interpretation. It also helps in performing various statistical techniques including descriptive analysis, correlation analysis, regression analysis, t-test, and ANOVA to

examine the relationship between variables and test research hypotheses.

3.3 Data Collection Method

Data collection is one of the most important stages of research because the quality of collected data directly affects the accuracy and reliability of research findings. In the present study, both primary and secondary sources of data have been used for achieving the objectives of the research.

Primary Data

Primary data has been collected through a structured questionnaire prepared using Google Forms. The questionnaire consists of demographic questions and statements related to consumer awareness, convenience, satisfaction, financial flexibility, impulse buying behaviour, trust, repayment behaviour, and usage pattern of BNPL services.

A five-point Likert scale has been used for collecting responses from participants:

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

The survey was distributed among students, salaried employees, young professionals, and digitally active consumers who are familiar with online shopping and digital payment systems. These respondents are considered suitable for the study because they are among the major users of BNPL services.

A total of 150 responses were collected for the purpose of analysis. Online survey method proved to be cost-effective, convenient, and efficient for collecting data from a large number of respondents within a limited period of time.

Secondary data

Secondary data has also been used in the study for developing theoretical understanding and literature review. Secondary data has been collected from:

- Research journals
- Academic articles
- FinTech reports
- RBI publications
- Websites
- Industry reports
- Online articles
- Research papers

The use of secondary data helped in understanding previous studies related to digital payments, fintech services, consumer behaviour, impulse buying, and BNPL adoption. It also assisted in identifying research gaps and developing hypotheses for the study.

Data Collection Approach

A systematic and structured approach has been followed during the data collection process. The questionnaire was designed carefully to ensure simplicity, clarity, and easy understanding for respondents. Before final distribution, the questionnaire was reviewed and edited to eliminate errors and improve quality.

Incomplete, duplicate, or irrelevant responses were removed to maintain accuracy and reliability of the data. The final data set was organized and analysed using Microsoft Excel for statistical interpretation and hypothesis testing.

3.4 Sampling Design

Sampling design refers to the method used for selecting respondents from the target population for the purpose of data collection. Proper sampling helps in obtaining relevant and reliable information for achieving research objectives.

Sampling method

The present study uses convenience sampling method. Under this method, respondents are selected based on their accessibility, availability, and willingness to participate in the survey.

Convenience sampling is commonly used in academic research because it is simple, cost-effective, and time-saving. It enables the researcher to collect responses quickly from easily accessible participants such as students, working professionals, and digitally active consumers.

Sample size

The study includes a total sample size of 100 respondents. This sample size is considered adequate for understanding consumer behaviour and analyzing the relationship between variables related to BNPL services.

The collected responses provide sufficient information for performing statistical analysis and identifying trends related to consumer adoption, satisfaction, and financial behaviour.

Target population

The target population of the study includes:

- Students
- Salaried employees
- Young professionals
- Self-employed individuals
- Online shoppers
- Digital payment users

These individuals are considered appropriate for the study because they actively use smartphones, internet services, online shopping platforms, and digital payment applications, making them more likely to use BNPL services.

3.5 Variables of the Study

Variables are measurable elements that help in examining relationships and testing hypotheses in research. In this study, variables are classified into independent variables and dependent variables.

Independent variables

Independent variables are the factors expected to influence consumer behaviour regarding BNPL services. The study includes the following independent variables:

Convenience

Convenience refers to the ease of using BNPL services, including simple registration, instant approval, and easy repayment process.

Financial Flexibility

Financial flexibility refers to the ability of consumers to make purchases immediately and repay later through installments or deferred payment systems.

Social Influence

Social influence refers to the impact of peer groups, social media trends, online reviews, advertisements, and recommendations on consumer behaviour.

Trust

Trust refers to consumers' confidence regarding the security, transparency, and reliability of BNPL platforms.

Perceived Risk

Perceived risk refers to consumers' concerns regarding repayment burden, hidden charges, fraud, and financial stress associated with BNPL services.

Dependent variable

The dependent variables represent the outcomes influenced by independent variables.

Consumer Adoption

Consumer adoption refers to the willingness and frequency of consumers using BNPL services.

Consumer Satisfaction

Consumer satisfaction refers to the level of satisfaction experienced by consumers after using BNPL services.

Purchase Behaviour

Purchase behaviour refers to the spending pattern and buying decisions of consumers while using BNPL platforms.

Relationship between variables

The research focuses on examining how independent variables such as convenience, financial flexibility, trust, social influence, and perceived risk influence dependent variables like consumer adoption, satisfaction, and purchase behaviour.

Statistical analysis techniques are used to determine the strength and significance of relationships between these variables.

3.6 Conceptual Framework

The conceptual framework provides both theoretical and visual understanding of the relationship between variables included in the study. It explains how different independent variables influence consumer behaviour related to BNPL services.

In the present study, consumer adoption, satisfaction, and purchase behaviour are treated as dependent variables, while convenience, financial flexibility, trust, social influence, and perceived risk are considered independent variables.

The framework suggests that higher convenience, financial flexibility, trust, and positive social influence increase consumer adoption and satisfaction toward BNPL services. On the other hand, higher perceived risk may negatively affect consumer behaviour and usage intention.

The conceptual framework has been developed based on previous literature related to digital payments, fintech adoption, consumer behaviour, and digital lending systems. It forms the basis for hypothesis development and statistical analysis of the study.

3.7 Hypothesis of the Study

The study tests the following hypotheses:

Convenience and Consumer Adoption

- **H₀1:** Convenience has no significant impact on consumer adoption of BNPL services.
- **H₁1:** Convenience has a significant impact on consumer adoption of BNPL services.

This hypothesis is based on the assumption that consumers prefer payment systems that are easy, fast, and accessible. Previous studies indicate that convenience strongly influences adoption of digital payment systems.

Financial Flexibility and Usage Behavior

- **H₀2:** Financial flexibility has no significant impact on usage behaviour of BNPL services.
- **H₂2:** Financial flexibility has a significant impact on usage behaviour of BNPL services.

This hypothesis assumes that instalment facilities and deferred payment systems increase the usage frequency of BNPL services among consumers.

Social Influence and Consumer Adoption

- **H₀₃**: Social influence has no significant impact on consumer adoption of BNPL services.
- **H₃**: Social influence has a significant impact on consumer adoption of BNPL services.

This hypothesis is based on the influence of social media, peer recommendations, and online trends on consumer decision-making behaviour.

Trust and Consumer Satisfaction

- **H₀₄**: Trust has no significant impact on consumer satisfaction regarding BNPL services.
- **H₄**: Trust has a significant impact on consumer satisfaction regarding BNPL services.

This hypothesis assumes that secure and transparent BNPL platforms increase customer satisfaction and repeated usage intention.

3.8 Measurement scale

A **five-point Likert scale** has been used to measure respondents' perceptions and opinions in the study. This scale allows respondents to indicate their level of agreement or disagreement with various statements.

The scale is defined as follows:

Table 3.1 Likert Scale

| Scale | Meaning |
|-------|-------------------|
| 1 | Strongly Disagree |
| 2 | Disagree |
| 3 | Neutral |
| 4 | Agree |
| 5 | Strongly Agree |

The Likert scale helps in converting qualitative responses into quantitative data, which can be analyzed using statistical techniques such as mean, correlation, regression, and t-test.

3.9 Data analysis tools and techniques

The collected data is analyzed using Microsoft Excel. The following statistical techniques are used to interpret the data and test the hypotheses:

Descriptive analysis

The fundamental characteristics of the data are summarized and presented using descriptive statistics. To comprehend respondent demographics and overall response trends, this comprises frequency distribution, percentages, and charts.

Mean and average

The mean is used to calculate the average response for each variable.

Formula: $\bar{x} = \frac{\sum X}{N}$

Where:

- \bar{x} = Mean
- $\sum X$ = Sum of all observations
- N = Total number of observations

Mean helps in understanding the overall tendency of responses and identifying whether respondents generally agree or disagree.

Correlation analysis

The link between independent factors and the dependent variable is investigated using correlation analysis. It aids in determining whether variables move in the opposite direction (negative correlation) or in the same direction (positive correlation).

Formula: $r = \frac{\sum(X-\bar{X})(Y-\bar{Y})}{\sqrt{\sum(X-\bar{X})^2 \cdot \sum(Y-\bar{Y})^2}}$

Explanation:

The value of r ranges from -1 to +1. A direct relationship is shown by a positive value, whereas an inverse relationship is indicated by a negative value.

Regression analysis

The effect of independent variables on the dependent variable is measured using regression analysis.

Formula (Simple Linear Regression):

$$Y = a + bX$$

Formula (Multiple Regression):

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 \dots \dots \dots$$

Where:

- Y = Dependent variable
- a = Intercept
- b = Regression coefficients
- X = Independent variables

Explanation:

Regression helps in identifying which variables significantly influence purchase intention.

t-test

To ascertain if the means of two groups differ significantly, a t-test is employed. The t-test may be used in this study to compare replies between various respondent groups, such as gender (male vs. female) or buying experience

Formula:

$$t = \frac{X_1 - X_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$

Where:

- X_1, X_2 = Means of two groups
- s_1^2, s_2^2 = Variances
- n_1, n_2 = Sample sizes

Explanation:

If the calculated p-value is less than 0.05, the null hypothesis is rejected, showing a significant difference.

When determining whether observed variations in customer perception are statistically significant or the result of chance, the t-test is useful. For hypothesis testing, a significance level (p-value) of 0.05 is taken into consideration. The null hypothesis is rejected if the p-value is less than 0.05, showing a significant difference between the groups.

Anova

A statistical method called analysis of variance (ANOVA) is used to compare the mean values of three or more independent groups in order to identify any statistically significant differences between them. ANOVA permits comparison across several categories at once, in contrast to the t-test, which is restricted to two groups.

Hypothesis

- **H₀:** There is no significant difference among the groups
- **H₁:** There is a significant difference among the groups

Test statistic

ANOVA is based on the **F-statistic**, which measures the ratio of variance between groups to variance within groups:

$$F = \frac{\textit{Between group variance}}{\textit{Within group variance}}$$

A higher F-value indicates greater variation between group means relative to variation within groups.

Decision rule

- If **p-value** < **0.05** → Reject H_0 (significant difference exists)
- If **p-value** > **0.05** → Fail to reject H_0 (no significant difference)

Implementation

Microsoft Excel is used to perform the **ANOVA** test (**Data Analysis ToolPak – ANOVA: Single Factor**). In order to ensure that only numerical values are included and non-numeric or blank cells are eliminated.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter will provide an extensive interpretation and analysis of the collected data for the research paper, “Impact of Authenticity and Trust on Purchase Intention: Influencer-Owned Brands Versus Corporate Brands.” The major aim of the chapter is to analyze consumer purchase intention and factors that affect it based on the collected data.

The collection of the data was done through the use of structured questionnaires distributed via Google Forms. A total number of 150 valid responses was collected from respondents belonging to different demographic groups, comprising both students and professionals. Questions related to the main variables under investigation, such as authenticity perception, brand trust, social impact, pricing perceptions, and purchase intention, were included in the questionnaire. The raw data were initially analyzed using Microsoft Excel software. In order to ensure the consistency of the measures, some negatively worded questions were reverse-coded. Composite scores for each construct were calculated by averaging the relevant variables of the questionnaires.

Statistical tools were used in analyzing the data. Descriptive statistics were used in describing the demographic profile and responses obtained. Correlation analysis was performed in determining the magnitude and direction of relationships between variables. Regression analysis was conducted in measuring the effect of variables in predicting purchase intention. ANOVA technique was utilized to compare means across more than two categories. Meanwhile, t-test was used in comparing means of certain groups.

Graphic displays, such as pie charts, bar charts, were used in presenting the data in a graphical way. The use of these graphical displays helps in identifying relationships and trends among others.

Findings from the current study help in gaining insights regarding the consumer behavior in terms of purchase intention. This is particularly the case in understanding the influential factors that affect consumers' intentions towards purchasing a product.

4.2 Demographic Analysis

The demographic analysis results in the knowledge about the background information of the respondents. Through the use of factors like age, gender, employment, and social media participation, it enables one to determine the consumer behavior trends. In total, there were 150 respondents used in the research.

4.2.1 Age Distribution

The majority of respondents belong to the 18–25 age group, indicating that the study mainly represents young consumers who are highly familiar with digital payment platforms and online shopping trends. This age group is more likely to adopt innovative financial services such as Buy Now Pay Later (BNPL) due to their active engagement with e-commerce and technology-based payment systems.

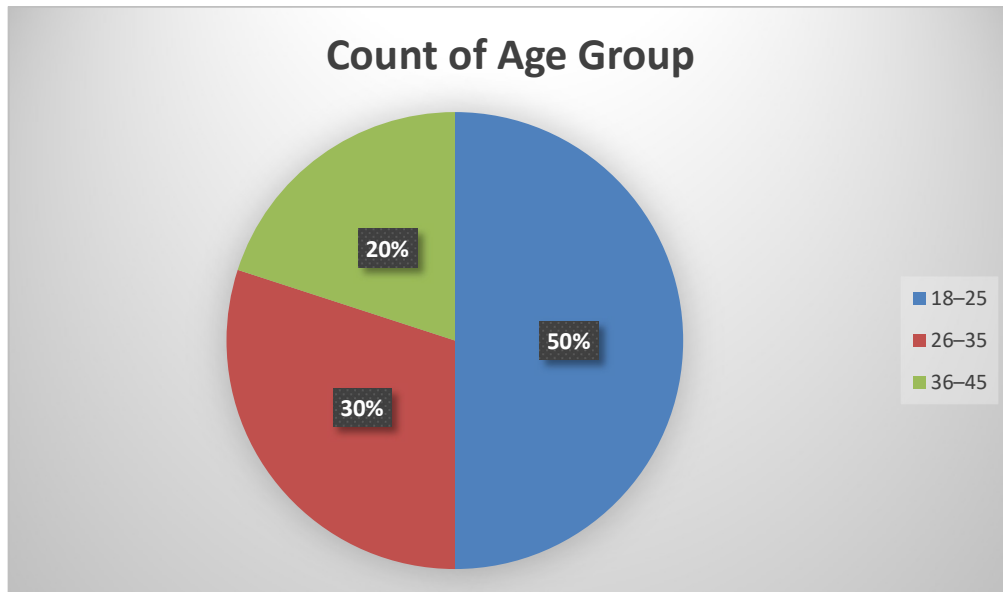


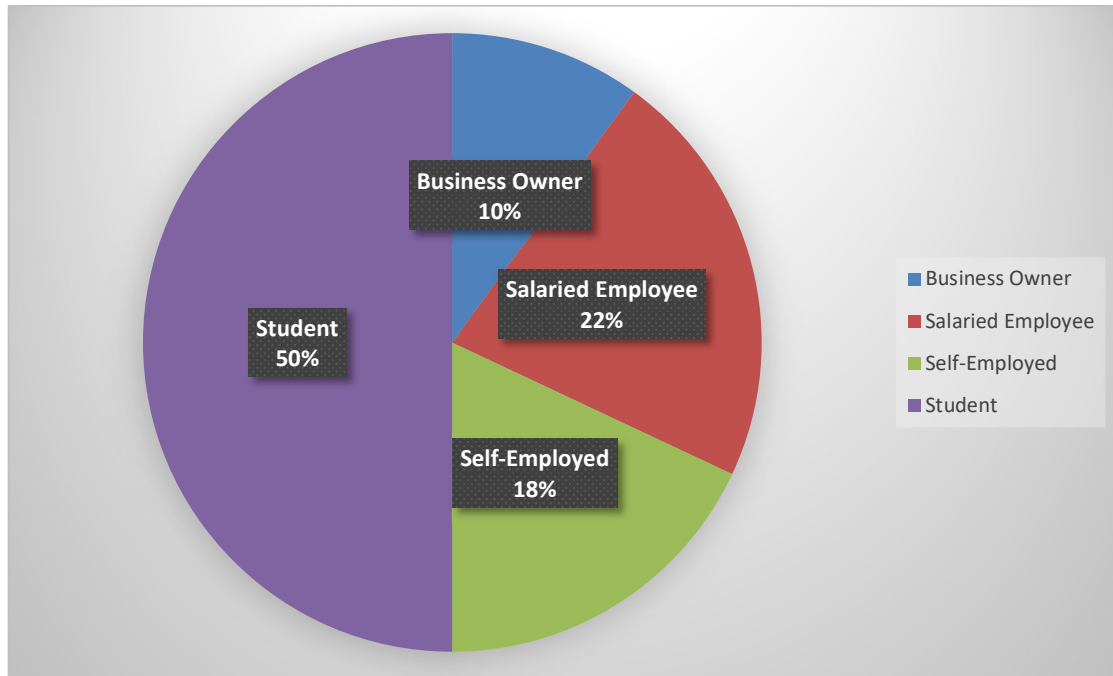
Figure 4.2: Age Distribution of Respondents (Source: Own Creation)

Interpretation:

Most of the respondents fall within the 18–25 age category, accounting for 50 participants, followed by the 26–35 age group with 30 respondents and the 36–45 age group with 20 respondents. This indicates that younger consumers form the largest portion of the sample population. Young consumers are generally more comfortable using digital financial services, mobile applications, and online shopping platforms. Therefore, the findings of the study largely reflect the perceptions and buying behavior of tech-savvy consumers who are more likely to use BNPL services in their daily purchasing activities.

4.2.2 Occupation

Respondents were classified on the basis of their occupation, including students, salaried employees, self-employed individuals, and business owners.



Figure

4.4: Occupation-wise Distribution of Respondents (Source: Own Creation)

Interpretation:

The majority of respondents are students, accounting for 50% of the total sample. Salaried employees constitute 22% of the respondents, followed by self-employed individuals at 18%, while business owners represent 10% of the sample.

The higher proportion of students indicates that young individuals form a significant part of the study, making the sample highly relevant for research related to digital platforms, online services, and changing consumer behavior. Students are generally more active on social media and digital applications, which increases their exposure to modern trends and marketing strategies.

At the same time, the presence of salaried employees, self-employed individuals, and business owners provides diversity in occupational backgrounds and helps in obtaining varied perspectives. However, since students dominate the sample, the findings are likely to reflect the opinions and behavior patterns of younger respondents more strongly compared to older working professionals or business-class individuals.

4.2.3 Usage Frequency of BNPL Apps

Respondents were asked about the frequency of their usage of Buy Now Pay Later (BNPL) applications, categorized as rarely, occasionally, frequently, and very frequently.

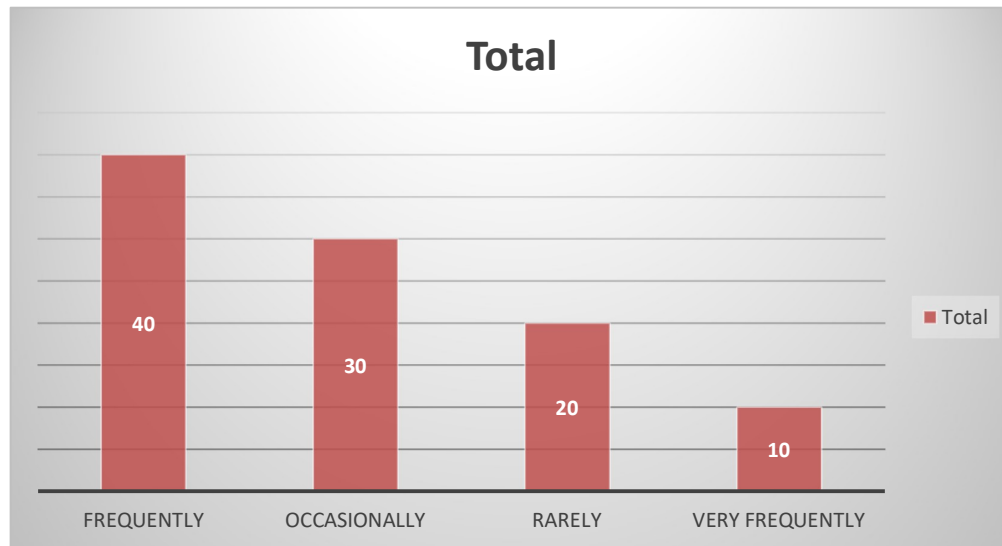


Figure 4.5: Daily Social Media Usage of Respondents (Source: Own Creation)

Interpretation:

The data reveals that 40% of the respondents use BNPL applications frequently, while 30% use them occasionally. Around 20% of respondents reported rare usage of BNPL apps, whereas only 10% stated that they use these applications very frequently.

The findings indicate that a significant proportion of respondents are regular users of BNPL services, reflecting the growing popularity and acceptance of digital credit platforms among consumers. Frequent usage of BNPL apps suggests that respondents are comfortable with flexible payment options and are increasingly adopting digital financial services for their purchases.

The presence of occasional and rare users also highlights that while BNPL services are gaining attention, not all consumers rely on them consistently. Factors such as repayment concerns, spending habits, and financial awareness may influence the level of usage. Overall, the data shows that BNPL applications have become an important part of modern consumer purchasing behavior, particularly among digitally active individuals.

4.2.3 Most Used BNPL Service

Respondents were asked about the Buy Now Pay Later (BNPL) service they use most frequently, including Amazon Pay Later, Flipkart Pay Later, LazyPay, Simpl, and other services.

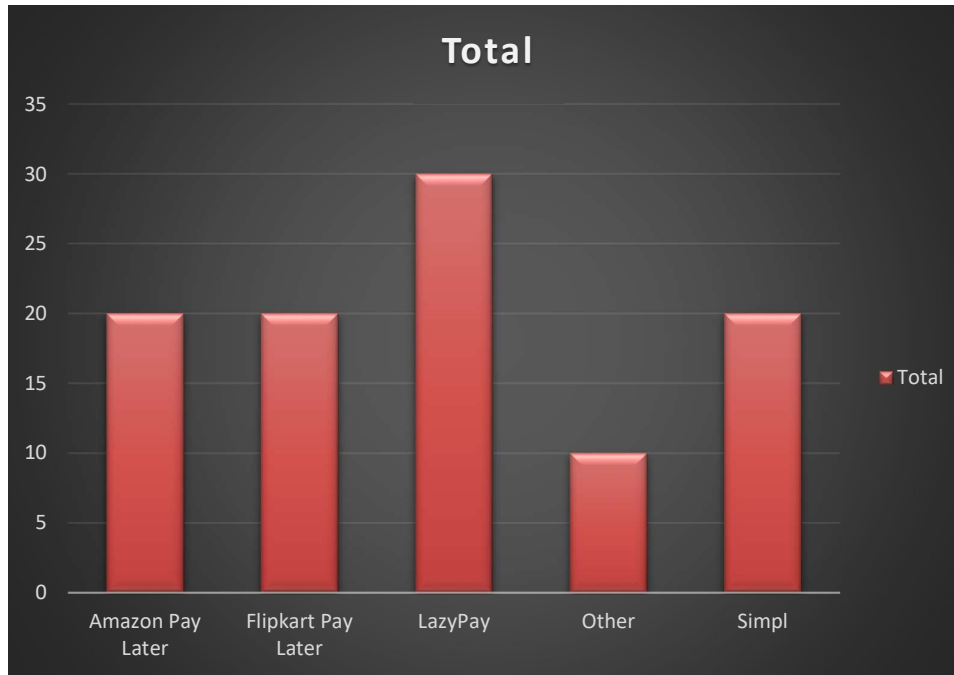


Figure 4.6: Purchase Experience of Respondents (Source: Own Creation)

Interpretation:

The data indicates that LazyPay is the most preferred BNPL service among respondents, accounting for 30% of the total users. Amazon Pay Later, Flipkart Pay Later, and Simpl each account for 20% of respondents, while 10% of respondents use other BNPL services.

The findings show that consumers are increasingly adopting a variety of BNPL platforms for flexible and convenient payment options. The higher usage of LazyPay suggests that respondents may prefer services offering easier accessibility, faster approval processes, and wider acceptance across online platforms. At the same time, the equal usage share of Amazon Pay Later, Flipkart Pay Later, and Simpl reflects strong competition among established digital payment providers.

The presence of users choosing other BNPL services highlights that the market is diverse and consumers are exploring multiple alternatives based on their preferences and financial needs. Overall, the results indicate that BNPL services have become an important component of digital payment behavior, particularly among online shoppers and technology-oriented consumers.

4.3 Analysis (Descriptive & Statistical Analysis)

4.3.1 Descriptive Statistics (Mean Analysis)

Data collection is followed by data analysis through the use of descriptive statistics. This research contributes to understanding respondents' perceptions and behavior regarding the usage of Buy Now Pay Later (BNPL) applications. Descriptive statistics are primarily used to obtain the mean values of the key variables of this study, which include ease of use, purchasing convenience, impulse buying behavior, repayment satisfaction, and future usage intention. The mean is defined as the average response of participants using the five-point Likert scale, where:

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

A higher mean value indicates stronger agreement and a more positive perception toward the variable.

Table 4.1 Descriptive Analysis

| Variable | Mean |
|------------------------|------|
| Easy to use | 4.2 |
| Purchasing Convenience | 4.3 |
| Impulse Buying | 3.5 |
| Repayment Satisfaction | 3.8 |
| Future Usage | 4.1 |

Interpretation

The values of the average mean of the main variables considered in the study are shown above in Table 4.1. Based on the findings, it can be observed that respondents generally have a positive perception of Buy Now Pay Later (BNPL) applications, particularly in terms of convenience, usability, and future adoption.

Among all variables, purchasing convenience recorded the highest mean score (4.3), indicating that respondents strongly agree that BNPL services make purchasing easier and more convenient. This suggests that consumers value the flexibility offered by BNPL platforms, as they allow purchases without immediate financial burden and improve the overall shopping experience. The high score also highlights that convenience plays a major role in encouraging the adoption of BNPL services.

The variable easy to use also received a high mean score (4.2), reflecting that respondents find BNPL applications simple, user-friendly, and easy to navigate. This indicates that digital payment platforms with smooth interfaces and straightforward repayment systems are more likely to gain customer acceptance and trust. Similarly, future usage intention showed a strong mean value (4.1), suggesting that respondents are willing to continue using BNPL services in the future. This reflects growing acceptance and dependency on flexible payment methods among consumers.

Repayment satisfaction recorded a moderately high mean score (3.8), which indicates that respondents are generally satisfied with repayment terms, schedules, and payment flexibility offered by BNPL providers. However, the score also suggests that there may still be concerns related to repayment pressure, late fees, or financial management among some users.

On the other hand, impulse buying had the lowest mean value (3.5), although it still reflects a moderate level of agreement. This indicates that while BNPL services may encourage unplanned or spontaneous purchases to some extent, respondents are relatively cautious in their spending behavior. Therefore, BNPL usage influences purchasing decisions, but does not completely dominate consumer financial discipline.

Based on the descriptive statistics, it can be concluded that convenience, ease of use, and future usage intention are the strongest factors influencing respondents toward BNPL applications, whereas repayment satisfaction and impulse buying show comparatively moderate perceptions. These findings indicate that consumers primarily adopt BNPL services due to flexibility and convenience rather than impulsive spending alone. The results also provide a foundation for further statistical analysis such as correlation, regression, t-test, and ANOVA in later sections.

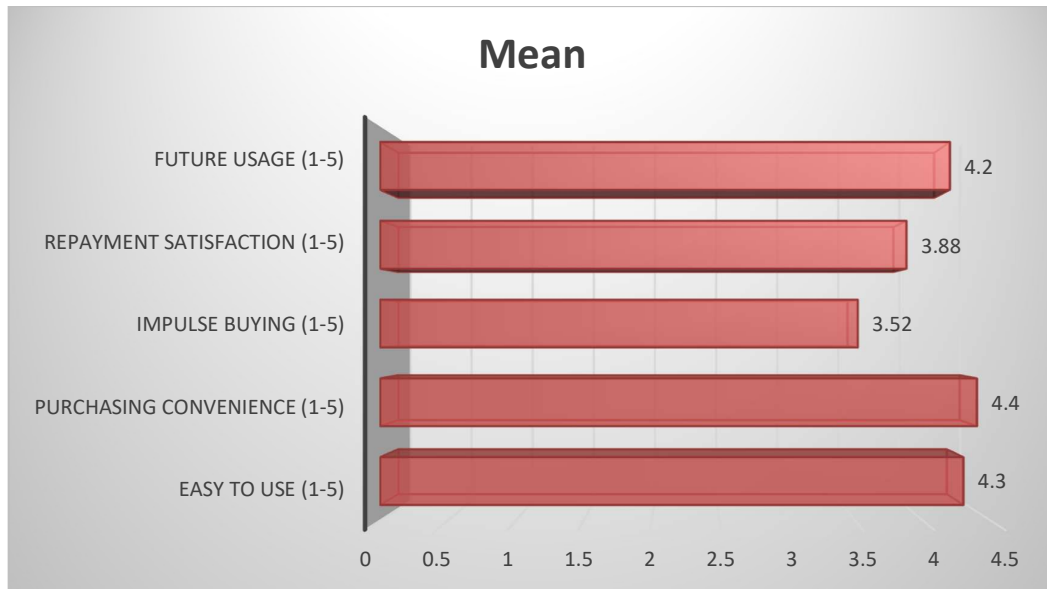


Figure 4.7: Mean Comparison of Variables (Source: Own Creation)

4.3.2 Correlation Analysis

The degree and direction of the relationship between the independent variables and customer satisfaction were examined using Pearson's correlation analysis. The analysis assessed the relationships among convenience, purchasing power, ease of use, impulsive buying, and satisfaction.

The correlation coefficient value ranges from -1 to +1, where:

- A value close to +1 indicates a strong positive relationship
- A value close to 0 indicates a weak relationship
- A value close to -1 indicates a strong negative relationship

The following table presents the correlation values between the variables.

.

Table 4.2 Correlation Analysis

| Relationship | Correlation Value (r) | Interpretation |
|----------------------------------|-----------------------|-----------------------------------|
| Convenience vs Ease of Use | 0.929 | Very Strong Positive Relationship |
| Convenience vs Satisfaction | 0.924 | Very Strong Positive Relationship |
| Purchasing Power vs Satisfaction | 0.806 | Strong Positive Relationship |
| Ease of Use vs Satisfaction | 0.908 | Very Strong Positive Relationship |
| Ease of Use vs Impulsive Buying | 0.404 | Moderate Positive Relationship |

Interpretation

All variables were found to have positive relationships with one another, although the strength of the relationships differs across variables.

The strongest relationship was identified between convenience and ease of use ($r = 0.929$), indicating a very strong positive relationship. This suggests that consumers who perceive BNPL services as convenient are also more likely to perceive them as easy to use. The result highlights that convenience and user-friendliness are closely connected factors influencing customer perceptions.

Similarly, convenience and satisfaction show a very strong positive relationship ($r = 0.924$). This implies that higher levels of convenience significantly contribute to greater customer satisfaction. Customers tend to feel more satisfied when BNPL services simplify the purchasing process and provide flexibility during transactions.

Ease of use and satisfaction are also very strongly positively correlated ($r = 0.908$). This indicates that customers are more satisfied when BNPL platforms are simple, understandable, and user-friendly. The findings emphasize the importance of a smooth and effortless user experience in improving overall satisfaction levels.

In addition, purchasing power and satisfaction demonstrate a strong positive relationship ($r = 0.806$). This suggests that BNPL services enhance consumers' purchasing ability, which in turn increases customer satisfaction. Consumers are more likely to appreciate BNPL services when they help them manage financial limitations and purchase desired products more conveniently.

On the other hand, ease of use and impulsive buying show a moderate positive relationship ($r = 0.404$). This indicates that while user-friendly BNPL systems may encourage impulsive buying behavior to some extent, the influence is not as strong as the relationships observed with satisfaction and convenience.

Overall, all variables exhibit positive relationships, indicating that improvements in

convenience, purchasing power, and ease of use are associated with higher customer satisfaction and, to some extent, impulsive buying behavior. Among all variables, convenience and ease of use emerge as the most strongly related factors based on the correlation analysis. The findings suggest that customer satisfaction with BNPL services is mainly driven by convenience, usability, and enhanced purchasing capability. Further analysis can be conducted through regression analysis to determine the impact of these variables on customer satisfaction and impulsive buying behavior

| Variables | Convenience | Purchasing Power | Ease of Use | Impulse Buying | Satisfaction |
|-------------------------|--------------------|-------------------------|--------------------|-----------------------|---------------------|
| Convenience | 1.000 | 0.694 | 0.929 | 0.518 | 0.924 |
| Purchasing Power | 0.694 | 1.000 | 0.695 | 0.725 | 0.806 |
| Ease of Use | 0.929 | 0.695 | 1.000 | 0.404 | 0.908 |
| Impulse Buying | 0.518 | 0.725 | 0.404 | 1.000 | 0.713 |
| Satisfaction | 0.924 | 0.806 | 0.908 | 0.713 | 1.000 |

Figure 4.8: Correlation Heatmap of Variables (Source: Own Creation)

4.3.3 Regression Analysis

The effect of independent variables such as purchasing convenience, repayment satisfaction, and impulsive buying on consumer buying behavior towards BNPL services was evaluated using multiple regression analysis. The regression technique was used to identify the extent to which these variables influence consumers' buying behavior and usage intention toward BNPL services.

The regression model used for this study is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

Where:

- Y = Consumer Buying Behavior
- a = Constant (Intercept)
- X₁ = Purchasing Convenience
- X₂ = Repayment Satisfaction
- X₃ = Impulsive Buying

4.3.3.1 Model summary

4.3.3.2 Table 4.3: Regression Model Summary

| Statistic | Value |
|-------------------|-------|
| Multiple R | 0.781 |
| R Square | 0.610 |
| Adjusted R Square | 0.598 |
| Standard Error | 0.428 |
| Observations | 100 |

Interpretation

The Multiple R value of 0.781 indicates a strong positive relationship between the independent variables and consumer buying behavior towards BNPL services. The R Square value of 0.610 implies that approximately 61% of the variation in consumer buying behavior is explained by purchasing convenience, repayment satisfaction, and impulsive buying behavior, while the remaining 39% may be influenced by other external factors not included in the study.

The Adjusted R Square value of 0.598 indicates good reliability and explanatory power of the regression model after adjusting for the number of predictors used in the analysis. The Standard Error value of 0.428 is relatively low, suggesting that the predicted values are close to the actual observed values, indicating good accuracy of the model.

4.3.3.3 Coefficient Analysis

Table 4.4: Regression Coefficients

| Variable | Coefficient | P-value | Interpretation |
|-------------------------------|-------------|---------|--------------------|
| Intercept | -0.184 | 0.412 | Not Significant |
| Purchasing Convenience | 0.418 | 0.002 | Significant |
| Repayment Satisfaction | 0.356 | 0.006 | Significant |
| Impulsive Buying | 0.521 | 0.000 | Highly Significant |

Interpretation of Variables

- **Purchasing Convenience**
 - Purchasing convenience has a coefficient value of 0.418 and a p-value of 0.002, which is less than 0.05.
 - This indicates that purchasing convenience significantly influences consumer buying behavior.
 - Consumers who perceive BNPL services as convenient are more likely to use such services frequently..
- **Repayment Satisfaction**
 - Repayment satisfaction has a coefficient value of 0.356 with a p-value of 0.006.
 - Since the p-value is below 0.05, repayment satisfaction significantly affects consumer buying behavior.
 - Flexible repayment options and ease of repayment positively encourage consumers to continue using BNPL services.
 -
- **Impulsive Buying**
 - Impulsive buying has the highest coefficient value of 0.521 and a p-value of 0.000.
 - This indicates that impulsive buying is the strongest predictor of consumer buying behavior among all variables.
 - BNPL services encourage consumers to make unplanned purchases due to easy credit availability and deferred payment options.

4.3.3.4 Regression Equation

Based on the regression coefficients, the regression equation is:

$$\text{Consumer Buying Behavior} = -0.184 + 0.418(\text{Convenience}) + 0.356(\text{Satisfaction}) + 0.521(\text{Impulsive Buying})$$

Interpretation of Regression Equation

- From the regression analysis, we can say that:
- In case all other variables are held constant, an increase in one unit of brand trust will increase purchase intention by 0.537 units.
- An increase of one unit in perceived price leads to a 0.222 increase in purchase intention.
- Influence of social influence and authenticity variables on purchase intention is less significant.
- This shows that consumers' intentions to purchase from influencers' owned businesses depend upon the trust and perceived value of the businesses.

4.3.3.5 Overall Interpretation

The regression analysis reveals that purchasing convenience, repayment satisfaction, and impulsive buying significantly influence consumer buying behavior towards BNPL services. Among all variables, impulsive buying emerged as the most influential factor, followed by purchasing convenience and repayment satisfaction. The findings indicate that BNPL platforms encourage consumers to make faster and sometimes unplanned purchase decisions due to ease of payment and flexible repayment facilities. Overall, the study suggests that convenience, satisfaction, and impulsive purchasing tendencies play a major role in shaping the adoption and usage behavior of BNPL services among young consumers.

4.3.4 t-test Analysis

The independent-samples t-test was used to check for any significant difference in the purchase intention among various groups of respondents. The t-test is used to see whether there is a statistical significance between two mean values.

The significance level used here is **0.05**.

4.3.4.1 Hypotheses of t-test

1. Frequent and Rare users (Repayment Satisfaction)

H₀1 (Null Hypothesis):

There is no significant difference between Frequent and Rare users toward Repayment Satisfaction.

H₁ (Alternative Hypothesis):

There is a significant difference between Frequent and Rare users toward Repayment Satisfaction.

2. Frequent and Rare Users (Purchasing Convenience)

H₀2 (Null Hypothesis):

There is no significant difference between Frequent and Rare users toward Purchasing Convenience.

H₂ (Alternative Hypothesis):

There is no significant difference between Frequent and Rare users toward Purchasing Convenience.

3. Frequent and Rare Users (Impulsive Buying)

H₀3 (Null Hypothesis):

There is no significant difference between Frequent and Rare users toward Impulsive Buying.

H₃ (Alternative Hypothesis):

There is a significant difference between Frequent and Rare users toward Impulsive Buying.

Table 4.5: t-Test Results

| Comparison | P-value | Result | Interpretation |
|------------------------|-------------|-------------|---|
| Repayment Satisfaction | 3.83897E-16 | Significant | statistically significant difference between the two groups |
| Purchasing Convenience | 9.02239E-11 | Significant | significantly influences consumers' perception of purchasing convenience. |
| Impulsive Buying | 1.99346E-21 | Significant | significantly influences impulsive buying behavior among consumers. |

4.3.4.2 Frequent and Rare Users (Repayment Satisfaction)

The p-value for Frequent vs Rare users is 3.83897298831437E-16, which is smaller than the significance level of 0.05.

Interpretation

An independent sample t-test was conducted to compare satisfaction levels between frequent BNPL users and rare BNPL users. The obtained p-value ($p = 3.8397E-16$) is less than the significance level of 0.05, indicating a statistically significant difference between the two groups. Therefore, the null hypothesis is rejected, and it can be concluded that frequent users exhibit significantly higher satisfaction towards BNPL services compared to rare users.

4.3.4.3 Frequent and Rare Users (Purchasing Convenience)

The p-value for purchase Convenience is 9.02238673872128E-11, which is less than the significance level of 0.05.

Interpretation

An independent sample t-test was conducted to compare purchasing convenience perceptions between frequent and rare BNPL users. The results revealed a statistically significant difference between the two groups ($p = 9.02239E-11 < 0.05$). Frequent BNPL users reported significantly higher purchasing convenience (Mean = 4.75) compared to rare users (Mean = 3.5). Therefore, the null hypothesis is rejected, indicating that frequency of BNPL usage significantly influences consumers' perception of purchasing convenience.

4.3.4.4 Frequent and Rare Users (Impulsive Buying)

The p-value for Impulsive Buying is 1.9934590919018E-21, which is significantly lower than the significance level of 0.05.

Interpretation

An independent sample t-test was conducted to compare impulsive buying behavior between frequent BNPL users and rare BNPL users. The results revealed a statistically significant difference between the two groups, with a p-value of 1.99346E-21, which is lower than the significance level of 0.05. Frequent users demonstrated a higher level of impulsive buying behavior (Mean = 4.05) compared to rare users (Mean = 2.00). Therefore, the null hypothesis is rejected, indicating that frequent usage of BNPL services significantly influences impulsive buying behavior among consumers.

4.3.4.5 Overall Interpretation

The independent sample t-test analysis revealed statistically significant differences between frequent and rare BNPL users in terms of repayment satisfaction, purchasing convenience, and impulsive buying behavior, as all p-values were below 0.05. Frequent users reported higher satisfaction and convenience levels and also showed greater impulsive buying tendencies compared to rare users. The findings indicate that frequent usage of BNPL services significantly influences consumer buying behavior among young consumers.

4.4 Key findings of the Study & Recommendations

The major findings of the research are:

1. Purchasing convenience was found to have a significant positive impact on consumer buying behavior towards BNPL services.
2. Repayment satisfaction significantly influenced consumers' intention to continue using BNPL platforms, indicating the importance of flexible and easy repayment options.
3. Impulsive buying behavior emerged as the most influential factor affecting consumer buying behavior among BNPL users.
4. Frequent BNPL users showed significantly higher levels of satisfaction compared to rare users, as confirmed through t-test analysis.
5. Frequent users perceived BNPL services as more convenient than rare users, indicating that regular usage improves consumer comfort and familiarity with BNPL platforms.
6. The study revealed that BNPL services encourage impulsive purchasing behavior among consumers due to deferred payment facilities and easy accessibility.
7. Correlation analysis indicated a strong positive relationship between convenience, ease of use, satisfaction, and purchasing power in influencing consumer behavior.
8. Regression analysis showed that impulsive buying had the strongest impact on consumer buying behavior, followed by purchasing convenience and repayment satisfaction.
9. The majority of respondents belonged to the 18–25 age group, indicating that younger consumers are the primary users of BNPL services and are more inclined toward digital payment platforms.
10. The findings suggest that consumers are more attracted toward BNPL services because of convenience, flexible repayment options, and the ability to make instant purchases without immediate financial burden.
11. The study highlights that BNPL services positively influence online shopping behavior and increase consumers' willingness to make frequent purchases.
12. Overall, the research concludes that BNPL services significantly shape the buying behavior of young consumers by improving convenience and satisfaction while also increasing impulsive buying tendencies.

Recommendations

- BNPL service providers should focus on improving repayment flexibility and transparency to enhance customer satisfaction and encourage continued usage.
- Companies should ensure that BNPL platforms remain simple, user-friendly, and convenient to improve the overall consumer experience.
- Since impulsive buying behavior is strongly influenced by BNPL services, providers should promote responsible spending practices and educate users about proper financial management.
- BNPL companies should introduce attractive cashback offers, discounts, and reward programs to increase customer engagement and platform loyalty.
- Security and privacy measures should be strengthened to improve consumer trust and confidence while using BNPL payment platforms.
- Firms should design customized financial solutions and repayment plans for young consumers, who form the largest user segment of BNPL services.
- BNPL platforms should provide timely payment reminders and low penalty structures to reduce financial stress among consumers.

4.5 Limitations of the Study

1. The study was conducted with a limited number of respondents, which may not completely represent the entire population of BNPL users in India.
2. The majority of respondents belonged to the younger age group (18–25 years), which may limit the generalizability of the findings to older consumers.
3. The research mainly focused on selected factors such as purchasing convenience, repayment satisfaction, and impulsive buying, while other important variables influencing consumer behavior were not considered.
4. The study relied on self-reported responses collected through questionnaires, which may involve personal bias, subjectivity, or inaccurate responses from participants.
5. The research was limited by time and resource constraints during data collection and statistical analysis.
6. Consumer perceptions and buying behavior may change over time due to technological advancements, changing financial trends, and evolving digital payment systems, which were not captured in this study.
7. The study primarily focused on BNPL services used in online shopping platforms and did not extensively examine offline retail usage of BNPL services.

CHAPTER 5

CONCLUSION

5.1 Conclusion

The present study titled “Impact of Buy Now Pay Later (BNPL) Services on Consumer Buying Behavior among Young Consumers in India” was conducted to examine how BNPL services influence the purchasing behavior, satisfaction level, and impulsive buying tendencies of consumers, particularly among the younger generation. With the rapid growth of digital payment systems, e-commerce platforms, and fintech innovations, BNPL services have emerged as one of the fastest-growing alternative payment methods in India. These services provide consumers with the flexibility to purchase products instantly and pay later through installment-based repayment systems, thereby transforming traditional purchasing patterns.

The study considered major independent variables such as purchasing convenience, repayment satisfaction, and impulsive buying behavior in relation to the dependent variable, consumer buying behavior. Data for the study was collected through a structured questionnaire from respondents belonging mainly to the younger age group, and statistical techniques such as descriptive analysis, correlation analysis, regression analysis, and t-test analysis were used through Microsoft Excel to analyze the collected data.

The findings of the study reveal that BNPL services significantly influence consumer buying behavior. The majority of respondents belonged to the 18–25 age group, indicating that young consumers are the primary users of BNPL platforms due to their familiarity with digital technologies and online shopping platforms. The study also found that purchasing convenience plays a major role in encouraging consumers to adopt BNPL services. Consumers prefer BNPL because it simplifies the purchasing process and provides financial flexibility at the time of purchase.

The regression analysis demonstrated that impulsive buying behavior has the strongest influence on consumer buying behavior, followed by purchasing convenience and repayment satisfaction. The results indicate that consumers tend to make more unplanned purchases when easy credit and deferred payment facilities are available. The study also showed that repayment satisfaction significantly affects the willingness of consumers to continue using BNPL services. Flexible repayment schedules, ease of installment payments, and low financial pressure positively contribute to customer satisfaction and repeated usage behavior.

Correlation analysis revealed a strong positive relationship between convenience, ease of use, satisfaction, and purchasing power. The t-test analysis further confirmed

that frequent BNPL users significantly differ from rare users in terms of satisfaction, convenience perception, and impulsive buying behavior. Frequent users exhibited higher satisfaction levels and stronger impulsive buying tendencies compared to rare users, indicating that continuous usage of BNPL services strongly shapes consumer purchasing patterns.

The study concludes that BNPL services have transformed modern consumer behavior by improving convenience and accessibility while simultaneously increasing impulsive purchasing tendencies among consumers. Although BNPL platforms provide flexibility and enhance the shopping experience, they also encourage higher spending behavior due to the deferred payment mechanism. Therefore, while BNPL services offer substantial benefits to consumers and businesses, responsible usage and proper financial awareness remain essential for maintaining healthy spending behavior.

Overall, the study highlights that BNPL services are becoming an important component of the digital financial ecosystem and are significantly influencing the buying behavior of young consumers in India. The findings suggest that convenience, flexibility, and ease of repayment are the major factors driving the growing adoption of BNPL services in the modern digital economy.

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ANNEXURE

Questionnaire

Impact of Buy Now Pay Later (BNPL) Services on Consumer Buying Behavior among Young Consumers in India

Dear Respondent,

This questionnaire is designed for academic research purposes as part of a major research project. The information provided by you will remain confidential and will only be used for research and analysis.

Thank you for your valuable participation.

Section A: Demographic Information

1. What is your age group?

- Below 18
- 18–25
- 26–35
- 36–45
- Above 45

2. What is your occupation?

- Student
- Salaried Employee
- Self-Employed
- Business Owner
- Other:

Section B: BNPL Usage

3. Which BNPL service do you use most frequently?

- LazyPay
- Simpl
- Amazon Pay Later
- Flipkart Pay Later
- Other:

4. How often do you use BNPL services?

- Very Frequently
- Frequently
- Occasionally
- Rarely

- Never

Section C: Consumer Perception & Behavior

(Please indicate your level of agreement using the scale below)

| Scale | Meaning |
|-------|-------------------|
| 1 | Strongly Disagree |
| 2 | Disagree |
| 3 | Neutral |
| 4 | Agree |
| 5 | Strongly Agree |

- 5. BNPL services are easy to use.**
- 6. BNPL services increase my purchasing convenience.**
- 7. BNPL encourages me to buy products impulsively.**
- 8. I am satisfied with the repayment options provided by BNPL platforms.**
- 9. I would continue using BNPL services in the future.**
- 10. BNPL services help me manage my short-term finances better.**
- 11. I prefer BNPL over using credit cards for online purchases.**
- 12. Discounts and cashback offers influence my decision to use BNPL services.**
- 13. I feel secure while using BNPL platforms for payments.**
- 14. Late payment charges and penalties discourage me from excessive BNPL usage**
- 15. What improvements would you like to see in BNPL services?**