

**RESEARCH PROJECT ON**  
**IMPACT OF DIGITAL PAYMENT APPS ON SPENDING**  
**HABITS OF COLLEGE STUDENTS**

Project Report submitted in partial fulfillment  
for the award of the degree of  
**BACHELOR OF BUSINESS ADMINISTRATION**

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## **1. ABSTRACT**

Digital payment applications have become one of the most important developments in the modern financial system. The rapid growth of smartphones, internet services, and financial technology has encouraged people to shift from traditional cash transactions to online payment systems. Applications such as Google Pay, PhonePe, Paytm, and BHIM are now commonly used for money transfers, online shopping, food delivery, recharge services, bill payments, and entertainment subscriptions.

College students are among the major users of digital payment applications because they frequently use smartphones and internet-based services in their daily lives. Cashback offers, reward points, convenience, and fast transaction facilities attract students toward digital payment systems. However, the increasing use of digital payment applications may also influence students' spending behavior and encourage impulsive buying habits.

The present study aims to analyze the impact of digital payment applications on the spending habits of college students. The study focuses on understanding students' preferences toward digital payment applications, factors influencing their usage, frequency of online payments, and the effect of digital transactions on financial behavior.

The research is based on both primary and secondary data. Primary data was collected from 50 college students through a structured questionnaire using Google Forms. Secondary data was collected from books, journals, websites, research papers, and online reports related to digital payment systems and consumer behavior.

The collected data was analyzed using tables, percentages, bar graphs, and charts. The findings reveal that Google Pay is the most preferred digital payment application among students. Convenience, cashback offers, and fast transaction facilities are the major reasons influencing students to use digital payment systems. The study also concludes that digital payment applications significantly influence students' spending habits and increase impulsive buying behavior in many situations.

The research highlights that although digital payment systems provide convenience and promote cashless transactions, certain challenges such as cyber fraud, technical issues, payment failures, and internet dependency still exist. Overall, digital payment applications have become an essential part of students' daily financial activities and continue to shape consumer behavior in the digital economy.

## **2. OBJECTIVES OF THE STUDY**

The major objectives of the study are:

- a. To study the usage of digital payment applications among college students.
- b. To identify the most preferred digital payment applications used by students.
- c. To analyze the impact of digital payment applications on students' spending habits.
- d. To examine the factors influencing students to use digital payment systems.

## **3. HYPOTHESIS OF THE STUDY**

### **1. Null Hypothesis (H0)**

Digital payment applications do not significantly affect the spending habits of college students.

### **2. Alternative Hypothesis (H1)**

Digital payment applications significantly affect the spending habits of college students.

## **4. REVIEW OF LITERATURE**

Digital payment systems have become an important topic of research due to the rapid growth of online transactions and financial technology.

According to Sharma (2021), digital payment applications are increasingly popular among college students because they provide convenience and easy accessibility. The study concluded that cashback offers and promotional schemes strongly influence students to use digital payment systems.

Gupta and Verma (2020) found that online payment systems reduce dependency on cash and save time for users. The research also highlighted that digital payment systems encourage impulsive spending behavior among young consumers.

Kumar and Singh (2022) stated that digital payment applications have transformed consumer behavior by making transactions easier, faster, and more accessible. Their study revealed that college students prefer digital payment systems because of secure transaction facilities and reward benefits.

Reports published by the Reserve Bank of India indicate continuous growth in UPI transactions due to increasing smartphone usage and internet penetration in India.

Studies conducted by the National Payments Corporation of India show that young users and college students are among the largest users of digital payment systems.

Although several studies have focused on digital banking and technology adoption, limited research has specifically examined the relationship between digital payment applications and spending habits of college students. Therefore, the present study attempts to fill this research gap.

## **5. RESEARCH METHODOLOGY**

### **Research Design**

The present study is descriptive in nature because it focuses on understanding students' behavior, opinions, preferences, and spending habits regarding digital payment applications.

### **Sources of Data**

#### **1. Primary Data**

Primary data was collected directly from respondents through a structured questionnaire using Google Forms.

#### **2. Secondary Data**

Secondary data was collected from:

- Books
- Research journals
- Websites
- Online articles
- Government reports
- Research papers related to digital payment systems

### **Sampling Method**

Convenience sampling method was used because respondents were selected based on availability and willingness to participate.

### **Sample Size**

The study is based on responses collected from 50 college students.

### **Area of Study**

The study is limited to college students who regularly use digital payment applications.

## Tools Used for Data Analysis

The collected data was analyzed using:

- Percentage analysis
- Tables
- Charts
- Bar graphs

## Method of Data Collection

Data was collected through online Google Form surveys shared through social media platforms and WhatsApp groups.

## 6. DATA ANALYSIS AND INTERPRETATION

### 6.1 Gender-wise Distribution of Respondents

Gender	Number of Respondents	Percentage
Male	28	56%
Female	22	44%
Total	50	100%

### INTERPRETATION

The analysis shows that 56% of respondents are male students and 44% are female students. This indicates that both male and female students actively use digital payment applications.

### 6.2 Age-wise Distribution of Respondents

Age Group	Respondents	Percentage
18–20 Years	20	40%
21–23 Years	22	44%
Above 23 Years	8	16%
Total	50	100%

### INTERPRETATION

The majority of respondents belong to the age group of 21–23 years, which indicates that young college students are the major users of digital payment systems.

### 6.3 Preferred Digital Payment Applications

<b>Application</b>	<b>Respondents</b>	<b>Percentage</b>
Google Pay	20	40%
PhonePe	15	30%
Paytm	10	20%
BHIM	05	10%
Total	50	100%

## **INTERPRETATION**

Google Pay is the most preferred digital payment application among students because of its convenience, user-friendly interface, and cashback offers.

### **6.4 Frequency of Usage**

<b>Frequency</b>	<b>Respondents</b>	<b>Percentage</b>
Daily	30	60%
Weekly	12	24%
Occasionally	8	16%
Total	50	100%

## **INTERPRETATION**

Most students use digital payment applications daily for online shopping, money transfers, and recharge services.

### **6.5 Purpose of Using Digital Payment Applications**

<b>Purpose</b>	<b>Respondents</b>	<b>Percentage</b>
Online Shopping	18	36%
Food Delivery	12	24%
Recharge/Bill Payments	10	20%
Money Transfer	07	14%
Entertainment	03	6%
Total	50	100%

## **INTERPRETATION**

Online shopping is the major purpose for using digital payment applications among students.

### **6.6 Factors Influencing Usage**

<b>Factor</b>	<b>Respondents</b>	<b>Percentage</b>
Convenience	20	40%
Cashback Offers	12	24%
Fast Transactions	10	20%

Security	8	16%
Total	50	100%

## **INTERPRETATION**

Convenience is the most important factor influencing students to use digital payment systems.

## **7. MAJOR FINDINGS OF THE STUDY**

The major findings of the study are as follows:

1. Digital payment applications are widely used among college students.
2. Google Pay is the most preferred application among students.
3. Most students use digital payment systems daily.
4. Convenience and cashback offers strongly influence students to use digital payment applications.
5. Online shopping is the primary purpose of using digital payment systems.
6. Digital payment applications encourage impulsive spending behavior among students.
7. Most students are satisfied with digital payment applications.
8. Students face challenges such as internet issues, cyber fraud, and payment failures.

## **8. CONCLUSION**

The study concludes that digital payment applications have significantly transformed the financial behavior and spending habits of college students. Applications such as Google Pay, PhonePe, Paytm, and BHIM have become essential tools for daily transactions due to convenience, speed, and accessibility.

The research reveals that digital payment applications positively influence students by making transactions easier and promoting cashless payments. However, the study also highlights that digital payment systems may encourage impulsive buying behavior because transactions are quick and cashless.

Cashback offers, discounts, and promotional schemes strongly motivate students to use digital payment systems more frequently. At the same time, challenges such as cyber fraud, internet dependency, and technical issues remain important concerns.

Overall, digital payment applications continue to play an important role in shaping the financial behavior and spending patterns of college students in the digital era.

## **9. RECOMMENDATIONS**

1. Students should maintain proper control over online spending habits.
2. Educational institutions should organize digital financial awareness programs.
3. Digital payment companies should strengthen security systems.
4. Students should regularly monitor and track their expenses.
5. Government and financial institutions should spread awareness regarding safe digital payment practices.
6. Digital payment applications should improve customer support and reduce technical errors.

## **9. LIMITATIONS OF THE STUDY**

Every research study has certain limitations that may affect the scope and accuracy of the findings. The present study also has some limitations, which are as follows:

1. The study is limited only to college students and does not include other groups of people.
2. The sample size is limited to 50 respondents; therefore, the findings may not represent the opinions of the entire population.
3. The responses collected are based on the personal opinions and experiences of students, which may vary from person to person.
4. The study was conducted within a limited time period, which may affect the depth of the research.
5. The research mainly focuses on selected digital payment applications such as Google Pay, PhonePe, Paytm, and BHIM.
6. Some respondents may not have provided completely accurate or honest responses in the questionnaire.
7. The study is limited to a specific geographical area and may not represent the behavior of students from all regions.

## **11. REFERENCES**

### **Books**

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#### Journals

International Journal of Research in Commerce and Management.

Journal of Digital Banking and Financial Technology.

Journal of Emerging Technologies and Innovative Research (JETIR).