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The Influence of Buy Now, Pay Later (BNPL) Services on Consumer Spending Behavior

Noemi C. Vega[1], Khim Juzmine G. Constante[1], Katrina C. Pacson[1], Jeanelle G. Samaniego[1], Thrizy E. Tobias[1]

[1]*College of Management and Business Technology, San Isidro Campus, Nueva Ecija University of Science and Technology, Philippines*

Corresponding author: noemicondino@gmail.com

Abstract

This study investigates the influence of Buy Now, Pay Later (BNPL) services on consumer financial behaviors, particularly among young individuals. Using a descriptive quantitative research design, data were gathered through structured surveys focusing on impulse buying tendencies, budgeting strategies, expense tracking, and debt accumulation. The findings reveal moderate agreement on the tendency to overspend when using BNPL, challenges in managing repayment obligations, and increasing reliance on short-term income to meet financial commitments. Although many respondents exhibit awareness of their BNPL responsibilities, inconsistencies in budget planning and limited use of financial tools point to emerging long-term financial vulnerabilities. The study underscores the behavioral impact of BNPL platforms on consumers' financial discipline and spending patterns. It contributes to United Nations Sustainable Development Goal (SDG) 8: Decent Work and Economic Growth by advocating for responsible consumption and promoting enhanced financial education to foster sustainable economic practices. Future researchers are encouraged to explore the psychological factors influencing BNPL usage and to conduct longitudinal studies that assess the long-term financial impacts of BNPL services across diverse age and income groups.

Keywords: Budgeting; Buy Now, Pay Later (BNPL); Consumer Behavior; Debt Accumulation; Financial Discipline; Flexible Payment System; Saving; Spending Habits.

1. Introduction

Buy Now, Pay Later is being regarded as one of the fastest-growing modes of digital payments. There is an increasing number of online retailers and platforms partnering with payment solutions companies to offer an easy, seamless checkout experience for their customers (Ahmed and et al., 2022). Consumers are increasingly using BNPL services to spread payments across interest-free installments rather than relying on debit or credit cards. However, BNPL is costly to retailers, and policymakers have begun to regulate BNPL due to its broad usage and potential impacts on consumers. (Ang et al., 2024). BNPL continues to evolve, concerns surrounding its perceived influence on consumer spending behavior and its effects on a person's financial health have arisen. Some studies have suggested that while BNPL increases an individual's purchasing power, it brings overall more spending and, for some, additional potential burden on their finances (Di Maggio et al., 2022). Besides, as authorities intensify scrutiny into BNPL practices for the safeguarding of consumers and financial stability, such as in the cases of scrutiny to monitor highly risk and benefit-on BNPL is imperative from both consumers and retailers (Wang et al., 2025). BNPL services allow consumers to make purchases immediately and defer payments over time, typically without carrying any interest charge, making it a more attractive proposition over traditional credit. As e-commerce continues to expand, BNPL has become a financial product of central importance for all consumers who appreciate convenience and flexibility in purchasing. In the Philippines, Buy Now, Pay Later services have been noted to be more available and widely used by consumers in rural and urban locations, even in Gapan City, Nueva Ecija. As consumer preferences develop, it is important to understand how this payment method influences purchasing decisions, financial behaviors and attitudes toward debt. The reasons why consumers report regretting their purchases or unable to pay subsequently implies that BNPL can incentivize spending above one's means. Consumers must use BNPL responsibly, and view it as a financial commitment and not just as a convenient option. While businesses will continue to push BNPL as a way to boost revenue, regulators should ensure that consumers are protected from potential financial pitfalls. Financial literacy is key users should fully understand the implications of BNPL before relying on it as a primary payment method.

This study aims to explore the influence of BNPL services on consumer spending behavior in Gapan City, Nueva Ecija. It will first look into the demographic background of the individuals using BNPL, including their age, gender, income, and employment status, and analyze how these characteristics influence their usage of BNPL. The aim is to figure out whether having delay payments encourages people to spend more than they can actually afford, as well as determine how that person's spending behavior translates into the frequency of BNPL use, such as whether they tend to buy impulsively, shop more often than needed, or have difficulty managing their budgets. It will be tested how a person's shopping behavior changes through the use of BNPL, whether it increases demand for unnecessary purchases, increases the buying frequency, or affects how they allocate their funds. Additionally, this research will explore how users manage their finances using BNPL including their budgeting strategies, awareness of repayment terms and track their spending. And it will analyze user challenges with BNPL including debt accumulation and payment struggles alongside managing multiple BNPL payments. Through this study, it will provide and inform consumers to use BNPL services responsibly. Understanding consumer behavior in the context of BNPL services can help identify risks related to overspending and debt accumulation, which may lead to financial instability. Furthermore, the study provides consumers with an understanding of responsible financial decision-making and how to budget responsibly. Overall, this research adds to the knowledge about BNPL services and their consequences in consumer financial behavior in Nueva Ecija. Buy Now, Pay Later (BNPL) payment has been groundbreaking, particularly for Millennials (born 1981-1996), whose digitally born worldview identifies with BNPL's adaptability in spending behavior. It is recorded that 55% of BNPL consumers throughout the United States fall between the age bracket of 18-34, testament to Millennials' desire for instant gratification and convenient payment schedules (Boston Fed, 2024).

Usage of BNPL varies significantly on demographic groups such as age, gender, and income. Australian women use BNPL facilities (11.6%) compared to men (5.5%), for fashion, beauty, and lifestyle retailing. In the USA, the difference is not so stark with 53% male and 47% female users (EnterpriseAppsToday, 2024). Income level is also a determining factor for BNPL consumption. Low-income earners, particularly those who earn less than Php 300,000 annually, use BNPL as a money management strategy in paying off discretionary or obligatory expenses over time. While such behavior may be an immediate solution to money troubles, poor money management may lead to debt accumulation (Investopedia, 2024). Level of employment also influences BNPL behavior. Working consumers will use BNPL as a means of cash flow management without exceeding monthly budgets since 70.6% of BNPL consumers are employed. Self-employed consumers, who have more uneven income cycles, will use BNPL to finance necessity expenditure and cash flow convenience. This group will tend to miss payments and fees therewith (Akana, 2022). BNPL's pay-over-time payment scheme allows for greater consumer expenditure. Transaction value rose from $121 in 2020 to $135 in 2021, representing a 11.6% increase in average transaction value (Capital One Shopping, 2025). While the trend confirms the non-detrimental impact of BNPL on in-store spending, it also points towards potential financial dangers. There are also fiscal problems, as 18% of US BNPL consumers had late payments during 2023. Younger and low-income consumers are disproportionately affected. Another 55% of BNPL consumers admitted to using the service to purchase goods that they could not otherwise have afforded (Fool, 2024). This abuse is concerning in the context of overspending and racking up debt.

The BNPL sector has seen massive expansion over the last few years. As of 2022, there were about 360 million users of BNPL services worldwide, and there were projections to hit 900 million users by 2027 (EnterpriseAppsToday, 2024). The utilization of BNPL is growing more and more in the US, with 14% of the population projected to use the service by 2023, an increase from 12% in 2022. Astonishingly, 40% of the users make use of the platform on a monthly basis (Fool, 2024). As it grew, volumes of transactions are estimated to increase to $132.7 billion in 2024, up by a 14.1% increment. Not only is the increase a testament to how well BNPL is accepted, but it also increased the concerns of consumer debt, as well as regulatory pressures (Capital One Shopping, 2025). Furthermore, Saleh (2025), studied that impulse buying is when a person buys something they did not plan on buying, often driven by emotions, desires, or a sudden urge. Impulse buying is when you buy things without thinking it through, or you're doing it with no previous intention, and the purchase is usually made on the spur of the moment. Impulse buying has been studied from several perspectives, namely: (i) rational processes; (ii) emotional resources; (iii) the cognitive currents arising from the theory of social judgment; (iv) persuasive communication; (v) and the effects of advertising on consumer behavior (Malter et al., 2020).

The causes of impulsive behavior are triggered by an irresistible force to buy and an inability to evaluate its consequences. Despite being aware of the negative effects of buying, there is an enormous desire to immediately satisfy your most pressing needs (Rodrigues et al., 2021). Several studies have explored how BNPL affects impulse buying tendencies. Research indicates that BNPL makes purchases more accessible and less financially intimidating by offering deferred payment options, which can reduce the psychological barriers to spending. According to a study by Hehawan et al., (2023), BNPL services lower the perceived immediate financial burden of purchases, creating a mental separation between the act of buying and the financial commitment, which can lead to more spontaneous, impulsive buying behavior. Consumers who adopted BNPL were more likely to purchase, with purchase likelihood increasing from 17% to 26% (Ang and Maesen, 2024). This is particularly relevant for younger consumers who do not necessarily have a high disposable income, as BNPL creates the perception of affordable purchasing. Adoption of BNPL services has been associated with higher purchasing frequency. BNPL segments payment over times making it look more affordable, driving more shopping. Howarth (2024), studied that the top 11 product categories where people commonly use BNPL include clothing (63.5%), entertainment (30.3%), reading material (29.4%), household furnishing (28.7%), groceries (25%), food delivery services (21.8%), cleaning supplies (21.2%).

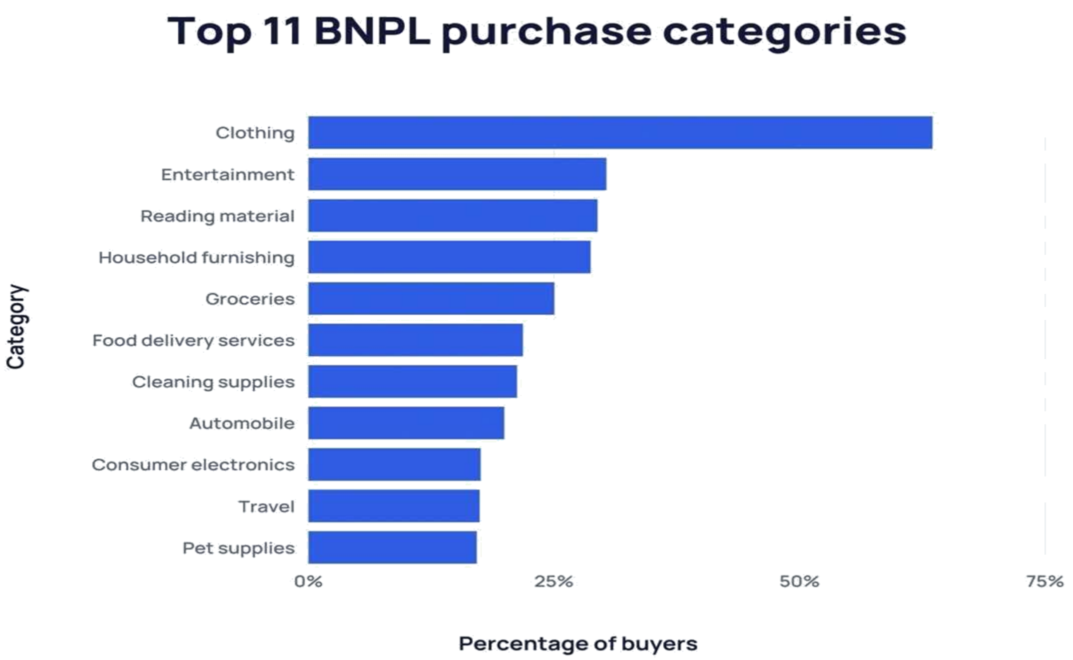

Figure 1: Top 11 Products in BNPL Purchase Category

However, increased purchase frequency can lead to longer-term financial consequences. When consumers end each payment period with multiple BNPL payments at a variety of different retailers this can lead to a debt spiral if they purchase more often than they are able to keep up with repayments. Le (2024), BNPL provided by a focal retailer have a higher order size than those who use traditional payment services. Their empirical estimates indicate an increase of 6.42% in online spending by customers adopting BNPL (Bezawada et al., 2024). It also find that the impact of BNPL adoption is stronger among customers who have high levels of category experience and effective promotion sensitivity. By contrast, the effect is weaker for older and high-income customers, suggesting that the youngest and low-income customers are driving this effect (Bezawada et al., 2024). Some users construe BNPL as a "savings" product, and hence payment format conceptualizations may be erroneous. Those with a positive sentiment foreground BNPL's consumption and budget management benefits (Relja et al., 2023). According to De Jesus (2022), BNPL sees most demand in purchasing durable goods. Through this payment option, consumers mainly purchase electronics and household appliances (39%) and household and interior items (21%), food (15%), medicines and medical services (7%), cosmetics and perfumes (6 %), travel vouchers (5%), goods for hobbies and entertainment (4%).

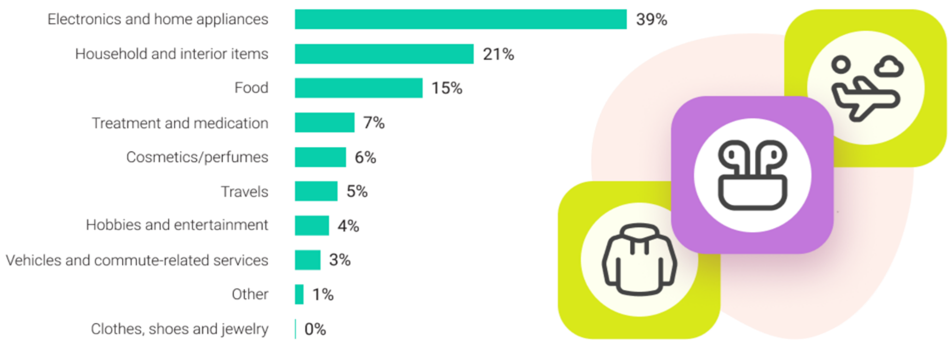

Figure 2: Types of Goods/Services that the Consumers Usually Buy with BNPL in Philippines.

Customers often underestimate their ability to honour future payments as a result of the flexibility BNPL offers, particularly when juggling multiple installment plans. Budgeting experts have raised concerns that BNPL prompts users to spend a larger share of their income on frivolous purchase, such as entertainment or clothing while leaving necessities like groceries, rent and savings underfunded. While BNPL can help to manage the larger cost of big purchases, it usually requires considerable cash flow planning. Customers who don't closely track their BNPL obligations will struggle to meet their future commitments, which, of course creates stress and a requirement for other credit to fill the gaps.

Lit (2025) focuses on the hidden risks of BNPL loans, highlighting the way that customers tend to ignore the cumulative financial burden these loans can create. This problem is not localized in one place but it is globally, Yeap (2025) explained that numerous Singaporean youth are becoming more comfortable with debt and taking advantage of BNPL services to spend on daily needs often without considering the full implications of delayed payments. In the UK, Jones (2021) reveals that consumers have accumulated significant debt of 4.1 billion via BNPL agreements. Additionally, Threadgold et al. (2024) indicates that the gamification of debt, particularly via BNPL technologies, has made it easier for younger individuals to access credit, often creating a debt cycle. ConsumerMan (2024) further explains how BNPL loans lead to financial struggles for consumers since the balances remain outstanding, resulting in increasing debts and financial instability.

Payment difficulties and financial strain are major issues associated with modern consumer credit options, including Buy-Now-Pay-Later (BNPL) services. Johnson et al., (2021) argues that the lack of strict regulation in the BNPL leads to an increase in payment difficulties. The lack of control worsens financial hardship, especially among vulnerable consumers who might already be experiencing financial strain. In addition, Powell et al., (2023), It indicates that the convenience of access to BNPL services in the lack of proper financial education or regulatory protection can form a debt cycle, resulting in significant financial strain for consumers. Managing multiple BNPL commitments and dealing with multiple BNPL commitments has emerged as a prominent subject because of the growing use of BNPL services. With customers accumulating more BNPL loans, dealing with the payments can turn out to be difficult. According to Medine (2025), having multiple BNPL accounts at once, it is essential to consider the risks associated with dealing with several payment schedules. Veling (2024), also mentions the possible risks of holding more than one BNPL loan, including accumulating debt and missing payments, which can damage the credit score. Paul (2024), discusses how consumers who use several BNPL services often rely more heavily on credit, which can make it harder to manage personal finances.

Consumers frequently set aside a specific budget of money for online purchases over a predetermined time frame, such a month. In line with this budgeting strategy, BNPL provides a method that can enable consumers to make purchases while believing they are staying within their allotted budget. Essentially, BNPL is consistent with consumers' propensity to mentally set spending caps for both present and future time periods, which may affect their impression of affordability and budgetary compliance. This mental accounting pattern is well matched by the form of BNPL payments, which may increase the possibility that customers may make purchases. Therefore, in an e-commerce setting, the mental accounting procedures made possible by BNPL may promote higher consumer spending. Additionally, the e-commerce environment integrates a number of marketing tools (such as chatbots, website design, quick credit, and 24-hour retailing) that have been demonstrated to raise the probability of customers making impulsive purchases. Certain components, like "no fees," are frequently emphasized in BNPL messaging at checkouts, making them more noticeable and grabbing customers' attention. Customers could not view BNPL as a type of credit if other crucial information is simultaneously presented less conspicuously (Soni, 2023). Customers view BNPL, a new online payment option, as a unique "way to pay" that sets itself apart from credit cards by reducing the feeling of debt and improving the online shopping experience (Cook et al., 2023). As a result, clients are increasingly using BNPL as a practical and occasionally preferred payment option, especially when compared to alternative payment methods. According to Cook et al., (2023), this tendency is particularly noticeable during tumultuous economic times that are marked by elevated inflation and interest rates. Beyond no-interest lending, BNPL has further advantages. With features like social commerce integration, better user experience design, and one-click purchase and payment apps, its presentation on shopping websites and platforms can greatly improve user experience. Loan limits generally limit the range of BNPL offerings. Charge After (2023), reports that BNPL providers typically grant loans between $50 and $1000, with an average BNPL loan amount of $135 (Soni, 2023). Based on these loan amounts, we propose that BNPL offerings are more geared toward enabling the purchase of low-ticket items (those with lower price points) rather than high-ticket items. Additionally, businesses report an intriguing phenomenon known as the "lipstick effect," wherein customers experiencing financial strain tend to spend less on big-ticket items and more on low-ticket items. According to RFI Global (2022), 31% of American people said they had utilized buy-now-pay-later, and the amount spent on this type of payment plan has increased by 230% annually (Galloway, 2021). According to Shevlin (2021), buy-now-pay-later accounted for around $100 billion in retail purchases in 2021, and by 2025, it is expected to reach

$680 billion. (Galloway, 2021) By introducing new services, such as PayPal's "Pay in 4" buy-now-pay-later service, which drew over 1 million users and over $1 billion in transactions in its first month of operation in November 2021 alone, major payment providers have attempted to preserve their market share in the payments space (Stankiewicz, 2021). This robust rise in buy-now-pay-later aligns with assertions that it boosts consumer expenditure. Afterpay and Klarna, two of the leading buy-now-pay-later companies, assert that they increase typical transaction sizes by 18% and 41%, respectively. (Klarna, 2023) These statements are reflected in consumer sentiment. 59% of American consumers surveyed in 2005 said that buy-now-pay-later promotions pushed them to purchase things they otherwise couldn't afford. (C+R Research, 2021) Despite claims that buy-now-pay-later encourages consumers to spend more, the existing payment mode literature does not fully explain how or why buy-now-pay-later influences consumer spending compared to other payment modes. Although, Schomburgk and Hoffmann (2023) find that mindfulness reduces buy-now-pay-later usage, no research has examined whether buy-now-pay-later increases spending.

According to Davis (2024), BNPL services give customers the flexibility to manage their spending by enabling them to make purchases without having to pay the full amount up front. People who might not be eligible for traditional credit cards can use these services because they frequently have low or no credit check requirements. Customers can better manage their budgets by dividing payments into smaller, more manageable installments, particularly for larger purchases. Because they draw clients who might otherwise be put off by the upfront expenses, BNPL services can help merchants increase conversions and sales. People with better financial decision-making, avoiding expensive errors, and enabling more efficient use of financial resources are all likely outcomes for those with greater financial expertise and understanding. However, there are concerns in the literature that financial education can effectively enhance financial knowledge and decision-making, particularly over the long run. Gilbert et al., (2022) concluded that BNPL emphasizes how crucial it is to spread knowledge of fundamental financial concepts and how they relate to various financial product kinds. The slight but significant differences between BNPL and traditional consumer debt products, for example, present a unique challenge for those who make financial decisions. Operating similarly to a credit card, BNPL provides cost-free borrowing as long as the principal is paid back on time. BNPL levies late fees as opposed to interest, which is assessed on the outstanding balance on credit cards. Because of the lack of interest, BNPL has been able to evade consumer finance regulations, some providers have been able to demonstrate that they are not indebted, either explicitly or implicitly, and some users have come to perceive BNPL as not being debt. The current research on BNPL use shows that lower financial literacy results in higher BNPL use, Gilbert et al., (2022) finding those with lower financial literacy tend to overstate the benefits of BNPL and perceive lower risks than those with better financial literacy. Making better decisions can be achieved by educating customers about BNPL's operation, the dangers of late payments, and how it affects credit scores. A number of researchers support financial education being taught in schools or through focused financial institution campaigns (Cook et al., 2023). Governments and financial regulators play a key role in promoting responsible BNPL usage by implementing consumer protection measures. The Consumer Financial Protection Bureau (CFPB) keeps a close watch on BNPL to ensure consumer protection. BNPL plans typically do not impact credit scores unless defaulted, potentially leaving students unaware of their financial standings. Still, misinformation may lead to consumer distrust, harming the business reputation. Regulatory frameworks can impose limits on the interest rates and fees that BNPL providers charge, as well as mandate stricter credit checks for higher-value purchases (Team, 2024) . Additionally, regulators can also guarantee that consumers who have problems with BNPL providers have access to dispute resolution procedures. Fung (2024), stated that making BNPL repayment performance visible to credit bureaus may make consumers more cautious about missing payments, which lowers the risk of financial delinquency. Integrating BNPL usage into conventional credit reporting systems can promote responsible usage and establish accountability.

2. Methodology

2.1. Research design

This study aims to find out how Buy Now, Pay Later (BNPL) plans affect the spending habits of customers in Gapan City, Nueva Ecija using a survey. This method is a good choice because it helps gather data that can be measured and studied to spot patterns in how people spend. Quantitative research works well for studies that need clear numbers to understand behavior and test ideas (Strunk & Mwavita, 2024).The main objective of this approach is to measure the effects on buying motives by the introduction of BNPL services in a way that it can be replicated. Questionnaires, tests, and thorough assessments of data are frequently used as the primary data gathering tools in quantitative research (Muhammad, 2024). Participants selected from Nueva Ecija will be given structured questionnaires for this study in order to ascertain their degree of awareness, utilization, appreciation, and perception of BNPL services. The more positive outcome of this research design is that it leads to conclusions based on facts. This research is intended to assist businesses in setting up BNPL services by providing knowledge of how these services impact their customers (Creswell & Creswell, 2021).

2.2. Research locale

This study will be conducted in the municipality of Gapan City, Nueva Ecija, focusing on its 23 barangays namely Balante, Bayanihan, Bulak, Bungo, Kapalangan, Mabuga, Maburak, Macabaklay, Mahipon, Malimba, Mangino, Marelo, Pambuan, Parcutela, Puting Tubig, San Lorenzo (Poblacion), San Nicolas, San Roque, San Vicente (Poblacion), Santa Cruz, Santo Cristo Norte, Santo Cristo Sur, and Santo Niño. These barangays was selected due to their diverse population, which includes Gen Z and Millennials (students, professionals and even families). The complete research locale is show in Figure3.

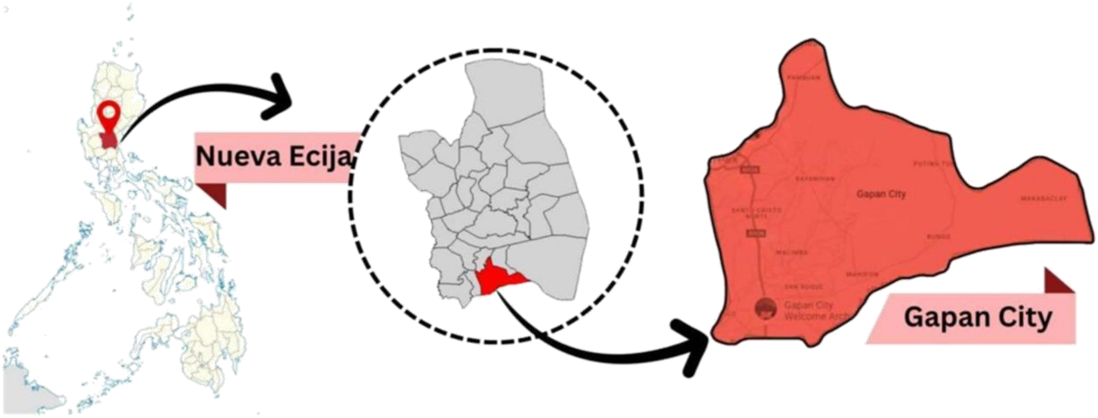

Figure 3: Geographic Location of the study area (a) Nueva Ecija, (b) Gapan City

2.3. Respondents of study

The study will focus on the respondents in Gapan City, Nueva Ecija, Philippines who use Buy Now, Pay Later (BNPL) services. To understand the experiences and challenges faced by users of BNPL in this areas, the study will target specific group of people based on their age (starting from 18 to 56 and above), economic status (ranging from low class to upper-middle class), employed full-time, part-time or self-employed, urban and rural areas, occasional users (those who use BNPL for one or to purchase) and frequent users (those who use BNPL for multiple purchases). Through surveys and interviews, the study will explore why people in Nueva Ecija choose to use BNPL services, how they handle their payments, and any issues they may have, like trouble remembering several installments or unexpected fees. The study intends to improve BNPL users' experiences in order to identify strategies for enhancing BNPL services and encouraging more responsible financial practices.

2.4. Research instruments

The main research tool used in this study is an electronic survey questionnaire conducted using Google Forms. This is a suitable method for efficiently collecting data from consumers in the municipalities of Nueva Ecija. The survey questionnaire will be designed to collect quantitative information on consumer awareness, usage, and perception of Buy Now Pay Later (BNPL) services and how these influence consumers' spending habits. The survey will focus on the aspects such as the frequency of BNPL usage, influencing the use of BNPL services, as well as the perceived benefits and challenges through the use of BNPL. To validate and ensure its reliability and accuracy, the instrument will undergo validity and reliability prior to distribution to the respondents.

2.5. Data gathering procedure

The researcher will begin by collecting secondary data from existing literature, including published articles, reports, and previous research relevant to the study. An electronic survey questionnaire will then be developed and subjected to validity and reliability testing before being finalized. Once finalized, the survey will be distributed via Google Forms across various online platforms such as Messenger, Gmail, and other social media channels to effectively reach respondents residing in Gapan City, Nueva Ecija. The survey will consist of both closed-ended and Likert scale questions designed to gather specific information about consumers' knowledge and usage of Buy Now, Pay Later (BNPL) services, as well as demographic details such as age, gender, income, and employment status. This data structure will allow for a comprehensive analysis of consumer spending behaviors across different demographic segments. Additionally, selected participants will be invited for brief follow-up interviews to gain deeper insights into their perceptions of BNPL services, focusing on aspects such as convenience, affordability, and overall appeal. These interviews will also explore how BNPL availability influences financial planning, budgeting, and purchasing decisions, thereby enriching the quantitative findings with qualitative perspectives on consumer behavior in Gapan City, Nueva Ecija.

2.6. Statistical analysis of data

The statistical analysis of this study will begin after the completion of data collection, with the goal of identifying how Buy Now, Pay Later (BNPL) services influence consumer spending behavior. Using purposive sampling, participants were specifically selected based on their direct experience and extensive knowledge of BNPL services, as well as their demographic diversity in Gapan City, Nueva Ecija. The analysis will employ descriptive statistics to evaluate patterns such as purchasing frequency, average transaction values, BNPL usage rates, and demographic trends. Measures such as mean, median, and mode will be utilized to assess variables including monthly BNPL spending, age, satisfaction levels, and platform preferences, helping to interpret central tendencies and dominant consumer behaviors. Frequency distribution will further classify participants by age, gender, income, and occupation to reveal which segments are most engaged with BNPL services. The results will be presented through tables and visual data displays and interpreted in relation to the study's research questions and relevant literature. This process will yield practical insights for retailers and financial service providers to improve BNPL offerings and better align with consumer preferences and financial behaviors in Gapan City, Nueva Ecija.

2.7. Ethical Considerations

This BNPL research will follow ethical standards of respect, justice, and honesty as per the Data Privacy Act of 2012 (Republic Act No. 10173). Informed consent of the respondents will be obtained once they are made aware of the study purpose, methodology, and results. Data collected will be maintained confidential and will be utilized only for the study purpose. Proper reference will be made so that no individual plagiarizes, and data will be presented in good faith. Well-being of the participants will be ensured without bringing any inconvenience or harm to them.

3. Results and discussion

3.1. Profile of the Respondents

The findings show that a significant majority of the respondents (94%) are between the ages of 18 to 25, with only 6% falling in the 26–35 age group. Notably, there were no respondents from the older age categories. Gender-wise, 53.1% of the respondents were female, and 46.6% were male. In terms of monthly income or allowance, most respondents (60%) earn below PHP 5,000, followed by 18% who earn between PHP 5,001–10,000. Sixteen percent earn PHP 10,001–20,000, while only 6% reported income above PHP 30,000. Regarding employment, 74% are students, and the rest are either full-time or part-time employees, self-employed, or unemployed. The frequency of using Buy Now, Pay Later (BNPL) services reveals that 67.3% use BNPL one to two times per year, while a smaller portion (18.4%) reported using it three to five times annually. Only a minority used BNPL services more frequently.

3.2. Impulse Buying Tendencies

The overall mean of 2.71 indicates that respondents agree they are prone to impulse buying when using BNPL services. Among the four statements, the highest agreement (WM = 2.88) was with experiencing regret after BNPL purchases, while the lowest (WM = 2.62) concerned justifying unplanned purchases. These findings suggest that while users are moderately aware of their tendency toward impulsive buying, there remains an underlying behavioral influence of BNPL mechanisms. This pattern may reflect a cognitive dissonance, wherein users rationalize financial decisions they later reconsider.

3.3. Purchase Frequency

The overall weighted mean of 2.67 suggests that BNPL services contribute to a noticeable increase in respondents' purchase frequency. The strongest agreement was with the belief that BNPL has increased overall spending habits (WM = 2.82), while the lowest agreement was with shopping more frequently since using BNPL (WM = 2.54). These findings reflect a shift in consumer behavior, where BNPL services subtly influence users to buy more than they initially plan, even if they are not always consciously aware of it.

3.4. Budget Allocation

Respondents generally agree that they account for BNPL in their monthly budgets (overall WM = 2.72). The highest level of agreement was with the statement about consciously including BNPL repayments when budgeting (WM = 2.94). Conversely, the statement on prioritizing BNPL over other expenses received the lowest score (WM

= 2.58). This suggests that while BNPL is integrated into budget considerations, it may not necessarily override other financial priorities. The results reflect a responsible but evolving approach to managing BNPL as part of monthly financial planning.

3.5. Budgeting Strategies

The results show moderate agreement among respondents regarding their budgeting strategies, with an overall mean of 2.63. The highest rating (WM = 2.68) was for including BNPL payments in budget planning, while lower ratings were observed for managing cash flow (WM = 2.60) and use of BNPL for budgeting ease (WM = 2.58). These findings imply that although users recognize the importance of budgeting around BNPL, practical implementation of these strategies may still be inconsistent.

3.6. Awareness of BNPL Repayment Obligations

With an overall mean of 2.91, respondents demonstrated a relatively high level of awareness about their BNPL responsibilities. The highest agreement (WM = 3.08) was recorded for tracking BNPL due dates, while the lowest (WM = 2.60) concerned unexpected fees due to unclear terms. These findings show that most respondents make an effort to understand and manage their BNPL obligations, though some may still encounter issues due to a lack of transparency or thorough reading of terms.

3.7. Expense-Tracking Abilities

The overall mean score of 2.82 indicates a general agreement that respondents monitor their BNPL-related expenses. Most respondents reported tracking spending to avoid overspending (WM = 2.94), but fewer used apps or tools for this purpose (WM = 2.66). This suggests that while users are mindful of their expenses, they may still rely more on manual tracking or memory rather than formal digital tools.

3.8. Debt Accumulation and Outstanding Balances

This category had an overall mean of 2.55, signaling moderate concern about debt accumulation. Respondents agreed that they had existing BNPL balances (WM = 2.62) and that these made it hard to save (WM = 2.60). However, the idea of using one BNPL to pay another had the lowest agreement (WM = 2.42). This suggests that while most users are facing manageable levels of debt, risky financial practices are not yet widespread.

3.9. Payment Difficulties and Financial Strain

Respondents generally agree (overall WM = 2.65) that BNPL has contributed to some financial strain. Highest agreement was found in relying on future income to cover payments (WM = 2.84), while the lowest was for having missed payments (WM = 2.34), suggesting that while many are under pressure, they are still managing to meet obligations on time. These results highlight a financial balancing act facilitated by short-term planning rather than long-term financial security.

3.10. Managing Multiple BNPL Commitments

The overall mean score was 2.48, interpreted as "Disagree," suggesting that most respondents do not perceive managing multiple BNPL accounts as overwhelming. The highest agreement (WM = 2.62) was in support of the idea that a centralized tool would help manage BNPL commitments better. This implies that while current usage levels are manageable, respondents foresee the potential for future challenges and are open to digital solutions.

3.11. Proposed Action Plan Based on Findings

In response to the findings across various dimensions of BNPL use, an action plan is proposed to address the observed behavioral trends, budgeting practices, and financial risks identified among users, particularly those aged 18–25, who comprise the majority of the respondents.

First, there is a need to implement financial literacy programs specifically tailored for young consumers, particularly students, who dominate the BNPL user base. Given the overall agreement on impulse buying tendencies (WM = 2.71) and increased purchase frequency (WM = 2.67), these programs should emphasize responsible spending habits, critical thinking before purchase, and self-control strategies. Educational institutions may collaborate with fintech platforms or local banks to conduct awareness drives on BNPL implications.

Second, budgeting tools should be promoted and simplified to improve consistency in budgeting strategies, especially since the results show only moderate agreement on budget planning (WM = 2.63) and a tendency to rely on short-term income (WM = 2.84). Workshops on budget allocation, free use of apps, and practical modules for planning monthly expenses can reinforce better money management.

Third, enhancing transparency from BNPL providers is essential. While awareness of repayment obligations was relatively high (WM = 2.91), the occurrence of unexpected fees (WM = 2.60) indicates a need for clearer terms. Regulatory agencies or fintech firms could standardize communication protocols for repayment schedules and penalty clauses to minimize misunderstanding.

Fourth, since expense tracking showed moderate levels of engagement (WM = 2.82), there should be advocacy for using financial apps and digital tools that can send reminders and analyze spending behavior. Government agencies and private developers could collaborate to produce or promote accessible tools that integrate multiple BNPL accounts into one dashboard.

Fifth, considering the findings on moderate debt accumulation (WM = 2.55) and financial strain (WM = 2.65), support systems such as financial counseling services or peer-to-peer financial coaching could help at-risk users avoid recurring debt cycles. Institutions may also consider policy proposals to cap the number of active BNPL accounts for individuals within a defined income threshold.

Finally, while managing multiple BNPL accounts was not yet a pressing concern (WM = 2.48), the respondents' interest in centralized management solutions suggests potential demand for fintech innovation in this area. Developers could create apps or browser extensions that consolidate payment due dates and provide real-time financial status reports to encourage better control.

This multi-pronged action plan, grounded in the quantitative results of this study, aims to strengthen the financial decision-making of BNPL users, particularly those in low- to mid-income brackets. It contributes to SDG 8: Decent Work and Economic Growth by promoting financial responsibility, reducing vulnerability to debt, and fostering sustainable consumption patterns among emerging consumers.

4. Conclusion

The findings of this study conclude that while Buy Now, Pay Later (BNPL) services provide convenience and flexibility to predominantly young users, they also contribute to notable shifts in financial behavior, including increased impulse buying, higher purchase frequency, and reliance on future income to meet payment obligations. Most respondents, aged 18–25 and primarily students with limited income, acknowledged incorporating BNPL into their budgeting practices and expressed awareness of repayment terms and penalties. However, gaps remain in consistent budgeting strategies, use of tracking tools, and managing multiple BNPL commitments, which may lead to financial strain and debt accumulation over time. In response, it is recommended that targeted financial literacy programs be implemented to educate users on responsible BNPL use, budget planning, and debt management. Institutions should also promote the use of digital budgeting and tracking applications, encourage clearer communication from BNPL providers, and explore support systems that assist users in understanding the long-term financial impact of deferred payment schemes. These actions are essential to fostering financially responsible behaviors and mitigating risks associated with short-term credit use.

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Conflict of interest statement

The authors declare no conflict of interest or competing interests related to this study or any of the products or institutions mentioned.

Ethical Approval

The present research work does not contain any studies performed on animals or human subjects by the authors.

Statement of Informed Consent

Informed consent was obtained from all individual participants included in the study.

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Author's Profile

NOEMI CONDINO VEGA

A dedicated faculty member of the Nueva Ecija University of Science and Technology, under the College of Management and Business Technology. She holds extensive experience in the fields of marketing, research, and business education. She provided consistent guidance and academic support throughout the duration of the study. Her commitment to excellence in research and student development continues to contribute significantly to the growth of aspiring business professionals.

JEANELLE G. SAMANIEGO

A third-year student at the Nueva Ecija University in Science and Technology taking up Bachelor of Science in Business Administration major in Marketing Management. She is currently developing her skills and knowledge in the fields of marketing research and strategic marketing/management. Her research interests include consumer behavior and digital marketing. She served as the group leader in conducting this study, where she led the formulation of the research framework, data gathering, and analysis. She aims to pursue a professional career in marketing especially in digital marketing and contribute to the growth and development of business organizations through effective data-driven marketing strategies.

THRIZY E. TOBIAS

Currently in her third year at the Nueva Ecija University of Science and Technology, she is taking up a Bachelor of Science in Business Administration major in Marketing Management. She contributed to the development of the research questionnaire and assisted in data collection. Her academic interests include branding, promotions, and customer satisfaction. She aspires to work in the field of market research and brand development.

KATRINA C. PACSON

Currently studying Bachelor of Science in Business Administration major in Marketing Management at the Nueva Ecija University of Science and Technology. She was involved in the review of related literature and helped in drafting the final manuscript. Her academic interests include marketing trends, customer loyalty, and sustainable business practices. She looks forward to a career in corporate marketing or brand consultancy.

KHIM JUZMINE G. CONSTANTE

A third-year Marketing Management student at the Nueva Ecija University of Science and Technology. She played a key role in organizing and encoding the collected data, ensuring accuracy and consistency throughout the process. Her interests focus on digital advertising and online consumer engagement. She hopes to pursue a future in social media marketing and analytics.