

# The Role of BNPL Services in Influencing iPhone Sales in Bengaluru

## Kollipara Sai Venkata

Prabhas\*<sup>1</sup>

\*<sup>1</sup>PGDM Student, Indus Business Academy, Bengaluru, India

### Abstract:

The rapid expansion of digital financial services has significantly transformed consumer purchasing behaviour, especially in urban markets characterized by high digital penetration and aspirational consumption. Buy Now Pay Later (BNPL) services have emerged as an alternative credit mechanism that allows consumers to purchase high-value products without immediate full payment. Bengaluru, being one of India's leading technology and fintech hubs, has witnessed widespread adoption of BNPL services, particularly for premium products such as iPhones.

This study examines the role of BNPL services in influencing iPhone sales in Bengaluru, with a focus on consumer affordability perception, purchasing behaviour, repayment patterns, and overall satisfaction. The research is grounded in Consumer Behaviour Theory, Credit Accessibility Theory, and Digital Payment Adoption Theory, which together explain how financial convenience and ease of access shape purchase decisions.

The study adopts a mixed-method research approach using primary data collected from 239 respondents who purchased iPhones using BNPL services in Bengaluru. Descriptive statistics and econometric techniques were used to analyse demographic characteristics, BNPL usage patterns, repayment discipline, and satisfaction levels. The findings indicate that BNPL services significantly reduce perceived affordability barriers and act as a strong sales enabler for premium smartphones. However, the study also highlights potential repayment risks among a small segment of users.

Overall, the research concludes that BNPL services play a crucial role in driving iPhone sales in Bengaluru by enhancing affordability and purchase convenience, while emphasizing the need for responsible usage and transparent credit practices.

Keywords: Buy Now Pay Later (BNPL), iPhone Sales, Consumer Behaviour, Digital Payments, Affordability, Bengaluru

### Introduction:

The growth of digital payment systems and fintech innovations has reshaped the way consumers make purchasing decisions. Buy Now Pay Later (BNPL) services have gained popularity by allowing consumers to split payments for goods and services into short-term instalments, often without interest. This payment model has gained particular traction in urban markets such as Bengaluru, where consumers are digitally savvy and increasingly inclined toward premium and aspirational products.

iPhones represent a high-value product category in the Indian smartphone market, often priced beyond the immediate affordability of many consumers. BNPL services bridge this affordability gap by enabling consumers to purchase iPhones without large upfront payments. Bengaluru's high smartphone penetration, young working population, and strong digital infrastructure make it an ideal market for studying the influence of BNPL services on iPhone sales.

This study aims to analyse how BNPL services influence consumer purchasing behaviour, perceived affordability, repayment discipline, and satisfaction in the context of iPhone purchases in Bengaluru. The research is supported by Consumer Behaviour Theory, which explains how financial flexibility

affects buying decisions; Credit Accessibility Theory, which highlights how alternative credit expands market access; and Digital Payment Adoption Theory, which explains the rapid acceptance of BNPL platforms in urban retail ecosystems.

### Literature Review:

Table 1:

Title	Source	Author(s)	Year	Research Outcome	Gap
BNPL and Its Role in High-Value Purchases	Klarna Annual Report	Klarna Insights Team	2023	BNPL services lower upfront costs, driving adoption among younger buyers.	Lacks focus on the sales impact of premium products like iPhones.
Title	Source	Author(s)	Year	Research Outcome	Gap
Financial Risks of BNPL Adoption	Credit Karma	-	2023	Many BNPL users experience financial strain due to missed installments and late fees.	Does not address product-specific sales data.
Consumer Behaviour in Instalment-Based Purchases	Consumer Reports	-	2022	Emotional motivations and affordability drive BNPL adoption.	Limited focus on repayment challenges for premium products.
Sales Strategies and BNPL Integration	Market Research Insights	-	2022	BNPL integration into retailer payment systems.	Does not provide insights on consumer segments driving iPhone sales.

### Research Objectives:

1. To analyse the influence of BNPL services on consumer purchase behaviour and perceived affordability of iPhones in Bengaluru.
2. To examine the role of BNPL services in increasing iPhone sales and improving conversion rates for retailers.

## Research Design and Methodology:

This chapter explains the overall research framework and the methodological procedures adopted to examine the role of Buy Now Pay Later (BNPL) services in influencing iPhone sales in Bengaluru. The research design, sampling process, data collection methods, variables, and analytical techniques are described in detail to ensure clarity, reliability, and validity of the study.

### Research Design

The study adopts an exploratory and analytical research design. The exploratory nature of the study helps in understanding the emerging role of BNPL services in influencing consumer behaviour, particularly for high-value products such as iPhones. Since BNPL is a relatively new form of digital credit in India, exploratory research is suitable for identifying behavioural patterns, motivations, and challenges faced by consumers.

The analytical component of the research enables systematic examination of collected data to identify relationships between BNPL usage, affordability perception, repayment behaviour, and consumer satisfaction. This combination allows the study to move beyond description and provide meaningful insights into how BNPL services influence iPhone sales.

### Research Approach

A mixed-method research approach was adopted to gain a comprehensive understanding of the research problem. The quantitative approach was used to analyse structured survey data and measure variables such as age, income, instalment preference, repayment behaviour, and satisfaction levels. Quantitative methods allow for objective analysis and comparison across respondents.

The qualitative approach complements the quantitative findings by capturing consumer opinions, experiences, and perceptions related to BNPL usage. This dual approach strengthens the study by combining numerical evidence with behavioural insights.

### Sampling Design:

#### a) Target Population:

The target population for the study consists of consumers residing in Bengaluru who have purchased iPhones using Buy Now Pay Later (BNPL) services. Bengaluru was selected due to its high digital penetration, strong fintech ecosystem, and significant demand for premium smartphones.

#### b) Sampling Technique:

The study uses convenience sampling and purposive sampling techniques. Convenience sampling was adopted due to ease of access to respondents, while purposive sampling ensured that only consumers with prior BNPL experience for iPhone purchases were included. This approach ensures relevance of data while maintaining feasibility within time constraints.

#### c) Sample Size:

A total of 239 valid responses were collected and used for analysis. This sample size is considered adequate to identify trends and behavioural patterns related to BNPL usage in an urban market like Bengaluru.

### Data Collection Method Primary Data:

Primary data were collected using a structured questionnaire administered through online platforms such as Google Forms. The questionnaire included both closed-ended and Likert-scale questions to capture demographic details, BNPL usage behaviour, repayment patterns, and satisfaction levels.

#### Secondary Data:

Secondary data were collected from academic journals, industry reports, fintech publications, and market research studies related to BNPL services, digital payments, and smartphone sales.

#### Measurement of Variables Independent Variables:

- Age
- Monthly Income
- Number of Instalments
- BNPL Service Provider

#### Dependent Variables

- Purchase facilitation through BNPL
- Repayment behaviour
- Late fee occurrence
- Overall consumer satisfaction

Likert-scale responses were converted into numerical values to enable quantitative analysis.

#### Data Analysis Techniques

##### a) Descriptive Statistics:

Descriptive statistical tools were used to summarise and present the basic characteristics of the data collected from respondents. Measures such as mean, median, frequency distribution, and percentage analysis were applied to variables including age, income, number of instalments, BNPL provider usage, and repayment behaviour. These tools help in understanding the demographic profile of respondents and general trends in BNPL usage.

##### b) Correlation Analysis:

Correlation analysis was used to examine the relationship between key numeric variables such as age, monthly income, number of instalments, and late fee payments. This technique helps in identifying whether changes in one variable are associated with changes in another, thereby providing insights into behavioural patterns related to repayment discipline.

##### c) Logistic Regression Analysis:

Logistic regression was applied to analyse factors influencing the probability of missing a BNPL instalment. The dependent variable was repayment status (missed or not missed), while independent variables included age, income, number of instalments, and BNPL provider. This technique is suitable for binary outcome variables and helps identify repayment risk factors.

##### d) Ordered Logistic Regression:

Ordered logistic regression was used to analyse factors influencing overall consumer experience with BNPL services. Since satisfaction levels are ordinal in nature (Neutral, Satisfied, Very Satisfied), this method helps in understanding how demographic and behavioural factors affect satisfaction levels.

##### e) Graphical Analysis:

Bar charts, pie charts, histograms, and line graphs were used to visually represent data related to demographic distribution, BNPL usage patterns, repayment behaviour, and satisfaction levels.

Graphical representation improves clarity and aids in effective interpretation of results.

### Data Analysis & Interpretation

This chapter presents the analysis and interpretation of data collected from respondents who purchased iPhones using BNPL services in Bengaluru. The analysis focuses on demographic characteristics, BNPL usage behaviour, repayment discipline, and consumer satisfaction.

#### a) Demographic Profile Analysis:

The demographic analysis reveals that BNPL usage for iPhone purchases spans across multiple age groups, with a higher concentration among working-age consumers. Income analysis shows participation from middle- and higher-income groups, indicating that BNPL is used not only for affordability but also for financial convenience and liquidity management.

Item	Value (computed)
N	239
$\Sigma x$ (sum)	8987.0000
$\Sigma x^2$ (sum of squares)	363559.0000
Mean $\bar{x}$	37.602510
Median	37.000000
Std. Dev. (sample, ddof=1)	10.376371
Min	19.000000
Max	55.000000
m2	107.218571
m3	8.624697
m4	20749.698787
Skewness	0.007769
Kurtosis (Pearson)	1.804977
Jarque-Bera (JB)	14.223691

**Table 2**

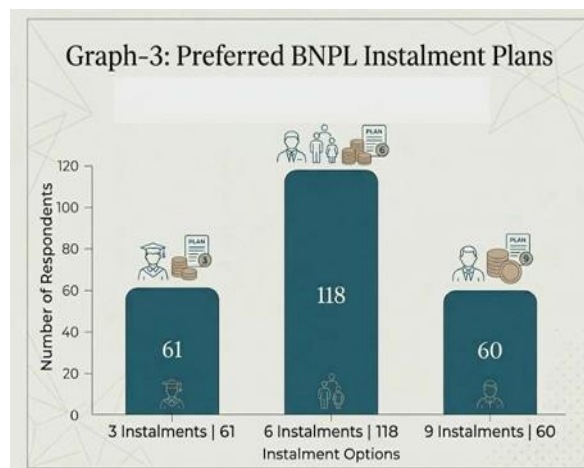
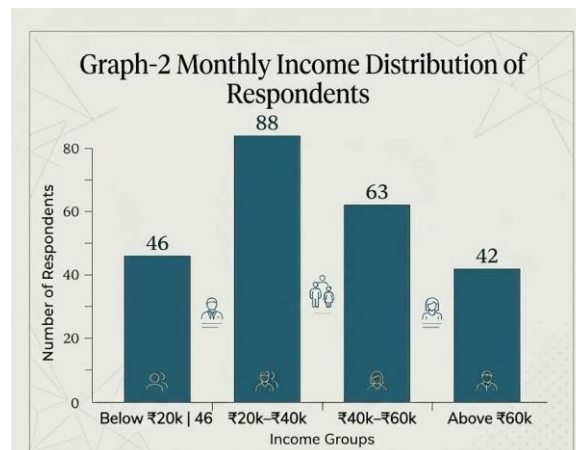
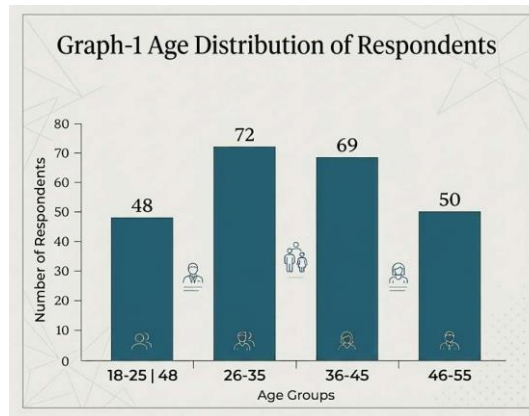
Mean check:  $\bar{x} = \Sigma x / N = 8987.0000 / 239 = 37.602510$ .

Variable	Mean	Median	Std Dev	Min	Max
Age	37.603	37.000	10.376	19	55
Monthly Income (₹)	45,125.523	40,000	23,307.970	0	90,000
Number of Instalments	6.264	6.000	2.499	3	9
Late Fee Paid (₹)	228.033	0.000	537.744	0	2,000

**Table 3. Descriptive Statistics of Key Variables**

Variable	Skewness	Kurtosis	JB Stat	JB p-value
Age	0.008	-1.195	14.224	0.0010
Monthly Income (₹)	0.246	-0.139	2.635	0.2680
Number of Instalments	-0.166	-1.541	24.521	0.0000
Late Fee Paid (₹)	2.301	4.068	364.386	0.0000

**Table 4. Distribution shape and normality diagnostics – numeric variables**



## b) BNPL Usage Behaviour Analysis:

Analysis of instalment preference shows that most respondents opted for medium-term repayment plans, particularly six instalments. This indicates a preference for manageable repayment schedules. BNPL provider analysis reveals a competitive market with multiple platforms being used by consumers.

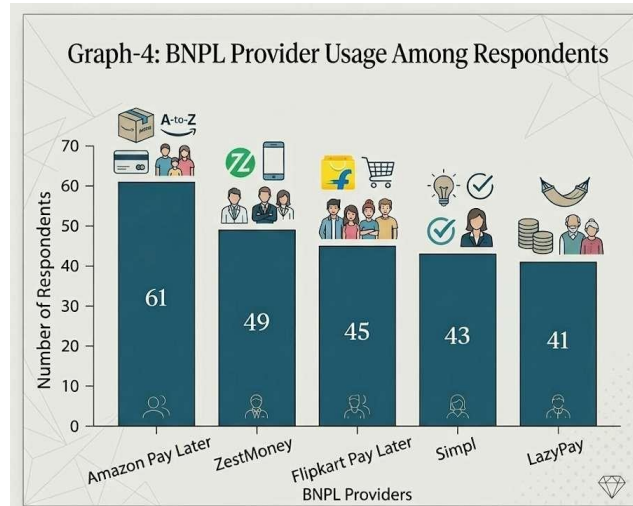
## Interpretation:

Consumer's value flexibility and convenience over brand loyalty when choosing BNPL platforms.

Item	Value (computed)
N	239
$\Sigma x$ (sum)	54500.0000
$\Sigma x^2$ (sum of squares)	81250000.0000
Mean $\bar{x}$	228.033473
Median	0.000000
Std. Dev. (sample, ddof=1)	537.744182
Min	0.000000
Max	2000.000000
m2	287958.894277
m3	353388120.746981
m4	577010195592.712036
Skewness	2.286948
Kurtosis (Pearson)	6.958610
Jarque-Bera (JB)	364.386457

Category	Count	Percent (%)
Amazon Pay Later	61	25.5
ZestMoney	49	20.5
Flipkart Pay Later	45	18.8
Simpl	43	18.0
LazyPay	41	17.2

*Table 5. BNPL Provider Usage Among Respondents*



Repayment Behaviour Analysis:

Repayment behaviour analysis shows that the majority of respondents repaid their BNPL instalments on time, indicating responsible usage of BNPL services. However, a smaller proportion of respondents reported missing instalments and incurring late fees. This highlights the presence of repayment risk, particularly among certain users.

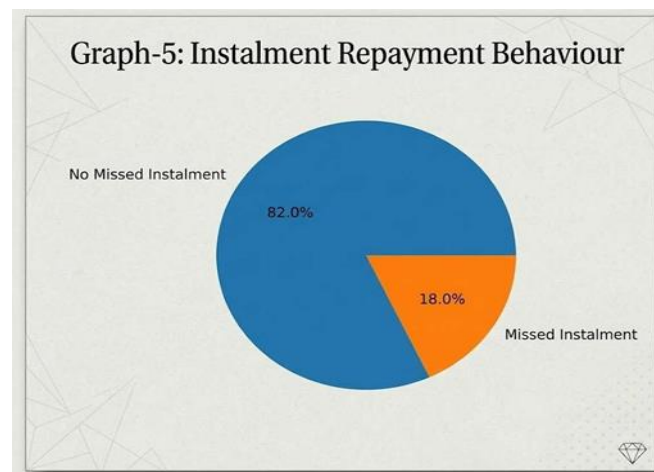
Missed repayments may be attributed to factors such as inadequate budgeting, unexpected financial obligations, or over-dependence on short-term credit. Although the proportion of defaulters is limited, it raises concerns regarding financial discipline and credit awareness.

Interpretation:

While BNPL effectively supports high-value purchases, repayment monitoring and financial education are essential to prevent misuse.

Category	Count	Percent (%)
No	196	82.0
Yes	43	18.0

Table 6: Instalment Repayment Behaviour



## Satisfaction and Consumer Experience Analysis:

The analysis of consumer satisfaction indicates that most respondents were either satisfied or very satisfied with their BNPL experience. High satisfaction levels can be attributed to ease of approval, minimal documentation, flexibility in payment, and reduced upfront financial burden.

However, a segment of respondents reported neutral satisfaction levels, suggesting that BNPL services may not fully meet expectations in all cases. Issues such as repayment reminders, late fee charges, and lack of clarity in terms and conditions may influence consumer perception.

## Interpretation:

BNPL services significantly enhance the purchase experience, but transparent communication and customer support remain crucial for improving satisfaction further.

Subset: Missed=1 only (N=43). Transformation:  $\ln(\text{LateFee}) = \ln(\text{LateFee})$ .

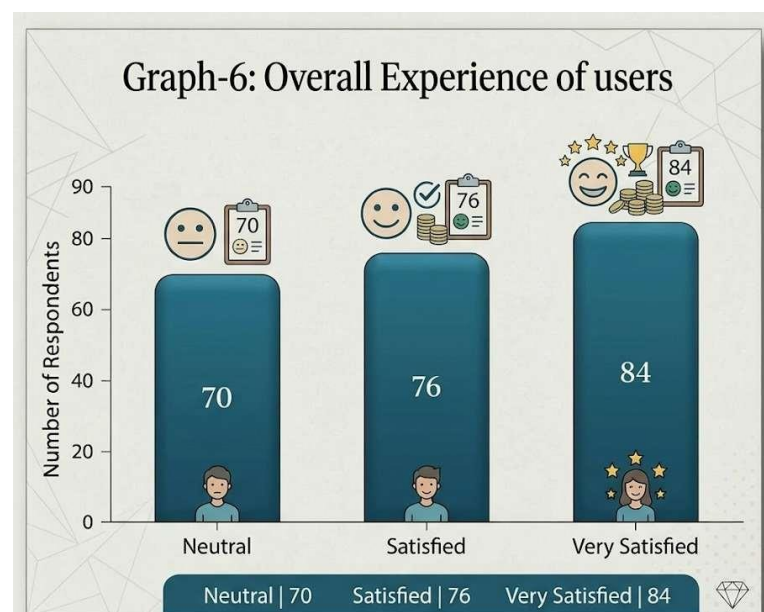
Model:  $\ln(\text{LateFee}) = \alpha + \beta_1 \text{Age} + \beta_2 \text{Income} + \beta_3 \text{Instalments} + \text{Provider dummies} + u$ . Robust inference: HC3 robust standard errors (reported as z-statistics in this output).

Variable	Coef	Std Err (robust)	z	p-value	95% CI
const	7.210421	0.340489	21.176636	0.000000	[6.543074, 7.877768]
Age	-0.005235	0.009163	-0.571356	0.567758	[-0.023194, 0.012723]
Income	-0.000003	0.000004	-0.877093	0.380436	[-0.000011, 0.000004]
Instalments	0.021956	0.035378	0.620605	0.534860	[-0.047384, 0.091295]
Provider_Flipkart Pay Later	0.152505	0.217987	0.699607	0.484173	[-0.274741, 0.579752]
Provider_LazyPay	0.000058	0.284325	0.000203	0.999838	[-0.557209, 0.557325]
Provider_Simpl	0.051511	0.270162	0.190669	0.848785	[-0.477997, 0.581020]
Provider_ZestMoney	-0.017977	0.278917	-0.064454	0.948609	[-0.564644, 0.528690]

Term	coef	std_err	z	p_value
Age	0.0065	0.0124	0.5220	0.6017

Monthly Income (₹)	0.0000	0.0000	0.2172	0.8281
Number of Instalments	0.0696	0.0486	1.4336	0.1517
missed_bin	-0.0515	0.3156	-0.1633	0.8703
BNPL Provider_Flipkart Pay Later	-0.7257	0.3778	-1.9207	0.0548
BNPL Provider_LazyPay	-0.6247	0.3804	-1.6423	0.1005
BNPL Provider_Simpl	-0.2253	0.3725	-0.6050	0.5452
BNPL Provider_ZestMoney	-0.5328	0.3527	-1.5107	0.1309
1/2	-0.5370	0.5936	-0.9047	0.3656
2/3	0.3127	0.1022	3.0587	0.0022

**TABLE 7: Overall Experience with BNPL Services**



c) **Integrated Interpretation:**

The combined findings from demographic, behavioural, repayment, and satisfaction analysis indicate that BNPL services play a crucial role in influencing iPhone sales in Bengaluru. BNPL reduces affordability barriers, improves purchase convenience, and increases sales conversion rates. However, repayment risks and consumer awareness remain key concerns that need to be addressed for sustainable growth.

Outcome: Missed (1 = Yes, 0 = No).

Predictors used: Age, Income, Instalments, and Provider dummies (baseline provider is the omitted category).

Model:  $p = 1/(1+e^{(-z)})$ , where  $z = \beta_0 + \beta_1\text{Age} + \beta_2\text{Income} + \beta_3\text{Instalments} + \Sigma\beta_p$

ProviderDummy\_p.

Variable	Coef	Std Err	z	p-value	95% CI
const	-0.479454	0.812084	-0.590400	0.554922	[-2.071109, 1.112200]
Age	-0.038108	0.018401	-2.071028	0.038356	[-0.074173, -0.002044]
Income	0.000009	0.000007	1.235997	0.216460	[-0.000005, 0.000024]
Instalments	0.028045	0.069418	0.403998	0.686214	[-0.108012, 0.164102]
Provider_Flipkart Pay Later	-0.541700	0.550990	-0.983141	0.325538	[-1.621620, 0.538220]
Provider_LazyPay	-0.366388	0.526914	-0.695347	0.486838	[-1.399121, 0.666344]
Provider_Simpl	-0.004385	0.490122	-0.008947	0.992861	[-0.965006, 0.956236]
Provider_ZestMoney	-0.490130	0.520273	-0.942063	0.346160	[-1.509848, 0.529587]

Term	Coef (log-odds)	Std Err	p-value
Intercept	-0.4537	0.9085	0.6175
C(Q('BNPL Provider'))[T.Flipkart Pay Later]	-0.5453	0.5538	0.3248
C(Q('BNPL Provider'))[T.LazyPay]	-0.3704	0.5309	0.4853
C(Q('BNPL Provider'))[T.Simpl]	-0.0059	0.4908	0.9904
C(Q('BNPL Provider'))[T.ZestMoney]	-0.4928	0.5220	0.3451
Age	-0.0380	0.0184	0.0389
Q('Monthly Income (₹)')	0.0000	0.0000	0.2176
Q('Number of Instalments')	0.0285	0.0699	0.6829
exp_ord	-0.0135	0.2133	0.9496

**Table 8: Logistic Regression Results for Missed Instalments**

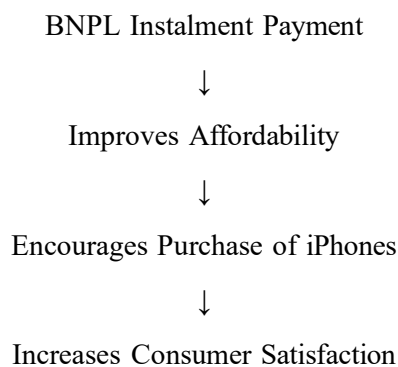
### Discussions:

1. Factors Influencing Consumer Purchase Behaviour Through BNPL Services: The adoption of BNPL services significantly enhances consumer affordability by allowing

buyers to purchase premium smartphones like iPhones through smaller monthly instalments rather than a large upfront payment. This preference for manageable payments is supported by Table 1A, which highlights that respondents opted for an average of 6.26 instalments, with flexible terms ranging from 3 to 9 months. The convenience of quick online approvals with minimal documentation further drives this adoption. Additionally, a competitive market improves credit access; as demonstrated in Table 2, consumers utilized multiple platforms, with Amazon Pay Later (25.5%) being the most popular, followed by ZestMoney (20.5%) and Flipkart Pay Later (18.8%). This strong uptake is fueled by high digital awareness among a digitally savvy, working-age demographic, evidenced by the average respondent age of 37.6 years detailed in Table 1A.

2. Impact on Repayment Behaviour, Satisfaction, and Consumer Experience: Overall, consumers exhibit responsible repayment behaviour and high satisfaction levels with their BNPL experience because the flexibility eases financial stress. According to Table 3, a vast majority of 82.0% (196 users) successfully paid their instalments on time, while only 18.0% (43 users) missed a payment. For those who did miss payments, Table 1A indicates an average late fee of ₹228.03, with maximum penalties reaching ₹2,000. When examining the factors behind these defaults, the Logistic Regression results in Table 5 reveal that age plays a significant role; younger consumers have a statistically higher probability of missing instalments (Age variable p-value = 0.038). Conversely, income levels did not significantly impact repayment discipline (Income variable p-value = 0.216). Ultimately, despite minor repayment risks among a small user segment, BNPL services successfully make expensive smartphones more accessible and play an important role in influencing iPhone purchase decisions in Bengaluru.

The overall relationship can be explained as follows:



The findings show that BNPL services play an important role in influencing iPhone purchase decisions in Bengaluru.

### Conclusion:

This study examined the role of Buy Now Pay Later (BNPL) services in influencing iPhone sales in Bengaluru. The research focused on understanding how BNPL affects consumer purchasing behaviour, affordability perception, repayment behaviour, and overall satisfaction. The analysis was based on survey responses collected from consumers who purchased iPhones using BNPL services.

The findings indicate that BNPL services significantly reduce the financial burden of purchasing premium smartphones by allowing consumers to pay in instalments rather than making a full payment at once. This payment flexibility makes expensive products like iPhones more accessible to a larger group of consumers. The results also show that many respondents prefer instalment plans such as three, six, or nine months, with six-month plans being the most common choice.

The analysis of BNPL providers revealed that several platforms such as Amazon Pay Later, ZestMoney, Flipkart Pay Later, Simpl, and LazyPay are widely used by consumers. The presence of multiple providers increases competition and gives consumers more options for flexible payments.

The study also examined repayment behaviour and found that the majority of respondents repay their instalments on time. Only a small percentage of consumers reported missing instalment payments and incurring late fees. This suggests that most consumers use BNPL services responsibly. In addition, satisfaction analysis shows that a large proportion of respondents are satisfied or very satisfied with their BNPL experience, mainly due to convenience, easy approval, and flexible repayment options.

Overall, the study concludes that BNPL services play an important role in increasing the affordability and accessibility of premium smartphones such as iPhones. By reducing upfront financial pressure, BNPL encourages more consumers to purchase high-value products.

However, responsible usage and clear communication of repayment terms remain important to ensure sustainable use of BNPL services.

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