

Gender Differences in BNPL Adoption in India

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Abstract—This research paper distinguishes the adoption of buy now pay later (BNPL) services in India on the basis of gender. As BNPL has evolved as most popular short term credit facility among young population on the online platform. It has been noticed that the adoption of this service is different between male and female customers. There are many factors responsible for this option of purchase such as intent of use, financial literacy and customer preferences etc. With the use of secondary data from sources like market surveys and industry reports. This study highlights measurable disparities in digital credit adoption in India. It also highlights the underlying causes and discusses socioeconomic implications for the online payment options in India.

Index Terms—BNPL, Buy now pay later, Amazon, Flipkart, Gender, fintech

I. INTRODUCTION

Buy Now Pay Later (BNPL) services has emerged as India's most significant financial services in this digital era. Banks are providing short term, interest free -financing options at the point of sale on the e-commerce platforms. Many organisation are offering digital payment system with flexible and convenient access to credit facility without any paper work or traditional banking barrier. After pandemic, India has seen a surged in growth of e-commerce and digital payment system. Indian population has been attracted towards platforms such as Simpl, LazyPay, Amazon pay Later etc. which has slowly created the BNPL ecosystem. Urban population has been using this financial option for benefit which has positioned country as global leader in future intent to use BNPL services.

Slowly, there is surge in use of BNPL facility in online platforms though demographic groups engage in this are showing clear segmentation on the basis of age, income and urbanization. Though gender differentiation in BNPL has emerged particularly significant as men and women are participating at different rates and show unique behaviour patterns in Indian consumers. Survey conducted by website regarding higher proportion of Indian men than women are engage in BNPL services in the coming year i.e. 33% of men versus 22% of women are showing in gender gap in intent and adoption of this services.¹

Various factors are involved shaping the gender disparities that influence the financial behaviour in India such as social, cultural and economic etc. however, men are having more purchasing power in India which shows that they are having vital role in formal credit channels as compared to the women. Considerably, women are having lower financial literacy and limited access to digital infrastructure than men. "In 2023, Aarti Deo, Engineering Director, Google Pay (GPay), noted that "less than 30% of users of India's UPI were women". More recently, in 2024, Nalin Bansal, Chief of Corporate Business and Key Initiatives at NPCI, noted that "only 25% of payment users" were women, and that female users were "even fewer in semi-urban and rural areas". On aggregate, it is estimated that less than 30 percent of UPI users in the country are women."²

In recent years, financial inclusion and digital payment have been regular among the urban population but there is clear demarcation can be seen on the basis of gender. Women are spending on certain items such as fashion, beauty and lifestyle products etc with BNPL

¹ <https://yougov.com/reports/41849-india-leads-globe-future-intent-use-buy-now-pay-la>

² <https://www.orfonline.org/expert-speak/bridging-the-gender-gap-in-upi-adoption?utm>

services and men are purchasing electronics and technological products.³ Such pattern of consumption reflects the preferences of consumers but also their financial confidence, higher income and credit access availability among genders.

This gender gap in BNPL is not static as women in cities are rapidly adopting to digital payment modes in digital payment mode. However, digital literacy is very important for women to use online payment platforms which has been helping women to understand the credit options better. BNPL facility is also a business strategy that captivates the consumers while purchasing goods online. It can be targeted financial literacy programme to understand behaviour of consumer. Once, fintech provider is having better understanding of consumers, they provide profitable product design and marketing strategy to attract more customers. As India's BNPL market continues to evolve, integrating gender analysis will be crucial for fostering an inclusive, sustainable digital credit ecosystem.

'By allowing consumers to pay for their purchases in instalments over time, instead of the entire amount upfront, BNPL loans are projected to reach US\$14.3 billion in India in 2023. Additionally, the GMV (Gross Merchandise Value) of the industry in India market is expected to grow at a CAGR of 12% from 2023 to 2028, which would take the gross value of BNPL purchases in the country from US\$11.6 billion in 2022 to an astounding US\$25.4 billion by 2028.'⁴ BNPL method of payment requires immediate action from the consumers to avail the facility such as instalment payment for short period or payment in instalment without any interest etc. Many banking companies are providing this facility to their credit card holders and encourage them to opt for BNPL services on e-commerce platforms. As this facility will bring much more business to the fintech companies in the coming years.

Advantages of BNPL services to the Customers
BNPL services are short term credit facility given to the customers without the need of traditional credit cards or any prior paper work process. It is advantageous for young customers or first time

borrowers with less or no credit history. Most of the BNPL providers are giving this facility at the point of sale where repayment options are interest free if paid on time. This gives consumers a benefit to spread the cost of purchase over the multiple instalments without any additional financial burden. It defers payment and helps to manage short term cash flow.

Consumers can make choice of making necessary payment without paying full amount upfront.

It is convenient to avail BNPL services as it is seamlessly integrated into online as well as offline checkout process. It has quick approval with less documentation and wide digital payment options. BNPL facility gives more flexibility in repayment options where customers can choose number of instalments as per their comfort. It helps with the financial planning of the customers. BNPL service has less impact on the credit score of the customers as BNPL facility is not based on customers credit record. It gives transparent credit structure to the customers with proper amounts, due dates and late fees in advance. Whole process helps to reduce financial stress and reduces payment frictions for the customers. It increases customer satisfaction and purchase experience in the process.

II. OBJECTIVE OF THE STUDY

- To analyse the gender based differences in adopting BNPL services across India.
- To evaluate attitude and perception towards BNPL services among men and women In India

III. RESEARCH METHODOLOGY

This research paper focuses on secondary data analysis consists of market studies and surveys conducted by YouGov reports and industry analytics. Researcher has referred websites, research papers and BNPL service providers consumer reports for the completion of this research. Data has been collected from various reports from past five years. Cross tabulation method on basis of gender has been implemented to give

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<https://www.sciencedirect.com/science/article/pii/S0895717712002336>

⁴ <https://paymentscmi.com/insights/bnpl-india-market-research/>

clarity on topic. Qualitative interpretation of the data has been given on the basis of analytical approach.

IV. LIMITATIONS OF STUDY

This study has certain limitations as it is totally based on secondary data which has been collected by other researcher for different purpose and objective. It may not represent or state the facts as survey method, thereby limiting the generalizability of the results. this research paper focuses on the data collected on urban population who are well aware of the BNPL option. Reports used for this research are targeted on male and female categories only which does not capture the other gender diverse individuals.

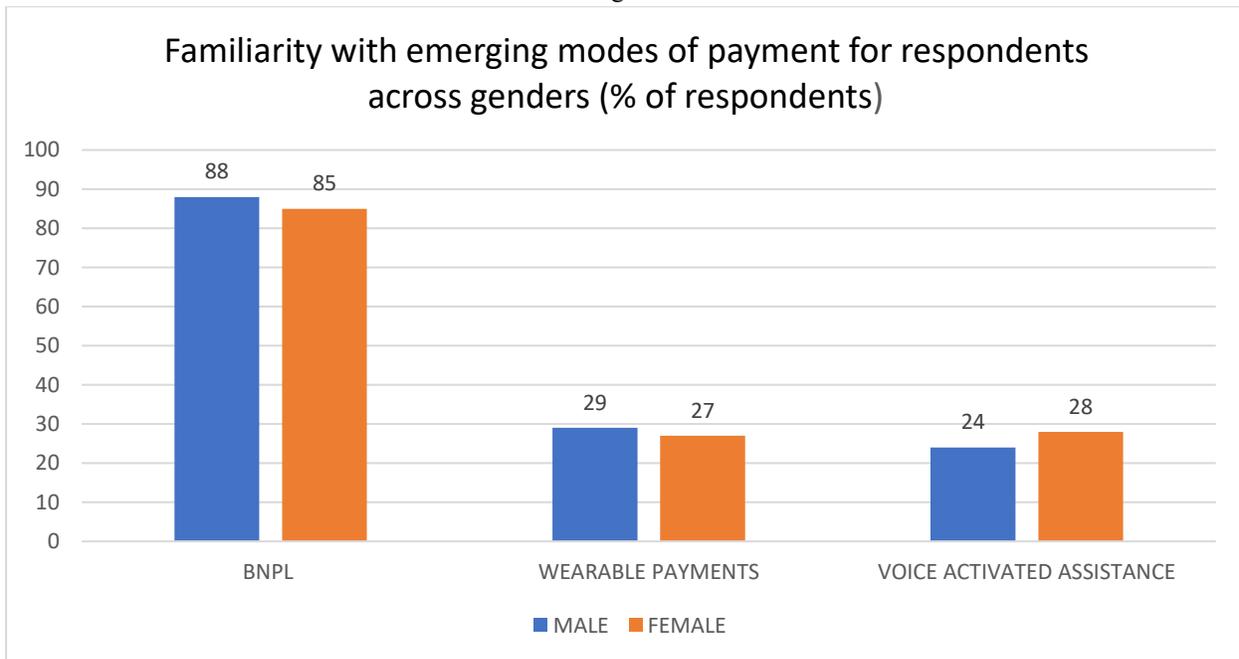
This study is conducted at a single point of time and may differ in BNPL usage or gender differences over time which may limit it to casual interpretation. Researcher has considered certain demographic factors in this paper but other factors such as long term credit behaviour of customers, cultural norms of society and decision making dynamics etc have not

been considered for the study. Researcher has only focused on consumer perspective in this work and not covered the point of view of fintech providers and their internal policies and credit assessment algorithms etc.

V. FINDINGS AND ANALYSIS

According to research conducted by keaney.com on the use of BNPL facility in India in the year 2023. Following details have been found on the gender differences in the users of BNPL services. In fig.1.1, male and female respondents have been using various modes of digital payments. As per their research, nearly 88% of male respondents have been using the BNPL method of payment and 85% of female respondents are using the same method. This shows that both men and women are showing similarity in emerging modes of digital payment method. This helped BNPL companies to expand their business across India and grow their customer base in small towns and cities.

Fig.1.1



(source: <https://www.kearney.com/documents/d/asset-library-291362522/how-urban-india-pays?utm>)

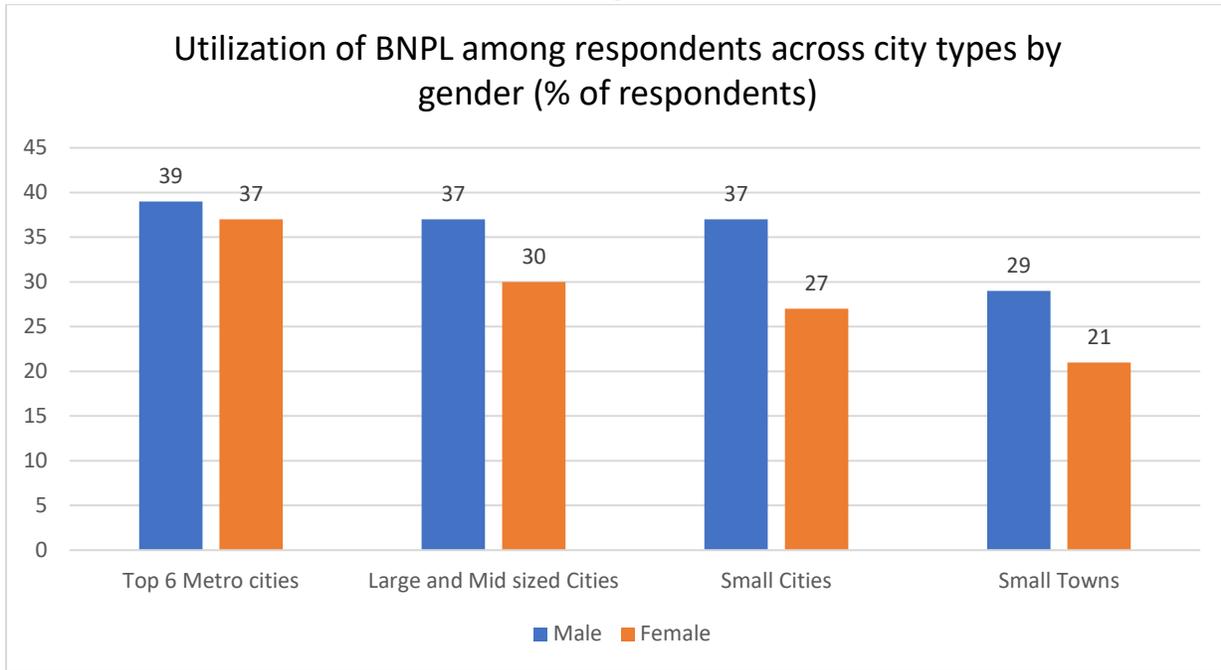
As per their research, fewer women respondents are using BNPL method as there has been lower penetration of credit based methods in certain areas. There are other options available such as wearable payment methods used by 29% of male respondents

and 27% of female respondents and voice activated assistance method is used by more female than male respondents i.e. 28% female and 24% male respondents.

Following research has been conducted on the basis of geographical location such as metro cities, large and mid-size cities, small cities and small towns. The

BNPL service users are differing on the basis of gender in different geographical locations as explained in the fig.1.2.

Fig.1.2



(Source: <https://www.kearney.com/documents/d/asset-library-291362522/how-urban-india-pays?utm>)

Respondent women in metro cities are having more access to BNPL services as there is less gap between percentage male users and female users i.e. 39% and 37% respectively. It shows only 2% gap between women and men having access to the BNPL services, as we explore less populated geographical locations, this gap widens. In large and mid-sized cities, women respondents are 30% as compared to 37% of male respondents using BNPL services which shows 7% gap. In small cities, 27% of women respondents are using BNPL services as compared to 37% of men respondents i.e. 10% difference. In small towns, only 21% of women respondents are using BNPL services as compared to 29% of men respondents.

VI. DISCUSSION

This gender gap in BNPL adoption can be seen due to differences in financial awareness among men and women. Income level difference among gender is also

concern for this rising gap between users in BNPL services. There are social economic drivers such as employment and earnings gap among various genders which can decide their spending pattern online. Men are having more employment rate in India which correlates with their higher consumer credit usage. Men are dominating in financial decision making autonomy than women. It is affecting the certain categories of products.

Indians are more constraint about the usage of online purchase methods due to touch and feel products before buying.⁵ There are also cases of online frauds and scams which are preventing consumers to make payment online. Women are more reluctant to adopt this services due to lack of knowledge about how to prevent online frauds and scams.

“The GSMA Mobile Gender Gap Report 2024 notes that while 85 percent of men own mobiles, only 75 percent of women do so. Of these, only 57 percent of

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<https://economictimes.indiatimes.com/industry/consumers/electronics/indians-still-want-to-touch-feel-smartphones-before-buying-report/articleshow/96675939.cms?from=mdr>

[smartphones-before-buying-report/articleshow/96675939.cms?from=mdr](https://economictimes.indiatimes.com/industry/consumers/electronics/indians-still-want-to-touch-feel-smartphones-before-buying-report/articleshow/96675939.cms?from=mdr)

women are aware of mobile internet, and only 37 percent have adopted it. Enabling access to mobile phones and the internet among women, particularly in rural areas, is essential as these are fundamental prerequisites for utilising UPI services.”⁶ It has been understood that the access of internet and mobile facility in rural areas are not fully adopted by the female consumers which is also creating issue to implement BNPL services. Due to lack of knowledge, it is difficult to convince women in these areas to adopt this services.

Women are facing the cultural restraint on participation in financial decisions in the family. Many families in rural areas are having paternalistic decision making style which is creating issue for inclusion of women in taking financial decisions and having purchasing power in BNPL services.

VII. SUGGESTIONS

RBI has been focused on the gender equitable access to the digital credit facilities to the consumers. They have concentrated on creating more secured atmosphere to the consumers in e-commerce business. To minimise the gender disparities in BNPL services, following suggestions are to be used.

- Women are given more financial literacy lesson in the semi-urban, towns and rural areas.
- Online access to the novice users should be simplified with easy interface designs.
- Rewards and discount offers should be announce to attract more women towards the BNPL services.
- Fintech companies should announce BNPL products to cater women needs such as flexible repayment instalments and lower credit limits etc.
- BNPL service provider must build trust by providing secured and safe online environment for making payment. Proper terms and conditions should be mention on the website. Late payment and data policies should be clearly stated. Right consumer protection mechanism will attract more women consumers to the BNPL services.

⁶ https://www.orfonline.org/expert-speak/bridging-the-gender-gap-in-upi-adoption?utm_source=chatgpt.com

VIII. CONCLUSION

In this research paper, gender differences are noticed in BNPL adoption and intent in India as men are more likely use the BNPL services than women. This information is crucial for the fintech companies and financial policy makers to give equitable access to credit innovation in the society. BNPL services are the future for fintech companies as numbers of customers are increasing day by day. Fintech companies should be focusing on more secured services to the customers to increase the number of women on their platforms. They should be more aware about the latest technology to provide better BNPL service experience to their customers. Happy customers will avail the BNPL services regularly and help fintech companies grow in the market.

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