



Financial Dopamine: The Psychological Impact of Instant Digital Payments on Consumer Spending Behaviour

Submitted by

SUJOY MURMU

Enrollment NUMBER - 24020270144
SCHOOL OF BUSINESS MANAGEMENT
Under the Supervision of

Dr. Priyadarshani Singh

ASSOCIATE PROFESSOR

How to Cite this Article:

MURMU, S. (2026). Financial Dopamine: The Psychological Impact of Instant Digital Payments on Consumer Spending Behaviour. International Journal of Creative and Open Research in Engineering and Management, <i>02</i>(04).
<https://doi.org/10.55041/ijcope.v2i4.1003>

License:

This article is published under the terms of the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) and the source are credited.

© The Author(s). Published by International Journal of Creative and Open Research in Engineering and Management.



<https://doi.org/10.55041/ijcope.v2i4.1003>

CHAPTER 1

Introduction

The advancement in technology has brought about great changes in the finance world. In recent times, the finance sector has experienced several changes due to developments in digital payments. The transition from a traditional system of cash payments to digital payments can be attributed to various factors including technological developments, government policies, the availability of smartphones and internet connectivity among others. One of the countries that has experienced immense growth in the digital payments sector is India through efforts such as Digital India, demonetization in 2016 and development of Unified Payments Interface. Previously, consumers would utilize cash transactions while making payments for their goods and services. This provided an opportunity for consumers to physically interact with the money while purchasing goods and services. However, with the use of modern methods of transactions such as mobile wallets, debit/credit cards and unified payments interface, consumers do not engage in physical money transactions. This creates a change in the attitudes of consumers when making purchases. Due to the ease of transactions within seconds, consumers tend to make spontaneous purchases of various items.

This Chapter provide give deep insight about the topic, consist subsection online shopping, digital Payment tools, Digital payment tools available during demonetization and post demonetization and during COVID-19 and post COVID- 19 period. Digital India. Evolution of digital Payment system, Digital payment Ecosystem, Digital transformation, Challenges in adoption of UPI. This section additionally consists significance of the study.



CHAPTER 2

STATEMENT OF THE PROBLEM

Factors Affecting the Adaptation of Digital Payment Tools Perceived Mobility

The literature on perceived mobility includes concepts, models, policies, theories, etc. on digital payment. Authors have also described how to benefit from perceived mobility and types of changes in digital payment adoption. Government has created norms for more secure digital payment so the consumers can adopt digital payment without any fear. Research shows that internet banking increases consumer satisfaction. (Rensburg, V., Jansan, N., 2021). The government has taken a step for cash less society and has made a policy for digital India and digital payment. Demonetization also appears to be a part of the policy of government to push customer for digital payment).

Perceived Usefulness (PU) (PU), Influence the attitude & aim towards electronic payment methods in the context of SMEs. (Najib and Fahema 2020). Researchers have emphasized elements affecting the uptake of electronic payment solutions and have applied multiple regression techniques for statistical analysis; study results reveal that security systems, government regulation, convenience, productivity, and flexibility are identified as the most crucial factors that have served a pivotal involvement in making the purpose towards online payment systems. (Dadhich and Pahwa, 2018). Intervening effect of financial literacy magnifies the assessed benefits of a digital payment system's impact on adoption act as the central element ramification of online payment systems' (Patil et al. 2018). (Zahari Norfadhillaton 2023). Consumer are adopting digital wallet due to convenience and ease of use and it has achieved remarkable expeditious stride due to the enormous smart phone penetration and ease and convenience. (Rathore, H., S., 2016). (Devis 1989)

CHAPTER 3

Research Objectives of the Study

1. To study the factors influencing online purchase behaviour.
2. To examine the moderating effect of Digital payment Tools on online Consumer purchase behaviour.
3. To suggest improvised marketing strategies to manage the paradigm shift of online purchase patterns of consumers in the post-pandemic period.

Hypotheses Development

H10 Perceived Ease of Use does not have significant impact on Purchase Intention. H1a Perceived Ease of Use has significant impact on Purchase Intention.

H20 Trust does not have significant impact on Purchase Intention. H2a Trust has significant impact on Purchase Intention.

H30 Internet services Quality does not have significant impact on Purchase Intention

H3a Internet Services Quality has significant impact on Purchase Intention

H40 Awareness of DPT does not have significant impact on Purchase Intention. H4a Awareness of DPT has significant impact on Purchase Intention.



61 H50 Attitude towards Technology does not have significant impact on Purchase Intention.

H5a Attitude towards technology has significant impact on Purchase Intention

H60 Purchase Intention does not have significant impact on Online Purchase Behaviour.

H6a Purchase Intention has significant impact on Online Purchase Behaviour

CHAPTER 4

Review of Literature

This chapter presents an extensive literature review compiled from numerous journal databases (Science Direct, Scopus, Web of Science, and ABDC category journals), articles, and books. Researchers have extracted five factors after an extensive literature review analysis and EFA. A literature review provides an outline of previous research in the selected broader area of study, and it also helps the researcher make connections between various research viewpoints. The research gap has been identified through an extensive review analysis, which will further assist in determining an appropriate point to organize the research

CHAPTER 5

5.1 Research Design The proposed research is expository and quantitative, and of exploratory essence. The descriptive analysis includes survey and fact-finding information. The primitive purpose of explanatory analysis is to elaborate on the present population, situation, and phenomena. It provides valuable information about the relevant characteristics and is directly related to the study. Analytical research utilizes existing facts or information to analyse and critically evaluate the material. Analytical research is primarily concerned with testing hypotheses and analysing the facts or information already available.

5.2 Data Collection Instrument

5.2.1 Primary Data Collection

The structured questionnaire methodology is used for data gathering; the survey instrument has been split into three divisions : the first division consists the survey participants' socio-demographic profile, namely gender, age , income and occupation, education for categorical data collection, and the second division consist of online purchase pattern of consumers, in third division data has been collected for dependent 62 variable online purchase behaviour from seven-point Likert that scale consists five statements. Demographic factors will be examined to gather important background information about respondents. Likert scale items assist the respondent in exhibiting their opinion, perceptions, and attitudes about the research topic. Subsequently coinciding with the measurement's accuracy and measurement's consistency of evaluation instrument, data have remained transformed in to five constructs: 1. PEOU. 2. Trust. .3 ISQ, 4. ADPT 5. Attitude towards technology. The third section consists of a total of 37 items, out of which four items (statements) relate to perceived ease of use; four items pertain to Trust, four items relate to ISQ, five refer to ADPT, and three relate to Attitude towards Technology. Moderator COVID force Dependency consists of four statements and surge in Digital Payment Tools also consists of four statements. Dependent Online purchase behaviour and Purchase intention consist of four statements.



5.2.2 Secondary Data Collection

Literature-based data have been retrieved from online repositories such as online magazines, journals, newspapers, books, NPCI websites, DigiDhan Portal, RBI Website, Cashless India, Digital India Portal, and Business World

5.3 Sampling & Area of the Study

Convenience sample selection methodology has been applied for data extraction. The Population of the study consist of consumers from Delhi NCR region.

6.4 Statistical Tools Used for Research Independent sample t-test and ANOVA have been applied to test the demographic hypotheses, and for model testing, PLS (SEM) is used. (iitm.jp.ac.in

5.5 Data Analysis

The current chapter encompasses the data analysis interpretation of the study. Statistical assessment and interpretation of results are the processes of eradicating or modifying data to explore relevant information. Data interpretation is core element of investigation process. It involves fronting the data and utilizing various analytical methods to draw relevant conclusions from it (stml.potral.net.). The researcher has to categorize, summarize, and modify the data to reveal a solution to a revelatory problem. (gitarattan.edu.in). The motive of data analysis is to extricate appropriate information from the data to make appropriate perceptions. (Corey, C., A.2024). Accompanied by the support of the empirical analysis researcher, after the data collection process, pertain software like IBM SPSS, AMOS, SMART PLS, and R software for analysis or data. In the present study, researchers have applied IBM SPSS and SMART PLS 4 software for the analysis of data appropriately; through the data interpretation process, researchers interpret the authentic results.

CHAPTER 6

Future Scope of the Study

1. The research is cross-sectional study. It can be conducted in a longitudinal research pattern during and post pandemic. Moreover, present research purpose to analyse the moderating effect of digital payment tools on online purchase behaviour. Subsequent research may be directed using EWOM.
2. The present study has focused on demographic factors; a future study can also be conducted on psychological variables, such as personality and perception. Further researcher present study, the researcher has chosen digital payment tools to study their impact on online consumer purchase behaviour. Future research can be carried out with special reference to UPI's effect on buyer behaviour with various digital payment modes, like cryptocurrency technology. 161
3. The researcher has identified five factors for study: PEOU, Trust, ATT towards Technology, Awareness of Digital Payment Tools. Future research may focus on website attractiveness, online reviews, and digital payment service providers.
4. Forthcoming research can be carried out on the impact of digital payment modes on quick commerce companies. Quick commerce is a type of e-commerce focused on providing the fastest delivery within an hour (minimum time is 10- 15 minutes). Quick commerce has been designed to fulfil customer requirements very fast, specifically for the grocery store, which consists of perishable items. Q- Commerce provides a quick delivery facility to customers. Prominent e-commerce companies are Swiggy Instacart, Big Basket NOW (BBNOW), Flipkart Minutes, Dunzo Daily, Amazon Fresh, M-Now (Myntra), Blinkit, and Zepto. (AAJ Enterprise (<http://www.aajenterprices.com>), A future study



may also be executed on the effect of sustainability on Internet- based buyer behaviour & e-commerce.

CHAPTER 7

Limitations of the Study

1. The present study has been conducted only in the Delhi NCR region. However, the comparative study can be conducted at the Indian and global levels, and the research results will be more generalized.
2. The present study focuses only on digital payment tools' impact on online consumer behaviour. A comparative analysis among private and public sector digital payment tools' impact on consumer behaviour can be conducted.
3. Due to time and budget constraints, the research is a cross- sectional in nature. A longitudinal research study can be conducted to study the effect of E-wallet during and after the pandemic. Furthermore, the study has been conducted in the Delhi NCR region. A future study can be conducted to analyse the usage of digital payment tools and their influence on consumer behaviour in rural areas of particular states.

CHAPTER 8

Tentative Chapterization

The research report will be structured into multiple chapters which will include the following elements.

Chapter 1: Introduction

The chapter presents an extensive overview of the research study which examines Financial Dopamine The Psychological Impact of Instant Digital Payments on Consumer Spending Behaviour. The section begins with study background information which describes how digital payment systems developed in India and how UPI functions and how people changed from using cash to making cashless payments. The chapter explains the study's importance and describes the digital payment system and the main difficulties that people face when trying to use it.

Chapter 2: Literature Review and Problem Statement

The chapter examines previous research studies which focus on how digital payments affect consumer behavior. The study discusses three main theories which include perceived usefulness and trust and ease of use. The chapter establishes the research gap while presenting the problem statement which examines how different factors affect the use of digital payment systems.

Chapter 3: Research Objectives and Hypotheses

The study objectives include two main goals which require researchers to examine consumer purchase behavior and digital payment tool usage. The section includes hypotheses which scientists will use to evaluate how trust and awareness and purchase intention relate to each other.

Chapter 4: Research Methodology

The chapter describes the research design and data collection methods together with sampling methods. The study uses structured questionnaires which include a Likert scale together with statistical tools that include SPSS and SMART PLS. The section provides information about the primary data sources together with secondary data sources which the research study used.



Chapter 5: Data Analysis, Findings, and Conclusion

The chapter presents both the analysis and interpretation of the data which researchers collected. The document presents statistical data together with results from hypothesis assessments and major discoveries. The chapter concludes with

The chapter provides an assessment of the collected data through both analysis and interpretation. The chapter presents its statistical analysis results together with its conducted hypothesis tests and its main research discoveries. The study presents its implications and recommendations and study limitations and future research possibilities in the chapter.

Chapter 6: The research study named "Financial Dopamine: The Psychological Impact of Instant Digital Payments on Consumer Spending Behaviour" demonstrates how digital payment systems have created a major alteration in how customers behave. Consumers now experience a different psychological connection with money because they can make instant digital payments instead of using cash.

The research findings show that perceived ease of use together with trust and internet service quality and awareness of digital payment tools and attitude toward technology create a strong impact on both purchase intention and online buying behaviour. The use of digital payment platforms decreases the "pain of paying" which results in customers making unplanned purchases that stem from their desire for quick rewards that scientists describe as "financial dopamine."

Digital payment adoption has experienced rapid growth due to government initiatives and technological progress and greater smartphone usage according to research conducted after demonetization and the pandemic. People experience better digital payment systems, which create economic advantages, but they will find it hard to control spending habits, keep their financial discipline, and maintain their long-term economic stability.

Digital payment systems have become essential components of contemporary consumer environments, which transform how people buy products and make choices about their spending. To build a financial digital system which operates in a balanced way, businesses and policymakers need to create awareness about financial matters and teach people how to spend responsibly while they develop new technologies.

CHAPTER 9

REFERENCES (APA FORMAT)

Books

Ariely, D. (2008). *Predictably irrational: The hidden forces that shape our decisions*. HarperCollins

Journal Articles

Soman, D. (2001). The research study investigates how different payment systems influence consumer spending through their impact on rehearsal and payment processing time. *Journal of Consumer Research*, 27(4), 460–474.

RBI Reports & Government Publications

Reserve Bank of India. (2023). *Annual report 2022–23*. Reserve Bank of India.

Websites

Reserve Bank of India. (2024). *Digital payments in India*. Retrieved from <https://www.rbi.org.in>

Research Papers & Online Publications

Dhar, R., and Gorlin, M. (2013) presented a psychological framework which explains how consumers select payment methods and conduct their purchasing activities. *Current Directions in Psychological Science*, 22(5), 395–400.