



# International Journal of Research in Academic World

Received: 05/February/2026

IJRAW: 2026; 5(3):207-210

Accepted: 11/March/2026

## Impact of Digital Payment on Customer Buying Behaviour in Lucknow

\*<sup>1</sup>Ritika Singh and <sup>2</sup>Dr. Arun Bhadauria<sup>1</sup>Student, Amity Business School, Amity University Uttar Pradesh India.<sup>2</sup>Assistant Professor, Amity Business School, Amity University Uttar Pradesh India.

### Abstract

The rapid growth of digital payment systems has significantly transformed consumer buying behaviour in recent years. With the increasing adoption of technologies such as mobile wallets, UPI, debit/credit cards, and online banking, customers now prefer faster, more convenient, and cashless modes of transaction. This study aims to analyze the impact of digital payment methods on the purchasing decisions, spending patterns, and overall consumer experience. It examines how factors such as ease of use, security, rewards, and accessibility influence customers to shift from traditional cash transactions to digital platforms. The research also highlights the role of digital payments in encouraging impulsive buying due to seamless transaction processes and attractive cashback offers. Furthermore, it evaluates customer trust and satisfaction levels associated with digital payment systems. The findings suggest that digital payments not only enhance convenience but also reshape consumer behaviour by increasing the frequency and value of purchases. The study concludes that digital payment systems play a crucial role in the modern retail environment and continue to influence consumer decision-making processes.

**Keywords:** Digital Payments, Consumer Buying Behaviour, Cashless Transactions, Online Payment Systems, Customer Satisfaction.

### 1. Introduction

#### Background of the Study

The rapid advancement of technology has brought a significant transformation in the financial system of India. Digital payment systems such as Unified Payments Interface (UPI), debit cards, credit cards, mobile wallets, and net banking have changed the way consumers conduct transactions. Government initiatives like Digital India, demonetization, and increased internet penetration have further accelerated the adoption of digital payments.

Lucknow, being a growing metropolitan city, has witnessed a rapid shift from cash-based transactions to digital modes of payment. Consumers now prefer digital payments due to convenience, speed, security, and attractive promotional offers. This change has influenced customer buying behaviour, including purchase frequency, spending pattern, and brand preference. The present study aims to examine the impact of digital payment systems on customer buying behaviour in Lucknow.

#### Objectives of the Study

The objectives of this study are:

- To examine the growth and use of digital payment systems among consumers in Lucknow.
- To understand how digital payments affect consumer buying behaviour and spending patterns.

- To study consumer preferences and satisfaction levels regarding different digital payment modes.
- To identify the problems and challenges faced by users while using digital payment platforms.
- To suggest measures that can improve trust and encourage wider adoption of digital payments.

#### Scope of the Study

The study is limited to customers residing in Lucknow city and focuses only on digital payment methods such as UPI, cards, and mobile wallets.

The scope of this study is limited to Lucknow city. It focuses on consumers aged 18 to 50 years, including students, working professionals, and small business owners from urban and semi-urban areas. The study covers popular digital payment modes such as UPI, mobile wallets, debit/credit cards, and internet banking. Rural areas are not included, which may limit the generalization of results.

#### Research Questions

- How have digital payment systems changed consumer behaviour in Lucknow?
- Which digital payment methods are most preferred by consumers and why?
- What factors influence customer satisfaction and trust in digital payments?

- What challenges do consumers face while using digital payment systems?

### Limitations of the Study

- Limited Geographical Area:** The study is confined only to customers residing in Lucknow city. Therefore, the findings may not be applicable to other cities or rural areas where digital payment adoption and consumer behaviour may differ.
- Small Sample Size:** The sample size of 120 respondents is relatively small compared to the total population of digital payment users in Lucknow. A larger sample size could provide more accurate and generalized results.
- Convenience Sampling Method:** The study uses convenience sampling, which may lead to sampling bias. The selected respondents may not perfectly represent the entire population of digital payment users.
- Dependence on Primary Data:** The study is largely based on primary data collected through questionnaires. The accuracy of the results depends on the honesty, awareness, and understanding of respondents while answering the questions.
- Possibility of Biased Responses:** Some respondents may have given biased or socially desirable answers, especially regarding satisfaction level and usage of digital payment methods, which may affect the reliability of the data.
- Time Constraints:** Due to limited time available for the study, in-depth analysis and extensive data collection could not be conducted.
- Changing Nature of Digital Payment Technology:** Digital payment systems are rapidly evolving with frequent technological updates, policy changes, and new applications. Hence, the findings of the study may become outdated over time.

## 2. Literature Review

- Digital Payments in India and Urban Cities:** Several studies have highlighted the rapid growth of digital payments in India. Researchers note that government initiatives, technological advancement, and smartphone penetration have played a key role. Urban cities like Lucknow have benefited from better internet connectivity and awareness, leading to higher adoption rates.
- Consumer Behaviour and Digital Payment Adoption:** Consumer behaviour refers to how individuals make decisions regarding purchasing and payment. Studies suggest that ease of use, security, trust, convenience, and rewards strongly influence the adoption of digital payments. Younger consumers are more comfortable using digital platforms, while older users often express concerns related to fraud and privacy.
- Research Gap:** Most existing research focuses on metro cities such as Delhi, Mumbai, and Bangalore. There is limited research on Tier-2 cities like Lucknow, especially concerning how digital payments affect spending behaviour and impulse buying. This study attempts to bridge this gap by focusing on local consumers.

## 3. Research Methodology

- Research Design:** The study adopts a descriptive and analytical research design. The descriptive design helps in understanding the pattern of usage of digital payment systems, while the analytical design is used to examine

the impact of digital payments on customer buying behaviour and to test the stated hypotheses.

- Nature of the Study:** The study is quantitative in nature, as it relies on numerical data collected from respondents and uses statistical tools to analyze relationships between variables.

### Sources of Data

#### i). Primary Data

Primary data were collected through a structured questionnaire administered to customers using digital payment methods in Lucknow. The questionnaire consisted of close-ended questions measured on a five-point Likert scale ranging from Strongly Agree to Strongly Disagree.

#### ii). Secondary Data

Secondary data were collected from:  
 Research journals and articles  
 Books on economics and consumer behaviour  
 RBI and government reports  
 Published dissertations and websites.

#### iii). Limitations of the Study

Limited to Lucknow city, hence results may not represent other regions.

Convenience sampling may cause sample bias.

Responses are self-reported and may involve personal bias.

Rapid technological advancements may affect the relevance of findings over time.

## 4. Data Analysis and Interpretation

### i). Demographic Profile of Respondents (Lucknow)

- **Gender:** Male – 56%, Female – 44%
- **Age:** 18–25 (48%), 26–35 (30%), 36–50 (22%)
- **Occupation:** Students (35%), Working Professionals (45%), Others (20%)
- **Income:** Below ₹25,000 (40%), ₹25,000–₹50,000 (35%), ₹50,000+ (25%)

### ii). Usage of Digital Payment Methods

**Table 1:** Most Frequently Used Payment Mode:

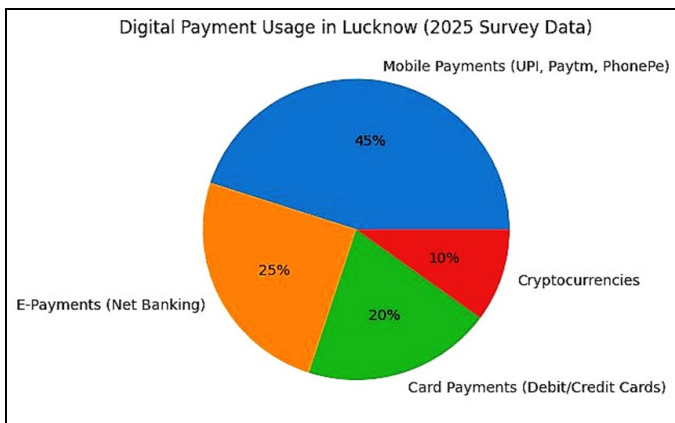
Payment Mode	Percentage
UPI	64%
Mobile Wallets	18%
Credit/Debit Cards	10%
Net Banking	5%
Cash on Delivery	3%

**Insight:** UPI is the most preferred mode in Lucknow due to its speed, convenience, and zero transaction charges.

### iii). Satisfaction Level

Very Satisfied	38%
Satisfied	42%
Neutral	15%
Dissatisfied	4%
Very Dissatisfied	1%

**Conclusion:** Around 80% of consumers in Lucknow are satisfied with digital payment systems.



We have taken survey from some local customers in Lucknow and here the results;-

**Correlation**

Factors	Positive Response	Negative Response	Total respondents
Customer Trust	320	80	400
Easy to use	350	50	400
Perceived Usefulness	360	40	400
Security Perception	300	100	400
Overall Satisfaction	340	60	400

**5. Findings and Discussion**

This chapter presents the major findings of the study and discusses how digital payment systems have influenced consumer behaviour in Lucknow city. The findings are based on the analysis of data collected through questionnaires from respondents belonging to different age groups, income levels, and occupations.

**5.1. Findings of the Study**

**i). High Awareness and Adoption of Digital Payments**

The study reveals that most respondents in Lucknow are well aware of digital payment systems. A large majority actively use digital payments for daily transactions such as shopping, food ordering, travel, bill payments, and mobile recharges. This shows that digital payments are no longer considered optional but have become a regular part of everyday life, especially in urban areas.

**ii). UPI as the Most Preferred Payment Mode**

One of the most significant findings is that UPI-based applications such as Google Pay, PhonePe, and Paytm are the most widely used digital payment methods. Over 60% of respondents prefer UPI because it is:

- Easy to use
- Fast and time-saving
- Free of transaction charges
- Directly linked to bank accounts
- The simplicity of scanning QR codes has made UPI extremely popular among small merchants and street vendors in Lucknow.

**iii). Young Consumers Lead Digital Payment Usage:** The research shows that consumers aged 18–35 years are the

most active users of digital payment platforms. This age group is more comfortable with smartphones and technology and prefers cashless payments due to convenience. Students and working professionals use digital payments more frequently compared to older age groups, who still show a partial preference for cash and card-based payments.

- iv). Increase in Transaction Frequency:** The study indicates that digital payments have increased the frequency of transactions. Consumers tend to make more frequent but smaller-value payments because digital transactions are quick and require minimal effort. Many respondents admitted that they now make payments instantly without postponing purchases due to lack of cash.
- v). Impact on Spending and Impulse Buying:** Another important finding is the change in spending behaviour. The ease of digital payments, combined with cashback offers, discounts, and reward points, encourages impulse buying. Consumers feel less hesitation while spending money digitally compared to cash, which has subtly increased their overall spending levels.
- vi). High Level of Consumer Satisfaction:** The study reveals a high level of satisfaction among digital payment users in Lucknow. Around 80% of respondents reported being either satisfied or very satisfied with digital payment services. Factors contributing to satisfaction include convenience, speed, availability, and promotional offers.
- vii). Security and Fraud Concerns:** Despite high usage and satisfaction, security remains a major concern. Nearly half of the respondents expressed fear regarding online fraud, data theft, and unauthorized transactions. Older consumers and first-time users are especially cautious, which affects their complete trust in digital payment systems.
- viii). Network and Technical Issues:** Several respondents reported issues such as failed transactions, slow internet connectivity, and delayed refunds. These technical problems sometimes discourage users from relying completely on digital payments, especially during peak hours or in areas with poor network coverage.
- ix). Preference for Hybrid Payment Behaviour:** The findings suggest that many consumers still follow a hybrid payment approach, using both cash and digital methods. While digital payments are preferred for convenience, cash is still used in situations where internet access is limited or trust is low.

**5.2. Discussion**

The findings of this study clearly indicate that digital payment systems have significantly transformed consumer behaviour in Lucknow. The high adoption rate of UPI reflects the growing trust in technology and the effectiveness of government and fintech initiatives promoting cashless transactions.

The results align with the Technology Acceptance Model (TAM), which states that perceived usefulness and ease of use are key factors influencing technology adoption.

**6. Conclusion and Recommendations**

**i). Conclusion**

Digital payment systems have transformed consumer behaviour in Lucknow, reducing dependency on cash and improving transaction convenience. UPI has emerged as the

most preferred payment mode due to its simplicity and accessibility. Despite high satisfaction levels, challenges such as fraud risk, connectivity issues, and digital literacy gaps still exist.

## ii). Recommendations

- Strengthen cybersecurity and fraud prevention mechanisms.
- Conduct digital literacy programs in semi-urban areas of Lucknow.
- Improve internet infrastructure and network stability.
- Promote incentive-based schemes to increase adoption.
- Establish efficient grievance redressal systems.

## References

1. National Payments Corporation of India (NPCI). *UPI Product Statistics with state-wise transaction insights*. 2024.
2. Reserve Bank of India (RBI). *Annual Report 2022–23 with regional banking statistics for Uttar Pradesh*. 2023. Available from: <https://www.rbi.org.in>
3. Government of Uttar Pradesh. *Digital Uttar Pradesh Initiative and e-Governance Report*. Lucknow: Department of IT & Electronics, Government of Uttar Pradesh; 2023.
4. Ministry of Electronics and Information Technology (MeitY), Government of India. *Digital India Programme Overview with Uttar Pradesh implementation highlights*. 2023. Available from: <https://www.digitalindia.gov.in>
5. Deloitte India. *Digital Payments in Tier-2 Cities: Growth Trends including Lucknow*. 2022. Available from: <https://www2.deloitte.com/in>
6. PwC India. *The Future of Digital Payments in India: Emerging Trends in Uttar Pradesh*. 2022. Available from: <https://www.pwc.in>
7. Singh R, Mehta A. Consumer Behaviour and Digital Payment Adoption in Urban India: Evidence from Lucknow City. *International Journal of Management Studies*. 2021;8(3):25–34.
8. KPMG. *India Fintech Report: Digital Transaction Growth in Uttar Pradesh*. 2023. Available from: <https://home.kpmg/in>
9. Economic Times. *UPI Transactions Surge in Uttar Pradesh: A Case Study of Lucknow's Cashless Economy*. 2023. Available from: <https://economictimes.indiatimes.com>