



Financial Discipline in the Age of Buy Now, Pay Later (BNPL) Services: Evidence from Indian States

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Abstract – Purpose – This study examines the impact of Buy Now, Pay Later (BNPL) services on the financial discipline of young adults across Indian states, focusing on impulse buying behaviour and saving habits. **Design/methodology/approach –** A quantitative research design was employed using primary data collected through a structured questionnaire from 200 respondents aged 18–30 years. Statistical techniques including descriptive analysis, reliability testing, correlation, and regression were applied using Jamovi. **Findings –** The results indicate that BNPL usage significantly increases impulse buying behaviour and negatively affects saving habits. Peer influence and social media exposure play a significant role in shaping BNPL adoption and usage intensity. **Research limitations/implications –** The study is limited to a convenience sample and focuses on young adults. Future research may incorporate longitudinal designs, probability sampling, and broader demographic segments. **Practical implications –** The findings highlight the need for financial literacy initiatives, responsible lending practices, and regulatory oversight in digital credit ecosystems. **Originality/value –** This study contributes to the emerging literature on BNPL in India by integrating behavioural finance perspectives with socio-cultural drivers in a multi-state context.

Keywords – Buy Now Pay Later (BNPL); Financial Discipline; Impulse Buying; Saving Behaviour; Peer Influence; Social Media; Young Adults.

I. INTRODUCTION

Background and Context of BNPL in India

India has changed a lot in the ten years. This is because many people now have smartphones and can access the internet. There are also new financial technology ideas. The government has helped with things like Digital India and Unified Payments Interface. They have also made it easier for people to buy things online. All of this has changed the way people pay for things young people, in India. India's digital financial system is different now.

The Digital India plan and Unified Payments Interface have made an impact. E-commerce platforms are also extremely popular. India has seen a lot of changes because of these things. People are buying things in a new way. Buy Now Pay Later services are popular. They let you buy something and pay for it later. You do not have to pay a lot of money when you use Buy Now Pay Later services. Buy Now Pay Later services are available when you are checking out.

Buy Now Pay Later services let people buy things away and pay for them later over a set period. They usually do this by paying a little at a time or all once after a while. Buy Now Pay Later is different from credit cards because it is easy to sign up and get approved. It also works well with stores online and in person. This is why Buy Now Pay Later is so popular with people, students and people who are just starting their careers. They might not be able to get credit cards so Buy Now Pay Later services are a good option for them. Buy Now Pay Later is convenient. That is why people, like it.

The way people buy things in India is changing fast with Buy Now Pay Later. This is because people want things now and they want to live a certain way. More people are shopping online. Using social media. This makes people want to buy things because it is easy. They can get them right away. They also buy things because their friends are buying them. Buy Now Pay Later helps people because they do not have to pay for things away. This makes people think that the things they want are not as expensive as they really are. So, people are more likely to buy things they do not really need. They buy things on impulse, with Buy Now Pay Later. Buy Now Pay Later is making it easier for people to spend money.

Buy Now Pay Later makes it easy for people to buy things now and pay for them later. This can be a thing because it helps people who do not have a lot of money to buy the things they need. The problem is that Buy Now Pay Later can also cause people to spend much money and not save enough. Buy Now Pay Later is when you can buy something and pay for it later. This can be bad for people who're not good at managing their money. It can make it hard for them to make a budget and stick to it. Young people are especially bad at managing their money because they do not have a lot of experience, with it. Buy Now Pay Later can make it even harder for them to learn how to manage their money and save for the future. Buy Now Pay Later can make people forget to save their money and spend much on things they do not need.

In India people usually save their money. Are careful with their finances. Now things are changing and people are spending more money because of the internet and digital payments. This is a change from how people used to think



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about money. The way people buy things on credit like with something called Buy Pay Later is changing how people make financial decisions.

Research Gap

The Buy Pay Later services are getting popular all over the world. When we look at what the academics are saying about Buy Now Pay Later services it is mostly about countries like the United States, the United Kingdom and Australia. They are looking at how people use Buy Pay Later services from different viewpoints like how easy it is to use the technology; how good the marketing is or how risky it is to lend money. These studies are helpful. They do not really apply to countries like India that are still growing. This is because people in India have levels of knowledge about money, different customs, different rules and they behave differently when it comes to buying things. Buy Now Pay Later services are used in ways, in India so we need to understand how they work in this country.

In India we do not have a lot of research on Buy Pay Later services. The research that is available mostly talks about payments or fintech in general. Buy Now Pay services are not given much attention especially when it comes to how they affect people's behaviour. For example, we do not know much about how Buy Now Pay Later services influence adults to spend money without thinking or to save money. Buy Now Pay usage is also not well understood in terms of how it affects financial discipline. Moreover, the research that is available tends to treat all consumers in India as the same, which's not true because people are different in various parts of the country and have different financial situations. Buy Now Pay Later services need to be studied to understand how they affect people, in various parts of India.

There is a gap in the research about Buy Now Pay Later. It is about how people around us and social media affect our use of Buy Pay Later. Our friends and what we see on media have a significant impact on what we buy especially for younger people. Not many studies have looked at how these social things work with Buy Now Pay Later to affect how we make decisions about money in India.

Buy Now Pay Later usage is also affected by who we're, like how old we are, how much money we make and what kind of job we have. Nobody has really investigated how these things affect how much we use Buy Now Pay Later. So, people have done some research before. They have not really looked at how Buy Now Pay Later works with things like how people think about money and the groups they belong to. We need to understand Buy Pay Later financial behaviour. Because of this we do not have information to help the people who make rules and the companies that make financial technology design Buy Now Pay Later systems that are fair and safe for people to use. Buy Now Pay Later should help people get access, to money. It should also protect them.

Addressing these gaps, the present study offers a multi-state empirical analysis of BNPL usage in India, focusing on its impact on impulse buying, saving behaviour, and overall financial discipline. By incorporating peer influence, social media exposure, and demographic characteristics into a unified analytical framework, this study contributes to the emerging literature on digital credit in developing economies and provides policy-relevant insights tailored to the Indian context.

Objectives of the Study

1. To examine the impact of Buy Now, Pay Later (BNPL) services on impulse buying and saving behaviour among young adults in India.
2. To analyse the role of BNPL usage in influencing financial discipline.
3. To investigate how peers influence, social media exposure, and cultural factors shape BNPL usage behaviour across Indian states.

Contributions of the Study

- Provides one of the few multi-state empirical investigations of BNPL usage in India.
- Integrates behavioural finance concepts with socio-cultural influences.
- Offers policy-relevant insights for digital credit regulation and consumer protection.
- Extends BNPL literature to an emerging economy context.

II. REVIEW OF LITERATURE

BNPL and Impulse Buying Behaviour

Impulse buying has been the most frequently cited behavioural consequence of BNPL adoption. Studies repeatedly demonstrate that BNPL decreases the cost of purchases by lowering the psychological price of paying now.

(Alessa & Alabdan, 2025) Ghaida A. Alessa and Rana Alabdan (2025), in their article "The Impact of Buy-Now-Pay-Later (BNPL) Services on Saudi University Students" published in *Advances and Applications in Statistics*, intend to evaluate the impact of BNPL services usage on students' behaviour in making purchases. The research is a quantitative survey-based and uses descriptive statistics. The study includes BNPL consumption, impulse purchases, and purchasing intention and the study indicates that BNPL does not have a major impact on impulse purchases but has a positive effect on students' purchasing intentions.

(Subramaniam & Mehta, 2025) According to Meera Subramaniam and Rahul Mehta (2025), in their published article titled "BNPL Services and Millennial Spending Patterns in India" in the *International Journal of Consumer Studies*, where they aim to study whether BNPL contribute to excessive consumption among young Indians. The



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study uses a mixed-method design through surveys and focus groups, with thematic coding and ANOVA tests utilized. The examination covers financial literacy, BNPL consumption, and impulse purchasing, and the findings indicate that having access to BNPL lessens the financial barrier to buying decisions, diluting control of spending.

(Chatterjee & Arora, 2025) Following Anmol Chatterjee and Ritu Arora (2025) in their article titled "Impulse Buying and BNPL in the Indian E-commerce Market" published in the Journal of Retailing and E-commerce Studies, they aim to establish the relationship between BNPL availability and unplanned spending during online purchases. Quantitative methods through regression analysis are used in this study. The research employs online purchase frequency, BNPL usage, and impulse buying scale, and its findings indicate that BNPL significantly encourages impulse purchase, and thus it is a cause of financial indiscipline.

(Sharma & Nair, 2024) While writing "BNPL, Impulse Buying, and Debt Stress in Indian Youth" in the International Journal of Retail and Consumer Studies, Aditi Sharma and Rajesh Nair (2024) try to relate adoption of BNPL with impulse consumption and debt stress. The study utilizes survey research employing SPSS-based regression analysis. The analysis encompasses BNPL uptake, rate of impulse buying, and symptoms of stress, and the study establishes that while BNPL encourages immediate gratification, it is a real cause of stress and weakened financial restraint among young borrowers.

(Desai & Mukherjee, 2024) In "BNPL and the Emerging Culture of Instant Gratification," an Indian Journal of Youth Studies article, Vikram Desai and Ananya Mukherjee (2024) attempt to explore cultural and behavioural dimensions of BNPL consumption among Indian young adults. The research employs mixed methods involving a mix of focus groups and survey analysis using SPSS. The examination encompasses gratification motives, cultural orientations, and money habits, and the results indicate that BNPL fosters an instant gratification mindset, eroding the saving culture and money discipline. Therefore, impulse purchasing appears as a key mediator between the use of BNPL and money discipline decline.

BNPL and Saving Habits/Financial Discipline

Savings culture is at the core of monetary responsibility. Literature indicates conflicting but predominantly adverse impacts of BNPL uptake on saving and budgeting.

(Kapoor & Gupta, 2025) Neha Kapoor and Sanjay Gupta (2025) assert in their paper entitled "BNPL and the Risk of Over-Indebtedness in Indian Youth" published in the Asian Economic Review that they seek to determine if BNPL leads to debt traps among youth at initial stages. The research employs primary survey data with factor analysis and regression. The analytical treatment of repayment cycles, credit reliance, and pattern of borrowings in the research highlights that adoption of

BNPL has a positive effect on increasing over-indebtedness, especially among those who are not financially literate.

(Islam, Rahman, & Saha, 2024) Md. Aminul Islam, Anisur Rahman, and S. K. Saha (2024), their article titled "BNPL and Youth Debt Management in South Asia" presented in the Asian Journal of Finance & Accounting seeks to assess the impact of BNPL on young consumers' debt discipline. The research is based on surveys and regression, employing SPSS tools. The analysis includes the use of BNPL, repayment conduct, and budgeting, and from the findings, it emerges that people who use BNPL often have a poor record of making repayments in time, reflecting poor financial discipline.

(Mishra & Johri, 2024) As Shruti Mishra and Karan Johri (2024) explain in their paper titled "Does BNPL Weaken the Saving Habit? " That appeared in the Indian Journal of Economic Policy, the purpose of their research is to check if the usage of BNPL relates to the decrease in individual savings amongst young professionals. For their research, they employed a survey-based quantitative method and utilized ANOVA and regression analysis. The analysis includes BNPL frequency, allocation of disposable income, and savings ratio, and the results indicate that BNPL considerably cuts down monthly savings, defeating long-term fiscal prudence.

(Reddy & Kumar, 2024) In accordance with Sneha Reddy and Vinod Kumar (2024), their article entitled "Evaluating BNPL Schemes through a Financial Discipline Lens" from the South Asian Journal of Business and Economics seeks to explore BNPL's influence on financial behaviour among young people in the city. It employs structured questionnaires and structural equation modelling (SEM). Analysis includes budgeting ability, repayment behaviour, and impulse buying, and the results show that BNPL use is negatively associated with budgeting constraint, especially in students and young professionals.

(Kumar & Sharma, 2024) Rakesh Kumar and Priya Sharma (2024) state in their study, "Financial Literacy as a Moderator in BNPL Adoption" in the Indian Journal of Commerce and Management Studies, that they set out to examine if financial awareness decreases risks associated with BNPL among young adults. The research employs a quantitative method with structural equation modelling (SEM). The examination includes financial literacy, awareness of debt, and BNPL repayment practices, and the results indicate that financial literacy moderates the harmful effects of BNPL and enables self-controlled borrowers to handle their duties.

Generally, facts indicate that BNPL replaces saving with short-term consumption and undermines financial security.



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Peer and Social Media Influence

Peer and social media environments are critical drivers of BNPL adoption. Young adults tend to view BNPL as a "norm," generating social pressure to use it.

(Gupta & Sinha, 2025) Anjali Gupta and Rohit Sinha (2025), in their paper titled "Psychological Triggers of BNPL Use among Gen Z" published in Journal of Behavioural Finance, attempt to explore psychological and social determinants of BNPL adoption. The research employs survey-based data collection and regression modelling. The study considers peer pressure, social reputation, and BNPL usage, and the results show that BNPL consumers tend to have a "false sense of affordability," which translates to poor financial control.

(Iyer & Bansal, 2024) Ravi Iyer and Megha Bansal (2024) in writing, "BNPL: A Boon or Bane for College Students?" Published in the Journal of Indian Business Research endeavour to investigate BNPL adoption among students and its influence on financial discipline among them. The work employs structured questionnaires with descriptive statistics as well as chi-square tests for analysis.

The analysis includes BNPL adoption rate, financial knowledge, and spending reasons, and the results indicate that while BNPL guarantees temporary convenience, it diminishes students' capacity to control costs responsibly.

III. THEORETICAL FRAMEWORK AND CONCEPTUAL MODEL

This study is grounded in behavioural finance theory, which suggests that psychological and social factors significantly influence financial decision-making. The proposed conceptual framework posits that BNPL usage directly affects impulse buying and saving behaviour, thereby influencing financial discipline. Peer influence and social media exposure act as antecedents to BNPL adoption, while demographic characteristics such as age, income, and type of employment are treated as control variables.

Peer Influence and Social Media Exposure act as antecedent factors influencing BNPL adoption and intensity of use. Demographic characteristics such as age, income level, and type of employment are incorporated as control variables affecting consumer financial behavior.

Hypotheses Development

H1: BNPL usage has a significant positive effect on impulse buying behaviour among young adults.

H2: BNPL usage has a significant negative effect on saving behaviour among young adults.

H3: Peer influence and social media exposure significantly influence BNPL adoption.

H4: Peer influence and social media exposure mediate the relationship between BNPL usage and impulse buying behaviour.

IV. RESEARCH METHODOLOGY

Research Design

This research employs a quantitative, descriptive, and explanatory research design to research the effect of Buy-Now-Pay-Later (BNPL) services on the financial behaviour of university students systematically.

1. Quantitative Design

The research is based on a quantitative research approach, enabling researchers to quantify and analyse students' attitudes and behaviours. Data were gathered through a structured questionnaire utilizing Likert-scale items. This allowed for measurement of constructs like frequency of BNPL usage, impulse buying tendency, peer pressure, and saving behaviour. Quantitative design was adopted since it guarantees objectivity, allows statistical testing of hypotheses, and permits generalization of results to the larger student population.

2. Descriptive Design

Descriptive part of the research is concerned with charting out the profile and patterns of BNPL usage among university students. Demographic factors like income level, gender, academic year, field of study, and age were summarized to give an initial understanding of the sample. Descriptive statistics like standard deviations, means, frequencies, and percentages were used to determine how ubiquitous BNPL services are, types of purchases they are associated with, and students' perceptions of their convenience. This phase lays the groundwork by describing the "what" and "how much" of BNPL uptake.

3. Explanatory Design

In addition to description, the research includes an explanatory component to examine causal relationships and associations between BNPL uptake and financial behaviours of students. Statistical analysis (e.g., correlation analysis, regression models) was used to analyse how the use of BNPL affects certain financial outcomes.

For example:

Whether frequent use of BNPL is predictive of greater levels of impulse purchases.

- Whether BNPL dependence impacts savings behaviour and financial constraint.
- Whether peer pressure strengthens or mediates BNPL uptake.

This explanatory design shifts the research beyond mere description to examining "why" and "how" BNPL influences student decision-making, thereby providing analytical richness.

Population and Sample

- **Target population:** Indian youth aged 18–30 years, includes students, young professionals, and self-employed workers.
- **Sample size:** 200 respondents.



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- **Sampling Technique:** Non-probability convenience sampling (because of easiness and time limitations), complemented by using Google Forms and personal networks.

Data Analysis Tools

Analysis of the data gathered was done in two supportive software: Microsoft Excel for initial data handling and visualization, and Jamovi for complex statistical analysis. Excel was employed mainly in preparing data as well as descriptive exploration, while Jamovi served as the platform where reliability testing, inferential statistics, and multivariate analysis were carried out. The use of two software ensured accuracy and clarity in presenting findings.

Microsoft Excel

Excel was used as the initial phase of analysis, including data cleaning, organization, and visualization.

1. Data Cleaning

- Incomplete or inconsistent responses were located and omitted to secure the reliability of follow-up analyses.
- Duplicate entries, missing values, and outliers were validated.
- Once cleaned, a finalized dataset was exported for statistical testing.

2. Descriptive Charts and Summaries

- Bar charts and pie charts were created to visually portray demographic variables (e.g., age distribution, gender, academic year).
- Frequency tables were generated for adoption rates of BNPL and purchase categories.
- Charts gave a clear picture of trends in BNPL usage, making the results easier to interpret.

3. Exported Tables for Interpretation

- Summary and cleaned data were organized into neat tables for statistical analysis in Jamovi.
- This allowed for a seamless shift from descriptive exploration within Excel to inferential testing within Jamovi.

Jamovi

Jamovi was used for fundamental statistical analysis, including both reliability checks and hypothesis testing.

1. Reliability Analysis

- Internal consistency of multi-item constructs (impulse buying, savings discipline, peer influence) was estimated with Cronbach's Alpha.
- Values greater than 0.70 were acceptable reliability, so it could be ensured that the items were measuring consistent underlying concepts.

2. Descriptive Statistics

- Means, standard deviations (SD), and frequency distributions were calculated for Likert-scale items.
- These figures gave a picture of central tendencies and variation in students' answers, giving a closer insight into attitudes towards BNPL.

3. Correlation Analysis

- Pearson correlation coefficients were calculated to determine the strength and direction of associations between important variables.
- This included associations between BNPL use, impulse purchasing behaviour, and savings habits.
- Correlation matrices assisted in determining whether greater BNPL take-up is associated with riskier financial practices.

4. Regression Analysis

- Multiple regression models were formulated to explore explanatory hypotheses.
- Dependent Variables (DV): Savings discipline, Impulse buying.
- Independent Variable (IV): BNPL adoption.
- Moderators: Financial literacy (if included) and Peer influence, to test interaction effects.
- Regression outputs gave estimates of the strength of BNPL adoption in predicting financial behaviours.

Definition and Measurement of Variables

- **BNPL Usage:** Frequency and intensity of BNPL transactions.
- **Impulse Buying:** Measured using a Likert-scale based impulse buying scale.
- **Saving Behaviour:** Self-reported changes in savings and budgeting behaviour.
- **Peer and Social Media Influence:** Perceived influence of peers and online platforms on BNPL usage.

IV. DATA ANALYSIS AND RESULTS

Reliability Analysis

Reliability was tested using Cronbach's Alpha for the three constructs (Impulse Buying, Savings Impact, Peer/Social Influence).

Table 5.1: Reliability Statistics

Construct	Number of Items	Cronbach's Alpha	Interpretation
Impulse Buying	8	0.918	Reliable
Savings & Financial Habits	8	0.952	Reliable
Peer/Social Media Influence	8	0.972	Reliable

Source: Author's own calculation based on primary data.



ISSN:3048-7722

Scale Reliability Statistics of Impulse Buying	
	Cronbach's α
scale	0.918

Table 5.1.1 - Scale of Impulse Buying
 Source: Author's own calculation based on primary data.

Scale Reliability Statistics of Savings & Financial Habits	
	Cronbach's α
scale	0.952

Table 5.1.2 – scale of saving and Financial Habits
 Source: Author's own calculation based on primary data.

Scale Reliability Statistics of Peer/Social Media Influence	
	Cronbach's α
scale	0.972

Table 5.1.3 - Scale of Peer/Social media Influence
 Source: Author's own calculation based on primary data.

Reliability Analysis Interpretation

Cronbach's Alpha was employed to estimate survey scales' internal consistency reliability. A score above 0.70 is typically regarded as acceptable, above 0.80 as good, and above 0.90 as excellent (George & Mallery, 2010).

1. Impulse Buying ($\alpha = 0.918$)

- This is excellent reliability.
- The 8 items assessing impulse buying are very consistent with each other, indicating they are assessing the same underlying construct strongly.
- The responses of the subjects to these items are consistent and have little random error.

2. Savings & Financial Habits ($\alpha = 0.952$)

- This is an extremely high value of alpha, indicating extremely high internal consistency.
- The items in this scale all measure consistently students' savings responsibility and monetary management habits.
- High alpha values (above 0.95) will likely reflect sometimes item redundancy—i.e., the questions are wording-wise or content-wise too similar. But it reflects reliability.

3. Social/Medical Peer Influence ($\alpha = 0.972$)

- This scale also reflects extremely high reliability.
- The 8 peer and social media influence items are highly correlated with one another and reflect that they are one construct.
- As in the savings construct, alpha being so high at 1.0 may reflect duplicate items, but reliability is intact.

Overall Interpretation

The three constructs are highly consistent internally, determining that the measurement scales can be relied upon for additional analysis. This leaves strong confidence that any of the associations identified between the use of

BNPL, impulse buying, savings behaviour, and peer influence are based on consistent and reliable measures.

Descriptive Analysis of Key Constructs

Average scores for each construct were calculated using Likert-scale responses.

Table 5.2: Descriptive Statistics

Correlation Matrix				
		IB score	SAV score	SOC score
IB score	Pearson's r	—		
	df	—		
	p-value	—		
SAV score	Pearson's r	0.792	—	
	df	200	—	
	p-value	<.001	—	
SOC score	Pearson's r	0.627	0.721	—
	df	200	200	—
	p-value	<.001	<.001	—

Source: Author's own calculation based on primary data.
 Interpretation of Descriptive Statistics

1. Impulse Buying (M = 4.12, SD = 0.752)

- The 4.12 mean on the 5-point Likert scale indicates that the students possess a relatively high impulse buying tendency when BNPL services are used.
- The low standard deviation of 0.752 means that the responses are very uniform with most of the students concurring that BNPL leads to impulsive buying.

2. Savings Impact (M = 4.03, SD = 0.937)

- The average of 4.03 indicates that students see BNPL as having a moderately high negative impact on savings and attitudes towards finance.
- The greater standard deviation (0.937) in comparison to impulse buying indicates that there is more variation in response—some students strongly felt that BNPL had an impact, while others did not.

3. Peer/Social Influence (M = 3.92, SD = 1.09)

- Both peer pressure and social media influence have a mean of 3.92, and both are themselves moderately high drivers of BNPL adoption too.
- The large standard deviation (1.09) indicates a wide spread of view—though most students had given peer/social media influence as an answer, there were many who did not see it as strongly.

Overall Interpretation

Descriptive statistics reveal that:

- The strongest influence of BNPL use is impulse buying, with agreement among the students.
- Savings effect also holds true, although views differ among individuals.



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- Peer/social influence has a rather strong influence, although students' attitudes are dichotomous, and it can be more influential on some cohorts than others.

These results collectively indicate that BNPL products have the potential to facilitate impulse buying and erode money self-control, with social forces being an additional but less pervasive influence.

Correlation Analysis

Pearson’s correlation was run to test associations between BNPL usage, impulse buying, and savings discipline.

Table 5.3: Correlation Matrix

Correlation Matrix				
		IB score	SAV score	SOC score
IB score	Pearson's r	—		
	df	—		
	p-value	—		
SAV score	Pearson's r	0.792	—	
	df	200	—	
	p-value	<.001	—	
SOC score	Pearson's r	0.627	0.721	—
	df	200	200	—
	p-value	<.001	<.001	—

Note: **p < 0.01, *p < 0.05

Source: Author’s own calculation based on primary data.

Interpretation of Correlation Analysis

The correlation matrix indicates the direction and strength of relationships between Impulse Buying (IB), Savings Impact (SAV), and Peer/Social Influence (SOC). Pearson's r correlation coefficient varies from -1 to +1. Statistical significance is reflected in the p-values (< .001).

1. Impulse Buying and Savings Impact (r = 0.792, p < .001)

- Strong positive correlation.
- Those students who report higher impulse buying behaviour also report higher negative effect on savings and money habits.
- Statistically significant association indicates BNPL-driven impulse purchases directly compromise students' saving behaviours.

2. Impulse Buying and Peer/Social Influence (r = 0.627, p < .001)

- There is a moderately strong positive association.
- Students who are more peer and social media influenced are likely to be more impulse buyers using BNPL.
- The strong relationship indicates the importance of social dynamics in influencing impulsive spending behaviour.

3. Savings Impact and Peer/Social Influence (r = 0.721, p < .001)

- This is a high positive correlation.

- Those who feel more social/peer influence also report poorer savings discipline.
- The association implies peer pressure and social media indirectly decrease savings by promoting **greater BNPL use.**

Overall Findings

- The three constructs are positively and significantly associated.
- Impulse buying is most intricately linked to savings impact, affirming that impulsive BNPL buying undermines financial discipline.
- Peer/social influence is a significant factor, both directly facilitating impulse buying and indirectly influencing savings.
- These findings affirm the contention that BNPL take-up is not only a personal financial choice but also influenced by social and behavioural forces.

Regression Analysis

Regression models tested the hypotheses regarding BNPL’s effect on impulse buying and saving discipline.

Model 1: BNPL → Impulse Buying

- Dependent Variable: Impulse Buying
- Independent Variable: BNPL Usage

Result:

R Square	0.08405
Adjusted R Square	0.07947
F	18.3527
Intercept	3.4467
X Variable 1	0.7750

Table 5.4.1 - BNPL → Impulse Buying

Source: Author’s own calculation based on primary data.

Interpretation: The regression model reveals that BNPL consumption is a strong positive predictor of impulse purchases among students. Although the model only accounts for about 8% of the variance, the effect size of BNPL consumption itself is large — i.e., students who consume BNPL often are significantly more likely to make impulsive purchases. Something else (such as peer influence, exposure to marketing, or financial capability) must also be at play with impulse buying.

Model 2: BNPL → Savings Impact

- Dependent Variable: Savings Impact
- Independent Variable: BNPL Usage

Result:

R Square	0.1630
Adjusted R Square	0.1588
F	38.9563
Intercept	2.8624
X Variable 1	1.3452



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Table 5.4.2 - BNPL → Savings Impact**Source:** Author's own calculation based on primary data.**Interpretation:** The regression findings show that BNPL use has a significant and strong negative influence on the savings discipline of students. Relative to impulse shopping (Model 1), BNPL has a greater explanation power regarding savings outcomes (16.3% vs. 8.4%). The coefficient magnitude ($\beta = 1.35$) also points out that BNPL adoption has a considerable practical significance: the more students use BNPL, the lower their savings performance and financial discipline in a steep manner.**Model 3: BNPL → Peer/Social Influence**

- Dependent Variable: Peer/Social Influence
- Independent Variable: BNPL Usage

Result:

R Square	0.1422
Adjusted R Square	0.1379
F	33.150
Intercept	2.6528
X Variable 1	1.4664

Table 5.4.3 - BNPL → Peer/Social Influence**Source:** Author's own calculation based on primary data.**Interpretation:** The regression results indicate that BNPL use is positively and significantly related to peer/social influence. Through BNPL use, approximately 14% of peer/social influence variance can be explained, which is a meaningful effect for studies of behaviour. The coefficient ($\beta = 1.47$) indicates that as students embrace BNPL increasingly, they also experience much greater social and peer-influence.

This shows that BNPL adoption is not just a personal money decision but also heavily driven by peer groups, social media fashion, and group norms.

VI. DISCUSSION OF RESULTS

Objective 1: To examine how BNPL usage influences impulse buying and consumption patterns.**Interpretation:** High mean value ($M = 4.12$) and significant positive correlation coefficient ($r = 0.792$) between BNPL usage and impulse purchasing are evident.

This indicates that with the availability of BNPL, young adults tend to spend more on unplanned and impulsive purchases. Regression analysis verified BNPL as a predictor of impulse purchasing. This confirms behavioural finance predictions that maintain easy credit reduces the psychological cost of spending. The impact occurs across demographics, particularly 18–30-year-olds and white-collar workers.

Conclusion: BNPL substantially promotes spontaneous expenditure behaviour, relaxing short-term financial constraint.**Objective 2:** To investigate the relationship between BNPL adoption and its impact on the saving habits of young adults in India.**Interpretation:** Usage of BNPL had a significant negative effect on savings with $R^2 = 0.163$ in regression. Lower savings habit and poor budgeting behaviour were associated with a greater likelihood of using BNPL. Volunteers indicated diversion of disposable income from saving to short-term consumption and repayment. Higher impulse buying scores had a direct relationship with negative saving behaviour.**Conclusion:** BNPL decreases saving behaviour among young adults, boosting short-term expenditure at the expense of long-term financial security.**Objective 3:** To assess the role of peer influence and social media in shaping BNPL adoption among youth.**Interpretation:** Moderately high mean score ($M = 3.92$) and significant positive regression coefficient ($\beta = 1.47$) for peer/social media influence on BNPL uptake were reported. Friends, social influencers, and online communities make BNPL usage the norm, as it appears to be normal or a "sensible" choice. Peer influence is also positively related to impulse purchasing ($r = 0.627$) and negatively related to savings habits ($r = 0.721$). This supports the social learning and digital peer pressure roles in financial conduct.**Conclusion:** Peer and social media influence are major drivers of BNPL adoption, enabling impulsive consumption indirectly while eroding savings.**Overall Interpretation:**

- BNPL is not merely a financial product — it's a social and behavioural phenomenon.
- It facilitates impulse purchasing, reduces saving capability, and propagates quickly in peer/social media networks.
- Although BNPL enhances credit accessibility, it also enhances the dependency on debt and deracinates financial discipline, particularly among 18–30-year-olds.

VII. IMPLICATIONS OF THE STUDY

Policy Implications**1. Increased Regulatory Supervision:** RBI and SEBI must issue clear guidelines for BNPL business such as credit card standards.**2. Protection of Data:** Protect user data collected by BNPL apps under the framework of the Digital Personal Data Protection Act (2023).**3. Credit Bureau Reporting:** Mandatory reporting of BNPL repayment information to credit bureaus like CIBIL to promote accountability and credit discipline.



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4. Youth Financial Literacy Programs: Include BNPL education and budgeting lessons as part of school and college-level financial literacy programs.

Managerial Implications

1. Transparency in Terms: Display clear, easy-to-understand repayment information, penalties, and due dates.

2. Digital Nudges: Incorporate behavioural reminders like “You’ve used 80% of your BNPL limit” or “Your payment is due in 3 days.”

3. Responsible Credit Limits: Provide credit limits corresponding to the income and repayment ability of users to avoid debt traps.

4. Financial Literacy Integration: Approach NGOs and schools to conduct awareness campaigns emphasizing the advantages and disadvantages of BNPL.

Consumer Implications

1. Financial Awareness: Understand BNPL as credit, not buy-for-free. Utilize reminders or spending trackers (e.g., Walnut or Excel) to record repayments.

2. Responsible Usage: Utilize BNPL merely for basic expenses such as school costs or necessity and never for luxury or impulse buying.

3. Savings First: Save first before spending. For example, save at least 20% of one's monthly salary before exploring BNPL-based spending.

Limitations and Directions for Future Research

This study is subject to certain limitations that should be acknowledged. The research employed a non-probability sample of 200 respondents, predominantly comprising urban youth, which may restrict the generalizability of the findings to the broader population. Additionally, the reliance on self-reported data and a cross-sectional research design limits the ability to establish causal relationships between BNPL usage and financial behaviour.

Despite these constraints, the study offers valuable exploratory insights into the behavioural impacts of BNPL spending in the Indian context. Future research may build upon these findings by adopting longitudinal designs to assess the long-term financial consequences of BNPL consumption, examining usage patterns across diverse demographic and geographical segments, evaluating the effectiveness of interventions such as in-app spending alerts or financial literacy training, and conducting comparative analyses between BNPL and other digital credit instruments such as credit cards and UPI-based loans.

VIII. CONCLUSION

The study concludes that BNPL is effectively changing the credit culture of Indian youth. BNPL is ensuring the level playing field for access to credit and promotes short-term affordability at the expense of sacrificing long-term

financial caution. In promoting instantaneous consumptive pleasure and reducing the incentive towards savings, BNPL can potentially infuse debt culture among young consumers.

But if BNPL is managed carefully, it can be a financial empowerment tool rather than a financial burden tool. This balance requires the simultaneous effort:

- Consumers should adopt culture of budgeting and payment self-discipline.
- Fintech companies must develop virtuous, transparent, and customer-centric products.
- Regulators must establish a robust framework of consumer and data protection.
- Researchers and teachers should continue generating awareness and generating insights that impact responsible financial behaviour.

If this kind of collaborative effort is pursued, BNPL has the potential to be turned into a sustainable long-term credit instrument from a credit risk convenience. It can take India closer to its goal of digitally empowered, inclusive financial growth.

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