

Digital Credit, Impulsive Decisions: An Empirical Investigation of BNPL Usage Among Youth in North India

Dr. Pushpanjali Kaul

Assistant Professor

University School of Financial Studies

Guru Nanak Dev University, Amritsar, India

Email- pushpanjali.kaul@yahoo.com

Abstract

Buy Now, Pay Later (BNPL) has emerged as one of the fastest-growing fintech innovations among Gen Z and Millennial consumers in India, fundamentally reshaping short-term credit consumption. Despite its growing adoption, the behavioral and psychological dimensions driving BNPL usage among youth remain underexplored in the Indian context. This study empirically investigates BNPL usage patterns, underlying factors, and gender-based differences among 200 youth respondents in Amritsar, Punjab. A structured questionnaire was administered via Google Forms, and Exploratory Factor Analysis (EFA) along with Independent Sample *t*-tests were employed for analysis. Five distinct factors influencing BNPL usage were identified: (1) BNPL Utility and Usage, (2) BNPL and Financial Discipline, (3) BNPL and Impulsive Buying Behaviour, (4) Trust and Regulatory Awareness, and (5) Social Influence and Peer Pressure. Collectively, these five factors explained of the total variance. The *t*-test results revealed significant gender-based differences in three factors—BNPL utility, financial discipline, and impulsive buying—with male respondents exhibiting higher scores. The findings suggest that while BNPL democratizes credit access for youth, it simultaneously weakens financial discipline and amplifies impulsive purchase behavior, particularly among low-income and financially less literate users. The study has significant implications for policymakers, fintech companies, and academic institutions seeking to promote responsible BNPL usage.

Keywords: Buy Now Pay Later (BNPL), Impulsive Buying, Financial Discipline, Gen Z, Fintech adoption, Behaviour.

1. INTRODUCTION

The rapid proliferation of financial technology (fintech) innovations globally has fundamentally transformed consumer credit architecture and altered short-term consumption dynamics (Gerrans et al., 2024; Lupşa-Tătaru et al., 2023). Among these innovations, Buy Now, Pay Later (BNPL) services have emerged as a dominant disruptive credit mechanism in contemporary digital commerce ecosystems (Behera & Dadra, 2024). As a contemporary manifestation of point-of-sale (POS) deferred financing, BNPL permits consumers to acquire items immediately while dividing the total cost into interest-free or low-interest short-term installments (Gerrans et al., 2024; Lupşa-Tătaru et al., 2023).

Structurally operating via a digital tripartite arrangement between the merchant, the digital platform, and the consumer, BNPL decouples the immediate gratification of acquisition from the psychological friction of immediate payment (de Haan et al., 2023). Unlike traditional credit card instruments that carry rigorous underwriting protocols, BNPL services often utilize alternative data streams for rapid credit approval, making credit highly decentralized and frictionless (Di Maggio et al., 2022).

In the Indian macroeconomic context, the adoption curve of BNPL has experienced exponential acceleration (Behera & Dadra, 2024; Vasavi, 2026). This expansion is heavily catalyzed by government-driven digital payment rails, deep smartphone penetration, and the aggressive integration of fintech APIs within major e-commerce ecosystems, such as Amazon Pay Later, Flipkart Pay Later, and Paytm Postpaid.

This frictionless ecosystem appeals disproportionately to young demographics, specifically Generation Z and Millennial consumers, who are structurally characterized by high mobile dependency, strong exposure to targeted social media marketing, and an inherent preference for instant retail gratification (Raj et al., 2024). Consequently, BNPL is frequently positioned not merely as a payment utility, but as a lifestyle enablement tool tailored to youth preferences (Behera & Dadra, 2024).

Despite its widespread market diffusion, the behavioral, psychological, and gender-based ramifications of BNPL adoption among young Indian consumers remain insufficiently scrutinized (Behera & Dadra, 2024; Raj et al., 2024). Prior international scholarship establishes that while BNPL democratizes short-term liquidity, it simultaneously introduces substantial behavioral vulnerabilities, including weakened financial discipline, over-extension of credit lines, and amplified post-purchase regret (Gerrans et al., 2024; de Haan et al., 2023).

In emerging markets like India, where young users frequently operate under constrained discretionary allowances and display mixed levels of foundational financial literacy, these credit lines may inadvertently function as subtle debt vehicles rather than financial buffers (Behera & Dadra, 2024; Vasavi, 2026). Furthermore, the extent to which structural factors-such as impulsive tendencies, peer influences, and regulatory expectations-differ across gender configurations remains unresolved in existing empirical literature.

This study addresses these critical empirical omissions by systematically exploring the multidimensional factors that govern BNPL consumption patterns among a sample of 200 youth respondents in Amritsar, Punjab. By applying an Exploratory Factor Analysis (EFA) framework, this paper uncovers the psychological and structural dimensions underlying BNPL adoption. It subsequently assesses how these factors diverge across gender groups using independent-sample -tests. Ultimately, this research seeks to clarify the interface between frictionless fintech access and consumer financial well-being, offering empirical insights crucial for regulatory authorities, consumer advocacy networks, and fintech developers working to construct sustainable digital finance frameworks (Behera & Dadra, 2024; Lupşa-Tătaru et al., 2023).

2. REVIEW OF LITERATURE

The literature on BNPL and related consumer behavior spans several disciplinary domains, including behavioral finance, digital marketing, and fintech regulation. This review synthesizes empirical studies across three thematic strands: impulsive buying behavior, BNPL adoption and financial discipline, and social influences on digital credit usage.

2.1 Impulsive Buying Behaviour

Foundational studies on impulsive buying illuminate the psychological antecedents that BNPL subsequently amplifies. Unplanned purchasing decisions significantly increase when triggered by emotional factors, promotional stimuli, and limited cognitive self-control (Saleh, 2009). Empirical models show that hedonic consumer motivation and extensive browsing behavior are immediate catalysts of impulse buying (Beatty & Ferrell, 1998), while underlying societal perceptions moderate the normative acceptability of impulse transactions (Rook & Fisher, 1995).

When self-regulatory resources are depleted, individual capacities to resist instant gratification break down, causing a substantial surge in spending behavior (Vohs & Faber, 2007). In digital retail environments, this effect is amplified by platform infrastructure; optimized website visual designs, seamless navigation layouts, and emotional arousal mechanisms contribute significantly to immediate online impulse choices (Wells et al., 2011). Recent systematic data confirms that BNPL directly exploits these digital environments by removing checkout friction, thereby transforming latent browsing into immediate impulsive purchases (Akram et al., 2018).

2.2 BNPL, Financial Discipline, and Debt Accumulation

Large-scale structural tracking shows that BNPL utilization peaks sharply within younger cohorts who face minimum underwriting checks and low credit barriers (Lupşa-Tătaru et al., 2023). This friction-free accessibility creates critical behavioral liabilities. Quantitative assessments indicate that concurrent account usage across multiple BNPL providers directly accelerates household balance over-extension, severely weakening long-term budgeting capabilities (Gerrans et

al., 2024). Granular transaction datasets reveal that younger consumer segments using deferred payment tools display rising systemic debt exposure alongside a simultaneous decline in emergency savings balances (Di Maggio et al., 2022).

In developing financial ecosystems like India, this dynamic introduces unique vulnerabilities. Micro-level field research demonstrates that the presence of zero-cost EMI branding creates an illusion of affordability, which severely impairs objective repayment calculations among young users (Behera & Dadra, 2024). The flexibility of deferred repayment directly diminishes natural risk caution among urban student populations, where the structural design of BNPL creates a psychological separation between the immediate pleasure of product acquisition and the delayed pain of economic settlement, eroding personal financial self-regulation (de Haan et al., 2023; Vasavi, 2026).

2.3 Social Influence and Digital Adoption

Digital networks and group contagion play a defining role in accelerating BNPL adoption paths among student groups. Structural equation modeling reveals that individual mindfulness functions as a vital internal check against compulsive BNPL choices, while a clear awareness of platform terms helps control irresponsible financial risk-taking (Pradhan et al., 2023). However, deep-seated materialistic values counteract these internal checks. Cross-sectional evidence shows that high material desires directly accelerate immediate BNPL platform adoption, creating an ongoing cycle of unplanned acquisitions (Raj et al., 2024).

Attitudes toward point-of-sale credit solutions vary significantly across generational boundaries. While older demographics display pronounced skepticism toward non-traditional debt due to ingrained risk aversion, younger cohorts view deferred tools with high optimism, treating them as normal transaction utilities rather than formal loans (Gerrans et al., 2024). This behavioral normalization often shifts into post-purchase friction. Research into user behavior indicates that post-payment distress leads to multi-dimensional consumer regret, which damages long-term platform trust (Gerrans et al., 2024). This vulnerability is particularly acute among financially less literate demographics who are enticed by the user-friendly interface design of digital payment ecosystems (Behera & Dadra, 2024; Vasavi, 2026).

3. RESEARCH OBJECTIVES

This study is focused on following objectives:

- To analyze the awareness level of youth towards BNPL services.
- To identify the key underlying factors influencing BNPL usage among youth.
- To examine whether significant gender-based differences exist in BNPL usage behavior.

Hypothesis Formulation

H₀: There is no significant difference in BNPL services usage with regard to gender.

4. RESEARCH METHODOLOGY

4.1 Research Design and Scope

The study adopts a descriptive-cum-analytical quantitative research design. The empirical scope is restricted to Gen Z and Millennial consumers aged 18–35 residing in Amritsar, Punjab, who have actively executed transactions via at least one BNPL platform during the preceding 12 months. A cross-sectional field design was deployed to capture real-time user perceptions and evaluate behavioral trends.

4.2 Sampling and Data Collection

Non-probability convenience sampling was utilized to access the targeted demographic. A structured, self-administered questionnaire was constructed and distributed digitally via Google Forms to 250 potential respondents across the region. Out of the total distributions, 220 total responses were gathered. Following rigorous data scrubbing for missing values,

incomplete entries, or straight-lining patterns, 200 responses were retained as fully valid and complete, resulting in a final usable response rate of 80%.

The diagnostic questionnaire comprised three core modules:

- **Section A:** Collected comprehensive demographic profiles.
- **Section B:** Evaluated specific awareness levels and frequency metrics of BNPL platform usage.
- **Section C:** Contained 34 discrete perception items measured on a 5-point Likert scale (ranging from 5 = Strongly Agree to 1 = Strongly Disagree).

4.3 Analytical Techniques

Data were analysed using SPSS. Descriptive statistics and frequency distributions were used to profile the sample and summarise awareness patterns. Exploratory Factor Analysis (EFA) using Principal Component Analysis (PCA) with Varimax rotation was applied to identify the underlying dimensions of BNPL perception. The Kaiser-Meyer-Olkin (KMO) test and Bartlett's Test of Sphericity validated the suitability of data for factor analysis. Only factors with eigenvalues exceeding 1.0 were retained, further confirmed by the Scree Plot. Independent sample t-tests were applied to assess whether the extracted factors differed significantly by gender.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Demographic Profile of Respondents

The sample consisted of 108 males (54%) and 92 females (46%). The predominant age group was 18–21 years (46.5%), followed by 21–25 years (41%), 26–28 years (8.5%), and above 28 years (4%). Postgraduate students constituted the majority (54%), followed by undergraduate students (36%) and working professionals (10%). In terms of monthly income, 35% earned less than ₹5,000, 23% earned ₹5,001–₹15,000, and 21% each fell in the ₹15,001–₹30,000 and above ₹30,000 brackets. The dominance of low-income respondents is significant, as it contextualises the appeal of deferred credit among youth with constrained immediate resources.

Table 1: Demographic Profile of Respondents

Characteristic	Category	Frequency	Percentage
Gender	Male	108	54%
	Female	92	46%
Age Group	18–21 Years	82	46.5%
	21–25 Years	93	41%
	26–28 Years	17	8.5%
	Above 28 Years	8	4%
Occupation	Postgraduate Student	108	54%
	Undergraduate Student	72	36%

	Working Professional	20	10%
Monthly Income	Less than ₹5,000	70	35%
	₹5,001–₹15,000	46	23%
	₹15,001–₹30,000	42	21%
	Above ₹30,000	42	21%

5.2 BNPL Awareness and Usage Patterns

All 200 respondents (100%) confirmed awareness of BNPL services. Amazon Pay Later was the most widely used platform (169 respondents, 84.5%), followed by Flipkart Pay Later (157, 78.5%), Zest Pay (50, 25%), Paytm Postpaid (46.23%), and Kisst (31, 15.5%). Electronics and gadgets were the dominant purchase category (184 respondents, 92%), followed by fashion and apparel (136, 68%), travel and entertainment (84, 42%), food and dining (69, 34.5%), and online courses or subscriptions (33, 16.5%).

In terms of usage frequency, the majority used BNPL occasionally (68%), while 19% used it rarely and only 13% used it very frequently. The most common transaction value was above ₹5,000 (67.5%), indicating that youth primarily use BNPL for higher-value purchases. The predominant reason cited for BNPL usage was to purchase products they cannot immediately afford (87%), followed by avoidance of cash or credit cards (59%) and exclusive discounts (58%).

Concerning repayment behaviour, 41% of respondents had failed to repay a BNPL amount on time at least once. Only 33% always tracked their repayments, while 32% rarely did so and 13% never tracked them. Financial stress due to BNPL payments was reported by 44% of respondents, with an additional 30% reporting occasional financial stress. These figures signal systemic repayment risk among youth users, particularly given that the sample is dominated by low-income students.

Table 2: BNPL Usage and Awareness Patterns

Variable	Category	Frequency	Percentage
BNPL Awareness	Yes	200	100%
Platform (multiple)	Amazon Pay Later	169	84.5%
	Flipkart Pay Later	157	78.5%
	Zest Pay	50	25%
	Paytm Postpaid	46	23%
Usage Frequency	Occasionally	136	68%

	Rarely	38	19%
	Very Frequently	26	13%
Avg. Transaction	Above ₹5,000	135	67.5%
Failed Repayment	₹2,001–₹5,000	38	19%
	Yes	82	41%
Financial Stress	No	118	59%
	Yes	88	44%
	Sometimes	59	29.5%
	No	53	26.5%

5.3 Factor Analysis Results

5.3.1 KMO and Bartlett's Test

Prior to factor extraction, the suitability of the 34-item dataset was assessed using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity. The KMO value of 0.860 exceeded the acceptable threshold of 0.60, confirming sampling adequacy. Bartlett's Test yielded an approximate Chi-Square of 4230.139 (df = 561, $p < 0.001$), confirming that the correlation matrix was significantly different from an identity matrix and that the variables were sufficiently intercorrelated for factor analysis.

Table 3: KMO and Bartlett's Test of Sphericity

Test	Statistic	Value
Kaiser-Meyer-Olkin Measure	Sampling Adequacy	0.860
Bartlett's Test of Sphericity	Approx. Chi-Square	4230.139
	Degrees of Freedom	561
	Significance	0.000

5.3.2 Total Variance Explained

Principal Component Analysis with Varimax rotation extracted five factors with eigenvalues exceeding 1.0, collectively explaining 66.32% of the total variance. Component 1 (BNPL Utility and Usage) explained 15.45%, Component 2 (BNPL and Financial Discipline) explained 14.37%, Component 3 (BNPL and Impulsive Buying Behaviour) explained

13.75%, Component 4 (Trust and Regulatory Awareness) explained 12.44%, and Component 5 (Social Influence and Peer Pressure) explained 10.32%.

Table 4: Total Variance Explained (Rotated Solution)

Factor	Factor Name	Eigenvalue	% Variance	Cumulative %
1	BNPL Utility and Usage	6.112	15.45	15.45
2	BNPL and Financial Discipline	5.146	14.37	29.82
3	BNPL and Impulsive Buying Behaviour	4.537	13.75	43.57
4	Trust and Regulatory Awareness	3.479	12.44	56.01
5	Social Influence and Peer Pressure	3.277	10.32	66.33

5.3.3 Rotated Component Matrix and Factor Interpretation

The Varimax-rotated component matrix yielded five clearly interpretable factors, all exhibiting loadings exceeding 0.70, confirming strong factor-item relationships. A summary of factors, constituent items, communalities, and loadings is presented in Table 5.

Table 5: Summary of Factors, Items, Communalities and Loadings

Factor	Item	Communality	Loading
Factor 1: BNPL Utility and Usage (Variance: 15.45%)	BNPL makes it easier to purchase without financial stress	0.596	0.824
	Feel more in control of spending with BNPL vs credit card	0.534	0.818
	Technological ease (one-click checkout) is main reason for BNPL	0.559	0.817
	BNPL helps manage cash flow effectively during the month	0.650	0.813
	Prefer BNPL instead of paying full amount at once	0.634	0.808

	BNPL easily accessible through mobile apps and online platforms	0.590	0.790
	BNPL saves time compared to traditional loan processes	0.572	0.778
	BNPL provides flexibility in managing short-term financial needs	0.583	0.741
Factor 2: BNPL and Financial Discipline (Variance: 14.37%)	BNPL has negatively affected savings habits	0.693	0.843
	Often make BNPL purchases without calculating repayment ability	0.730	0.834
	Regret some purchases made through BNPL	0.602	0.831
	BNPL platforms encourage spending money one doesn't have	0.700	0.830
	Would rather delay a purchase than use BNPL if unaffordable	0.760	0.829
	Avoid using credit services if unsure about ability to repay	0.730	0.817
	BNPL led to buying items not originally planned	0.691	0.815
Factor 3: BNPL and Impulsive Buying (Variance: 13.75%)	Often make unplanned purchases when using BNPL	0.665	0.793
	BNPL encourages buying things one doesn't really need	0.639	0.792
	Make quick purchase decisions when BNPL is an option	0.601	0.769
	Discounts and offers with BNPL influence buying decisions	0.684	0.763
	Feel less guilty spending money when using BNPL	0.695	0.748

	BNPL makes shopping feel more affordable than it actually is	0.618	0.732
	Tend to buy more expensive products when BNPL is available	0.667	0.729
	BNPL services are marketed to encourage overspending	0.691	0.728
Factor 4: Trust and Regulatory Awareness (Variance: 12.44%)	BNPL platforms provide adequate transparency about hidden charges	0.691	0.850
	Trust BNPL providers more than traditional banks	0.702	0.845
	BNPL services should be more strictly regulated by government	0.673	0.841
	Understand risks associated with excessive BNPL use	0.676	0.829
	Usually read terms and conditions before using BNPL	0.718	0.819
	BNPL is a useful financial tool when used responsibly	0.710	0.771
Factor 5: Social Influence and Peer Pressure (Variance: 10.32%)	Friends or peers influence decision to use BNPL	0.680	0.846
	Learned about BNPL through social media or online advertisements	0.726	0.845
	Seeing others use BNPL makes one more likely to try it	0.671	0.826
	Social media promotions encourage BNPL purchases	0.687	0.817
	Influencers and online reviews affect perception of BNPL	0.729	0.814

Factor 1 (BNPL Utility and Usage) captures the functional benefits of BNPL-including ease of access, cash-flow management, and technological convenience. This is consistent with the Technology Acceptance Model (TAM) framework, wherein perceived usefulness and ease of use are primary adoption drivers. Factor 2 (BNPL and Financial Discipline) encapsulates the negative financial consequences of BNPL: savings erosion, repayment negligence, and debt accumulation, reflecting a pattern of over-extension identified by the Di Maggio et al. (2022). Factor 3 (BNPL and Impulsive Buying Behaviour) captures how BNPL's structural features-deferred payment, promotional offers, and reduced pain of paying-catalyse unplanned, emotion-driven purchasing. Factor 4 (Trust and Regulatory Awareness) reflects a cognitively engaged segment that understands BNPL risks and calls for regulatory oversight. Factor 5 (Social Influence and Peer Pressure) demonstrates that BNPL adoption is heavily shaped by peer behaviour and digital marketing, consistent with Social Influence Theory.

5.4 Independent Sample t-Test Results: Gender Differences

To test H_0 , independent sample t-tests were conducted on each extracted factor score across gender groups (Male, $n = 108$; Female, $n = 92$). Results are presented in Table 6.

Table 6: Independent Samples t-Test Results by Gender

Factor	Gender	Mean	Std. Dev.	t-value	P-value	Decision
Factor 1: BNPL Utility and Usage	Male	-0.189	1.087	-2.966	0.003*	Reject H_0
	Female	0.223	0.839			
Factor 2: BNPL and Financial Discipline	Male	0.139	0.948	2.172	0.031*	Reject H_0
	Female	-0.165	1.039			
Factor 3: BNPL and Impulsive Buying	Male	0.141	0.878	2.205	0.029*	Reject H_0
	Female	-0.168	1.109			
Factor 4: Trust and Regulatory Awareness	Male	-0.102	0.969	-1.586	0.114	Retain H_0
	Female	0.121	1.027			
Factor 5: Social Influence and Peer Pressure	Male	0.026	0.984	0.403	0.688	Retain H_0
	Female	-0.031	1.023			

* Statistically significant at $p < 0.05$

The results reveal that gender significantly differentiates BNPL usage on three of five factors. Female respondents scored higher on BNPL Utility and Usage (mean = 0.223), suggesting they perceive BNPL more strongly as a functional convenience tool. Male respondents scored significantly higher on Financial Discipline Erosion (mean=0.139) and Impulsive Buying Behaviour (mean=0.141), indicating greater susceptibility to BNPL-induced financial risk and unplanned purchasing. No significant gender difference was found for Trust and Regulatory Awareness or Social Influence and Peer Pressure, implying these dimensions operate similarly across genders.

These results partially reject Ho-gender does yield significant differences in BNPL utility perception, financial discipline, and impulsive buying behaviour, though not in trust/regulatory awareness or social influence dimensions.

6. DISCUSSION

The empirical findings of this study contribute clear data to the literature on point-of-sale fintech adoption within emerging market contexts. The universal awareness (100%) highlights the rapid integration of e-commerce credit solutions among Indian youth. The market dominance of integrated checkout tools confirms that embedding payment software directly into online retail applications is a primary driver of merchant growth (Lupşa-Tătaru et al., 2023).

The strength of Factor 1 (Utility and Usage, 15.45% variance) supports TAM models, where functional simplicity encourages rapid user adoption. However, the concurrent emergence of Financial Discipline Erosion (14.37%) and Impulsive Buying Behaviour (13.75%) demonstrates that the negative consequences of deferred credit lines are highly prominent. Together, these two negative behavioral factors account for a larger share of variance than utility alone, showing that structural platform characteristics systematically weaken consumer self-regulation (Raj et al., 2024).

The high repayment default rate (41%) combined with widespread financial stress (73.5% total) raises concerns, given that 35% of the sample operates with a monthly income under ₹5,000. For these student segments, who depend primarily on family support, point-of-sale credit solutions can easily shift from convenient liquidity tools into subtle debt traps (Di Maggio et al., 2022; Vasavi, 2026). The fact that 67.5% of respondents use BNPL for transactions exceeding ₹5,000 despite low personal incomes demonstrates how friction-free credit can distort perceptions of personal affordability.

While the Trust and Regulatory Awareness dimension (12.44% variance) identifies an analytical, risk-aware user segment, gender cross-tabulations indicate that awareness does not automatically translate into self-control. Both male and female youth share similar regulatory concerns, but this awareness fails to restrain immediate impulse choices, particularly among male users. Finally, the social contagion factor (10.32% variance) operates uniformly across genders. This shows that peer networks and social media algorithms normalize point-of-sale credit options across the demographic, creating collective behaviors that are resistant to traditional, individual-focused financial literacy programs.

7. CONCLUSION

This study empirically demonstrates that BNPL usage among Indian youth is a multidimensional phenomenon driven by functional convenience, financial indiscipline, impulsive tendencies, institutional trust dynamics, and social influence in approximately equal measure. While BNPL democratizes short-term credit access for a demographic largely excluded from traditional credit systems, it simultaneously creates structural conditions for financial over-extension, impulsive consumption, and debt accumulation.

The gender-disaggregated analysis adds nuance: female respondents are more utility-driven in their BNPL adoption, while male respondents exhibit greater financial discipline erosion and impulsive buying behaviour. This differential risk profile has implications for targeted financial literacy interventions.

The 41% repayment default rate and the widespread financial stress reported in this study are not merely individual failures - they reflect systemic design features of BNPL platforms that obscure the true cost of credit, gamify spending through promotional offers, and leverage social proof mechanisms that bypass deliberative financial reasoning. Addressing these risks requires not only individual-level financial literacy but also regulatory guardrails, platform-level design nudges, and institutional support from educational establishments.

8. POLICY AND MANAGERIAL RECOMMENDATIONS

- **Integrated Budgeting Dashboards:** Platforms should include clear, real-time spending tracking tools directly inside checkout screens to minimize the psychological separation between purchase choices and deferred payments.
- **Cooling-Off Interventions:** Regulators should consider introducing mandatory 48-hour approval windows for large ticket transactions by young or first-time platform users to limit emotional impulse purchases.
- **Dedicated Regulatory Standards:** The Reserve Bank of India (RBI) should continue developing specific frameworks for non-bank point-of-sale credit providers, requiring standardized risk reporting, transparent fee structures, and basic income cross-checks.
- **Targeted Academic Curricula:** Higher education institutions should design practical financial management workshops that directly address digital credit tools, interest calculations, and credit score impacts.
- **Proactive Credit Ceilings:** Fintech applications should set automated, conservative limits on overall balances for student users who lack steady, independent income streams.
- **Ethical Advertising Guidelines:** Promotional standards should restrict influencer-led marketing campaigns that present deferred credit options purely as a lifestyle utility for younger demographics.

9. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

This study is limited by its geographic scope (Amritsar, Punjab), cross-sectional design, and convenience sampling approach, which may limit generalisability. The sample over-represents postgraduate students, potentially underrepresenting financially vulnerable non-student youth. Self-reported Likert responses may carry social desirability bias.

Future research should pursue longitudinal designs tracking BNPL users over 3–5 years to observe changes in debt accumulation and savings behaviour. Comparative studies across Indian metros and rural areas would enrich the generalisability of findings. Mixed-methods research combining surveys with in-depth interviews could uncover emotional narratives behind impulsive BNPL decisions. Additionally, regulatory impact studies modelled on Australian and UK BNPL frameworks could inform evidence-based Indian policy.

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