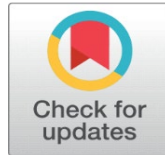
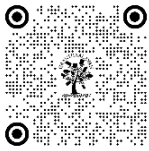


IMPACT OF CASHLESS PAYMENTS ON IMPULSE BUYING BEHAVIOUR OF GEN Z

Manisha Goyal¹

¹Assistant Professor at Nagindas Khandwala College



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ABSTRACT

This study investigates the effect of cashless payments on Generation Z's impulse buying behavior in Mumbai. With the growing ubiquity of digital payment methods, companies and governments must understand their impact on customer behaviour, particularly among young adults. The goal was to look at how the use of cashless payments influences impulse buying among Generation Z customers. The study included 122 individuals aged 16 to 26 years old, chosen using a stratified random selection procedure to guarantee representation across key demographic criteria such as gender and socioeconomic status. Data was gathered using structured surveys that focused on participants' use of digital payment methods and their proclivity for impulsive purchases. According to the findings, the ease and accessibility of cashless transactions have a substantial impact on Generation Z's willingness to make impulsive purchases. This study adds to the current literature by shedding light on the behavioral dynamics of young consumers in metropolitan settings in terms of digital payments and impulsive purchasing. The consequences include that firms and marketers should modify their tactics to fit Generation Z customers' tastes and behaviors affected by the proliferation of cashless payment technology in cities such as Mumbai.

Keywords: Cashless Payments, Digital Transactions and Mumbai, Generation Z, Impulse Buying



1. INTRODUCTION

Cashless payments have transformed the world of financial transactions, particularly for the younger generation Z. This generation was heavily affected by fast technological advancements and the extensive use of digital technologies. They were born between the mid-1990s and early 2010. They are so accustomed to and reliant on digital solutions for many aspects of their lives, including financial management. The growing adoption of cashless payment technologies, such as contactless cards, mobile wallets, and online banking platforms, has dramatically altered transaction patterns. These technologies' simplicity, rapidity, and accessibility are unrivaled, and they complement Generation Z's tastes and way of life. The introduction of cashless payments has transformed consumer behaviour, notably among Generation Z, by dramatically affecting impulse purchases. One of the most noticeable effects is the increased convenience and accessibility provided by digital transactions. Purchasing products and services has gotten easier and faster thanks to cashless alternatives such as mobile payments and internet platforms. This simplicity of transaction reduces the conventional obstacles associated with currency, allowing people to make impulsive purchases without having to exchange actual money. Furthermore, integrated digital platforms frequently use personalized suggestions and targeted advertising based on user data, luring consumers with customized offers that encourage impulse purchases. The quickness and friction lessness of cashless payments lead to fast pleasure, rewarding impulsive actions with quick

rewards. Furthermore, social effects enhanced by social media and peer recommendations encourage impulsive purchasing, as users attempt to copy trends or engage in social interactions made possible by digital payments. Addressing these issues requires fostering financial literacy and mindfulness in digital spending, allowing people to make educated decisions and establish healthy financial habits while enjoying the ease of cashless transactions.

2. STATEMENT OF THE PROBLEM

This research looks at how cashless payment technologies affect the impulse shopping habits of Generation Z in Mumbai. The growth of digital wallets, mobile payment applications, and contactless transactions has raised concerns about their ability to drive impulsive purchases due to their simplicity of use and seamless transactions. Because Mumbai is a major economic hub with a youthful, tech-savvy population, knowing how different payment methods impact buying habits is critical. The goal is to investigate the extent to which cashless payments contribute to impulsive purchasing among Generation Z and to discover factors that aggravate or alleviate this behavior.

3. REVIEW OF LITERATURE

Singh, S. & Shanmugam, S. (2024). Conducted studies concluded that price levels, hedonic browsing, benefit perceptions, perceived usefulness, consumer attitude, security, risk, and discounts significantly correlate positively with impulse buying. Conversely, variety of choices, utilitarian browsing, service features, and advertising correlate negatively. Sensory attributes showed no effect. Online shopping and e-wallets significantly influence impulse buying behaviour today, highlighting their impact on consumer decision-making in the digital age.

San, B. (2024). The transition towards a cashless society, once a futuristic concept, is rapidly becoming a reality in many countries. Despite cash's global significance, numerous nations are progressing towards cash lessness. A cashless economy offers numerous benefits, including enhanced transparency and economic growth. Governments can enforce greater accountability, benefiting both businesses and consumers with streamlined payment processes. However, challenges such as financial inclusivity and security concerns persist. Literature indicates positive impacts on money supply but debates the central banks' evolving role amidst e-money adoption, citing examples from China and Bangladesh. Overall, while a cashless economy offers substantial advantages, its full implications remain a topic of ongoing debate and study.

Jain, R. (2023). The study aimed to investigate how mobile wallet usage and financial literacy influence impulse buying behaviour among youths in Myanmar. Results indicate that Myanmar youth tend to engage in more impulsive buying when using mobile wallets, possibly driven by the convenience of such transactions. This impact persists even without significant market pressure to adopt mobile wallets in Myanmar currently. Looking ahead, if there's a stronger push towards digital payment adoption, this influence on impulse buying behavior could potentially intensify in the future.

Kumar, H. & Sofat, R. (2022). The use of e-wallets is becoming increasingly popular among Malaysians, particularly among young consumers and university students who are active users of technology. Given that this demographic will soon dominate the workforce and hold significant purchasing power, businesses must cater to their preferences for digital payment methods like e-wallets. Failure to adopt contactless payments or enhance e-wallet options could lead businesses to lag behind. The study emphasizes that enhancing the utility and functionality of e-wallet apps can drive higher adoption rates among young consumers. Future e-wallets should prioritize convenience, ease of use, and adaptability to meet the evolving needs of this tech-savvy demographic, potentially expanding beyond payment facilitation to include a broader range of practical tools.

Sari, R. & Utama, S. & Zairina, A. (2021). The study primarily investigates factors influencing overspending behaviors, focusing on variables like perceived ease of transactions, consumer fintech usage, and promotional discounts. It finds that while perceived ease alone doesn't directly lead to overspending, consumer fintech usage acts as a mediator in this relationship. Promotional discounts, on the other hand, directly impact expenditure, highlighting how incentives like discounts and cash-backs can tempt consumers into overconsumption. The study reaffirms that individuals with higher self-control tend to spend less excessively. It underscores the importance of enhancing financial literacy around fintech usage to promote responsible financial behaviors and protect users from potential risks associated with online transactions.

Sajeetha, M., & Tay, Lee-Y. (2024). Generation Z's impulsive buying behaviour, driven by sudden desires sparked online, warrants further exploration across different demographics and variables like website quality or time factors. Understanding Generation Z's role in the economy is crucial for both established online retailers and new businesses transitioning online. Insights from this study can aid e-marketers in crafting strategies to capitalize on impulse buying,

such as innovative promotions and visually appealing content. However, the study's limitation of online survey bias suggests the need for caution in interpreting data accuracy. Future research could broaden its scope by examining additional influencers on online impulsive buying behaviour, enhancing overall understanding and applicability in e-commerce strategies.

4. RESEARCH GAP

Existing research focuses mostly on technology features and economic implications, ignoring the subtle cultural variables that may affect consumer behavior differently across areas or demographic groups. Future study should look at how cultural elements like social conventions, beliefs, and perceptions influence digital payment uptake and online buying habits, offering a more complete picture of consumer behaviour in the digital age.

OBJECTIVE OF THE STUDY

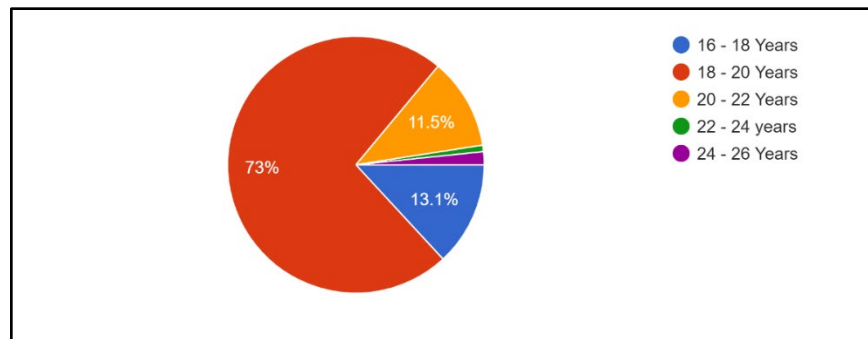
To investigate how cashless payments influence the impulse buying behaviour of Generation Z in Mumbai.

SAMPLE SIZE AND SAMPLING

- **SAMPLE SIZE:** The study includes a sample size of 122 participants from Generation Z.
- **SAMPLING METHOD:** A stratified random sampling method was employed to ensure a representative sample across various age groups within Generation Z, ranging from 16 to 26 years. Participants were selected to reflect diverse demographic characteristics, including gender and socioeconomic background, to capture a comprehensive view of the impact of cashless payments on impulse buying behaviour.

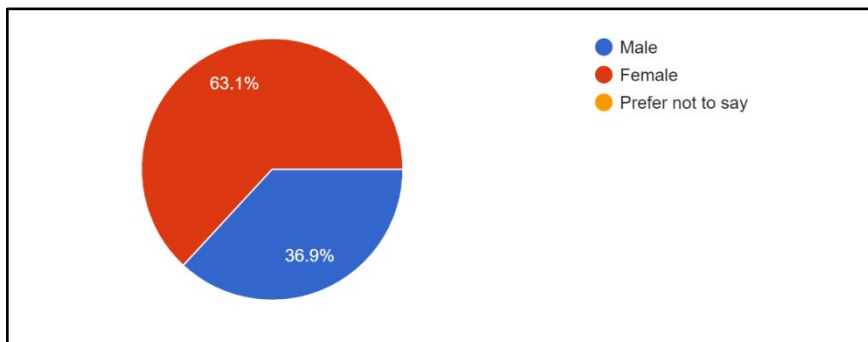
5. DATA ANALYSIS AND INTERPRETATION

AGE



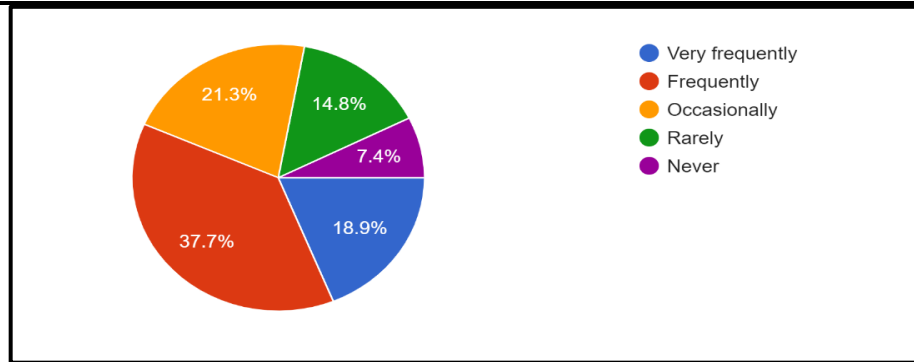
The data shows a varied distribution of Generation Z participants in Mumbai across different age brackets. The majority fall within the 18-22 years range, comprising 81.4% of the sample, indicating that younger adults are more prominently represented in the study. This demographic skew towards younger age groups suggests that the findings primarily reflect the behaviours and attitudes of early adults in their formative years of financial decision-making.

GENDER



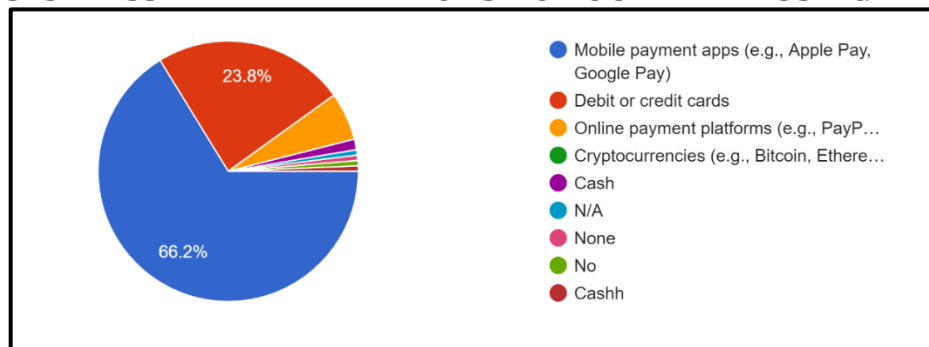
The gender distribution in the study indicates a predominant representation of females among Generation Z participants, comprising 63.1% of the sample compared to 36.9% males. This imbalance suggests that females are more inclined to participate in studies regarding consumer behavior and digital payment impacts.

HOW OFTEN DO YOU USE CASHLESS PAYMENT METHODS IN YOUR DAY-TO-DAY LIFE?



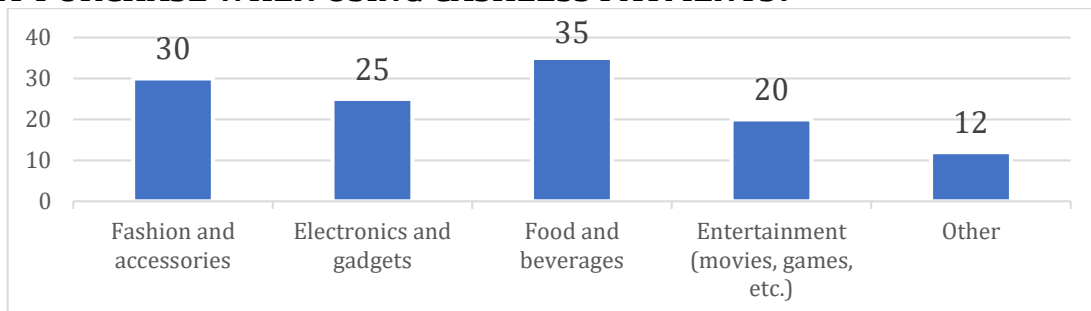
The data shows how often Generation Z uses cashless payments. Among 122 participants, 18.9% use cashless payments very frequently. The majority, 37.7%, use them frequently. About 21.3% use them occasionally, while 14.8% rarely use cashless payments. Only 7.4% never use them. This indicates a high prevalence of cashless payment usage in daily life, with most participants using them frequently or very frequently. This trend reflects a strong adoption of digital payment methods among young adults, highlighting a shift towards convenience and technology in their financial transactions.

WHAT TYPES OF CASHLESS PAYMENT METHODS DO YOU PREFER USING?



The data indicates the preferences for cashless payment methods among Generation Z. Of the 122 participants, 66.2% prefer using mobile payment apps, making it the most popular choice. Debit and credit cards are also widely used, with 23.8% favoring them. 4% of participants prefer other methods. This distribution highlights a strong inclination towards traditional and mobile payment options among young adults.

ARE THERE CERTAIN TYPES OF PRODUCTS OR SERVICES THAT YOU ARE MORE LIKELY TO IMPULSIVELY PURCHASE WHEN USING CASHLESS PAYMENTS?



The data highlights the types of products and services that Generation Z participants in Muare more likely to impulsively purchase when using cashless payments. Out of 122 participants, 28.7% are most inclined to make impulsive purchases in the category of food and beverages. Fashion and accessories follow closely, with 24.6% of participants indicating they are prone to buying these items impulsively. Electronics and gadgets account for 20.5% of impulsive purchases, reflecting a significant interest in technology. Entertainment, including movies and games, constitutes 16.4%, while the remaining 9.8% of participants are likely to make impulsive purchases in other categories. This trend suggests that cashless payments may facilitate spontaneous spending, particularly in every day and leisure-related categories.

WHAT ARE THE FACTORS RESPONSIBLE FOR YOUR IMPULSE BUYING BEHAVIOUR?

Factors	Category	Frequency	Percent
factors responsible for your Impulse Buying Behaviour	Ease and Convenience	30	24.6%
	Security	10	8.2%
	Time savings	15	12.3%
	Rewards or Cashback Benefits	20	16.4%
	One-click purchasing options and seamless checkouts	12	9.8%
	Personalized Recommendation	10	8.2%
	Targeted advertisements	15	12.3%
	Quick access to multiple payment options	5	4.1%
	Other	5	4.1%
Total		122	100%

The data reveals the factors contributing to impulse buying behaviour among Generation Z individuals. Ease and convenience are the most prominent factors, influencing 24.6% of participants to make impulsive purchases. Rewards or cashback benefits are also significant, motivating 16.4% of respondents. Time savings and targeted advertisements play a moderate role, each cited by 12.3% of participants. Factors such as one-click purchasing options and personalized recommendations influence 9.8% and 8.2% respectively. Security concerns and quick access to multiple payment options are less influential, each accounting for 8.2% and 4.1% of impulsive buying behaviour. These insights underscore the various psychological and practical factors driving impulsive spending habits in the context of cashless payments.

WHAT ARE THE REASONS RESPONSIBLE FOR YOUR IMPULSE BUYING BEHAVIOUR?

Factors	Category	Frequency	Percent
factors responsible for your Impulse Buying Behaviour	VIP or premium membership programs	10	8.2%
	Early access to new products	15	12.3%
	Limited edition releases/offers	20	16.4%
	Create a sense of urgency	25	20.5%
	Generate excitement and FOMO (fear of missing out)	20	16.4%
	Seasonal Discounts	15	12.3%
	Promotional Activities	10	8.2%
	Other	7	5.7%
Total		122	100%

The factors influencing impulse buying behaviour among respondents include various marketing tactics such as VIP or premium memberships (8.2%), early access to new products (12.3%), limited edition releases/offers (16.4%), creating a sense of urgency (20.5%), generating excitement and FOMO (fear of missing out) (16.4%), seasonal discounts (12.3%), promotional activities (8.2%), and other unspecified factors (5.7%). These findings highlight how strategies emphasizing exclusivity, urgency, and emotional appeal can significantly impact consumer decisions, particularly among Generation Z, driving them towards spontaneous purchases. Understanding these factors is essential for marketers aiming to influence consumer behaviour effectively.

WAYS TO MAINTAIN IMPULSIVE BUYING BEHAVIOUR

Factors	Category	Frequency	Percent
Ways to maintain Impulsive Buying Behaviour	Financial Literacy	20	16.4%
	Financial Goals	25	20.5%
	Self-Control	30	24.6%
	Education about marketing techniques	15	12.3%
	Peer Support	22	18.0%
	Other	10	8.2%
Total		122	100%

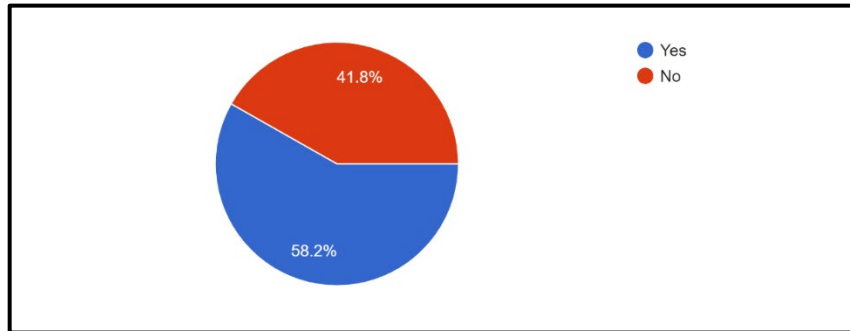
Based on the survey data, various strategies are employed to maintain impulse buying behavior among respondents. The most frequently cited methods include financial literacy (16.4%), setting financial goals (20.5%), and exercising self-control (24.6%). Additionally, education about marketing techniques (12.3%) and seeking peer support (18.0%) are recognized as effective approaches. These findings highlight the importance of both personal financial management skills and external support systems in curbing impulsive purchasing tendencies among consumers using cashless payment methods.

WHICH OF THE FOLLOWING STRATEGIES CAN HELP YOU TO PREVENT IMPULSE BUYING BEHAVIOUR AMONG YOU WHEN USING CASHLESS PAYMENT SYSTEMS?

Factors	Category	Frequency	Percent
strategies can help you to prevent impulse buying behaviour among you when using cashless payment systems	Setting spending limits on cashless payment apps	25	20.5%
	Practicing delayed gratification	30	24.6%
	Creating a budget and sticking to it	20	16.4%
	Creating a shopping list	15	12.3%
	Education about marketing strategies	10	8.2%
	Removing saved payment information	12	9.8%
	Enabling purchase confirmation prompts	5	4.1%
	Other	5	4.1%
Total		122	100%

To prevent impulse buying behavior when using cashless payment systems, several strategies are effective. Setting spending limits on cashless payment apps (20.5%) helps control expenditure by restricting the amount available for impulse purchases. Practicing delayed gratification (24.6%) involves waiting before making a purchase, allowing time to reconsider whether it's necessary. Creating and adhering to a budget (16.4%) ensures spending aligns with financial goals, while making a shopping list (12.3%) helps prioritize needs over wants. Educating oneself about marketing strategies (8.2%) increases awareness of persuasive tactics used in advertising, aiding in informed decision-making. Removing saved payment information (9.8%) reduces convenience and prompts more deliberate purchases. Enabling purchase confirmation prompts (4.1%) adds an extra step to the buying process, encouraging reflection before finalizing transactions.

HAVE YOU NOTICED ANY POSITIVE CHANGES IN YOUR IMPULSE BUYING BEHAVIOUR SINCE YOU STARTED USING CASHLESS PAYMENTS?



According to the data, 58.2% of respondents reported noticing positive changes in their impulse buying behavior since starting to use cashless payments, while 41.8% did not perceive any such changes. This suggests a mixed impact of cashless payment methods on impulse buying tendencies among users. Those who experienced positive changes might attribute it to better financial planning or increased awareness when using digital payment methods, whereas others may still struggle with impulsive spending despite the payment mode. Understanding these dynamics can help tailor financial education and strategies to mitigate impulsive buying behaviours effectively in the context of cashless payments.

6. FINDINGS

The data acquired from Generation Z participants in Mumbai sheds light on their habits and opinions concerning cashless payments and spontaneous purchases. To begin, the survey shows a predominance of younger individuals, notably those aged 18-22, who account for 81.4% of the sample. This demographic skew emphasizes that the findings are mostly on the financial decision-making behaviors of early adulthood. Females are much more represented in the survey, accounting for 63.1% of respondents against 36.9% for males. This gender gap shows that females are more interested or willing to engage in research about consumer behaviour and the impact of digital payments.

In terms of cashless payment frequency, the majority of participants use them very frequently or regularly, indicating a strong adoption rate among young adults in their everyday transactions. Mobile payment apps are the preferred way for of respondents, followed by Debit and credit cards. This choice demonstrates a significant preference for convenience and traditional banking procedures in their financial transactions. In terms of impulse buying behaviour aided by cashless payments, respondents believe they are more likely to make impulsive purchases using these methods than traditional ones. This predisposition is impacted by variables such as simplicity of use, fast transactions, and promotional offers that play on urgency and enthusiasm.

Notably, participants reported to regretting hasty purchases made using cashless payments, revealing post-purchase regrets as a prevalent side effect of online transaction ease. Impulse purchase behavior is influenced by incentives such as cashback rewards, urgency produced by limited-time offers, and psychological triggers such as fear of missing out (FOMO).

Setting specified budgets, practicing self-control, and seeking peer support are all strategies for reducing impulsive purchase behaviour. Financial literacy and marketing education are also important in enabling people to make educated and deliberate spending decisions. Cashless payments are convenient and efficient, but they also provide issues in controlling impulsive purchases. Understanding these dynamics is critical for designing targeted financial education and behavioral initiatives that encourage prudent spending habits among young adults in Mumbai's rapidly changing digital financial world.

7. CONCLUSION

The report offers intriguing understanding into Generation Z's use of cashless payments in Mumbai, emphasizing their frequency and preference for ease. Despite the benefits, the majority believe cashless solutions exacerbate impulsive buying, leading to post-purchase remorse. Budgeting, self-control, and peer support have all been shown to be helpful strategies for reducing impulsive spending. Financial literacy and marketing education emerge as critical tools for empowering people to make sound financial decisions. Addressing these findings is critical for fostering responsible financial practices and improving consumer welfare, where digital transactions have a strong effect among young adults.

8. SUGGESTIONS

Based on the findings from the study, here are some practical suggestions to help mitigate impulsive buying behaviours among Generation Z individuals who use cashless payment systems:

- **Implement Spending Limits:** Encourage users to set and adhere to spending limits on their cashless payment apps to control impulsive purchases.
- **Promote Financial Education:** Increase awareness about financial literacy and the consequences of impulsive spending through workshops, online resources, and educational campaigns.
- **Encourage Goal Setting:** Encourage individuals to set clear financial goals, which can serve as a guiding framework for spending decisions and promote long-term financial stability.
- **Enhance Self-Control Techniques:** Provide strategies such as practicing mindful spending, delaying gratification, and avoiding emotional shopping to build self-control and thoughtful purchasing habits.
- **Utilize Purchase Confirmation Prompts:** Enable features that require users to confirm purchases, allowing time for reflection before completing transactions.
- **Leverage Peer Support:** Foster peer support networks where individuals can share tips and strategies for responsible spending, providing accountability and encouragement.
- **Tailor Marketing Techniques:** Educate users about common marketing tactics to help them recognize and resist persuasive advertising, promoting conscious consumption.
- **Monitor and Evaluate:** Continuously monitor user behavior and gather feedback to assess the effectiveness of interventions and refine strategies accordingly.

These suggestions aim to empower individuals with the knowledge, tools, and support needed to make informed financial decisions and manage impulsive buying behaviours effectively in the context of cashless payments.

CONFLICT OF INTERESTS

None

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None

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