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Influence of mobile payment systems on consumer habits: Evidence from Bangalore

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Abstract

Social media has given us great ways to protect and build our digital reputations. Today we have the ease of searching conversations, the ability to set alerts to help us monitor our names, the constant availability of learning opportunities and more ways to communicate and interact with others. The main objective of the study to know about the perception of customers towards social media and to identify whether social media networks can create brand awareness better than offline advertisements. Primary data is been collected from 102 respondents who are using social networking in Coimbatore region and percentage analysis was used as a tool to analyses the data. The conclusion is that the respondents said that they don't have a feasibility of easy access which shows that the company has to design it much user friendly to satisfy the users in future period of time and the respondent feel that the advertisement page I not attractive and if the company tries to change as per the taste then the number of viewers can be increased in future period of time.

Keywords: Mobile payment systems, consumer habits, digital transactions, market management, Bangalore, customer perception

Introduction

- **Context:** Bangalore as a major metro / tech hub; high smartphone penetration; many fintech and mobile payment service users.
- **Why Bangalore is interesting:** mixture of traditional retail, ecommerce, food delivery, rapid adoption of mobile payments, but also varying levels of trust, security concerns etc.

Research questions

- How has mobile payment adoption in Bangalore shifted transaction frequency & spending behaviour?
- To what extent does it foster impulse purchases and brand loyalty?
- What demographic and psychological factors moderate these effects in Bangalore?
- What are perceptions & concerns about mobile payments among Bangalore consumers?

Literature Review + Local Studies

- The study "Impact of mobile wallets on consumer spending frequency and loyalty: An empirical study conducted in Bangalore urban" provides key insight for Bangalore.
- It examines how mobile wallet usage is associated with spending frequency and brand loyalty. Details: survey based; analyzes ease of use, rewards, security.
- **A locally relevant study:** "A Study on Consumer Perception Towards Digital Payment" (SSSR College, Bengaluru) which looks at perceptions of digital payments among Bangalore consumer base: trust, convenience, motivators.
- **Bangalore's performance as a city in digital payment adoption**
According to Worldline India data, Bangalore saw the highest volume and value of digital payment transactions among Indian cities for January-October 2022: ~ 47.37 million transactions (volume) and INR 114.11 billion (value). These were led by categories: grocery, restaurants, clothing/apparel, e-commerce, gaming. \
- **Broader Indian context:** high adoption of digital wallets / UPI; in 2023, ~90.8% of India's population using mobile wallets.

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Methodology (for the Bangalore-Focused Study)

Since some Bangalore-data exists but some gaps remain, an ideal methodology would combine:

- Survey of Bangalore consumers (n ~ 300-500), with demographics: age, income, education, tech familiarity. Questions include: frequency of mobile payment use (daily/weekly/monthly), average value per transaction, types of purchases (essentials vs hedonic), impulse purchase frequency, brand loyalty, trust & security concerns, motivation (rewards, convenience etc.).

- Analysis of secondary transaction data from payment processors / merchants in Bangalore, to track volume & value by category over time.
- Statistical tests (e.g. correlation, regression) to see how mobile payment use predicts spending frequency, impulse buying, loyalty; moderation by age/income etc.
- Possibly experimental or quasi-experimental designs e.g. compare behaviour with cash vs mobile payments, or with vs without reward/incentive features.

Data & Findings (from Bangalore + National Data)

Here are what existing data show for Bangalore & India more broadly, plus plausible estimates extrapolated for Bangalore.

Table 1: Bangalore & India more broadly, plus plausible estimates extrapolated for Bangalore.

Metric	Bangalore / Local	National / Contextual	Implications / Observations
Digital Payment Transaction Volume & Value (Bangalore, Jan-Oct 2022)	~ 47.37 million transactions; INR 114.11 billion value processed via digital payments.	Nationally, mobile wallet transactions expected to exceed INR 100 trillion in 2024.	Bangalore's large share shows consumers there are early adopters; sectors driving growth are retail, restaurants, e-commerce etc.
Consumer Awareness & Usage in Bangalore	From the SSS-College Bengaluru study: high awareness; many use mobile payment / wallet / UPI etc. Also from the "Impact ... Bangalore urban" study: mobile wallet usage correlates with greater transaction frequency and with brand loyalty.	Nationally ~ 90+% adoption of mobile wallets; ~93% of consumers used at least one digital payment method in past year.	Suggests Bangalore is close to national average or above in many behaviors.
Impulse / Frequency / Loyalty	In Bangalore urban study: mobile wallets significantly associated with higher frequency of spend; rewards / convenience are key drivers for loyalty and repeat use. (Exact magnitudes would need full paper for numbers.)	Nationally, many consumers prefer online/digital payments; convenience is a major factor. Surveys show high use of mobile devices and apps.	Bangalore likely exhibits notable increase in impulse small-ticket purchases (food, restaurants, small retail) compared to larger, planned purchases.
Barriers / Concerns (Bangalore)	From perception studies: trust, security, risk of fraud, sometimes usability concerns. Also some caution among Bangalore consumers more than in some other metros about mobile transaction security.	Nationally, security, fraud, digital literacy is commonly raised barriers.	These might moderate adoption / frequency; some consumers may use mobile payments for some categories but still prefer cash / cards for others.

Findings and Interpretation Specific to Bangalore

From the available data + logical inferences, here are key findings for Bangalore:

- **High adoption & rapid growth:** Bangalore is among the top cities in India in both volume and value of digital payment transactions. It is leading in categories like grocery, restaurants, apparel etc. **Frequent usage in daily life:** Consumers in Bangalore use mobile payments increasingly for day-to-day purchases (groceries, food orders, bill payments etc.), especially in younger, working populations. Local survey data confirms high awareness and usage.
- **Loyalty & reward features matter:** Bangalore consumers are more likely to stick with mobile wallet services that offer good rewards, cashback, promotions, seamless UX. In impacting loyalty, these features are significant.
- **Impulse buying increases:** With ease of payments (wallet, UPI, QR), small ticket, hedonic purchases rise. While exact quantitative figures from Bangalore are fewer, patterns are consistent with national / experimental studies.
- **Moderating factors:** Age (younger more likely), income (middle / high income), tech literacy; also concerns over security / trust moderate usage, particularly for larger transactions.
- **Caveats & Barriers:** Even in Bangalore, some consumers are cautious: preference for cash/card for high-value purchases; concerns over fraud; some merchants or informal vendors may not accept mobile payment or UPI reliably.

Discussion and Implications

a) For Businesses / App Providers in Bangalore:

- Emphasize rewards, convenience, UX design.
- Transparency in fees, better security assurance to reduce friction / distrust.
- On boarding and education efforts for older or less tech-savvy consumers.

Policy and Regulation

- Protection against fraud; consumer rights; supportive infrastructure (ensuring merchants even in informal sectors accept UPI / QR etc.).
- Digital literacy programs; ensuring affordability.

For Consumers

- Awareness about over-spending, managing budgets with mobile payments (since digital makes "pain of paying" less).
- Checking security / verifying transactions.

Conclusion and Future Research

- **Conclusion:** In Bangalore, mobile payment systems are substantially influencing consumer habits: increasing transaction frequency, facilitating impulse purchases, encouraging brand loyalty via rewards; but usage and impact vary by demographic and trust.

Future Research Gaps:

- Need for up-to-date, granular Bangalore-specific data on average spend per mobile transaction, percentage of impulse buys, month-by-month growth.
- Longitudinal studies: how behaviour evolves over time,

- whether increases in spending translate to reduced savings or debt.
- c. Behaviour among rural outskirts / informal settlements of Bangalore: whether adoption and impacts are similar or different.
 - d. Experimental work: comparing mobile payments vs cash in real purchase settings.

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