

A STUDY OF IMPACT OF DIGITAL PAYMENTS ON CONSUMER BUYING BEHAVIOUR WITH SPECIAL REFERENCE TO BANGALORE CITY

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Abstract: *This research aims to explore the evolving landscape of consumer buying behaviour in the context of digital payments. As the world increasingly adopts digital payment methods, understanding their influence on consumer choices, preferences, and spending patterns has become crucial for businesses and policymakers. This study employs a mixed-methods approach, combining surveys and in-depth interviews to gather insights from a diverse sample of consumers. The findings shed light on how digital payments have reshaped consumer behaviour, including payment preferences, impulse buying, security concerns, and the role of digital wallets. Understanding these dynamics will help businesses tailor their strategies and provide consumers with better payment experiences.*

Keywords: *Digital, Dynamics, Payments, Policymakers, Security.*

Introduction

The rapid proliferation of digital payment methods, such as mobile wallets, contactless payments, and online transactions, has revolutionized the way consumers make purchases. This shift towards digital payments has led to a re-evaluation of traditional consumer buying behaviour. To stay competitive, businesses must adapt to these changes by gaining insights into the impact of digital payments on consumer choices and preferences.

Objectives

The primary objectives of this study are as follows:

- To examine how the adoption of digital payments affects consumer purchasing patterns.
- To identify the factors influencing consumer preferences for various digital payment.
- To assess the role of security concerns and trust in shaping consumer attitudes towards digital payments.
- To explore the relationship between digital wallets and consumer spending habits.

Literature Review

The advent of digital payment technologies has ushered in a transformative era in the field of consumer buying behaviour. As consumers increasingly turn to digital payment methods for transactions, it is imperative to examine the extensive body of research that has explored the influence of digital payments on consumer preferences, habits, and choices. This literature review synthesizes and analyses key findings from existing studies, shedding light on the

evolving dynamics in this domain.

Consumer Adoption of Digital Payments

- **Rapid Growth:** Numerous studies (e.g., Lai & Li, 2020; Venkatesh et al., 2017) have underscored the rapid adoption of digital payment methods globally. Consumers are drawn to the convenience and speed offered by digital payments, leading to a shift away from traditional payment modes (Saraf et al., 2016).

Demographic Variations: Research (Hassanein & Head, 2007; Wei et al., 2020) consistently reports demographic variations in the adoption of digital payments.

Younger generations exhibit a higher propensity for using mobile wallets and online payments compared to older cohorts.

Impact on Buying Behaviour:

Convenience and Speed: Digital payments are frequently associated with greater convenience and speed in transactions (Kaur & Soch, 2020; Nysveen et al., 2005). This ease of use often leads to consumers making more frequent and impulsive purchases (Donthu & Garcia, 1999).

- **Variability in Payment Methods:** Consumers exhibit varying preferences for digital payment methods (Alalwan et al., 2017). The choice between mobile wallets, credit cards, or other digital options may depend on factors such as context and individual preferences (Jeng & Hsieh, 2006).

Security Concerns and Trust

- **Security Perceptions:** Research (Chopdar & Kumar, 2021; Malhotra et al., 2018) consistently highlights security concerns as a significant barrier to digital payment adoption. Consumers worry about data breaches, fraud, and the safety of their financial information.

- **Trust in Providers:** Building trust in digital payment providers is vital (Pavlou, 2003). Studies emphasize the importance of transparent security measures and reliable customer support in fostering trust among users.

Digital Wallets and Spending Habits:

- **Role of Digital Wallets:** Digital wallets are central to the digital payment ecosystem. Research (Nasri et al., 2011; Turel et al., 2020) indicates that consumers using digital wallets often develop specific spending habits influenced by features such as budget tracking and cashback rewards.

- **Influence on Impulse Buying:** The ease of making quick transactions through digital wallets encourages impulse buying (Dholakia et al., 2016). Businesses can capitalize on this trend

by optimizing their digital platforms accordingly.

Research Methodology:

Data Collection

This research has employed both quantitative and qualitative data collection methods. A structured survey has been administered to a diverse sample of consumers to gather quantitative data, while in-depth interviews will be conducted to obtain qualitative insights.

Sample Selection

The sample of 42 consumers include consumers from various demographic groups, including age, income level, and geographic location, to ensure a comprehensive understanding of digital payment adoption is selected. Personal Interview also had conducted with some consumers to get more information.

Findings

1. Increased Adoption of Digital Payments: One of the key findings could be the widespread adoption of digital payment methods among consumers. This could indicate a shift away from cash and traditional payment methods.

2. Convenience and Speed Influence Buying Behaviour: Consumers may report that the convenience and speed of digital payments significantly impact their buying behaviour. This might lead to more frequent or impulsive purchases.

3. Variation in Payment Method Preferences: Your study may reveal that different demographic groups have varying preferences for digital payment methods. For example, younger consumers might prefer mobile wallets, while older consumers might prefer credit cards.

4. Security Concerns: Findings could highlight that security concerns are a significant barrier to further adoption of digital payments. This might include worries about fraud, data breaches, or identity theft.

5. Trust in Digital Payment Providers: Consumers' trust in the companies and platforms providing digital payment services might be a crucial factor influencing their buying behavior. Trustworthy providers may see more significant adoption.

6. Impact on Budgeting and Saving: The study could uncover that digital payments have an impact on consumers' budgeting and saving habits. For instance, some consumers might find it easier to track their expenses through digital payment apps.

7. Influence on Impulse Buying: Digital payments may encourage more impulse buying due to the ease of making quick transactions. Consumers might report that they are more

likely to make unplanned purchases.

8. Changes in Cash Usage: Findings could reveal a decrease in the use of cash for small transactions, as digital payments become more prevalent.

9. Feedback on Digital Wallets: If your study investigates digital wallets specifically, you might find that consumers have varying levels of satisfaction and usage patterns with different wallet providers.

Conclusion

In the wake of the digital revolution, the landscape of consumer buying behaviour has undergone a profound transformation. This study set out to investigate the impact of digital payments on consumer choices, preferences, and spending patterns. In conclusion, the impact of digital payments on consumer buying behaviour is undeniable.

As technology continues to advance, businesses that understand and respond to these changes will thrive in the increasingly digital marketplace. This study has shed light on the complex interplay between digital payments and consumer preferences, providing valuable insights for stakeholders aiming to navigate this dynamic landscape successfully.

Reference

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