Evolving Consumer Patterns in BNPL Adoption: A Post-Pandemic Perspective

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ABSTRACT:

In recent years, the Buy Now, Pay Later (BNPL) services have been increasing their use especially during and after the COVID-19 pandemic. With the increase in dependence on online shopping and immediate credit, BNPL became a potentially appealing option. This paper examines the consumer behaviour that has changed in the post- pandemic era towards BNPL. It dwells on the transformation in the consumer behavior in spending, knowledge of the BNPL by people and the use of the services by various groups of people especially on age, income, and digital knowledge.

As the results indicate, the younger consumers and online shoppers constitute the biggest proportion of BNPL users. Simultaneously, numerous users are concerned with the area of overspending, the inability to make payments on time and the threat of being brought to the short-term debt. Even though most individuals find BNPL convenient and accessible, the knowledge concerning its long-term financial effect is still insufficient. The paper raises the importance of increased financial awareness, responsible use and balanced regulation to ensure that BNPL is able to expand in the growing digital financial ecosystem in a sustainable manner.

Keywords: Buy Now Pay Later, Consumer Behaviour, Post-Pandemic Credit Patterns, Digital Finance, E- commerce Spending, Financial Awareness, Regulation.

1. INTRODUCTION:

The COVID-19 pandemic has transformed how people handle money and shifted both consumers and businesses towards the digital payment more rapidly than anticipated. Among numerous financial technologies that have become popular on the internet, Buy Now, Pay Later (BNPL) services have become a remarkable option due to their convenience and immediate availability. Providing fast approvals and zero-interest instalments, BNPL services gained popularity among individuals who attempted to handle purchases in the unstable periods.

The use of BNPL in the years after the pandemic indicates a larger shift in the perception of credit among individuals. The largest group of users is young adults, in particular, frequent online shoppers. The main attraction that BNPL has on them is that it is comfortable and cost-effective. But this fast uptake has also come with its set of problems: lots of consumers experience problems with repayments, fail to calculate long-term financial consequences. These problems demonstrate that it is necessary to know how the consumer behaviour has changed and where the risks are possible. This paper seeks to examine the trend of BNPL usage during the post-pandemic time. It analyses the behavioural shifts, demographic factors and how the consumers view the risks and benefits of BNPL services.

1.1 PROBLEM STATEMENT:

The emergence of Buy Now, Pay Later (BNPL) services has transformed the shopping and credit needs of short-term lending following the pandemic due to its rapid increase in popularity. Although BNPL is highly attractive in terms of the availability of ease and installments without interest, not all consumers, in particular young consumers, are entirely aware of the financial impact of using such services. The paper is thus aimed at exploring the current transformation in consumer behaviour with regard to BNPL and the demographic and behavioural differences that determine adoption and the key areas of awareness gap. The general objective is to create knowledge that will promote the responsible application and sustainable use of BNPL in the booming digital credit space.

2. REVIEW OF LITERATURE:

The popularity of BNPL has prompted other researchers in different countries to research about its effects on spending behaviour, financial stress and credit habits. In the literature, it is possible to identify the benefits and issues that are related to this new credit option.

The authors also established that BNPL users in the United States are more likely to experience greater financial pressure, such as overdraft charges and credit card interest (DeHaan et al., 2024). According to their research,

although BNPL is convenient, it may cause unexpected debt, and this suggests that the practice should be more regulated. On the same note, Stavins (2023) noted that the number of credit card usage and debt increased markedly after the pandemic due to broader financial strains, particularly in low-income groups.

Put together, these articles reveal the transformative role of BNPL in changing spending behaviour in various parts of the world. Although there is a considerable body of literature on consumer habits and risks, there are two aspects that have not been researched on:

the mental and financial outcomes of BNPL over an extended period of time, particularly in vulnerable populations.

ways of cutting down these risks by financial education and public policy.

These gaps might be addressed to give greater insights into the development of less unsafe and more responsible BNPL ecosystems.

3. RESEARCH METHODOLOGY:

3.1 Research Design:

This paper is a descriptive research study to comprehend that consumer behaviour towards BNPL has evolved during the post-pandemic era. The primary data was collected in a structured online survey that included responses of both the users and non-users of BNPL. Data analysis involved the use of descriptive statistics to give a summary of the adoption patterns, awareness level and spending behaviour. Such techniques as ANOVA were used to compare differences according to the age group and linear regression was used to study the impact of demographic factors on the use of BNPL. Differences in essential and discretionary spending were also compared by using cross-tabulation.

3.2 Sample Selection:

The study picked a sample of approximately 230 respondents. The sample consisted of both users and non-users of BNPL of various ages, incomes, and occupations. This variety contributed to a better understanding of the way that the behaviour of BNPL could differ among demographic groups in the post-pandemic environment

3.3 Data Collection Methods:

Primary and secondary sources of data were utilized. Primary data was obtained through the structured online survey, which necessitated questions to the respondents concerning their knowledge, attitudes and spending habits as far as BNPL is concerned. The secondary data has been gathered on the basis of research papers, industry reports, white papers and publications released by BNPL service providers.

3.4. RESEARCH GAP:

Though BNPL has experienced an explosion in usage during the pandemic period, little is known about whether this type of behaviour will continue to be a long-term change or merely a temporary measure. The majority of the researches point to the trend of immediate adoption, yet, there is very little research focused on how these habits change over time - particularly, regarding the transition of purchases of non-essential goods to the purchase of BNPL items of basic needs.

The other gap is the way in which the various demographic groups embrace and utilize BNPL services during the post-pandemic era. Although the regional and behavioural patterns have been discussed, the long-term psychological and economic impacts of BNPL, especially among vulnerable or low-literate communities in third-world markets have not been sufficiently addressed.

3.5. RESEARCH OBJECTIVES:

This research seeks to comprehend the post pandemic changes in the use of BNPL. The objectives are, more precisely, the following:

1. To determine the major demographic indicators - age, gender, and income that determine the adoption of BNPL in the post-pandemic era.

2. To examine the influence of digitalisation and growth in e-commerce in the creation of the utilisation behaviour of BNPL.

3. To examine the consumer perceptions of BNPL, such as their perception of convenience, risks, and financial management implications.

4. To determine how BNPL use influences the financial wellbeing of consumers, such as spending behaviour and repayment behaviour.

5. To propose the policy solutions and financial education programs that can promote the responsible and sustainable use of BNPL services.

3.6. SCOPE OF THE STUDY:

The study aims at examining the extent to which consumers have utilized BNPL services during the post-pandemic era and the behaviour of how they have spent money. It seeks to answer the question of whether the increased use of BNPL during the COVID-19 was an indication of a lasting change in the habit of paying or a response to financial strain and dilemma. The paper looks into the case of discretionary purchases, which include the use of clothing, electronics and lifestyle items, and the shift to BNPL in purchasing necessities such as groceries, utilities and home costs. Demographic variation (age, income, occupation and location) is also taken into consideration so as to know the most frequently and the reasons why people use BNPL. It is restricted to the usage of digital BNPL platform. provided by fintechs companies, banks, and online merchants.

The main focus is on consumer behaviour and not merchant-side techniques and sophisticated credit-risk modelling.

With regards to geography, the research includes urban locations with a high BNPL adoption where the analysis will be conducted after 2022, and the results will be compared with the trends during the pandemic times. The insights gained are intended to guide financial service providers, regulators and policymakers in the direction of the changing consumer payment habits and what actions should be taken to enable responsible credit behaviour as BNPL gains prevalence.

4. Analysis and Findings:

4.1. Frequency Analysis (Demographic Profile)

The frequency data demonstrate that the number of those who belong to the 18-25 age group is more than half (50.9) of the respondents. ie. younger consumers constitute the largest population of BNPL users. The ratio of men to women is nearly equal. Balanced to 49.1/50.9 female/male, meaning that BNPL adoption is not skewed toward one gender. This implies that BNPL seems to be a much older, more digitally familiar phenomenon than a gender one. Younger BNPL services are more frequently adopted by consumers who are already familiar with a digital platform readily than older groups.

Frequency Table:

Table 1: Age-Wise Distribution of Respondents

Age	Frequency	%	Valid Percent	Cumulative Percent
18–25	112	50.9	50.9	50.9
26–35	39	17.7	17.7	68.6
36–45	25	11.4	11.4	80
46–55	23	10.5	10.5	90.5
Above 55	21	9.5	9.5	100
Total	220	100	100	

(SOURCE: Author's Analysis)

Table 2: Gender Distribution of Respondents

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Female	108	49.1	49.1	49.1
Male	112	50.9	50.9	100
Total	220	100	100	

(SOURCE: Author's Analysis)

4.2. Descriptive Statistics:

More than 70% of the respondents indicated that their knowledge about BNPL grew during the COVID-19 pandemic. Similarly, nearly three-fourths of respondents felt that BNPL has now become an essential part of their financial toolkit. This suggests that the pandemic acted as a turning point, pushing many people to explore digital credit options. BNPL shifted from being a convenience-based service to something people actively rely on for managing expenses.
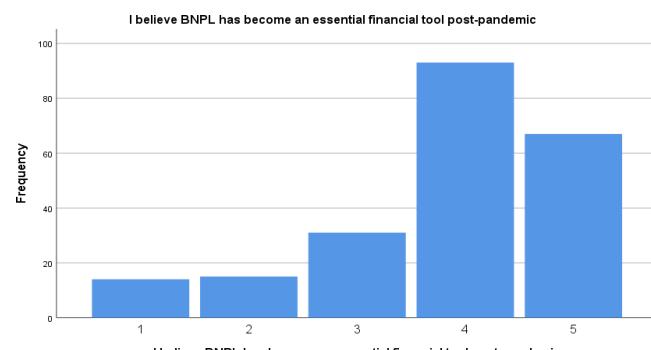
Table 3: Respondents' Awareness of BNPL Services During the COVID-19 Pandemic

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
2	26	11.8	11.8	11.8
3	37	16.8	16.8	28.6
4	101	45.9	45.9	74.5
5	56	25.5	25.5	100
Total	220	100	100	

(SOURCE: Author's Analysis)

Table 4: Respondents' Perception of BNPL as an Essential Financial Tool Post-Pandemic

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
1	14	6.4	6.4	6.4
2	15	6.8	6.8	13.2
3	31	14.1	14.1	27.3
4	93	42.3	42.3	69.5
5	67	30.5	30.5	100
Total	220	100	100	

I believe BNPL has become an essential financial tool post-pandemic

(SOURCE: Author's Analysis)
(Fig:1)

4.3. Independent Samples T-Test (Gender Difference):

The t-test results show no major differences between men and women in how they perceive BNPL benefits or risks.

Both genders share similar views on cash-flow benefits, impulsive purchasing tendencies and safety of linking bank accounts to BNPL apps. This suggests that BNPL usage and perception are gender-neutral. Marketing, awareness and risk patterns are consistent across both male and female users.

Table 5: Group Statistics Based on Gender for Perceptions Toward BNPL Services

	Gender	N	Mean	Std. Deviation	Std. Error Mean
BNPL helps me manage short-term cash flow better.	Male	112	3.35	1.25	0.118
	Female	108	3.22	1.163	0.112
BNPL encourages impulsive or unnecessary purchases.	Male	112	3.19	1.591	0.15
	Female	108	3.34	1.201	0.116
I feel safe linking my bank account/credit card with BNPL apps.	Male	112	3.72	1.289	0.122
	Female	108	3.51	1.028	0.099

(SOURCE: Author's Analysis)

Table 6: Independent Samples t-Test Comparing Gender Differences in BNPL Perceptions

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
BNPL helps me manage short-term cash flow better.	Equal variances assumed	0.07	0.792	0.773	218	0.44	0.126
	Equal variances not assumed			0.774	217.722	0.44	0.126
BNPL encourages impulsive or unnecessary purchases.	Equal variances assumed	25.07	0	-0.814	218	0.417	-0.155
	Equal variances not assumed			-0.818	206.22	0.414	-0.155
I feel safe linking my bank account/credit card with BNPL apps.	Equal variances assumed	7.936	0.005	1.358	218	0.176	0.214
	Equal variances not assumed			1.364	210.624	0.174	0.214

(SOURCE: Author's Analysis)

4.4. One-Way ANOVA (Age-Based Perception Differences)

The ANOVA results reveal significant differences across age groups in certain areas. Older respondents showed more concern about how BNPL could affect credit scores and found the terms easier to understand. On the other hand, younger users were more optimistic and less cautious, though sometimes less aware of long-term implications.

This shows that Age plays a meaningful role in how people assess the risks and fine print of BNPL. Younger consumers are more free in BNPL adoption, and older consumers enter more financial experience and reservations.

Table 7: Descriptive Statistics of BNPL Perceptions Across Different Groups:

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		

	1	112	3.38	1.148	0.108	3.16	3.59	1	5
	2	39	3.21	1.26	0.202	2.8	3.61	1	5
I am concerned about BNPL services impacting my credit score	3	25	3.44	1.325	0.265	2.89	3.99	1	5
	4	23	2.39	1.751	0.365	1.63	3.15	1	5
	5	21	3.86	1.195	0.261	3.31	4.4	1	5
	Total	220	3.3	1.303	0.088	3.12	3.47	1	5
	1	112	3.79	1.058	0.1	3.6	3.99	1	5
	2	39	3.62	1.115	0.179	3.25	3.98	2	5
I find BNPL terms and conditions difficult to understand.	3	25	2.64	1.411	0.282	2.06	3.22	1	5
	4	23	2.48	1.648	0.344	1.77	3.19	1	5
	5	21	3	1.304	0.285	2.41	3.59	1	5
	Total	220	3.42	1.299	0.088	3.25	3.59	1	5
	1	112	3.57	1.105	0.104	3.36	3.78	1	5
	2	39	3.41	1.618	0.259	2.89	3.93	1	5
BNPL services have improved my overall shopping experience.	3	25	2.84	1.281	0.256	2.31	3.37	1	5
	4	23	3.52	1.648	0.344	2.81	4.23	1	5
	5	21	3	1.342	0.293	2.39	3.61	1	5
	Total	220	3.4	1.326	0.089	3.22	3.58	1	5
	1	112	3.38	1.231	0.116	3.14	3.61	1	5
	2	39	3	1.298	0.208	2.58	3.42	1	5
BNPL helps me manage short-term cash flow better.	3	25	3.32	1.282	0.256	2.79	3.85	1	5
	4	23	3.65	0.714	0.149	3.34	3.96	2	5
	5	21	2.9	1.136	0.248	2.39	3.42	1	5
	Total	220	3.29	1.207	0.081	3.13	3.45	1	5

(SOURCE: Author's Analysis)

Table 8: Test of Homogeneity of Variances for BNPL Perception Variables:

		Levene Statistic	df1	df2	Sig.
	Based on Mean	4.211	4	215	0.003
	Based on Median	1.172	4	215	0.324
I am concerned about BNPL services impacting my credit score	Based on Median and with adjusted df	1.172	4	141.492	0.326
	Based on trimmed mean	3.904	4	215	0.004
	Based on Mean	8.581	4	215	0

I find BNPL terms and conditions difficult to understand.	Based on Median	6.544	4	215	0
	Based on Median and with adjusted df	6.544	4	205.518	0
	Based on trimmed mean	8.778	4	215	0
BNPL services have improved my overall shopping experience.	Based on Mean	6.973	4	215	0
	Based on Median	2.446	4	215	0.047
	Based on Median and with adjusted df	2.446	4	185.213	0.048
	Based on trimmed mean	6.55	4	215	0
BNPL helps me manage short-term cash flow better.	Based on Mean	3.001	4	215	0.019
	Based on Median	1.112	4	215	0.352
	Based on Median and with adjusted df	1.112	4	192.25	0.352
	Based on trimmed mean	2.882	4	215	0.024

(SOURCE: Author's Analysis)

Table 9: ANOVA Analysis of Group Differences in BNPL-Related Perceptions

		Sum of Squares	df	Mean Square	F	Sig.
I am concerned about BNPL services impacting my credit score	Between Groups	26.977	4	6.744	4.21	0
	Within Groups	344.819	215	1.604		
	Total	371.795	219			
I find BNPL terms and conditions difficult to understand.	Between Groups	56.521	4	14.13	9.71	0
	Within Groups	313.007	215	1.456		
	Total	369.527	219			
BNPL services have improved my overall shopping experience.	Between Groups	14.836	4	3.709	2.16	0.08
	Within Groups	369.964	215	1.721		
	Total	384.8	219			
BNPL helps me manage short-term cash flow better.	Between Groups	10.242	4	2.561	1.78	0.13
	Within Groups	308.717	215	1.436		
	Total	318.959	219			

(SOURCE: Author's Analysis)

4.5. Post Hoc (Tukey HSD)

The post-hoc tests support the ANOVA findings. Older adults, particularly those above 46, showed higher financial caution and clearer understanding of BNPL terms. Younger groups (18-25) struggled more with understanding terms and showed higher impulsiveness in adoption.

Generational differences are very evident. Younger users focus more on convenience, while older consumers think more about long-term financial consequences.

Table 10: Post Hoc Multiple Comparisons (Tukey HSD) for Age Groups on BNPL Perception Variables

Dependent Variable	(I) AgeN	(J) AgeN	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
I am concerned about BNPL services impacting my credit score	1	2	0.17	0.235	0.951	-0.48	0.82
		3	-0.065	0.28	0.999	-0.84	0.71
		4	.984*	0.29	0.007	0.19	1.78
		5	-0.482	0.301	0.498	-1.31	0.35
	2	1	-0.17	0.235	0.951	-0.82	0.48
		3	-0.235	0.324	0.951	-1.13	0.66
		4	0.814	0.333	0.108	-0.1	1.73
		5	-0.652	0.343	0.319	-1.6	0.29
	3	1	0.065	0.28	0.999	-0.71	0.84
		2	0.235	0.324	0.951	-0.66	1.13
		4	1.049*	0.366	0.037	0.04	2.06
		5	-0.417	0.375	0.8	-1.45	0.61
	4	1	-.984*	0.29	0.007	-1.78	-0.19
		2	-0.814	0.333	0.108	-1.73	0.1
		3	-1.049*	0.366	0.037	-2.06	-0.04
		5	-1.466*	0.382	0.002	-2.52	-0.41
	5	1	0.482	0.301	0.498	-0.35	1.31
		2	0.652	0.343	0.319	-0.29	1.6
		3	0.417	0.375	0.8	-0.61	1.45
		4	1.466*	0.382	0.002	0.41	2.52
I find BNPL terms and conditions difficult to understand.	1	2	0.179	0.224	0.931	-0.44	0.8
		3	1.155*	0.267	0	0.42	1.89
		4	1.316*	0.276	0	0.56	2.08
		5	.795*	0.287	0.048	0.01	1.58
	2	1	-0.179	0.224	0.931	-0.8	0.44
		3	.975*	0.309	0.016	0.12	1.83
		4	1.137*	0.317	0.004	0.26	2.01
		5	0.615	0.327	0.329	-0.28	1.51
	3	1	-1.155*	0.267	0	-1.89	-0.42
		2	-.975*	0.309	0.016	-1.83	-0.12

		4	0.162	0.349	0.99	-0.8	1.12
		5	-0.36	0.357	0.852	-1.34	0.62
	4	1	-1.316*	0.276	0	-2.08	-0.56
		2	-1.137*	0.317	0.004	-2.01	-0.26
		3	-0.162	0.349	0.99	-1.12	0.8
		5	-0.522	0.364	0.607	-1.52	0.48
	5	1	-.795*	0.287	0.048	-1.58	-0.01
		2	-0.615	0.327	0.329	-1.51	0.28
		3	0.36	0.357	0.852	-0.62	1.34
		4	0.522	0.364	0.607	-0.48	1.52
BNPL services have improved my overall shopping experience.	1	2	0.161	0.244	0.964	-0.51	0.83
		3	0.731	0.29	0.09	-0.07	1.53
		4	0.05	0.3	1	-0.78	0.88
		5	0.571	0.312	0.358	-0.29	1.43
	2	1	-0.161	0.244	0.964	-0.83	0.51
		3	0.57	0.336	0.438	-0.35	1.49
		4	-0.111	0.345	0.998	-1.06	0.84
		5	0.41	0.355	0.777	-0.57	1.39
	3	1	-0.731	0.29	0.09	-1.53	0.07
		2	-0.57	0.336	0.438	-1.49	0.35
		4	-0.682	0.379	0.377	-1.72	0.36
		5	-0.16	0.388	0.994	-1.23	0.91
	4	1	-0.05	0.3	1	-0.88	0.78
		2	0.111	0.345	0.998	-0.84	1.06
		3	0.682	0.379	0.377	-0.36	1.72
		5	0.522	0.396	0.68	-0.57	1.61
	5	1	-0.571	0.312	0.358	-1.43	0.29
		2	-0.41	0.355	0.777	-1.39	0.57
		3	0.16	0.388	0.994	-0.91	1.23
		4	-0.522	0.396	0.68	-1.61	0.57
BNPL helps me manage short-term cash flow better.	1	2	0.375	0.223	0.447	-0.24	0.99
		3	0.055	0.265	1	-0.67	0.78
		4	-0.277	0.274	0.85	-1.03	0.48
		5	0.47	0.285	0.467	-0.31	1.25

	2	1	-0.375	0.223	0.447	-0.99	0.24
		3	-0.32	0.307	0.835	-1.16	0.52
		4	-0.652	0.315	0.237	-1.52	0.21
		5	0.095	0.324	0.998	-0.8	0.99
	3	1	-0.055	0.265	1	-0.78	0.67
		2	0.32	0.307	0.835	-0.52	1.16
		4	-0.332	0.346	0.873	-1.28	0.62
		5	0.415	0.355	0.768	-0.56	1.39
	4	1	0.277	0.274	0.85	-0.48	1.03
		2	0.652	0.315	0.237	-0.21	1.52
		3	0.332	0.346	0.873	-0.62	1.28
		5	0.747	0.362	0.239	-0.25	1.74
	5	1	-0.47	0.285	0.467	-1.25	0.31
		2	-0.095	0.324	0.998	-0.99	0.8
		3	-0.415	0.355	0.768	-1.39	0.56
		4	-0.747	0.362	0.239	-1.74	0.25

(SOURCE: Author's Analysis)

4.6. Homogeneous Subsets:

Although the age factors have divided opinions on BNPL, it is evident that the convenience and benefits of BNPL are felt by all the generations.

Table 11: Post-Hoc Tukey HSD Results for Age-wise Concerns About BNPL Impact on Credit Score

Age	N	Subset for alpha = 0.05		Tukey HSD[a,b]
		1	2	
4	23	2.39		
2	39	3.21	3.21	
1	112		3.38	
3	25		3.44	
5	21		3.86	
Sig.		0.095	0.27	

(SOURCE: Author's Analysis)

Table 12: Post-Hoc Tukey HSD Results for Age-wise Difficulty in Understanding BNPL Terms and Conditions

Tukey HSD[a,b]

AgeN	N	Subset for alpha = 0.05	
		1	2
4	23	2.48	
3	25	2.64	
5	21	3	3
2	39		3.62
1	112		3.79
Sig.		0.449	0.082

(SOURCE: Author's Analysis)

Table 13: Tukey HSD Test – Age-wise Differences in Perceived BNPL Support for Managing Short-Term Cash Flow

Tukey HSD[a,b]

Age	N	Subset for alpha = 0.05
5	21	2.9
2	39	3
3	25	3.32
1	112	3.38
4	23	3.65
Sig.		0.113

(SOURCE: Author's Analysis)

5. FINDINGS:

1. BNPL adoption is predominantly driven by younger users, indicating that youth form the core demographic segment actively engaging with these services.

2. Descriptive analysis shows high awareness of BNPL during the pandemic, suggesting that COVID-19 played a major role in accelerating financial digitization and increasing user exposure to digital credit products.

3. T-test results reveal no significant difference between male and female users, confirming that BNPL adoption behavior is largely gender-neutral.

4. ANOVA results indicate significant differences across age groups, implying that perceptions, usage patterns, and concerns regarding BNPL vary meaningfully with age.

5. Post Hoc analysis highlights that older users tend to be more cautious about BNPL, suggesting the need for targeted digital awareness programs and simplified communication for senior age groups.

6. CONCLUSION:

According to the research, Buy Now, Pay Later (BNPL) services are no longer a niche payment. choice to be an ordinary financial instrument in the post-pandemic world. The largest group of users is young adults in the age bracket of 18 to 25 who have already been familiar with digital transactions and would want to flexible repayment methods. Over 70% of the respondents stated that they were aware of and used.

Also, the results show that gender does not play a significant role in the BNPL use or perceptions. Both men and women perceive BNPL the same as convenient, trusting and risky like impulsive spending or repayment challenges. This supports the notion that the adoption of BNPL is more influenced by digital accountability than gender difference. Nevertheless, age turned out to be an important influence on the formation of financial attitudes. This implies that it is not demographics only but financial experience and maturity that significantly influence responsible credit behaviour.

The other trend is the change in the spending categories. BNPL had been utilized largely in the past as a means of purchases of an economic nature such as fashion and electronics, which are associated with shopping, are now being utilized more to make the basic expenditures.

Altogether, the analysis demonstrates that although BNPL is convenient and flexible, it is not completely used by many users perceive how it will affect it over time. Consequently, financial literacy, sound borrowing and transparency regulatory measures are needed to transform BNPL into a viable credit model of the digital economy.

7. RECOMMENDATIONS:

In order to promote responsible and sustainable BNPL usage, the following are the measures that are proposed:

1. Enhance Financial Literacy:

Regulators and educational institutions ought to collaborate with fintech firms to create easy and relevant financial

education courses.

2. Effective and Open Communications:

BNPL Platforms are expected to make their language simpler and clearly define punishments, repayment time and concealed fees to enable users to make knowledgeable choices without confusion.

3. Enhance Regulatory Supervision:

With the rise of BNPL, regulation should be balanced like in the case of traditional credit products. This must contain principles of good business, clear pricing, consumer guard and systems to eliminate predatory lending.

4. Enhance BNPL with Credit Bureaus:

Connecting BNPL payments to credit reporting would help promote more responsible payment behaviour. It also assists in avoiding users to have several BNPL accounts without being able to see them their overall credit burden.

5. Specialized Awareness among Younger Users.

The younger users are the most active and at the same time the most susceptible to impulsive use so age specific interventions - they can be assisted using campaigns or applications reminders use BNPL more responsibly.

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