Consumer Awareness of Buy Now Pay Later (BNPL) Services

An Empirical Study of the Determinants of BNPL Awareness Among Retail Consumers

Narayanasamy P, Dr.V.Deepa
Firebird Institute of Research in Management,
Coimbatore
narayanasamy.p@firebird.net.in , deepa.v@firebird.ac.in

Abstract*—Buy Now, Pay Later (BNPL) has emerged as one of the fastest-growing alternative payment methods in retail, allowing consumers to acquire goods immediately while deferring payment over short, typically interest-free instalments. As BNPL becomes embedded in both online and offline checkout journeys, understanding how well consumers actually comprehend the mechanics, costs, and risks of the product has become an urgent research and policy question. This study examines consumer awareness of BNPL services and the extent to which five commonly cited adoption-related factors—perceived ease of use, trust and security, financial literacy, discounts and value, and social influence—explain that awareness. Primary data were collected through a structured, five-point Likert-scale questionnaire administered to 200 retail consumers, and the data were analysed in SPSS using descriptive statistics, reliability testing, Pearson correlation, and multiple linear regression. Descriptive results show that awareness of BNPL's credit nature, fee structures, and repayment obligations remains low across the sample. Contrary to the hypothesised relationships, none of the five predictors—perceived ease of use, trust and security, financial literacy, discounts and value, or social influence—had a statistically significant effect on consumer awareness (all $p > .05$), and the overall model explained less than three percent of the variance in awareness ($R^2 = .029$). These findings indicate that ease of access, platform trust, promotional value, and peer influence are sufficient to drive BNPL usage without a corresponding improvement in consumers' understanding of the product's credit implications, revealing a usage-awareness gap. The study argues that BNPL adoption and BNPL awareness are largely decoupled constructs, and that closing this gap requires deliberate disclosure and financial-education interventions rather than reliance on market-driven usability or promotional mechanisms. Implications for fintech providers, retailers, and regulators are discussed, along with the study's limitations and directions for future research.*

Keywords*—Buy-Now-Pay-Later (BNPL); Consumer Awareness; Perceived Ease of Use; Trust and Security; Financial Literacy; Discounts and Value; Social Influence; Digital Payments; Instalment Credit*

I. INTRODUCTION

A. Introduction

Consumer awareness of Buy Now, Pay Later (BNPL) services is generally high with respect to their convenience and flexibility, yet many users—particularly younger and lower-income consumers—lack a full understanding of the associated fees, repayment obligations, and long-term credit implications. This gap between usage and understanding is central to the present study.

The rapid digitalisation of retail and payment infrastructure has reshaped how consumers transact, both online and in physical stores. BNPL allows a purchase to be completed immediately while the cost is spread across a small number of instalments, most commonly structured as a “pay-in-four” model. The product has grown rapidly among millennials and Gen Z consumers, who are drawn to its interest-free structure, minimal documentation, and near-instant approval, and who are often underserved by traditional credit products such as credit cards and personal loans.

For merchants, offering BNPL at checkout is associated with higher conversion rates, larger average order values, and lower cart abandonment. For consumers, it reduces the immediate financial burden of a purchase and smooths short-term cash flow. However, the same features that make BNPL attractive—speed, minimal credit checks, and a marketing narrative of being “interest-free”—also raise concerns about over-borrowing, debt stacking across multiple providers, and consumer protection, particularly where regulatory oversight of the sector is still developing, as is the case in India.

This study investigates consumer awareness of BNPL services and examines whether five commonly proposed drivers of digital-payment adoption—perceived ease of use, trust and security, financial literacy, discounts and value, and social influence—are also drivers of consumer awareness, or whether awareness instead behaves as an independent construct that adoption-oriented factors fail to explain.

B. Background of the Study

The growth of BNPL can be situated within several complementary behavioural and technology-adoption theories. The Theory of Planned Behaviour suggests that use of BNPL is shaped by consumers' attitudes, subjective norms, and perceived behavioural control, while the Technology Acceptance Model (TAM) proposes that ease of use and usefulness jointly determine adoption of a digital financial tool such as BNPL.

From a financial-behaviour perspective, Consumer Credit Theory and the concept of Mental Accounting help explain how BNPL reframes a purchase from an immediate cash outflow into a deferred obligation, psychologically lowering the perceived cost of spending and encouraging impulse purchases. Complementary perspectives—Service-Dominant Logic, Expectancy Disconfirmation Theory, Socio-Technical Systems Theory, and Diffusion of Innovations Theory—further explain how BNPL is embedded into the retail checkout experience, how satisfaction is shaped by expectations versus actual service delivery, and how the product diffuses through peer networks and social media.

Collectively, this theoretical backdrop suggests that BNPL usage is driven by a mix of psychological, technological, and social forces that reduce the perceived friction and cost of spending. What remains less clear—and what this study addresses—is whether these same forces also build genuine consumer awareness of BNPL's credit obligations, or whether they operate independently of it, particularly among younger, digitally active consumers who may treat BNPL as a budgeting tool rather than a form of credit.

C. Research Problem

Although BNPL platforms offer convenience, flexibility, and affordability, their rapid integration into retail and e-commerce raises concerns around financial discipline, impulsive spending, and the build-up of long-term debt. Despite the growing prevalence of BNPL among diverse consumer segments, there remains insufficient understanding of how the product affects consumer behaviour—specifically purchase decisions, service satisfaction, and perceptions of financial risk. This gap is especially significant in developing economies such as India, where digital payment systems are still evolving and financial literacy varies markedly across the population. This study addresses the uncertainty over the real influence of commonly cited adoption factors on consumers' actual awareness of BNPL's terms and risks.

D. Research Questions and Objectives

The study addresses the following research questions: (1) What is the level of consumer awareness of BNPL terms, risks, and repayment obligations? (2) Does perceived ease of use influence consumer awareness of BNPL? (3) Does trust and security influence consumer awareness of BNPL? (4) Does financial literacy influence consumer awareness of BNPL? (5) Do discounts and perceived value influence consumer awareness of BNPL? (6) Does social influence affect consumer awareness of BNPL?

In line with these questions, the objectives of the study are to: (1) examine the level of consumer awareness of BNPL terms, risks, and operational structures; (2) analyse how perceived ease of use influences BNPL awareness; (3) evaluate the role of trust and security in shaping BNPL awareness; (4) investigate the relationship between financial literacy and BNPL awareness; (5) assess how perceived discounts and value relate to BNPL awareness; and (6) study the extent to which social influence drives BNPL awareness among consumers.

E. Significance of the Study

The BNPL market has expanded rapidly due to its seamless integration into e-commerce and its appeal to consumers who often lack an established credit history. This growth has outpaced consumer understanding of the risks involved, including hidden fees, the psychological reduction in "pain of payment" that encourages impulsive buying, and the risk of unmanageable debt accumulation. Because the BNPL sector is frequently less regulated than traditional consumer lending, users are often exposed to inconsistent protections.

Academically, the study contributes to the technology-adoption and consumer-behaviour literature by empirically testing whether adoption-oriented constructs also predict awareness, an outcome variable that has received comparatively little direct attention. Practically, the findings offer fintech providers, retailers, and policymakers evidence to guide responsible-lending frameworks, targeted financial-literacy interventions, and disclosure practices that balance financial inclusion with consumer protection.

II. LITERATURE REVIEW

A. Overview

BNPL has evolved from a niche checkout option into a mainstream retail payment method integrated directly into e-commerce platforms and point-of-sale systems worldwide. Global providers such as Klarna, Afterpay, and Sezzle have partnered extensively with retailers, while in India, rapid smartphone penetration, the growth of digital lending, and rising cashless-transaction adoption have created favourable conditions for BNPL expansion. At the same time, the sector's relatively light regulatory footprint and uneven financial-literacy levels across the population create conditions in which usage can outpace genuine understanding of the product.

B. Review of Literature

A growing body of research has examined the psychological, technological, and social forces shaping BNPL usage. Schomburgk and Hoffmann (2024) find that the frictionless nature of BNPL checkout reduces cognitive engagement at the point of sale, and that consumers who shop more mindfully are less prone to the debt traps associated with the product. Biradar and Reddy (2025) report that BNPL fosters impulsive consumption among youth and that low financial awareness directly contributes to long-term financial stress, while Hiremath et al. (2025) find that users are typically aware of the instalment feature of BNPL but not of its impact on credit scores, leading to a rise in impulsive purchasing. Relja et al. (2025) similarly show that BNPL's interest-free marketing narrative masks consumers' awareness of their actual debt obligations, leading many to treat the product as a budgeting tool rather than a form of credit.

Perceived ease of use has been consistently linked to BNPL adoption. Al-Adwan et al. (2024) show that effort expectancy is a critical determinant of continued BNPL use among Gen Z consumers, while Sadeliputri (2025) finds that a frictionless interface lowers the psychological barriers to shopping and increases impulsive buying. Biradar and Reddy (2025) note that one-click registration and instant approval drive rapid adoption but can also create a "budgeting illusion" in which consumers are aware of convenience but not of cumulative debt.

Trust and security have also been widely studied. Mehta (2023) finds that peer recommendations often override individual security concerns, while Bakar et al. (2025) show that institutional trust and transparency increase the likelihood of responsible BNPL use. Deshlehra and Pattanayak (2025) find that platform reliability and fraud protection mediate the relationship between initial interest and eventual adoption.

Financial literacy research presents a more mixed picture. Biradar and Reddy (2025) report a link between financial literacy and BNPL knowledge, whereas Wardani et al. (2025) find that lifestyle and consumptive behaviour can "overshadow" financial literacy, leading consumers to use BNPL despite being aware of its risks. Alessa and Alabdan (2025) similarly find that while awareness of the BNPL service itself is high among university students, awareness of its opportunity cost—such as foregone savings—remains low.

Studies on discounts and perceived value show that promotional incentives and interest-free framing increase the attractiveness of BNPL, particularly for higher-priced goods (Guttman-Kenney et al., 2023; Sari & Rahayu, 2025), while research on social influence consistently finds that peer behaviour, family usage, and social-media exposure shape both the intention to use BNPL and its normalisation as an everyday payment method (Chuah et al., 2025; Srivastava et al., 2025).

C. Perceived Ease of Use

Perceived ease of use refers to the degree to which a consumer believes that using BNPL requires minimal effort (Davis, 1989). In the BNPL context, this covers sign-up simplicity, checkout integration, and clarity of the repayment interface. Prior studies suggest that a low-friction experience increases usage, but whether it also increases genuine understanding of the product's terms is less established, and is one of the questions this study tests directly.

D. Trust and Security

Trust and security reflect a consumer's belief that a BNPL provider will handle personal and financial data responsibly and act transparently regarding fees and terms (Raj et al., 2024). While trust is theorised to reduce perceived risk and encourage adoption, it is less clear whether trusting a provider translates into a better understanding of how the underlying credit product actually works.

E. Financial Literacy

Financial literacy encompasses the knowledge, skills, and behaviours that allow a consumer to process financial information and make informed credit decisions (Lusardi & Mitchell, 2014). In the BNPL context, this includes the ability to calculate total instalment costs, recognise late-fee structures, and evaluate the impact of deferred payments on future cash flow.

F. Discounts and Value

Discounts and value capture the perceived financial and psychological benefits of BNPL relative to traditional credit, including the interest-free structure, the ability to defer payment, and the sense that expensive items become more "affordable" when split into instalments (Akana, 2022).

G. Social Influence

Social influence reflects the extent to which peers, family, and social-media exposure normalise BNPL as an everyday payment method, potentially lowering consumers' perceived risk and encouraging adoption to maintain parity with a social circle (Waliszewski et al., 2024).

H. Relationship Between Independent Variables and Consumer Awareness

Taken together, the literature suggests that perceived ease of use, trust and security, financial literacy, discounts and value, and social influence are well-established drivers of BNPL adoption and usage intention. However, adoption and awareness are conceptually distinct: a consumer can use a product frequently and comfortably while remaining largely uninformed about its cost structure and credit implications. This study tests whether the same five constructs that reliably predict adoption in prior research also predict the distinct outcome of consumer awareness.

I. Hypothesis Development

Based on the literature review, the following hypotheses are proposed:

H1: Perceived Ease of Use is positively related to Consumer Awareness of BNPL.

H2: Trust & Security is positively related to Consumer Awareness of BNPL.

H3: Financial Literacy is positively related to Consumer Awareness of BNPL.

H4: Discounts & Value is positively related to Consumer Awareness of BNPL.

H5: Social Influence is positively related to Consumer Awareness of BNPL.

J. Theoretical Framework

The theoretical framework proposes that Perceived Ease of Use, Trust & Security, Financial Literacy, Discounts & Value, and Social Influence each exert a direct effect on Consumer Awareness of BNPL services (Fig. 1).

Independent Variables	Dependent Variable
Perceived Ease of Use	
Trust & Security	
Financial Literacy	Consumer Awareness of BNPL Services
Discounts & Value	
Social Influence	

Fig. 1. Theoretical Framework (Source: Developed for research)

K. Research Gap

While BNPL has drawn growing academic and industry interest, most existing studies focus on adoption intention or usage frequency as the outcome variable, with comparatively little direct empirical attention paid to consumer awareness itself—that is, whether consumers actually understand what they are signing up for. Studies that do reference awareness typically treat it descriptively rather than testing it as a dependent variable against established adoption predictors. Furthermore, much of the available evidence is drawn from Western or Southeast Asian markets; empirical evidence from the Indian retail context, where BNPL regulation and consumer-credit literacy are both still developing, remains limited. This study addresses these gaps by empirically testing whether five well-established adoption predictors also explain consumer awareness among Indian retail consumers.

III. RESEARCH METHODOLOGY

A. Introduction

This section describes how the conceptual framework developed in Section II was translated into an empirically testable research design. Data were collected through a structured questionnaire and analysed using established univariate, bivariate, and multivariate statistical techniques.

B. Operational Definitions of Research Variables

Perceived Ease of Use (PEU): the extent to which respondents perceive BNPL sign-up, checkout integration, navigation, and repayment as simple and low-effort (Davis, 1989).

Trust & Security (TS): respondents' belief that BNPL providers handle personal data securely, act transparently, and manage credit fairly (Raj et al., 2024).

Financial Literacy (FL): respondents' ability to calculate instalment costs, budget for BNPL repayments, and evaluate the impact of BNPL on future savings (Lusardi & Mitchell, 2014).

Discounts & Value (DV): respondents' perception of the financial and psychological benefits of BNPL, including affordability, cash-flow management, and avoidance of credit-card interest (Akana, 2022).

Social Influence (SI): the extent to which friends, family, and social media shape respondents' use of BNPL (Waliszewski et al., 2024).

Consumer Awareness (CA) of BNPL: the dependent variable, operationalised through respondents' recognition of BNPL as a form of short-term credit, their attention to repayment schedules, awareness of late-payment interest, and understanding of total cost including fees.

C. Research Framework and Hypotheses

The research framework tests the direct effects of Perceived Ease of Use, Trust & Security, Financial Literacy, Discounts & Value, and Social Influence on Consumer Awareness of BNPL, corresponding to hypotheses H1 through H5 presented in Section II-I.

D. Sources of Research Data

The study relies primarily on primary data collected through a structured questionnaire administered to retail consumers, since only direct respondent input can capture individual-level awareness. Secondary data—academic journals, industry and regulatory reports, and institutional publications—were used to support theory development and interpret the empirical results.

E. Sampling Design

A non-probability convenience sampling technique was used to reach active online and offline shoppers exposed to BNPL at checkout. A total of 200 valid responses were collected, consistent with methodological guidance for multivariate behavioural research involving five predictor variables (Hair et al., 2019).

F. Research Instrument and Data Collection

The questionnaire comprised two sections: Section A captured demographic information (age, gender, education, income, and online shopping frequency), and Section B measured the six constructs—Consumer Awareness, Perceived Ease of Use, Trust & Security, Financial Literacy, Discounts & Value, and Social Influence—using a five-point Likert scale (1 = Strongly Agree to 5 = Strongly Disagree). The questionnaire was administered online via Google Forms.

G. Data Analysis

Data were analysed in IBM SPSS Statistics. Descriptive analysis (frequencies, percentages, means, and standard deviations) was used to profile respondents and characterise study variables. Reliability was assessed using Cronbach's alpha, with 0.70 taken as the conventional threshold for acceptable internal consistency (Hair et al., 2017). Pearson correlation was used to examine bivariate associations among constructs, and multiple linear regression was used to test H1–H5 and estimate the proportion of variance in Consumer Awareness explained by the five predictors.

IV. DATA ANALYSIS AND RESULTS

This section presents the analysis of 200 valid responses, beginning with the demographic profile of respondents, followed by descriptive statistics, reliability analysis, correlation analysis, and multiple regression analysis used to test H1–H5.

A. Profile of the Respondents

The sample is dominated by young to early-middle-aged consumers with moderate income and frequent online shopping behaviour. Tables I–V summarise the demographic profile.

TABLE I. GENDER OF RESPONDENTS

Gender	Frequency	Percent
Male	112	56.0%
Female	88	44.0%
Total	200	100.0%

TABLE II. AGE GROUP OF RESPONDENTS

Age Group	Frequency	Percent
18–24 years	26	13.0%
25–34 years	66	33.0%
35–44 years	47	23.5%
45–54 years	36	18.0%

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55 years and above	25	12.5%
Total	200	100.0%

TABLE III. EDUCATION OF RESPONDENTS

Education	Frequency	Percent
High School	22	11.0%
Undergraduate	58	29.0%
Postgraduate	36	18.0%
Diploma	53	26.5%
Others	31	15.5%
Total	200	100.0%

TABLE IV. INCOME OF RESPONDENTS

Monthly Income	Frequency	Percent
Rs.15,000–Rs.20,000	51	25.5%
Rs.20,001–Rs.25,000	64	32.0%
Rs.25,001–Rs.30,000	28	14.0%
Rs.30,001–Rs.35,000	30	15.0%
Above Rs.30,001	27	13.5%
Total	200	100.0%

TABLE V. ONLINE SHOPPING FREQUENCY

Frequency	Respondents	Percent
Daily	50	25.0%
Weekly	58	29.0%
Monthly	51	25.5%
Rarely	29	14.5%
Never	12	6.0%
Total	200	100.0%

The majority of respondents are aged 25–34 (33.0%), male (56.0%), undergraduate degree holders (29.0%), earning Rs.20,001–Rs.25,000 per month (32.0%), and shopping online on a weekly basis (29.0%). The sample therefore predominantly reflects the perspectives of digitally active, early-career consumers most exposed to BNPL at online checkout.

B. Descriptive Statistics of Study Variables

Table VI reports the mean and standard deviation of each construct's items on the five-point scale (1 = Strongly Agree, 5 = Strongly Disagree). All construct means fall below the scale midpoint of 3.00, indicating comparatively low agreement—that is, low awareness, low perceived ease of use, low trust, low financial confidence, low perceived value, and low perceived social pressure—across the sample, with standard deviations consistently above 1.0 reflecting wide dispersion in responses.

TABLE VI. DESCRIPTIVE STATISTICS OF STUDY VARIABLES (CONSTRUCT-LEVEL AVERAGES)

Construct	Mean (of items)	Approx. Range
Consumer Awareness	2.31	2.18–2.53
Perceived Ease of Use	2.42	2.29–2.65
Trust & Security	2.58	2.35–2.77
Financial Literacy	2.39	2.23–2.56
Discounts & Value	2.28	2.06–2.53
Social Influence	2.30	2.17–2.59

Within Consumer Awareness, respondents showed the least understanding of repayment schedules and total cost including fees (mean = 2.18 each) and somewhat greater—though still low—awareness that late payments can incur interest (mean = 2.53). Within Perceived Ease of Use, navigating the mobile application scored highest (mean = 2.65), while managing the account with minimal mental effort scored lowest (mean = 2.29). Within Trust & Security, confidence in data handling was highest (mean = 2.77) while confidence in platform encryption was lowest (mean = 2.35).

C. Reliability Analysis

Cronbach's alpha was computed for each construct to assess internal consistency (Table VII).

TABLE VII. RELIABILITY STATISTICS

Construct	No. of Items	Cronbach's α
Consumer Awareness	4	.317
Perceived Ease of Use	6	.316
Trust & Security	6	.203
Financial Literacy	5	.280
Discounts & Value	5	.248
Social Influence	4	.210

All six constructs recorded Cronbach's alpha values well below the conventional acceptability threshold of 0.70, ranging from .203 (Trust & Security) to .317 (Consumer Awareness). These low coefficients indicate that items within each construct are not strongly inter-correlated and may not be reliably measuring a single underlying concept in this sample. This is an important limitation of the present data (see Section V-D) and suggests that the survey items should be re-examined, piloted, and refined in future replications of this study.

D. Correlation Analysis

Pearson correlation coefficients were computed among all six constructs (Table VIII).

TABLE VIII. PEARSON CORRELATION MATRIX (N = 200)

	CA	PEU	TS	FL	DV	S
CA	1	-.076	.035	.118	.004	.07
PEU	-.076	1	.158*	.004	-.029	.12
TS	.035	.158*	1	.065	.120	.13
FL	.118	.004	.065	1	.107	-.0
DV	.004	-.029	.120	.107	1	.194
SI	.076	.125	.138	-.015	.194**	1

** Correlation significant at the 0.05 level (2-tailed). ** Correlation significant at the 0.01 level (2-tailed).*

Consumer Awareness shows only weak, non-significant correlations with all five predictors (r ranging from -.076 to .118, p > .05). The only statistically significant correlations in the matrix are between Discounts & Value and Social Influence (r = .194, p < .01) and between Perceived Ease of Use and Trust & Security (r = .158, p < .05)—both weak in magnitude and neither involving Consumer Awareness. These results provide an early indication that the hypothesised relationships between the five predictors and Consumer Awareness may not hold in the regression analysis that follows.

E. Multiple Regression Analysis

Multiple linear regression was conducted to test the combined and individual effects of Perceived Ease of Use, Trust & Security, Financial Literacy, Discounts & Value, and Social Influence on Consumer Awareness.

TABLE IX. REGRESSION MODEL SUMMARY

Model	R	R²	Adj. R²	Std. Error
1	.171	.029	.004	2.580

Predictors: (Constant), Social Influence, Financial Literacy, Perceived Ease of Use, Trust & Security, Discounts & Value. Dependent Variable: Consumer Awareness.

The model returns a weak overall correlation ($R = .171$) and explains only 2.9% of the variance in Consumer Awareness ($R^2 = .029$; Adjusted $R^2 = .004$), indicating negligible explanatory power for this set of predictors.

TABLE X. ANOVA

Model	Sum of Sq.	df	Mean Sq.	F	Sig.
Regression	39.065	5	7.813	1.174	.323
Residual	1290.930	194	6.654		
Total	1329.995	199			

The overall model is not statistically significant, $F(5, 194) = 1.174$, $p = .323$, confirming that the five predictors jointly fail to explain a meaningful share of variance in Consumer Awareness.

TABLE XI. REGRESSION COEFFICIENTS

Predictor	B	Beta	t	Sig.	VIF
(Constant)	8.093	—	4.922	.000	—
Perceived Ease of Use	-.084	-.094	-1.301	.195	1.042
Trust & Security	.031	.033	.452	.652	1.056
Financial Literacy	.113	.121	1.698	.091	1.016
Discounts & Value	-.030	-.033	-.457	.648	1.066
Social Influence	.097	.091	1.250	.213	1.070

Dependent Variable: Consumer Awareness. All Tolerance and VIF values are close to 1.0, confirming the absence of multicollinearity among predictors.

None of the five predictors reached statistical significance at $p < .05$. Financial Literacy was the strongest (though still non-significant) predictor ($\beta = .121$, $p = .091$), followed by Social Influence ($\beta = .091$, $p = .213$) and Trust & Security ($\beta = .033$, $p = .652$). Perceived Ease of Use ($\beta = -.094$, $p = .195$) and Discounts & Value ($\beta = -.033$, $p = .648$) both showed small negative, non-significant coefficients. The large and highly significant constant ($B = 8.093$, $p < .001$) suggests that Consumer Awareness is largely determined by factors outside this model.

TABLE XII. SUMMARY OF HYPOTHESES

Hypothesis	p-value	Decision
H1: PEU → CA	.195	Not Supported
H2: TS → CA	.652	Not Supported
H3: FL → CA	.091	Not Supported
H4: DV → CA	.648	Not Supported
H5: SI → CA	.213	Not Supported

V. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

A. Findings of the Study

The demographic profile shows the sample is dominated by young-adult male consumers with moderate income and frequent online-shopping habits—precisely the segment most exposed to BNPL at checkout. Descriptive results indicate that awareness of BNPL's credit nature, fee structure, and repayment terms is low across the sample, with all construct means falling below the scale midpoint.

Contrary to the hypothesised relationships, correlation and regression analyses show that none of Perceived Ease of Use, Trust & Security, Financial Literacy, Discounts & Value, or Social Influence significantly predicts Consumer Awareness (all $p > .05$), and the full model explains under three percent of the variance in awareness. Financial Literacy came closest to significance ($p = .091$) and carried the largest standardised coefficient, hinting that general financial competence may have some bearing on BNPL-specific awareness even though it did not reach conventional significance in this sample.

These results suggest that the mechanisms that make BNPL easy to use, that build consumer trust, that offer promotional value, and that spread through social networks operate largely independently of whether consumers actually understand what they are signing up for. In other words, BNPL adoption-related factors and BNPL awareness appear to be decoupled constructs in this sample.

B. Theoretical and Managerial Implications

Theoretically, the findings challenge the assumption—implicit in much of the TAM- and TTF-informed adoption literature—that factors which drive usage will also drive understanding. The results point instead to a distinct "awareness-usage gap" in digital consumer finance, in which frictionless design and social normalisation increase usage without commensurately increasing financial comprehension. This suggests a need for theoretical frameworks that treat awareness and adoption as separate outcomes with potentially different antecedents, rather than assuming a single set of predictors explains both.

Managerially, the results indicate that retailers and BNPL providers cannot rely on usability, trust-building, promotional messaging, or social proof to also produce an informed customer base. Since a user-friendly interface does not translate into a well-informed one, providers should consider embedding transparent, interactive disclosure—such as a clear total-cost summary and late-fee warnings—directly into the checkout flow, rather than treating disclosure as a secondary or optional feature.

C. Study Recommendations

Based on the findings, the following interventions are recommended: (1) BNPL providers should embed mandatory, plain-language disclosure of total cost, fees, and repayment schedules at the point of checkout rather than relying on terms-and-conditions pages; (2) retailers and fintech providers should invest in targeted financial-education content aimed specifically at BNPL mechanics, distinct from general financial-literacy campaigns; (3) regulators should consider standardised disclosure requirements for BNPL products comparable to those applied to traditional consumer credit; (4) providers should monitor cross-platform usage to flag consumers accumulating multiple concurrent BNPL obligations; and (5) future consumer-facing BNPL interfaces should be tested not only for usability but explicitly for comprehension, using measures of actual understanding rather than self-reported ease of use.

D. Limitations of the Study

The study is subject to several limitations. The sample size of 200 respondents, while adequate for regression analysis, limits generalisability to the broader BNPL user population. The reliance on self-reported survey data raises the possibility of social-desirability bias and common method variance. The cross-sectional design captures awareness at a single point in time and cannot show how it evolves with continued BNPL exposure. Most importantly, the low Cronbach's alpha values recorded for all six constructs (ranging from .203 to .317) indicate weak internal consistency in the measurement scales; the non-significant regression results should therefore be interpreted with caution, as they may partly reflect measurement unreliability rather than a genuine absence of relationships. Finally, the convenience sampling approach and geographic scope limit the generalisability of the findings beyond the sampled population.

E. Scope for Future Research

Future research should prioritise refining and pilot-testing the measurement scales used here to improve internal consistency before re-testing the hypothesised relationships. Longitudinal designs would help clarify whether awareness improves with sustained BNPL exposure or repayment experience. Comparative studies across income groups, urban versus rural populations, and different BNPL providers could reveal whether the awareness-usage gap identified here is a general phenomenon or context-specific. Qualitative methods, such as interviews or focus groups, could also help explain why consumers with easy access, high trust, or strong social exposure to BNPL do not translate these factors into greater product understanding.

F. Conclusion

This study examined consumer awareness of Buy Now, Pay Later services among 200 retail consumers and tested whether five commonly cited adoption-related factors—perceived ease of use, trust and security, financial literacy, discounts and value, and social influence—explain that awareness. Descriptive results show that awareness of BNPL's credit nature, fees, and repayment terms remains low, particularly among the young, digitally active consumers who make up the majority of the sample. None of the five hypothesised predictors reached statistical significance, and together they explained under three percent of the variance in awareness, indicating that the usual drivers of BNPL adoption do not meaningfully drive consumer understanding of the product.

These findings point to a meaningful gap between using BNPL and understanding it. Ease of use, trust, promotional value, and social influence appear sufficient to sustain BNPL usage without a corresponding increase in financial comprehension. Closing this gap is unlikely to happen through market forces alone; it will require deliberate action from providers, retailers, and regulators—particularly clear, mandatory disclosure at the point of transaction and targeted financial education—to ensure that the convenience of BNPL does not come at the cost of consumers' financial well-being.

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