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Mobile Payment Adoption and Buying Behavior: An Empirical Study of Overspending among University Students

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ABSTRACT

'Pay with a touch, not with cash' is slowly becoming reality. Younger consumers, especially Generation Z, have gradually become accustomed to the usage of mobile payment systems. Though there has been increased usage of mobile payment systems, studies relating to its effects, especially in terms of financial self-regulation and overspending, have yet to emerge. The objective of this research study is to uncover the effects of the usage of mobile payment systems on financial behavior, specifically overspending, among college students. For the empirical verification of the relationship and the determination of the different factors of overspending linked with the intensity of the use of mobile payment services, we collected the primary data from 186 undergraduate students of the University of Delhi. The findings show that the use of mobile payment services has a statistically positive association with overspending, whereby the users of mobile payment services are liable to the act of overconsumption compared to others. But it is revealed that the ease of transactions and the lack of control mechanisms of budgets are the significant factors of the act of overconsumption. The contribution of this current research to the existing financial technology and consumer behavior field is the provision of empirical information regarding some unintended consequences of mobile payment applications in the developing economy environment. In relation to this, this particular scientific investigation has immense implications in relation to mobile payment applications, the government, as well as learning institutions. Some measure of relief in relation to the negative financial implications associated with the use of mobile payment applications by youths may come through responsible design, instant feedback, and financial literacy.

Keywords: Mobile Payment Adoption, Consumer Behaviour, Overspending, University Students.

Introduction

As far as the consumption environment is concerned, the payment system itself functions as more than simply the tool of a financial transaction; rather, it also serves as the psychological brake that regulates purchasing behavior. Historically speaking, since payment systems traditionally involved cash pertaining to the payment itself, there existed an innate monetary cost thereto inducted commonly known as the "pain of payment" (Falk et al., 2016; Soman, 2003). Historically speaking, there existed an innate monetary cost thereto inducted commonly known as the "pain of payment" since payment systems traditionally involved cash pertaining to the payment itself. The rise in the popularity of mobile payments that implements fast-paced processes and no physical exertion on the part of the payer has greatly transformed this reality. There has been the notion that the mobile payment system abstracted the financial cost away from the consumption environment with implications on self-regulation and spending control (Bardacki & Sadowska, 2011; Durodoye et al., 2008).

In the Indian context, there existed unprecedented acceptance of mobile payment systems following the demonetization step initiated in 2016, subsequently validated through developments in the nations' digital framework (Sobti, 2019). There already exists some research concerning payment options that has revealed that payment options involving limited transparency, such as intangible payment options like credit cards, are associated with increased levels of spending, late discovery of payments, and probabilities of compulsive buying and borrowing (Roberts, Jones, 2005; Lo, Harvey, 2011). On the same line, this study affirms that the current research shows that mobile payment methods are associated with limited monitoring of expenditures from the budget and probabilities of impulsive purchasing due to limited payment awareness (Ahn, Nam, 2022; Jiang, 2020).

Under the context of consumer markets, the act of payment goes beyond the mere transactional act and represents a very significant psychological act that molds the perceptions of the buyer with concerns to the so-called concept of payments or expenditure. Understood under the traditional act of payment systems whereby the cash payment involves a significant psychological component of the sense of loss occasioned by the expenditure and hence contributes to the so-called "pain of payments" to avert overspends or impulse buys (Falk et al., 2016; Soman, 2003). As a result of the increasing level of digitalization of the associated technologies of payments, "the pain of payments" occasioned diminishes.

Mobile payment apps can be considered among the most revolutionary inventions emerging under current financial technology trends. The apps enable consumers to effect payments instantaneously by using smartphones. It is important to note that the impact created by the apps eliminates the effort required by the consumer cognitively and physically during the payment process. While the mentioned characteristics improve efficiency and ease of use of the apps, they also pose a threat of diminishing the consumer's perception of money consumption, potentially resulting in effects on self-control systems (Jiang, 2020). Studies conducted under various research related to the use of credit cards have shown that the less salient payment mechanisms contribute to heightened consumption, costs perceived in the future, and susceptibility to compulsive purchasing (Roberts & Jones, 2005; Lo & Harvey, 2011).

Such challenges are more pertinent to college-going youths, who are a distinct generation in terms of low discretionary earnings, growing financial knowledge, and high adaptability towards technological advancements. "College students are an important subgroup to examine consumer behavior as the consumption patterns acquired in young adulthood are likely to be maintained throughout the rest of one's life," as stated by Hill et al. (2013), who are backed by Limbu (2017), who stated, "Consumer

behavior acquired in young adulthood is likely to remain throughout one's lifetime." In the Indian context, the adoption of mobile payments has been aided by structural and governance factors. As part of the demonetization act in 2016, the adoption of technology began as a result of the call by the cashless economy movement, as introduced by the Sobti (2019) initiative. Also, the COVID-19 outbreak has normalized the idea of touchless payments, thereby encouraging the use of mobile payment applications.

Despite the growing number of m-payment systems, it was noted that the number of studies on the issue of their behavioral impact remains small, and this topic has not been studied extensively in the context of the development of countries. As it was noted, the main part of the latest studies particularly aims to explore the intentions, acceptance of technology, and infrastructure, but the aftermath of acceptance, such as overspending, excessive spending, not abiding by the budget rules, and the lack of financial management proficiency, was given less attention (Au & Kauffman, 2008; Dahlberg et al., 2008). Consequently, the latest large-scale scientific evidence shows that the group of consumers, particularly less knowledgeable about finances, that tend to overuse mpayment systems, includes only a particular group, that's to say, students of the post-secondary level (Ahn & Nam, 2022).

In this regard, the aim of the current research is to examine whether and how the usage of mobile payments impacts the behavior among college students at the University of Delhi. As far as the current research is concerned, the theories that have been used are related to payment salience and mental accounting. In this regard, the current research has managed to contribute towards creating more new knowledge regarding the usage of financial technology among the aforementioned group of individuals. In totality, the implications are enormous and range from theoretical considerations to application perspectives even among organizations offering these services.

Literature Review

Recent studies have increasingly examined the relationship between mobile payment usage and consumer spending behavior, particularly among younger consumers.

Goyal (2024) highlighted that impulse buying behaviour can be well developed among Gen Z consumers who make cashless payments, since the absence of hard cash reduces spending restraint. This finding is consistent with the empirical evidence provided by Ahn and Nam (2022), who documented that mobile payment usage leads people to overspend, especially those with a low degree of financial literacy. In support of this relationship, Fiana and Putri (2022) demonstrated that digital payment facilities, in conjunction with attractive product displays, greatly increase impulse buying..

Sari, Utama, and Zairina (2021) point out the escalation of impulse buying triggered by the usage of e-wallets as well as the supportive online purchasing environment. The study by Alhassan and Butler (2021) highlights the practice of mobile payment systems in developing the habit of consumption, consequently reducing the consumer's awareness in decision-making regarding monetary outflow.

Earlier studies lay the groundwork for understanding how payment technologies alter spending behavior. According to See-To and Ngai, "Frictionless" payment systems reduce the psychological pain associated with spending, thus urging people to spend more. Lee and Hanna identify financial vulnerability of consumers as a critical concern, more so when payment technologies obscure visibility of spending. Jain and Sharma explain that digital interfaces increase impulsive purchase due to reduced time to make decisions and increased emotional involvement.

Research studies targeting the youth and the student consumers highlight their vulnerability to impulsive buying. Suki and Suki (2017) establish that young consumers are more prone to mobile commerce due to convenience and enjoyment reasons. Fernandes, Lynch, and Netemeyer (2014) suggest that poor financial literacy leads to poor financial behavior, resulting in over spending and unplanned expenditures. Lusardi and Tufano (2015) establish that poor debt literacy leads to poor financial performance and high levels of overindebtedness among the young population.

Scholarship on financial behaviors among college students underscores the importance of selfregulation and financial literacy. Tang and Baker, 2016 demonstrate that individuals with poorer self-regulatory abilities tend to have more problematic spending patterns. Gutter and Copur, 2011 and Dew and Xiao, 2011 indicate that college students do not possess the necessary financial management skills, which make them highly susceptible to overspending with the use of easy payment systems. Norvilitis and MacLean, 2010 further connect impulsivity to higher financial stress and debt in students.

There are established psychological antecedents of impulse buying in existing literature. Research by Verhagen & van Dolen (2011) revealed that store beliefs in online retailing, as well as payment facilitation, are significant antecedents of impulse buying. Research by Kim & Lennon (2013) asserted that enhanced website attributes, including reputation, contribute towards intensification of emotional buying. Research by Beatty & Ferrell (1998), along with Rook & Fisher (1995), revealed that emotional stimuli, reduced consideration, and situation are major antecedents of impulse buying.

The theories of technology adoption form the theoretical background to explain the usage of payment systems. According to Oliveira et al. (2016) and Kim, Mirusmonov, and Lee (2010), perceived convenience and efficiency form the background for individuals adopting and using mobile payment systems. The perceived use and ease of use form a significant determinant in terms of continuous usage, as stated by Venkatesh et al. (2003) and Davis (1989).
Additionally, consumer decision-making styles and processes of socialization further contribute to consumer spending practices. The impact of socialization and peer groups' norms among young adults and their spending practices is explained by Shim et al. (2015). The models for consumer decision-making styles influencing spending patterns are described by Sproles and Kendall (1986). The concept of related consumer spending due to convenience and impulsiveness is argued by Schwartz (2011).

Behavioral theories underpin much of the research in this area. Ajzen's, 1991, Theory of Planned Behavior and Fishbein and Ajzen's, 1975, Theory of Reasoned Action explain how attitude, perceived control, and intention are translatable into actual spending behavior. Both theories remain highly relevant today in explaining how mobile payment usage influences buying decisions and overspending tendencies among university students.

Research Gaps

Existing literature has intensified advances and contributed greatly to explaining the adoption and adaptation of electronic and mobile payment options. The majority are restricted to technology acceptance and usability, as well as infrastructural readiness (Au and Kauffman, 2008; Sobti, 2019). Other parallel research lines in consumer psychology have clearly demonstrated that less tangible forms of payment, for instance, credit cards, are linked to higher expenditures, compulsive consumption, and lowered levels of money management (Roberts and Jones, 2005; Lo and Harvey, 2011). More recent lines of research are beginning to explore the behaviors linked to mobile payment use and demonstrate how mobile payments are linked to increased levels of overconsumption and poor money management (Jiang, 2020; Ahn and Nam, 2022).

Nevertheless, there exist several essential research gaps. Firstly, it should be noted that the empirical analysis of mobile payments and overspending relies to a large extent on nationwide research databases or experiments. These methods are highly reliable in terms of research design, yet they are unable to provide valuable information on micro-financial behaviors among particular social groups. Specifically, there is no relevant context-driven research concerning college students, an economically vulnerable yet highly representative societal subgroup that still has not shaped their consumer behavior.

Secondly, past research has mainly focused on overspending from a general perspective, without much emphasis on behavioral aspects like budgeting behaviors, progression from budgeted expenses, and comparative behaviors of overspending using different payment modalities. Consequently, there is a lack of understanding regarding the behavioral factors that mobile payments mediate concerning overspending behaviors.

Third, there are very little studies about mobile payment behavior insights from developing economies, particularly India after the process of demonetization. The institutional setting shaped by forced digitization, adoption at a very fast rate, and financial illiteracy can significantly influence consumer behavior with concern to mobile payment services, which are yet unknown to studies done in developed countries.

Owing to the aforementioned research gaps, the current study attempts to conduct empirical research on the impact of the usage of m-payments on the possibility of overspending by college students within the University of Delhi. Through the analysis of spending, budgeting, and disparities in expenditure, the current research aims to contribute unique insights into the uncharted consequences associated with the adoption of m-payments in the increasingly digitizing economy.

Objectives

1. To check the dependence of youth on mobile applications
2. To determine the factors affecting usage of different payment options
3. To check the pattern of spending while using mobile payment applications.

Hypothesis

H1a: There is no dependence of youth on mobile applications

H1b: There is dependence of youth on mobile applications

H2a: Promotional baits, fun factor, cash saving, peer pressure, convenience and access to payment history do not affect the usage of different payment options

H2b: Promotional baits, fun factor, cash saving, peer pressure, convenience and access to payment history affect the usage of different payment options

H3a: Their pattern of spending does not lead to overspending

H3b: Their pattern of spending leads to overspending

Methodology

The study adopted a quantitative research design to examine the influence of mobile payment adoption on overspending behavior among college-going students. Primary data were collected through a structured questionnaire administered to students enrolled at the University of Delhi. The survey instrument was designed to capture patterns of mobile payment usage, budgeting behavior, perceived control over expenditure, and deviations in spending habits when using mobile payments as compared to cash transactions. Respondents were selected using a convenience sampling technique, given the accessibility of the student population and the exploratory nature of the study. The collected data were analyzed using appropriate statistical techniques to identify relationships between mobile payment adoption and overspending tendencies. The focus on university students was intentional, as this demographic represents early adopters of digital payment technologies and is at a formative stage of financial decision-making.

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Data Collection

Primary data was gathered by employing Questionnaire survey method. To frame questionnaire, detail literature review was done. To gather primary data, structured as well as non-disguised type of questionnaire was applied. To reduce response error on the part of respondents, closed type of questions has been applied in the questionnaire. To provide more response opportunity to the respondents, 5-point Likert Scale was applied. Two 5-point Likert Scales have also been applied in the questionnaire to get responses from the respondents, with one scale extending from 'never' to 'always' and other extends from 'strongly agree' to 'strongly disagree'. The authors applied convenient random sampling method for preparing the sample. The sample was gathered from the students studying in various colleges situated in Delhi. The questionnaire was applied on a sample of 200 students, pursuing various colleges in Delhi. This sample comprises both girls and boys from various family backgrounds. Of the total 200, 186 respondents reacted to the questionnaire**.**

Data Analysis

In the electronic questionnaire, We obtained data that was more statistical, relating to participant demographic characteristics and perceptions and intentions to use Online Payment Options. According to Tashakkori and Teddlie, when questionnaires are used in research, "the researcher is employing a strategy in which participants use self-report to express their attitudes, beliefs, and feelings toward a topic of interest" (Tashakkori & Teddlie, 2009, p. 232). Closed-ended statistical questionnaires, like the one conducted in this research, are more often used than open-ended statistical questionnaires because of their efficiency in carrying out data research. "Descriptive statistical analysis refers to the analysis of numeric data for the purpose of obtaining summary indicators that describe the characteristics of a sample or population and provide insights into patterns, distributions, and relationships among the variables examined."

Table 1. Sources of Money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Freelancing	7	3.8	3.8	3.8
	Full time job	11	5.9	5.9	9.7

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	Others	17	9.1	9.1	18.8
	Part time job	9	4.8	4.8	23.7
	Pocket money	142	76.3	76.3	100.0
	Total	186	100.0	100.0	

The above table contains the source of money from which the respondents obtain money. The data depicts that the majority of students are dependent upon pocket money (N=142), and the minimum number of students depend upon freelancing (N=7). These can be related to the rationality of the students regarding the disbursement of payments with 92% (N= %) students being non-satisfied with their dealing. Generally, it can be observed that students who earn money are very careful regarding the use of money.

Table 2. students carrying the required cash with you while going to places

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	90	48.4	48.4	48.4
	Never	9	4.8	4.8	53.2
	Sometimes	87	46.8	46.8	100.0
	Total	186	100.0	100.0	

The above table records the carrying of cash by college students in going places. The result shows that the majority of the students (N=90) always carry cash with them, a very few numbers of respondents (N=9) never carry cash with them, and rest (N=87) sometimes carry cash with them. Students might carry the required cash with them because they might have fear of fraud. This is conflicting to the result in which we showed that the students use more of mobile payments. Even though most of them carry cash with them, still they prefer mobile payments.

Table 3. Number of Transactions (monthly) you do with following payment options

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	14	7.5	7.5	7.5
	0-1000	41	22.0	22.0	29.6
	1000-3000	50	26.9	26.9	56.5
	3000-5000	32	17.2	17.2	73.7

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	above 5000	49	26.3	26.3	100.0
	Total	186	100.0	100.0	

From the above table, it can be noted that the number of transactions that respondents conduct using the mobile payment option. It can be observed that the transactions conducted by the students range from Rs. 1000-3000 using the mobile. Then, it ranges above Rs. 5000. College students conduct a lot of transactions using the mobile payment option as well as transactions using cash.

Table 4. Number of Transactions (monthly) you do with Cash payments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	8	4.3	4.3	4.3
	0-1000	112	60.2	60.2	64.5
	1000-3000	41	22.0	22.0	86.6
	3000-5000	16	8.6	8.6	95.2
	above 5000	9	4.8	4.8	100.0
	Total	186	100.0	100.0	

The table shows the number of transactions that the respondents conduct using the cash payment options. Noted that the transactions are done between 0-1000 from cash and then 1000-3000. The college students like to conduct a large number of transactions using the mobile method and a small number of transactions using the cash method. Although the majority of the respondents carry cash with them to the places they visit, the cash is in small amounts.

Table 5. Monthly Spending

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Any other	26	14.0	14.0	14.0
	Apparel	6	3.2	3.2	17.2
	Entertainment	6	3.2	3.2	20.4
	Food	100	53.8	53.8	74.2
	Skincare	3	1.6	1.6	75.8
	Travel	45	24.2	24.2	100.0
	Total	186	100.0	100.0	

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The table above shows the expenditure of money that the respondents spend on the given activities. It is assumed that students spend the major amount of money on food (N=100), travel (N=45), and other (N=26) activities per month, whereas only a few spend money on skin care (N=3) products. A majority of the students at Delhi are outstation, and food is the biggest problem in Delhi, so the major expenditure of money happens in food and travel.

Table 6. Factors influencing students to use mobile payment options

	Please rate how much the following factors influence you to do mobile payments. (1 being most important to 5 being least important) [Promotional Baits (OFFERS)]	Please rate how much the following factors influence you to do mobile payments. (1 being most important to 5 being least important) [Fun Factor]	Please rate how much the following factors influence you to do mobile payments. (1 being most important to 5 being least important) [Save Cash]	Please rate how much the following factors influence you to do mobile payments. (1 being most important to 5 being least important) [Peer Pressure]	Please rate how much the following factors influence you to do mobile payments. (1 being most important to 5 being least important) [Convenience]	Please rate how much the following factors influence you to do mobile payments. (1 being most important to 5 being least important) [Access to Payment History]
Valid	186	186	186	186	186	186
Missing	0	0	0	0	0	0
Mean	2.79	2.83	2.92	2.61	2.83	2.76
Median	3.00	3.00	3.00	3.00	2.00	2.00

We wanted to analyze which factor influences students to choose mobile payments. The table above has shown that most students agreed that they use mobile payments more in order to “save cash” (M=2.92), while the factor which is least affective is peer pressure.

Table 7. Planning budget before making cash payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	72	38.7	38.7	38.7
	Never	21	11.3	11.3	50.0
	Sometimes	93	50.0	50.0	100.0
	Total	186	100.0	100.0	

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The table above indicates that most students exhibit budgeting awareness when making cash payments, with 38.7% always and 50.0% sometimes planning their expenditure in advance. Only 11.3% report never planning a budget, suggesting that cash transactions encourage greater financial deliberation. The tangible nature of cash appears to heighten spending awareness and reinforce self-regulatory behavior, supporting the view that traditional payment methods act as an effective psychological control against unplanned spending.

Table 8. Planning budget before making mobile payments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	45	24.2	24.2	24.2
	Never	35	18.8	18.8	43.0
	Sometimes	106	57.0	57.0	100.0
	Total	186	100.0	100.0	

The table above show the data set that indicates whether the students plan their expenditures, along with the execution of both payments through cash as well as mobile. The data indicates that 72 students are willing to plan their expenditures prior to the cash payments, whereas only 45 students plan their expenditures prior to the mobile payments. There exists a clear disparity that somehow the students are not logically spending during the mobile payments as opposed to the cash payments.

Table 9. Deviation from mobile budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 4,000	19	10.2	10.2	10.2
	Upto 1,000	73	39.2	39.2	49.5
	Upto 2,000	53	28.5	28.5	78.0
	Upto 3,000	31	16.7	16.7	94.6
	Upto 4,000	10	5.4	5.4	100.0
	Total	186	100.0	100.0	

The results shows that a majority of students experience deviations from their planned budgets when using mobile payment methods. Nearly half of the respondents (49.5%) exceed their mobile payment budget by up to ₹1,000, while a substantial proportion report higher deviation, with 28.5% exceeding by up to ₹2,000 and 16.7% by up to ₹3,000. Notably, 10.2% of respondents exceed their budget by more than ₹4,000. These findings indicate that mobile payments are associated with significant budgetary slippage, suggesting reduced expenditure control and heightened susceptibility to overspending due to the low salience and frictionless nature of digital transactions.

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Table 10. Deviation from cash budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 4,000	8	4.3	4.3	4.3
	Upto 1,000	136	73.1	73.1	77.4
	Upto 2,000	31	16.7	16.7	94.1
	Upto 3,000	8	4.3	4.3	98.4
	Upto 4,000	3	1.6	1.6	100.0
	Total	186	100.0	100.0	

The above table illustrates that when the students exceed the budget while making mobile payments and cash payments respectively. It can be observed that the students tend to exceed the budget while using the mobile payment methods regardless of the level of excessing the budget compared to the cash payments. Thus, the null hypothesis (students do not overspend while making mobile payments) can be rejected and the alternative hypothesis (students overspend while making mobile payments) can be accepted.

Discussion

This research gives empirical confirmation to prove that mobile payment usage is a highly influencing factor in determining spending practices amongst university students, especially concerning potential overspending. Evidence from the findings indicates that payment systems are far from being an impersonal tool of transaction but are associated with influencing personal selfregulation of finances. The current study aptly highlights mobile payments together with cash payments to prove a strong point in argumentatively showing how digital payments are a weakening factor of expense control.

The increased level of budget deviation revealed in mobile payment transactions provides strong support for the pain of paying framework. As suggested in previous research, because there is less tangibility and immediacy in mobile payments, consumers are less likely to assign psychological pain to their expenses, making them less salient. In that regard, this study further reinforces previous research in that it is shown that this phenomenon is not only accompanied by an increased number of transactions but also leads to actual budget deviations.

One of the most intriguing results is the budgeting practices difference that exists when comparing different payment methods. The likelihood of budgeting before paying cash is shown to be higher among students compared to mobile payment methods, indicating that digital payment systems lead to impulsive consumer spending. The result supports mental account theories because it suggests that mobile payment systems go beyond the budgeting mental map conclusions by diminishing the linkage that exists between payment and consumption.

Further analysis of the factors that made an impact shows that convenience had an even bigger impact on mobile payment adoption compared to social factors such as peer pressure. This goes against everything that has traditionally been said about youth consumer behavior, as social comparison has always been cited as one of the main factors behind youthful overspending. Research, however, shows that overspending has become systemic in nature and is presently embedded in mobile payment system

design features that reduce cognitive engagement during payment processes with the aim of nudging users to overspend.

Financial dependence appears as a significant contextual element that magnifies these behavioral outcomes. The dominance of pocket money-dependent participants suggests a lack of autonomy and financial savvy that could increase vulnerabilities to digital overspending. In these environments, the widespread availability of mobile payment services may accelerate poor spending habits, where the lack of effort-expenditure association is particularly acute for nonearners. The results indicate the relevance of investigating spending behaviors in a particular socioeconomic context.

The developing economy context further strengthens the contribution of this study. Demonetization and the COVID-19 pandemic led to the rapid diffusion of mobile payment systems in India, amidst a situation of relatively low levels of financial literacy and limited regulatory emphasis on spending awareness. If the gradual adoption patterns in developed economies insulate the economy from potentially addictive effects, Indian students were exposed to digital payments at a faster rate, which may have heightened their salience for behavior. It follows that the magnitude of overspending recorded in this study reflects structural conditions germane to fastdigitizing economies.

Furthermore, it can be concluded that there is support provided by these findings that mobile payment services enable an individual to engage in impulsive micro-expenditures. When small transactions are performed routinely, including those that are food-related or transportationrelated, they tend to accumulate, adding up to significant deviations in budgeting. Disregarding the cognitive compilation of such expenses, in turn, contributes to an underestimation of total expenses, hence perpetuating consumer behaviors.

Importantly, the evidence indicates that overspending associated with mobile payments is largely unintentional rather than reflective of deliberate financial irresponsibility. Students do not consciously seek to overspend; instead, they respond to the structural characteristics of digital payment systems that reduce spending awareness. This distinction carries important managerial and policy implications, as it shifts the focus from individual blame toward platform design and institutional responsibility.

Overall, the study confirms and extends existing behavioral payment literature by providing context-specific evidence from an underexplored population. By linking mobile payment usage to budgeting failure and expenditure deviation, the research advances understanding of the mechanisms through which digital payments influence financial behavior. The findings highlight the need for balanced digital payment ecosystems that preserve convenience while incorporating safeguards to support consumer financial well-being, particularly among young and financially vulnerable users.

Conclusion

This paper investigated the role of mobile payment adoption in influencing spending habits in college-going students, in terms of overspending. The primary data gathered from University of
Delhi students revealed that adoption of mobile payments is linked to greater spending, lack of budget control, and deviations in spending pattern as opposed to cash payments. The above findings indicate that, as an increasing number of people turn to mobile payments, their financial regulatory abilities could be compromised.

The results also indicate that students are more likely to budget and allocate their money when they use cash payments compared to mobile payments. The reason for using mobile payments and the result of using the same are closely related. That is, the use of mobile payments makes students have decreased awareness and perception of the amount of money being spent. From a theoretical point of view, the “pain of paying” explains that the use of less tangible money, such as the money in mobile phones, will reduce the awareness and pain of paying.

From a practice point of view, what is significant about these findings is that they have implications for policies, institutions of learning, and organizations that offer mobile money services. Collegegoing individuals are future members of society. It becomes a significant aspect to focus on such habits that these individuals have. Strategies such as expenditure alerts, expenditure feedback options, default budgeting options, and financial education campaigns could help reduce the risk associated with the use of mobile payment systems. In addition, policymakers and institutions of learning should include modules on financial education that educate students about digital payment behavior.

Despite the contributions, however, it is important to note the limitation of the research. The current study is limited to university students, which to a certain extent may reduce the generalizability of findings. The future study can be extended to explore different institutional settings, carry out a long-term study, or analyze the moderating variables such as awareness, income generation, or psycho-behavior, to name a few. These can help in understanding the further influence of digital payment options on the consumer behavior process that pervades the largely cashless society.

Our study largely involved the survey done by questionnaires among the Delhi University students. The questions posed by our research can also be explored in future researches.

Theoretical Implications

The contribution of this study to the literature on consumer behavior and digital payments involves the empirics on how mobile payment adoption affects overspending among college-going students. These results confirm the theoretical hypothesis of the influence of modality of payment on spending behavior, thereby reinforcing the relevance of the "pain of paying" framework. The findings on reduced awareness and budgetary control when making mobile payments support the hypothesis that fewer concrete forms of money undermine psychological barriers to spending. The findings from this study can be viewed as contributing to theories on consumer behavior in the realm of digital payment tools and their impact on psychological barriers to expenditure in economic decision-making among young consumers.

Managerial Implications

The findings and conclusions derived from conducting this research have a number of significant implications for managers, policymakers, and institutions that operate within the mobile payments sector. The implications for manager-level individuals responsible for mobile payment service organizations include creating platforms that facilitate responsible levels of expenditure. Online functionalities such as real-time alerts for expenditure, summary notifications at regular intervals, customizable spend limits, and budgeting reminders can ensure responsible levels of control by users over their finances while enjoying the benefits of mobile payments.

Limitations and Scope for further research

We have focused only on college-going students of Delhi University because of resource constraints. Future research work can be done on college-going students of different universities on the spending pattern and factors influencing while doing mobile payments. The current study will be confined only to the quantitative research method. Future research work can be carried out through qualitative research to have a better understanding of the underlying patterns or through a mixed-methods study.

Although it makes a significant contribution towards comprehension of the link between mobile payments and over-spenders amongst university students, some potential avenues of future research remain. Firstly, since the current study is based upon a specific university, the generalization of findings

remains limited. Future studies may broaden their scope to include students belonging to various universities.

Second, longitudinal research design methods could be utilized to monitor students' levels of overspending and their ability to financially manage when interacting with online payment systems after having greater exposure to finance systems and having greater levels of financial experience as students progress with their college education.

Thirdly, future studies may explore the effect of moderating and mediating variables such as financial literacy, sources of income, peer effects, self-control, as well as psychological characteristics on digital payments related spending. The inclusion of qualitative research techniques like personal interview sessions may further expand knowledge of cognitive as well as emotional aspects of mobile payments.

Finally, comparative studies between different digital payment instruments and traditional payment modes can further clarify how varying levels of payment tangibility influence consumer behavior in an increasingly cashless economy.

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