

# Impact Study of E-Wallets Trigger Impulse Purchase: A systematic analysis of Gen Z consumers

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## ABSTRACT

The notion of e-wallet trigger impulse purchase encapsulates the concept that electronic wallets (e-wallets) have the potential to induce spontaneous buying tendencies. E-wallets, by virtue of their seamless transactions, one-click purchase options, promotional incentives, and stored payment information, possess features that may prompt users to make impulsive buying decisions. The convenience and accessibility afforded by e-wallets contribute to a streamlined and expedited purchasing process, potentially leading to unplanned transactions, especially when coupled with enticing promotions or discounts. Grasping this interplay is essential for enterprises and researchers aiming to gain insights into the impact of e-wallets on consumer behaviour, especially within the context of Generation Z. This scholarly investigation systematically examines the ramifications of e-wallet utilization on impulsive acquisitions within the demographic of Generation Z (Gen Z) consumers. Given the widespread integration of digital payment mechanisms, particularly e-wallets, there is a critical need to discern the influence of these platforms on consumer conduct, particularly in instigating impromptu purchasing decisions. The research employs an all-encompassing methodology, amalgamating theories related to the acceptance of technology and consumer psychology to devise hypotheses and direct the inquiry. The focus is directed towards their engagements with e-wallets and the resultant inclinations towards impulsive buying. The script not only scrutinizes the immediate correlation between e-wallet attributes and impulsive acquisitions but also probes into the wider framework of Gen Z's patterns in adopting technology, levels of financial literacy, and the influence of marketing strategies employed by e-wallet providers. The outcomes of this exploration furnish significant insights for enterprises, advertisers, and policymakers endeavouring to comprehend and exploit the intricate dynamics of e-wallet-induced impulse purchases within the progressively influential Gen Z cohort.

**Keywords:** e-wallet, impulse purchase, Gen Z, consumer behaviour.

## Introduction

In the contemporary landscape of rapidly advancing digital economies, the integration of electronic wallets (e-wallets) stands out as a transformative force in shaping consumer behaviour and conduct. This research initiative seeks to delve comprehensively into this phenomenon. The study's genesis lies in the escalating prevalence of e-wallets, electronic systems designed for secure online financial transactions and their consequential impact on the purchasing tendencies of Generation Z (Gen Z).

Gen Z, born between the mid-1990s and early 2010s, epitomizes a demographic entrenched in the forefront of digital adoption. As this cohort navigates a landscape saturated with technological innovations, e-wallets have become integral to their daily financial interactions. The rationale for the selection of this topic emanates from the critical juncture where technology and consumer behaviour intersect. The upsurge in spontaneous buying decisions, facilitated by the convenience and accessibility of e-wallets, constitutes a compelling and timely phenomenon deserving meticulous exploration. The significance of this research is underscored by the transformative effects of e-wallets on conventional modes of commerce. As digital payment mechanisms redefine the dynamics of financial transactions, deciphering how e-wallets stimulate impulsive purchases among Gen Z proves pivotal for businesses, marketers, and policymakers. Businesses can glean insights into consumer preferences, empowering them to craft targeted strategies, while marketers can tailor promotional campaigns to harness the features of e-wallets. Policymakers, in turn, can leverage the findings to shape regulatory frameworks and cultivate responsible financial conduct within the younger demographic.

This research endeavours to unveil the intricate connection between e-wallet utilization and impulsive purchasing decisions among Gen Z, contributing invaluable insights to the evolving landscape of consumer behaviour and digital finance. Through a methodical analysis, the study aims to illuminate the nuanced dynamics of e-wallet-induced impulse purchases and their broader ramifications for the convergence of technology and consumer choices in the digital era.

## Objectives

- To Examine the Relationship Between E-Wallet Usage and Impulse Purchases
- To Identify Key Features of E-Wallets That Influence Impulse Buying
- To Investigate Gen Z's Patterns and Trajectory in Adopting Technology
- To Assess the Levels of Financial Literacy Among Gen Z Consumers
- To contribute Theoretical Insights to the Academic Community

## Gen Z Consumer Behaviour Analysis

Gen Z, the generational cohort born from the mid-1990s to the early 2010s, displays unique attributes that mould their consumer habits in the digital era. Renowned for their strong affinity for technology, Gen Z consumers showcase an inherent ease in seamlessly incorporating digital tools into their daily routines. Shaped by their upbringing in a world dominated by the internet, smartphones and social media, this generation places a significant emphasis on values such as authenticity, personalization, and social awareness, all of which significantly contribute to their decision-making processes. Regarding the adoption of technology, Gen Z stands out as early embracers of emerging digital platforms and devices. Their adeptness in navigating diverse technological interfaces extends beyond mere utility, forming an integral aspect of their identity. Social media, mobile applications, and digital

communication tools transcend being mere conveniences for Gen Z; they constitute fundamental components of their social fabric, exerting influence over their interactions and shaping their preferences.

The impulsive purchasing behaviour of Gen Z is shaped by a complex interplay of diverse factors. Their constant exposure to information and advertisements on digital platforms heightens their susceptibility to spontaneous purchases. Social validation and peer influence, particularly amplified through social media channels, play a substantial role in steering impulsive buying decisions. Furthermore, a penchant for distinctive and novel experiences, combined with a preference for instant gratification, intensifies their inclination toward impromptu purchases. Understanding the intricacies of Gen Z consumer behavior holds paramount importance in the context of researching the impact of e-wallets on impulsive purchases. As e-wallets increasingly integrate into their financial transactions, aligning these tools with the preferences and tendencies of Gen Z presents businesses and marketers with an opportunity to tailor strategies that resonate effectively with this influential demographic. The scrutiny of Gen Z consumer behavior, covering their distinctive traits, technology adoption patterns, and the factors influencing impulsive buying, lays the groundwork for interpreting subsequent findings concerning e-wallet-induced impulsive purchases within this demographic.

### **Comparison with Other Generations**

The dynamics of impulse buying facilitated by e-wallets reveal distinct patterns when comparing Generation Z with other age cohorts. Generation Z, comprising individuals born between the mid-1990s and early 2010s, showcases a distinctive digital-native mindset. In contrast to older generations like Millennials, Gen X, and Baby Boomers, Gen Z's spontaneous purchasing tendencies are markedly shaped by their innate familiarity with technology. E-wallets seamlessly embedded into their daily routines act as conduits for unplanned purchases owing to their early embrace of digital platforms. An examination of Gen Z's impulsive buying behavior within the e-wallet context exposes a preference for immediate satisfaction and novel experiences. Social media amplifies these inclinations, creating an atmosphere where peer influence and social validation assume pivotal roles. Conversely, Millennials, although tech-savvy, may exhibit a more measured approach to impulsive buying, influenced by factors such as financial stability and exposure to a less digitally saturated upbringing. On the other hand, Gen X and Baby Boomers, having witnessed the evolution of technology over time, may manifest more cautious attitudes towards impulsive purchases prompted by e-wallets. Their decision-making processes might be guided by traditional considerations like brand loyalty, product quality, and the perceived value of goods or services, rather than the immediate allure of digital transactions.

The comparative analysis sheds light on how generational perspectives on financial literacy impact impulsive buying facilitated by e-wallets. Gen Z, often characterized by limited financial experience, may succumb to the appeal of instant transactions enabled by e-wallets without comprehensive financial planning. In contrast, older generations, having navigated economic shifts and financial challenges, may approach impulsive buying more judiciously, considering the enduring financial implications. Apprehending these generational nuances is imperative for businesses and marketers seeking to tailor e-wallet strategies effectively. Acknowledging the distinctive interplay of technology, social influences, and financial literacy across generations allows for targeted approaches that resonate with the diverse preferences and behaviours observed in the intricate landscape of consumer demographics.

### **Cross-Cultural Analysis**

A comprehensive cross-cultural examination of how e-wallets impact impulse purchases among Gen Z consumers across different regions reveals intricate insights influenced by diverse cultural factors. The role of culture is paramount in shaping consumer behaviour, demanding a nuanced understanding for businesses and marketers navigating the global market.

In cultures with a predominant focus on individualism, prevalent in Western societies, the influence of e-wallets on Gen Z's impulsive buying tendencies may be shaped by factors such as efficiency and convenience. The seamless transaction processes align seamlessly with values emphasizing personal autonomy and effective time management. Additionally, the impact of social validation through platforms like social media may be heightened, driven by cultural values that prioritize self-expression and individual identity. Conversely, in cultures characterized by collectivism, commonly found in Eastern societies, the dynamics of e-wallet-induced impulse buying among Gen Z may follow a different trajectory. Here, the communal aspect of purchases and the sway of group opinions could carry more weight, with e-wallets serving as tools to enhance shared experiences. The pursuit of social validation through purchases aligns with cultural values that emphasize harmony and group cohesion.

Regions marked by a high uncertainty avoidance index, such as certain Asian cultures, may witness Gen Z consumers prioritizing the security and trustworthiness of e-wallet transactions. The assurance of financial transaction safety becomes a pivotal factor in influencing impulsive buying behaviour. Religious and ethical considerations also contribute to the narrative. Conservative societies, bound by religious principles or ethical guidelines, may witness Gen Z adhering to specific product or service preferences when impulsively using e-wallets. In contrast, more secular cultures may exhibit distinct patterns influenced by contemporary lifestyles and values. By dissecting the interplay of cultural elements, businesses can customize e-wallet strategies to resonate with the sensibilities and preferences of Gen Z consumers across diverse regions. Strategies that align with cultural values, emphasize security, and acknowledge the communal or individualistic nature of societies are poised to effectively capture the attention and engagement of Gen Z in varied cultural milieus.

### **Financial Literacy and E-Wallet Usage**

Exploring the correlation between financial literacy levels in Gen Z consumers and their adoption of e-wallets for impulsive purchases is a crucial investigation. Financial literacy, encompassing comprehension of financial concepts, profoundly influences how individuals manage their finances in today's intricate financial landscape. Within the Gen Z context, characterized by a natural affinity for digital technologies, understanding the interplay between their diverse financial literacy levels and the utilization of e-wallets offers valuable insights. E-wallets, renowned for their convenience, have become essential tools for digital transactions, including spontaneous purchases. This study aims to uncover the relationship between the financial literacy levels of Gen Z consumers and their inclination to use e-wallets for impulsive purchases. It seeks to ascertain whether individuals with higher financial literacy exhibit a more discerning approach in their e-wallet usage, taking into account factors like budgeting, comprehension of transaction fees, and the long-term financial consequences of impulsive buying decisions.

Conversely, those with lower financial literacy may be more susceptible to the immediate allure of e-wallet-enabled impulse purchases, lacking a comprehensive understanding of the broader financial implications. Employing a blend of quantitative and qualitative methods, such as surveys, interviews, and behavioural analysis, this research delves into the intricate ways in which financial literacy shapes the use of e-wallets among Gen Z for impulsive buying. The outcomes of this study not only enhance academic comprehension of the nexus between financial literacy and e-wallet usage but also offer practical implications for businesses, financial educators, and policymakers. Tailoring financial literacy initiatives and designing e-wallet features that align with varying levels of financial knowledge can promote responsible e-wallet usage, empowering Gen Z consumers to make well-informed financial decisions in the digital era.

### **Technological Innovations**

The current landscape of e-wallets is experiencing a substantial transformation due to technological innovations. This study delves into emerging trends within e-wallets and their potential ramifications for impulse buying behavior among Gen Z consumers, a cohort renowned for their inherent tech-savviness. Prominent among these innovations are advancements in biometric authentication, the integration of artificial intelligence for personalized transaction recommendations, and the evolution of contactless payment methods. Additionally, the infusion of cryptocurrencies and the introduction of augmented reality (AR) and virtual reality (VR) features within e-wallet applications mark novel dimensions in this evolving landscape. The potential impact of these technological advancements on Gen Z's impulse buying behaviour is manifold. Enhanced authentication methods may instill a sense of trust and convenience, potentially influencing impulsive purchase decisions. Personalized recommendations driven by artificial intelligence algorithms may align more closely with individual preferences, amplifying the allure of unplanned transactions. The integration of cryptocurrency introduces a new financial dimension, appealing to the tech-savvy nature of Gen Z. Furthermore, the incorporation of AR and VR elements creates an experiential aspect to shopping, potentially intensifying the appeal of impulse purchases through interactive interfaces. As these technological trends progress, a thorough exploration of their impact on Gen Z's financial decision-making becomes imperative. This study aims to unravel how these innovations shape the e-wallet experience and, consequently, influence impulsive buying behaviour. The insights gained will not only contribute to a deeper comprehension of consumer dynamics but will also inform strategies tailored to resonate with the tech-centric preferences of the Gen Z demographic.

### **Long-term Effects**

An in-depth exploration of the extended implications of e-wallet utilization on the financial comportment and overall welfare of Gen Z individuals emerges as a pivotal facet for understanding the enduring consequences of digital financial tools. As this demographic progressively assimilates e-wallets into their daily fiscal transactions, a meticulous examination of the prolonged impact on financial behaviors becomes imperative. E-wallets, characterized by seamless transactions and enhanced convenience, signify a paradigm shift in the financial management strategies employed by Gen Z. However, the longitudinal ramifications on fiscal habits necessitate meticulous investigation. One facet of scrutiny involves discerning whether the streamlined nature of e-wallet transactions instigates a conscientious and disciplined approach to budgeting or, alternatively, cultivates impulsive spending tendencies.

Moreover, the accrual of transactional data within e-wallet repositories presents an opportunity for nuanced behavioural analysis. Gaining insights into the evolution of Gen Z's fiscal patterns over time, deciphering spending trends, and identifying areas of financial resilience or susceptibility assumes paramount importance for researchers and financial service providers alike. While e-wallets offer convenience and alleviate some financial stressors, a thorough assessment of psychological factors, including financial anxiety and societal pressures to conform to digital spending trends, is necessary. This scholarly inquiry not only augments the broader comprehension of the digital financial milieu but also furnishes pragmatic insights for financial institutions and policymakers. By holistically assessing the protracted repercussions of e-wallet usage within the Gen Z cohort, stakeholders can tailor financial literacy initiatives, craft features that foster judicious spending habits, and ultimately contribute to the comprehensive financial well-being of this generation amidst the ever-evolving financial landscape.

### **E-Wallet Features and Impulse Purchases**

E-wallets offer a spectrum of features that wield considerable influence over users' propensity for impulse purchases. The streamlined one-click purchase option stands out for reducing transaction friction, making impulsive buying decisions more accessible. However, this immediacy could be a double-edged sword, potentially leading to unplanned spending for some users. Promotional incentives, including discounts and loyalty programs, present an enticing avenue for spontaneous purchases, although some users may adopt a more discerning approach, waiting for opportune moments. Features such as stored payment information contribute to the convenience of quick and impulsive transactions but may deter security-conscious users concerned about overspending. Real-time transaction notifications, while prompting users to seize limited-time offers, might overwhelm those seeking a more mindful spending approach.

User experiences and feedback underscore the positive aspects of convenience and time-saving, particularly with one-click purchases and promotional incentives. Yet, concerns about overspending and security associated with stored payment information surface as negative experiences. Improvement suggestions emphasize the importance of accurate personalized recommendations and transparent communication about promotional incentives. In essence, e-wallet features play a pivotal role in shaping impulse buying behavior, and user feedback becomes a valuable guide for continual refinement. Striking a delicate balance between convenience and security while tailoring features to diverse user preferences emerges as a crucial strategy for fostering responsible and positive financial habits.

### S-O-R framework

The S-O-R framework, denoting Stimulus-Organism-Response, stands as a widely employed psychological paradigm for scrutinizing and comprehending human behavior. Within this conceptual framework, an external stimulus, encompassing events or situations, acts as the catalyst instigating a subsequent response. The organism facet encapsulates the internal workings of an individual, encompassing emotions, perceptions, and distinctive traits, thus serving as a mediator in influencing the impact of the stimulus. Ultimately, the response materializes as the overt behavior or reaction resulting from the interplay between the external stimulus and the internal organismic processes. This model finds frequent application in diverse fields such as consumer behavior, social psychology, and environmental psychology. It is instrumental in investigating how external factors mold individual reactions and behaviors, delving into the intricate interrelationship between external stimuli and the internal realms of cognition and emotion.

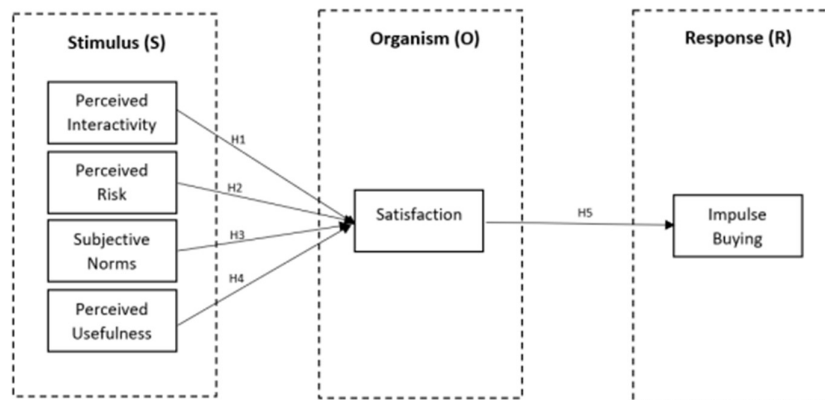


Fig. 1. S-O-R Framework

**Source:** Sanny, L., Chandra, G. R., Chelles, K., & Santoso, L. A. (2023). The Impulse Buying of Gen Z When Using E-Wallet In Indonesia. *Journal of Applied Engineering and Technological Science (JAETS)*, 5(1), 88-100.

### Advantages of employing the S-O-R ;

'The framework offers a well-rounded perspective by considering external stimuli, internal processes, and visible responses, facilitating a thorough grasp of behavioral dynamics. It acknowledges and investigates the internal cognitive and emotional mechanisms that act as intermediaries in shaping the impact of stimuli

Valuable in real-world applications, such as devising effective interventions, crafting targeted marketing strategies, and optimizing communication plans, enables the amalgamation of diverse influences on behavior, including environmental cues and individual characteristic salong whit Provides a lucid conceptual foundation, aiding in effective communication, theory development, and ongoing refinement.



## Literature Review

Consumers' lifestyles and needs change alongside changing times, urging merchants to reformulate customer services (Sedigheh et al. [2020](#)). Thus, this has brought an opportunity for this study to examine E-wallet usage among Malaysians during the pandemic.

Impulse buying refers to unplanned purchases or decisions made on the spot (Piron & Antonio, 1965). Impulse buying produces a sudden, often strong, and persistent desire to act without thinking (Lee et al., 2022).

It has been shown that impulsive purchasing is common among Generation Z (those born between the mid-1990s and the early-2010s) due to the rapid growth of social networking sites (SNS) like Facebook, Twitter, and Pinterest (Priporas et al., 2017; Djafarova and Bowes, 2021; Liu et al., 2021; Zafar et al., 2021).

Monitise (2012) highlights that the most engaged with technology and the internet are relatively young and understand the technology and the internet more precisely. (Lin, 2011; Bhatt and Shiva, 2020; Islam et al., 2020) argued that mobile payments are most likely to be adopted by customers accustomed to the use of wireless technologies frequently in daily activities.

The Chan et al. (2017) paper provides a very thorough survey of the literature examining online impulse purchase.

One of the primary motivators driving impulsive consumer buying is online convenience (Gulfraz et al., 2022). Convenience creates competitive advantage for online retailers and consumers are willing to pay for it (Jones, 2020). Online shopping convenience refers to customers' perceived expenditure of time and effort in conducting online shopping and has been one of the principal promoters of customer's predisposition to adopt online purchasing (Jiang et al., 2013)

## Results and Discussion

The streamlined one-click purchase feature significantly contributes to impulse purchases by reducing transaction friction, making impulsive buying decisions more accessible for users.

Promotional incentives, including discounts and loyalty programs, play a crucial role in enticing users to make spontaneous purchases, showcasing the potential of targeted promotional campaigns within e-wallet platforms.

This highlights the importance of financial literacy initiatives to empower users with a comprehensive understanding of budgeting, transaction fees, and the long-term financial implications of impulsive buying decisions.

Emerging trends in e-wallet technology, such as biometric authentication, AI-driven recommendations, and contactless payments, present opportunities to enhance user trust, convenience, and personalized experiences.

The integration of cryptocurrency and AR/VR features introduces novel dimensions that align with Gen Z's tech-savvy nature, potentially influencing impulsive buying behavior through innovative and experiential elements.



Initial findings suggest that while e-wallets offer convenience and alleviate specific financial stressors, a comprehensive evaluation of psychological aspects, including financial anxiety and societal pressures, is necessary.

The study indicates the importance of continuous monitoring of Gen Z's fiscal patterns over time, offering valuable insights into evolving spending trends and areas of financial resilience or susceptibility.

The research underscores the need for businesses and marketers to align e-wallet strategies with the preferences and tendencies of Gen Z, emphasizing authenticity, personalization, and social consciousness.

## **Conclusion**

The extensive exploration of how e-wallets impact impulse purchases among Generation Z (Gen Z) consumers offers valuable insights into the intricate dynamics of consumer behavior in the digital age. As Gen Z, known for its digital proficiency, adopts e-wallets for daily financial transactions, the implications for businesses, marketers, and policymakers become increasingly pronounced. The study finds that the streamlined features of e-wallets, such as one-click purchases and promotional incentives, play a significant role in encouraging impulsive buying decisions. However, this convenience must be carefully balanced to ensure accessibility without compromising responsible spending. The results underscore the importance of financial literacy initiatives, emphasizing the necessity for users to comprehend budgeting, transaction fees, and the long-term financial consequences of impulsive purchases.

The examination of Gen Z's consumer behavior reveals a complex interplay of factors, including social media influence, peer validation, and a preference for novel experiences. This understanding is pivotal for businesses and marketers aiming to align e-wallet strategies with the preferences of this influential demographic. Additionally, the comparison with other generations emphasizes the unique digital-native mindset of Gen Z, necessitating tailored approaches to e-wallet-induced impulse purchases. The cross-cultural analysis adds nuance, highlighting the role of cultural factors in shaping Gen Z's impulsive buying tendencies. The study underscores the necessity for e-wallet strategies to be adapted to resonate with diverse cultural values, whether emphasizing individual autonomy in Western societies or communal experiences in Eastern cultures. Technological innovations within e-wallets, such as biometric authentication and AI-driven recommendations, provide opportunities to enhance user experiences and influence impulsive buying behavior. The integration of cryptocurrency and AR/VR features introduces novel dimensions aligned with Gen Z's tech-savvy nature, potentially transforming the landscape of impulse purchases through innovative and experiential elements. Examining the long-term effects of e-wallet utilization underscores the need for continuous monitoring of Gen Z's fiscal patterns. While e-wallets offer convenience, their impact on financial behaviors requires careful investigation to determine whether they promote disciplined budgeting or cultivate impulsive spending tendencies over time. This longitudinal perspective offers insights for financial institutions and policymakers to shape initiatives promoting responsible financial conduct.

This distinctive research not only enhances our understanding of e-wallet-induced impulse purchases within Gen Z but also provides practical implications for businesses, marketers, and policymakers. The insights from this study serve as a guide for ongoing development, ensuring e-wallet strategies align with the evolving preferences and behaviors of Generation Z consumers in a dynamic and rapidly changing digital landscape.

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