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DIGITAL PAYMENT ADOPTION, PERCEIVED CONVENIENCE, AND IMPULSE BUYING BEHAVIOUR IN YOUNG CONSUMERS

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ABSTRACT

The adoption of digital payments has accelerated globally, with young consumers at the forefront of this transformation. In India, the proliferation of Unified Payments Interface (UPI) applications such as Paytm, PhonePe, and Google Pay has made transactions seamless, cashless, and highly convenient. While digital payments enhance transaction speed and accessibility, they also reduce the "pain of paying," potentially leading to impulse buying behaviour. This study explores the relationship between digital payment adoption, perceived convenience, and impulse buying among young consumers. Primary data was collected from 56 student respondents through a structured online questionnaire, with responses analyzed using percentage analysis and graphical visualization. Results indicate that while the majority of students prefer digital payments for their convenience and efficiency, a substantial proportion reported unplanned purchases and post-purchase regret associated with their usage. Findings reveal that convenience acts as a double-edged sword: it promotes adoption and satisfaction but simultaneously facilitates impulsive spending. The study contributes to existing literature by contextualizing digital payment adoption within behavioural finance, highlighting the need for targeted interventions such as financial literacy programs and in-app spending control mechanisms. Practical implications extend to fintech providers, educators, and policymakers aiming to promote responsible digital consumption among youth.

Keywords: Digital Payments; UPI; Perceived Convenience; Impulse Buying; Young Consumers; Consumer Behaviour; FinTech Adoption.

1. INTRODUCTION

The rise of digital payment systems has transformed consumer financial behaviour worldwide, with young consumers emerging as the most active adopters. In India, the launch of the Unified Payments Interface (UPI) in 2016 revolutionized the payments ecosystem by offering seamless, real-time, and low-cost alternatives to cash transactions (Mary & Antony, 2022). Apps such as Google Pay, Paytm, and PhonePe have become ubiquitous among students and young professionals, largely due to the convenience, accessibility, and integration of payment features within everyday platforms like e-commerce and social media (Goyal, 2024).

Convenience is one of the strongest motivators of digital payment adoption. Perceived convenience is associated with reduced transaction time, ease of use, and flexibility in making purchases without physical cash (Al-Qudah et al., 2024). However, while convenience promotes adoption, it can also lead to behavioural risks. Literature on consumer psychology highlights that digital payments reduce the "pain of paying," weakening self-control and fostering impulse buying (Faraz & Anjum, 2025). Young consumers, particularly students, may be more vulnerable to such tendencies given their higher exposure to digital platforms and lower financial experience.

Impulse buying behaviour, defined as unplanned and spontaneous purchasing decisions, has been widely studied in retail contexts but is increasingly linked with digital payments. The immediate nature of mobile transactions and promotional cues embedded in apps (e.g., cashback, discounts, one-click payments) amplify this behaviour (Underdown, Walker, & Li, 2025). In the Indian context, where digital payments are replacing cash at an unprecedented rate, understanding this link between adoption, convenience, and impulse buying becomes crucial for sustainable financial habits among young consumers.

Although past studies have explored factors such as security, trust, and ease of use in digital payment adoption, fewer have focused on behavioural outcomes such as impulse buying among students (Mary & Antony, 2022; Goyal, 2024). Furthermore, little is known about how convenience—while fostering adoption—can simultaneously create challenges in managing consumption patterns. This study fills this gap by examining the interplay between digital payment adoption, perceived convenience, and impulse buying among undergraduate commerce students in India.

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By focusing on a student population, this research provides insights into both adoption behaviour and financial vulnerability, offering implications for fintech firms, educators, and policymakers aiming to balance innovation with responsible financial behaviour.

2. RESEARCH OBJECTIVES

The main objective of this study is to explore the relationship between digital payment adoption, perceived convenience, and impulse buying behaviour among young consumers.

Specific objectives are:

1. To examine the extent of digital payment adoption among undergraduate students.
2. To assess how perceived convenience influences the use of digital payments.
3. To analyze the relationship between digital payment adoption and impulse buying behaviour.
4. To provide recommendations for promoting responsible financial behaviour among student users.

3. RESEARCH QUESTIONS

Based on the objectives, the study seeks to answer the following research questions:

1. To what extent have students adopted digital payments in their daily transactions?
2. How does perceived convenience influence digital payment adoption?
3. What is the impact of digital payment adoption on impulse buying behaviour among students?
4. What measures can fintech providers and educators take to mitigate impulse buying while promoting digital payment usage?

4. LITERATURE REVIEW

Digital Payment Adoption

Digital payment adoption has grown rapidly in emerging economies, especially in India after the introduction of the Unified Payments Interface (UPI). Studies show that adoption is driven by ease of access, integration with smartphones, and increasing government support for cashless ecosystems (Mary & Antony, 2022). For young consumers, adoption is further influenced by familiarity with technology and peer influence (Al-Qudah, Al-Debei, & Al-Lozi, 2024). Research also highlights the role of promotional features such as cashback and discounts, which encourage frequent usage of apps like Paytm, Google Pay, and PhonePe (Goyal, 2024). However, barriers like security concerns and lack of financial literacy continue to influence adoption levels, especially in rural areas (Sharma & Singh, 2023).

Perceived Convenience

Convenience is consistently identified as a central motivator for digital payment adoption. It encompasses reduced transaction time, mobility, and elimination of the need to carry cash (Al-Qudah et al., 2024). For students, convenience extends to integrating payments with online shopping, food delivery, and subscription-based services. Prior literature emphasizes that perceived convenience significantly increases behavioural intention to adopt and continue using digital payments (Mary & Antony, 2022). At the same time, researchers warn that convenience can also reduce financial self-control, as users may make payments without fully evaluating consequences (Faraz & Anjum, 2025).

Impulse Buying Behaviour

Impulse buying refers to spontaneous, unplanned purchases triggered by emotional or situational cues. Digital payments have been linked with higher impulse buying due to the “cashless effect,” where the psychological pain of spending is reduced compared to cash transactions (Faraz & Anjum, 2025). Young consumers are particularly prone to this behaviour because digital wallets and UPI platforms enable instant gratification through one-click payments, rewards, and gamification elements (Goyal, 2024). Underdown, Walker, and Li (2025) found that mobile payments accelerate impulse buying across cultures by reducing transaction friction and encouraging repetitive spending.

Research Gap

While digital payment adoption has been widely studied, there is limited empirical research linking adoption, perceived convenience, and impulse buying together in the context of student consumers. Most existing studies emphasize adoption drivers such as trust, security, and usefulness (Mary & Antony, 2022; Al-Qudah et al., 2024), but less attention has been given to behavioural consequences such as overspending. Furthermore, impulse buying has been studied extensively in e-commerce and retail contexts but rarely in financial technology adoption. This study bridges the gap by analyzing how digital payment adoption and perceived convenience jointly influence impulse buying among young commerce students.

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5. RESEARCH METHODOLOGY

Research Design

This study employed a **quantitative descriptive research design** to examine the relationship between digital payment adoption, perceived convenience, and impulse buying behaviour among young consumers. A descriptive design was selected as it allows for systematically summarizing perceptions and behaviours, identifying associations between constructs, and exploring emerging trends without establishing causality (Creswell & Creswell, 2018).

Population and Sample

The population of interest consisted of **young commerce students** in India, as they are among the most active users of digital payments and represent a segment highly exposed to online shopping and mobile transactions. A total of **56 valid responses** were collected, with the majority in the **18–24 years age group**. The respondents were recruited through a convenience sampling method, which is appropriate for exploratory studies where time and resources are limited (Saunders, Lewis, & Thornhill, 2019).

Data Collection Instrument

Data was collected using a **structured questionnaire** administered through Google Forms. The instrument consisted of four main sections:

1. **Demographics** – Gender, age, and educational level.
2. **Digital Payment Adoption** – Frequency of use, preferred platforms, and motivational factors (e.g., discounts, rewards).
3. **Perceived Convenience** – Items measuring time-saving, ease of access, and overall efficiency, adapted from Mary & Antony (2022).
4. **Impulse Buying Behaviour** – Likelihood of unplanned purchases triggered by discounts, offers, or ease of digital transactions, based on scales from Faraz & Anjum (2025).

Responses were recorded on a **five-point Likert scale** (1 = Disagree, 3 = Agree) to capture intensity of perceptions.

Analytical Tools

Data was analyzed using **percentage analysis** to identify dominant response trends. **Pie charts and bar graphs** were generated for visual representation of variables such as digital payment adoption, convenience perceptions, and impulse buying tendencies. This method is suitable for small sample, exploratory studies where descriptive clarity is prioritized over inferential testing (Gupta & Sharma, 2020).

Ethical Considerations

Ethical guidelines were carefully followed throughout the study:

- Participation was **voluntary**, with informed consent obtained prior to survey completion.
- **Anonymity and confidentiality** were ensured, with no personal identifiers collected.
- The survey data was used solely for academic purposes and securely stored.

Justification of Method

The methodology was deemed appropriate as:

1. Percentage analysis allowed for easy interpretation of student responses.
2. Commerce students were a relevant sample, being digital natives who regularly engage with digital payment platforms.
3. The use of validated scales from prior studies increased the reliability of measurement constructs (Mary & Antony, 2022; Faraz & Anjum, 2025).

6. ANALYSIS & FINDINGS

1) Demographic Snapshot

Responses from **56 young consumers** (commerce students). Most were **18–24 years**, with a balanced gender mix. This profile aligns with a high-adoption, high-mobile-use segment—ideal for studying digital payments and impulse buying.

2) Digital Payment Adoption

- **Adoption & frequency:** A **large majority** reported using **UPI / mobile wallets** (Google Pay, PhonePe, Paytm) **daily or several times per week**, indicating strong routine integration (e.g., food delivery, e-commerce, transportation).

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- **Preferred platforms:** UPI apps dominated; wallets were used selectively for **cashbacks/offers**.
- **Contexts of use:** Most common for **small-ticket spends** (snacks, rides, online orders), with less frequent use for larger, planned purchases.

Interpretation: Adoption is **near-universal** in the sample; usage is **habitual** and closely tied to daily micro-transactions—consistent with national UPI trends (Mary & Antony, 2022; Al-Qudah et al., 2024).

3) Perceived Convenience

- **Speed & ease:** A **clear majority** agreed that digital payments are **faster** and **easier** than cash.
- **Fewer barriers:** Many felt digital payments **reduce effort** (no cash handling, no exact change, instant completion).
- **App features: Saved cards/UPI IDs, one-tap flows, QR codes, and auto-fill** were cited as features that "make payment too easy."

Interpretation: Convenience is the strongest perceived benefit and an important reason to prefer UPI over cash. This supports adoption research showing convenience as a primary driver (Mary & Antony, 2022; Al-Qudah et al., 2024).

4) Impulse Buying Signals

- **Unplanned purchases:** A **sizeable share** admitted to **buying on impulse** (e.g., flash sales, in-app offers, one-click checkout).
- **Spending over plan:** Many reported **spending more than intended** when paying digitally vs cash.
- **Regret:** A **non-trivial group** indicated **post-purchase regret** tied to quick, app-triggered purchases (especially late-night orders or promo-driven buys).

Interpretation: Convenience appears to **lower the "pain of paying"**, nudging unplanned and faster purchases—consistent with behavioural evidence on cashless effects (Faraz & Anjum, 2025; Underdown et al., 2025).

5) Triggers & Moderators

- **Promotions & rewards: Cashbacks/discounts/free delivery** are strong triggers for spontaneous purchases.
- **Social context:** Peer cues (friends using the same app; split-bill ease) encourage usage frequency.
- **Self-control tools:** A minority use **spend limits/alerts**; most do not—leaving room for **responsible-use nudges**.

Interpretation: Impulse behaviour is **situationally amplified** by in-app cues and rewards; simple **choice-architecture** tweaks (alerts/limits) could help.

6) Summary of Empirical Patterns

1. **Adoption is high and habitual** → UPI/wallets are embedded in daily routines.
2. **Convenience dominates perceptions** → speed, effort reduction, and frictionless flows.
3. **Impulse buying is present** → promotions + reduced friction → more unplanned spends & some regret.
4. **Behavioural asymmetry** → users appreciate convenience benefits but underuse safeguards (alerts/limits).

These patterns mirror recent evidence that **convenience both enables adoption and increases impulsivity** (Goyal, 2024; Faraz & Anjum, 2025; Underdown et al., 2025).

Managerial/Policy Read-Across (from the data)

- **Fintechs/UPI apps:** Add **optional friction** at checkout (spend-over-plan prompts, weekly dashboards, "cool-off" nudges for late-night orders).
- **Banks/educators:** Promote **micro-literacy**: set spend caps, enable alerts, review weekly expense summaries.
- **Marketers:** If targeting youth, pair promotions with **choice-friendly defaults** (e.g., "add to wishlist," "remind tomorrow") to reduce regret.

Key Findings

1. High adoption and habitual use → Nearly all respondents reported frequent use of UPI and wallets, particularly for micro-payments like food delivery and online shopping.

2. Convenience as a primary driver → Speed, ease, and frictionless features (auto-fill, QR scan) strongly influenced adoption.

3. Impulse buying behaviour → Digital payments encouraged unplanned purchases, overspending, and occasional regret, especially under promotions.

4. Promotions as triggers → Cashbacks, discounts, and peer influence amplified impulse behaviour.

5. Weak self-regulation → Most students did not use built-in tools (alerts, limits), creating vulnerability to overspending.

Practical Implications

1. **FinTech/UPI Apps** – Introduce "responsible design" elements:
   - Weekly spending dashboards
   - Over-limit alerts
   - Time-based prompts (e.g., "Review before midnight order")
2. **Marketers** – Balance **promotions with safeguards** (wishlist/remind-me features) to reduce regret while still nudging trial purchases.
3. **Banks & Educators** – Integrate **digital financial literacy programs** in curricula, focusing on managing impulse behaviour with digital money.
4. **Policy Makers** – RBI and NPCI could encourage **consumer-protection nudges** within UPI apps to reduce overspending risks among youth.

Theoretical Contributions

1. Extends **Technology Adoption Models (TAM/UTAUT)** by showing that adoption in youth is driven less by security and more by perceived **convenience + habitual use**.
2. Validates **Cashless Payment Psychology** theories → reducing the "pain of paying" increases impulsivity (Faraz & Anjum, 2025).
3. Enriches **Impulse Buying Literature** by showing how **digital payment ease interacts with promotional triggers** to heighten unplanned spending.
4. Adds evidence from an **Indian youth context**, addressing a gap in cross-cultural digital payment research (Underdown et al., 2025).

Limitations

1. **Sample size (N=56)** → Findings are exploratory, not fully generalizable.
2. **Self-reported behaviour** → Actual transaction data could reveal stronger/different effects.
3. **Student-only context** → Working professionals may behave differently (higher income, larger spends).
4. **Cross-sectional data** → Does not capture changes over time or during events (e.g., festival seasons, cash crunch).

7. SUGGESTIONS FOR FUTURE RESEARCH

1. **Larger samples** across demographics (students, professionals, rural vs. urban).
2. **Longitudinal studies** to track changes in adoption and impulse buying over time.
3. **Experimental designs** – Test the effect of friction (alerts, spend caps) on impulse reduction.
4. **Platform comparison** – Study differences between UPI, wallets, credit cards, and BNPL (Buy Now Pay Later).
5. **Psychological mediators** – Examine roles of stress, peer pressure, and digital literacy in moderating impulse buying behaviour.

8. CONCLUSION

This study explored how digital payment adoption, driven by perceived convenience, shapes impulse buying behaviour among young consumers. Findings from 56 student respondents indicate that while convenience remains the strongest motivator for adoption, it simultaneously reduces the "pain of paying," thereby encouraging unplanned purchases. Promotions such as cashbacks and discounts further amplify this impulsivity, highlighting the dual role of digital payments as both enablers of financial efficiency and triggers of overspending.

The study contributes theoretically by extending adoption models (TAM/UTAUT) into behavioural outcomes, particularly impulse buying. It also highlights the psychological dimensions of digital finance, validating evidence that ease-of-use fosters habitual, and sometimes excessive, spending. Practical implications point toward the need for responsible FinTech design, targeted financial literacy programs, and policy interventions that balance growth in digital transactions with consumer protection.

Despite its limitations of small, student-only sample size and reliance on self-reported data, the research provides an important foundation for understanding youth financial behaviours in the digital era. Future research should explore longitudinal effects, test behavioural nudges, and examine diverse demographics to offer richer insights into the evolving landscape of digital payment systems.

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