

Instant Gratification, Reshaping the Consumer Behavior in the Digital Age

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Abstract:

People's buying patterns and thought processes have been impacted by the idea of a "digital society," which has sparked a shift in traditional cash transactions and toward digital payment options. This payment system revolution has not only changed the manner that financial transactions are carried out, but it has also had a significant impact on people's spending habits and psychological decision-making processes. The fast, straightforward, and easy nature of digital payment options has consequently led to a significant shift in customer behavior.

Consumers who can deal digitally can experience instant satisfaction while making purchases because they can do so quickly and easily. This instant sense of satisfaction can lead to impulsive purchases and a tendency to overspend.

Moreover, consumers are often lured by rewards, discounts, and cashback incentives from digital payment services like Amazon Pay and Google Pay, which act as powerful inducements for higher spending. These alluring incentives have the potential to cause people to make additional purchases—sometimes even beyond what they initially needed—just to take advantage of these attractive deals. As people are lured to make purchases not only out of necessity but also in pursuit of the appealing rewards and cost savings offered by these digital payment services, this trend adds to a culture of excessive and impulsive spending. The availability of these incentives heightens the appeal and ease of use of digital payments while also possibly encouraging a tendency toward more spending.

Keywords: Digitalization, overspending, instant gratification, impulsive buying, perceived ease of use, perceived enjoyment.

Introduction:

A new era of ease has been brought about by the widespread use of electronic payment systems and the emergence of a digital culture, which has significantly changed how people handle their expenses. People used to mostly rely on actual cash that they carried around in their wallets, which frequently fostered more thoughtful and frugal spending. This was a result of their immediate and real awareness of their financial resources. But there has been a major shift in consumer buying habits with the arrival of credit cards and, more recently, digital payment methods like UPIs, Amazon Pay, and Google Pay.

In the contemporary landscape, it has become remarkably simpler for individuals to conduct transactions without an instant recognition of the budgetary implications. The accessibility and quickness of these transactions can sometimes lead to impulsive buying decisions. Promotions, discounts, and cashback incentives offered by these services further encourage this behavior. Individuals might make unplanned purchases because they are enticed by these offers, even if they do not genuinely need the items they are buying.

Being financially conscious entails keeping a close eye on your finances, making wise spending decisions, and being fully aware of the long-term effects of your choices. It all comes down to finding a balance between good financial management and the ease of digital payments. Potential drawbacks of digital payment ease can be lessened by encouraging people to create budgets, think things over carefully before making purchases, and be more conscious of their spending patterns.

Literature Review:

Government policy reforms have brought about a revolution in terms of growth, technology content, and market structure, as well as an increase in the penetration of mobile and internet usage driven by a large boom in digital payments. In addition, the Indian government launched the Digital India program in 2016 with the goal of transforming Indian society into one that is enabled by technology (Neha Gupta, Jennifer Jagose, Aditya Mulye, 2022). Additionally, the government was a crucial factor in pushing the idea of a cashless society.

During the COVID-19 pandemic, the rate of adoption of digital payment methods increased even more. Both the comfort of the user and quicker, easier transactions are provided via this technology. Due to the ease of use this medium offered, customers began making impulsive purchases.

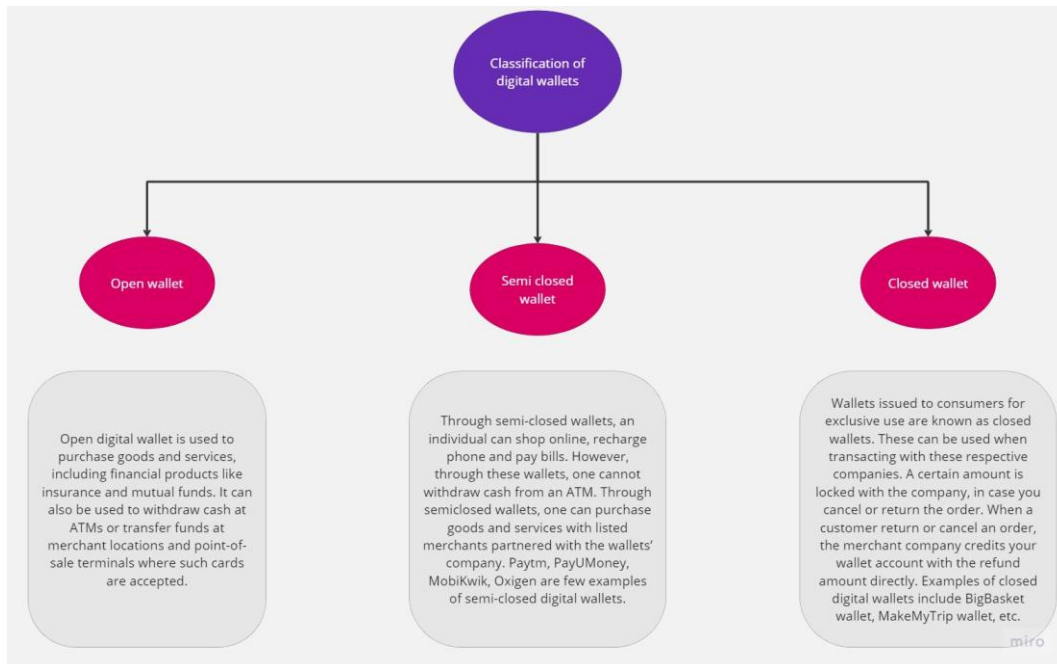


Figure 1 Classification of digital wallets by Akhila Pai H.

The use of this digital payment service also induced impulsive buying behavior among the consumers. Instant gratification is the term used to describe the immediate pleasure experienced after fulfilling an acute demand without considering the long-term consequences. Impulsive buying is the tendency to make purchases without prior forethought. It occurs when consumers browse any kind of good or service and give in to the impulse to buy it without giving it any thought. Whether or not that product is necessary.

Impulsive purchasing and consumer personality are closely related. People who exhibit emotional instability—characterized by traits such as worry, moodiness, and self-doubt—are more likely to act on impulse. This emotional inconsistent conduct is commonly known as "neuroticism," and research indicates that it positively correlates with impulsive purchasing. Individuals who have a strong propensity for making impulsive purchases are especially vulnerable to the persuasive power of marketing techniques like pictures, commercials, and gifts, which may stimulate their curiosity and result in impulsive purchases (Anant Jyoti Badgaiyan and Anshul Verma, 2014).

Cashback and incentive points are additional factors that impact consumer behavior on online platforms. The scenario serves as a stimulant, which may affect the consumer's mental process and encourage impulsive purchasing.

Research Methodology:

The study was carried out with both Primary and Secondary data. Primary data was collected with the help of a structured questionnaire, circulated with the help of google form. A questionnaire was developed and was floated in the form of a survey. Secondary data was collected through the internet and other journal and published articles related to the topic.

Snowball Sampling Technique was used to circulate the survey. It was floated among the network of friends, and they floated it among their network and so on the sample size was built on.

Sample size of 122 respondents were collected to understand the role of digitization and its impact on the spending habits of the consumer. Among the 122 participants, 71 identified as female (58.2%), 50 identified as male (41%), 1 identified as non-binary (0.8%).

The survey's aim was to understand the penetration of technology and the reason it was preferred by consumers. The questions of the survey included their demographics, educational qualification, awareness about the online payment services and what is used by them, the sectors in which money flows through the online transactional systems, the frequency of using these modes and the amount of money spent monthly and the specifications that the service offer for being preferred by the consumer.

Conclusion:

The convenience and efficiency of digital payment services have undeniably improved our daily lives. However, in a society where cashless transactions have become the norm, the disconnection between physical money and digital transactions can lead to unforeseen financial consequences. That is why it is imperative for consumers to remain vigilant about their spending habits. Financial education and prudent financial planning are more critical than ever in this environment.

While the development of digital payment systems has undoubtedly enhanced the efficiency and convenience of financial transactions, it has also introduced a shift in consumer behavior. Impulsive buying has become more common in this digital era. To address this, fostering financial mindfulness becomes essential. It is the key to helping people make responsible and educated spending decisions as they navigate this new landscape of digital money. Striking a harmonious balance between the convenience of cashless transactions and responsible financial management is the path to maintaining financial well-being in this digital age.

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