

IMPACT OF DIGITAL PAYMENT SYSTEMS ON CUSTOMER IMPULSIVE BUYING BEHAVIOR

Dr S.K. Pahwa

Director Mata Gujri Mahila Mahavidyalaya, Jabalpur

Ms. Nidhi Rajak

Assistant Professor St. Aloysius College, Jabalpur

ABSTRACT

The Indian economy is growing at an unprecedented pace, and the increasing popularity of digital payments is a testament to this growth, India is coming out as a master in the area of digital payments, almost 42% of Indians use cashless methods for their financial transactions which also affects their buying behavior this research paper plans to investigate the influence of Digital Payment System on impulsive buying behavior of Customers. The companies and government must understand this impact which will help them to make their strategies and plans for the future. The study was conducted via structured survey using a questionnaire consisted three sections Demographics, use of digital payments, and its impact on The study surveyed 350 individuals from Jabalpur city, selected through a simple random sampling method. According to the findings, the ease of cashless payment methods influences the Customer's impulsive buying behavior.

INTRODUCTION

Technology plays a vital role in our lives, our day-to-day activities are conducted with the help of some kind of technology, as technology has taken over the world it is easily available, economical, and convenient to use, technology continues to advance and expand, significantly impacting how we perform daily tasks. During the pandemic period faced by people have popularized the use of technology in almost every field Customers preferred using online contactless shopping methods, giving a revolutionary shift in the market from traditional market to E-Commerce. Accompanied by this shift, emerged the concept of digital payments Moreover, the emergence of digital payments has profoundly influenced Customer behavior, shaping their purchasing decisions, spending habits, financial choices, etc. Seizing the opportunity, multiple players entered the digital payment market offering, rewards, bonus points, cash backs, and discounts to attract Customers.

The advent of technology has triggered the buying pattern of customers, There are many ways to make digital payments many Apps, Software, and machines, are available to make

financial transactions easy, which triggers impulsive buying decisions. Impulsive buying refers to the spontaneous decision to purchase a product or service, often made at the point of sale. In a nutshell, it can be defined as an unplanned purchase made by the Customer. With the rise of e-commerce Impulsive buying has become more common in both online and offline markets as there are many factors related to digital payments that contribute to impulsive buying behavior.

REVIEW OF LITERATURE

Lavanya Mary and Ankita Antomy (2022): Stated in their paper that Technology has been evolving at a rapid rate, especially after the covid 19 period which has accelerated its growth. One of the main reasons for the success of e-commerce is digital payment systems, In their paper they studied the relationship between the different factors associated with DPS on impulsive buying and found that there is a significant relation between the two.

Sanjay Kumar Yadav and Ramesh Kumar Chaturvedi (2021): Explored the impact of DPS on impulsive buying behavior, On the basis of the findings of the study researchers can conclude that advancements in technology and the availability of a plethora of digital payment methods such as Debit card, credit card, e- wallets with QR code options, integration of BHIM with many other e-wallets, contactless card positively influences the Impulsive buying of retail Customers.

OBJECTIVES OF THE STUDY

- To Analyse the Customer's perception of the influence of digital payments on their purchasing habits.
- To analyze the impact of Mobile payment apps such as G pay, Phone Pay, Paytm, etc on the Impulsive buying behavior of Customers.
- To study the influence of rewards and cashback on the Impulsive buying behavior of Customers.

RESEARCH METHODOLOGY

Research Design

This research paper aims to analyse the impact of the use of Digital payment on Impulsive buying Behaviour for which a descriptive research approach was used with consideration given to the demographic differences among respondents.

Sample Size and Sampling Method

The study includes a sample size of 350 participants from Jabalpur city of Madhya Pradesh which are selected by stratified random sampling method to ensure a representative sample across various groups who use digital payment methods for their day-to-day financial transactions.

Hypothesis

H0: The impulsive Buying Behaviour of customers is not affected by the use of mobile payment apps.

H1: The Impulsive Buying Behaviour of Customers is affected by the use of mobile payment apps.

H0: Impulsive buying behavior of customers remains unaffected by the rewards and cashback.

H2: Impulsive buying behavior of customers is affected by the rewards and cashback.

DATA ANALYSIS

Table 1 Demographic Profile of the Respondents

Gender	Frequency
Male	142
Female	208
Other	0
Occupation	Frequency
Business	87

Salaried	263
Education	Frequency
High School	58
Graduate	196
Post Graduate	96
Income Per month	Frequency
Less than ₹20,000	220
₹20,001 - ₹50,000	70
₹50,001 - ₹1,00,000	40
More than - ₹1,00,001	20

Hypothesis Testing

Table 2: Testing of first Hypothesis

Impact of Mobile Payment Apps on Impulsive Buying Behavior	Observed N	Expected	Residual (O-E)	(O-E)²	/E
Strongly Disagree	0	64	-64	4096	64
Disagree	31	64	-33	1089	17.01
Neutral	74	64	10	100	1.56

Agree	196	64	132	17424	272.25
Strongly Agree	49	64	-15	7.5	3.51
Total	350		1.96		358.33

Expected Frequency = N/K

N = Observed

Frequency

$$= 350/5$$

K = No of Variable

$$= 64$$

$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

$$\sum = 358.33$$

$$\text{Degree of Freedom } (k-1) = 5-1 = 4$$

Using a Chi-Square distribution table or calculator, the researcher found:

$$p\text{-value} \approx 0$$

as the value of p is less than the table value, the null hypothesis of Impulsive buying behavior unaffected by the use of mobile payment apps is rejected.

Testing of the second Hypothesis

Table 3

Influence of Cashbacks/ Rewards on Impulsive Buying Behavior	Observed N	Expected	Residual (O-E)	(O-E)²	/E
Strongly Disagree	0	64	-64	4096	64
Disagree	67	64	3	9	0.14
Neutral	96	64	32	1024	16

Agree	165	64	101	10201	159
Strongly Agree	22	64	-42	1764	27
Total	350		1.96		266.14

Expected Frequency = N/K

N = Observed

Frequency

$$= 350/5$$

K = No of Variable

$$= 64$$

$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

$$\sum = 358.33$$

$$\text{Degree of Freedom } (k-1) = 5-1 = 4$$

Using a Chi-Square distribution table or calculator, the researcher found:

$$p\text{-value} \approx 0$$

Since the p-value is less than the table value the null hypothesis is rejected.

FINDINGS

- Found that 98% of the respondents use Mobile Apps such as Gpay, Phonepay, Paytm, BHIM, etc to make monetary transactions.
- Out of 350 respondents, 233 use digital payment methods daily for transactions followed by 93 respondents who use them once or twice a week, 20 who use them once or twice a month, and 4 rarely.
- The Study Shows that a maximum number of respondents that is 35% make Impulsive purchases rarely followed by 29% sometimes 28 % Often and 7%. rarely
- The study indicates that the highest percentage of respondents 52% Agree to the point that digital payment methods make it easier to make Impulsive purchases followed by 45% strongly agree.
- It is found in the study that mobile payment apps have an increased tendency to make Impulsive purchases as 66% of respondents agreed with the statement whereas 22% were neutral and 12% Disagreed.

CONCLUSION

The study is conducted via a survey of 350 respondents where according to the findings it is proved that the use of mobile payment apps such as Google Pay, Phone Pay, Paytm, BHIM, etc. triggers the impulsive buying behavior of customers and other factors that is rewards and cashback also effects in the same manner. Thus it can be said that the Digital payment system influences the purchasing decisions of customers and increases impulsive buying.

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