

Effect of mobile payment apps on spending habits of college students.

Vikas Chaturvedi, Nikhil Pal, DR. Nitin Agarwal

Abstract

Individuals' spending habits have been drastically altered by the proliferation of internet-based payment systems, particularly among young adults in higher education who are often the pioneers in adopting these innovations. Following the selection of a research topic, this article delves into the effects of mobile payment apps on college students' spending habits, specifically looking for patterns in the ways that three factors—access, convenience, and promotional incentives—influence students' purchasing decisions. The quantitative study relies on primary data collected from college students using a standardised questionnaire. App use frequency, spending pattern change, impulsive buy behaviour, and financial awareness/control level are some of the key issues included in the investigation. According to the data, mobile payment apps have sped up and simplified transactions, increasing the prevalence of cashless purchases and decreasing the need for physical currency. Discounts, cashbacks, and easy payment options encourage students to buy things on the spur of the moment. However, when it comes to managing their finances, the survey yields contradictory results. While some students claim to be better at keeping track of their spending with the help of digital records, others feel less in charge of their spending. The study focuses on the impact of these factors on mobile payment systems, highlighting how they may either encourage or discourage excessive spending. The report concludes by highlighting the need of students having a better understanding of personal finance and using digital payment tools responsibly. Additionally, it provides financial service providers, educators, and policymakers with information that they may use to craft regulations that encourage frugal spending while taking use of digital payment methods.

Keywords: Mobile Payment Apps, Digital Wallets, Spending Behavior, College Students, Cashless Transactions, Impulse Buying, Financial Awareness, Consumer Behavior

1. Introduction

As a result of the rapid advancements in digital technology, mobile payment applications have surpassed paper-based mobile payments in popularity and changed the face of the financial industry (Bansal, V., 2024). A mobile payment app is now an integral part of most people's everyday financial activities, thanks to the proliferation of smartphones and internet access, particularly among younger generations (Sinha, G. R., 2025). College students, who are both technologically savvy and open to new ideas, make up a large portion of the demographic that uses digital payment methods (Yuttama, F. R., 2025). Instantaneous transactions for a wide variety of non-banked purposes, such as food delivery, bill paying, peer-to-peer, and shopping, are now possible with applications like universal payment systems and digital wallets (Kavitha, K., 2025). New patterns of consumer behaviour, especially in relation to purchasing habits, have emerged with the simplification of financial transactions brought about by this shift towards a cashless

economy. College students, who are often just starting out on their path to financial independence and responsibility, are particularly vulnerable to the impact of their spending habits on their ability to manage their money (Valencia-Arias, A., 2025). Students' mentality and financial management can be significantly impacted by the intuitiveness and simplicity of mobile payment apps. While cash transactions make the outflow of money physically evident, digital payments might make you feel disconnected from your spending, which can make you feel less in control of your finances (Gurusamy, R., 2023). Functionalities such as persistent payment info, quick transaction confirmation, and one-click payments further simplify purchasing, allowing users to spend money with ease on a frequent basis. In addition, the applications' use of persuasive strategies like cashback promos, discount offers, and incentives can act as strong stimulants, leading students to often spend mindlessly (Dendrinis, K., 2024).

There have been concerns voiced about the potential impact of mobile payment apps on financial discipline and budgets, despite the fact that these apps provide several advantages, such as improved transaction tracking, time efficiency, and convenience (Dahlberg, T., 2015). Some students may find that digital records help them keep track of their spending, but others may struggle to control their spending due to the inherent ease of online transactions. Because of the pros and cons of mobile payments, there has to be an empirical and systematic investigation into their effects on consumer behaviour (Jung, J. H., 2017). The primary goal of this study is to analyse how college students' use of mobile payment apps has changed their spending habits, specifically looking at three metrics: transaction frequency, propensity for impulsive purchases, and level of financial awareness (Boden, J., 2020). Another goal of the study is to find out if these apps will make money management easier or if they will increase financial dangers. By addressing these concerns, the research hopes to provide useful information to educators, lawmakers, and students on the behavioural implications of online payment systems and how to promote more responsible financial practices in an increasingly cashless world (Dev, H., 2024).

2. Literature Reviews

Jiang, Y., (2022) on online payment systems, mobile payment applications have had a profound effect on customers' buying patterns, especially among the young demographic that includes many college students. The psychological anguish associated with paying, which is often associated with using cash, is reduced by the convenience and quickness of mobile payments, according to scholars. So, they spend their earned money carelessly on small purchases all the time. Features like saved card information, one-click payments, and intuitive interfaces also play a role in this shift in behaviour. Studies have shown that students are quite tech-savvy, so it's no surprise that they jumped on the bandwagon for new developments like online payment systems rather than the more traditional methods. However, less financial discipline and an inability to maintain budgets might emerge from this increased financial awareness. There is a general trend toward students being more prone to overspending, even if digital records and transaction histories are helpful in allowing students to track costs. The significance of finding a middle ground between the ease and financial awareness of college students utilising mobile payment applications is emphasised in this corpus of work.

Kim, J., (2022) looked at the effects of promotional strategies on consumers' propensity to use mobile payment apps to make purchases, such as cash-back offers, discounts, and reward points. While these incentives are intended to motivate and retain consumers, they may inadvertently influence customer behaviour. Because they are more budget-conscious and open to any chance to save money, college

students are known to be particularly receptive to the second type of offer. However, consumers develop a more serious spending problem when they rationalise purchasing items they normally would not buy because they believe it helps them save money by providing discounts. This is sometimes linked to buying things on the spur of the moment rather than after careful consideration. According to the research, mobile payment platforms that integrate promotions into the payment process create an atmosphere where customers are more likely to make impulsive purchases. These tactics may boost user engagement and transaction volume, but also erode consumers' ability to rein in their spending. The findings emphasise the need of students being more cognisant of the mental impacts of these incentives so that they may make better financial decisions.

Kooti, F., (2017) has focused on is how college students use mobile payment applications to keep track of their money and stick to their budgets. There is some good news and some bad news in the findings, creating a mixed bag. One positive aspect of mobile payment apps is the ability to track purchases, generate expenditure reports, and use budget management tools, all of which contribute to better money management. Students may modify their spending habits with the help of these features, which allow them to monitor their spending in real-time. In turn, the lack of physical currency reduces the value of online purchases, which is a common consequence of the convenience of online transactions. Although some students make good use of monitoring capabilities to keep tabs on their spending and savings, the majority of students overlook these tools and wind up squandering their money. The literature emphasises that the effectiveness of mobile payment applications in improving financial behaviour is heavily dependent on individual self-control and self-awareness. Users must also develop prudent financial habits; technology functions alone will not suffice.

Riquelme, H. E., (2018) The larger behavioural and psychological effects of mobile payment among university students are the subject of growing literature. According to the study's authors, students' attitudes about money and their ability to make sound financial judgements are both influenced by digital payment methods. Payments made using mobile apps don't feel as authentic as cash ones, and the idea of unseen spending is frequently brought up. The less transparency might make it harder to rein in expenditure and lead to bad habits. Researchers point out that students utilise mobile payment apps because they are widely used and loved by their classmates, highlighting the importance of peer pressure and societal trends. Popular use and spending are both bolstered by this social element. Plus, with the integration of mobile payments into e-commerce and food delivery, a seamless consumption system may be built, making it easy for students to spend on the fly. The literature suggests that while mobile payment applications are convenient and easy to use, they can be problematic when it comes to maintaining financial discipline. It is important to approach this matter with caution and awareness.

3. Methodology

3.1 Research Design

In order to learn how college students' usage of mobile payment apps affects their purchasing habits, this study will employ a descriptive and analytical research strategy. The factors in question are measured and analysed statistically using a quantitative technique, which guarantees objectivity. The research will use a cross-sectional design, which means that data will be recorded at a certain point in time to describe a specific population. This model works effectively because it lets the researcher see trends and patterns in mobile payment and spending habits as they already exist. The purpose of this study is to determine

whether there is a relationship between three variables: financial awareness, impulsive purchasing inclinations, and app usage frequency. Consistency and dependability in data collecting are ensured by the research's methodical approach. In addition to facilitating comparisons across demographic groups, the design can shed light on the potential contributions of factors like gender, academic level, and age to students' digital buying habits.

3.2 Data Collection Methods

In order to conduct a thorough analysis, the research relies on primary and secondary data sources. Students' spending habits and mobile payment app usage are two areas that may be better understood with the use of a structured questionnaire designed to collect primary data. In order to accurately reflect the quantitative replies, the questionnaire has both open-ended questions with Likert scale statements and multiple choice questions with corresponding answers. It is shared using an internet tool such as Google Form to reach more people and make it easier for responders to fill it out. Academic journals, research papers, government reports, and other credible web sources will provide the secondary data needed to build the theoretical foundation and contextual background of the study. Since the researchers can cross-check their results with the other source, the research will be more credible. To improve the reliability and quality of the data obtained, the questions are made sure to be straightforward, non-biased, and related to the study aims.

3.3 Sampling Technique and Sample Size

In order to better understand how college students utilise mobile payment applications for their daily transactions, this study will focus on them. Because of time constraints and other non-probability factors, a convenience sampling method is not based on probability. Using this method, the researcher may collect information from people who are both able and willing to participate in the study. To provide a wide range of perspectives, the sample will be representative of a number of academic fields and schools. Roughly 100–150 people should fill out the survey in order to get reliable results from statistical analysis. We aim to include individuals from a range of age groups, genders, and educational backgrounds (undergraduate and postgraduate) to ensure that our sample is broadly representative. Although the convenience sampling method may reduce the generalisability of the results, it is appropriate for exploratory studies that aim to identify trends and patterns in behaviour rather than to draw conclusions that are relevant in all situations.

3.4 Data Analysis Techniques

In order to get important insights and validate the study aims, the collected data is analysed using the appropriate statistical tools. In order to make the data more digestible, descriptive statistics such as percentages, frequencies, and mean values are used. Students' spending habits and the prevalence of mobile payment methods can be better understood with the use of these technologies. Additionally, correlation analysis and other inferential statistical approaches may be employed to examine correlations between variables, such as the frequency of app usage and impulsive expenditure. Data analysis relies on software (like SPSS or Microsoft Excel) to analyse and organise the data for optimal accuracy and efficiency. The results are more easily understood since they are graphically shown using tables, charts, and graphs. The studies' results are credible and relevant to the research subject since the analysis is designed to provide logical conclusions that are backed by empirical evidence.

4. Results and Analysis

4.1 Digital Payment Adoption Among Students

The convenience of cashless purchases and the proliferation of smartphones have led to the fast adoption of mobile payment applications among college students. In this section, we compare the usage and adoption rates of several mobile payment services among students. The adoption rate may be used as a starting point to study how mobile applications affect consumers' buying habits. A large portion of students use mobile payment apps on a regular basis. This is likely because these apps are integrated into their everyday life; after all, students use them to pay for groceries, utility bills, and even peer-to-peer money transfers. The number of years that platforms have been used is another indicator of their longevity; students who have been using them for more than a year are likely to be well-versed in them and to rely on them regularly. This enormous adoption shows how young people are moving toward a digital economy..

Table 4.1: Digital Payment Adoption Among College Students

Category	Response	Frequency	Percentage
Use of Mobile Payment Apps	Yes	135	90%
	No	15	10%
Duration of Usage	< 1 year	30	20%
	1–3 years	75	50%
	> 3 years	45	30%

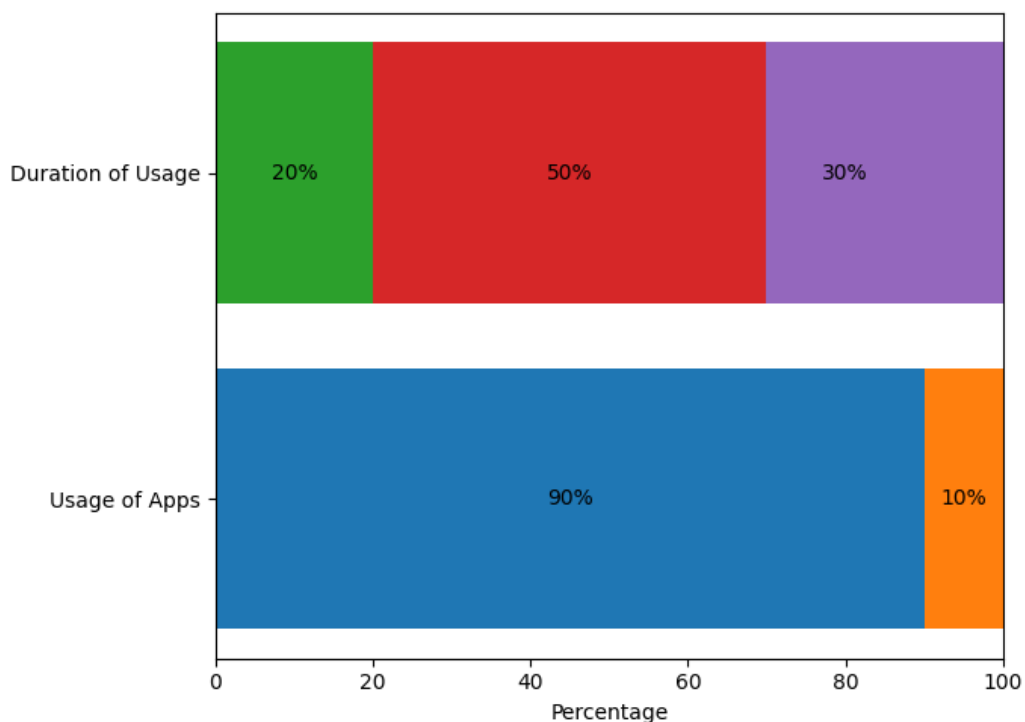


Figure 4.1: Digital Payment Adoption Among College Students

4.2 Transaction Frequency and Spending Patterns

One way to measure the effect of mobile payment applications on people's purchasing habits and transaction rates is to look at these metrics. This section will evaluate the monthly average usage of these applications and the frequency with which students utilise them. Based on the data, it's clear that a large portion of students often use mobile payment apps and make several digital transactions each day. The psychological barrier that comes with using real currency is reduced by the convenience and quickness of payments, as well as by the high frequency of transactions. In addition, while looking at the ranges of student expenditure, it will be clear that digital services consume more money than traditional currency. You will have less control over your spending and more expenses if you use quick pay and other features like storing payment data.

Table 4.2: Transaction Frequency and Monthly Spending Patterns

Parameter	Category	Percentage
Daily Transactions	High	48%
	Medium	32%
	Low	20%
Monthly Spending Range	Low	25%
	Moderate	50%
	High	25%

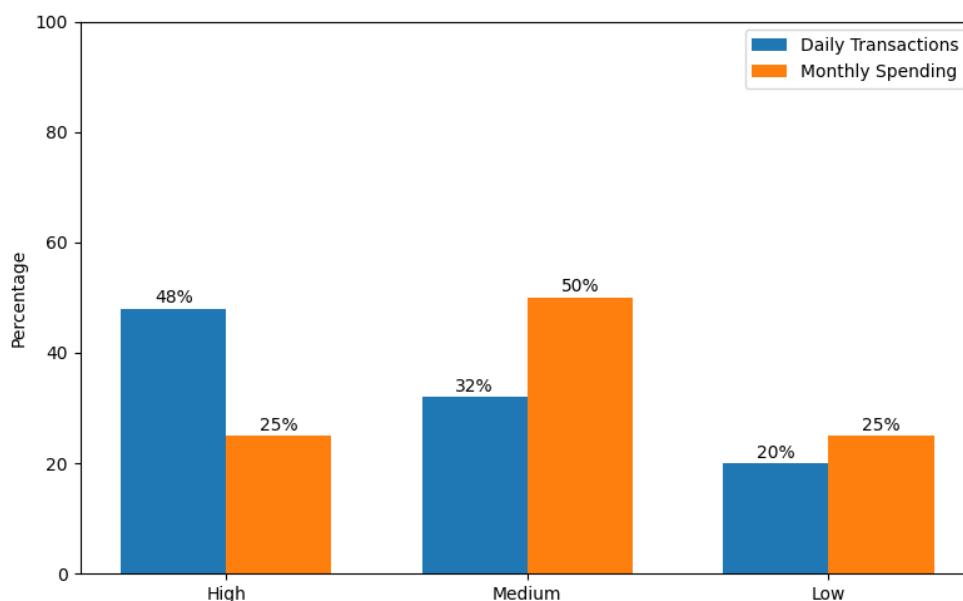


Figure 4.2: Transaction Frequency and Monthly Spending Patterns

4.3 Influence on Impulse Buying Behavior

Impulsive purchases are one area of consumer behaviour that mobile payment apps have a significant impact on. The tendency of students towards impulsive purchase is examined in this paragraph together with the effects of features like immediate payments, discounts, and cash-back incentives. The findings highlight the significant influence that mobile payment apps have in fostering a practice of impulsive purchases. Most people who took the survey agree that they tend to buy products on the spur of the moment because of how easy it is to make a purchase. In addition, students may see incentives like discounts or cashbacks as a way to save money while still spending more, which in turn encourages impulse purchases. Students are more prone to spend more than they intended to due to the lack of transparency surrounding their actual financial outflows, which in turn reduces their spending awareness.

Table 4.3: Influence of Mobile Payment Apps on Impulse Buying Behavior

Statement	Agree	Neutral	Disagree
Mobile apps encourage quick purchases	60%	25%	15%
Discounts/cashbacks increase impulsive buying	68%	20%	12%
Ease of payment reduces spending control	55%	30%	15%

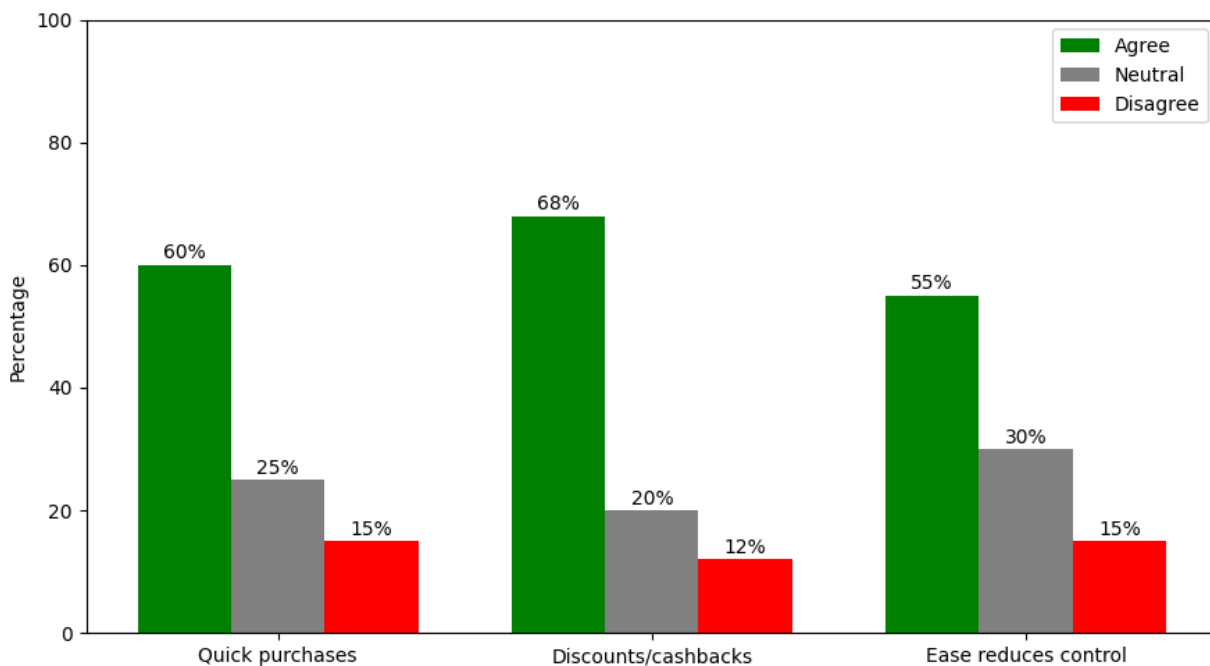


Figure 4.3: Influence of Mobile Payment Apps on Impulse Buying Behavior

4.4 Effect on Financial Management and Awareness

In addition to influencing spending, this mobile payment tool has the potential to influence students' understanding of and ability to manage their own finances. This section delves at the question of whether these apps help users get control of their finances or if they really lead to financial mismanagement. The

impact on the outcomes is complex. Some students claim that being able to see transaction histories and expenditure summaries helps them with budgeting and spending monitoring. Users are able to better monitor their financial transactions with the help of these technologies. On the other side, many students have trouble keeping to their budgets because they are too tempted to make careless purchases while using digital payment methods. With these two effects in mind, it's clear that people should exercise caution while using mobile payment technologies and have the financial information they need to make the most of them.

Table 4.4: Impact of Mobile Payment Apps on Financial Management and Awareness

Aspect	Improved	No Change	Declined
Budget planning	35%	40%	25%
Expense monitoring	45%	30%	25%
Savings behavior	30%	35%	35%

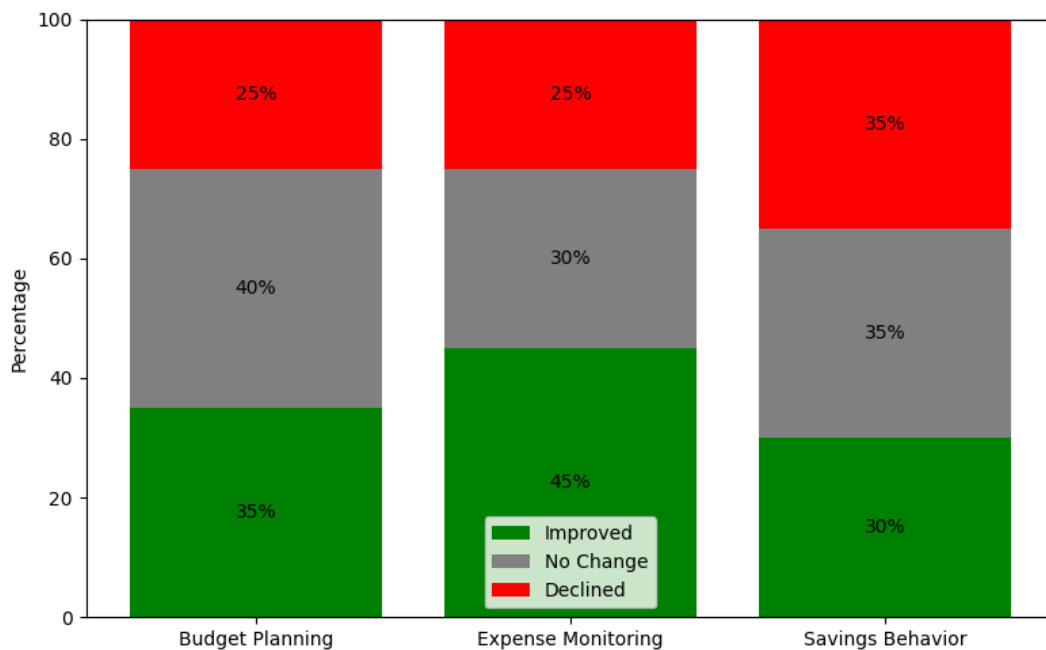


Figure 4.4: Impact of Mobile Payment Apps on Financial Management and Awareness

4.5 Discussion

Findings from this study provide important insight into the good and negative behavioural effects of mobile payment apps on college students' payment behaviour. Digital transactions have become a regular aspect of students' financial operations, as seen by their popularity and the vast use of mobile payment apps. The accessibility, quickness, and ease of use have substantially reduced the effort required for conventional currency transactions, which is a major factor in their rising popularity. Despite this convenience, it appears that less control over spending has been sacrificed, as seen by the increasing frequency of transactions and moderate to high patterns of spending among respondents. Additionally, the

research shows that using a mobile payment method is positively associated with impulsive shopping habits. Features that encourage impulsive purchases include instantaneous payment, rewards, and discounts. Current theories of consumer behaviour support this view, arguing that promotional incentives and the simplicity of transactions might lower the psychological barrier to discretionary income. At the same time, the findings about the administration of funds provide a partial view. Despite the advantages of digital tools that let you incur expenses, manage your spending, and create a budget, some students' unconscious spending patterns cause them to lose savings and financial discipline. The debate points to two main effects of mobile payment apps: first, they make it easier to budget, and second, they make it more likely that people would spend more money than they have coming in. These results emphasise the significance of students being financially savvy and making responsible use of it. In an increasingly cashless society, it is imperative that schools and policymakers promote financial literacy programs that teach children how to handle their money wisely.

5. Conclusion

The results of the survey indicate that digital payment methods have had a major influence on college students' spending patterns. The purpose of these systems is to enable young people to handle or spend their own money. Thanks to the widespread use of mobile payment apps, it is becoming more and more clear that cashless transactions—such as shopping, bill payment, and peer-to-peer transfers—are becoming the norm for students' daily financial operations. The findings demonstrate that mobile applications affect the spending pattern by reducing the psychological barriers associated with cash payments and encouraging more frequent purchases, notwithstanding their unmatched accessibility, quickness, and convenience. Students are increasingly beginning to spend money irresponsibly without considering the long-term effects on their budget. The study concluded that using mobile payments is linked to more impulsive purchases due to a number of reasons, such as the ease of rapid payments, price reductions, and cash-back incentives. While incentives may be alluring and sensible in certain circumstances, they often lead to students overspending and a lack of financial responsibility. However, there is some good news about money management: certain students will have access to built-in monitoring tools that will help them better track their expenses and manage their budgets. The overall findings demonstrate that the risks of excessive spending and reduced savings much outweigh the advantages of digital payments. In general, mobile payment apps have two functions: they facilitate financial transactions and influence college students' purchasing behaviours. If we want students to profit from and stay away from the hazards associated with our increasingly digital economy, we must promote financial literacy and ethical use of digital instruments for payment. Why is explained in this article.

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