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Understanding Consumers' Perception Towards Buy Now Pay Later (BNPL) Services: Evidence from Ahmedabad, India

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Abstract

The rapid advancement of financial technology (FinTech) has fundamentally transformed payment ecosystems across the world, giving rise to innovative credit solutions such as Buy Now Pay Later (BNPL). By allowing consumers to purchase products immediately while deferring payments through short-term instalments, BNPL has emerged as a popular alternative to traditional credit cards, particularly among digitally active consumers. Although the adoption of BNPL services has accelerated significantly in India following the COVID-19 pandemic, empirical evidence examining consumers' perception of BNPL in emerging markets remains limited. This study investigates consumers' awareness, adoption behaviour, influencing factors, and perceptions towards BNPL services in Ahmedabad, India. A descriptive research design was employed using primary data collected from 197 BNPL users through a structured questionnaire. Convenience sampling was adopted for data collection, while Statistical Package for the Social Sciences (SPSS) and Microsoft Excel were used for descriptive statistics, cross-tabulation, chi-square analysis, and one-sample t-tests. The findings reveal that payment flexibility, interest-free instalments, and short-term financial convenience are the principal motivations influencing BNPL adoption. Social media, financial technology companies, and word-of-mouth communication emerged as the dominant awareness channels. The study further indicates that consumers demonstrate strong confidence in BNPL services as an effective financial management tool while expressing concerns regarding data security and repayment obligations. Hypothesis testing confirms that age does not significantly influence preferences regarding financial flexibility features offered by BNPL services. The study contributes to the growing literature on FinTech adoption by providing empirical evidence from an Indian metropolitan market and offers practical implications for fintech companies, retailers, financial institutions, and policymakers. The findings suggest that improving transparency, strengthening cybersecurity measures, and enhancing consumer financial literacy are essential for sustaining responsible BNPL adoption in emerging economies.

Keywords: Buy Now Pay Later, BNPL, Financial Technology, Consumer Behaviour, Digital Payments, Financial Flexibility, FinTech, India

1. Introduction

The digital transformation of financial services has reshaped the global payment ecosystem over the past decade. Advances in financial technology (FinTech), rapid smartphone penetration, widespread internet accessibility, and the expansion of digital commerce have significantly altered the manner in which consumers interact with financial products and payment systems. Among the numerous innovations introduced within the FinTech ecosystem, Buy Now Pay Later (BNPL) has emerged as one of the fastest-growing consumer financing models. Unlike conventional credit cards or personal loans, BNPL enables consumers to purchase goods or services immediately while distributing the payment across multiple instalments, often without charging interest if repayments are completed within the stipulated period.

Globally, BNPL has experienced unprecedented growth due to changing consumer preferences for flexible payment mechanisms and frictionless digital transactions. Major international providers such as Klarna, Afterpay, Affirm, Zip, and PayPal have transformed the retail credit landscape by integrating embedded financing directly into online shopping platforms. The popularity of BNPL accelerated considerably during the COVID-19 pandemic, when lockdowns stimulated electronic commerce and increased consumer dependence on digital financial services. Consequently, retailers increasingly adopted BNPL solutions to improve customer acquisition, increase average order values, and reduce cart abandonment rates.

The Indian financial services sector has experienced a similar transformation. Government initiatives such as Digital India, Unified Payments Interface (UPI), Aadhaar-enabled financial inclusion, increasing smartphone usage, and favourable regulatory support have accelerated the country's transition towards a digitally integrated economy. Alongside these developments, numerous FinTech companies, including Simpl, LazyPay, ZestMoney, Paytm Postpaid, Amazon Pay Later, and Bajaj Finserv EMI Network, have introduced BNPL solutions designed to provide short-term credit with minimal documentation and instant approval processes. These innovations have expanded credit accessibility, particularly among young professionals, salaried employees, self-employed individuals, and first-time borrowers who traditionally lacked access to formal credit systems.

The increasing popularity of BNPL is primarily attributed to several consumer-centric advantages, including flexible repayment schedules, interest-free instalments, simplified approval procedures, instant digital onboarding, and seamless integration with e-commerce platforms. Unlike traditional lending products that often require extensive credit assessment procedures, BNPL services emphasize convenience, speed, and accessibility, making them particularly attractive for digitally engaged consumers. From the retailer's perspective, BNPL has become an effective marketing tool capable of stimulating impulse purchases, increasing conversion rates, improving customer retention, and enhancing overall shopping experiences.

Despite these advantages, the rapid expansion of BNPL has raised important concerns among regulators, policymakers, financial institutions, and consumer advocacy groups. The convenience associated with deferred payments may encourage excessive consumption, impulsive purchasing behaviour, and unsustainable borrowing patterns. Limited awareness regarding repayment obligations, hidden charges, late payment penalties, and data privacy risks may expose consumers to financial distress. Furthermore, the absence of comprehensive regulatory frameworks governing BNPL services in several developing economies creates additional challenges relating to responsible lending practices, consumer protection, and credit risk management.

Existing literature has extensively examined various dimensions of BNPL adoption, including consumer behaviour, financial literacy, impulse buying, technology acceptance, financial well-being, and regulatory implications. Studies consistently demonstrate that convenience, perceived usefulness, payment flexibility, and ease of use positively influence consumers' intention to adopt BNPL services. Conversely, concerns regarding financial literacy, debt accumulation, privacy, and inadequate regulatory oversight negatively affect long-term consumer confidence. Although international literature on BNPL has expanded substantially during recent years, empirical evidence focusing on Indian consumers remains relatively limited. More importantly, studies examining consumer perception at the city level are scarce, particularly in rapidly urbanising markets such as Ahmedabad, where digital payment adoption has accelerated significantly following the pandemic.

Ahmedabad represents an appropriate setting for investigating BNPL adoption due to its rapidly growing digital economy, expanding middle-income population, increasing smartphone penetration, and vibrant retail ecosystem. Understanding consumer perception in such regional markets provides valuable insights into the behavioural drivers influencing BNPL adoption beyond national-level statistics. These insights are essential for financial institutions, FinTech companies, merchants, and regulators seeking to develop consumer-centric digital credit products while promoting responsible borrowing practices.

Accordingly, this study investigates consumers' awareness, perception, and adoption behaviour towards Buy Now Pay Later services among users in Ahmedabad city. Specifically, the research examines the level of awareness regarding BNPL services, identifies the factors influencing adoption decisions, evaluates consumer perceptions regarding financial flexibility and convenience, and analyses whether demographic variables significantly influence user preferences. By integrating empirical findings with the broader literature on FinTech adoption and consumer financial behaviour, the study contributes to the emerging body of knowledge on digital credit services in India.

The findings provide meaningful theoretical and practical contributions. Theoretically, the study enriches existing literature on consumer adoption of FinTech-enabled credit services in emerging markets. Practically, it offers actionable insights for BNPL providers, financial institutions, retailers, and policymakers to improve product design, enhance customer trust, strengthen financial literacy initiatives, and formulate appropriate regulatory policies that ensure sustainable growth of the BNPL ecosystem.

2. Literature Review

2.1 Introduction

The rapid evolution of Financial Technology (FinTech) has fundamentally transformed the global financial services industry by introducing innovative payment and credit mechanisms that enhance financial accessibility and consumer convenience. Among these innovations, Buy Now Pay Later (BNPL) has emerged as one of the fastest-growing digital credit solutions, allowing consumers to purchase goods and services immediately while deferring payments through interest-free or low-cost instalments (Murugesan & Chitra, 2024; Wortmann & Lippold, 2023; Berg et al., 2024). Unlike conventional consumer credit products, BNPL combines the convenience of digital payments with short-term financing, making it particularly attractive to younger consumers and digitally connected populations (Powell et al., 2023; Raja et al., 2023; Dadra et al., 2024). The rapid growth of BNPL has generated considerable academic interest across disciplines, including consumer behaviour, financial technology, behavioural finance, marketing, and banking, leading researchers to investigate factors influencing adoption, financial literacy, impulsive buying, trust, financial well-being, and regulatory challenges (Kiran & Mishra, 2024; Gerrans et al., 2021; Machura-Urbaniak & Lupinu, 2023).

2.2 Evolution of Buy Now Pay Later Services

The emergence of BNPL represents a significant transformation in digital consumer finance by integrating credit directly into online and offline purchasing experiences. Unlike traditional credit cards that often involve complex approval procedures, annual fees, and revolving interest charges, BNPL services offer simplified onboarding, instant credit assessment, flexible repayment schedules, and seamless integration with e-commerce platforms (Murugesan & Chitra, 2024; Wortmann & Lippold, 2023; Kothwal, 2023). The expansion of smartphones, digital wallets, cloud computing, and artificial intelligence has further accelerated the adoption of BNPL across developed and emerging economies (Nathani et al., 2022; Kumar et al., 2024).

In India, government initiatives such as Digital India, Unified Payments Interface (UPI), Aadhaar-enabled financial services, and increasing smartphone penetration have significantly contributed to the expansion of digital credit ecosystems (Murugesan & Chitra, 2024; Bhatia et al., 2023). FinTech firms including Simpl, LazyPay, ZestMoney, Amazon Pay Later, and Paytm Postpaid have introduced embedded credit solutions that target consumers seeking instant financing without the procedural complexities associated with traditional lending (Kothwal, 2023; Gogoi & Baruah, 2024). Similarly, international studies have demonstrated that BNPL has substantially increased retail sales, expanded access to underserved consumers, and enhanced financial inclusion while simultaneously improving merchant revenues (Berg et al., 2024; Bian et al., 2024; Kumar et al., 2024).

2.3 Consumer Adoption of BNPL Services

Consumer adoption has emerged as one of the most extensively investigated themes within BNPL literature. Existing research consistently demonstrates that perceived usefulness, convenience, ease of use, trust, payment flexibility, and technological accessibility significantly influence consumers' intention to adopt BNPL services (Raja et al., 2023; Dadra et al., 2024; Osman et al., 2024).

Drawing upon the Theory of Planned Behaviour (TPB), Raja et al. (2023) found that attitude, subjective norms, and perceived behavioural control significantly predict consumers' behavioural intention to use BNPL services.

Their findings further indicate that trust partially mediates the relationship between privacy concerns and adoption behaviour, suggesting that consumers are more willing to adopt BNPL when they perceive providers as trustworthy and secure. Similarly, Dadra et al. (2024), using the Unified Theory of Acceptance and Use of Technology (UTAUT), concluded that performance expectancy, effort expectancy, payment flexibility, and perceived usefulness significantly enhance consumers' adoption intentions. Osman et al. (2024) further observed that behavioural factors such as self-efficacy, money management skills, perceived behavioural control, and moral obligation positively influence Generation Z's willingness to adopt BNPL services.

International evidence supports these findings. Waliszewski et al. (2024) identified education, income, gender, personal innovativeness, and previous experience with digital lending technologies as significant determinants of BNPL adoption. Likewise, Powell et al. (2023) demonstrated that younger consumers are substantially more likely to adopt BNPL due to their familiarity with digital payment ecosystems and preference for flexible financing arrangements.

2.4 Financial Flexibility and Consumer Convenience

Financial flexibility has consistently been identified as one of the strongest determinants of BNPL adoption across international markets. Consumers perceive BNPL as an effective mechanism for managing temporary cash flow constraints while avoiding the financial burden associated with conventional consumer credit (Murugesan & Chitra, 2024; Nusrathunnisa & Chinnaiyan, 2024; Powell et al., 2023).

Several empirical studies have found that payment flexibility significantly improves consumers' purchasing confidence and increases their willingness to complete online transactions (Berg et al., 2024; Kumar et al., 2024). Interest-free instalments, deferred payments, and simplified repayment schedules reduce consumers' perceived financial burden and improve affordability, particularly among middle-income households and younger consumers (Ashby, 2019; Bian et al., 2024). Furthermore, BNPL enables consumers to preserve liquidity while simultaneously acquiring essential and discretionary goods, thereby supporting better short-term financial management (Murugesan & Chitra, 2024; Gerrans et al., 2021).

However, several researchers caution that excessive dependence on payment flexibility may encourage irresponsible borrowing behaviour. Guttman-Kenney et al. (2023) argued that consumers often refinance BNPL obligations using credit cards, thereby increasing long-term indebtedness. Similarly, Gebeyehu and Mavridis (2023) suggested that although BNPL enhances purchasing flexibility, inadequate repayment planning may negatively affect household financial stability.

Despite the increasing scholarly attention devoted to Buy Now Pay Later (BNPL) services, the existing literature remains fragmented in terms of geographical coverage, conceptual scope, and methodological approaches. Most studies have examined isolated aspects of BNPL, such as technology adoption, financial literacy, impulse buying, or regulatory issues, without providing a comprehensive understanding of consumers' overall perceptions in emerging markets. Moreover, limited empirical evidence is available from India, particularly at the regional level, where socio-economic characteristics, digital payment adoption, and consumer credit behaviour may differ substantially from those in developed economies. Addressing these gaps, the present study investigates consumers' awareness, perceptions, and adoption of BNPL services in Ahmedabad by integrating multiple dimensions, including financial flexibility, convenience, trust, awareness channels, and demographic influences within a single analytical framework. By generating empirical evidence from a rapidly growing urban market, this study contributes to the literature on FinTech and consumer finance while offering practical insights for financial institutions, FinTech providers, retailers, and policymakers to promote responsible and sustainable adoption of BNPL services.

This study employed a **quantitative research approach** using a **descriptive research design** to examine consumers' perceptions towards Buy Now Pay Later (BNPL) services in Ahmedabad, Gujarat. A descriptive design was considered appropriate as it enables the systematic collection and analysis of data to describe consumers' awareness, adoption behaviour, perceptions, and factors influencing the use of BNPL services without manipulating the study environment (Saunders et al., 2019). The study followed a **deductive research approach**, whereby the research objectives and hypotheses were developed based on existing literature related to consumer behaviour, financial technology (FinTech), and digital payment adoption. The primary objective of the study was to examine consumers' perception towards BNPL services, while the specific objectives were **(i)** to assess consumers' awareness of BNPL services, **(ii)** to identify the factors influencing the adoption of BNPL services, **(iii)** to analyse consumers' perceptions regarding the convenience, financial flexibility, trust, and security associated with BNPL services, and **(iv)** to examine the association between selected demographic variables and consumers' preferences for BNPL services.

The study was conducted in **Ahmedabad, Gujarat**, which was selected because of its rapidly expanding digital payment ecosystem, increasing smartphone penetration, growing e-commerce activities, and widespread adoption of FinTech-based financial services. The **target population** comprised consumers residing in Ahmedabad who were aware of or had used Buy Now Pay Later services. Since no comprehensive database of BNPL users was available, a **non-probability convenience sampling technique** was adopted to identify respondents who met the study criteria. The **sampling frame** therefore consisted of consumers who were accessible through online and offline survey administration and who possessed prior awareness or usage experience of BNPL services. A total of **197 valid responses** were collected and included in the final analysis, which was considered adequate for conducting descriptive and inferential statistical analyses (Hair et al., 2019).

The study utilized both **primary and secondary sources of data**. Primary data were collected through a structured questionnaire developed after an extensive review of the relevant literature on BNPL adoption, consumer behaviour, and FinTech (Raja et al., 2023; Murugesan & Chitra, 2024; Dadra et al., 2024). The questionnaire comprised five sections covering respondents' demographic characteristics, awareness of BNPL services, usage behaviour, factors influencing adoption, and perceptions regarding convenience, financial flexibility, trust, security, and future usage intentions. Consumer perceptions were measured using a **five-point Likert scale**, ranging from **1 (Strongly Disagree)** to **5 (Strongly Agree)**. Secondary data were collected from peer-reviewed journal articles, books, conference proceedings, reports published by the Reserve Bank of India (RBI), industry reports, and publications from reputable consulting firms and FinTech organizations to establish the theoretical foundation and support the interpretation of findings.

To ensure the quality of the research instrument, **content validity** was established through a comprehensive review of existing literature and consultation of previously validated measurement scales used in studies on digital payment systems and consumer financial behaviour. The questionnaire was reviewed to ensure clarity, relevance, and logical sequencing of questions. The internal consistency of the measurement instrument was assessed using **Cronbach's Alpha**, where a coefficient value of **0.70 or higher** was considered indicative of acceptable reliability for social science research (Hair et al., 2019).

The collected data were coded, tabulated, and analysed using **Statistical Package for the Social Sciences (SPSS) Version 26** and **Microsoft Excel**. Descriptive statistical techniques, including frequency distributions, percentages, means, and standard deviations, were employed to summarise respondents' demographic characteristics, awareness levels, and perceptions towards BNPL services. Inferential statistical techniques were subsequently applied to test the proposed hypotheses. Specifically, **cross-tabulation and Chi-square tests** were used to examine the association between demographic characteristics and respondents' preferences for financial flexibility features offered by BNPL services, while a **One-Sample t-test** was employed to evaluate whether respondents exhibited a statistically significant positive perception towards the overall benefits of BNPL services. The hypotheses tested in the study were: **H_{01}:** There is no significant association between respondents' age and their preferred financial flexibility feature offered by BNPL services; **H_{11}:** There is a significant association between respondents' age and their preferred financial flexibility feature offered by BNPL services; **H_{02}:** Consumers do not exhibit a significant positive perception towards the overall benefits offered by BNPL services; and **H_{12}:** Consumers exhibit a significant positive perception towards the overall benefits offered by BNPL services. Ethical considerations were maintained throughout the research process. Participation in the survey was entirely voluntary, and respondents were informed about the purpose of the study before completing the questionnaire. The anonymity and confidentiality of participants were assured, and no personally identifiable information was collected. All responses were used solely for academic purposes and analysed in aggregate form. Respondents were also informed of their right to withdraw from the survey at any stage without any obligation. The methodological framework adopted in this study provides a systematic and reliable basis for examining consumers' perceptions towards Buy Now Pay Later services and supports the validity of the empirical findings presented in the subsequent sections.

4. Analysis and Findings

This chapter presents the empirical findings of the study based on the responses collected from **197 consumers** residing in Ahmedabad who were aware of or had used Buy Now Pay Later (BNPL) services. The analysis aims to address the research objectives by examining respondents' demographic characteristics, awareness levels, usage behaviour, factors influencing BNPL adoption, consumer perceptions, and hypothesis testing. Descriptive statistical techniques, including frequencies, percentages, mean scores, and cross-tabulations, were employed to summarize the data, while inferential statistical techniques, namely the Chi-square test and One-Sample t-test, were used to test the proposed hypotheses. The findings are interpreted in light of previous empirical studies to provide meaningful insights into consumer behaviour towards BNPL services.

4.1 Demographic Profile of Respondents

The demographic analysis indicates that the sample comprised respondents from diverse age groups, educational qualifications, occupations, and income categories, thereby providing a representative overview of urban consumers' perceptions towards BNPL services. The majority of respondents belonged to the economically productive age group, suggesting that younger and middle-aged consumers constitute the primary users of digital financial services. This finding is consistent with previous studies, which reported that digitally literate consumers demonstrate greater willingness to adopt innovative financial products due to their familiarity with online shopping, mobile banking, and digital payment platforms (Powell et al., 2023; Waliszewski et al., 2024; Murugesan & Chitra, 2024).

The educational profile revealed that most respondents possessed undergraduate or postgraduate qualifications, indicating a relatively high level of digital awareness and financial literacy among BNPL users. Similarly, respondents represented diverse occupational groups, including salaried employees, self-employed individuals, business owners, and students, suggesting that BNPL adoption extends beyond a single occupational segment. These findings support the observations of Raja et al. (2023) and Dadra et al. (2024), who concluded that education and employment significantly influence consumers' acceptance of FinTech-enabled financial products.

Overall, the demographic profile indicates that BNPL services have gained acceptance among economically active and digitally connected consumers, highlighting the increasing integration of embedded finance within everyday purchasing decisions.

4.2 Awareness of Buy Now Pay Later Services

The analysis reveals that respondents demonstrated a high level of awareness regarding BNPL services. Digital media, social networking platforms, online shopping websites, FinTech applications, and recommendations from friends and family emerged as the primary sources through which consumers became familiar with BNPL services. The widespread availability of BNPL options across major e-commerce platforms has significantly enhanced consumer awareness and acceptance of deferred payment mechanisms.

The findings indicate that digital communication channels have become the most influential medium for promoting innovative financial services. This observation corroborates the findings of Murugesan and Chitra (2024), Gogoi and Baruah (2024), and Kumar et al. (2024), who reported that increasing internet penetration and social media marketing have substantially accelerated consumer awareness of FinTech products in emerging economies. Similarly, Berg et al. (2024) argued that integrating BNPL facilities directly into online retail platforms improves product visibility and increases consumer engagement.

The increasing awareness observed among respondents reflects the rapid digitalization of India's financial ecosystem and suggests that technology-enabled communication has become an effective tool for promoting alternative consumer financing solutions.

4.3 Usage Behaviour of BNPL Services

The findings indicate that respondents primarily utilized BNPL services for online purchases, including electronics, fashion products, lifestyle goods, and household items. The convenience of splitting payments into manageable instalments without immediate financial burden emerged as one of the principal reasons for choosing BNPL over conventional payment methods.

Consumers also perceived BNPL as an effective mechanism for managing temporary cash-flow requirements while avoiding interest-bearing credit products. These findings are consistent with the work of Bian et al. (2024), Kumar et al. (2024), and Berg et al. (2024), who observed that BNPL increases purchasing power while simultaneously improving consumers' financial flexibility.

Furthermore, respondents indicated that the simplicity of the application process, instant approval, and minimal documentation significantly influenced their continued use of BNPL services. These findings reinforce the argument that technological convenience and seamless digital integration have become major determinants of FinTech adoption (Dadra et al., 2024; Raja et al., 2023).

4.4 Factors Influencing the Adoption of BNPL Services

The descriptive analysis identified **financial flexibility, convenience, interest-free instalments, instant approval, simplified documentation, and ease of repayment** as the major factors encouraging consumers to adopt BNPL services. Respondents viewed BNPL as a practical financial tool that enables them to purchase products immediately while distributing payment obligations over a short period.

The findings support previous empirical studies demonstrating that payment flexibility and perceived usefulness significantly influence consumers' behavioural intention towards BNPL adoption (Raja et al., 2023; Dadra et al., 2024; Osman et al., 2024). Similarly, Murugesan and Chitra (2024) observed that consumers increasingly prefer deferred payment facilities because they improve short-term liquidity management without requiring traditional credit card ownership.

Interestingly, respondents also considered ease of access and quick approval procedures more important than conventional lending features such as lengthy documentation and formal credit assessment. These findings demonstrate the growing importance of customer convenience within digital financial services and highlight the competitive advantage of embedded finance solutions.

4.5 Consumer Perception Towards BNPL Services

The analysis of respondents' perceptions indicates an overall positive attitude towards BNPL services. Consumers generally agreed that BNPL enhances purchasing convenience, improves financial flexibility, and facilitates better cash-flow management. High agreement levels regarding ease of use and affordability suggest that respondents perceive BNPL as a useful financial innovation that simplifies purchasing decisions.

However, respondents simultaneously expressed concerns regarding data privacy, repayment obligations, overspending, and the possibility of accumulating multiple outstanding instalments. These concerns indicate that although consumers appreciate the functional benefits of BNPL services, they remain cautious about responsible borrowing and financial discipline.

These findings are consistent with those reported by Guttman-Kenney et al. (2023), Gebeyehu and Mavridis (2023), and Machura-Urbaniak and Lupinu (2023), who argued that deferred payment mechanisms may encourage excessive consumption if consumers fail to evaluate their repayment capacity appropriately. Conversely, Raja et al. (2023) and Dadra et al. (2024) demonstrated that consumers exhibiting higher trust in BNPL providers are more likely to continue using such services despite concerns regarding digital privacy.

Overall, the findings suggest that consumer perception towards BNPL services is largely favourable, although maintaining consumer trust through transparent policies, effective customer support, and robust cybersecurity measures remains essential for sustainable adoption.

4.6 Hypothesis Testing

Hypothesis 1

H_{01}: There is no significant association between respondents' age and their preferred financial flexibility feature offered by BNPL services.

To examine the relationship between respondents' age and their preferred financial flexibility feature, a Chi-square test of independence was conducted. The statistical analysis indicated that the calculated **p-value was greater than the 0.05 significance level**, suggesting that no statistically significant association exists between age and respondents' preferred financial flexibility feature. Consequently, the null hypothesis (**H_{01}**) was accepted.

The findings imply that consumers across different age groups demonstrate similar preferences regarding the financial flexibility offered by BNPL services. Deferred payment options, instalment facilities, and improved cash-flow management appear to be universally attractive irrespective of respondents' age. This observation partially contrasts with previous international studies that reported stronger age-related differences in digital credit adoption (Powell et al., 2023; Waliszewski et al., 2024), indicating that BNPL services may have achieved broader acceptance across demographic segments within the Indian market.

Hypothesis 2

H_{02}: Consumers do not exhibit a significant positive perception towards the benefits offered by BNPL services.

A One-Sample t-test was performed to evaluate respondents' overall perception towards BNPL services. The results revealed that the calculated **significance value was less than 0.05**, indicating that respondents exhibited a statistically significant positive perception regarding the benefits offered by BNPL services. Accordingly, the null hypothesis (**H_{02}**) was rejected, and the alternative hypothesis (**H_{12}**) was accepted.

The findings confirm that consumers perceive BNPL services as beneficial because they provide convenience, affordability, payment flexibility, and ease of access. These results are consistent with the findings of Berg et al. (2024), Raja et al. (2023), Dadra et al. (2024), and Murugesan and Chitra (2024), who concluded that positive consumer perceptions significantly enhance continued usage intentions and customer satisfaction.

4.7 Discussion of Findings

The empirical findings demonstrate that Buy Now Pay Later services have become an increasingly important component of India's evolving digital financial ecosystem. Consumers primarily adopt BNPL because of its flexibility, convenience, and seamless integration with online shopping platforms. The growing influence of digital marketing, FinTech applications, and e-commerce ecosystems has significantly improved consumer awareness and acceptance of deferred payment solutions.

Although respondents expressed favourable opinions regarding BNPL services, concerns relating to overspending, financial discipline, and information security remain evident. These findings suggest that sustainable growth of the BNPL industry requires balancing technological innovation with responsible lending practices, transparent disclosure policies, and enhanced consumer financial literacy. Financial institutions, FinTech providers, and regulators should therefore focus on strengthening consumer education programmes, improving cybersecurity frameworks, and promoting responsible credit behaviour to ensure long-term sustainability of the BNPL ecosystem.

Overall, the findings indicate that BNPL services are increasingly perceived as a convenient and flexible financial instrument among urban Indian consumers. The study contributes to the growing literature on digital consumer finance by providing empirical evidence from Ahmedabad and offers practical insights for FinTech companies, merchants, financial institutions, and policymakers seeking to enhance responsible adoption and customer engagement within the rapidly expanding BNPL market.

6. Managerial Implications

The findings of this study provide several important managerial implications for Buy Now Pay Later (BNPL) providers, financial institutions, retailers, and policymakers operating within the rapidly expanding digital credit ecosystem.

First, payment flexibility emerged as one of the strongest drivers of BNPL adoption. BNPL providers should therefore continue to design repayment plans that are simple, transparent, and customizable according to consumers' short-term cash flow requirements. Flexible instalment options, clear repayment schedules, and interest-free periods can enhance customer satisfaction and encourage repeat usage.

Second, the analysis revealed that word-of-mouth communication and retailer influence play a significant role in consumers' decisions to adopt BNPL services. Consequently, providers should strengthen partnerships with e-commerce platforms, retail chains, and merchants to improve visibility at the point of purchase. Referral programs, customer testimonials, and influencer marketing may further enhance consumer trust and accelerate adoption.

Third, although respondents generally perceived BNPL services positively, concerns regarding data security, repayment obligations, and financial discipline remain evident. FinTech companies should invest in robust cybersecurity infrastructure, transparent privacy policies, and proactive customer support systems. Building consumer trust is particularly important because previous research has demonstrated that trust significantly influences continued usage intentions.

Fourth, the study identified a gap in consumers' understanding of repayment terms and potential charges. Managers should therefore prioritize financial education initiatives, including simplified disclosures, repayment reminders, educational content, and in-app budgeting tools. Enhancing financial literacy can reduce default risk while simultaneously improving long-term customer relationships.

Finally, the absence of a significant association between age and preferred financial flexibility features suggests that BNPL services should not be marketed exclusively to younger consumers. Instead, providers should adopt a broader market strategy that emphasizes universal benefits such as convenience, affordability, security, and ease of payment management across multiple demographic segments.

7. Conclusion

This study examined consumers' awareness, perceptions, and adoption behaviour towards Buy Now Pay Later (BNPL) services among users in Ahmedabad, Gujarat. The findings demonstrate that BNPL services have become an increasingly important component of India's digital financial ecosystem, driven by the growth of e-commerce, smartphone penetration, and FinTech innovation.

The empirical analysis revealed a high level of awareness regarding BNPL services among respondents. Social media platforms, online retailers, FinTech applications, and word-of-mouth communication emerged as the primary channels through which consumers became aware of BNPL offerings. The study further found that payment flexibility, interest-free instalments, convenience, and the absence of upfront payments are the most influential factors encouraging consumers to adopt BNPL services.

Consumers generally exhibited positive perceptions towards BNPL, viewing it as a useful tool for managing short-term financial requirements and improving purchasing convenience. However, concerns relating to data privacy, repayment obligations, overspending, and hidden charges indicate that consumers remain cautious about the long-term financial implications of deferred payment facilities.

Hypothesis testing showed that there is no significant association between age and the preferred financial flexibility feature offered by BNPL services, suggesting that payment flexibility appeals to consumers across different age groups. In contrast, the One-Sample t-test confirmed that consumers hold a statistically significant positive perception towards the benefits provided by BNPL services.

Overall, the study contributes to the growing literature on FinTech adoption and consumer finance in emerging markets by providing localized evidence from Ahmedabad. The findings suggest that the future growth of BNPL services in India will depend not only on technological innovation and convenience but also on consumer trust, financial literacy, responsible lending practices, and effective regulatory oversight. By balancing accessibility with consumer protection, BNPL providers and policymakers can promote sustainable adoption while minimizing the risks associated with excessive borrowing and financial distress.

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