

"A Study on the Impact of Buy Now, Pay Later (BNPL) Services on Consumer Spending Behaviour"

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Chapter 1

INTRODUCTION

1.1 Introduction

Over the past ten years, the financial services sector has seen tremendous change as a result of quickening technical progress and rising internet usage. The way customers engage with financial products and services has evolved due to the widespread use of smartphones, digital payment systems, and online shopping. Today's consumers favor quick, easy, and adaptable payment options that streamline the buying process.

Digital finance has become a key force behind financial inclusion and economic progress in recent years. Credit cards, debit cards, internet banking, mobile wallets, and the Unified Payments Interface (UPI) have all become essential components of daily transactions. Alongside these developments, Buy Now Pay Later (BNPL) services have drawn a lot of interest as a cutting-edge consumer finance option.

With BNPL services, customers can buy goods and services now and pay for them later using deferred payment plans or installments. Customers can make more purchases with this financing arrangement without having to deal with the hassles of conventional credit cards and personal loans. Consequently, BNPL has grown in popularity among youthful customers and online buyers.

The rise of BNPL services has also been aided by the quick development of e-commerce platforms. In order to enhance consumer satisfaction and boost sales, numerous merchants and financial technology firms have included BNPL options into their payment systems. Customers have adopted BNPL services for a variety of purchases because to the ease of fast approval, minimum paperwork, and flexible repayment periods.

Although BNPL has a number of benefits, questions have been raised about how it may affect consumer purchasing habits. Easy access to short-term loans might result in increased spending, impulsive purchases, and trouble making repayments. Examining how BNPL services affect consumers' financial behaviour and purchase decisions becomes crucial as a result.

By examining consumer knowledge, usage patterns, satisfaction levels, and spending habits, this study aims to explore the connection between BNPL services and consumer spending behaviour.

1.2 Overview of Digital Payments

Digital payments refer to financial transactions conducted electronically without the use of physical cash. The development of digital payment infrastructure has revolutionized the way individuals and businesses perform financial transactions.

The increasing availability of smart phones and internet connectivity has accelerated the adoption of digital payment systems. Consumers can now transfer money, make purchases, pay bills, and access financial services through digital platforms. The growth of digital payments has improved transaction efficiency, reduced dependency on cash, and enhanced financial inclusion.

In India, initiatives such as Digital India and the introduction of UPI have significantly boosted digital payment adoption. The convenience, speed, and security associated with digital transactions have encouraged consumers to shift from traditional payment methods to digital alternatives.

1.3 Evolution of Consumer Credit

Economic growth and purchasing power have been greatly aided by consumer credit. In the past, customers met their financial demands through credit cards, bank loans, and installment finance. Even in situations where immediate cash were unavailable, consumers were still able to make purchases thanks to these credit facilities.

Technological advancements have changed the consumer lending market throughout time. Digital lending solutions that provide quicker approvals and streamlined application processes have been offered by financial technology businesses. One of the most recent advancements in consumer credit is BNPL services, which combine short-term loan alternatives with the ease of digital payments.

Consumer expectations for speed, accessibility, and convenience are reflected in the evolution of consumer finance. Financial products that minimize procedural complexity and provide flexibility are becoming more and more popular among modern consumers.

1.4 Concept of Buy Now Pay Later (BNPL)

Buy Now Pay Later is a type of short-term financing that lets customers make purchases right away and postpone paying for them until later. Customers may choose to pay back the money in installments or all at once after a predetermined amount of time, depending on the provider.

Retailers and financial technology firms typically collaborate to provide BNPL services. Compared to typical loan products, the approval process is frequently swift and involves little paperwork.

These characteristics have made BNPL a desirable payment choice for customers looking for financial freedom.

1.5 Growth of BNPL Services in India

One of the marketplaces for digital financial services that is expanding the fastest is India. BNPL services have expanded as a result of expanding customer awareness, e-commerce appeal, and Smartphone usage.

BNPL services are now available to clients of a number of financial technology firms and online retailers. Young professionals, students, and internet customers have adopted quick credit at the point of purchase more frequently.

Consumer preferences for digital transactions and shifting lifestyles have contributed to the expansion of BNPL services. BNPL providers keep growing their clientele and product offerings as more customers look for flexible payment options.

1.6 Need for the Study

The financial ecosystem now faces both new opportunities and problems due to the increased popularity of BNPL services. Concerns about BNPL's effects on consumer spending habits and financial discipline persist, despite the fact that it provides ease and purchasing flexibility.

It is necessary to determine whether BNPL services promote greater spending, impulsive purchases, and debt. Analyzing customer attitudes and experiences might yield important information about the advantages and dangers of BNPL adoption.

The results of this study will aid stakeholders in making wise decisions and advance knowledge of consumer behaviour in the context of digital credit services.

1.7 Problem Statement

By making short-term loans easily accessible, the growing use of Buy Now Pay Later services has changed how consumers make purchases. These services may promote excessive spending and financial stress even when they improve convenience and purchasing power. As a result, it is essential to look at how BNPL services affect customer spending patterns and evaluate how they affect financial management and purchase decisions.

OBJECTIVES

- To analyse the impact of BNPL services on consumer spending behaviour.
- To study consumer satisfaction with BNPL services.
- To identify factors influencing the adoption of BNPL platforms.
- To examine how BNPL affects purchase frequency and spending patterns.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

Any research study must include a literature review since it offers insight into earlier studies carried out in the topic. It assists in identifying areas for additional study, theoretical underpinnings, research gaps, and current knowledge. This chapter examines a number of researches on consumer spending patterns, digital payment systems, fintech adoption, impulse purchases, Buy Now Pay Later (BNPL) services, and consumer credit usage.

Because BNPL offers short-term loan facilities at the point of sale, it has drastically altered customer purchasing behavior. Researchers from all across the world have looked at how flexible payment options affect consumer happiness, financial discipline, spending patterns, and purchase decisions.

2.2 Concept of Buy Now Pay Later (BNPL)

Buy Now Pay Later (BNPL) is a short-term financing option that allows consumers to purchase products or services immediately and pay for them later, either in full or through installments. BNPL services are generally offered through fintech companies and integrated into online and offline merchant payment systems.

The key features of BNPL include:

- Instant credit approval.
- Flexible repayment schedules.
- Minimal documentation.
- Easy integration with e-commerce platforms.

- Convenience and accessibility.

BNPL has become particularly popular among young consumers who seek convenience and may not possess traditional credit cards.

2.3 Review of Literature

1. Fook and McNeill (2020)

Fook and McNeill conducted a study on the growing adoption of Buy Now Pay Later services among young consumers in Australia. The researchers examined how BNPL platforms influence purchasing decisions and financial behavior. Their findings revealed that consumers preferred BNPL over traditional credit cards because of its simplicity, ease of access, and interest-free repayment structure. The study further indicated that BNPL users often underestimated their future financial obligations, leading to increased spending and potential financial stress. The authors concluded that BNPL services significantly encourage discretionary spending among younger consumers.

2. Johnson, Brough and Taylor (2021)

Johnson and colleagues investigated the relationship between BNPL usage and impulse buying behavior. Their study found that the availability of deferred payment options reduces the psychological pain associated with immediate payment. As a result, consumers are more likely to make spontaneous purchases. The researchers observed that BNPL users exhibited higher levels of impulsive buying compared to non-users. The study highlighted that easy credit access can influence consumer spending decisions beyond their planned budgets.

3. Consumer Financial Protection Bureau (2022)

The Consumer Financial Protection Bureau (CFPB) analyzed the rapid expansion of BNPL services in the United States. The report found that BNPL providers increasingly attract younger consumers who may not qualify for traditional credit cards. The study identified concerns regarding multiple concurrent BNPL loans, lack of consumer awareness, and repayment challenges. The report concluded that while BNPL improves access to credit, it may also increase consumer indebtedness and encourage excessive spending.

4. Deloitte (2023)

Deloitte examined the impact of BNPL services on digital commerce and consumer purchasing behavior. The study found that merchants offering BNPL options experienced higher sales volumes and increased average order values. Consumers perceived BNPL as a flexible payment solution that improved affordability. The report also noted that BNPL users often purchased higher-priced products because installment payments reduced the perceived financial burden.

5. World pay Global Payments Report (2023)

World pay's report identified BNPL as one of the fastest-growing digital payment methods worldwide. The study found that consumers increasingly prefer installment-based payment solutions due to convenience and financial flexibility. According to the report, BNPL usage significantly increased among online shoppers, particularly within the fashion, electronics, and lifestyle sectors. The report concluded that BNPL is reshaping consumer payment preferences and spending habits globally.

6. EY Global Fintech Adoption Report (2023)

EY explored the role of Fintech innovations in transforming consumer financial behavior. The study revealed that BNPL services have become an important driver of digital financial inclusion. Consumers appreciated the

convenience, accessibility, and transparency offered by BNPL providers. However, the report warned that inadequate financial literacy could result in excessive borrowing and repayment difficulties.

7. Accenture (2023)

Accenture investigated consumer perceptions regarding alternative credit solutions. The findings indicated that BNPL services enhance customer satisfaction by simplifying payment processes. Consumers reported higher confidence in making purchases when installment options were available. The study concluded that BNPL has emerged as a significant innovation in retail finance and consumer credit markets.

8. Klarna Consumer Insights Report (2023)

The Klarna report examined consumer attitudes toward BNPL services across multiple countries. The findings suggested that consumers use BNPL primarily to improve cash flow management and purchase affordability. Younger consumers were particularly attracted to the flexibility of spreading payments over time. The report also found that BNPL availability positively influenced purchase completion rates and reduced cart abandonment.

9. Reserve Bank of India (2023)

The RBI examined emerging digital lending practices, including BNPL services. The study emphasized the need for regulatory oversight to ensure responsible lending and consumer protection. The report highlighted concerns regarding consumer awareness, hidden charges, and over-reliance on short-term credit. RBI suggested stronger disclosure requirements and financial literacy initiatives to promote sustainable BNPL adoption.

10. Singh and Sharma (2022)

Singh and Sharma studied the adoption of BNPL services among urban Indian consumers. Their findings revealed that convenience, quick approval, and ease of repayment were the primary factors influencing BNPL usage. The study also found that frequent BNPL users displayed a greater tendency toward impulse purchases and discretionary spending.

11. Gupta and Verma (2022)

Gupta and Verma analyzed the relationship between digital payment innovations and consumer spending patterns. The study reported that BNPL services positively influence purchase frequency and encourage consumers to spend beyond their original budgets. The researchers concluded that deferred payment mechanisms significantly impact consumer decision-making processes.

12. Kumar and Jain (2023)

Kumar and Jain explored consumer satisfaction with BNPL services in India. Their research found that users were highly satisfied with the convenience and accessibility of BNPL platforms. However, respondents expressed concerns regarding repayment obligations and late payment penalties. The study concluded that while BNPL enhances financial flexibility, responsible usage is essential to avoid financial difficulties.

13. McKinsey & Company (2023)

McKinsey analyzed global trends in digital consumer finance. The report found that BNPL adoption accelerated significantly following the growth of e-commerce and digital payments. Consumers increasingly viewed BNPL as an alternative to credit cards due to transparent repayment structures. The report suggested that BNPL providers will play a major role in the future of consumer finance.

14. Bain & Company (2022)

Bain examined consumer financing preferences in digital commerce environments. The study reported that installment payment options increase conversion rates and encourage larger purchases. Consumers perceived BNPL as less intimidating than traditional credit products, resulting in higher adoption rates among younger demographics.

15. Ali and Ahmed (2021)

Ali and Ahmed investigated the effect of digital credit accessibility on spending behavior. Their findings indicated that consumers with access to instant credit facilities demonstrated higher spending tendencies than those relying solely on cash payments. The study concluded that deferred payment options significantly influence consumer expenditure decisions.

16. Chatterjee and Bose (2022)

Chatterjee and Bose focused on online shopping behavior and BNPL adoption among Indian millennial. Their research showed that millennial preferred BNPL because it allowed them to manage short-term financial constraints without disrupting purchasing plans. The study also highlighted a strong relationship between BNPL usage and impulse buying behavior.

17. Financial Conduct Authority (FCA) UK (2022)

The FCA examined consumer experiences with BNPL products in the United Kingdom. The report found that many consumers lacked awareness of repayment obligations and potential penalties. The study emphasized the importance of consumer education and regulatory intervention to prevent financial distress associated with excessive BNPL usage.

18. Patel and Mehta (2023)

Patel and Mehta studied the influence of BNPL on consumer purchase intentions. Their findings revealed that installment payment options increased consumers' willingness to purchase expensive products. The study concluded that BNPL positively affects purchasing intentions by reducing perceived financial barriers.

19. Narang and Kapoor (2023)

Narang and Kapoor investigated financial behavior among frequent BNPL users in India. The study found that regular BNPL users often relied on multiple BNPL platforms simultaneously. This behavior increased the risk of debt accumulation and repayment difficulties. The researchers recommended stronger financial literacy programs to encourage responsible borrowing.

20. PwC Consumer Finance Report (2023)

PwC examined the impact of alternative lending solutions on consumer spending patterns. The report concluded that BNPL services increase transaction frequency, customer engagement, and overall spending levels. Consumers viewed BNPL as a convenient financial management tool; however, the report highlighted the importance of responsible lending practices and regulatory oversight.

2.4 Summary of Literature Review

According to the evaluated studies, BNPL services have changed customer purchasing habits by making short-term borrowing easily accessible. The majority of academics concur that BNPL raises purchasing power, boosts affordability, and improves customer happiness. However, a number of studies also draw attention to issues with debt accumulation, impulsive purchases, overspending, and financial stress. According to the literature, BNPL offers

businesses and consumers a lot of options, but in order to guarantee long-term financial stability, responsible use and efficient regulation are required.

2.6 Research Gap

Although several studies have examined digital payments and consumer credit, there are still important gaps:

The existing literature on Buy Now, Pay Later (BNPL) services reveals several research gaps. First, there are limited studies that focus specifically on Indian consumers, making it difficult to understand BNPL adoption and usage patterns within the Indian market. Second, insufficient research has been conducted on the long-term spending behaviour of BNPL users and its potential financial implications. Third, there is a lack of detailed analysis of impulse buying behaviour in the Indian context, particularly regarding how BNPL services may influence unplanned purchases. Additionally, demographic differences in BNPL adoption, such as variations based on age, income, gender, and education, have received limited attention from researchers. Finally, only a few studies have examined consumers' awareness and understanding of repayment risks, including debt accumulation, late payment charges, and financial stress associated with BNPL usage.

Therefore, this study seeks to bridge these gaps by analyzing the impact of BNPL services on consumer spending behavior in India.

2.7 Chapter Summary

This chapter reviewed existing literature related to BNPL services, digital payments, consumer behavior, fintech adoption, and consumer credit usage. The review identified key findings from previous studies and highlighted research gaps. The theoretical foundations, conceptual framework, and hypotheses for the present study were also discussed. The next chapter presents the research methodology adopted for conducting the study.

Chapter 3

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology refers to the systematic process used to collect, analyze, and interpret data for achieving the objectives of a study. It provides a framework for conducting research in a scientific and organized manner. The present study aims to examine the impact of Buy Now Pay Later (BNPL) services on consumer spending behavior in India. This chapter describes the research design, data collection methods, sampling technique, sample size, questionnaire design, and statistical tools used in the study.

3.2 Research Design

Research design serves as the blueprint of a research study, guiding the systematic collection, measurement, and analysis of data. For the present study, an **empirical research design** has been adopted. Empirical research is based on the observation and analysis of real-world data to examine relationships, patterns, and phenomena. It enables the researcher to investigate consumer attitudes, perceptions, and behaviors regarding Buy Now, Pay Later (BNPL) services through evidence gathered directly from respondents.

The empirical approach allows for the examination of how BNPL services influence consumer spending behavior and purchasing decisions. By collecting primary data from consumers, the study aims to generate factual insights and draw conclusions based on actual experiences and responses. To achieve this objective, the research incorporates both

quantitative and qualitative methods, providing a comprehensive understanding of consumer behavior and the impact of BNPL services on spending patterns.

The research focuses on understanding how BNPL services affect consumer spending decisions, purchase frequency, impulse buying tendencies, and overall purchasing behavior.

3.3 Sources of Data

3.3.1 Primary Data

Primary data refers to information collected directly from respondents for the specific purpose of the study.

The primary data for this research was collected through a structured questionnaire distributed among consumers who are aware of or have used BNPL services.

Methods used:

- Online survey forms
- Personal interaction
- Digital questionnaires

Primary data helps in obtaining firsthand information regarding consumer perceptions and experiences related to BNPL services.

3.5 Target Population

The target population for this study consists of consumers residing in India who are aware of Buy Now, Pay Later (BNPL) services, have used BNPL platforms, and engage in both online and offline purchasing activities. The study includes a diverse group of respondents, such as students, salaried employees, business professionals, and self-employed individuals. To ensure a comprehensive understanding of consumer behavior and spending patterns associated with BNPL services, participants from different age groups and income categories were included. This diversity in the sample helps capture varying perspectives, experiences, and levels of BNPL usage across different segments of the population.

3.6 Sampling Technique

Sampling refers to the process of selecting a subset of individuals from a larger population for research purposes.

For this study, **Convenience Sampling Technique** was adopted.

Convenience sampling was chosen because:

The selection of respondents was based on convenience and practicality. This sampling approach was adopted because it is economical and time-efficient, allowing the researcher to collect data within the available resources and timeframe. Additionally, the respondents were easily accessible, which facilitated a smooth data collection process. The method also enabled the quick gathering of relevant information from individuals who met the study requirements, making it suitable for achieving the research objectives effectively.

Although convenience sampling has certain limitations, it is widely used in academic research projects due to practical considerations.

3.7 Sample Size

Sample size refers to the number of respondents selected for the study.

For the purpose of this research, a sample size of **60 respondents** was considered appropriate.

The respondents were selected from various demographic backgrounds to obtain a balanced understanding of consumer spending behavior.

Distribution of respondents:

Category	Number of Respondents
Students	25
Salaried Employees	26
Business Owners	3
Professionals	4
Others	1
Total	59

The Sample size is considered adequate for conducting descriptive statistical analysis and hypothesis testing.

3.9 Variables of the Study

The study includes both independent and dependent variables.

Independent Variables

- Convenience
- Ease of Use
- Consumer Awareness
- Impulse Buying

Dependent Variables

- Consumer Spending Behaviour

The relationship between these variables helps in understanding the impact of BNPL services on consumer behavior.

Chapter 4

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

Data analysis is one of the most important stages of a research study. It involves the systematic examination and interpretation of collected data to derive meaningful conclusions. The primary objective of this chapter is to analyze the responses collected from respondents regarding their awareness, adoption, and usage of Buy Now Pay Later (BNPL) services and to examine the impact of BNPL services on consumer spending behavior.

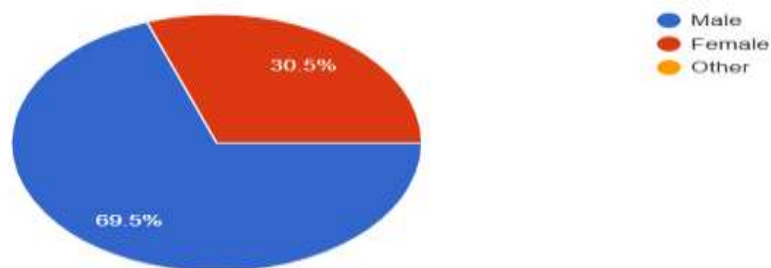
The analysis has been carried out using percentage analysis, frequency distribution, tables, and graphical interpretation. The findings help in understanding consumer attitudes toward BNPL services and their influence on purchasing decisions.

4.2 Respondent's Demographic Profile

Table 4.1 Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	41	69.5%
Female	18	30.5%

Q1. Gender
59 responses



Interpretation

The above chart illustrates the gender-wise distribution of the 59 respondents who participated in the survey. It can be observed that the majority of the respondents were male, accounting for 69.5% of the total sample, while female respondents constituted 30.5%. No respondent selected the "Other" gender category. In numerical terms, approximately 41 respondents were male and 18 were female. This distribution indicates that the survey sample was predominantly male, suggesting that the findings may reflect male perspectives more strongly than female perspectives. Nevertheless, the participation of female respondents provides a reasonable level of diversity, enabling a broader understanding of consumer opinions and behaviours related to the study topic. Overall, the data shows a significant gender imbalance, with male respondents representing more than two-thirds of the total participants.

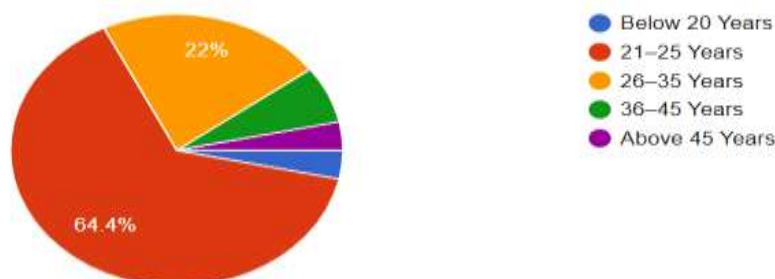
Table 4.2 Age Distribution of Respondents

Age Group	Frequency	Percentage
Below 20 Years	2	3.4%
21-25 Years	38	64.4%
26-35 Years	13	22%
36-45 Years	4	6.8%

Above 45 Years	2	3.4%
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Q2. Age Group

59 responses



Interpretation

The above chart presents the age-wise distribution of the 59 respondents who participated in the survey. It is evident that the majority of the respondents belong to the **21-25 years** age group, accounting for **64.4%** of the total sample. This is followed by the **26-35 years** age group, which represents **22%** of the respondents. A smaller proportion of participants fall within the **36-45 years** category, while only a few respondents belong to the **Below 20 Years** and **Above 45 Years** age groups. The data indicates that the survey is predominantly represented by young adults, particularly those between 21 and 25 years of age. This suggests that the findings of the study are largely influenced by the views and experiences of younger individuals, who are generally more familiar with digital financial services and modern payment methods. The limited participation from older age groups indicates that their perspectives may have a relatively smaller impact on the overall results of the study.

Table 4.3 Occupation of Respondents

Occupation	Frequency	Percentage
Student	19	45.2%
Salaried Employee	18	42.9%
Business Owner	1	2.4%
Professional	4	9.5%
Other	0	0%

Q3. Occupation

59 responses



Interpretation

The above chart illustrates the occupational distribution of the 59 respondents who participated in the survey. It is evident that the largest proportion of respondents is **salaried employees**, accounting for **44.1%** of the total sample.

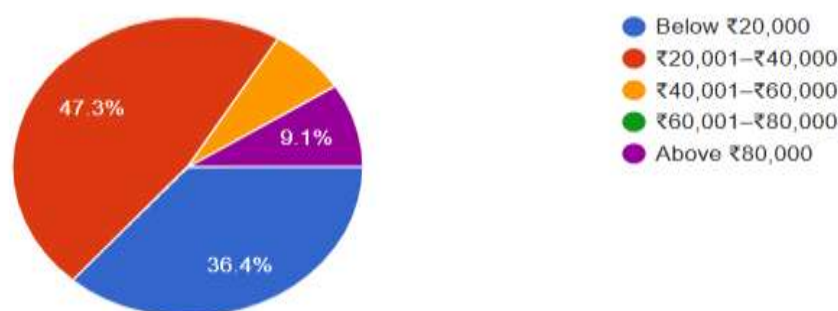
This is closely followed by **students**, who constitute **42.4%** of the respondents. A smaller percentage of participants are **professionals** and **business owners**, while only a negligible proportion falls under the **other** category. The data indicates that the survey is primarily represented by salaried employees and students, together comprising the vast majority of respondents. This suggests that the findings of the study are largely influenced by the opinions, experiences, and financial behaviours of these two groups. Since students and salaried individuals are among the most active users of digital payment and credit facilities, their significant representation provides valuable insights into the study topic. However, the comparatively lower participation of business owners, professionals, and others means that their perspectives may have a limited influence on the overall survey results.

Table 4.4 Monthly Incomes of Respondents

Salary Details	Frequency	Percentage
Below Rs 20,000/-	20	36.4%
20,001 – 40,000/-	26	47.3%
40,001 – 60,000/-	4	7.3%
60,001 – 80,000/-	0	0%
Above Rs 80,000/-	5	9.1%

Q4. Monthly Income

55 responses



Interpretation

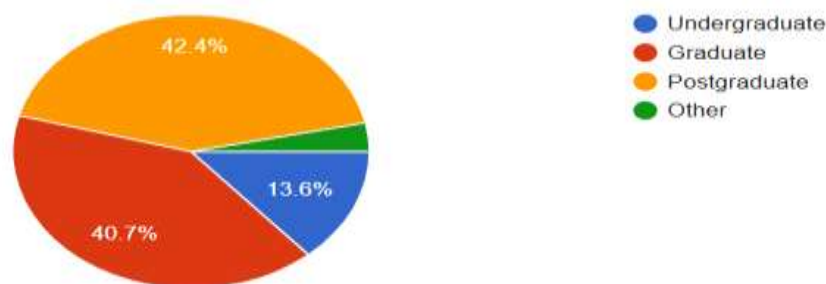
The above chart presents the monthly income distribution of the 55 respondents who participated in the survey. It can be observed that the largest proportion of respondents, **47.3%**, fall within the income group of **₹20,001–₹40,000** per month. This is followed by **36.4%** of respondents earning **below ₹20,000** per month. Respondents with a monthly income of **above ₹80,000** account for **9.1%** of the total sample, while a smaller percentage falls within the **₹40,001–₹60,000** income category. Notably, there are either very few or no respondents in the **₹60,001–₹80,000** income range. The data indicates that the majority of the respondents belong to the lower and middle-income groups, with over four-fifths of the participants earning up to ₹40,000 per month. This suggests that the survey findings primarily reflect the financial behaviour, spending patterns, and credit usage of individuals with moderate income levels. The relatively lower representation of higher-income groups indicates that their perspectives have a limited influence on the overall results of the study.

Table 4.5 Educational Details of Respondents

Education	Frequency	Percentage
Undergraduate	8	13.6%
Graduate	24	40.7%
Post Graduate	25	42.4%
Others	2	3.4%

Q5. Educational Qualification

59 responses



Interpretation

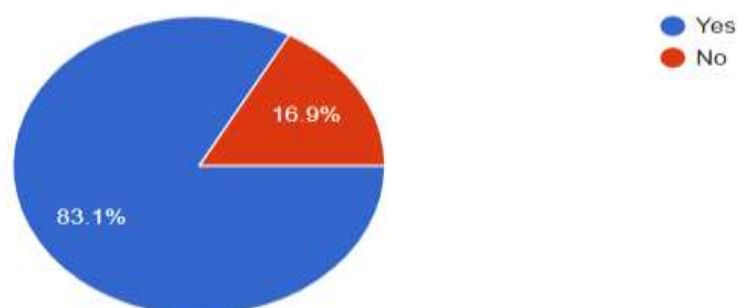
The above chart illustrates the educational qualification of the 59 respondents who participated in the survey. It can be observed that the largest proportion of respondents is **Postgraduates**, accounting for **42.4%** of the total sample. This is closely followed by **Graduates**, who constitute **40.7%** of the respondents. **Undergraduates** represent **13.6%** of the participants, while only a small percentage falls under the **Other** category. The data indicates that the survey is predominantly represented by individuals with higher educational qualifications, as graduates and postgraduates together account for more than four-fifths of the total respondents. This suggests that the findings of the study are largely influenced by well-educated individuals who are likely to possess greater awareness of financial products, digital payment systems, and Buy Now Pay Later (BNPL) services. The comparatively lower participation of undergraduates and respondents from other educational backgrounds indicates that their perspectives have a relatively limited impact on the overall survey results.

Table 4.6 Awareness of Respondents

Awareness	Frequency	Percentage
Yes	49	83.1%
No	10	16.9%

Q6. Are you aware of BNPL services?

59 responses



Interpretation

The above chart presents the level of awareness of Buy Now, Pay Later (BNPL) services among the 59 respondents who participated in the survey. It can be observed that a significant majority of respondents, **83.1%**, indicated that they are aware of BNPL services, while only **16.9%** reported that they are not aware of such services. This demonstrates a high level of awareness regarding BNPL among the respondents. The widespread awareness may be attributed to the increasing popularity of digital payment platforms, e-commerce websites, and financial technology

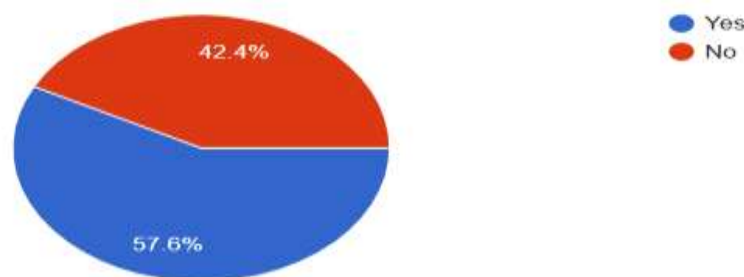
applications that actively promote BNPL facilities. The findings suggest that most respondents possess a basic understanding of BNPL services, making them capable of forming informed opinions about their usage, benefits, and potential risks. The relatively small proportion of respondents who are unaware of BNPL services indicates that these payment solutions have achieved considerable visibility and acceptance among consumers in the target population.

Table 4.7 Used By Respondents

Used	Frequency	Percentage
Yes	34	57.6%
No	25	42.4%

Q7. Have you ever used BNPL services?

59 responses



Interpretation

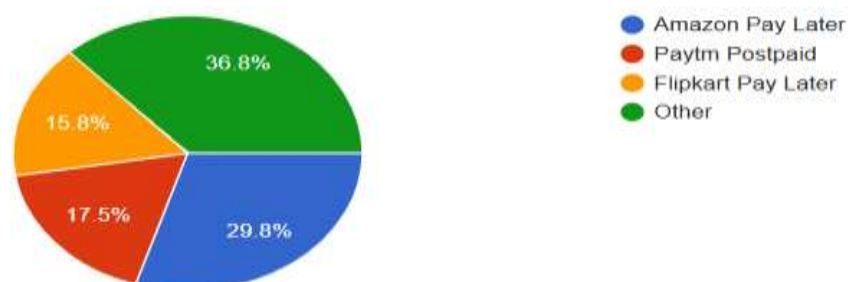
The above chart shows whether respondents have used Buy Now, Pay Later (BNPL) services. Out of 59 respondents, **57.6%** stated that they have used BNPL services, while **42.4%** reported that they have never used them. The findings indicate that a majority of respondents have experience with BNPL services, suggesting their growing popularity and acceptance among consumers. However, a significant proportion of respondents have not yet adopted this payment method.

Table 4.8 BNPL Platforms Used by Respondents

Platforms	Frequency	Percentage
Amazon Pay Later	17	29.8%
Paytm Postpaid	10	17.5%
Flipkart Pay Later	9	15.8%
Other	21	36.8%

Q8. Which BNPL platform do you use most frequently?

57 responses



Interpretation

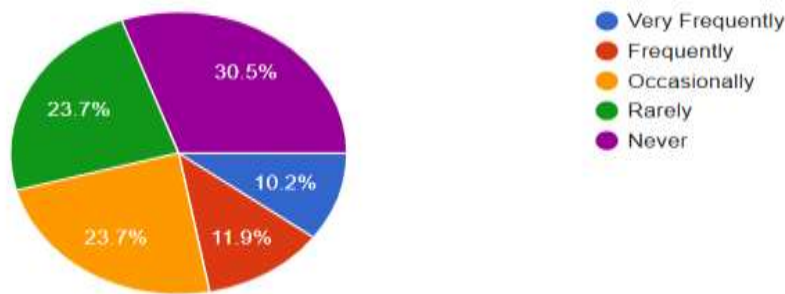
Among the 57 respondents, the largest share (36.8%) selected **Other** BNPL platforms as their most frequently used option. **Amazon Pay Later** is the most popular named platform, used by 29.8% of respondents. **Paytm Postpaid** accounts for 17.5%, while **Flipkart Pay Later** is used by 15.8%. Overall, the results indicate a preference for alternative BNPL services, with Amazon Pay Later leading among the listed platforms.

Table 4.9 Usage by Respondents

Platforms	Frequency	Percentage
Very Frequently	6	10.2%
Frequently	7	11.9%
Occasionally	14	23.7%
Rarely	14	23.7%
Never	18	30.5%

Q9. How often do you use BNPL services?

59 responses



Interpretation

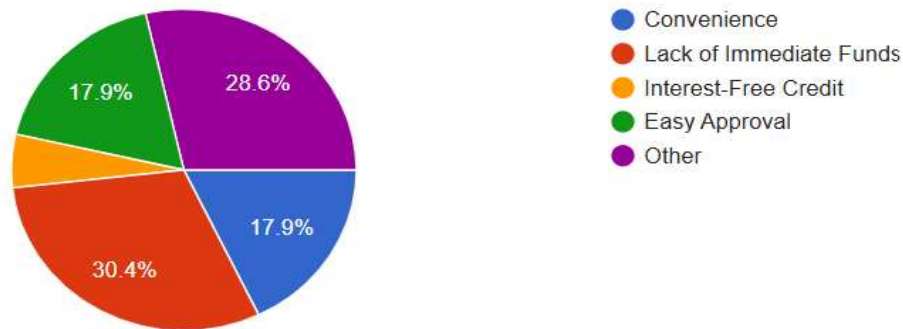
The findings show that BNPL services are not used regularly by a large portion of respondents. The highest percentage of participants (30.5%) reported that they **never** use BNPL services. Meanwhile, 23.7% use them **occasionally**, and an equal percentage uses them **rarely**, indicating moderate engagement among many users. Only 11.9% stated that they use BNPL services **frequently**, while 10.2% use them **very frequently**. Overall, the results suggest that although BNPL services are known to consumers, regular usage remains limited, with most respondents using them infrequently or not at all.

Table 4.10 Reason for opting By Respondents

Reasons for Usage	Frequency	Percentage
Convenience	10	17.9%
Lack of Immediate Funds	17	30.4%
Interest Free Credit	3	5.4%
Easy Approval	10	17.9%
Other	16	28.6%

Q10. What is your primary reason for using BNPL?

56 responses



Interpretation

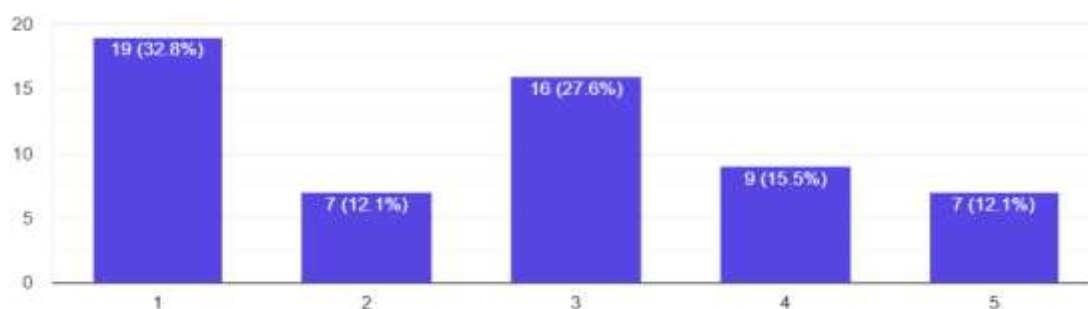
The survey results indicate that the most common reason for using BNPL services is **lack of immediate funds**, cited by 30.4% of respondents. This is followed by **other reasons** at 28.6%, suggesting that users may have additional motivations beyond the options provided. **Convenience** and **easy approval** each account for 17.9% of responses, showing that accessibility and a smooth application process also influence usage. In contrast, **interest-free credit** was selected by the smallest proportion of respondents (5.4%). Overall, the findings suggest that financial flexibility is the primary factor driving BNPL adoption, while convenience-related benefits also play an important supporting role.

Table 4.11 BNPL makes purchasing more Convenient

Responses	Frequency	Percentage
Strongly Agree	10	17.9%
Agree	17	30.4%
Neutral	3	5.4%
Disagree	10	17.9%
Strongly Disagree	16	28.6%

Q11. BNPL makes purchasing more convenient.

58 responses



Interpretation

The responses indicate a generally positive perception of BNPL convenience. A majority of respondents either **strongly agree (32.8%)** or **agree (12.1%)** that BNPL makes purchasing more convenient. Additionally, **27.6%** remain neutral on the statement. On the other hand, **15.5%** disagree and **12.1%** strongly disagree. Overall, the findings suggest that many respondents view BNPL as a convenient payment option, although a notable proportion remains unconvinced or neutral about its benefits.

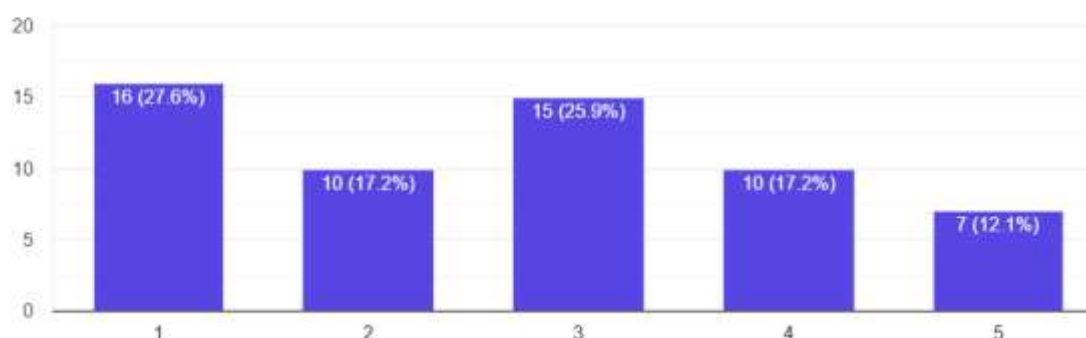
Table 4.12 BNPL encourages the Respondents

Responses	Frequency	Percentage
Strongly Agree	16	27.6%
Agree	10	17.2%
Neutral	15	25.9%
Disagree	10	17.2%
Strongly Disagree	7	12.1%

Q12. BNPL encourages me to buy products I would otherwise postpone.

 Copy chart

58 responses



Interpretation

The responses show mixed opinions regarding whether BNPL encourages additional purchases. While **27.6%** of respondents strongly agree and **17.2%** agree that BNPL motivates them to buy products they might otherwise postpone, **25.9%** remain neutral. Meanwhile, **17.2%** disagree and **12.1%** strongly disagree with the statement. Overall, the findings suggest that BNPL has some influence on purchasing decisions, but its effect varies among consumers, with a considerable number expressing neutrality.

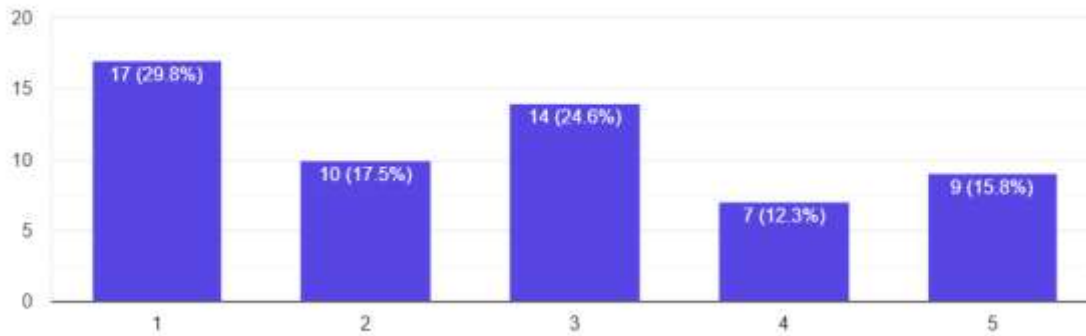
Table 4.13 Monthly Spending Increments by Respondents

Responses	Frequency	Percentage
Strongly Agree	17	29.8%
Agree	10	17.5%
Neutral	14	24.6%
Disagree	7	12.3%
Strongly Disagree	9	15.8%

Q13. BNPL increases my monthly spending.

[Copy chart](#)

57 responses



Interpretation

The results suggest that BNPL has a moderate influence on consumers' monthly spending habits. A total of **29.8%** of respondents strongly agree and **17.5%** agree that BNPL increases their monthly spending, indicating that many users perceive a rise in expenditure when using these services. At the same time, **24.6%** remain neutral on the statement. In contrast, **12.3%** disagree and **15.8%** strongly disagree. Overall, the findings indicate that BNPL may contribute to higher spending for a significant portion of users, although opinions remain divided among respondents.

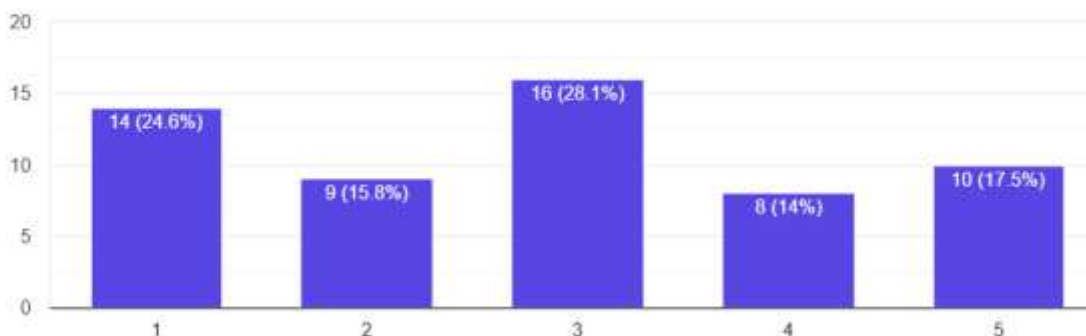
Table 4.14 Reason for opting By Respondents

Responses	Frequency	Percentage
Strongly Agree	14	24.6%
Agree	19	15.8%
Neutral	16	28.1%
Disagree	8	14%
Strongly Disagree	10	17.5%

Q14. BNPL improves my purchasing power.

[Copy chart](#)

57 responses



Interpretation

The responses reveal varied opinions on whether BNPL improves purchasing power. While **24.6%** of respondents strongly agree and **15.8%** agree that BNPL enhances their ability to make purchases, the largest group (**28.1%**) remains neutral. Meanwhile, **14.0%** disagree and **17.5%** strongly disagree with the statement. Overall, the findings suggest that BNPL is perceived as improving purchasing power by some consumers, but a considerable number of respondents are either uncertain or do not share this view.

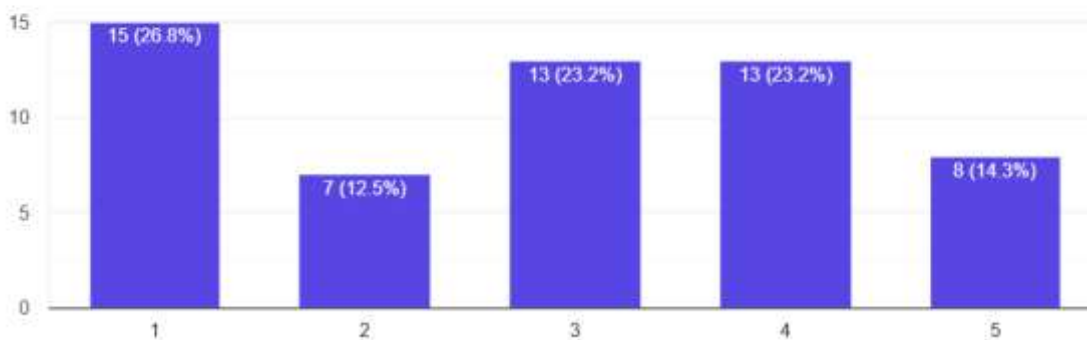
Table 4.15 Impulse Buying Behaviour of Respondents

Responses	Frequency	Percentage
Strongly Agree	15	26.8%
Agree	7	12.5%
Neutral	13	23.2%
Disagree	13	23.2%
Strongly Disagree	8	14.3%

Q15. I make impulse purchases because BNPL is available.

 Copy chart

56 responses



Interpretation

The responses indicate differing views on whether BNPL leads to impulse buying. While **26.8%** of respondents strongly agree and **12.5%** agree that the availability of BNPL encourages impulse purchases, **23.2%** remain neutral. Similarly, **23.2%** disagree and **14.3%** strongly disagree with the statement. Overall, the findings suggest that BNPL may influence impulsive buying behavior for some consumers, although opinions are fairly divided across the respondent group.

Chapter 5

CONCLUSION, FINDINGS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

5.1 Introduction

This chapter presents the conclusion of the study titled “**Impact of Buy Now Pay Later (BNPL) Services on Consumer Spending Behavior.**” The chapter summarizes the major findings of the research, discusses their implications, highlights the limitations encountered during the study, and suggests directions for future research. The purpose of this research was to understand how BNPL services influence consumer spending decisions, purchasing patterns, and financial behavior in the Indian market.

5.2 Summary of the Study

The growth of digital payments and fintech solutions has transformed consumer purchasing behavior. Among these innovations, BNPL services have emerged as a popular payment option, allowing consumers to make purchases immediately and pay later through flexible installment plans. The study was conducted to examine the impact of BNPL services on consumer spending behavior and to identify the benefits and challenges associated with their use.

The research focused on understanding consumer awareness, adoption patterns, spending habits, impulse purchasing tendencies, and perceptions regarding BNPL services. Data collected from respondents was analyzed to identify key trends and relationships between BNPL usage and consumer spending behavior.

5.3 Major Findings of the Study

Based on the analysis of the collected data, several important findings emerged.

1. Growing Awareness and Adoption of BNPL Services

The study found that awareness of BNPL services among consumers is relatively high, particularly among young adults and frequent online shoppers. Most respondents were familiar with BNPL platforms and had either used them previously or were aware of their features. The increasing popularity of e-commerce and digital payment systems has contributed significantly to the adoption of BNPL services.

2. BNPL Influences Consumer Spending Behaviour

The findings indicate that BNPL services have a noticeable impact on consumer spending behavior. Many respondents reported that the availability of installment-based payment options encouraged them to make purchases that they might have postponed or avoided if immediate full payment had been required.

3. Increase in Impulse Buying

A significant number of respondents agreed that BNPL services influence impulse buying behavior. The ability to defer payments reduces the immediate financial burden and creates a perception of affordability. As a result, consumers may be more willing to make unplanned purchases.

4. Enhanced Financial Flexibility

Respondents viewed BNPL services as a convenient financial tool that provides flexibility in managing short-term expenses. Many users appreciated the opportunity to spread payments over multiple installments without affecting their immediate cash flow.

5. Convenience as a Key Adoption Driver

The simplicity of registration, quick approval processes, and seamless integration with online shopping platforms were identified as major factors driving BNPL adoption. Consumers valued the convenience and ease of use offered by these services.

6. Concerns Regarding Overspending

Despite the benefits, the study also identified concerns regarding excessive spending. Some respondents acknowledged that easy access to deferred payment options could encourage spending beyond their planned budgets. This raises concerns about financial discipline and responsible credit usage.

7. Need for Financial Awareness

The study suggests that consumers should possess adequate financial knowledge before using BNPL services. A lack of awareness regarding repayment obligations, late payment charges, and credit implications may lead to financial difficulties.

5.4 Conclusion

The findings of the study demonstrate that BNPL services have become an important component of modern consumer finance. These services provide consumers with flexibility, convenience, and improved purchasing power. The availability of deferred payment options positively influences consumer purchasing decisions and contributes to higher spending levels.

However, while BNPL services offer several advantages, they also create potential risks. Easy access to short-term credit can encourage impulsive buying behavior and increase the likelihood of overspending. Therefore, consumers must use BNPL services responsibly and evaluate their repayment capacity before making purchases.

Overall, BNPL services have transformed the way consumers approach spending decisions and are expected to continue playing a significant role in the digital economy. The long-term impact of BNPL adoption will depend on consumer awareness, responsible lending practices, and effective regulatory oversight.

5.5 Recommendations

Based on the findings of the study, the following recommendations are suggested:

1. Consumers should carefully evaluate their repayment ability before using BNPL services.
2. BNPL providers should improve transparency regarding repayment schedules and penalty charges.
3. Financial literacy programs should be promoted to educate consumers about responsible credit usage.
4. Regulatory authorities should establish clear guidelines to ensure consumer protection.
5. Merchants and fintech companies should encourage responsible borrowing practices and provide clear information regarding payment obligations.

5.6 Limitations of the Study

The study has certain limitations that should be considered while interpreting the findings:

- The research was conducted using a limited sample size.
- Responses were based on individual perceptions and experiences.
- The study focused primarily on consumers familiar with digital payment systems.
- Time and resource constraints limited the scope of data collection.
- The findings may not represent the behaviour of all consumer groups across India.

5.7 Future Research Directions

Future researchers may explore the following areas:

- Comparative analysis between BNPL users and credit card users.
- Long-term financial impact of BNPL usage on consumers.
- BNPL adoption among rural consumers.
- The role of demographic factors such as age, income, and education in BNPL usage.
- Consumer awareness regarding regulatory policies governing BNPL services.
- The relationship between BNPL usage and financial well-being.

Chapter 6

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Annexure 1

PRIMARY RESEARCH QUESTIONNAIRE

TITLE OF THE STUDY

“IMPACT OF BNPL SERVICES ON CONSUMER SPENDING BEHAVIOUR”

Dear Respondent,

I am conducting a research study as a part of MBA Program. The Purpose of this questionnaire is to understand the impact of BNPL Services on Consumer Spending Behaviour. The information provided by you will be kept Confidential and used solely for academic purposes.

Please tick the appropriate Option.

Section A: Demographic Information.

1. Gender

- ☐ Male
- ☐ Female
- ☐ Prefer Not to Say

2. Age Group

- ☐ Below 20 Years
- ☐ 21-25 Years
- ☐ 26-35 Years
- ☐ 36-45 Years
- ☐ Above 45 Years

3. Occupation

- ☐ Student
- ☐ Salaried Employees
- ☐ Business Owner
- ☐ Professional
- ☐ Other

4. Monthly Income

- ☐ Below Rs 20,000/-
- ☐ Rs 20,000 – Rs 40,000/-
- ☐ Rs 40,001 – Rs 60,000/-
- ☐ Rs 60,001 – Rs 80,000/-
- ☐ Above Rs 80,000/-

5. Educational Qualification

- ☐ Undergraduate
- ☐ Graduate
- ☐ Postgraduate
- ☐ Other

Section B: Awareness and Usage of BNPL Services.

6. Are you aware of BNPL Services?

- ☐ Yes
- ☐ No

7. Have you ever Used BNPL services?

- ☐ Yes
- ☐ No

8. Which BNPL Platform do you use most frequently?

- ☐ Amazon Pay Later
- ☐ Paytm Postpaid
- ☐ Flipkart Pay Later
- ☐ Others

9. How often do you use BNPL Services?

- ☐ Very Frequently
- ☐ Frequently
- ☐ Occasionally
- ☐ Rarely
- ☐ Never

Section C: Reason for Using & Consumer Buying Behaviour.**10. What is your Primary Reason for Using BNPL?**

- ☐ Convenience
- ☐ Lack of Immediate Funds
- ☐ Interest- Free Credit
- ☐ Easy Approval
- ☐ Other

11. BNPL makes Purchasing more Convenient?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

12. BNPL encourages me to buy products I would otherwise postpone.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

13. BNPL Increases my monthly spending.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

14. BNPL improves my purchasing Power.

- ☐ Strongly Agree

- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

15. I make impulse purchases because BNPL is available.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

16. BNPL reduces financial stress during purchases.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

Section D: Risk & Challenges.

17. I carefully review payment terms before using BNPL?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

18. I am aware of late payment Penalties.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

Section E: Recommendations & Suggestions.

19. I would recommend BNPL Services to others.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

20. What Improvements would you suggest for BNPL

Services?https://docs.google.com/forms/d/e/1FAIpQLSePUTVHz5WK4nVkiX5UTK7MAit2D7wxPI7HDGI3_2YVC-M8XaA/viewform?usp=publish-editor