



A Study on the Impact of Buy Now Pay Later (BNPL) Services among Young Adults

Rajeswari¹, R Gayathri², Dr. Santhosh Jayagopalan³

¹MBA Student, Department of Management Studies, Jerusalem College of Engineering, Chennai – 600100, India

²Project Guide, Department of Management Studies, Jerusalem College of Engineering, Chennai – 600100, India

³Associate Professor Head of School of Computing and Engineering British Applied College United Arab Emirates

ABSTRACT

Paying later has become an everyday option on shopping apps and payment platforms, and young adults are often the first to try it. This study looks at how Buy Now, Pay Later (BNPL) services affect the spending behaviour of young adults. It examines the factors that attract young adults to BNPL, the link between BNPL usage and unplanned purchases, and the effect of BNPL usage on spending. A descriptive research design was used, and primary data were gathered from 55 young adults who had used BNPL, selected through snowball sampling. The data were collected using a Google Forms questionnaire and analysed using percentage analysis, the weighted average method, Pearson correlation and regression. The results revealed that flexible repayment and smaller instalments were the most influential factors (weighted average 3.62 each), that the frequency of BNPL usage was positively correlated with buying unplanned products ($r = 0.286$, $p = 0.034$), and that the frequency of BNPL usage had a significant but modest effect on spending patterns ($F = 5.49$, $p = 0.023$). Overall, the results suggest that how a payment is split and repaid matters more to young adults than the offers attached to it. BNPL providers and FinTech companies can use these findings to design services that are convenient without encouraging overspending.

Keywords: Buy Now Pay Later, BNPL, Young Adults, Spending Behaviour, Unplanned Purchases, FinTech

1. INTRODUCTION

Paying for things looks very different from how it did a few years ago. A smartphone, a shopping app and a few taps are usually all it takes to buy something, and the payment is often handled by a digital wallet or a payment app. Cheaper internet, wider smartphone use and better payment systems have made online shopping part of daily life, and they have helped the FinTech industry grow by offering financial services that are quicker and simpler than the traditional ones.

One of the newer options to come out of this shift is Buy Now, Pay Later, usually called BNPL. It lets a customer receive a product or service straight away and pay for it later, either as a single payment after a fixed period or as a few smaller instalments. The idea of paying over time is not new, because credit has always existed, but digital platforms have made it much faster to get and much easier to use. BNPL now appears at the checkout stage of many online purchases, and features such as easy instalments, flexible repayment, discounts and cashback add to its appeal.

Young adults are among its most active users. They spend a lot of time on shopping apps and social media, and many of them live on an allowance or a first salary, so spreading a payment over time can feel like a sensible way to afford something. The worry is that the same convenience may remove the pause that normally comes before spending money. Rook (1987) described impulse buying as a sudden and powerful urge to buy something immediately, and BNPL may make it easier to act on that urge because nothing has to be paid on the spot.

Because BNPL is built into the buying process, it can shape how often young adults buy, what they buy and how much they spend. Thus, this study aims to establish how BNPL usage relates to unplanned purchasing and spending patterns among young adults, and which features of BNPL attract them the most.

2. REVIEW OF LITERATURE

Earlier research on BNPL has mostly focused on why young people decide to use it. Osman (2024) surveyed 440 Gen Z respondents in Malaysia and found that attitude, materialism and money-management skills significantly influenced the use of BNPL. Aisjah (2024) studied 354 university students and concluded that financial self-efficacy reduced the intention to use BNPL, while heavy social media use increased it. Tuan (2024) surveyed 306 Generation Z consumers and found that social influence had the strongest effect on the intention to use BNPL, followed by perceived benefits and ease

of use. Mat et al. (2025) studied 101 students and reported that perceived usefulness and social influence encouraged BNPL adoption, while financial literacy helped reduce overspending.

A few studies have looked at impulse buying. Igani, Pott-Johnson and Okwara (2025) surveyed 300 Gen Z mobile-phone users aged 18–27 and found that perceived value had a positive influence on spontaneous purchases, whereas perceived risk reduced impulse buying. Shukla and Singh studied 397 Generation Z consumers in Bangalore and found that perceived benefits and social influence led to impulsive buying, and that frequent BNPL users showed lower self-control. Threadgold (2024) discussed how the easy, digital nature of BNPL can make borrowing feel less serious to young people.

Research gap

These studies concentrate mainly on the intention to adopt BNPL or on the psychological reasons behind it. Few examine the factors that attract young adults to BNPL, the link between BNPL usage and unplanned purchasing, and the effect of BNPL usage on spending patterns together. This study aims to address this gap.

3. OBJECTIVES OF THE STUDY

The primary aim of this study is to identify the impact of BNPL services on the spending behaviour of young adults. Thus, the following objectives are set and will be achieved by the statistical analysis:

1. Describe the usage pattern of BNPL among young adults using percentage analysis;
2. Identify the factors influencing the usage of BNPL, namely instalments, flexible repayment, discounts and cashback, and convenience, using the weighted average method;
3. Determine the relationship between BNPL usage and unplanned purchasing using Pearson correlation;
4. Analyse the effect of BNPL usage on the spending patterns of young adults using regression analysis.

4. RESEARCH METHODOLOGY

Research design. The paper employs a descriptive research design that best fits attempting to describe the viewpoint of respondents. The independent variables include the frequency of BNPL usage and the factors influencing it, whereas the dependent variables are unplanned purchasing and the spending patterns of young adults.

Sampling. The population was young adults who have used BNPL services. The snowball sampling technique, which is a non-probability sampling procedure wherein the first respondents pass the questionnaire on to other eligible people in their network, was selected. Of the 65 responses received, 55 respondents had used BNPL services and were included in the analysis.

Data collection. The primary data were gathered using a structured questionnaire. Using Google Forms, the questionnaire initially sought the respondents' demographic details and BNPL usage before requesting them to indicate their opinion on statements related to the factors influencing BNPL usage, unplanned purchases, perceived affordability and spending patterns on a scale of Strongly Disagree to Strongly Agree. Secondary data were gathered from journals, published research, books and websites.

Tools of analysis. The analysis procedure involved percentage analysis to describe the respondents' profile and the distribution of their opinions. A weighted average approach, where Strongly Disagree to Strongly Agree registered scores 1 to 5 respectively, was employed to rank the factors influencing BNPL usage. Pearson correlation analysis was utilized to determine the relationship between the frequency of BNPL usage and unplanned purchasing, whereas regression analysis was utilized to evaluate the effect of the frequency of BNPL usage on spending patterns. A 0.05 level of significance was set in the analysis.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Profile of respondents

Table 1: Profile of respondents (N = 55)

Variable	Category	Frequency	Percentage (%)
Age (years)	18–20	11	20.0
Age (years)	21–23	27	49.1
Age (years)	24–26	9	16.4

Variable	Category	Frequency	Percentage (%)
Age (years)	27–29	8	14.5
Gender	Male	23	41.8
Gender	Female	32	58.2
Occupation	Student	31	56.4
Occupation	Working professional	19	34.5
Occupation	Self-employed	5	9.1
Monthly income / allowance	Below Rs. 10,000	26	47.3
Monthly income / allowance	Rs. 10,001 – Rs. 20,000	1	1.8
Monthly income / allowance	Rs. 20,001 – Rs. 30,000	5	9.1
Monthly income / allowance	Rs. 30,001 – Rs. 50,000	5	9.1
Monthly income / allowance	Above Rs. 50,000	18	32.7
Used BNPL services	Yes	55	100.0
Frequency of BNPL usage	Very rarely	13	23.6
Frequency of BNPL usage	Rarely	16	29.1
Frequency of BNPL usage	Sometimes	14	25.5
Frequency of BNPL usage	Frequently	7	12.7
Frequency of BNPL usage	Very frequently	5	9.1
Total		55	100.0

Most respondents (49.1%) were between 21 and 23 years old, so the sample is a young one. Females made up 58.2% and males 41.8%. Students formed the largest occupational group (56.4%), followed by working professionals (34.5%), and 47.3% had a monthly income or allowance below Rs. 10,000. All 55 respondents had used BNPL, mostly on an occasional basis, as 52.7% used it rarely or very rarely.

5.2 Percentage analysis of respondents' opinions

Table 2: Responses to statements on BNPL (frequencies, N = 55)

Statement	SD	D	N	A	SA	A + SA (%)
Factors influencing BNPL usage						
Smaller instalments encourage me to use BNPL	4	8	11	14	18	58.2
Flexible repayment influences my BNPL usage	2	8	11	22	12	61.8
Discounts and cashback encourage me to use BNPL	3	13	14	21	4	45.5
BNPL convenience influences my decision to use it	4	11	16	20	4	43.6
BNPL and unplanned purchases						
I have bought unplanned products using BNPL	6	11	12	11	15	47.3
BNPL makes me more likely to buy immediately	4	15	6	14	16	54.5

Statement	SD	D	N	A	SA	A + SA (%)
BNPL makes me more likely to buy spontaneously	8	6	10	9	22	56.4
BNPL reduces my hesitation to make unplanned purchases	3	12	10	9	21	54.5
Perceived affordability and impulse buying						
Small BNPL instalments make products feel more affordable	5	5	10	16	19	63.6
Seeing the instalment amount reduces my purchase hesitation	3	9	8	15	20	63.6
Instalments make me more comfortable with unplanned purchases	3	9	11	16	16	58.2
Smaller BNPL payments make impulse purchases more attractive	2	7	11	14	21	63.6
BNPL and spending patterns						
I spend more with BNPL than with full payment	5	6	15	13	16	52.7
BNPL encourages me to purchase more frequently	5	11	7	14	17	57.4
BNPL has increased my online spending	2	8	13	14	18	58.2
BNPL has influenced my overall spending behaviour	3	9	12	13	18	56.4

SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree. Percentages are calculated as frequency ÷ 55 (÷ 54 for “BNPL encourages me to purchase more frequently”, as one respondent did not answer).

Factors influencing BNPL usage. Flexible repayment was the most common response, agreed to by 61.8%, followed by smaller instalments with 58.2%. Discounts and cashback (45.5%) and convenience (43.6%) were agreed to by fewer than half of the respondents, with 25.5% and 29.1% staying neutral. Therefore, how the repayment is arranged matters more to most respondents than the offers around it.

Unplanned purchases. More than half of the respondents agreed that BNPL makes them more likely to buy spontaneously (56.4%) and immediately (54.5%), and that it reduces their hesitation to make unplanned purchases (54.5%). Actually having bought unplanned products using BNPL was reported by 47.3%, while 21.8% were neutral. Therefore, BNPL appears to lower the barrier to unplanned buying for many respondents.

Perceived affordability and impulse buying. Agreement was high on all four statements. Smaller BNPL payments making impulse purchases more attractive, small instalments making products feel more affordable and seeing the instalment amount reducing hesitation each received the agreement of 63.6%. Instalments making respondents comfortable with unplanned purchases followed with 58.2%. Therefore, seeing a small instalment instead of the full price clearly changes how affordable a product feels.

BNPL and spending patterns. Over half of the respondents agreed with every statement. BNPL increasing online spending was supported by 58.2%, encouraging more frequent purchases by 57.4%, influencing overall spending behaviour by 56.4%, and spending more with BNPL than with full payment by 52.7%. Therefore, it can be said that many respondents feel BNPL has pushed their spending up.

5.3 Pearson correlation: BNPL usage and unplanned purchasing

H₀: There is no significant relationship between BNPL usage and unplanned purchasing among young adults.

H₁: There is a significant relationship between BNPL usage and unplanned purchasing among young adults.

Table 3: Correlation between frequency of BNPL usage and unplanned purchasing

Unplanned purchasing statement	Pearson r	Sig. (2-tailed)	N
I have bought unplanned products using BNPL	0.286	0.034	55
BNPL makes me more likely to buy immediately	0.213	0.118	55
BNPL makes me more likely to buy spontaneously	0.253	0.062	55
BNPL reduces my hesitation to make unplanned purchases	0.233	0.087	55

The frequency of BNPL usage is positively related to all four statements, but the relationship is statistically significant only for having bought unplanned products ($r = 0.286$, $p = 0.034$), where it is weak. For this statement the null hypothesis is rejected. For the other three statements the significance values (0.118, 0.062 and 0.087) are above 0.05, so the null hypothesis is not rejected. Respondents who use BNPL more often are therefore more likely to have bought unplanned products, while the evidence on immediate buying, spontaneous buying and reduced hesitation is not strong enough in this sample.

5.4 Regression analysis: BNPL usage and spending patterns

H₀: The frequency of BNPL usage has no significant effect on the spending patterns of young adults.

H₁: The frequency of BNPL usage has a significant effect on the spending patterns of young adults.

Table 4: Regression of spending patterns on frequency of BNPL usage

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.54	1	6.54	5.49	0.023
Residual	63.11	53	1.19		
Total	69.64	54			

Variable	B	Std. Error	Beta	t	Sig.
(Constant)	2.87	0.34		8.50	0.000
Frequency of BNPL usage	0.28	0.12	0.31	2.34	0.023

The model gives $R = 0.31$, $R^2 = 0.09$ and adjusted $R^2 = 0.08$. The F-value of 5.49 has a significance value of 0.023, which is below 0.05, so the null hypothesis is rejected. The frequency of BNPL usage therefore has a significant positive effect on spending patterns ($B = 0.28$), which can be written as Spending Score = $2.87 + 0.28 \times \text{Frequency of BNPL usage}$. However, only about 9% of the variation in spending is explained, so other factors also matter.

5.5 Weighted average analysis: factors influencing BNPL usage

Table 5: Weighted average analysis of the factors influencing BNPL usage

Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)	Weighted Total	Weighted Average (Rank)
Smaller instalments encourage me	4	8	11	14	18	199	3.62 (1)
Flexible repayment influences my usage	2	8	11	22	12	199	3.62 (1)
Discounts and cashback encourage me	3	13	14	21	4	175	3.18 (3)
BNPL convenience influences my decision	4	11	16	20	4	174	3.16 (4)

Weighted total = $\Sigma(\text{frequency} \times \text{weight})$, with weights 1–5 for SD–SA. Weighted average = weighted total $\div$ 55.

Smaller instalments and flexible repayment had the highest weighted average (3.62 each) and share the first rank, followed by discounts and cashback (3.18) and convenience (3.16). All four averages are above the scale midpoint of 3, suggesting that every factor has some influence, but it is strongest for the instalment structure and repayment flexibility.

6. FINDINGS

1. The study's sample was composed of 55 young adults who had used BNPL. The largest group represents respondents aged 21–23 (49.1%); 58.2% were female and 41.8% were male, and 56.4% were students and 34.5% were working professionals.
2. 47.3% of the respondents had a monthly income or allowance below Rs. 10,000, while 32.7% had above Rs. 50,000.
3. BNPL was mostly an occasional habit, with 52.7% using it rarely or very rarely and only 21.8% using it frequently or very frequently.

4. Flexible repayment (61.8%) and smaller instalments (58.2%) drew the highest agreement as reasons for using BNPL, and they shared the highest weighted average (3.62), ahead of discounts and cashback (3.18) and convenience (3.16).
5. 54.5% agreed that BNPL makes them more likely to buy immediately, 56.4% spontaneously, and 54.5% that it reduces their hesitation; 47.3% said they had bought unplanned products using BNPL.
6. 63.6% agreed that small instalments make products feel more affordable and that smaller payments make impulse purchases more attractive, and 58.2% felt more comfortable with unplanned purchases because of instalments.
7. 52.7% spend more with BNPL than with full payment, 57.4% buy more frequently, and 58.2% reported higher online spending.
8. The frequency of BNPL usage was weakly but significantly correlated with having bought unplanned products ($r = 0.286$, $p = 0.034$); the other three unplanned-purchase statements were positively but not significantly correlated.
9. The frequency of BNPL usage had a significant effect on spending patterns ($F = 5.49$, $p = 0.023$), but it explained only about 9% of the variation in spending.

7. SUGGESTIONS

1. Many respondents are drawn by small instalments, so providers should show the total amount payable, the number of instalments and any charges clearly before a purchase is confirmed.
2. Flexible repayment is a strong attraction, but providers should send due-date reminders so that flexibility does not turn into missed payments.
3. Since many respondents agreed that BNPL makes them buy more spontaneously, providers can offer spending limits and usage summaries, especially for frequent users.
4. Nearly half of the respondents have a monthly income or allowance below Rs. 10,000, so simple affordability checks and sensible credit limits are advisable for young and low-income users.
5. Discounts and cashback were less influential than instalments, so providers should not rely on offers alone and should avoid pushing users towards unplanned purchases.
6. Young adults should keep BNPL for planned purchases and check how much they already owe before using it again.
7. Colleges and FinTech companies should run awareness programmes on budgeting and credit, especially for students, who formed the largest group of users.

8. CONCLUSION

This study aimed to determine the impact of BNPL services on the spending behaviour of young adults. The data were collected from 55 young adults who had used BNPL, and the results reveal that the frequency of BNPL usage is positively related to buying unplanned products and has a significant effect on spending patterns. The respondents were drawn mainly by smaller instalments and flexible repayment, with moderate weighted averages of 3.16 to 3.62 across the four factors, and they felt that small instalments make products and impulse purchases seem more affordable.

To put it shortly, BNPL does not turn every user into a heavy spender, but it does lower the hesitation that normally comes before buying. Thus, providers who show clear terms, set sensible limits and use offers responsibly, and young adults who keep BNPL for planned purchases, can enjoy its convenience without drifting into overspending.

9. LIMITATIONS OF THE STUDY

- Snowball sampling was used, which relies on the respondents' own networks, and the sample of 55 BNPL users is small, so the results cannot be generalized widely.
- The results represent the opinions expressed by the respondents, whereas their actual spending behaviour might vary.
- The study considered the factors instalments, flexible repayment, discounts and cashback, and convenience, and did not compare BNPL with other payment or credit options.
- Factors such as income, financial literacy, lifestyle and personal financial commitments may also affect spending but were not examined in detail.

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