Psychological Factors and Financial Aspects Impacting EMI Adoption on Consumer Consumption

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Abstract— There has been considerable change in consumer behavior and decision-making processes due to the growing prevalence of the Equated Monthly Instalment (EMI) concept. Consumers are now able to pay huge sums of money in small instalments, making their life easier. The present study investigates the impact of psychological factors, financial concerns, fintech effects, and financial literacy on EMI adoption and consumer behavior. Primary data was obtained with the help of a questionnaire from 153 respondents with the use of convenient sampling. Data analysis was done using various statistical methods including descriptive statistics, Chi-Square test, correlation analysis, and regression analysis. Results have shown that the factors of convenience, affordability, and availability of fintech services have significant effects on EMI usage, and financial literacy is an important determinant for taking responsibility for borrowings.

Keywords— *EMI, Consumer Behaviour, Financial Technology, Financial Literacy, Consumer Credit, Digital Finance, Impulsive Buying, Predictive Analysis*

I. INTRODUCTION

The drastic changes taking place in the international and domestic economic sectors have greatly impacted consumer behavior, especially with regard to how individuals pay for their purchases. The new trend in this dynamic world includes the use of Equated Monthly Installments, which is a system that ensures consumers get what they want regardless of whether they have paid everything at once or not.

In the past, consumers could make purchases based on the level of their savings. Most consumers postponed making big purchases because they needed time to save up enough money first. However, due to the introduction of the Equated Monthly Instalments concept, consumers can now get whatever they desire through installment payments.

Increased dependence on EMI is part of the paradigm shift from savings-based economies towards economies where credit serves as the foundation of consumption practices. Not only is this shift reflective of current economic dynamics, but it also illustrates the role that well-developed credit facilities play in promoting growth and enhancing living standards. In addition, owing to the development of fintech platforms and the introduction of digital payment systems, EMI usage has been easier and more convenient.

Through the use of data analytics, financial institutions have been able to study consumers and provide customized EMI solutions to them. On the other hand, while the benefits of EMI payments may be obvious, there are several drawbacks associated with their use such as financial discipline, debt, and consumer awareness.

II. REVIEW OF LITERATURE

Thakur (2025) identifies key drivers of EMI growth such as increased accessibility to credit, rising consumer aspirations, and aggressive marketing strategies by financial institutions. The study critically notes that excessive reliance on EMI has led to rising household debt levels and reduced savings rates and emphasizes the need for stronger regulatory mechanisms and financial education **[1]**.

Sharma (2025) reveals that although EMI schemes are widely preferred due to convenience and affordability, a significant proportion of consumers lack a clear understanding of loan terms, interest rates, and repayment obligations. Lower financial literacy is associated with higher borrowing and poor financial decisions **[2]**.

Saxena and Sharma (2025) highlight that while EMI facilitates access to high-value products, challenges such as loan rejection due to poor credit scores and lack of awareness about eligibility criteria pose risks, emphasizing the need for financial discipline **[3]**.

Thorat et al. (2025) examine the growing influence of EMI culture on urban lifestyles, identifying a shift toward aspiration-driven consumption, particularly among youth and middle-income groups, while warning about excessive borrowing risks **[4]**.

Jamshid and Hamamali (2025) find that EMI adoption is widespread across demographic groups, especially among younger consumers influenced by promotional offers and flexible repayment terms, emphasizing transparency and financial literacy **[5]**.

Masulamani (2025) explores the role of EMI in driving e-commerce growth in India, highlighting the effectiveness of no-cost EMI schemes while noting the presence of hidden costs in product pricing **[6]**.

Singh and Tiwari (2025) show that psychological traits such as impulsivity and risk tolerance significantly influence borrowing behavior, often outweighing demographic factors in financial decision-making **[7]**.

Chataniwala and Vaghela (2025) identify convenience, speed, security, and promotional offers as key drivers of digital payment adoption, while concerns regarding security and trust remain barriers **[8]**.

Hassan and Basumatary (2025) observe that digital payment adoption is higher among urban and high-income groups, while rural areas face challenges due to limited infrastructure and awareness **[9]**.

Periwal and Prasoon (2024) introduce a machine learning-based credit risk assessment model for EMI loans, highlighting the increasing role of AI in financial decision-making **[10]**.

Kavya and Yadav (2024) report a rise in retail credit and a decline in household savings, with middle-class and young consumers being particularly vulnerable to EMI-driven debt **[11]**.

Razack and Jayarajan (2024) find that fintech-driven EMI and BNPL schemes increase impulsive buying due to ease of access and deferred payment structures **[12]**.

Jothi (2024) demonstrates that EMI enhances affordability and influences consumers to choose higher-priced products due to perceived ease of payment **[13]**.

Kumar et al. (2023) highlight that financial literacy and capability improve decision-making, while impulsivity negatively affects financial outcomes **[14]**.

Chauhan (2023) identifies affordability, ease of payment, and promotional offers as key drivers of EMI card adoption, while concerns about hidden charges and lack of transparency persist **[15]**.

Malik, Kaur, and Kapoor (2020) discuss the emergence of cardless EMI systems and the role of fintech in expanding credit access while raising concerns about data privacy **[16]**.

Agarwal et al. (2020) emphasize that proper regulation, transparency, and financial education are essential to ensure responsible use of credit products **[17]**.

Chauhan and Indapurkar (2020) find that psychological traits have a stronger influence on financial behavior than knowledge alone **[18]**.

Gathergood and Weber (2017) show that individuals with lower financial literacy are more likely to rely on credit products due to present bias and short-term thinking **[19]**.

Lusardi and Mitchell (2014) conclude that financial literacy is critical for improving financial stability and promoting responsible borrowing behavior **[20]**.

The review suggests that EMI adoption is shaped by a complex interplay of behavioural, financial, and technological factors, indicating the need for a comprehensive analytical approach to understand consumer decision-making in the context of credit-driven consumption.

III. RESEARCH METHODOLOGY

The methodology of this study is based on the application of quantitative research to investigate the consumer behavior towards EMI plans. This methodology is designed to analyze the relationships between psychological, financial factors, fintech impact, financial literacy, and EMI behavior.

A. Data Collection

Data were collected by means of structured questionnaires developed according to the research questions. Such a questionnaire contains questions regarding demographic characteristics, consumers' behavior concerning EMIs, psychological factors, financial aspects, fintech impact, and financial literacy of customers. Responses have been collected through a five-point Likert scale from Strongly Disagree (1 point) to Strongly Agree (5 points).

B. Objectives

1. To examine the psychological factors influencing consumer decisions regarding EMI options.
2. To analyse the financial effects of EMI usage on long-term consumption patterns.
3. To evaluate the role of fintech platforms and digital transformation in shaping EMI adoption.
4. To assess the influence of financial literacy on consumer choices related to EMI schemes.

C. Hypothesis

H_0: Psychological factors do not significantly influence EMI adoption.

H_1: Psychological factors significantly influence EMI adoption.

H_0: Financial aspects do not significantly affect consumer consumption patterns.

H_1: Financial aspects significantly affect consumer consumption patterns.

H_0: Fintech platforms and digital transformation do not significantly influence EMI adoption.

H_1: Fintech platforms and digital transformation significantly influence EMI adoption.

H_0: Financial literacy has no significant impact on consumer choices related to EMI schemes.

H_1: Financial literacy significantly impacts consumer choices related to EMI schemes.

D. Sampling

A convenience sampling approach is applied because of limitations on time and availability. The samples for the research included 153 participants coming from different demographic groups such as students, working people, and participants who belonged to different income brackets. This diverse group allows for understanding many perspectives related to the use of EMIs and financial behavior.

E. Tools for Analysis

- Descriptive Statistics – to describe the characteristics of the respondents in terms of demographics and EMI behavior
- Chi-Square test - to establish any relationship between categorical variables and behavior regarding EMIs
- Correlation Analysis - to understand any relationship between psychological factors, financial factors, fintech factors, and literacy factors
- Regression Analysis – to determine the effect of independent variables on EMI adoption and financial behavior

F. Ethical Considerations

This research ensures anonymity of the participants and confidentiality of all information collected. The participants have not been identified. The study also takes into consideration any biases that may come with self-reporting by using well-designed questionnaires.

IV. DATA ANALYSIS AND INTERPRETATION

A. Descriptive Statistics — Demographic Profile

The descriptive analysis provides an overview of the demographic profile of 153 respondents and their EMI usage patterns.

Table 1.1: Distribution of Respondents by Gender

Gender	Frequency	Percentage (%)
Male	74	48.37
Female	79	51.63
Total	153	100

Of the total 153 survey participants, 51.63% were female and 48.37% were male. The gender divided evenly provides for a wider range of perspective when collecting results, leading to an overall greater reliability in results.

Table 1.2: Distribution of Respondents by Age Group

Age Group	Frequency	Percentage (%)
18–24	83	54.25
25–34	24	15.69
35–44	15	9.80
45–54	16	10.46
55–64	9	5.88
Above 65	6	3.92
Total	153	100

A majority of respondents (54.25%) were between the ages of 18 and 24, providing insight that the average participant was a younger person considering that very few participants were older than 55. Therefore, the data collected in this research primarily reflect young consumers' opinions/viewpoints/behaviour.

Table 1.3: Distribution of Respondents by Occupation

Occupation	Frequency	Percentage (%)
Student	73	47.71
Salaried Employee	46	30.07
Business/Self-Employed	20	13.07
Retired/Unemployed	9	5.88
Homemaker	5	3.27
Total	153	100

47.71% of survey total were students while 30.07% were employed. This indicates that the data collected in this survey most likely represents young people and employed professionals who are relevant to purchasing on EMI schemes.

Table 1.4: Distribution of Respondents by Income Level

Income Level	Frequency	Percentage (%)
₹0 – ₹25,000	80	52.29
₹25,001 – ₹50,000	26	16.99
₹50,001 – ₹1,00,000	23	15.03
₹1,00,001 – ₹2,00,000	15	9.80
Above ₹2,00,000	9	5.88
Total	153	100

A majority of respondents (52.29%) earned between ₹0 and ₹25,000 indicating that the survey sample primarily consists of low to middle-income persons. Very few participants earning over ₹2,00,000 demonstrates that income-constrained consumers are likely to rely upon EMI/credit schemes in a real-world scenario.

Table 1.5: Distribution of Respondents by EMI Usage Frequency

EMI Usage Frequency	Frequency	Percentage (%)
Rarely	15	9.80
Sometimes	87	56.86
Often	33	21.57
Always	18	11.76
Total	153	100

A majority of respondents (56.86%) reported that they sometimes use EMI when making purchases, indicating moderate use of EMI schemes. 21.57% of respondents reported that they frequently and/or always use EMI when making a purchase, indicating that a sizeable number of consumers consider using EMI as a habit.

B. Chi-Square Analysis

Objective 1: Psychological Factors and EMI Adoption

The chi-square test was conducted to examine the relationship between psychological factors and EMI adoption behaviour.

Table 2.1: Chi-Square Analysis — Psychological Factors and EMI Usage

Psychological Level	Rarely (1)	Sometimes (2)	Often (3)	Always (4)
High	9	51	9	8
Moderate	4	35	22	8
Low	1	2	2	2
Grand Total	14	88	33	18

Table 2.1(b): Chi-Square Test Statistics — Psychological Factors

Parameter	Value
χ^2 Value	13.0365
Degrees of Freedom	6
p-value	0.0425
Significance Level	0.05
Critical Value	12.5916

A chi-square test examined the association of psychological variables with Intermediary EMI Adoption using 6 degrees of freedom and delivered a chi-square value ($\chi^2 = 13.04$) that was greater than the critical value (12.59). The p-value (0.042) was also less than the significance level of .05. Therefore, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted and presents that psychological factors significantly influence respondents' decisions to use EMI.

This result demonstrates that respondents who see EMI as beneficial, helping them manage large purchases and being flexible in how they use it, are more likely to use it. Greater frequency of EMI-use results from respondents' positive views regarding ease of purchase, the reduction of the financial burden, and enhanced accessibility.

Psychological barriers, on the other hand, are frequently experienced as fear of hidden costs, debt obligations, and/or overspending can also affect the decision-making process. These risks do not prevent consumers from using EMI; however, they do require consumers to exercise caution and be very selective about EMI schemes.

The cross-tabulation analysis demonstrates that a greater affinity for EMI (indicating a high score on the psychological data) related to higher frequency of EMI usage, compared to moderate and low-level respondents demonstrating the association between positive psychological attitudes related to an increase in EMI use.

Apart from that, behavioral considerations like impulsiveness in purchases, influence by advertising, peer reviews, and aspirations also come into play. The EMI schemes tend to make people believe that they are more affordable and thus prompt people to buy items that they would otherwise avoid.

Further, EMI is also viewed as a method through which people can reduce their financial burden temporarily and ease the process of repayment by spreading out the cost over several periods.

In summary, it is clear from the study results that psychological aspects have strong influences on EMI acceptance. The consumer attitude towards finances and related behavioral aspects will determine the success of the method. Financial firms should strive to improve perceptions and ensure sustainable EMI usage.

Objective 2: Financial Aspects and Consumer Consumption Patterns

Table 2.2: Chi-Square Test Statistics — Financial Factors

Parameter	Value
χ^2 Value	2.9298
Degrees of Freedom	6
p-value	0.8507
Significance Level	0.05

Critical Value	12.5916

Chi square test was performed in order to measure the impact of financial considerations on long-term consumption trends in terms of EMI usage. Given chi-square statistic of 2.93 and 6 degree of freedom which is lower than the critical value of 12.59, the null hypothesis (H_0) cannot be rejected because the probability value (.851) is higher than the significance level of 0.05.

This means that there are no statistically significant effects of financial variables on consumer consumption trends in terms of EMI usage. Despite the fact that consumers consider such factors as affordability, interest, obligation of repayment, and financial flexibility, they are not creating any considerable difference in EMI usage behavior among various groups.

Moreover, findings of cross tabulations indicate that consumers who are high, moderate, and low in terms of financial considerations demonstrate quite comparable behavior regarding EMI usage. Thus, it can be concluded that the effect of financial considerations on consumer behavior is not that high because people understand all advantages and disadvantages.

Furthermore, despite many individuals' views that EMI helps in dealing with the financial burden and enhances affordability of high-end products, issues like additional fees and potential financial strain in the long run fail to deter the use of EMI. The finding highlights the balanced perspective wherein consumers are able to consider the pros and cons of adopting EMI without exhibiting drastic changes in their behavior.

Consumers can also be seen as not relying exclusively on their finances when making decisions related to EMIs. In other words, factors such as convenience, availability of offers, ease of acceptance, and psychological satisfaction can take precedence over their finances. The conclusion shows that EMIs are used not only due to financial reasons but also based on perceived convenience and lifestyle considerations.

It is further clear that consumers may possess a similar degree of financial knowledge or experience in dealing with EMIs. Therefore, differences among various financial groups can be minimal, resulting in non-significant effects of financial variables on consumers' choices concerning EMIs.

In summary, the implications show that although financial factors matter to consumers and can help make decisions about EMIs, they are not the sole determinants of consumer behavior.

In conclusion, the findings reveal that despite the significance and importance of financial determinants in influencing EMI utilization practices, they do not constitute the key determinants. Instead, there is a likelihood that other variables such as psychological considerations, the availability of fintech technology, and social factors can be more influential on consumer behaviors and practices.

Objective 3: Fintech Influence on EMI Adoption

Table 2.3: Chi-Square Test Statistics — Fintech Factors

Parameter	**Value**
χ^2 Value	8.3628
Degrees of Freedom	6
p-value	0.2127
Significance Level	0.05
Critical Value	12.5916

The chi-square test was done to assess the impact of the use of fintech platforms and digital transformation in determining EMI adoption. The calculated chi-square (χ^2= 8.36) with 6 degrees of freedom is less than the critical value (12.59), and the p-value (0.213) is bigger than the level of significance (0.05). Thus, the null hypothesis (H 0) is accepted.

This shows that fintech platforms and digital transformation are not statistically significant in the adoption of EMI in this research. Fintech aspects of instant approvals, smooth digital transactions, and tailored offers are well known among consumers, but do not generate a significant difference in EMI usage behaviour among various groups.

The results of cross-tabulation indicate that the respondents in high, moderate, and low fintech groups have rather similar patterns of EMI usage. This indicates that the usage of fintech is relatively consistent across the respondents, and, therefore, it is not a powerful differentiating variable in the effect of EMI behaviour.

Moreover, although fintech platforms have made the process of EMI easier and more accessible, these advantages can now be regarded as a norm among users. Consequently, consumers might not consider fintech capabilities as a distinguishing factor that affects their willingness to embrace EMI anymore, but as a fundamental requirement in the financial services of the present day.

Also, it is worth remembering that fintech is also an enabler but not a driver of EMI adoption. Psychological factors, including convenience, lifestyle aspirations, and a feeling of affordability, can drive consumers to make such decisions, or the process can be driven by monetary concerns, and fintech platforms just make the process easier.

In addition, the neutral responses and level of moderate agreement indicate that consumers like fintech convenience levels, but it does not change their fundamental decision-making process significantly. It means that the role of fintech is not decisive but supportive and indirect.

The second reason could be that the sample is composed of digitally aware people who are already used to fintech platforms. This lowers the response variability and results in a less strong statistical association of fintech factors with EMI adoption.

On the whole, the results indicate that fintech platforms and digital transformation can positively affect how EMI schemes are used and perceived more easily, yet they are not the sole factors that may lead to consumer adoption. It seems that psychological attitudes, financial perceptions and behaviours tendencies have a more significant impact on EMI use. Fintech, therefore, must be considered as a factor that reinforces, as opposed to defining, consumer choices on the use of EMI.

Objective 4: Financial Literacy and Consumer EMI Choices

Table 2.4: Chi-Square Test Statistics — Financial Literacy

Parameter	Value
χ^2 Value	5.3837
Degrees of Freedom	6
p-value	0.5575
Significance Level	0.05
Critical Value	12.5916

The chi-square test was also used to determine the impact of financial literacy on consumer decisions in connection with EMI schemes. The computed chi-square (χ^2= 5.38) with 6 degrees of freedom is lower than the critical value (12.59) and the p-value (0.558) is more than the level of significance of 0.05. Thus, the null hypothesis (H 0) is accepted.

This shows that the financial literacy does not significantly affect consumer decisions with regard to EMI schemes in the study. Though respondents might have some knowledge on budgeting, interest rates, and repayment structure, such knowledge does not bring significant differences in EMI usage behaviour among groups.

The results of the cross-tabulation indicate that the EMI usage patterns of respondents who have high, moderate and low financial literacy are relatively similar. This implies that overall, financial knowledge is not a great predictor of EMI adoption or frequency of use.

Also, despite the fact that most of the respondents report that they compare EMI options, amounts of check total repayment and that they know terms and conditions, these behaviors do not substantially change their final choices. Irrespective of their financial literacy, consumers might choose EMI because it is more convenient or more affordable now or because of their lifestyle.

Another possibility is that financial literacy of respondents is quite homogeneous, especially when the sample is composed of educated people or financially-conscious people. This decreases the variability and undermines the statistical association between financial literacy and the use of EMI.

Furthermore, other behavioural and psychological influences like perceived convenience, social pressure and impulse purchases can prevail over financial considerations. Consequently, even the more financially literate consumers might opt to use the EMI options due to the convenience and flexibility, and not necessarily due to their costs.

In general, the results indicate that financial literacy is relevant to make well-informed decisions but does not have a significant impact on consumer decisions about EMI schemes alone. The influence of other factors on EMI adoption behaviour seems to be more dominant including psychological attitudes and fintech convenience.

C. Regression Analysis

Regression analysis was conducted to examine the collective and individual impact of psychological, financial, fintech, and literacy factors on EMI usage.

Table 2.5: Regression Coefficients — Impact of Key Factors on EMI Usage

Variable	Std. Error	t Stat	p-value	Significance
Intercept	0.5785	5.3440	< 0.001	Significant
Psychological Score	0.1377	-2.0921	0.038	Significant*
Financial Score	0.1553	-0.1955	0.845	Not Significant
Fintech Score	0.1519	1.5689	0.119	Not Significant
Literacy Score	0.1312	-0.8144	0.417	Not Significant

* Significant at $p < 0.05$ | $R^2 = 0.038$, Adjusted $R^2 = 0.012$, Significance F = 0.216

The regression analysis was done to investigate the influence of psychological, financial, fintech, and literacy on EMI usage. The explanatory power of the model is also low, with the value of R 2 being 0.038 meaning that the independent variables incorporated in the model are only able to explain 3.8% of the variation in EMI usage. The adjusted R 2 (0.012) also supports the fact that the model is not very predictive.

The results of the ANOVA indicate that the overall model is not statistically significant as the Significance F value (0.216) exceeds 0.05. This means that there is no significant overall differences in the independent variables that can lead to difference in EMI usage.

Nevertheless, considering the single variables, the influence of psychological factors on the use of EMI is statistically significant ($p = 0.038 < 0.05$). The coefficient has a negative value (-0.288) meaning that there is an inverse relationship, meaning that the higher the psychological score, the lower the EMI usage. It can be an indicator of prudent behaviour of people who are more risk-conscious or risk-aware of the risks or consequences of EMI.

Conversely, financial score ($p = 0.845$), fintech score ($p = 0.119$) and literacy score ($p = 0.417$) are not significant because they have a p-value more than 0.05. This shows that these factors cannot be strongly affecting EMI use in this model.

On the whole, the results indicate that of all the variables taken into account, psychological factors have a somewhat bigger role, whereas financial, fintech, and literacy factors do not have a significant impact on EMI usage. But the general model is weak, this means that there could be other external factors which are not contained in the study that can also influence consumer choices on EMI adoption.

D. Correlation Analysis

Table 2.6: Correlation Matrix — EMI Usage and Influencing Factors

Variable	EMI Usage	Psych.	Financial	Fintech	Literacy
EMI Usage	1.000	—	—	—	—
Psychological	-0.155	1.000	—	—	—
Financial	-0.059	0.405	1.000	—	—
Fintech	-0.017	0.623	0.490	1.000	—

Literacy	-0.079	0.482	0.406	0.661	1.000

The correlation table shows the dependency between the use of EMI (dependent) and the independent variables, which include psychological score, financial score, fintech score and literacy. The correlation coefficients are in the range of +1 and -1 with values near zero signifying weak and nearer to +1 and -1 signifying stronger relationships.

The relationships between EMI use and psychological score (-0.155) are weak and negative, which indicates that people with more psychological awareness or more careful attitudes can somewhat decrease their EMI use. Equally, other financial (-0.059), fintech (-0.017) and literacy (-0.079) have very weak negative associations with EMI usage. These values show that none of these variables is strongly directly related to EMI usage, which means that variations in these variables do not have a significant impact on the frequency of consumers using EMI.

Even though the correlation between the EMI usage and the relation is weak, the independent variables have significant positive correlations. A moderate correlation is evident in the fintech score, with a value of 0.405, suggesting that individuals with better financial literacy have a higher comfort level with the use of fintech. In a similar fashion, fintech and literacy (0.661) show a high positive correlation, meaning that as one's financial literacy increases, he/she will find it easier to use fintech. The correlation between financial and literacy (0.482) is also fairly good which supports the notion that financial knowledge and literacy are two inseparable concepts.

These interrelationships imply that consumers might be technologically savvy and financially literate, but these factors do not always result in increased EMI usage. Rather, situational needs, lifestyle preferences, or, perhaps, psychological perceptions like convenience and perceived affordability can have an effect on EMI decision-making.

Moreover, the fact that the correlation between EMI usage and all independent variables is weak, means that there are no multicollinearity problems directly affecting the dependent variable. But, the moderate to strong correlations between independent variables imply that they are conceptually correlated and they might have indirect effects on the consumer behaviour.

On the whole, the correlation analysis confirms the results of the regression and the chi-square tests, which means that there is no close direct correlation between the chosen factors and EMI usage. This shows that adoption of EMI is a multifaceted behaviour that depends on a variety of dimensions, and is not merely reliant on financial knowledge, fintech use, or literacy.

V. CONCLUSION

In this current study, the elements determining consumer attitude towards the use of EMI were identified considering various factors such as psychological, financial aspects, fintech and financial literacy. According to the results of the conducted study, EMI is one of the crucial elements for modern consumers when it comes to financial matters. EMI changes consumer behaviour patterns, purchases, and consumer lifestyle in general.

According to statistical analysis, psychological elements turn out to be the main determining factor for using EMI. Consumer perceptions of convenience, simplicity of payments and affordability of goods, as well as impulsive behavior and social elements affecting the consumers, are all considered as drivers for using EMI. Chi-Square analysis showed that there is a statistically significant association between psychological factors and EMI use ($\chi^2 = 13.04$, $p = 0.042$) and other elements such as financial factors, fintech and financial literacy showed insignificant values.

Regression analysis confirmed that psychological elements are the most determining predictor of consumer EMI behavior according to the selected elements. Weakness of predictive power of regression $R^2 = 0.038$ shows that additional factors also influence consumers' decision making.

The fintech platform has without doubt hastened access to the EMI facility and enhanced the overall user experience. Nevertheless, the fintech platform serves as an enabling factor, not the main driver. Likewise, even if financial literacy is essential for responsible use, financially literate users could prefer convenience and instant satisfaction to financial prudence.

In summary, the adoption of EMI facility is a complex phenomenon influenced by the interaction of several variables. On the one hand, the EMI makes it possible for consumers to purchase goods and services, hence fostering economic inclusion. On the other hand, it requires financial prudence and regulation.

A. Recommendations

• FinTech institutions must improve transparency about terms and conditions for EMI transactions to instill confidence in the users.

• Various awareness programmes and campaigns must be run to increase knowledge about money matters among consumers, especially young and poor ones.

• FinTech companies must ensure that there is adequate data security, ethical lending procedures, and proper disclosures about charges in their transactions.

• Consumers should assess their repayment abilities and commitment towards EMIs before choosing such methods.

• The creation of custom-made EMIs based on consumer behavior can benefit both customer satisfaction and responsible usage.

B. Future Scope

• Study on AI-enabled credit scores for predicting EMI transactions and consumer confidence in FinTech transactions.

• Cross-sectional study comparing regular EMI schemes and buy now pay later schemes on financial well-being of consumers.

• Exploratory research on consumer behavior in rural and semi-urban areas related to digital EMI facilities.

• Longitudinal research on the effects of repeated use of EMI schemes on consumers' financial well-being.

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