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Digital Payment Convenience and Consumer Spending Behaviour: Evidence from UPI Users in Bengaluru

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***Abstract*—This paper examines the ways in which the growing convenience of Unified Payments Interface (UPI) transactions influences consumer spending behaviour in Bengaluru, one of India's leading cities in digital payment adoption. As daily transactions increasingly take the form of a scan-and-pay process rather than physical cash exchange, the question of how this frictionless process affects consumer decisions has grown in importance. The study concentrates on three major dimensions: perceived ease of use, 24/7 availability, and the psychological distancing that occurs when physical money is no longer part of the transaction.**

The research was undertaken using a descriptive research design, with primary data collected from UPI users in Bengaluru through a structured questionnaire. Statistical analysis was used to test the relationship between changes in payment convenience and changes in spending behaviour. Results show a positive and significant relationship between the two, with the simplicity of scan-and-pay emerging as the most effective determinant of increased transaction frequency.

One of the most notable effects relates to what researchers term the decoupling effect — the psychological phenomenon whereby the perceived cost of spending is lower when physical cash is not used. The absence of the physical act of handing over money appears to make users less aware of their spending, which in turn leads to more frequent impulse purchases. Although digital transaction records are considered a useful tool for reviewing expenditure, this information alone does little to help most people avoid impulse purchases in the moment.

The study concludes that while UPI is highly effective in simplifying daily transactions and enabling broader economic engagement, it does so at the cost of making financial discipline more difficult to maintain. As a solution, the paper suggests a complementary approach involving enhanced personal financial awareness alongside carefully designed fintech interface changes, such as real-time spending alerts or subtle behavioural nudges, to help users make more thoughtful choices in an increasingly convenient digital payment society.

***Keywords*—Consumer Behaviour, Decoupling Effect, Digital Payment Convenience, UPI, Bengaluru.**

I. Introduction

The financial landscape of the world has undergone a sea change over the past two decades, with a marked shift away from cash-based rituals toward digitized methods of payment.

Rapid mobile technology advancement, near-ubiquitous internet connectivity, and supportive government policy have all played a role in the incremental embrace of digital financial services across economies. India is one of the most pertinent global markets for this shift toward real-time digital payments. The increasing penetration of smartphones, falling data costs, and active government involvement in promoting financial-service adoption have enabled a very large share of the population to participate in electronic payment systems (Dev et al., 2024).

Among the crucial developments in India's digital payment landscape is the launch of the Unified Payments Interface (UPI) by the National Payments Corporation of India in 2016. UPI transformed retail transactions by enabling instant inter-bank transfers through a single unified mobile system, allowing users to send and receive funds instantaneously without relying on conventional banking channels. UPI adoption accelerated alongside major structural shifts such as the 2016 demonetization policy, the Digital India programme, and the pandemic-driven shift toward contactless payments (Huggi et al., 2024). Sreenu (2020) argues that demonetization, by severely restricting cash availability, was the pivotal event that laid the groundwork for UPI's rapid spread.

As digital payments increasingly become part of everyday economic life, researchers have begun examining their implications for consumer behaviour and consumption habits. Traditional cash transactions carry a degree of friction arising from the physical handling of money and the time taken to complete a transaction. Digital payment systems significantly reduce this friction, making mobile transactions fast and convenient. Empirical studies across cities such as Chennai, Mumbai and Coimbatore report that the convenience of UPI transactions is positively associated with a greater frequency of consumer transactions (Rafee et al., 2022), with the ability to complete a payment within seconds observed to encourage both higher purchasing frequency and, in some cases, impulse purchases.

Classical technology-adoption models have been used to examine the penetration of digital payment technologies. The Technology Acceptance Model (TAM), developed by Davis (1989), identifies perceived ease of use and perceived usefulness as the primary determinants of technology adoption.

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This model was later extended by the Unified Theory of Acceptance and Use of Technology (UTAUT) proposed by Venkatesh et al. (2003), which incorporated performance expectancy, effort expectancy, and social influence. Applied to UPI adoption, these expectancy and social-influence factors have consistently been found to strongly shape both the intention to adopt and the actual use of digital payment systems.

Beyond technology adoption, digital payment systems also influence psychological consumerism and financial decision-making. Behavioural economics literature introduces the decoupling effect, a psychological phenomenon whereby the act of payment becomes disconnected from the act of consumption. The physical handing over of cash in traditional transactions creates a tangible sense of loss — often termed the pain of paying — but this psychological cost is significantly diminished in fast, cashless digital transactions (Thomas et al., 2011). Meta-analytic evidence indicates that lower tangibility of cashless payment methods is consistently associated with higher consumer expenditure (Schomburgk et al., 2024), and frictionless payments have similarly been linked to heightened impulsive purchasing behaviour.

Researchers investigating digital-wallet use have found a significant positive relationship between digital payment adoption and impulse-buying tendencies (Lee et al., 2022), with comparable findings reported among younger Indian consumers, where the relationship is mediated by financial literacy (Huggi et al., 2024). These findings reveal a paradox at the heart of digital financial innovation: while digital payments deliver a more convenient and efficient shopping experience, they may also carry unintended consequences for consumer spending discipline. In response, recent literature emphasizes behavioural design elements — such as real-time spending alerts, categorical transaction tracking, and behavioural nudges — as potential tools for strengthening financial self-control, although some studies suggest that mere access to transaction records is insufficient to curb impulse purchases in the moment, since users often do not attend closely to their financial position in real time (Padmavathi et al., 2021).

Bengaluru offers a highly appropriate setting for examining the relationship between digital payment convenience and consumer spending habits. As one of India's most technologically advanced cities, it exhibits high rates of digital connectivity, extensive smartphone penetration, and strong fintech adoption.

Its dense urban population — comprising students, IT professionals, business owners and service employees — relies heavily on UPI-based payments for everyday needs such as retail shopping, transport, food, and bill payments, and UPI is similarly prevalent across the city's business landscape, from large retail chains to small vendors and local markets. Given this extensive penetration of digital payments, the present study seeks to examine the relationship between the convenience of digital payments and consumer spending patterns among UPI users in Bengaluru, contributing to the growing body of literature on digital financial behaviour and offering insight into how frictionless payment systems are shaping contemporary Indian consumer decision-making.

A. Statement of the Problem

The rapid shift from cash to electronic systems such as UPI has fundamentally altered the psychology of expenditure. While UPI is an exceptionally convenient tool, there is growing concern that frictionless transactions also encourage impulsive behaviour and a lack of budgetary discipline. This concern warrants investigation, as the emotional pain of paying may become disconnected from the physical act of purchasing simply because a transaction now requires only the scan of a QR code. The primary focus of this study is the relationship between the perceived ease of use of UPI and the rate of unplanned spending among urban consumers. Through this analysis, the study offers suggestions to financial institutions on strengthening personal finance management tools, and to consumers on understanding the ways in which spending patterns may shift improperly within a digital-first economy.

II. Review Of Literature

A. The Rise of Digital Payments and the Arrival of UPI in India

One of the most significant financial transformations of the past two decades has been the global shift from cash-based to digital payment systems. Enhanced mobile services, expanding internet connectivity, and supportive government policy have together accelerated this change, positioning India as a global leader in real-time digital transactions (Dev et al., 2024). In 2016, the National Payments Corporation of India launched the Unified Payments Interface, fundamentally reshaping retail payments by enabling instant inter-bank transfers through a single mobile system.

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The 2016 demonetization policy, the Digital India programme, and the pandemic-driven shift of digital payments into the mainstream of urban and semi-urban life together generated a new wave of adoption (Huggi et al., 2024). Sreenu (2020) identifies demonetization as a structural inflection point that compelled both consumers and merchants to rapidly reorganize their transaction habits toward digital alternatives, establishing the conditions under which UPI became the country's dominant payment channel.

B. Buying and Spending Habits in a Cashless Economy

As digital payment has become embedded in users' everyday lives, scholars have shown growing interest in how frictionless transaction systems shape consumer decision-making and spending processes. Comparative studies of urban Indian consumers in Chennai, Mumbai and Coimbatore have repeatedly found that the convenience UPI offers is associated with a higher rate of spending, with overspending frequently cited as a side effect of convenient access (Rafee et al., 2022). Empirical research in Uttarakhand by Kumar and Sofat (2022) similarly found that the removal of transactional friction produced a significant reduction in resistance to expenditure. Dev et al. (2024) extend this question to the pan-Indian level, examining UPI's role in altering individual expenditure behaviour and noting a considerable literature gap regarding micro-level behavioural outcomes on household budgets and financial discipline, as most prior work has focused on macro-level adoption trends.

C. Theoretical Foundations: TAM and UTAUT in Digital Payments

The theoretical underpinning of digital payment studies rests largely on the Technology Acceptance Model developed by Davis (1989), which identifies perceived usefulness and perceived ease of use as the principal drivers of technology adoption. Applied to mobile and UPI-based payment systems, this model has repeatedly shown that ease of use has a direct, positive impact on consumer attitudes and behavioural intentions toward digital payment systems (Venkatesh et al., 2003). Constructs such as trust, social influence and security concerns have further been incorporated within the Indian context to better understand the specific drivers of UPI adoption. Applying the Unified Theory of Acceptance and Use of Technology to UPI adoption, prior research finds that performance expectancy, effort expectancy and social influence positively predict adoption intention, with perceived risk mediating the relationship between facilitating conditions and actual usage.

Taken together, these frameworks position convenience and ease of use not merely as antecedents of adoption but as persistent behavioural tendencies that continue to shape spending long after adoption has occurred.

D. The Psychology of Cashless Spending and the Decoupling Effect

A central theme within the behavioural-economics literature on digital payments concerns the psychological restructuring of spending cognition brought about by cashless transactions. Commonly referred to as the decoupling effect or cashless effect, this phenomenon arises when technology reduces the mental distance between money and the act of exchange, thereby lowering the psychic cost of spending — the so-called pain of paying (Thomas et al., 2011). A meta-analysis by Schomburgk et al. (2024), published in the Journal of Retailing, confirms across multiple studies that lower payment tangibility reliably predicts increased spending. Fania and Paramita (2025), applying a Stimulus-Organism-Response framework, show that perceived ease of use and the pain of paying significantly influence impulse purchasing, with consumer satisfaction mediating this relationship in QR-code payment contexts directly comparable to UPI's scan-and-pay model. This body of literature suggests that the very features that make UPI convenient — instantaneity, the invisibility of money, and minimal effort — are also the features that weaken spending restraint.

E. Impulsive Buying, Behavioural Nudges and Financial Literacy

This dampening of spending restraint in cashless environments intersects with a broader literature on impulse purchasing and the moderating role of financial literacy. Lee et al. (2022), studying Malaysian consumers, find that digital wallets increase the likelihood of impulse buying, a pattern echoed among Indian Generation-Z consumers in Mumbai, where cashless payment use was associated with impulse purchasing mediated by financial awareness (Huggi et al., 2024). Thomas et al. (2011) similarly show that credit-based instruments heighten the perception of low transaction cost, a mechanism structurally comparable to the frictionless interface UPI provides. In response, fintech scholars have proposed behavioural nudges — including real-time spending notifications, category-based budgeting, and cooling-off options — within payment-app design. Financial literacy emerges as a key mediating variable in this context, with financially literate individuals better equipped to resist the impulse-buying tendencies embedded in frictionless payment systems (Dev et al., 2024).

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Padmavathi et al. (2021) confirm this in the Indian context, finding that while digital-payment users regard transaction history as an acceptable tracking tool, access to this historical data does little to influence impulse decisions in the moment — underscoring the need for more active fintech interventions.

F. Research Gap

Although the literature documents the rise of UPI and broader shifts in spending behaviour, a substantial gap remains in understanding the psychological phenomenon of decoupling specifically among working professionals in Bengaluru. Existing research is largely concentrated on Gen-Z consumers or micro-enterprises, leaving a gap in the empirical evaluation of how effective real-time digital notifications are in promoting sustained budget discipline and curbing impulsive spending over time.

III. Research Methodology

This study is based on a systematic framework for gathering and examining information on the effect of digital payments. It adopts a quantitative approach to examine the association between payment convenience dimensions and expenditure behaviour.

A. Research Design

The study follows a descriptive research design, informed by the objective of providing a substantively accurate account of the practices and perceptions of UPI users in Bengaluru without manipulating variables. This design is well suited to the research problem, as it enables the study to address how, when and to what extent the convenience of UPI payments affects consumer spending behaviour and psychological perceptions of money, offering a reliable account of prevailing digital financial behaviour in an urban Indian setting. The study is quantitative in nature and is designed to test whether the convenience variables — perceived ease of use, 24/7 availability, digital notifications, and the decoupling effect — are correlated with the dependent variable of consumer spending behaviour, enabling statistically supported conclusions on the relationship between UPI convenience and impulsive spending habits.

B. Study Objectives

- To examine the socio-economic profile of UPI users in Bengaluru and the extent of their online transactions.
- To establish the relationship between the perceived convenience of UPI (speed, availability and ease) and impulsive spending behaviour.
- To determine the influence of digital payment notifications and access to transaction history on budget discipline.
- To assess the level of consumer awareness of the psychological decoupling effect between digital money and physical cash.

C. Sources of Data

Primary Data: The empirical foundation of this research rests substantially on primary data, collected through a structured online questionnaire administered directly to UPI users in Bengaluru. A total of 350 respondents were surveyed to ensure that the information gathered was current, original, and closely aligned with the study's research aims. The primary data captures respondents' lived experience, transaction habits, attitudes toward digital spending, and psychological awareness of the decoupling phenomenon.

Secondary Data: Secondary data was drawn from published academic journals, official Reserve Bank of India (RBI) reports, and statistics published by the National Payments Corporation of India (NPCI). These authoritative sources provide historical, statistical and theoretical context for interpreting the primary findings. National-level UPI adoption and transaction-volume trends were contextualized using RBI and NPCI data, while the study's theoretical framework draws on peer-reviewed journal articles.

D. Sampling Plan

Sampling Unit: Individual UPI users residing in Bengaluru — either students or working professionals — who had completed at least one UPI transaction in the three months preceding the survey.

Sample Size: 350 valid responses were obtained, a statistically adequate size for a quantitative descriptive study involving several behavioural and attitudinal variables, sufficient to support regression and correlation analysis.

Sampling Technique: Convenience sampling was employed, enabling the researcher to reach a sizeable population of digital-payment users across Bengaluru's diverse tech hubs, educational institutions, and residential zones. The questionnaire was distributed through WhatsApp and email, ensuring broad geographic reach across the city.

E. Tools for Data Collection

Survey (Structured Questionnaire): The principal data-collection tool was a structured questionnaire using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), administered online via Google Forms.

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It comprised four thematic sections: socio-demographic information (age group, occupation, monthly income); UPI usage patterns (frequency of use, transaction types, and reasons for preferring UPI over cash); perceived convenience, trust and availability (ease of use, 24/7 service, and scan-and-pay speed); and spending behaviour and the decoupling effect (shifts in spending, impulsive buying, and psychological perceptions of digital versus cash spending).

Observation: To supplement the survey data, the researcher observed local retail and kirana stores in Bengaluru, comparing the rate and frequency of UPI payments against cash payments, providing real-world, point-of-sale evidence of UPI adoption.

Focus Groups: Smaller group interviews of 5–8 active UPI users were conducted to obtain deeper qualitative insight into the emotional dimensions of digital spending. These discussions validated and contextualized the quantitative findings, particularly regarding psychological decoupling and the role of real-time notifications in shaping financial discipline.

F. Plan of Analysis

Collected data was systematically aggregated, categorized and tabulated. Data entry and organization were carried out in MS Excel, with further statistical analysis performed using IBM SPSS. The following statistical tools were used to derive meaningful inferences:

Descriptive Statistics: Frequencies, percentages, means and standard deviations were computed for the respondents' demographic profile, UPI usage patterns, and responses to each Likert-scale item, providing a summary of central tendencies and variability underlying the study's analytical framework.

Reliability Analysis (Cronbach's Alpha): The internal consistency of the Likert-scale items was tested using Cronbach's Alpha in SPSS. The overall alpha obtained was 0.9872, indicating excellent reliability and confirming that the items consistently and accurately measure the constructs of UPI convenience, expenditure behaviour and the decoupling effect.

Correlation Analysis: Pearson correlation was used to examine the bivariate relationships between the independent variables — perceived ease of use (scan-and-pay convenience), 24/7 availability, digital payment notifications, and the decoupling effect — and the dependent variable, consumer spending behaviour. Statistical significance was tested at the 0.01 level (2-tailed).

Regression Analysis: Multiple linear regression was performed to determine the predictive strength of the convenience variables on consumer spending behaviour. All independent variables were entered simultaneously using the Enter method, allowing the relative contribution of each predictor to be assessed. Overall model fit was evaluated using R^2 and ANOVA statistics, along with the significance of individual coefficients (p-values and standardized beta coefficients).

IV. Objectives

- To investigate the socio-economic characteristics of UPI users in Bengaluru and their rate of digital transactions.
- To assess the relationship between the perceived convenience of UPI (speed, availability and ease) and impulsive spending behaviour.
- To examine how the visibility of digital payment notifications and availability of transaction history affect consumer budget tracking.
- To determine the extent of consumer awareness of the psychological decoupling effect between digital money and physical cash.

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V. Conceptual Framework

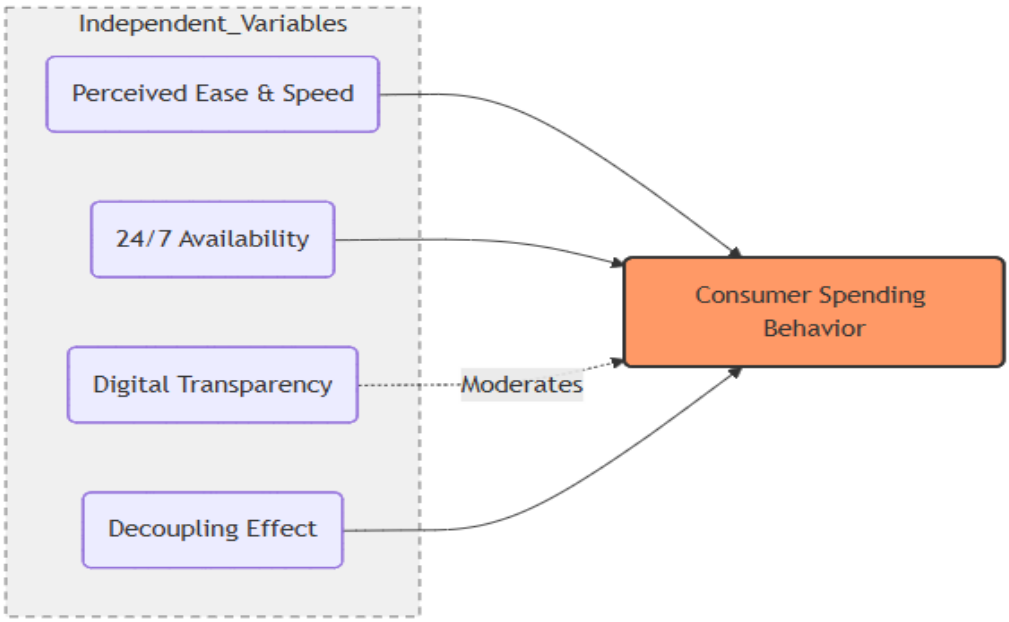

Fig. 1. Conceptual framework linking digital payment convenience and consumer spending behaviour among UPI users in Bengaluru.

The conceptual model illustrates how digital payment convenience and consumer spending among UPI users in Bengaluru are connected. Four independent variables are identified: Perceived Ease, 24/7 Availability, Digital Transparency, and the Decoupling Effect. Consumer Spending Behaviour, the dependent variable, is hypothesized to be directly influenced by the first three variables — the perceived ease and speed of scan-and-pay transactions, the round-the-clock availability of UPI, and the presence of digital transaction history. Digital Transparency, however, has a dual role, acting as both a mediating variable and a direct influence on spending behaviour: while transaction history and payment notifications increase users' awareness of their spending, this awareness does not necessarily translate into restrained spending in the moment. The Decoupling Effect, representing the psychological separation from money that occurs when no physical cash changes hands, further drives overall — and at times impulsive — spending by alleviating the perceived pain of paying. Together, these constructs offer a comprehensive representation of both the functional and psychological dimensions of UPI convenience, providing a conceptual basis for empirically studying the behavioural consequences of digital payment adoption.

VI. Analysis And Interpretation

Null Hypothesis (H0): The relationship between the perceived convenience of UPI and the rate of impulsive spending behaviour among users in Bengaluru is not significant.

Alternative Hypothesis (H1): The perceived convenience of UPI has a significant positive correlation with the frequency of impulsive spending behaviour among users in Bengaluru.

1) Dependent Variable (DV):

Consumer Spending Behaviour — the primary outcome under measurement, encompassing transaction frequency, the extent of impulse buying, and adherence to a monthly budget.

2) Independent Variables (IV):

Perceived Ease of Use and Speed — the friction lessness of scan-and-pay and the speed of instant processing, which diminishes payment friction.

24/7 Availability and Accessibility — the omnipresence of UPI across vendor types, from kirana stores to high-end retail, and the ability to transact at any time.

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Digital Transparency (Notifications/History) — the immediate feedback provided by SMS alerts and in-app transaction logs that shape users' perception of their account balance.

The Decoupling Effect (Psychological Factor) — the psychological disconnection arising from the absence of physical cash, which lowers the pain of paying and may encourage increased spending.

A. Descriptive Statistics

Table I summarizes the descriptive statistics for the 350 survey respondents across demographic, usage and behavioural variables.

TABLE I

Item	N	Min	Max	Mean	Std. Dev.
Age group	350	1	4	2.03	.895
Current primary occupation	350	1	4	2.11	.933
Monthly personal income	350	1	4	2.37	1.004
Frequency of using UPI for daily transactions	350	1	4	1.56	.826
Category with highest number of UPI transactions	350	1	4	2.10	1.075
Primary reason for preferring UPI over cash	350	1	4	2.22	1.100
Frequency of reviewing UPI transaction history to check spending	350	1	4	2.79	.947
24/7 availability & speed makes unplanned purchases more likely	350	1	5	3.55	1.169
Tend to spend more using UPI vs. physical cash	350	1	5	3.72	1.106
Not "seeing" money leave wallet reduces pain/hesitation	350	1	5	3.86	1.039
Instant payment notifications help stay disciplined with budget	350	1	5	3.26	1.184
Difficult to track small-value UPI transactions (₹10–₹50)	350	1	5	2.36	1.149
"Scan and Pay" increased frequency of eating out / online food orders	350	1	5	3.82	1.097
Digital transaction history more effective than remembering cash expenses	350	1	5	4.00	1.053
Consciously aware digital payments create sense of more spending power	350	1	5	3.34	1.168

The descriptive statistics for the 350 respondents present a vivid portrait of UPI use and behavioural influence in Bengaluru. The average age group (2.03) and average monthly income (2.37) point to a young, middle-income population comprising mainly students and salaried professionals. UPI is deeply embedded in everyday life, with a high level of transaction frequency (Mean = 1.56, where 1 denotes multiple times a day).

On the behavioural side, respondents strongly agree that digital transaction history is more useful for tracking budgets (Mean = 4.00). However, a clear psychological decoupling effect is evident: users agree that not seeing physical money leave their hands lowers the pain of spending (Mean = 3.86) and results in higher overall spending compared with cash (Mean = 3.72).

Furthermore, the convenience of scan-and-pay substantially increases discretionary spending such as eating out (Mean = 3.82). Although users report that instant notifications aid discipline (Mean = 3.26), the relatively high standard deviations (between .826 and 1.184) reflect considerable variation in personal financial management styles across the sample.

B. Regression Analysis

Multiple linear regression was performed with "tend to spend more using UPI compared to physical cash" as the dependent variable, and scan-and-pay convenience, 24/7 availability, instant notifications, and the decoupling effect entered simultaneously as predictors (Enter method). Tables II, III and IV present the model summary, ANOVA results, and coefficients respectively.

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TABLE II

Model	R	R Square	Adj. R Square	Std. Error of Estimate
1	.974[a]	.949	.948	.252

a. Predictors: (Constant), Decoupling Effect, Instant Notifications, 24/7 Availability, Scan & Pay Convenience.

TABLE III

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	405.118	4	101.279	1596.998	.000
Residual	21.879	345	.063		
Total	426.997	349			

a. Dependent Variable: Tend to spend more using UPI compared to physical cash.

TABLE IV

Predictor	B	Std. Error	Beta	t	Sig.
(Constant)	.064	.056	—	1.146	.253
Scan & Pay increased eating-out / online food orders	.536	.062	.531	8.583	.000
24/7 availability & speed — more unplanned purchases	.380	.036	.401	10.559	.000
Instant notifications help stay disciplined with budget	–.009	.033	–.010	–.285	.776
Not seeing money leave wallet reduces pain of spending	.075	.065	.070	1.153	.250

a. Dependent Variable: Tend to spend more using UPI compared to physical cash.

The regression model is highly significant, with an R^2 of 0.949, indicating that the predictors explain 94.9% of the variance in spending behaviour. The strongest and most significant drivers of higher spending are scan-and-pay convenience ($\beta = 0.531, p < 0.001$) and 24/7 availability ($\beta = 0.401, p < 0.001$). Although digital notifications and the psychological pain of paying were included in the model, their p-values (0.776 and 0.250 respectively) indicate that they are not significant predictors in this model.

The null hypothesis (H0) is rejected, and the alternative hypothesis (H1) is accepted.

The ANOVA output indicates a significance level below 0.001, well under the conventional threshold of 0.05, providing strong empirical evidence that the perceived convenience of UPI is a major determinant of impulsive spending behaviour among UPI users in Bengaluru.

C. Correlation Analysis

Pearson correlation coefficients were computed to test the bivariate relationships between the convenience variables and consumer spending behaviour. Table V presents the correlation matrix, with all coefficients significant at the 0.01 level (2-tailed).

TABLE V

Variable	Scan & Pay	24/7 Avail.	Notifications	Decoupling	Spend (DV)
Scan & Pay Convenience	1	.925**	.908**	.978**	.962**
24/7 Availability	.925**	1	.925**	.919**	.948**
Instant Notifications	.908**	.925**	1	.911**	.907**
Decoupling (Pain of Paying)	.978**	.919**	.911**	1	.949**
Spend More Using UPI (DV)	.962**	.948**	.907**	.949**	1

*** Correlation is significant at the 0.01 level (2-tailed).*

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The correlation analysis reveals that all studied variables exhibit a strong, positive correlation, with every coefficient exceeding 0.90. Notably, there is a near-perfect positive correlation between the decoupling effect and higher spending behaviour ($r = 0.949$, $p < .001$). Similarly, scan-and-pay ease ($r = 0.962$) and 24/7 availability ($r = 0.948$) are strongly associated with increased spending using UPI relative to cash. All results are statistically significant at the 0.01 level, confirming that higher UPI convenience and greater psychological decoupling are strongly associated with increased consumer spending behaviour.

VII. Findings

- The demographic profile of the study is dominated by a younger population, with respondents aged 18–35 years accounting for 74.5% of the sample.
- The largest occupational group, comprising 48% of the 350 respondents, consists of salaried professionals in the IT and corporate sectors.
- A large share of participants (61.7%) uses UPI more than once a day, indicating a high degree of integration of digital payments into daily life in Bengaluru.
- "Grocery and Daily Essentials" emerged as the most common category of digital transactions (Mean = 2.10), underscoring its primary role in UPI usage.
- Consumers primarily choose UPI over cash to avoid carrying physical change, with transaction speed as a secondary reason.
- Scan-and-pay convenience shows a high mean score of 3.82, indicating it substantially increases the frequency of ordering food online.
- A near-perfect positive correlation ($r = 0.962$) exists between the ease of scan-and-pay and willingness to spend more.
- Regression findings confirm that convenience factors explain 94.9% of the variance in spending behaviour, establishing them as the most powerful predictors.
- The decoupling effect is a significant psychological motivator, with a mean score of 3.86 indicating users experience less pain when spending without physical cash.
- The correlation between psychological decoupling and actual increased spending relative to cash is very high ($r = 0.949$).
- Digital transaction history is perceived by users as the most effective tool for budgeting, recording the highest mean score (4.00) of the entire survey.
- Despite the availability of digital history, 24/7 accessibility remains a powerful driver of unplanned purchases (standardized $\beta = 0.401$, significant).
- ANOVA results ($F = 1596.998$, $p < .001$) provide strong empirical support for rejecting the null hypothesis in favour of the alternative hypothesis.
- Although widely used, instant notifications record a comparatively lower mean (3.26), suggesting they are not always sufficient to prevent impulsive digital spending.
- Perceived ease of use, with the highest beta coefficient (0.531), is the single most significant factor influencing consumer spending behaviour.

VIII. Conclusion

This study concludes that the introduction of the Unified Payments Interface (UPI) has significantly transformed consumer spending patterns among users in Bengaluru. The empirical results, supported by a robust regression model ($R^2 = 0.949$), show that digital convenience is a primary driver of both higher transaction frequency and impulsive buying. While scan-and-pay and 24/7 availability offer substantial utility, they also give rise to a psychological decoupling phenomenon, whereby the lowered psychological cost of payment is associated with increased spending relative to cash transactions.

The study identifies a notable paradox: although digital transaction history is regarded as a superior tool for budget tracking (Mean = 4.00), the frictionless nature of the technology frequently overrides this transparency, resulting in unplanned expenditure. The results confirm that the null hypothesis is rejected, with a strong positive correlation between payment convenience and impulsive behaviour ($p < .001$). In conclusion, while UPI supports a technologically progressive economy, stronger financial self-regulation among urban consumers is needed to mitigate the unintended effects of frictionless spending in a digital-first world.

IX. Suggestions

- Users should set daily and weekly UPI transaction limits within their banking applications to counter impulse purchases driven by 24/7 access.
- Digital payment applications should introduce a cooling-off period or an additional layer of authentication for high-value discretionary purchases, restoring a healthy degree of friction to the payment experience.

- Consumers are encouraged to manually review and categorize their weekly UPI spending to bring the invisible flow of digital money closer to conscious awareness.
- Fintech developers should introduce "smart nudges" or real-time budget-progress indicators within the scan-and-pay experience to help users stay within monthly limits.
- Financial literacy programmes in Bengaluru should specifically address the decoupling effect, helping young professionals understand why digital payments feel less consequential than cash spending.
- Banking institutions should enhance real-time balance visibility in push notifications so that users remain aware of remaining funds throughout the day.
- Consumers are advised to maintain a separate digital wallet with a predetermined balance dedicated to UPI transactions, reducing the risk of overdrawing primary savings accounts.
- App developers should design more interactive, visual expenditure summaries with colour-coded alerts to flag discretionary spending that exceeds historical patterns.

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