



The Effect of Digital Payment Gateway on Consumer's In-Store Impulse Buying Behaviour

¹Dr Chetna D Vyas ²Dr Divyang K Vyas

¹Assistant Professor, Team Lease Skills University, Vadodara, Gujarat, India

²Assistant Professor (Adhyapak Shayak), Kapadia N.M.M.S. Arts and the Sankheda Nagrik Sahakari Bank Sarvajanic. Commerce College, Sankheda, Gujarat, India

ABSTRACT

The example of purchase gradually becoming helpful in increasing impulsive buying in the shifting circumstances of consumer purchasing behaviour. Most of the world's population drives up demand for goods and services through both online and offline purchasing. With the development of technology and the availability of several digital payment choices, such as contactless cards, debit cards, credit cards, and e-wallets with QR code possibilities. Quickness in payment using digital ways is anticipated to favourably control impulsive purchasing because consumers like the simplicity of making payments for their purchases and the psychological barrier of cash outflow in lowered purchase decision-making speed. With everything just a click away and a vast selection of goods and deals readily available, people are rash in their impulse buys. This study examines how digital payment methods affect impulsive purchasing behaviour using first-hand data.

KEY WORDS: Impulse buying, Aesthetics, Visual merchandising, Vibe, Digital payment, and In-store activity.

INTRODUCTION

Unplanned purchases, spontaneous cravings, and impulse purchases are all frequent occurrences in human behaviour. Every human has a propensity for making impulsive decisions in the dynamic marketing environment, but at varying rates for various people. Impulsive purchasing and decision-making disorders can result in addictions, which are exceedingly detrimental to a person. Although the idea of impulsive purchases is not particularly novel, it has grown significantly in recent years because to the development of new technology. While shopping, customers come across a variety of things, and if one piques their attention, they are more likely to make impulsive purchases. Rapid technology advancements have caused retail shopping to shift swiftly, and merchants have had to adjust to a competitive consumer market.

The mode of payment system is playing a significant part in the evolving retail environment to increase sales volume and income. With the help of digital payment options like debit cards, credit cards, e-wallets with QR code options, BHIM's integration with numerous other e-wallets and contactless cards, consumers can pay for their purchases more easily and overcome the psychological barrier of cash outflow, which slows down the decision-making process for purchases and, ultimately, curbs impulse buying. As a result, the speed of payments made through digital methods is anticipated to positively curb this behaviour.

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Literature Review:

DeSarbo and Edwards (1996) distinguished compulsive buying from impulse buying, explaining that impulse buying was different from compulsive buying because impulse buying was influenced by external triggering factors like in-store environment but compulsive buying was stimulated by internal triggering factors like anxiety. This helps researchers to identify the store environment factors behind the behavior and their consequences. The store environment may include a lot of elements ranging from interior decoration to human components.

Beatty and Ferrell (1998) they observed as shoppers look around in a store, they experience more and more urges, and it creates possibility of high impulse purchase. The income level, window displays and visual merchandising have significant influence on consumer's behavior, especially, a well decorated, pleasant and calm store environment along with colorful surroundings. In addition, there is a difference between male and female impulse buying behavior where female consumers tend to be more impulsive.

Zhang (2006) Identified that online marketing transactions are similarly impacted by impulsive buying behaviors. In light of the fact that men are more impulsively motivated than women, he came to the conclusion that men had higher propensities to make IBT. Impulsive purchase was positively correlated with financial availability.

Borzekowski and Kiser (2008) discovered that situational circumstances and various digital payment options, such as credit cards, debit cards, and others, had an impact on consumers' propensity for impulsive behaviour.

Romanova and Kudinska (2016) discovered that a firm that offers financial services using software-based applications. According to a few of the definitions given above, fintech is a financial service that utilises technology to expedite and streamline processes.

Objective of the study:

This study's main goal is to comprehend how digital payment methods affect retail customers' impulsive purchases.

Research Methodology:

In this study, data were gathered utilising a mall-intercept survey approach, which was also employed in earlier studies (Beatty and Ferrell, 1998). We were granted permission to conduct our poll at 20 of Gujarat's top grocery chains, including V-Mart, D-Mart, Big Bazar, and Molls, in order to fairly reflect the various consumer demographics. 437 of the 568 respondents who were contacted and asked to participate in the study accepted. The remaining 37 respondents' questionnaires were incomplete, leaving the researchers with a sample size of 400. In the sample, there are nearly equal amounts of men (52%) and women (48%), as well as single (54%) and married (46%) people. The age range begins at 15 years of age and up. Participants in this research had at least a high school diploma.

Impulse purchase was the dependent variable in this quantitative study, whereas the independent variable was the digital payment method. Researchers employed two established five-point Likert measures in this study (the digital payments scale and the impulse buying scale), both of which have previously been validated research.

Data Analysis:

The current research study, which is based on primary data, focused on retail customers, or people recruited from a variety of demographic groups and behavioural facets. The conclusions are based on the researchers' hypothesis since data was gathered from primary sources.

Hypothesis:

A hypothesis is a speculative claim that describes the connection between two or more variables.

H₀: There is no significant impact of digital payment mode on impulse buying of retail consumers.

Analysis: According to the ANOVA statistics (through SPSS), p -value $df(399) = 0.007$, $p < 0.05$. As a result, we reject H₀. We may draw the conclusion that the use of digital payments has a big impact on impulsive purchases.

Table 1: Correlations between Digital payment mode vs. IBT

		Average Impulse Buying Tendency	Average Digital Payment Mode
Average Impulse Buying	Pearson's Co-relation	1	0.749
	Significance level (2-tailed)		0.000
Average Digital Payment	Pearson's Co-relation	0.749	1
	Significance level (2-tailed)	0.000	

(Source: Primary Data, Correlation is significant at the 0.01 level (2-tailed)).

Findings:

The alternative hypothesis (H₀₁) is adopted when the null hypothesis (H₀) is rejected as a result of analysis. It is also crystal evident that respondents' digital payment methods do not exhibit a comparable propensity for impulsive purchases. Hence Digital payment methods such debit cards, credit cards, paytm, phonepe, and e-wallets have a distinct impact on respondents' impulsive purchasing behaviour. Consumers' use of digital payment methods has a strong positive correlation with impulsive purchases. Since $p < 0.05$, it is clear that the use of digital payments affects consumers' impulsive purchasing behaviour.

Conclusion:

Researchers can draw the conclusion that technological advancements and the availability of numerous digital payment options, such as debit and credit cards, e-wallets with QR code options, BHIM's integration with many other e-wallets, and contactless cards, have a positive impact on consumers' impulse purchases at retail stores.

Managerial Implications and Suggestions:

The study of digital payment mechanisms and their effects on consumer behaviour can both benefit from the research. Both academics and professionals since it offers a tool for efficiently examining consumer behavior, particularly with regard to impulsive purchasing and digital payment systems. The study has produced a model for the key ideas in digital payment systems that significantly affect impulsive purchase. From a management perspective, it's critical to comprehend how customers develop and utilise digital payment methods when making purchases because failing to take these expectations into account might have a positive impact on the company. According to the report, marketers should concentrate on the aspects of digital payment methods that make customers particularly vulnerable and have an influence on their impulsive purchasing behaviours.

Limitations of the Study:

Due to time constraints, the researcher is forced to confine his investigation to chosen samples of chosen cities in the Gujarat Region. The data gathering approach used in this study is a mall intercept survey method employing a schedule across several malls in the state of Gujarat.

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