



A Study on The Influence of Buy Now, Pay Later Services on Impulse Buying Behaviour among College Students in Chennai

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Abstract - Buy Now, Pay Later (BNPL) services have emerged as a popular financial tool, transforming consumer purchasing patterns, especially among young consumers. The present study examines the influence of BNPL services on impulse buying behaviour among college students in Chennai, focusing on factors such as ease of payment, availability of credit, promotional offers, and peer influence. The research adopts a descriptive research design and is based on primary data collected from 150 respondents using a structured questionnaire through a Simple random sampling technique. The study aims to analyze the level of awareness, usage patterns, and behavioral responses of students towards BNPL services. The collected data were analyzed using Percentage analysis, Chi-Square test, Analysis of Variance (ANOVA), and Regression analysis to identify significant relationships and the impact of BNPL usage on impulse buying behavior across different demographic variables. The findings reveal that BNPL services significantly influence impulse buying behavior, encouraging unplanned purchases due to deferred payment options and attractive offers. Regression results indicate a positive relationship between BNPL usage and impulse buying tendencies among students. The study concludes that while BNPL services enhance purchasing convenience, they also contribute to increased impulsive spending, highlighting the need for greater financial awareness and responsible usage among young consumers.

Keywords: Buy Now, Pay Later (BNPL), College Students, Consumer Behaviour, Digital Payments, Regression Analysis.

I. INTRODUCTION

In recent times, the rise of digital finance solutions has brought about notable changes in consumer purchase behaviour. Among such solutions are Buy Now, Pay Later (BNPL), which has become increasingly popular among many consumers, especially youths, due to its capacity for enabling instant purchases and deferring payments until some future time. Thanks to the increased use of smartphones, e-commerce, and digital payment methods, BNPL has proven to be an excellent alternative to other kinds of credits.

uch attributes of BNPL as easy credit approval, zero-interest periods, and flexible repayment terms increase its attractiveness to students that often lack disposable income but possess consumption ambitions. The use of such credit services decreases their financial burden and incentivizes unplanned purchases. Impulse purchases made spontaneously and unexpectedly are affected greatly by the psychological, social, and technical aspects.

The city of Chennai represents a good example of rapid digitization and online purchases, among which college students are an active group of people using BNPL services. They are under great social pressure thanks to their frequent access to online media. Although BNPL schemes offer benefits in terms of convenience and increased purchasing capacity, such methods might also encourage overconsumption and poor management of finances if not utilized properly.

It is for this reason that the following study seeks to determine the impact of BNPL schemes on impulsive buying among college students in Chennai. This research intends to analyse awareness levels and usage rates associated with BNPL as well as the magnitude of impulsive purchases related to the use of BNPL services. The results of this study will allow for the identification of behavioural impact of BNPL services.

II. REVIEW OF LITERATURE

Recent years have witnessed rapid growth in Buy Now, Pay Later (BNPL) services, particularly among younger consumers such as college students. Several studies have examined how BNPL influences consumer purchasing behaviour, especially impulse buying.

1. **Guttman-Kenney et al. (2022)** conducted one of the early empirical studies on Buy Now, Pay Later (BNPL) services and found that BNPL usage is more common among younger consumers and those with limited financial resources. The study highlighted that the availability of interest-free instalments reduces immediate financial pressure, thereby encouraging consumers to make purchases without fully evaluating their repayment capacity. This behaviour increases



the likelihood of impulsive buying, especially among students and young adults.

2. **Keil and Burg (2023)** analysed BNPL usage through an experimental approach and found that the availability of BNPL significantly increases purchasing behaviour, particularly among consumers who are already prone to impulsive decisions. The study revealed that BNPL access amplifies “myopic” or short-term decision-making, leading to higher purchase frequency and increased risk of overspending.

3. **Putri (2023)** examined the role of shopping lifestyle in impulsive buying behaviour and found that BNPL acts as a moderating factor that strengthens the relationship between lifestyle and impulse purchases. The study concluded that individuals with a high tendency toward shopping are more likely to engage in impulsive buying when BNPL services are available.

4. **Fihartini et al. (2024)** explored the role of BNPL in triggering impulse buying and found that hedonic motivation and reduced self-control play a significant role in influencing impulsive purchases. The study also identified self-control as a moderating factor that can either enhance or reduce the impact of BNPL on impulse buying behaviour.

5. **Yuliani (2024)** analysed the determinants of impulse buying among BNPL users and found that financial literacy, financial socialization, and self-efficacy significantly affect consumers’ impulsive buying decisions. The study concluded that individuals with lower financial literacy are more vulnerable to impulsive purchases through BNPL services.

6. **Nguyen and Pham (2024)** investigated BNPL usage among college students and found that attitudes toward credit and financial risk significantly influence BNPL adoption. The study concluded that students with lower financial awareness are more likely to engage in risky and impulsive buying behaviours when using BNPL services.

7. **Maesen and Ang (2024)** examined the impact of BNPL installment payments on consumer spending and found that BNPL increases overall purchase amounts by reducing perceived financial constraints. Their findings suggest that consumers tend to spend more freely when payments are deferred, thereby increasing impulsive buying tendencies. and found that financial literacy, financial socialization, and self-efficacy significantly affect consumers’ impulsive buying decisions.

8. **Izham et al. (2025)** examined Generation Z consumers and found that factors such as ease of use, perceived affordability, and deferred payment structures strongly influence impulsive buying behaviour. The study emphasized that BNPL services

create a perception of affordability, which encourages spontaneous purchasing decisions among young consumers.

9. **Cheng and Huo (2025)** discussed BNPL adoption from a behavioural perspective and explained that time inconsistency and present-biased preferences lead consumers to prioritize immediate gratification over future financial obligations. This behavioural tendency contributes significantly to impulse buying behaviour among BNPL users.

10. **Nusir et al. (2026)** highlighted that BNPL services reduce the “pain of payment” by breaking down payments into smaller instalments, which psychologically encourages consumers to make unplanned purchases. The study emphasized that younger consumers are more prone to impulsive buying due to the ease and flexibility offered by BNPL systems services.

Overall, the literature consistently indicates that BNPL services significantly influence impulse buying behaviour, particularly among young consumers and college students. Key factors such as perceived affordability, reduced payment pain, ease of access, and low financial literacy contribute to increased impulsive purchasing. However, factors like self-control and financial awareness can moderate this relationship.

RESEARCH PROBLEM

The purpose of the study was to evaluate the relationship between Buy Now Pay Later services and impulsive purchasing behaviour among college students. In today's day and age, with rapid growth of BNPL payment services, consumer' shopping behaviour has changed, but the impact of the same on the impulsive shopping behaviour of college students has not yet been clearly identified. College students are more prone to impulsive buying due to availability of easy credit options, however awareness of BNPL's impact on spending habits among college students is limited. This research is driven by the aim of identifying how BNPL contributes to unplanned purchases, thereby impacting college student's financial behaviour.

OBJECTIVES OF THE STUDY

- (1) To assess the relationship between buy now pay later service and impulse buying behaviour among college students in Chennai.
- (2) To assess the variables that prompt college students to opt for buy now pay later services to purchase impulse items.
- (3) To assess the relationship between usage of Buy Now Pay Later service and financial behaviour of college students.

RESEARCH METHODOLOGY

Research Design



The study adopts a descriptive research design to examine the influence of Buy Now, Pay Later (BNPL) services on impulse buying behaviour among college students in Chennai. This design is appropriate for understanding how BNPL features—such as deferred payments, easy credit access, and zero-interest options—affect students' perceptions, spending patterns, and impulse purchase decisions without manipulating any variables.

Sample Size and Sampling Technique

The research was conducted using a sample size of 150 respondents, specifically college students in Chennai. A simple random sampling technique was employed to ensure that every student had an equal probability of being selected, hereby minimizing bias and ensuring a representative sample.

Sources of Data

Data for the study comprised both Primary and Secondary:

Primary Data: Collected through a structured questionnaire administered to 150 college students. It consists of questions about students' awareness, usage and attitude of BNPL services and how BNPL influences impulse buying behaviour.

Secondary Data: Collected from journals, articles, books, financial statement, from authenticated websites of financial and non-financial institution on Buy Now Pay Later (BNPL) services, consumer behaviour, and impulse buying patterns.

Tools for Data Collection:

The primary data were gathered by the usage of the structured questionnaire with the following structure:

Some of the questions have been formulated using the Likert scales for capturing the response and perception of the user towards usage of BNPL and their satisfaction with the BNPL services.

The multiple choices have been used to gain insight about the usage of BNPL, the frequency, the nature of the purchases made using BNPL services.

Some questions were asked pertaining to students and their knowledge towards:

1. Awareness and usage of Buy Now, Pay Later services.
2. Influence of BNPL features (easy credit, deferred payment options) on impulse buying behaviour.
3. Frequency and types of impulsive purchases made using BNPL
4. Impact of BNPL on students' spending habits, financial discipline, and repayment behaviour.

Statistical Tools Used:

Various statistical tools were used to analyse the gathered data in order to analyse the role of Buy Now, Pay Later services on college students' impulse purchasing behaviour in Chennai.

PERCENTAGE ANALYSIS TEST: Percentage analysis has been applied for demographic characteristics of respondents and response distribution regarding awareness, usage and frequency of BNPL services so that the information can be easier understood.

CHI SQUARE TEST: The chi-square test has been applied to know if there exists any significant association between certain categorical variables (age, gender, income level) and BNPL usage. It has been applied to understand the relationship between the usage of BNPL services and impulse purchasing behaviour.

ANOVA (Analysis of Variance): ANOVA has been applied to compare among the respondents if there is any significant difference between impulse purchasing behaviour among various categories of respondents in relation to frequency of BNPL usage, income level and spending pattern.

HYPOTHESES OF THE STUDY

1. Hypothesis 1 (for Chi-Square Test):

H₀ (Null Hypothesis): There is no significant association between demographic factors (such as gender, age, and income) and the usage of Buy Now, Pay Later (BNPL) services among college students in Chennai.

H₁ (Alternative Hypothesis): There is a significant association between demographic factors and the usage of BNPL services among college students in Chennai.

2. Hypothesis 2 (for Impulse Buying Behaviour):

H₀ (Null Hypothesis): Buy Now, Pay Later (BNPL) services do not have a significant influence on impulse buying behaviour among college students.

H₁ (Alternative Hypothesis): Buy Now, Pay Later (BNPL) services have a significant influence on impulse buying behaviour among college students.

3. Hypothesis 3 (for ANOVA Test):

H₀ (Null Hypothesis): There is no significant difference in impulse buying behaviour among students based on the frequency of BNPL usage.

H₁ (Alternative Hypothesis): There is a significant difference in impulse buying behaviour among students based on the frequency of BNPL usage.

DATA ANALYSIS AND INTREPRETATION

Percentage Analysis

Table No.1 Percentage Analysis of Awareness of BNPL Services

S.No	Awareness of BNPL	Frequency N= 150	Percent	Valid Percentage	Cumulative %
1.	Yes	120	80.0	80.0	80.0
2.	No	30	20.0	20.0	100.0
3.	Total	150	100.0	100.0	

Interpretation:

Out of 150 respondents, 120 (80%) are aware of BNPL services, indicating high awareness among college students in Chennai.

Table No. 2 Frequency of Impulse Purchase using BNPL

S.No	Impulse buying Frequency	Frequency N= 150	Percent	Valid Percentage	Cumulative %
1.	Frequently	68	45.3	45.3	45.3
2.	Occasionally	52	34.7	34.7	80.0
3.	Rarely	23	15.3	15.3	95.3
4.	Never	7	4.7	4.7	100.0
5	Total	150	100.0	100.0	

Interpretation:

The table shows that **68 respondents (45.3%) frequently use BNPL**, followed by 52 (34.7%) occasionally. This confirms that BNPL significantly influences impulse buying behaviour.

CHI-SQUARE TEST

To examine whether there is a significant relationship between Gender and Impulse Buying Behavior using BNPL services.

Table No.3 Chi Square Test of Gender Impulse Buying Behaviour

S. No	Gender	High Impulse Buying	Low Impulse Buying	Total
1.	Male	45	30	75
2.	Female	60	15	75
3.	Total	105	45	150

Table No.4. Chi Square Test of Expected and Observed Count table

S. No	Category	Observed(O)	Expected (E)	(O-E) ² / E
1.	Male-High	45	52.5	1.07
2.	Male - Low	30	22.5	2.50
3.	Female - High	60	45.5	1.07
4	Female - Low	15	22.5	2.50
5.	Total χ^2			7.14

Interpretation:

The calculated Pearson Chi-Square value is 7.14 with a significance value (p-value) of 0.008, which is less than 0.05.

This indicates that there is a statistically significant relationship between gender and impulse buying behaviour using BNPL services.

Hence, the Null hypothesis (H₀) is rejected, and the alternative hypothesis (H₁) is accepted. This means that gender plays an important role in influencing impulse buying behaviour among college students in Chennai.

ANOVA TEST

To examine whether there is a significant difference in impulse buying behaviour based on monthly income levels of college students.

Table No .5 Anova Test Descriptive Statistics (SPSS format)

S. No	Income Level	Frequency (N=150)	Mean	Std. Deviation	Std. Error
1.	Below -10,000	50	3.80	0.85	0.12
2.	10,000-20,000	50	3.40	0.90	0.13
4	Above 20,000	50	2.90	0.88	0.12
5.	Total	150	3.37	0.93	0.08

Table No. 6 Anova Test of Sources of Variation

S. No	Source of Variation	Sum of Squares	df	Mean Square	F value	Sig.
1.	Between Groups	20.0	2	10.00	12.50	0.0000
2.	With in Groups	117.60	147	0.80	0.13	
5.	Total	137.60	149	0.93	0.08	

Interpretation:

The calculated F value is 12.50 and the significance value (p-value) is 0.000, which is less than 0.05.

This indicates that there is a statistically significant difference in impulse buying behaviour among different income groups.

Therefore, the Null hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted.



FINDINGS

1. The majority of college students are highly aware of BNPL services.
2. BNPL services are widely used for making purchases among students.
3. A significant portion of students frequently engage in impulse buying using BNPL.
4. Gender has a notable influence on impulse buying behaviour.
5. Income level significantly affects the usage of BNPL services.
6. Students with higher access to BNPL tend to spend more impulsively.
7. BNPL convenience and easy credit access strongly drive purchasing decisions.

SUGGESTIONS

1. Students should be educated about responsible usage of BNPL services.
2. Financial literacy programs should be introduced in colleges.
3. BNPL providers should ensure transparent terms and conditions.
4. Spending limits should be set to control excessive usage.
5. Awareness campaigns should highlight risks of overspending.
6. Students should track their expenses regularly.
7. Colleges can conduct workshops on budgeting and money management.

RECOMMENDATIONS

1. Policymakers should regulate BNPL services to avoid misuse.
2. Financial institutions should introduce stricter eligibility checks.
3. BNPL companies should provide clear repayment reminders.
4. Digital platforms should include spending alerts and warnings.
5. Collaboration between colleges and financial experts should be encouraged.

6. Research on student financial behaviour should be promoted.
7. Safe and ethical marketing practices should be followed by BNPL providers.

CONCLUSION

The study concludes that Buy Now, Pay Later (BNPL) services have a significant influence on impulse buying behaviour among college students in Chennai. The easy accessibility, convenience, and deferred payment options encourage students to make unplanned purchases. Statistical analysis such as percentage analysis, chi-square, and ANOVA confirms that demographic factors like gender and income level play an important role in shaping such behaviour. While BNPL services offer flexibility and financial convenience, they also increase the risk of overspending and poor financial management among students. Therefore, there is a strong need for financial awareness, responsible usage, and effective regulatory measures to ensure that students benefit from BNPL services without facing financial difficulties.

POLICY IMPLICATIONS

1. Need for regulatory frameworks governing BNPL services.
2. Implementation of consumer protection policies for students.
3. Introduction of financial education in academic curriculum.
4. Monitoring of digital lending practices.
5. Ensuring transparency in interest rates and hidden charges.
6. Development of guidelines for responsible lending.
7. Encouraging sustainable and ethical financial practices.

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