



TO ASSESS THE LEVEL OF USAGE ABOUT BUY NOW PAY LATER (BNPL) SCHEME ON ONLINE APPS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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Abstract: The purpose of this study is to determine the number of online shoppers that are aware of Buy Pay Later choices, particularly in Coimbatore. This study's primary objective is to determine the level of awareness regarding Buy Pay Later services. Our goal is to find out what consumers think about Buy Now Pay Later services, including how they operate, what they offer, how to pay, and what benefits come with utilizing them. We are examining Buy Now Pay services in order to gain a better understanding of them, including what they offer and how users might benefit from them. We are interested in learning what motivates consumers to utilize Buy Pay. Is it because it's user-friendly and accessible to all? Do consumers enjoy the discounts they receive when using it? When consumers make purchases online, can it actually help them manage their finances? Purchasing items and paying for them later is our primary objective. We would like to know more about Buy Pay, particularly for Coimbatore residents who use apps to shop online. We would like to hear how Buy Pay Later works for shoppers in Coimbatore.

Keywords: BNPL, pay, Coimbatore, online, People

INTRODUCTION

People pay for things in a totally different way these days. This is because of technology. It has made getting financial services really easy and fast. One big change is something called Buy Pay Later. Buy Now Pay Later is a way to pay for things where you can buy something away and pay for it a little bit at a time later. Buy Now Pay Later has become really popular in India. This is because India has seen a lot of growth in shopping and people using smartphones and digital payment platforms. Buy Now Pay Later is used by people, in India because it is easy to use. People like Buy Now Pay Later because it is easy to use. Buy Now Pay Later is also very flexible. This is why many people prefer Buy Now Pay Later over credit options. Buy Now Pay Later is just simpler, for a lot of people younger people.

The city of Coimbatore is a place where you can really see this trend happening. Coimbatore has become a city with a lot of technology and online shopping. People from all walks of life, like students and professionals and people who own businesses are using Buy Now Pay Later services to buy things and pay for them later. Buy Now Pay Later services make it easy for people to buy things. They can help people out when they need money right away. The thing is, not everyone really gets how Buy Now Pay Later services work or what kind of problems they might cause. People are using Buy Now Pay services to manage their purchases and expenses and Buy Now Pay Later services are a big part of their lives. Studying how consumers in Coimbatore perceive and use BNPL can therefore help businesses, financial institutions, and policymakers better understand how to design safer and more effective digital payment solutions.

STATEMENT OF PROBLEM

This study is about finding out how many people who shop on the internet know about Buy Pay Later options, especially in Coimbatore. The main goal of this study is to see how much people know about Buy Pay Later services. We want to know what people think Buy Now Pay Later services are, how they work and how people can pay them back. We also want to know what people think are the things, about using Buy Now Pay Later services.

We are focusing on Buy Now Pay options because we want to understand them better. We want to find out what makes people want to use Buy Pay. Is it because it is easy to use and everyone can access it? Do people like the deals they get when they use it? Can it really help people manage their money when they buy things online? Our goal is to buy things and pay for them later. We are interested, in learning more about Buy Pay especially for people who live in Coimbatore

and shop online using apps. We want to know how Buy Pay Later works for Coimbatore residents who like to shop. Through examining these facets, the study aims to comprehend consumer behavior trends and the factors that either promote or inhibit the use of BNPL services. It is anticipated that the results would give businesses, legislators, and service provider's valuable information for creating digital credit solutions that are more efficient, transparent, and user-friendly.

OBJECTIVE

- To study the usage level, Buy Now Pay Later (BNPL) scheme on online shopping apps.
- To evaluate the impact of BNPL usage on consumers' financial behavior

SCOPE

The scope of this study is limited to examining consumer awareness and the factors influencing the use of Buy Now Pay Later (BNPL) services among online shoppers in Coimbatore. It focuses on understanding users' knowledge of BNPL features, repayment terms, benefits, and risks, as well as identifying the key motivations that encourage adoption, such as convenience, accessibility, and financial flexibility. The study is confined to respondents who use digital payment methods and online shopping applications, providing insights into their attitudes, preferences, and usage behavior. The findings may help financial service providers, businesses, and researchers better understand consumer trends and improve digital credit services, while also serving as a reference for future studies in similar urban contexts.

LIMITATION

The study has certain limitations that should be considered while interpreting its findings. First, the sample size was limited to 120 respondents, which may not fully represent the entire population of consumers using BNPL services. Second, the research was confined to Coimbatore, so the results may not be generalizable to consumers in other cities or regions with different socio-economic or technological conditions. Third, the study relied on self-reported data collected through questionnaires, which may be subject to personal bias or inaccurate responses. Finally, time constraints and limited resources restricted the scope of the research, preventing a more extensive analysis of all possible factors influencing BNPL usage.

HYPOTHESIS

1. Null Hypothesis (H_0): There is no significant relationship between age and usage. Alternative Hypothesis (H_1): There is a significant relationship between age and usage.
2. Null Hypothesis (H_0): There is no significant relationship between gender and financial behaviour. Alternative Hypothesis (H_1): There is a significant relationship between gender and financial behaviour.

REVIEW OF LITERATURE

1. **Nurnikman Podin, Nur Tasha Idayu Yusoff, Ng Rang Jie, Siti Nurbaqies Ad Halim, Nur Fatan Athira Amran, Faizal Mohd Fakhruddin (2025)** In Their article the study explores the growing influence of Buy Now, Pay Later (BNPL) services on millennial and Generation Z in Malaysia. Using a qualitative case study approach, five participants aged 23–37 were interviewed to understand their BNPL experiences. Findings reveal four major impacts: social, economic, political, and psychological. Socially, BNPL has become normalized due to accessibility and ease of eligibility. Economically, it affects spending behavior, financial management, and debt perceptions, sometimes leading to financial strain. Politically, the lack of proper regulation poses risks for vulnerable consumers. Psychologically, BNPL can trigger anxiety and guilt, especially among younger users. The study highlights limitations due to its small sample size, restricting broader generalization. It recommends stronger financial literacy programs and structured regulations to guide responsible BNPL use. Overall, the research emphasizes both the opportunities and dangers of BNPL in shaping financial habits among young Malaysians.
2. **Namrata Singh, Dr. Sangeeta Sahni, Shruti Sharma (2025)** in their article "Impact of Buy Now, Pay Later (BNPL) Services on Consumer Behavior attempted to study the influence of Buy Now Pay Later (BNPL) on customer awareness, trust, satisfaction, and post-purchase behavior to explain its effects on customer loyalty and sales. The article was based on a quantitative approach. A total of 200 respondents were surveyed. Structured questionnaires were used as the tool for data collection from a targeted sample group. The study found that the most potent driver of BNPL adoption is consumer psychology, which includes emotional and behavioral

tendencies such as impulsive buying and the psychological comfort of deferred payments. Marketing strategies were the second most influential factor. The study also found that age and gender are not statistically significant determinants of the perceived level of impact from BNPL services. The study suggests that BNPL services make shopping easy and fun but pose concerns over the accumulation of debt and queries on basic financial literacy. The study concludes that BNPL is a two-edged sword that can be a blessing or a curse depending on how it is used and understood, and it contributes to broadening financial access while also carrying the risks of overconsumption and financial distress.

3. **Ashby, R., Sharifi, S., Yao, J., & Ang, L. (2025)** In their article "The influence of the buy-now-pay-later payment mode on consumer spending decisions" (published in the Journal of Retailing) attempted to explain how and why the Buy Now, Pay Later (BNPL) payment mode influences consumer spending decisions. The research utilizes a combination of purchase transaction data and a series of experiments. The study found that BNPL leads to greater consumer spending compared to other payment modes. The underlying process that explains this is that the presentation of installment prices (i.e., the amount paid per installment) with BNPL lowers consumers' perception of purchase expensiveness, which in turn increases spending. This effect is moderated by the number of installments, the magnitude of the first installment, and the presence of the installment price. The study concludes that the findings offer opportunities for retailers to increase consumer spending and provide actionable insights for policymakers to protect consumers.
4. **Cheng, Yini, and Jiazhen Huo (2025)** In their article "Adoption of Buy Now, Pay Later (BNPL): A Time Inconsistency Perspective" (published in the Journal of Theoretical and Applied Electronic Commerce Research) attempted to explore the impact of BNPL on consumers who exhibit time-inconsistency (i.e., those with self-control problems who value immediate gratification over future costs). The study uses two game-theoretic models: one with traditional payment and one with BNPL, where time-inconsistent consumers decide whether to purchase and then whether to return a product after learning about their fitness. The study found that for traditional payment models, greater time inconsistency reduces the optimal price, demand, and profit, but these outcomes remain unaffected by time inconsistency under BNPL. By deferring payment, BNPL increases consumers' present willingness to buy, enabling firms to charge higher prices without reducing demand, thereby achieving higher profits. Specifically, the firm always benefits more from offering BNPL than traditional payment when consumers are time-inconsistent. The study suggests that while BNPL can improve firm revenue and overall welfare, it may reduce consumer surplus by encouraging over-consumption. The study concludes by highlighting the need for caution and potential regulation to protect consumers with self-control problems.
5. **Rose, A. M., & Vengatesh, P. (2022)** International marketing is becoming bigger everyday so that the needs and wants of consumers are also becoming more specific and peculiar. This is definitely because of the development of technology as it enables the customers worldwide to order and make transactions online in no time. Now-a-days most of the companies and businesses pursue to enter global markets, as the technology helps them on easy entry into various market environments, thereby sourcing at minimum cost and reducing the product and service price for customers. This research paper primarily targets on putting forth the origin, pros and cons of international marketing. The research paper also comprises SWOT analysis on international marketing for better understanding the weaknesses and opportunities in international marketing, followed by appropriate measures to be considered in order to overcome those weaknesses.

RESERCH METHODOLOGY

This study looked at how people know about Buy Now Pay Later services and what makes them use these services. The people doing the study collected information from people who answered a questionnaire. They also got information from things they read like journals and articles and from studies that were done before. They picked the people to answer the questionnaire in a way that was fair, to everyone. The study had 110 people answer the questionnaire. The people doing the study wanted to make sure they had a mix of people so they used a simple way of picking them. They used Buy Pay Later services as the main thing they were looking at. The research was conducted within Coimbatore, focusing on consumers who use online shopping applications and digital payment services. The tools used in this study is percentage analysis and T-Test.

DATA ANALYSIS

Table 1 Platforms used

			platform					Total
			amazon pay later	Flipkart pay later	lazy pay	Paytm postpaid	Simpl Pay	
age	18-24	Count	18	2	5	1	2	28
		% within age	64.3%	7.1%	17.9%	3.6%	7.1%	100.0%
		% within platform	46.2%	11.1%	14.7%	5.9%	100.0%	25.5%
		% of Total	16.4%	1.8%	4.5%	0.9%	1.8%	25.5%
	24-34	Count	19	9	11	6	0	45
		% within age	42.2%	20.0%	24.4%	13.3%	0.0%	100.0%
		% within platform	48.7%	50.0%	32.4%	35.3%	0.0%	40.9%
		% of Total	17.3%	8.2%	10.0%	5.5%	0.0%	40.9%
	34-40	Count	1	5	11	2	0	19
		% within age	5.3%	26.3%	57.9%	10.5%	0.0%	100.0%
		% within platform	2.6%	27.8%	32.4%	11.8%	0.0%	17.3%
		% of Total	0.9%	4.5%	10.0%	1.8%	0.0%	17.3%
	40 above	Count	1	2	7	8	0	18
		% within age	5.6%	11.1%	38.9%	44.4%	0.0%	100.0%
		% within platform	2.6%	11.1%	20.6%	47.1%	0.0%	16.4%
		% of Total	0.9%	1.8%	6.4%	7.3%	0.0%	16.4%
Total	Count	39	18	34	17	2	110	
	% within age	35.5%	16.4%	30.9%	15.5%	1.8%	100.0%	
	% within platform	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	% of Total	35.5%	16.4%	30.9%	15.5%	1.8%	100.0%	

(Source: Primary data)

INTERPRETATION

The analysis of age and platform preference reveals that Amazon Pay Later is predominantly used by respondents aged 18–24 and 24–34. Lazy Pay and Paytm Postpaid are more preferred by respondents aged 34–40 and 40 above. The variation in counts across age groups indicates that platform preference differs according to age. This shows that age plays a role in selecting BNPL platforms.

Table 2 Satisfaction level of using BNPL

			satisfaction			Total
			satisfied	neutral	dissatisfied	
age	18-24	Count	6	14	8	28
		% within age	21.4%	50.0%	28.6%	100.0%
		% within satisfaction	37.5%	34.1%	15.1%	25.5%
		% of Total	5.5%	12.7%	7.3%	25.5%
	24-34	Count	3	17	25	45
		% within age	6.7%	37.8%	55.6%	100.0%
		% within satisfaction	18.8%	41.5%	47.2%	40.9%
		% of Total	2.7%	15.5%	22.7%	40.9%
	34-40	Count	3	6	10	19
		% within age	15.8%	31.6%	52.6%	100.0%
		% within satisfaction	18.8%	14.6%	18.9%	17.3%
		% of Total	2.7%	5.5%	9.1%	17.3%

	40 above	Count	4	4	10	18
		% within age	22.2%	22.2%	55.6%	100.0%
		% within satisfaction	25.0%	9.8%	18.9%	16.4%
		% of Total	3.6%	3.6%	9.1%	16.4%
Total		Count	16	41	53	110
		% within age	14.5%	37.3%	48.2%	100.0%
		% within satisfaction	100.0%	100.0%	100.0%	100.0%
		% of Total	14.5%	37.3%	48.2%	100.0%

(Source: Primary data)

INTERPRETATION

The satisfaction table shows that most respondents aged 18–24 are neutral, whereas a higher proportion of respondents aged 24–34 and above report dissatisfaction. Only a small percentage across all age groups are satisfied. This indicates that dissatisfaction levels are relatively higher among middle and older age groups. Overall, satisfaction varies slightly across age categories.

Table 3 Purpose of using BNPL

			purpose				Total
			electronics	clothing accessories	groceries/daily needs	travel/lifestyle	
age	18-24	Count	5	14	9	0	28
		% within age	17.9%	50.0%	32.1%	0.0%	100.0%
		% within purpose	45.5%	33.3%	17.3%	0.0%	25.5%
		% of Total	4.5%	12.7%	8.2%	0.0%	25.5%
	24-34	Count	4	19	20	2	45
		% within age	8.9%	42.2%	44.4%	4.4%	100.0%
		% within purpose	36.4%	45.2%	38.5%	40.0%	40.9%
		% of Total	3.6%	17.3%	18.2%	1.8%	40.9%
	34-40	Count	2	4	12	1	19
		% within age	10.5%	21.1%	63.2%	5.3%	100.0%
		% within purpose	18.2%	9.5%	23.1%	20.0%	17.3%
		% of Total	1.8%	3.6%	10.9%	0.9%	17.3%
	40 above	Count	0	5	11	2	18
		% within age	0.0%	27.8%	61.1%	11.1%	100.0%
		% within purpose	0.0%	11.9%	21.2%	40.0%	16.4%
		% of Total	0.0%	4.5%	10.0%	1.8%	16.4%
Total		Count	11	42	52	5	110
		% within age	10.0%	38.2%	47.3%	4.5%	100.0%
		% within purpose	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	10.0%	38.2%	47.3%	4.5%	100.0%

(Source: Primary data)

INTERPRETATION

The crosstabulation between age and purpose indicates that respondents aged 18–24 mainly use BNPL for clothing and accessories, while those aged 24–34 and older groups primarily use it for groceries and daily needs. Electronics usage is comparatively lower among all age groups. Travel and lifestyle purposes are minimal across categories. This suggests that purpose of usage varies based on age.

Table 4 PURCHASE FREQUENCY

			usage				Total
			rarely	occasionally	frequently	very frequently	
age	18-24	Count	18	8	1	1	28
		% within age	64.3%	28.6%	3.6%	3.6%	100.0%
		% within usage	52.9%	18.6%	4.2%	11.1%	25.5%
		% of Total	16.4%	7.3%	0.9%	0.9%	25.5%
	24-34	Count	13	25	5	2	45
		% within age	28.9%	55.6%	11.1%	4.4%	100.0%
		% within usage	38.2%	58.1%	20.8%	22.2%	40.9%
		% of Total	11.8%	22.7%	4.5%	1.8%	40.9%
	34-40	Count	2	7	7	3	19
		% within age	10.5%	36.8%	36.8%	15.8%	100.0%
		% within usage	5.9%	16.3%	29.2%	33.3%	17.3%
		% of Total	1.8%	6.4%	6.4%	2.7%	17.3%
	40 above	Count	1	3	11	3	18
		% within age	5.6%	16.7%	61.1%	16.7%	100.0%
		% within usage	2.9%	7.0%	45.8%	33.3%	16.4%
		% of Total	0.9%	2.7%	10.0%	2.7%	16.4%
Total	Count	34	43	24	9	110	
	% within age	30.9%	39.1%	21.8%	8.2%	100.0%	
	% within usage	100.0%	100.0%	100.0%	100.0%	100.0%	
	% of Total	30.9%	39.1%	21.8%	8.2%	100.0%	

(Source: Primary data)

INTERPRETATION

The crosstabulation between age and usage shows that respondents aged 18–24 mostly use the service rarely, while the 24–34 age group mainly uses it occasionally. Respondents aged 34–40 and 40 above report higher levels of frequent usage, particularly those aged 40 above. This indicates that younger respondents tend to use the service less frequently compared to older age groups. Overall, usage frequency appears to increase as age increases.

Table 5 FINANCIAL BEHAVIOUR

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
level	Equal variances assumed	.293	.590	-.920	108	.359	-.240	.260	-.756	.276
	Equal variances not assumed			-.919	106.627	.360	-.240	.261	-.757	.277
level	Equal variances assumed	.903	.344	-1.325	108	.188	-.189	.142	-.471	.094

	Equal variances not assumed			-1.333	107.146	.185	-.189	.142	-.469	.092
level	Equal variances assumed	.073	.787	-.621	108	.536	-.104	.168	-.437	.228
	Equal variances not assumed			-.620	106.396	.537	-.104	.168	-.438	.229
level	Equal variances assumed	.358	.551	.630	108	.530	.103	.163	-.220	.426
	Equal variances not assumed			.630	107.427	.530	.103	.163	-.220	.426

(Source: Primary data)

INTERPRETATION

The independent samples t-test results show that the significance (2-tailed) values are greater than 0.05 in all cases. This indicates that there is no significant difference between the compared groups. Therefore, gender does not significantly influence the measured variables. The null hypothesis is accepted.

FINDINGS

It indicates that age has a noticeable influence on usage frequency. Respondents aged 18–24 mostly use BNPL services rarely, while those aged 24–34 predominantly use them occasionally. In contrast, respondents aged 34–40 and 40 above demonstrate higher levels of frequent usage, with the 40 above group showing the highest frequent usage rate. Overall, the results suggest that BNPL usage tends to increase with age, with older respondents using the service more frequently than younger respondents.

It reveals that there is no significant difference in financial behavior between male and female respondents. Since all the significance (2-tailed) values are greater than 0.05, gender does not have a statistically significant influence on financial behavior. The mean differences between the groups are minimal and not meaningful. Therefore, it can be concluded that financial behavior is similar across genders, and the null hypothesis is accepted.

SUGGESTIONS

Based on the findings, several practical suggestions can be made. Since BNPL usage frequency increases with age, especially among respondents aged 34–40 and 40 above, BNPL providers should focus on promoting responsible usage among older users. They can introduce budgeting tools, automated payment reminders, spending alerts, and flexible repayment options to prevent over-dependence and reduce the risk of financial strain. Financial literacy initiatives and awareness programs can also help frequent users manage their repayments effectively.

For younger respondents aged 18–24, who mostly use BNPL services rarely, providers can create awareness about responsible credit usage and educate them on how BNPL works. Clear communication about repayment terms, interest charges, and penalties will help them develop healthy financial habits from an early stage.

Since there is no significant difference in financial behaviour between male and female respondents, BNPL companies do not need to design gender-specific strategies. Instead, they should adopt inclusive and gender-neutral policies, focusing more on behavioural patterns, usage frequency, and age-related needs rather than gender segmentation. Marketing strategies, repayment facilities, and customer support services can be standardized across genders while ensuring accessibility and fairness.

**CONCLUSION**

In conclusion, the study shows that age plays a significant role in influencing the frequency of BNPL usage, with older respondents using the service more frequently than younger respondents. However, gender does not have a statistically significant impact on financial behaviour, as both male and female respondents demonstrate similar financial patterns. Therefore, while age-based strategies may be effective in managing and promoting BNPL services, gender-based differentiation is not necessary. Overall, focusing on responsible usage practices, financial awareness, and customer-centred service improvements will enhance the effectiveness and sustainability of BNPL services.

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