

# Effect of Mobile Payment Apps on Spending Habits of College Students

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**Abstract:** *Mobile payment platforms like PhonePe, Google Pay, and Paytm have quietly reshaped how college students in India handle money — yet almost no research has examined what that actually means for how they spend. This study tries to fill that gap.*

*The research focuses on how mobile payment apps affect the purchasing behavior of college students: how often they use these apps, what draws them to cashback and reward offers, whether they tend to overspend as a result, and what the broader financial consequences look like. Data was collected from 50 college students across India through a standardized Google Forms questionnaire covering demographics, app usage patterns, attitudes toward digital payments, and personal financial habits. The analysis used frequency distribution, percentage analysis, and Likert scale interpretation.*

*The findings are hard to dismiss. 92% of students use mobile payment apps regularly, and daily users spend noticeably more each month than those who use them only occasionally. Nearly 44% of students report that cashback and reward offers push them to spend more than they otherwise would. More concerning, 42% have experienced real financial stress tied to overspending on these platforms, and 60% do not follow a monthly budget at all.*

*One finding cuts against the expected pattern. Students do not strongly connect digital payments with impulsive buying — even though the spending data suggests otherwise. They may be spending more, but they don't see it as impulsive. That gap between behavior and self-perception points to a meaningful problem with financial self-awareness rather than just spending habits.*

*The study's broader takeaway is that mobile payment apps, despite their convenience, carry a real financial risk for students who use them without a budget or any structured approach to spending. The answer is not to avoid these apps — it is to use them more deliberately. Universities, financial institutions, and the app developers themselves each have a role to play in building that awareness...*

**Keywords:** mobile payment apps, college students' spending habits, digital payments, UPI, financial stress, cashback, impulse purchases, financial literacy

## I. INTRODUCTION

### 1. Concept of Digital Payment

Digital payments are electronic transactions — money moving without physical cash changing hands. As smartphones became widespread and technology advanced, this way of paying has become routine for both consumers and businesses globally. The main channels include mobile applications, debit and credit cards, internet banking, and digital wallets. Among these, UPI-based mobile apps have become the most commonly used method in practice.

In India specifically, two institutions have been central to pushing digital payments forward: the Reserve Bank of India and the National Payments Corporation of India. UPI's ability to transfer money instantly between accounts has been a major driver of the shift toward a cashless economy. Among college students in particular, apps like Google Pay, PhonePe, and Paytm have built large and active user bases.



## **2. Growth of Digital Payments in India**

Digital payments in India have grown rapidly over the last several years, and the 2016 demonetization was a clear turning point. When high-denomination currency notes were suddenly withdrawn from circulation, people who had relied on cash were pushed toward digital alternatives almost overnight. That shift triggered a sustained rise in mobile payment app usage that has continued well beyond the demonetization period itself.

Among the groups most responsible for that growth, college-going youth stand out. They tend to be comfortable with technology, own smartphones, and have reliable internet access — all of which make adopting digital payment apps straightforward. Students use these platforms across a wide range of everyday needs: online shopping, bill payments, mobile recharges, food orders, and peer-to-peer transfers. Cashback offers and discounts have also played a clear role in pulling younger users toward these platforms and keeping them engaged.

## **3. Importance of Digital Payment**

Digital payments offer several practical advantages over cash. Transactions can happen at any time, from anywhere, without needing physical currency on hand. They are fast. They also create a cleaner record of money movement, which reduces the risks that come with handling cash — theft, loss, and the general opacity of cash-based transactions. For college students specifically, the transaction tracking built into most digital payment apps is genuinely useful. Knowing where money went, down to individual purchases, is something cash simply cannot offer. On top of that, cashback incentives give students a concrete reason to keep using these platforms rather than reverting to older payment methods.

## **4. Problem Statement**

The convenience of digital payments is not without its complications. When money exists as numbers on a screen rather than notes in a wallet, it can be harder to feel the weight of spending — and that psychological distance can make it easier to overspend without realizing it.

College students may be particularly exposed to this problem. Lifestyle pressures, peer influence, and easy access to multiple digital payment platforms create an environment where spending can accelerate quickly. Cashback offers and limited-time deals add another layer — they are designed to encourage purchases, and students may end up buying things they would not have otherwise considered, simply because an offer made it feel worthwhile.

## **5. Objectives of the Study**

The study is guided by the following objectives:

- **To determine how widely digital payment apps have been adopted** among college students.
- **To identify which apps are most popular** within this group.
- **To assess how frequently students use these apps** and what effect that usage has on their spending.
- **To understand the reasons** students give for choosing digital payment methods.
- **To examine monthly expenditure patterns** among student users.
- **To analyze the influence of cashback and reward programs** on how much students spend.
- **To identify spending that is impulsive or unnecessary** as a result of app usage.
- **To explore the role of budgeting** in helping students manage their expenses.
- **To find out what financial difficulties students face** as a consequence of their spending behavior.
- **To gauge how much students trust digital payment platforms** overall.

## **6. Scope of the Study**

The study is focused on college students living in India and how they use digital payment apps. Primary data was collected from 50 college students across the country through a structured questionnaire distributed via Google Forms.



The study covers several dimensions of the subject: how students adopt and choose these apps, their spending patterns, and whether and how their financial behavior has shifted as a result of using them.

### **7. Significance of the Study**

Understanding how college students manage money in an environment shaped by digital payments matters beyond academic interest. This study sheds light on both what works and what does not in the current digital payments landscape as it affects young users. The findings are potentially useful to policymakers designing financial regulations, financial institutions developing products for younger customers, and app developers who want to build platforms that encourage responsible spending rather than impulsive or excessive use.

## **II. LITERATURE REVIEW**

### **1. Digital Payments and Consumer Experience (Shree et al. 2021)**

Shree et al. examined how perception, trust, and past fraud experiences shape the way people choose and use different payment methods. Their findings were fairly intuitive: when consumers view a payment method positively and trust it, they use it more. When they have been burned by fraud, they pull back from cashless options. The study also found that both higher education levels and living in urban areas correlate with greater likelihood of using digital payments. What the study did not explore, though, is whether spending behavior differs across consumer segments — students, for instance, were not examined separately.

### **2. User Acceptance of Digital Payments (Patnaik, Sunita; Ravikumar, K.; Nalini, N. — *Advances in Computer Science, Volume 2, pp. 135–144*)**

Patnaik et al. (2023) applied the Technology Acceptance Model to understand what drives Indians to adopt digital payment platforms. Trust, privacy, service quality, and ease of use all came through as important factors. The unexpected finding was that financial literacy did not significantly influence whether people chose to use digital payments — which suggests the systems themselves need to be more secure and user-friendly, rather than assuming informed users will protect themselves. The study stayed focused on adoption and did not examine what happens to spending behavior once people start using these platforms.

### **3. NPCI Innovations and Growth (Baj, Rane & Shinde, 2023)**

Baj, Rane, and Shinde looked at how the National Payments Corporation of India has reshaped the country's payment infrastructure through products like UPI, RuPay, and BHIM. Their argument is that these innovations, built around ease of use, have driven financial inclusion and brought more people into the digital transaction space. The study connects this institutional innovation to broader economic and organizational growth. It does not, however, go into how individual consumers behave within the systems NPCI has built.

### **4. Consumer Preferences toward Payment Gateways (Zehra et al., 2024)**

Zehra et al. investigated what Indian consumers actually want from digital payment systems. The answer was fairly consistent: user-friendliness, security, and the availability of reward schemes. Apps like Google Pay and PhonePe came out as preferred options — users cited ease of use, trust, cashback offers, and reward points as the main draws. The study makes a useful case for user-centric and secure payment design, but it does not look at how these preferences translate into spending behavior, and college students as a distinct group were not part of the analysis.

### **5. The Psychology Behind Online Spending: Digital Payments and Impulsive Buying (Mary & Antony, 2022)**

Mary and Antony examined how digital payment methods shape consumer buying behavior. Two factors stood out as the primary reasons people choose digital payments: transaction convenience and the absence of transaction costs. Interestingly, promotional offers did not appear to drive payment method choices in this study — a finding that runs counter to what some other research suggests. The study also found that age affects how consumers respond to different payment options, and that digital payment systems do influence purchasing decisions overall. Its limitation is scope: the sample covered general consumers, and college students were not treated as a separate group.



#### **6. Digital Payments and Consumer Buying Behavior (Raut & More, 2025)**

Raut and More, writing in February 2025, explored the link between technology-enabled payments and consumer buying behavior in India. Their findings support the idea that digital payments, by making transactions faster and more frictionless, tend to increase overall spending and contribute to impulse buying. At the same time, consumers still weigh factors like trust, security, and the availability of incentives before completing a payment. The study also raised cybersecurity concerns and questions about consumer privacy. Its main limitation is methodological — it was based entirely on published literature rather than original data, and it did not focus on any specific consumer group.

#### **7. Students' Financial Behavior, Trust and Spending Behavior in Digital Payments (Muteru, Gutobu & Munene, 2025)**

Muteru, Gutobu, and Munene focused directly on how digital payments affect students' financial behavior. Their findings are relevant here: cashless transactions tend to lead to impulsive purchases, subscription-related overspending, and faster depletion of available funds — particularly among students who have limited financial knowledge. The research explicitly calls for examining these same behavioral patterns among Indian college students in specific institutional settings, which points toward exactly the kind of gap this study addresses.

#### **8. Daily Expense Tracker and Financial Behavior**

This study developed a system for tracking and managing daily expenses, with the goal of generating customized reports that improve users' financial awareness and decision-making. The underlying argument is that tracking spending builds discipline and improves financial management. The limitation is that the study focused narrowly on expense management tools and did not examine how digital payment apps themselves shape spending behavior. That connection — between how people pay and how they spend — is what makes studying digital payments and their behavioral effects important for making genuinely informed financial decisions.

#### **9. Growth of Digital Payments in India (Angamuthu, 2020)**

Angamuthu used Reserve Bank of India data to track how digital payments have grown in India. Transaction volumes and values were rising across channels, with mobile wallets and IMPS (Immediate Payment Service) showing particularly strong growth. The study attributes this expansion partly to government-led initiatives like the Digital India Programme and the 2016 demonetization, which accelerated the transition from cash to electronic payments. What the study does not address is whether this growth in digital transactions has changed the way consumers actually spend money.

#### **10. Cashless Payment Policy and Economic Growth (Sreenu, 2020)**

Sreenu investigated the relationship between cashless payment systems and India's economic growth. The study found a long-run positive relationship between the two, though it also identified short-run difficulties tied to the challenges of transitioning away from cash. Technological innovation, the study argues, can support both financial inclusion and greater efficiency. Sreenu observed that a cashless economy is gradually taking shape in India, but the study did not examine how individual consumers behave within that economy — spending patterns and behavioral change were outside its scope.

#### **11. Trust and Spending Behavior in Digital Payments**

This study looked at how perceived safety and trust in cashless payment methods — specifically UPI and card payments — affect how much consumers spend. The findings showed a positive relationship: when people feel secure using a payment system and trust it, they spend more through it, partly because the convenience reduces friction. However, the fear of financial loss was found to suppress spending even when trust was otherwise present — a nuance worth noting. The study underlines how psychological factors shape both payment choices and expenditure levels. Its limitation is that college students were not the focus, so their specific perceptions were not captured.

#### **12. UPI Awareness and Usage Among College Students (NPCI Study)**

The National Payments Corporation of India launched UPI as a mobile-first digital payment architecture that consolidates multiple payment features into a single interface. Apps like PhonePe, Google Pay, and others operate on this infrastructure. This study set out to assess how aware college students are of UPI, how they use it, what they prefer,



and how satisfied they are with it. The sample consisted of 109 college students from five undergraduate and postgraduate colleges in Bangalore North, selected through convenience sampling. Data was collected via Google Forms and analyzed using tables and charts. The results showed that awareness and usage of UPI among college students is high, and that frequency of use is also high. Students who use UPI reported considerable satisfaction with the technology and with how it integrates with banking services.

### **RESEARCH GAP**

The existing literature on digital payments in India covers a fair amount of ground — how these systems function, what drives adoption, whether users trust them, and how consumers weigh convenience, security, and rewards when choosing a payment method. What is largely missing from this body of work, though, is a focused look at how digital payment apps actually shape the way college students spend money.

Several specific questions remain underexplored. Do digital payment apps change students' purchasing behavior in measurable ways? Do cashback offers and other incentives push students to spend more than they otherwise would? And what do the actual spending patterns of student app users look like? These are not questions the existing literature answers clearly.

This gap matters because many students appear to be running into financial difficulties tied to heavy app usage — a pattern that has not received the research attention it deserves. This study is designed to address that directly. It focuses on how mobile payment apps influence the purchasing decisions of college students in India, and it examines the specific role that incentives, cashback schemes, and reward programs play in shaping their financial behavior.

Digital payment apps have become deeply embedded in everyday life in India, and college students are among the heaviest users. Understanding what that means for their financial habits is genuinely important — not just as an academic exercise, but because the findings can inform how students, institutions, and app developers think about responsible usage. This study aims to add something concrete to the existing research on digital payments by keeping the focus where it is most needed: on the students using these platforms and the financial consequences that follow.

### **QUESTIONNAIRE**

This questionnaire is prepared purely for academic research as part of a college project. All responses will be kept confidential and used only for research purposes. Please answer honestly — there are no right or wrong answers. It will take approximately 5–8 minutes to complete.

#### **SECTION A — Personal Information**

Q1. Name (Optional):

Q2. Age Group:

- Below 18
- 18–20
- 21–23
- Above 23

Q3. Gender:

- Male
- Female
- Other
- Prefer not to say

Q4. Course/Program:

- UG (Undergraduate)
- PG (Postgraduate)
- Other



SECTION B — Mobile Payment App Usage

Q5. Do you use mobile payment apps such as PhonePe, Google Pay, or Paytm?

- Yes
- No

Q6. Which mobile payment app do you use the most?

- Phone Pe
- Google Pay
- Paytm
- Amazon Pay
- Others

Q7. How often do you use mobile payment apps?

- Daily
- Weekly
- Monthly
- Rarely
- Never

Q8. What do you mainly use mobile payment apps for? (Multiple choice allowed)

Shopping

- Food / Restaurants
- Bills & Recharges
- Travel
- Education Fees
- Entertainment
- Others

Q9. Average monthly spending through mobile payment apps:

- Below 1,000
- 1,000 – 3,000
- 3,000 – 7,000
- Above 7,000

SECTION C — Attitudes & Perceptions

(1 = Strongly Disagree, 5 = Strongly Agree)

- Mobile payment apps make spending easier. → 1 2 3 4 5
- I tend to spend more because of mobile payment apps. → 1 2 3 4 5
- Cashback and rewards encourage me to spend more than usual. → 1 2 3 4 5
- Easy payment options lead me to buy unnecessary items. → 1 2 3 4 5
- Mobile payment apps help me save time in transactions. → 1 2 3 4 5
- I feel digital payments are safer than cash. → 1 2 3 4 5
- Since using mobile payment apps, I rely less on cash. → 1 2 3 4 5

SECTION D — Financial Behavior

Q10. Do you set a monthly spending budget?

- Yes
- No



- Q11. How often do you review your expenses?
  - Daily
  - Weekly
  - Monthly
  - Rarely
- Q12. Do mobile payment apps encourage unnecessary spending?
  - Yes
  - No
  - Maybe
- Q13. Have you experienced financial stress due to overspending through mobile apps?
  - Yes
  - No

### **HYPOTHESIS**

Before collecting or analyzing any data, a set of assumptions was developed about what the study might find. These assumptions — stated as formal hypotheses — were then tested against responses gathered from 50 college students. For each research objective, both a null hypothesis ( $H_0$ ) and an alternate hypothesis ( $H_1$ ) were formulated.

#### **Hypothesis 1 — Usage and Spending Behavior**

**H<sub>01</sub>:** There is no significant relationship between the use of mobile payment apps and the spending behavior of college students.

**H<sub>11</sub>:** There is a significant relationship between the use of mobile payment apps and the spending behavior of college students.

#### **Hypothesis 2 — Frequency and Monthly Expenditure**

**H<sub>02</sub>:** The frequency of mobile payment app usage has no significant impact on students' monthly expenditure.

**H<sub>12</sub>:** Higher frequency of mobile payment app usage leads to significantly higher monthly expenditure among students.

#### **Hypothesis 3 — Cashback and Rewards**

**H<sub>03</sub>:** Cashback offers and reward programs do not significantly influence students' spending behavior.

**H<sub>13</sub>:** Cashback offers and reward programs significantly increase students' spending behavior.

#### **Hypothesis 4 — Impulsive Buying Behavior**

**H<sub>04</sub>:** The ease of making digital payments does not significantly lead to impulsive or unnecessary purchases among students.

**H<sub>14</sub>:** The ease of making digital payments significantly leads to impulsive and unnecessary purchases among students.

## **III. RESEARCH METHODOLOGY**

### **3.1 Introduction**

Any research study requires a clear plan before it begins — a set of decisions about where data will come from, how it will be collected, and how it will be analyzed. This chapter explains how the study on the impact of mobile payment applications on students' spending behavior was actually carried out: the approach taken, who participated, and how the information gathered was processed and interpreted.

### **3.2 Research Design**

This study uses a descriptive research design. Descriptive research observes and describes situations as they exist, without manipulating or controlling any variables. That approach fits well here because the goal was to understand how students actually use mobile payment apps in their daily lives and whether that usage has any visible effect on how they spend money — not to test a controlled intervention, but to capture real behavior as it happens.



### 3.3 Objectives of the Study

The study was conducted with the following specific objectives:

- **To understand how frequently college students use mobile payment apps** and what their general usage patterns look like.
- **To identify which apps are most popular among students** and what they primarily use them for.
- **To explore students' attitudes and perceptions toward mobile payment apps** and how they connect those apps to their own spending.
- **To examine whether frequent app usage contributes to overspending or financial difficulties** among students.
- **To assess students' money management habits** — including whether they set budgets or actively track their expenses.

### 3.4 Source of Data

#### 3.4.1 Primary Data

The core data for this study was collected directly from students through a structured questionnaire distributed via Google Forms. Because this information was gathered firsthand from respondents, it qualifies as primary data and forms the main empirical foundation of the research.

#### 3.4.2 Secondary Data

To build the study's theoretical background and situate it within existing knowledge, published research papers, academic journals, and relevant books were consulted. This review helped establish what has already been studied in the areas of mobile payments and consumer spending behavior, and provided context for interpreting the primary findings.

### 3.5. Structure of the Questionnaire

The questionnaire was carefully designed to cover all the major dimensions of the study. It was divided into five sections as described below:

<b>Section A</b>	Demographic Information — Name (optional), Email (optional), Age Group, Gender, Course/Program
<b>Section B</b>	Mobile Payment App Usage — App used, frequency of usage, purpose, and average monthly spending
<b>Section C</b>	Attitudes & Perceptions — 7-item Likert scale measuring student attitudes towards mobile payment apps and spending
<b>Section D</b>	Financial Behaviour — Budgeting habits, frequency of spending review, and experience of overspending
<b>Section E</b>	Open-Ended Questions — Qualitative feedback on advantages and concerns related to mobile payment apps

#### 3.5.2 Types of Questions

- **Multiple-Choice Questions (MCQ):** Sections A, B, and D used this format. Respondents selected one option from a provided list.
- **5-Point Likert Scale:** Section C used this format to capture the strength of students' agreement or disagreement with a series of statements, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).



- **Open-Ended Questions:** Section E allowed respondents to write their own thoughts freely, without any fixed response options to choose from.

### 3.6 Population and Sample

#### 3.6.1 Target Population

The study focused on college students currently enrolled in undergraduate or postgraduate programs. This group was chosen because students are among the most frequent users of mobile payment apps today, and digital transactions have become a routine part of how they handle money.

#### 3.6.2 Sample Size

A total of 50 valid responses were collected. Respondents were selected through convenience sampling — meaning students who were reachable and willing to participate were included in the study.

#### 3.6.3 Sample Profile

The demographic distribution of the sample is presented in the table below:

Category	Sub-category	Count	Percentage
<b>Gender</b>	Male	26	52%
	Female	24	48%
<b>Age Group</b>	Below 18	4	8%
	18–20	28	56%
	21–23	16	32%
	Above 23	2	4%
<b>Course / Program</b>	UG (Undergraduate)	42	84%
	PG (Postgraduate)	5	10%
	Other	3	6%

As observed from the table, the sample comprises 52% male and 48% female respondents. The majority of respondents (56%) belong to the age group of 18–20 years. A large proportion (84%) are undergraduate students, which reflects the typical profile of mobile payment app users in educational institutions.

### 3.7 Sampling Technique

Convenience sampling was used to select respondents. This is a non-probability technique — rather than randomly selecting participants, it includes people who are readily available and willing to take part. The method has real limitations when it comes to generalizing findings beyond the sample, but it is widely used in student-level academic research because it is practical and manageable within time constraints.

### 3.8 Data Collection Procedure

The questionnaire was built on Google Forms and distributed to college students through WhatsApp and email. Before responding, participants were told that the survey was strictly for academic purposes and that all their answers would remain completely confidential. Of all the responses received, 50 were complete and usable, and only these were carried forward for analysis.

### 3.9. Tools for Data Analysis



The data collected through the questionnaire was organised and processed using Microsoft Excel. The following analytical tools and techniques were applied to interpret the data:

<b>Frequency Distribution</b>	To summarise categorical data such as gender, age group, app usage, and spending amounts
<b>Percentage Analysis</b>	To convert raw frequencies into percentages for easier comparison and interpretation
<b>Likert Scale Analysis</b>	To analyse student attitudes and perceptions based on their level of agreement with each statement
<b>Tabular &amp; Graphical Representation</b>	Bar charts, pie charts, and tables were used to present the findings visually

### 3.10 Limitations of the Study

- **The sample size of 50 respondents is relatively small** and may not accurately represent the broader college student population.
- **Convenience sampling introduces the possibility of selection bias**, since only accessible and willing students were included rather than a randomly selected group.
- **All responses were self-reported**, which means answers may occasionally reflect personal bias rather than fully objective accounts of behavior.
- **The study is limited to college students**, so the findings cannot be applied to other age groups or working professionals.
- **The data reflects conditions at the time of collection** and may not remain accurate as digital payment trends and student behavior continue to evolve.

### 3.11 Chapter Summary

This chapter laid out the full research methodology used in the study. A descriptive design was adopted, and primary data was collected from 50 college students through a structured questionnaire distributed via Google Forms. Respondents were selected using convenience sampling. The questionnaire was divided into five sections covering demographics, app usage patterns, student attitudes toward digital payments, financial behavior, and open-ended responses. The data was analyzed using frequency distribution, percentage analysis, and Likert scale interpretation. The chapters that follow present the findings, discussion, and conclusions drawn from this data.

## IV. DATA ANALYSIS

### 4.1 Introduction

This chapter presents a detailed analysis and interpretation of the data collected from 50 college students through the structured questionnaire. The analysis is organised around the five hypotheses formulated for this study. For each hypothesis, relevant data has been tabulated, represented graphically, and interpreted in a straightforward manner. The aim is to understand how mobile payment apps influence the spending behaviour, financial habits, and overall financial wellbeing of students.

### 4.2 Hypothesis 1 — Mobile Payment App Usage and Spending Behaviour

$H_{01}$ : *There is no significant relationship between the use of mobile payment apps and the spending behaviour of college students.*



$H_{11}$ : There is a significant relationship between the use of mobile payment apps and the spending behaviour of college students.

#### 4.2.1 App Usage Among Respondents

The first thing to establish was how many students actually use mobile payment apps. Out of the 50 respondents, a staggering 46 (92%) confirmed that they regularly use mobile payment apps such as PhonePe, Paytm, or Google Pay. Only 4 students (8%) said they do not use any such app. This already sets the context — the overwhelming majority of college students have integrated digital payments into their daily routine.

Response	No. of Respondents	Percentage
Yes — Use Mobile Payment Apps	46	92%
No — Do Not Use	4	8%
Total	50	100%

Figure 4.1: Mobile Payment App Usage Among Respondents

#### Mobile Payment App Usage among Respondents

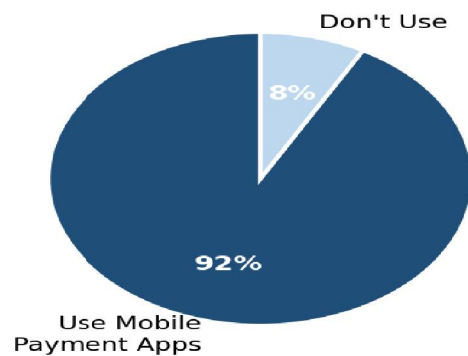


Figure 4.1 — 92% of respondents use mobile payment apps

#### 4.2.2 Perception of Spending Influence

To directly test whether app usage relates to spending behaviour, respondents were asked whether they believe mobile payment apps promote unnecessary spending. The responses were quite telling — 15 students (30%) said Yes, 19 (38%) said Maybe, and only 16 (32%) said No. In other words, nearly 68% of students either confirmed or at least suspected that these apps have some influence on how they spend their money.

Response	No. of Respondents	Percentage
Yes	15	30%
Maybe	19	38%
No	16	32%
Total	50	100%



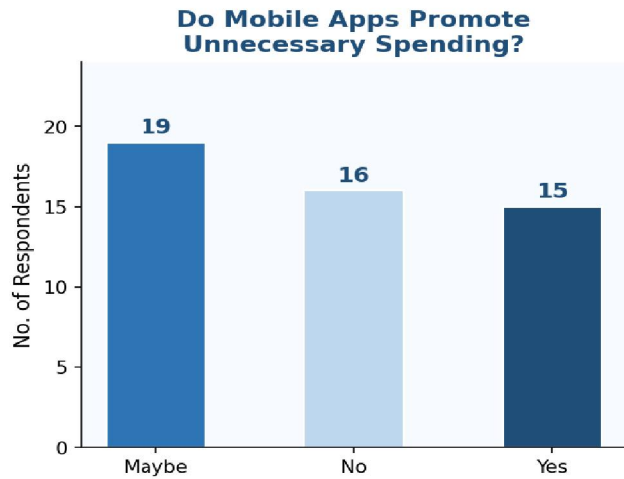


Figure 4.2 — Student perception on whether mobile apps promote unnecessary spending

Additionally, when asked directly about whether using these apps makes spending easier, 21 students Agreed and 9 Strongly Agreed — together accounting for 60% of responses. Only 6 students disagreed in some form. This strongly suggests that students themselves acknowledge the link between mobile apps and their spending habits.

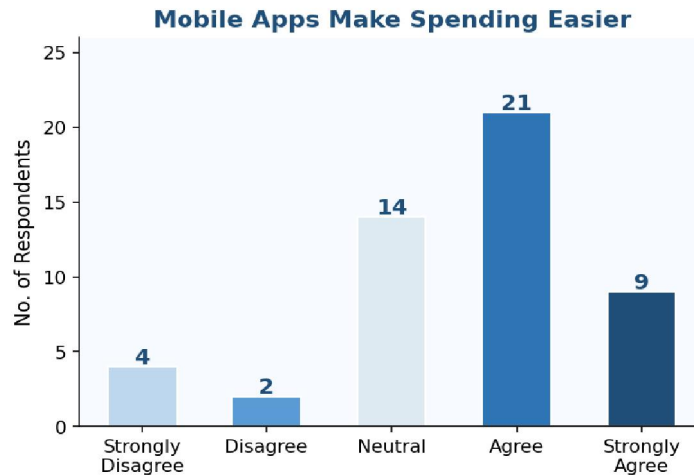


Figure 4.3 — Student responses to 'Mobile payment apps make spending easier'

#### 4.2.3 Interpretation

The data paints a fairly clear picture. When 92% of students use these apps and 68% of them feel the apps either do or possibly do influence unnecessary spending, it is difficult to argue that no relationship exists between app usage and spending behaviour. The connection is not just statistical — it is something students themselves perceive and acknowledge in their day-to-day lives.

**Verdict: ✓  $H_1$  Accepted —  $H_0$  Rejected**

*$H_{11}$ : There is a significant relationship between the use of mobile payment apps and the spending behaviour of college students.*



### 4.3 Hypothesis 2 — Frequency of Usage and Monthly Expenditure

$H_{02}$ : The frequency of using mobile payment apps has no significant impact on students' monthly expenditure.

$H_{12}$ : Higher frequency of mobile payment app usage leads to significantly higher monthly expenditure among students.

#### 4.3.1 Frequency vs. Spending Cross-Analysis

To test this hypothesis, the frequency of app usage was cross-tabulated with the average monthly expenditure reported by respondents. The results are presented in the table below.

Usage Frequency	Below ₹1,000	₹1,000–3,000	₹3,000–7,000	Above ₹7,000	Total
Daily	6	5	6	7	24
Weekly	8	6	1	3	18
Monthly	3	0	0	0	3
Rarely	4	0	0	1	5
Total	21	11	7	11	50

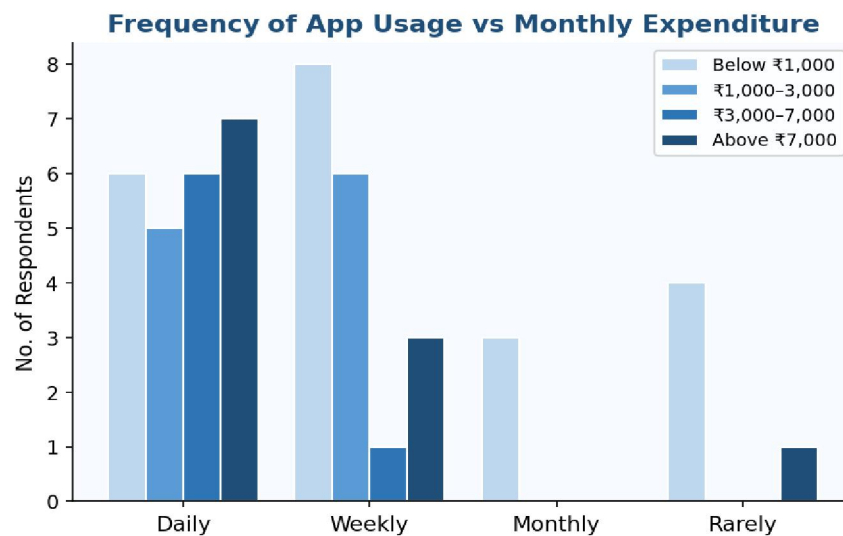


Figure 4.4 — Frequency of mobile payment app usage vs. monthly expenditure

#### 4.3.2 Interpretation

Looking at the daily users — the most frequent users — 7 of them (the highest count in any single cell) Spend above ₹7,000 per month, and 6 spend between ₹3,000 and ₹7,000. Compare this to students who use apps monthly or rarely — none of them cross the ₹3,000 mark (with just one exception). This is a meaningful pattern. The more frequently a student uses a mobile payment app, the higher their chances of falling in the higher spending brackets.

However, it is also worth noting that among daily users, 6 students still spend below ₹1,000 — which suggests that frequency alone does not guarantee higher spending, and other factors like income, lifestyle, and self-control also play a role. That said, the overall trend is clear enough to support the alternate hypothesis.



**Verdict: ✓  $H_1$  Accepted —  $H_0$  Rejected**

*$H_{12}$ : Higher frequency of mobile payment app usage leads to significantly higher monthly expenditure among students.*

#### 4.4 Hypothesis 3 — Cashback and Reward Programs

*$H_{03}$ : Cashback offers and reward programs do not significantly influence students' spending behaviour.*

*$H_{13}$ : Cashback offers and reward programs significantly increase students' spending behaviour.*

##### 4.4.1 Likert Scale Response Analysis

Respondents were asked to rate their agreement with the statement: "Cashback and rewards encourage me to spend more." The distribution of responses is shown below.

Response	No. of Respondents	Percentage
Strongly Disagree	5	10%
Disagree	13	26%
Neutral	10	20%
Agree	16	32%
Strongly Agree	6	12%
Total	50	100%

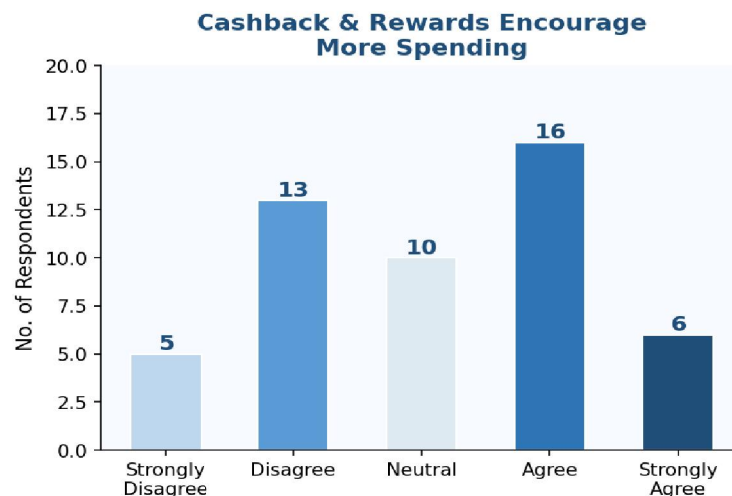


Figure 4.5 — Student responses to cashback and rewards influencing spending

##### 4.4.2 Interpretation

Out of 50 students, 22 (44%) agreed or strongly agreed that cashback and reward Offers push them to spend more. On the other side, 18 students (36%) disagreed or strongly disagreed, and 10 remained neutral. While the margin is not overwhelming, the fact that the largest single group (Agree: 16) leans in favor of the alternate hypothesis, combined with 44% total on the positive side, gives enough ground to support  $H_{13}$ .



It is worth mentioning that cashback programs are specifically designed to encourage repeated and often increased spending — and the data shows that nearly half the student respondents are, to some degree, influenced by them. This is particularly relevant given how aggressively apps like PhonePe and Paytm promote cashback deals.

**Verdict: ✓  $H_1$  Accepted —  $H_0$  Rejected**

*$H_{13}$ : Cashback offers and reward programs significantly increase students' spending behaviour.*

#### 4.5 Hypothesis 4 — Impulsive Buying Behaviour

*$H_{04}$ : Ease of digital payments does not significantly lead to impulsive or unnecessary purchases among students.*

*$H_{14}$ : Ease of digital payments significantly leads to impulsive and unnecessary purchases among students.*

##### 4.5.1 Likert Scale Response Analysis

To test this hypothesis, respondents were asked to respond to the statement: "I often buy unnecessary items due to easy payment options." The responses were as follows:

Response	No. of Respondents	Percentage
Strongly Disagree	6	12%
Disagree	17	34%
Neutral	14	28%
Agree	8	16%
Strongly Agree	5	10%
Total	50	100%



Figure 4.6 — Student responses to easy payments leading to impulsive purchases



#### 4.5.2 Interpretation

This is the one hypothesis where the data does not clearly support the alternate hypothesis. A total of 23 students (46%) disagreed or strongly disagreed with the idea that easy payments lead to unnecessary purchases, while only 13 (26%) agreed or strongly agreed. The remaining 14 (28%) were neutral.

The majority — when combining the neutral and disagreeing groups — lean toward rejecting the notion that easy digital payments directly cause impulsive buying. This could be because students are more financially aware than expected, or because they do not consciously associate the ease of payment with their buying decisions, even if the effect exists subconsciously. On the basis of this data, the null hypothesis is retained.

**Verdict: ✓  $H_0$  Accepted —  $H_0$  Retained**

*$H_{04}$ : Ease of digital payments does not significantly lead to impulsive or unnecessary purchases among students.*

#### 4.6 Hypothesis 5 — Financial Stress and Overspending

*$H_{05}$ : Regular use of mobile payment apps is not significantly associated with financial stress or overspending.*

*$H_{15}$ : Regular use of mobile payment apps is significantly associated with financial stress and overspending among students.*

##### 4.6.1 Financial Problem Incidence

Respondents were asked directly: "Have you ever faced financial problems due to overspending through mobile payment apps?" Their answers are presented below.

Response	No. of Respondents	Percentage
Yes — Faced Financial Problems	21	42%
No — Did Not Face Problems	29	58%
Total	50	100%

**Financial Problems Due to Overspending via Mobile Apps**

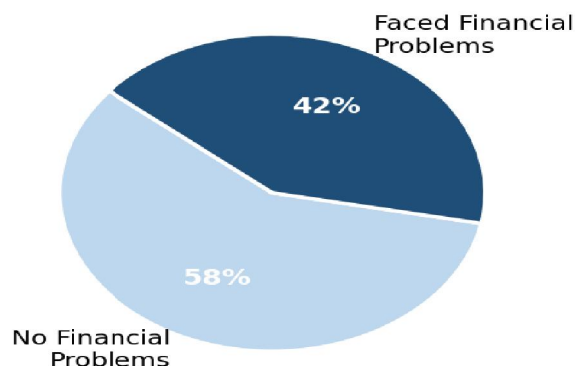


Figure 4.7 — Respondents who faced financial problems due to mobile app overspending



#### 4.6.2 Supporting Financial Behaviour Data

Further context is provided by two additional questions. When asked whether they set a monthly budget, 30 students (60%) said No — meaning the majority of students are spending without any planned limit. When asked how often they review their spending, 15 students (30%) said Rarely and only 11 (22%) track it daily.

Financial Habit	Response	Count	Percentage
Sets Monthly Budget	Yes	20	40%
	No	30	60%
Checks Spending	Daily	11	22%
	Weekly	16	32%
	Monthly	8	16%
	Rarely	15	30%

#### 4.6.3 Interpretation

42% of students — nearly half — reported that they have faced financial problems specifically linked to overspending through mobile payment apps. This is a significant finding. When you add to this the fact that 60% don't budget and 30% rarely check their spending, a pattern emerges: students are using apps frequently, without financial guardrails, and a substantial portion are experiencing the consequences.

While 58% said they haven't faced financial problems, the 42% who have — in an academic sample of college students who are typically dependent on limited allowances or part-time income — is a number that carries weight. The data is sufficient to support the alternate hypothesis.

**Verdict: ✓  $H_1$  Accepted —  $H_0$  Rejected**

*$H_{15}$ : Regular use of mobile payment apps is significantly associated with financial stress and overspending among students.*

#### 4.7 Summary of Hypothesis Testing

The table below summarises the outcome of all five hypothesis tests based on the data collected from 50 respondents.

Hypothesis	Description	Result
H1	Usage & Spending Behaviour	$H_1$ Accepted
H2	Frequency & Monthly Expenditure	$H_1$ Accepted
H3	Cashback & Reward Programs	$H_1$ Accepted
H4	Ease of Payment & Impulsive Buying	$H_0$ Accepted
H5	App Usage & Financial Stress	$H_1$ Accepted

Out of five hypotheses, four alternate hypotheses ( $H_1$ ) were accepted and one null hypothesis ( $H_0$ ) was retained. The findings suggest that mobile payment apps do have a meaningful influence on how college students spend their money — both in terms of overall behaviour and in terms of real financial consequences. The one exception — impulsive buying — suggests that while students may be spending more, they do not necessarily perceive it as impulsive, which in itself is an interesting behavioural insight worth exploring further.



#### **4.8 Chapter Summary**

This chapter carried out a complete data-driven analysis of the five research hypotheses using responses collected from 50 college students. Each hypothesis was supported by frequency tables, percentage calculations, and visual charts. The analysis revealed that mobile payment apps are deeply embedded in student life, with 92% of respondents using them regularly. Higher usage frequency was associated with higher spending. Cashback offers were found to influence spending for a significant portion of students. Easy payment options were not strongly linked to conscious impulsive buying. And nearly 42% of students have faced financial stress linked to overspending through these apps — a finding that calls for greater financial awareness and digital literacy among the student community.

#### **V. RESULTS**

The information gathered from fifty respondents led to the following conclusions:

- 92% of respondents use mobile payment apps, while 8% do not.
- 48% use these apps daily and 36% use them weekly.
- 42% spend less than ₹1,000 per month through these apps, while 22% spend more than ₹7,000.
- 60% of respondents feel that mobile payment apps make it easier to spend money.
- 44% say that cashback and reward offers motivate them to spend more than they otherwise would.
- Only 26% agree that the convenience of digital payments leads them to make unnecessary purchases — suggesting that most students do not see their own spending as impulsive, even when the data indicates otherwise.
- 42% have experienced financial difficulties due to overspending through these apps.
- 60% do not maintain a monthly budget.
- 46% say they do not regularly monitor their spending.

#### **VI. FINDING FOR FUTURE RESEARCH**

The analysis and interpretation of the data lead to the following conclusions:

- **Mobile payment apps are widely adopted among college students** and have become a standard part of how they transact.
- **Digital payments have largely replaced cash** for everyday purchases among this group.
- **Students who use these apps more frequently tend to spend more** — higher usage frequency is associated with higher monthly expenditure.
- **Cashback offers and reward programs meaningfully influence spending behavior**, pushing students toward larger or more frequent purchases than they might otherwise make.
- **The ease of digital payments does not appear to directly drive impulsive buying** — convenience alone was not found to significantly increase unnecessary purchases.
- **A substantial share of students face financial stress**, and this appears to stem from poor money management rather than app usage itself.
- **The absence of budgeting habits and financial planning** is a key factor behind the overspending patterns observed among students.
- **Digital payment methods are clearly displacing cash transactions** and show no sign of slowing down among the college-going population.



## VII. CONCLUSION

The study set out to understand how mobile payment apps shape the spending behavior of college students, and the data from 50 respondents makes the answer reasonably clear: these apps do have a meaningful effect on how students handle money.

Mobile payment apps are now deeply embedded in students' daily routines. The speed and ease of digital transactions lower the friction involved in spending, and that convenience appears to influence purchasing decisions in ways that are not always conscious or deliberate.

Frequency of use matters. Students who use these apps more often tend to spend more overall. Cashback offers and reward schemes add another layer — they actively encourage students to spend more than they otherwise might, though the effect is not uniform across all users.

One finding cuts against a common assumption: payment convenience alone does not significantly drive impulsive buying. This suggests that students exercise at least some degree of conscious control over their purchasing decisions, even when digital payments make spending frictionless.

The more pressing concern is financial stress. A significant portion of students reported experiencing financial difficulty as a direct result of overspending through these apps. That problem is compounded by the fact that many students do not follow a budget or regularly track where their money is going — habits that would otherwise act as a check on excessive spending.

The overall picture the study draws is this: mobile payment apps are genuinely useful and convenient, but without disciplined usage habits, they create real conditions for overspending and poor financial management among college students.

## RECOMMENDATION

Based on the study's findings, the following recommendations are made:

- **Encourage financial awareness among students.** Students need better exposure to responsible spending habits and basic financial planning — understanding where money goes and why it matters.
- **Promote monthly budgeting.** Students should be actively encouraged to set a monthly budget before they spend, not after. A budget is one of the most straightforward tools for keeping expenditure in check.
- **Build expense-tracking features into payment apps.** Mobile payment apps should offer integrated tools that help users monitor their spending in real time, making it easier to stay aware of how much is going out and where.
- **Be cautious with cashback offers.** Students should resist the temptation to make purchases they do not need simply to qualify for cashback or reward benefits. The savings from cashback rarely outweigh the cost of unnecessary spending.
- **Introduce financial literacy programs.** Colleges and other institutions should organize workshops or sessions that educate students about financial risks, money management, and the long-term consequences of poor spending habits.
- **Develop self-discipline in digital spending.** Using mobile payment apps responsibly requires conscious effort. Students need to build the habit of pausing before spending rather than making quick, unconsidered transactions.
- **Review spending regularly.** Students should make it a routine to go back and check their transaction history periodically. Regular review helps identify patterns, catch unnecessary expenditure early, and maintain overall financial stability.



**APPENDIX**

The following questionnaire was administered via Google Forms to 50 college students during March–April 2026.

**Section A: Demographic Information**

1. Name (optional)
2. Email Address (optional)
3. Age: ■ Below 18 ■ 18–20 ■ 21–23 ■ Above 23
4. Gender: ■ Male ■ Female ■ Other
5. Course/Program: ■ UG ■ PG ■ Other

**Section B: Digital Payment Usage**

6. Do you use mobile payment apps? ■ Yes ■ No
7. Which mobile payment app do you use most? ■ PhonePe ■ Paytm ■ Google Pay ■ Amazon Pay ■ Others
8. How often do you use mobile payment apps? ■ Daily ■ Weekly ■ Monthly ■ Rarely
9. Main purpose of using mobile payment apps? (Select all that apply) ■ Shopping ■ Food/Restaurants ■

Bills & Recharges ■ Travel ■ Education Fees ■ Entertainment ■ Others

10. Average monthly spending through mobile payment apps: ■ Below 1000 ■ 1000–3000 ■ 3000–7000 ■ Above 7000

**Section C: Spending Behaviour and Financial Habits**

11. Do you set a monthly budget for spending? ■ Yes ■ No
12. How often do you check your spending? ■ Daily ■ Weekly ■ Monthly ■ Rarely
13. Do you think mobile payment apps promote unnecessary spending? ■ Yes ■ No ■ Maybe
14. Have you ever faced financial problems due to overspending through mobile payment apps? ■ Yes ■ No

**Section D: Likert-Scale Statements (1=Strongly Disagree to 5=Strongly Agree)**

15. Mobile payment apps make spending easier.
16. I spend more money because of mobile payment apps.
17. Cashback and rewards encourage me to spend more.
18. I often buy unnecessary items due to easy payment options.
19. Mobile payment apps save my time.
20. I feel mobile payments are safer than cash.
21. Mobile payment apps reduce my use of cash.

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